



Florida's Dynamic
Waterfront Community

MEMORANDUM

TO: Honorable Chair and Members, CRA Board of Commissioners
City of Riviera Beach, Florida

FROM: Tony T. Brown, Executive Director, Riviera Beach CRA

DATE: December 2, 2015

CC: Michael Haygood, CRA General Counsel

SUBJECT: Agenda Item: The Agency is requesting the Board's concurrence to negotiate a Riviera Beach Marine Event Center Café space lease with proposed Café tenant.

Request for Board Action

The Agency is requesting the Board of Commissioners concurrence to start lease negotiations with our proposed Café tenant, Rabbit Coffee Roasting Company, LLC. Proposed tenant has agreed to the initial terms and conditions which we proposed in the Letter of Intent (LOI) which said tenant has signed (Exhibit A). The Agency has sought out qualified operators with the purpose of executing a lease to demise the 1,040 sq. ft. interior Café space and 1,299 sq. ft. of Café patio space as shown on provided drawing (Exhibit B).

Café Space Marketing Plan

The Agency engaged CBRE for the purpose of marketing and soliciting for the Café space for the sole purpose of realizing a lease agreement with a qualified operator. CBRE was responsible for completing due diligence on the Marina Property and the market; preparing the marketing materials (color brochure, demographics, aerial view with surrounding retailers identified, current traffic counts); controlling the dissemination of Property information; maintaining communications and submitting progress reports to Owner; assisting Owner in acquiring financial information on each Tenant; and making recommendations on the viability of the Prospective Tenant. The Agency and CBRE worked closely during the marketing and solicitation process.

**RIVIERA BEACH COMMUNITY
REDEVELOPMENT AGENCY**

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Board of Commissioners
Dawn S. Pardo (Dist. 4), Chair
Terence "TD" Davis (At-Large), Vice Chair
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Tony T. Brown, Executive Director



**2012 Whole City Bronze Award
Bursary Award Recipient**

**2011 Roy F. Kenzie Award
Outstanding Rehabilitation, Renovation and
Reuse Project**

Highlights of the CBRE Marketing Plan included the following:

- Conducted an in-depth market analysis, providing the Owner with current asking base rents and CAM charges for competitive properties, as well as terms and conditions of recent deals where possible.
- Installed leasing signs on the project according to local codes.
- Developed a marketing brochure for the Properties with site plan, aerial view of the properties with major streets identified, major tenants identified in the surrounding area, demographic highlights and traffic counts, as well as other pertinent market information. The brochure was digitized and sent out to prospects as well as being advertised on the City's own Channel 18 network.
- Prepared target marketing lists by category and begin contacting specific tenants by telephone or e-mail, and followed up with personal meetings as appropriate.
- Sent property marketing piece every 30 days to CBRE's combined tenant database of over 545 tenants and their brokerage database of 625 brokers.
- Listed property on LoopNet, which includes 2.5 million users nationally, Costar with 800,000 users in South Florida, and CBRE's website.
- Networked with brokers, owners and business owners of nearby and local Riviera Beach properties to identify trends, opportunities for relocations, and stayed current on the condition of the market.

Solicitation Result Metrics

The marketing efforts resulted in composing a prospect list of over 86 food establishment operators. Our outreach efforts to these 86 food establishment operators also resulted in discussions with eight (8) local Riviera Beach based businesses or approximately ten percent (10%) of the total prospect list. The total list of prospects ranged from national large scale brands with thousands of establishments down to local and unique one off operators that had single locations.

The prospect list was narrowed down to four (4) candidates for the Café that were met with one-on-one to gauge the seriousness of their interest, qualifications, best fit and offered concept. All four were sent non-binding letters of intent that contained the initial terms that the Agency was seeking. The four prospects responded in the following manner:

- Prospect A recused themselves from the consideration process
- Prospect B signed the LOI (Rabbit Coffee Roasting Company, LLC)
- Prospect C did not sign our letter of intent, but instead sent their own letter of intent with terms that were considered onerous to the Agency
- Prospect D was unresponsive to our overtures.

