

JONES PLAZA REDEVELOPMENT RESTAURANT BROKER REQUEST FOR PROPOSALS ("RFP")

ISSUE DATE: September 30, 2019

DUE DATE: 2:00 P.M. on October 24, 2019 ("Submission Deadline")

INSTURCTIONS: Proposers are asked to please submit five (5) paper copies and one (1) electronic

copy of their Proposal on a USB flash drive. Submittals must be delivered in a sealed envelope in person, via mail or courier. Please write "Broker" clearly on the outside of the sealed envelope. Submittals received by email, fax, or after the

Submission Deadline will be rejected.

SUBMIT TO: Houston First Corporation, Attn: Mitch Miszkowski, 701 Avenida de las Americas,

Suite 200, Houston, TX 77010.

CONTACT INFO: Any questions arising in connection with this RFP must be submitted timely by

email to <u>bids@houstonfirst.com</u> no later than 2:00 p.m. on October 16, 2019. Questions will be answered collectively in the form of a Letter of Clarification and

made available online at www.houstonfirst.com/do-business.

PURPOSE & OVERVIEW

Houston First Corporation ("HFC") requests proposals from experienced real estate brokers (each, a "Proposer") able to represent HFC in finding, selecting, and contracting with a restaurant operator. The restauranteur selected is to operate a first floor restaurant and second floor café and bar space to be constructed as part of the redevelopment of Jones Plaza in Downtown Houston.

BACKGROUND

HFC is a local government corporation created by the City of Houston to enhance the quality of life, advance economic prosperity and promote and position Houston as a premier destination for leisure tourism and major events.

HFC is responsible for management and operation of more than ten city-owned buildings and plazas, including the George R. Brown Convention Center, Jones Hall, Wortham Theater, Miller Outdoor Theatre, and outdoor facilities such as Jones Plaza, Ray C. Fish Plaza, Root Memorial Square, as well as various other landscaped properties and parking facilities. In fulfilling its mission, HFC undertakes a wide array of projects and initiatives, including support of the envisioned re-design of Jones Plaza.

Opened in 1967, Jones Plaza occupies a fully city block in the heart of Houston's Theater District. Its primary purpose was to compliment the Jesse H. Jones Hall for the Performing Arts, though it also served to cover an underground parking facility. Despite efforts over the years to enhance its functionality and aesthetic appeal – including oak trees, rose bushes and a complete renovation in 2001 – HFC recognizes that the potential of Jones Plaza to become an inviting, iconic greenspace has yet to be realized.

In 2018, after evaluating the results of a formal, two-stage solicitation process, HFC selected an ambitious conceptual design submitted by Rios Clemente Hail Studios ("RCH"). Recognizing the centrality of Jones Plaza, RCH envisioned a welcoming urban design offering unique experiences and discovery with its

various pathways and physical materials, including a dining facility that offers a fast-casual counter and seated, upper casual service for breakfast, lunch, early pre-theatre dinner, as well as post-theatre dessert and drinks.

While the preliminary schedule is tentative, HFC envisions that construction may begin in the fall of 2020, with the projected restaurant opening one year thereafter.

Conceptual drawings and renderings, as well as a detailed description of the envisioned venue, are provided below as exhibits to the Listing Agreement.

PROPOSAL FORMAT

To be considered responsive, Proposers are asked to provide the following information, in order, to the best of their ability:

a. Transmittal Letter (one page):

- Description of the broker's interest in this project and why the broker would be a good fit.
- Detailed explanation of the broker's process to find the best tenant for the project.
- Specific, unambiguous statement accepting and agreeing to comply, upon selection, with the Listing Agreement provided below.

b. **Qualifications** (four pages max.):

- Company overview and history.
- List of specific team members who will be involved, including resumes for each team member.
- Description of broker's experience with Downtown Houston.
- Does the broker work with out-of-state tenants or primarily local? Provide detail.
- Proof of brokerage license.

c. **Experience & References** (six pages max.):

- Has the broker represented food and beverage venues in non-traditional spaces such as parks and plazas before? If yes, please explain.
- Provide a list of three or more references whom the broker has represented.
- For each reference, include name of entity, description of experience with broker, and the name, title, address, and telephone number of contact person.

d. **Pricing** (two pages max.):

• Propose a fee or recommend a specific commission structure.

All information provided by Proposers must be organized, clear and concise. Proposers are asked to abide by the page limitations stated and avoid excessive graphics, title pages, or other extraneous information in their Proposal other than requested by HFC.

