REVISED PROJECT NARRATIVE
BLUE AGAVE / JACKRABBIT SUPPER CLUB
2-UP-2006

This is a request for a bar use permit in order to have the ability to request identification at the front door of the restaurant after 10:00 PM and for a live entertainment use permit to offer a jazz ensemble/jazz dancer performance or similar musical ensemble performance hourly in the evening to capitalize on the increased nightly business traffic in Downtown Scottsdale. After six years of owning and operating in Downtown Scottsdale, the owner firmly believes these permits will increase business, complement art and cultural events, and decrease liabilities of the restaurant.

First, the bar use permit would greatly limit liability for underage and intoxicated persons entering the restaurant. On numerous occasions, individuals have entered the restaurant and ordered alcohol without legal identification. Since the restaurant's policy is to not serve any persons less than 35 years of age without identification, service is refused. Most of the time these individuals have already been drinking prior to entering the restaurant and are very close to the legal drinking age. If a member of the liquor board would enter after the individuals and ask for identification, the restaurant could be cited for serving an underage person, allowing an underage person in the restaurant after 10:00 PM, or numerous other liquor violations, even if they were never served. Also, if a patron has already been drinking alcohol in the previous example, a police officer or a member of the liquor board might conclude that the individuals had been drinking while at the restaurant and were served without identification. Liquor violation fines are often quite substantial to the operators.

Underage customers often attempt to buy alcohol when there is no person at the door checking for identification. Once inside the restaurant, it is easier to distract a bartender, server, or manager and pass alcohol to a person that is underage. Also, quite often a large volume of people will enter the restaurant simultaneously. Therefore, it will be more efficient and proactive to verify age at the door. For example, when there are 50 people in the bar area, it becomes difficult to remember if a person has shown identification or not, especially if a friend has passed a drink to them and they are holding it. A manager, server, or fellow bartender might think a different employee has already checked for identification.

Once an intoxicated person enters the restaurant, that person becomes a serious liability to the restaurant. Although there is a strict company policy of refusing service to any patron who appears to be intoxicated, that person is now the restaurant's responsibility and a restaurant's major liability. Without a person at the door, it is nearly impossible to stop them from entering. Therefore, a person at the front door would greatly reduce all liability for the restaurant.

Secondly, a use permit is being requested to have live music performed at the restaurant. Examples are having a three-piece jazz band, a mariachi band, or a blues band on certain nights of the week to coincide with the downtown cultural events and night time business. For example, the restaurant has been a sponsor of the Thursday Night Art walks since 2000 and would like to capitalize on those events with a Thursday night jazz band. With the recent addition of Theater 4301, it would be the intent to occasionally do a blues band Friday nights and a Mariachi band Saturday nights. The live entertainment permit will enhance the culture and the arts experience in the downtown Scottsdale area.

The restaurant has many requests for live music for private parties, Christmas parties, anniversaries, birthdays, and other special occasions. Often these parties are planned less than 45 days prior to the event, making a special event permit difficult to obtain. However, many private events continue to be scheduled, as well as this year, and without fail the event coordinators will request live music two weeks prior to the date of the event. Entertainment is a key component to hosting private events, especially charitable events, as people believe they are getting entertained for their donation.

The following provides a detailed description of the operation of the proposed Jackrabbit Supper Club and the personnel involved.

HISTORY

The Blue Agave restaurant was built and opened by its current owner, Derek Kamarata in 2000, in a commercial development on the east side of Drinkwater Boulevard, just north of Indian School Road and one-half mile south of the Scottsdale Galleria. The Blue Agave Restaurant was the first business opened in that development. Derek, a Saguaro High School and Arizona State University graduate, has been a resident of South Scottsdale for over 20 years. He managed the P.F. Chang's Restaurant in the Scottsdale Fashion Square Mall for seven years before opening his own restaurant.

Since its opening in 2000, the Blue Agave Restaurant has had zero (0) liquor violations. During that time, the business has been active in many local community events, ranging from participating in functions with gallery owners to working with various charitable organizations. Over 25 local business owners in the Downtown area have written letters of support for the proposed renovation changes and for the restaurant's permit applications.

