



RFP # 5112 [Re-release]

Request for Proposal for

RESTAURANT CONCESSION

AT

THE WATERFRONT CENTER

113 Harbor Way #180 (Upstairs)
Santa Barbara, CA 93101

Proposals Due: 3:00 p.m. Friday February 27, 2026



Contact Information: Cesar Barrios, Waterfront Business Manager
CBarrios@SantaBarbaraCA.gov (805) 564-5525

SECTION I - GENERAL PROPOSAL INFORMATION

A. Introduction and Purpose

The City of Santa Barbara's Waterfront Department seeks a successful restaurant operator interested in leasing the space at **113 Harbor Way #180 (Upstairs)** located in the Santa Barbara Harbor Commercial Area. For the past 30 years, the location has served as restaurant space and a focal point in the community, offering a top tier waterfront dining experience to residents and visitors alike.

The premises include 1,934 square feet of interior upstairs restaurant space, 750 square feet of upstairs north patio space, 749 square feet of upstairs south patio space, 47 square feet of north stairwell, and 47 square feet of south stairwell situated in the historical Waterfront Center Building.

The property presents a rare opportunity for a restaurant to occupy a premier space in the heart of the Santa Barbara Harbor, offering unmatched visibility, combining scenic harbor views, foot traffic from boating enthusiasts as well as a diverse group of visitors, creating strong potential for a distinctive, high demand restaurant concept. In addition, the space is adjacent to a public parking lot for 720 vehicles, including 90-minute free and pay short term parking spaces.

B. City's Goals

The City seeks a long-term partnership and revenue sharing agreement that provides a welcoming and casual restaurant experience to a wide array of user groups, while supporting and enhancing the harbor visitor experience, with the ability to creatively collaborate on marketing to enhance dining and harbor activities, and events in collaboration with other harbor tenants as well as the Waterfront Department.

The ideal partner for the City of Santa Barbara will have significant experience within the food and beverage profession with a track record of success. The City's goals for the new restaurant are summarized below and are not ranked in any particular order. Proposer should integrate these goals when preparing the Proposal.

1. Operate a quality sit-down restaurant open 7 days a week, brunch, lunch, happy hour, and dinner, taking advantage of all that this unique location offers.
2. Establish operating hours to meet the needs of marina users, harbor visitors, social gatherings and public events, and restaurant patrons.
3. Provide a variety of menu options at all times of day with walk-up, take-out, and sit-down service provided.
4. Incorporate a full liquor license to sell alcohol including spirits
5. Collaborate on joint marketing and programmatic delivery to enhance dining and the harbor visitor experience.
6. Offer an area for Private Events, although the City reserves the right to limit the

frequency of such events, to the extent they prevent general public use of the Restaurant.

SECTION II - PROPOSAL CONTENTS

A. General

All proposals must include at a minimum, the information described in the following section. The inclusion of any additional information that will assist in the evaluation is encouraged. **Failure to submit a complete package will result in the rejection and elimination of the proposal for consideration.**

Your Proposal should clearly describe the concept, menus, the financial proposal and other elements requested below. Please take the time to carefully read and understand the Proposal requirements. Format, organization and content are all important so that the evaluation committee can conduct an accurate and complete review of the Proposal. Be sure to include all information requested in this section.

If you have other information that may help us understand unique strengths of your proposal, please be sure to include that information.

The Proposal requirements in this section are not meant to limit creativity in the presentation of a Proposal, rather to list the minimum elements that must be included in the Proposal. It is the Proposer's responsibility to incorporate all pertinent information to effectively present a Proposal and to communicate the Proposer's concept and qualifications.

B. Business Plan

Provide a professional business plan that includes, among other terms, the information listed below.

1. Cover Letter

The cover letter shall state general information which Proposer desires to include regarding their business organization.

2. Executive Summary

Please provide an executive summary of the overall Business Plan.

3. Experience of the Proposer

Describe the Proposer's specific experience with the ownership, management or operation of food and beverage facilities. Proposer's experience description must include a representative list of its food and beverage location(s), the duration of time it has owned, managed or operated each location(s), and the gross receipts earned at each location over the past five (5) years. Provide a valid and current reference contact familiar with the Proposer performance for each location.

