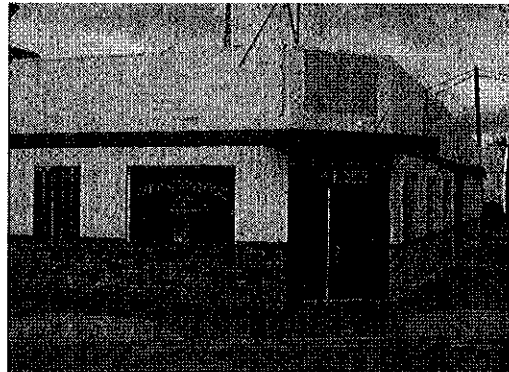
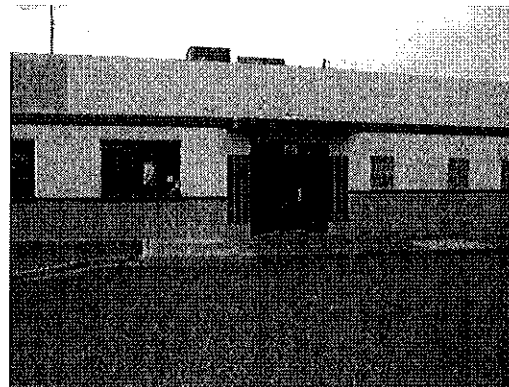


City of Winters

Invitation to Submit a Lease Proposal

**318 RAILROAD AVENUE,
WINTERS, CA 95694**

Formerly JJ's Bar and Grill



Dan Maguire
City of Winters Housing Programs Manager
318 First Street, Winters, CA 95694

530-795-4910 ext.118

I. INVITATION TO SUBMIT A LEASE PROPOSAL

The City of Winters and the Community Development Agency (Redevelopment Agency) of the City of Winters (together, the "City") own various parcels and buildings within the Winters City limits. Many of these properties are leased for commercial purposes, in support of the City's economic development goals. When a vacancy occurs, the City invites potential tenants to submit proposals to lease the property. This Invitation to Submit a Lease Proposal provides information on a property now available. It also includes additional information about the City of Winters in general, preferred lease terms and the City's criteria for evaluating lease proposals.

II. ABOUT WINTERS

Winters is located in Western Yolo County on the west side of the Sacramento Valley, about 10 miles north of Vacaville, and 30 miles west of Sacramento. The foothills of the California Coastal range are just west of the town; this range forms a western boundary to the Sacramento Valley agricultural area. The area has suitable soils for most agricultural commodity cropping patterns, including fruit and nut permanent plantings. Winters, which originally developed in the late 1800's, was a rail-stop used by Central Valley growers to ship agricultural products to the San Francisco Bay markets. Agricultural activities are still predominating in the market area.

In the 1950's the state began the damming of Putah Creek, which is a coastal range tributary, to form Lake Berryessa, a source for irrigation and drinking water, and recreation. The reservoir was filled by 1963, creating one of the largest fresh water lakes in California, containing about 1.6 million acre feet of water. It has 165 miles of shoreline and almost 10,000 acres of land for public use surrounding the lake. According to the Lake Berryessa Visitors Center, the lake receives about 1.2 million visitors per year, mostly in the summer, and mostly traveling west along Highway 128 through Winters. Winters is known as the "Gateway to Lake Berryessa", and the tourist trade accounts for some measure of the area's economy.

Winters continues to experience major developments, particularly in the core downtown area. In addition to a two phased downtown streetscape program, construction is scheduled to begin in the near future on a new car bridge over Putah Creek. Major trail improvements and creek restoration projects are planned that will enhance the creek area immediately adjacent to the downtown.

III. THE PROPERTY

The Property is located at 318 Railroad Avenue, in the Core Downtown area. The commercial property is in a mixed land use area (zoned C-2, commercial uses) and was most recently a tavern. The lot size is approximately 2600 square feet, with 26 linear feet of frontage on Railroad Avenue, and 103 linear feet of street frontage on Abbey Street. The square footage of the building is approximately 2,000 square feet.

Roof work and an electrical panel upgrade were completed in 2011. The City will be contracting to have one of the two restrooms remodeled into an ADA accessible restroom.

