

**Request for Qualification for
The Cove Restaurant at Apple Canyon Lake**
14A158 Canyon Club Dr., Apple River, IL 61001

*Open house and walk-through for interested parties are available by appointment.
Deadline to submit required information is 3 p.m., Friday, November 18, 2022.*



www.applecanyonlake.org

**REQUEST FOR QUALIFICATIONS FOR LEASE OF ACLPOA-OWNED
RESTAURANT SPACE AT APPLE CANYON LAKE, APPLE RIVER, ILLINOIS**

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Executive Summary

The Apple Canyon Lake Property Owners' Association (ACLPOA) is seeking an experienced and well-financed restaurateur, with a vision for a destination waterfront restaurant in Northern Illinois, to lease an Association owned 5,600 square foot restaurant located on the banks of Apple Canyon Lake (ACL).

The Request for Qualifications process will be as follows:

- Inspection of the facility and informational meeting
- Submittal of qualifications and basic term sheet proposals
- Interview of most-qualified prospective tenants
- Short-listed prospective tenants submittal of financial information
- Negotiation of lease with selected tenant
- Approval of lease by the Board of Directors
- Lease execution

The Opportunity

The ACLPOA proudly presents an opportunity for a restaurant operator to lease the "Cove Restaurant" and continue its use as a destination for quality food and amazing lake views. This restaurant venue has the potential to be a casual family friendly dining experience in a waterfront setting in Northwest Illinois. The Cove restaurant is located on the shores of Apple Canyon Lake and part of a 3,500 acre property owners' association with 2,743 lots and nearly 1,000 homes. With picturesque lakefront views of Apple Canyon Lake, this 5,600 square-foot restaurant boasts parking, a spacious kitchen, bar seating, large indoor dining area and a lake front patio. The association is open to a long-term lease to an experienced restaurateur.

ACL is part of Jo Daviess County which is a county located near Galena in the northwest corner of Illinois. Jo Daviess has a population of 21,939. Jo Daviess County is known for its scenic stretches of road and valley views. ACL was developed in 1968 by the Branigar Organization. U.S. Highway 20 runs through the middle of Jo Daviess County and ACLPOA is just 7 miles north of this major highway.

The Environs

Built in 2003, the restaurant, sitting right on the waterfront, is unique and spectacular. The Cove is located a short distance from the Clubhouse and the Association pool that has over 22,000 users a year. Other nearby amenities include guest boat docks for restaurant patrons, over 750 lake docks, a marina, 9-hole golf course that is open to the public, 13.2 miles of groomed ATV trails, and Apple Canyon Lake, which is a 450-acre manmade lake considered one of the top five bass fishing lakes in the state.

This is primarily a seasonal operation with its busy season between Memorial Day and Labor Day. The season usually starts in April with Friday thru Sunday hours and then 7 days a week starting Memorial Day thru Labor Day. The hours are then reduced back to Friday thru Sunday after the Labor Day weekend until October 31st.

Project Goals

The purpose of this RFQ process is to select a restaurateur and then negotiate a lease that will accomplish the following goals:

- Provide a destination restaurant operation with a dining experience that will draw new and repeat customers to the restaurant from throughout the region;
- Maximize patronage through featured menu items, customer service and a unique ambience with a waterfront view;
- Implement a quality and engaging marketing and advertising campaign; and
- Improve the Association's owners' quality of life and complement the other association amenities.

Pre-Submittal Meeting

The ACLPOA will be holding an optional pre-submittal meeting at the restaurant **by appointment only**. Prospective tenants will have the opportunity to inspect the building. Association staff will be on hand to provide additional information and answer questions.

Initial Submittal Requirements

One (1) hard copy of the information requested below shall be submitted to ACLPOA Association Office by **3:00 p.m. November 18, 2022**. Upon ACLPOA request, **finalists** will be required to submit confidential information, including financial documents, to ACLPOA. The Association will keep financial and other information confidential. Once the lease is signed, the lease itself will be subject to inspection by property owners upon request.

The initial information provided must be submitted with the following format, identifying each by letter and number. Tab dividers are appreciated. Failure to provide any of the categories of information requested by ACLPOA may cause the proposal to be rejected.

Cover Sheet

A.1 Submit the fully-completed, signed *Proposal Cover Sheet* (Exhibit "A").

Respondent's Team

B.1 Provide a narrative summary describing why Respondent is qualified to undertake the proposed operation.

B.2 Provide a description of the Respondent's business structure and identification of the principal persons (key staff) to be associated with the proposed restaurant operation, with a separate resume for each that identifies their respective qualifications and experience levels for at least the last three (3) years.

