

Lease Opportunity to  
Operate Pier Restaurant  
and Facility

205 South Oceanshore Boulevard  
Flagler Beach, Florida 32136



City of Flagler Beach, Florida



## Table of Contents

Introduction, General Information	2
Background, Preferred Use	3
List of Attachments	4
Contact Directory	5
Attachment A      Floor Plan	6
Attachment B      Structural Report	8
Attachment C      Appraisal Report	20
Attachment C      Proposal Submission Form	31

## Introduction

The City of Flagler Beach is seeking interested and qualified restaurateurs' to operate a family style restaurant with or without alcohol service at 205 South Oceanshore Boulevard along with opportunity to operate a Bait and Tackle with ancillary rentals and sales.

The City of Flagler Beach offers the experienced restaurateur the opportunity to design renovate, operate and maintain the restaurant in accordance with City and State requirements, with the security of a long term lease and extension options.

The City envisions an inviting, hospitable and quality food service that operates from an establishment, whose exterior and interior presentation contributes to the Pier's ambience, adds to the vitality of the surrounding area and introduces a product that will meet the needs of the Pier visitors.

## General Information

The Pier Restaurant Facility consist of a 3320 S.F. restaurant a 1200 S.F. Bait and Tackle Store and Public Restrooms along with a 1200 SF covered walkway (A Frame) that connects the Dining Area and bait and tackle public restroom area. The current configuration of the restaurant provides seating for 158 persons. The restaurant includes a 6' X 8' walk in freezer and a 6' X 8' walk in cooler. The location of the facility is in the heart of Flagler Beach on Scenic A1A in the middle of a six mile stretch of unobstructed ocean view.

## Background



July 4, 1928 was the celebratory opening of the Flagler Beach Pier. Since that time long ago the Pier has seen hurricanes and nor'easter storms, none which have broke the spirit of the town's residents to restore the historic structure.

With six idyllic miles of ocean frontage and the laidback appeal of Old Florida at its best, Flagler Beach is a thriving beach community with growing population of more than 5,000 residents. This community welcomes thousands of visitors each year to its stunning shores. The City hosts several special events and festivals each year, including the Fabulous Fourth Festivities and Holiday at the Beach. Monthly the CRA host a First Friday Event downtown with live music, contest, vendors, show cars and community involvement. Located between two high volume tourist destinations Daytona Beach and St. Augustine, Flagler Beach receives overflow visitors from events like Spring Break, Bike Week(s) and Nascar Events, as well as being a few miles to the south of the Ginn Hammock Beach Resort. The area is also a family vacation destination, which sees many return visitors. Each Friday



and Saturday morning a Farmers Market featuring fresh vegetables, plants and handcrafted items is held drawing crowds to the downtown.

Conveniently located in one of the Nation's fastest growing counties on A1A; a historic coastal highway, between St. Augustine and Daytona Beach the Flagler Beach Pier stands as a testament to the town's charm and culture. Flagler Beach is the closest beach exit from Interstate 95 in the State of Florida, only 3.6 miles. The Flagler County Chamber of Commerce aggressively seeks strong business opportunities for the County. Together with the Tourist Development Council, the Chamber announced, due to air soon on the Travel Channel and CNN a feature of the destinations in Flagler County the pier is a focal feature of the video. The Fantastic Flagler Visitor Guide is an award winning publication distributed throughout the County and mailed across the US, Canada and Europe, adding to your business's exposure.

### Preferred Use

The City Commission of the City of Flagler Beach has identified the preferred use of the facility as a Family Style Restaurant with or without alcohol, serving three meals a day and a year round operation. The following explains in more detail the City's expectations and outcomes for its restaurant property.

The City may award lease to the selected entity in accordance with an agreement to be prepared by the City Attorney and approved by the City Commission. The lease would be for a period of ten years. Two five year options will be considered commensurate to the Operator's level of capital investment. The lease rate will be a minimum base rent plus a percentage of sales, whichever is greater, and should be specified in your proposal. The lease will require a CPI review annually. All ancillary uses are subject to City Commission approval. Additional duties may include operation of Pier Tackle and Bait Shop, Pier admissions and daily maintenance of public restroom facilities which may be contracted out. Modifications to the exterior of the Structure must be consistent to the Downtown Design Guidelines. Modifications to the space require review and approval of the Planning and Architectural Review Board and the City Commission, and the City through its planning and permitting office. Maintenance, repairs and utilities will be the responsibility of the Lessee. The operator of the restaurant must have three or more years of continuous experience in the development, management and operation of a restaurant that operates in a frequented commercial area. The operator of the restaurant must have demonstrated managerial and staffing resources to maintain high quality, successful operation. The operator of the restaurant must demonstrate financial capacity to finance substantial improvements and operating costs for the business. Operator, before beginning operations, shall procure and maintain at the operators own expense for the duration of the agreement, the following insurance against claims for injuries to persons or damages to property which may arise from or in connection with the possession, occupancy, operation and use of the Premises by Operator, Operator's agents, representatives, employees or subcontractors.

1. Comprehensive/Commercial General Liability of not less than \$2,000,000 per occurrence.
2. Workers Compensation and Employers Liability.
3. Personal Property Insurance coverage in an amount of at least 100% full replacement value.



A successful operator will enter into lease with the City of Flagler Beach and will be negotiated and prepared by the City Attorney, subject to review and approval by the City Commission.

## Attachments

- A. Floor Plan
- B. Structural Report
- C. Proposal Submission Form
- D. Contact Directory







## Contact Directory

Questions regarding this Lease Opportunity may be directed to:

Bernie Murphy  
Interim City Manager  
(386) 517-2000 ext. 222  
[bmurphy@cityofflaglerbeach.com](mailto:bmurphy@cityofflaglerbeach.com)

Questions regarding the City Planning regulatory approvals and the Downtown Design Guidelines may be directed to:

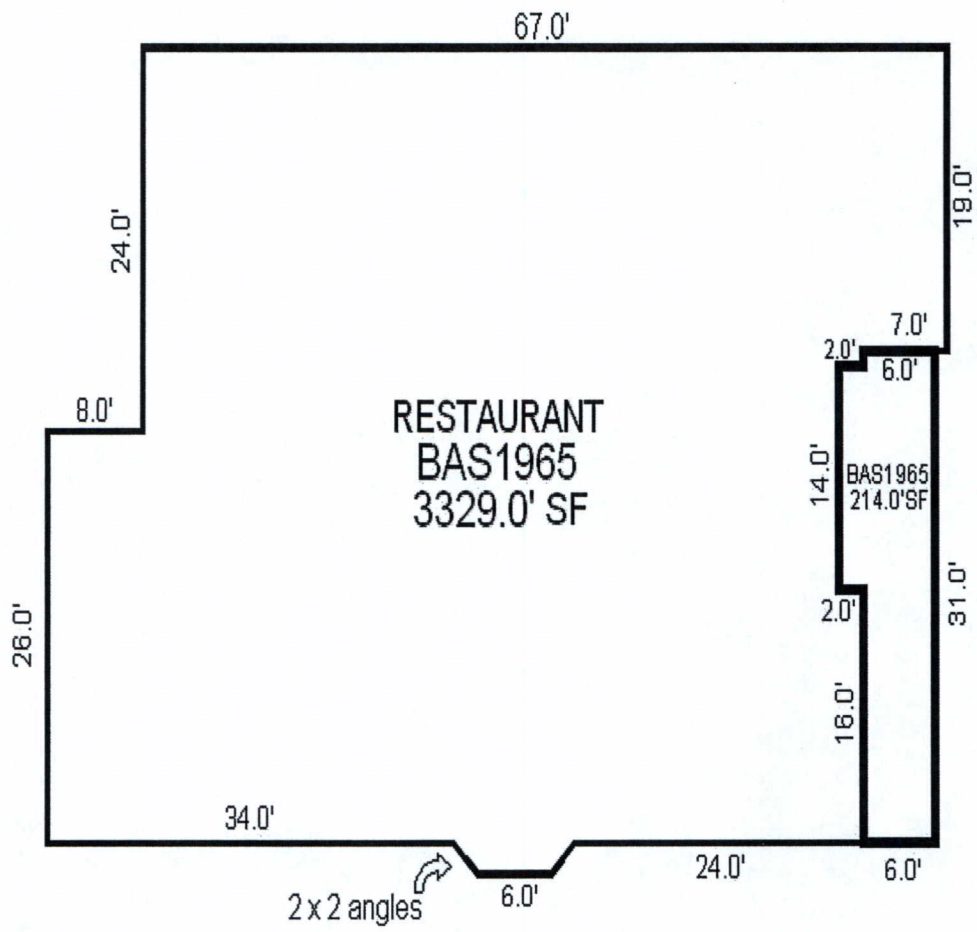
Planning and Zoning Department  
(386) 517-2000 ext (s) 232 & 241

