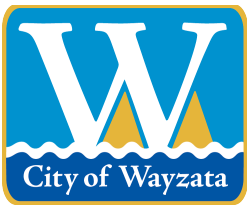




**Wayzata City Council Workshop Meeting Agenda
Wayzata City Hall Community Room, 600 Rice Street
WEDNESDAY, NOVEMBER 6, 2019**

WORKSHOP TOPICS FOR DISCUSSION:

1. **Review of Wayzata Bar and Grill Expansion Alternatives (4:45-5:15 p.m.)**
2. Update of Lake Effect Conservancy Marketing Initiative (5:15-6:00 p.m.)



City Council Workshop City Council Agenda Report

MEETING DATE: November 6, 2019	WORKSHOP AGENDA ITEM: 1.
TITLE: <u>Review of Wayzata Bar and Grill Expansion Alternatives (4:45-5:15 p.m.)</u>	
PREPARED BY: Jeff Dahl, City Manager	
REVIEWED BY: N/A	

DISCUSSION OBJECTIVE:

To review updated options and cost estimates for the Wayzata Bar and Grill and provide feedback regarding next steps.

BACKGROUND:

Earlier this year, the City Council allocated \$25,000 for a consultant to come up with a plan to improve and expand capacity of the Wayzata Bar and Grill and added a \$625,000 placeholder allocation for construction in 2020.

This Spring, the City approved a contract with Kalcon to come up with a plan for a "facelift." Staff has been meeting with Kalcon and their architect, Studio M, on two design alternatives that would accomplish the objectives of:

1. Increased efficiency of dining room design.
2. Increased patio use.
3. Updated decor.
4. Defined space for parties.
5. Increase efficiency and/or expanded capacity of kitchen.

At the October 1st Work Shop, Staff and consultants presented two remodel alternatives. Ultimately, City Council directed staff to provide additional detail on the costs of the project and also provide an additional option that would include a "facelift" but not expand the capacity of the Muni.

Attached are the updated costs and options as directed. Erin Tadych of Studio M Design will be going over the design, David Kalogerson of Kalcon Construction will be going over costs, and Jeff Pietrini, Bar and Grill Manager, will be going over the return on investment.

Staff is looking for feedback and consensus on next steps and would move forward with the construction design and bidding process over the next several months upon approval.

ATTACHMENTS:

1. Wayzata Bar & Grill - Option Details
2. Wayzata bar & Grill - Top Water (Pergola Option)
3. Wayzata Bar & Grill - Hook, Line, and Sinker (4 Season Porch)
4. Wayzata Bar & Grill - Skimming the Water (Interior Remodel)
5. Wayzata Bar & Grill Floor Plan Options
6. ROI calc 10-31-19 Summary
7. 19-10-31 ROI calc 10-31-19 scenario 1
8. 19-10-31 ROI calc 10-31-19 scenario 2
9. 19-10-31 ROI calc 10-31-19 scenario 4

Wayzata Bar & Grill

Option Details

10/16/19

<u>Scope of Work</u>	<u>Interior Remodel Option</u>	<u>Pergola Option</u>	<u>4-Season Porch Option</u>
Kitchen Remodel (minor)	X	X	X
Bathroom Remodel (minor)	X	X	X
Dining Area Remodel	X	X	X
Deck		X	X
Pergola		X	
Relocate Bar			X
4 Season Porch			X

