

21 Main Street – RFQ Questions + Answers (6.18.21)

1. Is there an ability to reconstruct the entire structure at 21st Main Street?

Any new construction and/or the establishment of an eating or drinking establishment shall require approval of a Conditional Use Permit from the Zoning Administrator and a Coastal Development Permit processed and approved by the Coastal Commission. All uses and new construction would need to meet the Land Uses and Development Standards as described in District 6, Pier and Pier-related Commercial (Section 3.3.6, Page 3-9) of the [Downtown Specific Plan No. 5](#) (DTSP). In addition, review by the Design Review Board for the building's design, colors, and materials is required. Additional parking is required for any new square footage added to the existing building. Please see answer to question #3.

2. Are there any restrictions to speakers/music being played on the exterior of the building?

Application should include this request to be considered during the public hearing process. If approved, a condition of approval would be required.

3. Is there any opportunity for outdoor dining?

Change from retail to restaurant would not require any additional parking. However, as “new development”, the addition of any new square footage and/or addition of new outdoor dining area would require parking.

Current parking required for District 6 (Per DTSP, Figure 3-15, Page 3-28):

- Retail (pre-packaged/prepared food): 5 spaces per 1000 sq. ft.
- Restaurant (on-site prep/service): 5 spaces per 1000 sq. ft.

* Subject building is approx. 830 sq. ft., therefore base parking requirement is 5 spaces.

Parking for Outdoor Dining (Per DTSP, Section 3.2.24.4, Page 3-23):

- No additional parking required for outdoor dining areas that do not exceed 20% of interior area.
- $830 \text{ sq. ft.} \times .2 = 166 \text{ sq. ft.}$

If the dining area exceeds 20% or 166 sq. ft., outdoor dining area requires 1 space per 125 sq. ft., in addition to the base parking requirement of five spaces. If additional parking is needed, then please refer to the Special Parking Standards (Section 3.2.26.11, Page 3-33) section of the [Downtown Specific Plan](#).

Additionally, a License Agreement including use fees shall be obtained from the City for outdoor dining located on public property. Also, the applicant shall enter into a Maintenance Agreement with the City for maintenance of all portions of the public property used and approved for outdoor dining. Main pedestrian thoroughfare must be maintained free and clear.

That being said, it is not a guarantee that an outdoor dining area or expansion of the existing structure would be approved by the Coastal Commission, since they have permit jurisdiction.

4. Can you please explain any Beach governing agencies that will need to approve a new user?

Although the City has a Local Coastal Program, which empowers local decisions on Coastal Development Permits by Zoning Administrator or Planning Commission, the subject building is located within the Coastal Commission's permit jurisdiction. Applications for Coastal Development Permits are filed with the City, approved in concept, and forwarded to the Coastal Commission for review and approval.

5. Are there requirements on what types of retail items must be sold or cannot be sold?

Please refer to the [Downtown Specific Plan](#), Permitted Uses District 6 (Figure 3-59, Page 3-94) for retail sales that must be beach-related. Commercial uses on and alongside the pier that will enhance and expand the public's use and enjoyment may also be permitted. Uses are encouraged that capitalize on the views available from the pier and the unique recreational or educational opportunities it affords. Additionally, retail sales should not directly compete with any existing concession uses along the Pier.

In addition, the sale and consumption of any alcohol is subject to a Conditional Use Permit (CUP) and the City would only support a Type 41 (On-Sale beer/wine, eating place) or Type 47 (On-Sale Eating Place) ABC License.

See also Response #14 below.

6. Are there requirements on what type of food and beverage items must be sold or cannot be sold?

Please refer to the [Downtown Specific Plan](#), Permitted Uses District 6 (Figure 3-59, Page 3-94) for permitted restaurant uses. Additionally, restaurant items should not directly compete with any existing restaurant uses along the Pier.

7. Are there restrictions regarding the display of merchandise outside of the building on the deck of the Pier?

Temporary outdoor sales, whether on public or private property, shall be subject to approval of a Temporary Use Permit (TUP) by the Zoning Administrator, as well as the standards outlined in the Outdoor Display Areas and Sales (Section 3.2.25, Page 3-24) section of the [Downtown Specific Plan](#).

