



Item No. 17 Town of Atherton

CITY COUNCIL STAFF REPORT – REGULAR AGENDA

**TO: THE HONORABLE MAYOR AND CITY COUNCIL
GEORGE RODERICKS, CITY MANAGER**

FROM: ROBERT OVADIA, PUBLIC WORKS DIRECTOR

DATE: APRIL 20, 2022

**SUBJECT: LEASE AGREEMENT FOR THE OPERATION AND MAINTENANCE
OF THE PROPOSED LIBRARY CAFÉ**

RECOMMENDATION

The City Council approve a Lease Agreement with Mademoiselle Colette, Inc. for the operation and maintenance of the café proposed at the Library in the Historic Town Hall; authorize the City Attorney to prepare the lease agreement; and authorize the City Manager to execute the agreement.

BACKGROUND

The Town is nearing completion of its new Town Center and Library complex near the historic Atherton Rail Station. The complex consists of a new, approximately 30,000 square foot, Town Center building to house the Town administrative offices, police department, permit center, and City Council chambers, a new, approximately 10,000 square foot, Town Library, and renovated 2,000 Historic Town Hall community space. The Town Center is home to approximately 65-70 personnel working in the various facilities as well as the public utilizing the services provided. The Atherton Library has a service area of approximately 15,000 patrons and will be open 7 days a week.

The new Library will include quiet reading areas, maker spaces, conference rooms, heritage community room and a large, approximately 2,000+ square foot, deck and terrace fronting the approximately 250 square foot unfinished café space. The café space is located within the renovated Historic Town Hall adjacent to the Library.

An RFP for the proposed café was released in March 2021, earlier in the construction process, and did not receive any proposals. In January 2022, as the project was in a more complete state and the space for the proposed café was better understandable, the City Council approved the reissuance of the RFP for a Café vendor. The RFP was released on January 28, 2022, with proposals due on March 15, 2022.

ANALYSIS

Staff posted the RFP on the Town's website and directly solicited proposals from additional vendors that would potentially be interested in operating the café. During the release, staff conducted site visits with several potential vendors and coordinated responses to questions that were posted on the RFP page so all interested parties could access.

Two (2) proposals were submitted by the March 15, 2022, deadline from:

- SiliconValley.coffee
- Mademoiselle Colette, Inc.

The owners of both firms are residents of the Town.

Staff reviewed the proposals received with the Council Subcommittee. As noted in the RFP, the key factors in evaluation included:

- Quality of Work Plan
- Experience Running Similar Operations
- Menu Selection
- Rent/Revenue Share

Though both firms were deemed qualified to operate the café, Mademoiselle Colette's proposal was ranked higher for various reasons including – a work plan that included sourcing their offerings from their own facilities (commercial kitchen and nearby bakery); greater level of staffing to provide more personal service, as well as availability of support staff from nearby operations; proposed finish materials and proposed look of the space associated with the tenant improvements; Mademoiselle Colette currently operates three locations, including Menlo Park, Redwood City, and Palo Alto. The menu selections were made in-house rather than sourced from other vendors and was a little more comprehensive.

Mademoiselle Colette is planning to self-fund the tenant improvements, estimated at \$151,000 and offered rent in the amount of 4% of gross receipts after the first year (6 months setup and improvements + 6 months of initial operations) to allow for improvement of the space, startup of operations and to recoup some of the investment associated with the tenant improvements. The rent would be capped at \$35,000 per year during the initial term. Mademoiselle Colette has asked for a five (5) year lease with an additional five (5) year option.

Mademoiselle Colette anticipates initial operating hours being 7:30 am – 6 pm Monday through Sunday. As the site is not fully occupied, the hours will flex to best meet demand.

The following are the proposed base terms for the lease agreement:

- Initial term – 5 years
- Rent (first 12 months) – \$0
- Rent (the next 48 months) – 4% of prior month’s gross receipts, capped at \$35,000 per year
- Tenant improvements – self funded, estimated at \$151,000
- Utility services – provided by Town as part of the Civic Center operations
- Renewal term (**tenant option**) – 5 years
- Rent (renewal term) - 4% of prior month’s gross receipts, rent cap increased by 3% annually after 5th year
- Minimum operating hours – 8 am – 4 pm Monday – Friday
- Security Deposit - \$10,000
- Early termination by tenant - Tenant improvement to remain property of Town

Staff and the Council Subcommittee recommend the approval of a lease agreement with Mademoiselle Colette for the proposed café in the Historic Town Hall at the Atherton Library. Mademoiselle Colette has also expressed an interest in wine service on site. As this was not contemplated as part of the service offerings for the café, staff did not include it as a potential within the RFP or the lease agreement. Wine service would require separate licensing for the facility. Should the Council be open to allowing wine service at the café, it would be appropriate for the Council to provide that direction and staff can facilitate the necessary discussions and lease inclusions with Mademoiselle Colette.

POLICY FOCUS

The Town Council discussion should focus on the desire to provide a food and beverage option at the Town Center, and the proposed lease agreement term and rent structure for the café space.

FISCAL IMPACT

Lease payments will accrue to the Town after the first year in the amount of 4% of the café’s prior month’s receipts, capped at \$35,000 annually during the initial lease term.

GOAL ALIGNMENT

This report and its contents are in alignment with the following Council Policy Goals:

- Goal B – Preserve Small Town Character and Quality of Life
- Goal C – Create and Expand the Town Center/Library
- Goal F – Be Forward-Thinking, Well-Managed, and Well-Planned

PUBLIC NOTICE

Public notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting in print and electronically. Information about the project is also disseminated via the Town's electronic News Flash and Atherton Online. There are approximately 1,200 subscribers to the Town's electronic News Flash publications. Subscribers include residents as well as stakeholders – to include, but be not limited to, media outlets, school districts, Menlo Park Fire District, service providers (water, power, and sewer), and regional elected officials.

COMMISSION/COMMITTEE FEEDBACK/REFERRAL

This item ___ has or X has not been before a Town Committee or Commission.

- Audit/Finance Committee (meets every other month)
- Bicycle/Pedestrian Committee (meets as needed)
- Civic Center Advisory Committee (meets as needed)
- Environmental Programs Committee (meets every other month)
- Park and Recreation Committee (meets each month)
- Planning Commission (meets each month)
- Rail Committee (meets every other month)
- Transportation Committee (meets every other month)

ATTACHMENTS

1. Mademoiselle Colette Proposals Dated March 15, 2022



Cover Letter / Executive Summary

Mademoiselle Colette is a pastry shop inspired by traditional Parisian cafés, as well as French food flavors and stylish room decorations. Our unique, quality focused, and elevated products combined with the comfortable yet elegant environment is what makes Mademoiselle Colette stand out from other pastry shops in the area. Customers are able to order traditional and creative meals made from Organic, fresh, local, and seasonal produce. The company serves breakfast, lunch, as well as pastries to go. We ensure that the food is prepared with high quality and healthy ingredients, obtained from local, reliable suppliers. On Mademoiselle Colette’s website, customers can choose from a wide variety of cakes to order online for in-store pick up. The company is planning on growing its sales by adding other locations throughout the bay and potentially selling its unique quality products to hotels in the area. In addition, Mademoiselle Colette (hereafter referred as “M.C.”) provides catering services and accepts cake orders online for in-store pick-up.