Preliminary Cost Breakdown

For The Wayzata Bar & Grill Pergola Option

Total Square Footage

5359

10/16/2019

NO.	SECTION	Material	Labor	Sub	Total Cost	\$/S.F.
0100	General Conditions	3,242.00	-	-	3,242.00	0.60
0101	Building Permit	6,000.00	-	-	6,000.00	1.12
0102	SAC Fees	10,000.00	-	-	10,000.00	1.87
0103	Superintendent (390 Hours)	-	29,250.00	-	29,250.00	5.46
0105	Project Manager (304 Hours)	-	27,360.00	-	27,360.00	5.11
0109	Winter Conditions	N/A				
0111	Temporary Toilet	750.00	-	-	750.00	0.14
0116	Dumpster Costs	3,000.00	-	-	3,000.00	0.56
0117	Final Cleaning	-	-	3,000.00	3,000.00	0.56
0118	Construction Cleaning	-	-	3,000.00	3,000.00	0.56
0121	Surveying	N/A				
0124	Temp. Barricades & Protection	1,000.00	1,000.00	-	2,000.00	0.37
0126	Builders Risk Insurance	1,000.00	-	-	1,000.00	0.19
0127	Testing	-	-	5,000.00	5,000.00	0.93
0128	Architectural Design	-	-	120,000.00	120,000.00	22.39
0129	Structural Engineering	With Architectural Design Costs				
0130	Kitchen Equipment Design	-	-	2,500.00	2,500.00	0.47
0138	Street Sweeping	N/A				
0139	General Liability Insurance	5,000.00	-	-	5,000.00	0.93
0141	Punchlist	-	-	500.00	500.00	0.09
0143	Erosion Control	N/A				
0144	Dewatering	N/A				
0145	Payment/Performance Bond	-	-	9,000.00	9,000.00	1.68
0146	As-Built Drawings	Not Included (if required)				
0211	Demolition	-	-	24,500.00	24,500.00	4.57
0220	Earthwork	-	-	5,000.00	5,000.00	0.93
0271	Fencing	-	-	12,000.00	12,000.00	2.24
0280	Landscaping	-	-	5,000.00	5,000.00	0.93
0290	Deck	12,167.00	8,000.00	-	20,167.00	3.76
0300	Concrete	-	-	10,000.00	10,000.00	1.87
0310	Site Concrete	Existing to Remain				
0400	Masonry	Existing to Remain				
0510	Structural Steel	-	-	3,000.00	3,000.00	0.56
0550	Misc. Metals	-	-	3,000.00	3,000.00	0.56
0610	Rough Carpentry	2,000.00	2,000.00	-	4,000.00	0.75
0615	Wood Trusses	10,145.00	11,600.00	-	21,745.00	4.06
0620	Finish Carpentry	-	-	15,000.00	15,000.00	2.80
0640	Millwork & Countertops	-	-	50,000.00	50,000.00	9.33
0710	Waterproofing	N/A				
0720	Insulation	Existing to Remain				
0730	Shingles & Roofing	Existing to Remain				
0746	Siding	-	-	3,000.00	3,000.00	0.56
0780	Roof Accessories	-	-	4,500.00	4,500.00	0.84
0790	Caulking & Sealants	-	-	1,500.00	1,500.00	0.28

KALCON Commercial Construction

2 of 2

0810	Doors, Frames & Hardware	1,500.00	500.00	-	2,000.00	0.37
0885	Glass & Glazing	Existing to Remain				
0925	Drywall & Framing	-	-	15,000.00	15,000.00	2.80
0930	Private Dining Room	-	-	15,000.00	15,000.00	2.80
0931	Tile	-	-	16,000.00	16,000.00	2.99
0950	Acoustical Ceilings	-	-	10,500.00	10,500.00	1.96
0960	Carpet	-	-	4,780.00	4,780.00	0.89
0965	Resilient Flooring	-	-	13,742.00	13,742.00	2.56
0970	Concrete Finishing	N/A				
0985	FRP	-	-	4,000.00	4,000.00	0.75
0990	Painting	-	-	15,000.00	15,000.00	2.80
1015	Fireplaces	-	-	7,500.00	7,500.00	1.40
1025	Fire Extinguishers	Existing to Remain				
1040	Signage	-	-	7,500.00	7,500.00	1.40
1080	Toilet Accessories	2,000.00	1,000.00	-	3,000.00	0.56
1090	Toilet Partitions	3,000.00	1,500.00	-	4,500.00	0.84
1120	Blinds & Shades	N/A				
1140	Kitchen Equipment	50,000.00	2,000.00	-	52,000.00	9.70
1250	Drapery & Curtains	N/A				
1270	Furniture, Booths, & Décor	-	-	95,000.00	95,000.00	17.73
1461	Soda & Beer Lines	Existing to Remain				
1530	Plumbing	-	-	20,000.00	20,000.00	3.73
1550	Fire Sprinkler	-	-	3,500.00	3,500.00	0.65
1580	H.V.A.C.	Existing to Remain				
1590	Coolers & Refrigeration	Existing to Remain				
1600	Electrical	-	-	30,000.00	30,000.00	5.60
1601	Light Fixtures	-	-	15,000.00	15,000.00	2.80
1602	Low Voltage & Fire Alarm	-	-	35,000.00	35,000.00	6.53
1700	Contractor Contingency	-	-	45,000.00	45,000.00	8.40
SUBTOTALS:		110,804.00	84,210.00	632,022.00	827,036.00	154.33
CONTRACTOR'S FEE (5%):					41,351.80	7.72
TOTAL ESTIMATE:					868,387.80	162.04

