

# GENERAL ADMISSION

S P O R T S L O U N G E

## Business Plan & Feasibility Assessment

3311 Cahuenga Blvd W  
Los Angeles, CA 90068



## **EXECUTIVE SUMMARY**

**General Admission, will be an trendy 95-seat space in Universal City that features a creative take on a fashionable sports bar. Providing an array of options for every eater, General Admission's menu incorporates a five star snack bar of comfort foods, with a wide range selection of beer & cocktails. Offering locally farm-sourced, house-made ingredients as well as, separate vegan and gluten-free options.**

**We have identified an unfulfilled market for our exceptional product. The area is in need of a warm and friendly place with excellent food. A place where you always know you will only get the best quality. General Admission Restaurant will feature a 2,800 sq. ft. cozy dining room, stylish lounge and an outside patio. It will be the perfect place to stop in for a bite to eat, for a drink or for a small business meeting.**

**General Admission is in a start-up position, founded by Kamran Pourkazemi, with a concept like no other sports restaurant. The purpose of this business plan is to estimate start-up and ongoing costs; identify revenue streams; and forecast net cash flow and profits. The company currently has a fantastic lease venue space for 5 years with three 5-year options, as well as in the process of beginning a five-month build-out of the location. We anticipate opening our doors to the public as soon as we complete construction in the beginning of Summer 2017.**

**General Admission already owns a Type 47 Liquor License that has been submitted for a Conditional Use Permit (CUP) and will be evaluated for approval in April. Location has all CADs, designs, plans and permits met in both Health and Building departments to begin construction in the month of January. General Admission is a business properly set up on a silver platter for an exciting opportunity for any investor.**

**General Admission central Los Angeles location, demographics, and minimum competition are major advantages for the success of the venture. The proposed venue will provide a local solution to the lack of social atmosphere and sports entertainment venues in the region.**

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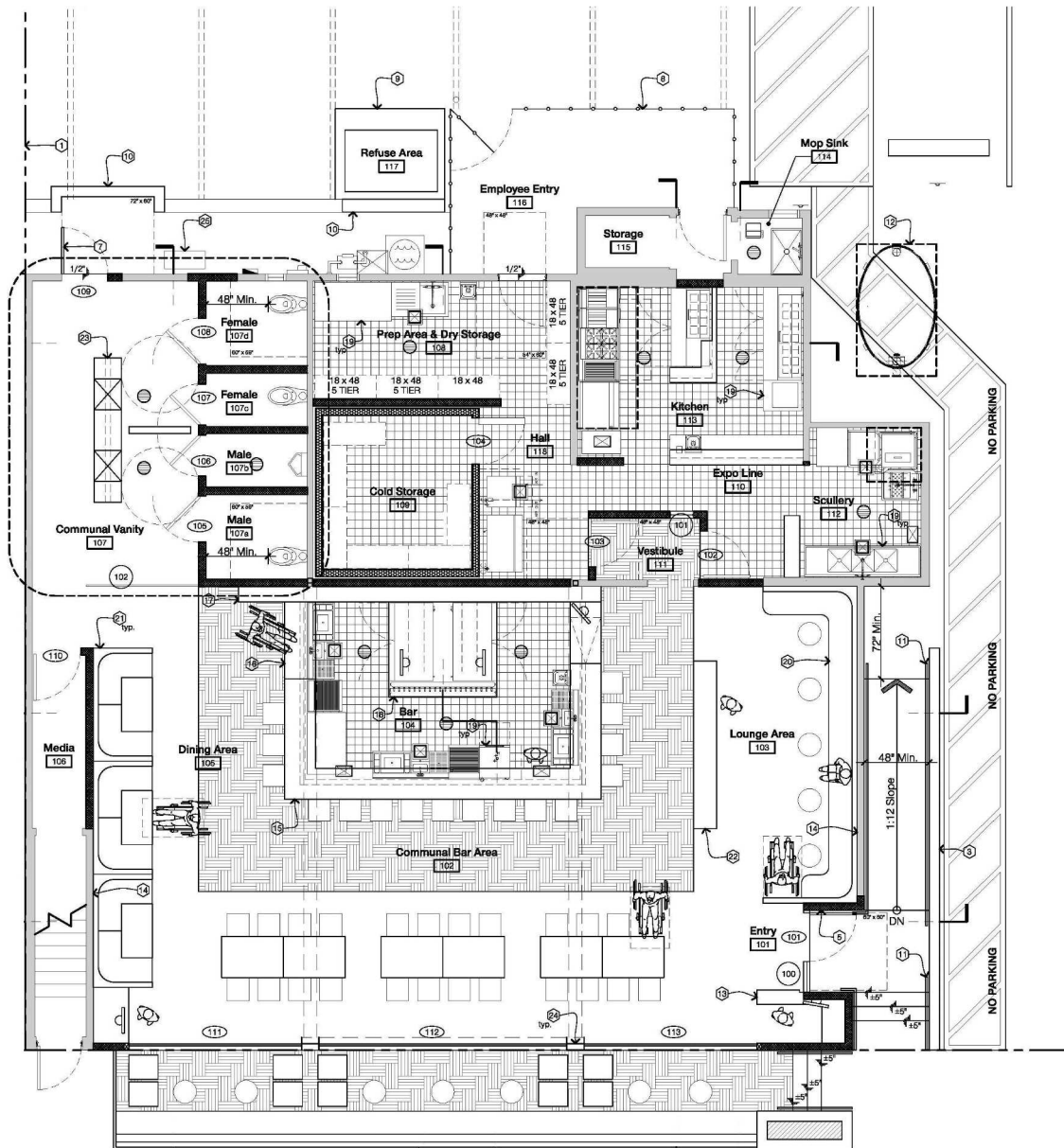
## **BUSINESS CONCEPT**