While a total of \$2,346,050 was invested into the company since its inception, \$150’000 will be invested into the Atherton Location, of which \$30’000 will be allocated to food equipment. Ms. Debora Ferrand serves as the Chief Executive Officer. Her professional experience and education in the food industry has equipped her with the skills and knowledge necessary to oversee expansion of the U.S. Company. M.C. is 50% owned

by Ms. Ferrand and 50% by Mr. Paul Henri Ferrand. Mademoiselle Colette LLC was formed on February 23, 2015. In 2017, the company changed its name to Mademoiselle Colette, Inc. Mademoiselle Colette, Inc was incorporated on January 1, 2017 in California. M.C. has already hired 52 employees. Regarding the Atherton location, during the first year, we will hire one Barista, one Shift Supervisor, and two Sales Assistants. During the first year of business, we expect the Atherton Store to have an annual revenue of 450'000\$, with a realistic goal of reaching \$950'0000 by year 5.

Furthermore, since April 2021, we are excited to welcome our Michelin Star Pastry Chef Simon Pacary. In order to spread the word about its offerings, M.C. invests in various marketing channels. Mademoiselle Colette has a professionally designed website, social media pages to interact with customers, and features its products and services in local magazines

(<https://www.journalgraphicsdigitalpublications.com/epubs/punch-mar22/viewer/desktop/#page/1>).

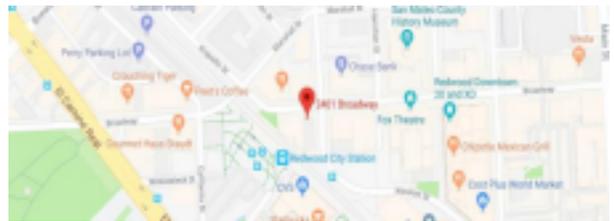
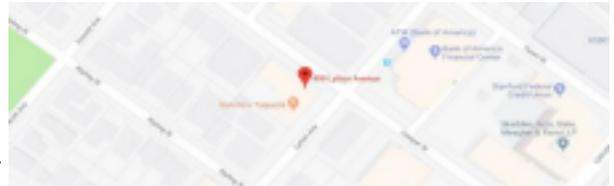
Since opening our first location in Menlo Park in February of 2015, Mademoiselle Colette has successfully revived a big part of the city. Customers from all over the bay whether it's San Jose, San Francisco, or Oakland come to Menlo Park to take advantage of the uniqueness of our products and the quality of our offering. Still to this day, customers line up outside our 3 locations every morning, especially on weekends, for most of our best-sellers, which sell out before noon. Fortunately, with the expertise of Debora, the successful business woman of M.C., we've also been able to make customers want to come back due to the "instagramable" feel of our locations, which stands out compared to other cafes in the area. Having resided in Atherton since 2015, she has been able to build relationships with her customers and adapt the offering of Mademoiselle Colette based on her clients requests and feedback .

Our offering is prepared every morning by our team of qualified and talented chefs in our Newark Kitchen. They are then shipped out by our drivers which deliver them to each location. All of our offerings are made fresh daily from scratch. Furthermore, we tend to renew our selection every other month with vibrant and exciting new products.

Our coffee selection is also provided and serviced by Mr.Espresso, a reputed coffee roaster based in Oakland. While they do provide exceptional coffee, they also regularly train our baristas, and take full responsibility for any issues with our coffee equipment (which are resolved in a timely manner).

Locations

The first bakery is located at 812 Santa Cruz Ave., Menlo Park, CA 94025. On February 25, 2015, M.C. signed a lease agreement with 812 Santa Cruz Avenue, LLC to rent the above-mentioned premises. The location consists of 1,450 square feet on the ground floor in a multi-tenant building of approximately 3,840 square feet. The term of the lease commenced on March 1, 2015 and ended on February 29, 2020. It was then extended to February 1st 2025. M.C. had the option to renew the lease for an additional five years. M.C. operates Monday to Saturday from 8:00 a.m. to 4:00 p.m. The company also operates on Sunday from 8:00 a.m. to 2:00 p.m. The second bakery is located at 499 Lytton Ave., Palo Alto, CA 94301.



On June 3, 2016, M.C. signed a lease agreement with Vittoria Management Company to rent the above-mentioned premises. The location consists of 600 square feet. The term of the lease commenced on March 4, 2016 and will end after 60 months. M.C. had the option to renew the lease for an additional five years. M.C. operates Monday to Saturday from 8:00 a.m. to 4:00 p.m. Sunday from 8:00 a.m. to 1:00 p.m. The commercial kitchen is located at 37700 Central Ct, Newark, CA 94560. On June 21, 2016, M.C. signed a lease agreement with Central Court Newark LLC to rent the above-mentioned premises. The location consists of 5,380 square feet. The term of the lease commenced on June 15, 2016 and will end 10 years after the commencement date. The third bakery is located at 2401 Broadway, Redwood City, CA 94063. M.C. uses the premises for operational purposes. M.C. answers inquiries by telephone and email.

Summary of Investment

Ms. Ferrand personally invested a total of \$2,346,050 into the company. M.C. has financed all investments from Ms. Ferrand's personal funds, without any loan from financial institutions. Source of funds:

Personal Funds Invested:	
From Ms. Ferrand's Personal Account	\$2,346,050
Total Investment	\$2,346,050

Use of proceeds:

Expenses Made from Mademoiselle Colette, Inc's Corporate Account:	
Menlo Park Bakery	
Construction/Equipment/Decoration	\$515,000
Palo Alto Bakery	
Construction/Equipment/Decoration	\$300,000
Commercial Kitchen	
Construction/Equipment	\$1,531,050
Total Spent from E-2 Corporate Account	\$2,346,050
Total of Funds Irrevocably Committed	\$2,346,050

80% of Investments made by Ms. Ferrand for M.C. have been reimbursed due to the immense success and operational efficiency of the company.

Business and Product/Service Description

Business Description

Mademoiselle Colette is a pastry shop inspired by traditional Parisian cafés, as well as French food flavors and stylish room decorations. A comfortable yet elegant environment is what makes Mademoiselle Colette stand out from other pastry shops in the area. Customers are able to order traditional and creative meals made from fresh, organic, local, and seasonal produce. The Company

serves breakfast, lunch, and aperitifs, as well as pastries to go. The Company ensures that the food is prepared with high quality and healthy ingredients, obtained from local, reliable suppliers. On the Company's website, customers can choose from a wide variety of cakes to order online for in-store pick up.