**We Recommend a Preliminary Construction Budget of
Approximately \$798,000 to \$938,000.**

Preliminary Cost Breakdown For The Wayzata Bar & Grill 4 Season Porch Option

Total Square Footage

6076

10/16/2019

NO.	SECTION	Material	Labor	Sub	Total Cost	\$/S.F.
0100	General Conditions	4,045.00	-	-	4,045.00	0.67
0101	Building Permit	10,000.00	-	-	10,000.00	1.65
0102	SAC Fees	15,000.00	-	-	15,000.00	2.47
0103	Superintendent (520 Hours)	-	39,000.00	-	39,000.00	6.42
0105	Project Manager (420 Hours)	-	37,800.00	-	37,800.00	6.22
0109	Winter Conditions	N/A				
0111	Temporary Toilet	1,000.00	-	-	1,000.00	0.16
0116	Dumpster Costs	4,000.00	-	-	4,000.00	0.66
0117	Final Cleaning	-	-	3,000.00	3,000.00	0.49
0118	Construction Cleaning	-	-	3,000.00	3,000.00	0.49
0121	Surveying	4,000.00	-	-	4,000.00	0.66
0124	Temp. Barricades & Protection	2,000.00	2,000.00	-	4,000.00	0.66
0126	Builders Risk Insurance	1,900.00	-	-	1,900.00	0.31
0127	Testing	-	-	5,000.00	5,000.00	0.82
0128	Architectural Design	-	-	140,000.00	140,000.00	23.04
0129	Structural & Civil Engineering	-	-	35,000.00	35,000.00	5.76
0130	Kitchen Equipment Design	-	-	2,500.00	2,500.00	0.41
0138	Street Sweeping	-	-	650.00	650.00	0.11
0139	General Liability Insurance	7,500.00	-	-	7,500.00	1.23
0141	Punchlist	-	-	500.00	500.00	0.08
0143	Erosion Control	-	-	1,500.00	1,500.00	0.25
0144	Dewatering	-	-	500.00	500.00	0.08
0145	Payment/Performance Bond	-	-	14,000.00	14,000.00	2.30
0146	As-Built Drawings	Not Included (if required)				
0211	Demolition	-	-	28,960.00	28,960.00	4.77
0220	Earthwork	-	-	15,000.00	15,000.00	2.47
0271	Fencing	-	-	5,000.00	5,000.00	0.82
0280	Landscaping	-	-	5,000.00	5,000.00	0.82
0290	Deck	12,167.00	8,000.00	-	20,167.00	3.32
0300	Concrete	-	-	35,000.00	35,000.00	5.76
0310	Site Concrete	-	-	5,000.00	5,000.00	0.82
0400	Masonry	-	-	10,000.00	10,000.00	1.65
0510	Structural Steel	-	-	5,000.00	5,000.00	0.82
0550	Misc. Metals	-	-	5,000.00	5,000.00	0.82
0610	Rough Carpentry	2,500.00	2,500.00	-	5,000.00	0.82
0615	Wood Trusses	23,850.00	20,000.00	-	43,850.00	7.22
0620	Finish Carpentry	-	-	18,000.00	18,000.00	2.96
0640	Millwork & Countertops	-	-	65,000.00	65,000.00	10.70
0710	Waterproofing	-	-	4,500.00	4,500.00	0.74
0720	Insulation	-	-	7,500.00	7,500.00	1.23
0730	Shingles & Roofing	-	-	5,000.00	5,000.00	0.82
0746	Siding	-	-	5,000.00	5,000.00	0.82
0780	Roof Accessories	-	-	2,500.00	2,500.00	0.41
0790	Caulking & Sealants	-	-	2,000.00	2,000.00	0.33