Over the past few years, the business has struggled due to the changing environment in the downtown Scottsdale area and the changing clientele demographics. With its lunchtime business fading and the large number of people coming to Old Town later at night for its high-end dining and entertainment alternatives, it was clear to Derek that in order for the business to survive, an investment would have to be made to renovate and update the concept the business to keep up with the changing business environment.

Partnership

During the past winter, Derek raised investment capital for the renovation of the business. Along with the additional capital, Derek brought in three partners to help redesign and operate the business. The new partners are Jonathan Valz, Annie Itsell and John Dolan. This new group developed a business plan and strategy to renovate the restaurant and update its concept in order to compete in the new downtown environment. The new business plan calls for an investment of over $900,000 into the business.

Jonathan Valz earned an MBA in business management from Arizona State University and has over 10 years of management experience while working for two Fortune 500 companies, Morgan Stanley and Charles Schwab & Co. He has also worked as a project manager for the development of two businesses located in the downtown Scottsdale area. Jonathan has been a resident of Scottsdale for the past eight years and currently owns a home in North Scottsdale.

Born and raised in Fountain Hills, Annie Itsell began studying ballet intensively at the age of 10. Through her years of training she studied at Ballet Arizona, The Academy of Las Vegas Nevada Dance Theater and The Colorado Ballet, and the Royal Academy of Dancing in London. A graduate of Arizona State University's business school, Annie has five years experience working in the food and beverage industry with the Gallo Winery, formally trained in wine training from the Gallo Winery and the International Sommelier Guild. She owns a home in South Scottsdale and also continues to teach ballet at Fountain Hills Dance Academy.

John Dolan attended Arizona State University and has over 10 years of management experience in the restaurant and hospitality industry, most notably at P.F. Chang's in Scottsdale. John has also worked as a restaurant consultant for numerous restaurants and bars in the downtown area.

Proposal

The new business plan was designed to take advantage of the growing affluent, upscale clientele in the downtown area. With the various high-end condominium projects being built downtown and the renovation and construction of numerous trendy boutique resorts in the area, the new business focuses on becoming an additional attraction to the dining and entertainment district in Old Town Scottsdale. The venue will target the upscale, urban, 28-45 year old crowd that desires a trendy yet fun dining and lounge experience.

The proposal is to change the concept of the restaurant from a Mexican cantina into an upscale supper club, tentatively named the Jackrabbit Supper Club. The concept of the entertainment portion of the venue is to have a live, 10-minute show with a

professional three-piece jazz band and solo jazz dancer performing a choreographed musical and dance routine. Shows will be performed approximately once per hour throughout the course of the night. The show will be the focal point of the venue, meaning that all activity in the venue will stop to watch the show. Before the show starts, the venue lights will go down and the background music will turn off, and then the stage will light up and the show will begin. To reiterate, the show is not background music but instead the focal point of the venue, hence our concept of entertainment-based dining.

The setting of the venue, as proposed in the building plans submitted, has all of the seating facing the north wall of the establishment where the stage will be. The proposed stage is 5 feet in width and runs the length of the wall. The three-piece jazz band will also be performing on the same stage. The proposed stage is 42" high in order for all patrons throughout the venue to be able to have a clear view of the show. Since the venue will have seating throughout, an elevated stage area is required to ensure clear viewing of the show from any seating area in the venue.

The applicant hereby assures the City in writing that the nature of the show will in no way remotely be considered as any form of adult entertainment as described as "adult live entertainment establishment" per Appendix B, Basic Zoning Ordinance, Article III, Definitions, Section 3.100.General of the Scottsdale Revised Code. In addition, to clarify any further concerns over the nature of the show, a DVD has been provided of the exact show that is proposed to be performed. All shows will be in a similar format, although music and costuming will change periodically. The filmed rehearsal includes the actual performers who will be performing the show.

The business would undergo the following updates and changes to its concept and operation:

- The new name of the venue will be the Jackrabbit Supper Club (logo below). It will offer a trendy, upscale dining experience with live jazz performances during the course of the night.

jackrabbit

- The supper club will be open for business from 6:00 pm until 2:00 am. Lunchtime hours are currently being considered based on demand.

