

Town of Atherton - Library Café Proposal



SiliconValley.coffee

Coffee Lab & Tasting Room
651 Oak Grove Ave
Menlo Park, California

Coffee Roastery
299 Old County Road - Units 10 &11
San Carlos, California

Owner & Operators

Vance Bjorn
37 Park Drive
Atherton California
vance@siliconvalley.coffee
650-743-1274

Matthew Baker
37 Park Drive
Atherton, California
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650-450-2732

About SiliconValley.coffee

1. *TRANSMITTAL LETTER: Introduce your organization, its background and experience in providing concession and other food experience. Proposer must currently operate or have a minimum of 3+ years of experience operating a café type food business. The cover letter shall be signed by an officer of the organization who is authorized to negotiate a contract with the Town.*

At SiliconValley.coffee it is our mission to source the best coffee beans of the world and utilize new technology to create the best cup of coffee. We seek out coffee varieties grown in unique locations from passionate farmers all over the world, roast here in the Silicon Valley to ensure freshness, and use the latest in coffee brewing technologies to extract the best flavors from our freshly roasted beans. Our customers include Bay area restaurants, cafes, gyms, and tech offices such as the Bay Club, Greylock Ventures, and the San Francisco Opera.



Our artisan coffee roastery is located in San Carlos. It is a licensed and inspected California Food Processing Facility. The roastery was built around a classic San Franciscan 25lb coffee roaster which we upgraded with the custom coffee roasting software so we can roast to perfection. Recent harvest, fresh roasted, small batch coffee is notably better than store / wholesale purchased. All of our coffee is roasted and used within 2 weeks to maintain optimal flavors.

The SiliconValley.coffee Lab is opening this spring in Menlo Park. Located at 651 Oak Grove, it is next door to the post office. Think of it as a wine tasting room, but for coffee. It will become a new destination for curious coffee drinkers to experience the wonderful flavors and aromas of fresh roasted coffee from all over the world and learn the art of coffee on the latest in coffee technology for the home and office.



This summer we will be launching our signature cold coffee beverage called Cloud Brew. Cloud Brew uses our propriety coffee brewing technology that removes almost all oxygen from the brewing process which results in a clean and delicious coffee unlike anything on the market today.

About Vance Bjorn - Co-Founder SiliconValley.coffee. Founder and Former Chief Technology Officer of Digital Persona (now part of HID Global). He received his undergraduate and graduate degrees from the Electrical Engineering department at Caltech where he specialized in computation and neural systems (CNS). In starting DigitalPersona he went on leave from his studies as a National Department of Defense graduate fellow at the MIT AI Lab. Leader of coffee technology development at SiliconValley.coffee since 2018.



About Matt Baker - Co-Founder SiliconValley.coffee. Former Product Marketing Manager for mobile applications for Yahoo!, eBay, Western Digital and Johnson & Johnson. Undergraduate of University of Southern California - Annenberg School for Communication. Chief Roaster at SiliconValley.coffee since 2018.



Work Plan

2. WORK PLAN: Describe your business plan (including any market analyses) for ensuring successful operations of the café and in maintaining operating hours commensurate with the Library hours of operations.

The Atherton Cafe is a very small space to operate a world class cafe from, however with some new technology and creativity we have created a business plan which considers the small space and traffic uncertainties for long term sustainability and success. Our plan will shorten the facility buildout time so that we can be in operation in the shortest amount of time from the award date.

We propose that the Atherton Cafe will follow a hybrid Quick Serve / European style cafe experience where a customer will order indoors at the counter, but will get table service when their coffee / pastry is ready. This approach will give the customer a familiar ordering experience while utilizing the natural outdoor space and beauty of the patio area. Customers will come into the Atherton Cafe to order and pay for their items, but instead of awkwardly waiting inside the small space for a to-go coffee, they will be treated to a table-service experience with real glassware (not paper or plastic). We will actively encourage patrons to enjoy their coffee “for here”. (Recyclable, to-go cups upon request)

We believe this will create an inviting and calm cafe setting without groups of people standing around waiting for their their order to be ready. Also by using real glassware as the primary option, the Atherton Cafe will greatly reduce the amount of one-time-use waste a cafe typically creates. To accomplish this, a small dishwasher and rack storage is in our small space cafe plans.

