

MULTI-CULTURAL VILLAGE DEVELOPMENT PLAN

This plan represents the vision for the Centre – “a place in mind” where people can separate themselves from the stress and pressures of their lives, and relax and involve themselves in a separate village that they feel they can identify with and own. The concept is new and unique. Within this Multi-Cultural Village, culture, education, agriculture, recreation, commercial social enterprises and residential housing are integrated to create a viable community place.



SEPTEMBER, 2010

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EXECUTIVE SUMMARY

Prologue

The existing Multicultural Heritage Centre (“the Centre”) is expanding its current operations into a community based “Multi-Cultural Village” within and immediately proximate to its current location in Stony Plain. Subsequent to two years of planning and development, The Centre has:

- **Developed a Concept Plan** – developed, shared and communicated, and served as the basis for the development of the business plan. For access, visit our website at www.multicentre.org.
- **Preparation of Comprehensive Business Plan**, including Implementation and Funding plans. This business plan will be available on the Centre’s Website by September 30th, 2010.
- **Secured Ownership** of the existing 6 acre site, land and building improvements valued in the range of \$1.5 million. This land area is where the core Multi-Cultural Village will be built and located.

The Vision



Visualize a bustling, European style courtyard and market centre, surrounded by shops, restaurants, a farmers market, accommodation facilities and a senior citizens residence. Participate as a member of the community or as a local or international tourist in the cultural, social, museums, educational and recreational activities and programs offered at the centre, enjoy the community and social experiences within the year-round glass dome, amphitheatre and gardens. Admire the retro modern architectural design of the center.

This innovative “Multi-Cultural Village” is being implemented beginning in the summer of 2010, with planned completion of all phases by December 2013.

Vision:

To be the model of innovation and excellence for integrated cultural heritage, social entrepreneurship, and agricultural sustainability.

Mission Statement:

To celebrate the region's heritage, arts, agricultural base, and the environment through the delivery of creative programs and services.

This is the vision for the Centre – “a place in mind”¹ where people can separate themselves from the stress and pressures of their lives, and relax and involve themselves in a separate village that they feel they can identify with and own.

The concept is new and unique. Within this Centre, culture, education, agriculture, recreation, commercial social enterprises and residential housing are integrated to create a viable community village place.

The Concept

The business development plan for the Multi-Cultural Village outlines the vision, process, and requirements for the expansion of the existing Heritage Centre into an environmentally and financially sustainable Multi-Cultural Village, through the integration of culture, agriculture, social enterprises, and senior housing.

The Multi-Cultural Village concept integrates a range of facilities, venues, programs and services within the themes of:

- **Environmental Sustainability**
 - All buildings to be constructed using green materials, and meeting LEEDs Platinum standards. Focus is on environment and green programs and services (organic master gardener, sustainable agricultural production, green incubator technologies focused on the environmental and green technologies).
- **Integration** – Between each and all facilities, Centres, programs and services. Venues will be designed and built to complement each other,



¹ This is a direct reference to the recent book written by Avi Friedman “A Place in Mind”.

creating a strong demand pull by the Multi-Cultural Village from the local, regional and international communities.

- **Economic Sustainability** – The Multi-Cultural Village is being built and will be operated under investment and financial parameters that will ensure sufficient earnings are generated to sustain the existing and expanded Multicultural Heritage Centre.



- **Education and Learning** – The common and pervasive theme throughout the Village is education, awareness, and learning.

The Multi-Cultural Village concept is visually represented below. The concept is represented best as an integration of cultural, agricultural, commercial, and senior residential housing, facilities, programs, and services clustered within a unique community village footprint, such that the interactions, synergies and potential of each individual component can be optimized. Both physically and operationally, the Multi-Cultural Village provides a cluster of unique amenities, services and conveniences that will be attractive to the local communities of Stony Plain, Spruce Grove and Parkland County, but also become a destination for international visitors to engage in recreation and learning activities of a cultural-agricultural and -socio-enterprise nature.

Physically, the Multi-Cultural Village will be anchored around six operational centres.

- **Cultural Centre** – Inclusive of an art gallery, museum, performing arts/theatre, arts storage.
- **Learning and Educational Centre** – Youth and adult educational and learning programs and services, conference centre, library.



The General Store



- **Agricultural Centre** – Demonstration farm, Heritage Farmers Market, Organic Master Gardener program, greenhouse, food security and organic Centre's of Excellence.
- **Social enterprise Centre** – Cultural condominium, green business centre. Winery, brew pub.
- **Restaurant, Bed and Breakfast Complex** - Heritage restaurant (open and private dining rooms), winery/pub, bed and breakfast accommodation on site, and off-sites in local homes.
- **Senior Residences** – Facilities for independent living for seniors. Proposed three-four story facility, with light commercial and professional offices on first floor and half of second, balance residential accommodation.

The Homesteader's Kitchen



These centres and facilities would physically border on a large common community area, which would feature Open Park and recreation area,

boardwalks, exhibits, amphitheatre, as well as an environmentally controlled glass geodesic dome, to allow near year round social and community interaction.



Multi-Cultural Village Concept



THE PLAN

The Cultural Village Centre will be developed over a three and one-half year period in two phases. The 12 month planning phase first involves securing up to \$400,000 in seed capital to launch the operational activities. The other main activities in this planning phase include:

- Engagement of a Project Manager
- Development and implementation of a fundraising strategy
- Preparation of a professional architectural design for the Multi-Cultural Centre
- Securing the necessary zoning approvals and permits
- Finalization of the expansion plans
- Organize the financing activities, inclusive of a long term ground/land lease, securing government grant support, construction financing and community funding, and
- Plan for the construction phase through letting out and approval of construction contracts.

The construction phase will focus on the existing nearly six acre Multicultural Heritage site. On this site the complete venue of cultural, educational, commercial and residential complexes will be developed. The construction phase will be phased and occur between mid 2011 and the end of 2013. The planned construction will be planned, designed and constructed within four clusters or tranches as follows:

Tranche #1:

- Existing Heritage Building (restaurant) undergoes a major renovation.
- Oppertshauer House is renovated to potentially become a boutique bed and breakfast residence inclusive of a main floor lounge and wine bar.

Tranche # 2:

- The P.E.R.C building is demolished.
- The southernmost 1.4 acres of land is developed to be the agricultural demonstration farm, inclusive of a multi-story commercial/demonstration greenhouse, of 2,500 sq feet per floor, up to three floors

- Year round Heritage farmers market, 10,000 sq ft., plus outside space for summer vendors.
- A cultural condominium, market centre constructed along the east side of the property, area of 7400 sq feet, allowing 8-9 individual business entities.
- Green Business Centre located adjacent to the demonstration farm and cultural condominium, 8000 sq ft.

