

CITY OF OAKLAND

OFFICE OF THE CITY CLERK

Agenda Report

2006 AUG 31 AM 10: 51

TO: Office of the City Administrator
ATTN: Deborah Edgerly, City Administrator
FROM: Community and Economic Development Agency
DATE: September 12, 2006

RE: **Ordinance Authorizing The City Administrator To Negotiate And Execute Leases With The Owner Of The Beach Chalet Restaurant, And If Such Negotiations Fail Then Proceed To Negotiate And Execute Leases With Other Qualified Restaurant Operators, For A Restaurant in 9,216 Square Feet Of Restaurant Space Plus All Basement Areas Of The Lake Merritt Municipal Boathouse Located At 1520 Lakeside Drive, Oakland, Without Returning To Council.**

SUMMARY

An Ordinance has been prepared authorizing the City Administrator (City) to negotiate and enter into a proposed twenty (20) year real estate lease agreement with two (2) five-year options with the owner of the Beach Chalet (Tenant) for 9,216 square feet of space at the Lake Merritt Municipal Boat House (Premises) located at 1520 Lakeside Drive (as identified by site location in Attachment "A" and floor plan of the premises in Attachment "B"). Adoption of this Ordinance satisfies Mayor and City Council Priority Goal #2 (Develop a Sustainable City) and Goal #3 (Improve Oakland Neighborhoods).

Staff was authorized by the Council in a closed session meeting on March 21, 2006 to finalize the applicant selection process by entering into exclusive negotiations with The Beach Chalet, the top rated candidate. Based upon Council's direction, staff continued discussions with the Beach Chalet owner, Chalet Management, LLC and reached a tentative agreement regarding leasehold rights to the Premises. A letter of intent was executed on May 19, 2006 regarding the terms and the condition of the occupancy of the premises, however, there are still outstanding terms and conditions that need to be negotiated and finalized.

Staff recommends adoption of the Ordinance authorizing the City Administrator to negotiate and execute leases with the owner of the Beach Chalet Restaurant, and if such negotiations fail then proceed to negotiate and execute leases with other qualified restaurant operators, for a first class restaurant in 9,216 square feet of restaurant space plus all basement areas of the Lake Merritt Municipal Boathouse located at 1520 Lakeside Drive, Oakland, without returning to Council.

Adoption of this Ordinance satisfies Mayor and City Council Priority goals to develop a sustainable City and improve Oakland neighborhoods.

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FISCAL IMPACT

City staff is in the process of negotiating the final terms and conditions with the proposed tenant, the Beach Chalet. The rent proceeds from the restaurant lease will be deposited in the City's General Purpose Fund (1010), Central Reservations Organization (501240), Miscellaneous Parks and Recreation Fees Account (45239).

In addition, the City will receive its share of the future business sale taxes once the restaurant is open and fully operating. The Tenant will be responsible for the general maintenance of the building up to a 25' foot diameter around the perimeter of the Premises enabling the City to save the ongoing maintenance costs associated with the up keep of City property. The Tenant will complete tenant improvements on the Premises by investing more than \$2,000,000 to create a first class restaurant at this location.

On July 25, 2006, City Council approved legislation that will allow the Public Works Agency to negotiate and award a construction contract to BBI Construction in the amount not to exceed \$12.5 million dollars for the rehabilitation of the Municipal Boat House for restaurant use.

BACKGROUND

Lake Merritt Park Master Plan

The Boathouse is currently in the process of rehabilitation as a result of the Measure DD Ballot Measure. Generally, the process includes rehabilitation of the Municipal Boathouse, including the original pumping station and boathouse wings, and site wide improvements including new landscaping, paths, retaining walls, roadways and replacement of parking on the landward side. On the lake side, site work includes repair and replacement of existing boathouse docks and platform.

One of the goals of the Lake Merritt Park Master Plan ("LMMP"), approved in July 2002, is to revitalize the parklands, buildings and roadways surrounding the Lake including, in particular, the City-owned Lake Merritt Boathouse, located at 1520 Lakeside Drive. The LMMP calls for a number of initiatives for this location:

- Under the plan, the building should be restored in architecture and use. A restaurant, banquet hall, community meeting space, boat storage, rowing classes and other public uses are recommended.
- Public art commissions should be considered in the scope of the restoration.
- The site around the building should be redesigned to better facilitate public access along the shoreline. Parking for future uses should be provided within a single parking area.

- The master plan recognizes the potential for coordination between the Municipal Boathouse operators, the Camron Stanford House, and the Scottish Rite Convention Center. Opportunities for shared resources, marketing, parking, and event services should be explored.
- Public interest in re-establishing a restaurant in the building is high. This restored use could be coupled with a reception/meeting hall that could accommodate a number of events that could be coordinated with adjacent established uses in the Camron Stanford House as well as the Masonic Hall (Scottish Rite Convention Center). Architecturally, the Municipal Boathouse should be restored to its 1913 configuration. The original design successfully blurred the edge between water and park which has been obscured by additions and renovations. This relationship could be restored by reopening the veranda/loggia as a public access walkway, linking the lakeshore path, and encouraging public access. The arches, which support the wings of the building, should be reopened to allow for boat storage in the water.

Existing Conditions

The Municipal Boathouse building size is 24,050 square feet (sq. ft.), with the area available for restaurant use estimated at approximately 7,000 to 9,000 sq. ft. The Boathouse is composed of what was originally a pumphouse of approximately 5,120 square feet and two wings, each about 2,048 sq.ft. on the main level, for a total of 9,216 sq. ft., plus accessory areas. Restaurant and banquet use was identified in the Lake Merritt Master Plan (LMMP) as the preferred use for the main level of the Boathouse. (Each wing is about 2,050 sq. ft.) Initial discussions have focused on a restaurant use going into the north wing and an event venue for community meeting space going into the south wing (probably to be managed by the restaurant), with the pump house serving as a grand entrance to the main area with a bar and a kitchen.

