TORONTO

STAFF REPORT
ACTION REQUIRED

Tuggs Incorporated - Revised Proposal for Redevelopment of the Eastern Beaches Food Service Facilities

Date:	April 6, 2010
To:	Government Management Committee
From:	General Manager of Parks, Forestry and Recreation, and Deputy City Manager and Chief Financial Officer
Wards:	Ward 32 - Beaches – East York
Reference Number:	P:/2010/Cluster A/PFR/GM30-042810-AFS#11727

SUMMARY

At its meeting of February 5, 6, 7 and 8, 2007, City Council adopted Parks and Environment Committee Report PE1.3 entitled “Tuggs Incorporated Investment Proposal for Redevelopment of the Eastern Beaches Food Services Facilities,” and in so doing, directed staff to accept Tuggs unsolicited proposal to redevelop the Eastern Beaches food services. Staff were directed to negotiate and enter into a new twenty-year agreement with Tuggs in accordance with the terms contained in the unsolicited proposal, subject to receipt and review of a detailed business plan, including financial forecasts, evidence of financing, a marketing plan and a partnership plan and additional conditions imposed by Council in regards to rent, capital contribution and state of good repair, as set out in the recommendation approved by Council in PE1.3.

Since the approval of PE1.3 City Staff have attempted, without success, to negotiate an agreement consistent with the terms approved by Council. This report seeks authority to vary the terms approved by Council in 2007 in order to arrive at a resolution and to conclude negotiations on terms satisfactory to the Proponent and Parks, Forestry and Recreation staff.

RECOMMENDATIONS

The General Manager of Parks, Forestry and Recreation, and the Deputy City Manager and Chief Financial Officer recommend that:

1. the revised proposal from Tuggs Incorporated, dated April 17, 2009 (the "Revised Proposal" attached as Appendix “A”) be accepted, in accordance with the

recommendations contained in PE1.3 and the following additional conditions and amendments thereto:

a. The Licensed Premises be expanded to include Ashbridges Bay Park;

b. Permission be granted to Tuggs to erect a maximum of three first and/or third party sponsorship signs, as well as a new reader board to be located at Coxwell and Lakeshore Rd. East, subject to compliance with the City's sign by-law and policies, and placed in locations satisfactory to the General Manager of Parks, Forestry and Recreation, provided that there will be no conflict with any City contracts or programs related to sponsorship;

c. Tuggs existing exclusive vending rights be further expanded to permit the location of one licensed mobile vending truck within the limits of the east parking lot located at Ashbridges Bay;

d. Additional authority be granted to Tuggs to sell non-consumable goods and products in the Parklands (entire Eastern Beaches), subject to prior written approval of all such products by the General Manager of Parks, Forestry and Recreation;

e. Tuggs existing exclusive rights to sell alcoholic beverages in Woodbine Beach park be expanded to include Ashbridges Bay Park, subject to Tuggs having obtaining any necessary permits to do so;

f. Council accept Tuggs revised Base Rent proposal of $4,750,000 to the City over a revised term of twenty-one years less a day, being $1,000,000 less than the Base Rent previously approved by Council in 2007;

g. Council accept Tuggs revised guaranteed Sponsorship Revenue sharing payment of $340,000 to the City over the revised term of twenty one years less a day, as detailed in the Revised Proposal, being $410,000 less than the guaranteed Sponsorship Revenue previously approved by Council in 2007;

h. Tuggs be required to contribute $200,000 as set out in section 3.1 of the original proposal to be used for capital improvements Woodbine Beach Park and provided in the year 2011 – 2012. The General Manager of Parks, Forestry and Recreation shall have final approval of the use of the $200,000. and

i. The Term of the agreement be changed from twenty years to twenty-one years less a day commencing with effect from September 17, 2007 and terminating on September 16, 2028.

2. Staff be directed to finalize the agreement with Tuggs as authorized by Council in accordance with the recommendations contained in PE1.3 and as amended by the

recommendations set out in this report, to the satisfaction of the General Manager, Parks, Forestry and Recreation, and in a form satisfactory to the City Solicitor, subject to Tuggs paying any and all outstanding arrears of taxes and rents;

3. If the agreement referred to in Recommendation 2 above is not executed by Tuggs by June 30, 2010, staff be authorized and directed to give notice to Tuggs to cease and vacate by December 31, 2010, and staff be directed to issue an RFP for the Food Service Facilities at the Eastern Beaches to commence in 2011.

Implementation Points

City Staff will finalize the agreement to reflect the terms and conditions outlined in Recommendations 1 and 2 above, or as amended by Council. If Tuggs fails to execute the agreement by June 30, 2010, staff will issue an RFP pursuant to Recommendation 3.

Financial Impact

The Revised Business Proposal dated April 17, 2009 ("the Revised Proposal") provides that Tuggs will pay base rent of $4.750 million and will invest $2.150 million in capital upgrades and facility expansion over the Term of The agreement. Tuggs proposes to pay 15% of any sponsorship revenues to the City or a minimum guaranteed payment of $10,000.00 thousand per year in the first ten years of the agreement and $25,000 per year for the second ten years of the agreement for a total minimum sponsorship revenue of $340,000 over the term of the agreement

The Revised Proposal differs from the 2007 Council adopted proposal in three key ways:

Firstly, the new base rent is set at $200,000 per year initially, with 5-year incremental bump-ups. This is $50,000 per year less than the amount previously approved by Council. If Council accepts this revised Term, the base rent payments to the City over the term of the agreement will be $1.0 million less than the amount previously approved by Council.

Secondly, sponsorship revenue has been reduced from 20% to 15% of total sponsorship revenues. The minimum sponsorship rent has been reduced from $25,000 to $10,000 per year in the first ten years of the agreement and from $50,000 to $25,000 in the second ten years of the agreement. This results in a reduction in the guaranteed portion of sponsorship revenue to the City of $410,000 over the Term of the agreement.

Thirdly, the 2007 proposal provided that Tuggs would pay $200,000 to the City for new capital development in the parklands. Council further directed that these funds be used within Woodbine Beach Park. The Revised proposal does not contain a provision for payment of $200,000 towards capital development. It is now proposed by Tuggs that these funds be spent on sponsorship programs, including the cost of signage. Staff do not support this revision to the Tuggs proposal and recommend that Tuggs continue to be required to contribute the amount of $200,000 for the purposes of capital improvements in the Woodbine Beach Park with the General Manager of Parks, Forestry and Recreation having final approval of the use of the funds.

