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MEMO

To: Town of Weston Josiah Smith Tavern Sub-Committee  
From: Michael Staub  
Date: December 08, 2006  
Re: Recommendation for JST Restaurant Project and Requests for additional information

I stand by my recommendation of 9/20/06 where I endorsed the site contingent upon:  
1) A substantial investment from the Town in the leasehold improvements, and  
2) The build out of function space in the second floor ballroom.

With respect to the request for additional information:

1) Nearby restaurant sales comps

Source: Boston Restaurant Group (Brokers) and Group M data

Lumiere	West Newton	\$1,500,000 to \$1,900,000
Coach Grill	Sudbury	\$5,000,000 to \$7,000,000
Sky	Sudbury	\$2,500,000
Sky	Norwood	\$5,000,000
Chiara	Westwood	\$2,500,000
Hartwell House	Lexington	\$3,700,000 prior to renovation
Not your Average Joes	Lexington	\$2,800,000
Naked Fish	Waltham	\$4,000,000
Tomasso	Southborough	\$2,200,000

Note: Lumiere sales are for dinner only with wine and beer.

2) Town of Lincoln

The Boston Restaurant Group, a commercial real estate firm specializing in the selling of restaurants, leasing restaurant space and restaurant appraisals (since 1990) was recently engaged by the Town of Lincoln to assist with a similar study for a possible restaurant site in that town with a Beer and Wine license only. The site under consideration is the current post office, which will be torn down and replaced. The Town will make available one Beer and Wine license for a maximum 70 seat restaurant, without a sit down bar. Charlie Perkins (of BRG) estimated sales at no more than \$800,000 for that site, which on a per seat basis is consistent the JST report (adjusted for full alcohol service).  
 $\$800,000 \div 70 = \$11,428$  per seat per year (Lincoln)  
 $\$1,446,500 \div 102 = \$14,162$  per seat per year (Weston) a 25% increase in revenue due to full liquor, bigger facility and a distinct bar area

3) Visibility of site

I disagree that the site has poor visibility. It's in the center of town and on the way to Route 128 and the Mass Pike. The 'first to market' advantage of having the only liquor license in town will mitigate any concerns with the location.

#### 4) Parking

Many of the suburban restaurants listed above are on pad sites, with parking. Restaurants with parking difficulties generally turn to valet companies to assist with parking. This will be a hurdle for any operator and the Town should assist by opening discussions with the nearby Churches and Omni Foods, for evening and special event parking.

#### 5) Low Density of Weston

Again, the first to market advantage will be a strong mitigating factor. Restaurants today draw from well beyond their immediate neighborhood. I would expect the market area of this restaurant to extend to the 495 belt for general a la carte dining.

#### 6) Next Steps

A clear definition of the Town's commitment to the base building conditions is essential.

A timeline of the base building work.

Will the base building work be done prior to identifying an operator?

A list of potential tenants. Will this be an open to all process, or will the Town designate/invite a select number to bid?

A list of requirements for acceptable tenants: Experience level, financial resources, and references.

A generic Letter of Intent should be prepared, defining the base building conditions, the proposed lease term, rent and other conditions. I can provide a template.

A discussion regarding brokerage. Will the Town engage a real estate broker? If so, under what terms.