

46894

LICLIB-2017-00353



# 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  Class A Cider

## 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, 2018 \_\_\_\_\_.
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.

Alabaster Entertainment LLC

4. Trade Name (doing business as) TBD
5. Address to be licensed 3116 Commercial Ave. Madison WI, 53704
6. Mailing address 3318 Ridgeway Ave. Madison WI, 53704
7. Anticipated opening date September 2017
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.

Approx. 7000sqft converted former commercial/industrial building. The space will consist of  
two primary areas: a taproom and a dancefloor / performance space. Approx. 2000sqft of the  
total will serve as non-public storage and backstage areas. A fenced-in smoking patio is also  
planned. See attached floorplan & renderings.

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 400
13. Describe existing parking and how parking lot is to be monitored.  
Existing parking for 100+ vehicles. All parking areas will be monitored by video cameras and occasional patrols by security personnel.
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. Note: building will be purchased, not leased. Accepted offer attached.

### 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 Gregory Kveberg
17. City, state in which agent resides Sun Prairie, WI
18. How long has the agent continuously resided in the State of Wisconsin? 3 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 April 8 2017
21. State and date of registration of corporation, nonprofit organization, or LLC.  
Wisconsin - April 11 2017

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
Partner	Gregory Kveberg	Sun Prairie, WI
Partner	Jason Socha	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.

Jason Socha

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 \_\_\_\_\_
27. Business description Our venue will fill the hole in the market for a techno/industrial/goth dance club, with additional focus on a multi-format art & performance space. We will have art gallery walls, a large stage suitable for live bands, variety shows, theatrical performances, etc.
28. Hours of operation TBD; likely Wednesday through Sunday; roughly 6pm-2am
29. Describe your management experience Ms. Kapp, bar manager, has over 20 years of experience as a bartender and bar manager in several different venues. Mr. Socha has owned and managed several businesses, including Socha Dev a bespoke software shop with over 1M in annual revenues. See business plan for more info.
30. List names of managers below, along with city and state of residence.  
Tanya Kapp - Bar Manager - Mke; relocating to Madison. Gregory Kveberg - Event Manager - Sun Prairie  
Jason Socha - General Manager - Madison
31. Describe staffing levels and staff duties at the proposed establishment Fully staffed bar and security teams. See attached business & security plans for more information and planned staffing levels.
32. Describe your employee training Ms. Kapp will be responsible for all server training, as well as basic alcohol policy training, basic security (ID checking, intoxicated persons, etc.) We also intend to hire a Security Chief who will take responsibility for further security training, conflict resolution, first aid, etc.

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

We will attract a wide range of dance and counterculture art enthusiasts ages 21-100 and cultivate a multicultural and queer-friendly environment.

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

Advertising is likely to be multi-format, traditional media and social media, with a larger portion of traditional media in the first year. While we project a significant portion of revenue on alcohol sales, we're not really a "drink specials" kind of place. Promotion will be on events, culture, and atmosphere.

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? DJ & electronica performance, live bands, variety shows, burlesque (no-nudity), drag shows, theatrical staging

38. What age range do you hope to attract to your establishment? 21-100; occasional 18+ if allowed

39. What type of food will you be serving, if any? Non-kitchen "bar food", such as pre-packed snacks, possibly pizza  
 Breakfast  Brunch  Lunch  Dinner

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 likely to have snacks available

42. What hours, if any, will food service not be available? If we do pizza, it will likely not be available on busy nights

43. Indicate any other product/service offered. Misc themed merchandise such as tshirts, bumper stickers, etc.

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? \_\_\_\_\_  
During what hours do you anticipate they will be on duty? \_\_\_\_\_

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  
 If yes, how many barstools do you anticipate having at your bar? 12-16  
 How many bartenders do you anticipate having work at one time on a busy night? 5-6
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?  
 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%  
 What percentage of your advertising budget do you anticipate will be drink related? 5%
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:  
85 % Alcohol 5 % Food 10 % Other  
Projections based on research
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  
Note: this position is vacant, but we did meet with Mark Woulf last year, as well as Ruth Rohlich in city biz dev and recently Matt Tucker in Planning.
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 9 4 7 4 1 0 9 - 0 2

