



The Annapolis Market House at City Dock Technical Proposal

by
The Annapolis Oyster Company

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Rendered Perspective



A.

Credentials

Relevant Experience



With over 40 years in the food industry, The Annapolis Oyster Company has been proud to call Annapolis Maryland their home. As owner/operators of community culinary institutions such as Buddies Crabs and Ribs and Yellow Fin Steak House, we have years of demonstrated direct experience in managing and operating establishments that offers fresh and prepared food products to the public.

More importantly, these establishments have become part of the community as family gathering places for generations of Annapolitans and tourists alike come to share good food and fellowship.

The Annapolis Oyster Company has been operating The Market House for the past 5 years. We understand the complexities of operating this gentle old structure in the face of the onslaught of frequent flooding, seasonal tourism, and the age of the structure.

As we will demonstrate, due to the high cost of operations and overcoming several years of closure, The Market House is still not a profitable venture. However, the year to year trend is positive and with the opportunity to have The Market House remain open through this new phase of transformation, a new opportunity for profitability can emerge.

The City of Annapolis will have to be an integral part of this transformation. Our proposal includes the addition of a full service Market Bar which will serve cocktails and wine and an Oyster Bar which will serve beer.

Our experience is wide and deep in the food service industry and the capacity to operate the Market House is demonstrated daily as our current role as operator/manager. We are the current tenant and have for the past 5 years worked with a plan which we inherited. We know from firsthand experience what is working and what is not. As the original tenants failed, we stepped in and operated their stalls per their original food offering program.

The dynamics of market places has changed significantly over the past few years and a new generation of market purveyors has emerged. As seen in such places as Union Market in Washington DC and the Mount Vernon Marketplace and R-Haus in Baltimore, there exists exciting culinary opportunities in the (semi) public market space. Coupled with the rise of the Farm to Table movement and the ever popular farmer's markets, we see an opportunity to create a new dynamic destination at The Market House.

Our goal is to transition out of the role as stall operator for the entire market and

become the manager for both the Market House and a Farmer's Market which would operate seasonally 2 mornings a week. We intend to retain the things we know best however, seafood and alcoholic beverages.

The long term plan is to be operators of two of the stalls planed for the Market and to sublease the other spaces to new boutique food providers to allow for greater diversity and dynamism. The program for the Market is outlined further in this submission.

The principals of the Annapolis Oyster Company are Michael Blonder, Harvey Blonder and Carl Charapp.

Résumés

Mike Blonder is the principal partner in the Market House team and has over 33 years of experience in convenience & variety store operations at A.L. Goodies General Store on Main Street, making it thrive year after year. His management skills and purchasing prowess will be a significant asset to the Market House. He has been a leader in the Annapolis business community since 1976. His prominent involvement as a Board member for The Talent Machine Company (501c3) has expanded his connections and understanding of the Annapolis populous outside of Main Street.

Harvey Blonder has experience in restaurant management and has managed multiple retail and stand-alone locations. Mr. Blonder is the most experienced member of our team and will be very useful in implementing this plan and seeing that it comes to fruition. His management company has been in business since 1975 and may provide subtenants adequate funding for all necessary spaces that need to be installed. Mr. Blonder's experiences in fast food, quick service restaurants, steak houses, fish houses, BBQ restaurants, and carry-out seafood shops will help guide the way to a successful grouping of qualified tenants.

Chef Carl Charapp has over 30 years of experience in the food service industry. He has designed and built-out several restaurant spaces, designed numerous menus with original recipes, created operational procedures for both front and back of the house, and managed daily operations. Trained at Johnson and Wales University in Rhode Island. Chef Carl has worked for The Rib restaurant in Rockville, Maryland; Bain's Deli of Philadelphia; Silver Diner Corporation in Maryland; owned and operated Carl's Café in Annapolis; and he is the current Manager/Partner of the Market House since its reopening in 2013. Beyond helping to design the new physical layout of the Market House, creating the menu, ordering and preparing all food items, overseeing the guest vendors, Chef Carl will be responsible for maintaining the daily operations of the Market House through hiring and training a team of employees.