As of now, Mademoiselle Colette operates 3 bakery café in Menlo Park, Redwood City, and one in Palo Alto. The Company also operates a commercial kitchen in Newark where all the pastries are prepared for all bakeries. As the Company establishes a strong U.S. presence, Mademoiselle Colette plans to open more locations. A portion of the Company's revenue comes from catering services. The Caterers Industry revenue has increased as consumers and businesses have increased spending on industry services.³ Recent growth has been aided by recovery in consumer spending and corporate profit, and households and businesses are expanding their budgets and hosting more catered events, helping the industry to grow at an annualized rate of 1.8% to \$12 billion over the 3 years to 2025. The Company provides catering services to local businesses and will invest resources into intensifying this stream of revenue. Some of the Company's current catering clients are Nobu Hotel, Social Capital, and French Founders.

The Company invests in various marketing channels in order to spread the word about its offerings. Mademoiselle Colette has a professionally designed website, social media pages to interact with customers, and features its products and services in local magazines.

Mademoiselle Colette has strong relationships with local suppliers and experienced personnel that allow the Company to operate profitably and to consider expansion. The Company orders pastry ingredients such as milk, butter, and chocolate from Chef's Warehouse. Mr. Espresso supplies the Company with coffee and coffee machines. Mademoiselle Colette sources fresh fruits and vegetables from local producers.

Product/Service Categories

Lunch

The lunch menu offers a choice of salads, sandwiches, and soups. The lunch menu includes the Tomato & Burrata Salad, the Colette chicken salad, goat cheese and leek quiche, Roasted Chicken Sandwich, Ham & Cheese Sandwich, and a soup of the day. The Company offers tartines such as the Avocado Toast, Fig Tartines, smoked salmon sandwich, croque monsieur, and the croque madame with an egg on top.

Brunch

The brunch menu includes meals such as the asparagus egg, a poached egg on top of asparagus with hollandaise sauce, eggs benedict with Parma ham, croque monsieur, and croque madame with an egg on top.

Drinks

The drinks menu includes soft drinks, coffee, tea, and wine. The Company offers fresh orange juice, sodas, mineral water, sparkling water, and Lorina lemonade. The coffee menu includes beverages such as cappuccino, Americano, latte, and mocha. Hot chocolate is also available. Mademoiselle Colette offers a blended iced tea and other various teas.

Pastries

The Company also sells various bakery products, including almond and chocolate croissants, Kouign Amaan, apple turnover, chouquettes, chocolate twist, and madeleines. The Company prepares in-house pastries and other baked goods according to traditional French recipes.

Cakes

The Company offers cakes such as lemon cake, raspberry tart, chocolate cake, Mille-Feuille cake, and Vanilla Coconut Passion Fruit cake.

Catering Services

The catering menu includes savory and sweet food items from the Company's regular menu. The minimum order is 10 of each item. Savory items include various toasts, sandwiches, quiches, and soups. Sweet items include tartlets, mini pastries, sweet rolls, chocolate poached pears, and fruit salads. The catering menu also includes wine, champagne, sparkling water, coffee, tea, and orange juice.

Industry and Market Analysis

Industry Analysis

As Mademoiselle Colette will be the go-to place for coffee, breakfast, lunch, and snacks for all residents of Atherton, we plan on serving a unique and quality focused offering that cannot be found at other coffee shops in the area.

According to researchandmarkets.com one of the world's leading publishers of business intelligence specializing in market research, the global pastries market is projected to grow at a CAGR of 3.44% during the forecast period, 2021-2026. Typical products of this industry include bread, cakes, pastries, pies, and bagels, as well as complementary products, such as sandwiches, soups, and salads. Purchases may be consumed on-site or taken to go. As a matter of fact, consumers are turning to bakery products that offer functional benefits and suit the specific dietary needs of consumers, such as organic and natural ingredients. The Bakery Cafes Industry is heating up as consumers become more interested in moderately priced, high-quality menu offerings. The industry has surged ahead and outperformed the overall food service sector, driven largely by changing consumer preferences. Consumers are increasingly demanding healthy, gourmet, and custom-made cuisine at affordable prices.

The franchise model under which most of the major players operate has accommodated the rapid growth in establishments as operators require less capital and take on lower risk while growing market share. However, many savvy independents have made profitable businesses with niche, high-end offerings, such as cupcakes or macarons.

The industry is expected to continue on a growth trajectory over the next five years as many of the same influential trends continue. Economic fundamentals, such as consumer spending and disposable income, are anticipated to perform strongly during the outlook period, creating a favorable operating environment for bakery cafes. To avoid price-based competition and to protect profit margins, operators are expected to target markets with greater potential for growth, such as the breakfast crowd. The breakfast market has traditionally been less competitive, and bakery cafes are expected to bolster sales by offering a greater range of breakfast sandwiches, bagels, and coffee.

Market Analysis

If chosen, the company's bakery would be located in Atherton, California. According to CityData, Atherton has a population of 7,014. The estimated median household income is \$526,856. The estimated per capita income is \$185,911.

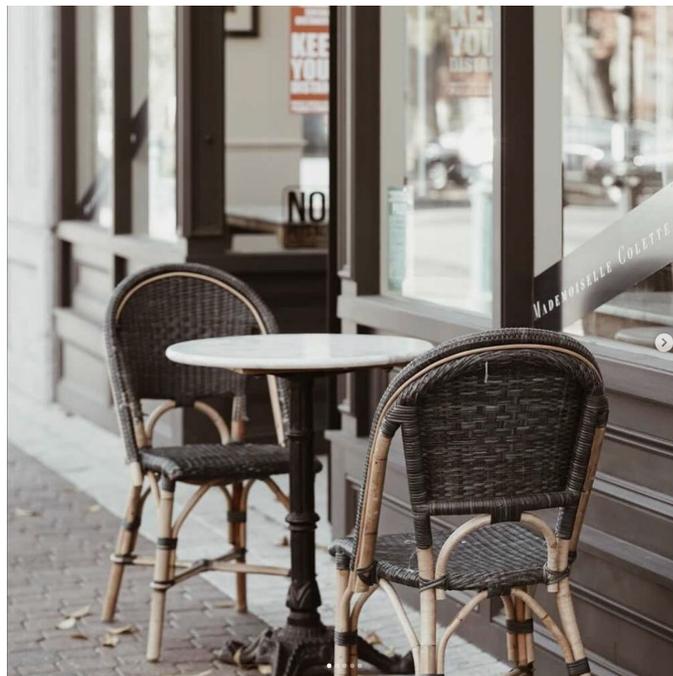
According to SizeUp, the average annual revenue per business in San Mateo County in the Retail Bakeries and Pastry Shops Industry is \$734,540. This is higher than the San Francisco-Oakland-Fremont metropolitan area average at \$613,376. It is also higher than the state average at \$435,562 and the national average at \$425,619. According to Sizeup, the average annual revenue per business in San Mateo County in the Retail Bakeries and Pastry Shops Industry ranges between \$301,000 and \$2 million. It also seems the competition in business in San Mateo County in the Retail Bakeries and Pastry Shops Industry is strong. The current situation indicates an existing demand for bakery café products in the area. Since the competition level is strong in the area, Mademoiselle Colette has an excellent opportunity to remain unique and competitive in the local market. Competition encourages creative thinking and keeps the company abreast of industry trends.