**General Admission Restaurant will be open seven days a week. We will offer 25 LED TV's to attract customers to watch their favorite sports teams. The restaurant will be fast-casual restaurant, serving fresh, healthy dining in a dapper atmosphere. The lounge and booths will feature comfy couches with inviting wood communal tables and a softly lit central bar. It will be the perfect place to stop in for a bite to eat, for a drink or for a small business meeting. Warm colors, fresh flowers, music, candles and soft back-lit wall displays throughout the notable areas. All through the warm Los Angeles weather months you can also sit outside on our patio with a complete indoor-outdoor theme creating an open-air dining environment.**

**Competitive Edge. The customer experience is extremely important as an effective way of distinguishing General Admission. The service will be relaxed, very friendly and correct. We will hire the best people available, training, motivating and encourage them, and thereby retaining the friendliest most efficient staff possible. Our management team will be comprised of individuals whose backgrounds consist of experiences in food, restaurant and hotel, catering, management, finance, and marketing.**

**The Market. The market can be divided into two market segments, families and individuals. Families will comprise the majority of dinner time business with individuals making up the majority of lunch time business. The family segment is increasing at an annual rate of 9%. The individuals have a 8% growth rate. General Admission will be operating within the fast-casual niche of the restaurant industry, competing against casual fine dining fast food and traditional sit down restaurants.**

**Experience. We have several highly qualified candidates in mind for our General Manager, Bar Manager, Assistant Manager positions that will be decided within the coming months. Chef Chris Aquino has spent 10+ years in the restaurant industry, building menus and opening several restaurants throughout his career.**



## MISSION

General Admission strives to be the premier fast-casual dining experience in the Northeast Los Angeles Region. Our goal is to be a step ahead of the competition. This will be accomplished by offering an unprecedented experience coupled with excellent food and reasonable prices. We want our customers to have more fun during their leisure time. We provide more televisions with more sporting events than anywhere else in the Universal City area. We combine menu selection, atmosphere, ambiance, and service to create a sense of "place" in order to reach our goal of over-all value in a dining/entertainment experience.



















## OBJECTIVES

General Admission Restaurants' objectives for the first two years of operation includes:

- Keeping food cost under 32% revenue.
- Keeping employee labor cost between 28% - 30% of revenue.
- Achieve 25% return on investment to investors for the first year and 30%+ for all years after.
- Reaching sales goal of \$2,500,000 for first year, with a revenue increase of 10% in year number two.
- Controlling costs at all times without exception.
- Managing finances to enable expanding to new locations at targeted cities.
- Expand our marketing and advertising throughout Los Angeles.

