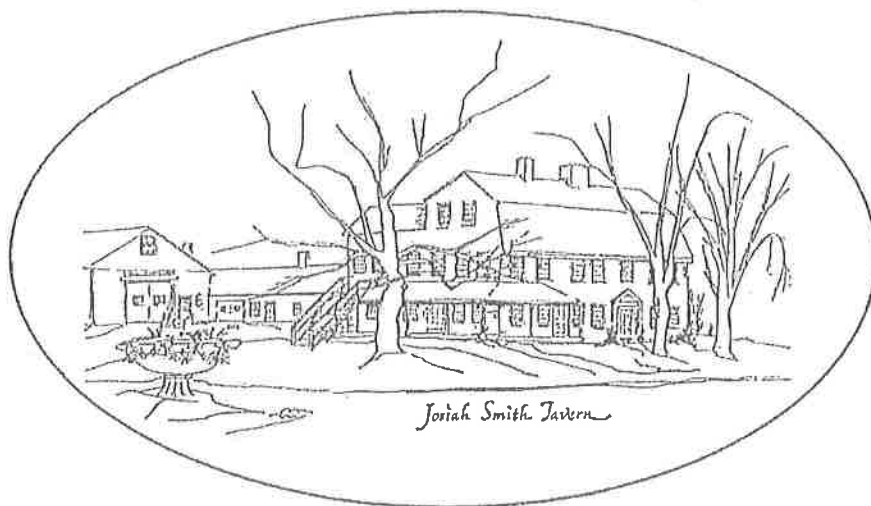


SUPPLEMENT
to
STATEMENT OF INTEREST



FRIENDS OF JOSIAH SMITH TAVERN, INC.

December 10, 2015

SUPPLEMENTAL STATEMENT OF INTEREST

This Supplemental Statement of Interest is submitted by Friends of Josiah Smith Tavern, Inc. to The Josiah Smith Tavern and Old Library Working Group ("Working Group") to elaborate on the culinary center concept described in our original Statement of Interest submitted July 23, 2015, and to apprise the Working Group of our progress to date. This Supplement will also introduce the Working Group to the members of our team in greater detail.

Overview. The culinary center concept as presented in our original Statement of Interest included three elements: (1) a coffee shop, (2) a "white table-cloth" restaurant, and (3) a partnership with an academic institution that would provide students with opportunities to intern at either the coffee shop or the restaurant for credit, as well as employment opportunities once they had completed training required by the operators.

The point of this model, which provides for multiple sources of revenue, is to create a business scenario in which a private restaurant operator will be willing to create a tasteful dining establishment big enough to survive and operate in a first-class manner, but small enough so that it does not disrupt the character of Weston's Town Green. In the 2009 effort to bring a fine-dining option to the Tavern potential operators wanted a minimum of 200 seats in order to recoup their investment and make a profit. The operator chosen agreed to reduce the number of seats to 150 for regular operations, with an additional 25 seats available for private functions. This size raised concerns among voters, who turned down a request for an additional \$300,000 in design fees to complete the 150-seat restaurant. Accordingly, our goal has been to find a way, through multiple revenue sources, to keep the size of the restaurant small.

Smaller restaurants can survive and prosper in the western suburbs. Lumiere in Newton, with 82 dining room seats and 5 full-service bar seats, has been in operation since February of 1999. Blue Ginger in Wellesley has been in existence since 1998, with 120 seats. Because the Old Library and the Josiah Smith Tavern have been separated for purposes of this procurement, the restaurant operation in the Tavern no longer needs to generate revenue sufficient to maintain both buildings. Because of this reduction in scale, and because we have created two additional sources of revenue (the coffee shop and tuition revenues) we can reduce the fixed rent to be charged to the operator. Thus, we can bring fixed costs low enough to make a smaller-scale restaurant attractive to the sort of high-quality restaurateur we wish to attract.

1. Coffee shop vendor.

The coffee shop would be located in the semi-detached shed at the southwest corner of the Jones House portion of the Tavern. Customers would access the coffee shop from two separate entrance/exit doors in the western exterior of this building, which would border an off-street parking lot, and not from doors in the Jones House, the Barn or Connector. The westward-facing doors will be used to reduce congestion on Boston Post Road from stop-and-start customers in the morning; the coffee shop will not be accessible from the north side of the building complex.

Three vendors have been contacted to date: two national chains (Starbucks and Peet's) and one local independent vendor (Boston Common Coffee). No agreement has been reached with any of them.

The projected rent for this space is \$23 per square foot (per year). No percentage rent is contemplated for this space, as the size of the space places an upper limit on the amount of revenue that can be generated from it.