City Clerk's Office  
(386) 517-2000 ext (s) 235 & 236

The City Web -Site via the City Clerk page has a link to the City Code of Ordinance and Land Development Regulations

[www.cityofflaglerbeach.com](http://www.cityofflaglerbeach.com)

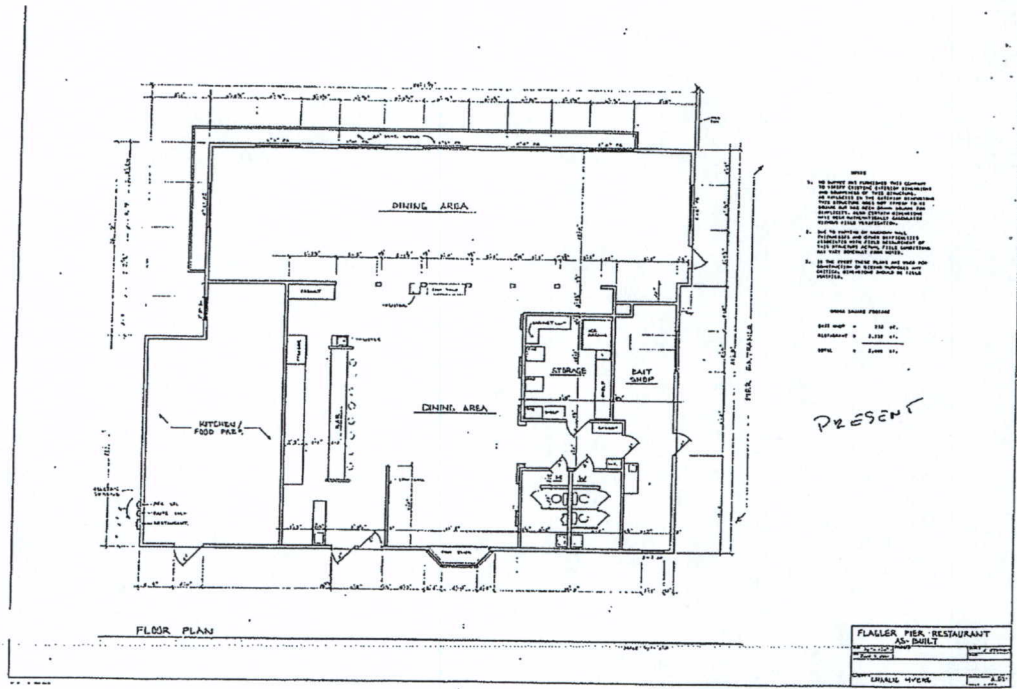




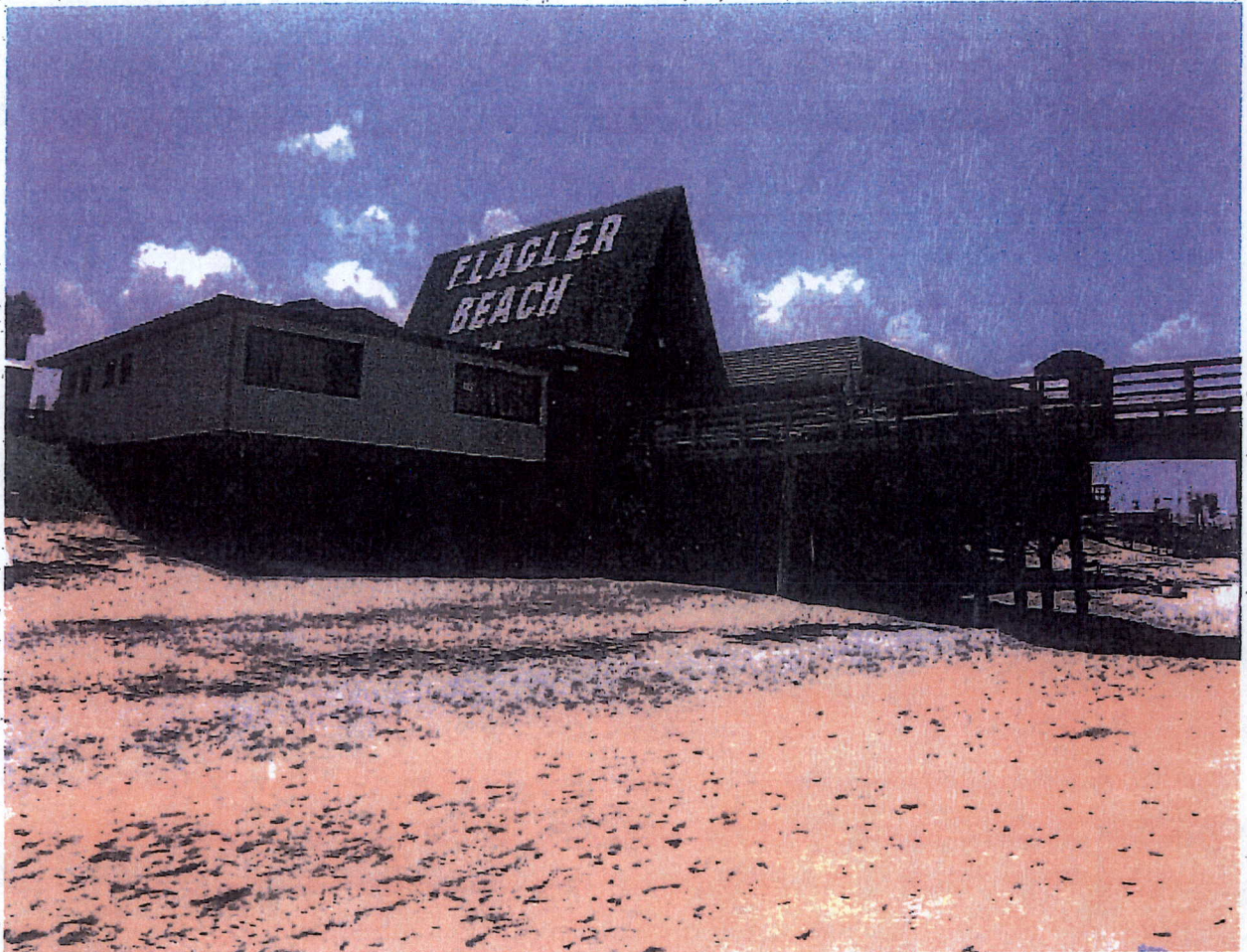
Sketch by Apex IV™



# Floor Plan







**FLAGLER BEACH PIER RESTAURANT COMPLEX  
STRUCTURAL INVESTIGATION FEBRUARY 2010**

Prepared for  
**The City of Flagler Beach**

By



*[Handwritten signature]*  
2/9/10



# NOBLE STRUCTURAL GROUP, INC.

CONSULTING ENGINEERS

## **SECTION 1: INTRODUCTION**

On February 2, 2010, Noble Structural Group, Inc. (NSG) was commissioned by the City of Flagler Beach to undertake a structural investigation of the Flagler Beach Pier Restaurant Complex with the purpose of assessing its structural condition and need for repair. The Complex includes the Dining Area, the Bait and Tackle Store, the Public Restroom and the connecting walkway.

### **A. The Building**

#### **1. Dining Area**

An approximately 4,000 SF wood framed building on pilings constructed in approximately 1962 and has had several modifications and repairs, the most recent in 2000 where interior walls were modified and deteriorated floor beams and hardware were replaced.

#### **2. Bait and Tackle Store/Public Restroom**

An approximately 1,200 SF wood framed building on pilings constructed in approximately 1998.

#### **3. Covered Walkway (A-Frame)**

An approximately 1,200 SF covered walkway that connects the Dining Area and the Bait and Tackle/Public Restroom. This area was framed with site-built heavy timber trusses. No drawings were available and the date of construction is unknown

### **B. Methodology**

A comprehensive survey was undertaken of all the principal structural members to facilitate member identification and inspection. Following this, Noble Structural Group inspected and assessed each individual building. Following the site work the site data was processed and summarized on a series of plans. Structural analysis was undertaken; the need for repairs was identified and costs were investigated.

### **C. The Report**

This report summarizes the work. Section 1 provides an introduction and overview to the terminology used to refer to the Pier Restaurant Complex and a brief history. The Structural Appraisal in Section 2 is divided into individual structural components; Roof Deck, Roof Trusses, Floor Deck, Floor Joists, Floor Girders, Floor Bracing and Timber Piles. These stages are the condition survey, a discussion of the form and the damage criteria used and the assumptions that were made. Section 3 discusses the recommendations based on our survey and analysis. The main report is supplemented by a number of appendices.