KEY ISSUES AND IMPACT

Infrastructure Improvement Project:

In April of 2004, Public Work Agency/Project Delivery Division contracted Wallace Roberts and Todd, Inc., Landscape Architects and Murakami/Nelson Architectural Corporation as design consulting team for the Municipal Boathouse Rehabilitation and Park Improvements project. The design of the project was completed in October 2005; currently the City is in the process of executing a contract with BBI Construction Company to begin work on the rehabilitation of the Municipal Boathouse. The construction is scheduled to start in September of 2006 and it is projected that it will be completed in January of 2007. Once the rehabilitation work is complete, the Tenant will begin the interior tenant improvements work on the shell of the space

Infrastructure improvements will include historic restoration of the building shell, upgrades to systems (sewage, plumbing, boiler), upgrading the building's foundation support (building is sinking), upgrading to ADA standards (somewhat less stringent due to historic building), addressing flood and pest issues, and enhancing the natural surroundings and relationship between the building and the street. At one time there was much more extensive outdoor lighting of the Boathouse, which would enhance the festiveness of the location. The building is slated to conform to Leadership in Energy and Environmental Design (LEED) environmental design standards

Selection of Restaurant Operators

Due to the uniqueness of the site and the considerable improvements that would be required by the City of Oakland as owner and a restaurant operator as a tenant, staff engaged the services of an expert restaurant real estate broker. In January 2005, Metrovation Brokers was selected through a Request for Proposal (RFP) process and contracted to create a marketing plan to provide maximum restaurant industry exposure for the Boathouse and to assist City staff in a selection process. The brokers were responsible for outreach, initial screening and interaction with interested operators and applicants, both locally and nationally. The application process required only experienced restaurant/café owners and operators with a minimum of five years management/ownership experience. Mass mailings were sent to 112 restaurants (see Attachments "C" and "D") in the Bay Area, as well as to other local proprietors including Oakland based entrepreneurs.

In order to enhance the appeal of the site, Metrovation recommended that the Boathouse be marketed to allow for one single restaurant user to occupy the pumphouse and two wings areas or to have two separate operations consisting of a formal restaurant and a café operating in the Pumphouse and the south wing area.

Summary of Proposals

Because of Metrovation's marketing efforts, over 55 restaurant operators responded to their marketing outreach with some level of interest in the site. A total of seven (7) restaurant operators responded by the closing date of November 4, 2005. Additionally, staff received another proposal from Everett and Jones Barbeque on December 5, 2005. Due to the late submittal of Everett and Jones Barbecue's Proposal, the seven-member selection panel reviewed and ranked their proposal in January of 2006.

Metrovation Brokerage was responsible for screening the proposals, checking references, and reviewing financial statements of each applicant. Additionally, a staff selection panel was formed with CEDA Business Development, Real Estate and Planning and Public Works Engineering representatives. The panel rated the proposals on the following criteria (see Attachment "E") including:

- 1) Overall quality, completeness, organization and responsiveness of the proposal;

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- 2) Restaurant Operation or Ownership Experience- 5 year minimum;
- 3) Overall quality of project team's key personnel;
- 4) Degree of commitment by the applicant's team
- 5) Completeness, organization and responsiveness of the Business Plan specific to the Boathouse Location;
- 6) Viability of finances;
- 7) Financial terms proposed
- 8) Previous experience working with public agencies.

As the result of an extensive seven-member panel evaluation rating process, the Beach Chalet Brewery & Restaurant, combined new Boathouse Café/Hudson Place and Everett and Jones scored the highest and were placed in the first tier. The L' Amyx and Luka's Taproom were placed in the second tier category. Brothers Brewery and Restaurant withdrew from the selection process to devote their efforts toward Jack London Square and Oak Royal Ristorante was dropped from the competition due to lack of requested information.

In the first tier group, the Beach Chalet Brewery & Restaurant scored the highest of all applicants. The Operator demonstrated an extensive track record in operating a similar size restaurant/event facility in a historical building in the Bay Area, presented a well executed marketing plan and furthermore, the operator's personal and business financial statements, proposed terms and the ability to secure financing for the new restaurant improvements appeared very strong. In 1997, the operators opened Beach Chalet Brewery & Restaurant located in a City of San Francisco - owned historical building in Golden Gate Park which had stood vacant for 17 years. Their venture turned out to be a success and has proven to be a popular destination with many visiting travelers and Bay Area residents. In 2004, after many years of planning, the operators opened a new restaurant "Park Chalet Garden Restaurant" right behind the Beach Chalet that featured an open-air dining room and bar featuring an inviting stone fireplace, retractable glass doors, a glass ceiling, and an attractive indoor/outdoor atmosphere. The restaurants are open seven days a week and serve lunch, dinner and brunch on weekends. The operators worked to develop both restaurants by adhering to strict codes of the City of San Francisco Building and Planning Departments and the requirements of many San Francisco's commissions.

Parking

As a point of reference, City of Oakland zoning regulations typically require a 10,000 square foot restaurant, such as the Municipal Boathouse, to provide 50 off-street parking spaces in residential areas or 28 parking spaces in commercial districts. The restaurant, café and meeting room will seat from 300 to 350 people, maximum. With respect to the total parking needs for the Municipal Boathouse restaurant, the restaurateur has indicated that at least 100 parking spaces will be needed for the successful operation of the restaurant. Also, according to the restaurateur,

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the needs associated with off-site parking are dependent upon the amount of on-site parking provided and whether the restaurant has control of the on-site parking.

On June 27, 2006, the Council approved Option 1 design consisting of a 28-space parking lot located north of the Municipal Boathouse and 13 additional parking spaces on Lakeside Drive (see Attachment “F”) for a total of 41 parking spaces. Lakeside Drive would be narrowed in the vicinity of the 28-space parking lot so that the lot could be located approximately 12 feet to the west. This would generate more useable lawn area near the Lake as well as accommodating the construction of the bio-swale. On-site parking (28 spaces) would be developed with a dedicated entry and exit to allow for control and closure of the lot.

