

REQUEST FOR PROPOSALS

December 28, 2017

Strawberry Square Associates, a Pennsylvania limited partnership (the “Landlord”) and an affiliate of Harristown Development Corporation is looking for a qualified owner/operator to create and run a quality brewpub/restaurant in Strawberry Square in the historic buildings along Market Street in downtown Harrisburg, Pennsylvania. Experienced food and beverage operators with capital to invest are sought for this ideal location in Strawberry Square, the “Center of it All” in the downtown. Studies show that there are tens of thousands of workers within blocks each workday and also many residents located steps away. Both a significant lunchtime trade and a vibrant evening business are possible. Significant Landlord fit-out contribution is available to help make this a great success – a once in a lifetime opportunity! Those who are interested should carefully review the following details and then provide their timely submission in response to this RFP.

Initial Materials: Submissions must include each of the following:

- a) Business Plan: A full business plan, including at a minimum the description of the concept, name, proposed menu, hours of operation, entertainment plans (if any), all kitchen equipment, appliances and other items, brewery and/or distillery plans, working capital needs and funding, inventory and supplies, as well as management, security and staffing plans. A proposed menu (food and beverage) must be included with the submission.
- b) Financial Materials: Financial Statements which include at least a current and an as of opening projected balance sheet for the proposing party and a projected income and loss statement for at least the first two (2) years of operations. The proposing party must also provide copies of their three (3) most recent years of CPA issued financial statements or tax returns to reflect net income.
- c) Funding: Proof that the submitting party can provide at least seven percent (7%) of the total cost (but not less than Sixty Thousand Dollars (\$60,000)) in liquid funds for equity investment/working capital. If the business plan includes a lender to the proposing party, the submission shall identify the lender, the amount and terms sought and a complete disclosure of the status of matters with the lender, as well as the contact person for the lender.
- d) Resumes: A full resume for each owner(s)/operator(s) and any key managers (including any brew master or distiller), providing names, background and experience with food and beverage operations and other business experience.

The following details should be addressed in the submittal:

Concept: Brewery or distillery with full-service restaurant, brewpub and/or bar with full-service restaurant, all quality operations and offering at least full lunch and dinner service. The concept may also include a bottle shop. Proposed entertainment should be explained in detail.

Space: The space made available is an ideal location with approximately sixty (60) feet of frontage along Market Street and with an interior entrance directly into the glass-enclosed walkways of Strawberry Square. The space includes approximately 6,600 usable square feet (which is about 7,595 rentable square feet). The “premises” may also include a license for seating under the glass skylights along the “Dewberry Walkway” of Strawberry Square and potential part-time use of an area in the Atrium of Strawberry Square (to be negotiated).

Term: Lease term of at least seven (7) years (prefer ten (10) years). Kick-out option at the end of five (5) years is possible based upon inadequate sales using an agreed to minimum sales number. Kick-out would require a minimum six (6) months’ written notice with a payment equal to six (6) months’ rent as a termination fee. Business to be open not later than August 31, 2018, and continuously operating thereafter.

Fit-Out: Design for space to be developed with professional designer selected by Landlord and approved by Tenant. Design is to be developed before lease signing (concept and some detail, not construction level drawings). Attached is an example of a potential design that could work for the space. Other designs are welcome. Once design is developed, parties will work with contractors selected by Landlord to price and develop further details. Landlord will pay for design and fit-out on a matching basis up to a maximum commitment by Landlord of Five Hundred Thousand Dollars (\$500,000). The actual amount paid by Landlord will not exceed the investment by Tenant in the leased premises, including improvements, fit-out, supplies, inventory, furniture, fixtures, signage, equipment and appliances, but only to the extent paid for by Tenant. Tenant also provides reasonable working capital (not counted for match). The funds for the Tenant’s portion of the fit-out (if any are needed) are to be deposited with Landlord, or other satisfactory evidence of availability produced for Landlord, prior to construction commencement. Contractors, sub-contractors, scheduling and work details are to be approved by Landlord.