Financial Capability

An audited financial statement will be provided under separate cover if further requested.

Insurance

Current insurances will remain in place per the current lease terms.

Bonding

The current deposit will remain in place per the renewal provisions of the current lease. If additional monies are required, we can discuss during the LOI period.

B. Satisfaction of Minimum Qualifications & Services

Minimum Qualifications

See credentials and relevant experience in section A.

Minimum Services

1. Experienced management will be available during all hours of Market House Operation.
2. The Market House concept is provided in section D of this proposal. The product mix will include fresh foods, dairy products, fresh breads, fresh seafood, pre-prepared foods, fast-casual foods, and non-alcoholic beverages as proposed by the city, in large part accomplished by sub-tenant offerings.
3. The Market House hours will remain as is, possibly extending further into the evening.
4. The Annapolis Oyster Company has in-house maintenance personnel capable of taking care of preventative maintenance and any issues that arise from mechanical, electrical, or plumbing problems and have done so throughout the previous 5 year lease term.
5. The Annapolis Oyster Company will provide requested semi-annual reports.
6. Goods and services to be offered beyond the minimums will include:
 - a. A covered farmer's market on the Hopkins Plaza featuring local and traveling vendors. The farmer's market will be offered multiple times per week based on consumer demand.
 - b. The farmer's market will convert to seasonal outdoor seating for Market House customers in the evening.
 - c. A specialty oyster/seafood bar offering local microbrews will be permanent feature inside the market house.
 - d. A bar offering cocktails and wines inside the market house.
 - e. Possible seasonally longer hours to accommodate summertime demand.
 - f. An active public space "programming initiative" will be created to activate the Market House throughout the year. Events will include music, community forums, art openings, cultural exchanges and other events as requested by the community and Market House Advisory Board.

Sub-Tenants

In addition to the open air Farmer's Market in Hopkins Plaza, the Oyster/Seafood Bar and the Cocktail Bar, there will be 4 additional tenant spaces available for lease to carefully curated food purveyors. The spaces will seek to appeal to a range of customer's demands and may include a coffee shop/roaster with smoothies and breakfast items, a grilled and fried chicken stand, an Italian grocer/deli, an Asian noodle bowl and dumpling joint, and an awesome burger venue. These vendors will be selected with input from our Market House Advisory Board. We will seek to create destination dining venues within the destination that is the Market House.

C. Competence, Product Mix, & Services

Managerial Competence

In 2012, the City of Annapolis made a push to reopen the once vital Market House. After extensive redesign and costly time and budget overruns, the City of Annapolis was stuck. They had a vision but none to help operate the greatly anticipated reopening of this staple of the community. Annapolis Oyster Company was the team the City turned to for help. A lot of work went into restoring the Market House to its former glory, as a mainstay of the bay and city center. Annapolis Oyster House has worked for years to improve the Market House's conditions and retaining the historical importance of the building in a modern setting.

The building originally reopened with five tenants including Annapolis Oyster Company but over time Annapolis Oyster Company was the only tenant who survived, assuming the other businesses' leases as they left. Now the building is entirely managed and operated by Annapolis Oyster Company and we are ready to envision a new concept for the market, skillfully retaining what is good and replacing what is not working with contemporary customer demands. We want to turn the amalgam of old eateries into one cohesive space that better serves the community and tourism industry.

Annapolis Oyster Company has a personal investment in the Annapolis community. The family oriented company has been involved with city and community since the early 1970s, empowering local businesses and employing hundreds of Annapolis citizens. Our company wants to be integral in the city's longevity and success. Our goal is to keep everyone working through the transformation period.

On top of managing the current Market House, Annapolis Oyster Company has similar experience with Fat Boys Crabs in Crofton, Yellow Fin Steak House in Edgewater and Buddies Crabs and Ribs in downtown Annapolis.



