



## Downtown Kiosk Program



## Prospective Tenant Information

### SECTION 1 – INTRODUCTION

The City of Santa Cruz (“City”) is pleased to issue this Request for Proposals (“RFP”) for the lease of one of four Downtown Kiosks (see Exhibit A). The City seeks Proposals from interested and qualified entities to lease an approximately 60 square foot food service space on Pacific Avenue in Downtown Santa Cruz.

Santa Cruz is a city of 65,000 residents and the historic heart of Santa Cruz County. Located just 25 miles from the heart of Silicon Valley, the City’s mild climate, artistic and innovative culture, and unique beach side setting attract more than 4 million visitors per year. Santa Cruz boasts a dynamic concentration of successful local and national brand retailers, in addition to offices, housing, restaurants, and entertainment venues many of which are concentrated in the Downtown core. Santa Cruz is a vibrant regional destination and also supports a strong ‘shop local’ mentality among residents.

For information and resources regarding establishing and growing a business in Santa Cruz please visit [www.choosesantacruz.com](http://www.choosesantacruz.com).

## **SECTION 2 – RFP SCOPE**

### **Concept:**

Downtown Santa Cruz has a diverse array of retail and entertainment businesses serving a broad and diverse customer mix. Businesses near the available Kiosk include restaurants, books and apparel, and the food hall at Abbott Square Market. Downtown attracts a strong lunch time volume of potential customers as well as busy nights and weekends, especially during warmer months.

The City welcomes all proposals for the food service space, but envisions that an establishment with fast service or ‘grab and go’ fare would be most successful. The space is best suited to reheated or refrigerated foods, including steam tables, microwaves or toaster ovens. Fried foods are not allowed per building code restrictions. Limited seating is available adjacent to the kiosk and would be the responsibility of the tenant to procure, secure, and maintain (see Exhibit A). Kiosk tenants typically have access to an off-site food prep kitchen. Applications should include a description of how food prep/packaging needs will be provided. The City encourages proposals that enhance the streetscape and social environment of the surrounding area. Respondents to this RFP should showcase a creative specialty food and beverage operation with wide appeal to diverse market segments. Signage and branding proposals should be attractive, tasteful, and exhibit a strong brand presence.

The City is not necessarily looking to duplicate, replicate or expand on existing food service themes in the Downtown area. Respondents should propose concepts that appeal broadly to diverse customer bases, compliment rather than compete with nearby businesses, and provide a memorable experience to potential customers and window shoppers.

## **SECTION 3 – LEASE TERMS**

- 1. Lease Agreement:** The lease will be prepared by City staff and approved by the City Council.
- 2. Lease Term:** Lease terms may range from six (6) months to two (2) years with a negotiated number of optional extensions. The City prefers longer length terms. Proposals shall include number and length of desired option extensions.
- 3. Rent to City:** The City receives a monthly rent of \$300 or a percentage rent equal to 6% of sales, whichever is greater.
- 4. Assessments Paid by Tenant:** In addition to rent, tenants must pay or are assessed costs for the following:

- a. **Possessory Interest Tax:** The tenant will be responsible for direct payment of this tax, which is levied by the Santa Cruz County Assessor. Tax is based on several factors including square footage, length of term and lease rate. Contact the Assessor at 831-454-2002 for additional information.
- b. **Insurance:** Comprehensive commercial general liability, property and worker's compensation insurance in amounts established by the City.
- c. **Utilities and Refuse Removal:** Electricity is included in the rent.

All other utilities are the responsibility of the tenant and must be paid by tenant directly to the Santa Cruz Municipal Utilities, Pacific Gas and Electric Co., or any appropriate utility.

- d. **Share of Operating Expenses:** In addition to rent, the tenant shall pay a pro rata amount of certain expenses incurred by the City in the operation and maintenance of the Premises. These common operating expenses typically include general maintenance and repair of the awnings, painting, maintenance and repair of exterior siding, and periodic cleaning of the roof.

Tenants are responsible for general maintenance and repair of the windows, doors, interior spaces, fixtures, plumbing, and utility needs.

