

To: Mayor J.B. Lawrence and Blowing Rock Town Council

From: Kevin Rothrock, Planning Director

Subject: Establishing a Lease Rate for Use of the Historic Ice House

Date: June 14, 2016

Based on the direction of Town Council at the May 10th meeting, staff advertised a Request for Proposals (RFP) for those seeking to lease the historic Ice House located at 140 Maple Street. By the 2:00 PM deadline on Friday, June 3rd, staff received one (1) proposal from Take Heart, a local retail business located at 1009 Main Street and the corner of Maple Street.

PROPOSAL SPECIFICS

Sheri Furman, owner of Take Heart, desires to operate a retail floral design business with an emphasis on holiday promotions through the various seasons. With the current location of Take Heart on the corner of Main Street and Maple Street, Ms. Furman would like to make the Ice House an “annex” to her current operations. The new business would also promote holidays and town events, and special sales.

The proposed hours of operation would be during normal business hours, Thursday, Friday, and Saturday from 10 AM to 6 PM from May through October. The store would be opened on Tuesdays and Wednesdays by special request. In November and December the store would be open Thursday through Saturday as a Christmas Holiday House. In the January through April season, the store would be open on special event weekends such as Winterfest, Valentine’s Day and the Wine Festival.

POTENTIAL LEASE TERMS

Ms. Furman proposes a three (3) year initial lease with an incrementally increasing lease rate of \$875/month plus utilities for the first year, \$900/month plus utilities for the second year, and \$950/month plus utilities for the third year.

Should Council decide to move forward with the proposed terms, the required 30-day public notice would be advertised as an incremental lease rate as described above per month, plus utilities, for the initial three (3) year term.

SCHEDULE

The NC General Statutes have specific requirements for the lease of town property when the contract period exceeds 12 months. To meet NC General Statutes, the 30-day public notice must describe the property to be leased, the annual lease payments, and state the Town Council’s intent to authorize the lease agreement at its next regular meeting. As such, the following schedule is recommended for establishing a lease rate, advertising a 30-day public notice, and tenant selection.

June 14 Lease terms for Ice House approved at Town Council meeting
June 23 Public Notice with lease terms of selected company advertised in Blowing Rocket
August 9 Lease agreement authorized with selected company at August Town Council meeting
August 10 Lease agreement executed with selected tenant. Ice House available for occupancy.

Due to the 30-day notice being longer than the time between the June and July regular meetings, the lease agreement cannot be authorized until the August regular meeting. Following Council feedback and direction at the June 14th meeting to move forward with the process, staff will work with Ms. Furman to develop a draft lease agreement for Council consideration at the August 9th regular meeting.

ICE HOUSE RENOVATION

The Ice House is currently being renovated by VPC Builders. VPC is scheduled for project completion by the end of June. If anything unexpected comes up during the renovation, additional time for project completion may be needed before a potential tenant would be allowed to occupy the space.

ATTACHMENTS

Attached is the RFP document approved by Council in May, and the proposal received from Take Heart on June 3, 2016.



Town of Blowing Rock

1036 Main Street ★ Post Office Box 47 ★ Blowing Rock, North Carolina 28605

REQUEST FOR PROPOSALS FOR USE OF HISTORIC ICE HOUSE TOWN OF BLOWING ROCK, NORTH CAROLINA

Background:

The Town of Blowing Rock (hereinafter "Town") owns the historic Ice House located at 140 Maple Street. Over the past several years the building has been vacant with the exception of occasional staging and ticket sales for the Blue Ridge Wine Festival, which is now known as Savor Blowing Rock. Previously, the Blowing Rock Stage Company used the Ice House for ticket sales for summer performances.

The Town is undertaking an extensive renovation of the Ice House that will include a heating and cooling system to better accommodate year round operation.

Lease Period:

The Town is flexible regarding the lease term selected, but is seeking a lease agreement of at least one year and up to three years in length with the possible option to renew after the agreed upon term. The proposal should include a draft lease agreement including the proposed lease terms and notice of cancellation. Based on the RFP review and approval process, the building is expected to be ready for occupancy on July 13, 2016.

Type of Business:

The Town is seeking proposals from interested parties desiring to utilize the historic Ice House building for retail purposes to operate during normal business hours (minimum 10 a.m. to 5 p.m., Monday through Friday during May-November season). Preference may be given to retail uses that are in operation throughout the entire year and those that operate on Saturdays and have extended hours of operation beyond 5:00 p.m.

The proposed uses must be allowed within the Central Business zoning district and require only a zoning permit for administrative approval.