Presentation of Product Mix

Annapolis Oyster Company will create a Market House Advisory Board which will assist and advise the management company in selecting the sub tenants in the Market House. This board will include members from:

1. A Ward 1 community representative.
2. Representative from the Mayor's Office.
3. The Ward 1 Alderman.
4. A member of the arts community.
5. A member from the tourist industry.
6. A member from the local food industry.
7. A food writer/critic.
8. A member from the business community.

The chair of this committee will be a principal of the Annapolis Oyster Company.

As previously described, we envision a high quality mix of fresh and prepared foods and beverages for the Market House. Our intention is to include as many items as feasible in each vendor space provided. We hope to offer a variety of fresh fruits, meats and vegetables, dairy products, fresh baked goods, fresh seafood, foods prepared off-site which may be too difficult or time consuming for routine personal preparation, foods for immediate consumption, including sandwiches, salads and cooked items and non-alcoholic beverages for on-site consumption.

In order to accommodate this tall order, we envision creating an outdoor seasonal farmer's market which will open twice a week. The products offered inside the Market House will be 6 permanent vendor stalls that will provide prepared foods for immediate consumption and to-go. Two of the vendor stalls will be comprised of an oyster/seafood bar with local and regional craft beer and a cocktail/wine bar. We envision the farmer's market to be lined up in Hopkins Plaza under a newly-constructed loggia which can be used for outdoor restaurant seating in the evenings.

Quality of Product Mix

The product mix will have a consistently high yet affordable quality. Temporary vendors will be of the same or higher quality. Most of the temporary vendors will be local, but traveling vendors will also be welcome. All permanent vendors will be local.

How Presentation and Quality of Product Mix Will be Achieved

As described above, The Market House Advisory Board will consult with the Annapolis Oyster Company on the selection and timeliness of the sub tenant mix as well as establish standards for food quality, presentation and service. The vendors' presentations will be achieved by creating the classic-yet-modern aesthetic that appeals to customers, thereby creating the foot traffic that will attract the type of vendors envisioned for the space. The presentation will be mostly preconceived, leaving some presentation freedom to the booths on Hopkins Plaza. The predesigned presentation is detailed in section D.

Customer Services

Deliveries: None contemplated at this time. Various internet apps that offer delivery may be accommodated.

Hours of Operation: Market House - 8am – 7pm with seasonal extensions into the evening.

Farmer's Market: Seasonally Sunday and Thursday mornings 7am – 12:00pm.

D. Interior Design & Schedules



The Annapolis Community needs the Market House to hold the position as the City's "center" to their retail district. The history and location of the Market House have the potential to fulfill the needs of residents by being a gathering place to socialize as well as purchase local flavors from vendors across the region. Tourists will be drawn to the Market House for quick, high quality dining while experiencing shopping choices from our regional vendors. Local organizations will finally have space downtown to gather for special events or fundraising.

From the outside, the Market House will appear welcoming by adding additional outdoor tables and converting the Hopkins Plaza into a flexible pedestrian space removing the built in planters and redesigning the space. The Plaza will be used as a farmer's market and flower market during the day. In the evenings, it would convert to an outdoor dining area for the Market House food sales. The Plaza could also host free local performers or fundraising events for local organizations. (See the attached site plan and Hopkins Plaza plans). We propose building a new "loggia", a traditional ancient market structure, along the parking lot. This loggia will function as market spaces during the day and seating in the evenings.

The Market House will vibrate with activity as well as offer customer's a comfortable place to relax. By separating the interior space with clear defined areas yet maintaining an open concept, patrons will be able to easily and quickly understand how to order foods and pay for them. This new vision will ensure that the Market House experience will be enjoyed by all, quickly accelerating it's place as the "center" of the downtown.

As described previously, this transformation of the Market House will occur in phases in order to keep the facility in operation without closure during the renovation. The attached Market House plan indicates the new tenant numbering system.

