

REQUEST FOR PROPOSAL
Property Development Opportunity
[Joe's Crab Shack]
25 FAIRFIELD AVENUE
BELLEVUE, KY 41073

January 25, 2021

ISSUED BY:

City of Bellevue
616 Poplar Street
Bellevue, KY 41073
Phone: 859.431.8888
Fax: 859.261.8387

RESPONSES DUE 4 PM FEBRUARY 19, 2021



I. Introduction and Purpose

The purpose of this Request for Proposal (“RFP”) is to solicit proposals for a lease agreement, and select a restaurant business (“Respondent”) to be operated at 25 Fairfield Avenue in Bellevue, Kentucky, the former Joe’s Crab Shack site (the “Project”).

The City of Bellevue owns the building located at 25 Fairfield Avenue and seeks to enter into a lease agreement with a restaurant operation for the use of the property.



The City of Bellevue (“City”) is requesting proposals from qualified companies and/or project teams who have experience developing, operating and leasing retail food hospitality establishments in urban locations.

The City will select a Respondent based on the information provided in the responses to the Request for Proposals.

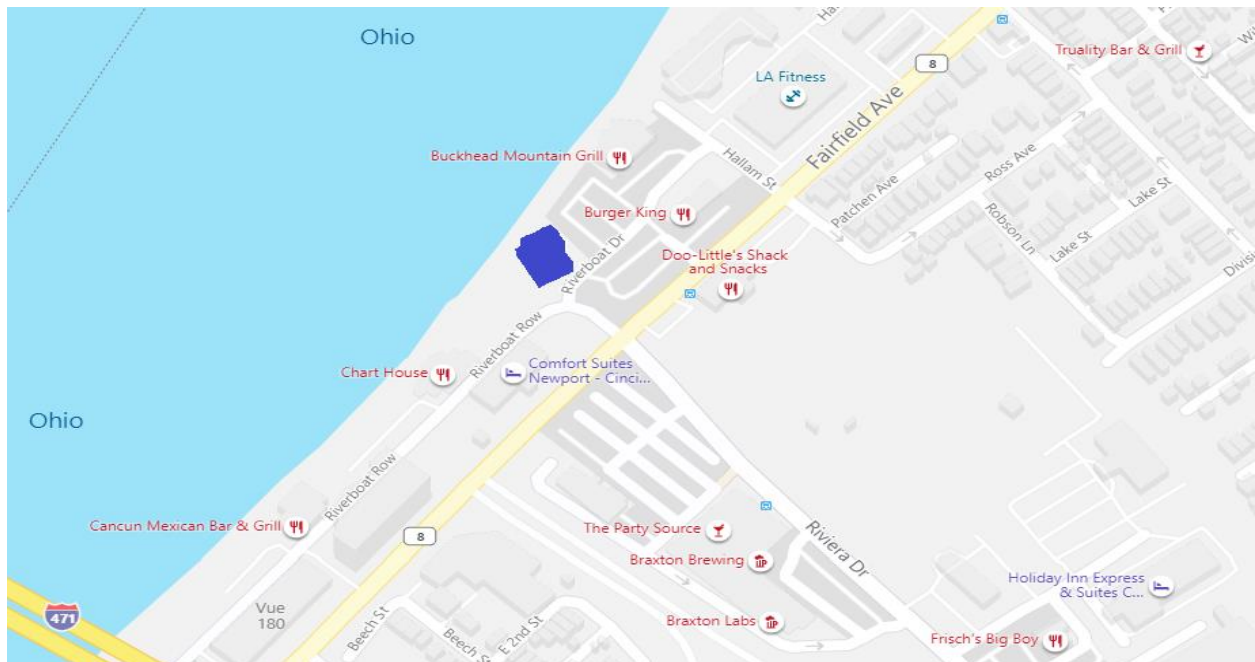
The building where Joe’s Crab Shack was previously located is a prime riverfront property with approximately 8,592 square foot restaurant space. Some renovation will need to be done to achieve a more pristine condition.

On or about March 1, 2020, the City of Bellevue acquired ownership of the building. After this date, the building has seen no commercial use. Numerous restaurant operator groups have toured the building and expressed interest in leasing it from the City.