During the period of 2019-2020, the portion of a Bay Area household's budget spent on food, 12.5 percent, was not significantly different from the 12.5-percent U.S. average. San Francisco-area households spent \$6,702, or 58.6 percent, of their food dollars on food at home and \$4,736 (41.4 percent) on food away from home. In comparison, the average U.S. household spent 61.9 percent of its food budget on food at home and 38.1 percent on food away from home. Data in this release are from the Consumer Expenditure Survey (CE), which the U.S. Census Bureau conducts for the U.S. Bureau of Labor Statistics. The data in this release were averaged over a 2-year period, 2019 and 2020.

Company's Targets

Local Communities—The company's primary target customers are locals. M.C.'s bakery café is convenient for residents who do not have time to prepare their own meals and want to try food prepared according to traditional French recipes or sip organic roasted coffee with traditional french pastries. Mademoiselle Colette continuously improves the menu and adds new dishes to meet the preferences of a wide range of customers. Mademoiselle Colette offers a variety of food, pastries, and drinks. According to the American *Community Survey*, Santa Clara County is the fifth highest-income county in the U.S., while San Mateo County is the eighth. Individuals in these counties have more freedom to spend money on food and sweets outside of their homes.

Nearby Businesses & City Employees— The Company's target customers are also employees of nearby businesses and city employees who visit the bakery café before work or during breaks. As these customers often have limited time, the Company's personnel strive to provide fast and high-quality service. In addition, M.C. targets local businesses with catering services.



Competitive Advantages

Competition Analysis	Mademoiselle Colette, Inc	Acme Bread Co	Coco's Bakery Restaurant	Endersen Bakery
Nature	Bakery Café	Bakery Café	Bakery Café	Bakery Café
Products/Services Offered	Lunch, Brunch, Drinks, Pastries, Cakes, and Catering Services	Baked Goods and Beverages	Baked Goods and Beverages	Baked Goods and Beverages
Number of Employees	45-46	Range	Range	Range
Annual Sales Volume	\$3,569,323-5,075,851	\$3,000,000-\$5,000,000	\$3,000,000-\$5,000,000	\$3,000,000-\$5,000,000
Target Audience	Local Communities, Tourists, and Businesses	Local Communities, Tourists, and Businesses	Local Communities, Tourists, and Businesses	Local Communities, Tourists, and Businesses
Level of Competitiveness				
Price	●●●	●	●	●●
Location	●●●	●	●	●
Customer Service	●●●	●	●●	●
Competitive Advantages				
Ms. Ferrand's Professional Experience	✓			
Efficient Management and Operational Systems	✓			✓
High-quality Products and Services	✓		✓	
Strategic Location	✓			

Ms. Ferrand's Professional Experience

Ms. Ferrand serves as M.C.'s Chief Executive Officer. She graduated from the Le Cordon Bleu College of Culinary Arts, and has further developed an innate inspiration for delicate pastries by attending the national school of pastry in France. With experience in the restaurant industry, Ms. Ferrand leads the business operations in the U.S. Company and increases profitability by constantly re-evaluating M.C.'s product and service offerings. Her international experience is of significant importance for M.C.'s expansion plan.

Efficient Management and Operational Systems

The company's personnel have experience in the French bakery industry including the Pastry Chef and Managers. Mademoiselle Colette has developed systems that enable M.C. to provide high-quality products/services at a lower cost. Mademoiselle Colette operates with Clover, a point of sale system. Clover is a cloud-based Android point of sale platform that was launched in April 2012. The company is headquartered in Sunnyvale, California. Used by the majority of food service businesses in the United States of America, the system allows Mademoiselle Colette to ring up sales, print or email receipts, pop a cash drawer, accept credit cards, and print remotely right from an iPad or Android tablet.

High-quality Products and Services

The company's products are made in accordance with original French recipes. Mademoiselle Colette offers a wide variety of high-quality tasty meals, desserts, and drinks at competitive prices. M.C. uses only natural ingredients to make cakes, desserts, cookies, breads, and other baked goods. Mademoiselle Colette uses butter imported from France "Beurre d'Isigny AOP", vanilla bean, organic fresh eggs, and Clover dairy products. All baked goods are made from scratch at M.C.'s commercial kitchen using natural ingredients and are baked daily. All salads and sandwiches are made in-house only to ensure freshness.

Trained Personnel

Shift Supervisor

The Company will hire a Shift Supervisor. The Shift Supervisor assists the manager in planning and implementing strategies to attract customers. This employee will coordinate daily customer service operations. Shift Supervisor track the progress of weekly, monthly, quarterly, and annual objectives. The employee evaluates employee performance and identifies hiring and training needs. The employee monitors retail operating costs, budgets, and resources. The Shift Supervisor analyzes consumer behavior and adjusts product positioning.

Sales Assistants

The Company will hire Sales Assistants. Sales Assistants ensure high levels of customer satisfaction through excellent sales service. These employees maintain the bakery in outstanding condition and with high visual merchandising standards. Sales Assistants maintain a fully stocked bakery. Sales Assistants recommend and display items that match customer needs. These employees are actively involved in receiving new shipments of products. These employees accurately describe to customers product features and benefits. Sales Assistants follow all Company policies and procedures.

Baristas

The company will also hire Baristas. These employees greet customers and prepare beverages. Each Barista makes coffee following Mademoiselle Colette's prescribed recipes and preparation techniques. Baristas assist customers by providing information and answering questions. These employees maintain the bakery café's inventory by replenishing the coffee supply as well as cleaning and storing coffee brewing equipment. The Baristas report to the Managers with daily updates on sales, popular types of coffee, food, and desserts, and feedback from customers.

Driver

The Company has already hired Mr. Todd Hoey as the Driver. The Driver delivers the products from the commercial kitchen to the bakery locations. Mr. Todd Hoey follows routes and time schedules. The Driver loads, unloads, prepares, inspects, and operates a delivery vehicle. Mr. Todd Hoey performs vehicle inspections such as checking fluid levels and tire pressure. The Driver notifies supervisors about any major repairs and needed maintenance. Mr. Todd Hoey follows local and state driving laws and road regulations. The Driver adheres to Mademoiselle Colette operating policies and procedures.

Marketing and Competitive Features

Website and Digital Marketing

The company maintains a fully designed website at www.mademoisellecolette.com. The company had a professional agency design the website and optimize it for better search engine rankings. Search engine optimization of the website ensures that proper titles, meta descriptions, and keywords, both short- and long-tailed, are present on pages of the website.

The company also devotes a part of its budget to digital marketing in order to drive traffic to M.C.'s website. Digital marketing primarily focuses on Google AdWords keyword advertising campaigns and the display network. M.C. also conducts advertising campaigns on social media, such as Facebook and Instagram, to drive visitors and potential customers to its website. In addition to directly bringing visitors to the website, the digital marketing campaigns also builds brand awareness by displaying M.C.'s logo and ads on the Google display network and, therefore, numerous websites with visitors interested in the company's product. Proper search engine optimization and successful digital marketing campaigns are among the key growth-and-development factors of M.C.. Online marketing and promotional efforts helps the company rank higher in search engine result pages, which leads to an increased number of visitors and, consequently, customers.

M.C. promotes the website by conducting keyword marketing campaigns that focus on words and phrases such as French pastry and bakery.

