

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Planning and Economic Development

AGENDA DATE: March 08, 2011

CONTACT PERSON/PHONE: Kathy Dodson, PhD, Director 541-4670

DISTRICT(S) AFFECTED: All

SUBJECT:

Discussion and Action that the City Manager be authorized to sign a License Agreement by and between the City of El Paso and Carlos Narvaez d/b/a Los Colorines for the use of a portion of City-owned property located at City Hall, 2 Civic Center Plaza, El Paso, Texas, as a food and beverage café for the benefit of City employees, visitors, and the general public in El Paso, Texas.
[Planning and Economic Development, Kathryn B. Dodson, (915) 541-4872]

BACKGROUND / DISCUSSION:

The City desires that a food and beverage café be operated as an amenity to the City Hall facility for the benefit of its employees, visitors, and the general public, where such café offers a range of food and beverage service, including healthy fare, at a reasonable cost. Licensee agrees to provide a wide variety of wholesome and high quality food and beverage products that are reasonably priced and Licensee will allow for take out of menu items. Ten percent (10%) of all snacks, beverages, and meals offered by Licensee shall be healthy food options as defined by the Food and Drug Administration.

For the first year of the term licensee will pay the City \$1,200 and for each subsequent year thereafter, a monthly fee in an amount equal to ten percent (10%) of the Licensee's monthly net revenues for that particular given month.

PRIOR COUNCIL ACTION:

N/A

AMOUNT AND SOURCE OF FUNDING:

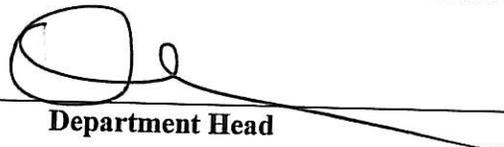
N/A

BOARD / COMMISSION ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:



Department Head

Information copy to appropriate Deputy City Manager

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign a License Agreement by and between the City of El Paso and Carlos Narvaez d/b/a Los Colorines for the use of a portion of City-owned property located at City Hall, 2 Civic Center Plaza, El Paso, Texas, as a food and beverage café for the benefit of City employees, visitors, and the general public in El Paso, Texas.

APPROVED AND ADOPTED this ____ day of _____ 2011.

CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Marie A. Taylor
Assistant City Attorney

APPROVED AS TO CONTENT:



Kathryn B. Dodson, Ph.D., Director
Planning and Economic Development

or common areas at City Hall, as well as the indoor and outdoor seating areas adjacent to the Café for the use of its customers. "Common area" means that area designed by the City Manager or her designee (hereinafter collectively, the "City Manager") and is an area that may be used by the public, regardless of whether such persons are customers of Licensee. No food preparation is permitted in the Common areas.

2.3 Nothing contained herein shall grant or be construed to grant any real property interest to the Licensee, nor shall it give rise to any vested right in the Licensee, his assigns or successors in interest who shall not have a cause of action for damages upon revocation of this License.

3. **TERM.** The term of this License shall be for three (3) years from the date of execution of this Agreement. The City shall have the option to extend this Agreement for two (2) additional one-year terms. Each one-year option term shall be a "contract year". All terms and conditions of an option term shall be the same as set forth in this Agreement.

4. **CONSIDERATION.** As consideration for this License providing the privilege of operating and maintaining the food concession at City Hall, Licensee shall pay the City a fee based on the following payment schedule: (1) for the first year of the term, \$100.00 per month (or the lump sum of \$1,200.00) and (2) for each subsequent year thereafter and for any option term, a monthly fee in an amount equal to ten percent (10%) of the Licensee's monthly net revenues for that particular given month, which shall be calculated on a cash basis method of accounting. Net revenues shall consist of all revenues of the Café operation less direct operating costs, including supplies, the ten percent fee paid for the previous month, labor and taxes, but excluding corporate home office overhead. Fees shall be remitted to the City's Financial Services Department on the tenth day of each month for the immediately preceding month's net revenues. Following the first year of the term, the Licensee shall provide the City with its monthly financial earnings statement and a schedule setting forth the monthly calculation at or before the payment of the monthly net revenue fee.

5. **USE OF CAFÉ, HOURS OF OPERATION, MENU, AND CONDUCT.**

5.1 This License is granted solely for the purpose of allowing the Licensee to install and maintain equipment, fixtures, furnishing and other improvements improved by the City Manager for the concession, from which the Licensee will offer to the public food and beverages in a non-discriminatory manner.

5.2 Licensee agrees to provide breakfast and lunch, including hot food items and a daily \$5.00 (plus tax) special, on a daily basis on each regular business day(s) that City Hall is open. Licensee agrees to provide a wide variety of wholesome and high quality food and beverage products that are reasonably priced and Licensee will allow for take-out of menu items. Ten percent (10%) of all snacks, beverages, and meals offered by Licensee shall be healthy food options, which for the purposes of this Agreement shall mean a snack, beverage, or meal that contributes to a balanced diet and is low calorie,

low fat, low sodium, and low in sugars as those terms are defined by the Food And Drug Administration (FDA) pursuant to 21 C.F.R. Part 101, and incorporated herein by reference, and FDA's Appendix A: Definitions of Nutrient Content Claims, attached hereto as Exhibit "B".