To create the best coffee drinks we will be using a robotic barista from Artly Robotics. Using state-of-the-art computer vision, the Artly robotic arm uses a traditional coffee grinder and a top of the line La Marzocco Espresso machine to “hand craft” a perfect coffee every time. Award-winning baristas subtle motions were captured and programmed to pour the highest-quality specialty coffee and tea drinks. It’s surgeon level dexterity and temperature sensors can create wonderful steamed milk and can create the most complicated of latte art designs.

Artly Robotics is a well funded company founded by alumni of Amazon AI and Robotics. Artly baristas are operating in several retail locations on the West coast, each serving over a hundred drinks per day, seven days a week. The Atherton Cafe will be the first location in the Silicon Valley which is fitting since the Atherton community is



known as leaders in innovation. Located next door to the new maker space in the library, the Artly Robotic Barista will also become an attraction in and of itself, inspiring young minds to what is possible with technology.

Benefits of the Artly Robotic Barista:

- Will enable the café employee(s) to focus on customer engagement (table service, water refills, ordering, bussing, cleaning) rather than tedious and repetitive drink preparation
- Eliminates the requirement for employees to be an experienced barista and therefore allows for a wider pool of candidates (e.g. retirees, disabled, more part time shifts)
- Will allow for a more extensive menu of “hand-crafted” drink options in a confined space. This will include specialty coffee, tea, hot, cold, and child-friendly options.
- With keycard access - Library, City Workers and Police will have 24/7 access to drinks as the robot barista is always there and always on.
- Scalable for increased demand - Up to 2 Robot baristas could fit in the space if needed. (Each has a footprint of 48” x 48”)



Market Analysis

Based on our experience in the food industry and generally-accepted industry metrics the most pertinent operating cost assumptions for this location include:

- 40% blended Cost of Goods (COGS) for Food and Beverage.
 - 20% COGS Speciality drinks
 - 60% COGS Premium wholesale baked goods (factoring in an expected 15% waste)
- \$62000/yr employee salary, including taxes and workers comp costs
- \$18000/yr G&A (insurance, licenses, accounting, operating supplies)
- \$13 average per person ticket (single food item and drink)
- Operating hours 7am-4pm Monday to Friday , 8am-4pm weekends. (350 days/year)

- Historical site visitor estimates (per RFP): 80,000/yr Library, 10,000 Town, 50 Town Staff
- Note: by design, this analysis does not consider rent, utilities, construction, equipment costs, or management time (see Rent and Revenue and Finish and Furnishings sections below)

These assumptions determine a breakeven of \$133,000/yr revenue (which, on average requires on average ~30 customers per day). Attracting ~30 customers/day equates to the Cafe needing to convert 10% of visitors and 10% of staff as customers. Our experience provides us comfort that this is an achievable lower-bound for investment and risk-mitigation purposes.

(Note, if not for the robot barista, we would require at least two employees at all times and the breakeven would be \$218,000/yr in revenue, or ~50 customers/day)

After breakeven (of employee, tax, and general operating costs), the marginal net profit from each additional customer is \$7.80 (based on an average ticket of \$13). An additional customer could come from either a greater number of visitors to the Town Center and Library, and/or the Cafe itself being a destination for the community.

The RFP states that a 40% increase in library traffic is realistic for a new library. Based on the 10% conversion, this would result in a net increase of 12 customers per day for the Cafe, and a net profit of \$33,000/yr. And, it seems reasonable to consider that over time, 25 additional customers per day from the community is achievable, resulting in \$68,000/yr in net profit.

As a coffee roaster we also have the added value and opportunity to sell bags of freshly roasted whole beans of the coffee served at the Cafe. We consider an upside potential of \$100 of incremental sales/day, or an additional \$35,000/yearly revenue.

The objective of this analysis is comfort on a realistic “lower bound” for a sustainable business and risk mitigation. All combined, the above considerations justify a target of 69 customers/day resulting in a net profit of \$136,000. In our opinion this is a prudent and conservative analysis.

That said, it is the potential upside from this baseline which drives our enthusiasm. Over time the Cafe may prove to attract more customers from the community given the European table-service cafe approach, easy parking, and beautiful environment. After fixed costs are covered, the marginal net profit from each additional customer is substantial. Furthermore, existing locations of Artly robot barista serve 180 drinks/day per robot and there is room for multiple robots, so we have a platform which can scale as needed, even in a small space.

Staffing and Experience

3. KEY STAFF AND PROJECT EXPERIENCE: including the identification of the Principal- in-Charge and key staff. This section should identify the qualifications and related experience of key staff assigned to the project.

