



# City of Madison Liquor/Beer License Application

On-Premises Consumption:  Class B Beer  Class B Liquor  Class C Wine  
Off-Premises Consumption:  Class A Beer  Class A Liquor

## Section A – Applicant

1. If needed, a qualified interpreter can be provided at no charge to you. Would you like an interpreter?  
 Yes (language: \_\_\_\_\_)  
 No (If you answer no and you do require an interpreter, the ALRC will refer your application to a subsequent meeting and this may delay your application process)

Si usted requiere o necesita un/a intérprete, nosotros podemos proveer un/a intérprete sin costo alguno. ¿Le gustaría tener un/a intérprete?

- Sí, lenguaje \_\_\_\_\_  
 No. Si usted escoge "no" en la solicitud/aplicación, y usted sí requiere un/a intérprete, el comité remitirá su solicitud para una nueva junta y esto puede atrasar el proceso de su solicitud.

2. This application is for the license period ending June 30, 20 15.
3. List the name of your  Sole Proprietor,  Partnership,  Corporation/Nonprofit Organization or  Limited Liability Company exactly as it appears on your State Seller's Permit.

CAMBRIDGE WINERY LLC

4. Trade Name (doing business as) CAMBRIDGE WINERY

5. Address to be licensed 1001 S. WHITNEY WAY, MADISON, WI 53711

6. Mailing address 1001 S. WHITNEY WAY, MADISON, WI 53711

7. Anticipated opening date 09/01/2014

8. Is the applicant an employee or agent of, or acting of behalf of anyone except the applicant named in question 2?  
 No  Yes (explain) \_\_\_\_\_

9. Does another alcohol beverage licensee or wholesale permittee have interest in this business?  
 No  Yes (explain) \_\_\_\_\_

## Section B—Premises

10. Describe in words the building or buildings where alcohol beverages are to be sold and stored. Include all rooms including living quarters, if used, and any outdoor seating used for the sales, service, and/or storage of alcohol beverages and records. Alcohol beverages may be sold and stored only on the premises as approved by Common Council and described on license.

COMMERCIAL BUILDING LOCATED AT 1001 S. WHITNEY WAY. UPSTAIRS  
(MAIN FLOOR) WILL BE A WINE TASTING BAR, LOUNGE AND  
GIFT SHOP OPEN TO THE PUBLIC. AN INTERIOR ROOM ON THE LOWER  
LEVEL WILL BE USED FOR WINE STORAGE.

11.  Attach a floor plan, no larger than 8 ½ by 14, showing the space described above.
12. Applicants for on-premises consumption: list estimated capacity 60-70

13. Describe existing parking and how parking lot is to be monitored.

EXISTING PARKING LOT CONSISTS OF 21 SPACES. ADDITIONAL STREET PARKING IS AVAILABLE. PARKING LOT IS LIGHTED AND WILL BE VIDEO MONITORED.

14. Was this premises licensed for the sale of liquor or beer during the past license year?

No  Yes, license issued to \_\_\_\_\_ (name of licensee)

15.  Attach copy of lease.

### Section C—Corporate Information

This section applies to corporations, nonprofit organizations, and Limited Liability Companies only. Sole proprietorships and partnerships, skip to Section D.

16. Name of liquor license agent FRANK PEREGRINE
17. City, state in which agent resides MADISON, WI
18. How long has the agent continuously resided in the State of Wisconsin? 24 YEARS
19.  Appointment of agent form and background check form are attached.
20. Has the liquor license agent completed the responsible beverage server training course?  
 No, but will complete prior to ALRC meeting  Yes, date completed 4/24/2014
21. State and date of registration of corporation, nonprofit organization, or LLC.  
WISCONSIN, 02/14/13 (ORIGINALLY FILED AS "AMANTE WINERY LLC")

22. In the table below list the directors of your corporation or the members of your LLC.  
 Attach background check forms for each director/member.

Title	Name	City and State of Residence
MANAGING MEMBER	FRANK PEREGRINE	MADISON, WI
MEMBER	LAURIE PEREGRINE	MADISON, WI

23. Registered agent for your corporation or LLC. This is your agent for service of process, notice or demand required or permitted by law to be served on the corporation. This is not necessarily the same as your liquor agent.