8. What signage opportunities are available?

Signage should conform to the Signs section (Section 3.2.22, Page 3-16) of the [Downtown Specific Plan](#).

9. If a new building is not permitted, may the ceiling be penetrated for hood/HVAC?

The City of Huntington Beach Building/Safety Division would need to approve the hood/HVAC use and the ceiling penetration. The Planning Division would also need to review any proposed change to the exterior of the building including any needed rooftop screening.

10. What is the perimeter of control, in regards, to the building? Does the building envelop touch anything outside of the building walls?

Please see building plans [here](#).

11. Are all utilities (sewer, gas, electric, water, cable/internet/phone) already pulled or connected at this site?

Most utilities (sewer, electric, water, cable/internet/phone) are connected to the space, with the exception of gas which runs underneath the pier to the former Ruby's space.

12. Is an architectural plan of the building available?

You can view building, plumbing and electrical plans by visiting the RFQ webpage [here](#).

13. What is the insurance requirement for the location?

Final insurance requirements will be dependent on the proposed use of the site but included below are typical requirements for other City lessees:

- General Liability: \$2,000,000 per occurrence and \$4,000,000 in aggregate against claims for bodily injury, personal and advertising injury, property damage, including products-completed operations.
 - Should include Liquor Liability coverage with same per occurrence and aggregate limits.
 - Umbrella or excess liability may be used to meet the limit of liability requirement.
 - The City, its officers, elected or appointed officials, employees, agents and volunteers are to be covered as additional insured for all ongoing operations and completed operations.
 - Lessee shall provide acceptable certificates of insurance to the City as evidence that insurance is in force.

- The foregoing insurance coverage is primary and non-contributing with respect to any other insurance or self-insurance that may be maintained by the City.
- Workers' Compensation Insurance: Should be in accordance with state statutory limits and Employer's Liability of \$1,000,000 per accident or disease.
 - Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the Lessor.
- Auto Liability: Coverage must be provided at a minimum of \$1,000,000 per accident.
 - Liability should cover all owned, non-owned hired and hired autos used in Lessee's operations.
- Property Insurance: Such insurance shall be in an amount equal to 100% of the full insurable replacement value of such property.
 - Lessor shall not be liable for any damage to Tenant's property or improvements, or for any personal property brought onto the Premises.
- Umbrella or Excess Liability coverage with limits not less than \$5,000,000 excess over Commercial General Liability.

14. What requirement, if any, is there to run a bait and tackle section?

A bait and tackle section is not a City requirement but the Coastal Commission may be stricter in its application of public service requirements for the pier, based on previous approvals and analysis. The opportunity may need to be preserved to continue to provide coastal public recreation opportunities.

15. Will the lease include a sub-license for use of the mark SURF CITY, USA and, if so, on what terms?

Visit Huntington Beach owns the Surf City USA trademark and can work with the selected operator on their individual Surf City USA needs based on the desired use – whether it's for naming purposes or for merchandise sales, etc.

16. What has been the current tenant's historic revenue over the past three years?

While the historic revenue is specific to that business, the current lease rate includes either a base rent of \$950 or in those months where gross receipts exceeds the monthly base rent, lessee shall pay 10.5% of all gross receipts. However, lease terms will be negotiated specifically with the selected operator based on agreed upon business terms.

17. What CAM charges will be allocable to this building and what has been the historic CAM charges over the past three years?

There are currently no CAM charges for pier tenants.

18. Where can financial information be submitted in confidentiality?

Please submit confidential financial information to the City's consultant, NDC, c/o Andria Martinez @ AMartinez@ndconline.org. The remaining submittal information may be submitted to kriss.casanova@surfcity-hb.org.

19. If three years of tax returns aren't available or partners aren't willing to submit their tax returns, can a letter be provided with bank account info?

Please submit financial documentation that will provide sufficient financial experience to operate the associated business establishment, including any proposed capital improvement expenditures.

20. What are the next steps and will the Economic Development Committee be part of the interview process?

This item, with recommendations from the City's technical advisor, NDC, will be brought to the Economic Development Committee for their input. That input will be shared with the City Council when they are asked to consider an Exclusive Negotiating Rights Agreement with the recommended operator.