69. Federal Employer Identification Number 82-1150537

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

Contact person Jason Socha

E-mail address socha.jason@gmail.com

Phone 608-213-9838 Preferred language English

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

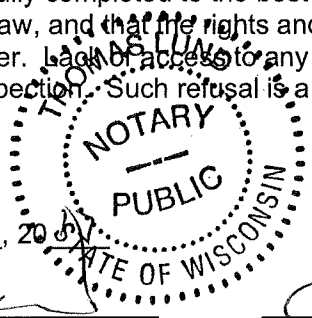
Phone \_\_\_\_\_ E-mail \_\_\_\_\_

**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 17<sup>TH</sup> day of APRIL, 2009  
Thomas [Signature]

(Clerk/Notary Public)



[Signature]  
 (Officer of Corporation/Member of LLC/Partner/Sole Proprietor)

My commission expires 05/24/19

Clerk's Office checklist for complete applications		
<input type="checkbox"/> Orange sign <input 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 checked="" type="checkbox"/> Sample Menu <input checked="" type="checkbox"/> Business Plan
Date complete application filed with Clerk's Office _____ Date of ALRC meeting _____ Date license granted by Common Council _____ Date provisional issued _____ Date license issued _____ License number _____		

---

# *Shadowplay (Working Venue Name)*

## *Master Plan & Proposal*

---

[Introduction](#)

[Community Impact](#)

[Leadership](#)

[Events and Audience](#)

[Hours of Operation](#)

[Location, Parking & Traffic](#)

[Security & Compliance](#)

[Market Analysis](#)

[Financial Projections](#)

[Appendix A: Monthly expense detail](#)

[Appendix B: Monthly revenue detail](#)

[Appendix C: Startup expenses](#)

[Appendix D: Security & Compliance](#)

---

### **Introduction**

---

This project seeks to establish a new venue for creative and alternative nightlife. In part, this venture is intended to replace the Inferno Nightclub, a popular Madison-area nightclub which closed in 2015. (The fact that the Inferno closed down primarily because the owner had a lucrative opportunity to sell for development, rather than as a result of the collapse of the underlying business, indicates that a market niche exists).

This club will feature a mixture of dance/DJ entertainment, live music, variety and theater acts and lower-key community activities including: art exhibitions, fund-raisers and benefits, classes and workshops, and other miscellaneous events that are of interest to our patrons.

### **Community Impact**

---

Any great city needs a vibrant nightlife. People need places to celebrate, relax, dance, form social connections and enjoy performances. A properly-managed nightclub can fill many of these needs, and its impact can be very positive, contributing to the standard of living, reputation, atmosphere and economy of the city. It is our belief that success in such a venture comes from delivering positive experiences to our customers and also making every effort to be a positive and constructive force in our neighborhood and the community.

The clientele that we aim to attract makes being a good neighbor and citizen easy. The Inferno Nightclub was directly across the street from a residential neighborhood. It was on a narrow road and had a relatively small parking lot. Despite these shortcomings, the police confirmed that the club very rarely generated any complaints or calls.

Our proposed location, at 3116 Commercial Avenue, has stood empty for many months at this point. We aim to rehabilitate this structure, and to turn approximately half of the available square footage into a nightclub. Our medium-term plan is to offer the remainder of the building as rental workshop space for Madison's industrial arts community. We believe that this venture can both turn a profit and be a positive asset to the local community, and this is our objective.

## **Leadership**

---

**Jason Socha** - Mr. Socha has lived in Madison for over 20 years and has owned or co-owned several businesses in the area. He currently owns and operates Socha Dev, a software development company with over \$1.1 million in annual revenues. Mr. Socha will act as general business manager for the venture, handling bookkeeping, payroll, tax management, and other such day-to-day operations.

**Gregory Kveberg** - Dr. Kveberg is also a long-time resident of the Madison area. He holds a Ph.D. in history and teaches Russian History at Columbia College in Chicago. Dr. Kveberg has connections in the goth / industrial music scene (he has studied the history of underground music, in the US and in Russia). Dr. Kveberg will be directly involved with the operations of the nightclub, serving as community and artistic liaison, ensuring that the club is booked with popular performers and is properly promoted.

**Tanya Kapp** - Ms. Kapp has over 20 years of experience as a bartender and bar manager in several different venues. Ms. Kapp will serve as the Bar Manager, in charge of all alcohol-related service, staffing, and training.

## **Events and Audience**

---

The club will offer both conventional entertainment events and events that are designed to serve the alternative cultural community in Madison.