FRANK PEREGRINE

24. Is applicant a subsidiary of any other corporation or LLC?  
 No  Yes (explain) \_\_\_\_\_
25. Does the corporation, any officer, any director, any stockholder, liquor agent, LLC, any member, or any manager hold any interest in any other alcohol beverage license or permit in Wisconsin?  
 No  Yes (explain) \_\_\_\_\_

**Section D—Business Plan**

26. What type of establishment is contemplated?  
 Tavern  Nightclub  Restaurant  Liquor Store  Grocery Store  
 Convenience Store without gas pumps  Convenience Store with gas pumps  
 Other WINE TASTING ROOM, LOUNGE AND GIFT SHOP/WINE STORE
27. Business description WINE TASTING ROOM ASSOCIATED WITH A NEW WINERY BEING DEVELOPED IN CAMBRIDGE, WI, SERVING AND SELLING PROPRIETARY WINES AND OLIVE OILS. WILL ALSO HAVE BOUTIQUE BEERS AND POSSIBLY LIQUOR FOR SALE. GIFT SHOP.
28. Hours of operation W-TH-FR 3PM-9PM. SAT 11AM-7PM. SUN NOON-6PM. PRIVATE PARTIES AND SPECIAL EVENTS WILL HAVE EXTENDED HOURS.
29. Describe your management experience BOTH MEMBERS WERE CO-OWNERS AND CO-FOUNDERS OF CUSTOMCALL DATA SYSTEMS FOR 19 YEARS. BOTH HAVE BUSINESS DEGREES. FRANK HAS AN MBA.
30. List names of managers below, along with city and state of residence.  
SAME AS MEMBERS
31. Describe staffing levels and staff duties at the proposed establishment 1 OR 2 PERSONS WILL OPERATE THE TASTING ROOM AND GIFT SHOP EXCEPT ON WEEKENDS OR OTHER PEAK PERIODS WHEN STAFF COULD EXPAND TO 5-8 PERSONS.
32. Describe your employee training ALL SERVERS WILL UNDERGO RESPONSIBLE BEVERAGE SERVER TRAINING COURSE. LAURIE PEREGRINE IS A CERTIFIED CULINARIAN AND SANITATION CERTIFIED.

33. Utilizing your market research, describe your target market.

WE ARE TARGETING THE BURGEONING MARKET OF WINE ENTHUSIASTS,  
TYPICALLY AGED 35-60, ALTHOUGH BECOMING POPULAR AMONG YOUNG ADULTS.

34. Describe how you plan to advertise and promote your business. What products will you be advertising?

WEBSITE, FACEBOOK, TWITTER AND WORD-OF-MOUTH. POSSIBLY Groupon  
OR LIVING SOCIAL PROMOTIONS. AFFINITY GROUPS/PRIVATE PARTIES.

35. Are you operating under a lease or franchise agreement?  No  Yes

36. Private organizations (clubs): Do your membership policies contain any requirement of "invidious" (likely to give offense) discrimination in regard to race, creed, color, or national origin?  
 No  Yes

### Section E—Consumption on Premises

This section applies to Class B and Class C applicants only. Class A license applicants (consumption off premises) may skip to Section F.

37. Do you plan to have live entertainment?  No  Yes—what kind? ON RARE OCCASIONS,  
MAY HAVE AN INDIVIDUAL PERFORMER OR TWO, BUT NO "BANDS"

38. What age range do you hope to attract to your establishment? 35-65

39. What type of food will you be serving, if any? PRE-MADE CHEESE & MEAT TRAYS, OR SIMILAR.  
 Breakfast  Brunch  Lunch  Dinner EVENTS MAY BE CATERED.