## KEYS TO SUCCESS

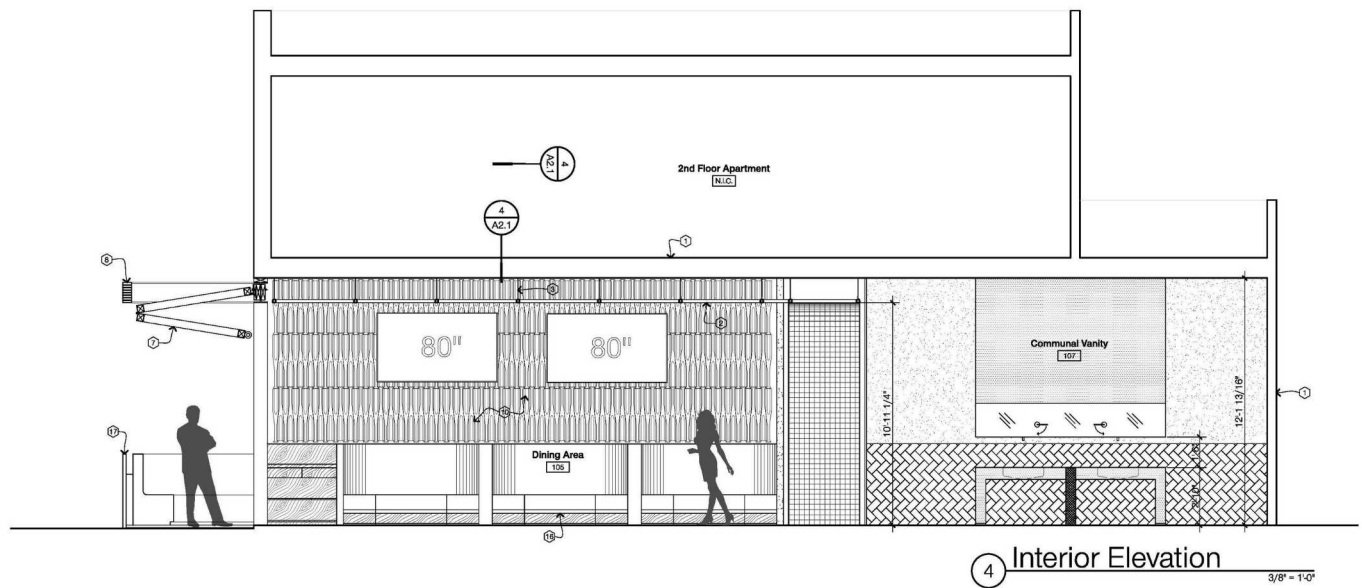
- Product quality, both great food and great service.
- To become the premier fast-casual restaurant in every market entered.
- The creation of a unique and innovative fine dining atmosphere will differentiate us from the competition. The restaurant will stand out from any other restaurant in the area because of the unique design and decor. We will offer a fine dining experience in a trendy atmosphere.
- Controlling costs at all times without exception.
- Expand sales to existing customers and increase customer retention.
- Strong social media presence; create a loyal online community and actively brand General Admission





## MARKET ANALYSIS SUMMARY

As the city of Universal City and Studio City is re-developing, we can see that a fine dining establishment is needed here. The city will have much to offer and the people that it draws expect a place where they will get the best of everything. The fun atmosphere, our excellent food and our friendly staff will stand out to make a name in Universal City and Studio City area. We will succeed by giving people in an environment that attracts successful people that want to get a little bit more out of life than just the ordinary!



## MARKET STRATEGY

The strategy of the customer service effort will provide positive marketing and create first-time customers into long-term customers.

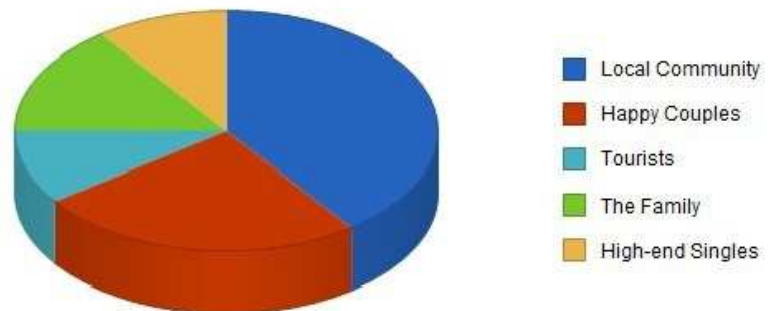
Concentrating on the customer's experience: Customers will not come back if they are not happy with their dining experience. All employees go through a comprehensive training process that includes training on how to offer the customer the finest experience. The employees are empowered to resolve issues and are encouraged to seek assistance from the manager for a conflict that they are unable to resolve.