Tranche # 3:

- The integrated Cultural and Learning Centre south of the seniors' complex, bordering on the south of the senior complex. 19,000 square feet main floor, plus one-half second floor.
- Glass building/ amphitheatre attached to the Cultural and Learning Centre

Tranche #4:

- The seniors residential and office complex located just south of the existing Heritage Centre and the Oppertshauser House, along the east property border, facing west. Ground floor area of 14,400 sq feet, and potential of three floors
- Parking will be secured from the adjacent Memorial high school property, and streets.

The Critical Success Factors (CSF) which need to be achieved to establish success include:

- A key individual sponsor (sponsors) are attracted at the outset, contributing a minimum of \$2.0 million.
- No significant zoning or permitting restrictions are encountered.
- The existing Centre is able to maintain short term operating funding capacity.
- A successful multi-component funding strategy can be successfully implemented.
- The main achievement of securing outright ownership to the existing site has been achieved.

THE VISION & CONCEPT

VISION AND MISSION

The Vision for the Multi-Cultural Village is:

To be the model of innovation and excellence for integrated cultural heritage, social entrepreneurship, and agricultural sustainability.

and it's Mission Statement is:

To celebrate the region's heritage, arts, agricultural base, and the environment through the delivery of creative programs and services.

CONCEPT

This business development plan outlines the vision, process, and requirements for the expansion of the Multicultural Heritage Centre into an environmentally and financially sustainable Multi-Cultural Village, through the integration of culture, agriculture, social enterprises, and senior housing.

The Multi-Cultural Village concept integrates a range of facilities, venues, programs and services within the themes of:

- **Environmental Sustainability** – All buildings to be constructed using green materials, and meeting LEEDs Platinum standards. Focus is on environment and green programs and services (organic master gardener, sustainable agricultural production, green incubator technologies focused on the environmental and green technologies).
- **Integration** – Between each and all facilities, Centres, programs and services. Venues will be designed and built to complement each other, creating a strong demand pull by the Multi-Cultural Village from the local, regional and international communities.
- **Economic Sustainability** – The Multi-Cultural Village is being built and will be operated under investment and financial parameters that will ensure sufficient earnings are generated to sustain the existing and expanded Multicultural Heritage Centre.
- **Education and Learning** – The common and pervasive theme throughout the Village is education, awareness, and learning.

The Multi-Cultural Village concept is visually represented in Figure 1: The concept is represented best as an integration of cultural, agricultural, commercial, and senior residential housing, facilities, programs, and services clustered within a unique community village footprint, such that the interactions, synergies and potential of each individual component can be optimized. Both physically and operationally, the Multi-Cultural Village provides a cluster of unique amenities, services and conveniences that will be attractive to the local communities of Stony Plain, Spruce Grove and Parkland County, but also become a destination for international visitors to

engage in recreation and learning activities of a cultural-agricultural and -socio-enterprise nature.

Physically, the Multi-Cultural Village will be anchored around six operational centres.

- **Cultural Centre** – Inclusive of an art gallery, museum, performing arts/theatre, arts storage.
- **Learning and Educational Centre** – Youth and adult educational and learning programs and services, conference centre, library.
- **Agricultural Centre** – Demonstration farm, Heritage Farmers Market, Master Organic Gardener program, greenhouse, food security and organic Centre’s of Excellence.
- **Social enterprise Centre** – Cultural condominium, green business centre. Winery, brew pub.
- **Restaurant, Bed & Breakfast Complex** - Heritage restaurant (open and private dining rooms), winery/pub, bed and breakfast accommodation on site, and off-sites in local homes.
- **Senior Residences** – Facilities for independent living for seniors. Proposed three-four story facility, with light commercial and professional offices on first floor and half of second, balance residential accommodation.

These centres and facilities would physically boarder on a large common community area, which would feature Open Park and recreation area, boardwalk, exhibits, amphitheatre, as well as an environmentally controlled glass geodesic dome, to allow near year round social and community interaction.

Figure 1: Multi-Cultural Village Concept



TRENDS & DRIVERS

The Multi-Cultural Village as described above, and the programs and services that are planned to be delivered, has considered and built upon a range of existing and developing social, demographic and economic trends.

- **Cultural Trend** - Growing recognition within the community and with individuals as to the value of culture as an economic driver and influencer. Increasing desire within a increasingly educated society to incorporate cultural activities into their recreational time and vacation plans.
- **Senior Luxury** – Within the boomer group, is a significant population that has substantial income, and they want/demand that the cultural, recreation, leisure and other services they purchase are of high quality. They are not into roughing it. Seniors want it to be simple, convenient, interesting, educational and multi-venued.
- **Integrated Service Demand** – Within the theme of destination vacations and shopping, consumers (both young and old) prefer multi venues to attract their interest. This concept has long been used within the concept of conventional shopping malls. The new and more unique application with the Multi-Cultural Village is expanding the venues of market attraction to culture, education, environmental and agricultural demonstration, haute cuisines as well as commercial shopping.
- **Local Business** – Demand is increasing for locally grown and made products. This is strongest with respect to food, but also in other services and durables. The potential is there to become a centre of excellence and demonstration with respect to local food production, food security principles and systems, and locally branded and produced products and services.
- **Health and Wellness** – A pervasive consumption theme is for products and services that can provide real or perceived contributions to ones’ health and wellness. This is evident within food choices, but also in terms of vacation demands, recreation, and consumption. This suggest the provision of products and services that can contribute to an extension of mid-life perpetuity (avoiding old age), that includes nutritious food, spas, wellness treatments, spiritual activities, anti-stress therapy, social tourism, anti-obesity retreats, and life quality evaluations, workshops
- **Caring (Cause) Consumption** – There is a shift away from material consumption, to more non-material things – purchasing products and services that contribute toward environmental and social progress, toward green products and services, products that directly or indirectly provide benefits to youth, and the under-privileged within society.

- **Environmental Awareness and Consumption** – People increasingly want to understand, and to believe they are contributing to reduced environmental impacts in what they do and what they purchase and consume. The Multi-Cultural Village has a great opportunity to be a centre of excellence and demonstration in this area, inclusive of the organic food systems, Organic Master Gardener program, the green business centre, and through the education and awareness programs.
- **The Changing Consumer** – The consumer is changing. Many people are re-evaluating their lifestyles and where they are going. They are increasingly looking for more value in what they do, purchase and consume. They are wanting more accountability and are skeptical of the companies that supply products, make “green” and other social accountability claims. They are looking for value initiatives, and authenticity. They are more information/knowledge driven about the products and services they may purchase. The consumer is on an endless search for something new and unique.

GUIDING PRINCIPLES

In the development of the Multi-Cultural Village, the following principles shall be followed.

