



Agenda Item CEL

Approvals:

City Manager [Signature]

Dept. Head [Signature]

Attorney [Signature]

Finance [Signature]

AGENDA REPORT

SAN CLEMENTE CITY COUNCIL MEETING

Meeting Date: May 16, 2017

Department: Finance & Administrative Services
Prepared By: Erik Sund, Assistant City Manager

Subject: *APPROVAL OF LEASE AGREEMENT TO OPERATE THE BAIT & TACKLE CONCESSION AT THE CITY'S MUNICIPAL PIER.*

Fiscal Impact: Yes. A minimum \$3,600 increase in annual General Fund revenue.

Summary: Following a comprehensive Request For Proposal (RFP) process, staff is recommending the selection of Scott Shipley as the Bait & Tackle operator on the City's Municipal Pier.

Background: The City maintains a small concession building near the end of the Municipal Pier that has provided bait & tackle services for local fishermen and typical beach concession food and beverages to the public for many years. The concession building has been operated by a number of individuals since 2009, when Randy Raneses and Michelle McGraw were granted a three year term to operate the Bait & Tackle Shop.

In 2012, Michelle McGraw relinquished her interest in the partnership, and the lease was extended individually to Randy Raneses for an additional three year period.

On June 2nd, 2015, Randy requested the addition of Damian Collins to the lease with a one-year term extension, which was approved by the Council action. Mr. Raneses subsequently withdrew from the partnership and Damian Collins became the sole operator of the concession through the end of the lease term.

Discussion: Following the expiration of the previous concession agreements, Staff prepared a Request For Proposal (RFP) to identify a new concessionaire. The RFP was posted on the City's website via Planetbid, and notification of the RFP was published twice in the Sun Post News (December 30th, 2016 and January 6, 2017) to solicit local interest. Staff also hosted an open house at the facility on January 12th for inspection prior to the due date of the proposals.

Three qualified bids were received and the bidders were invited to present their proposals to a selection committee comprised of City staff. Following those presentations, two finalists were recommended for a final interview with the Assistant City Manager. Final selection was based on the responses to the RFP, presentation and interviews, supplemental questions, and qualifications of the bidder.

The new concession agreement will require 6% of annual gross receipts with a minimum monthly rent of \$300. An initial term of 3 years and 4 months is recommended with one three-year extension, subject to review and approval by the City Manager.

Recommended

Action: STAFF RECOMMENDS THAT the City Council approve and authorize the City Manager to execute the Lease Agreement between Scott Shipley and the City of San Clemente to operate the Bait & Tackle concession on the Municipal Pier.

Attachments: Proposal dated February 15, 2017

Notification: All qualified bidders to the RFP

Proposal for operating:

The San Clemente Pier Bait and Tackle / Concession Stand & the North Beach Snack Bar

My name is Scott Shipley and my partner and I are interested in Operating the Bait and Tackle / Concession Stand on the San Clemente Pier and the North Beach Snack Bar.

Let me start off by saying that we have been in talks with Damian Collins for about 4 months to buy the Snack bar from him for \$25,000. We are very passionate about this venture unfortunately he is rarely available to complete the sale, and now he has ran out of time.

My partner Is Silvie Pudilova, Owner Operator of "FireHouse Ribs" here in San Clemente. Upon receiving a contract from the city Silvie will discontinue running "FireHouse Ribs" and I will discontinue my full time job and make "***The Pier Grill and Tackle,***" and "***The North Beach BBQ***" our full time joint ventures. I will be on the Pier with my wife and daughter and will hire help for busy times and Silvie will be at north beach with her Fiancé and 2 boys.