Rabbit Coffee Bio

Rabbit Coffee has been in business for two years and is based in Riviera Beach, Florida in the 13th Street warehouse district. Rabbit Coffee is a craft single origin coffee roasting company, which produces coffee beans and cold brew coffee for retail and wholesale to restaurants and stores. Rabbit has a very substantial following that has been hoping for that first coffee/café shop. The owners Adriano and Kate Cerasaro are hoping that the Marina project opportunity will be the first of many Rabbit Coffee Cafes in the future. Currently their facility is strictly a warehouse/roasterie. Most recently, they have had substantial marketing opportunities to partner with Neiman-Marcus in Palm Beach and the world famous NASCAR organization at the recent season ending NASCAR race at Homestead Miami Speedway. Their products are now being sold in Atlanta and all over South Florida.

The owners, Adriano and Kate Cerasaro, have financed the business with their own funds and have no debt, which gives them the flexibility to be very creative with their ideas and marketing efforts. They are growing rapidly and will begin bottling their cold brew product at a facility in Naples, Florida to meet the increased demand. They are currently in the midst of negotiating with several hotels to provide coffee for their "gourmet" coffee shops. They pride themselves in being a local roaster with high quality products, a standard they are determined to maintain as they grow. They truly believe that they will be able to offer a wonderful, inviting coffee/cafe experience (Exhibit C) at the Riviera Beach Marina Village and it will be their "flagship" Rabbit Coffee Cafe! They have hired a chef specializing in café and bistro cuisines and has been vetted by the American Culinary Federation. They have been asked to participate in many other sites, but have held off because they feel the Marina would be the right fit for them. They have also recently started a relationship with Showboat International Magazine, the largest super yacht magazine in the world, and advertising in Dock Walk Magazine, which has contributed to their relationship with the marine industry and should help to further leverage their marketing efforts with our marina customers.

Proposed Terms and Conditions

- Permitted use of the demised premises for the Tenant will be for the operations of a fast dine restaurant serving hand roasted coffees, juices, Panini sandwiches, soups, tapas, salads, breakfast items, desserts, local craft beers and wines. Use clause to be further defined in the lease.
- Term - 120 months or 10 years from rent commencement.
- Option – So long as Tenant is not in default on rental obligations at the time of option renewal, then Tenant shall have One (1), Five (5) year option at then market rents.
- Base Rent - \$25.00 per square foot for the inside conditioned space (1,040 sq. ft.) only. Base rent to increase three percent (3%) annually over the previous year's Base Rent.
- Agency will deliver space in a raw state (block walls and dirt floor, however windows and doors are installed). Tenant responsible for complete buildout of space.
- The Agency is contributing \$40.00 per square foot for Tenant Improvement Allowance (T.I.) for a total contribution of \$41,880.00 that will be used towards buildout of the space. Improvements to remain the property of the Agency if Tenant leaves.

Fiscal Impact (Cash Flow to Agency)

- Rent = \$25.00 psf, \$26,175 per year or \$2,181.25 per month
- Common Area Maintenance (CAM) = \$14.50 psf, calculated only on the indoor conditioned space; for a total of \$15,181.50 per year or \$1,265.13 per month
- Gross payment owed including taxes = \$43,837.89 per year or \$3,653.16 per month

Recommendation

CBRE has recommended (Exhibit D) Rabbit Coffee Roasting Company, LLC as a viable tenant for the Riviera Beach Marina Event Center Café space. Agency Staff seeks approval to start lease negotiations with Rabbit Coffee Roasting Company, LLC for the purposes of realizing an executed lease, for the heretofore described Café space, with the Agency. If the Board approves the terms and conditions, we would expect the Café to open in late spring or early summer 2016. The lease will be brought back to the Board for approval at the earliest opportunity.