5.3 No alcoholic beverage shall be sold or be an ingredient in any beverage sold or otherwise distributed at the Café.

5.4 Licensee shall submit to the City Manager a schedule of hours that sales will be made available to the public and the menu that will be provided to the public. The hours of operation and menu shall be approved by the City Manager in advance in writing prior to commencement of sales by Licensee, the hours of operation to be consistent with the public hours of City Hall.

5.5 Licensee shall serve affordable, high quality products and provide a standard of service and quality comparable to high quality establishments in the El Paso area. All food, beverages, snacks, and other items sold or offered for sale in the Café shall conform in all respects to all applicable federal, state, and local laws, ordinances, rules, and regulations. All products offered for sale in the Café shall be stored and handled with due regard for sanitation. All food products sold shall be prepared and handled to provide fresh, high quality products.

5.6 Licensee shall ensure that it has complied with all applicable state and local laws in establishing and maintaining the Café. Licensee shall obtain and maintain all necessary licenses, permits and approvals required by local, state and federal regulatory agencies. This License shall not be construed to waive any City or State regulatory or permit requirements.

5.7 Licensee will hire experienced management to operate the Café for the term of this Agreement. Licensee is to adequately staff the Café at all times to handle customer demand efficiently. All employees of the Licensee shall be dressed in a clean and professional manner. In all circumstances, Licensee shall exercise and shall require its employees and agents to exercise courtesy and consideration in their relations with the public. It is understood that the City shall have neither supervision nor control over the Licensee's employees' performance of their duties for the Licensee.

5.8 Licensee shall observe and obey all rules and regulations applicable to City Hall covering the persons in or about the premises, which may change from time to time, during the term of this Agreement. Licensee shall not violate, nor knowingly permit its officers, agents, employees, or contractors acting on Licensee's behalf to violate any such rules and regulations.

5.9 Licensee will accept as payment for goods and services nationally recognized credit cards and provide the necessary equipment to process credit card payments at its sole expense.

5.10 Licensee shall not allow product deliveries to interrupt basic City Hall operations and will make every effort to ensure that such deliveries cause as little disturbance as possible. If requested, routine delivery schedules will be presented to the City Manager for prior approval. Delivery vehicles shall park in designated areas that have been approved for use by the City Manager.

5.11 This License shall not permit or be construed to permit any other private use of the Café. Licensee shall not construct any additional improvements, or make any additions or alterations to City Hall and the Café without the prior written consent of the City. Licensee shall not sell any items other than food and beverages without the City's written consent.

6. UTILITIES.

6.1 During the term of this Agreement, the City shall furnish at the City's expense, water and electricity for operation of the Café. The Licensee shall make every reasonable effort to utilize electrical and water utilities efficiently, consistent with minimizing waste of such utilities. Use of such utilities by the Licensee shall be for the exclusive use of the Café in accordance with this Agreement. In the event of any such interruption of any such services, the City shall only be obligated to use reasonable diligence to restore such service.

6.2 The City will provide and maintain a telephone line and telephone at the Café for the Licensee's use for local phone service only. The Licensee shall be responsible for any monthly long distance and usage charges.

6.3 The City shall maintain and repair the general space heating and cooling equipment. Expenses for the installation and maintenance of this equipment shall be borne by the Licensee.

7. PERSONAL PROPERTY, FURNITURE, FIXTURES, AND EQUIPMENT.

7.1 Licensee shall furnish and install, at its sole cost and expense, any personal property, furniture, fixtures and equipment, which is reasonably necessary for the operation of the Café as required under this Agreement. Licensee shall be solely responsible for the loss or damage to its own equipment, furnishings, materials, or supplies which are kept or stored on the premises of City Hall and shall be responsible for providing property loss insurance for such equipment, furnishings, materials or supplies.

7.2 Licensee shall be allowed use of existing furniture, fixtures, and equipment owned by the City which is physically located at the Café, as identified in Exhibit "C", attached hereto and incorporated by reference, including the chairs and tables presently located in the Café and the adjacent seating area. Any and all furniture, fixtures, and equipment provided by the City will be maintained by Licensee and is accepted by Licensee in its current condition. Licensee may use any of the City's furniture, fixtures, and equipment listed in Exhibit "C" provided that Licensee returns such furniture,

fixtures, and equipment to City in similar working order at the expiration or termination of this Agreement, normal wear and tear excepted.

7.4 Licensee shall obtain the approval of the City Manager prior to replacing any existing furniture, fixtures, and equipment located at the Café or installing any fixtures or equipment needed to operate the Café.

7.5 Licensee shall be permitted to place seating in the indoor and outdoor seating areas adjacent to the Café provided that Licensee shall remove or relocate such seating at the request of the City Manager in order to accommodate City functions and programs.

8. CONDITION OF PREMISES AND IMPROVEMENTS.

8.1 Licensee accepts the premises "as is" in its present condition and state of repair, and agrees that, upon completion of its use of the Café, it will vacate and surrender the premises to the City in the same condition it is now or may hereafter be improved by Licensee, normal wear and tear excepted. The Licensee shall use existing electrical outlets and plumbing.

