

April 8, 2015

Jason Shanks President / CEO, Nikau Kai Inc. 1300 Highland Ave. #108 Manhattan Beach, CA 90266

Re: RFP #1038-15

Dear Mrs. Eng,

Thank you for the opportunity to respond to the Request for Proposal #1038-15.

Nikau Kai Waterman Shop is pleased to present the attached proposal for Beach Equipment Rentals and Information Center. We welcome the opportunity to create a Manhattan Beach Welcome Center and Beach Rentals facility and help create an informational area for both our local communitee and our valued visitors from around the world. We believe that our proposal and our unique background in this platform represent an unparalleled opportunity for the City of Manhattan Beach.

- · Local Surf Rental offering for the past 3 years.
- Impetus of the original beach rental facility offered in the Summer 2014 in the proposed location.
- Local brand with a reputation for premium design, operation and community loyalty and support.

As a local family owned business, Nikau Kai is committed to the betterment of our community and beach culture. Our unique background in design, business and living locally allows us the opportunity to offer our community the best in small town experience with the level of sophistication that our residents and visitors expect from a community as unique and special as ours. Nikau Kai greatly values the opportunity to develop a one-of-a-kind solution that offers locals and guests alike an inside line to the pulse of the city and the opportunity to find the best that our beach community has to offer both on and off the beach.

We look forward to discussing the attached proposal in further detail. In the meantime, should you have any questions please feel free to contact me directly.

Sincerely yours,

Jason Shanks CEO / President

Enclosure





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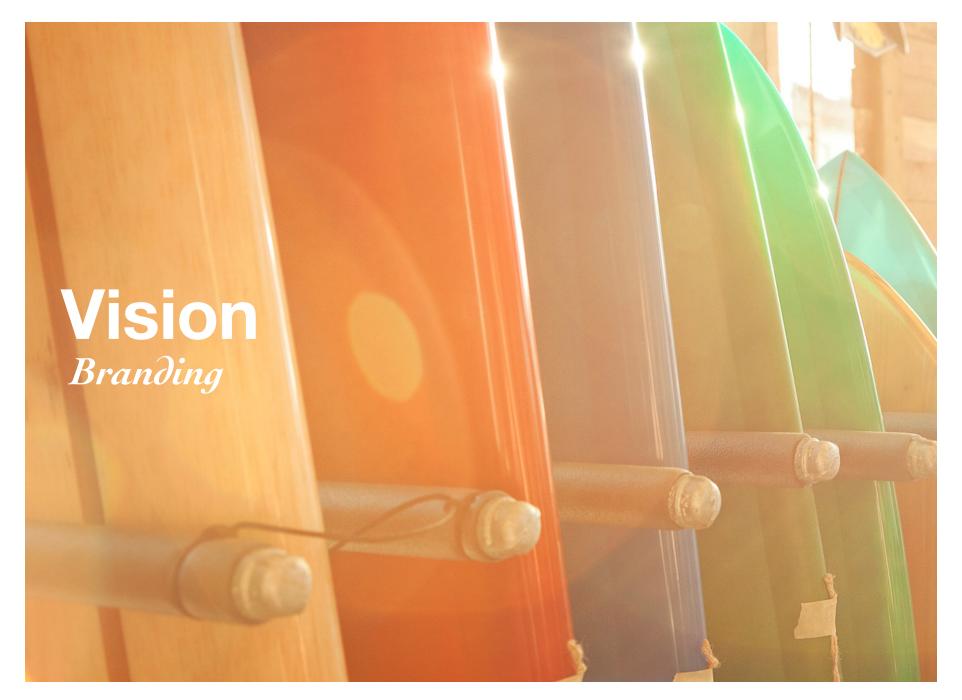
Information Q&A

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Logo







Logo

The logo for the Manhattan Beach Welcome Center & Beach Rentals - WCMB - has many subtle elements to help convey our laid back beach lifestyle. Initially, you have a simple beach cruiser, the easiest way to get around and about our beach. One gear, one pace... simple and elegant. The use of the specific shape of the surfboard referred to as a "Fish" also speaks to our particular place in the world... with a typical southern California summer beach break a "Fish" is usually the go-to board for the surfer looking to get into a wave quickly and down the line before the wave closes out. Both of these elements are brought together with one of our greatest assets here in Manhattan Beach, the view of the Pacific from the strand and to make it all the sweeter, at sunset. Those long summer evenings when time seems to all but stand still, and the evening invites relaxation and good friends. To round out our design we include our iconic palm and wave icon, to once again remind you how lucky you are to be here and share in our unique beach culture.