B.3 Provide at least five (5) client references with contact name, title, company name, mailing address and telephone numbers. At least one (1) reference must be your principal banking organization and one (1) reference must be your principal food provider.

Overall Vision and Operational Concept

C.1 Describe your vision for the restaurant you wish to create and operate.

C.2 Provide a description of the proposed operation. Describe any improvements planned for the restaurant, including interior and exterior improvements, finishes, furnishings, fixtures, trade equipment, etc.

Business Plan

D.1 Provide a capital investment budget for any proposed renovations and improvements.

D.2 Provide a description and timetable outlining milestones for all proposed renovation and improvement activities, and a date certain by which the facility will be reopened for business.

D.3 Submit a business plan of operation, which must include the following:

a. Projected operating budget that includes three-year (3-year) income and expenses, including identification of sources of working capital to cover initial operating deficits and startup costs to fund reopening the facility, repairs, clean-up and any new equipment the Respondent would need to purchase;

b. Anticipated days and hours each day of operation;

c. General restaurant menu items/types of food to be served, including price range;

d. Types of alcohol, to be served (wine, beer, hard liquor), including price range;

e. Describe plans for restaurant-related events or entertainment in the restaurant, including the proposed type and frequency, to enhance the overall experience for customers and to achieve the greatest return on investment;

f. Describe the marketing, advertising, or other operations planned to attract new and repeat customers to the restaurant;

g. Describe the types and number of employees, by position and part or full-time status, expected to be involved in the operation.

Statements

E.1 Submit the *Statement of Ability to Comply with ACLPOA Requirements and Agreement to Conditions*, which is attached as Exhibit "B", signed by an authorized representative of the Respondent.

Supplemental Submission Requirements

Financial Capacity

If you are selected as a **finalist** for this opportunity, you will be required to submit the following:

F.1 Provide financial statements for all entities and individuals comprising the proposed ownership entity (including members, if LLC, and general partners, if partnership, etc.) for at least the last three (3) years (or a personal financial statement not more than 90 days old and your most recent tax documents for a sole proprietorship). Respondent should clearly identify

“Confidential Information” on the envelope and submit it to ACLPOA under separate cover, and ACLPOA shall endeavor to protect any information so marked from public disclosure.

F.2 Provide a statement detailing for each key team member any cancelation, default, or notice of default for lack of performance or for any other reason at any location within the United States within the past ten (10) years.

F.3 Declare any outstanding obligations or contracts that might adversely affect the Respondent’s ability to perform under a lease agreement with the Association.

F.4 Provide a copy of any financial commitment letters from any lenders and/or equity partners or contributors if Respondent identifies any funds other than Respondent’s own funds as sources.

Proof of Insurability

G.1 Provide evidence that the Respondent has the ability to obtain the necessary insurance required for operation of the proposed restaurant. Acceptable evidence includes letters from the Respondent’s insurance company dated no earlier than two weeks before the submittal deadline date and signed by an authorized officer of the insurance provider.

Evaluation Criteria

As part of the evaluation process, ACLPOA expects to interview some, but not necessarily all, of the Respondents.

Proposals should not require any financial assistance from ACLPOA.

In general, the criteria used in ACLPOA’s consideration of responses will be the contents of the Respondent’s proposal as outlined in this RFQ. In selecting the tenant/operator, ACLPOA will consider all of the information provided by the Respondents as well as reference checks and other information derived from any investigation that ACLPOA may perform during its due diligence period, including, but not limited to, background checks and credit checks.

ACLPOA may use the following criteria in its selection process:

- Experience and qualifications of individuals proposing to be involved in operation of the restaurant;
- Evaluation of quality of vision and concept, as well as the proposed business plan for the operation and management of the restaurant;
- Evidence of financial strength and capacity to operate the restaurant;
- Ability and commitment to complete all necessary work to commence operations expeditiously, including sufficient staffing to operate the restaurant. This includes the ability to secure all necessary permits, licenses and insurance;
- Schedule for reopening the restaurant;
- Amount of any proposed investment in facility renovations.

ACLPOA shall determine the tenant with whom it will negotiate a lease in its sole and absolute discretion. ACLPOA reserves the right to request clarification or additional information from respondents to this RFQ and to request that some or all Respondents make presentations to ACLPOA staff, Board of Directors or others. This RFQ shall in no way be deemed to create an offer to the general public; nor shall it be deemed to create a binding contract, agreement or offer of any kind between ACLPOA and any other entity. No legal rights shall come into existence until the Board of Directors of ACLPOA approves a lease and the approved lease is fully executed by the parties. The legal rights and obligations of each party shall at that time be only those rights and obligations which are set forth in the lease and any other documents specifically referred to in that contract and executed by the parties.

