



UNION STATION

**REQUEST FOR PROPOSALS FOR THE LEASE OF SPACE
IN THE HISTORIC UNION STATION FOR THE
OPERATION OF A FULL-SERVICE RESTAURANT**

PROVIDED BY THE
CITY OF WINSTON-SALEM
REAL ESTATE OFFICE
P.O. BOX 2511
WINSTON-SALEM, NC 27102
NOVEMBER 13, 2020

UNION STATION



INTRODUCTION

The City of Winston-Salem is interested in receiving proposals for the lease of space in the historic Union Station for operation of a full service restaurant.

HISTORY

Union Station was constructed in 1926 to serve passengers of the Southern, Norfolk and Western and Winston-Salem Southbound Railroads. At its peak in 1947, 18 daily trains traveled in and out of the Winston-Salem Station, bringing more than 500 passengers per day to and from Greensboro, North Wilkesboro, Charlotte, Asheville, Roanoke, Lexington, High Point and Albemarle.

The station featured large waiting rooms, checked baggage service, a restaurant, restrooms and a travelers' aid shop with newspapers, cigars and other items. Initially, all three floors of the 36,000 square foot structure were used for passenger and freight services. Passenger waiting areas and a concourse to the track level comprised the main upper level. Southern Railway Company offices occupied the middle level, while baggage rooms and offices for the Southeastern and American Railway Express Companies occupied the lowest level.

During the 1950s and 1960s, train ridership steadily declined and the station finally closed in 1967. It was purchased and operated as a garage for 35 years until the City of Winston-Salem's acquisition was completed in 2010.

RENOVATION

Including acquisition, the City of Winston-Salem spent over \$18 million on the redevelopment of Union Station to bring it back to its historically accurate appearance. The City's Transportation Department is located on the first (lower) level, the second (middle) level is leased to Winston-Salem State University, and the third (upper) level maintains its waiting room/meeting space and suites for the location of a full-service restaurant.

LOCATION

Union Station is located at 300 Martin Luther King, Jr. Drive. It is conveniently located in the downtown business district near Salem Parkway, Piedmont Triad Research Park, Salem College and Academy, Winston-Salem State University, and Old Salem.

DESCRIPTION OF RENTAL SPACE

The restaurant space is located on the third, or upper street level floor, with good access to Martin Luther King, Jr. Drive. Two, and potentially three, suites are available for restaurant lease. Suites 210 and 218 contain 3,795 square feet and an additional 804 square feet could be available in Suite 205.

BEFORE



AFTER

MINIMUM CONDITIONS AND REQUIREMENTS FOR SUBMISSION OF LEASE PROPOSALS

The City Council of the City of Winston-Salem has approved a list of minimum conditions and requirements for the lease of the restaurant space in Union Station. The minimum conditions and requirements are as follows:

MINIMUM CONDITIONS AND REQUIREMENTS FOR LEASE OF RESTAURANT SPACE IN UNION STATION

1. Upon execution of a lease, the Tenant will place in escrow with the Landlord (City) a security deposit or letter of credit in the amount of \$5,000.
2. The Tenant must demonstrate a minimum of 5 years' experience in the restaurant business.
3. The Tenant must operate a full-service restaurant serving breakfast, lunch, and dinner.
4. The Tenant must carry liability insurance in the amount required by the City and provide evidence of that insurance on an annual basis.
5. The City will provide \$283,450 towards installation of exhaust fan system and grease trap; installation of equipment and drops for electrical, plumbing, and gas; design and engineering costs; basic restaurant equipment. Costs beyond these are the responsibility of the Tenant. These Tenant costs may include fixtures, furniture, additional equipment (as needed), smallwares, china, glassware, silverware, etc.
6. All utilities will be paid by the Tenant.
7. The City will require a minimum commitment to an initial five-year lease with options for up to two additional five-year terms.
8. The City will require a minimum lease commitment to Suites 210 and 218, containing approximately 3,795 sq. ft. The Union News Suite H208 is not included in the restaurant lease. If Suite 205 were included in the lease, it would add an additional 804 sq. ft.
9. The City will require a lease rate of \$9/sq. ft. in years 1 and 2, \$10/sq. ft. in year 3, \$11/sq. ft. in year 4, \$12/sq. ft. in year 5, with annual increases of 5% thereafter during the first and second five-year options, if exercised. This graduated lease structure recognizes the fact that a restaurant will likely undergo an initial start-up period prior to optimum productivity.