Social Media

An ever-expanding social media presence is crucial in the modern business environment. This is why M.C. maintains professional pages on social media outlets, including Facebook, Instagram, and Pinterest. The focus on social media helps M.C. to build awareness and credibility, and it allows the company to communicate directly with its prospective clients and understand their needs.

Facebook

M.C.'s Facebook page can be accessed at

<https://www.facebook.com/Mademoiselle-Colette-293885124083652/?ref=bookmarks>.

Instagram

M.C.'s Instagram page can be accessed at https://www.instagram.com/mademoiselle_colette/.

Pinterest

M.C.'s Pinterest page can be accessed at <https://www.pinterest.com/MlleColette/?autologin=true>.

Twitter

M.C.'s Twitter page can be accessed at https://twitter.com/colette_mlle.

Yelp

M.C.'s Menlo Park location has a Yelp page that can be accessed at <https://www.yelp.com/biz/mademoiselle-colette-menlo-park>. The current customer rating is four out of five stars.

Other Marketing Strategies:

The company relies on referrals from satisfied customers to spread the word about the business. M.C. also distributes flyers and other promotional materials. Mademoiselle Colette has already been featured in local magazines such as the **San Francisco Gate**

(<https://www.sfgate.com/travel/article/Alexander-s-Patisserie-brings-European-flavor-6458291.php>),

Almanac News

(<https://www.almanacnews.com/news/2017/10/12/menlo-parks-mademoiselle-colette-opens-another-cafe>),

VOGUE (<https://www.vogue.com/article/silicon-valley-travel-guide>), **French Morning**

(<https://frenchmorning.com/les-meilleures-buches-de-noel-a-sf/>), **InMenlo**

(<https://inmenlo.com/2015/11/02/debora-ferrand-is-at-the-helm-of-mademoiselle-colette-in-downtown-menlo-park/>), **Palo Alto Online**

(<https://www.paloaltoonline.com/blogs/p/2016/08/03/menlo-parks-mademoiselle-colette-to-expand-to-palo-alto>), **S-M Daily Journal**

(https://www.smdailyjournal.com/lifestyle/food/french-p-tisserie-to-open-in-redwood-city/article_1b97d418-f44a-11e8-9069-6761die933d1.html), **The Mercury News**

(<https://www.mercurynews.com/2019/07/09/french-pastries-the-5-best-eclairs-in-the-sf-bay-area/>), and most recently **PUNCH magazine**

(<https://www.journalgraphicsdigitalpublications.com/epubs/punch-mar22/viewer/desktop/#page/1>).

M.C. will continue to build customer awareness through this kind of promotional activity.

Break-even Analysis

In Year 2, the daily break-even point is \$2,073. The monthly revenue break-even is \$62,190. The annual

revenue break-even \$746,280. The Company will invest in a significant number of activities aimed at attracting and retaining customers. The Company is expected to reach its break-even point promptly in each period.

Conclusion

Mademoiselle Colette operates a bakery café and offers lunch, pastries, brunch, coffee, and catering. The company currently operates three bakeries, in Menlo Park, Redwood city and Palo Alto, and a commercial kitchen in Newark. Mademoiselle Colette serves high quality, organic, fresh food and coffee to its customers on a daily basis. We distinguish ourselves from the competition by constantly reviewing our offerings and working closely with our Michelin Star chef to blow our customers away. Having been crowned the best croissant in the South Bay from the San Francisco Magazine, we know the value Mademoiselle Colette can bring to you and the City.

Being a French citizen and a current resident of Atherton (on Fair Oaks Lane) since 2014, successful businesswoman Debora Ferrand has gotten to know the local community in the surrounding areas. With Mademoiselle's Colette ability to bring people together and build a loyal customer base, the potential opening of a new store at the Atherton City Hall is a guaranteed success for both the City of Atherton and us. With our steady and successful operations in the bay over the last 7 years, the help of our current management team and our talented world-class chefs, we are confident that Mademoiselle Colette can bring an elegant, cozy, delicious, and high quality service cafe to the residents and employees of Atherton.





Proposal

3. Key Staff and project experience:

Debora Ferrand

Debora is the Founder and CEO of Mademoiselle Colette Inc. She has graduated from the « Cordon Bleu », and has further developed an innate inspiration for delicate pastries by attending the national school of Pastry in France (School of Alain Ducasse) where she rubbed shoulders with chef Jean-Marie Hibelot, of the well known Plaza Athene in Paris. We'll world traveled, Debora has continued to innovate and come up with new creations, inspired by her many different cultural experiences while constantly remaining dedicated to her ultimate French flair. Her 9 years experience in business management and development has allowed her to continually grow the successful and profitable Mademoiselle Colette brand in the Bay Area. With 3 locations and one commercial kitchen, she is the ideal candidate to represent the business women owners community in Atherton. Debora is married, has four children and lives in Atherton.

Simon Pacary, 1 Michelin star chef

Chef Executive Simon Pacary comes to us with more than 10 years of experience at places like LA TABLE DU PARC, MOF, 2 étoiles Michelin, ONE AND ONLY LE ST GERAN Ile Maurice. One of his many amazing achievements was to become vice champion desserts France in 2020. His art culminated in 2021 when he won his first Passion Dessert Michelin star. Mr Pacary joined Mademoiselle Colette one year ago and has since then built an experience team of pastry chefs, all based in our central production location in Newark.

Adrien Ferrand

Adrien graduated from the EHL, Ecole Hoteliere de Lausanne ,Bachelor's degree, International Hospitality Administration/ Management. He joined Mademoiselle Team in 2020 to manage our Palo Alto location and to develop the online and catering business. With his solid experience in business development, he grew the Palo Alto sales by 20% and the online and catering orders by 50% in 2021 during the challenging pandemic era.

Rajan Thapa

Rajan is the principal in charge for all retail stores for Mademoiselle Colette in the Bay Area. He has more than 10 years experience in food business and coffee shops. He joined the company 5 years ago to become the Retail store manager of our Mademoiselle Colette, Menlo Park. During his tenure, Mademoiselle Colette has grown on average by 20% a year. Given his track record and leadership, Rajan was made GM of retail stores in 2022. He is responsible for hiring, managing and training the staff in the 3 locations, Palo Alto, Redwood City and Menlo Park, as well as cost control, inventory, supplies and customer satisfaction.





4. References

-Valrhona USA
Jennifer Butler - sales director Western USA
415.609.1412
jennifer.butler@valrhona-selection.com
222 water street, Brooklyn, NY 11201

-Mr. Espresso
Luigi Di Ruocco - Vice- president
510.917.7907
luigi@mrespresso.com
696 Third St Oakland CA

-Chefs Warehouse
Frederic Meunier - account executive
650.468.5065
fmeunier@chefswarehouse.com
1250 Whipple Rd, Union City CA

-Vesta Foodservice
Ericka Legate - AR specialist
562.741.2200 x 2330
ericka.legate@vestafoodservice.com
31773 Hayman St Hayward, CA

-Savory Gourmet
Lisette Gatewood - customer service
310.391.5422
ar@savorygourmet.com
13720 S. Gramercy place Gardena CA

- The Gourmet Corner
Ed Bonifacio - customer service
650.340.6370
ed@thegourmetcorner.com
873 N San Mateo, San Mateo CA



5. Proposed Menu:

Breakfast Menu

- Avocado Toast - \$9.00

Homemade sourdough bread, avocado purée, pomegranate, Sesames seeds, onions pickles, half avocado, lime sauce.