A detailed financial comparison of the original 2007 proposal and the revised 2009 proposal is set out in the chart attached as Appendix "B" A summary is outlined in the following chart.

Chart 1 – 2007 Proposal vs. Current 2009 Proposal
Key Financial Terms

Item over 20 yr Term	2007 Proposal	2009 Revised Proposal	Difference	Recommended Minimum Terms
Base Rent	$5,750,000	$4,750,000	($1,000,000)	$4,750,000
Sponsorship	$750,000	$340,000	($410,000)	$340,000
Park capital allowance	$200,000	$0	($200,000)	$200,000

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

City Council, at its meeting of September 25, 26, 27, and 28, 2006, adopted Economic Development and Parks Committee Report 6, Clause 22, directing staff to consider Tuggs proposal and to report back on appropriate terms for a twenty-year extension to the agreement with Tuggs.

(City Council, September 25 – 28, 2006, Economic Development & Parks Committee Report 6, Clause 22)
http://www.toronto.ca/legdocs/2006/agendas/council/cc060925/edp6rpt/cl022.pdf

At its meeting of February 5, 6, 7 and 8, 2007, City Council adopted Parks and Environment Committee Report PE1.3 entitled "Tuggs Incorporated Investment Proposal for Redevelopment of the Eastern Beaches Food Services Facilities," and in so doing, directed staff to accept Tuggs unsolicited proposal to redevelop the Eastern Beaches food services.

(City Council, February 5 – 8, 2007, Parks & Environment Committee Item PE1.3)
http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-02-05-cc02-dd.pdf

ISSUE BACKGROUND

Tuggs Incorporated ("Tuggs") has operated the Boardwalk Restaurant in Woodbine Beach Park and two seasonal concessions in the Eastern Beaches (D.D. Sommerville Pool and Kew Gardens) since 1986. Tuggs originally built the Boardwalk Restaurant and has made leasehold improvements to the two concessions. The original agreement and the subsequently exercised two, five-year renewal options expired in September 2007.

In mid-2006, Tuggs approached the City with an unsolicited proposal to extend the agreement for a further 20 years. The Staff Report to Economic Development and Parks Committee in August 2006 recommended against accepting the proposal, and recommended instead that an RFP be issued in order to ensure a fair and transparent process and to ensure that the City's taxpayers received the best value for the use of their assets. City Council at its meeting in September 2006 directed staff to consider Tuggs proposal and to report back on appropriate terms for a twenty-year extension to the agreement with Tuggs.

Following a review of the Tuggs proposal, staff reported back to Committee and Council on acceptance of the proposal, subject to certain additional conditions and points of clarification as outlined in the report adopted by Council on February 5-8, 2007.

Since the adoption of PE1.3 in February 2007, City staff have been attempting, without success, to negotiate an agreement with Tuggs in accordance with the terms contained in the unsolicited proposal and the additional conditions imposed by Council, as set out in PE1.3. Fundamental and ultimately irreconcilable differences of opinion between the City and Tuggs with regard to the nature and extent of what was approved by Council in 2007 have given rise to the amendments being proposed by Parks, Forestry and Recreation Staff in this report.

COMMENTS

The previous agreement expired on 14 September 2007. Tuggs has remained in possession of the premises since that time in accordance with the terms of that agreement pending finalization of the new agreement.

Discussions and negotiations with respect to the new agreement have taken considerably longer than anticipated and the parties were not able to negotiate the business terms in the timeframe contemplated by Council. The difficulties were due to the fact that: (a) there were no RFP terms and conditions to guide staff; and (b) there was a fundamental misunderstanding by Tuggs as to exactly what was approved by Council in February 2007.

Recommendation 2 of the February 2007 Staff Report provided that the Tuggs proposal be accepted "subject to the receipt and review of a detailed business plan, including financial forecasts, evidence of financing, a marketing plan, and a partnership plan between the City and the proponent".

The original business plan submitted by Tuggs envisioned much broader sponsorship rights than those approved by Council and revenues based on the economic climate of 2007. The new business plan submitted by Tuggs reflects the current economic climate and a more accurate understanding by Tuggs of the sponsorship rights now recommended for approval by Council.

The new minimum rent proposed by Tuggs is based on revised projected food and beverage sales and reduced sponsorship revenues.

With respect to the Term of the agreement, Council previously authorized a twenty year term. Notwithstanding that a new agreement has not yet been signed, Tuggs has been in continuous occupation and possession of the premises. Accordingly, the term of the new agreement will commence with effect from the date of expiry of the old term. However, due to the protracted negotiation period, staff is recommending that the Term be extended to 21 years less a day so that the Term will now expire on September 16, 2028. The terms and conditions of the old agreement will continue in effect until such time as the new agreement has been executed.

Staff have been unable to reach an agreement based upon the February 2007 authority, however, in keeping with the intention of Council staff are prepared to recommend an agreement based upon Tuggs Revised Proposal as set out in this report, including a reduction in rent and sponsorship revenue, the expansion of sponsorship rights and the recognition and expansion of certain practices that have been carried on by Tuggs, but not formally authorized by contractual agreement.

Terms of New Proposal

The revised proposal is attached to this report for reference as Appendix A. The proponent has been advised that the proposal will be made public in this report. The revised proposal contains a number of qualitative statements concerning negotiations that staff do not agree with. Nonetheless, salient terms of the revised proposal are listed below using the same criteria employed by staff to assess the original proposal.

Amended Terms

(a) Return on Capital Investment.

The Revised Proposal provides that Tuggs will make a capital expenditure of $2.150 million, as previously approved by Council, to refurbish the Boardwalk Café in Woodbine Beach Park and two other eastern beach concessions at Kew Gardens and Donald D. Summerville Pool, including refurbishment of the exterior and roof of the Boardwalk Café, interior updates including equipment and furnishings, and expansion of the facility to provide for increased year-round use. Tuggs will also be refurbishing and carry out internal improvements to the other concessions. Tuggs proposes to spend $100,000 for new promotional and sponsorship signs. The signs will be used to promote sponsorships, but will also carry some Parks, Forestry and Recreation messages.

The previously proposed $200,000 capital allowance for park improvements which Council recommended be used within Woodbine Beach Park is now proposed to be used to enhance sponsorship activities. The 2007 report adopted by Council recommended that the City have final approval of the $200,000 allowance for development costs, and that such funding be used within Woodbine Beach Park. Staff recommend that the provision of $200,000 for capital development in Woodbine Beach continue to be required as a condition of acceptance of the Revised Proposal.