## MARKET SEGMENTATION

General Admission Restaurant intends to cater to a wide group of people. We want everyone to feel welcome with a wide and varied menu. It is our goal to have "something for everyone" everyday on our menu. In looking at our market analysis, we have defined the following groups as targeted segments.

**Local Community:** Are biggest goal is to go above and beyond for the local community. Companies that encourage community involvement distinguish themselves from their competitors, and see many benefits, including loyal customers and happier employees. This group of people will be our driving force for establishing the popularity of General Admission and ultimate success in our region.

**Happy Couples:** The restaurant will have an intimate, romantic, sophisticated atmosphere that encourages people to bring dates and to have couples arrive. These young couples are generally successful and will be spend slightly less on drinks but more on food.



Market Analysis (Pie)

**The Family:** The perfect place for a family dinner. Families will come for the accommodative menu and friendly service. The excellent value in their meals will keep General Admission in their favor.

**High-end Singles:** We will attract them with our trendy atmosphere and layout. Our wide range menu, music, sporting events, and excellent service will confirm the feeling of being in "most fun place" in Universal City.

**Tourists:** Universal City is a city that attracts many vacationers during all months of year with the very popular theme park, Universal Studios, within one mile of the location. General Admission will be a destination with its attractive interior and outdoor patio.

## SALES ASSUMPTIONS

### FOOD

1. There are 95 seats in the restaurant.
2. Average ticket order per individual is \$15.
3. At probable capacity the restaurant will serve 50 people for breakfast hours on (weekends only), 100 for lunch hours, and 150 for dinner hours.

### DRINKS

1. There are 95 seats in the restaurant.
2. Average ticket order per individual is \$8.
3. At probable capacity the restaurant will serve 20 people for breakfast hours on (weekends only), 130 for lunch hours, and 160 for dinner hours.

SALES FORECAST												
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
Sales												
Food	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000
Liquor	\$74,400	\$74,400	\$74,400	\$74,400	\$74,400	\$74,400	\$74,400	\$74,400	\$74,400	\$74,400	\$74,400	\$74,400
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL SALES</b>	<b>\$209,400</b>	<b>\$209,400</b>	<b>\$209,400</b>	<b>\$209,400</b>	<b>\$209,400</b>	<b>\$209,400</b>	<b>\$209,400</b>	<b>\$209,400</b>	<b>\$209,400</b>	<b>\$209,400</b>	<b>\$209,400</b>	<b>\$209,400</b>

Each month General Admission project the number of meals and drinks sold. At probable capacity it would be 300 meals per day x 30 days = 9,000 meals. 9,000 meals x \$15 = \$135,000. At probable capacity it would be 310 drinks sold per day x 30 days = 9,300. 9,300 drinks x \$8 = \$74,400.

## OPERATING HOURS

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
11am - 1am	11am - 1am	11am - 1am	11am - 1am	11am - 1am	9am - 1am	9am - 1am

To meet these meals per day goals General Admission only needs to serve 22 meals per operating hour. To meet the drinks per day goals General Admission only needs to serve 23 drinks per operating hour. These are conservative numbers to meet our \$2.5m sales goal for the first year.

## PRICE AND PROFITABILITY

The price formula to be operated at General Admission will be based on a food cost at 30%. A handful of industry figures have argued that bar industry pour costs should hover in the 18-24% range; most cite 20% as a useful target. Retail prices are across the board, carry-out or eat-in, with the paper cost of carry-out being offset by the savings in service inherent to take-out food.

As our financial forecast will indicate, we anticipate first-year sales of \$2,500,000 with net operating profits of \$643,408. We would find this acceptable in view of the anticipated "starvation period" that accompanies all new openings and trying to market/promote for the first six months. Our daily break-even point is \$5,357, a very reachable \$367 per operating hour. Gross Sales for the second year are expected to reach \$2,750,000. A 10% increase from year one.

Full-service restaurants at all levels spent about 30% of each dollar on the cost of food, 20% of each dollar on the cost of beverages, 28% on salaries and wages, and from 5%-6% on restaurant occupancy costs. A profitable restaurant typically generates 60%-65% on food cost, coupled with labor costs of total sales. Because of the impact food cost makes on an operation, food cost is one of the first things we examine at a troubled property.