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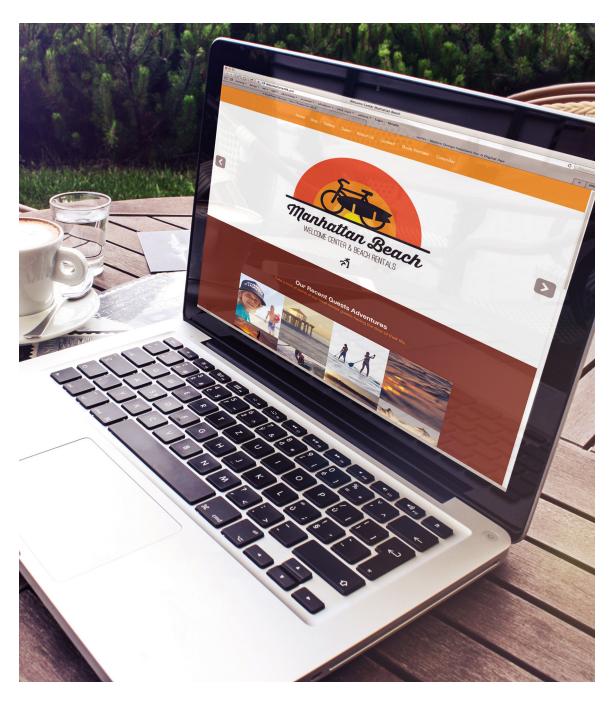


Website

Our goal with the online presence has several layers, the first being our website "WelcomeCenterMB.com." There will be many opportunities with the site, possibly including features such as calendar, online booking of rental equipment, events, social media feed, about us, and more. The site will serve as a hub for guests to learn more about our beach community and the variety of activities available. This will be a collaboration with the Manhattan Beach Chamber, the DTPA and the Parks and Recreations Department, as well as other local feeds, ie: the MB Patch, DigMB and others. This will be a growing site that has much potential.

In addition to the "main" URL "WelcomeCenter MB.com" we will also have additional URLs that redirect guests to our main site:

www.Manhattan-BeachRentals.com www.MBBeachDaysPerfected.com www.BeachDaysPerfected.com www.NikauKaiAtTheBeach.com



Online Experience

A key part to any operation is Social Media and we're managing that with coverage of the Welcome Center through staff and guest posts. Anything with the hashtag #WCMB will not only go on our feeds but also on our in-store Enplug™ display at the beach.

For example:

- f /WelcomeCenterMB
- @WelcomeCenterMB
- @WelcomeCenterMB

#WCMB









Location

The south side of the pier and just south of the lower parking lot is an ideal location for our operation attracting both those headed to the beach from Pier Avenue and heading into Manhattan Beach via the Strand from Hermosa Beach.



Influencers

Our concept for a Module unit comes from the inspiration of similar projects being built around the world. In this example is an Illy Espresso stand in New York City by Artist/architect Adam Kalkin.

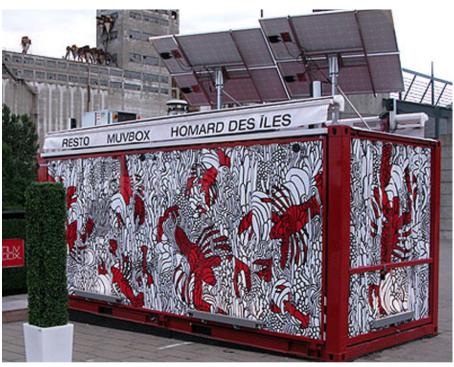




Influencers

In this example the storage container concept was used to create a small Müvbox Fast Food Restaurant in Old Port in Montreal.