- e. **Security Deposit:** A security deposit equal to \$600 is required.
- f. **City of Santa Cruz Business License:** A city business license is required prior to execution of the Lease. Contact the City's Finance Department at 831-420-5050 for more information.
- g. **Assessments and Fees:** Tenant shall be responsible for a proportionate share of all taxes, assessments, license fees, and other charges that are levied, and assessed against the building, other improvements, and land of which the premises are part by any improvement and/or maintenance district under the Santa Cruz Municipal Code. This shall include, but is not limited to the business improvement districts.

- 5. **Required Hours of Operation:** Tenant's hours of operation unless otherwise agreed in writing by Landlord, shall be at least seven (7) hours per day between the hours of 6:00 AM and 12:00 AM, five (5) days a week. Days of operation shall include the weekend year-round.

## SECTION 4 – GENERAL INFORMATION

- 1. **Application Deadline:** November 30, 2025
- 2. **Minimum Qualifications of Tenant:** Respondents to this RFP must meet the following minimum qualifications:

- a. Experience in the operation and management of a high quality food service, retail, or service operation.
  - b. Demonstrated managerial and staffing resources to maintain a high quality, successful operation.
  - c. Demonstrated financial capacity to finance proposed improvements and operating costs.
3. **Existing Condition:** The Kiosk is offered in an “as is” condition. All other associated costs for site preparation, permit compliance, and tenant improvements will be the responsibility of the successful respondent.
4. **Off-site Food Prep + Site Use Plan:** Fixtures, equipment and materials are subject to approval by City. Respondents shall submit a floor plan to City with the RFP Proposal Package showing layout and locations of fixtures, equipment and materials to be used in the Premises. All fixtures, equipment and materials used in the Premises shall be new or in “as new” condition. Variations from this requirement must be approved by the City. Applications shall describe how the business will arrange for off-site storage and food-prep as onsite storage and prep areas in the kiosks are limited.
5. **Information and Questions:** Respondents are advised to review the RFP in its entirety and to rely only upon the contents of the RFP and accompanying documents and any written clarifications or addenda issued by the City. If a responder finds a discrepancy, error, or omission in this RFP, the responder is requested to promptly notify Jennifer Shelton at [jshelton@santacruzca.gov](mailto:jshelton@santacruzca.gov), so that written clarification may be sent to all prospective responders. All questions must be submitted in writing to the Jennifer Shelton by November 14, 2025. All answers will be issued in the form of an addendum.
6. **RFP Modifications/Addenda:** Clarifications, modifications or amendments to this RFP will be made by the City through the issuance of an addendum. Addenda to the RFQ, if issued, will be posted on the City’s website at [www.choosesantacruz.com/kiosk](http://www.choosesantacruz.com/kiosk). RFQ respondents shall be solely responsible for checking this website for any addenda. Copies of any issued addenda may also be obtained by contacting the Jennifer Shelton. All RFQ Proposal Packages must include any issued addenda signed by the respondent. It is the responsibility of the responder to obtain any issued addenda and to submit same with the Proposal Package.
7. **City Reservations:** The City reserves, in its sole discretion, the right to exercise any or all of the following rights and options with respect to this RFP:
  - a. To accept, reject or negotiate modifications to any and all Proposals as it shall, in its sole discretion, deem to be in its best interest; submission of an RFP does not bind the City to any action or to any party. Submissions do not create or assume any relationship, agency or obligation by the City, its officers or employees.

- b. To issue additional solicitations for proposals and/or addenda to the RFP.
- c. To negotiate with any one or more of the respondents.
- d. To waive any irregularities in any Proposal.
- e. To select any Proposal as the basis for negotiations or a Lease Agreement, and to negotiate with respondents for amendment or other modifications to their Proposals.
- f. To conduct investigations with respect to the qualification of each respondent.
- g. To obtain additional information deemed necessary to determine the ability of the respondent to carry out the obligations of the Lease. This includes information needed to evaluate the experience and financial capability of the respondent.
- h. To award the lease to the tenant the City has determined to be most responsive, and who has submitted a complete Proposal meeting the specifications and requirements which are deemed by the City most advantageous to and in the best interest of the City.