# NOBLE STRUCTURAL GROUP, INC.

---

## CONSULTING ENGINEERS

The Report contains only an assessment of the current conditions and makes recommendations regarding any components in need of repair, replacement or future monitoring.

### **SECTION 2: STRUCTURAL APPRAISAL OF COMPONENTS**

Refer to Exhibit 2 in Appendix A for a typical pile bent section

#### **A. Dining Area**

##### **1. Roof Deck**

- a. Some areas of the dining area of the roof deck were not level and had ponding issues (Refer to Exhibits 1 and 2)) following recent rain. Over time, water standing on a roof surface will damage roof coatings and roofing materials. Standing water eventually leads to roof leaks, damage to roof and deck materials, and damage inside the structure. No visible leaks were noted during our visit but proactive measures should be taken to repair ponding at low areas to avoid future damage.
- b. Several bare spots were noted and should be repaired. (Refer to Exhibits 3 and 4)

##### **2. Roof Trusses**

- a. No exceptions were noted

##### **3. Floor Deck**

- a. The plywood deck above the 2<sup>nd</sup> pile from the south in the row of (7) piles below the Dining Area has minor upward bowing (Refer to Exhibit 5). Inspection of the underside of the deck revealed several water pipes attached to the underside of the framing which had imparted moisture to the deck above. In our opinion, this is the cause of warping in the deck. Repairs to this area will require significant cost, utility relocation and temporary closure to portions of the restaurant. We don't believe this is an imminent structural concern that warrants such an action.
- b. The plywood deck above the 5<sup>th</sup> pile from the south in the row of (7) piles below the Dining Area also has minor upward bowing (Refer to Exhibit 6). Inspection of the underside of the deck revealed several water pipes attached to the underside of the framing which had imparted moisture to the deck above. In our opinion, this is the cause of warping in the deck. Repairs to this area will require significant cost, utility relocation and temporary closure to portions of the restaurant. We don't believe this is an imminent structural concern that warrants such an action.

##### **4. Floor Framing**



# NOBLE STRUCTURAL GROUP, INC.

CONSULTING ENGINEERS

- a. No exceptions were noted
- 5. **Timber Piles**
  - a. No exceptions were noted
- B. **Covered Walkway**
  - 1. **Roof Deck**
    - a. No exceptions were noted
  - 2. **Roof Trusses**
    - a. All timber appeared to be in good condition but almost all bolts and washers were badly corroded and will require remedial action. (Refer to Exhibit 7)
  - 3. **Floor Deck**
    - a. No exceptions were noted
  - 4. **Floor Framing**
    - a. No exceptions were noted
  - 5. **Timber Piles**
    - a. No exceptions were noted
- C. **Bait and Tackle/Public Restroom**
  - 1. **Roof Deck**
    - a. No exceptions were noted
  - 2. **Roof Trusses**
    - a. All timber appeared to be in good condition but almost all hurricane straps were badly corroded and will require remedial action.
  - 3. **Floor Deck**
    - a. No exceptions were noted
  - 4. **Floor Framing**
    - a. All timber appeared to be in good condition but almost all hurricane straps were badly corroded and will require remedial action. (Refer to Exhibit 8)
  - 5. **Timber Piles**
    - a. No exceptions were noted

## SECTION 3: RECOMMENDATIONS

- A. **Dining Area**
  - 1. **Roof Deck**
    - a. We recommend that low areas where water is shown ponding be repaired with a product such as Elastek #505 Puddle Plaster.
    - b. We recommend that all bare roof areas be cleaned thoroughly, coated with a 1/8" minimum thick layer of asphalt roof cement and covered with roof gravel.

# NOBLE STRUCTURAL GROUP, INC.

CONSULTING ENGINEERS

---

## **B. Covered Walkway**

### **1. Roof Trusses**

- a. We recommend that all exposed connection hardware be sandblasted clean and coated in the field with cold galvanizing paint. If, during sandblasting, any corroded connectors are damaged such that less than 80% of its intended section is visible, the connector shall be replaced.

## **C. Bait and Tackle/Public Restroom**

### **1. Roof Trusses**

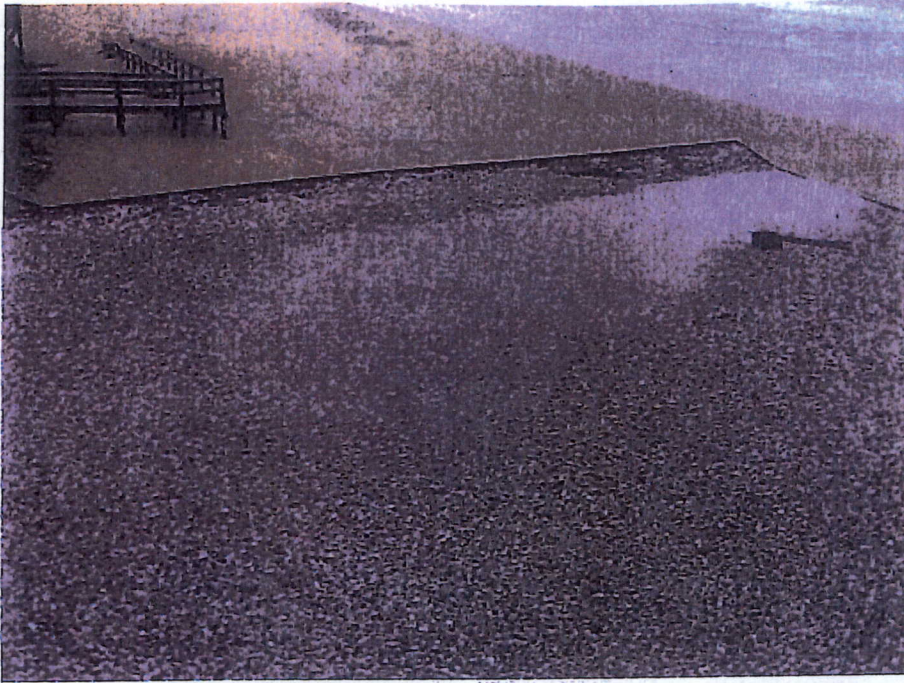
- a. We recommend that USP RT 8A hold downs be added at all roof trusses. All new hold downs must be either stainless steel or hot dip galvanized

### **2. Floor Trusses**

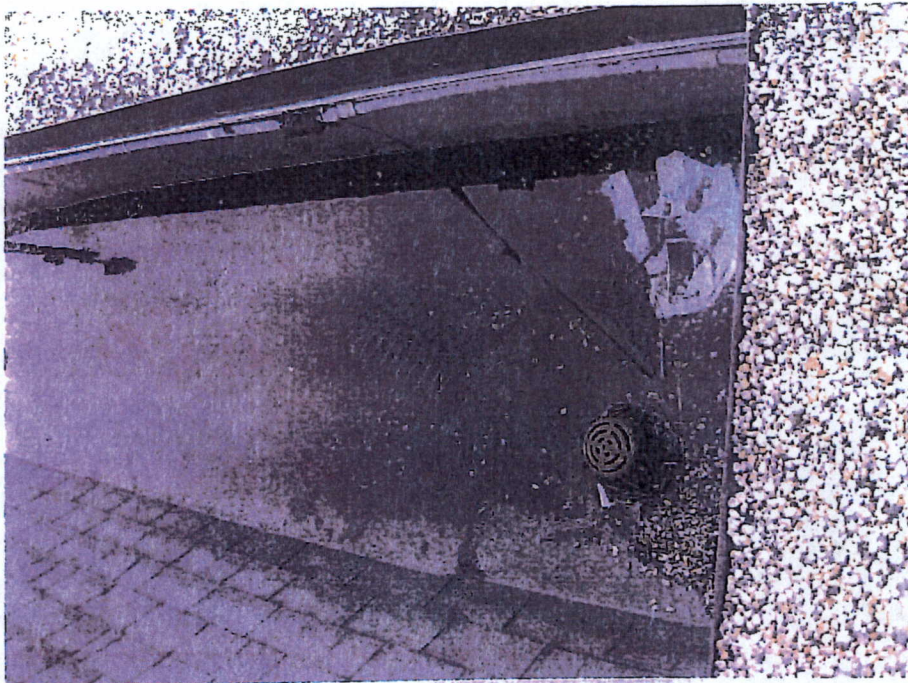
- a. We recommend that USP RT 8A hold downs be added at all floor trusses. All new hold downs must be either stainless steel or hot dip galvanized