Silvie has a Master's Degree in Economics and she has many many years working as a chef and is a master at cooking several types of cuisines, concentrates on high quality food made from scratch, and will continue that tradition in our new venture. Learning much of her cooking skills at a very young age from her grandmother, food is in her blood. Her passion for what she does is reflected in her flavorful food. When she isn't cooking, she is keeping her kitchen impeccably clean. If you have any questions about the quality or taste of her food, go to her current restaurant and try some. Besides running a successful restaurant here in San Clemente, she is also an incredible mother of 2 strait A Students. You will often find her boys at the restaurant doing their homework at one of the tables, and sometimes pitching in when help is needed.

As for myself, I used to own and operate a Restaurant and bar named Habanero's. I am an avid fisherman, have an MBA and my wife and my daughter are both SC high alumni. Anyone who knows my wife and I knows we are philanthropists. This last Christmas we collected over \$1,800 from friends and colleagues, in addition to approximately \$600 of our own, for gifts for 2 local woman's transitional housing programs. We also call bingo for the Dorothy Visser Senior Center from time to time, have done Meals on Wheels, as well as volunteer at many of their charity events. I believe that this demonstrates our strong and passionate connection to San Clemente.

Our vision for the Pier location is a fast serve grill.

Hours of operation:

Monday 8am – 4pm (Closed during off season)

Tuesday 8am – 4pm (Closed during off season)

Wednesday 8am – 4pm (or later depending on weather and busyness of Pier)

Thursday 8am – 4pm (or later depending on weather and busyness of Pier)

Friday 8am – 6pm (or later depending on weather and busyness of Pier)

Saturday 8am – 6pm (or later depending on weather and busyness of Pier)

Sunday 8pm – 4pm (or later depending on weather and busyness of Pier)

(I will probably be there early prepping, but these will be the for sure open hours)

-See Attached Menu-

For the bait & tackle portion:

I plan on having more options than previous operators including tools: A variety of different tools, hooks, tackle, and fishing polls for sale, as well as some friendly instruction, and info and pictures of recent things caught at the Pier on our website and Facebook. (I have a good friend that owns a tackle and bait shop in Redondo that will help me with direction)

Fishing pole rental (including small amount of bait, waits and hooks) \$10

And a choice of frozen bait. (Such as squid, anchovies, Sardines, and smelt)

(When I first moved to San Clemente many years ago, I went fishing on SC Pier and was very disappointed that I was unable to buy bait.)

I want to walk around the end of the Pier when I'm not busy, and check on people and see if they need any help.

Merchandise to sell:

I'd really like to have "San Clemente" things for sale

Such as paintings and photographs of San Clemente

Bags and sweatshirts that say San Clemente

Hand made things made by residents of San Clemente

I've spoken to a number of artists, Jewelry makers, and woodworkers who want to feature their products.

Our vision for the North Beach Location is:

To keep the current menu from Firehouse Ribs

-See Attached Menu-

and to add:

- **Breakfast burritos** - \$5.50 - \$6.50
- **Fish & chips** – 3 pieces of breaded fish, served with coleslaw and a giant mound of seasoned fries \$9
- **The works fries** - a giant mound of seasoned fries topped with *our delicious chili, aged shredded cheddar cheese, diced onions, fresh tomatoes & sour cream.* \$5
- **Corn Dog** - \$2.50
- **Regular hot dog** - \$3.00
- **Fresh made chili or soup of the day** - \$4.50
- **Melty Quesadilla** - a 12" tortilla packed full of melty cheese \$3.50
- **Ice-cream** \$2.50
- **House Salad** \$4.50
- **Soda** - \$1.50
- **Bottled water** - \$1.50
- **Coffee, Tea, or Hot Chocolate** - \$1.50
- **Fruit Smoothies** - \$6

Hours of operation:

Monday 8am – 4pm (Closed during off season)

Tuesday 8am – 4pm (Closed during off season)

Wednesday 8am – 7pm (or later depending on weather and busyness of the Beach)

Thursday 8am – 7pm (or later depending on weather and busyness of the Beach)

Friday 8am – 7pm (or later depending on weather and busyness of the Beach)

Saturday 8am – 7pm (or later depending on weather and busyness of the Beach)