## **SECTION 5 – SUBMITTAL REQUIREMENTS**

1. **Form of Submittal:** *Respondents to this RFP must submit their information through the online form.*

Business Plans must include:

- a. Food Services Concept
- b. Experience and Qualifications
- c. Marketing and Social Media Plan
- d. Operations and Management
- e. Proposed Signage and Branding, Menu, and Price Plan
- f. Proposed Off-site Food Prep and Site Use Plan
- g. Additional Supporting Documents, as needed

It is the responsibility of each respondent to ensure that its Proposal is received at the designated location prior to the Proposal Deadline. This responsibility rests entirely with the respondent, regardless of delays resulting from postal handling or for any other reasons. Proposals will be accepted at any time up until the Proposal Deadline.

2. **Responsiveness:** The Proposal Package and all copies must be prepared in the manner and detail specified in this RFP. Failure to submit a complete Proposal Package will result in the Proposal being deemed nonresponsive.

3. **Presumptive Responsibility:** Submission of a Proposal Package establishes a conclusive presumption that the respondent is thoroughly familiar with the RFP and understands and agrees to abide by each and all of the stipulations and requirements contained therein.
4. **Transmittals:** Respondents to this RFP must submit their information through the online form.
5. **Costs:** All costs incurred in the preparation/presentation of the Proposal are the respondent's sole responsibility; no pre-proposal costs will be reimbursed to any respondent.
6. **Property of City:** All documentation submitted with the Proposal will become the property of the City.
7. **Required Forms:** The following information must be submitted, or the Proposal will be deemed nonresponsive and rejected without any further evaluation.

## **Business Plan**

### **Food Service Concept**

The location and unique nature of this food service opportunity requires a well thought out concept and design be a critical component of the evaluation process. At a minimum, submit the following information in sufficient detail to clearly define the proposed concept:

- a. A detailed description of the overall food service concept and business rationale that includes, but is not limited to, strength of product, customer recognition, and the ability of the experience and products to drive sales for the proposed concept. Discuss any creativity and innovation in the menu;
- b. Provide copies of any/all licensing agreements applicable to your Proposal's concept and products;
- c. Demonstrate how the proposed concept would contribute to the Downtown experience and represents a concept that is consistent with current or emerging trends;
- d. Describe how the proposed concept is anticipated to enhance the variety of existing food service in the Downtown rather than conflicting or diluting the operation of adjacent retailers;
- e. Submit a projected schedule. Indicate the following milestone dates; assume a lease signing in February 2026:
  - i. Lease signing: February 2026
  - ii. Start of Move in and set up: \_\_\_\_\_

iii. Completion of move in and set up: \_\_\_\_\_

iv. Open for business: \_\_\_\_\_

f. A copy of the proposed business plan, if available.

**Experience and Qualifications:**

Provide evidence of the necessary experience and capacity to operate and fulfill the scope and conditions of the retail opportunity.

- a. Provide information about your business.
- b. Discuss any previous related education, experience, and success in operating the type of concept being proposed.
- c. Provide business references.
- d. Provide details on the pertinent experience of person(s) who will be directly involved in the development and management of the food service opportunity. Identify by name and describe their roles and responsibilities.

**Marketing and Social Media Plan:**

Describe how the business will utilize its existing brand, new brand identity, setting, and other marketing tools to drive sales.

- a. Outline the desired target market for the business.
- b. If the business is an established brand, describe the estimated market share (local/regional/national), customer segment, and reach of the brand recognition.
- c. Describe any social media and other marketing techniques that will enhance the operation and presentation of the concept in order to improve sales, traffic and exposure.

**Operations and Management:**

Provide clear and adequate responses to each category listed below using as much detail as necessary.

- a. Submit a customer service/philosophy plan and how it relates to this food service opportunity.
- b. Submit a detailed management plan, which includes but is not limited to:
  - i. Description of your employee training program.
  - ii. Description of policies and procedures for loss prevention, food cost management, inventory and cash controls.

- iii. Outline of the anticipated staffing levels to ensure adequate customer service and coverage; include projected total daily manpower hours and the number of on-site management staff.
- iv. List the anticipated wage rates for staff.