-Yogurt and Granola - \$8.50

Organic yogurt and homemade granola.

-Parisien Breakfast - \$8.50

Homemade half baguette bread, French butter and jam Alain Millat.

- Breakfast Egg sandwich - \$8.50

Homemade bread, bacon, cheese and organic egg

-Viennoiseries - \$4.50 to \$6.50

Croissant

Chocolate croissant

Sweet kouign amann

Ham and cheese croissant

Almond croissant

Chocolate almond croissant

Goat cheese kouign amann

Chausson aux pommes

-Travel Cakes

Raspberry financier - **\$3.50**

Hazelnuts cake - **\$7.00**

Lemon cake - **\$6.00**

Chocolate moelleux - **\$5.50**

Cookies - **\$3.00**



LUNCH MENU

Carrots Salad- \$14.50

Organic carrots, arugula ,caramelized pecan, croutons , organic herbs, fennel, yogurt basil dressing.

Colette Chicken Salad - \$16.75

Organic Mary's chicken, arugula, sesame seeds, coriander, ginger, mint & caramelized onions.

Green Salad - \$8.50

Organic green salad, tomato.

Seasonal Salad - \$14.00 to \$16.00

Changes with the seasons



Croque Monsieur - \$14.50

Mornay sauce, Comté cheese, ham, garlic & herbs butter.

Quiche of the Week & Salad - \$16.85

Egg Tartine - \$14.00

Organic eggs, homemade mayonnaise, fresh herbs, caramelized shallots, Challah bread.

The Ham & Cheese Sandwich - \$15.50

Homemade baguette bread, butter, arugula, cheese, French ham & cornichon.

Chicken Sandwich - \$16.50

Homemade baguette bread, Mary's organic chicken, curry mayonnaise, artichaut, pesto, feta cheese.

Our menu is made from fresh, organic, local and seasonal produce.

FRENCH TEA MARIAGE FRÈRES \$4.75

Flavors

Milk Blue (seductive blue tea, rich milk flavor)

French Breakfast (Black Tea

Marco Polo (Fruity Black)

Earl Grey Imperial

Blanc & Rose tea (white tea & roses)

Herbal

Verbena (Herbal Citrobana)

Dream Tea (Herbal Mint)

Vanilla Bourbon

Chamomile

DRINKS MENU

Fresh Orange - \$4.95

Alain Milliat juices - \$5.50

Sodas - \$3.25

Mineral Water - \$2.50

Sparkling Water - \$3.30

Lorina lemon - \$4.70

Hot chocolate - \$5



COFFEE MENU

	8 oz	12 oz	16 oz
ESPRESSO	\$3.50		
AMERICANO		\$3.85	
ESPRESSO MACCHIATO	\$4.00		
DRIP COFFEE		\$3.90	\$4.15
CAPPUCCINO	\$4.50	\$5.50	
CORTADO (6 oz)	\$3.85		
FLAT WHITE	\$4.00		
LATTE		\$4.95	\$5.85
CAFÉ AU LAIT		\$4.50	\$4.95
MOCHACCINO		\$5.80	\$6.50
CHAI LATTE		\$5.50	\$6.00
COLD BREW			\$5.50
ICE LATTE			\$5.85
COCONUT LATTE		\$5.50	\$6.00
MATCHA LATTE		\$5.50	\$6.00
FRENCH MACARON LATTE		\$5.75	\$6.50

EXTRA SHOT \$1.00

MILK OPTIONS: Whole Milk, No Fat Milk, Almond +\$1.00, Soy Milk +\$1.00, Oat Milk +\$1.00

HOMEMADE SYRUPS: Vanilla, Chocolate, Caramel, Hazelnut, Almond, Coconut \$1.25

All natural • NO preservatives





PASTRIES MENU

Change with the seasons \$5.50 to \$12

- Chocolate entremet
- Raspberry tart
- Chocolate Eclair
- Caramel Eclair
- Lemon tart
- Chocolate mousse
- Macarons





Town of Atherton
City Clerk Department

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LUNCH MENU

Carrots Salad- \$14.50

Organic carrots, arugula, caramelized pecan, croutons, organic herbs, fennel, yogurt basil dressing.

Colette Chicken Salad - \$16.75

Organic Mary's chicken, arugula, sesame seeds, coriander, ginger, mint & caramelized onions.

Green Salad - \$8.50

Side of Organic green salad, tomato.

Seasonal Salad - \$14.00 to \$16.00

Changes with the seasons

Croque Monsieur - \$14.50

Mornay sauce, Comté cheese, ham, garlic & herbs butter.

Quiche of the Week & Salad - \$16.85

Egg Tartine - \$14.00

Organic eggs, homemade mayonnaise, fresh herbs, caramelized shallots, Challah bread.

The Ham & Cheese Sandwich - \$15.50

Baguette bread, butter, arugula, cheese, French ham & cornichon.

Chicken Sandwich - \$16.50

Baguette bread, Mary's organic chicken, curry mayonnaise, artichaut, pesto, feta cheese.

Avocado Toast - \$9

Homemade sourdough bread, guacamole, pomegranate, Sesames seeds, onions pickles, avocado, lemon.



DRINKS MENU

Fresh Orange - \$4.95

Alain Milliat juices - \$5.50

Sodas - \$3.25

Mineral Water - \$2.50

Sparkling Water - \$3.30

Lorina lemon - \$4.70

MARIAGE FRÈRES TEA MENU

Tea from our menu selection - \$4.75

Flavors

Milk Blue: seductive blue tea, rich milk flavor

French Breakfast: Black Tea

Marco Polo: Fruity Black

Earl Grey Imperial

Blanc & Rose tea: white tea & roses

Herbal

Verbena (Herbal Citrobana)

Dream Tea (Herbal Mint)

Vanilla Bourbon

Chamomile



6. Rent and/or revenue share proposal

Our management would like to propose a revenue share proposal based on the following:

- No rent during the build out phase of 6 months (partially offsetting costs for design, furnitures, installation and build out).
- No rent for another 6 months to account for the start up phase during which Mademoiselle Colette will establish its brand, presence and operations.
- A monthly rent based on 4% of the gross receipts generated in the previous month of operations capped at \$35,000/year. Payment of rent due no later than 2 weeks after the closing of every month.
- Gross receipts will be extracted from Mademoiselle Colette's Clover system and will be auditable by the Town of Atherton upon request.

In addition, Mademoiselle Colette would request that the term of the contract be similar to all its other locations which is standard in the food business, i.e. 5 Year term, renewable for an additional 5 years (for a total of 10 years). The reason for these terms is that the business needs to recoup its initial investment.