### **Entertainment Events**

---

The venue will offer a mixture of DJs, live music, and variety performances. This entertainment will be offered on most weekend nights and some weeknights. Live music will consist of local and smaller touring acts. Being a niche venue, the goal is to attract performing arts talent not suited for Madison's more mainstream venues like the Majestic, Orpheum, or the new Frank Enterprises facility.

### **Community Events**

---

The club will offer a games night once per week, and we are hoping to offer a low-key alternative arts and crafts evening as well. We are planning to offer exercise classes to alternative and industrial music.



The club will also feature gallery walls to exhibit works by local visual artists, and will be available for use or rental for other sorts of parties, exhibitions, and events – we hope to provide a different and congenial space to showcase some work by Madison’s artistic community.

## **Audience**

---

The expected audience for events at the club will range between ages 21 and 50, with an average age in the mid-30s. The anticipated audience consists primarily of young and middle-aged professionals with an interest in alternative culture, art, and theater as well as dance and live music.

The club also plans to offer occasional truly all-ages dance nights, at which alcohol will not be served, in order to offer a nightlife option to young people who might otherwise not have one, and as a way of recruiting new patrons.

## **Hours of Operation**

---

The club will be open from 7PM - 2AM on five days per week, and will be dark on most Sundays and Mondays, unless the club has been rented or for infrequent special events. Most patrons of entertainment events will arrive after 9 PM. The club’s busiest nights will be Fridays and Saturdays. Community events or private rental events may take place earlier in the day, especially on Saturdays and Sundays.

## **Location, Parking & Traffic**

---

The club will be located at 3116 Commercial Avenue. This structure is a large, durable concrete and steel building. It is located at a good distance from the nearest residential properties, and should pose little risk of noise pollution to the local neighborhood. Unlike the downtown area, this part of the east side of Madison is not saturated with bars and entertainment venues, and this club significantly increase the number of entertainment options for the local area.

This location is regularly patrolled by police and is easily accessible from East Washington Avenue, ensuring that police will easily be able to monitor conditions at the club, should they choose to do so.

This building includes parking for a large number of vehicles – at least 100 could be comfortably accommodated, even if the city requires us to rebuild the terracing around part of this property. This provides ample off-street parking for our patrons, as we are aiming for a maximum capacity of 400 patrons. (The City of Madison guidelines require parking stalls to be 15% of capacity; e.g. 60 stalls for a capacity of 400.) Should more parking be needed, we would face no competition for street parking; there are no other bars or nightclubs in the vicinity.

This venue allows easy access to both Highway 30 and East Washington Avenue, and the comings and goings of the club’s patrons should have a minimal impact on local traffic patterns.

## **Security & Compliance**

---

The club will operate under a safety plan derived from the city of Madison's sample security plan illustrating best practices for taverns and nightclubs, with a few key modifications. These modifications incorporate newer security technologies, primarily point-of-sale systems, improved security camera technology, and technological tools to aid in checking IDs and managing patrons. A full draft of the security plan is attached to this document as an appendix.

## **Market Analysis**

---

We anticipate that there will be a sizable audience for our venue. We base that assumption several different pieces of information:

- Several of the nights from the Inferno have continued on at new locations, and the promoters of many of these nights have expressed interest in relocating their events to a permanent home, should one become available. Our club is intended to fill that niche. We have accurate headcounts for these specific nights over the course of the last year at the Inferno, and in the intervening months, and use those numbers to gauge potential attendance at these nights after our club opens. We anticipate being able to grow these events modestly as well, as we plan to provide a space that offers better dancing and socialization than the current venues in which these events are held.
- We have created and maintain a presence on social media (primarily in the form of a Facebook group). This group has 300 active followers (over 200 in the first 24 hours), despite the fact that we do not yet have an operational venue. These individuals are very likely to become regular club patrons.
- We plan to create and grow additional club and performance nights, in an effort to fill in underserved areas of the Madison alternative art and culture scene, but our projections for these new nights begin more modestly, as they will not enjoy the same initial advantages as will inherited legacy events.
- The Inferno, on which our club is partially modeled, remained profitable up until the point at which it was sold, despite limited funds being invested in promoting the club during its final years (as the club's sale had already been arranged). An indication of this enduring popularity is the fact that the club's final official event sold out within an hour (capacity was 350), and there was tremendous additional interest.
- We are also planning to be a niche market venue. Our proposed location is substantially cheaper than the prime downtown real estate occupied by many other entertainment venues. As such, we are not under the same pressure to pack the house every night that we are open, or even every weekend night. We aim to draw excellent crowds, but have structured our business in such a way as to allow it to be modestly profitable even if we have several slow nights per week or month.