IV. THE IDEAL TENANT

318 Railroad Avenue is located in the core downtown area of Winters, with close proximity to many established businesses (Buckhorn Restaurant, Putah Creek Café, and the Palms) as well as many newer start-up businesses, such as Turkovich Wine, Winters Cheese Company, Preserve Public House, and Arc Guitar. The City is seeking out a tenant that wants to be in a dynamic location and is committed to operating a business that adds to the “Winters is open for business” environment. Uses similar to historical uses (tavern) and the ability to start the business up quickly are desirable.

V. PREFERRED LEASE TERMS

While all lease terms are negotiable, the City has found that providing basic lease parameters to potential tenants is helpful. The following preferred lease terms are provided as a guideline.

Initial Maximum Length of Lease

The maximum preferred initial lease term is eighteen (18) months. Extension and renewal terms are subject to negotiations and may be included in the lease.

Minimum Base Rent

The property is offered on a fixed rent basis. The minimum Base Rent is \$0.95 per square foot per month (attic space, although useable space has not been included in the rentable space). Based on square footage of 2,000 square feet, the Base Rent is \$1,900 per month.

Rent Adjustment

The Base Rent will remain fixed for the initial lease term.

Additional Rent – Type of Lease

The property is offered on a Base Rent plus utilities, insurance, and operating and common area expenses arising from the use of the property.

Security Deposit

A cash sum of \$2,000 will be required to be deposited with the City, concurrently with the tenant's execution of a lease, as security for the performance of tenant's obligations under the lease.

Tenant Utility and Service Costs

The tenant will be responsible for all utilities and services required or desired by the tenant in connection with its use or occupancy of the property.

As-is Condition, Tenant Improvements

The property is offered in its current, existing, “as is” condition, with the exception of a planned bathroom remodel to be performed at the expense of the City, to create an ADA compliant restroom. The City will consider proposals for tenant improvement allowances, or rent credits in

lieu of a tenant improvement allowance. The City is expecting the tenant to make capital improvements into the property initially as well as making regular capital improvements necessary to maintain the building.

Tenant Improvements, Prevailing Wages

Tenant improvements, if performed at the expense of the City, as an allowance or in lieu of rent, or owed the City by the end of the lease term, are subject to prevailing wage requirements set forth in California Labor Code Section 1720 *et seq.* and implementing regulations.

Insurance Requirements

The tenant will be required to obtain and keep in force the following minimum insurance coverage:

Public liability insurance to protect against any liability to the public incident to the use of or resulting from any accident occurring in or about said premises, the liability under such insurance to be not less than five hundred thousand dollars (\$500,000) for any one person injured, one million dollars (\$1,000,000) for any one accident and two hundred fifty thousand dollars (\$250,000) for property damage.

Continuous Operation

The City will require an operating covenant acknowledging that continuous operation is necessary for the development of the business, image and traffic and that the tenant's failure to open or remain open will be detrimental to both the image and the economics of the premises and will constitute a default under the lease.

Business License

Upon execution of a lease, the tenant will be required to obtain a City of Winters business license, and to maintain such license during the full term of the lease.

Exclusive Negotiation Rights

The goal of the Agency and City is for the location of a hotel within the block, with retail establishments fronting Railroad Avenue. As part of the lease arrangement, the City, as part of its negotiation with potential hotel developers, will include an exclusive negotiation period for the tenant, not to exceed ninety (90) days, for the location of the business within the future project. At the option of the City, this period may be extended.

VI. MODEL LEASE

The City has prepared a model lease for potential tenants. The City will propose use of the model lease, amended as appropriate for this particular property and the selected tenant. The model lease may be obtained by contacting the City of Winters Community Development Department.

VII. FORM FOR LEASE PROPOSALS

Potential tenants or brokers may submit any form of lease proposal that reflects the tenant's interest in the property. At a minimum, the lease proposal should include the following information:

Proposed tenant name, address and contact information

Proposed tenant trade name

Proposed tenant's experience in operating businesses similar to that proposed for this property. This could include a business plan or other information demonstrating the tenant's ability to operate a successful business in this location, or evidence of similar successful business operations.

Proposed base rent

Proposed initial length of the lease, and any options to extend.

Proposed allowance for tenant improvements or rent credits in lieu of tenant improvement allowance.