- Total occupancy of the building is 219. The approximate seating arrangement will provide seating for 128 patrons: 78 people seated at the tables and booths, 21 at the bar, and 32 on the patio (floor plan attached).

- The menu will be updated to a trendy, upscale but casual and fun menu that will reflect the feel and environment of the establishment. Sample items are listed below:

Skinny fries with homemade ketchup $4

Parmesan tater tots with homemade ketchup $4

Macaroni and cheese with smoked ham, Fontina, and boursin $6

Spaghetti O`s, homemade tomato soup, and veal meatballs $8

CB&J Panini - Cashew butter, blackberry jam, focaccia $5

Chicken and dumplings, homemade chicken broth, fresh vegetables $4

Yukon gold potato pie, crème fraise, chives $6

Twice baked kannenback potato, cheddar cheese, bacon, sour cream, chives $4

Maine lobster potato pave, fresh mozzarella, truffle oil $14

Grilled cheese sandwich on Texas toast, white cheddar, creamy tomato-basil soup $8

Blue potato mashers, tot soy, caramelized onion gravy $4

Mini coffee cake French toast, cherries, maple syrup, vanilla ice cream $6

Panko and herb breaded chicken breast sandwich, smoked gouda, artichoke and red cabbage slaw, ciabatta baguette $9

Herb marinated chicken breast sandwich, balsamic-spinach salad, smoked bacon, red onion, wheat torpedo $9

Dagwood sandwich (every thing you can think of in a sandwich!) $15

Pan seared turkey burger, sage stuffing, port gravy, wild mushrooms, cranberry-wheat focaccia $10

The wimpy burger - two 8oz Kobe beef patties, lettuce, tomatoes, onions, pickles and wimpy sauce on a huge bun $18

Sautéed fresh ground beef burger, cabernet, cremini mushrooms, shallots, camembert, brioche bun $10

Balsamic marinated Kobe burger, apple wood smoked bacon, panko breaded red onions, Monterey jack cheese, chipotle-dijon drizzle $12

Fresh ground veal and beef burger, basil pesto, fresh mozzarella, marinara, crispy onions, spinach salad focaccia bun $12

Blackened Kobe burger, baby green salad, vine ripe tomatoes, avocado relish, buttery croissant $11

Chicken pot pie, fresh vegetables, boursin, crisp pastry $16

Yankee pot roast, pearl onions, roasted potatoes, Portobello mushrooms $18

- The main attraction to the supper club will be the live entertainment. During the course of the evening, there will be several 10-12 minute shows that will take

place on the stage behind the main bar. All of the seating is facing the stage area (a detailed floor plan is attached). The main focus of the show will be a three-piece jazz trio under the musical direction of Tim Sealy (www.timsealy.com). Tim owns a musical production company called Clever Monkey Productions, which represents numerous jazz artists in the valley. A one-year contract has been signed for Tim to be the sole provider of the artists to be performing at the venue.

The feature performer of the band will be Mervin "Kid Merv" Campbell, a longtime New Orleans-based jazz performer who recently relocated to the valley after the Hurricane Katrina disaster. His extensive work and talents can be found at www.kidmerv.com.

The band will almost always feature a three-piece arrangement that will include a jazz drummer, upright bass player, and one featured performer – a saxophone player, trumpeter, vocalist, etc. No other acts of any kind will be booked for performances at the venue that do not fit the guidelines described above.

Along with the band will be a featured solo dancer performing choreographed jazz dance routines with the band. The shows will be choreographed by April Jennings, a professional dance instructor based in Scottsdale, and will spotlight the classic jazz and big band songs of the past.

The performers who will be featured entertainers are listed below with their resumes:

April Jennings, Dance Performer - April began her dance training at the age of three studying ballet, jazz, tap, character, and lyrical dance. She performed in the Super Bowl XXX Pre Game Show and was featured in advertisements for Nike, Polaris, and Varsity Industrial. April began teaching and choreographing at several Scottsdale dance studios where she has lead young people to win numerous awards and scholarships at the national competition level. With a degree in dance studies from Arizona State University, she was the first active student in ASU history to create a scholarship fund that is presented in the Dance Production Department each year. After college she went on to be a Phoenix Suns Dancer for three seasons, where she performed, choreographed, edited game music, and designed team costumes for the dance team.