Sunday 8pm – 4pm (or later depending on weather and busyness of the Beach)

The total equipment we will need for both locations is:

Variety of fishing polls, bait and tackle \$800

2 fryers \$600

Induction cooktop with pans \$500

Commercial crockpot and warmers \$400

An Ice Machine \$800

Cooking utensils and accessories \$500

Freezer & Refrigerator \$2000

Commercial Microwave \$300

Initial food orders (including to go containers, coffee cups, catsup, mustard etc.) \$2,000

Merchandise to sell. \$1500

Our Customer service Philosophy:

Exceed customer expectation, and keep customers happy and coming back.

Marketing:

The best marketing I have found for small businesses is online social media. Besides very inexpensive paid advertisement there are many Facebook groups in San Clemente to network with, as well as local print publications. We would also like to have a sign at the beginning of the Pier with hours and a short version of our menu.

Signature Dish:

"The Pier Grill & Tackle" it will be the best burgers in town, and our Fresh fried Pickles.

"North Beach BBQ" it will be BBQ

Scheduled Maintenance: Daily cleaning, with weekly deep cleaning and fixing.

Downed equipment: if a piece of equipment goes down we have a variety of different foods and equipment so we can still produce food and have equipment replaced immediately.

Available Capital: My wife and I have about \$30,000 in our savings account, and Sylvie and her Fiancé have about \$15,000 in their business account to use on our new venture.

The rent we propose is: \$300 + 6% of the gross revenues for each location.

Projected Revenue:

For *"The Pier Grill & Tackle"* we project to be doing \$25,000 a month during the 3 summer months, and about \$8000 per month during the slower months, for an annual total of \$ 114,000 at the 6% would equal \$10,440 total in rent for the year.

For *"North Beach BBQ"* we project to be doing \$20,000 a month during the 3 summer months, and about \$6000 per month during the slower months, for an annual total of \$147,000. This at the 6%, would equal \$12,420 in total rent for the year.

The North Beach will Offer Take out. Silvie is already doing a lot of take-out, and delivery using: "Door Dash" and "Uber Eats"

Monthly Operating Expenses:

For *"The Pier Grill and Tackle"* we project

- 1 part time employee at 20 hours a week for a total of \$924
- Electricity \$200
- Food \$1600
- Towel service \$60
- Phone and internet \$100
- Insurance \$160
- Repairs and Miscellaneous \$200
- Advertising \$100

For *"North Beach BBQ"* we project

- 1 part time employee at 20 hours a week for a total of \$1232,
- Electricity \$300
- Food \$2000
- Towel service \$60
- Phone and internet \$100
- Insurance \$160
- Repairs and Miscellaneous \$200
- Advertising \$100

Our vision is for *"The Pier Grill and Tackle"* and *"North Beach BBQ"* to become landmarks in the community. We'd like to Host fishing tournaments and I will call my contacts in the fishing industry and see if I can get Shamano or Pelagic as event sponsors. Additional, we can host and/or sponsor other fun events and fund raisers at both locations.

