

REQUEST FOR PROPOSALS (RFP)

for

New Restaurant Opportunity

at the

Fox Entertainment Plaza

Issued: February 13, 2012

Proposals Due: April 18, 2012



CITY OF RIVERSIDE
DEVELOPMENT DEPARTMENT

Request for Proposals

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1. INTRODUCTION

With a population of more than 300,000, 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 by providing a mix of popular venues for dining, shopping, entertainment and socializing.

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 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, ice skating, 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 is in the midst of 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 represents 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 ensures Riverside’s position as the economic, governmental and cultural capital of the Inland Empire region.

Currently, over \$100 million worth of construction projects are underway downtown including a new 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 new 26,000 square foot Fox Entertainment Plaza.

Furthermore, these significant 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 recently contracted with Jones Lang La Salle to facilitate the development of a Retail and Entertainment Strategy for downtown. The City intends to implement many of the suggestions contained in the strategy, which includes, but is not limited to, encouraging the expansion of eating, drinking and entertainment establishments; 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 a well-qualified business entity to operate a restaurant (or restaurants, as the available space is divisible) and/or related retail use to serve as a key attraction within the City-owned Fox Entertainment Plaza, which is next door to the Fox Performing Arts Theater in downtown (Exhibit “A”).

Qualified proposals must have demonstrated experience, and knowledge of restaurant/retail operations—including financing, marketing, design, leasing, management and oversight. It is further expected that proposals will be based on a thorough understanding of existing and future restaurant market conditions and trends and that final proposals will contain realistic financial projections.

3. FOX ENTERTAINMENT PLAZA DESCRIPTION

Construction has recently begun on the \$14.4 million multi-purpose Fox Entertainment Plaza, which will include a 12,000-square-foot divisible shell restaurant/retail space with an outdoor plaza area dining option (see space plan - Exhibit “B”), 10,000 square feet of exhibit space for the Riverside Metropolitan Museum, a 4,000-square-foot black box theater, and a 400 space parking garage. Construction is scheduled for completion in Fall 2012 (see current construction photo’s – Exhibit “C”)

Once open, the black box theater will be a flexible performance space used for intimate productions including contemporary or little known works and less traditional theatre forms such as improvisation and performance art. Every seat in the black box theater will be a good seat, thus offering patrons an intimate viewing experience. Additionally, catering opportunities may be available for special events that occur in the exhibit hall and black box theater.

The Fox Entertainment Plaza will be immediately adjacent to and integrally incorporated into the recently renovated Fox Performing Arts Center, one of the City’s most revered landmarks and a state-of-the-art performing arts theater for the greater Riverside area. The Center boasts a 1,642-seat performing arts theater that captures the original grandeur of the 1929 building, with updated amenities for patron enjoyment and comfort. Since it’s reopening, the Fox Performing Arts Center has hosted 52 Broadway performances, 79 concerts, and 40 community events. Top performances include, but are not limited to, Bill Cosby, Sheryl Crow, Natalie Cole, Rain - A Tribute to the Beatles, The Color Purple, Jason Bonham - Led Zeppelin Experience, B.B. King, Peter Frampton, Legally Blonde the Musical, Riverside County Philharmonic, Ring of Fire - the Johnny Cash Tribute, Brian Regan, and Anjelah Johnson.

The Fox Entertainment Plaza will be conveniently located within walking distance of the Historic Mission Inn Hotel and Spa, Riverside Marriott, Hyatt Place Hotel (slated to open in March 2012), Riverside Convention Center, City Hall, Main Street Riverside, and County, State and Federal courthouses.



4. GOALS/OBJECTIVE

The goals/objective of this Request for Proposals (RFP) is to award a long term lease to an operation who will accomplish the following:

- Provide a destination restaurant and/or eating and entertainment related retail operation with a distinctive menu/experience that will cater to visitors of the Fox Performing Arts Center and draw people to the area for a memorable experience;
- Maximize attendance through featured menu items, service, ambiance, and special events marketing;
- Assess, provide, and install all necessary furnishings and equipment in order to create an attractive and inviting destination;
- Implement quality marketing and advertising campaign; and
- Work in unison with the City during the normal course of business to ensure an optimum experience for those going to the Fox Performing Arts Center, the Fox Entertainment Plaza, the surrounding community, and the restaurant.

Furthermore, the proposed restaurant development will promote public enjoyment, provide job opportunities for local residents, and complement the downtown. The proposed restaurant proposal is consistent with the recent City Council approved *Seizing Our Destiny* initiative, which is the City’s roadmap to enhancing the community’s quality of life, fueling intelligent growth, encouraging innovation, positioning Riverside as the location of choice for diverse and dynamic people, and attracting desirable businesses and jobs to the region.