The Northern Kentucky area is a growing region in the mid-west. The City of Bellevue is undergoing a renaissance and a growth in population. Cincinnati is located minutes away from Bellevue, hosting multiple events and entertainment venues such as baseball, football, hockey, concerts, stage-plays and other event locations. The site is in the epicenter of business in the region. The City of Newport is located next to the property. The restaurant is easily accessed by patrons from Dayton, Bellevue, Newport, Fort Thomas, Cincinnati, and travelers in the region.

II. Project Description

The structure is a 8,592 square foot building located adjacent to a parking lot shared with Buckhead Mountain Grill at 25 Fairfield Avenue ("Site") and Brandicorp. The Site is accessed off Fairfield Avenue, the main street in Bellevue.



The riverside open-plan restaurant building is seconds off of I-471 with entrance ramps accessible going south or north into the City of Cincinnati. Within the property are waiting areas, a bar, bathrooms, two large seating areas, a commercial kitchen, and a large deck facing the Ohio River. The building is in stable condition, but will need some rehabilitation and remodeling. It may need a new air conditioning unit(s) to best make use of the property.

A minimum of 250 shared parking spaces are located adjacent to the building.

The City is seeking a company/project team capable of executing a quality project and attracting a for-profit business to the space.

III. Terms and conditions.

These are some of following terms and conditions to the lease shall include:

1. The building is being leased to the Tenant "AS IS."
2. The minimum base rent that shall be considered is \$110,000 per year.
3. The "percentage rent" shall be 3.25% of gross sales to \$4.1 million; 3.75% of gross sales above \$4.1 million in a lease year. Minus minimum base rent.
4. If sales are less than \$1.5 million in a lease year, tenant may terminate the lease with 90 days notice to the City.
5. Tenant to pay all taxes including but not limited to: City, county, state, school, health, library, county extension, soil conservation.
6. Minimum of 250 non-exclusive parking spaces open to the public and restaurant patrons.
7. Tenant to pay all utility costs.
8. Tenant responsible for improvements, maintenance and repairs.
9. Tenant to provide commercial property and casualty loss insurance; must indemnify and hold the City harmless from all personal injury claims or other claims arising from the use of the Premises; must name the City as an additional insured.
10. No mechanics liens may be filed against the property. If filed, Tenant shall file a bond securing payment of the liens.
11. Tenant to comply with all regulatory laws, including but not limited to zoning, signage regulations, building codes, City ordinances, state and federal laws.
12. Tenant to pay broker's fee, and any attorney's fees, if any.
13. Tenant may use all kitchen and other equipment on the Premises and will return it to the City minus normal wear and tear. It is expressly understood the City is the owner of the kitchen equipment and Tenant may not sell, discard or encumber these items.
14. A Respondent's proposal to the City is subject to a right of first refusal as reflected in Clause 26 in the Buckhead Mountain Grill lease with the City indicated below.
15. The new lease between the City and selected Respondent will essentially be similar as the lease between Joe's Crab Shack and the City.

IV. Scope of Activities.

The City is seeking to lease the building to a Company/Project team who will come to an agreement with the City.

The selected Company/Project Team will:

- Operate the building in a commercial fashion, housing a for-profit business.
- Maintain and rehabilitate necessary amenities within the property.
- Take control of the property at the agreed upon pricing and date.

V. Professional Qualifications.

At a minimum, the company/project team will be expected to have the capacity, qualifications, and financial ability to operate a successful business. The City will only consider companies who:

1. Are in good standing with the City and/or the jurisdictions where they previously or presently operated businesses.
2. Are not involved in adverse claims against the City, delinquent in their financial obligations to the City, or debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in any HUD funded programs.
3. Can demonstrate a successful track record in providing high quality retail management.



VI. Responsiveness of Proposals.

1. Responsiveness – The City shall only consider those Proposals that conform to the material requirements of the City’s Request and that are submitted. A proposal will be considered as conforming and responsive if it provides information concerning the Respondent’s qualifications and substantially addresses and promises to meet the requirements contained in this Request or any future reasonable requests made over the

course of the selection process. The City may waive any non-conformance that is immaterial and does not prejudice other Respondents.