### **Financial Statements**

- a. A copy of respondent's latest audited, reviewed, or compiled financial statements (balance sheet, income statement, statement of cash flows, footnotes) prepared by an independent certified public accountant. If your company is not required by federal, state and local law, financial institutions, or company management to have audited, reviewed, or compiled financial statements prepared by an independent certified public accountant, you may submit an internally generated balance sheet and income statement instead.
- b. If the responding entity is a wholly owned subsidiary of another entity, then the above-referenced financial information of the parent entity must also be submitted.
- c. If the respondent intends to organize as a partnership, LLP, LLC or joint venture, then the above-referenced financial information of each partner, LLC/LLP member or joint venture must be submitted. Individuals required to provide financial information must submit the three most recent personal tax returns and a current statement of net worth. Include copies of any/all of the organizational agreements required to form your proposed LLP, LLC or joint venture.
- d. If respondent intends to operate as a sole proprietorship, then respondent's three most recent personal tax returns and a current statement of respondent's net worth must be submitted.
- e. If the entity is a federally recognized non-profit or tax exempt organization, such as a 501(c)3 or other eligible charitable organization, then respondent's three most recent IRS filings (i.e. Form 990 or other, as applicable) for the organization and a current statement of the organization's financial status (including assets and liabilities) must be submitted.

### **Proposed Signage and Branding, Menu, and Price Plan**

- a. Menu, product list, and proposed price structure.
  - i. Identify vegetarian, vegan, gluten free, or any other items designated for special dietary needs, as applicable;
- b. Provide any pictures of dishes and/or past menus of which you've had first-hand experience in the menu development and/or preparation of food.

### **Proposed Off-site Food Prep and Site Use Plan**

- a. Design concept for fixtures, equipment, and any tenant improvements to include:

- i. A detailed description of the overall design concept and color scheme;
  - ii. Draft exterior signage and graphics;
  - iii. Floor plan of the Premises showing points of sale, placement of fixtures/displays/millwork, expected queuing, storage, and other pertinent features. See Exhibit B for an example.
  - iv. Description of anticipated equipment, fixtures, or other such items planned for installation in the Kiosk.
  - v. Supporting pictures or imagery depicting style, theme, or proposed improvements.
8. **Addenda:** Addenda (if issued) signed by the respondent.
9. **Proposal Signatures:** Proposals must be signed by an authorized official of the respondent. Each signature represents a binding commitment by the respondent.
10. **Late Submissions:** Late Proposals will not be accepted. Proposals received after the Proposal Deadline will not be opened and will be returned to the respondent.
11. **Withdrawal:** Proposals may only be withdrawn by written notice prior to the date and time set forth as the Proposal Deadline. No Proposal may be withdrawn after the deadline for submission.
12. **Cancellation/Rejection:** The City reserves the right to cancel this RFP, in whole or in part, as well as reject any or all Proposals, or to accept or reject any Proposal in part, and to waive any minor informality or irregularity in Proposals received if it is determined by the City that the best interest of the City will be served by so doing. If the RFP is cancelled or all Proposals are rejected by the City, a notice will be posted at [www.choosesantacruz.com/kiosk](http://www.choosesantacruz.com/kiosk). No Proposal will be considered from any person, firm or corporation that is in arrears or in default to the City on any contract, debt, or other obligation, or if the responder is debarred by the City from consideration for a contract award.