4. Concept and Brand

The proposal shall include information in sufficient detail to clearly define the proposed concept. Information provided should focus on the following:

- a. Describe in detail
 - i. The operating name, concept and/or theme proposed for the concession.
 - ii. The rationale for selecting the proposed name and concept.
 - iii. Operating hours detailing seasonal variation, if applicable.
 - iv. How your concept will provide quality products, value, and service for the customer.
 - v. How your concept will contribute toward the creation of a casual and welcoming ambiance.
- b. Submit the brunch, lunch, happy hour and dinner menus and prices for the concession.
 - i. In addition, the type of service for each meal period: i.e. Full-service; Host to seat; server to take order; limited service; order at counter; guest retrieve food when called; no service / automated kiosk; food delivered to table. etc.
- c. Describe your proposed alcohol and beverage service and prices.
- d. Will your menu options incorporate and/or prioritize local seafood and produce providers.
- e. How your concept differs from other restaurant operators in the area, and please outline the key factors you will leverage to achieve sustained success.
- f. Provide any market research conducted to ensure concept success.

5. Proposed Management and Operations Plan

Customer service, product quality, value for money and efficiency of service are primary concerns of the City for this concession lease. Submit sufficient information to allow the City to evaluate how your Management and Operations Plan will achieve the goal of operating a high quality operation.

- a. Proposed Staffing.
Please illustrate how the proposed location will be managed:
 - i. Organizational chart.
 - ii. Experience of the management team.

6. Proposed Marketing Plan and Analysis

Provide a plan for marketing and advertising the Leased Premises that addresses:

- a. Target customers for brunch, lunch, happy hour and dinner services, with reference to any market research and analysis completed.
- b. Proposed menu and pricing to meet the needs of the target markets identified.
- c. Annual financial commitment to marketing activities.
- d. Branding, advertising and promotional plans to increase awareness and drive more visitors to the Leased Premises.
- e. Other items offered for sale in the Leased Premises.

7. Financial Projections

Provide a Pro-forma Operating Statement which shall indicate Proposer's projected gross sales and expenses. The Cash-Flow projection will be evaluated for reasonableness, demonstrated understanding of the proposed brand / concept; viability of the proposed operation; rent payable to the City; and ability to fund initial investment and ongoing operational costs from cash flows generated by the business. Please include a list of assumptions supporting sales projections and operating costs as per the categories in the 10-year and monthly pro-forma schedules.

8. Financial Background Information

Include the following historical information for Proposer:

- a. Audited Balance Sheet and income statements for last two (2) fiscal years prepared. In accordance with generally accepted accounting principles, reflecting the current financial condition of Proposer.
- b. Describe the ownership of Proposer listing all voting members and voting rights.
- c. Owners of closely held corporations must submit a personal financial statement current within three months from the date of submittal verified by suitably qualified finance professional, CPA / Independent Financial Advisor etc.
- d. At least two (2) financial references.
- e. Submit any other documents or credit reports that would assist in determining the financial condition of the Proposer.

C. Required Additional Information

If the information requested below is included in the Business Plan, please note where in the Business Plan it can be found.

1. Please describe how the proposed business would provide a direct financial benefit to the Waterfront Department.
2. Indicate the preferred lease term.
3. Indicate if the Proposer is involved in any litigation or other legal disputes. Failure to list any and all litigation or other legal disputes will result in disqualification of the proposal.
4. Please include the overall design theme / concept for the space, including a sketch of key design elements, such as visual and color scheme. Provide a cost estimate and a projected timeline for any remodeling of the space.

SECTION III - BUSINESS TERMS

Following the selection of a proposal, the Waterfront Department will negotiate a lease agreement with the selected party based on the following terms. The lease agreement will be subject to the review and approval of the Harbor Commission and the Santa Barbara City Council.

1. **Proposed Term:** Five-year initial term with two (2), five-year options.
2. **Minimum Monthly Base Rent:** The minimum monthly Base Rent is proposed to be \$14,516 per month. Rent will be subject to annual CPI adjustment, upward but not downward.
3. **Market Rent Analysis:** A 3rd party market rental rate analysis may be completed at the inception of a lease and every 5-years to determine if current base rent is appropriate and in-line with market rates. Base rents may be adjusted up or down if analysis determines a market differential larger than +/- 10%.
4. **Percentage Rent:** For this percentage lease, the Waterfront Department receives the greater of the Base Rent or Percentage Rent based on percentages of gross income generated by the economic activities that are conducted on the premises.
Percentage Rent: ten percent (10%) of the "Gross Receipts" as defined up to and including Three Million Dollars (\$3,000,000) over a full lease year, and nine percent (9%) of the "Gross Receipts" in excess of Three Million Dollars (\$3,000,000) up to and including Five Million Dollars (\$5,000,000), and eight percent (8%) of the "Gross Receipts" in excess of Five Million Dollars (\$5,000,000) up to and including Seven Million Dollars (\$7,000,000), and seven percent (7%) of the "Gross Receipts" in excess of Seven Million Dollars (\$7,000,000) over a full lease year.
5. **Required Personal Guarantee:** The City's standard personal guarantee will be required if the lease will be with a Corporation or Limited Liability Company.
6. **Required Insurance:** Tenant is required to maintain appropriate insurance coverage, and both parties agree to hold each other harmless within the scope of the lease.
 - a. Commercial General Liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage.
 - b. Automobile Liability: No less than 1,000,000 Insurance.
 - c. Workers' Compensation: at least \$1,000,000 shall cover all Tenant's staff while performing any work incidental to the performance or this agreement.
 - d. Property insurance: Value TBD; the policy shall include business interruption coverage, with adequate limits to cover the term of this agreement.