ACLPOA reserves the right to postpone or discontinue the negotiation for the lease of the property for its own convenience at any time.

Response Submission Requirements and Deadline

One (1) hard copy set of the information requested shall be submitted to ACLPOA. Upon ACLPOA request, **finalists** will be required to submit Confidential Information, including financial documents, to ACLPOA. ACLPOA will keep financial and other information confidential. Once the lease is signed, the lease itself will be subject to inspection by property owners upon request.

Submittals must be received by **Friday, November 18, 2022 at 3:00 p.m.** at the **ACLPOA Association Office**, 14A157 Canyon Club Drive, Apple River, IL 61001. *Postmarks will not be accepted.*

Questions Regarding this RFQ

Questions must be submitted in writing and received no later than forty-eight (48) hours prior to submittal deadline, which is Friday, November 18 at 3:00 p.m. to:

Jen Callaghan
General Manager
Apple Canyon Lake Property Owners' Association
14A157 Canyon Club Drive
Apple River, Illinois 61001
Email: jen.callaghan@applecanyonlake.org

Exhibit A – Proposal Cover Sheet

REQUEST FOR QUALIFICATIONS FOR LEASE OF ACLPOA-OWNED RESTAURANT SPACE at APPLE CANYON LAKE, APPLE RIVER, ILLINOIS

DUE: November 18, 2022, by 3:00 p.m. CST

The undersigned certifies that the enclosed proposal is being submitted and is subject to the terms and conditions set forth in the above-referenced Request for Qualifications as issued by Apple Canyon Lake Property Owners' Association.

Company Name _____

Contact Name Title _____

Address _____

City/State/Zip _____

Telephone _____ FAX _____

E-mail Address _____

Signature _____ Date _____

Printed Name _____ Date _____

Send via mail (sealed) OR deliver via courier (sealed) to:

Apple Canyon Lake Property Owners' Association
Cove RFQ
14A157 Canyon Club Drive
Apple River, Illinois 61001

Late submissions cannot be accepted after the specified date and time.

Exhibit B – Statement of Ability to Comply with ACLPOA Requirements and Agreement to Conditions

- a. No officers of the ACLPOA Board of Directors are members of, or have a financial interest in, the Respondent’s business;
- b. All of the information contained in the proposal is true and correct to the best of Respondent’s knowledge;
- c. Respondent agrees to all terms and conditions, reservations and stipulations contained in this RFQ document, including but not limited to ACLPOA’s right to reject any or all proposals in its sole discretion; to revise any conditions and stipulations contained herein, as convenient or necessary; to further negotiate fees, rates and financial arrangements, etc.; to establish further criteria for selection; to require Respondents to submit additional information of evidence of their qualifications and experience; to waive informalities in the proposals and in the proposal process; and
- d. Signator(s) is/are authorized to make the commitments and representations contained in the proposal on behalf of the Respondent.

Company Name _____

Address _____

City/State/Zip _____

Signature _____ Date _____

Printed Name _____ Date _____

Signature _____ Date _____

Printed Name _____ Date _____

Exhibit C – Site Maps

Cove Restaurant (red star identifies the restaurant location and Apple Canyon Lake Property Owners' Association highlighted in light yellow)