40. Submit a sample menu if applicable. What will be included on your operational menu?  
 Appetizers  Salads  Soups  Sandwiches  Entrees  Desserts  
 Pizza  Full Dinners

41. During what hours of operation do you plan to serve food? ALL OPEN HOURS.

42. What hours, if any, will food service not be available? NONE

43. Indicate any other product/service offered. OLIVE OIL TASTING.

44. Will your establishment have a kitchen manager?  No  Yes

45. Will you have a kitchen support staff?  No  Yes

46. How many wait staff do you anticipate will be employed at your establishment? 2-3

During what hours do you anticipate they will be on duty? WEEKENDS AND PEAK PERIODS ONLY

47. Do you plan to have hosts or hostesses seating customers?  No  Yes

48. Do your plans call for a full-service bar?  No  Yes **SPRITS TASTING - FUTURE**  
 If yes, how many barstools do you anticipate having at your bar? 0 - STANDING ONLY AT BAR  
 How many bartenders do you anticipate having work at one time on a busy night? 2
49. Will there be a kitchen facility separate from the bar?  No  Yes
50. Will there be a separate and specific area for eating only?  
 No  Yes, capacity of that area \_\_\_\_\_
51. What type of cooking equipment will you have? **N/A**  
 Stove  Oven  Fryers  Grill  Microwave
52. Will you have a walk-in cooler and/or freezer dedicated solely to the storage of food products?  
 No  Yes
53. What percentage of payroll do you anticipate devoting to food operation salaries? 0%
54. If your business plan includes an advertising budget:  
 What percentage of your advertising budget do you anticipate will be related to food? 0%  
**THERE MAY BE OCCASIONAL CATERED EVENTS.**  
 What percentage of your advertising budget do you anticipate will be drink related? 100%
55. Are you currently, or do you plan to become, a member of the Madison—Dane County Tavern League or the Tavern League of Wisconsin?  No  Yes
56. Are you currently, or do you plan to become, a member of the Wisconsin Restaurant Association or the National Restaurant Association?  No  Yes
57. All restaurants and taverns serving alcohol must substantiate their gross receipts for food and alcohol beverage sales broken down by percentage. New establishments estimate percentages:  
80 % Alcohol 5 % Food 15 % Other - **GIFT SHOP, NON-ALCOHOL**
58. Do you have written records to document the percentages shown?  No  Yes  
 You may be required to submit documentation verifying the percentages you've indicated.

**Section F—Required Contacts and Filings**

59. I understand that liquor/beer license renewal applications are due April 15 of every year, regardless of when license was initially granted.  No  Yes
60. I understand that I am required to host an information session at least one week before the ALRC meeting.  No  Yes
61. I agree to contact the Alderperson for this location to discuss my application and to invite the Alderperson to my information session.  No  Yes
62. I agree to contact the Police Department District Captain for this location prior to the ALRC meeting.  No  Yes
63. I agree to contact the Alcohol Policy Coordinator prior to the ALRC meeting.  No  Yes
64. I agree to contact the neighborhood association representative prior to the ALRC meeting.  
 No  Yes

65. I understand we must file a Special Occupational Tax return (TTB form 5630.5) before beginning business. [phone 1-800-937-8864]  No  Yes
66. I understand a Wisconsin Seller's Permit must be applied for and issued in the same name as that shown in section 2, above. [phone 608-266-2776]  No  Yes
67. Is the applicant indebted to any wholesaler beyond 15 days for beer or 30 days for liquor?  
 No  Yes

**Section G—Information for Clerk's Office**

68. State Seller's Permit 4 5 6 - 1 0 2 8 0 9 9 5 4 7 - 0 2

69. Federal Employer Identification Number 46-2381223

70. Who may we contact between 8 a.m. and 4:30 p.m. regarding this license?

Contact person FRANK PEREGRINE

E-mail address FRANK@CAMBRIDGEWINEARY.COM

Phone 608-216-8846 Preferred language ENGLISH

71. Corporate attorney, if applicable: Name \_\_\_\_\_

Phone \_\_\_\_\_ E-mail \_\_\_\_\_

**Read carefully before signing in front of a notary:** Under penalty provided by law, the applicant states that the above information has been truthfully completed to the best of the knowledge of the signer. Signer agrees to operate the business according to law, and that the rights and responsibilities conferred by the license(s), if granted, will not be assigned to another. Lack of access to any portion of licensed premises during inspection will be deemed a refusal to permit inspection. Such refusal is a misdemeanor and grounds for revocation of this license.