## **Competition**

There are many clubs and taverns in the Madison area, of course, but only a few are comparable. No club in the Madison area caters to the niche we target.

Notable madison clubs and music venues:

- **Plan B** is a large downtown nightclub, catering primarily to an LGBT crowd, but with substantial broader appeal. The club tends toward more mainstream music than our proposed club, and draws a generally younger crowd, with a greater emphasis on students and downtown residents. Our club will offer some of the same types of entertainment, such as drag shows, that appear at Plan B, but we will feature a different set of musical genres, and this will allow us to avoid a significant level of competition for patrons. Covers and prices are moderate to high at Plan B, and we would have a small edge in pricing.
- **Club 5** is a large club catering primarily to the LGBT community, and located far from downtown, just off the Beltline highway. Club 5's clientele is relatively static, and consists of a good number of regulars. The club provides a variety of themed dance nights, as well as some variety events, drag shows, and similar live entertainment. We will offer some similar events, but will differentiate ourselves from Club 5, as with plan B, through musical genre. Covers and prices are moderate at Club 5.
- **The Nomad** (formerly the Cardinal) is a medium-sized downtown bar with an eclectic clientele. Many of the nights at the Nomad cater to very specific groups of fans (for example, Salsa Night) and would not draw on the same clientele that we aim to recruit. Covers and prices are moderate at the Cardinal.
- **The High Noon Saloon** is a large downtown venue that caters almost exclusively to live music. The High Noon Saloon is routinely very heavily-booked, and many smaller acts and DJ nights are unable to find space at this very popular venue. We could and would provide a performance space for some of these acts, while not directly competing with the High Noon. Our club will offer a stage and sound system of similar quality to those in the High Noon, and will have a layout that is much more conducive to dancing. We will not, however, be quite so perfectly-configured to present a band on stage to the view of all club patrons. We could not and would not compete directly with the High Noon for live music acts. Covers and prices are both moderate at the High Noon.
- **The Majestic** is a large and expensive downtown nightclub. It draws a mix of mid-and upper tier touring acts, as well as a few variety shows. We would be in competition for a few of these touring acts, but would be in a position to offer easier access for touring musicians as well as substantially greater ease of access for patrons coming from outside of the downtown area. On the whole, though, we would not be drawing on the same crowd as the Majestic. Drinks here are quite expensive, and covers are high - this is an area where we can compete effectively with the Majestic, as our location, outside of the expensive downtown districts, allows us to charge lower prices.
- **The Frequency** is a small downtown bar and venue. It caters to a mixed alternative audience, with a special emphasis on the Electronic Dance Music scene. Our venue offers substantially better access for patrons who do not live in the downtown area, as well as a much larger space and superior sound system. Drinks here are inexpensive and covers relatively low.
- **Liquid** – Liquid is a large downtown dance club. It caters to the college crowd, aims for a posh, VIP, “bottle service” aura, and attempts to present itself as an upscale, mass-market dance club. We aim for a less conventional clientele than that attracted to Liquid, and are aggressively opposed to the culture of “elite” VIP club services and pricing. We anticipate little competition for patrons.
- **Frank Productions Sylvee** – This new venture will operate on a much larger scale than our proposed project. We aim for a maximum capacity of 400 patrons, and have no interest in booking the premier touring acts that will headline at the Sylvee. We will offer a less mainstream cultural option than this behemoth.

- **The Orpheum** – Another excellent venue that books larger shows and higher-profile acts while targeting a crowd drawn largely from the college-age population. We aim at a different demographic, both in terms of taste and age.
- **Connections (Murphy's)** – Connections, which has opened in the rebranded Murphy's tavern, may be our closest direct competitor. It currently houses some of the DJs who performed at the Inferno. Connections offers a smaller, congenial club space. We will offer a larger venue, with a better-quality sound system and stage. In addition, Murphy's caters to a wide variety of nights and acts, and we would be competing with them for patrons only on very occasional nights – perhaps twice per month.

## Financial Projections

---

See Appendices A and B for average monthly projections of revenues and expenses. Appendix C details expected renovation & other startup costs.