Rent: The Minimum Rent for the first full year of the lease will be the favorable rate of \$10.50 per rentable square foot (or \$79,747.50 per year). The Minimum Rent thereafter will have annual increases to be negotiated and fixed in the Lease or based on an annual CPI adjustment (to be negotiated). One month’s rent shall be required as a security deposit paid to Landlord upon lease execution. Personal guarantees of rent and all obligations of Tenant under the lease will most likely be required.

Operating Costs: Tenant shall pay for all utilities used or consumed in the leased premises (electric, water/sewer, trash, telecommunications and gas). Tenant shall pay all janitorial costs and expenses for inside the leased premises and any other licensed seating areas. Landlord shall pay all real estate taxes and common area maintenance charges, with no charge back to the Tenant for same. No parking is provided as part of this lease and Tenant shall be responsible for all arrangements and costs of parking. Landlord may assist with discussions with parking providers. All other operating costs and expenses are the responsibility of Tenant.

Insurance: Landlord will pay the costs of building insurance at no cost to Tenant. Tenant must maintain satisfactory insurance on Tenant's equipment, furniture and other property. Tenant must maintain both general liability insurance and liquor liability insurance with reasonable terms and limits (but not less than Two Million Dollars (\$2,000,000) per occurrence), with Landlord named as an additional insured.

Liquor License: Tenant is responsible for obtaining its own liquor license. License can be a traditional restaurant license or a brewer's or distiller's license. All costs and expenses of obtaining the license to be paid by Tenant. Landlord has a restaurant liquor license potentially available for purchase (to be negotiated).

Operations: The minimum hours of operation must be at least 11:00 a.m. to 9:00 p.m. Monday through Saturday (excluding Strawberry Square holidays) and at least Noon to 8:00 p.m. on Sunday. Operations may not continue past midnight, nor commence before 6:00 a.m., without the prior consent of Landlord. Acceptable management and adequate security must be on site at all times. No exclusive is granted in this arrangement. Landlord will give preference to proposals that include some element of live music or other approved entertainment, at least at certain times, as part of the business operations. Planned music and entertainment must take into consideration the other uses of Strawberry Square and must not conflict with other uses. Tenant will report monthly to Landlord its gross sales and general results of operations (to be kept confidential). Landlord will maintain common and public areas (except any areas licensed to Tenant) and will coordinate same in connection with operations by Tenant. Landlord may make a portion of the Dewberry Walkway and/or Atrium, as well as part of the sidewalk on Market Street, available for seating for Tenant's business from time to time (to be negotiated). Landlord provides management, custodial and security 24/7 for common and public areas.

Repairs: During the lease term, all repairs, cleaning and routine maintenance within the leased premises will be the responsibility of Tenant at its cost. Landlord can provide these services for a separate fee (to be negotiated).

Name: Name of operation and a logo must be submitted and approved by Landlord prior to lease signing. Signage must be approved by Landlord. Costs of signage are Tenant's responsibility.

