Ice House

RESOURCE AND REFERENCE GUIDE

This resource and reference guide is provided to assist in starting a successful Ice House business as well as provide convenient business contacts. Throughout the start up process the Distributor or the Distributor Representative will assist in everyway possible. Please keep in mind that every Ice House location will be unique and will present unique situations. With site improvements please expect a few surprises and possibly a few delays or unexpected cost. If you already have a location, plan on an average of 45-90 days to get an Ice House fully operational.

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(Revised 1-28-06)

Distributor Responsibilities for Placing an Ice House

1. To assist and educate the buyer in every possible way.
2. To provide a State of Texas Engineered Submittal document for city permitting.
3. Verify completion of site improvements with Customer.
4. Provide delivery, install, and start up procedures.

- **Distributors Installer - 1 ½ days installation**
  a. Deliver and install Ice House.
  b. Install foundation and anchors as manufacturer plans indicate.
  c. Set Ice House on foundation and tie anchors.
  d. Level building with three (3) inch drop from front to back for minimal drainage.
  e. Install chute.
  f. Install brackets on Ice Slide.
  g. Install skirt package, trim and add vents.
  h. Install awning using hanging brackets.
  i. Set and bolt condensing unit and ice makers in place on ice house.
  j. Seal and weather proof all holes on ice house roof.
  k. Clear debris from installation site.
  l. Have the buyer sign an inspection statement agreeing to the condition of the delivery, the product and the installation.

- **Distributors Technician - 1 ½ days start up (following electrical and plumbing inspections)**
  a. Connect refrigeration line from evaporator to condensing unit.
  b. Begin start up procedures.
  c. Refrigerator is turned on and left to cool for 24 hours - door must remain closed.

Distributor Responsibilities continued…

d. 24 hours after ice machine is turned on, start the ice house and make adjustments.
e. Technician will properly instruct and train customer on maintenance and operation of the ice house.
f. Inspect the ice house with the customer and sign an inspection statement agreeing to the completion of the start up and customer training.
g. Technician will be available for support in the operation of the Ice House for 15 days after start up procedures are completed.

5. Provide warranty work.
6. Supply bags, ties and replacement parts.
7. Protect customer trade areas.
8. Distribute information and memo’s from Ice House America

Buyer Responsibilities for Placing an Ice House

After securing a lease the usual timeframe to become operational is 45-90 days

Finding a location, city permits, and site improvements are the most challenging part of owning an Ice House. Ask the Distributor or the Distributors Representative for assistance when necessary.

If placing an Ice House outside the city limits many of the following items will not be necessary or required by the county.

The following customer responsibilities are listed in order as much as possible.

1. Begin to establish financing – you may want contact your dealer representative for a list of preferred lenders that may be established in your area.
2. Business Plans and Bank Presentations are available.
3. Find a suitable location – lease or purchase a small plot of land.
    a. Contacting Landlords / Property Owners
        i. Second and third generation shopping centers work well.
        ii. Without national accounts parking lots with major tenants such as Wal Mart and Home Depot are unlikely locations.
        iii. Some locations will require an exterior that matches the shopping center.
        iv. A land leases should run between $400 and $600 a month.
        v. In most cases Ice Houses are an asset to a shopping center. It is often beneficial to show property owners or leasing agents the potential business traffic an ice house can generate for other tenants. The number of bags per day graphs located in the investor package will be a useful tool. However, it is not recommended to show the Landlord the ice house financial projections. These numbers may cause the landlord to require more money on the lease. Using a Real Estate Broker
        vi. Using a local Commercial Real Estate Broker specializing in tenant representation can be very beneficial. We recommend offering an additional fee of $1,500 - $3,500 per location.

    b. Location Questions
        i. Is the facility located in an area zoned for commercial retail?
        ii. Are neighboring businesses likely to attract customers who will also patronize your business?
        iii. Is the location convenient to where you live? If not, is there someone in the area that can service the machine on a daily basis?