EVALUATION

HFC will review and rank every Proposal received in response to this RFP based on the following weighted criteria: Transmittal Letter, including expressed acceptance of the Listing Agreement (15 points); Qualifications (30 points); Experience & References (35 points); and Pricing (20 points).

HFC reserves the right to interview the top-ranked Proposers, not to exceed five, prior to selecting a Proposal. If interviews are scheduled, then up to 30 additional points may be added to the existing Proposal scores of the top-ranked Proposers, for a maximum possible total of 130 points, based on their responsiveness and interview.

HFC intends to award the contract to the Proposer offering the best value to HFC, as measured by HFC utilizing the foregoing evaluation criteria, including the right to award the contract by criteria other than the lowest price proposed. HFC reserves the right to select or reject all or part of any Proposal, waive minor technicalities, and select Proposals in the manner and to the extent that they serve the best interests of HFC. This RFP does not commit HFC to award a contract or issue a purchase order. HFC shall not pay any costs incurred in the preparation of a Proposal in response to this RFP. HFC reserves the right to request clarifications and additional information from some or all Proposers. HFC also reserves the right to terminate this RFP and the process associated with it at any time and for any or no reason whatsoever.

LETTERS OF CLARIFICATION

Responses to all material questions timely submitted by potential Proposers, as well as revisions incorporated into this RFP by HFC, if any, will be confirmed in a letter and made available online at http://www.houstonfirst.com/do-business/ ("Letter of Clarification"). When issued, Letters of Clarification become part of this RFP and automatically supersede any previous specifications or provisions in conflict therewith. By submitting their Proposal, Proposers shall be deemed to have received all Letters of Clarification and to have incorporated them into their submittal. Verbal responses will not otherwise alter the specifications, terms and conditions as stated herein. It is the responsibility of Proposers to monitor the foregoing link and ensure they receive any such Letters of Clarification and incorporate them in their Proposal.

FORM OF AGREEMENT

By submitting a response to this RFP, Proposer agrees, upon notice of selection, to enter into the Listing Agreement provided below. Pre-printed forms or standard terms submitted by a Proposer shall be disregarded and may result in a Proposal being deemed, in HFC's discretion, as non-responsive.

RESTRICTIONS ON COMMUNICATIONS

Throughout the selection process, commencing with the Issue Date, Proposers are directed not to communicate with any HFC employee, officer or director regarding their Proposal, or any matter relating to this RFP, other than through bids@houstonfirst.com. Proposers are solely responsible for observation and compliance with such restrictions, and HFC reserves the right to reject any Proposal due to violation of this provision.

VENDOR CODE OF CONDUCT

Proposers who do business or seek to do business with HFC or its subsidiaries are expected to interact with HFC with high ethics and integrity. To promote ethical conduct by its existing and potential contractors, HFC has adopted a Code of Conduct for Vendors, a copy of which is available online at www.houstonfirst.com/do-business. HFC requires that all Proposers be familiar with and abide by the Code of Conduct for Vendors.

CONFLICTS OF INTEREST

Proposers are advised that they have an affirmative obligation to disclose any affiliation or business relationship with any HFC employee, officer, or director creating or appearing to create a potential conflict of interest (or appearing to a reasonable person to potentially exist). Those who need the disclosure form may find it online at http://www.ethics.state.tx.us/forms/CIQ.pdf. By submitting a Proposal, Proposers represent that they have complied with the requirements of Chapter 176 of the Texas Local Government Code.

PROTEST PROCEDURES

Any protest relating to the form, terms and conditions, selection criteria, specifications, exhibits, or any other material RFP content must be filed by the actual or potential Proposer with the HFC Purchasing Agent no later than five business days prior to the Submission Deadline. If the protest consists of a dispute regarding the Proposer recommended by the selection committee, or otherwise relates to the

alleged misapplication of selection criteria, then the HFC Purchasing Agent must receive the protest from an actual Proposer after the Submission Deadline, but at least three business days prior to consideration of a contract resulting from this RFP by an HFC Committee or Board of Directors, whichever is earlier.