Module Exterior

In our concept we envision converting a 30' storage container into our Welcome Center and Beach Rental experience. This container will be fully equipped with a hand crank winch for opening and closing the main wall. We will have removable solar panels for the roof to power the entire facility. In consideration of our beach and our desire to maintain an non-obtrusive design, the container will be a light sand/dust shade with only callouts to what it is, via the logo, how to contact us, via the URL and our partnership with the City of Manhattan Beach.

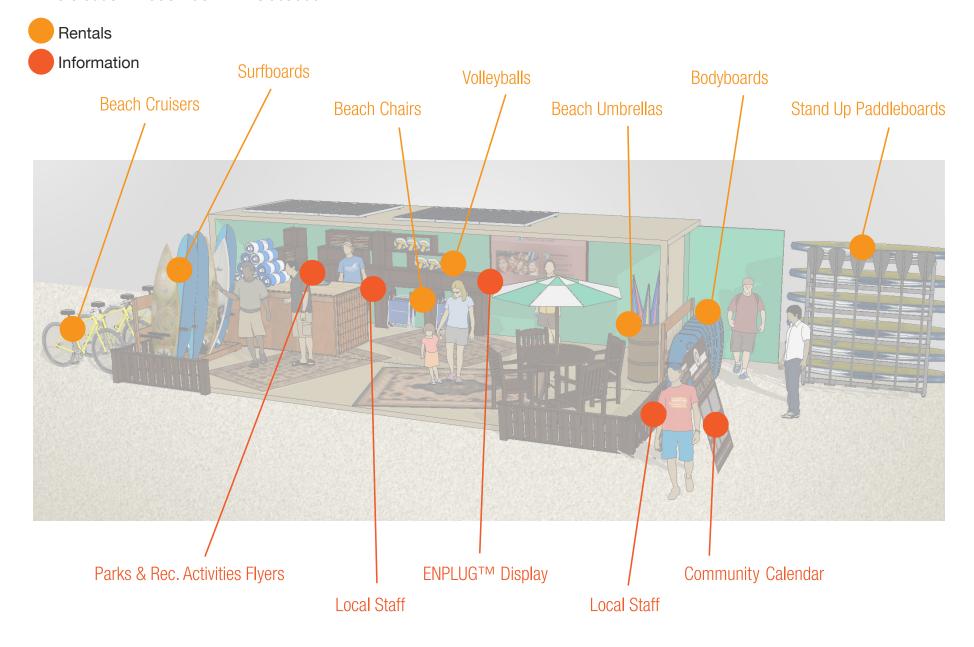


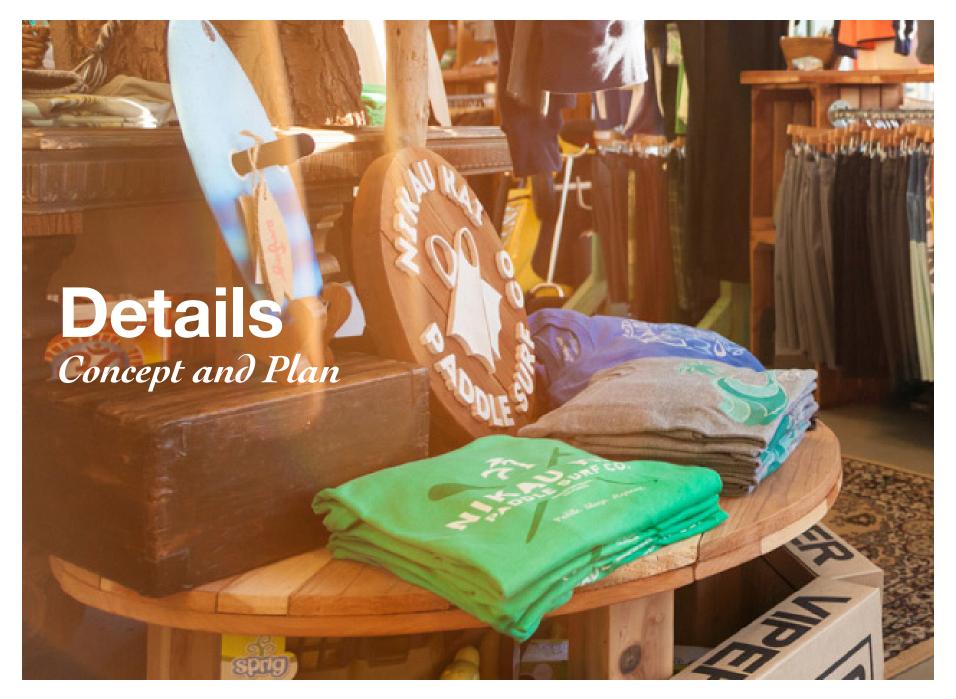
Module Interior

Once the container is opened and set up, taking approximately 10 to 20 minutes, based on two staffers opening, the container becomes a welcoming oasis in the sand. It'a a place for the family to relax as our local staff outfits you with any and all of your beach rental needs. While waiting you'll be able to enjoy our Enplug™ live feed and add your own content, not to mention the weekly calendar sandwich board and many classes and activities offered by the City.



Module Interior Details





1. Business Concept and Plan

a) Please define service(s) business you would like to operate. You may propose any combination of services, as well as others not included in this solicitation, subject to approval by the City.

The Goal of The Manhattan Beach Welcome Center & Beach Rentals is to offer both information and rental services to help facilitate a better day at our beach. Those services would include but not be limited to Rentals of Surfboards, Bodyboards, SUPs, Beach Chairs, Umbrellas, and, of course, Beach Cruisers. We would assess the needs of our beach goers as the seasons progress in order to best accomadate them.

b) Submit a description and rendering of the facility, include design elements and signage. In addition, provide a cost estimate and timeline for facility installation.

To create the modular WCMB the initial investment would be in the 20K range. As to the rollout of the fully operational modual our estimation would be 4 to 6 weeks from the date the contracts are finalized by both parties.

Refer to renderings included in the "Vision" section.

c) List of proposed days and hours of operation.

Our goal would be to operate 7 days a week, open 9am-7pm (summer hours), weekends following the summer season, in cooperation and communication with the city to best serve our community.

d) Outline a marketing and advertising plan.

Our initial marketing components would include working with both the MB Chamber and DTPA to promote our offerings to our local community. This would be complemented with advertising in our local papers and websties (ie: mbpatch, digmb.com, etc.).

Our larger push to the world would include the usual social media outlets, particularly: Facebook, Instagram, Twitter, Pintrest, Youtube.

Our on-location advertising would include a partnership with Enplug[™] to help reinforce the social media arm. Also on location would be a "calendar" sandwich board for posters and flyers promoting local events and activities. This is where we would be reaching out to both city and private businesses for content, again working with both the MB Chamber and DTPA.

Additional promotions and specials would, of course, be included to help motivate use and awareness.

e) Certify that all insurance requirements can and will be met.