**EXHIBITS**

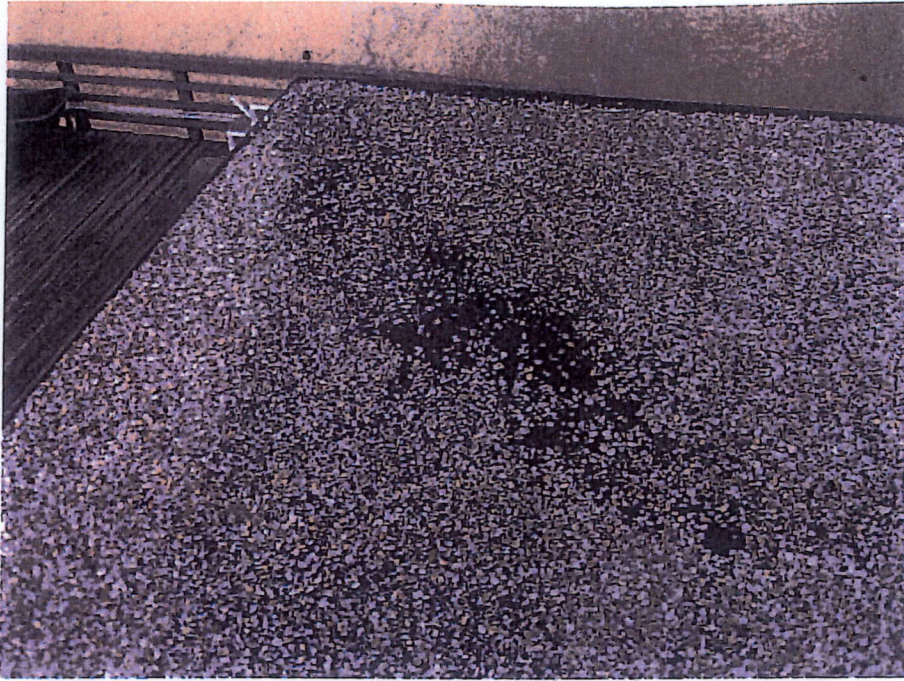


**EXHIBIT 1**

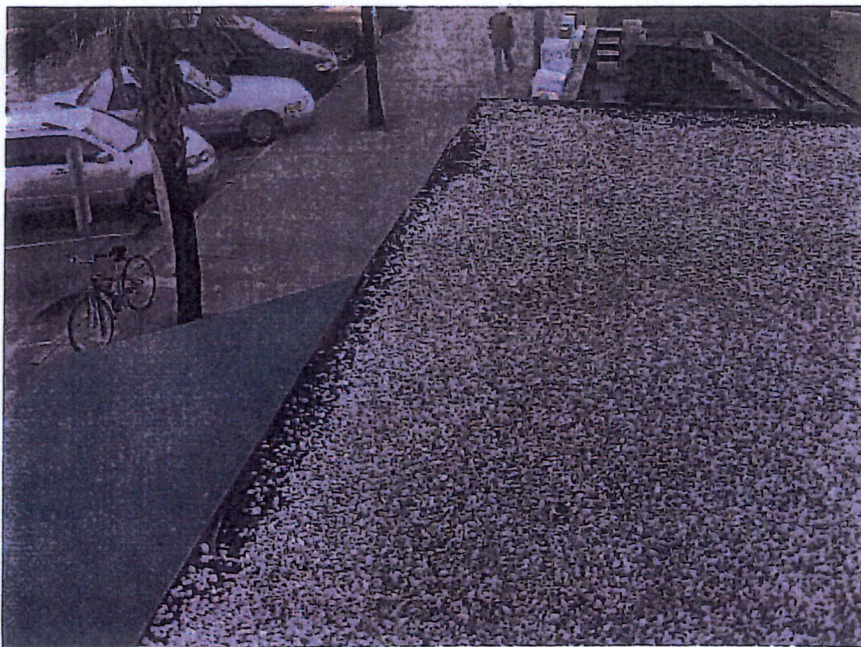


**EXHIBIT 2**



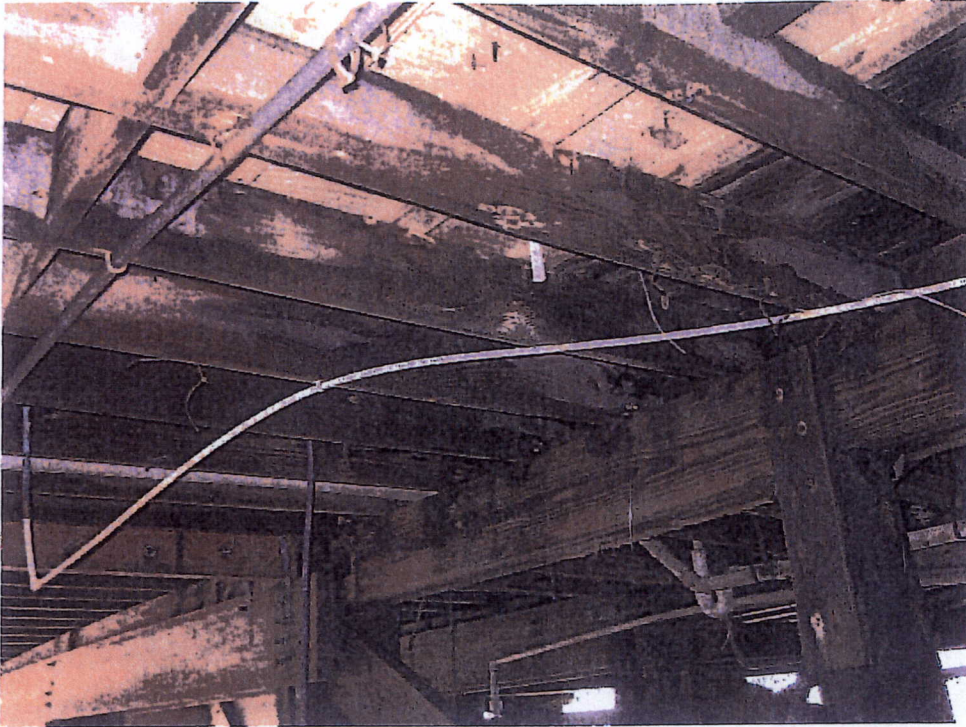


**EXHIBIT 3**

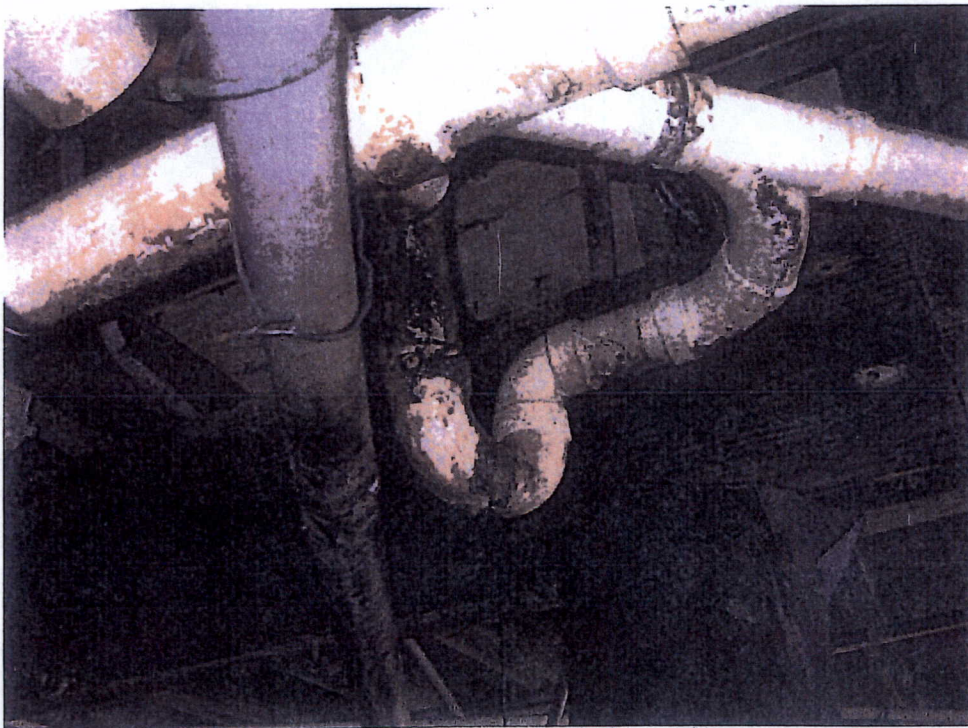


**EXHIBIT 4**



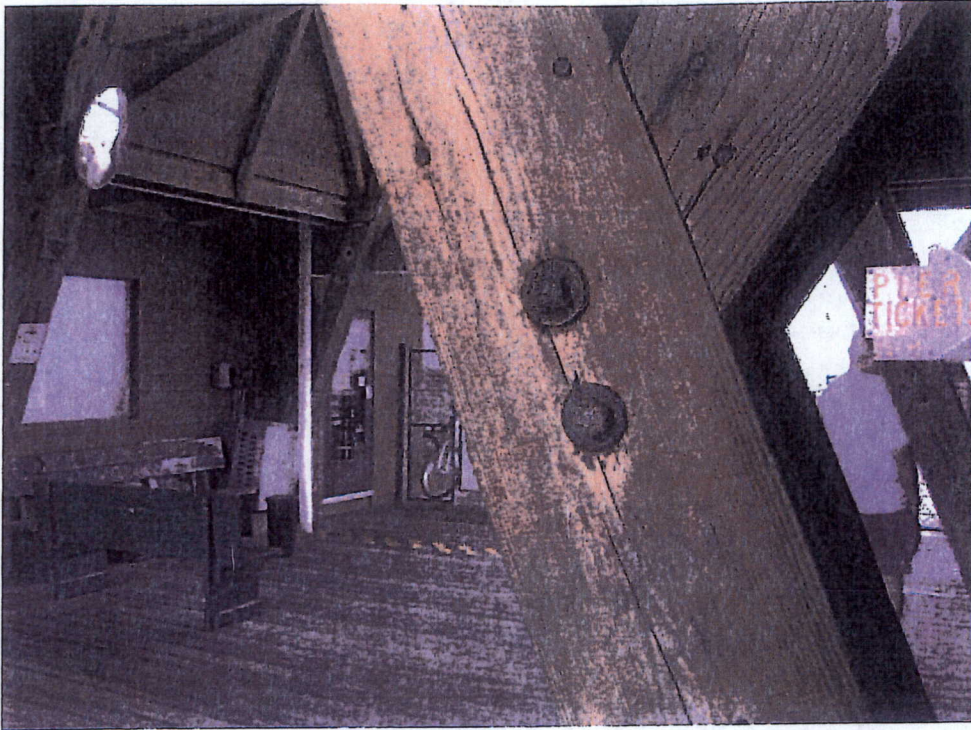


**EXHIBIT 5**

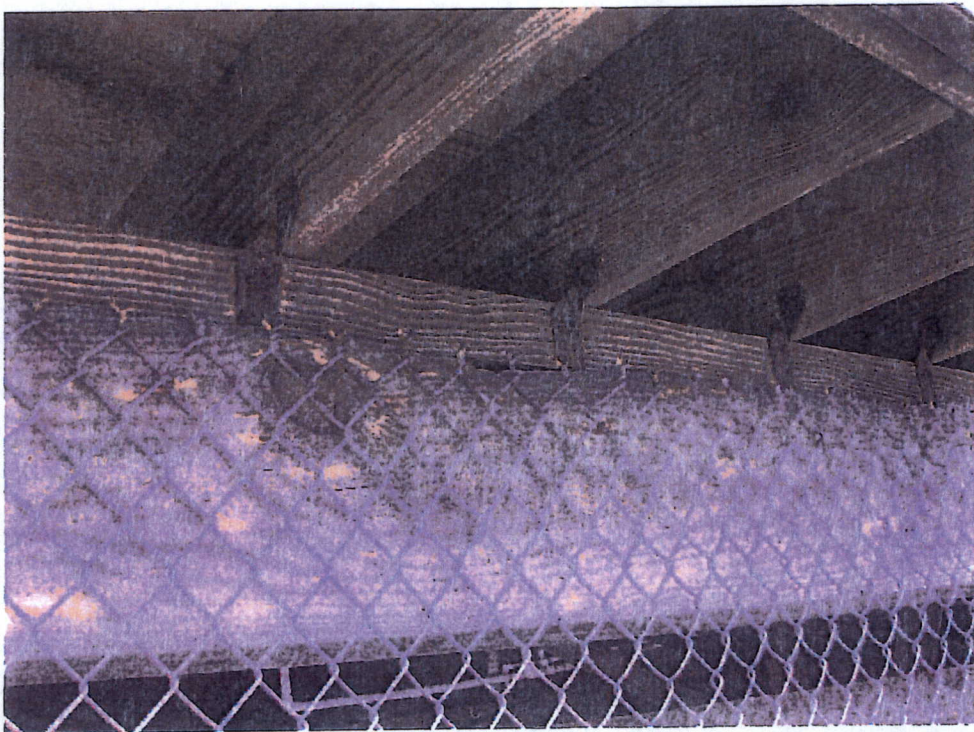


**EXHIBIT 6**





**EXHIBIT 7**



**EXHIBIT 8**



## **COST ESTIMATES**



**Flagler Beach Pier Restaurant Complex Repairs - Structural Cost Estimate**

Description	Division	Unit Description (1)	Unit	Total Cost w/ O&P Per Unit	Total Units	Total Cost w/ O&P (\$)
Roof Ponding Repairs	7	Elastek Puddle Plaster	LS	500	2	1000.00
Bare Roof Repairs	7	Asphalt/Gravel	LS	250	2	500.00
Roof Connectors	5	USP RT8A	EA	3.25	76	247.00
Floor Connectors	5	USP RT 8A	EA	3.25	76	247.00
Covered Walkway Connectors	6	Cold galvanize	LS	1	1000	1000.00
				Subtotal =		2994.00
				10% Contingency =		300.00
				Total =		3294.00



## Fair Market Rent Opinion of

The Flagler Beach Pier Restaurant



### Located At

215 S. Atlantic Avenue  
Flagler Beach, FL

### Prepared For

Ms. Libby Kania  
Assistant to the City Manager  
City of Flagler Beach  
P.O. Box 70  
Flagler Beach, FL 32136





March 1, 2010

Ms. Libby Kania  
Assistant to the City Manager  
City of Flagler Beach  
P.O. Box 70  
Flagler Beach, FL 32136

RE: The Flagler Beach Pier  
215 S. Atlantic Avenue  
Flagler Beach, FL

Dear Ms. Kania:

Subsequent to your authorization to proceed, I have prepared a report summarizing my opinion of fair market rent. This report sets forth my conclusions, along with summaries of the market data and reasoning, which support my opinion.