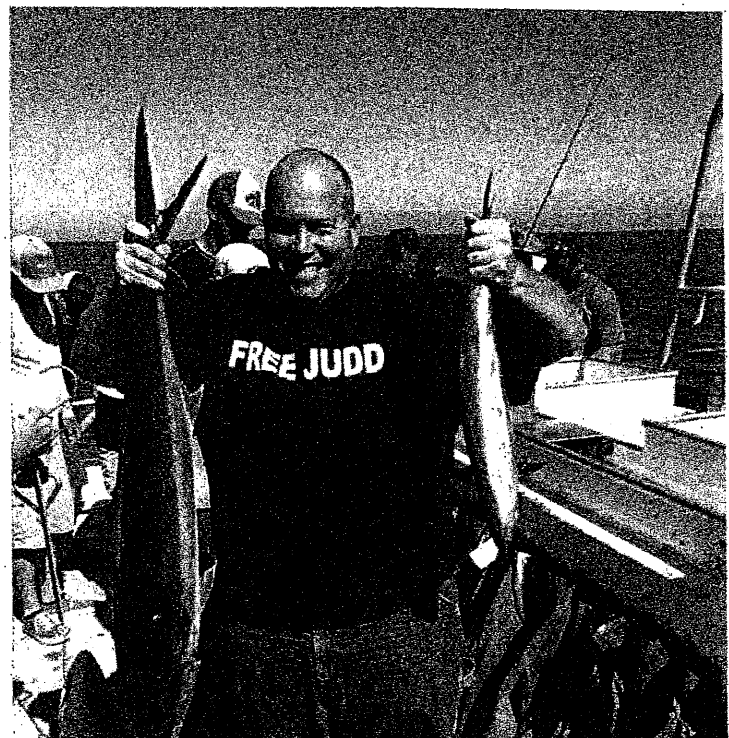
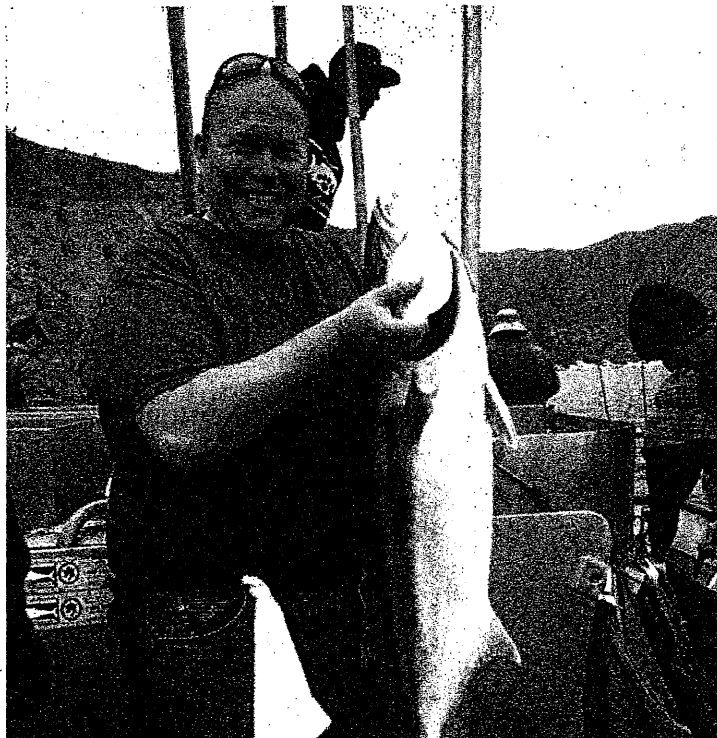
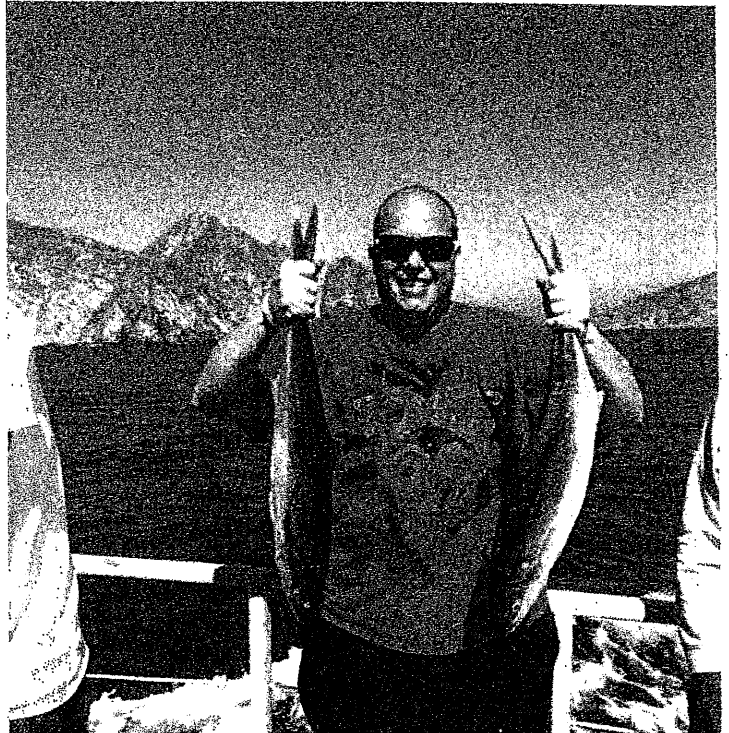
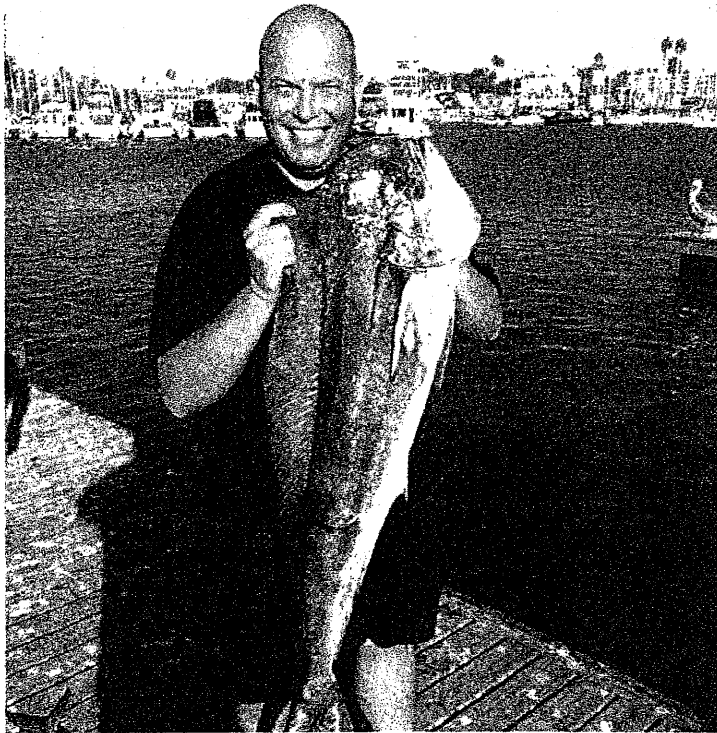
Our plan is to open as quickly as possible. We will apply for business Licenses, Insurance, and Health Permit the very 1st day. The only thing that will hold us up will be the Health department permit.