- **Design Control** – the Multicultural Heritage Centre shall maintain control of the ultimate facility designs.
- **Cultural Focus**- while the Multi-Cultural Village is proposed to be designed as a campus of venues, the central and overall focus shall remain culture.
- **Brand Retention** - The planned expansion project shall be named the Multi-Cultural Village, but retaining the existing brand recognition that has been established by the Multicultural Heritage Centre over the past 30 years.
- **Commercial venue focus:** any and all commercial business enterprises that would be established within the cultural condominium, or elsewhere, shall reflect the integrated cultural, social and agricultural focus of the Village.
- **Private Land development:** any development on lands which may be owned by the Centre, which are subsequently sold or leased to outside private interests for development, shall complement the overall cultural, social and agricultural focus of the Centre.
- **Cross Cutting Themes** - In addition to the design and implementation of programs and services that are integrated between culture, agriculture and socio-economic development, part of the differentiation that will distinguish this Village Centre from others, will be the maintenance of three cross cutting themes of
:
 - Environmental sustainability;
 - Education and knowledge development, and
 - Social equity.

DEVELOPMENT PLAN

OVERALL APPROACH

The overall approach involves the expansion of the Centre over three phases- the planning phase, followed by the construction and then the operational/ implementation phase. In all these phases, it is planned that the Multicultural Heritage Centre (MHC) will control the development by holding a ground lease on the current site and on any additional acquired properties, and through the engagement of a Project Manager.

The Project Manager (PM) will work under the control of a parallel sub-committee of the Board of the Multicultural Heritage Centre, the “Multi-Cultural Village Expansion Committee”. The PM will report monthly, and receive approval for key activities and steps.

Phase I: Planning

The key planning steps are described below.

1. **Secure Initial Seed Funding** – required that in the range of \$350-\$400,000 in seed capital be secured to launch the planning and development work. This immediate step needs to be completed by December 1, 2010. The options for raising this amount of funds include:
 - Identify an individual(s) in the community who is willing to step forward as the initial seed investor.
 - Prepare a private placement, targeted on up to 25 within the community, inclusive of the Board with a minimum subscription of \$ 2000, and a maximum of \$5000. Link these investments to charitable tax receipts from the Multicultural Heritage Foundation
 - Arrange non- or low-interest bearing loans from selected community and Board members.
2. **Engagement of Project Manager (PM)** – By October 1, 2010, a PM will be engaged who will be contracted on a near full time basis to guide the overall expansion of the Centre. The key skills of the PM will be experience in general construction contracting, project management, securing permits and building approvals, legal issues, and construction financing. The PM will need to be engaged throughout phase I and II. The estimated annual cost of the PM is estimated at up to \$100,000.
3. **Architectural Concept** – An architectural concept should be drafted by September 30th, 2010 to illustrate the Multi-Cultural Village concept as envisioned in this business plan. A professional firm needs to be commissioned to develop this structural plan by mid July, 2010.

4. **Fund Raising** – A critical first step is the necessity to secure immediate funding which will support the engagement of a PM, provide the funds to support the planning activities within phase I, ensure the existing Multicultural Heritage Centre operations can be sustained during the planning period, and contribute to the capital needs of the expansion.

It is proposed that an immediate funding program be designed, taken to the community and funded. The components of this proposed funding strategy include:

- The legal mechanism applied will be the Multicultural Heritage Foundation, an existing and active charitable organization which can legally offer charitable tax receipts for corporate and individual donations.
- A brief “Multi-Cultural Village Expansion” Offering Memorandum (or equivalent marketing instrument) will be prepared, based on the Concept Plan and the business plan, which will describe the vision and concept for the expansion, both verbally and pictorially, that can be used as a basis for soliciting donations. The target date for the preparation of this marketing document is July 31, 2010.
- A Funding Strategy be designed, defining the target client groups, sectors, marketing materials and personnel needs. The potential for government sponsorship would be included. The strategy would include financing options including cash, stocks, and insurance.
- One or more Multi-Cultural Village Funding meetings (assumed to be part of the strategy) be held in the community at which time there are presentations made about the proposed expansion, rich with mock up models of the expanded Centre, and at which sponsorship support is solicited at the three sponsorship levels (see below). These meetings would commence in August 2010.
- On-going presentations, meeting be held with key community stakeholders, businesses, to build donor support.
- The target funding levels for calendar year 2010 is \$500,000, for 2011 \$2,000,000, and \$3,000,000 for 2012.
- Three levels of Multi-Cultural Village sponsorship are proposed Three year sponsorship partnerships would be offered to donors. These sponsorship partnership may be:
 - **Multi-Cultural Village Gold Founders Partners** (annual contribution > \$100,000). Corporate or individual name to be attached to specific venues, buildings etc. Recognition on all Centre/Foundation marketing and communication documents, and links to the Centre’s website.
 - **Multi-Cultural Village Founding Partners** (annual contribution between \$1000 and up to \$100,000) Names

of these business entities or individuals would be placed on a recognition wall at the entrance to the Village. Recognition on the Centres/Foundations marketing and communication documents and website.

- **Multi-Cultural Village Community Building Partners** (annual contribution < \$1000)

5. Securing Zoning Approvals and Permits – It is necessary to ensure that the Centre can obtain the necessary municipal and town zoning permits and authorizations for the proposed expansion. The primary zoning approvals required are:

- Zoning for multi-story residential construction,
- Zoning for light commercial enterprises,
- Environment permits, impact assessment requirements.

This is an immediate priority, as if these cannot be obtained, the expansion plans for the Centre are effectively blocked. The process should be initiated immediately, with a target to have secured the necessary permits by early 2011.

6. Final Expansion Plans – Based on the evolving business plan, the results of the funding program, and the results of the community meetings and other consultations, the final expansion plans, inclusive of cost estimates will be prepared over the period from Sept 2010 and into the first quarter of 2011. These plans will be included in the evolving business plan.

7. Financing Activities – There are three main activities to be executed to help secure the financing needs for the expansion

- **Ground Lease:** The central development approach for the construction of the building improvements for the Village, particularly the senior/office complex) will be through the use of a Ground Lease. The ground lease will be held by the MHC, as the Lessor, and long term development leases will be negotiated with existing real estate development companies (the Lessee) who will pay for and construct the major building improvement. The Lessee will both operate and generate revenues from some of the building improvements (for example the seniors residential complex), but in significant instances, will lease back the premise to the MHC to operate. At the end of the lease period, (likely 30 plus years) the leasehold properties and improvements will revert back at no cost, to the MHC.
- **Government Grants:** As possible government development grants will be applied for. This will include Western Economic Development Canada for the capital costs for the Green Business Centre, Alberta Agriculture and Rural Development, as well as other Provincial and Federal ministries.

