

To: All Recipients of the Request for Qualifications (RFQ), CC-GOGA010-20, for the Lands End Restaurant Properties Lease within Golden Gate National Recreation Area.

In the RFQ issued August 13, 2019, the National Park Service (“Service”) stated it would respond to questions about the RFQ if submitted in writing and received by August 30, 2019. Questions were received timely, and the National Park Service responds to questions as described below.

Questions & Answers

PROPERTY OFFERED FOR LEASE

QUESTION 1: Subleasing. “Would NPS be open to a proposal for a portion of the lease – specifically the café?”

SERVICE RESPONSE: The Service will not accept responses for only a portion of the lease. However, an interested party could sublet a portion of the lease (e.g. the café) to another entity with prior written approval by the Service.

QUESTION 2: Subleasing. “Would the NPS be open to separating the Cliff House lease into multiple leases? Having two different operators for the fine dining and bistro options, with shared ‘common areas’?”

SERVICE RESPONSE: The Service will not separate the Lands End Restaurant Properties lease into multiple, smaller leases. However, the Service may approve the selected Request for Proposals (“RFP”) respondent to sublease a portion of the space (e.g. the café or the gift shop). A single legal entity may be considered by the Service that incorporates a team approach to managing the various operations. A team approach must be identified and explained in the RFQ.

QUESTION 3: “California Earthquake exposure – we’d like to understand if the property is designed with any features to help mitigate earthquake damage should one occur?”

SERVICE RESPONSE: The Premises were brought up to the building code, consistent with the use and occupancy type during the extensive construction work completed in 2006. The RFQ respondents selected to participate in the RFP will be provided with a set of as-built construction plans.

QUESTION 4: “We understand this building has been rebuilt twice due to fires. What features are included in the current structure to mitigate fire damage i.e. sprinklers, alarms, etc.?”

SERVICE RESPONSE: The Cliff House has burned down twice, the first time in 1894 and the second time in 1907 having survived the 1906 earthquake. History of the building from 1909 to acquisition by the Service in 1977 shows several renovations and construction to the building. The current building was brought up to code during new construction of the north portion and remodel of the southern portion in 2006. During the next phase of the RFQ / RFP process, the selected respondents asked to participate in the RFP will be provided with a set of as-built construction plans and the full condition assessment which includes the fire/life safety systems in the building. RFP respondents and their experts will also have the opportunity to inspect the systems.

QUESTION 5: “The lower public deck is a responsibility of the lessee, does that mean it can be used consistent with the allowed uses listed in the RFQ?”

SERVICE RESPONSE: The lower public deck (approximately 11,000 square feet) is intended to allow public access to enjoy the view. Using this space for dining or other special events on a regular or seasonal basis **may** be considered by the Service and may be subject to approval by an outside agency (e.g. Coastal Commission), but such an event cannot prevent the public from accessing the views or the Camera Obscura. Special events (with or without tents) that close off the deck would be limited, but could be part of the lease negotiation for a specific number of days per year. RFP participants may include use of this improvement in its proposal.

HISTORIC REVENUES AND OPERATING INFORMATION

QUESTION 6: Revenues (pg. 4). “What are the alcohol sales as a percentage to overall F&B sales?”

SERVICE RESPONSE: Please find below additional information regarding alcohol sales. Respondents should note the following information is already included in the RFQ as part of the food and beverage department totals as (Table 1. Historic Revenue by Department, 2015-2018).

Department	2015	2016	2017	2018
Alcoholic Beverages	\$3,182,533	\$3,215,529	\$3,427,858	\$3,397,874
% of Total Food and Beverage	22.6%	22.8%	23.3%	23.7%

QUESTION 7: Revenues (pg. 4). “Please provide sales broken down by month.”

SERVICE RESPONSE: The Service has provided historic revenue and a range of covers in the RFQ, no other revenue / sales information will be provided.

TENANT AND CAPITAL IMPROVEMENTS, REPAIR AND MAINTENANCE

QUESTION 8: Condition Assessment (pg. 4). “Please provide the full report of the Real Property Condition Assessment dated September 28, 2018 prepared by Architectural Resource Group.”

