



## Memo

DATE: December 5, 2017

TO: Members of the Finance Committee

FROM: Nic Sparacio  
Community Development Director

RE: Presentation on potential restaurant sub-lease by Vinny's BBQ at Baymont Hotel (former Inn on Maritime Bay) – Item #17-1160

Greetings Finance Committee Members,

We are in receipt of a business plan for a potential restaurant sub-lease at the Baymont Hotel located in Manitowoc's downtown and waterfront environment. As the City owns the land under the Baymont Hotel building and leases it to the hotel owner/operator, and as the master lease with the hotel owner/operator requires City approval of any sub-lease, this item will potentially come before the Common Council for approval.

At this time, the potential restaurant operator, Anthony Bugarino, does not yet have a draft sub-lease for review. He is first requesting an opportunity to present his business plan for initial consideration and reaction by the Finance Committee and Common Council. If Mr. Bugarino feels he can adequately address any of your concerns or reservations with his proposal at this conceptual stage, he would then proceed with drafting the sub-lease document for your further review.

I have requested that Mr. Bugarino present his business plan to you at the Finance Committee meeting. He has provided a written plan for staff review, but for proprietary reasons, I have not attached it to this agenda. The following are the primary staff review findings and conclusions regarding the business plan:

- Mr. Bugarino has a strong resume in food service and restaurant management.
- The plan mentions some physical changes to the layout of the space, but no architectural or sketch plans are shown.
- The proposed restaurant format is unclear in terms of type of dining (i.e., formal, casual, fast-casual, etc.). Overall, the business plan lacks financial and operational detail and lacks a competition analysis.
- No City funds are being requested, so the analysis/consideration of public risk can focus mainly on the impact to the Hotel operation and sustainability. Anecdotally, the addition of a restaurant can be expected to positively impact the performance of the Hotel.

Given that there is essentially no risk to the City, the lack of detail in the business plan is not an overriding factor. Staff is recommending that the City encourage Mr. Bugarino to proceed with the next steps in the process, but would also encourage him to work with local economic development resources on the refinement of his business plan.