The initial phase will be to remove the tenants and counters in the southern side of the space creating a large indoor seating area with communal tables, four-tops, and window side-seating. The entire southern side of the Market House would be dedicated to tables and chairs. This open area would allow patrons to eat comfortably and gather in groups. This area can be reserved by local organizations to host special events or fundraising programs. With tables and chairs that could be movable, the area can be cleared or reconfigured to accommodate the needs of any group. We will investigate adding a children's casual seating area to the plan as well.

The existing coffee shop will relocate to Tenant Space 2. The existing quarry tile floor will be removed and the concrete slab will be left exposed and repaired where necessary and sealed in order to create a contemporary "rustic" market space feel.

We will investigate exposing the ceiling rafters to add more height to the space but cannot commit to this change until further analysis. All vertical partitions will be removed and panel boxes relocated in order to create an open, spacious interior. A new interior color scheme will be developed along with new lighting to complete the new cool, hip ambiance.

In the second phase a new cocktail bar, Tenant Space 6, will be built in the southeast corner of the building. The existing raw bar will be rebuilt with new seating and will be located in the northeast corner of the building, Tenant Space 5. Both of these bar are envisioned as “destination establishments” which will open late into the evenings.

The final phase will be the transition from the current owner operator of tenant spaces 1, 2, 3, & 4 into new individually owned and operated sub-tenants. Located on the north half (towards parking) is currently an amalgamation of kitchen spaces and counters, running the length of the building. Our plan is to better define the individual offerings and create distinct sub-tenant spaces. It is undetermined at this time whether or not there will be shared facilities for the sub-tenants in that there are only 2 hoods available for 5 sub-tenant spaces. Each sub-tenant will create their own identity and counter layout with appropriate design themes. As mentioned previously, these new sub-tenants will be carefully selected offering the finest local and international food offerings.

The front southwest corner of the Market House could also be a place for visiting vendors. Depending on the product and time of year, local vendors would be invited to rent this space for a short period of time. This gives the Market House another opportunity to showcase regional cuisine and craftsmanship. We have a lot to celebrate in our community and a “Pop-Up” vendor space offers a unique opportunity for young companies or individuals wanting to share their product line in the heart of Annapolis.