- The City would designate the 28-space parking lot for the exclusive use of the restaurant or any other occupant of the Municipal Boathouse.
- The proposed 28-space parking lot will provide efficient circulation for restaurant patrons, service and delivery vehicles, will provide a location for staging valet parking and will provide access closer to the building for emergency vehicles.
- Thirteen (13) additional on-street parking spaces generated along the frontage road will be designate exclusively for the use of the restaurant.
- The trash, recycling and compost building is located on the north side of the Municipal Boathouse where it is convenient to the restaurant kitchen and would have convenient access for servicing.
- The restaurateur would accept this plan as the minimum level of on-site parking.
- City to try to provide a minimum of nine (9) additional parking spaces at the Fire Alarm Building to bring the off – street number of parking spaces to fifty (50). There are 30 parking spaces at this location. Currently, 13 spaces are assigned to Public Works Agency, 19 spaces assigned to the Main Library staff and one (1) space assigned to Alameda County District Attorney.

Additionally, the Oakland Museum underground parking garage with a 200-space capacity appears to be a feasible facility for off-site parking in the evening. The main disadvantage to this facility is that it is ¼-mile walking distance from the restaurant. This distance may affect many people’s decision to park in the Museum garage and walk to and from the restaurant. Valet parking would cost approximately \$10, plus tip, and would take 10 to 15 minutes to retrieve a vehicle. Availability is also a concern during the day since the Museum garage is used for commercial parking. At various times, there are events at the Museum, which would substantially reduce or eliminate available parking at that facility for the restaurant. Currently the Garage closes operation at 6:00 PM. The operator, Douglas Parking, if assigned will operate the parking garage at the Museum open for an additional four (4) hours per day at the cost of \$1900/month.

PROJECT DESCRIPTION

The creation of a first class restaurant and a community meeting space at Lake Merritt Municipal

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Boathouse is consistent with the guidelines and recommendations of the approved Lake Merritt Master Plan. Leasing the Premises to Beach Chalet will maximize the City's economic and non-economic returns by restoring the property its former use, further beautify the Lake area, develop construction jobs, create more than 120 full time jobs for residents of Oakland, enhance an important restoration project, and generate additional property and sale tax revenues to the City.

SUSTAINABLE OPPORTUNITIES

Economic: The lease of the Premises will fill an underutilized and vacant building and complete an important project. The restaurant operation will create jobs and will produce increased tax and income revenues for the City.

Environmental: This location has proximity to major public transportation nodes and may encourage use of BART and AC Transit, which will ease general pressure on the regions congested transportation infrastructure. The location of the restaurant will encourage walking and exercising along the Lake Merritt. The restaurant will offer needed dining services at a top location in the City of Oakland.

Social Equity: The use of the Premise as a dining destination will create an opportunity for all citizens of Oakland to enjoy dining at Lake Merritt. The restaurant will hire many Oakland citizens to fill management and operation positions to assist in running a first class restaurant. The presence of the restaurant will promote recreational activity in the area, which is consistent with the environmental and recreational goals of the City.

DISABILITIES AND SENIOR CITIZEN ACCESS

Adoption of this Ordinance will have no direct impact on disabled and senior citizen access. However, the Restaurant at Lake Merritt Municipal Boathouse will be required to provide appropriate access and restroom accommodation according to American Disability Act requirements for disabled citizens and senior citizens.

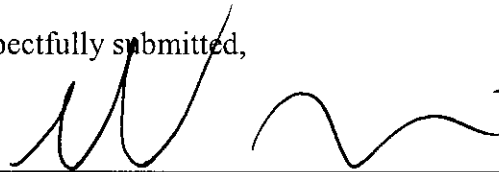
RECOMMENDATION AND RATIONALE

Staff recommends adoption of the Ordinance authorizing the City Administrator to negotiate and execute leases with the owner of the Beach Chalet Restaurant, and if such negotiations fail then proceed to negotiate and execute leases with other qualified restaurant operators, for a first class restaurant in 9,216 square feet of restaurant space including all basement areas plus 41 parking spaces allocated for the Lake Merritt Municipal Boathouse proposed restaurant located at 1520 Lakeside Drive, Oakland, without returning to Council.

ACTION REQUESTED OF THE CITY COUNCIL

Adoption of the Ordinance authorizing the City Administrator to negotiate and execute leases with the owner of the Beach Chalet Restaurant, and if such negotiations fail then proceed to negotiate and execute leases with other qualified restaurant operators, for a first class restaurant in 9,216 sq. ft. of restaurant space including all basement areas plus 41 parking spaces allocated for the Lake Merritt Municipal Boathouse proposed restaurant located at 1520 Lakeside Drive, Oakland, without returning to Council.

Respectfully submitted,



DANIEL VANDERPRIEM, Director,
Redevelopment, Economic Development and Housing
Community and Economic Development Agency

Forwarded by:

Frank Fanelli, Manager
Real Estate Services

Prepared by:

Hamid Ghaemmaghani, Real Estate Agent

APPROVED AND FORWARDED TO THE
COMMUNITY & ECONOMIC DEVELOPMENT
COMMITTEE:



Office of the City Administrator

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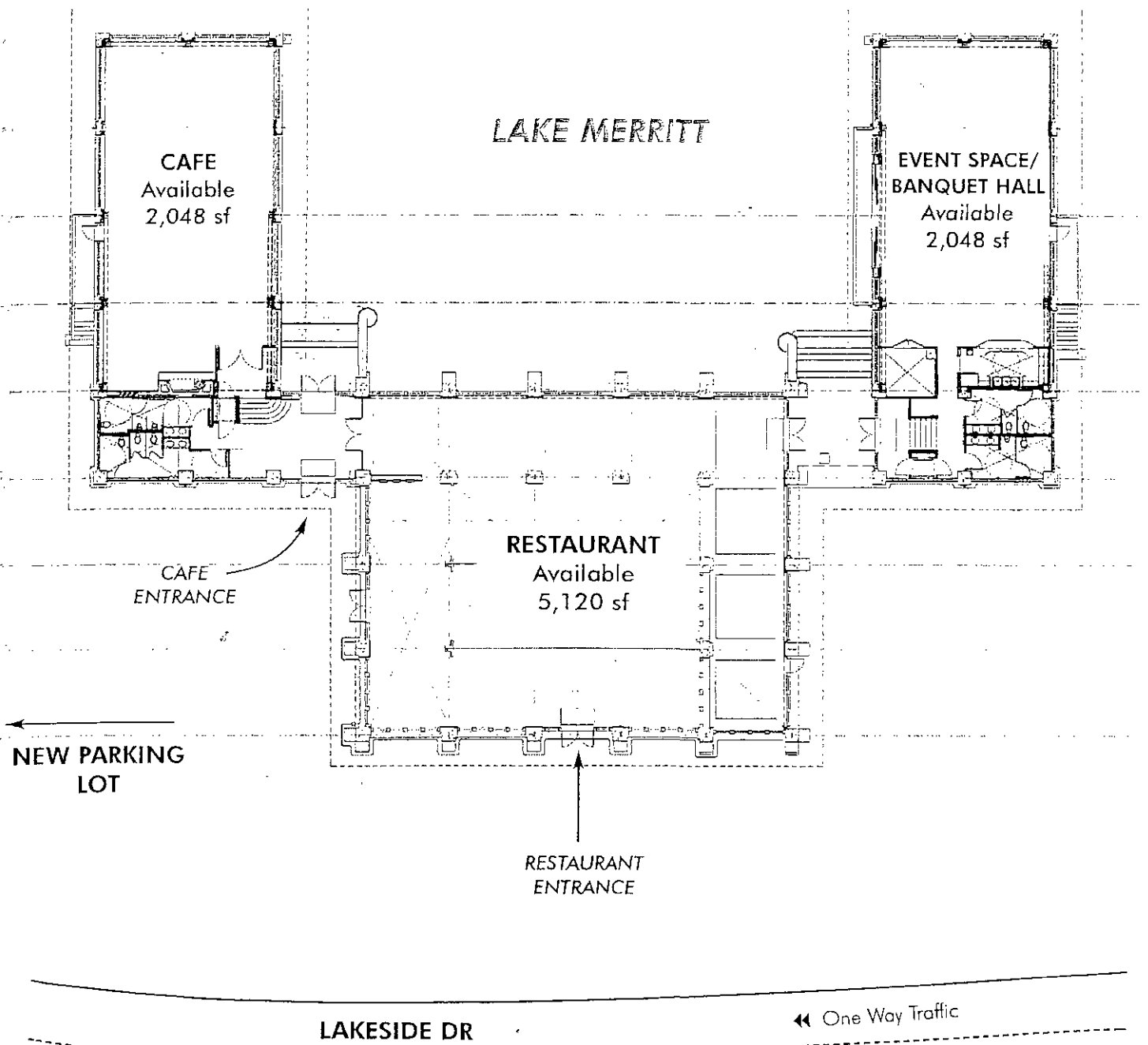
AERIAL MAP



Attachment "B"

Municipal Boathouse
Oakland, CA

FLOOR PLAN

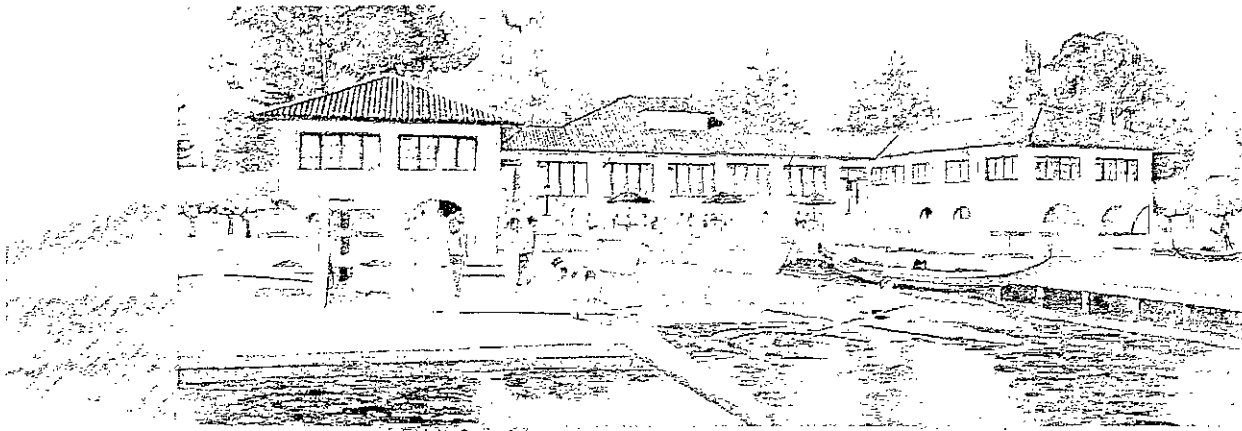


METROVATION



WATERFRONT RESTAURANT & CAFE SPACE FOR LEASE

Oakland Municipal Boathouse
1520 Lakeside Drive, Oakland, CA



LOCATION

1520 Lakeside Drive, on the shore of Lake Merritt in Oakland, CA.

PROPERTY PROFILE

This spectacular historical waterfront property is undergoing a major systems upgrade. The City of Oakland has identified the Municipal Boathouse as a key site within plans for the revitalization of parklands, buildings and roads surrounding Lake Merritt. All seismic and structural work is being completed on the building, in preparation for a new restaurant operator.

The site represents a rare waterfront opportunity for a restaurant and cafe at one of the most scenic and desirable locations in the Bay Area.

SPACE AVAILABLE

- Main Restaurant: 5,120 sf
- Cafe (North Wing): 2,048 sf
- Banquet Hall/Event Space: 2,048 sf (South Wing)

2004 DEMOGRAPHICS

drive time	5 min	10 min	15 min
Population	244,7809	570,990	894,608
Avg. HH Inc.	\$64,625	\$76,098	\$78,549
Daytime Pop	129,490	258,464	623,771

For more information,
please contact exclusive leasing agents:

METROVATION

Linda Braz x 232
lbraz@metrovation.com

Elise Morris x 231
emorris@metrovation.com

METROVATION BROKERAGE
510/839-4000 Main

The above information has been secured from sources we believe reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. We make no representations or warranties that the premises are free of environmental hazards or that the premises are suitable in all respects to your contemplated use. You should conduct an independent investigation of all pertinent property information. We bear no liability for any errors, inaccuracies or omissions.