A detailed monthly cashflow for the first 3 years of business is also available.

### Key assumptions

- Upon opening, several popular club nights are expected to move into our venue (see Market Analysis section). These events are currently hosted at other clubs in the area since the closing of the Inferno. We expect these events will launch with nearly-full attendance.
- New events will launch with lower attendance, will slowly ramp-up to full potential attendance.
- Advertising budget will be substantial during first year, but will decrease rapidly after that point – most effective advertising for our venue will be conducted via social media.
- Monthly expenses include base salaries for the owners, which could otherwise be attributed to the profit margin. We feel this is appropriate since the owners will be operating the club in day-to-day management jobs.

Given these assumptions, we project that we will begin to make money on this venture during the second year of operation (earlier, if owner's salaries are factored out of the equation).

We plan to employ a rotating staff, with up to a dozen individuals on duty for busier nights, and only one or two employees on staff (in addition to management) on slower evenings.

## Appendix A: Monthly expense detail

Our monthly expense estimates derive from figures taken from the Inferno, with limited adjustments made to reflect differences in our business models and specific physical venues.

Detailed expense breakdowns are available in a cash flow summary spreadsheet.

### Expense Projections, Initial (first month after opening):

COS	6426
Staff	10,687
Marketing	5000
Facility (upkeep, utilities, etc.)	3180
IT/IS	100
Debt service (mortgage, interest, etc.)	8723
Equipment & Supplies	1000
Professional Fees	155
Taxes	2217
Insurance	1000
Misc	500
<b>Total:</b>	<b>38,988</b>

**Expense Projections, end of 3rd year:**

COGS	8693
Staff	11,357
Marketing	1400
Facility (upkeep, utilities, etc.)	3180
IT/IS	100
Debt service (mortgage, interest, etc.)	8723
Equipment & Supplies	1200
Professional Fees	150
Taxes	2671
Insurance	1100
Misc	500
<b>Total:</b>	<b>39,074</b>

## Appendix B: Monthly revenue detail

Revenue projections are based on numbers derived from currently extant club nights that will relocate to our venue and new nights designed to work with those existing nights and promoters. We assume that attendance figures for current events will remain at roughly the same level after the nights relocate to our venue, and grow only slowly, over time. We anticipate that our new events will begin more slowly, but will grow more rapidly as people discover them.

### Gross revenue calculations are based on:

- Little or no income from cover charges - especially in the early phases. All cover charges collected at the door will go directly to talent or promoters.
- 1560 patron visits per month initially, increasing to 2180 after the club's audience has fully developed over the course of the first three years (these numbers are based on compiled projections for individual nights). It is likely that with promotion and development, we can and will beat these numbers; but we'll start with conservative estimates.
- We are unable to accurately project revenue from our coat check, ATM fees, and merchandise sales with the same level of accuracy, but anticipate that these items will bring in a small amount of additional income.
- We intend to rent the venue for special events as well, but anticipate that this business will take some time to develop.

### Income projections, initial:

Gross club income	26703
Taxes Collected	1,285
<b>Initial Gross Income</b>	<b>27,988</b>

### Income projections, 3rd year

Gross club income	38512
Taxes Collected	1739
Rental income (property)	3994
<b>3rd year Gross Income</b>	<b>41,906</b>

## Appendix C: Startup expenses

3116 Commercial Ave. is currently only one step removed from being a large, empty shell. The building is divided by a concrete interior wall into two large spaces. Our project would involve doing the minimal work needed to clear out one of these spaces, and then build out the club in that space. This club will not employ a great deal of expensive décor or theming, keeping buildout costs modest, and would make use of a sound system and set of technical equipment already owned by Alabaster Holdings.

### Startup costs, by category:

Category	Projected Expense	Notes
Buildout	328,800	Includes interior and exterior work – details in projection
Fees	10,800	Includes 10,000 for reserve liquor license
Initial inventory and supplies	15,000	Liquor and food stock
Equipment	35,590	Bar Equipment + Electronics and security
Advertising	5000	Heavy use of Social Media
<b>Total startup cost</b>	<b>395,190</b>	



## **Appendix D: Security & Compliance**

---

### **Number/Utilization of Security Personnel**

For live music events, one in-house security person for each 50 patrons shall be on duty. All security personnel shall be attired in a manner to readily identify them as such. From the time a live music event ends and for 30 minutes thereafter, one-half of all security personnel shall be stationed outside the premises to assist and encourage patrons to leave safely. For live events, pre-sale and day-of-sale ticket sales shall not exceed capacity. Security staff shall regularly patrol both the women's and men's bathroom facilities. Software to track patrons and IDs will be used by staff at all times to ensure an accurate patron count.