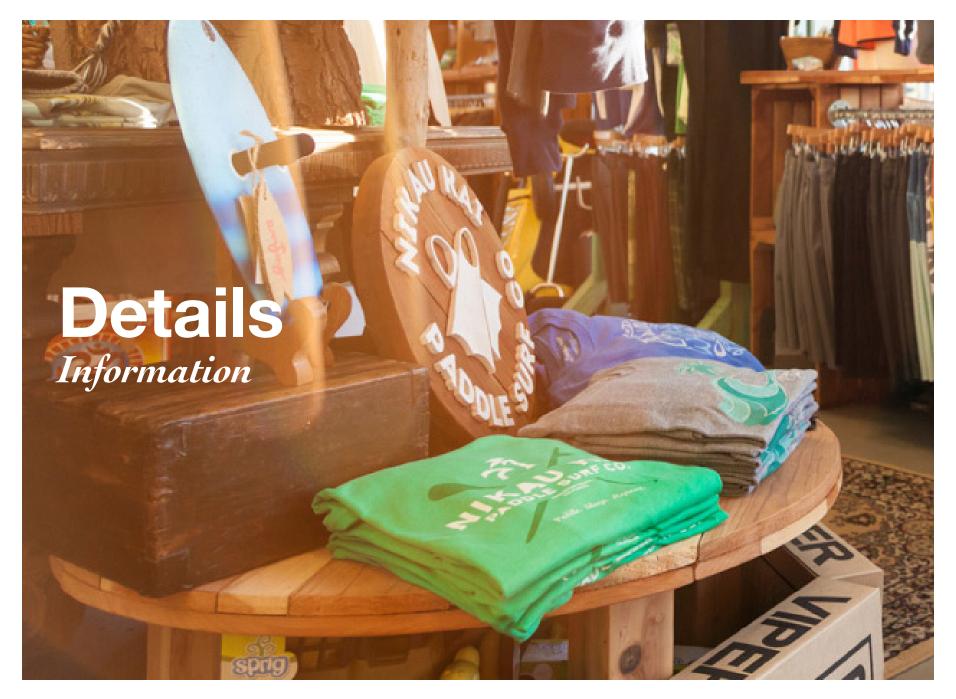
Proof of insurance is provided in the manner requested as it was in our previous partnership rental agreement on the beach. See attached.

f) Indicate proposed lease/rent percentage.

Based on our past operations at the beach with the City we propose to match last years plan at a rate of 15% with a guaranteed minimum of \$2500 in the calendar year. We would look to schedule a review of the financials for the following years to access and update the operational rate accordingly.

g) Contract Exceptions – Provide any proposed exceptions, additions, and/or deletions to the City's request for proposal and/or Professional Services Agreement. Proposed exceptions will be considered on a case by case basis, but there is no guarantee that proposed exceptions will be accepted by the City.

Our only request is to add the "informational" element to the project. In our vision we believe this should be a hub for locals and tourists alike to know what's happening on the beach and in our downtown. Our intent is to help drive beach goers back into our downtown to dine, stay and shop.



2. Business Information

a) Contact information, including name, address, email address and phone #

Jason Shanks

President / CEO

p: 310.545.7007 f: 310.545.7004 Jason@nikaukai.com 1300 Highland Ave. #108 Manhattan Beach, CA 90266

b) Type of business entity, sole proprietor, partnership, corporation, etc.

S-Corporation

c) Corporate officers, if applicable

Jason Shanks - President / CEO

d) Experience and qualifications of business including length of time in business and locations at which the proposer has operated a similar service.

Last year we had the privilege of partnering with the City of Manhattan Beach to be the first to offer Rentals "at the beach." It was a great opportunity for us. We were able to work with both city and county officials as different challenges and opportunities came up through the summer. We were able to create valuable connections with our county lifeguards and with a simple phone call resolve questions and concerns as they arose. Our beach rental opportunity was really the impetus to reach out to the city and request the opportunity to do something larger, adding the informational component to our rental booth. One of the best parts of doing rentals down at the beach was getting to help out both locals and visitors alike with information about the happenings at the beach and downtown. It's always a great feeling to be in the know and pass the info along to help others.

When we founded Nikau Kai, it was just a rental and lesson business. That was back in June of 2011. Now, in the blink of an eye, we've just celebrated our forth year in business. We've grown from rentals and lessons offered from a trailer behind a bike to a bustling little surf shop located at 13th & Highland in the heart of downtown Manhattan Beach. We still offer both lessons and rentals of all types of surf craft both here locally and in the King Harbor in Redondo Beach. It's been a wonderful journey thus far and our future looks bright.

e) References – Please provide a list of references where similar work of similar size and nature is currently in process or recently completed. Include name of firm, telephone, and name of contact person. These references will be checked and may affect the award of the contract. The City of Manhattan Beach reserves the right to contact any of the organizations or individuals listed or any others that may stem from the inquiry.