SERVICE RESPONSE: The full Condition Assessment will be provided to the selected respondents invited to participate in the RFP. The *Executive Summary: Real Property Condition Assessment* is provided for the purposes of this RFQ stage, and for use in an initial pro forma and to understand the general condition of the Premises and costs to repair and maintain over the term of the Lease.

QUESTION 9: Condition Assessment (pg. 4). "Please provide the physical limits of the Building for the purpose of remodeling and maintenance."

SERVICE RESPONSE: Tenant will be responsible for all repairs and maintenance of the Premises. Below is a draft general Premises map that will be refined for the Lease exhibit. Alterations (remodeling) will be permitted within the terms of the Lease and will be at the Tenant's expense.



QUESTION 10: Condition Assessment (pg. 4). “The condition assessment summary mentions the concrete slabs on page 1, PDF 3 (2. Overview, second paragraph) as needing attention, but not specifically the undercutting of the slab shown in the photos below. Will repairing the undercutting of the slab be the responsibility of the leasee (sic) or the NPS?”



SERVICE RESPONSE: The areas identified in the photo are not within the Premises boundary. The Service is aware of this area and anticipates making repairs at the Service’s expense prior to the transition to the new lessee. Interested parties should review the entirety of the *Executive Summary: Real Property Condition Assessment* regarding the areas included in the Premises boundary and the description of the structural systems.

All repairs and maintenance within the Premises boundary are the responsibility of the Tenant. As stated above, the selected respondents asked to participate in the RFP will be provided additional information and an opportunity to more thoroughly inspect the Premises.

QUESTION 11: Condition Assessment (pg. 4). “The condition assessment summary contains a table titled “4. Cost Estimate Table”. The table shows \$684,042 of projects scheduled for 2018-2019. Have (or will) some or all of these projects be completed before the start of the new lease? If so, what projects? If so, can you please revise the cost estimated in the following table to reflect any completed work?”

SERVICE RESPONSE: Yes, some of the projects will be completed prior to the start the Lease. The Service will provide additional information to those entities selected to participate in the RFP process. The table reflects the Premises conditions and related estimated costs at a specific point in time and will not be revised.

QUESTION 12: Maintenance Responsibilities (pg. 4). “While the RFQ on page does refer to ‘retaining walls,’ and while it is clear that the Lessee must maintain the decks, paths, perimeter walls surrounding the decks and associated stairs and railings, does the Lessee have the responsibility to maintain the giant seawall on the southern end of the property (looking down from the Camera Obscura toward Ocean Beach)?”

SERVICE RESPONSE: If you are referring to the asphalt path and old retaining walls, then no, please see the draft Premises map.

QUESTION 13: Maintenance Responsibilities (pg. 4). "If the answer to the above is affirmative, can you provide details about the construction of the seawall and costs to maintain over the past 10 years?"

SERVICE RESPONSE: No response necessary.

QUESTION 14: Maintenance Responsibilities (pg. 4). "Does the \$3.5MM+ cost estimate (RFQ, page 4) for repairs, maintenance, component renewal or replacement, and capital improvements to the property over the 20 year period include the constant costs of maintaining the property against the sea salt, foggy weather and wind (e.g., window washing, exterior walls and exterior doors?"

SERVICE RESPONSE: Regular cleaning (such as window washing or mopping floors) of the Premises is not included in repairs, maintenance, component renewal or replacement, and capital improvements. Maintenance of the exterior is included, however, the condition assessment is an estimate designed to provide information on the building and estimates for its ongoing care.

As stated in the RFQ (pg. 4) "In 2018, the NPS completed a limited Condition Assessment with Life Cycle Cost Estimates. It is estimated over the term of the Lease costs for repairs and capital improvements to the Offered Property may exceed \$3.5 million based on the Lessee's particular operational plan. The NPS does not guarantee that any cost projections will materialize and assumes no liability for the accuracy of any projections presented. Respondents must develop their own cost estimates based on independent assumptions, due diligence, and industry knowledge."

QUESTION 15: Maintenance Responsibilities (pg. 4). "If the answer to the above is affirmative, is this category of maintenance expenses all included in the \$564,1119.34 figure carried for 'RM – Recurring Maintenance' for the 20 years on the Cost Estimate Table in the Real Property Condition Assessment listed as one of the Supporting Documents referenced on the last page of the RFQ?"