All protests must be made in writing and delivered to Houston First Corporation, Attn: Purchasing Agent, 701 Avenida de las Americas, Ste. 200, Houston, TX 77010. To be considered by HFC, protests must be timely received and include, at a minimum, all of the following information: (a) The name, address and contact information of the Proposer, with sufficient information to establish that a bona fide Proposer is the person or entity filing the protest; (b) The full title of the RFP; (c) Material grounds for the protest, including the provisions of the RFP and the applicable law or regulation that serves as the basis for the protest; (d) A statement of the specific relief requested by the Proposer; (e) Reference to and attachment of any pertinent documents or sources relied upon by the protestor that the protesting party wishes to have HFC consider; and (f) An affidavit attached to support any factual allegations stated in the submission. The HFC Purchasing Agent will notify the Proposer promptly to acknowledge receipt of the request.

DIVERSITY PARTICIPATION

HFC has not established a Diversity Goal for this solicitation at this early stage of the process. All Proposers, however, should review and be familiar with the requirements of the HFC Diversity Program. (available online at www.houstonfirst.com/do-business). Additionally, HFC reserves the right to establish a reasonable, mutually-agreed goal to use good-faith efforts to award subcontracts to diversity participants in any lease resulting from this process.

PUBLIC INFORMATION

HFC is subject to the Texas Public Information Act ("TPIA"). Information submitted by Proposers is subject to release under the provisions of the TPIA set forth in Chapter 552 of the Texas Government Code. Each page where confidential or proprietary information appears must be labeled as such clearly and unambiguously. Proposers will be advised of any request for public information that implicates their materials and may, in accordance with applicable law, elect to assert objections to disclosure with the Texas Attorney General at their cost and expense.

RFP PACKETS

A complete copy of this RFP, including exhibits, necessary forms and other relevant information is available on-line at www.houstonfirst.com/do-business. This RFP provides the information necessary to prepare and submit a Proposal for consideration and ranking by HFC.

WITHDRAWAL; ERROR

A Proposer may withdraw their Proposal due to errors or for any other reason by submitting a written request to bids@houstonfirst.com prior to the Submission Deadline.

LISTING AGREEMENT

This Listing Agreement ("Agreement") is made by and between Houston First Corporation ("HFC"), whose address is 701 Avenida de las Americas, Ste. 200, Houston, Texas 77010, and [**TBD**] ("Broker"), whose address [**TBD**], for brokerage services to be provided by Broker to HFC with respect to the leasing of Restaurant Space within the Project, subject to the following terms and provisions:

- 1. As used in this Agreement, the term "Project" means the envisioned redevelopment of the plaza in downtown Houston, Texas bounded by Louisiana St., Capitol St., Smith St., and Texas Ave., being depicted in conceptual renderings attached hereto as Exhibit "A". The term "Restaurant Space" refers to a portion of the Project proposed to be used as a restaurant measuring approximately 8,547 gsf over two floors, being further detailed in the Exhibit "B" attached hereto and made a part hereof for all purposes.
- 2. Broker shall render the following services:
 - (a) Broker shall use its best efforts to lease the Restaurant Space and endeavor to procure the most advantageous tenant by all acceptable standards, including direct solicitation, mail/e-mail campaigns, and digital/printed materials, all of which shall be conducted at Broker's sole cost and expense. Broker shall receive and process all tenant inquiries received by any and all sources.
 - (b) All leasing activities undertaken by Broker shall be subject to review by HFC or other its authorized designee. All leasing salespersons assigned by Broker to provide services under this Agreement shall be subject to the prior approval of HFC, which may be withheld, conditioned or denied.
 - (c) Broker shall consult and assist HFC in the coordination and implementation of a public relations and advertising program for leasing the Restaurant Space.
- 3. Except for the commissions provided for in this Agreement, Broker shall not be entitled to any other payments for performing any of its services or obligations under this Agreement.
- 4. Notwithstanding any provision of this Agreement to the contrary, Broker shall not be responsible for or have the right to lease the Restaurant Space, or any portion thereof, and shall not be entitled to any commissions or other compensation hereunder (or otherwise) in connection with any lease thereof by HFC.
- 5. Broker shall promptly submit all offers to lease the Restaurant Space to HFC for acceptance or rejection. Broker shall refer any party interested in the Restaurant Space to HFC.
- 6. HFC shall have the right to determine all terms and conditions of any lease, license or other form of agreement arising in connection with actual or proposed use and occupancy of the Restaurant Space. Refusal of any offer to lease, license or other form of agreement for use and occupancy of the Restaurant Space for whatever reason shall be the arbitrary and sole right of HFC and no compensation may be claimed by Broker in the event of such refusal.
- 7. All advertising and public relations material to be distributed or published by Broker shall be subject to the prior approval of HFC and shall be considered property of both the HFC and the Broker.
- 8. Broker agrees to create a marketing plan demonstrating targeted tenants and proposed economic terms. Furthermore, Broker shall maintain said marketing plan to reflect current information about the status of the Project. Broker also agrees to maintain a spreadsheet, a copy of which shall be made available periodically or upon request to HFC, which shall identify outstanding letters of intent and the

status of negotiations with regard to each; identify prospects and the business proposed by such prospect, as well as such prospect's real estate broker, if any; and contain a summary of any substantive negotiations with prospects. Not less often than monthly, Broker agrees to provide HFC a written report summarizing market conditions and significant retail leases made in competitive projects within the same geographic submarket as the Project.