8.2 Licensee agrees and acknowledges that no improvements shall be constructed on the Café without the written consent of the City Manager and the City Manager's prior approval of the proposed improvement plans and inspection of the construction of such improvements on City-owned property. Further, the City Manager, on behalf of the City, may impose any conditions the City considers necessary in giving its approval. Nothing contained herein shall be construed to imply that the City is responsible for the design, construction, maintenance or repair of the Cafe. The Licensee will install any improvements as necessary at its sole cost and expense.

8.2 All improvements shall be made in accordance with City Code requirements and subject to approval by the City Engineer. The Licensee will remove any improvement, at its sole cost and expense, upon notice from the City Manager if Licensee establishes any improvements that materially interfere with any City operations or activities.

8.3 The Licensee shall have access to City Hall during the term of this Agreement for making Café improvements. Access shall be during hours City Hall is open to the public and at such other times as approved in advanced in writing by the City Manager. Licensee, together with its employees, agents, contractors, subcontractors, and utility providers is granted access and Licensee may enter and use City Hall for the purpose and use of constructing, erecting, installing, maintaining, inspecting, repairing, operating, replacing or removing Café improvements subject to an improvement schedule approved in writing in advance by the City Manager. Such improvements must be performed in a manner so as not to interrupt the public use and access to City Hall.

9. REPAIRS AND MAINTENANCE.

9.1 Licensee shall keep and maintain the Café in good condition and repair and in a clean, orderly and attractive condition during the term of this Agreement. Licensee shall be responsible for all maintenance of the Café and shall repair any damage to the Café regardless of the cause of such damage, at Licensee's sole cost and expense.

10. GARBAGE AND TRASH.

10.1 Licensee shall provide for the adequate sanitary handling and disposal of all trash, garbage and other refuse caused by its use or its customers' use of the Café or in the immediate vicinity of the Café and shall provide for its timely removal from City Hall. Licensee shall provide and use suitable receptacles for all garbage, trash and other refuse on or in connection with the Café. Piling of boxes, cartons, trash or similar items in City Hall or the Café shall not be permitted. Disposal of trash shall be at locations designated by the City Manager and shall take place during hours as may be approved by the City Manager. Licensee shall keep the premises in and adjacent to the Café free of vermin, insects, and other pests. Licensee shall be responsible for keeping the Café free of trash and debris and for keeping the chairs and tables located in both the Café and adjacent seating areas clean and in reasonable order.

10.2 Licensee shall be responsible for the proper disposal of its refuse in such a manner as to not contaminate or restrict sewer lines within the Café and elsewhere in City Hall. All such disposal methods shall be in full accord with applicable regulations governing local, state, and federal laws, rules, and regulations. Licensee shall, at its own expense, check and clean all grease traps and grease receptors at least monthly. The expense of any breakage, stoppage, or damage resulting from a violation of this paragraph, wherever such occurs, shall be borne by Licensee who may, or whose employees, agents, or contractors may, have caused it.

11. **SIGNAGE.** Licensee shall not place any type of signage in or on City Hall or in the Café without the advanced written consent of the City Manager. Signage shall be limited to the name of the Café, hours of operation, and the menu. As part of the approval of Licensee's signs, the City Manager shall be entitled to limit the number of signs, the size of each sign and require certain lettering size on the signs.

12. **MARKETING.** Licensee shall not use the City's name or logo in advertising or in promoting the Café without the City's prior written consent; provided however, that Licensee may use the name and location of City Hall in such advertising without the City's prior consent.

13. **LAWS AND ORDINANCES.** Licensee shall comply with all statutes, laws, codes and ordinances applicable to Licensee's operation of the Café. In addition, Licensee shall obtain any and all required licenses, permits, and inspections and shall pay all license and permit fees that are required and necessary to carry out operation of the Café.

14. **TERMINATION/CANCELLATION.**

14.1 **Public Use.** Should the City at any time or for any reason decide that the portion of City Hall where the Café is located is needed for another public use, other than as a concession, or for any other reason, the City may cancel this License at no cost to the City upon thirty (30) days written notice. All rights of Licensee in the Premises shall then be terminated. All fees to be paid by Licensee required under this License Agreement shall be paid through the date of termination. Licensee may cancel this License, for any reason, upon thirty (30) days prior written notice to the City, and all rights of Licensee shall then be terminated.

14.2 **Failure to Operate Concession.** In addition, if, for a period of ten consecutive calendar days, Licensee shall cease to provide sales to the public at the Café as required in this License, the City shall be entitled to cancel this License and take possession of the Café by giving Licensee thirty consecutive calendar days notice to resume its sales. The thirty-day notice shall run beginning on the day after the date of the notice. This provision shall apply to Licensee's failure to provide the full menu approved by the City Manager and/or keeping the Café open to the public during the hours approved by the City Manager. If sales of the complete menu approved by the City Manager and sales hours approved by the City Manager do not resume upon the completion of the thirty-day notice, all rights of the Licensee under this License Agreement shall then terminate.

14.3 **Convenience.** Termination for convenience shall be permitted by either party, upon thirty (30) days written notice.