- **MHC Foundation Funding:** The major part of the funding raised from the on-going funding program will be directed toward the capital costs of the expansion.
- **Construction Financing:** To the extent the MHC is directly involved in the capital financing (outside of the ground lease) a portion of the capital financing may be arranged through construction finance loans, potentially guaranteed by the government. The venues where the MHC may be directly involved is the renovations to the Heritage Building, the Oppertshauser House, the Heritage Market Centre, and the St Matthew School.

8. **Land Acquisition Options** – This is of reduced priority as the initial focus and investment will be to establish all the venues on the existing land owned by the MHC. There are however, two possible land expansion options available to the MHC. They include the possible option of acquiring the 3 acre St. Matthews school property, and/or the 10 acre Memorial High School property.

Contact needs to be made with the Parkland School Division, to see if the Memorial High School could be acquired, and under what conditions. The strategy if possible is to be in a position to take a three to five year option to purchase the property, if it is available, and under reasonable terms. With respect to the St. Matthews School, the understanding is that it will be available within 1-2 years. A purchase option may be placed on it, if possible.

Additional land would provide options for the Centre to eventually expand one or more of its existing ventures (such as the senior housing complex) in the future, after the development of the existing site.

9. **Construction Planning:** Upon successful completion of the above steps, the construction planning will commence. This will involve:
- Letting out of construction contracts
 - Approval of Construction contracts, and
 - Commencement of construction.

The development of the Multi-Cultural Village is focused on the development of the existing 5.2 acres controlled by the Centre.

The development plan is proposed and described below. The development will be segregated into complementary investment clusters or Tranches. The proposed components of each development tranche and the possible order of development are described below.

Tranche #1: Renovations of Existing Buildings

- Existing Heritage Building (restaurant) under goes a major renovation. The three floors of the 2755 sq ft building will be redesigned and modernized to include a modernized kitchen, main

Phase II: Construction Plan

dining area(s), separate/exclusive dining club areas and a winebar/pub. Food service provided by Heritage Building Restaurant to the Seniors complex. Possible enclosed link between the restaurant and the seniors complex

- Oppertshauer House is renovated to become a boutique bed and breakfast residence inclusive of a main floor lounge and wine bar. The upstairs converted into 2-3 bedrooms, main floor to be wine lounge plus gathering area. Basement to remain as storage.

Tranche #2: Seniors Residence and office complex development

- The seniors residential and office complex located just south of the existing Heritage Centre and the Oppenhausser House, along the east property border, facing west. Ground floor area of 14,400 sq feet, and a planned three floors
- Parking will be secured from the adjacent Memorial high school property, and streets.

Tranche # 3: Agro-enterprise complex development

- The P.E.R.C building is demolished.
- The southernmost 1.4 acres of land is developed to be the agricultural demonstration farm, inclusive of a multi-story commercial/demonstration greenhouse, of 2500 sq feet per floor, up to three floors.
- Year round Heritage farmers market, 10,000 sq ft., plus outside space for summer vendors.
- A cultural condominium, market centre constructed along the east side of the property, area of 7400 sq feet, allowing establishment of 8-9 individual business entities.
- Green Business Centre located adjacent to the demonstration farm and cultural condominium, 8000 sq ft.

Tranche # 4: Cultural and Learning Centre Development

- The integrated Cultural and Learning Centre south of the seniors complex, bordering on the south of the senior complex. 19,000 square feet main floor, plus one-half second floor. Professional and
- Commercial offices and businesses on main floor. Glass building/ amphitheatre attached to the Cultural and Learning Centre. Size of glass building of 3000-4000 sq feet.

**Phase III:
Implementation**

The implementation of programs and services will hopefully be done in a continuous and seamless manner. If the construction is done in a phased manner, as suggested above, this will result in a gradual expansion of the existing programs and services that are offered at the Centre, and the gradually introduction of new venues, programs and services as each tranche in completed.

The proposed order of development is:

1. Begin with Tranche #1, the renovation of the existing Heritage Centre building and the Oppenhausser House.
2. Tranche #2: Seniors residence and office complex – anticipated this can be done without having to remove the PERC building, and can be complementary to the Heritage building renovation (provision of food services)
3. The Tranche 3 (agro-enterprise complex) and Tranche 4 (Cultural and Learning Centre) development would be done on a concurrent basis.

Profiles of the proposed services and programs within each venue are described in a later section.

Immediately below is a GANTT chart (Figure 2) outlining the development plans for the Multi-Cultural Village.

Figure 2: Multi-Cultural Village Draft Expansion Plan

Planning Activities	Year 2010					Year 2011				Year 2012				Year 2013					
	May	June	July	Aug	Sep	4th Qr.	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	1st Qr.	2nd Qr.	3rd Qr.	4th Qr.	
Prepare Busines Plan	█					█													
Secure Seed Funding	█					█													
Engage Project Mgr						█													
Fund Raising:						█				█				█					
Prepare Strategy/Memorandum	█					█													
Community Meetings						█				█				█					
On-going Fund raising						█				█				█					
Zoning & Permitting						█													
Architectural Design	█					█													
Final Expansion Plans	█					█													
Financing Activities						█				█				█					
Arrange Ground Lease						█				█				█					
Apply Government Grants						█				█				█					
Secure Funding Sponsors						█				█				█					
Arrange Construction Financing						█				█				█					
Construction Plan										█				█					
Tranche #1										█				█					
Tranche #2										█				█					
Tranche #3										█				█					
Tranche #4										█				█					
Tranche #1: Renovation of Heritage Building & Oppenhausser House																			
Tranche #2: Seniors residence and office complex																			
Tranche #3 : Agro-enterprise complex																			
Tranche #4: Cultural and Learning Centre																			

MARKETING STRATEGY

A marketing strategy must be designed to secure financial support and community buy in. The main steps in this strategy will include:

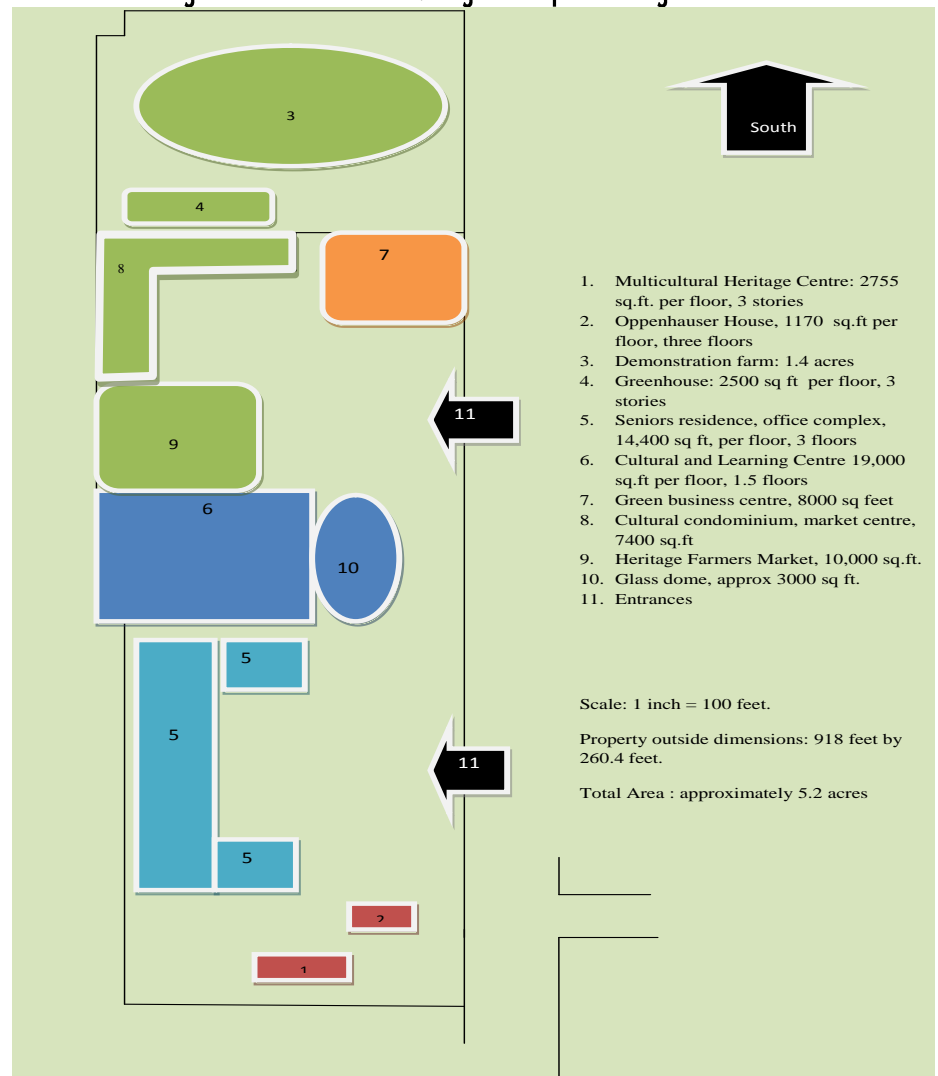
- A short marketing document (executive summary) is prepared which succinctly describes and illustrates the vision, opportunity, and needs of the expanded Centre. (2-3 page colourful brochure). In addition, additional presentational materials are prepared including Power Point Presentations, and others.
- An architectural design of the Multi-Cultural Village is created by a professional organization.
- A Key Centre Sponsor for a minimum of \$2.0 million is secured.
- A series of community and individual meetings be set up within the local communities. Sponsorship options be developed and marketed within the community.
- Media coverage (print, radio and TV) be cultivated and utilized.
- Individual meetings be held with key municipal government officials in Parkland County, Stony Plain and Spruce Grove, to secure general endorsements and other forms of support.
- Selected meetings then be held with key senior political leaders at the federal and provincial levels of government.

CONCEPTUAL DESIGN

Based on the phased construction plan proposed in the previous section, a first schematic layout of the Multi-Cultural Village is illustrated in Figure 3. This schematic diagram is drawn to scale. As well, a first representation of the building and venue layout has been inserted, which are also drawn to scale. The purpose of this Figure is to generate discussion and the development of other options for the physical layout of the site.

This diagram, after further elaboration and evaluation, can serve as the basis for the formal development of the facility design by a architectural specialist.

Figure 3: Multi-Cultural Village Conceptual Design



INVESTMENT STRATEGY

INVESTMENT AND DEVELOPMENT COSTS

The investment strategy will include the options for farming out the construction of some of the Multi-Cultural Village facilities through a ground or land lease, and for some of the facility constructions to be directly managed and controlled by the MHC. Under a ground lease arrangement, the construction costs, risks, and revenue generating opportunity resides with the lessee (the developer). The benefit to the MHC is a ground lease revenue stream, and that at the end of the lease, the land and improvements would revert back to the Centre.

The construction and furnishings costs for the phased expansion plan are estimated in Table 1. These are crude cost estimates that will serve as the basis for future more comprehensive cost estimates. They do provide an initial benchmark of the possible expansion costs.

The main assumptions used in estimating these costs are:

1. The existing central Heritage Building (restaurant) will be maintained, with major renovations.
2. A combined cultural and learning Centre, located near the centre of the existing property, will be built, with a square footage of nearly 19,000 sq feet, and with an added story on a quarter of the second floor. In this building will be housed the art gallery, museum, performing arts theatre, arts storage, conference centre, workshop/break away rooms, library, video conferencing rooms, and supporting classrooms.
3. The exiting PERC building will be demolished.
4. The Oppertshauser House will be remodelled, to be a B&B and Lounge/meeting area.
5. Glass dome, amphitheatre will be constructed, connecting to the Cultural and Education Centre.
6. The demonstration farm will be placed on 1.4 acres on the south of the property. On it will be established a greenhouse of 2450 square feet, and of three floors.
7. Buildings for the Green business centre and the cultural condominium will be built adjacent to the demonstration farm. These one story buildings will be of 8000 sq ft each.
8. The Senior's residential complex, together with commercial and professional offices will be built by the developer under a Ground lease near the Heritage Centre building. This is proposed to be of 14,400 per floor, and three floors.

9. A parking lot will be established on the east side of the Memorial High School property.

The total construction costs of these venues, including interior furnishings, is estimated at \$26.2 million. These costs (rounded), listed immediately below. The detailed information is included in Tables 1 & 2.

- Soft planning and development costs (Table 2): \$618,000
- Renovations of Heritage Building and Oppenhausser House: 654,600
- Cultural and Learning Centre, and glass dome: \$5,662,000
- Demolition of PERC building: \$540,000
- Demo Farm Greenhouse: \$930,000
- Heritage Farmer market, green business centre, cultural condominium : 3,225,000
- Seniors residence and office complex: \$11,400,000
- Amphitheatre and parking lot: \$851,000
- Contingencies (10%) : \$2,324,000

The total footprint, given the assumptions used for building size used in Table 1, is 80,794 square feet. This area represents 36% of the total square feet of the 5.2 acres of the Centre.