TTB/mb

EXHIBIT A

COMMERCIAL REAL ESTATE SERVICES

Nicole Fontaine
Retail Associate

CBRE, Inc.
Retail Brokerage Services

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Suite 701
Boca Raton, FL 33486

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Nicole.fontaine@cbre.com
www.cbre.com

June 02, 2015

Kate Cerasaro
Rabbit Coffee Roasting Co.
1411 W 13th B101
Riviera Beach FL. 33404

Email: Kate@rabbitcoffeeroasting.com

RE: Riviera Beach Marina Proposal for Rabbit Coffee Roasting
Riviera Beach, FL. 33404

Dear Kate,

Please find below a proposal which outlines the terms and conditions of a lease for the above referenced center. Upon your execution and return, this correspondence will constitute a non-binding letter of intent.

The following general terms shall be incorporated into the Lease:

Landlord:	CRA of Riviera Beach
Tenant:	Rabbit Coffee Roasting Co. LLC.
Trade Name:	Coffee Roasting Co.
Unit:	200 E. 213 Street unit 111A Riviera Beach, FL. 33404.
Leasable Area of Premises:	Approximately 1,047 square feet *
Permitted Use:	Tenant shall use the premises for the operation of a fast dine restaurant serving hand roasted coffee, juices, Panini, sandwiches, salads, snack items, deserts, local kraft beer and wine. Use clause to be further defined in the lease. *
Term:	120 months from the Rent Commencement

4C

July 2, 2015
Rabbit Coffee
Riviera Marina Project
Page 2

Options: So long as Tenant is not in default on rental obligations at the time of option to renewal, then Tenant shall have One (1) Five (5) year option at then market rents.

Base Rent: \$25 psf. (\$2,181.25) monthly

Operating Expenses: TBD ✕

Total Rent: TBD per month including 6% Florida sales tax. ✕

Annual Increases: Base rent to increase three percent (3%) annually over the previous year's Base Rent.

Utilities: Tenant shall pay its own utilities, the Premises is separately metered for water and electric.

Condition of Premises: Landlord shall deliver space in As-is condition.

Rent Commencement Date: Tenant shall commence paying rent upon opening for business or ninety (90) days after the delivery date, whichever occurs sooner.

Lease Commencement Date: Upon Landlord's delivery of premise to tenant

Delivery of Premise: The Premise will be delivered upon lease execution. Tenant to provide to Landlord a certificate of insurance naming Landlord and property management as additional insured.

Rent Abatement: Tenant shall have the first three (3) months of the lease term of base rent free. All Operating Expenses to be paid during the abatement period.

Tenant Improvement

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July 2, 2015
Rabbit Coffee
Riviera Marina Project
Page 3

Allowance:

Landlord will contribute \$40.00 psf towards Tenant's Improvement to the Premises (\$41,880.00) forty one thousand eight hundred eighty dollars. Tenant Improvement Allowance is not to be used for Tenant's furniture, fixtures, equipment, inventory or any items specific to Tenant's use. Landlord will make fifty percent (50%) of the maximum Allowance that shall be paid to Tenant when fifty percent (50%) of the Tenant's work is completed and the following conditions are satisfied: Tennant submitting paid invoices and release lien waivers for at least the amount being requested and the balance of the maximum Allowance shall be paid to Tenant thirty (30) days following: a final lien waiver from Tenant's general contractor, and receipt of paid invoices.

Broker:

Parties hereto acknowledge that CBRE represents the Landlord and there are no other brokers involved.

Financial Statements:

Tenant shall submit the appropriate financial statements and the Commercial Credit Application form to Landlord with the signed Letter of Intent. This proposal is contingent upon Landlord's approval of the above.

Security Deposit:

Equivalent to two months full rent.

Guaranty:

A personal guaranty shall be required.

Proposal Acceptance:

This proposal is valid for Five (5) business days from date hereof and is subject to availability and review of Tenant's financials.