Subscribed and Sworn to before me:

this 25<sup>th</sup> day of April, 2014

Karen K. Ganser  
 (Clerk/Notary Public)

Frank D. Peregrine  
 (Officer of Corporation/Member of LLC/Partner/Sole Proprietor)

My commission expires 5/10/2015

Clerk's Office checklist for complete applications		
<input type="checkbox"/> Orange sign <input checked="" type="checkbox"/> WI Seller's Permit Certificate (matching articles of incorporation) <input checked="" type="checkbox"/> FEIN <input checked="" type="checkbox"/> Notarized application <input checked="" type="checkbox"/> Written description of premises	<input checked="" type="checkbox"/> Background investigation form(s) <input type="checkbox"/> Form for surrender of previous license <input checked="" type="checkbox"/> *Articles of Incorporation <input checked="" type="checkbox"/> *Notarized Appointment of Agent * Corporation/LLC only	<input checked="" type="checkbox"/> Floor Plans <input checked="" type="checkbox"/> Lease <input type="checkbox"/> Sample Menu <input checked="" type="checkbox"/> Business Plan
Date complete application filed with Clerk's Office <u>4/25/14</u>		
Date of ALRC meeting _____ Date license granted by Common Council _____		
Date provisional issued _____ Date license issued _____ License number _____		

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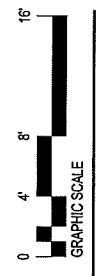
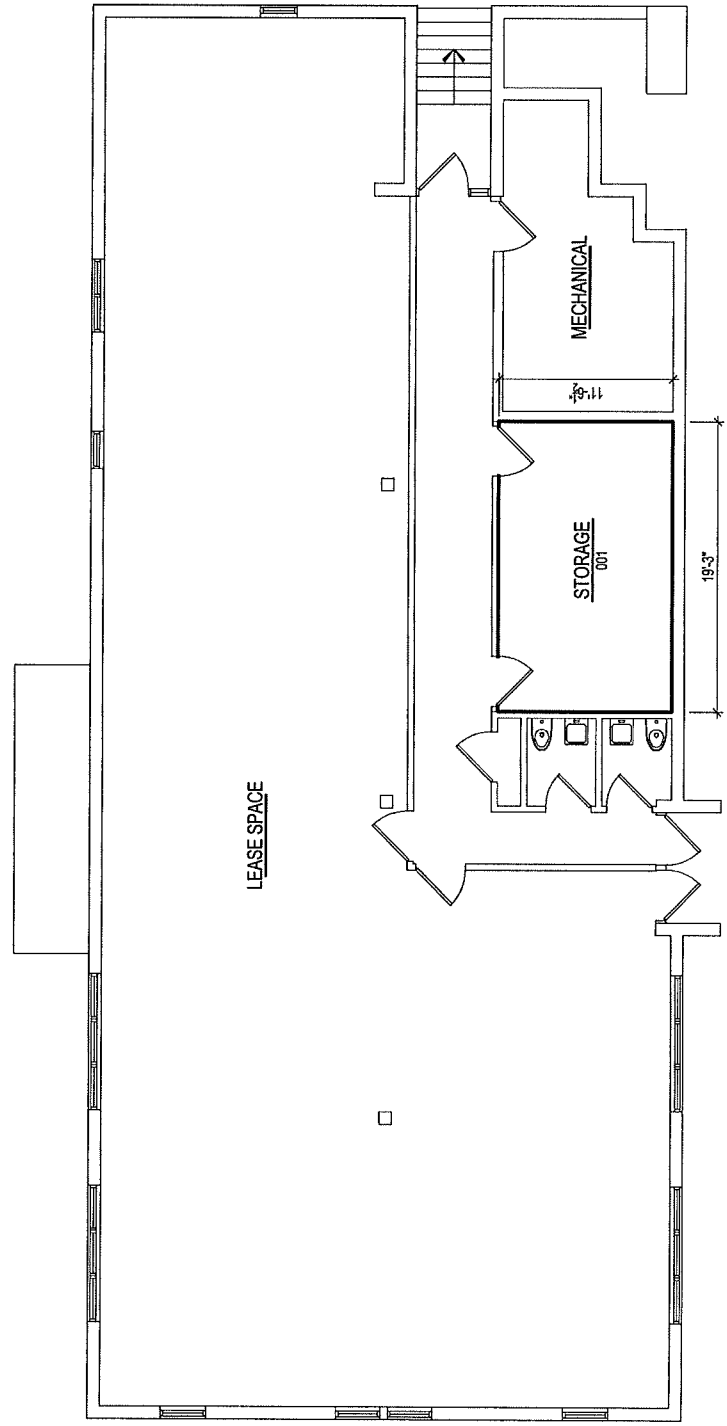
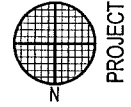