Imagine having the "Snack Bars" being ran by 2 fulltime professionals and their families and not part time high school students. That is what you will get when you award Silvie, and me and our families with the contract.

Thank You for your consideration. If you choose us we won't let you down.

Scott Shipley (949)422-8062
260 Ave Vista Montana #25A, San Clemente CA 92672

Silvie Pudilova (949)257-8889



INSIDE THE KINGDOM

The Chronicle

Habanero's serves south of the border home style

Habanero's, a new restaurant in the heart of the city, is serving up a taste of the south. The menu is a blend of traditional Mexican and Tex-Mex dishes, with a focus on home-style cooking. The restaurant is located in the heart of the city, and is a popular spot for locals and tourists alike.

The owner, Mr. [Name], has spent a great deal of time and money to create a unique dining experience. The restaurant features a warm and inviting atmosphere, with a menu that is both delicious and authentic. The food is prepared with care and attention to detail, ensuring that every bite is a masterpiece.

Mr. [Name] has a deep passion for Mexican cuisine, and he has worked hard to bring the best of the south to the city. The restaurant is a true reflection of his love for the food and the culture. It is a place where you can enjoy the flavors of the south in a comfortable and relaxed setting.

The restaurant is a great place to enjoy a meal with family and friends. The menu is diverse and offers something for everyone. The service is friendly and attentive, making it a perfect spot for a special occasion or a casual dinner. The atmosphere is warm and welcoming, and it is a true gem in the city.

Mr. [Name] has a vision for the future of the restaurant, and he is committed to providing the best possible dining experience. He is always looking for ways to improve the menu and the service, and he is grateful for the support of his customers. The restaurant is a true reflection of his passion and dedication to the craft of cooking.

Habanero's is a place where you can enjoy the flavors of the south in a comfortable and relaxed setting. The menu is diverse and offers something for everyone. The service is friendly and attentive, making it a perfect spot for a special occasion or a casual dinner. The atmosphere is warm and welcoming, and it is a true gem in the city.

The restaurant is a true reflection of the owner's passion for Mexican cuisine. The menu is a blend of traditional and modern dishes, with a focus on fresh ingredients and authentic flavors. The restaurant is a great place to enjoy a meal with family and friends. The service is friendly and attentive, making it a perfect spot for a special occasion or a casual dinner. The atmosphere is warm and welcoming, and it is a true gem in the city.

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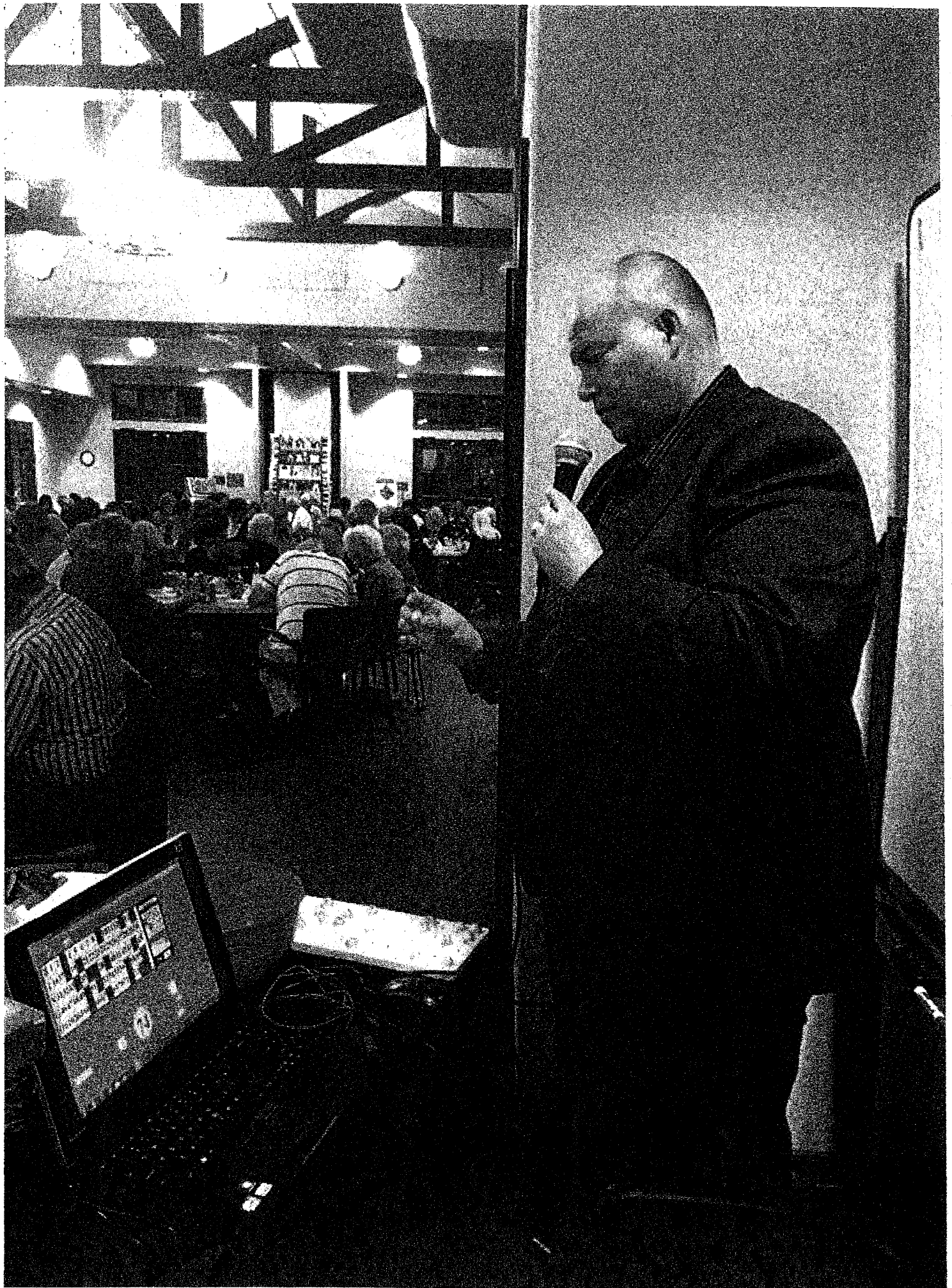
Small image showing a chef in a kitchen, likely preparing food. The chef is wearing a white hat and apron, and is focused on the task at hand.