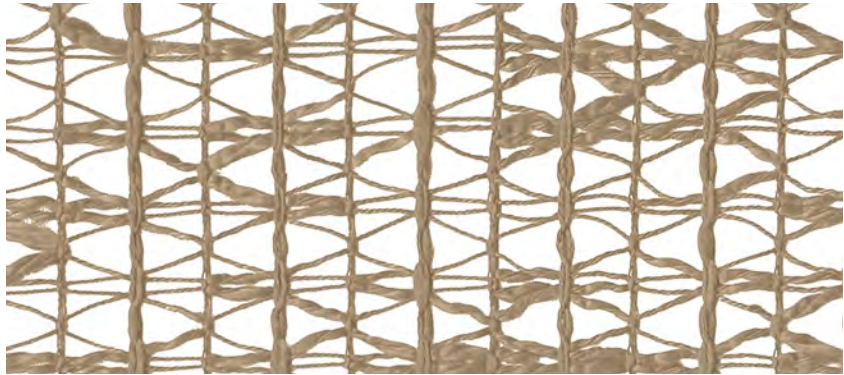
0810	Doors, Frames & Hardware	2,500.00	1,000.00	-	3,500.00	0.58
0885	Glass & Glazing	-	-	40,000.00	40,000.00	6.58
0925	Drywall & Framing	-	-	25,000.00	25,000.00	4.11
0930	Private Dining Room	In 4 Season Porch				
0931	Tile	-	-	20,000.00	20,000.00	3.29
0950	Acoustical Ceilings	-	-	13,500.00	13,500.00	2.22
0960	Carpet	-	-	4,780.00	4,780.00	0.79
0965	Resilient Flooring	-	-	13,742.00	13,742.00	2.26
0970	Concrete Finishing	-	-	4,000.00	4,000.00	0.66
0985	FRP	-	-	8,000.00	8,000.00	1.32
0990	Painting	-	-	20,000.00	20,000.00	3.29
1015	Fireplaces	-	-	7,500.00	7,500.00	1.23
1025	Fire Extinguishers	300.00	100.00	-	400.00	0.07
1040	Signage	-	-	7,500.00	7,500.00	1.23
1080	Toilet Accessories	2,000.00	1,000.00	-	3,000.00	0.49
1090	Toilet Partitions	3,000.00	1,500.00	-	4,500.00	0.74
1120	Blinds & Shades	N/A				
1140	Kitchen Equipment	50,000.00	2,000.00	-	52,000.00	8.56
1250	Drapery & Curtains	N/A				
1270	Furniture, Booths, & Décor	-	-	100,000.00	100,000.00	16.46
1461	Soda & Beer Lines	-	-	4,000.00	4,000.00	0.66
1530	Plumbing	-	-	45,000.00	45,000.00	7.41
1550	Fire Sprinkler	-	-	7,500.00	7,500.00	1.23
1580	H.V.A.C.	-	-	30,900.00	30,900.00	5.09
1590	Coolers & Refrigeration	Existing to Remain				
1600	Electrical	-	-	45,000.00	45,000.00	7.41
1601	Light Fixtures	-	-	20,000.00	20,000.00	3.29
1602	Low Voltage & Fire Alarm	-	-	40,000.00	40,000.00	6.58
1700	Contractor Contingency	-	-	65,000.00	65,000.00	10.70
SUBTOTALS:		145,762.00	114,900.00	950,532.00	1,211,194.00	199.34
CONTRACTOR'S FEE (5%):					60,559.70	9.97
TOTAL ESTIMATE:					1,271,753.70	209.31