METR©VATION

Municipal Boathouse
Oakland, CA

PROPERTY HIGHLIGHTS

RENOVATIONS

- ♦ New electrical, mechanical and plumbing systems
- ♦ New and rehabilitated floors, walls and ceilings
- ♦ Fully operable wood-frame windows, providing stunning views of the lake and open-air dining
- ♦ Large open spaces and high ceilings throughout
- ♦ Roughed-in kitchen areas
- ♦ New restroom facilities
- ♦ Newly widened pedestrian access for a dramatic entryway
- ♦ Remodel of lower level will include facilities for the Lake Merritt Rowing Club and the beautiful Venetian gondolas of Gondola Servizio
- ♦ New trash and recycling enclosure
- ♦ All work will conform to LEED environmental design standards

COMMUNITY

- ♦ Surrounded by dense urban neighborhoods, with approx. 50,000 residents within 1 mile
- ♦ Tremendous growth in number of owner-occupied market-rate housing, including the upscale Essex on Lake Merritt, as well as many projects that are under construction and approved
- ♦ Approx 80,000 daytime workers in the immediate area including employees of Alameda County, the Courthouse, and Downtown Oakland
- ♦ Other attractions in the immediate area include the Oakland Museum, Scottish Rite Center, Henry J. Kaiser Convention Center, Children's Fairyland, and the parks and jogging trails of Lake Merritt
- ♦ Excellent location for well-needed special event venue for weddings, banquets, and receptions

DYNAMIC TRADE AREA

- ♦ Lake Merritt serves as a regional, national and international destination for visitors
- ♦ This destination restaurant location will draw from an even wider trade area, including the greater East Bay and San Francisco
- ♦ Easy access to all major freeway, including I-880, I-980, and I-580
- ♦ A few blocks from the Lake Merritt BART Station, and serviced by AC Transit



Oakland Municipal Boathouse, Oakland, CA Restaurant, Café and Banquet Space for Lease

Application to Lease Process

Thank you for sending us the completed Information Request Questionnaire.

Based on the requirements stipulated by the City of Oakland (the Landlord), we will be seeking and interviewing only experienced Restaurant/Café owners and operators at this time. If you do not currently operate or own a Restaurant/Café, or have a minimum of 5 years experience in restaurant management/ownership, we will be unable to respond to your request.

If you are interested in leasing the Restaurant and/or Café space in the Oakland Municipal Boathouse, and meet the above requirements, please submit the following complete documents:

- **Cover letter**
- **Full description of your Restaurant or Café concept specific to this location**
- **A full business plan that is specific to this location**
- **Personal resume indicating applicable experience**
- **Personal financial worth statement, including copies of tax returns from the past 2 years**
- **Most recent financial statement for existing business**
- **Business and landlord references**

We will only review packages that include all of the above documents.

Thank you!

Please fax back to us at (510) 465-4472,
or via email to émorris@metrovation.com

Company	City	State	Zip
A Cote	Oakland	CA	94618
A16	San Francisco	CA	94123
Absinthe	San Francisco	CA	94102
Anju	San Francisco	CA	94102
Antica Trattoria	San Francisco	CA	94109
Aqua	San Francisco	CA	94111
Bacar	San Francisco	CA	94107
Bay Wolf	Oakland	CA	94611
Beach Chalet, The	San Francisco	CA	94121
Bette's Oceanview Diner	Berkeley	CA	94710
Bix	San Francisco	CA	94133
Bluewater Grill Seafood	Menlo Park	CA	94025
BluPointe	San Francisco	CA	94108
Bouchon	Yountville	CA	94117
Boulevard	San Francisco	CA	94105
Bubba Gump Shrimp Co.	San Clemente	CA	92673
Buckeye Roadhouse	Mill Valley	CA	94941
Butterfly	San Francisco	CA	94102
Cafe Cacao	Berkeley	CA	94710
Café Di Bartolo	Oakland	CA	94610
Cafe Rouge	Berkeley	CA	94710
Castagnola's	San Francisco	CA	94133
Catch	San Francisco	CA	94114
Cesar	Berkeley	CA	94709
Cheesecake Factory Incorporated, The	Calabaras Hills	CA	91301
Chevy's	Emeryville	CA	94608
Chow	San Francisco	CA	94114
Chow	San Francisco	CA	94114
Cliff House	San Francisco	CA	94121
Coffee With a Beat	Oakland	CA	94610

Attachement "D"

Crogan's	Walnut Creek	CA	94596
Cucina	San Anselmo	CA	94960
Delancey Street Foundation	San Francisco	CA	94107
Delphina	San Francisco	CA	94110
Dopo	Oakland	CA	94611
Downtown	Berkeley	CA	94704
El Raigon	San Francisco	CA	94133
Farallon	San Francisco	CA	94102
Fatapple's	Berkeley	CA	94709
Fonda	Albany	CA	94707
Foreign Cinema	San Francisco	CA	94110
Garibaldi's	Oakland	CA	94115
Gaylord's Caffe Espresso	Oakland	CA	94611
Gordon Biersch	Chattanooga	TN	37402
Grasshopper	Oakland	CA	94618
Greens	San Francisco	CA	94123
Guaymas	Tiburon	CA	94920
Guayma's	Tiburon	CA	94920
Home	San Francisco	CA	94114
Incanto	San Francisco	CA	94131
Izzy's	San Francisco	CA	94123
Jardiniere	San Francisco	CA	94102
Java Rama Coffee House	Alameda	CA	94501
Julia's Kitchen	Napa	CA	94559
Jupiter	Berkeley	CA	94704
Kelly's Mission Rock	San Francisco	CA	94107
Kokkari	San Francisco	CA	94111
La Mediterranee	Berkeley	CA	
L'Amyx Tea Bar	Oakland	CA	94611
Landry's Restaurants, Inc.	Houston	Texas	77027
Lark Creek Inn	Larkspur	CA	94939
Levende	San Francisco	CA	94103

Attachement "D"

