REQUEST FOR PROPOSALS (RFP)

FOR THE

OPERATION AND MANAGEMENT

OF AN INNOVATIVE RESTAURANT/RETAIL CONCEPT SPACE

WITHIN RIVERSIDE CITY HALL

Issued: March 2, 2017

Proposals Due: April 28, 2017

CITY OF RIVERSIDE
COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT
3900 MAIN STREET, RIVERSIDE, CA, 92522

Request for Proposals

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EXHIBIT "A" –Space Description – First Floor of City Hall

1. INTRODUCTION

With a population of more than 317,307, the City of Riverside (City) is ranked as the 12th largest City in California and 6th largest in Southern California. Riverside buzzes with an array of nationally recognized and regionally distinctive destinations delighting people of diverse interests, age groups and lifestyles.

Downtown Riverside is the location of multiple attractions oriented toward arts and culture, including the Historic Mission Inn Hotel and Spa, Mission Inn Museum, the Riverside Metropolitan and Art Museums, the University of California – Riverside Arts Block, Culver Center for the Arts, the recently renovated Fox Performing Arts Center, Main Street Riverside, and the Riverside Municipal Auditorium. Special events in downtown include the annual Festival of Lights, which includes holiday decorations with more than three million lights along Mission Inn Avenue, horse-drawn carriage rides, and live entertainment. The Festival of Lights runs from late November through early January and draws an estimated 250,000 people to the downtown. Other popular downtown events include, but are not limited to, the Lunar Festival, Mission Inn Run, Black History Month Parade, Dickens Festival, and Show n' Go.

The downtown area has, of recent, undergone a major transformation with new projects and investment as part of the Riverside Renaissance initiative, a $1.57 billion program to improve infrastructure and quality of life in Riverside. The effort represented a significant investment in the quality and pride of the City and has ensured that Riverside is a city of choice for generations to come, as well as a catalyst for private investment. As a result of the initiative, Riverside has become a more attractive location for new job, retail, and entertainment opportunities, all of which enhance the wealth of the community and ensure Riverside's position as the economic, governmental and cultural capital of Southern California's Inland Empire region.

Over the past few years, over $100 million worth of construction projects have been completed downtown including (but not limited to) a 132,136 square foot office building, a 125 room hotel, an 88,862 square foot Riverside Community College District office and Culinary Arts Academy, a new 30,000 square foot fire station, a 29,000 square foot expansion of the Riverside Convention Center, renovation of the Municipal Auditorium and Metropolitan Art Museum, and the 26,000 square foot Fox Entertainment Plaza.

Moreover, hundreds of urban housing units are coming to the downtown core to support local businesses and add to the economic vibrancy. The Imperial Hardware Lofts project, which broke ground in October 2016, will include 91 apartments and retail space once completed in 2018. Coupled with at least five other planned downtown residential developments over the next five years, this exciting development will result in a more successful city with a vibrant downtown where people want to live.

Lastly, the aforementioned projects created the need for a comprehensive evaluation of downtown's current strengths and opportunities for continued growth, as well as the development of a strategy to ensure the continued success of this key area of the City. As such, the City previously engaged Jones Lang La Salle to facilitate the development of a Retail and

Entertainment Strategy for downtown. The City has undertaken many of the suggestions contained in the strategy, which includes, but is not limited to, encouraging the expansion of eating, drinking and entertainment establishments (including recent approval of the Riverside Food Lab and Chow Alley projects); increasing linkages within and to the downtown; increasing events/programming to activate the street scene; integrating multi-family housing into the downtown land use mix; streamlining and making user-friendly the process for opening a business downtown; and developing a plan to bring more rooftops to the downtown area.

2. INVITATION TO PROPOSE

The City is pleased to offer an exciting opportunity for an experienced or start-up restauranteur, food operator, artisan food vendor (or equivalent) to lease space and operate an existing, built-out café space within the first floor of City Hall, located at 3900 Main Street, Riverside, California.

The potential number of customers which will patronize the restaurant/retail space is approximately 400 City employees working within City Hall from approximately 7:00 am until 6:00 pm, Monday through Friday including numerous employees working in other City building located nearby. The City Hall restaurant/retail space is conveniently located within walking distance of the Historic Mission Inn Hotel and Spa, Riverside Marriott, Hyatt Place Hotel, Riverside Convention Center, County Administration Center, State of California Administrative Building, County, State and Federal courthouses and numerous business located along Main Street Riverside. The aforementioned courthouses are located in the Justice Center of the Downtown Specific Plan. The intent of the Justice Center District is to provide a center for the existing and future expansion of major judicial uses within the downtown area. On any given weekday, the Justice Center District is bustling with lawyers, jurors, and associated businesses with limited options for dining. Lastly, on a monthly basis, a sizeable amount of the general public conducts business within City Hall between the hours of 8:00 am and 5:00 pm, Monday through Friday. City Hall is closed on weekends and all legal holidays. Moreover, as noted in Section 3 below, the City may approve operating hours when City Hall is closed.