### **ID Checking & Scanners**

Licensee will ensure that all door and service staff are trained and certified to evaluate identification. ID Scanners will be used to verify and record all IDs. This data will be made available to police if requested, and will be used to maintain a list of banned patrons, should this become necessary.

All identification cards used to prove age must be valid (i.e., may not be expired), and must be government-issued. If the identification card is expired or appears at all questionable to the employee, the employee shall request a second form of identification. The employee shall make sure that the individual purchasing the liquor resembles the identification card. All employees are encouraged to ask purchasers questions relating to their identification in order to verify the information. If the employee checking an ID has a strong suspicion that an ID is false, altered, or belongs to someone other than the person presenting the ID, he/she shall confiscate the ID and turn it over to management, to be presented to the police.

### **Patrons who are Intoxicated**

Licensee, its agents, and employees, may not sell, dispense, or give away alcohol to any person who is under the influence of alcoholic beverages at that term is defined in Madison General Ordinances Section 38.02, nor shall such a person be permitted on the premises. When a customer has been "cut off," the server will notify the other employees. Management will support the server's decision to terminate service to any customer. If a customer is too impaired to drive safely, licensee will try to persuade the customer not to drive, and arrange for a safe ride. If the customer refuses, management will notify the Madison Police Department with a description of the person and the license plate number of the vehicle, if possible.

### **Unruly Patrons**

Licensee will familiarize all security staff with provisions of Madison General Ordinances Section 38.06(10), the unruly patron ordinance. When a patron acts in a manner that is violent, abusive, indecent, profane, boisterous, or otherwise disorderly, licensee will immediately contact the police and request that the police invoke the provisions of the ordinance.

### **Circumstances under which the Police will be called**

The police will be called, in a timely manner, any time management or staff has information to believe a crime has been or is about to be committed and/or whenever a threat of or act of violence

occurs on the premises or off premises in areas that would be considered in view or earshot of the establishment.

**Handling of Physical Disturbances, including Fights**

Security or management will ask anyone who is fighting to leave. If necessary, security or management will call the local law enforcement agency for assistance. Licensee will permanently refuse admittance to any chronic problem customer.

rev. 4-15-17



Sec. 183.0202  
Wis. Stats.

State of Wisconsin  
Department of Financial Institutions

**ARTICLES OF ORGANIZATION - LIMITED LIABILITY COMPANY**

Executed by the undersigned for the purpose of forming a Wisconsin Limited Liability Company under Chapter 183 of the Wisconsin Statutes:

Article 1. **Name of the limited liability company:**

Alabaster Entertainment LLC

Article 2. **The limited liability company is organized under Ch. 183 of the Wisconsin Statutes.**

Article 3. **Name of the initial registered agent:**

Jason Socha

Article 4. **Street address of the initial registered office:**

3318 Ridgeway Ave  
Madison, WI 53704  
United States of America

Article 5. **Management of the limited liability company shall be vested in:**

A member or members

Article 6. **Name and complete address of each organizer:**

Jason Socha  
3318 Ridgeway Ave  
Madison, WI 53704  
United States of America

Gregory Kveberg  
140 STONEHAVEN DR.  
SUN PRAIRIE, WI 53590  
United States of America