**We Recommend a Preliminary Construction Budget of
Approximately \$1,171,000 to \$1,371,000.**

Preliminary Cost Breakdown For The Wayzata Bar & Grill Interior Remodel						
Total Square Footage			5359		10/16/2019	
NO.	SECTION	Material	Labor	Sub	Total Cost	\$/S.F.
0100	General Conditions	2,700.00	-	-	2,700.00	0.50
0101	Building Permit	4,000.00	-	-	4,000.00	0.75
0102	SAC Fees	N/A				
0103	Superintendent (360 Hours)	-	27,000.00	-	27,000.00	5.04
0105	Project Manager (288 Hours)	-	25,920.00	-	25,920.00	4.84
0109	Winter Conditions	N/A				
0111	Temporary Toilet	500.00	-	-	500.00	0.09
0116	Dumpster Costs	2,500.00	-	-	2,500.00	0.47
0117	Final Cleaning	-	-	3,000.00	3,000.00	0.56
0118	Construction Cleaning	-	-	3,000.00	3,000.00	0.56
0121	Surveying	N/A				
0124	Temp. Barricades & Protection	750.00	750.00	-	1,500.00	0.28
0126	Builders Risk Insurance	750.00	-	-	750.00	0.14
0127	Testing	N/A				
0128	Architectural Design	-	-	75,000.00	75,000.00	14.00
0129	Structural Engineering	N/A				
0130	Kitchen Equipment Design	-	-	2,500.00	2,500.00	0.47
0138	Street Sweeping	N/A				
0139	General Liability Insurance	4,000.00	-	-	4,000.00	0.75
0141	Punchlist	-	-	500.00	500.00	0.09
0143	Erosion Control	N/A				
0144	Dewatering	N/A				
0145	Payment/Performance Bond	-	-	6,000.00	6,000.00	1.12
0146	As-Built Drawings	Not Included (if required)				
0211	Demolition	-	-	24,500.00	24,500.00	4.57
0220	Earthwork	N/A				
0271	Fencing	Existing to Remain				
0280	Landscaping	Existing to Remain				
0290	Deck	N/A				
0300	Concrete	Existing to Remain				
0310	Site Concrete	Existing to Remain				
0400	Masonry	N/A				
0510	Structural Steel	N/A				
0550	Misc. Metals	-	-	3,000.00	3,000.00	0.56
0610	Rough Carpentry	1,500.00	1,500.00	-	3,000.00	0.56
0615	Wood Trusses	N/A				
0620	Finish Carpentry	-	-	15,000.00	15,000.00	2.80
0640	Millwork & Countertops	-	-	50,000.00	50,000.00	9.33
0710	Waterproofing	N/A				
0720	Insulation	Existing to Remain				
0730	Shingles & Roofing	Existing to Remain				
0746	Siding	Existing to Remain				
0780	Roof Accessories	Existing to Remain				
0790	Caulking & Sealants	-	-	1,000.00	1,000.00	0.19

0810	Doors, Frames & Hardware	Existing to Remain				
0885	Glass & Glazing	Existing to Remain				
0925	Drywall & Framing	-	-	15,000.00	15,000.00	2.80
0930	Private Dining Room	-	-	15,000.00	15,000.00	2.80
0931	Tile	-	-	16,000.00	16,000.00	2.99
0950	Acoustical Ceilings	-	-	10,500.00	10,500.00	1.96
0960	Carpet	-	-	4,780.00	4,780.00	0.89
0965	Resilient Flooring	-	-	13,742.00	13,742.00	2.56
0970	Concrete Finishing	N/A				
0985	FRP	-	-	4,000.00	4,000.00	0.75
0990	Painting	-	-	15,000.00	15,000.00	2.80
1015	Fireplaces	N/A				
1025	Fire Extinguishers	300.00	100.00	-	400.00	0.07
1040	Signage	-	-	7,500.00	7,500.00	1.40
1080	Toilet Accessories	2,000.00	1,000.00	-	3,000.00	0.56
1090	Toilet Partitions	3,000.00	1,500.00	-	4,500.00	0.84
1120	Blinds & Shades	N/A				
1140	Kitchen Equipment	50,000.00	2,000.00	-	52,000.00	9.70
1250	Drapery & Curtains	N/A				
1270	Furniture, Booths, & Décor	-	-	90,000.00	90,000.00	16.79
1461	Soda & Beer Lines	Existing to Remain				
1530	Plumbing	-	-	20,000.00	20,000.00	3.73
1550	Fire Sprinkler	-	-	3,500.00	3,500.00	0.65
1580	H.V.A.C.	Existing to Remain				
1590	Coolers & Refrigeration	Existing to Remain				
1600	Electrical	-	-	25,000.00	25,000.00	4.67
1601	Light Fixtures	-	-	15,000.00	15,000.00	2.80
1602	Low Voltage & Fire Alarm	-	-	30,000.00	30,000.00	5.60
1700	Contractor Contingency	-	-	35,000.00	35,000.00	6.53
SUBTOTALS:		72,000.00	59,770.00	503,522.00	635,292.00	118.55
CONTRACTOR'S FEE (5%):					31,764.60	5.93
TOTAL ESTIMATE:					667,056.60	124.47