The restaurant, excluding the bait shop, has a gross building area of 3,329 square feet. It is a frame structure originally built around 1962. According to the Noble Structural Group structural investigation report dated 2/2/2010 the most recent modification and repairs were in 2010 and included replacing deteriorated floor beams. The *effective* age of the building is estimated to be 20 – 25 years. It has a seating capacity for 158 persons. Two restrooms are available with some accommodation for handicap access. There is an approx. 6' x 8' walk-in freezer, 6' x 8' walk-in cooler and a commercial glass door cooler in the kitchen.

My opinion of fair market rent assumes the City, as lessor, will make the structural and roof decking repairs. This opinion of fair market rent considers the premises to be a "shell". A prudent lessee would remodel the interior, acquire the necessary furniture & equipment and complete cosmetic renovations. The restaurant equipment and furniture are considered personal property and not considered in the opinion of fair market rent.

The intended use of this report is to assist the City and its representatives (the intended users) in lease negotiations with a prospective tenant. The effective date of this opinion is February 26, 2010.

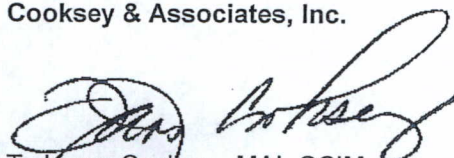
This report has been completed in accordance with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Appraisal Institute.

After careful consideration of all factors pertaining to, and influencing the current rental market, the following is selected as the most fitting indication of triple net market rent:

Size SF.	Rent per SF.	Annual Rent	Monthly Rent
3329	\$12.00	\$39,948.00	\$3,329.00

Respectfully submitted,

**Cooksey & Associates, Inc.**



T. James Cooksey, MAI, CCIM  
State-Certified General Real Estate Appraiser RZ343



## Certifications

The appraisers signing this report make the following certifications to the best of their knowledge and belief.