An outline of proposed capital expenditures by Tuggs is contained in Appendix "C".

All proposed capital work by Tuggs will be done with no budget outlay by the City.

(b) Base Rent

The Revised Proposal provides for payment of rent at levels similar to the payments currently being received in accordance with the terms of the original, expired agreement, but lower than the payments approved by Council in the 2007 proposal. The revised base rent levels are effectively in the 8.5% to 10% range of proposed gross sales which is consistent with food service industry standards. The 2007 proposal provided for rent payment effectively in the 20% range of proposed gross sales, which is high for the industry. In accordance with Council's previous recommendation, effective January 1, 2018, the rent revenue will be recalculated at five-year intervals to reflect fair market rent. Based on this review, the basic rent structure may change.

(c) Sponsorship and Additional Revenue

Tuggs 2007 business plan assumed that Tuggs would be entitled to exclusive and unlimited rights to all advertising and sponsorship in the Parklands. Staff determined that this proposal went beyond what was approved by Council. This misunderstanding on the part of Tuggs with respect to the nature and extent of the sponsorship rights that were approved by Council has been a significant factor in the long negotiation process.

The Revised Proposal limits Sponsorship signage to three signs in the Parklands which must be tied to approved special events or activities.

The Revised Proposal provides a more realistic assessment of potential sponsorship revenues. It provides for a reduction in the annual guaranteed minimum revenue from sponsorships with percentage increases if base returns are exceeded as set out below. The agreement will outline the types of sponsorships to be permitted, the location of any signs, and will require that there shall not be any conflicts with other City sponsorships programs.

2007 Plan:

Sponsorship Revenue:

$20,000 per year or **20%** of sponsorship revenue, whichever is greater for the initial 10-years;   and

$50,000 or **20%** of sponsorship revenue for the second 10 years.

Revised Proposal:

Sponsorship Revenue:

$10,000 per year or **15%** of sponsorship revenue, whichever is greater for the initial 10 years; and

$25,000 or **15%** of sponsorship revenue for the second 10years.

(d) Extension of the Licensed Premises and Sale of Alcohol in Ashbridge's Bay Park

Prior to amalgamation the parklands in Ashbridge's Bay were divided into two separate parks; Woodbine Beach Park, which was under the jurisdiction of the former City of Toronto; and Ashbridge's Bay Park, which was under the jurisdiction of the former Metro Toronto. The boundary literally divided the parklands into two separate areas. Extending the area of the Licensed Premises to include Ashbridge's Bay Park is logical as the City now maintains both parks. For this reason, it is also recommended that Tuggs current rights to sell alcohol in Woodbine Beach Park be extended to include Ashbridge's Bay Park.

New terms

(e) Vending in the East Parking Lot

Tuggs has been vending from the easterly limits of the parking lot for a number of years. Staff recommend that the new agreement provide that Tuggs shall be permitted to operate one licensed mobile vending truck within the limits of the east parking lot at Ashbridges Bay Park subject to compliance with all relevant by-laws, policies and licenses.

(f) The Sale of non-consumable goods and products

Staff are recommending that Tuggs be allowed to sell certain non-consumable goods and products in the Parklands that fall into the categories of lotions and sunscreens; sunglasses and other shade products; informal clothing such as t-shirts; hats and souvenirs; and beach related accessories such as beachballs, frisbees and children's toys and games, subject to the prior written approval of all such products by the General Manager and the prior written approval of any temporary or permanent kiosks used for the sale of these items.

Without being able to determine a market value through the RFP process, and after a lengthy three-year negotiation with Tuggs, staff have made every effort to secure the best terms and conditions possible for this agreement. Having reviewed Tuggs Revised Proposal against the original proposal using the same criteria, staff are of the opinion that the Revised Proposal, together with the additional requirements stipulated in the report recommendations contained in this report, represents a viable business plan.

CONTACT

Doug McDonald, Manager
Business Services, Management Services Branch
Parks, Forestry and Recreation
Tel: 416-392-8578
Fax: 416-392-3355
dmcdona0@toronto.ca

Len Brittain, Director
Corporate Finance
Tel: 416-392-5380
Fax: 416-397-4555
lbrittai@toronto.ca

SIGNATURE

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Brenda Patterson
General Manager,
Parks, Forestry and Recreation

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Cam Weldon
Deputy City Manager
and Chief Financial Officer

ATTACHMENTS

Appendix A – Tuggs Revised Business Proposal, April 2009

Appendix B – Financial Comparison chart of the 2007 Proposal and the Revised Proposal

Appendix C – Proposed capital improvements

Tuggs Business Plan
April 2009

Original Financial Summary

Revised Due to Market Conditions
& Shared Sponsorship Rights,
no change to rent structure

Sections 10.3 to 10.7

10.3 Proposed Capital Investment:

Due to market conditions projected revenues are lower; however, Tuggs is committed to inject the $2,150,000 capital infusion. Work will commence fall 2009 subject to approval of preliminary plans by Parks, Forestry & Recreation. The sum of $200,000, being the **"allowance for other development costs"** will be considered during the redevelopment process to determine a suitable "use" for the benefit of both parties. It is intended that such allowance be used to facilitate sponsorship programs therefore maximizing the profit for the City and Tuggs.

LOCATION & DESCRIPTION	1987-1989 Previous Capital Investment	2009 – 2010 Proposed Capital Investment
Construct existing Boardwalk Restaurant building & Concessions, leasehold improvements and equipment, all utility services and infrastructure	**$2,750,000**	
IMPROVEMENTS - BOARDWALK RESTAURANT & SURROUNDING AREAS Including, expansion to existing building/take-out areas, improvements to entrance/exit areas, new roof, exterior hard landscaping, new patio/BBQ/service-bar w/ water/tent themes, replacement of existing mechanical & HVAC equipment, exterior enhancements to building elevations, re-alignment/new access paths to/from parking/building & handicapped ramps, new exterior lighting, replacement of existing garbage enclosure with new structure for compaction/containment of garbage - wet/dry/recycling & dry/cold storage; new interior leasehold improvements, furniture & fixtures		$1,300,000
NEW SIGNS - SPONSORSHIP PROGRAMS ($100,000) Three (3) ground or other signs within the parklands in locations to be agreed upon by the City and Tuggs and one (1) ground sign to be located on Lakeshore Blvd. East, at the south east corner of Lakeshore & Coxwell, to be approved by the City and TRCA **ALLOWANCE FOR OTHER DEVELOPMENT COSTS ($200,000 as above)**		$300,000
IMPROVEMENTS - KEW GARDENS & SOMMERVILLE POOL Interior & exterior improvements and new equipment to both locations including new patio at Kew Gardens		$150,000
ELECTRONIC EQUIPMENT For Control and Reporting – all facilities		$100,000
NEW EQUIPMENT – restaurant and concessions, mobile vending & seasonal kiosks		$200,000
UPGRADES TO UTILITY & OTHER SUPPORT SERVICES -upgrade to **existing & new** electrical, water and telephone services located in Woodbine Beach Park & other locations		$100,000
PROPOSED (NEW) CAPITAL INVESTMENT		**$2,150,000**
TOTAL CAPITAL INVESTMENT	**$4,900,000**	