Address: 14A158 Canyon Club Drive, Apple River, Illinois 61001

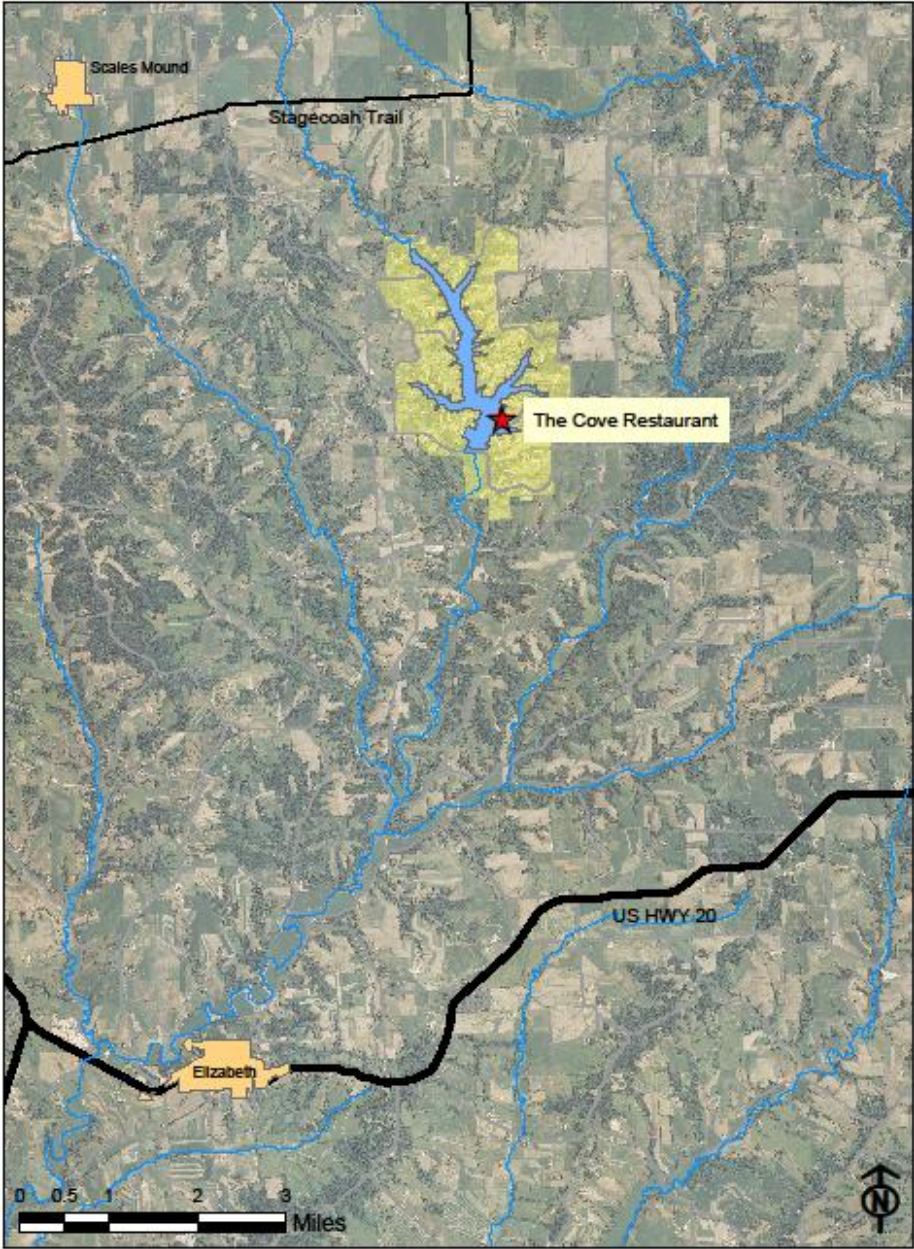


Exhibit D – Building Photos













Exhibit E – OTHER REQUIREMENTS

ACLPOA INSURANCE REQUIREMENTS FOR LESSEES

Lessee shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the leased premises. The cost of such insurance shall be borne by the Lessee.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage.
2. Workers' Compensation insurance as required by the State of Illinois and Employer's Liability Insurance (for lessees with employees).
3. Property Insurance against all risks of loss to any tenant improvements or betterments.

Minimum Limits of Insurance

Operator shall maintain limits no less than:

1. General Liability: \$1,000,000 with \$2,000,000 Aggregate; per occurrence for bodily injury, personal injury, (including operations, products, and completed operations) and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be twice the required occurrence limit.
2. Umbrella Policy: \$1,000,000 excess liability coverage.
3. Employer's Liability: \$1,000,000 per accident for bodily injury or disease.
4. Property Insurance: Full replacement cost with no coinsurance penalty provision.
5. Auto Liability: \$1,000,000 combined single limit for liability, property damage, uninsured and underinsured motorist is required if operator opts to offer delivery service.

Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the Entity. At the option of the Entity, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the Entity, its officers, officials, employees and volunteers; or the Lessee shall provide a financial guarantee satisfactory to the Entity guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

Other Insurance Provisions

The general liability policy is to contain, or be endorsed to contain, the following provisions:

The Entity, its officers, officials, employees, and volunteers are to be covered as insureds with respect to liability arising out of ownership, maintenance, or use of that part of the premises leased to the lessee.

The Lessee's insurance coverage shall be primary insurance as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, and volunteers shall be in excess of the Lessee's insurance and shall not contribute with it.

Each insurance policy required by this clause shall be endorsed to state that coverage shall not be cancelled, except after thirty (30) day's prior written notice has been provided to the Entity.

Verification of Coverage

Lessee shall furnish the Entity with original certificates and amendatory endorsements affecting coverage required by this clause. The endorsements should be on forms provided by the Entity or on other than the Entity's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the Entity before work commences. However, failure to do so shall not operate as a waiver of these insurance requirements. The Entity reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage required by these specifications at any time.

Waiver of Subrogation

Contractor hereby agrees to waive subrogation which any insurer of contractor may acquire from contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation.

The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the entity for all work performed by the contractor, its employees, agents, and subcontractors.