Table 1: Estimated Project Construction and Furnishing Costs

Building/structure	Construction Type	Length	Width	Footprint	Floors	Total sq ft	Cost/sq ft	Const. Cost	Furnishings (%)	Furn Cost	Total Cost
Heritage Building	Renovations	82	32	2,624	2.5	6,560	50	328,000	30%	98,400	426,400
Cultural/learning Centre	New	150	125	18,750	1.3	23,438	175	4,101,563	30%	1,230,469	5,332,031
PERT Building	Demolition	300	60	18,000	1.0	18,000	30	540,000	0%	-	540,000
Oppenhausser Bldg	Renovations	45	26	1,170	3.0	3,510	50	175,500	30%	52,650	228,150
Glass Building/dome	New	80	50	4,000	1.0	4,000	75	300,000	10%	30,000	330,000
Green Business Centre	New	100	80	8,000	1.0	8,000	125	1,000,000	25%	250,000	1,250,000
Cultural Condominium	New	100	80	8,000	1.0	8,000	125	1,000,000	15%	150,000	1,150,000
Green House	New	70	35	2,450	3.0	7,350	110	808,500	15%	121,275	929,775
Heritage Farmers Mkt	New	100	100	10,000	1.0	10,000	75	750,000	10%	75,000	825,000
Parking Lot Development	New	250	200	50,000	1.0	50,000	10	500,000	0%	-	500,000
Amphitheatre	New	130	60	7,800	1.0	7,800	45	351,000	0%	-	351,000
Sub-total (excluding Seniors/office Complex)		Footprint no parking		80,794				9,854,563		2,007,794	11,862,356
Contingency (10%)								985,456		200,779	1,186,236
Total costs, excluding Seniors/office complex								10,840,019	-	2,208,573	13,048,592
Seniors/office Complex	New	240	60	14,400	3.0	43,200	195	8,424,000	35%	2,948,400	11,372,400
Contingency (10%)								842,400		294,840	1,137,240
Total seniors, office complex costs								\$ 9,266,400		\$ 3,243,240	\$12,509,640
Combined Total Construction and Furnishing Costs								\$20,106,419		\$ 5,451,813	\$25,558,232

Sources: Marshall and Swift, Serecon Valuations.

Table 2: Estimated Project Construction and Furnishing Costs

	Cost/acre	Acres	Total Cost
Project Manager			150,000
Design and Consulting fees			175,000
Land Development Cost	12,000	4	48,000
Landscaping	5,000	5	25,000
Surface improvements	20,000	3	60,000
Shallow Utilities	6,700	3	20,100
Government Fees (permits, approvals, studies)	25,000	2	50,000
Financing Costs	4,500	20	90,000
Total Soft Development Costs			\$ 618,100

Sources: Serecon Valuations, Benchmarked to Balzac Industrial Development Project.

FUNDING STRATEGY

The first estimate of the construction and development costs for the expansion project, indicate that \$26.2 million will be needed.

The strategies that will need to be employed to raise these funds will be inclusive of:

- Funds raised under a capital funding campaign under the Multicultural Heritage Foundation;
- Government grants and assistance;
- Development and investment partnerships(ground lease), and
- Construction financing loans.

It is anticipated that the seniors residential and office complex will be developed under a ground/land lease in which the developed (lessee) will be fronting the development costs.

Excluding the cost of this development, will require that the Centre arrange the balance from its own and external sources. This amount is approximately \$13.7 million (total costs of \$26.2 million less \$12.5 million development cost for the senior residential and office complex)

The relative proportion that can be assumed for government support is limited to 15%. The amount of construction loans is estimated at 20%. The capital costs that may be shared with investment partners, particularly with respect to the cultural condominium, is estimated at 15%. This implies that the Centre will need to raise funds for 50% of the required amount.

Table 3: Funding Sources and Amounts

Funding Source	Proportion	Amount
MHC Foundation	25%	\$3.43 m
Government	25%	\$3.43 m
Investment partnerships	30%	\$4.11 m
Loans	20%	\$2.74 m
	100%	\$13.71

FACILITIES PLAN

The program and services that are planned to be offered to the public in each of the major centres and venues of the Multi-Cultural Village are described in Table 4.

Table 4: Multi-Cultural Village Facilities Plan

Venue/Centre	Description	Programs and Services
Cultural Centre	Comprised of an art gallery, museum, performing arts theatre, arts storage	Art exhibitions, performing arts, guided mural tours, Multicultural Kits and programs, Genealogy Research, visual arts, rural public arts gallery, Promenade Hall. Gift shop, concession stand. New Artist Incubator program
Learning & conference Centre	Conference centre, workshop/ break away rooms, library, video conferencing centre	Multi-youth programs/productions, agricultural education and safety training, City Slickers program Conferences, seminars, cultural, arts and corporate meetings and retreats, government retreats, historical reference library.
Agriculture Demonstration Farm	About 1 acre devoted to demonstration crops, organic production, new crops, year round greenhouse, Irrigation, water use and conservation demonstration. Demonstration of combined agricultural food-fuel-fibre systems Commercial and demonstration greenhouse capable of generating crops for Centre use and commercial sale.	Organic Master Gardener Program, Agriculture Sustainability and Food Security education, local food production education. Demonstration exhibits, programs for youth and adults Interactive, hands on, agricultural demonstration programs, teaching practical agricultural production, processing systems for food, fuel (energy), fibre production. Permaculture demonstration systems
Green Business Centre	Centre for new and evolving green entrepreneurs to develop and commercialize their business through business development services, mentoring, education, demonstration, piloting, and selling.	Provision of up to 8 business rental sites/offices for green based businesses. Mentoring and business development consulting services Shared manufacturing, product testing, development equipment, internet and communication services. Access to government grants. Shared marketing channels, marketing and promotion, advertising and retail/wholesale space.
Cultural Condominium (Village Market)	Common ownership by suite of social and environmental entrepreneurs. Up to 10 business enterprises, attracting customers into the common Village Market area	Sale of condominium units to entrepreneurs Condominium management fees for MHC Possible margin on sales revenue from individual businesses.
Heritage Farmers Market	Year round farmers market, adjoining the Village Market.	Income to MHC based on square footage and/or sales revenue.
Heritage Restaurant & Wine/Pub bar	Existing Restaurant and kitchen expanded and upgraded. Venues to include Heritage general restaurant, and separate exclusive dining rooms for “members”, special functions. Inclusion of high end wine and/or pub bar.	Revenue from food sales, alcohol, special functions
Bed and Breakfast	3 B&B units established in Opporshausen House, plus Wine bar extension from main bar in Heritage Building	Revenue from room rentals Income from eco-vacations of inhabitants of B&B Art performances in Lounge area of building

R E V E N U E M O D E L

The revenue model is based primarily on the synergies that can be generated from the interaction between all the venues proposed within the Multi-Cultural Village, and the overall attraction the Village as a whole will have in the local, national and international communities.

A first and crude estimated of revenue, costs, and returns of each of the main venues (profit centres) has been generated. These are suggested to be a starting point for the Board and the Multi-Cultural Village Expansion Steering Committee to review and refine over the coming months.

It is suggested that by beginning a discussion on the ways in which program and revenue can be generate in each of the venues/centres will lead to more creative ideas for the Multi-Cultural Village

The appendix provides the detail and assumptions of the revenue and cost projections for each profit centre. Table 5 provides a summary of the analysis from the appendix.