Buyer Responsibilities Continued…

iv. Do people you want for customers live nearby?
v. Is the population density of the area sufficient for sales needs?
vi. Is the traffic count 10,000+ per day?
vii. Is there good visibility from both directions on the street?
viii. Is the trade area heavily dependent on seasonal business?
ix. Is the facility located in a safe neighborhood with a low crime rate? If not, take additional security measures.
x. Is the parking lot large enough for your business? If the location selection is an exceptional location, make sure there is enough room for cars to stack. Do not lose business because the machine is too busy for the size of the parking lot.
xi. Will the machine be easily accessible to potential customers? Easy ingress and egress?
xii. Is the parking lot lighting adequate to attract evening shoppers and make them feel safe?
xiii. Is there city water available?
xiv. If using well water, is the well certified for public use?
xv. To avoid unnecessary expenses such as long distances for underground boring, are the utility hook ups relatively close to the Ice House location?
xvi. Is the location in a flood zone?
xvii. What set back requirements does the city require?
xviii. Are there any obstacles like power lines or tree limbs that need to be removed?
xix. Are the lease terms and rent favorable, such as a 5-7 year lease with a buy out option?
xx. Where are “target” locations?
    - Near Discount Stores
    - Wal-Mart, Target
        - Dollar General, Dollar Store
        - Big Lots
    - Near Grocery Stores
        - Fiesta Texas, Carnival
        - Sack N Save
    - Near Hardware Stores
        - Home Depot, Loews
    - Near Recreation Locations
        - Fishing and recreational lakes
        - City League Fields
    - Near Roof Tops
        - Apartments
        - Concentrated residences

Buyer Responsibilities Continued…

- Shopping Centers
  - Second generation or Class C shopping centers have fewer covenants and restrictions, easier to deal with, less expensive, and more interested in additional income.
- Cities, especially the upscale suburban areas, have stricter zoning codes. The small rural cities or areas under county jurisdiction require less work and expense.

4. Acquire a site plan from the landlord or the city specifying the location of all utilities and confirm minimal lot requirements
   a. Commercial retail zoning
   b. 3 Phase Electricity – 208 or 240 V
      i. If 3 Phase power is unavailable, or too expensive, a 3 Phase Power Converter can be installed for $1,500 - $2000. The power company will confirm the availability and cost of bringing 3 phase power to the Ice House. However, it may be beneficial to ask an experienced electrician to verify what the power company is recommending. An Electrician may recommend a less expensive solution.
      ii. If adding 3 phase 240 V requires two Transformer, 208 requires three transformers
   c. ¾ -1’ Water Line
      i. If city water is not available, clean water well certified for public use is also acceptable.
   d. Phone Line
      i. This line will be used to monitor the machine.
      ii. A cellular system or wireless internet can be used in place of a landline
   e. Sewer lines – If an Ice House is within cities limits most cities will require you tie into city sewer for water drainage.

Buyer Responsibilities Continued…

f. Adequate clearance
    i. Adequate clearance for a crane to unloaded and set an Ice House will be necessary. Look for obstacles such as tree limbs that need to be removed. The Power Company may need to be notified to temporarily move power lines on the scheduled delivery day.

5. Acquire an Engineering Permit Submittal Package from your Distributor or Sub Dealer.
6. Go to the Planning and Zoning Department to find out the cities permit requirements. Your Sub Dealer maybe available to accompany you.
7. Collect subcontractor estimates for site improvements required by Planning and Zoning. Requirements will vary for each city and may include the following.
    a. Plumbing Installation – if possible consider tying into the landlord's water and sewer lines then add a sub meter. This will save a substantial amount of money.
    b. Electrical installation
    c. Civil
        i. Foundation – Some cities will accept the steel frame foundation built into the machine.
        ii. Excavation
        iii. Paving
    d. Boring under concrete or asphalt
        i. Water
        ii. Sewer
        iii. Electrical
    e. Drainage
        i. It may be possible to reduce cost by using a French drain. A diagram for this system is available in the Engineering Permit Submittal Package that is provided by your distributor.
            - Approximate water discharge w/o water softener - 2-4 gallons per day.
            - Approximate water discharge with water softener - 14-18 gallons per day.