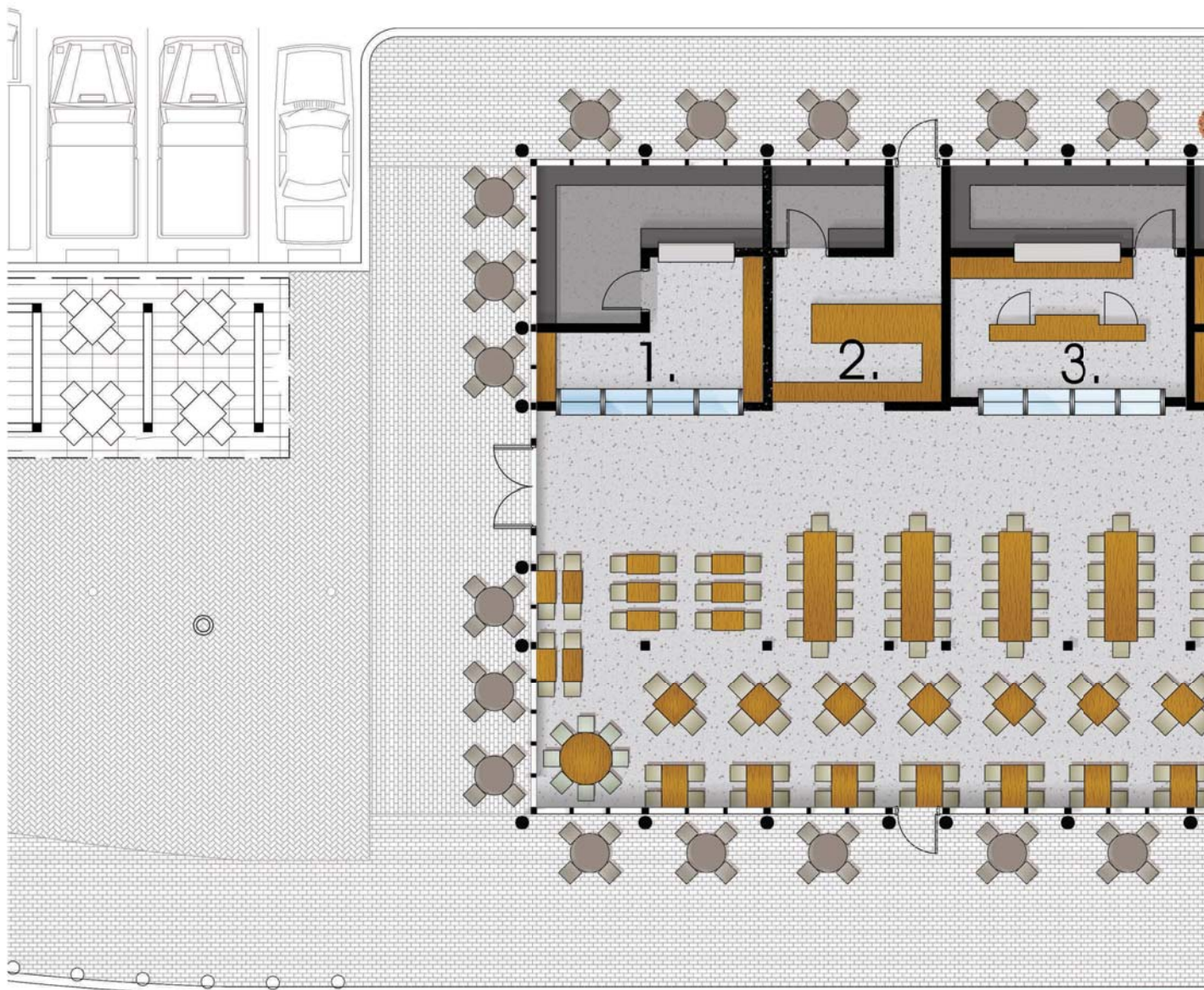
Proposed Site Plan



MARKET HOUSE
ANNAPOLIS, MARYLAND

SITE PLAN

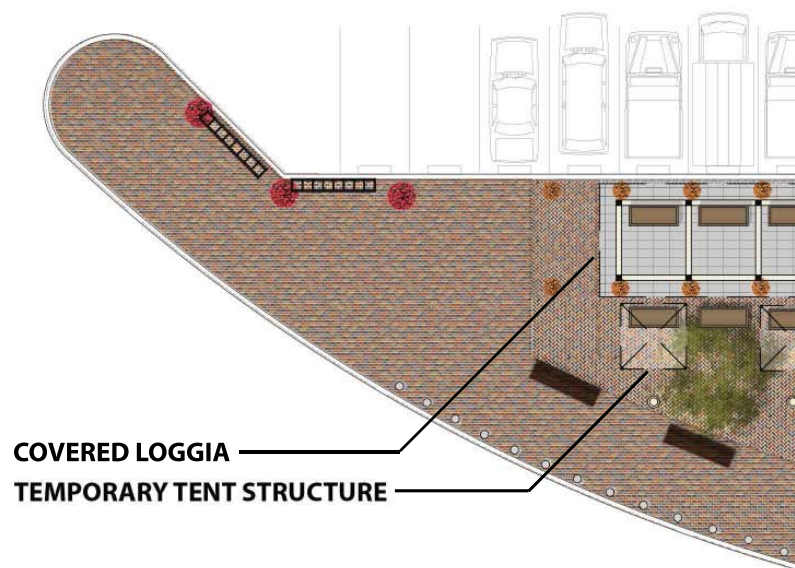
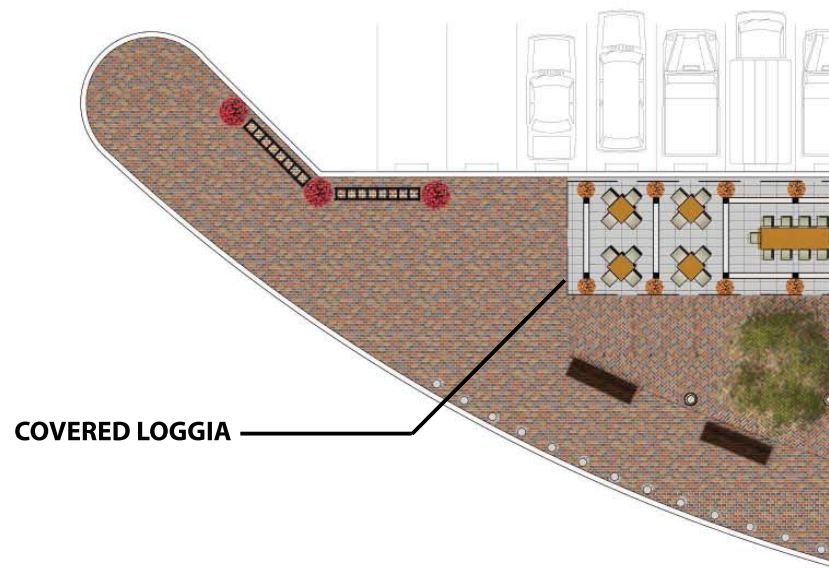
Proposed Floor Plan