One revenue source that is introduced for consideration are several levels of memberships within the Multi-Cultural Village. Memberships are used extensively in most recreation facilities and golf courses. Generally a membership implies exclusivity of benefits. In the case of the Multi-Cultural Village, it is proposed that the membership units would be sold on an annual basis to businesses and individuals, in exchange for exclusive access to club dining facilities and rooms, special access within the Learning Centre for meeting and retreats, and exclusive use of the Opportshauer House accommodation and lounge facilities. Other memberships could be sold to the general public that are not so much based on exclusivity, but provide the individuals with an on-going local community discount (advantage) on all programs and services purchased at the Multi-Cultural Village.

This first estimate of revenue and costs, suggest the following:

- The gross revenue is expected to be in the range of \$2 million in a standard year once the facilities have been constructed and in place.
- The net profit from these operations is expected to be just over \$500,000 annually.

The revenue and cost estimates are based on the assumption that the venues and facilities have been put in place and are in their early stage of development.

It is anticipated that these revenue estimates can be improved with the input of the Steering Committee.

Table 5: Multi-Cultural Village Financial Projections

Profit Centre	Revenue	Costs	Profit (Loss)	Append. Ref
Overhead operations	\$ 307,000	\$ 297,000	\$ 10,000	A1
Ground Lease	\$ 135,000	\$ 2,000	\$ 133,000	A2
Cultural Centre	\$ 140,900	\$ 137,622	\$ 3,278	A3
Learning & Education Centre	\$ 269,000	\$ 210,520	\$ 58,480	A4
Agricultural Demonstration farm	\$ 31,900	\$ 22,650	\$ 9,250	A5
Green Business Centre	\$ 313,000	\$ 171,310	\$ 141,690	A6
Cultural Condominium	\$ 54,000	\$ 18,400	\$ 35,600	A7
Heritage Farmer Market	\$ 150,000	\$ 82,500	\$ 67,500	A8
Heritage Restaurant and Pub	\$ 592,500	\$ 497,125	\$ 95,375	A9
Heritage Bed and Breakfast	\$ 52,900	\$ 53,645	\$ (745)	A10
Totals	\$ 2,046,200	\$ 1,492,772	\$ 553,428	

Appendix A: Definitions

Cultural Campus is the notion and vision of integrating at one central location, contiguous venues and structures, integrating cultural, agricultural, and social enterprise services and programs.

Cultural Condominium modeled upon the well known residential or industrial condominium concept, small scale enterprises would be attracted to establish their businesses, through the purchase of “cultural condominium” units. As in other condominiums, the complex would be managed by a single legal entity, and common commercial area would be maintained for the benefit of all condo owners. As well, the businesses would be restricted to social enterprises and businesses, consistent with the overall theme and character of the cultural campus.

Food Security exists when all people, at all times, have physical and economic access to sufficient, safe, and nutritious food to meet their dietary needs and food preferences for an active and healthy lifestyle.

Ground Lease : Lease that rents the land only. One who plans to develop a structure on land that is ground leased will usually insist on a long-term-lease, such as for 30 or more years

Green Business Incubator is a unique business incubator, devoted to providing training, mentoring, technical support and space for the nurturing and commercialization of enterprises focused on environmental and green technologies, products and services.

Geodesic Dome is a spherical or partial-spherical shell structure or lattice shell based on a network of great circles (geodesics) lying on the surface of a sphere. The geodesics intersect to form triangular elements that have local triangular rigidity and also distribute the stress across the entire structure. When completed to form a full sphere, it is known as a geodesic sphere. A geodesic dome, would provide for a climate controlled environment in which programs and activities could be offered year round.

Social entrepreneurship is the process by which individuals and communities recognize and address social and environmental issues and problems using entrepreneurial principles to create, and manage a venture(s) to achieve sustainable outcomes. Whereas a business entrepreneur typically measures performance in profit and return, a social entrepreneur defines success first in terms of the impacts he/she has on society, and secondly in terms of profits and returns. Social entrepreneurs work both through nonprofits and citizen groups, and in the private and governmental sectors. The main aim of social entrepreneurship and the social enterprises it can create, is to further social and environmental goals. This need not be incompatible with making a profit, but social entrepreneurs are often non-profits. Social entrepreneurship can be termed as ‘more-than- for- profit’ enterprises.

Social Enterprises are the enterprises created by social entrepreneurs in their pursuit of their profit, social, and environmental goals. Examples include green focused businesses, organic product stores, natural textile and clothing enterprises, etc. What it does not include are enterprises like video stores, and convenience stores.

Social Equity providing equal opportunity access to individuals and communities, irrespective of their income, social status, or ethnicity.

Tranche: a portion (installment) of something (a financing, project, loan)

Appendix B: Revenue, Cost and Profit Estimates

A1: Overhead Operations				
		<u>Assumptions</u>	<u>Annual \$</u>	<u>%</u>
Revenue	-			
	Government Grants	4-5 cultural, development grants per year	\$ 200,000	65%
	Membership sales	200 memberships, at \$350	\$ 7,000	2%
	Donations	Under Foundation	\$ 100,000	33%
			<hr/>	
			\$ 307,000	100%
Expenses				
	Wages			
		Exec. Director	\$ 95,000	32%
		Financial manager	\$ 65,000	22%
		IT manager	\$ 55,000	19%
		Admin assistant	\$ 25,000	8%
		Travel & accomodation	\$ 7,000	2%
		Professional fees	\$ 15,000	5%
	Computers, equipment		\$ 20,000	7%
	Promotion, advertising		\$ 15,000	5%
			<hr/>	
			\$ 297,000	100%
	Net Profit (Loss)		\$ 10,000	

A2 : Ground Lease Revenue

	<u>Assumptions</u>	<u>Annual \$</u>	<u>%</u>
Revenue	9 % of estimated value per acre of \$150,000, on 10 acres	\$ 135,000	100%
Expenses	Administration of lease	<u>\$ 2,000</u>	100%
Net Profit or loss		\$ 133,000	

A3: Cultural Centre Revenue & expenses

	<u>Assumptions</u>	<u>Annual \$</u>	<u>%</u>
Revenue			
Gift shop sales	\$8000 per month	\$ 96,000	68%
Commissions	Consignment fees, commissions on art sales, 4 per month, \$50/piece	\$ 2,400	2%
Concession sales	\$ 125/day, 300 days	\$ 37,500	27%
Program fees	10 programs, @ \$500	<u>\$ 5,000</u>	4%
		\$ 140,900	100%
Expenses			
Wages			
Salary- full time	two people, senior at \$65,000, junior \$35,000	\$ 65,000	47%
Salary - part time	2 people at annual rate of \$30,000, 40% time	\$ 24,000	17%
			0%
Concession	Food and beverage costs 50% of retail	\$ 18,750	14%
Advert & Promotion	\$300/month	\$ 3,600	3%
Insurance		\$ 3,000	2%
Repairs and Maint	5% of revenue	\$ 7,045	5%
Janitorial	\$1.5/sq foot, 3000 square feet	\$ 4,500	3%
Utilities	\$2.5/sq foot, 3000 sq feet.	\$ 7,500	5%
Office expenses	3% of revenue	<u>\$ 4,227</u>	3%
		\$ 137,622	100%
Net Profit (Loss)		\$ 3,278	