Buyer Responsibilities Continued…

f. Building Permit Fees

g. Ballard concrete posts

   i. 4 -10 bollard concrete posts are recommended to protect pedestrians and the Ice House from approaching cars

h. Exterior upgrades – only if required by city or shopping center

   i. Masonry exterior with possible masonry foundation
   ii. Vinyl exteriors can also be added – check with your Dealer Representative

i. Architectural Site Plan Drawings – Only if required by the city and after signing a lease.

8. Sign a lease
9. Documents often required for financing
   a. Signed purchase agreement
   b. Signed lease agreement
   c. Written site improvement cost estimates
   d. Written exterior improvement cost estimate (when applicable)
10. To order an Ice House, sign purchase agreement and make a deposit using a wire transfer or cashiers check. Funds must be available to the Dealer to order a machine. Expect 2-4 weeks for delivery.
11. Arrange for delivery and storage of bags. Bags must be stored in a climate controlled facility or a specially built storage shed that is vermin proof and made of materials that can be cleaned easily and approved for the storage of food grade packaging materials.
12. Obtain building permits
    a. Submit to the city
       i. Site plans with location of ice house and where utilities tie in
       ii. Engineer Permitting Submittal Package provided by the Distributor.
13. Apply for Texas Sales and Use Tax Permit
14. Apply for an Occupational License

Buyer Responsibilities Continued…

15. Apply for a two year Texas State Food License Under Manufacturer of Foods

www.tdh.state.tx.us/bfds/lic/apps.html

***Texas does not require a local Health Permit for an unmanned ice vending machine that bags and delivers its own ice.**

16. Insurance on the Ice House - Recommend coverage for each Ice House includes building, general liability, loss of income, theft, and vandalism. For more information you may contact:

Michael Sheaner
P O Box 140535, Dallas, TX 75214
214-823-3003

17. Internet Monitoring System. For information contact:

John Harrington with Strison
229-436-9415

18. Order banners and advertising signs.
19. Complete all site improvements in preparation for the installation date.
20. Prior to delivery arrange crane service to set the Ice House on its foundation.
    - Requirements include a 9 – 11 foot spreader bar with 20 foot straps to transfer 10,000 pounds from the trailer bed to the foundation. Spreader bar and straps maybe available through the install technician.
    - Coordinate crane arrival with installer and require the crane service to provide a certificate of insurance.
21. For Distributor to arrange for transportation and pick up of an Ice House the balance of the invoice must be paid in full using a cashier check or wire transfer. Funds must be available to the Distributor a minimum of 3 work days prior to the Ice House being picked up. Transportation takes 3-4 days.
22. Provide installer a site plan that reveals the location of electrical, water and gas lines prior to installation of ground anchors.

Buyer Responsibilities Continued…

DISTRIBUTOR - First day of installation;

- Using a crane the Ice House is set by the Install Technician.

a. Use a certified electrician to tie in power to condensing unit and ice machine as per plans.
b. Use plumber to hook-up water supply.
c. Call city officials for final inspections on electrical and plumbing – inspections may take a week or two.
    i. Treat all Contractors with respect and follow the rules, they can delay openings.
d. Acquire a final certificate of occupancy from the city.

DISTRIBUTOR – Second day of installation:

- Install Technician installs the skirting package, awning, and bag slide.

e. Cleaning preparation for Start Up Procedures – see page 13 for cleaning agents.
    i. Vacuum and clean the ice bin.
    ii. Clean the inside of the bulk ice chute. Access the top of the ice chute from inside the Ice House.
    iii. Ice is a good cleaning agent. As ice moves through the system it will take dirty with it. The first 20-30 bags will be thrown away.

DISTRIBUTOR - Start up procedures:

- Day one - A Technician will begin the start up procedures and let the refrigerator cold down a minimum of 12-24 hours.
- Day two – Start up procedures will continue. Buyer must be available for onsite operations training.

Buyer Responsibilities Continued…

23. If required complete the installation of exterior veneers and equipment screen.
24. **Read and use the Owner's Manual for help in operation of the ice house.**
25. Work with the technician to tweak the ice house for 15 days following installation.
26. Have ice tested at a local testing lab and place results in on-site Owner's Manual.
27. To avoid any penalty fees, by the Bureau of Weights and Measures, keep pounds of ice set at 17 lbs for bags and 21 lbs for bulk to pass all randomly scheduled weights and measuring tests.
28. Fill out the questionnaire in the Owner's Manual and return it to Ice House America.