There are only a limited number of eating establishments within a short walking distance of City Hall, and the restaurant/retail space will fill a general need for quality food, good service, attractive surroundings, and competitive prices. Public parking is available in a lot next to the building and at a parking structure adjacent hereto.

The City would like to encourage and nurture the region's food entrepreneurs and artisan eatery marketplace to invest in the community. Recognizing this, the City will entertain proposals for use of the restaurant/retail space as a kitchen incubator that will foster and support innovation and entrepreneurship for Riverside's food and farm-related businesses. The City supports such activities through its GrowRIVERSIDE Initiative, which fosters the development of local food and agricultural entrepreneurial activities to create jobs and economic activities and increase access to local and nutritious foods. The City's Community & Economic Development Department is available to assist food entrepreneur's network with other food system stakeholders including regional farmers and growers.

Lastly, the City will also consider proposals for "alternative retail uses" for the restaurant/retail space. If proposing a retail use other than a restaurant, proposers must identify the retail use and describe in detail the concept being proposed.

3. EXISTING, BUILT-OUT RESTAURANT/RETAIL SPACE DESCRIPTION

The restaurant/retail space is located on the first floor of City Hall with the food preparation area, display, counters and seating encompassing approximately 2,200 square feet. An outdoor seating area is also available (a diagram of the subject location is attached to this RFP as Exhibit "A"). Operating hours are expected to be, at a minimum, 7:00 am to 5:00 pm (Monday – Friday) and may include hours when City Hall is closed (i.e. evenings and weekends, subject to mutually agreeable security measures). In addition, the selected proposer may (on request) make available for sale limited refreshments, e.g. coffee, soft drinks, cookies, muffins, sandwiches, and water (and potentially beer and wine) on the evenings when the City Council meets (generally 1st- 4th Tuesdays of each month). Finally, opportunities may be available for the selected proposer to cater miscellaneous events within the City Hall building, Grier Pavilion or at local outside facilities on an as-needed basis.

The selected proposer will be required to prepare, vend and generally operate the restaurant/retail space in conformance with all applicable health codes. Payment of all utilities and daily cleaning of the restaurant/retail space shall be the responsibility of the selected proposer. A County of Riverside Health Department rating of "A" will be required at all times. Also notable, is the newly built Riverside City College's Culinary Academy, which is located adjacent to City Hall and can provide opportunities to source talent, offer internships and partner.

4. GOALS/OBJECTIVE

The goals/objective of this Request for Proposals (RFP) is to award a lease to an experienced or start-up restauranteur/retailer, food operator, artisan food vendor (or equivalent) who will accomplish the following:

- Provide a restaurant or retail concept with a distinctive experience that will cater to visitors and employees at Riverside City Hall and also draw people to the area for a memorable experience, develop a kitchen incubator that will foster and support innovation and entrepreneurship for Riverside's food and farm-related businesses;
- City policy encourages that, within six months of operation, the selected proposer must procure, at a minimum, 15% sustainable food products produced by regional farmers while maintaining accessibility and affordability to patrons. Moreover, a target of at least 20% local food sourcing is desired when the restaurant or food incubator is established;
- Maximize attendance through featured menu items, service, ambiance, and marketing;
- Implement quality marketing and advertising campaign;
- Work in partnership with the City during the normal course of business to ensure an optimum eating experience; and

- Promote public enjoyment, provide job opportunities for local residents, and complement the downtown.

A long history of successful restaurant experience is not a requirement to propose. The City is interested in trendy, food-related eating concepts such as shared kitchens, pop-up cafes, food incubators and other restaurant concepts.

Please note, the City will provide all existing furniture, fixtures, and equipment necessary to operate the restaurant/retail space except for the utensil and plateware (if desired by the selected proposer). All such property shall remain assets of the City upon termination of the lease. Moreover, the City will not provide any new furniture, fixtures, or equipment and will not be offering a Tenant Improvement allowance.

5. OPTIONAL PRE-PROPOSAL MEETING

Prior to submitting a proposal, potential proposers are encouraged to attend an on-site meeting to be held at 5:00 pm on March 27, 2017. The meeting location will be in the lobby of City Hall, 3900 Main Street, Riverside, CA 92522. During this meeting, the City will allow limited supervised examination of the facility and surrounding area. The intent is to provide all potential proposers with an opportunity to examine the project site and its potential. It is expected that this meeting will last approximately one hour, including questions and answers. Please be prepared to share a concept, business plan, financing channels, and connection to the community.

A sign-in sheet will be provided and all represented vendors will be required to sign in at the beginning of the meeting.