**We Recommend a Preliminary Construction Budget of
Approximately \$607,000 to \$727,000.**

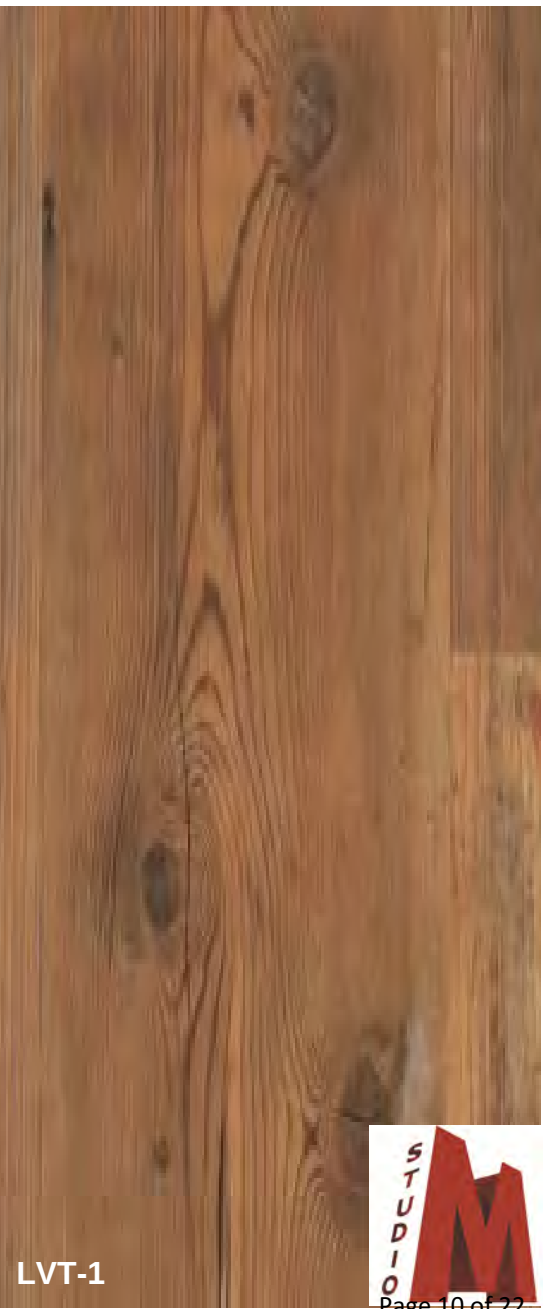


WC-1

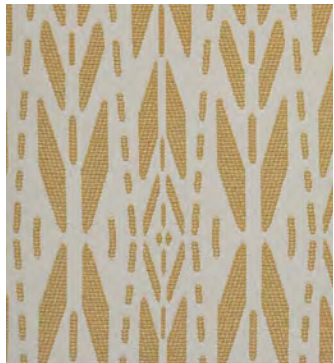
CPT-2



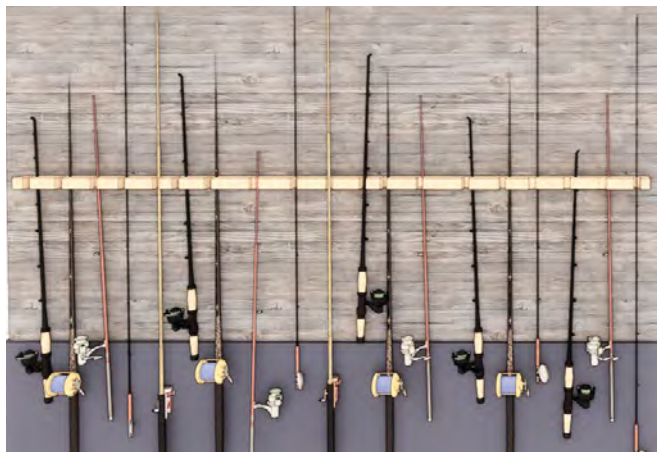
CPT-1

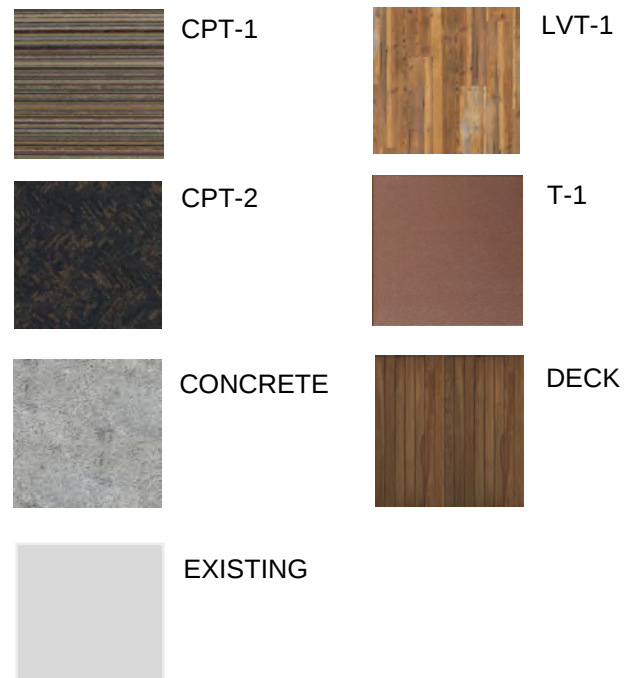


LVT-1