2. Restaurant.

As described in our presentation to the Working Group on November 4th, the restaurant would be a for-profit/non-profit partnership that could take a variety of forms along a continuum, depending on the current market for private, for-profit restaurant owners, and the level of commitment on the part of academic partners. Voters in Weston have expressed a preference for the Town not to be the owner of the Josiah Smith Tavern; an overwhelming majority (67%) of voters responding to the 2014 National Citizen Survey for Weston (Community Livability Report) said that "Continued town ownership of Josiah Smith Tavern" was neither essential nor very important.

The possible combinations along the continuum include the following:

a. For-profit operation, student intern/employees only: Under this model a private for-profit operator would offer internship and employment opportunities to participating students, thereby lowering its labor costs. Interns would participate in off-site academic programs at their resident institutions of higher learning.

The for-profit operator would be charged market rent for the space, initially on a per square foot basis alone with a target rent of \$23 per square foot; after an initial phase-in period to enable the restaurant operation to get past its start-up phase,

percentage rent based on sales would also be considered. The academic partner would not be charged rent.

b. For-profit operation, on-site instruction. Under this model, the academic partner would rent space in the Tavern Complex for on-site instruction. Students would participate in the operation of the restaurant as interns or employees as described above. If the semi-detached shed is not in use for a coffee shop, this building would be used as the “home room” for such instruction.

The for-profit operator would be charged market rent for the space as described above. Rent to the academic partner would be based on a share of tuition attributable to students using the building.

c. Non-profit operation, independent culinary school. Under this model, the space would be leased to a culinary education operator unaffiliated with an academic institution. The space would be leased on a \$17 per square foot basis to reflect the tenant’s non-profit status, and the restaurant would be operated by the culinary school. The culinary would be asked to contribute to the initial capital cost of equipping the kitchen and restaurant fixtures.

To date the following operators of this type have been contacted: Cordon Bleu, L’Escoffier, New England Culinary Institute and Williams-Sonoma.

d. Non-profit operation, academic institution. Under this model, the academic institution would rent the restaurant space on a \$17 per square foot basis and be the operator of the restaurant.

To date we have had discussions with two academic institutions, one of which has expressed an interest in providing students with internships for course credit in majors and concentrations including nutrition, culinary arts, business, marketing and communications. A second academic institution with a major in Hospitality and Event Management has expressed an interest in using the Tavern on a leased basis.

e. Non-profit operation, private manager. Under this model, a private management company would be responsible for the operation of the restaurant, which would integrate students from participating academic institutions with regular full-time employees. The management company would be compensated according to industry standards based on a formula that would include: (a) a monthly fixed fee, and (b) a net cash flow incentive fee, usually 25% of net cash flow payable on an annual basis.

The academic institution would be assessed a per capita charge for each student intern enrolled in a course for credit.

3. Ballroom and Tap Room.

The Ballroom is a 1,200 square foot space that would be available for meetings and functions, but would not be used as part of the normal operation of the restaurant.

The Ballroom would be rented out at a rate of \$500 to non-residents, and \$200 to Weston residents, on a first-come, first-served basis. The proposed rate to residents is lower than the rate currently charged by the Women's Community League, which is \$500.

The Tap Room is a 300 square foot space that would be used during normal operations of the restaurant for large parties, but it would also be available for reservation by private parties as well at no additional charge beyond the price of food and drink.

4. Non-Profit Office Leasing.

Since the date of submission of our original Statement of Interest, we have entered into a letter of intent with the Weston Historical Society to lease five rooms in the Jones House portion of the Tavern Complex, four on the ground floor and one on the second floor. The agreement of the parties is that such space will be let on a most-favored-nation's basis, that is, not to exceed the lowest rent charged to any other non-profit tenant. We used a figure of \$6 per square foot in the operating pro forma set forth as Exhibit 8(B) of our original Statement of Interest.

5. Ownership vs. Lease.

As explained in our November 4th presentation to the Working Group, our proposal is structured as a five-year lease with two-five year renewal options and an option to purchase. Our proposal is structured along these lines to address the responses of Weston residents to a question contained in the National Citizen Survey for Weston referred to above, namely, that "Continued town ownership of Josiah Smith Tavern" was neither essential nor very important to 67% of voters surveyed. As explained in our November 4th presentation, we are open to a long-term lease without an option to purchase, provided the term is long enough to be financeable. It is our view that ultimately a short-term lease with an option to purchase gives the Town more flexibility, and better addresses the wishes of Town residents.