This letter describing lease terms for consideration is not an offer, reservation, or option but is rather for discussion purposes only. The parties shall not be bound by these terms or any subsequent discussions or negotiations until a full and final lease is signed by both the owner of the property and the tenant listed above.

July 2, 2015

Rabbit Coffee

Riviera Marina Project

Page 4

- * Need to be sure \$41,830.00 is enough to include grease trap & AC
- * Would like right of first refusal on center waterfront restaurant location when ready. *in addition to coffee shop*
- * Must have use of common bathrooms.
- * Must have Cam amount directly
- * Must have use of entire covered area in front of cafe
- * Must have exclusivity language for coffee & cold brew and for providing coffee / breakfast / lunch for meeting facility

Kindest regards,

Nicole Fontaine
Retail Associate

Agreed and accepted to:

By: Kathleen McVasaro7/14/15 DateName Printed: Kathleen M
McVasaroOwner/Manager Title

EXHIBIT B

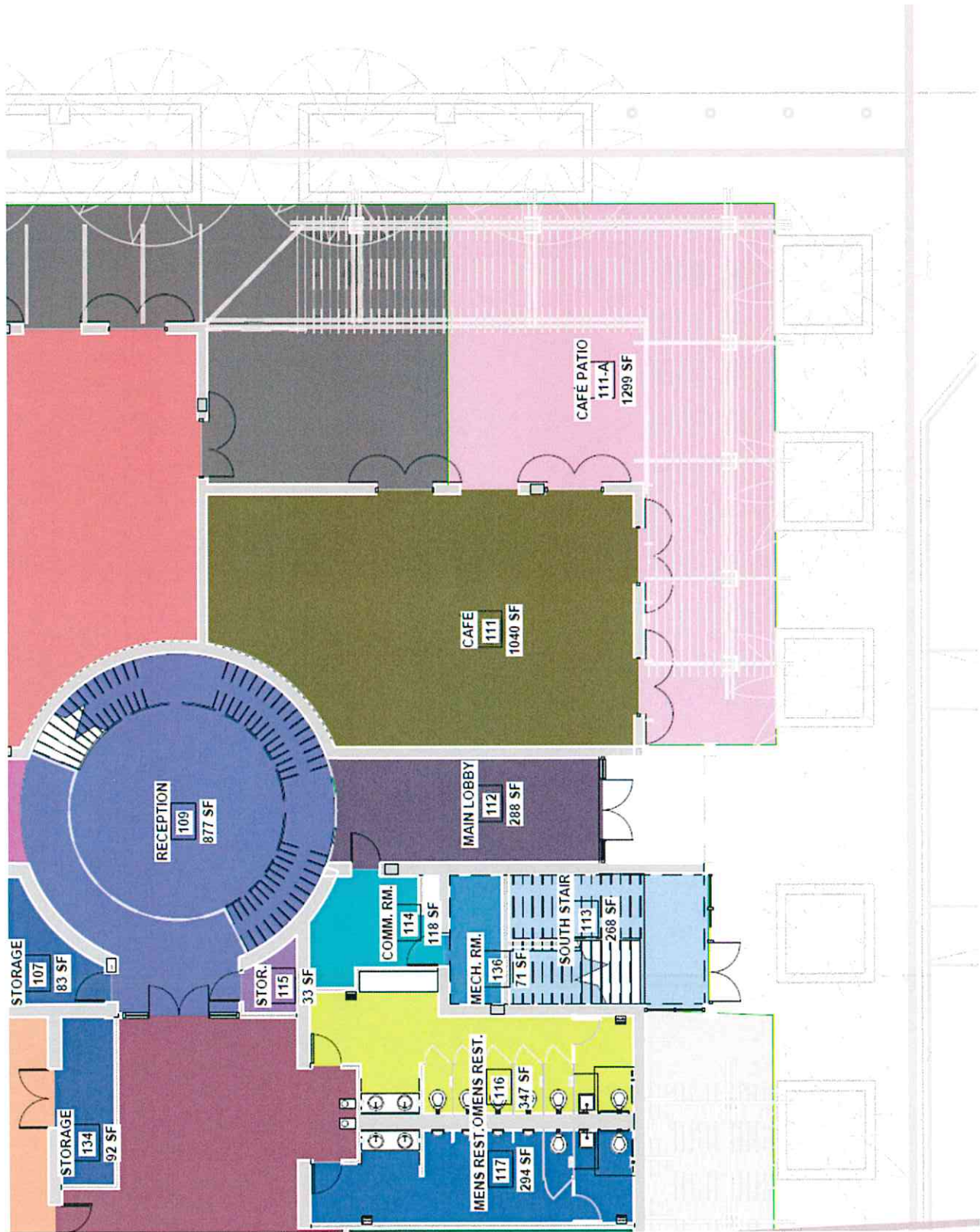


EXHIBIT C

RABBIT COFFEE

CAFÉ and WINE BAR

(Sample Menu, menu items and prices subject to change)



DRINK LIST

Juices

\$8

Carrots Gone Wild - carrot, apple & ginger
The Goods - romaine, kale, apple, cucumber, celery, parsley & ginger
Natures Punch - orange, apple, celery, pineapple, beet & lemon
Limeapple - pineapple, apple, lime & mint
The Green Pear - pear, spinach, parsley, cucumber & ginger
Hail Yeah - green leaf lettuce, kale, sun sprouts, rhubarb, carrots & lemon

Simple Juices

\$6

Seasonal Juices Selected Daily

Elixirs

\$3.5

Immunity Booster - ginger, orange, lemon & lime
Hydrate - wheatgrass & coconut water
Mellow Yellow - turmeric & grapefruit