5. 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	3 MILE	5 MILE	10 MILE
POPULATION			
2016 Projected Population:	111,551	246,338	1,030,914
2010 Population:	104,749	229,881	958,817
Daytime Population:	58,105	94,870	313,702
2010 Median Age:	28.7	29.8	29.5



RADIUS	3 MILE	5 MILE	10 MILE
HOUSING			
2016 Projected Households:	33,949	74,101	283,641
2010 Census Households:	32,264	69,815	266,771
2010 Avg. Household Size:	3.10	3.15	3.53
Owner Occupied Units:	15,158	38,914	156,838
Renter Occupied Units:	17,106	30,901	109,933
INCOME			
2010 Avg. Household Income:	\$56,833	\$66,791	\$66,292
2010 Med. Household Income:	\$39,982	\$50,337	\$51,369
2010 Per Capita Income:	\$19,047	\$21,743	\$19,038

	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

<u>Downtown Event</u>	<u>Attendance</u>	<u>Timing</u>
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	Jan 7 & 8
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)



6. PROPOSAL REQUIREMENTS

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

A. Conceptual: describe in detail the restaurant concept being proposed and how it will fit into the Fox Entertainment Plaza and compliment the culture and quality of life.

Provide preliminary plans, sections, diagrams and elevations in sufficient detail showing the manner in which proposer plans to develop the premises as follows:

- Floor plans of space showing proposed uses, layout, circulation and utilities.
- Proposed integration with Fox Performing Arts Center and Fox Entertainment Plaza.
- One or more architectural rendering(s) of restaurant indicating layout of space, general color scheme, style of furniture, fixtures, materials to be used for flooring, walls and lighting.

For all products, please include quality grade, brand names and anticipated costs.

- Marketing and Customer Service: describe the marketing plan proposed for use in operations, with an emphasis on measures designed to obtain maximum patronage during peak and non-peak periods. Please note that the City will market the Fox Entertainment Plaza (as a whole) and will include the restaurant(s)/retail space in said marketing.
 - Describe customer service objectives for the restaurant, specifically employee training and retention programs to support and meet objectives.
 - Menu: include a copy of the proposed menu for the restaurant food/beverage and any associated merchandise being proposed, which includes non-alcoholic and alcoholic beverages indicating as applicable portion size, suggested price, and name brands.
 - Hours: provide proposed days and hours of operation for the proposed restaurant.
- B. Proposer: 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. 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 and be able to show progressive quality management of similar types of restaurants for the past five (5) years.
 - **References:** provide references to evidence the minimum experience requirements, 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. 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.
 - **Proposed Rent:** provide the proposed rent structure including base rent, any rent abatement, annual rate increases, and term.
 - **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.
- C. **Capital Investment:** provide the cost for interior construction, finishes, furnishings, fixtures, trade equipment, and architectural and engineering fees and the proposed method of financing. Please note that the City intends to connect the space to the existing sewer system and will be responsible for all applicable fees.
- D. **Financial:** proposer must include the following financial documents (enclose in a separate envelope marked “confidential information”):
- 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 personal financial information for ownership which could include shareholders, partners, members of a limited liability company, or joint venture partners.



7. BROKER COOPERATION/PARTICIPATION

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

8. CITY INCENTIVES OVERVIEW

Multiple City incentives will be available to the selected restaurant/retail space operator which include, but are not limited to:

- **Fast Track Permitting Assistance/Ombudsman Service:** The City's Economic Development team will assist with expediting the permit approval process and will monitor the permit application through the development review and approval process. Furthermore, the Economic Development team will provide personalized ombudsman assistance which simplifies the process of navigating City departments and processes.
- **Electric Utility Incentives:** the City of Riverside owns, operates, and maintains its own electric utility and offers (as applicable) electric equipment rebates, energy efficiency incentives, lighting programs, energy management services, and technical assistance.

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 4:00 PM on April 18, 2012. This time and date is fixed and extensions will 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) Proposal to:

Attn: Nathan Freeman
City of Riverside – Development Department
3900 Main Street, 5th Floor
Riverside, CA 92522



10. RFP INQUIRIES

For questions or clarifications pertaining to this RFP, please contact Nathan Freeman at (951) 826-5374, or nfreeman@riversideca.gov.

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 development 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.

As part of the evaluation process, the City expects to interview some, but not necessarily all, of the parties submitting proposals.

The intent of the RFP step of this selection process is to identify qualified parties interested in operating and maintaining a full-service restaurant and related amenities within the Fox Entertainment Plaza. The selection of a qualified proposer will be based generally upon his/her experience in the restaurant industry and ability to demonstrate progressive quality restaurant management over a five (5) year period, including the quality of the proposed restaurant and capacity to carry out the restaurant development in a carefully and coordinated manner with the full collaboration of the City.