Vance Bjorn and Matt Baker are the co-founders and management of SiliconValley.coffee. When our Coffee Lab opens this spring, employees will be trained at our Coffee Roastery and Coffee Lab on the uniqueness of our coffee products. Our employees and ourselves will be the hosts of the Atherton Cafe. Our team will be very knowledgeable about our coffee offerings and will always take a customer service approach.

Growing up in Minnesota, Vance and his mother owned and operated a Gloria Jeans Coffee Shop where Vance managed the finances and served tens of thousands to coffee drinks to mall patrons. Leaving for California, his studies at Caltech and then MIT led him to start Digital Persona, the pioneer in consumer and commercial fingerprint recognition, counting Microsoft, Dell, Samsung, and many others as customers. In the early days he attracted several prominent entrepreneurs from Atherton to be investors, and ultimately the company proved successful enough for him to become an Atherton resident as well. Vance sold the company in 2016, and in 2018, Vance returned to his roots of operating a coffee business, but this time wanted to start right from the source of the custom roasting the freshest coffee.

Matt comes from an Italian family and has been passionate about coffee from a young age. While attending and after graduating from USC, Matt was a pioneer on mobile device and application development and had successful career in the Silicon Valley as mobile devices became mainstream. In 2018 he co-founded SiliconValley.coffee with Vance and is the “Chief Roaster” with over 500,000lbs of coffee roasted to date. To learn the industry Matt has worked at several bay area coffee shops and is a certified “Coffee Expert” from the Illy Univerisita Del Caffè and has attended numerous coffee workshops, trade shows and coffee events.

As Atherton residents, Vance and Matt will be fully hands on when it comes to every aspect of the Atherton Cafe as they live just a few minutes away.

References

4. *REFERENCES: Provide at least three references (name, company, title, address, telephone number, email) for the key individuals on the project team. Two references must be relevant to food operations.*

1. The Bay Club - Customer of 3+ years, consistent purchaser of over 100lbs of coffee per week. Contact - Dustin Everett - Director of Food and Operations - 650-593-0837 (dustin.everett@bayclubs.com)
2. San Francisco Opera - Customer of 3+ Years Contact - Frederick Wielandt - Assistant Master of Properties - fwielandt@sfopera.com
3. Pierluigi or Enrica Zappacosta - Founder of Logitech Corp / Lead investor in Digital Persona / Atherton Resident - 650-704-7332 (enrica@zappacosta.com)

Proposed Menu

5. *PROPOSED MENU: Provide a detailed proposed menu and price for food and drink items. Vendor shall provide an opportunity for sampling of proposed prepared food and beverage menu items. If requested, samples shall be furnished free of cost to the Town. If requested, they are to be delivered to Town of Atherton, 80 Fair Oaks Lane, Atherton California, 94027, unless otherwise specified, within seven (7) days. The Town reserves the right to reject the proposal of any vendor failing to submit samples as requested. Samples must be plainly marked with RFP title, name of vendor, name of product(s), and proposed pricing.*

Coffee and Beverage Menu - All coffee items are made with our own artisan freshly roasted coffee beans. Coffee origins will vary and based on customer feedback a unique coffee blend will be created specifically for the Atherton Cafe. Many of our blends incorporate Hawaiian coffee from the many farms there we visit. Premium Hawaiian coffee, especially from the Ka'u region, has a smooth, full body, low acid flavor profile found nowhere else.

Human Server

- Traditional Hot Coffee - 2 origins always brewed within 45 min \$3.00
- Cloud Brew - Oxygen-free brewing technology - Still, Nitro Cloud Brew, Hot Cloud Brew \$6.00
- Teas - select choices from Davidsons Teas \$4.00
- (Kid Friendly) Rooibos Tea - caffeine free \$6.00
- Vivreau V3 Water System - Ice cold filtered still (free) and sparking \$1.00
- (Kid Friendly) Kombucha on Tap (various flavors) \$4.00

Artly Robotic Barista (existing menu as offered in several West coast locations)