2. Non-responsiveness – The City will reject and Proposals that materially deviate from the request or that die to any deviation from the RFP, prejudice other Respondents whose responses substantially conform to the Request.
3. Respondent Responsibility – The responsibility of Respondents shall be determined on the evaluation of the actual Respondent, separate and distinct from the Proposal that is submitted.

VII. RFP Submission Requirements.

Respondents must submit copies of their proposals as follows: One (1) original, ten (10) copies, and one (1) digital copy. Hard copy proposals must be submitted on standard 8 ½” by 11” paper. All supporting documentation must be on paper no larger than 11” by 17”. Digital copy must be submitted via USB drive. Proposals must be submitted in a sealed envelope and labeled “**25 FAIRFIELD AVENUE RFP SUBMITTAL.**” Respondents may choose to provide additional sets if and when invited to do so for presentation purposes. Submissions will not be returned.

a. Sealed proposals shall be submitted to the City:

TO:

Frank Warnock
City Administrator
616 Poplar Street
Bellevue, KY 41073

b. RESONSES ARE DUE BY 4 PM FEBRUARY 19, 2021.

Hand-delivered proposals are welcomed.

c. FORMAT – Each respondent’s Proposal should be prepared according to the following format:

1. Required content – All Proposals must include the following:
 - a. Letter of Interest – provide a Letter of Interest that includes a statement that the Respondent is available to provide the services desired, a commercial restaurant.
 - b. Experience and Qualifications
 - i. Describe the Respondent’s experience in the management of similar buildings and facilities.
 - ii. Submit a list of at least one (1) establishment the Respondent has worked on. Provide the duration of agreement to opening for each development.

iii. Submit the names, locations, and date of any properties in which your company (or its affiliates) has been foreclosed upon within the last five years, for any reason.

c. Financial Information – Provide the names and contact information for banking institutions with which you regularly do business and have active accounts. Please provide information on the financial stability of your company. Provide financial information that will allow the City to understand the financial stability of the Respondent. *Please note, audited financials of all involved parties may be requested at a later date.*

d. Development Plan

i. Describe the “theme” of the restaurant.

ii. Describe the menu proposed for the restaurant.

iii. Describe the project you propose for the Site.

iv. Provide a project timeline that outlines the anticipated opening.

v. Provide a description of proposed signage location and size.

d. General Responses Guidelines and Disclaimers.

1. The City reserves the right to reject any and/or all submissions in its sole discretion.

2. By submitting a Proposal, Respondents waive any and all claims for costs or damages arising from a rejection of a Proposal and releases the City from any liability in connection with such claims, whether such claims arise in tort, contract, or otherwise.

3. Respondents may withdraw Proposals by providing written notice of their intention to withdraw at any time.

4. Respondents shall bear any and all costs that they incur in connection with submitting a Proposal.

5. The property is being leased “AS IS.” The City of Bellevue will not be responsible for any improvements or maintenance.

6. The end-user must indemnify and hold harmless the City of Bellevue and its employees from any personal injury or other claims arising from the use and operation of the building and use of the parking lot.

7. A commercial insurance policy must name the City as an additional insured.

8. The end-user will be allowed to use the kitchen equipment that is presently located on the premises, and will return it to the City in good condition, minus normal wear and tear.

9. The end-user acknowledges awareness of the terms and condition of the lease between the City and Buckhead’s Mountain Grill; i.e. a right of first refusal.

e. Public Information Notice.

All responses will become the property of the City and will not be returned. All proposals submitted to the City will be kept in confidence to the extent allowed by law. The City will have the right to make copies for its internal review process and to provide copies to the staff, legal, technical and financial advisors and representatives. Professionals should take care not to

provide any confidential information, trade secrets or other intellectual property, that they do not want City staff to receive or that may be subject to open records requests. All information submitted for review may be subject to the Kentucky Open Records Act. Respondents should identify any confidential, proprietary information or trade secrets and provide justification why such material should not be disclosed.

f. Buckhead Mountain Grill Lease.

By submitting a response to this Request for Proposal, the Respondent acknowledges the opportunity to review the lease between the City and BHGN, LLC doing business as the Buckhead Mountain Grill and is aware of its terms and conditions.