A 4: Learning & Education Centre				
		<u>Assumptions</u>	<u>Annual \$</u>	<u>%</u>
Revenue				
	-			
	Multiyouth	100 children, at \$350	\$ 35,000	13%
	Youth education prog	5 programs, @ \$30,000	\$ 150,000	56%
	Retreats	8, at \$8000	\$ 64,000	24%
	Seminars/meeting	20, at \$1000	\$ 20,000	7%
			<u>\$ 269,000</u>	<u>100%</u>
Expenses				
Wages				
	Salary- full time	two people, \$65,000,	\$ 130,000	62%
	Salary - part time	2 people at annual rate of \$30,000, 40% time	\$ 24,000	11%
	Advert & Promotion	\$500/month	\$ 6,000	3%
	Insurance		\$ 5,000	2%
	Repairs and Maint	5% of revenue	\$ 13,450	6%
	Janitorial	\$1.5/sq foot, 6000 square feet	\$ 9,000	4%
	Utilities	\$2.5/sq foot,6000 sq feet.	\$ 15,000	7%
	Office expenses	3% of revenue	\$ 8,070	4%
			<u>\$ 210,520</u>	<u>100%</u>
	Net Profit (Loss)		\$ 58,480	

A5: Agricultural Demonstration Farm				
		<u>Assumptions</u>	<u>Annual \$</u>	<u>%</u>
Revenue				
	-			
	Green house produce	\$5/sq foot net profit, 2200 sq feet	\$ 11,000	34%
	Field crop sales	\$300/acre, 3 acres	\$ 900	3%
	Sponsorships/grants		\$ 20,000	63%
			<u>\$ 31,900</u>	<u>100%</u>
Expenses				
Wages				
	Salary - part time	1 person at annual rate of \$35,000, 60% time	\$ 21,000	93%
	Crop input	3 acres @ 200/acre	\$ 600	3%
	Harvesting costs	3 acres, at \$150/acre	\$ 450	2%
	Cultivation costs	200/acre	\$ 600	3%
			<u>\$ 22,650</u>	<u>100%</u>

Net Profit (Loss)	\$ 9,250
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A6: Green Business Centre			
-	<u>Assumptions</u>	<u>Annual \$</u>	<u>%</u>
Revenue			
Rentals	20 units@ 18 gross lease, 800 sq feet each	\$ 288,000	92%
Seminars	5 at \$100/person, 10/seminar	\$ 5,000	2%
Consulting	20 days \$ 1000	\$ 20,000	6%
		\$ 313,000	100%
Expenses			
Wages			
Salary- full time	One manager, at \$65,000	\$ 65,000	38%
Cons expertise	20 days at \$700	\$ 14,000	8%
Advert & Promotion	\$200/month	\$ 2,400	1%
Insurance		\$ 8,000	5%
Repairs and Maint	5% of revenue	\$ 15,650	9%
Janitorial	\$1.0/sq foot, 20,000 square feet	\$ 20,000	12%
Utilities	\$2.0/sq foot, 20,000 sq feet.	\$ 40,000	23%
Office expenses	2% of revenue	\$ 6,260	4%
		\$ 171,310	100%
Net Profit (Loss)		\$ 141,690	

A7 Cultural Condominium			
-	<u>Assumptions</u>	<u>Annual \$</u>	<u>%</u>
Revenue			
Condo Mgt fees	10 units @ \$150/month	\$ 18,000	33%
Revenue override	\$0.50/sq foot/month, 600 sq feet, 12 month	\$ 36,000	67%
		\$ 54,000	100%
Expenses			
Wages			
Salary- part time	20% time, at \$65,000	\$ 13,000	71%
Repairs and Maint	10% of revenue	\$ 5,400	29%
		\$ 18,400	100%
Net Profit (Loss)		\$ 35,600	

A 8 Heritage Farmers Market			
-	<u>Assumptions</u>	<u>Annual \$</u>	<u>%</u>
Revenue			
Vendor fees	15 vendors, \$500/vendor per month	\$ 90,000	60%
HMC booth revenue	\$5000/month	\$ 60,000	40%
		\$ 150,000	100%
Expenses			
Wages			
Salary- part time	50% time, at \$65,000	\$ 32,500	39%
C of Goods sold	50% of MHC revenue	\$ 30,000	36%
Insurance		\$ 5,000	6%
Repairs and Maint	10% of revenue	\$ 15,000	18%
		\$ 82,500	100%
Net Profit (Loss)		\$ 67,500	

A9: Heritage Restaurant and Pub			
-	<u>Assumptions</u>	<u>Annual \$</u>	<u>%</u>
Revenue			
Food sales	100 customers/day, \$14/person, 300 days	\$ 420,000	71%
Special events	25 events, 12 people each, \$50/person	\$ 15,000	3%
Liquor sales	35 customers/day, \$20/person, 225 days	\$ 157,500	27%
		\$ 592,500	100%
Expenses			
Wages			
Salary- full time	3 people, average salary \$45,000	\$ 135,000	27%
Salary- part time	3 people, 50% time, salary \$30,000	\$ 45,000	9%
Cost of food	50% of revenue	\$ 217,500	44%
Cost of liquor	40% of revenue	\$ 63,000	13%
Insurance		\$ 7,000	1%
Repairs and Maint	5% of revenue	\$ 29,625	6%
		\$ 497,125	100%
Net Profit (Loss)		\$ 95,375	

A10: Heritage Bed and Breakfast			
	<u>Assumptions</u>	<u>Annual \$</u>	<u>%</u>
Revenue			
	Summer 5 month - 30 nights/month, 10 night other months, summer rate \$175, others \$95	\$ 32,900	62%
Room rentals			
Lounge wine ,snack salea	\$100 per day, 200 days	\$ 20,000	38%
		<u>\$ 52,900</u>	<u>100%</u>
Expenses			
Wages			
Salary- part time	2 people, 50% time, salary \$40,000	\$ 40,000	75%
Cost of liquor	40% of revenue	\$ 8,000	15%
Insurance		\$ 3,000	6%
Repairs and Maint	5% of revenue	\$ 2,645	5%
		<u>\$ 53,645</u>	<u>100%</u>
Net Profit (Loss)		\$ (745)	