Daily Operations and General Maintenance

1. **Contact your Distributor or Distributor Representative, NOT Ice House America, when questions or problems occur**.
2. Initially there will be adjustments that need to be made for the Ice House to work properly. This is normal and not considered a manufacturers defect. Through a process of elimination, settings will achieved and will require less frequent adjustments
3. Bag, Ties and Supplies
4. A supply of bags may be stored inside the unit at least 6 inches off the floor. All remaining bags must be stored in an approved facility.
5. All supplies are to be ordered directly from Texas Ice Express.
6. General maintenance of ice house as listed in the owners manual
    i. Daily Requirements
        a. Collect money daily.
        b. Keep trash and debris cleared.
        c. Verify the machine is operating properly and there are no bag or dollar bill jams.
    ii. Weekly Cleaning Requirements
        a. Spray down all exterior surfaces that are regularly touched by customers.
        b. Clean floors in operation room.
        c. Complete and initial cleaning log.
    iii. Monthly Cleaning Requirements
        a. Repeat weekly cleaning.
        b. Wipe down all interior stainless equipment.
        c. Complete and initial cleaning log.
    iv. Quarterly
        a. Flush and clean Arctic-Temp Ice Making unit – without a water softener this should be done monthly.
        b. The quality of the ice must be tested quarterly at a local testing lab.
    v. As Need Basis
        a. Clean Ice Bin
        b. If remedying a mechanical failure that involves human contact or contact with any un-sanitized utensils, the ice bin should be emptied and cleaned.

Cleaning Agents Safe for Consumption

Follow Weekly and Monthly Cleaning procedures in Owners Manual

Chemical Storage

- Store in a sealed storage container or cabinet 6 inches off the ground
- Separate storage shed
- Service Vehicle

For Sanitation use Clorox mixed 50 ppm-200ppm:

- To produce a consumable Clorox rinse solution use the sanitizing bottle and coil water hose that comes with the Ice House. This system automatically mixes the Clorox and water 50 ppm to 200 ppm. Regularly test the solution with a Chlorine Test Kit.
- To create a hand mixed no rinse Clorox solution – use 1 TBS of Clorox to 1 gallon of water.
- Let Clorox sit 2 minutes before wiping dry.

Caution:

- An Improperly diluted Clorox solution can damage stainless steel and create recurring rust problems.
- Clorox ages and become less effective – use Chlorine Test Kits on a regular bases.

Stainless Steel Care:

Cleaning:

- Use a food grade stainless cleaner easily found at a restaurant supply store.

Rust Removal and Prevention:

- Use white vinegar. Do not add water.

General Information

Ice House

- Ice house dimensions – 9’H x 8'4”W x 24' L, approximately 200 square feet
- Top of ice machines mounted on the roof = 15’ H
- Exterior wall panels – 4” Insulated Refrigerator Panels
- Approximate weight with ice maker - 10,000 lbs
- Built and anchored to withstand 150 mile per hour hurricane winds

Ice Machines

- 2 ton ice maker - capacity 4,500 - 5000 lbs per day, 8 minute cycles, 27 lbs of ice per cycle
- 3 ton ice maker - capacity 6000 - 6,500 lbs per day, 8 minute cycles, 34 lbs of ice per cycle
- Operating 24 hours at maximum capacity ice makers use 500-700 gallons of water
- Ice Bin storage capacity 6,500 lbs
- Bill Validator

Capacity – 750 new bills

Electrical

- 3 Phase Electricity – 208 or 240 V, most electricians prefer 240 V
- 200 amps
- 14.8 Kilowatts
- 3 Phase converters are an option when 3 Phase electrical is cost prohibitive

Standard Supplies standard with each Ice House

- 2 Boxes of Twist Ties & Holder, Cloth Canopy, Standard Skirting Material for Flat Foundation Installation, Sanitation Kit which includes Chlorine Test Kit, Liquid Hand Sanitizer, Sanitizing Spray Bottle with Hose, Gloves & Glove Dispenser