6. DOWNTOWN RIVERSIDE DESCRIPTION/DEMOGRAPHICS/STATISTICS

Downtown land uses range from low-density residential to high-density apartments and from small commercial/office buildings to large commercial/office/industrial sites. Many of the downtown buildings maintain local and national historical significance and represent exemplary examples of a variety of historic architectural styles. At the heart of downtown, Main Street Riverside presents dozens of unique shops and is anchored by the world famous Historic Mission Inn Hotel and Spa.

RADIUS	**1 MILE**	**3 MILE**	**5 MILE**
POPULATION			
2021 Projected Population:	16,678	116,544	250,560
2016 Population:	15,912	111,763	240,2182016
Median Age:	32.4	29.7	31.8

HOUSING			
2021 Projected Households:	5,140	35,924	75,315
2016 Households:	4,909	34,644	72,554
2016 Avg. Household Size:	2.94	3.10	3.53
Owner Occupied Units:	1,701	15,852	39,062
Renter Occupied Units:	3,208	18,791	33,492
INCOME			
2016 Avg. Household Income:	$56,133	$61,129	$72,402
2016 Med. Household Income:	$39,205	$44,120	$52,454
2016 Per Capita Income:	$19,815	$20,033	$22,597

	Average Attendees/Yr.	**Average Events/Yr.**
Fox Performing Arts Center	73,745	81
Riverside Convention Center	178,728	324

	Average Jurors/Yr.
Riverside County Courts	83,712

Downtown Event	**Attendance**	**Timing**
Festival of Lights	250,000	Nov 25 - Jan 8
Lunar Festival	30,000	Jan 28 (1 day event)
Black History Parade	10,000	Feb 11 (1 day event)
Show n' Go	9,000	Apr 27, 28, & 29
Mission Inn Run	9,000	Nov 10 (1 day event)
Dickens Festival	6,000	Feb 25 - 26
Salute to Veteran's Parade	5,000	Apr 21 (1 day event)
Dias de los Muertos	2,000	Nov 2 (1 day event)
Ghostwalk	1,800	Oct 26 & 27
Festa Italiana	1500	TBD
Drum, Mask & Dance Festival	800	Last Sat of May
Family Village Fun Day	750	2nd Sat of Oct
Arts Walks	1,200/mo.	1st Thurs of each month
First Sundays	500/mo.	1st Sun of each month (Oct - May)

7. PROPOSAL REQUIREMENTS

Interested parties shall submit written proposals that contain the following essential elements:

A. Restaurant/Retail Narrative: describe in detail the restaurant/retail concept being proposed, to include the following:

- Menu: include a copy of the proposed menu and pricing for the restaurant/retail space and any associated merchandise being proposed with pricing. Where conducive, indicate items that will likely integrate local and regional sourced foods and ingredients.
- Marketing and Customer Service: describe the marketing plan proposed for use in operations, with an emphasis on measures designed to obtain maximum patronage.
- Describe customer service objectives for the restaurant/retail space, specifically employee training and retention programs to support and meet objectives.
- If proposing a kitchen incubator: provide a description of experience in operating a commercial kitchen and a listing of culinary projects the proposer has been involved with and describe how the kitchen incubator will procure local and regional sourced foods and ingredients.

B. Proposer Background/Experience: Describe a brief history of the proposer entity. Note any changes in the proposer's name and ownership structure and any other dba's under which the proposer has been doing business.

- Operational: submit sufficient information to allow the City to evaluate the management structure and operating program of the proposed restaurant concept.
- Restaurant operations: describe current restaurant operations and, if any, experience sourcing from local and regional farms. Please note that City staff may elect to perform a site visit to review/confirm current restaurant conditions.
- Minimum Qualifications: provide evidence that the proposer has experience in the restaurant business (experience can be direct experience, education or a combination thereof).
- References: provide references to evidence the restaurant experience requirement, including the name of the operation, address, contact person, telephone number, and annual gross sales generated.
- Management Structure: describe the management structure to be employed in the operation of the restaurant/retail space. Please include a job description for the on-site manager, include the number of employees and a proposed daily schedule to deliver good customer service during the proposed hours of operation.
- Insurance Coverage: provide evidence that the proposer has the ability to obtain the necessary insurance required for the operation of the proposed restaurant. Acceptable evidence includes letters from the proposer's insurance company dated no earlier than two weeks before the submittal deadline date and signed by an officer of the insurance and security provider.
- Reviewed financial statements including an audited balance sheet and income statement prepared by and independent Certified Public Accountant in accordance with generally accepted accounting principles (or tax documents for a sole proprietorship) for the previous two (2) complete fiscal years, including disclosure and cash flow statements.

- If the proposer intends to operate the business as a sole proprietorship, proposer must submit a personal financial statement not older than ninety (90) days and his/her most recent personal tax returns.