LEASE AND RENT COMMENCEMENT

It is anticipated the City Council of the City of Winston-Salem will select a tenant and will authorize a lease to be signed in the first quarter of 2021 with rent commencement and restaurant opening to occur by the third quarter of 2021.

UPFIT APPROVAL

The historic Union Station is listed on the National Register of Historic Places and is a Winston-Salem Forsyth County Local Historical Landmark. As such, all tenant upfit must be approved by the Forsyth County Historic Resources Commission (HRC).

SIGNAGE AND PRICING

Landlord will provide signage with visibility from the intersection at the northeast corner of the property. Signage is subject to Certificate of Appropriateness and approval by the HRC. Landlord will provide parking for restaurant customers in the upper parking lot.

PAYMENT OF REAL ESTATE COMMISSION

The City of Winston-Salem will pay a licensed real estate broker representing a prospective Lessee a commission of three percent of the lease payment for years 1-5 upon submission, acceptance, and signing of a lease.

PERSONAL GUARANTY

The Lessee(s), as individual(s), shall personally guarantee the amounts due under the lease for the term in a form that is acceptable to the Lessor.

DEADLINE FOR SUBMISSION OF LEASE PROPOSALS

December 31, 2020

ACCESS TO LEASE SPACE FOR TOUR AND SUBMISSION OF LEASE PROPOSALS

For prospective tenants who are agreeable to meeting the minimum conditions and requirements and would like a tour of the space, contact Kirk Bjorling as indicated below.

A virtual tour is also available at <https://poly.google.com/view/6D4rOr3bX0P> (Best in Chrome)

A copy of this RFP should be signed and returned to the City at the name and address below, along with any desired attachments and cover letter. Lease proposals and questions should be directed to:

S. Kirk Bjorling
Real Estate Administrator
City of Winston-Salem
P. O. Box 2511
Winston-Salem, NC 27102
(336) 734-1291
kirkb@cityofws.org



DINING ROOM

WAIVER OF LIABILITY

The enclosed material is being provided solely to facilitate the prospective Lessee's own due diligence, for which it shall be solely and fully responsible. The material contained herein is based on information and sources deemed to be reliable, but the City, its officials, officers, agents, and employees make no representations or warranties, whether express or implied, as to the accuracy, completeness, and reliability of the information contained herein, or made available to prospective Lessee in connection with this Request for Proposals. Excerpts and summaries contained herein of any statutes, rules, regulations, ordinances, or other legal documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. The City expressly reserves the right to correct or modify any of the information contained herein. Furthermore, the City, its officials, officers, agents, and employees assume no responsibility for errors and omissions, accuracy or inaccuracy, sufficiency or insufficiency of the documents, information, and opinions expressed in the materials contained herein, and made a part of this Request for Proposals. In no event shall the City, its officials, officers, agents, or employees be liable for any damages, including incidental or consequential damages, arising out of the use of any such documents, information, and opinions.

No person has been authorized to make any written or oral representation as to the accuracy, completeness, or reliability of the information contained herein, or made available in connection with this Request for Proposals, and, if given or made, any such representation must not be relied upon. The City shall not be liable for, or bound by, any such representations. Prospective Lessee should undertake such investigation as they deem advisable to evaluate the information provided herein and should submit their offers based solely upon their own due diligence investigations.

The undersigned hereby acknowledges (i) that the City of Winston-Salem makes no representations or warranties with regard to the information provided in this Request for Proposals, or any other information made available in connection therewith, (ii) that by submitting its offer, the prospective Lessee assumes full responsibility for conducting its own due diligence regarding said information, and (iii) that it releases the City, its officials, officers, agents, and employees from any claim or liability based upon any representations or warranties, errors and omissions, accuracy or inaccuracy, sufficiency or insufficiency of the documents, information and opinions expressed in this Request for Proposals, or made available in connection therewith.

Prospective Lessee

Authorized Signature

Prospective Lessee

Authorized Signature

Date: _____