WC-2





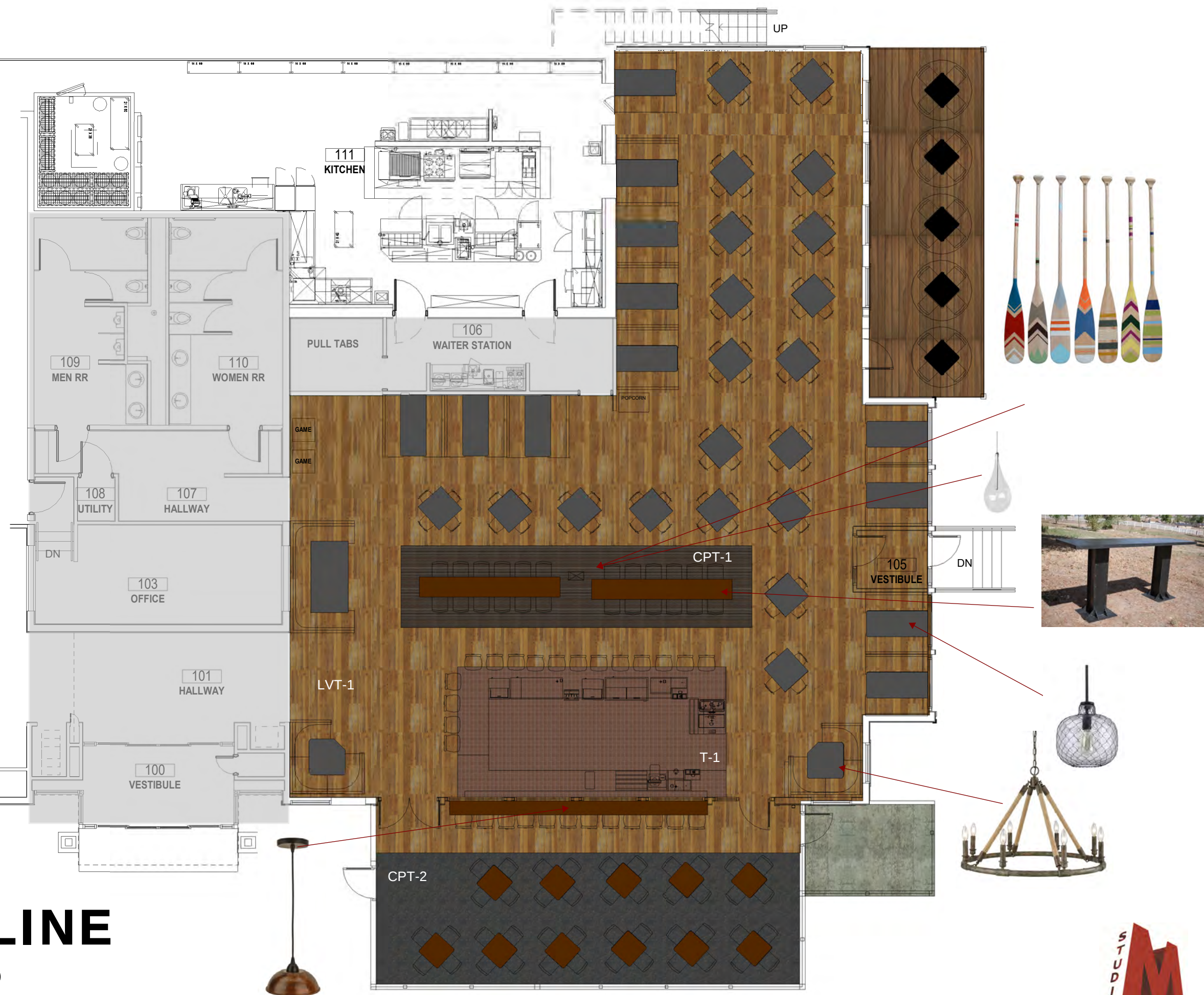
PROVIDES

- Year round extra seating
- Small group area
(Private - In 4 season)
- Extra kitchen square footage
(Approximately 340 sqft)
- Additional small patio option
- Change in location of the bar to create indoor/outdoor bar experience