Tim Sealy, Musical Director – An accomplished guitarist and vocalist, Tim has eight years of experience playing with bands throughout the valley. He has performed in a wide range of venues including at The Cajun House in Scottsdale while opening for national blues act Kenny Neal, the Arizona State Fair, Casino Arizona and The Buttes Resort in Tempe. In 2002 Tim performed around the world on Princess Cruise Lines as a member of Hip Pocket, a band which included original members of Spiral Starecase (60's top ten hit band). Highlights of his experience on the ships include sharing the stage with headlining acts and performing for the President of Panama during the christening ceremony for the Coral Princess in the Panama Canal. In 2003, Tim performed

everywhere from Sugar Daddy's to Scottsdale Stadium for The Juvenile Diabetes Research Foundation's "Food Fight" fund raiser. Tim will also be performing for the unveiling of the new Cardinals Stadium in August of this year.

Michael Richau, Drums – Michael is a music teacher at Washington Elementary School in Mesa (Mesa Public School District). Previously, he has played for a Broadway-style percussion show, Blast, at Disney California Adventures. He also plays in the group Urban Trash Bash, a collection of percussionist using trash cans and found objects to create music. Urban Trash Bash plays festivals and events across the valley, including the Phoenix 4th of July Block Party. In addition to these engagements, Michael has played drums for St. Daniels Catholic Church in Scottsdale for three years, and Church of the Resurrection in Mesa for two years.

Rob Wagener, Bass – Rob has been the house bassist for the Conservatory of Recording Arts and Sciences for the last two years. Since 2004 he has also been a bass player with Jazz in Arizona, an organization that brings master classes on jazz music performance to elementary and middle schools across the valley. In addition, Rob has been the bassist for Corpus Christi Catholic Church in Ahwatukee for the last eight years.

Shea Marshall, Saxophone/Keyboards – Shea is the youngest member of the group, but has extraordinary musical talent. In his short time in the industry, Shea has secured several engagements here in the valley, including playing for Jeanne's School of Dance in Scottsdale and the pianist for the Love of Christ Lutheran Church in Mesa. He is a founding member of the new Energy Trio, an organ trio that will soon be featured in a front page article in the New Times. Shea also plays keyboards and saxophone for several local professional jazz and R&B bands in the valley.

Community Support

Restaurant ownership has been very attentive to the dynamics of the downtown area and has made concerted efforts with surrounding neighbors and businesses to ensure that the proposed venue will be a welcome addition to the community. 22 letters of support of the live entertainment and bar use permit applications have been written by business owners and property managers in the area, most notably from the property landlord, all of the business owners in the immediate commercial complex, and the general managers of all of the hotels and apartment complexes adjacent to the restaurant. A listing of the letters of recommendation in favor of the proposed venue is below:

- Dave Murray, General Manager, ***Summerfield Suites***, 4245 North Drinkwater Boulevard.

- Christi Gallimore, Community Manager, ***The Palladium at Scottsdale Civic Center,*** 4111 North Drinkwater Boulevard.

- Phil Snyder, General Manager, ***AmeriSuites Hotel (Soon to be Hyatt Place Hotel)***, 7300 East 3rd Avenue.

- John Cappelletti, ***Property Owner (our landlord)***, 4280 North Drinkwater Boulevard.

- Michael Jefferson, Owner, ***Quiznos Subs***, 4280 North Drinkwater Boulevard.

- Colleen White, Owner, ***Uzuri Salon***, 4260 North Drinkwater Boulevard.

- Raun Aloisi, Owner, ***Salon Virtu***, 4280 North Drinkwater Boulevard.

- Robin White, Owner, ***Nail Solutions by Robin***, 4256 North Brown Avenue.

- Eunice Holt, Store Manager, ***Brides by Demetrios***, 4260 North Drinkwater Bouleveard.

- Randy Feldman, Owner/Operator, ***e4***, 4282 North Drinkwater Boulevard.

- Penny Anderson, Owner, ***Wild at Heart***, 7307 East Indian Plaza.

- Joel Porter, Owner, ***Salon Joel***, 4165 North Craftsman Court.