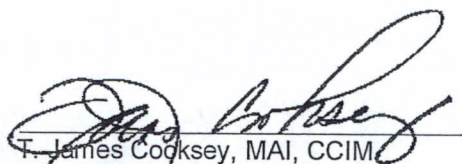
- The statements of fact contained in this report are true and correct. Reported analyses, opinions, and conclusions are limited only by the assumptions and limiting conditions contained within this report, and are the appraisers' personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- The appraisers have no present or prospective interest in the property that is the subject of this report, or personal interest with the parties involved. The appraisers have no bias with respect to the property that is the subject of this report, or to the parties involved with this assignment.
- This engagement is not contingent upon developing or reporting predetermined results. Compensation paid to the appraisers is not contingent upon the development or reporting of a predetermined value, or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of the appraisal.
- Reported analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Foundation.
- A statement regarding observation of the subject property by the appraisers is listed below. This viewing, if any, did not attempt to probe, study, investigate, detect, or discover unfavorable physical features.

Appraisers	Observations
T. James Cooksey	Interior and Exterior Observation

- Names of individuals providing significant real property appraisal assistance to the persons signing this certification: none. If names are listed, the extent of the assistance is detailed in the Scope of Work section.
- T. James Cooksey is a designation member of the Appraisal Institute and has completed the continuing education program prior to this preparation date.
- The reported analyses, opinions and conclusion were developed, and this report has been prepared in conformity with the requirements of the Code of Profession Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which includes the Uniform Standards of Professional Appraisal Practice.
- Use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Starting on January 1, 2010, the Conduct Section of the Ethics Rule of the Uniform Standards of Professional Appraisal Practice (USPAP) requires appraisers to disclose all prior services to the subject property during the three year period preceding acceptance of an assignment for an appraisal, appraisal review, or appraisal consulting service.



- At some time prior to this preparation date, usually within a few months, an agreement was made between one of the appraisers signing this report and the client identified herein to prepare an appraisal of the subject property.
- The appraisers signing this report have not performed any prior services to the subject property during the three year period preceding acceptance of this appraisal assignment. Specifically, no appraisals, appraisal reviews, appraisal consulting, brokerage, leasing, management, auctions, construction services, or other services regarding the subject property were performed for any individual, group, company, corporation, or entity.



F. James Cocksey, MAI, CCIM  
St. Cert. Gen. REA RZ343

**Table of Contents**

Market Conditions & Rental Data Analyses ..... 1  
Definition of Rental Value ..... 3  
Contingent and Limiting Conditions ..... 4  
Floor Plan ..... 7  
Structural Report ..... 9  
Appraisers Qualifications ..... 21  
    T. James Cooksey, MAI, CCIM ..... 21  
Copyright Protection ..... 24  
End of Report ..... 24



## Market Conditions & Rental Data Analyses

Market conditions influence market rent. In general, economic conditions are poor and so market conditions favor the tenant just as the seller's market has turned into a buyer's market. Effective net market rent is declining, and most property managers report renegotiating rents at lower rates than were set 3 – 4 years ago. Effective net rent is the residual after allowance for concessions to induce lease signing. Concessions are prevalent at this time.

In the rental chart that follows if a comparable property has a superior characteristic in comparison to the subject, a downward adjustment is indicated. Conversely, if the comparable has an inferior characteristic, an upward adjustment is indicated. The unit of comparison is the triple net rent per square foot of rentable building area per year.

RENTAL ADJUSTMENT CHART							
Information	Subject	Rental 1	Rental 2	Rental 3			
Tax ID							
Name	Flagler Beach Pier	Flagler Square	Former Beef O'Brady's	Players			
Address	215 South Oceanshore	2501 West Moody	6 Old Kings Road	1930 West Granada			
City	Flagler Beach	Flagler Beach	Palm Coast	Ormond Beach			
Unit of Comparison	Rent/SF Usable Area	Rent/SF Usable Area	Rent/SF Usable Area	Rent/SF Usable Area			
Base Rental Rate		Asking Rent	\$12.50	Pending	\$16.25	recently negotiated	\$10.00
						1st year discounted	\$1.00
<b>Adjustments</b>			<b>(\$)</b> Adj.		<b>(\$)</b> Adj.		<b>(\$)</b> Adj.
Location	Ocenfront - Good	Inferior	3.00	Good	0.00	Inferior	3.00
Size	3,329	1,300	(0.75)	3,077		3,736	
Effective Age	25 Years	10	(1.25)	15	0.00	7	(1.25)
Physical Condition	Average	Average	0.00	Average	0.00	Average	0.00
Construction Quality	Average Frame	Masonry	0.00	Masonry		Masonry	0.00
Parking	Off Site - Below Avg	Superior	(1.50)	Superior	(1.50)	Superior	(1.50)
Design & Appeal FF&E	Average None	Shell - None		Turn Key w/ FF&E	(3.00)	Superior Fixtures	(2.00)
Expense Payments							
Property Tax	Tenant	Tenant	0.00	Tenant	0.00	Tenant	0.00
Insurance	Tenant	Tenant	0.00	Tenant	0.00	Tenant	0.00
Electricity	Tenant	Tenant	0.00	Tenant	0.00	Tenant	0.00
Water/Sewer	Tenant	Tenant	0.00	Tenant	0.00	Tenant	0.00
Janitorial	Tenant	Tenant	0.00	Tenant	0.00	Tenant	0.00
Maintenance	Tenant	Tenant	0.00	Tenant	0.00	Tenant	0.00
Net Adjustment			(\$0.50)		(\$4.50)		(\$0.75)
Adj. Rental Rate, SF			\$12.00		\$11.75		\$9.25

One asking rent nearby was considered along with a pending rental contract in Palm Coast and a recently negotiated lease contract in Ormond Beach. These rates are all triple net and range from \$9.25 to \$12.00.

In addition to these rents confidential information was considered on a nearby restaurant in Flagler Beach. It is a free standing building with some onsite parking available. The building is just under 2,500 square feet and the property was in fair condition when the lease was negotiated in 2008. The initial agreed upon bumps in the rent have been waived. The initial rate was \$15.00 per square foot – gross, with the landlord paying taxes, insurance, etc. This would be equivalent to a net rental rate of \$10.00 - \$11.00 per square foot. If negotiated today, the rate would be lower.

The subject location is unique and the ocean views are excellent. The tight parking situation diminishes the potential somewhat in comparison to other locations with ample onsite parking available. The limited population base (within 1 mile radius) also diminishes the potential, thus, seasonal visitors and tourists are vital.

Cooksey & Associates, Inc.

In adjusting these rent rates, the effective age of the subject property was considered along with the necessity to do some interior remodeling.

After careful consideration of all factors pertaining to, and influencing the current rental market, the following is selected as the most fitting indication of triple net market rent:

Size S.F.	Rent per S.F.	Annual Rent	Monthly Rent
3329	\$12.00	\$39,948.00	\$3,329.00

Typically, CPI adjustments are built into lease agreements.





## Addenda . . .

### Definition of Rental Value

The concept of *rental value* is analogous to market value. Succinctly, rental value is the most probable rental amount a property should bring in an open competitive market. An informal definition follows.

*"Rental value means the most probable rental amount which a property should bring in a competitive and open market under all conditions requisite to a fair agreement, the landlord and tenant each acting prudently and knowledgeably, and assuming the rental amount is not affected by undue stimulus. Implicit in this definition is the consummation of a lease agreement as of a specified date under conditions whereby:*

1. *the landlord and tenant are both typically motivated;*
2. *both parties are well informed or well advised and acting in what they consider their own best interests;*
3. *a reasonable time is allowed for exposure in the open market;*
4. *payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
5. *the rental amount represents normal rent for a leased property unaffected by special or creative concessions granted by anyone associated with the sale."*

The above informal definition of *rental value* was adapted from the formal definition of *market value* published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989.