Louka	Danville	CA	94526
Lou's Pier 47	San Francisco	California	94133
Luna Park	San Francisco	CA,	94110
Mama's on Washington Square	San Francisco	CA	94133
Market	St. Helena	CA	94574
Max's Restaurants	South San Francisco	Ca.	94080
McCormick & Schmick's Seafood Restaurants	Portland	OR	97205
Morton's Restaurant Group	New Hyde Park	NY	11042
Mountain View Tied House Cafe & Brewery	Mountain View	CA	94041
Oliveto	Oakland	CA	94618
Oola	San Francisco	CA	94107
Pacific Catch	San Francisco	CA	94123
Paragon	San Francisco	CA	94107
Pasta Pomodoro	San Francisco	CA	94103
Peaberry's Coffee	Oakland	CA	94618
Peerless Coffee	Oakland	CA	94607
Perry's	San Francisco	CA	94123
Piatti's	Mill Valley	CA	94941
Pizza Antica	Lafayette	CA	94549
Plumpjack Cafe	San Francisco	CA	94123
Poggio	Sausalito	CA	94965
Postrio	San Francisco	CA	94102
Pyramid Breweries	Seattle	WA	98134
Quince	San Francisco	CA	94109
Quinn's Lighthouse Restaurant	Oakland	CA	94606
Rassela's Jazz Club	San Francisco	CA	94115
Real Mex Restaurants	Long Beach	CA	90810
Real Restaurants	Sausalito	CA	94965
Restaurants Unlimited Inc	Seattle	WA	98103-9097
Rick and Ann's	Berkeley	CA	94705
Rivoli	Berkeley	CA	94707
Rubicon	San Francisco	CA	94111

Attachement "D"

Ruth's Chris Steak House	Metairie	LA	70002
Sam's Grill	San Francisco	CA	94104
Scott's Seafood Restaurant	Oakland	California	94607
Slanted Door	San Francisco	CA	94107
Slow Club	San Francisco	CA	94110
Spectrum Restaurant Group, Inc..	Irvine	CA	92612
Spinnaker, The	Sausalito	CA	94965
Spritzers	Alameda	CA	94501
Tadich Grill	San Francisco	CA	
Tarantino's	San Francisco	CA	94133
Tartine	San Francisco	CA	94110
The Fish Market	Palo Alto	CA	94306
Town Hall	San Francisco	CA	94105
Trio	Livermore	CA	94550
Va De Vi	Walnut Creek	CA	94596
Vic Stewart's Famous for Steaks	Walnut Creek	CA	94596
World Ground Coffee	Oakland	CA	94607
Zax Tavern	Berkeley	CA	94705
Zuni Cafe	San Francisco	CA	94102
<i>59 letters</i>			
<i>9 letters</i>			
<i>45 letters</i>			

Attachment "E"

CITY OF OAKLAND
 Boathouse Restaurant
 1520 Lakeside Drive
 Oakland, CA 94612

PROPOSAL EVALUATION FORM

Firm: _____

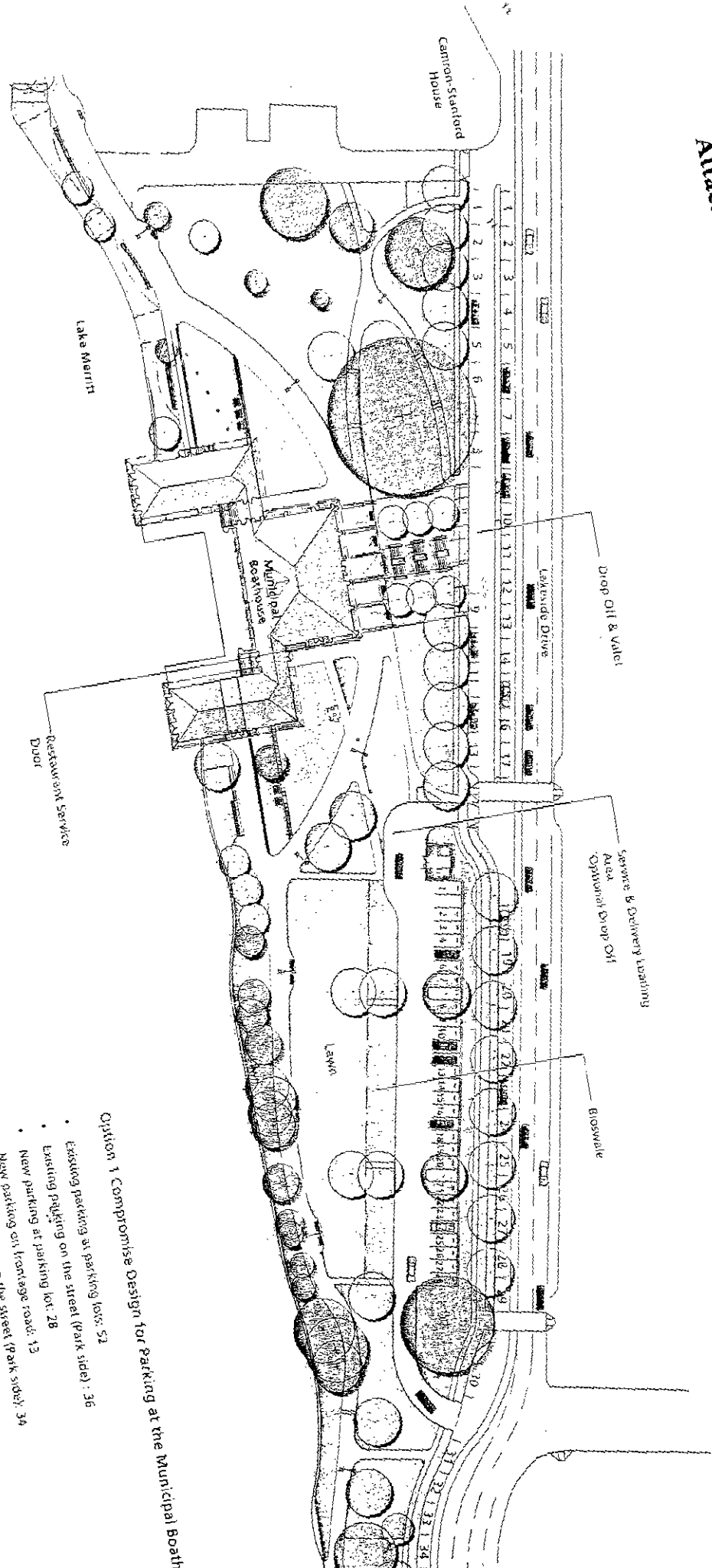
Proposal reviewed and evaluated by: _____