		Amount	Percent
Sales:	Food -	\$1,625,000	65%
	Beverage -	\$875,000	35%
	Total -	\$2,500,000	100%
Cost of Sales:	Food -	\$487,500	30%
	Beverage -	\$175,000	20%
	Total -	\$662,500	26%
Total Gross Profit:		\$1,837,500	70%
Controllable Expenses:			
	Salaries & Wages	\$700,000	28%
	Employee Benefits	\$20,000	0.8%
	Direct Operating Expenses	\$31,250	1.25%
	Marketing	\$18,000	0.7%
	Utility Services & Expenses	\$50,000	2%
	Total	\$819,250	35%
Occupancy Costs:			
	Rent	\$135,600	5%
	Insurance	\$12,000	0.5%
	Total	\$137,600	5.5%
Earnings Before Taxes:		\$880,650	35%
	Sales Tax	\$181,250	7.25%
	Comps & Disc	\$15,000	0.6%
	Business Loan	\$40,992	1.6%
Net Profit:		\$643,408	26%

## BUSINESS EVALUATION

To arrive at our conclusion of value, we performed the following procedures:

- Identified the nature of the business the company since its inception.
- Researched the general economic outlook and the outlook for the specific industry at the date of the valuation.
- Collected and analyzed General Admission's projected financial ratios to other competitors transactional data from comparable companies in the industry.
- Assisted management in preparing a 5 year projection of the financial statements based on management's assumptions as to the Company's future outlook.
- Analyzed goodwill and other intangible value.
- Identified and analyzed the value with CUP Approved 47 Liquor License.
- In reaching the conclusion of value, we considered the Asset, Income, and Market valuation approaches.

We have estimated the Fair Market Value on a controlling interest, 50.00% of General Admission is available for purchase. Effective 1/1/2017, General Admission will be diluting shares as described within the valuation report. Our conclusion is \$15,000 Per Share. This conclusion is subject to the Statement of Assumptions and Limiting Conditions and the Representations presented in the following report but will update this report or our conclusion of value for information that comes to our attention after the date of this report.

Investor returns will be distributed every quarter with 80% of the net profit earn, 20% of the net profit will remain in the LLC business account. Based on a \$2,500,000 sales cost breakdown projection on page 14, one share earns a 34% return on your investment, year two is projected to earn a 39% return and a break even point by year three Q1.

<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>
$\$2,500,000 \times 26\% = \$643,408$	$\$2,750,000 \times 27\% = \$739,033$	$\$2,887,500 \times 27\% = \$808,500$
$\$643,408 \times 80\% = \$514,726$	$\$739,033 \times 80\% = 591,226$	$\$808,500 \times 80\% = \$646,800$
1 Share = \$5,147.26	1 Share = \$5,912.26	1 Share = \$6,468
$\frac{\$5147.26}{\$15000} = 34\%$	$\frac{\$5912.26}{\$15000} = 39\%$	$\frac{\$6468}{\$15000} = 43\%$