- Bonnie Wilson, General Manager, ***Craftsman Court Ceramics***, 4169 North Craftsman Court.

- Beth Cochran, Operating Partner, ***P.F. Chang's China Bistro***, 7135 East Camelback Road.

- Renee Showalter, Owner, ***Celebrations in Paper***, 4160 North Craftsman Court.

- Victoria Boyce, Owner, ***Victoria Boyce Gallery***, 7130 East Main Street.

- Virginia Worfolk, Owner, ***Virginia Worfolk Accounting***, 4256 North Brown Avenue.

- Kyle Shivers, Owner, ***The Breakfast Club***, 4400 North Scottsdale Road.

- Kathy Stanton, Controller, ***Rich Dad Poor Dad Companies***, 4330 North Civic Center Plaza.

- Mark West, Owner, ***Arizona General Stores***, 4256 North Brown Avenue.

- Donna Farnes, Manager, ***See's Candies***, 4201 North Scottsdale Road.

- Tim Coggins, Owner, ***EDI Development***, 4224 North Brown Avenue.

Why This Venue is Good for the Downtown Area

The proposed changes to the business located at 4280 North Drinkwater Boulevard in Scottsdale will create a venue that features an exciting and entertaining dining experience that fits into the new upscale, urban design of downtown Scottsdale. The Jackrabbit Supper Club is intended to be primarily a restaurant with live entertainment, but like other such venues, Barcelona, Maestro's, will have a more lounge-like atmosphere later in the evening. It will provide the type of live entertainment envisioned for the Downtown Entertainment District. The demographics of the desired clientele match the type of people the City is attracting with its new urban-style condominium developments and trendy hotels. Examples of the new high-end housing developments are the Third Avenue Lofts, the Optima development north of Fashion Square Mall, the Residences on Main on Goldwater Boulevard, and the Safari Boulevard project. Other examples of new upscale, trendy hotels to the downtown area are as The James, the New Valley Ho, The W Scottsdale (now under construction), and the future Hyatt Place Hotel (currently the AmeriSuites).

The owners and operators of the Blue Agave Restaurant and the new Jackrabbit Supper Club will be dedicated to creating a successful and entertaining restaurant while being conscious to the aspirations and objectives of the neighbors and the Downtown community.

Complies With Use Permit Criteria

The proposed bar and live entertainment use permits meet the specific criteria for a bar/cocktail lounge in Sec. 1403.C.1 of the Zoning Ordinance as detailed below:

1. The use will not disrupt any balance of daytime and nighttime uses. The establishment is currently open from 11 am to 2 am Monday through Saturday.

2. The use will not disrupt any pedestrian-oriented daytime activities. The building was built in 2000 and has great sidewalk access.

3. As previously stated, the establishment has been operating as a restaurant and bar since 2000. This permit will not discourage any daytime retail uses. All parking required will be within 600 feet of the property.

4. All music and noises will be kept within the walls of the building and will not disturb any residential uses.

5. An active management and security plan has been created, approved and implemented by Scottsdale Police Department and Blue Agave.

6. Refuse plan attached.

7. Lighting on the building will not change from the approval from the City of Scottsdale in 2000. All noise will be kept within the building as it has for the last 6 years. Blue Agave takes great pride in the neighborhood and cooperating with all uses and establishments.