7. Finish and Furnishing

	Price
Project Budget	\$30,000
Total for Selected Products	\$29,600
Difference	-\$400

Description	Links	Price
Refrigerated counter		\$9,000
Refrigerator under-counter	https://www.webstaurantstore.com/avantco-ss-uc-60r-hc-60-undercounter-refrigerator/178SSUC60RHC.html	\$2,600
Refrigerator to go		\$2,000
Countertop oven	https://www.webstaurantstore.com/merrychef-eikon-e3-1330-high-speed-accelerated-cooking-countertop-oven/574E31330H.html	\$5,900
Dishwasher	https://www.webstaurantstore.com/jet-tech-f-14-high-temperature-countertop-dishwasher-110v/646F14.html	\$2,400
Ice machine	https://www.webstaurantstore.com/avantco-ice-uc-f-120-a-19-air-cooled-undercounter-full-cube-ice-machine-129-lb/194UCF120A.html	\$1,700
Coffee machine	Mr. Espresso	\$0
Grinder	Mr. Espresso	\$0
Cashier	Clover	\$500
Cake stands		\$1,000
Small equipement		\$1,000
Decor		\$2,000
Light fixtures	LB	\$1,500
Selection Total	Page 32 of 39	\$29,600

ATTACHMENT 1

Description	Category	Qty	Unit	Rate or Cost	Subtotal
					Sum: \$53,000
Electrical	Services			\$20,000	\$20,000
Plumbing	Services			\$15,000	\$15,000
Drywall	Services			\$12,000	\$12,000
Painting	Services			\$6,000	\$6,000
					\$32,158
Tile	Materials	50	Sq. ft.	\$7	\$358
Flooring	Materials	200	Sq. ft.	\$9	\$1,800
Marble	Materials	3	slab	\$1,500	\$4,500
Cabinetry	Materials			\$22,000	\$22,000
Mirrors	Materials			\$2,000	\$2,000
Glass	Materials			\$1,500	\$1,500
					\$22,115
Sink	Products	1		\$220	\$220
Faucet	Products	1		\$95	\$95
Refrigerator	Products	1		\$2,600	\$2,600
Ice machine	Products			\$1,500	\$1,500
Diswasher	Products			\$2,800	\$2,800
Refrigerated counter	Products			\$9,000	\$9,000
Countertop Oven	Products			\$5,900	\$5,900
					\$30,000
Contractor	Labor			\$25,000	\$25,000
Appliances installation	Labor			\$5,000	\$5,000
					\$0
					\$0
Subtotal					\$137,273
Overage	10%				\$13,727
Total					\$151,000



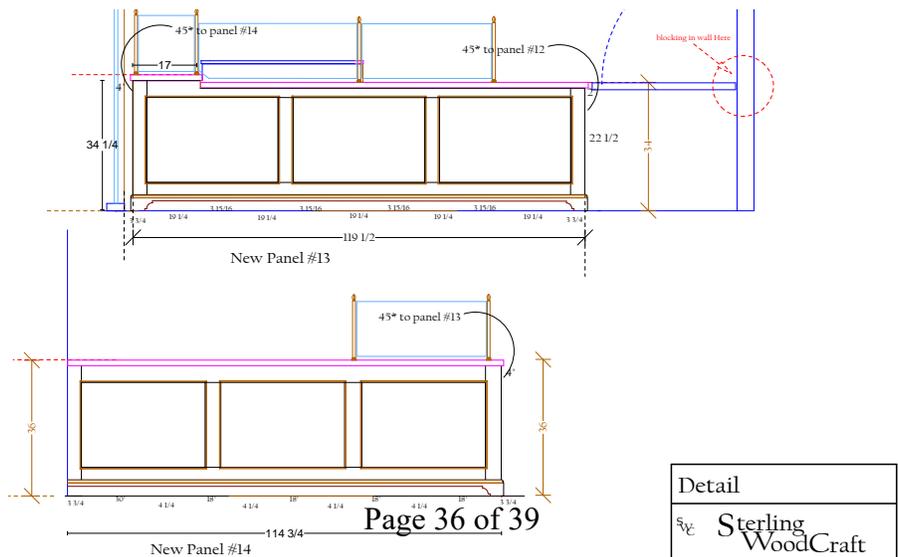
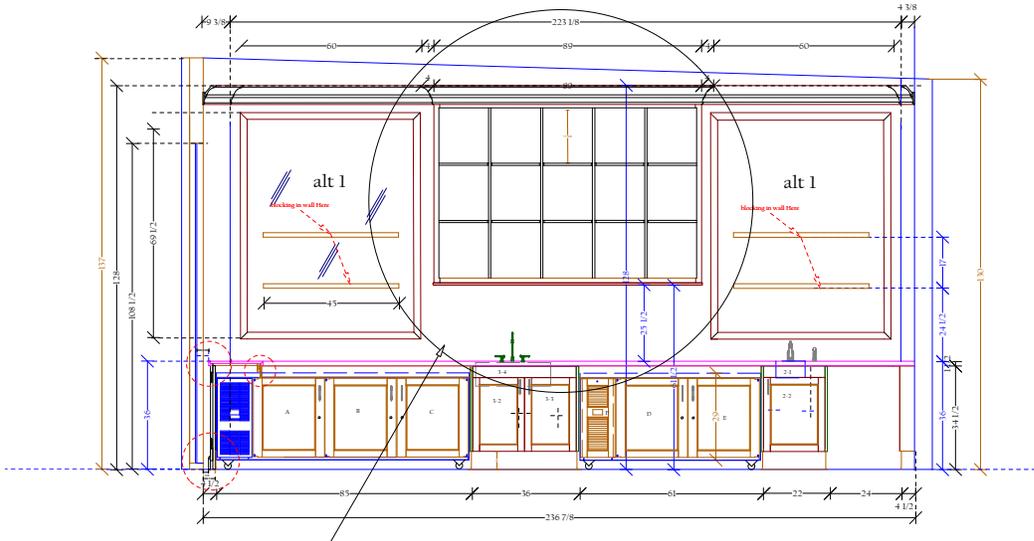
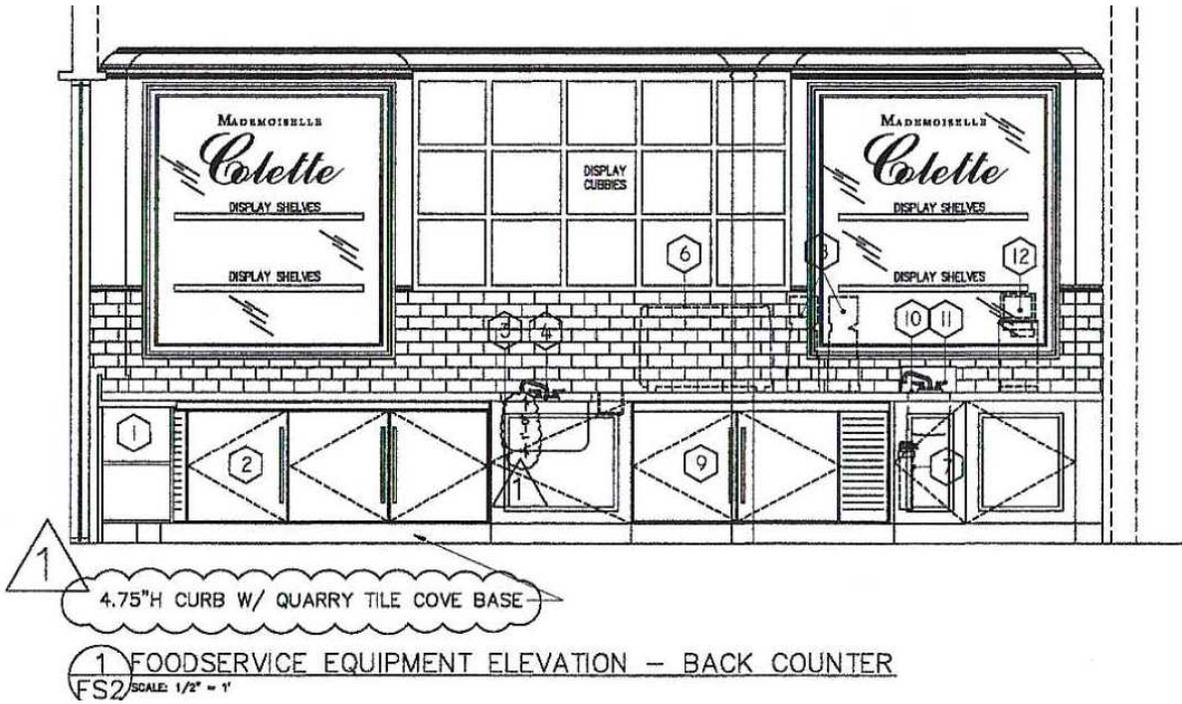
Ice Cream bike option