The primary basis for the City's consideration of responses to this RFP will be the contents of the party's Proposal, as outlined in Section 6 of this RFP, and the results of the City's due diligence and reference checks.

The restaurant operator will be selected based upon the following:

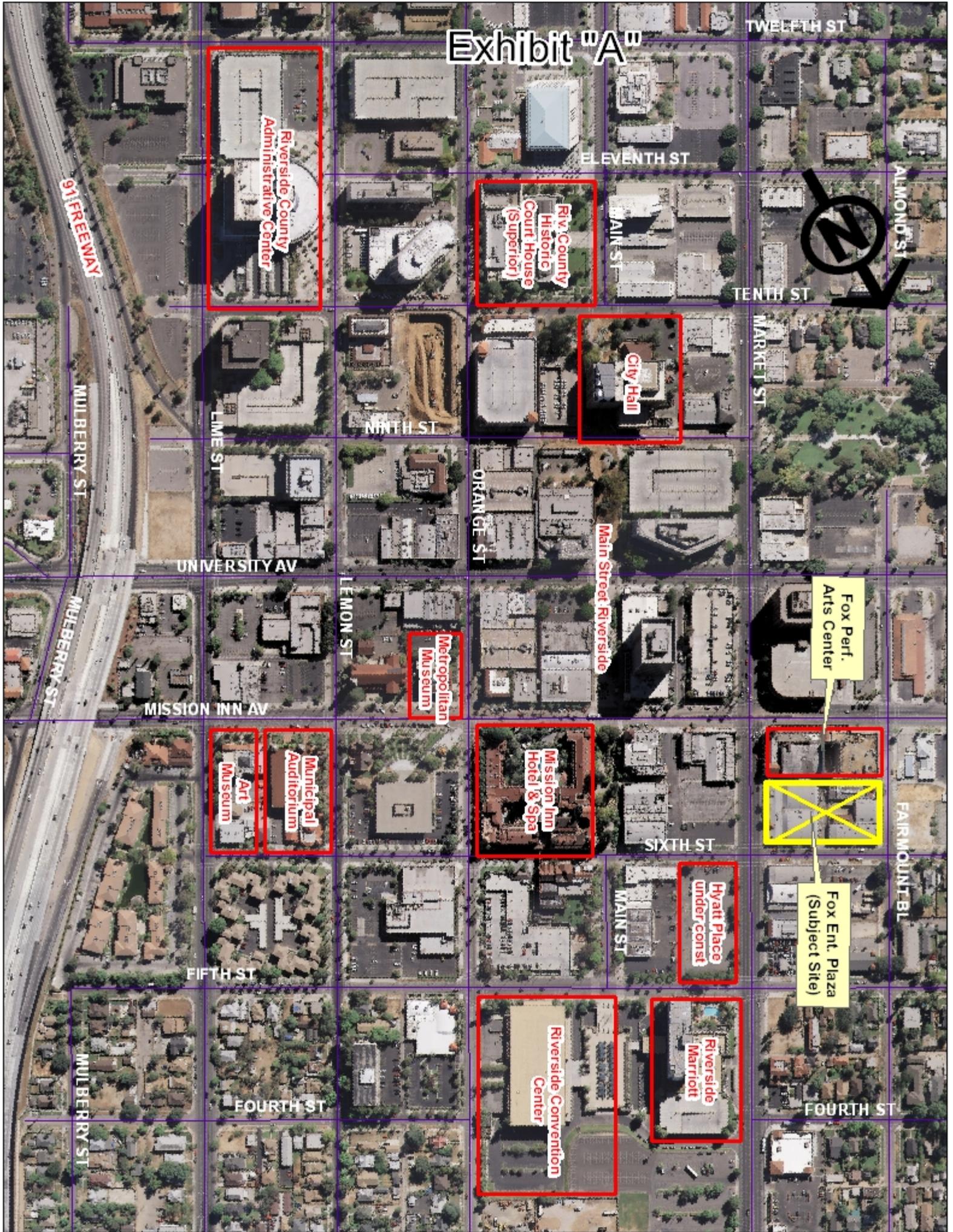
- A. Strength of restaurant team and management approach;
- B. Demonstration of relevant project experience;



- C. Financial strength and capability with further consideration given to proposals with none or minimal financial contributions required from the City;
- D. Understanding of the proposed restaurant development goals;
- E. Quality of the proposed restaurant development;
- F. Benefit that the restaurant development provides the City and its constituents; and
- G. Financial feasibility of the restaurant development proposal.