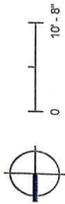
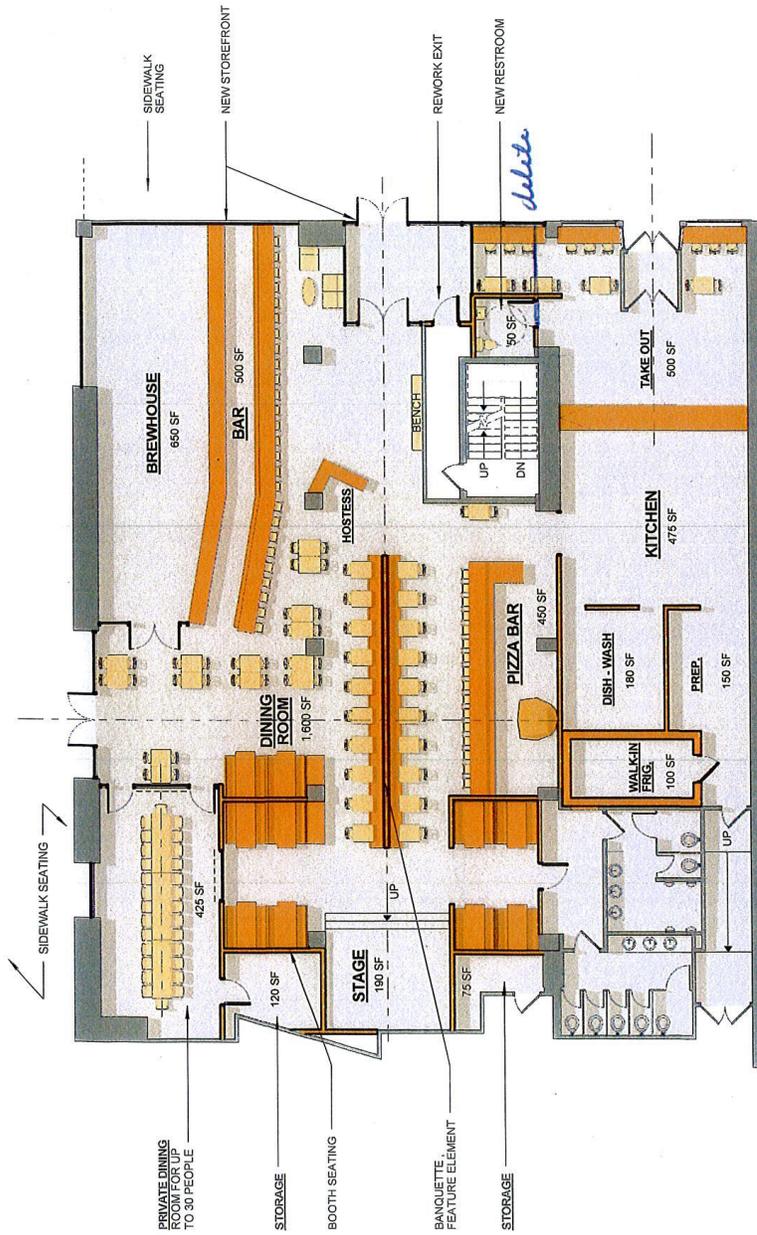
Brokers: The space is included in the Landlord's listing agreement with HBG Realty, LLC, an affiliate of Harristown. HBG Realty, LLC will co-broke with Tenant's broker. The precise fee to be paid to Tenant's broker must be negotiated with HBG Realty, LLC

Further Information: Any questions or comments should be directed to Tracey Tressler, Manager of Leasing, at 717-255-1025 or traceytressler@harristown.net. Walkthrough of the space with a question and answer opportunity will be held on Monday, January 8, 2018, at 3 p.m., Thursday, January 11, 2018, at 10 a.m., and again on Tuesday, January 16, 2018, at 2 p.m. Contact Tracey Tressler to sign up for one of these times.

Submissions from interested parties must be received at the offices of HBG Realty, LLC, located at 320 Market Street, Suite 273E, Harrisburg, Pennsylvania 17101, not later than 5:00 p.m. on Monday, February 5, 2018. Submissions may be in electronic form sent to Tracey Tressler or in paper form (3 copies) delivered to this address to the attention of Tracey Tressler. This is not a bid process and Landlord reserves the right to accept or reject any or all submissions and to negotiate or not negotiate with any party regarding potential leasing. You should expect that incomplete or inconsistent submissions may be rejected by Landlord out of hand. Landlord may choose to extend additional time for any one or more parties to provide additional or supplemental materials or information and Landlord is not required to extend time for others. Landlord is free to pursue or not pursue this leasing and/or such use, and Landlord may change its use or plans at any time. No further notice need be given of any change or permission granted to others.

HBG Realty, LLC, acting for Strawberry Square Associates, looks forward to receiving your complete submission and answering any questions you may have. Landlord shall not be legally bound by any submissions or materials or any statements made, unless and until a final and complete lease is executed by Landlord and a new Tenant.

SAMPLE DESIGN CONCEPT



CDA
 CHRIS DAWSON
 ARCHITECT
 200 North 2nd Street, Suite 701
 Harrisburg, PA 17101

PROPOSED FLOOR PLAN CONCEPT
 3/24/2017 NFC
 SCALE: 3/32" = 1'-0"