DATE	02-26-14	DRAWN BY	AJR
JOB NUMBER	130345-01	SHEET NUMBER	200
CAMBRIDGE WINERY LLC LOWER LEVEL STORAGE 1001 S. WHITNEY WAY MADISON, WI 53711			
 <b>pr</b> PLUNKETT RAYSICH ARCHITECTS, LLP Intelligent designs. inspired results.   www.praarch.com 11000 west park place milwaukee, wisconsin 53224 414-359-3060 2310 crossroads drive suite 2000 madison, wisconsin 53718 608-240-9900 1613 fruitville road suite 3 sarasota, florida 34236 941-348-3618			

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1 LOWER LEVEL FLOOR PLAN  
200 1/8"=1'-0"

# Cambridge Winery Business Plan Highlights

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Cambridge Winery LLC was founded in 2013 to develop a winemaking facility, vineyards and hospitality business in the greater Madison, WI area. After considering a variety of locations in and around Madison, the Company has chosen to locate its main facility in the Village of Cambridge, WI, where a welcoming Village and the availability of desirable acreage made Cambridge the best choice for the Winery.

In March, 2014, the Cambridge Village Board approved a development plan whereby approximately 72 acres of Village-owned farmland will be developed into the Winery as well as other residential and commercial uses. The development will feature vineyards in the “green space” between housing, a bike path that circles the vineyard and connects to major trails, and other amenities that integrate the Winery with other uses. The Winery and vineyards will comprise about one-half of the acreage of the development. The developer and Village have applied for inclusion of this parcel into the Village’s Urban Service Area, approval for which is anticipated in the summer of 2014. At that time, and upon final plat approval, the Company will be able to acquire its property and begin its development. The property is under contract with the developer.

**In addition to developing the Winery**, the Company intends to have a meaningful presence within the City of Madison, from where its largest concentration of customers is expected to come. Although Cambridge is located only 14 miles from the eastern edge of Madison (and 20-25 miles from other parts), the Company intends to build a brand name and brand loyalty by making its products easily accessible for everyday shoppers. In addition, the Company will have membership clubs that receive periodic allocations of its wines; a Madison location will make it easier for many customers to pick up their allocation.

Another reason to open a Madison location is because the Winery facility in Cambridge will take several years to develop. Grapevines alone take 4 to 5 years from the time of planting before they bear a significant crop. Further, the making of wine also takes significant lead time, with some wines requiring 3 or 4 years of aging before being released for sale. The first vines are expected to be planted in the spring of 2015, putting the first “estate” wine production toward the end of this decade! The construction of hospitality and winemaking facilities will also go well into 2015.

Fortunately, the making and procurement of wine does not have to wait until the Winery’s estate grapes are ready to be harvested. Grapes and juice can be purchased from other growers both in Wisconsin as well as in the traditional wine grapes regions. Further, the Company intends to work with winemakers from other regions to procure boutique wines that meet the Company’s standards for quality, and which will bear the Company’s name.

For the above reasons, the Company's business plan calls for the opening of a Tasting Room in Madison in order to build its brand name, to build brand loyalty and memberships, to generate earlier cash flow and to provide a stylish venue in town for small meetings. The Company is locating its Tasting Room at 1001 S. Whitney Way, which is one block south of the Beltline and which has traffic of approximately 25,000 cars per day. The building is currently owned by Cereus Investments, LLC, which is a real estate limited liability company owned by Frank and Laurie Peregrine, who are also the founders and (currently) sole owners of Cambridge Winery LLC.