Other Information. **This document was drafted by:**

Jason Socha

**Organizer Signature:**

Jason Socha

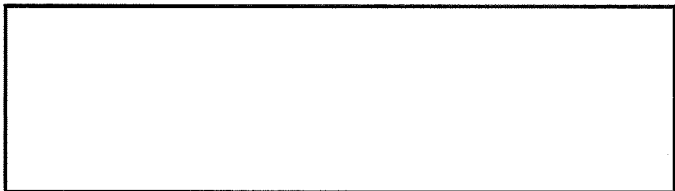
**Date & Time of Receipt:**

4/11/2017 8:40:47 PM

**Order Number:**

201704115216892

**ARTICLES OF ORGANIZATION - Limited Liability Company(Ch. 183)**



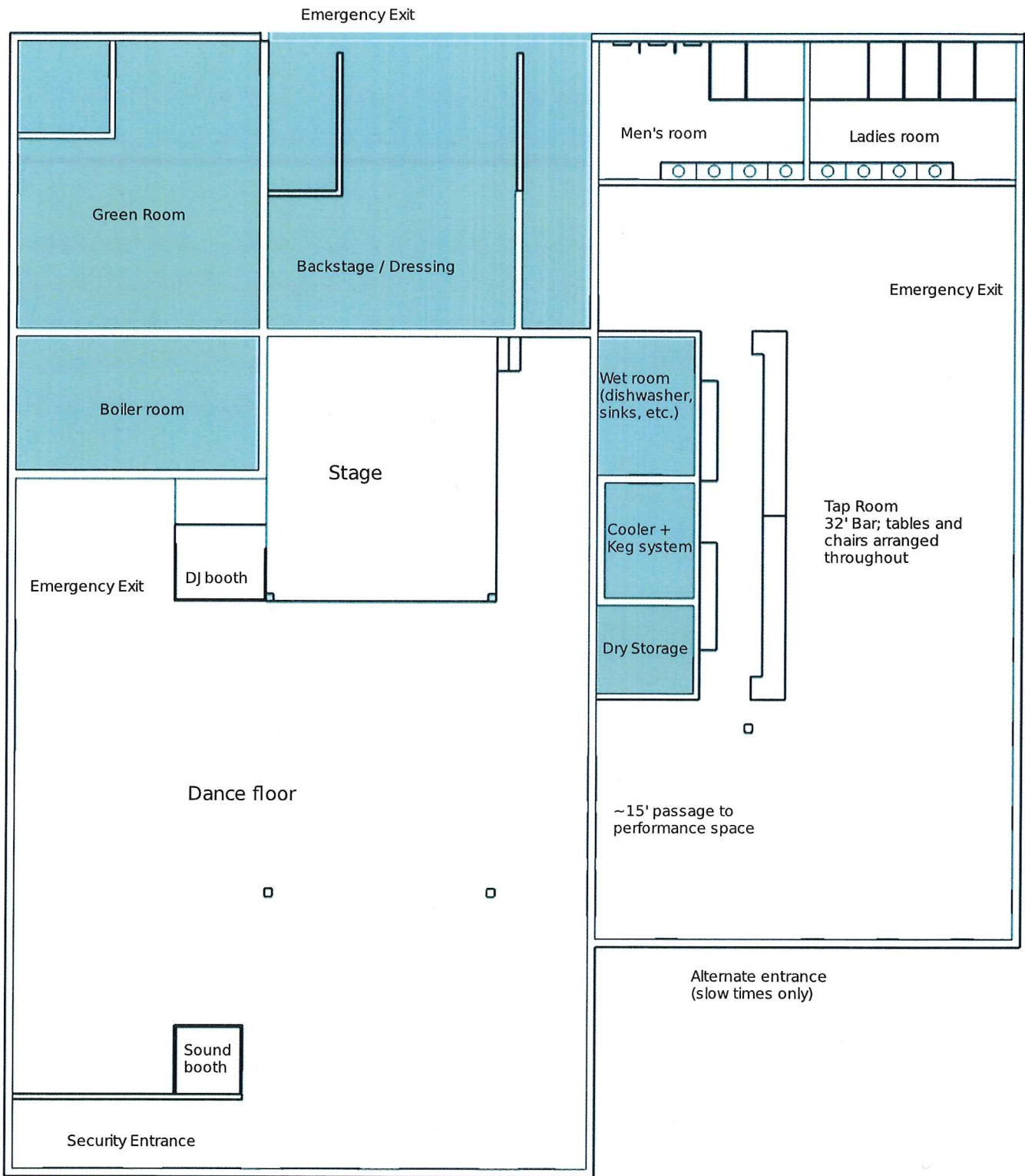
Filing Fee: \$130.00  
Total Fee: \$130.00