Exhibit "A"
Site Map

Exhibit "A"



TWELFTH ST

ELEVENTH ST

ALMOND ST

TENTH ST

MARKET ST

NINTH ST

City Hall

UNIVERSITY AV

ORANGE ST

Main Street Riverside

Fox Perf. Arts Center

MISSION INN AV

Metropolitan Museum

Mission Inn Hotel & Spa

FAIRMOUNT BL

Fox Ent. Plaza (Subject Site)

SIXTH ST

Hyatt Place under const

FIFTH ST

MAIN ST

Riverside Marriott

FOURTH ST

Riverside Convention Center

FOURTH ST

91 FREEWAY

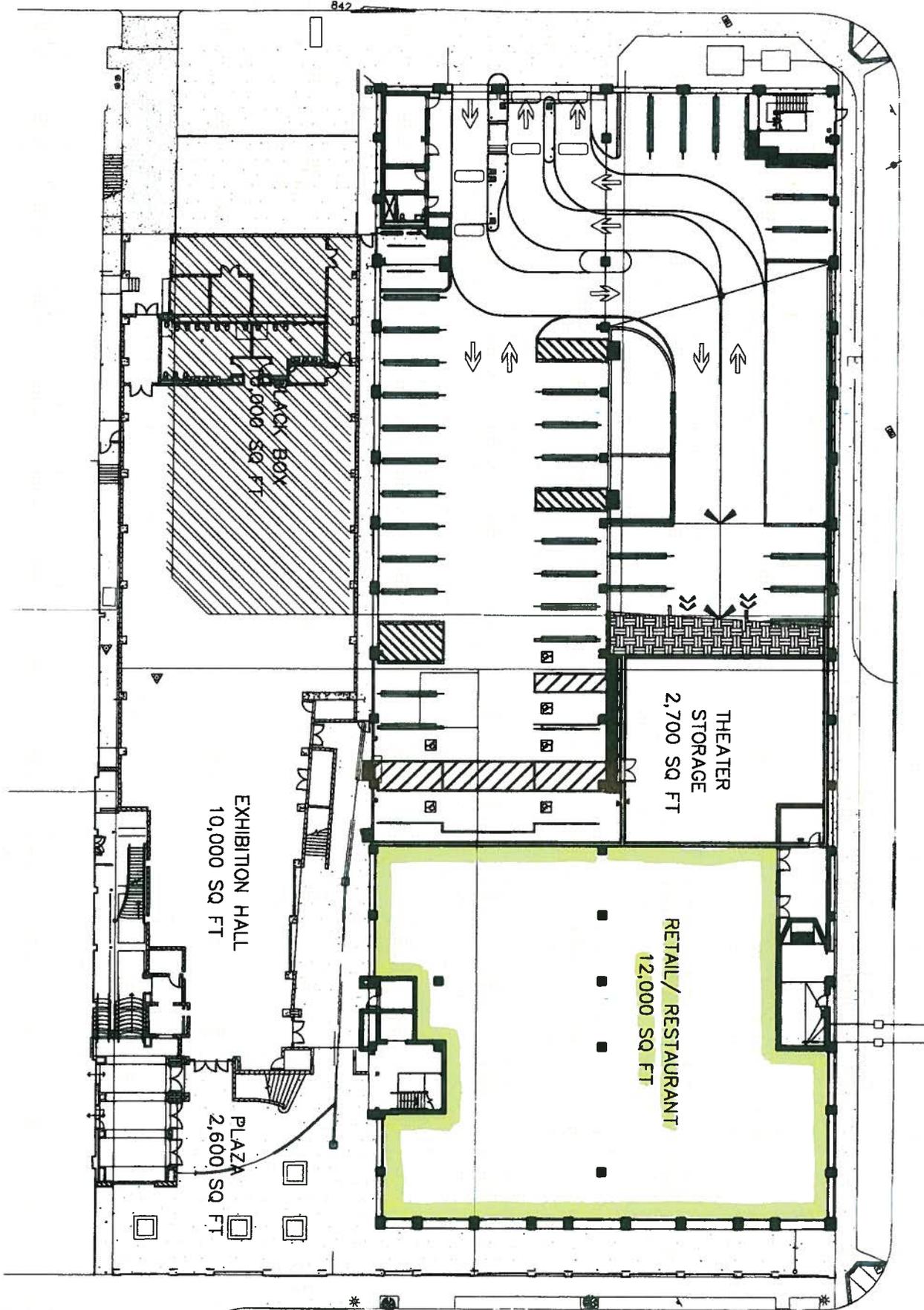
MULBERRY ST

MULBERRY ST

MULBERRY ST

Exhibit "B"
Space Plan

EXHIBIT B



Market Street

Exhibit "C"
Current Construction Photographs