A statement that the tenant has reviewed this Invitation to Submit a Lease Proposal and the Preferred Lease Terms, and agrees to all terms of this Invitation, including the Conditions of Invitation set forth in Section X., below. If the tenant cannot meet any of the Preferred Lease Terms, the statement should identify those terms, and any proposed alternatives.

A current financial statement.

Contact information for existing and/or former landlords.

VIII. DATE FOR SUBMITTING LEASE PROPOSALS

Proposals are due by 5:00 p.m. June 24, 2011 (proposals received after the deadline will not be considered).

IX. CRITERIA FOR REVIEW OF LEASE PROPOSALS

The City will consider all lease proposals and will evaluate proposals based on the following criteria:

Compatibility of the proposed tenant and use with the property characteristics, neighboring uses, and the City's economic development goals.

Proposed base rent and agreement to pay as referenced in the Preferred Lease Terms.

Proposed initial length of lease.

Proposed tenant improvement allowance or rent credits in lieu of a tenant improvement allowance.

Ability of the tenant to execute a lease substantially in the form of the model lease offered by the City.

Consideration of the tenant's financial condition, as it relates to the tenant's ability to finance a business of the nature proposed for the property, and its ability to meet rent payment and additional rent requirements.

Submit four (4) references, including 3 business and 1 from your financial institution, with their addresses and phone numbers.

Provide a detailed description of all the services your proposal provides, including:

Hours of Operation

Number of employees, full and part-time

If a joint venture or multiple tenant proposal, please provide specific detail

Proposed tenant's experience in operating businesses similar to those proposed for this property.

Other criteria, as applicable to the particular property and/or the tenant under consideration.

X. CONDITIONS OF INVITATION

This section outlines the conditions of this Invitation to Submit a Lease Proposal. All applicants responding to this Invitation must agree to these Conditions of Invitation.

This Invitation to Submit a Lease Proposal is not a contract or a commitment of any kind by the City and does not commit the City to enter into a lease, or to pay any cost incurred by any respondent in the submission of a proposal. The City, at its sole discretion, reserves the right to accept or reject in whole or in part, any or all submittals received in response to this Invitation, to negotiate with any qualified source, or to cancel or modify in whole or in part the tenant selection process. Failure to provide any of the requested data within the specified submission period may cause the City, at its sole discretion, to reject the submittal or require the data to be submitted forthwith.

All facts and opinions stated within this Invitation to Submit a Lease Proposal and in all supporting documents and data, are based on the best available information from a variety of sources at this time. No representation or warranty is made with respect thereto. Each prospective tenant will be responsible for verifying the accuracy of all information presented herein and for conducting its own investigations of the property and all feasibility analyses necessary or desirable to undertake the leasing of the premises.

By submitting a response to the Invitation to Submit a Lease Proposal, each respondent expressly waives any and all rights that it may have to object to, protest or judicially challenge the following:

- 1) The City's Invitation to Submit a Lease Proposal, including, but not limited to these Conditions of Invitation; and
- 2) The City's evaluation and selection process, including but not limited to the qualifications of the respondent tenants, evaluation of proposals, evaluation of responses to the Invitation, and all other aspects of the City's tenant selection process.

The City and the City's Community Development Agency acquired the subject property specifically to facilitate the development of a downtown hotel. The goal of the City is to enter only into short term leases for the subject property in order to facilitate the hotel project. By submitting a response to the Invitation to Submit a Lease proposal, each respondent expressly acknowledges that it is aware of the status of the property and the agency's future plans and that the business will not be eligible for relocation assistance or payments when the agency terminates the tenancy. Tenant will provide written verification of their understanding of the above under the California Relocation Assistance Act of 1970 (Gov. Code § 7260 *et seq.*) that post-acquisition tenants are not eligible for relocation assistance.

All information submitted to City in response to this Invitation will become property of the City.

XI. CONTACT INFORMATION AND PROPOSED LEASE SUBMITTALS

Additional information regarding this property may be obtained by contacting the City of Winters Community Development Department. The deadline for submitting proposals is 5:00 p.m. on June 24, 2011. Two copies of Proposals for Lease of this property should be submitted to the Community Development Department, at the following address:

City of Winters

Community Development Department

318 First Street

Winters, CA 95694

Attention: Dan Maguire

Telephone: (530) 795-4910 Ext. 118

Information requests should be sent by e-mail to: daniel.maguire@cityofwinters.org