**ENDORSEMENT**

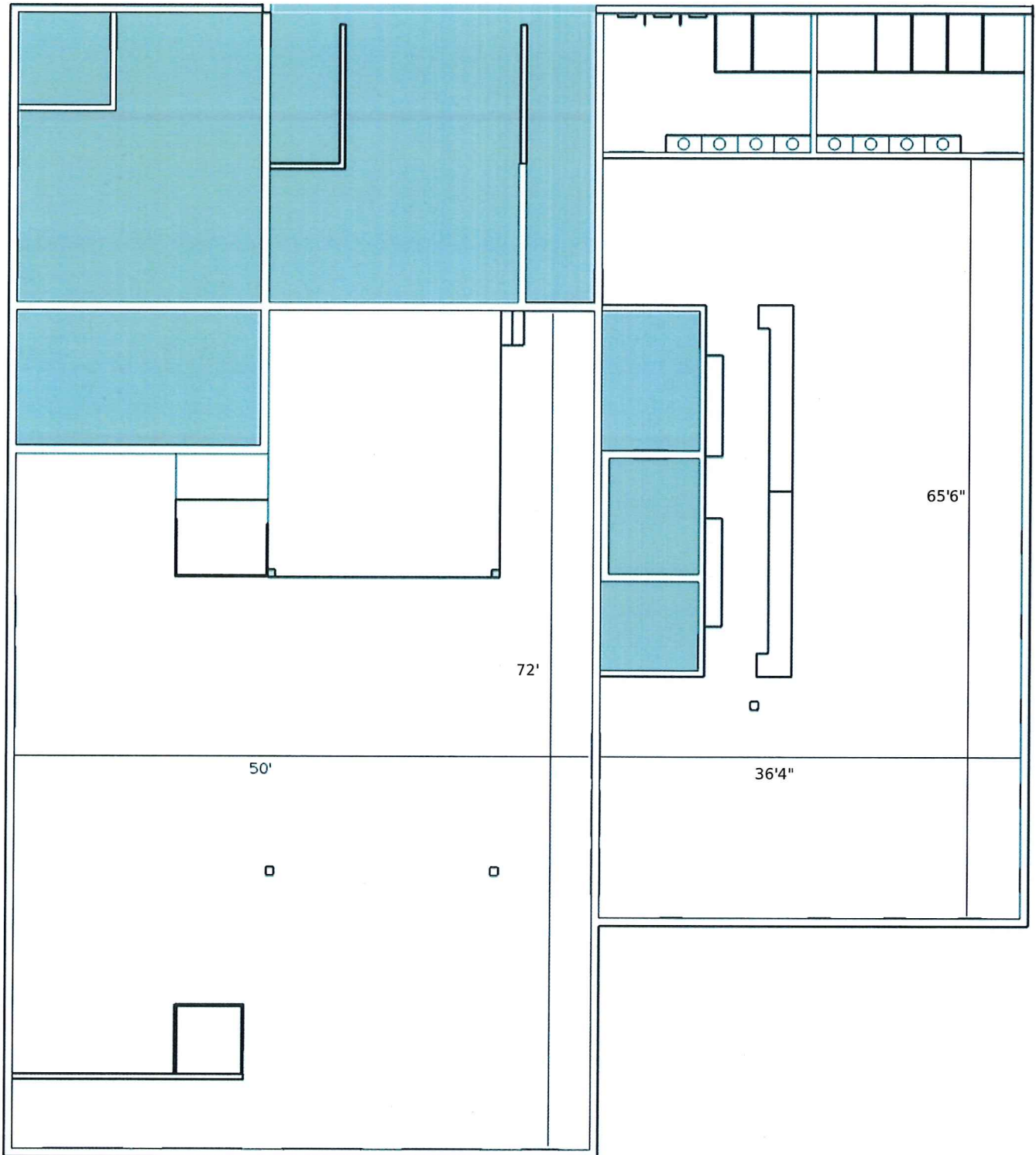
**State of Wisconsin  
Department of Financial Institutions**

EFFECTIVE DATE	
4/11/2017	

<b>FILED</b> 4/11/2017	Entity ID Number A082158
---------------------------	-----------------------------











# Shadowplay

Sample Menus

## Food menu

### Pizza

### Vegan Pizza

## Drink Menu

Shadowplay features a fully-stocked bar, with all standard liquors and mixers. The club specializes in whiskey and absinthe, and stocks a selection of top-shelf products in each category, with a particular emphasis on local distilleries when these are available through distribution channels.

Shadowplay has a wide selection of bottled beer and cider, and has a rotating set of six beers and ciders on tap. (Tap selections typically include five beers and one cider, usually including one mass-market domestic beer and one stout). Our intention is to serve better quality, slightly less-common products, and our tap selections will generally reflect this priority.