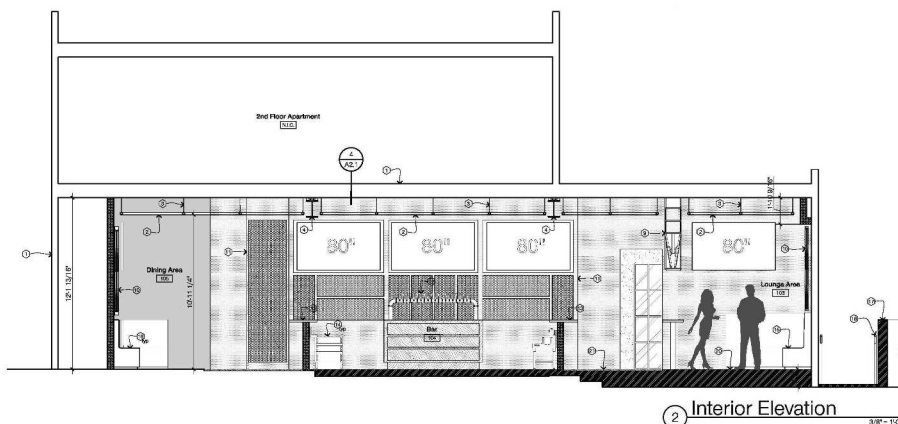
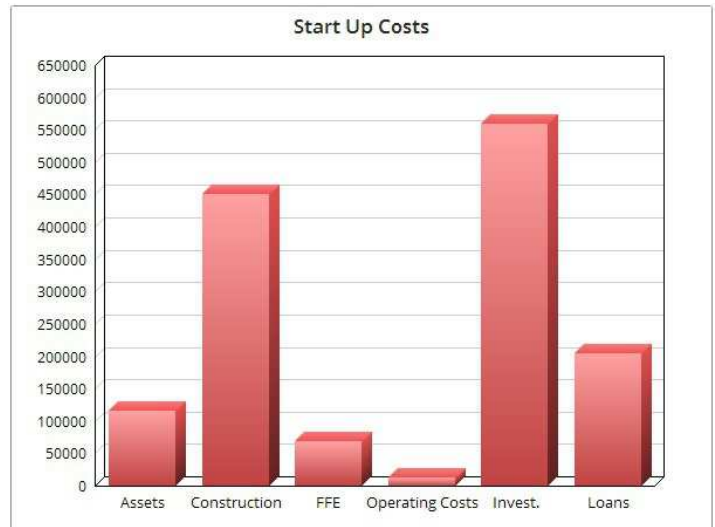
## RESTAURANT START-UP COSTS

In order to open General Admission, management has determined that capitalization of \$560,000 will be required. Once we enter these startup costs there will be accompanied two loans that the business has incurred in order to cover initial costs (Lease Security Deposit & Rent, Type 47 Liquor License, CADs, Plan Designs, Initial Construction Costs, Permits & Licenses, etc.).

A \$105k loan from family and a \$100k loan from a Home Equity Line. The borrowed capital would be drawn over a period of 60 month preceding Grand Opening, which equates to a \$3,416 a month. Grand opening is targeted for Summer 2017.

These funds will be allocated as follows:

<b>Construction Start-Up Costs</b>	<b>\$450,000</b>
<b>Equipment &amp; Fixtures</b>	<b>\$50,000</b>
<b>Restaurant Furniture</b>	<b>\$12,000</b>
<b>Point of Sale Systems</b>	<b>\$7,000</b>
<b>Initial Supply of Food &amp; Beverages</b>	<b>\$7,500</b>
<b>Training Operating Labor Costs</b>	<b>\$6,000</b>
<b>Advertising &amp; Promotion</b>	<b>\$2,500</b>
<b>Operating Reserve</b>	<b>\$25,000</b>
<b>Total</b>	<b>\$560,000</b>





## MANAGEMENT SUMMARY

At the present time, founder Kamran Pourkazemi, will run day to day operations for General Admission, with the addition of, Ray Anderson, a highly qualified General Manager from Mercado Restaurant. Chef Chris Aquino will run all kitchen and back of the house operations, a highly skilled and experience chef, opening of several restaurant locations. Bar Manager, Patrick Leono, will be tending bar and serving drinks, this position will help with the cleaning and busing of tables as well as opening and closing activities.

Other key personnel will be hire for bar and server leads at location. Several high qualified candidates have already been identified for the first General Admission. There will be multiple bartenders and servers, typically having part-time shifts. There is not expected to be any shortage of qualified and available staff and management from current hired staff and local labor pools in the market area.

PERSONNEL PLAN			
	FY 2017	FY 2018	FY 2019
Total Payroll	\$700,000	\$770,000	\$808,500
Name or Title or Group	\$0	\$0	\$0
<b>TOTAL PEOPLE</b>	<b>25</b>	<b>27</b>	<b>28</b>
Total Payroll	\$700,000	\$770,000	\$808,500

Future organizational structure will include a director of store operations when restaurant locations exceed three. This will provide a supervisory level between the executive level and the store management level. A full time controller/accountant will be added. Also, a sales/marketing director will be supplemented to oversee the expansion effort both to support the growth of existing business and to execute the expansion strategy when the time is right.

## MENU

Items are subject to change.