14.4 **Default.** If Licensee defaults in any of its obligations under this License (other than the failure to operate which is governed by the previous paragraph) and fails to correct such defaults within thirty (30) consecutive calendar days after written notice to do so has been sent; the City may cancel this License and take possession. All rights of the Licensee under this License Agreement shall then terminate. The thirty-day notice allowed in this paragraph shall begin to run on the day after the date of the notice.

14.5 **Waiver.** Any waiver by the City of any breach of any of Licensee's obligations shall not be deemed a continuing waiver, and shall not prevent the City from exercising any remedy it may have for any succeeding breach of the same or another obligation of the Licensee.

14.6 **Improvements, Furnishings, Equipment and Fixtures; Restoration of Café.** Upon termination of this License for any reason, including but not limited to the expiration of the term, cancellation, non-renewal or termination with or without cause, Licensee shall restore the Café to its original condition, normal wear and tear excepted. Fixtures attached to the Café shall remain the property of the City unless the City in writing allows the removal of fixtures by Licensee. In the event Licensee is allowed to remove fixtures, Licensee shall repair and restore all areas affected by the removal of the fixtures, at Licensee's own cost and expense. All such removal and repairs, as described in this

paragraph, shall be completed by Licensee by the end of the term of this Agreement or within the number of days thereafter as allowed in writing by the City Manager. Upon termination of this License for breach or noncompliance, the improvements, furnishings, equipment and fixtures in the Café shall become the property of the City or shall, at the option of the City Manager, be removed by the Licensee without cost to the City.

15. **LIENS AND ENCUMBRANCES.** Licensee shall **DEFEND AND IDEMNIFY** the City against any liability and loss of any type arising from any lien or encumbrance on the City Hall property and/or the Café that arises or is alleged to have arisen from Licensee's use of City Hall and/or the Café.

16. **ASSIGNMENT.** Licensee shall not assign this License without the prior written consent of the El Paso City Council.

17. **INDEMNIFICATION.**

As a condition of this Agreement, Licensee and/or its insurer shall **INDEMNIFY, DEFEND AND HOLD** the City, its officers, agents and employees, **HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, CAUSES OF ACTION, LIABILITY, DAMAGES OR EXPENSE, INCLUDING BUT NOT LIMITED TO ALL JUDGMENTS, SETTLEMENT AMOUNTS, ATTORNEYS' FEES, COURT COSTS AND EXPENSES INCURRED IN THE INVESTIGATION, HANDLING, DEFENSE AND LITIGATION OF ANY CLAIM OR SUIT, INCLUDING BUT NOT LIMITED TO ANY CLAIM OR SUIT FOR ANY DAMAGE TO OR LOSS OF ANY PROPERTY, OR ANY ILLNESS, INJURY, PHYSICAL OR MENTAL IMPAIRMENT, LOSS OF SERVICES, OR DEATH TO ANY PERSON REGARDLESS OF THE MERITS OF OR OUTCOME OF SUCH CLAIM OR SUIT ARISING OUT OF OR RELATED TO THIS AGREEMENT.** Without modifying the conditions precedent for preserving defenses, asserting claims or enforcing any legal liability, against the City as required by the City Charter or any law, the City shall promptly forward to Licensee every demand, notice, summons or other process received by the City in any claim or legal proceeding contemplated herein. Licensee shall 1) investigate or cause the investigation of accidents or occurrences involving such injuries or damages; 2) negotiate or cause to be negotiated the claim as Licensee may deem expedient; and 3) defend or cause to be defended on behalf of the City all suits for damages even if groundless, false or fraudulent, brought because of such injuries or damages. Licensee shall pay all judgments in actions defended by Licensee pursuant to this section along with all attorneys' fees and costs incurred by the City and/or Licensee including interest accruing to the date of payment by Licensee, and premiums on any appeal bonds. The City, at its election shall have the right to participate in any such negotiations or legal proceedings to the extent of its interest. The City shall not be responsible for any loss of or damage to Licensee's property from any cause.

18. **INSURANCE.** Licensee shall procure and maintain at its sole cost and expense, during the term of this Agreement, comprehensive general liability insurance in an amount not less than Two Hundred Fifty Thousand Dollars (\$250,000) for bodily injury

to one person for each occurrence, Five Hundred Thousand Dollars (\$500,000) for bodily injuries to more than one person arising out of each occurrence and One Hundred Thousand Dollars (\$100,000) for property damage arising out of each occurrence, all subject to a policy year aggregate limit of not less than \$1,000,000.00.

Prior to occupying the Café, Licensee shall provide the City with a certificate or certificates of insurance and the policies showing coverage for the required insurance. Licensee shall maintain said insurance with a solvent insurance company authorized to do business in Texas. All policies shall name the City, its officers, agents, servants and employees as additional insured, except worker's compensation. Licensee shall file a copy of the policy and certificate(s) of insurance with the City Clerk prior to commencement of operations on the property. Such policy or certificate shall provide that the insurance cannot be cancelled or the amount of coverage changed without thirty (30) days prior written notice to the City Clerk. It is understood and agreed that failure to provide the required insurance or evidence of insurance coverage shall preclude the use of the property, as otherwise agreed herein.