SERVICE RESPONSE: No response necessary.

QUESTION 16: Permitting. "Who do we work with to get permits for alterations, major repairs, or upgrades to the property? Do we go through the City's Planning or Building departments?"

SERVICE RESPONSE: The tenant will go through the Service for permits for alterations, major repairs, or upgrades to the property because the work will be on federally-owned land and structures. The Park's general approach to projects is described in the Golden Gate Project Handbook, Park Partner Rehabilitation and New Construction Projects. The Golden Gate Project Handbook will be included in the RFP Supporting Documents.

PERSONAL PROPERTY: FURNITURE, FIXTURES, AND EQUIPMENT

QUESTION 17: Personal Property (pg. 5). "Please provide a list of tangible personal property associated with the operation."

SERVICE RESPONSE: The tangible personal property list will be provided to those asked to participate in the RFP process.

FAIR MARKET VALUE RENT

QUESTION 18: Minimum Rent (pg. 7). “Can the minimum rent described in the RFQ be negotiated downward during the final negotiations after the RFP phase if conditions warrant?”

SERVICE RESPONSE: No, the base rent was determined by appraisal which took into consideration several factors including the Condition Assessment.

SITE TOUR AND PRE-SUBMITTAL CONFERENCE

QUESTION 19: Site Visit Attendees (pg. 7). “Will you publish a list of the attendees (and companies they represent, if any) at the Aug 27, 2019 site visit?”

SERVICE RESPONSE: The National Park Service has included a new supporting document called “Site Tour and Pre-Submittal Conference Attendees”.

GENERAL LEASE QUESTIONS

QUESTION 20: Insurance. “Is the lessee responsible for insuring the parking lot? If so, is there a minimum coverage requirement?”

SERVICE RESPONSE: Commercial general liability including valet parking coverage will be required under the Lease. Specific minimum insurance requirements will be included in the Lease and the Tenant must provide sufficient coverage to meet risk.

QUESTION 21: Insurance. “Is it the responsibility of the lessee to provide insurance coverage for the camera obscura since it’s located on top of the property?”

SERVICE RESPONSE: No, however, the Tenant will insure the property which will include the lower deck where the Camera Obscura is located. The Camera Obscura owner provides its own insurance.

QUESTION 22: Insurance. “What insurance coverages will be required under the new contract?”

SERVICE RESPONSE: Specific minimum insurance requirements will be included in the Lease, and the Tenant must provide sufficient coverage to meet risk.

QUESTION 23: Insurance. “What has the existing operator paid for insurance?”

SERVICE RESPONSE: This information is not available to the public. However, the building replacement costs for insurance purposes are updated regularly and are included in the Concession Contract which can be found in the RFQ Supporting Documents.

QUESTION 24: Operations. “How often does the current operator change the menu?”

SERVICE RESPONSE: There are some classic menu items that are available year round and other menu items that change seasonally. Menus are posted on the Cliff House website.

QUESTION 25: “What commitment does NPS have to awarding the lease to a local company? Is the NPS considering the local factor when awarding the lease?”

SERVICE RESPONSE: The Service is interested in a qualified operator to provide the services at the Lands End Restaurant Properties; however, the base of the Respondent’s location is not a factor the Service considers.

QUESTION 26: “Will you disclose the gross revenues of the Conservancy bookstore (which sells more than books) over the past 3 years?”

SERVICE RESPONSE: The Service will not be providing this information as part of this RFQ.

SITE TOUR AND PRE-SUBMITTAL CONFERENCE ATTENDEES

Company Name
Aramark
Anagram Restaurant Group, LLC
Andytown's Coffee Roasters
Back of the House, Inc.
Barrel House Tavern, The Grotto SF, Tommys Joynt,
Colliers International
Devil's Teeth Baking Company / Sunset Reservoir Brewing Co.
Hey Ladies, LLC
Keawakapu Beach, LLC (dba 5 Palms Restaurant, Zack's Deli & General Store)
La Costanera Restaurant
McCalls Catering and Events
Mina Group
Munari Auctions
Ortega National Parks, LLC
The Peanut Wagon
RDMS Group
Redwood Parks Company
Starboard Commercial Real Estate
Tastes on the Fly
Terminal Plaza Associates