Date: _____

#	Evaluation Review Criteria	Points Given (0-100)	Weight Factor (multiply)	Adjusted Score
1.	Overall quality, completeness, organization and responsiveness of the proposal for a proposed restaurant or café concept specific to the Boathouse location.		.10	
2.	Restaurant Operation or Ownership Experience <ul style="list-style-type: none"> a. Extent of experience comparable projects (approximately 6000 to 9,000 Square Feet full-service restaurant/banquet facility) in the San Francisco Bay Area or other urban centers. b. Record of economic success of operating/owning comparable restaurants/cafes for a minimum of 5 years by applicant 		.25	
3.	Overall quality of project team's key personnel; team members. Submittal of personal financial worth statements, copies of tax returns for owners or companies. Business and landlord references included.		.05	
4.	Indication that project team is committed to and able to achieve cost control, profitability, sustainability and excellent quality work-products and dining & entertainment setting.		.10	
5.	Completeness, organization and responsiveness of the Business Plan specific to the Boathouse Location.		.10	
6.	Viability of finances as demonstrated in balance sheet, profit and loss statement, financing sources for tenant improvements, proforma and working capital.		.25	
7.	Financial terms proposed: Overall value and terms offered by applicant(s) (i.e. Rent and deal terms)		.10	
8.	Previous experience working with public agencies, and overall compatibility with city operational terms – such as parking requirements, LEED compliance, public access, and landlord and tenant responsibilities.		.05	
			Total:	

Scoring	
Excellent	90-100 points
Good	80-89
Average	70-79
Fair	60-69
Poor	50-59
Unsatisfactory	<=49

Attachment 'F'



Option 1 Compromise Design for Parking at the Municipal Boathouse

- Existing parking at parking lot: 52
- Existing parking on the street (park side): 36
- Existing parking at parking lot: 28
- New parking on frontage road: 13
- New parking on the street (park side): 34
- Proposed parking on the street (park side): 34





NOTICE AND DIGEST

ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE LEASES WITH THE OWNER OF THE BEACH CHALET RESTAURANT, AND IF SUCH NEGOTIATIONS FAIL THEN PROCEED TO NEGOTIATE AND EXECUTE LEASES WITH OTHER QUALIFIED RESTAURANT OPERATORS, FOR A RESTAURANT IN 9,216 SQUARE FEET OF RESTAURANT SPACE PLUS ALL BASEMENT AREAS OF THE LAKE MERRITT MUNICIPAL BOATHOUSE LOCATED AT 1520 LAKESIDE DRIVE, OAKLAND, WITHOUT RETURNING TO COUNCIL.

An ordinance has been prepared authorizing the City Administrator to negotiate and convey real property leasehold interest to the owners of Beach Chalet Restaurant or to other qualified restaurant operators to establish a restaurant in the Municipal Boathouse, as stated in the goals of the Lake Merritt Park Master Plan.

2006 AUG 31 AM 10: 51



Oakland City Attorney

OAKLAND CITY COUNCIL

ORDINANCE NO. _____ C. M. S.

ORDINANCE AUTHORIZING THE CITY ADMINISTRATOR TO NEGOTIATE AND EXECUTE LEASES WITH THE OWNER OF THE BEACH CHALET RESTAURANT, AND IF SUCH NEGOTIATIONS FAIL THEN PROCEED TO NEGOTIATE AND EXECUTE LEASES WITH OTHER QUALIFIED RESTAURANT OPERATORS, FOR A RESTAURANT IN 9,216 SQUARE FEET OF RESTAURANT SPACE PLUS ALL BASEMENT AREAS OF THE LAKE MERRITT MUNICIPAL BOATHOUSE LOCATED AT 1520 LAKESIDE DRIVE, OAKLAND, WITHOUT RETURNING TO COUNCIL

WHEREAS, the City of Oakland (“City”) is the owner and Oakland Office of Parks and Recreation (“OPR”) the custodial agency of the real property commonly known as Lake Merritt Municipal Boat House (“Premises”) located at 1520 Lakeside Drive, Oakland totalling ±9,216 square feet, as indicated on Exhibit “A” attached hereto and hereby incorporated herein; and

WHEREAS, fulfilling one of the goals of the Lake Merritt Park Master Plan, to revitalize the parklands, buildings and roadways surrounding Lake Merritt, and with funds from Measure DD, a ballot measure approved by Oakland citizens, the City is rehabilitating the Municipal Boathouse, including the original pumping station and boathouse wings, for use as a restaurant, using funds from Measure DD, a ballot measure approved by Oakland citizens; and

WHEREAS, the City engaged the services of an expert restaurant real estate broker, Metrovation Brokers, to market the Boat House, request proposals from restaurant operators, and assist the City in reviewing proposals and selecting a restaurant operator; and

WHEREAS, a staff review panel evaluated eight (8) competitive proposals from restaurant operators and determined that the Beach Chalet Restaurant, which operates two restaurants in San Francisco scored the highest; and

WHEREAS, in closed session, the Council also determined that Chalet Management LLC, representing the Beach Chalet Restaurant is the best restaurant operator to complete interior tenant improvements at the Premises and operate a first class restaurant at the Lake Merritt Municipal Boat House; and

WHEREAS, City and Tenant have executed a tentative letter of intent regarding initial terms and conditions of the Lease which are still being negotiated; and

WHEREAS, the staff is negotiating the following lease terms:

The lease term commences on October 1, 2006 and has an initial period of twenty (20) years with two (2) five (5) year renewal options upon 180 days written notice to the landlord; and

The rent commencement date to be set in the lease based on the projected completion time of all required tenant improvements work and the Issuance of a Certificate of occupancy by the Building Department; and

WHEREAS, on June 27, 2006 the Council approved Option 1 design consisting of a 28-space parking lot located north of the Municipal Boathouse and will provide 13 additional parking spaces on Lakeside Drive (see Exhibit "F"); and

WHEREAS, the requirements of the California Environmental Quality Act of 1970 ("CEQA"), the CEQA Guidelines as prescribed by the Secretary for Resources, and the provisions of the Environmental Review Regulations of the City of Oakland have been satisfied; and

WHEREAS, City and Tenant now desire to enter into a lease in order to permit the Tenant to gain possession, plan and begin tenant improvements work on the Premises; now, therefore

THE COUNCIL OF THE CITY OF OAKLAND DOES ORDAIN AS FOLLOWS:

Section 1: The Council has completed a review and finds that it is in the City's best interest to negotiate and execute a Lease Agreement with Chalet Management LLC, representing the Beach Chalet Restaurant, to complete interior tenant improvements at the Premises and operate a first class restaurant at Lake Merritt Municipal Boat House.