### Bar Snacks:

House Made Pickles

Fried Pickle Chips

Fried Jalapenos

Chicken Fried Bacon (3)

Brussels Sprouts

- Sweet Chili Glaze

- Bourbon Bacon



### Appetizers:

Real Tex Mex Queso with Three Flour Tortillas

Olive Tapenade House Hummus with Pita Chips

Maui Sweet Onion Rings Thick Cut with Jalapeno Ranch

Sriracha Soy Roasted Chicken Thighs (3)

Flour Quesadilla Exotic Cheese Blend, Guac, Roasted Salsa

Buffalo Chicken Dip w/ Mozzarella or Ranch

Beer Wings Boiled in Beer & Flash Fried – 6, 12, 18 or 24 pack

- Tavern Style, ½ BBQ ½ Franks Red Hot

- Traditional BBQ

- Traditional Buffalo

- Holy Habanero!

- Sweet Chili

House Cut Fries or Sweet Potato Fries, Add:

- Pepper Jack Beer Cheese

- Topped w/ Pulled Pork, Pepper Jack Beer Cheese & Chipotle Sour Cream

- Topped w/ Chopped Applewood Bacon & Blue Cheese

- Topped w/ Pepper Jack Beer cheese, Guacamole, Chipotle Sour Cream & Fire Roasted Salsa

House Guacamole & Salsa served w/ House Tortilla Chips



### Salads & Soups:

Kale Caesar – Traditional Caesar using Kale

Grilled Caesar – Romaine hearts, Lemon-Lime Caesar

Wild Field Greens – Pickled avocado, Shaved Radish

Asian Kale – Pickled Avocado, Shaved Carrots Brussels,

Smoked Pumpkin Seeds, Citrus Vinaigrette

L.A. Onion Soup

Roasted Beet - Creme Fraiche

Smoked Tomato Bisque



**Sandwiches & Wraps:**

- Grilled Ceaser Wrap**
- Salmon w/ Olive Tapenade & Avocado Spread**
- BBQ Pork w/ Pepperjack & BBQ Sauce**
- Veggie: Grilled Seasonal Veggies, Vegan Cheese**
- Buffalo Chicken w/ Frank's Red Sauce**
- B.L.A.T. w/ Avocado Spread**
- Grass Fed Rib Eye Steak Sandwich**



**Burgers:**

- All Burgers served w/ House Cut Fries**
- Choose Style of Turkey , Grass Fed Beef, Bison,  
Veggie or Chicken Breast**
- House – Choice of Cheese, Thick Cut Bacon,  
Caramelized Onions, Avocado**
- Texas – Onion Ring, Pepperjack Cheese,  
BBQ Sauce, Jalapenos**
- New York – Blue Cheese, Fresh Avocado  
Spread, Caramelized Onion**
- Cali – Guacamole, Jalapenos, Pepperjack Cheese**



**Tacos:**

- Baja Chicken - Chipotle Sauce, Cheese, Tomato Cilantro**
- Grilled Steak - Avocado, Crispy Onion, Cilantro**
- Halibut Fish - Siriacha Mayo, Cabbage**
- Veggie - Grilled Seasonal Veggie, Avocado Spread**



**Sea Animals:**

- Ginger Salmon – Santa Monica Seafood Co**
- California Canteen Mussels**
- Fish n Chips – Halibut**

**Mains - Served after 6pm:**

- Pulled Pork Enchiladas**
- Grass Fed Rib Eye - 8oz**
- Brined Chicken Breast w/ Rosemary**

**Desserts:**

**Campfire Smores – Do it Yourself for Two,  
- Graham Crackers, Marshmallows,  
Whiskey Infused Bacon Strips, White &  
Dark Chocolate Squares, Peanut Brittle,  
Nuts, & Fire to make your Ultimate Smore!**



**Lava Cake of Doom – Dark Chocolate, Tahitian Ice Cream**

**Root Beer Float – Tahitian Vanilla Ice Cream**

**Chocolate Cookie Pizookie w/ Tahitian Vanilla Ice Cream**

**Brunch - Sat & Sun Only 9am – 1am**



**Bloody Mary Bar & Bottomless Mimosas**

**Fresh Salmon Benedict**

**Breakfast Burrito**

**Breakfast Tacos**

**Breakfast Burger – Topped w/ Fried Egg**

**Steak & Eggs**

**Crab Stuffed Deviled Eggs**

**Breakfast Panini**

**Tofu scramble**

**Paleo Parfait: Yogurt, Nuts & Fruit**

**Omellete:**

**Choice of Cheese, Veggies & Meats**

**Hawaiian Sweet Bread French Toast**





**COMING SOON**

Created by  
Kamran Pourkazemi