- e. Additional insurance requirements may apply by the time the lease is negotiated and executed.

Any omissions, whether willful or not, will disqualify proposal from consideration.

A sample lease agreement is available for review on the Waterfront Department website at <https://santabarbaraca.gov/waterfront-leases-request-proposal> It is the responsibility of the applicant to review the sample lease agreement, and understand the obligations to be assumed by the applicant through the lease agreement.

SECTION IV - DISCLOSURES

The City will provide the lease space “as-is”. All remodeling/improvements and signage require approval by the Waterfront Director and a building permit and design review/sign approval, if applicable. The tenant shall bear the costs of all design, review, planning, permitting and any other approval processes required for remodeling the space.

SECTION V - PROPOSAL EVALUATION

Evaluation Process and Criteria for Evaluation

Specific criteria have been established to assist the City in the evaluation of the proposals. The selection panel may use additional criteria that they deem to be significant in choosing the best proposal.

1. Business Plan / Description- 40 points (see above)
2. Management – 30 points
 - Proposer history
 - Employee strength and experience in industry
3. Financial Information – 30 points
 - Strength of certified financial statement
 - Credit reports

The Waterfront Department will select the most responsive and most responsible proposer whose experience, and qualifications correspond best with the Local Coastal Program and the Waterfront Department's interests.

Proposals will also be evaluated according to the proposed business' compatibility with the existing businesses in the area. Proposals that complement or diversify existing uses in the area will be given priority over proposals that may compete with existing uses.

Additional Information from Proposers

The Waterfront Department reserves the right to request information from Proposers beyond that specified in the request for proposal. Proposers may or may not be requested to appear before the selection committee.

Qualifications of Proposal

This is not a bid solicitation and the Waterfront Department is not obligated to accept any proposal or to negotiate with any Proposer. The Waterfront Department reserves the right to reject any or all proposals without cause or liability.

Submission Requirements

Proposals, in hard copy paper form must accompanied by a flash drive containing the proposal in PDF format and must be **received** at the City of Santa Barbara Waterfront Department (132-A Harbor Way) **no later than 3:00PM, Friday, February 27, 2026**, regardless of postmark or date mailed. **Also, you may submit the proposal via email no later than 3:00PM, Friday, February 27, 2026** to: Cesar Barrios, Waterfront Business Manager at cbarrios@santabarbaraca.gov

Late submittals will not be accepted, no exceptions.

Proposals must be emailed or delivered in a flash drive to:

Waterfront Department, City of Santa Barbara
Attention: Cesar Barrios
132-A Harbor Way
Santa Barbara, CA 93109

Contact Person

Please contact **Cesar Barrios, Waterfront Business Manager, at (805) 564-5525** with any questions regarding this Request for Proposal. cbarrios@santabarbaraca.gov

Materials Available for Review

1. All appropriate materials are available on the Waterfront Department's website at: <https://www.santabarbaraca.gov/gov/depts/waterfront/default.asp>
2. The Coastal Land Use Plan and related development policies can be found at: <https://santabarbaraca.gov/government/priorities-policies/local-coastal-program>

SECTION VI - PUBLIC INFORMATION NOTICE

All information received from proposers will be considered confidential during the review process. When the selection committee completes the review, the committee will recommend selection or another action to the Harbor Commission and City Council. At that point, all information, except that information defined below as excluded, will be treated as public information and made available upon request for review to the other proposers and the public.

All excluded information which contains financial information such as assets, net worth, credit rating/credit report, and information from the selection process such as ratings sheets and other notes made during the evaluation process, will be treated as confidential information by the City and will not be made available for public review or to other proposing parties.

Attachments: 1. Site Photos

Attachment 1- Site Photos