Section 2: Revenue of rent per month, paid in advance, will be placed into the City's General Fund (1010), Central Reservations Organization (501240), Miscellaneous Parks and Recreation Fees Account (45239).

Section 3: Should City staff not reach an agreement for a lease with the Chalet Management LLC., the City Administrator is authorized to negotiate with other qualified restaurant operators in order to execute an appropriate lease for the leasehold rights to Lake Merritt Municipal Boat House without returning to the Council.

Section 4: The City Administrator, or her designee, is hereby authorized to take any and all actions necessary, consistent with this Ordinance, to complete the negotiations and execution of the Lease Agreement and to negotiate and execute any modifications or amendments thereto.

Section 5: Parking spaces for the Restaurant will be designated exclusively for the use of the Lake Merritt Municipal Boat House based on the June 27, 2006, Council approved Option 1 design consisting of a 28-space parking lot located north of the Municipal Boathouse and 13 additional parking spaces on Lakeside Drive.

Section 5: The City Council independently finds and determines that the Project complies with CEQA, as the Project is categorically exempt from CEQA pursuant to Section 15301 (existing facilities) of the CEQA Guidelines, and the City Administrator is hereby directed to cause to be filed with the appropriate County of Alameda agencies, a Notice of Exemption.

Section 6: The Lease Agreement, or other appropriate instrument, shall be approved as to form and legality by the City Attorney's Office and a copy shall be filed with the Office of the City Clerk.

Section 7: This Ordinance shall become effective immediately upon final adoption if it receives six or more affirmative votes; otherwise, it shall become effective upon the seventh day after final adoption.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2006
PASSED BY THE FOLLOWING VOTE:

AYES BROOKS, BRUNNER, CHANG, NADEL, REID, QUAN, KERNIGHAN, AND
 PRESIDENT DE LA FUENTE

NOES-

ABSENT-

ABSTENTION-

ATTEST: _____
LA TONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California

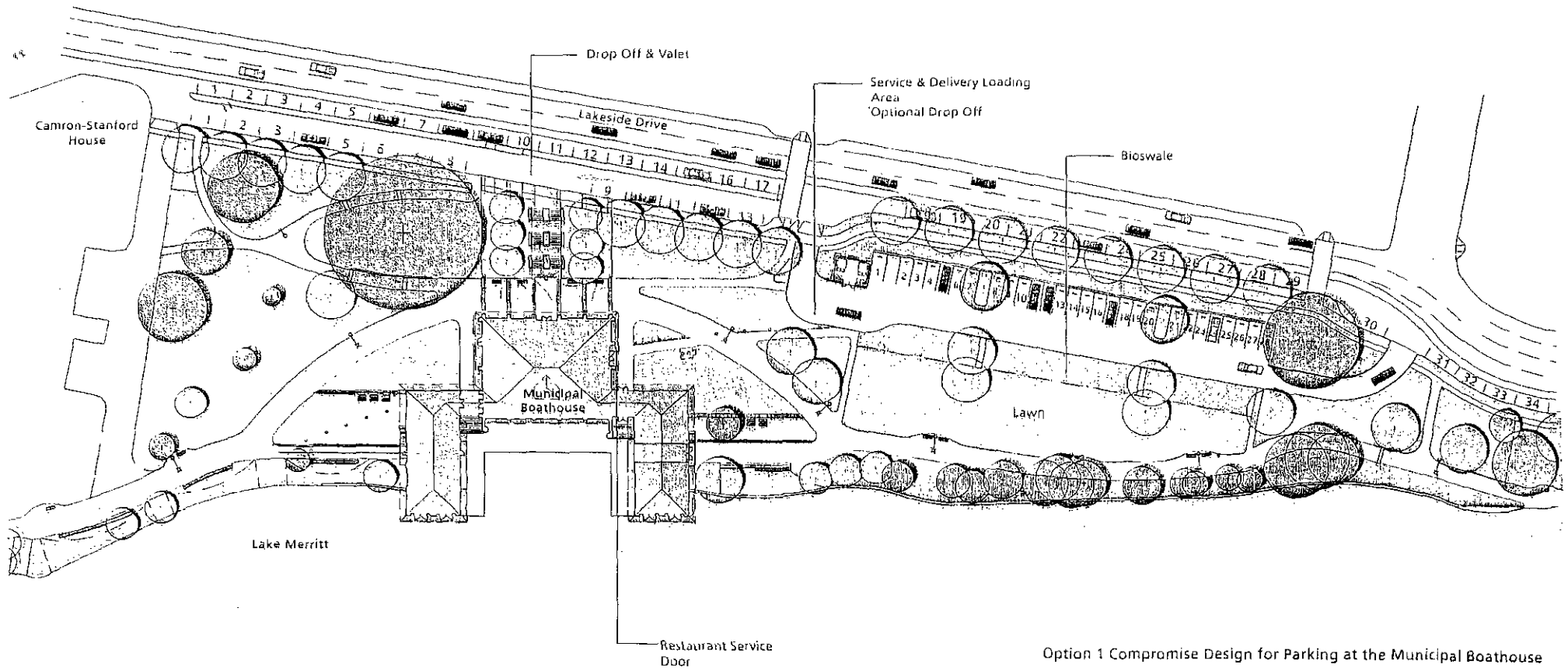
Exhibit "A"

Municipal Boathouse
Oakland, CA

AERIAL MAP



Exhibit "F"



Option 1 Compromise Design for Parking at the Municipal Boathouse

- Existing parking at parking lots: 52
- Existing parking on the street (Park side) : 36
- New parking at parking lot: 28
- New parking on frontage road: 13
- Proposed parking on the street (Park side): 34