Rejuvenate - spirulina ice, coconut water & mint

Smoothies

\$8

(Made with home-made cashew milk, oats & dates)

South Pacific - pineapple, mango, orange, banana & chia
Colorado Kale - kale, banana, hemp & cinnamon
Pear Berry - strawberry, pear, avocado, basil & chia
Charlie Brown - banana, hemp & cocoa
Between Red & Blue - acai, berries, banana, spinach & chia
Monkey Love - peanut butter, banana & cocoa
P to the B - blueberry, banana & peanut butter
Green Grapefruit - grapefruit, apple, banana, spinach & chia

Rabbit Coffee Offerings

Coffee – Medium or Dark Roast 12 / 16 oz.	\$3 / \$4
Espresso	\$2.5
Double Espresso	\$3
Cappuccino	\$3.5
Latte	\$3.5
Americano	\$3
Macchiato	\$2.5
Cold Brew on Tap 16/24 oz.	\$5.5 / \$7.5
Cold Brew in Bottles 8/16oz	\$5 / \$9
Iced Tea	\$3
Arnold Palmer	\$3
Coke/Diet Coke	\$3
Sprite	\$3
Local Kraft Beers	TBD
White and Red Wines	TBD
Sparkling Wines	TBD

BREAKFAST

Croissants & Brioches

CROISSANT	\$3
CHOCOLATE CROISSANT	\$3.25
RASPBERRY CROISSANT	\$3.5
ALMOND CROISSANT	\$3.75
CHOCOLATE ALMOND CROISSANT	\$3.75
PAIN AU RAISINS	\$3.5
CINNAMON BRIOCHE ROLL	\$3.5
CHOCOLATE CHIP BRIOCHE TWIST	\$3.5
NUTELLA BRIOCHE	\$3.5
BLUEBERRY DANOIS	\$3.5
APRICOT DANOIS	\$3.5
BLUEBERRY CRUMBLE MUFFIN	\$2.5

Sandwiches and Wraps \$7.5

EGG & CHEESE CROISSANT/BAGEL/WRAP

Warm Freshly Baked w/egg and Swiss Cheese

BREAKFAST CROISSANT/BAGEL/WRAP SANDWICH

Farm Egg Omelets, Cheddar, Crip Bacon

HAM & CHEESE CROISSANT /BAGEL

Warm Freshly Baked w/ Tavern Ham & Swiss Cheese

EGG WHITE & AVOCADO SPREAD ON TOAST

Toasted Natural Three Grain Bread

LUNCH

Sandwiches & Wraps \$8.5

Country Chicken Club: Crunchy Baked Chicken, Avocado, Cranberry Jam, Apple Smoked Bacon, Mayo, Romaine, and Tomato on toasted Multigrain Bread.