MARKET HOUSE
ANNAPOLIS, MARYLAND

MARKET HOUSE

Hopkins Plaza Plans



MARKET HOUSE
ANNAPOLIS, MARYLAND

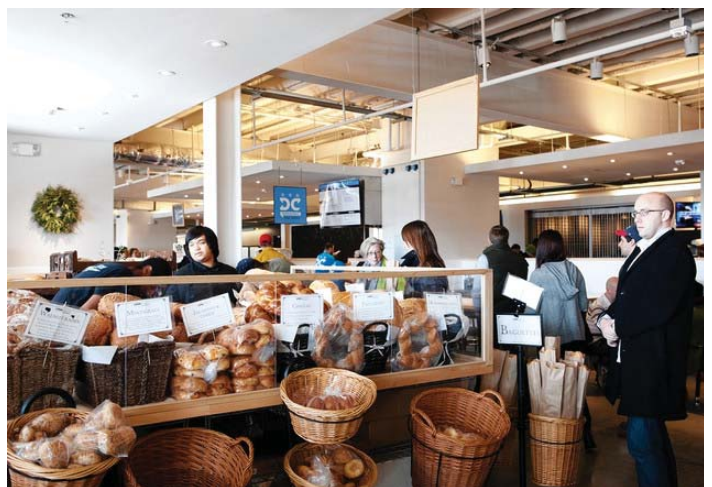
HARBOR PLAZA

Rendered Perspective



Case Studies

Union Market
Washington, DC



Mount Vernon
Market

Baltimore, MD



R-Haus

Baltimore, MD



Construction Schedule

Date	Task
Jan-Feb 2018	Programming, existing condition drawings, concept design
March 2018	Community workshop / preliminary development presentation
Mar - Apr 2018	HPC preliminary design approval
Mar - Apr 2018	Preliminary site design review
Apr - May 2018	Design development drawings
June 2018	Formal major site design review, application submitted to planning and zoning
July 2018	Obtain comments from planning and zoning
July 2018	Respond to comments and resubmit
August 2018	Obtain final site design review approval
Aug - Sept 2018	Prepare construction documents
Sept - Oct 2018	Building and grading permit review and approval
October 2018	Bidding and Negotiation
November 2018	Final contract / contractor mobilization
Dec - Feb 2018	Begin construction
March 2019	Complete construction
April 2019	Occupancy

* This schedule is for the Hopkins Plaza renovation. The interior renovation schedule will be done on a tenant by tenant basis with over-the-counter permits.