- 9. Broker agrees to attend regular meetings with HFC to discuss the marketing plan, leasing strategy, economics, lease negotiations, and any other items pertaining to the Restaurant Space.
- 10. Broker agrees to solicit and use its best efforts to obtain the cooperative support of all other real estate agents qualified in the field of retail leasing in order to maximize exposure to the maximum number of prospective tenants. Broker agrees to share any commission with such agents in accordance with customary practices in Houston, Texas; provided, that in no event shall such share be less than that described hereinbelow under the heading "Lease Commissions."
- 11. In performing its responsibilities hereunder, Broker shall be responsible, at its cost and expense, for full and timely compliance with all applicable requirements governing Broker's solicitation of tenants, and negotiating and leasing of Restaurant Space. One of the responsibilities shall include drafting and sending out the initial letter of intent ("LOI") in a form approved by HFC's General Counsel. Any LOI and any other negotiations made between Broker and a prospective tenant must first be approved by HFC's General Counsel prior to distribution by Broker.
- 12. Broker shall not offer to lease and/or negotiate any changes in the terms and conditions of the standard form of lease, nor use any other form without first obtaining the prior written approval of HFC. Broker shall make no representations to third parties other than those specifically authorized by HFC. HFC shall be responsible for generating all initial lease drafts, which will be based upon the executed LOI, and the lease negotiations thereof. Broker will be involved in the lease negotiation process as requested by HFC.
- 13. The term of this Agreement shall commence on the Effective Date and, unless earlier terminated as provided herein, expire one calendar year thereafter (the "Term"); provided, however, that HFC reserves the option to and may extend the Term by up to an additional 12 calendar months, on the same terms and conditions, by notifying Contractor in writing of such extension prior to the expiration of the Term or partial extension thereof, as may be applicable.
- 14. This Agreement may be terminated at any time by either party without cause (and without the payment of any fee or penalty) upon 30 calendar days' notice (herein called a "Without Cause Termination"). This Agreement may be terminated by either party upon the default of the other hereunder which has not been cured by the defaulting party within ten calendar days following written notice of such default from the non-defaulting party to the defaulting party (a "Default Termination").
- 15. Within ten calendar days following the expiration of the Term or a Without Cause Termination exercised by HFC, Broker shall provide HFC a written list of all working tenant prospects, which have been contacted by Broker prior thereto, whose name has appeared on the Reports and with whom substantive negotiations have occurred within the preceding 90 calendar day period (each such identified prospect is herein called an "Active Prospect"); provided, that in no event shall there be more than two Active Prospects. HFC shall pay commission to Broker a commission in accordance with and subject to the provisions below with respect to any lease for the Restaurant Space executed by and between the HFC and an Active Prospect within 180 calendar days following such expiration or Without Cause Termination exercised by HFC.
- 16. <u>Lease Commissions</u>. The lease commission shall be earned, due and payable subject to the following terms and conditions:

- (a) When Payment is Due. Commissions earned and payable to Broker shall be due and payable 30 calendar days following Broker's submittal of an invoice therefor to HFC. Commissions with regard to lease of the Restaurant Space executed during the Term of this Agreement shall be payable according to the following schedule:
- (i) 50% upon full execution of the lease by HFC and the tenant and following the fulfillment of any contingencies or conditions contained in such lease, and
- (ii) 50% upon the last to occur of (A) rent commencement under such lease, (B) the date the tenant takes occupancy and has commenced the conduct of its normal and customary business from the leased premises, and (C) payment by tenant of the first month's payment of base or minimum guaranteed rental required to be paid under the lease after the rent commencement date has occurred.
- (b) <u>When Commission is earned</u>. Commissions shall be earned by Broker under this Agreement only if, as and when a lease is signed and delivered during the Term of this Agreement by HFC and tenant covering the Restaurant Space.
- (c) <u>Amount of Commission</u>. The amount of commission with regard to the lease as to which a commission is earned under this Agreement shall be calculated in accordance with the following:
- (i) The lease commission will be based the amount of Base Rent (defined below) payable by the tenant procured by Broker during the initial term ("Primary Term"). If the Primary Term exceeds 10 years, then the portion of the Primary Term extending beyond 10 years shall be excluded for purposes of calculating the commission.
- (ii) Should Broker procure a tenant and the tenant is not represented by another broker (such that no commission is payable to anyone other than Broker in connection with the lease executed by such tenant), the commission payable to Broker shall equal [TBD] of the Base Rent payable during the Primary Term of the lease.
- (iii) Commissions related to leases which involve Broker and where the tenant is represented by an outside broker, the commission payable to Broker shall equal $[\frac{1}{2}]$ of the TBD amount stated in Section 16(c)(ii)].
- (v) As used herein, the term "Base Rent" means shall mean all base rent or minimum guaranteed rent payable by a tenant to HFC under the lease during the Primary Term, excluding any portion of base rent representing Improvements Amortization. Base Rent does not include common area maintenance charges, reimbursements or payments for taxes or insurance, past due interest, late fees, or security deposits. As used herein, "Improvements Amortization" shall mean the aggregate of any construction allowance to the tenant, moving allowances, lease assumptions or buy-out costs.
- 17. For the avoidance of doubt, nothing in this Agreement shall entitle Broker to any commission upon any sale of the Project or the Restaurant Space.
- 18. Broker shall not act as a dual agent in connection with the Restaurant Space or any lease transaction in connection with this Agreement.
- 19. This Agreement shall be governed by and construed in accordance with the laws of the state of Texas, without regard to conflicts of laws principles. No waiver hereof shall be deemed made or given unless

in writing executed by the party to be charged therewith. Notices shall be given by certified mail, return receipt requested to the party intended as the recipient at the address below and shall be effectively given and received three calendar days after deposit in the United States mail, postage prepaid. Broker shall not have the right to assign this Agreement or any of its duties hereunder without the express, prior written consent of HFC. HFC reserves the right to assign this Agreement, to be effective upon notice to Broker. Broker waives any and all liens to which it may entitled under applicable law. If any term of this Agreement is invalid or unenforceable, such provisions shall be deemed modified to make the same valid and enforceable if the intention effect thereof can be preserved; otherwise the same shall be deemed removed herefrom and this Agreement shall continue in full force and effect.

20. This Agreement contains the entire agreement between the parties, and no rights are created in favor of either party other than as expressly set forth in this Agreement. No agreement will be effective to change, modify or amend this Agreement in whole or in part unless such is in writing and duly signed by both HFC and Broker.

[signature page to follow in final agreement]