Large image showing a plate of food, likely a taco or burrito, garnished with fresh ingredients. The plate is set on a wooden surface, and the food is presented in a rustic and appetizing manner.

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Post 7142

Dena and Lee Van Slyke

Niguel

Mary Sue and Shelby Allen

neite

Lisa and Scott Shipley

en

Berry Arellanes

ous

Richard and Julia Brooks

WALL OF HONOR

SPONSORED BY

ED AND MAGGIE CHANG



The Pier Grill Menu

Breakfast Menu

- **Breakfast burritos** - \$5.50 - \$6.50
- **Gluten-free Breakfast bowl** - \$5.50
- **Yogurt** - \$2
- **Muffins** - \$3
- **Oatmeal** - \$3

All of our gourmet burgers and gourmet dogs come with a giant mound of seasoned fries. (Gluten free buns available. Substitute Fries for Fresh cut vegetables.)

Our Burgers

- **The Classic** – ½ pound fresh ground beef patty, on a toasted Brioche *bun*, Lettuce, Tomato, Onion, Pickle, and Pier Grill sauce. \$8
- **The Southerner** – ½ pound fresh ground beef patty, on a toasted Brioche *bun*, Bacon, Lettuce, Tomato, Onion, Pickle, and Topped with Pier Grill fresh made BBQ Sauce. \$9
- **The Hawaiian** – ½ pound fresh ground beef patty, on a toasted Brioche bun, Lettuce, Onion, a big slice of grilled pineapple and Pier Grill's special teriyaki sauce. \$9
- **The Volcano** – ½ pound fresh ground beef patty, on a toasted Brioche bun, Lettuce, Tomato, Onion, jalapeños, pepper-jack cheese, and Pier Grill's flaming hot mayonnaise. \$9
- **The Texan** -½ pound fresh ground beef patty, on a toasted Brioche bun, topped with *our delicious chili, diced onions, and aged shredded cheddar cheese.* \$9
- **Veggie Burger** – Grilled veggies on a toasted Brioche bun. \$6.50

Our Dogs

- **The Vintage** – A ¼ pound all beef hot dog, on a gourmet sesame seed bun topped with Mustard. \$6
- **The Coney Island dog** - A ¼ pound all beef hot dog, on a gourmet sesame seed bun topped with *our delicious chili, diced onions, and aged shredded cheddar cheese.* \$7
- **Feeling Hot Hot Hot dog** - A ¼ pound all beef hot dog, on a gourmet sesame seed bun topped with Pier Grill Signature Jalapeño relish. \$7
- **Bacon Swiss dog** - A ¼ pound all beef hot dog, on a gourmet sesame seed bun with bacon, and Swiss cheese, and Dijon mustard. \$7