## SECTION 7 – RFP EVALUATION

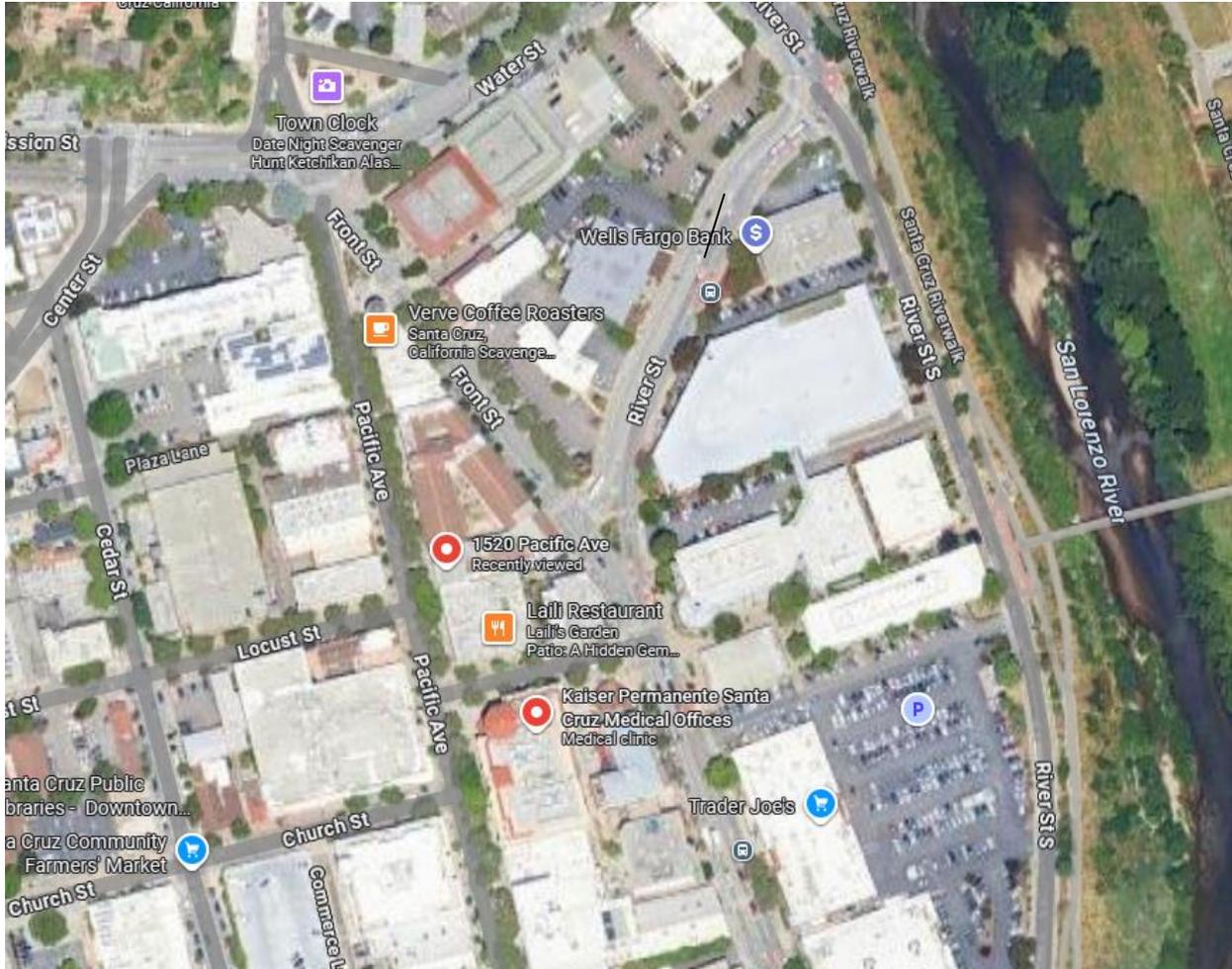
1. **Full Compliance with Requirements:** Respondents must comply fully with all provisions of this RFP. Failure to do so will render the Proposal as non-responsive. A **responsive Proposal** is defined as one that conforms in all respects to the RFP. A **responsible Proposal** is defined as one that shows the capability, in all respects, to fully meet the RFP requirements and the integrity and reliability to assure good-faith performance.
2. **Evaluation:** All Proposals received will be evaluated by the City. All Proposals will first be evaluated for responsiveness, then responsibility. The following criteria,

not listed in any particular order of importance, will be used to evaluate Proposals. The City reserves the right to weight its evaluation criteria in any manner it deems appropriate.

- a. Thoroughness and completeness of the Proposal; responsiveness to RFP requirements.
  - b. The scope, extent, applicability and quality of respondent's experience.
  - c. Financial resources, history and references of the respondent as well as the feasibility of the Proposal.
  - d. Financial and managerial capacity of respondent to accomplish and maintain all aspects of the operation including build out of tenant improvements.
  - e. Compatibility of proposed operation with the surrounding uses and local community.
  - f. Competitiveness, appropriateness, feasibility of proposed Lease Fee.
  - g. Evaluation of professional qualifications, and personal background of the individuals involved in the operation.
  - h. Value of proposed financial terms to the City.
- 3. Award:** City staff will negotiate a lease agreement with the successful respondent. The City Council may award the lease at one of its regularly scheduled meetings.