Waldorf: Homemade Chicken Salad mixed with Raisins, Walnuts, Celery, and Granny Smith Apples topped with Sprouts and Romaine on Multigrain Bread.

Tuna Salad: Homemade Tuna Salad, Romaine, Tomato, and Swiss Cheese on a Baguette.

Gobbler: Turkey Breast, Fresh Mozzarella, Sun-Dried Tomatoes, Baby Field Greens, and Balsamic Vinaigrette in a Whole Wheat Wrap.

Chicken Caesar Wrap: Romaine, Roasted Chicken, Parmesan Cheese, Homemade Croutons, and Creamy Caesar Dressing in a Spinach Wrap.

Panini \$8.5

Caprese: Homemade Basil Pesto, Fresh Mozzarella, and Sliced Tomato on a French Baguette.

Chicken Cordon Bleu: Black Forest Ham, Roasted Chicken, Gruyere, and Honey Mustard on a French Baguette.

Roasted Veggie: Roasted Zucchini, Roasted Red Peppers, Caramelized Onions, Roasted Eggplant, Fresh Mozzarella, and Homemade Basil Pesto on a French Baguette.

Roast Beef: Roast Beef, Caramelized Onions, Gruyere, and Homemade Creamy Sherry Horseradish on a French Baguette.

Grilled Cheese: Gruyere and Cheddar on a Brioche.

Prosciutto & Brie: Prosciutto, Brie, Homemade Basil Pesto, Baby Arugula, Tomato, on a French baguette.

Grilled Southwest Wrap: Roasted Chicken, Corn, Jalapeno Peppers, Red Onion, Red and Green Peppers, Jack Cheese, and BBQ Ranch Dressing, Grilled in a Whole Wheat Wrap.

Soup and Half Sandwich (No Wraps) \$8.95

Salads \$8.95

Nantucket Bleu: Baby Field Greens, Apple Smoked Bacon, Granny Smith Apples, Craisins, Walnuts, Gorgonzola, and Balsamic Vinaigrette.

Classic Cobb: Romaine, Roasted Chicken, Avocado, Tomato, Apple Smoked Bacon, Chopped Egg, Gorgonzola, and Herb Bleu Cheese Dressing.

Chicken Caesar: Romaine, Roasted Chicken, Parmesan, Homemade Croutons, and Creamy Caesar Dressing.

Greek: Romaine, Roasted Chicken, Feta Cheese, Cucumbers, Tomatoes, Onions, Kalamata Olives, Tossed in EVOO and Red Wine Vinegar.

Tuscan: Baby Field Greens, Roasted Chicken, Sun-Dried Tomatoes, Walnuts, Portobello Mushroom, Asparagus, Goat Cheese, and Balsamic Vinaigrette Dressing.

The Market: Baby Arugula, Roasted Beets, Granny Smith Apples, Candied Walnuts, Goat Cheese, Balsamic Vinaigrette, and Honey Drizzle.

Ranch: Romaine, Baked Crunchy Chicken, Roasted Corn, Red Onion, Red and Green Peppers, Jack Cheese, Jalapeno Peppers, Black Beans and BBQ Ranch Dressing.

Special Salads \$9.5

Full of Life: Arugula, Spinach, Chicken, Tomato, Mint, Craisins, Almonds, Feta, Organic Quinoa, Fresh Squeezed Lemon, EVOO.

Pear Me Up: Romaine, Chicken, Pears, Apple Smoked Bacon, Gorgonzola, Candied Walnuts, Avocado, Balsamic Vinaigrette.