Other stuff

- **Chicken tenders** - 2 breaded all white meat pieces of chicken and your choice of dipping sauce. \$4
- **Goopy Grilled Cheese** – 2 slices of cheese between 2 slices of Potato bread. \$3
- **A giant mound of seasoned fries** - \$3
- **The works fries** - a giant mound of seasoned fries topped with *our delicious chili, aged shredded cheddar cheese, diced onions, Diced fresh tomatoes and sour cream.* \$5
- **Patty Melt** - ¼ lb. fresh ground beef, 2 slices of cheese between 2 slices of Potato bread \$4
- **Fried Zucchini** - \$5
- **Healthy snack pack** – fresh apples, celery sticks, cheese, & wheat crackers \$3
- **Veggie Cup** - Fresh carrots, celery and Jicama w/ Hummus or ranch - \$3
- **Corn Dog** - \$2.50
- **Regular hot dog** - \$3
- **Fresh made chili or soup of the day** - \$4
- **Melty Quesadilla** - a 12" tortilla packed full of melty cheese \$3.50
- **Fresh made fried pickles** – Oh yes! The best fried pickles you have ever had! \$5.50
- **Ice-cream** \$2.50
- **Chocolate covered banana** - \$4
- **Le Croix caned sparkling water** - \$2
- **Bottled juice or Milk**- \$2
- **Bottled water or Soda**- \$1.50
- **Coffee, Tea, or Hot Chocolate** - \$1.50



FIREHOUSE RIBS

& MORE

MEATS & POULTRY

BABY BACK RIB PLATE

1/2 Rack of Premium Cut Meaty Baby Back Ribs
choice of side and cornbread



\$17.99

BEEF RIB PLATE

1/2 Rack of Beef Ribs, choice of side and cornbread



\$19.99

RIB COMBO PLATE

3 Baby Back Ribs, 2 Beef Ribs, choice of 1 side and cornbread

\$21.99

HALF ROASTED CHICKEN

Slow roasted Chicken with choice of side and cornbread



\$11.99

BRISKET PLATE

Slow roasted brisket with choice of side and cornbread

\$14.99

3 Baby Back Ribs, 2 sides & cornbread

\$12.99

2 Beef Ribs, 2 sides & cornbread

\$14.99

SIDES

Mashed Potatoes with onions, \$3.50

parsley and bacon

French Fries \$3.50

Honey Jalapeno Cornbread \$3.50

Baked Beans with pork \$3.50

Coleslaw \$3.50

111 W Avenida Palizada suite E

San Clemente, CA 92672

DRINKS

Iced Tea \$2.00

Soda \$2.00

Coffee \$2.00



5-16-17 / 6L-16



FIREHOUSE RIBS

& MORE

BURGERS & SLIDERS TO GO ORDERS 257-8889

FIREHOUSE BURGER

1/2 LB freshly ground beef patty infused with onion, egg, cheddar cheese, smoked bacon, avocado and fries



\$10.99

CHEESEBURGER

1/2 LB freshly ground patty, cheddar cheese, mayo, lettuce, tomato, and side of fries.



\$9.99

PULLED PORK SLIDERS

3 pork sliders topped with coleslaw and side of fries



\$9.99

CHICKEN STRIPS

Breaded chicken breast strips with side of fries

\$9.99

KIDS CHICKEN STRIPS

3 breaded chicken strips with side of fries

\$4.99

SIDES

- Mashed Potatoes with onions, parsley and bacon \$3.50
- French Fries \$3.50
- Honey Jalapeno Cornbread \$3.50
- Baked Beans with pork \$3.50
- Coleslaw \$3.50

111 W Avenida Palizada suite E
San Clemente, CA 92672

DRINKS

- Iced Tea \$2.00
- Soda \$2.00
- Coffee \$2.00



5-16-17 / 6L-17