10.4 Proposed City Rent (same as Part A, section 10.4)

The original rent structure is set out in the table below. The minimum rent figures (column A) are also set out in section 10.6 in order to "calculate" the net cash flow from food, beverage & non-consumable goods from 2010 to 2014. The net cash flow from All Operations (including sponsorship) is set out in section 10.7.

Year	Minimum Rent Payment to City (A)	Minimum Sponsorship Payment to City (B)	(A + B)	Average Capital Investment (C)	Tuggs Annual Contribution (A + B + C)	Tuggs - 5 Year Term Contribution (A + B + C)
2009	$250,000	$25,000	$275,000	$107,500	$362,500	
2010	$250,000	$25,000	$275,000	$87,500	$362,500	
2011	$250,000	$25,000	$275,000	$87,500	$362,500	
2012	$250,000	$25,000	$275,000	$87,500	$362,500	
2013	$250,000	$25,000	$275,000	$87,500	$362,500	$1,812,500
2014	$275,000	$25,000	$300,000	$87,500	$387,500	
2015	$275,000	$25,000	$300,000	$87,500	$387,500	
2016	$275,000	$25,000	$300,000	$87,500	$387,500	
2017	$275,000	$25,000	$300,000	$87,500	$387,500	
2018	$275,000	$25,000	$300,000	$87,500	$387,500	$1,937,500
2019	$300,000	$50,000	$350,000	$87,500	$437,500	
2020	$300,000	$50,000	$350,000	$87,500	$437,500	
2021	$300,000	$50,000	$350,000	$87,500	$437,500	
2022	$300,000	$50,000	$350,000	$87,500	$437,500	
2023	$300,000	$50,000	$350,000	$87,500	$437,500	$2,187,500
2024	$325,000	$50,000	$375,000	$87,500	$462,500	
2025	$325,000	$50,000	$375,000	$87,500	$462,500	
2026	$325,000	$50,000	$375,000	$87,500	$462,500	
2027	$325,000	$50,000	$375,000	$87,500	$462,500	
2028	$325,000	$50,000	$375,000	$87,500	$462,500	$2,312,500
Totals:	**$5,750,000**	**$750,000**	**$6,500,000**	**$1,750,000**	**$8,250,000**	**$8,250,000**

10.5 Projected Sponsorship Sales:

The following table represents our 5-year annual sponsorship revenue goals, starting in 2010, following infusion of the proposed (new) capital investment. Our Sales, Marketing and Promotion strategies will ensure our goals are achieved. Acquiring two Tier 1 sponsors over the 5-year term is realistic with the organizational structure and the defined roles and responsibilities.

Tuggs proposes that due to: a) market conditions, b) the City's desire to retain and "share" sponsorship rights with Tuggs, and, c) the City's desire to accommodate not-for-profit groups, charities and other local community groups), the original projected sponsorship revenue will decline by at least 25% and perhaps up to 50%. Accordingly, the percentage sponsorship rent payable to the City is proposed to be reduced from 20% to 15%.

Note: The gross revenue figures in table below are based on 25% decline.

Tier Status	2010	2011	2012	2013	2014	5 Year Totals:
1 ($150,000 and over)	0	0	1	1	2	
2 ($75,000 to $149,999)	2	3	2	2	1	
3 ($25,000 to $74,999)	1	2	2	2	2	
4 ($24,999 and less)	4	4	4	5	5	
Projected Gross Revenue	**$262,500**	**$326,250**	**$390,000**	**$453,750**	**$525,000**	**$1,957,500**

Revenue Allocation	2010	2011	2012	2013	2014	5 Year Totals:
20% Promotion, Operation and Management Costs	$52,500	$65,250	$78,000	$90,750	$105,000	$391,500
10% Advertising	$26,250	$32,625	$39,000	$45,375	$52,500	$195,750
10% Client Hospitality	$26,250	$32,625	$39,000	$45,375	$52,500	$195,750
10% Overhead Expenses	$26,250	$32,625	$39,000	$45,375	$52,500	$195,750
15% City Revenue	$39,375	$48,938	$58,500	$68,063	$78,750	$293,625
35% Tuggs Gross Profit	$91,875	$114,188	$136,500	$158,813	$183,750	$685,125
100% Total Revenue Allocation	**$262,500**	**$326,250**	**$390,000**	**$453,750**	**$525,000**	**$1,957,500**

10.6 Projected Food, Beverage & Non-Consumable Goods Sales:

The following table represents our 5-year annual food, beverage & non-consumable goods revenue goals starting in 2010 **after** infusion of the proposed (new) capital investment work is completed. These updated projections may change due to market conditions:

(I) SALES:

- Original projections started with Year 1 Sales of $2,000,000; by Year 3 - Sales of $2,500,000; by Year 5 - Sales of $3,500,000.
- Revised projections start with Year 1 Sales of $2,000,000; by Year 3 - Sales of $2,250,000; by Year 5 - Sales of $2,500,000. The revised projected sales include sales from non-consumable goods such as T-Shirts, hats etc. This represents a growth of 25% over a 5-year period, which is a reasonable estimate under the current market conditions.

(II) SALARIES & WAGES:

- Original projections estimated labour cost at 30% of gross sales.
- Revised projections have more accurately moved this cost upward to represent 33% of Gross Sales in 1st year and then 34% of Gross Sales in subsequent years.
- This represents an approximate increase of 10%, which is reasonable & accurate with the implementation of the new minimum wage legislation.

(III) TAXES & OTHER OCCUPANCY COSTS:

- Original projections estimated these costs at $30,000 in year 1 with minimal increases in subsequent years.
- Revised projections more accurately estimate these costs at $45,000 in each of the next 5 years.