- If proposer is a corporation, partnership, limited liability corporation, or joint venture, and has been in business for less than one (1) year, proposer needs to provide financial information for ownership which could include shareholders, partners, members of a limited liability company, or joint venture partners.

C. Proposed Base Rent, Desired Lease Term and Tenant Improvements:

- Proposed Rent: provide the proposed monthly rent structure including base rent, any rent abatement, annual rate increases, and desired lease term. Please note, the City anticipates this will be a triple net (NNN) lease where the selected proposer will be responsible for payment of all utilities, maintenance, insurance and possessory interest taxes.

- Tenant Improvements: the City will not provide a tenant improvement allowance or offer any public subsidies related to this RFP (outside of mutually agreeable rent abatement in lieu of a tenant improvement allowance).

8. BROKER COOPERATION/PARTICIPATION

The City encourages licensed broker cooperation/participation. Rent and broker commission to be negotiated based on proposals.

9. INSTRUCTIONS AND SCHEDULE FOR SUBMITTAL OF PROPOSALS

The City shall not be liable for any expenses incurred by any proposer in relation to the preparation or submittal of Proposals. Expenses include, but are not limited to, expenses by proposer in: preparing a Proposal or related information in response to RFP; negotiations with City on any matter related to this RFP; and costs associated with interviews, meetings, travel or presentations. Additionally, City shall not be liable for expenses incurred as a result of City's rejection of any Proposals made in response to this RFP.

Proposals are due before 5:00 PM on April 28, 2017. This time and date is fixed and extensions may not be granted. The City does not recognize the U. S. Postal Service, its postmarks or any other organization as its agent for purposes of dating the Proposal. All Proposals received after the deadline shown will be rejected, returned to sender and will not receive further consideration. Furthermore, the City reserves the right to reject any and all Proposals and to waive information and minor irregularities in any Proposal received.

Mail by (or hand-deliver) **six (6) hard copies** and **one (1) electronic proposal file** of the proposal to:

City of Riverside
Community & Economic Development Department
Attn: Nathan Freeman
3900 Main Street, 3rd Floor
Riverside, CA 92522

10. RFP INQUIRIES

All requests for clarifications, changes, exceptions, deviations to the terms and conditions set forth in this RFP should be submitted in writing to: Nathan Freeman, Project Manager: nfreeman@riversideca.gov.

The final day for the receipt of questions shall be before 5:00 PM on April 3, 2017 and will be answered and posted to www.riversideca.gov/cdd/rfp.asp by 5:00 PM on April 7, 2017.

To ensure fairness and avoid misunderstandings, all communications must be in written format and addressed only to the individual set forth above. Any verbal communications will not be considered or responded to. Written communications should be submitted via e-mail to the address provided above. All questions received by the due date will be logged and reviewed and if required, a response will be provided via an addendum to the RFP. **Any communications, whether written or verbal, with the Mayor, any City Councilmember, or City staff, other than the individual indicated above (specific to this Request for Proposals), prior to award of a contract, is strictly prohibited and the proposer shall be disqualified from consideration**.

11. PUBLIC RECORDS

All Proposals submitted in response to this RFP become the property of the City and under the Public Records Act (Government Code § 6250 et. seq.) are public records, and as such may be subject to public review at least ten (10) days before selection and award.

If a proposer claims a privilege against public disclosure for trade secret or other proprietary information, such information must be clearly identified in the Proposal. Personal information should be labeled as confidential and will remain so. Note that under California law, price proposal to a public agency is not a trade secret.

12. EVALUATION PROCESS AND SELECTION CRITERIA

The City will conduct the selection process. The City is the final decision-maker regarding this selection, and it reserves the right to reject any or all responses or to terminate lease negotiations at any time. The City reserves the right to request clarification or additional information from individual respondents and to request some or all respondents to make presentations to City staff, community groups, or others.

Selection Criteria: The following criteria will be used for initial scoring purposes and to determine a proposer interview list (please note, the City commits to interviewing, at a minimum, the top two responsive proposers).

1. Restaurant/Retail Narrative (40%)
2. Proposer Background/Experience (30%)
3. Proposed Base Rent Structure and Desired Lease Term (30%)

After proposer interviews, the City will re-score the interviewee's proposal using the aforementioned scoring criteria. The subsequent re-scoring of all interviewee's proposals shall be the basis for the selection of a proposer and a recommendation to the City Council for final approval, provided mutually agreeable terms for a lease can be reached between the selected proposer and the City. If not, the City reserves the right to negotiate with the next highest ranked proposer.

EXHIBIT "A"

RESTAURANT SPACE DESCRIPTION – FIRST FLOOR OF CITY HALL

Area shown within clouded area is considered “cafe’” space

Riverside City Hall Restaurant Layout