- Espresso - Double shot espresso \$5.00

- Americano - Espresso over hot water \$5.00
- Latte - Steamed & Smoothed milk with espresso \$7.00
- Cappuccino - Steam & Foamed milk with espresso \$7.00
- Mocha - Chocolate Flavored Latte \$8.00
- Raspberry White Choco Latte - Raspberry and white chocolate flavored latte (Iced Option) \$8.00
- Honey Rose Latte - Honey rose flavored latte (Iced Option) \$8.00
- (Kid Friendly) Vanilla Steamer - Vanilla flavored steamed milk \$2.00
- (Kid Friendly) Strawberry Steamer Strawberry flavored steamed milk \$2.00
- (Kid Friendly) Raspberry Steamer - raspberry and white chocolate flavored steamed milk \$2.00
- Matcha Latte - organic green tea with milk (Iced Option) \$8.00
- Chai Latte - Steamed milk with warm spiced black tea (Iced Option) \$8.00
- Iced Latte - Iced milk with espresso \$7.00
- Snow Latte - Iced latte with maple whole milk cap \$8.00
- Iced Mocha - Chocolate flavored Iced latte \$8.00

Food Options - We are very lucky to be in an area which has several choices of artisanal / highly-rated local French wholesale bakeries which we can choose from to create a menu that will cater to our customers needs and requests. Please visit their respective websites to see photos of each product.

The following menu options are sourced from Douce France Bakery - Menlo Park, California. A wholesale baker in Menlo Park since 1981, but also run a 5 star rated bakery cafe in Town and Country serving their pastries. All items are baked fresh and delivered daily.

<https://doucefrancebakery.com>

Muffins, Pastries & Savories Options (selection rotates)

- Seasonal Muffins - \$5.00
- Seasonal Scone - \$5.00
- Seasonal Danish - \$5.00
- Cinnamon Walnut Sticky Bun - \$4.00
- Traditional Croissant - \$3.00
- Chocolate Croissant - \$5.00
- Almond Croissant - \$6.00
- Ham and Cheese - \$6.00
- Cardamon Croissant - \$4.00
- Broccoli Quiche - \$6.00
- Spinach Quiche - \$6.00
- Onion Torte - \$6.00

Cake Options (rotates) \$6.00

- Strawberry Shortcake, Opera, Raspberry Mousse, Saint Honore, Triple Chocolate Truffle, French Cheesecake, Lemon Mousse, Napoleon, Casino, Chocolate Mousse, Galette de Rois, and Pièce Montée

Tart Options (rotates) \$6.00

- Almond, Apple, Apricot, Berry, Blackberry, Blueberry, Chocolate, Cherry, Key Lime, Lemon, Mixed Fruit, Pear Almond, Pecan, Pumpkin, Raspberry, and Strawberry

The following menu options are sourced from Cocola Bakery - Redwood City, California. A wholesale baker in Redwood City (next door to Costco). All items are baked fresh and delivered daily.

<https://www.cocolabakery.com>

Breakfast Pastries (selection rotates)

- Croissant -\$4.00
- Almond Tart - \$4.50
- Biscotti - \$3.00
- Palmier - \$4.00
- Ham and Swiss Croissant \$6.00
- Creme Feuilleté - \$6.00
- Chocolate Pound Cake - \$5.00
- Pineapple Twist - \$6.00
- Chocolate Croissant - \$5.00
- Almond Croissant - \$5.00
- Apple Turnover - \$5.00
- Veggie or Bacon Quiche -\$8.00
- Apple Tart - \$7.00
- Lemon Scone - \$5.00

Cocola also offer a selection of high quality sandwiches and salads so we can easily extend our menu upon customer interest and proven traffic.

Sandwiches

- Pepper Tri-Tip - \$14.00
- Salmon Croissant - \$14.00
- Roast Turkey - \$13.00
- Lemony Herb Tuna - \$13.00
- Chicken Sonoma - \$13.00
- Grilled Portobello Mushroom -\$13.00
- Fresh Tomato, Mozzarella and Basil -\$13.00
- Ham and Swiss Baguette - \$13.00

Salads

- Mixed Baby Field Salad - \$10.00

- Chicken Sonoma - \$13.00
- Lemony Herb Tuna - \$13.00
- Fruit Salad - \$8.00

Cakes and Tarts \$6.00 to \$7.00

Tiramisu, Hazelnut cake, fruit tart, Mango and Passionfruit tart, Strawberry Cake, Cheesecake, Chocolate Eclair, Vanilla Napoleon, Vanilla Milkshake Tart

The following menu options are sourced from La Biscotteria - Redwood City -Delivered biweekly.

<https://www.labiscotteria.com>

Rotation of fresh Biscotti - Various Flavors \$3.00

- Almond Torte - \$5.00
- Amaretti Cookie \$2.00

The following menu options can be sourced from Sultana Restaurant - Menlo Park. Delivered Daily.