(All Salads Can Be Made into Wraps)

Homemade Soups

8 oz. \$3.5 / 12 oz. \$5

Vegetarian Chili
Tomato Basil
Split Pea

SWEETS

Assorted freshly made Juicicles	\$6
Assorted locally made artisan Gelato and Ice Cream	\$6
Rabbit Coffee Granita with Panna Fresca	\$6
Strawberry Shortcake with creme Chantilly, cream biscuit	\$7
Dark Chocolate Custard with creme Chantilly	\$8

TAPAS

(4:00-10:00 pm)

Summer Rolls - leaf lettuce, rice noodles, avocado, carrots, cucumber & red cabbage wrapped in rice paper sprinkled with sesame seeds & served with spicy ginger peanut sauce.	\$5
Pesto Breadsticks - flatbread spread with pesto & house parm drizzled with herb infused oil & our seed & spice blend.	\$5
Garlic Breadsticks - flatbread spread with roasted garlic & house parm drizzled with herb infused oil and our seed & spice blend.	\$5
Hummus - home made hummus sprinkled with our seed & spice blend served with raw veggies & pretzel flats.	\$5
CASTELVETRANO OLIVES -naked.	\$4
PAN CON TOMATE-tomato, garlic-rubbed toast, sea salt.	\$4
STRAWBERRY BRUSCHETTA-pickled strawberries, goat cheese mousse, black pepper	\$8
JOYCE FARMS CHICKEN LIVER PATE-house jam, buttered toast, greens	\$11
STEELHEAD TROUT GRAVLAX-creme fraiche, fresh greens, pumpernickel	\$10
WATERMELON BANH MI-whipped feta, pickled daikon radish and carrots, cilantro.	\$10
SUMMER STEW-okra, tomato, harissa.	\$8
ROASTED CAULIFLOWER-manchego cream, toasted almond, castelvetrano olive.	\$9
AHI TUNA TOSTADA-mango salsa, avocado, crispy tortilla.	\$12

Cheese Plates

Choice of three cheeses and/or cured meats and one accompaniment	\$18
Choice of five cheeses and/or cured meats and two accompaniments	\$28

Flat Breads \$12 - \$18

Blackened Steak & Blue Cheese

cremini mushrooms, spinach, caramelized onions

Grilled Garlic Pesto Chicken

fresh mozzarella cheese, balsamic onions, roasted red peppers, arugula

Roasted Roma Tomato

fresh Mozzarella Cheese, Parmesan, ribbons of basil

Salumi Piccante

dry-cured artisan sausage, roasted Roma tomatoes, fresh mozzarella, basil pesto

Artichoke & Laura Chenel Goat Cheese

leaf spinach, balsamic onions, roasted peppers



Nicole Fontaine
Associate

CBRE, Inc.
Retail Brokerage Services

EXHIBIT D

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Recommendation

CBRE has recommended Rabbit Coffee Roasting Company, LLC as a viable tenant for the Riviera Beach Marina Event Center Café space. CBRE has a proven method for qualifying prospective tenants. Our standard system ensures an even playing field and non-subjective criteria by which to make a recommendation. Based on the interest that we received for the cafe space at Riviera Beach Marina Village, we believe that Rabbit Coffee would be an ideal tenant for the CRA and the project. Rabbit Coffee is a financially viable, woman owned business. The organization is very passionate about adding value to the City of Riviera Beach, as their current brewing company "Rabbit Coffee" calls Riviera Beach home. The Rabbit Coffee owner is the only prospect to agree to all of the City's terms and conditions. She has proven herself to be a successful operator with her coffee rapidly gaining notoriety and popularity by its presence at local specialty markets, restaurants and hotels. This owner has also created a health conscious menu that offers good value in order to cater to a variety of customers. In short, this prospect has excellent financials, credit, a well-structured business plan, operations team in place, as well as a strong commitment to the Riviera Beach community.