TEAM MEMBERS

Sheila Burkus: Ms. Burkus is a graduate of the Cornell University School of Hotel Administration. She is a cooking and nutrition instructor who has hosted her own cooking show on Weston's local cable access channel.

Con Chapman: Mr. Chapman has been a lawyer in private practice in Boston for over 36 years. He has extensive experience in non-profit corporate governance, real estate finance and government procurement. He has represented operators of restaurants and non-profit dining facilities from Boston to Cape Cod to Amherst in Massachusetts, and has represented lenders in the financing of restaurants from New York to Boston. Prior to becoming a lawyer he worked in a number of restaurants ranging from gourmet French cuisine, barbecue, faculty club, country club and snack bars. He was a member of the former Josiah Smith Tavern/Old Library Committee.

Constance Fulenwider: Connie is a graduate of Wellesley College who is active in town affairs and a member of a number of non-profit boards. She is a freelance writer with experience in communications and public relations, as well as fund-raising for non-profits including WGBH, the Boston Philharmonic and Roxbury Weston. She has led successful political campaigns and citizen outreach programs.

Peter Gates: Mr. Gates is a partner at Wellesley-based MedEquity Capital, LLC. He previously served on the Case Estates Building Advisory Committee (CEBAC) in 2007-08 and performed much of the financial analysis that was contained in CEBAC's final report. He and his wife have been residents of Weston for twenty years. He is a former management consultant with extensive experience in crafting communications of business problems and proposals.

Adrienne Giske: Ms. Giske has been a registered architect in Massachusetts for 30 years with experience in historic preservation, adaptive reuse, historic deed restrictions, and Secretary of the Interior standards. She holds graduate degrees in architecture from Harvard and MIT. She would be responsible for coordination of planning, architectural, historic preservation and zoning matters.

Andy Marvel: Mr. Marvel studied architecture at the Boston Architectural Center in Boston, worked in the architectural field for about 5 years and since then has operated a residential construction company for the past 35. He has served on the Weston Building and Uses committees, the renovation committee for Town Hall and as chairman of the former JST/Old Library committee.

Andrew Rostami: Mr. Rostami is Senior Vice President, Head of Corporate Strategy and Development at Citizens Bank. He has significant previous financial and management experience as well, having advised Fortune 500 companies on strategy and investment decisions at Bain & Company. He earned his M.B.A. from The Wharton School of the University of Pennsylvania, and is a certified financial analyst. He has resided in Weston since 2012 with his wife and two children.

Henry Stone: Henry Stone is the owner of Henry Stone Builders Inc., a residential construction company he founded in 1985. In addition, he has experience in architectural design, carpentry, cabinetry and contracting. He attended Harvard and Yale Architectural School. He has been actively involved in the renovation and restoration of old houses for forty-five years, working in partnership with clients at the intersection of the social and the physical—people and their homes—to create living spaces that bring joy and comfort to their owners within an appropriate budget.

Nina Danforth Stone: Nina has been Coordinator of The Grazing Project at Land's Sake in Weston for the past ten years. Prior to that, she was Environmental Education Coordinator for the Town of Wellesley Natural Resources Commission (2006 – 2008), and Watershed Coordinator for the Massachusetts Department of Conservation and Recreation (1995 – 2003). She is a member of the Town of Weston Tree Committee.

Pamela Swain: Ms. Swain has over thirty years' experience in non-profit administration for organizations including Camp Fire Girls, the Boston Museum of Science and the New England Historic Genealogical Society, where she served as Deputy Executive Director. Since her retirement from that position she has worked with over two dozen non-profit organizations as volunteer consultant through Executive Service Corps of New England. She served on the Town's Josiah Smith Tavern and Old Library Committee and the Weston Public Library board. She would be responsible for communications and outreach.

Dr. Leslie Vense is currently Medical Director of Mass General West Medical Group. Leslie is on the clinical faculty of Harvard Medical School serving as Instructor in Medicine. She has a primary care practice with Massachusetts General Hospital where she was honored from 2003 on as one of the 'Best Doctors in America.' Since 2009, Leslie has been deeply involved with Last Mile Health serving both in the field and as founding board chair. Leslie holds an M.D. from Weill Cornell College of Medicine.

Christopher Muller, Ph.D. is a leading academic expert in the field of corporate/chain restaurant management. His research has focused on multi-unit restaurant brand management; chain restaurant organization development and growth; and the training of multi-unit managers.

Most recently he served as the Dean and chief academic and administrative officer for Boston University's School of Hospitality Administration, one of the leading undergraduate programs in hospitality management education in the United States.

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