19. **WORKERS' COMPENSATION.** Licensee shall meet all workers' compensation requirements of the State of Texas. Licensee and its employees and agents shall not be considered employees of the City for workers' compensation or any other purposes.

20. **MISCELLANEOUS.**

20.1 Right of Entry and Inspection. The City's authorized representative shall have the right to enter the Café at all reasonable times for the purpose of inspecting the same and determining compliance with the terms of this License Agreement.

20.2 Handicapped Accessibility Standards. Licensee agrees that in the performance of this Agreement, that it will comply with the Americans with Disabilities Act, as may be required by law. Licensee, if required, must follow the Assurance required under City Ordinance 9779, prohibiting discrimination against disabled persons.

20.3 Right of Inspection and Audit. Licensee shall permit the City's auditors, authorized representatives or agents to examine, inspect, and have access to Licensee's records at all reasonable times in order to assure that each of the provisions of this License Agreement is being performed in a manner satisfactory to the City.

20.4 Taxes. Licensee shall pay taxes on all improvements and personal property it places upon the Café or uses in connection with its use of the Café on the same basis as if the Café were in private ownership, regardless of any other provisions hereof.

20.5 Agency. Nothing herein shall be construed as creating the relationship of employer or employee between the City and Licensee or between the City and Licensee's employees. This concession is granted to Licensee as an independent contractor and not as an employee or agent of the City, and nothing herein shall constitute or designate the

Licensee or any of Licensee's employees as employees of the City. The City shall not be subject to any obligations or liabilities of Licensee, incurred in the performance of this Agreement.

20.6 City's Designated Representative. For purposes of this Agreement, the City Manager or her designee, shall serve as the City's designated representative. Unless otherwise stated, all approvals required to be obtained from City in accordance with the terms of this Agreement, shall be obtained from the City Manager, or her designee.

20.7 Successors and Assigns. All of the terms, provisions, covenants and conditions of this License Agreement shall inure to the benefit and be binding upon the parties, their successors and assigns.

20.8 Notices. All notices provided for herein shall be sufficient if sent by certified or registered mail, return receipt requested, postage fully prepaid, addressed to the proper party at the following addresses:

City: City of El Paso
Attn: City Manager
#2 Civic Center Plaza, 10th Floor
El Paso, Texas 79901-1196

with copy to: City of El Paso
Attn: City Clerk
2 Civic Center Plaza, 2nd Floor
El Paso, Texas 79901-1196

and Liza Ramirez-Tobias, Capital Assets Manager
Financial Services Department
2 Civic Center Plaza, 7th Floor
El Paso, Texas 79901

Licensee: Carlos Narvaez d/b/a Los Colorines
201 E. Main Street
El Paso, TX 79901

Or to such other address as the parties may designate to each other in writing from time to time.

20.9 Entire Agreement. This document contains all of the agreements between the parties and may not be modified, except by an agreement in writing signed by both parties.

20.10 Severability. The invalidity or illegality of any provision hereof shall not affect the remaining provisions hereof.

CITY CLERK DEPT.

2011 FEB 28 AM 7:58

20.11 Governing Law and Venue. The laws of the State of Texas shall govern the validity, performance and enforcement of this License and if legal action is necessary to enforce this License, exclusive venue shall be in El Paso County, Texas.

IN WITNESS WHEREOF, the parties have executed this Agreement in the City of El Paso as of the date first written above.

THE CITY OF EL PASO

Joyce A. Wilson, City Manager

APPROVED AS TO FORM:

Marie A. Taylor
Assistant City Attorney

APPROVED AS TO CONTENT:

Kathryn B. Dodson, Ph.D., Director
Planning and Economic Development

ACCEPTANCE

The above instrument, with all conditions thereof, is hereby accepted this 24th day of February, 2011.

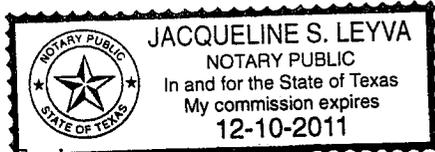
LICENSEE: CARLOS NARVAEZ
D/B/A LOS COLORINES

By: _____
Carlos Narvaez

ACKNOWLEDGMENT

THE STATE OF TEXAS §
 §
COUNTY OF EL PASO §

This instrument is acknowledged before me on this 24th day of February, 2011, by Carlos Narvaez, individually, and d/b/a Los Colorines, the Licensee.



My Commission Expires _____

Notary Public, State of Texas
Notary's Printed or Typed Name
Jacqueline S. Leyva

Exhibit "A"