8. Please see parking study.

9. Not an after hours establishment.

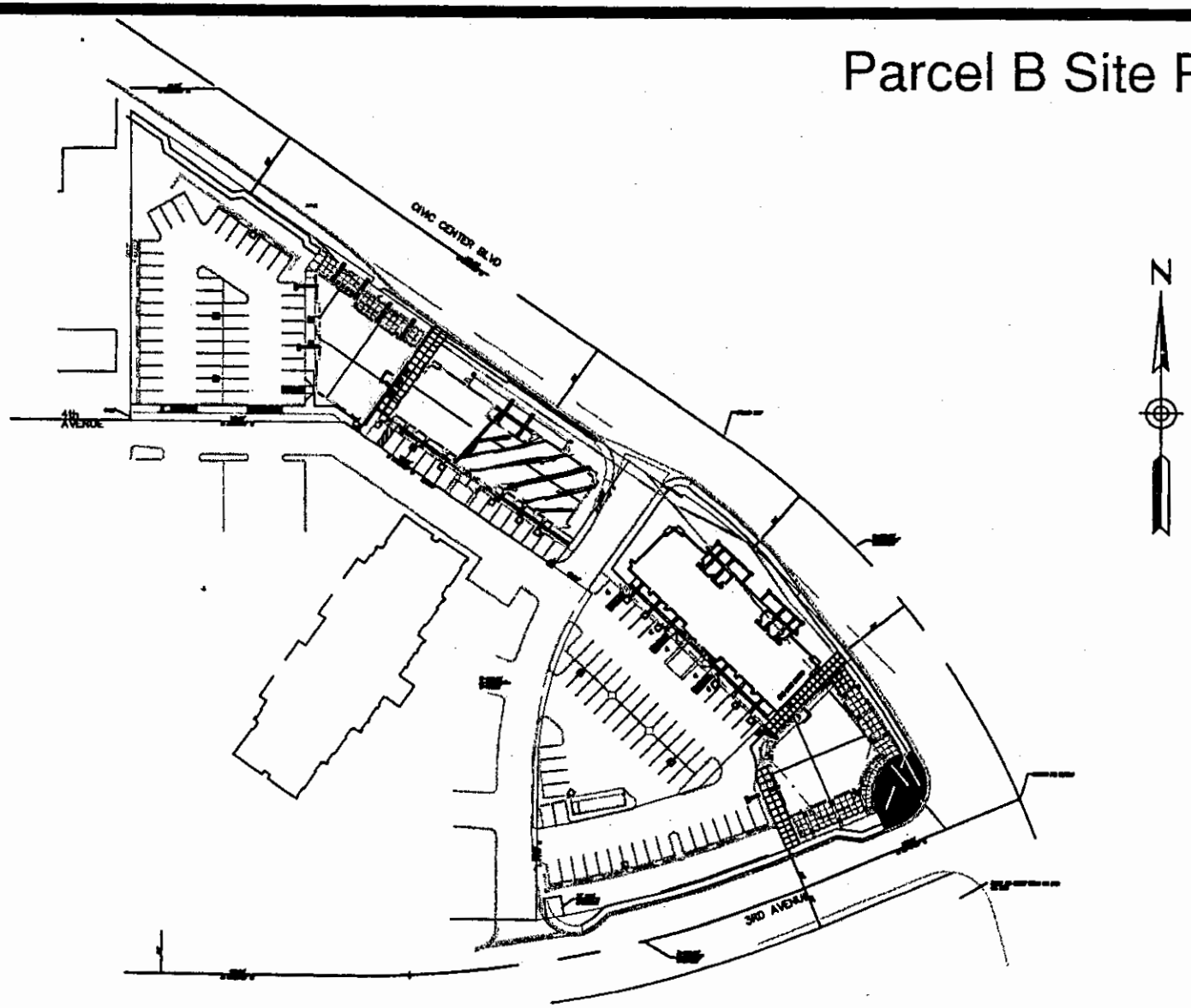
The proposed bar and live entertainment use permits also meet the general use permit criteria in Sec.1401.A-C.

There will be no materially detrimental impact on the public health, safety and welfare from the addition of the ability to verify identification at the door, only the positive impact of protesting the community and the establishment from unlawful or disruptive drinking; nor any such impact form the addition of live entertainment as an amenity for restaurant patrons.

There have been no noise, smoke, odor, dust, vibration or lighting impacts form the restaurant use. Lighting is not being changed, and noise impacts continue to be mitigated. The traffic generated by the restaurant has been typical of the mixed-use commercial nature of the area and no unusual character of volume of traffic is anticipated with the provision of live entertainment with dining. The proposed use restaurant with live entertainment use is compatible with the types of uses permitted in this mixed-use Downtown Entertainment District area.

To conclude, the use permits are being requested in order to reduce liability and to increase business. Both permits will not disrupt any other business in the area either during the daytime or evening. A bar use permit will greatly reduce the potential for fines, citations, and liquor-related lawsuits. A live entertainment permit will enhance the potential to attract business and capitalize on the cultural events and consumer base of the Downtown area.

Parcel B Site Plan



Civic One