Food, Beverage & Non Consumable Goods Sales – Revised 5 Year Projection

	Yr 2010		Year 2011		Year 2012		Year 2013		Year 2014	
Sales	**$2,000,000**	**100.0%**	**$2,150,000**	**100.0%**	**$2,250,000**	**100.0%**	**$2,350,000**	**100.0%**	**$2,500,000**	**100.0%**
Cost of Sales	$700,000	35.0%	$752,500	35.0%	$787,500	35.0%	$822,500	35.0%	$875,000	35.0%
Gross Profit	**$1,300,000**	**65.0%**	**$1,397,500**	**65.0%**	**$1,462,500**	**65.0%**	**$1,527,500**	**65.0%**	**$1,625,000**	**65.0%**
Controllable Expenses										
Salaries & Wages	$660,000	33.0%	$731,000	34.0%	$765,000	34.0%	$799,000	34.0%	$850,000	34.0%
Employee Benefits	$60,000	3.0%	$64,500	3.0%	$67,500	3.0%	$70,500	3.0%	$75,000	3.0%
Advertising	$30,000	1.5%	$32,250	1.5%	$33,750	1.5%	$35,250	1.5%	$37,500	1.5%
Direct Operational Expenses	$60,000	3.0%	$64,500	3.0%	$67,500	3.0%	$70,500	3.0%	$75,000	3.0%
Utilities	$38,400	1.9%	$41,280	1.9%	$43,200	1.9%	$45,120	1.9%	$48,000	1.9%
Admin / General & Common Area	$40,000	2.0%	$43,000	2.0%	$45,000	2.0%	$47,000	2.0%	$50,000	2.0%
Maintenance	$4,200	0.2%	$4,515	0.2%	$4,725	0.2%	$4,935	0.2%	$5,250	0.2%
Insurance (Fire & Liab)	$20,000	1.0%	$25,000	1.2%	$30,000	1.3%	$30,001	1.4%	$30,002	1.4%
Total Operating Expenses	$912,600	45.6%	$1,006,045	46.8%	$1,056,675	47.0%	$1,102,306	47.0%	$1,170,752	47.0%
Income Before Rent, Other Occupation Costs, Interest & Depreciation	**$387,400**	**19.4%**	**$391,455**	**18.2%**	**$405,825**	**18.0%**	**$425,194**	**18.0%**	**$454,248**	**18.0%**
Occupancy Costs										
Net Rent	$250,000	64.5%	$250,000	63.9%	$250,000	61.6%	$250,000	58.8%	$250,000	55.0%
Taxes & Other Occupancy Costs	$45,000	11.6%	$45,000	11.5%	$45,000	11.1%	$45,000	10.6%	$45,000	9.9%
Total Occupancy Costs	$295,000	76.1%	$295,000	75.4%	$295,000	72.7%	$295,000	69.4%	$295,000	64.9%
Net Cash Flow Before Financing, Depreciation & Income Tax	**$92,400**	**4.6%**	**$96,455**	**4.5%**	**$110,825**	**4.9%**	**$130,194**	**5.5%**	**$159,248**	**6.4%**

10.7 Net Cash Flow from All Operations:

The following table represents projected Net Cash Flow from food, beverage, non-consumable goods and sponsorship programs over a 5-year term. The revised figures take into account the anticipated 25% to 50% decline in Sponsorship Revenue due to market conditions and “shared” sponsorship rights between Tuggs and the City.

Furthermore, revised financing costs are based on a 10-year amortization at current commercial loan rates of 6.50% (as opposed to 15 year amortization in the 2007 business plan). The new “lending policies” by major Canadian Banks pose new challenges, however, such policies are a direct result of the current credit & liquidity crisis in the banking system.

The net cash flow results set out in the table below indicate undesirable results for tuggs. The proposed solution for improved net cash flow results is addressed in part “c” proposed below.

Based on the existing rent structure and changes to the loan repayment schedule as noted above, the net cash flow figures set out in the table below indicate Tuggs would be faced with a cumulative loss of $403,000 in the first 4 years. Needless to mention, this is not a fair rate of return for Tuggs.

	2010	2011	2012	2013	2014
Food & Beverage Net Cash Flow Before Financing, Depreciation & Income Tax (final row from 10.6 ABOVE)	**$92,400**	**$96,455**	**$110,825**	**$130,194**	**$159,248**
Sponsorship Gross Profit - 35% Share for Tuggs (from 10.5)	**$91,875**	**$114,188**	**$136,500**	**$158,813**	**$183,750**
Total Net Cash Flow (Including Gross Profit from Sponsorship Revenue) Before Financing, Depreciation & Income Tax	**$184,275**	**$210,643**	**$247,325**	**$289,007**	**$342,998**
Principal Repayment ($2,150,000 amortized over 10 years)	$215,000	$215,000	$215,000	$215,000	$215,000
Average Annual Interest Repayment (6.50% amortized over 10 years on declining basis)	$139,750	$125,775	$111,800	$97,825	$83,850
Total Financing Costs	**$354,750**	**$340,775**	**$326,876**	**$312,825**	**$298,850**
Total Net Cash Flow (Including Gross Profit from Sponsorship Revenue) After Financing, Before Depreciation & Income Tax	**-$170,475**	**-$130,132**	**-$79,551**	**-$23,818**	**$44,148**

PART C

Proposed (New) Financial Summary

Sections 10.3 to 10.7

10.3 Proposed Capital Investment (SAME AS PART B):

Due to market conditions projected revenues are lower; however, Tuggs is committed to inject the $2,150,000 capital infusion. Work will commence fall 2009 subject to approval of preliminary plans by Parks, Forestry & Recreation. The sum of $200,000, being the **"allowance for other development costs"** will be considered during the redevelopment process to determine a suitable "use" for the benefit of both parties. It is intended that such allowance be used to facilitate sponsorship programs therefore maximizing the profit for the City and Tuggs.