Summer - 2014

Nikau Kai at the Beach

Beach Rentals - Surf, SUP, Bodyboard

Partnership with the City of Manhattan Beach

Contact:

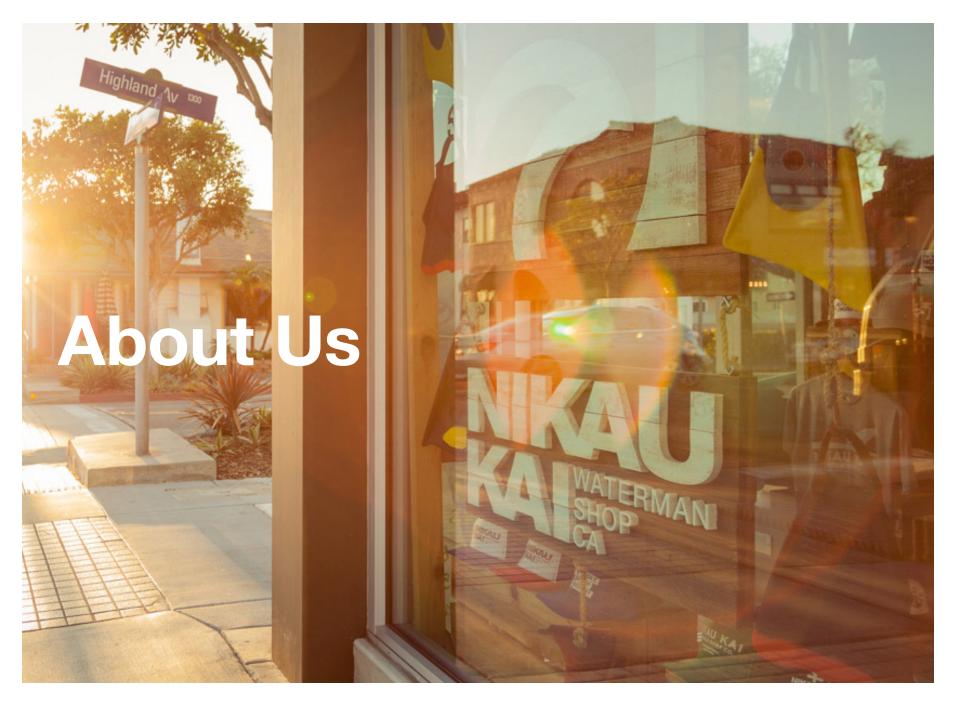
Parks and Recreation Director Mark Leyman mleyman@citymb.info 310.802.5402

Operational Contact:

Recreation Services Manager Jessica Vincent jvincent@citymb.info 310.802.5405

f) Describe how employees are screened.

Hiring is always the most challenging part of an operation. Finding solid, dependable people is the key to any successful venture. That being said, our focus is always to finding bright well-informed locals. Usually college and high school students that live and play in our community are the best choice. Obviously we look for folks who love the water as much as we do and use the Junior Guards Program as a measuring stick of how good the candidates will work with us. An affinity for the water and our town are very high on our list.



Local Downtown Business

Our name, our core:

Nikau and Kai... Palm and Ocean. Our name is our boys Nikau (4) and Kai (7). Our brand is our family.

A brief history:

Nikau Kai was founded in the summer of 2011, where we started out doing Stand Up Paddling Lessons from the beach. That fall we launched our website and the following spring we opened our doors in Manhattan Beach. Today we are the "surf shop" in Manhattan Beach and the go-to when it comes to expert information and training in both stand up paddling and surfing.

The shop:

Nikau Kai Waterman Shop is just that, a waterman shop, a place where you can find and try a nice variety of toys for riding waves and enjoying the ocean, from Stand Up Paddle Boards and Outrigger supplies to Handplanes, Piapos and Alaias to locally crafted custom Surfboards. Our shop also offers a unique selection of hard to find accessories and clothing to keep our customers looking and performing their best, in and out of the water. In addition to quality ocean gear, our shop offers SUP and surf lessons and rentals. It's a fairly new thing to say we're a waterman shop, as opposed to being another surf shop. Not to oversimplify it, but we like to think waterman simply means you love being in and on the water and prefer it to just about any place else, from lakes and rivers to open ocean crossings and of course, surfing everything you can get your hands on.