**Café Floor Plan
[See Attached]**

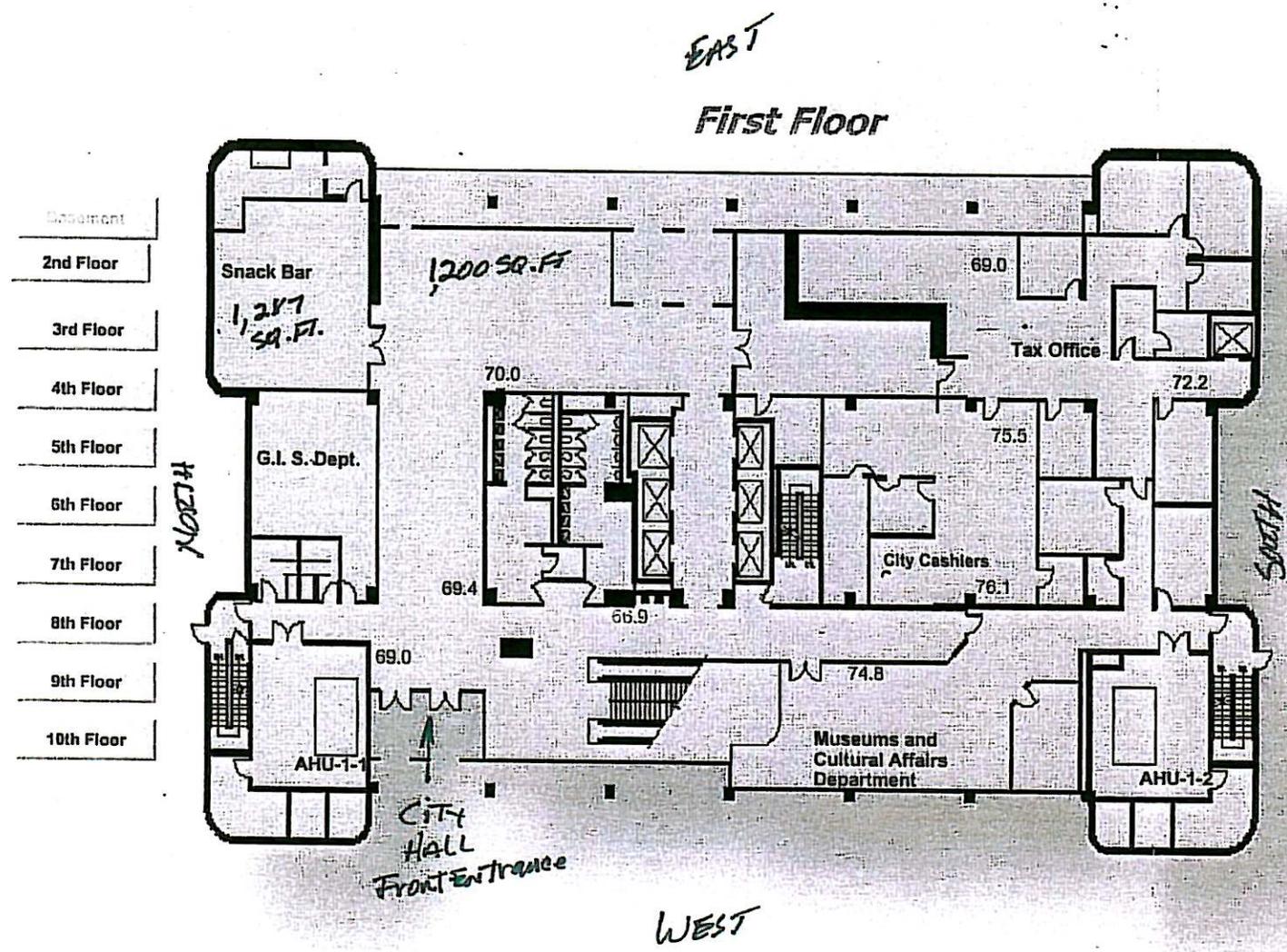


Exhibit "B"

Appendix A: Definitions of Nutrient Content Claims (FDA, October 2009)

Content Claims ("Free," "Low," "Reduced/Less")			
Free	Low	Reduced/Less	Comments
<p>Synonyms for "Free": "Zero", "No", "Without", "Trivial Source of", "Negligible Source of", "Dietarily Insignificant Source of"</p> <p>Definitions for "Free" for meals and main dishes are the stated values per labeled serving</p>	<p>Synonyms for "Low": "Little", ("Few" for Calories), "Contains a Small Amount of", "Low Source of"</p>	<p>Synonyms for "Reduced/Less": "Lower" ("Fewer" for Calories)</p> <p>"Modified" may be used in statement of identity</p> <p>Definitions for meals and main dishes are same as for individual foods on a per 100 g basis</p>	<p>For "Free", "Very Low", or "Low", must indicate if food meets a definition without benefit of special processing, alteration, formulation or reformulation; e.g., "broccoli, a fat-free food" or "celery, a low calorie food"</p>

Definitions of Nutrient Content Claims				
Nutrient	Free	Low	Reduced/Less	Comments
<p>Calories <i>21 CFR 101.60(b)</i></p>	<p>Less than 5 cal per RACC and per labeled serving (b)(1)</p>	<p>40 cal or less per RACC (and per 50 g if RACC is small) (b)(2)</p> <p>Meals and main dishes: 120 cal or less per 100 g (b)(3)</p>	<p>At least 25% fewer calories per RACC than an appropriate reference food (for meals and main dishes, at least 25% fewer calories per 100g)</p> <p>Reference food may not be "Low Calorie"</p> <p>Uses term "Fewer" rather</p>	<p>"Light" or "Lite": if 50% or more of the calories are from fat, fat must be reduced by at least 50% per RACC. If less than 50% of calories are from fat, fat must be reduced at least 50% or calories reduced at least 1/3 per RACC <i>21 CFR 101.56(b)</i></p> <p>"Light" or "Lite" meal or main dish product meets definition for</p>