LOCATION & DESCRIPTION	1987-1989 Previous Capital Investment	2009 – 2010 Proposed Capital Investment
Construct existing Boardwalk Restaurant building & Concessions, leasehold improvements and equipment, all utility services and infrastructure	**$2,750,000**	
IMPROVEMENTS - BOARDWALK RESTAURANT & SURROUNDING AREAS Including, expansion to existing building/take-out areas, improvements to entrance/exit areas, new roof, exterior hard landscaping, new patio/BBQ/service-bar w/ water/tent themes, replacement of existing mechanical & HVAC equipment, exterior enhancements to building elevations, re-alignment/new access paths to/from parking/building & handicapped ramps, new exterior lighting, replacement of existing garbage enclosure with new structure for compaction/containment of garbage - wet/dry/recycling & dry/cold storage; new interior leasehold improvements, furniture & fixtures		$1,300,000
NEW SIGNS - SPONSORSHIP PROGRAMS ($100,000) Three (3) ground or other signs within the parklands in locations to be agreed upon by the City and Tuggs and one (1) ground sign to be located on Lakeshore Blvd. East, at the south east corner of Lakeshore & Coxwell, to be approved by the City and TRCA **ALLOWANCE FOR OTHER DEVELOPMENT COSTS ($ 200,000 as above)**		$300,000
IMPROVEMENTS - KEW GARDENS & SOMMERVILLE POOL Interior & exterior improvements and new equipment to both locations including new patio at Kew Gardens		$150,000
ELECTRONIC EQUIPMENT For Control and Reporting – all facilities		$100,000
NEW EQUIPMENT – restaurant and concessions, mobile vending & seasonal kiosks		$200,000
UPGRADES TO UTILITY & OTHER SUPPORT SERVICES -upgrade to **existing & new** electrical, water and telephone services located in Woodbine Beach Park & other locations		$100,000
PROPOSED (NEW) CAPITAL INVESTMENT		**$2,150,000**
TOTAL CAPITAL INVESTMENT	**$4,900,000**	

10.4 Proposed Rent Structure, History & Solutions:
(rent structure - see table below)

HISTORY & SOLUTIONS

At its meeting in February 2007, Council considered and approved the Tuggs Investment Proposal and authorized City Staff to negotiate and execute a new 20-year agreement with Tuggs. In accordance with Council's mandate, such agreement was to be executed by July 2007. However, the issues of the redevelopment are detailed and complex and the parties could not negotiate the business terms in the timeframe contemplated by Council.

In the meantime, Tuggs operated the existing facilities, however, to its financial detriment; that is, since the new agreement was not executed by July 2007, Tuggs was not in a position to:

1) Commence expenditure of "approved loan facilities" to increase revenues & starting sponsorship programs
2) Design and make plans for the implementation of the capital improvements
3) Execute strategies to increase Food & Beverage sales and marketing relating to same
4) Establish relationships with corporate partners and sposnors in order to execute Sponsorship Programs and create new revenue streams as planned.
5) Generate profit necessary to pay for ongoing expenses, such as rent, salaries & wages etc.

Tuggs and the City negotiated various business terms over the past year. In the meantime, Tuggs could not increase revenues as planned in 2007; since the execution of the business plan and infusion of the investment capital was "put on hold". Needless to mention, during this timeframe, the market conditions and state of the economy dramatically changed for the worse. Tuggs was therefore faced with greater challenges and, in order to reduce expenses, it closed the Boardwalk restaurant from December 22, 2008 to March 15, 2009 leading to further reduced revenues. The new revenue streams as projected could not be realized and will not be possible until the new agreement is executed. To address such delays and concerns and "keep things going", the City and Tuggs have discussed and negotiated various changes to the business terms of the agreement.

The foodservice industry is challenging with declining revenues and profit margins. The renovations and other improvements planned by Tuggs will help to meet such challenges. Following renewal of the foodservice facilities, Tuggs expects that food and beverage revenues will be maintained and moderately increased over the short-term. Tuggs therefore greatly relies on Sponsorship Revenue to generate the profit necessary to offset the challenge to make profit from food & beverage sales. Therefore, it is imperative that such Sponsorship Programs start as soon as possible. The City will also benefit from sponsorship programs; the City, will, for the first time earn rent from a "new revenue stream". In past, events and other sponsorship initiatives took place on a case-by-case basis in the parklands, and the City earned a "simple" permit fee. The new plan presents an opportunity to establish and secure relationships with sponsors both on a short and long-term basis.

It is fair that Tuggs be given consideration for the lengthy delays of the negotiation process that took place between 2007 and 2008 and accordingly, Tuggs proposes the following. Tuggs will pay the City on account of occupancy cost the total sum of $150,000 for the period from September 15, 2007 to December 31, 2008. This sum is proposed and based on the sales generated, which are $1,730,000 for the period. The sum is approximately 9% of sales generated and in keeping with industry norms.

Further, it is fair the City grant Tuggs a term of one additional year to make up for the “delays to negotiate the agreement”. To further assist Tuggs to moderately increase sales revenues and secure sponsors Tuggs should be permitted to sell non-consumable goods such as T-Shirt, hats, etc.

Minimum Rent

The **minimum rent** set out in the table below (column “A”) is based on the revised projected food and beverage sales and projected sponsorship revenue. The sum for minimum rent represents a range of 8.5% to 10% of sales over the first 5years. Tuggs needs to operate under a fair “occupancy cost model” to implement the capital improvements while maintaining a profitable position. The business model for Tuggs is seasonal, subject to inclement weather, which may seriously impact revenue streams. To maintain and generate greater food and beverage revenue, Tuggs will also purchase new and modern designed seasonal mobile and kiosk equipment.

Minimum Sponsorship Rent

The **minimum sponsorship rent** set out in the table below (column “B”) is based on the revised projected sponsorship revenues set out in section 10.5.

Percentage Sponsorship Rent

The **percentage sponsorship rent** has been reduced from 20% to 15% to account for the new projected sponsorship revenues.

Notes:

1) Sponsorship revenue projections (set out in 10.5) are high enough such that, the percentage sponsorship rent will exceed the minimum sponsorship payments (column “B”) set out in the table below (i.e., 15% of $66,666=$10,000)

2) The overall cash flow impact is outlined in detail in Section 10.7.

3) Sponsorship Programs should be commenced as soon as possible. This will help create new revenue streams, expected to help Tuggs move toward a profitable position and pay the City increased sponsorship rent.

