



Canopy: Habitat for Humans

924 Williamson Street
Madison, WI, 53703
608-298-7370

Business Disclosure

11st January 2020

STAKEHOLDERS

Internal

Our inclusive staff will be comprised of bar staff, cafe baristas, and security from our local community. We, Canopy, believe their voice is our voice and look forward to representing our Madison community throughout our hiring practices. We feel Canopy's internal diversity and inclusion initiatives will make for a safe space regardless of position or staff function.

External

Canopy is a space designed to be a safe place for our Williamson Street community. Canopy's offering of an inclusive space to purchase coffee and baked goods during the day will service patrons outside of a nightclub's normal hours while offering additional employment beyond bar staffing. Many coffee shops in the neighborhood offered a tighter, sometimes crowded, experience that can be off putting to sensitive individuals. With the square footage that allows for ample usage during day hours along with the parking, Canopy feels it would be a destination, not only for local Williamson Street goers, but additionally to our local Madison community.

The dance club will offer a unique experience for a safe unbranded space for locals who love to listen to electronic music. Inclusivity is standard practice without being a novelty as to be inclusive without the exclusive environment created by past establishments. Only serving alcohol during night club hours, Canopy feels the community should rest assured these combined offerings are separate but still cohesive in nature.

OVERVIEW

Canopy is an electronic dance music venue offering a safe networking space for our local community while maximizing our footprint during the day as a destination coffee shop for the Greater Madison Area. We feel offering an inclusive ambiance to the neighborhood during the day and EDM music at night is perfect marriage for space utility.

PURPOSE

Canopy's purpose is to change an underutilized space in a way that is not jarring to our local community but tweaked enough to make it a sustainable establishment that can become a Williamson Street stable. In addition, Canopy's vision to create an inclusive space without it being inherently exclusive to any patron. This change is a slight distinction but one we feel very strongly about.

SCOPE

There have been many questions about Canopy's proforma. We feel our marketing plan detailed below coupled with historical benchmarking for the space should allow for a sustainable business model.

FINANCIALS

MARKETING

Canopy will use the marketing styles already used by past and present successful music and club venues by offering themed nights and a cliché atmosphere. Local promoters and a robust marketing allotment will ensure this venue does not go unnoticed. We feel each employee is marketing Canopy's desire for an inclusive space so additional training and care will be taken to ensure Canopy has a smooth transition into the community.

PROFORMA

Canopy predicts over the coming months a soft projection of 1200 customers the first month with a 25% increase month over month thereafter to finally come to around a 3000 customer per period month carrying capacity based on conservative estimates. This yields a small operating profit within the first month. Months 2 and 3 should have a healthy profit of about 3 and 7 thousand dollars respectively which will be put to continually improving the space and its offerings.

BREAKEVEN ANALYSIS

Canopy

AMOUNTS SHOWN IN U.S. DOLLARS

SALES

CUSTOMER AVERAGE TICKET	\$15.00	150,000.00
VOLUME PER PERIOD (CUSTOMERS)	3,000	140,000.00
TOTAL SALES	\$45,000.00	130,000.00

VARIABLE COSTS

UTILITIES	\$0.02	\$6,000.00
MARKETING	\$0.20	\$12,000.00
LIQUOR, BEER, WINE	\$4.00	\$12,000.00
FOOD	\$0.00	\$0.00
TOTAL VARIABLE COSTS PER UNIT	\$4.22	\$12,660.00

UNIT CONTRIBUTION MARGIN

GROSS MARGIN	\$32,340.00
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FIXED COSTS PER PERIOD

Labor	\$5,200.00
INSURANCE	\$200.00
PROPERTY TAX	\$0.00
LEASE	\$7,000.00
OTHER FIXED COSTS	\$0.00
TOTAL FIXED COSTS PER PERIOD	\$12,400.00

NET PROFIT (LOSS)	\$19,860.00
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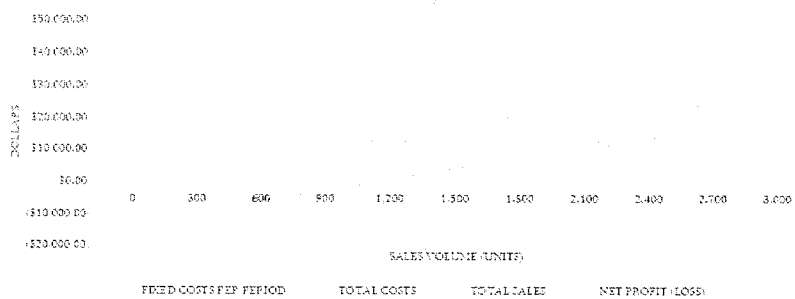
RESULTS

BREAKEVEN POINT (UNITS):	1157.70
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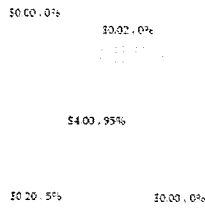
SALES VOLUME ANALYSIS:

SALES VOLUME PER PERIOD (UNITS)	0	300	600	900	1,200	1,500	1,800	2,100	2,400	2,700	3,000
SALES PRICE PER UNIT	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
FIXED COSTS PER PERIOD	\$12,400.00	\$12,400.00	\$12,400.00	\$12,400.00	\$12,400.00	\$12,400.00	\$12,400.00	\$12,400.00	\$12,400.00	\$12,400.00	\$12,400.00
VARIABLE COSTS	\$0.00	\$1,266.00	\$2,532.00	\$3,798.00	\$5,064.00	\$6,330.00	\$7,596.00	\$8,862.00	\$10,128.00	\$11,394.00	\$12,660.00
TOTAL COSTS	\$12,400.00	\$13,746.00	\$15,012.00	\$16,278.00	\$17,544.00	\$18,810.00	\$20,076.00	\$21,342.00	\$22,608.00	\$23,874.00	\$25,140.00
TOTAL SALES	\$0.00	\$4,500.00	\$9,000.00	\$13,500.00	\$18,000.00	\$22,500.00	\$27,000.00	\$31,500.00	\$36,000.00	\$40,500.00	\$45,000.00
NET PROFIT (LOSS)	(\$12,400.00)	(\$9,246.00)	(\$6,012.00)	(\$2,778.00)	\$456.00	\$3,690.00	\$6,924.00	\$10,158.00	\$13,392.00	\$16,626.00	\$19,860.00

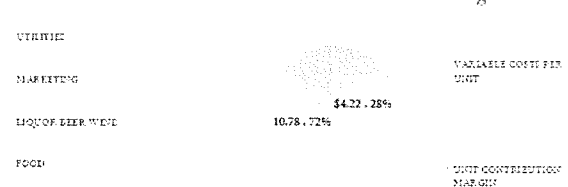
Breakeven Analysis Chart



Variable Costs per Unit



Unit Contribution Margin



SECURITY RESPONSIBILITIES

Our Head of Security will ensure the safety and well being of our community members during club hours. Additional care is being taken to represent our community in our staffing of security personnel so Canopy can provide a habitat for all patrons.

RISKS

With all enterprises there are financial risks associated with opening a bar or night club. 60% of all bars go out of business within the first year and 80% in the first 3 years after opening. Usually personnel, location, customer demographics, lease terms, and customer service are major reasons for this high failure rate which will be addressed here.

There were substantial personnel issues later in the Plan B/ Prism era of the space which resulted in customer care concerns contributing to reduced sales. Canopy has addressed these issues by changing ownership and staff. Additionally, Canopy's prior established nightclub had a 10-year run as Plan B/Prism, so location is not a contributing risk as parking availability has only

increased. Changing demographics is being addressed by offering an inclusive space that is not inherently exclusive to any community member. The themed EDM music will allow flexibly in offerings that other venues are also currently embracing but have not yet capitalized on. Lastly, negotiations with the landlord have only been positive and Canopy's ownership is very thrilled to be working with a community leader who embraces and supports Canopy's vision.

Conditions

General Premise

Canopy aims to provide coffee, alcohol and music to its patrons. Due to constraints with the use of the building, Canopy is unable to immediately start as a cafe by day, lounge by night. The constraints set allow for Canopy to operate as Plan B/Prism did. Until proper forms can be filed and processed, Canopy will operate as such. Other things to note, Canopy offers an art gallery within the lounge, and hopes to expand to classes for the community in the future.

Proposed Operating Hours

Su-Tu	Closed (Except for private events)
We	1700-2300
Th	1700-0200
Fr-Sa	1700-0230

Alcohol License

Upon obtaining an alcohol license, Canopy will maintain the aforementioned Prism operations. In which time it will transition to a lounge and cafe. Canopy looks to extend its hours from a general 1700-0230 to a general 0900-0230. This is to promote a network for the community, and to offer more than late night activities. Due to community concerns, Canopy will operate as a 21+ lounge that does not offer live music, but hopes to revisit these items in the future.

Miscellaneous Business Items

Parking

Parking within the immediate lot is permitted, and towing enforced. Unofficially, it is known that Heartland Credit Union allows the community to use its lot overnight. Negotiations have been started with Kris Warren through Nate Frenczac for the parking lot behind Canopy, but have not been concluded.

Food

The food menu aims to provide adequate variety at first. Having small simple, commercially packaged items. Then provided business goes accordingly, a professional cook will be hired to create and maintain an extensive menu not involving a grill and hood.

Music

Four large speakers have been removed and the noise contained to the dance area. Soft sound padding is installed to catch/redirect the sound both on the walls and on the ceiling. A decibel meter will be kept on site to help accurately monitor the sound levels inside and outside.

Future Plans

Canopy aims to use the upper portion of the building for classes as well as interactive locations for church groups. This will require further sprinkler systems to be installed. After that, Canopy looks to put a patio on either the roof, or the side of the building pending an architect's approval. The estimated time of completion for the upstairs would be 1-2 years out and the patio 3-5 years.

Sunlamps will be installed in the premise to help fight seasonal affective disorder.

Buses are being looked at to provide safe transport for patrons to and from the downtown area.

The current art gallery will eventually be expanded to a larger portion of the downstairs area. Art classes will be held at Canopy, and pending further discussion, Canopy looks to be working closely with the Social Justice Center towards creating an inclusive space for the community.