**EXHIBIT A**  
**LOCATION OF PREMISES**

1520 K-1 Pacific Avenue



**EXHIBIT B**  
**EXAMPLE FLOOR PLAN OF PREMISES**

Kiosk Floor Plan- K1

All dimensions are approximate.  
Fixtures and layouts may vary by unit.  
*Not to scale*

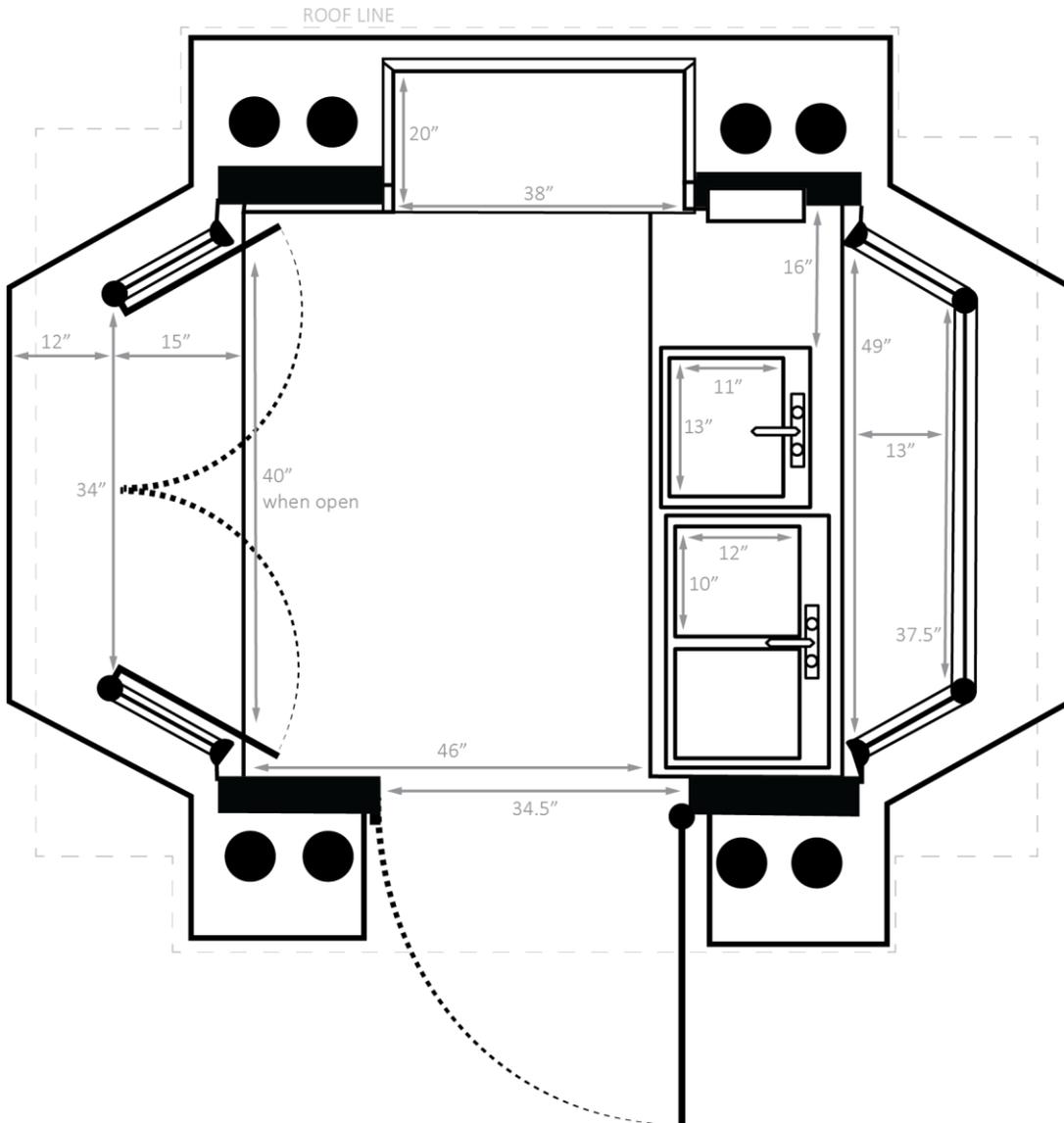


EXHIBIT C

EXAMPLE PHOTOS OF PREMISES