RENT STRUCTURE

MINIMUM RENT & MINIMUM SPONSORSHIP RENT
Commencing January 1, 2009

Year	Minimum Rent Payment to City (A)	Minimum Sponsorship Payment to City (B)	(A + B)	Average Capital Investment (C)	Tuggs Annual Contribution (A + B + C)	Tuggs - 5 Year Term Contribution (A + B + C)
2009	$200,000	N/A	$200,000	$87,500	$287,500	
2010	$200,000	$10,000	$210,000	$87,500	$297,500	
2011	$200,000	$10,000	$210,000	$87,500	$297,500	
2012	$200,000	$10,000	$210,000	$87,500	$297,500	
2013	$200,000	$10,000	$210,000	$87,500	$297,500	$1,477,500
2014	$225,000	$10,000	$235,000	$87,500	$322,500	
2015	$225,000	$10,000	$235,000	$87,500	$322,500	
2016	$225,000	$10,000	$235,000	$87,500	$322,500	
2017	$225,000	$10,000	$235,000	$87,500	$322,500	
2018	$225,000	$10,000	$235,000	$87,500	$322,500	$1,612,500
2019	$250,000	$25,000	$275,000	$87,500	$362,500	
2020	$250,000	$25,000	$275,000	$87,500	$362,500	
2021	$250,000	$25,000	$275,000	$87,500	$362,500	
2022	$250,000	$25,000	$275,000	$87,500	$362,500	
2023	$250,000	$25,000	$275,000	$87,500	$362,500	$1,812,500
2024	$275,000	$25,000	$300,000	$87,500	$387,500	
2025	$275,000	$25,000	$300,000	$87,500	$387,500	
2026	$275,000	$25,000	$300,000	$87,500	$387,500	
2027	$275,000	$25,000	$300,000	$87,500	$387,500	
2028	$220,000	$25,000	$245,000	$87,500	$332,500	$1,882,500
Totals:	**$4,695,000**	**$340,000**	**$5,035,000**	**$1,750,000**	**$6,785,000**	**$6,785,000**

10.5 Projected Sponsorship Sales (Same as Part B):

The following chart represents our 5-year annual sponsorship revenue goals, starting in 2010, following infusion of the proposed (new) capital investment. Our Sales, Marketing and Promotion strategies will ensure our goals are achieved. Acquiring two Tier 1 sponsors over the 5-year term is realistic with the organizational structure and the defined roles and responsibilities.

Tuggs & City Staff agree that due to: a) market conditions, b) the City's desire to retain and "share" sponsorship rights with Tuggs, and, c) the City's desire to accommodate not-for-profit groups, charities and other local community groups), the original projected sponsorship revenue will decline by at least 25% and perhaps up to 50%. Accordingly, the parties agree the percentage sponsorship rent payable to the city should be reduced from 20% to 15%.

Note: The gross revenue figures in table below are based on 25% decline.

Tier Status	2010	2011	2012	2013	2014	5 Year Totals:
1 ($150,000 and over)	0	0	1	1	2	
2 ($75,000 to $149,999)	2	3	2	2	1	
3 ($25,000 to $74,999)	1	2	2	2	2	
4 ($24,999 and less)	4	4	4	5	5	
Projected Gross Revenue	**$262,500**	**$326,250**	**$390,000**	**$453,750**	**$525,000**	**$1,957,500**

Revenue Allocation	2010	2011	2012	2013	2014	5 Year Totals:
20% Promotion, Operation and Management Costs	$52,500	$65,250	$78,000	$90,750	$105,000	$391,500
10% Advertising	$26,250	$32,625	$39,000	$45,375	$52,500	$195,750
10% Client Hospitality	$26,250	$32,625	$39,000	$45,375	$52,500	$195,750
10% Overhead Expenses	$26,250	$32,625	$39,000	$45,375	$52,500	$195,750
15% City Revenue	$39,375	$48,938	$58,500	$68,063	$78,750	$293,625
35% Tuggs Gross Profit	$91,875	$114,188	$136,500	$158,813	$183,750	$685,125
100% Total Revenue Allocation	**$262,500**	**$326,250**	**$390,000**	**$453,750**	**$525,000**	**$1,957,500**

10.6 Projected Food, Beverage & Non-Consumable Goods Sales:

The following table represents our 5-year annual food, beverage & non-consumable goods revenue goals starting in 2010 after infusion of the proposed (new) capital investment work is completed. These updated projections are due to the change in market conditions:

(I) SALES:

- Original projections started with Year 1 Sales of $2,000,000; by Year 3 - Sales of $2,500,000; by Year 5 - Sales of $3,500,000.
- Revised projections start with Year 1 Sales of $2,000,000; by Year 3 - Sales of $2,250,000; by Year 5 - Sales of $2,500,000. The revised projected sales include sales from non-consumable goods such as T-Shirts, hats etc. This represents a growth of 25% over a 5-year period, which is a reasonable estimate under the current market conditions.

(II) SALARIES & WAGES:

- Original projections estimated labour cost at 30% of gross sales.
- Revised projections have more accurately moved this cost upward to represent 33% of Gross Sales in 1st year and then 34% of Gross Sales in subsequent years.
- This represents an approximate increase of 10%, which is reasonable & accurate with the implementation of the new minimum wage legislation.

(III) TAXES & OTHER OCCUPANCY COSTS:

- Original projections estimated these costs at $30,000 in year 1 with minimal increases in subsequent years.
- Revised projections more accurately estimate these costs at $45,000 in each of the next 5 years.

NOTES:

- The reduced minimum rent partially offsets the negative impact due to reduced sales, increased labour and other occupancy costs.
- The proposed (new) financial summary presents a more positive and viable cash flow - approximately a 38% increase (over 5 years) from the projections shown in the same 10.6 section, Part B.