			than "Less" (b)(4) & (5)	"Low Calorie" or "Low Fat" meal and is labeled to indicate which definition is met 21 CFR 101.56(d) For dietary supplements: Calorie claims can only be made when the reference product is greater than 40 calories per serving 21 CFR 101.60(a)(4)
Total Fat 21 CFR 101.62(b)	Less than 0.5 g per RACC and per labeled serving (or for meals and main dishes, less than 0.5 g per labeled serving) (b)(1) Contains no ingredient that is fat or understood to contain fat, except noted below (* ²).	3 g or less per RACC (and per 50 g if RACC is small) (b)(2) Meals and main dishes: 3 g or less per 100 g and not more than 30% of calories from fat (b)(3)	At least 25% less fat per RACC than an appropriate reference food (or for meals and main dishes, at least 25% less fat per 100g) (b)(4) & (5) Reference food may not be "Low Fat"	"__% Fat Free": may be used if food meets the requirements for "Low Fat" 21 CFR 101.62(b)(6) 100% Fat Free: food must be "Fat Free" (b)(6)(iii) "Light"--see previous Calorie comments For dietary supplements: total fat claims cannot be made for products that are 40 calories or less per serving 21 CFR 101.62(a)(4)
Saturated Fat 21 CFR 101.62(c)	Less than 0.5 g saturated fat and less than 0.5 g trans fatty acids per RACC and per labeled serving (or for meals and main dishes, less than 0.5 g saturated	1 g or less per RACC and 15% or less of calories from saturated fat (c)(2) Meals and main dishes:	At least 25% less saturated fat per RACC than an appropriate reference food (or for meals and main dishes, at least 25% less saturated fat per 100g) (c)(4) & (5)	Next to all saturated fat claims, must declare the amount of cholesterol if 2 mg or more per RACC; and the amount of total fat if more than 3 g per RACC (or 0.5 g or more of total fat per RACC for "Saturated Fat Free") (or for

	<p>fat and less than 0.5 g trans fatty acids per labeled serving) (c)(1)</p> <p>Contains no ingredient that is understood to contain saturated fat except as noted below (*³)</p>	<p>1 g or less per 100 g and less than 10% of calories from saturated fat (c)(3)</p>	<p>Reference food may not be "Low Saturated Fat"</p>	<p>meals and main dishes, per labeled serving) 21 CFR 101.62(c)</p> <p>For dietary supplements: saturated fat claims cannot be made for products that are 40 calories or less per serving 21 CFR 101.62(a)(4)</p>
<p>Cholesterol 21 CFR 101.62(d)</p>	<p>Less than 2 mg per RACC and per labeled serving (or for meals and main dishes, less than 2 mg per labeled serving)</p> <p>Contains no ingredient that contains cholesterol except as noted below (*⁴) (d)(1)</p>	<p>20 mg or less per RACC (and per 50 g of food if RACC is small) (d)(2)</p> <p>Meals and main dishes: 20 mg or less per 100 g (d)(3)</p>	<p>At least 25% less cholesterol per RACC than an appropriate reference food (or for meals and main dishes, at least 25% less cholesterol per 100g) (d)(4) & (5)</p> <p>Reference food may not be "Low Cholesterol"</p>	<p>Cholesterol claims only allowed when food contains 2 g or less saturated fat per RACC; or for meals and main dish products, per labeled serving size for "Free" claims or per 100 g for "Low" and "Reduced/Less" claims</p> <p>Must declare the amount of total fat next to cholesterol claim when fat exceeds 13 g per RACC and labeled serving (or per 50 g of food if RACC is small), or when the fat exceeds 19.5 g per labeled serving for main dishes or 26 g for meal products</p> <p>For dietary supplements: cholesterol claims cannot be made for products that are 40</p>

				calories or less per serving
Sodium <i>21 CFR 101.61</i>	<p>Less than 5 mg per RACC and per labeled serving (or for meals and main dishes, less than 5 mg per labeled serving) (b)(1)</p> <p>Contains no ingredient that is sodium chloride or generally understood to contain sodium except as noted below (*5)</p> <p>"Salt Free" must meet criterion for "Sodium Free" (c)(1)</p>	<p>140 mg or less per RACC (and per 50 g if RACC is small) (b)(4)</p> <p>Meals and main dishes: 140 mg or less per 100g (b)(5)</p> <p>"Very Low Sodium": 35 mg or less per RACC (and per 50g if RACC is small). For meals and main dishes: 35mg or less per 100g (b)(2) & (3)</p>	<p>At least 25% less sodium per RACC than an appropriate reference food (or for meals and main dishes, at least 25% less sodium per 100g)</p> <p>Reference food may not be "Low Sodium" (b)(6) & (7)</p>	<p>"Light" (for sodium reduced <i>21 CFR</i> products): if food is "Low Calorie" and "Low Fat" and sodium is reduced by at least 50%. <i>21 CFR 101.56(c)(1)</i></p> <p>"Light in Sodium": if sodium is reduced by at least 50% per RACC. <i>21 CFR 101.56(c)(2)</i></p> <p>For meals and main dishes, "Light in Sodium" meets definition for "Low in Sodium" <i>21 CFR 101.56(d)(2)</i></p> <p>"No Salt Added" and "Unsalted" must declare "This is Not A Sodium Free Food" on information panel if food is not "Sodium Free" <i>21 CFR 101.61(c)(2)</i></p> <p>"Lightly Salted": 50% less sodium than normally added to reference food and if not "Low Sodium", so labeled on information panel <i>21 CFR 101.56(g)</i></p>
Sugars <i>21 CFR 101.60(c)</i>	"Sugar Free": Less than 0.5 g sugars per RACC and per	Not Defined. May not be	At least 25% less sugars per RACC than an appropriate	"No Added Sugars" and "Without Added Sugars" are allowed if no sugar or sugar