The primary term of the Buckhead lease is a period of 20 consecutive years with options to extend the lease for four additional five-year terms. The lease began August, 2002. The Buckhead lease allows its patrons' use of the non-exclusive parking lot spaces.

Some key provisions in the Buckhead's lease state:

24.1 Restaurant "A" (Joe's Crab Shack). Tenant understands that Landlord has entered into a lease agreement with one other restaurant operator, Landry's Seafood Restaurants, Inc. (Restaurant A) as part of its development of the Center. The location of the Restaurant A is illustrated in Exhibit "B" attached hereto. Landlord shall not lease or sell the premises on which Restaurant A is located and described on Exhibit B, attached hereto and incorporated by reference to any entity for the purpose of developing a full-service restaurant which: (i) utilizes a menu of which more than twenty percent (20%) of the menu items contain steak and/or ribs; (ii) offers entertainment more than incidental to its restaurant operation; and (iii) substantially imitates the Buckhead Mountain Grill menu or design so long as Buckhead Mountain Grill is open and operating adjacent to Restaurant A.

24.2 Restaurant B (Buckhead Mountain Grill). Tenant hereby agrees the Restaurant B shall be one that: (i) maintains an average ratio of alcohol sales of less than thirty-eight percent (38%); (ii) offers entertainment as incidental to its restaurant operation; and (iii) does not specialize in the sale of seafood; (iv) does not utilize a menu of which more than twenty percent (20%) of the menu items contain seafood; or (v) does not contain the word "seafood" in its signage, trade name or proper name(s).

26. RIGHT OF FIRST REFUSAL.

26.1 Restaurant A. Tenant and/or its affiliates shall have a right of first refusal with regard to leasing and/or purchasing Restaurant A if Joe's Crab Shack should ever cease operation. This right shall be exercised within thirty (30) days of notice from Landlord to Tenant.

26.2 Center. Tenant and/or its affiliates shall have a right of first refusal with regard to leasing and/or purchasing the Center or any part thereof should Landlord determine to lease or sell the Center or any part thereof. This right shall be exercised within thirty (30) days of notice form Landlord to Tenant.

VIII. Selection Process.

Phase One – Concept Submission

In this phase, interested Respondents will provide information on their company and purpose and end use for the Site of which the Respondent has the capacity and willingness to complete. This information should be contained entirely in the Proposal responding to the RFP.

Phase Two – Interviews

Once the City has have determined the concepts with which it would like to move forward, selected Respondents will be notified of their interview time. Respondents should be prepared to talk about their company, their experience with similar projects, and their proposed use for the building.

Phase Three – Lease Agreement Terms Submission

Once the interviews have been completed, the City may negotiate with Respondents to submit final drafts of proposed terms for the lease of the property. City Council will consider the final proposals submitted by the Respondents and choose one Respondent with whom they will enter into a lease agreement. At this time, the Selection Committee may request audited financials.

Phase Four – City Council Approval of Authorization to Enter into a Lease Agreement

Once both the City and selected Respondent have executed the Lease Agreement, both parties will move towards closing on the sale of the property.

IX. Contacts/Further Information.

The point of contact for responses regarding this proposal shall be

Frank Warnock
City Administrator for the City of Bellevue
616 Poplar Street
Bellevue, KY 41073
Frank.Warnock@bellevueky.org
859-292-4222

Proposed terms and information sheet to be answered by Respondents:

1. Name, address, office phone number, cell phone number and email address of person with authority to negotiate on behalf of Respondent:

2. Proposed monthly payment of annual lease payments to City: \$ _____

3. Proposal to assist City with annual parking maintenance costs: \$ _____

4. Proposed time allowed for initial build-out with no rent due: _____

5. Proposal to pay for and install on-site signage. Explain type of sign and location.

6. Proposed menu:

7. Proposed entertainment, if any:

8. Proposed days and hours of operation:

9. Proposal for term of lease:

10. Describe your ability provide an amenity for the community AND draw visitors from outside of Bellevue to come explore the city.

11. Describe the estimated amount of investment into any build-out and describe your plans for the interior and exterior of the building.

12. Describe the proposed term for the lease; i.e. five years with options.