<http://www.thesultana.net>

Pomegranate Salad \$12.00

Wild arugula w/ pomegranate seeds, toasted almond, sliced orange & balsamic/ pomegranate dressing **gf

Farro Salad \$12.00

Arugula w/ farro, aged manchego cheese, toasted walnut ,cherry tomato w/ EVOO & lemon dressing

Greek Salad \$12.00

Hearts of romaine, tomatoes, cucumber, olives, feta cheese and home made sumac-EVOO vinaigrette **gf

Add (cold) pre sliced chicken breast - \$5.00

Rent and / or Revenue Share Proposal

6. RENT AND/OR REVENUE SHARE PROPOSAL: Provide outline of anticipated gross receipts and proposed base rental amount and percentage of gross receipts for facility rental. Final rental terms are subject to negotiation.

We propose that in lieu of cash rent, the Atherton Cafe will offer Town and Library staff a significant discount. Town employees will have access to a iOS and Android application 365/24/7 to the robotic barista which will give a 50% discount for grab and go beverage purchases. This is a meaningful perk for Town and Library employees since no other coffee options are within walking distance. With the substantial discount, half the staff or 30 sales of a crafted beverage each day, the cost benefit is the equivalent of \$90/day, or \$2700/month of value based on a \$3 discount per beverage.

Finish and Furnishings

7. FINISH AND FURNISHINGS: Provide a description of the anticipated finish and furnishings including a list of furniture and equipment with proposed layout to be provided by bidder.

We believe the Atherton Cafe should match the look and feel of the Civic Center buildings and New Library. Windows and doorways will remain in place as to avoid altering the building. Our design preferences are to create a space that feels like a cafe has been there since the 1920's, but with clean modern touches to match the new library and our robotic barista. We would like to work with City Council to select the correct finishes.

We have several years of experience building out food facilities in California. Our roastery is a licensed by the State as a Food Processing Facility with extensive use of commercial NSF-certified equipment for production, cleaning, and storage. We also supply and maintain large-scale food service coffee brewing equipment for some of our customers such as the Bay Club in Redwood Shores. Our Coffee Lab in Menlo Park has been designed to satisfy all Retail Food Code requirements. We will soon process an application for a permit from the San Mateo County Department of Environmental Services.

The Cafe buildout can be considered in two parts: one part are the common elements needed by any cafe operating in the this space. The other are the specialized equipment required for the menu of a specific vendor. Our ask is that the common buildout parts be paid by the Town of Atherton. We have extensive knowledge of these requirements and, if desired, will be happy to work with your contractor. Or, we can bring in and project management contractors we have worked in the past. Note, the cost estimate below is for budgetary purposes and assumes high-end fit and finish and equipment but we can specify lower cost options if necessary:

- 4 Compartment Hand & Cleaning Sink \$3,000
- Storage cabinets \$8,000
- Counter space - ADA accessible / cabinets \$5,000
- Electrical \$10,000
- Floor Drains \$10,000
- Lighting \$1,500

- Air flow equipment \$4,000
- Flooring \$15,000
- Outdoor trash cans \$1500
- Painting \$1000
- Additional outdoor tables, chairs, umbrellas \$7,000

Approximate total Investment by the Town of Atherton - \$66,000

Note - all of these building items will remain as property of Atherton and common elements needed for any cafe buildout and vendor.

SiliconValley.coffee will provide everything else needed to operate the cafe including the following equipment:

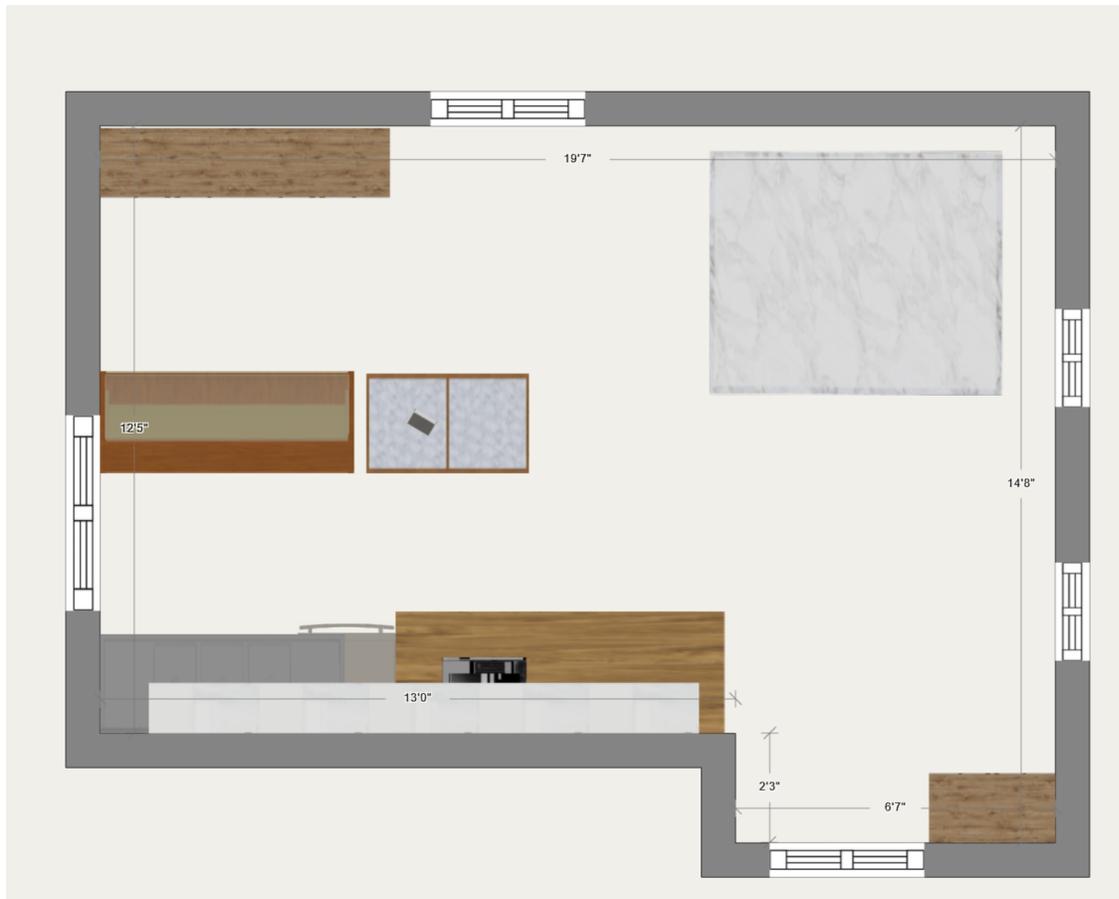
- Dishwasher \$5,000
- Refrigerated display case \$5,000
- Turbochef speed oven (ventless) \$10,000
- Artly Robotics Barista \$50,000
- Ice Machine \$3000
- Refrigerators \$5,000
- Microwave \$500
- Point of Sale system \$2000
- Vivreau Bottleless Water Dispenser \$8,000
- Everything else needed to operate the cafe as described \$10,000

Initial investment from SiliconValley.coffee - \$93,000

Schedule: The Artly barista robot and all equipment is ready immediately and can be installed and operational with no delay. Furthermore, our experience is that the San Mateo County Health operates very quickly so this is not a dependency. The timeline which is hard for us to estimate are the “Common Elements” buildout as it could be dependent on Town contractors and specifications. In normal times and based on our experience with kitchen installs, it should be not more than three months from start to finish. Therefore a likely opening date for planning would be four months from contract award (currently the end of August 2022 based on expected award decision of April 20, 2022).

Concept Renderings





Operations

8. OPERATIONS: An explanation of routine cleaning and preventative maintenance schedule intended to assure an attractive appearance for all equipment and prevent operating problems.

SiliconValley.coffee will maintain an A rating with the health department at all times. Strict and detailed cleaning protocols will be followed. The space itself will remain uncluttered and easy to clean at anytime. Due to the small space constraints our ask is to be able to share a janitorial closet if one is in the building.

All equipment maintenance will follow the manufacture guidelines.

Indoor and outdoor trash will be periodically emptied by cafe employee. Trash will be minimized by use of glassware.

Perishable food will be offered for discount pricing to after hours city staff - any perishable food will be donated per law to the appropriate facility.

Disclosure

9. DISCLOSURE: of any past, ongoing, or potential conflicts of interest that the firm or person may have as a result of performing the anticipated work.

Co-Founder Matthew Baker is currently chair of the Atherton Parks and Recreation Committee.

Submittal

On **March 10, 2022** three Copies of this document were mailed to:

Robert Ovidia
Director of Public Works Town of Atherton
80 Fair Oaks Lane Atherton, CA 94027

One PDF Version has been sent to Robert Ovidia at rovadia@ci.atherton.ca.us

Signatures

Vance C. Bjorn
Co-Founder
March 10, 2022

Matthew D. Baker
Co-Founder
March 10, 2022