

Responses to Questions Regarding RFP for 123 E. McMicken Ave.

April 15, 2021

- Would OTR ADOPT maintain ownership of the building or would you transfer title after the renovation?

OTR ADOPT will retain ownership of the building and lease the space to the Tenant.

- What would the purchase price be if you transferred title?

N/A

- For how long would OTR ADOPT commit to maintaining ownership?

OTR ADOPT is committed to maintaining ownership indefinitely. We are interested in building a relationship with the Tenant that would allow them to stay in the space long-term if they so desire.

- What will the rent be?

The rent will be 6% of gross receipts, after all other expenses are paid – i.e., 6% of sales the business makes, provided there is enough revenue to pay all other expenses first (Note: gross receipts excludes any donations or grants taken in by the business if it is a nonprofit).

- To what extent will OTR ADOPT pay for the renovation and build out of the space?

OTR ADOPT will pay all building renovation costs, including mechanical systems, exterior improvements, and the buildout of the interior space to suit the needs of the Tenant. OTR ADOPT will not pay for fixtures and equipment needed to operate the business (e.g., refrigerators, espresso machines, etc.)

- What kind of investment is required of the Tenant up front?

There is no set amount of investment required of the Tenant up front, other than the Tenant's investment in equipment, staffing, and other costs needed to open their business. The Tenant will pay rent to OTR ADOPT on a monthly basis as explained above.

- What are the estimated utility costs for the Tenant?

The Tenant will be responsible for gas, electric, internet, etc. OTR ADOPT will pay trash, water, and normal building maintenance expenses.

We cannot project what utility costs will be to the Tenant, as that will depend on how energy-intensive the Tenant's business is. However, the relatively small size of the space (approx. 1,500 SF) limits the potential energy usage.

- What is the near future of development around 123 E. McMicken Ave.? What are some anchors around there?

The primary anchor in the vicinity is the [Crown Brewing Co. building](#) located at 131 E. McMicken Ave., immediately adjacent to 123 E. McMicken Ave. The Crown Brewing Co. building houses 8,000 SF of office space for travel company [Togo Group](#), three loft apartments, and a storefront housing a [vintage goods store](#).

[Northcrown Property](#) is also currently developing the land adjacent to the Crown Brewing Co. building as a [neighborhood bar and outdoor event space](#).

Northcrown also has numerous [other projects](#) underway in the immediate vicinity to redevelop vacant buildings along E. McMicken, Walnut, and Corwine.

[Rothenberg Preparatory Academy](#) is an elementary school and major anchor at the corner of E. McMicken and Main Street.

Numerous other small developers and property owners have also made investments along E. McMicken in recent years.

- Is there enough foot traffic to support a business?

E. McMicken Ave. is not a highly trafficked commercial area, and still experiences crime and drug activity.

In the near term, it is unlikely a business could depend on foot traffic from tourism.

There is a robust community of existing residents in the neighborhood that has been in the area for decades. The most likely customer base would come from these existing residents, workers from the large office tenant next door, ancillary foot traffic from patrons of the soon-to-open Somerset Bar, residents of the new apartments under construction by Northcrown Property, and destination visitors arriving by car.

- For the proposal, should we have an architect put together a proposed layout or are our sketches okay for now?

An architect is not necessary; sketches are sufficient.

- Is there sufficient egress to meet building codes for a commercial use?

Yes. The balconies on the front and back of the second floor provide the required secondary means of egress.

- Can we walk through the building?

Yes. Contact ashley@otradopt.com to schedule a walk through of the building.

- Would a Bed & Breakfast be an eligible use of the building?

Yes.