Exhibit "A" Project Renderings

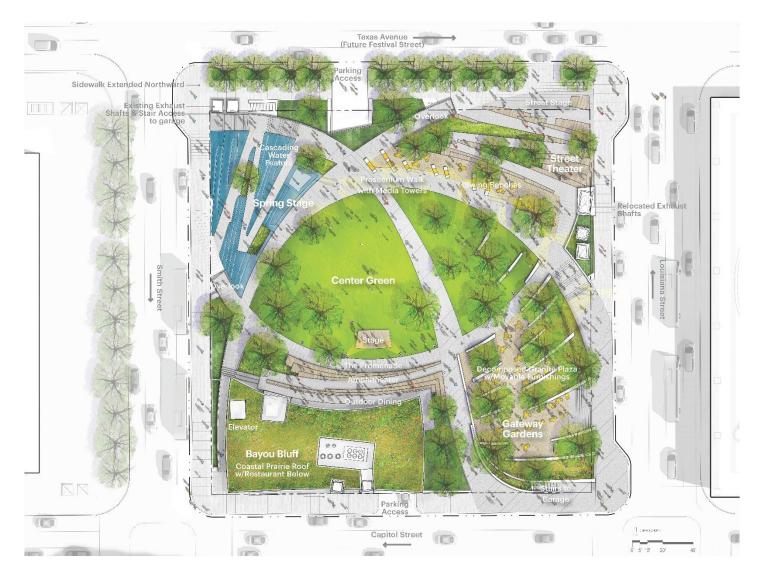


Figure 1. Project Site Plan 9 of 15



Figure 2. Plaza Ariel View



Figure 3. Plaza Street View



Figure 4. Conceptual Restaurant View

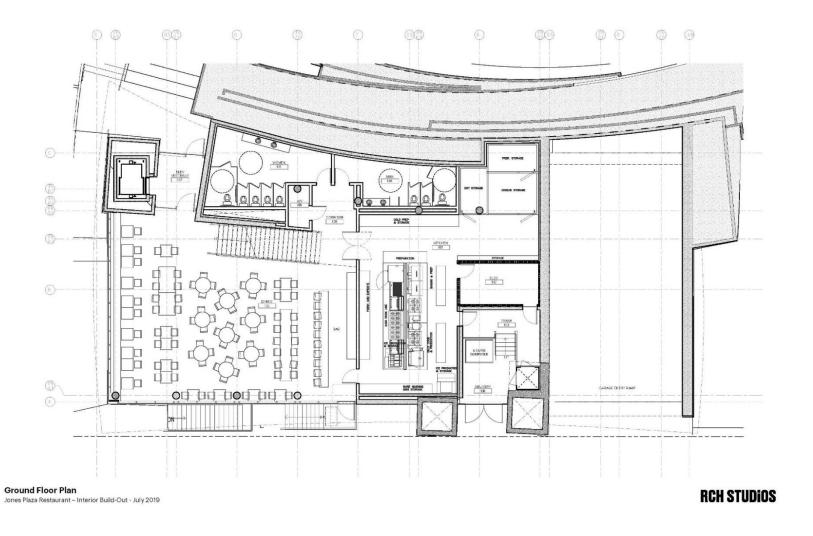


Figure 5. Preliminary Restaurant Ground Floor Plan

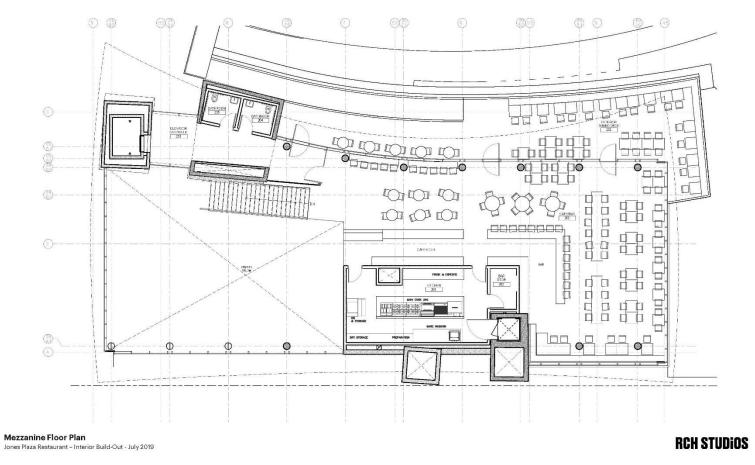


Figure 6. Preliminary Mezzanine Floor Plan

Exhibit "B" Restaurant Space Description

The total restaurant area is approximately 8,547gsf over two floors. The exterior deck is approximately 1,241 gsf. Each floor has a separate entrance and are connected on the interior via an open staircase. Both floors will be exclusively operated by the selected operator. The exterior shell and overall size/capacity is determined. The selected operator is expected to be responsible for the design and build-out of the interior of the space. Operator will be responsible for the management and operation of the following:

First Floor Restaurant

- The Restaurant will be prominently located at the Southwest corner of the redeveloped Jones Plaza. The first floor restaurant entrance will be at the street/sidewalk level.
- Intended to be a full-service, upscale-casual offering in the mid-high level price point average.
- Minimum hours of operation include dinner service 7 nights a week. Inclusion of lunch service is at the selected Operator's discretion.
- The dining room and kitchen on this floor are together approximately 4,806 gsf.
- The first floor kitchen is intended to be responsible for the full service restaurant prep and production, as well as assisting with the bulk prep for the second floor café and bar.

Second Floor Café and Bar

- The Café and Bar is located above the full-service restaurant. The entrance to the café and bar will be at the Plaza/Park level.
- The Café and bar are intended to be a fine-casual, counter-service offering.
- The Café component is intended to offer a more casual and quick service daytime environment at a lower price point average, with grab and go options for both daytime office tenants and residents, as well as evening plaza/event users.
- The bar component is intended to offer a pre-theater/pre-dinner, as well as a post-theater elevated cocktail and small plates experience.
- Minimum hours of operation are TBD.
- The dining area and kitchen on this floor are together approximately 4,041 gsf.