## Contingent and Limiting Conditions

1. By this notice, all persons, companies, or corporations using or relying on this report in any manner bind themselves to accept these contingent and limiting conditions, and all other contingent and limiting conditions contained elsewhere in this report. Do not use any portion of this report unless you fully accept all contingent and limiting conditions contained throughout this document.
2. Throughout this report, the singular term "Appraiser" also refers to the plural term "Appraisers". The terms "Appraiser" and "Appraisers" refer collectively to "Cooksey & Associates, Inc.", its officers, employees, subcontractors, and affiliates. The masculine terms "he" or "his" also refer to the feminine term "she" or "her".
3. These conditions are an integral part of this appraisal report, and are a preface to any certification, definition, description, fact, or analysis. Moreover, these conditions are intended to establish as a matter of record that the purpose of this report is to provide one or more value opinions for the subject property. All value opinions are prepared solely for the explicitly identified client and other explicitly identified intended users.
4. The liability of the Appraiser is limited solely to the client. There is no accountability, obligation, or liability to any other third party. Other intended users may read but not rely on this report. The Appraiser's maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) is limited to the fee paid to Cooksey & Associates, Inc. for that portion of their services, or work product giving rise to liability. In no event shall the Appraisers be liable for consequential, special, incidental or punitive loss, damages or expense (including without limitation, lost profits, opportunity costs, etc.) even if advised of their possible existence. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all contingent and limiting conditions, assumptions, and disclosures. Use of this report by third parties shall be solely at the risk of the third party.
5. As part of this appraisal, information was gathered and analyzed to form value opinion(s) that pertain solely to one or more explicitly identified effective value dates. The effective value date is the only point in time that the value applies. Information about the subject property, neighborhood, comparables, or other topics discussed in this report was obtained from sensible sources. In accordance with the extent of research disclosed in the Scope of Work section, all information cited herein was examined for accuracy, is believed to be reliable, and is assumed reasonably accurate. However, no guaranties or warranties are made for this information. No liability or responsibility is assumed for any inaccuracy which is outside the control of the Appraiser, beyond the scope of work, or outside reasonable due diligence of the Appraiser.
6. Real estate values are affected by many changing factors. Therefore, any value opinion expressed herein is considered credible only on the effective value date. Every day that passes thereafter, the degree of credibility wanes as the subject changes physically, the economy changes, or market conditions change. The Appraiser reserves the right to amend these analyses and/or value opinion(s) contained within this appraisal report if erroneous, or more factual-information is subsequently discovered. No guarantee is made for the accuracy of estimates or opinions furnished by others, and relied upon in this report.
7. No liability is assumed for matters of legal nature that affect the value of the subject property. Unless a clear statement to the contrary is made in this report, value opinion(s) formed herein are predicated upon the following assumptions. (A) The real property is appraised as though, and assumed free from all value impairments including yet not limited to title defects, liens, encumbrances, title claims, boundary discrepancies, encroachments, adverse easements, environmental hazards, pest infestation, leases, and atypical physical deficiencies. (B) All real estate taxes and assessments, of any type, are assumed fully paid. (C) The property being appraised is assumed to be owned under responsible and lawful ownership. (D) It is assumed the subject property is operated under competent and informed management. (E) The subject property was appraised as though, and assumed free of indebtedness. (F) The subject real estate is assumed fully compliant with all applicable federal, state, and local environmental regulations

---

**Cooksey & Associates, Inc.**

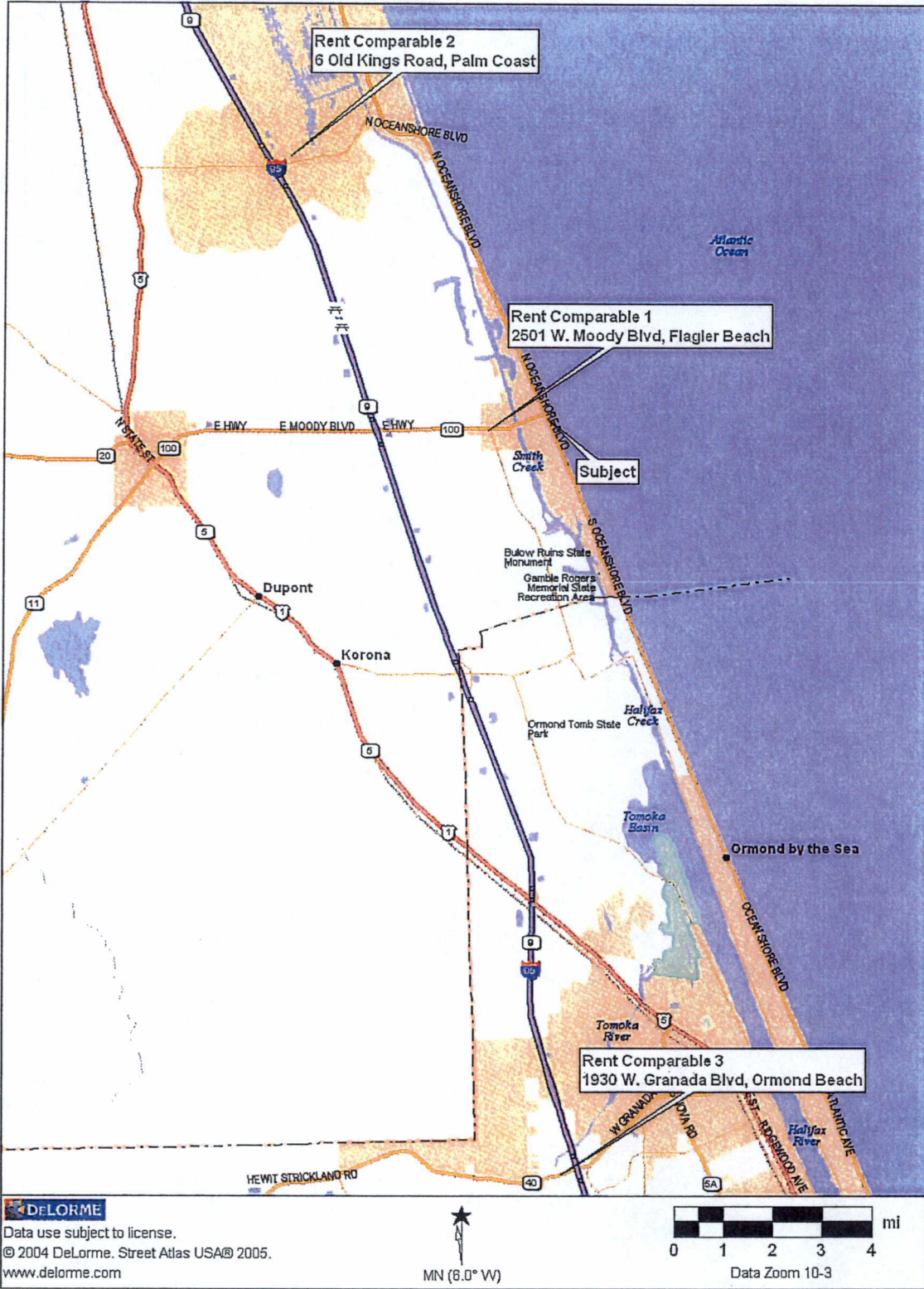


and laws. (G) The subject is assumed fully compliant with all applicable zoning ordinances, building codes, use regulations, and restrictions of all types. (H) All licenses, consents, permits, or other documentation required by any relevant legislative or governmental authority, private entity, or organization have been obtained, or can be easily be obtained or renewed for a nominal fee.

8. The Appraiser assumes a prospective purchaser or lessee of the subject is aware of the following. (A) This appraisal of the subject property does not serve as a warranty on the physical condition of the property. (B) It is the responsibility of the purchaser to carefully examine the property, and to take all necessary precautions before signing a purchase contract. (C) Any estimate for repairs is a non-warranted opinion of the Appraiser.
9. Any exhibits in the report are intended to assist the reader in visualizing the subject property and its surroundings. The drawings are not surveys unless specifically identified as such. No responsibility is assumed for cartographic accuracy. Drawings are not intended to be exact in size, scale, or detail.
10. Value opinions involve only real estate, and inconsequential personal property. Unless explicitly stated otherwise, value conclusions do not include personal property, unaffixed equipment, trade fixtures, business-good will, chattel, or franchise items of material worth.
11. All information and comments concerning the location, market area, trends, construction quality, construction costs, value loss, physical condition, rents, or any other data for the subject represent estimates and opinions of the Appraiser. Expenses shown in the Income Approach, if used, are only estimates. They are based on past operating history, if available, and are stabilized as generally typical over a reasonable ownership period.
12. Cooksey & Associates, Inc. and the Appraiser have no expertise in the field of insect, termite, or pest infestation. We are not qualified to detect the presence of these or any other unfavorable infestation. The Appraiser has no knowledge of the existence of any infestation on, under, above, or within the subject real estate. No overt evidence of infestation is apparent to the untrained eye. However, we have not specifically inspected or tested the subject property to determine the presence of any infestation. No effort was made to dismantle or probe the structure. No effort was exerted to observe enclosed, encased, or otherwise concealed evidence of infestation. The presence of any infestation would likely diminish the property's value. All value opinions in this communication assume there is no infestation of any type affecting the subject real estate. No responsibility is assumed by Cooksey & Associates, Inc. or the Appraiser for any infestation or for any expertise required to discover any infestation. Our client is urged to retain an expert in this field, if desired.
13. All opinions are those of the signatory Appraiser based on the information in this report. No responsibility is assumed by the Appraiser for changes in market conditions, or for the inability of the client, or any other party to achieve their desired results based upon the appraised value. Some of the assumptions or projections made herein can vary depending upon evolving events. We realize some assumptions may never occur and unexpected events or circumstances may occur. Therefore, actual results achieved during the projection period may vary from those set forth in this report. Compensation for appraisal services is dependent solely on the delivery of this report, and no other event or occurrence.