E. Business Plan

1.0 Executive Summary

The Annapolis Market House is a historic landmark in downtown Annapolis. The Annapolis Oyster Company LLC will target both fun-seeking as well as diners looking for good food in a fascinating atmosphere. The Annapolis Oyster Company will seek to entertain through an innovative setting, a wonderful menu, and an experienced restaurateur.

The Market

The Annapolis Market House will be targeting locals and tourists who are active restaurant seekers. There will be a special focus on young adults with \$15K-\$80K of income looking for good food and a great time. In addition to the young adults with money to spend, The Annapolis Market House will also be targeting adults and tourists known to frequent Annapolis. The general demographics are males and females ages 20-65 with some or all of a college education. In addition to local Annapolis area people, The Annapolis Market House will also people from neighboring cities and tourists.

Historically, if there is a dip in the general economy, the restaurant industry is usually effected far less that the overall economy. To some degree this is because of people's perception that food, regardless whether it is from the grocery or a restaurant is a fundamental necessity of life and spend accordingly.

Services and Products

One thing that is always consistent with The Annapolis Market House is their impeccable service. All server staff hired have extensive experience and all go through three weeks of training, ensuring benchmarked customer service. The Annapolis Market House's services are all delivered in their extraordinary atmosphere which includes a comprehensive art and culture.

The menu is its pride. It is a culmination of years of cooking. The menu contains traditional favorites such as oysters, local seafood and farm to table produce. These favorites are differentiated through the use of the freshest organic ingredients. Most people are not aware of how much better the items taste when they are prepared with the freshest ingredients and made with love. Everything is fresh, homemade, and prepared daily.

Management

Our management has been in business since 1975 and will provide tenants with adequate funding for all necessary spaces that need to be installed. Our experiences in fast food, quick service restaurants, steak houses, fish houses, BBQ restaurants, and carry-out seafood shops will help guide the way to a successful grouping of qualified tenants.

We have in-house maintenance personnel capable of taking care of any issues that arise from a mechanical, electrical, or plumbing problems. The city would not be needed to take care of internal issues; the city would only be required to maintain the roof and structural components of the Market House.

The Annapolis Oyster Company team was requested by the city approximately five and a half years ago to re-open the failed Market House of previous years. We made this happen by working tirelessly through long days and nights to be where it is today. The Market House, the way it stands today, is the direct result of the City of Annapolis's plan; it is their management program and policies that have been followed, leaving its successes and failures in their keep.

As the first and second years progressed from five original tenants, only Annapolis Oyster Company has maintained their rent, hours of operation, employed local residents, and continued to add to the character of Annapolis by attracting customers (locals and tourists) to both eat and gather. As tenants failed, it was our team that bought out their leases and allowed the Market House to continue.

Our experience and financial knowledge should speak for itself. The family has been involved in the downtown Annapolis business community since the early 1970's; they have employed hundreds of people and housed numerous local businesses over the years. The success of Annapolis as a thriving retail community is their goal.

The Market House will not be closed during these changes as all working and food requirement permits are up to date and in compliance.

Our 33 years of experience in convenience & variety store operations at A.L Goodies General Store on Main Street, making it thrive year after year. Our management skills and purchasing prowess will be a significant asset to the Market House. We have been a leader in the Annapolis business community since 1976. We have also been prominently involved as a Board member for The Talent Machine Company (501c3) have expanded our connections and understanding of the Annapolis populous outside of Main Street.

Additionally we have over 30 years of experience in the food service industry; we have designed and built-out several restaurant spaces, set up numerous menus with original recipes, created operational procedures for both front and back of the house, and managed daily operations. Trained at Johnson and Wales University in Rhode Island, our chef has worked for The Rib restaurant in Rockville, Maryland; Bain's Deli of Philadelphia; Silver Diner Corporation in Maryland; owned and operated Carl's Café in Annapolis; and he is the current Manager/Partner of the Market House since its reopening in 2013. Beyond helping to design the new physical layout of the Market House, creating the menu, ordering and preparing all food items, overseeing the guest vendors, our chef will be responsible for maintaining the daily operations of the Market House through hiring and training a team of employees throughout the transition period and the term of the lease.