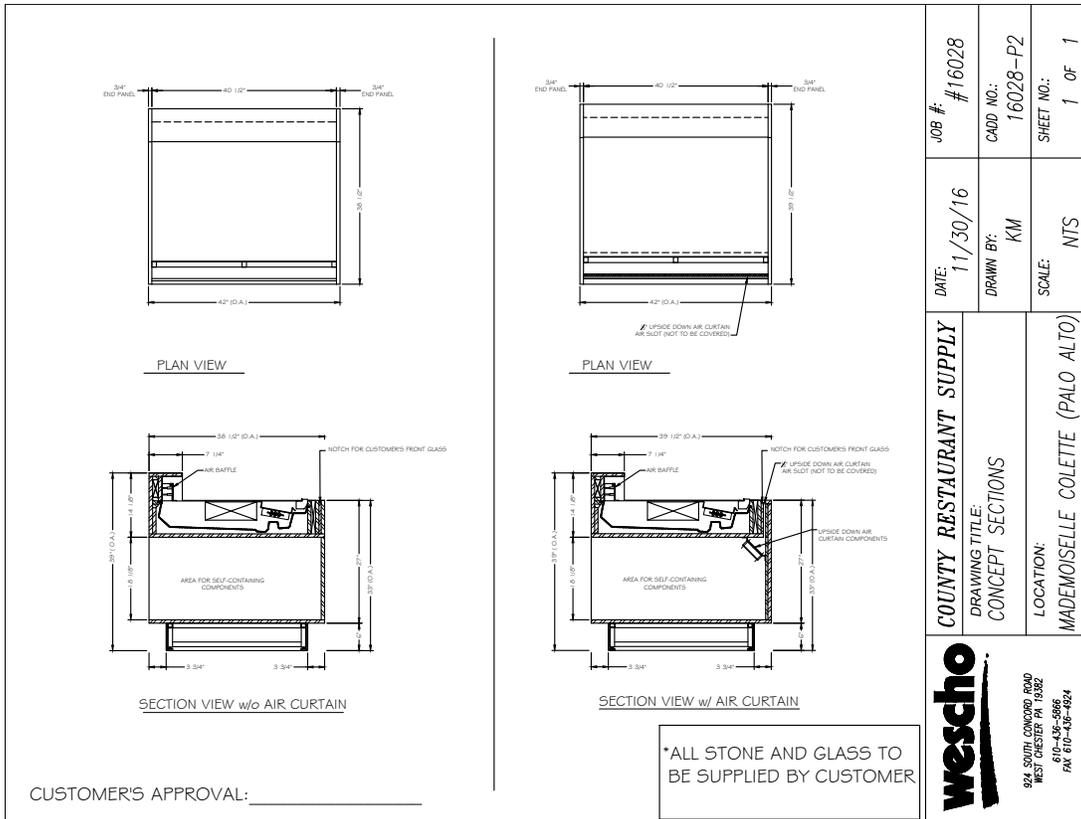
7. Finish and Furnishing

- Wood finished cabinets and shelves (see example next page)
- Marble counter tops
- Antique shops decor and mirror
- Vintage style refrigerator to go (see example next page)
- Cristal light pendants
- Custom made wood cabinets to To go items

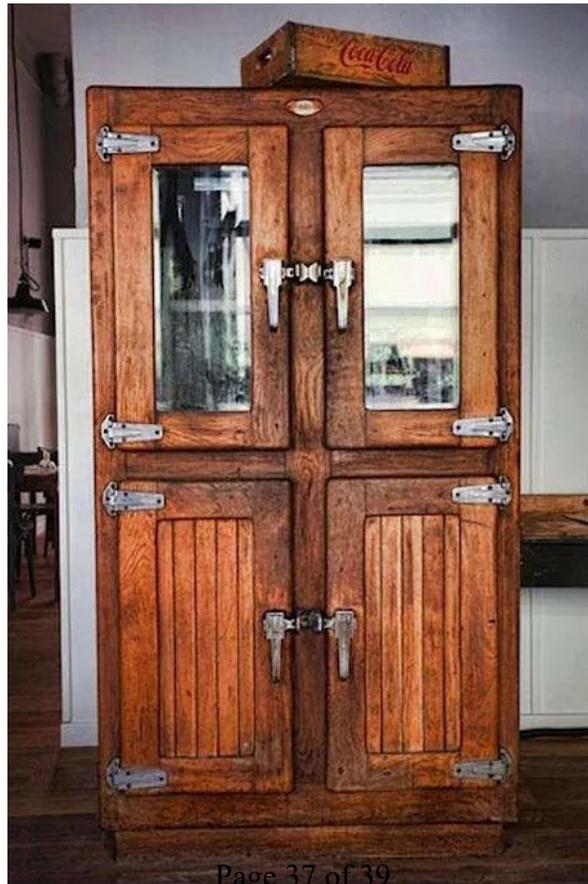
Outdoor furniture provided by Library







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8. OPERATIONS

Mademoiselle Colette is upholding very high standards of quality and cleanliness:

- Deep cleaning at the end of every day
- Ongoing maintenance of equipment and furnitures
- Pest control
- Daily Trash management

Staff and maintenance teams are already in operations at our other locations and could immediately service our new Atherton site. In addition, in keeping with its dedication to sustainability, Mademoiselle Colette guarantees the exclusive use of 100% compostable cups, plates, cutleries etc.