# Rent Comparables Location Map



Cooksey & Associates, Inc.



## PROPOSAL SUBMITTAL FORM

All proposals must include this Proposal Submission Form containing answers to questions relating to Operator's organization, personnel, experience and concept that would substantiate its qualification and capabilities to perform the services required by the scope of the RFP. In filling out this Proposal Submission Form, Operator may, (1) replicate this format, or (2) utilize this format and fill in the appropriate information, attaching extra pages when additional space is needed. If replicated, the Operator assumes all responsibility for ensuring that all sections and wording are replicated and all requested information is provided utilizing the required format.

### SECTION I. 330 SMP PROPOSED OPERATION

- a) Please attach narrative description of the proposed operation, including type of food or proposed menu, décor, hours of operation, price points, and other services or amenities to be included.
- b) Describe or include a proposed design rendering and/or floor plan illustrating how your concept will function within the building.
- c) What changes are you proposing to the Premises, when do you intend to make these changes (prior to opening for business, within the first five years, etc.) and what is the estimated construction cost for remodeling the space?
- d) Provide a pro forma for the first 24 months of operation.
- e) Indicate a proposed Lease Fee (including base and percentage rent) and term of lease.
- f) Specify any other terms or conditions requested of City.

### SECTION II. OPERATOR INFORMATION

- a) Name of Company (Legal Name): \_\_\_\_\_
- b) Name and Title of Representative: \_\_\_\_\_
- c) Mailing Address: \_\_\_\_\_
- d) Business Phone Number and Fax Number: \_\_\_\_\_
- e) E-mail address: \_\_\_\_\_
- f) Form of Organization (please check one):  
 Sole Proprietorship – *Complete Section B-1*  
 Partnership- *Complete Section B-2*  
 Corporation – *Complete Section B-3*  
 Limited Liability Co. – *Complete Section B-4*
- g) Bankruptcy Information: In the past seven (7) years, have you, your officers or affiliates in this proposal, been declared bankrupt, filed a petition in any bankruptcy court, filed for protection from creditors in bankruptcy court, or have involuntary proceedings filed in bankruptcy court? (select one) \_\_\_\_\_Yes  
\_\_\_\_\_No
- h) Pending Litigation: Are you, or your officers or affiliates in this proposal currently in any pending litigation? If yes, please explain? \_\_\_\_\_

---

**B-1 Sole Proprietorship**

- a) Proprietor's Name: \_\_\_\_\_
- b) Business Name: \_\_\_\_\_
- c) Residence Address: \_\_\_\_\_
- d) Business Address: \_\_\_\_\_
- e) Business Phone and Fax: \_\_\_\_\_
- f) Name of full time managing officer or managing employee: \_\_\_\_\_
- g) Attach resumes of owner(s) and full time managing officer(s) or managing employee(s). **Section B-2:**

**B-2 Partnership**

a) Please check the applicable organization:  
General Partnership \_\_\_\_\_ Limited Partnership \_\_\_\_\_

b) Partnership Agreement Recorded? (select one)      Yes \_\_\_\_\_      No \_\_\_\_\_

c) Name addresses and partnership share of each general and/or limited partner (add additional sheets as necessary). If limited, general partner must be identified:

<u>Name</u>	<u>Address</u>	<u>Share</u>
1. _____	_____	_____
2. _____	_____	_____
3. _____	_____	_____
4. _____	_____	_____

d) Please describe how long and in what capacity the principals have worked together: \_\_\_\_\_  
\_\_\_\_\_

e) Name of full time managing officer or managing employee: \_\_\_\_\_

f) Attach a complete copy of the fully executed Partnership Agreement.

**B-3 Corporation**

a) Organized Under Laws of: \_\_\_\_\_ Calif. Permit No.: \_\_\_\_\_

b) Date Organized: \_\_\_\_\_ Head Office Located: \_\_\_\_\_

e) Mailing Address: \_\_\_\_\_

f) Business Phone and Fax: \_\_\_\_\_



g) Is the corporation held: (select one) Publicly \_\_\_\_\_ Privately \_\_\_\_\_

h) If publicly held, how and where is the stock traded? \_\_\_\_\_

i) List the name, title and amount of stock/membership interests held by each corporate officers, each member of the board of directors, and each "principal" stockholder/member (principal stockholder/member defined as a stockholder who holds 10% or more of the outstanding stock or membership interests of the corporation). Use additional sheets as necessary.

<u>Name &amp; Title (officer, board member, principal stockholder)</u>	<u>Amount of Stock or Interest</u>
1. _____	_____
2. _____	_____
3. _____	_____

j) Attach complete copy of Articles of Incorporation.

**B-4 Limited Liability Company**

a) Date the LLC formed: \_\_\_\_\_ Location LLC formed: \_\_\_\_\_

b) Was Article of Organization filed? (Select one) \_\_\_Yes \_\_\_No If yes, when?: \_\_\_\_\_

c) Provide name, and address of each member (add additional sheets if necessary)

<u>Name</u>	<u>Address</u>
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____

d) Is the management of the limited liability company vested in one or more managers? If yes please provide name and addresses of the manager: \_\_\_\_\_

e) Please describe how long and in what capacity the principal members have worked together: \_\_\_\_\_  
\_\_\_\_\_

f) Provide the date of dissolution of the limited liability company, if any. \_\_\_\_\_

g) Attach complete copy of the fully executed Articles of Organization and any Amendments.

**Section III. REFERENCES**

**Industry References**

Please provide at least three industry references that can furnish the City information regarding organization's or individual's experience. Include contact names and phone numbers. This information will be used to evaluate each Proposer's service history.

1. Contact Name: \_\_\_\_\_ Tele #: \_\_\_\_\_  
Brief Description of Relationship: \_\_\_\_\_  
\_\_\_\_\_

2. Contact Name: \_\_\_\_\_ Tele #: \_\_\_\_\_

Brief Description of Relationship: \_\_\_\_\_  
\_\_\_\_\_

3. Contact Name: \_\_\_\_\_ Tele #: \_\_\_\_\_  
Brief Description of Relationship: \_\_\_\_\_  
\_\_\_\_\_

**Credit/Bank References**

Please provide at least two banks, lender or other financial institution references that can furnish the City with information regarding organizations or individual's accounts and credit history. Include contact names and phone numbers.

1. Contact Name: \_\_\_\_\_ Tele #: \_\_\_\_\_  
Brief Description of Relationship: \_\_\_\_\_  
\_\_\_\_\_

2. Contact Name: \_\_\_\_\_ Tele #: \_\_\_\_\_  
Brief Description of Relationship: \_\_\_\_\_  
\_\_\_\_\_

**Landlord References**

Please provide at least two recent landlord references (including current landlord if leasing). Include contact names, phone numbers and address of property leased.

1. Contact Name: \_\_\_\_\_ Tele #: \_\_\_\_\_  
Address of Property Rented: \_\_\_\_\_  
\_\_\_\_\_

2. Contact Name: \_\_\_\_\_ Tele #: \_\_\_\_\_  
Address of Property Rented: \_\_\_\_\_  
\_\_\_\_\_

**Section IV. Additional Information**

a) **Statement of Interest** – this letter should provide a statement of interest highlighting the Operator's qualifications, and understanding of the requirements of this opportunity.

b) **Project Team Resume(s)** – identify the project team and specify the relevant experience of the team members and key consultants.

c) **Financial Capability** (THIS ITEM TO BE SUBMITTED CONFIDENTIALLY UNDER SEPARATE COVER MARKED CONFIDENTIAL) Present evidence that the Operator has or will have the financial capability to carry out the proposed commitments. Evidence may include complete financial statement, audited if possible, for the last completed fiscal year; detailed financial resume/balance sheet of principal participants(s) listing all income, expenses and assets, including partial ownership interest in and income from any partially owned assets and list direct and contingent liabilities. This information will assist City to determine if Operator has the financial resources to carry out the operation as well as provide a guarantee of lease.

d) **Experience** - Describe the experience of team members in the development and management of a food service establishment including specific roles in the operation, dates, size, type of operation, type of tenant improvements, and amount of annual revenues for the three (3) most current consecutive years for each restaurant and, if possible, please provide copies of menus.



e) **Architect/Contractor:** If you have identified a designer and contractor for this project, please list their names and describe your prior working relationship.

**SECTION V.**

Having examined and understood the terms, conditions and specifications, and being familiar with the general nature of this request for proposal, the following is hereby proposed for consideration and evaluation:

\_\_\_\_\_  
Signature Authorized Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name and Title of Authorized Representative