Proposals Guidelines:

Proposals must include:

-) Business name, address and contact information
-) The type of business and hours of operation
-) Number of employees
-) Business history
-) A proposed lease amount as part of a draft lease agreement. Note that proposed contract terms and conditions will be negotiated upon selection of winning bidder for this RFP. Terms may include monthly lease rate, parking designation, hours of operation, signage, utility fees,

public use of restroom facilities, etc. Please note that the tenant will be responsible for all utility costs associated with the building.

Proposal Evaluation Criteria:

The following criteria will be considered when evaluating proposals:

-) Compatibility of proposed use with downtown business environment
-) History of business
-) Consistency of proposed business operational hours with a preference given to those that offer operating hours into the evening (i.e. after 5:00 p.m.)
-) Number of months of operation with a preference given to year round operation
-) Type of business with a preference given to retail
-) Proposed lease rate

Submittal Process:

Written responses to this RFP are due by 2:00 PM on Friday, June 3, 2016 by email to: kevin@townofblowingrocknc.gov

RFPs may also be hand-delivered to:

Town Hall
1036 Main Street
Blowing Rock, NC 28605

Questions may be directed by phone to Kevin Rothrock at (828) 295-5240.

Submittals will be evaluated by Town Staff and will then be submitted to the Blowing Rock Town Council for their review, consideration, and approval. Current scheduling will allow Town Council to approve a lease agreement with a successful bidder on July 12, 2016, with the building being available for occupancy as early as July 13, 2016.

The full related project schedule is as follows:

May 10 Town Council approves contractor selection for Ice House renovations
May 10 Town Council approves draft RFP at Council Meeting and process initiation
May 11 RFP advertised on Town website
May 11 RFP advertisement sent to Blowing Rocket for publishing May 19
Jun 3 Proposal submission deadline 2:00 p.m.
Jun 14 Lease terms for selected company approved at Town Council meeting
Jun 16 Public Notice with lease terms of selected company advertised in Blowing Rocket
Jul 12 Lease agreement authorized with selected company at Town Council meeting
Jul 13 Ice House available for occupancy by the selected company

PROPOSAL

To: Town of Blowing Rock

For: Rental of "Ice House"

140 Maple Street

Blowing Rock, NC 28605

Presented by:

Bless Your Heart dba Take Heart

1009 Main Street

Blowing Rock, NC 28605

Contact Person: Sheri Furman 828-295-3444 or 828-295-8424

Type of Business:

Retail. Floral Design. Holiday Promotions.

The "Ice House" is directly behind our current store front and would enable us to expand and help facilitate our current location on Main Street. We would use it as an extension of our current business much like an annex or an extension of our daily operations. We would also promote holidays and town events, sales and special features out of this location. Example: Wine Festival or Christmas House to sell our Christmas garland and wreaths.

Number of Employees: Currently we have 3-4 employees based upon season and events. I would rotate these employees to serve at the Ice House location. We would have 1-2 employees there based upon the season and expected growth.

Business History: Bless Your Heart (dba Take Heart) has been in business for approximately 19 years and has had a location in Blowing Rock for 10 years. We are a property owner of our commercial space that is located on Main Street. We are seeking the rental of the "Ice House" as an avenue to expand and help facilitate our ever growing current business.

Proposed Hours of Operation:

January-April: We would have the Ice House opened on weekends Thursday - Saturday for special events such as Winterfest, Valentine's Day and the Wine Festival.

May-October: We would seek to have the Ice House open on Monday, Thursday, Friday and Saturday. We will open also on Tuesday and Wednesday upon demand, request and event. Our hours of operation would be 10-6. (We often extend our current shop hours from 6:00 to 7:30 and would consider this for the Rock House as well).

November -December: We will be open Thursday, Friday and Saturday. (Other days upon request and demand.) We will seek to turn this facility into a Christmas Holiday House with wreaths, garlands and arrangements and would pursue creating it as a destination place.

Proposed Lease Amount:

First Year: \$875/month plus utilities

Second Year: \$900/ month plus utilities

Third Year: \$950/month plus utilities

Regarding Lease: We default to your recommended commercial lease agreement. We would make rent payments the first of every month or as instructed.

Insurance: We would carry insurance on the contents of the building.

Security Deposit: We would pay one month's rent.

Signage: Since the Ice House is located directly behind us and 50 paces from our front door, we expect to promote the Ice House mainly through invitation and foot traffic of our current customer base. We would make all signage compliant to the sign ordinance.

Personal Note:

As a current property owner of one of the oldest buildings in town, it would be an honor as well as a personal quest to create a viable business in the historic building known as the Ice House. One of the joys of being a shop keeper is to participate in the history of our town by honoring the past as well as working diligently to create an economy in our historic structures for the future. We feel we have experience in operating out of a small venue and making it successful. We would enjoy bringing "life" once again to the Ice House and representing our town by having a successful business in this historic location.


Sharon Furman TAKE HEART