1.1 Objectives

1. Have the highest quality.
2. Create a profitable Market House for the enjoyment of all.

1.2 Mission

The Annapolis Market House is a business that envelopes local taste and an excellent market and atmosphere. The mission is not only to have great tasting food, but have efficient and friendly service. Our dining environment will be welcoming and fun. We will concentrate on customer satisfaction and quality food. We want The Annapolis Market House to be place people can enjoy a good meal and meet new friends at our bar located inside the market.

2.0 Company Summary

The Annapolis Market House creates and serves an atmosphere for dining and for people who love the dining and bar scene, as well as a good time spent out on the town. Its customers are creative, fun-seeking, and sophisticated diners who wish to be best served by the restaurant they choose.

2.1 Company Ownership

The Annapolis Oyster Company is a Limited Liability Corporation. The business employs up to 60 employees.

2.2 Start-up/Additional Improvements Cost Summary

Our start-up expenses are limited due to the fact of the on going operation will remain in place until new subtenants are identified and capitalized. We anticipate spending \$250,000 to 300,000.00 on the interior and exterior demolition and installation of the new Loggia and Bar. These funds will be funded directly from The Annapolis Oyster Company operating fund. Any additional costs are to be financed some by direct owner investment, as well as with the help of a major investor.

3.0 Products and Services

The Annapolis Market House provides delicious local cuisine, with friendly, efficient service and atmosphere. We are especially focused on providing a unique environment for people to dine and meet. We have a full bar for young adults and adults to enjoy drinks and music. We also provide the value of flawless and creative staff at a “hip” location located in downtown Annapolis.

4.0 Market Analysis Summary

The Annapolis Market House focuses on local and tourist active restaurant seekers, with special focus on young adults with a \$20-60,000/year income and a desire for good food and a fascinating atmosphere as our target market.

4.1 Market Segmentation

Our target market segmentation is divided between young restaurant seekers with money to spend, as well as other adults and tourists who are known to frequent Annapolis for recreational enjoyment.

We generally know the characteristics of our clientele with our available demographics of the area, our personal crowd would consist of young adults (ages 20-29) and adults (ages 30-65), both male and female, usually at least one year of college if not already fully graduated. Our geographics include people from the local Annapolis area, from other neighboring cities, and tourists from other states and countries. The psychographics of our clientele include “millennials, yuppies, big spenders, club hoppers, baby boomers.”

4.2 Target Market Segment Strategy

The Annapolis Market House will focus on attracting young adults and adults ages 20-65, with an annual income of at least \$15,000 to \$80,000. We will concentrate on the high-end spenders who enjoy new restaurants, eating out, a fun atmosphere, and high-end food and service.

5.0 Sales Strategy

Total annual income for 2016 was \$806,820.00 and for 2015 was \$669,458.458.00. While this does demonstrate year to year growth, the expenses are greater than the income and the business is not profitable at this time. However with the addition of the cocktail bar and the oyster bar we forecast annual sales in the \$3,000,000.00 range.

6.0 Management Summary

Our management philosophy is based on responsibility and mutual respect. People who work at The Annapolis Market House want to work there because we have an environment that encourages creativity and achievement. The team includes a maximum of 60 employees, under a manager of one.

6.1 Personnel Plan

The personnel plan reflects what we would like to keep as a steady positioning through out the years. Our total headcount will increase from 20-60 come June because that's the beginning of our "good" season. However, we plan to keep the head count at 20 because of the space. It appears we don't need more than 60 employees to run the business until the fourth and fifth year, if and when we are successful enough to expand.

F. Special Issues & Concerns

The assumption is that the current renewal provisions will be similar to the new lease if the City of Annapolis wishes to substitute.



MARKET HOUSE