The following are highlights of Cambridge Winery's business plan:

## ➤ **Summary of Business Approach**

Cambridge Winery's business approach is summarized as follows:

- The production of high quality, handcrafted wines and spirits
- Heavy reliance on direct sales at the tasting room
- Providing a unique "winery experience" for visitors
- Sourcing grapes, juice and wine to accelerate business development
- Cultivating Cambridge vineyards for estate wines

Cambridge Winery's financing plan is conservative and consists of the following:

- Initial construction, plant build-out and startup costs will be primarily financed with investor (equity) capital
- Growth capital and product inventory after the commencement of operations will be primarily financed with bank (debt) capital
- Debt capital peaks at 50% of total capitalization

## ➤ **Discussion of Business Approach**

### ❖ **The production of high quality, handcrafted wines and spirits**

The single most important aspect of the Company's business approach is to manufacture the best products possible. Doing so requires craftsmanship, personal attention to details and time. Cambridge does not intend to compete on price or distribution with the high volume wineries, such as Wollersheim. Instead, the Company will sell lower volumes of higher quality products. Indeed, at full production (estimated to be reached 4 years after startup), the Company's annual volume is expected to be only 5% of what Wollersheim is believed to produce today.

### ❖ **Heavy reliance on direct sales at the tasting room**

In order to maximize the revenue yield for Cambridge's limited production, it is preferable (and mandatory) to sell as much product direct to the consumer as possible. Based upon the advice of industry experts, it is difficult for a small winery to succeed with distributors (even in state), and costly to get into retail

stores and restaurants, especially in an urban area.<sup>1</sup> Cambridge will have a “wine club” that entitles members to wine releases and discounts on merchandise, thus providing a ready market for much of its product.

#### ❖ **Providing a unique “winery experience” for visitors**

Both the Winery in Cambridge and the Tasting Room in Madison will provide a unique and relaxing atmosphere for friends, families and acquaintances to meet, converse, unwind and enjoy the surroundings. Accompanied by artisan, small plate foods (Cambridge only) and jazz background music, the experience will create an affinity between the Winery and its customers. Small groups (up to 50 or 60 people) will be able to host private events, providing their guests with a unique setting and many fond memories. In Cambridge, the Winery will conduct regular facility tours, and will have production facilities visible from the guest areas.

#### ❖ **Sourcing grapes, juice and wine to accelerate business development**

The cultivation of grapes is expensive and requires a long lead time. A grower must wait at least 4 years before harvesting a first, partial crop, and typically 5 years before a full crop is achieved. The costs of planting grapes are approximately \$14,000 per acre initially, plus an additional \$2,500 per acre per year in maintenance (these estimates do not include the costs of the underlying land). In other words, a grower will have invested over \$25,000 per acre by the time the first full crop is achieved.<sup>2</sup> As a result, it is often cheaper to buy grapes (or juice) or fruit than to grow them. It is usually better to sell wine (and invest in a tasting room and winery) sooner, rather than later.<sup>3</sup>

If you start with a vineyard, it takes a minimum of 11 to 13 years to get into a positive net income position if you are marketing only the wine that you produce from your own grapes.<sup>4</sup> By comparison, Cambridge Winery expects to generate free cash flow (operational cash flow minus capital expenditures) in its fourth year of operation.

*“It is better to choose a site based on its potential for direct sales and attracting your ideal customers, rather than selecting based on the site’s potential for growing grapes.”*

-- Prof. Gerald B. White, Cornell University

#### ❖ **Cultivating Cambridge vineyards for estate wines**

It is important for Cambridge to obtain a portion of its grapes from company-operated vineyards for several reasons. The cultivation and quality control of grapes from estate vineyards usually results in superior quality grapes, leading to higher priced, premium products. In addition, estate vineyards provide a reliable supply of grapes at a predictable cost. Finally, in sourcing grapes from local growers, Cambridge will provide expertise and crop management advice to growers in order to assure the best yields and highest quality from their fields.

Footnotes:

- (1) Prof. Gerald B. White, Department of Applied Economics and Management, Cornell University (2010)
- (2) Wisconsin Grape Growers Association statistics, from annual conference (January 20-21, 2013)
- (3) Prof. Gerald B. White, Department of Applied Economics and Management, Cornell University (2010)
- (4) Prof. Gerald B. White, Department of Applied Economics and Management, Cornell University (2010)