Food, Beverage & Non Consumable Goods Sales

Revised 5 Year Projection with reduced minimum rent

	Yr 2010		Year 2011		Year 2012		Year 2013		Year 2014	
Sales	**$2,000,000**	**100.0%**	**$2,150,000**	**100.0%**	**$2,250,000**	**100.0%**	**$2,350,000**	**100.0%**	**$2,500,000**	**100.0%**
Cost of Sales	$700,000	35.0%	$752,500	35.0%	$787,500	35.0%	$822,500	35.0%	$875,000	35.0%
Gross Profit	**$1,300,000**	**65.0%**	**$1,397,500**	**65.0%**	**$1,462,500**	**65.0%**	**$1,527,500**	**65.0%**	**$1,625,000**	**65.0%**
Controllable Expenses										
Salaries & Wages	$660,000	33.0%	$731,000	34.0%	$765,000	34.0%	$799,000	34.0%	$850,000	34.0%
Employee Benefits	$60,000	3.0%	$64,500	3.0%	$67,500	3.0%	$70,500	3.0%	$75,000	3.0%
Advertising	$30,000	1.5%	$32,250	1.5%	$33,750	1.5%	$35,250	1.5%	$37,500	1.5%
Direct Operational Expenses	$60,000	3.0%	$64,500	3.0%	$67,500	3.0%	$70,500	3.0%	$75,000	3.0%
Utilities	$38,400	1.9%	$41,280	1.9%	$43,200	1.9%	$45,120	1.9%	$48,000	1.9%
Admin / General & Common Area	$40,000	2.0%	$43,000	2.0%	$45,000	2.0%	$47,000	2.0%	$50,000	2.0%
Maintenance	$4,200	0.2%	$4,515	0.2%	$4,725	0.2%	$4,935	0.2%	$5,250	0.2%
Insurance (Fire & Liab)	$20,000	1.0%	$25,000	1.2%	$30,000	1.3%	$30,001	1.4%	$30,002	1.4%
Total Operating Expenses	$912,600	45.6%	$1,006,045	46.8%	$1,056,675	47.0%	$1,102,306	47.0%	$1,170,752	47.0%
Income Before Rent, Other Occupation Costs, Interest & Depreciation	**$387,400**	**19.4%**	**$391,455**	**18.2%**	**$405,825**	**18.0%**	**$425,194**	**18.0%**	**$454,248**	**18.0%**
Occupancy Costs										
Net Rent	$200,000	51.6%	$200,000	51.1%	$200,000	49.3%	$200,000	47.0%	$225,000	49.5%
Taxes & Other Occupancy Costs	$45,000	11.6%	$45,000	11.5%	$45,000	11.1%	$45,000	10.6%	$45,000	9.9%
Total Occupancy Costs	$245,000	63.2%	$245,000	62.6%	$245,000	60.4%	$245,000	57.6%	$270,000	59.4%
Net Cash Flow Before Financing, Depreciation & Income Tax	**$142,400**	**7.1%**	**$146,455**	**6.8%**	**$160,825**	**7.1%**	**$180,194**	**7.7%**	**$184,248**	**7.4%**

10.7 Net Cash Flow from All Operations:

Net cash flow figures are set out in the table below over a 5-year term. Clearly, the results are better than those indicated in the net cash flow table in Part B, section 10.6.

As set out in the same section 10.7, Part B, the projections below include a Revised Financing Cost based on a 10-year amortization at 6.50% (as opposed to a 15 year amortization & assumes no change in the interest rate).

The table below illustrates that Tuggs can now partially offset and reduce the cumulative loss **of about $229,000 from** the first 3 years of operation by year 4. This would be acceptable for Tuggs' lender and satisfactory for Tuggs as it will be in a profitable position. This is clearly a more viable and fair rate of return for Tuggs thus yielding a mutually beneficial relationship with the City.

	2010	2011	2012	2013	2014
Food & Beverage Net Cash Flow Before Financing, Depreciation & Income Tax (final row from 10.6)	**$142,400**	**$146,455**	**$160,825**	**$180,194**	**$184,248**
Sponsorship Gross Profit - 35% Share for Tuggs (from 10.5)	**$91,875**	**$114,188**	**$136,500**	**$158,813**	**$183,750**
Total Net Cash Flow (Including Gross Profit from Sponsorship Revenue) Before Financing, Depreciation & Income Tax	**$234,275**	**$260,643**	**$297,325**	**$339,007**	**$367,998**
Principal Repayment ($2,150,000 amortized over 10 years)	$215,000	$215,000	$215,000	$215,000	$215,000
Annual Interest Repayment (6.50% amortized over 10 years on declining basis)	**$354,750**	**$340,000**	**$326,800**	**$312,825**	**$298,850**
Total Financing Costs					
Total Net Cash Flow (Including Gross Profit from Sponsorship Revenue) After Financing, Before Depreciation & Income Tax	**-$120,475**	**-$79,357**	**-$29,475**	**$26,182**	**$69,148**

Appendix 'B'

Period	Tuggs 2007 Council Approved Business Proposal-Base Rent Revenue	Tuggs New 2009 Business Proposal/ Base Rent Revenue	Difference in Base Revenue	Tuggs 2007 Council Approved Business Proposal-Sponsorship Revenue	Tuggs New 2009 Business Proposal-Sponsorship Revenue	Difference in Sponsorship Revenue
2009	$250,000	$200,000	$50,000	$25,000	N/A	$25,000
2010	$250,000	$200,000	$50,000	$25,000	$10,000	$15,000
2011	$250,000	$200,000	$50,000	$25,000	$10,000	$15,000
2012	$250,000	$200,000	$50,000	$25,000	$10,000	$15,000
2013	$250,000	$200,000	$50,000	$25,000	$10,000	$15,000
2014	$275,000	$225,000	$50,000	$25,000	$10,000	$15,000
2015	$275,000	$225,000	$50,000	$25,000	$10,000	$15,000
2016	$275,000	$225,000	$50,000	$25,000	$10,000	$15,000
2017	$275,000	$225,000	$50,000	$25,000	$10,000	$15,000
2018	$275,000	$225,000	$50,000	$25,000	$10,000	$15,000
2019	$300,000	$250,000	$50,000	$50,000	$25,000	$25,000
2020	$300,000	$250,000	$50,000	$50,000	$25,000	$25,000
2021	$300,000	$250,000	$50,000	$50,000	$25,000	$25,000
2022	$300,000	$250,000	$50,000	$50,000	$25,000	$25,000
2023	$300,000	$250,000	$50,000	$50,000	$25,000	$25,000
2024	$325,000	$275,000	$50,000	$50,000	$25,000	$25,000
2025	$325,000	$275,000	$50,000	$50,000	$25,000	$25,000
2026	$325,000	$275,000	$50,000	$50,000	$25,000	$25,000
2027	$325,000	$275,000	$50,000	$50,000	$25,000	$25,000
2028	$325,000	$275,000	$50,000	$50,000	$25,000	$25,000
Totals	**$5,750,000**	**$4,750,000**	**$1,000,000**	**$750,000**	**$340,000**	**$410,000**

Appendix C

IMPROVEMENTS - BOARDWALK RESTAURANT & SURROUNDING AREAS

Including, expansion to existing building/take-out areas, improvements to entrance/exit areas, new roof, exterior hard landscaping, new patio/BBQ/service-bar w/ water/tent themes, replacement of existing mechanical & HVAC equipment, exterior enhancements to building elevations, re-alignment/new access paths to/from parking/building & handicapped ramps, new exterior lighting, replacement of existing garbage enclosure with new structure for compaction/containment of garbage - wet/dry/recycling & dry/cold storage; new interior leasehold improvements, furniture & fixtures

IMPROVEMENTS - KEW GARDENS & SOMMERVILLE POOL

Interior & exterior improvements and new equipment to both locations including new patio at Kew Gardens