	<p>labeled serving (or for meals and main dishes, less than 0.5 g per labeled serving) (c)(1)</p> <p>Contains no ingredient that is a sugar or generally understood to contain sugars except as noted below (*⁶)</p> <p>Disclose calorie profile (e.g., "Low Calorie")</p>	used	<p>reference food (or for meals and main dishes, at least 25% less sugar per 100g)</p> <p>May not use this claim on dietary supplements of vitamins and minerals (c)(5) & (6)</p>	<p>containing ingredient is added during processing. State if food is not "Low" or "Reduced Calorie" (c)(2)</p> <p>The terms "Unsweetened" and "No Added Sweeteners" remain as factual statements (c)(3)</p> <p>Does not include sugar alcohols</p> <p>For dietary supplements: "Sugar Free" and "No Added Sugar" may be used for vitamins and minerals intended to be used by infants and children less than 2 years of age. (c)(4)</p>
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Notes: * Except if the ingredient listed in the ingredient statement has an asterisk that refers to footnote (e.g., "* adds a trivial amount of fat").

- RACC = Reference Amounts Customarily Consumed.
- Small RACC = Reference Amounts Customarily Consumed of 30 g or less or 2 tablespoons or less (for dehydrated foods that are typically consumed when rehydrated with water or a diluent containing an insignificant amount, as defined in 21 CFR 101.9(f)(1), of all nutrients per RACC, the per 50 g criterion refers to the prepared form of the food).
- When levels exceed: 13 g Total Fat, 4 g Saturated Fat, 60 mg Cholesterol, and 480 mg Sodium per RACC, per labeled serving or, for foods with small RACC, per 50 g, a disclosure statement is required as part of claim (e.g., "See nutrition information for ___ content" with the blank filled in with nutrient(s) that exceed the prescribed levels).
- The term "light" may be used to describe a physical or organoleptic attribute of the food if it clearly conveys the nature of the product, e.g., "light in color," "light intexture." 21 CFR 101.56(e)
- If there has been a long history of use of the term "light" associated with a product it may continue to be used, e.g., "light corn syrup," "light brown sugar." 21 CFR 101.56(f)

EXHIBIT "C"

Equipment Inventory
[See Attached]

Exhibit "C"

City Hall Café Equipment List

Stock #	Descriptions	Quantity
GX201GS	STAR SANDWICH TOASTER GRILL	1
F-101	WELLS COUNTER TOP FRYER	1
VUR-60-16	VICTORY REFRIGERATION SANDWICH TABLE	1
ABCWT18-4-3060	WORK TABLE 60"X 30"	2
502941	DRAWER	2
ABCWT18-4-3048	WORK TABLE 30"X 48"	3
BC331KDL12-480	UTILITY CART	1
RCS10MPA	AMANA MICROWAVE	1
3600	GLOBE SLICER	1
HL7237PS	HEAT LAMP WARMER	1
CB1824KC	SAN H-JAMAR CUTTING BOARD KIT	1
KR-100	KNIFE RACK	1
Y32R	PORTION SCALE	1
HF-4E-208	HOT FOOD TABLE 4 WELL	1
G-23	WELLS GRIDDLE COUNTER UNIT 34"	1
T3048GS	EQUIPMENT STAND 60 X 30	1
T2460GS	EQUIPMENT STAND 48 X 30	1
3117635	CASTORS WITH BRAKE	4
317636	CASTORS WITHOUT BRAKE	4
No 1	CAN OPENER	1
ABCHF2BR	CHAIRS	50
ALP5036CRW	TABLE TOP 36" ROUND	10
FAL203-30	TABLE BASE FOR 36"	10
AIP5030CRW	TABLE TOP 30" ROUND	5
FAL203-22	TABLE BASE FOR 30"	5
ICE0250FA	ICE O MATIC ICE CUBER 352 LB	1
B40PS	ICE BIN 365 LB CAPACITY	1
IF1	FILTRATION SYSTEM	1
14-E3C16X20-2-18	THREE COMPARTMENT SINK	1
B-1128	T&S BRASS MODEL FAUCET	1
VR2	TWO DOOR REFRIDGERATOR	1
VF2	TWO DOOR FREEZER	1
	MISC POTS, PANS, UTENSILS & KNIVES	1
	SALAD BAR	1
	POPCORN MACHINE	1

DATE REVIEWED FEBRUARY 14, 2011