SEATING

Dining: 42 4-Season: 56
Bar: 135 Side Patio: 20

THE HOOK, LINE AND SINKER

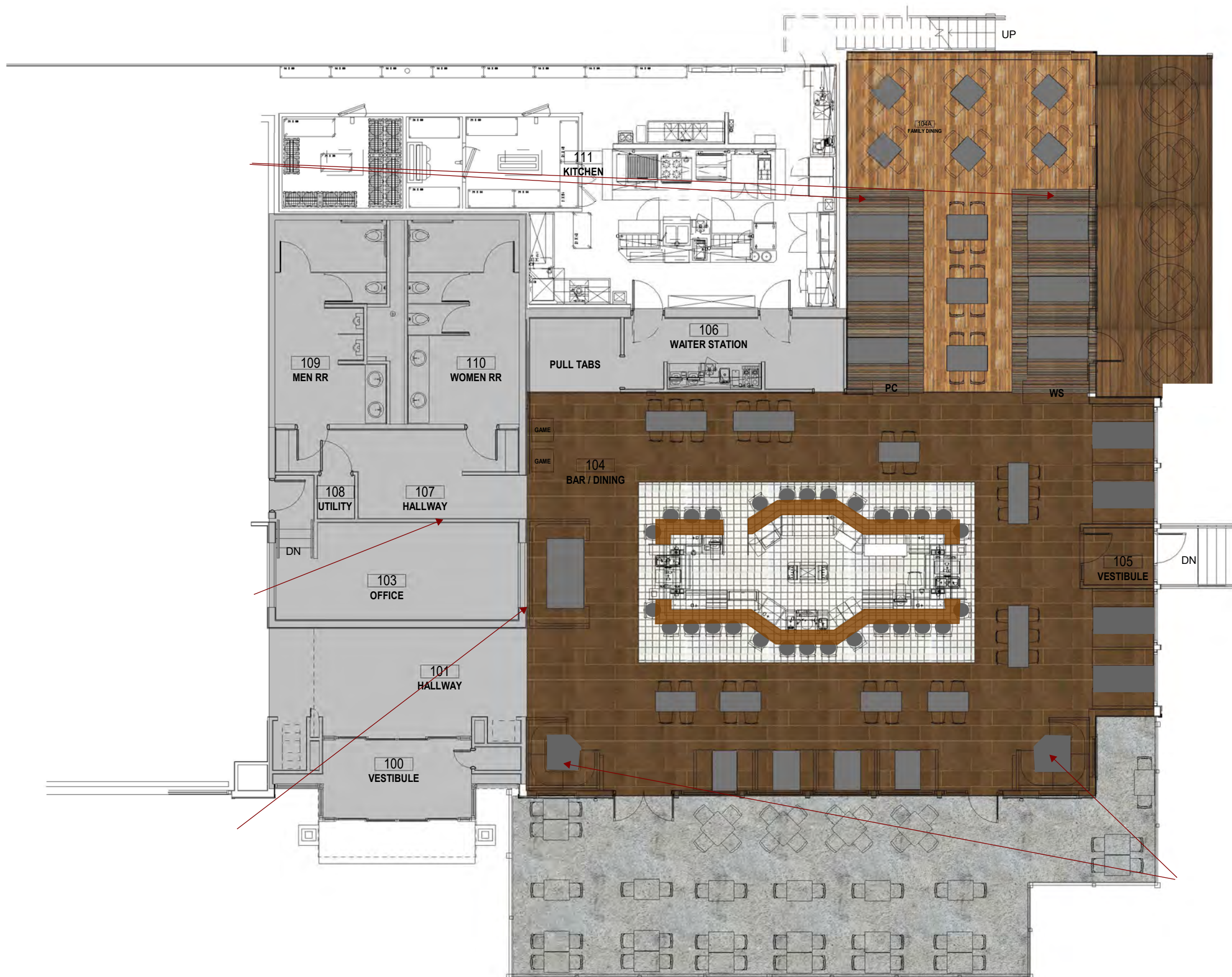




4- SEASON PORCH



THE HOOK, LINE AND SINKER



PROVIDES

- Pergola with shade/rain coverage on the existing patio
- Small group area in dining
(Semi-private. Seats 24)
- Additional small deck patio option.
- More efficient bar room seating.

SEATING

Dining: 62 Patio: 44
Bar: 129 Deck: 20

THE TOP WATER

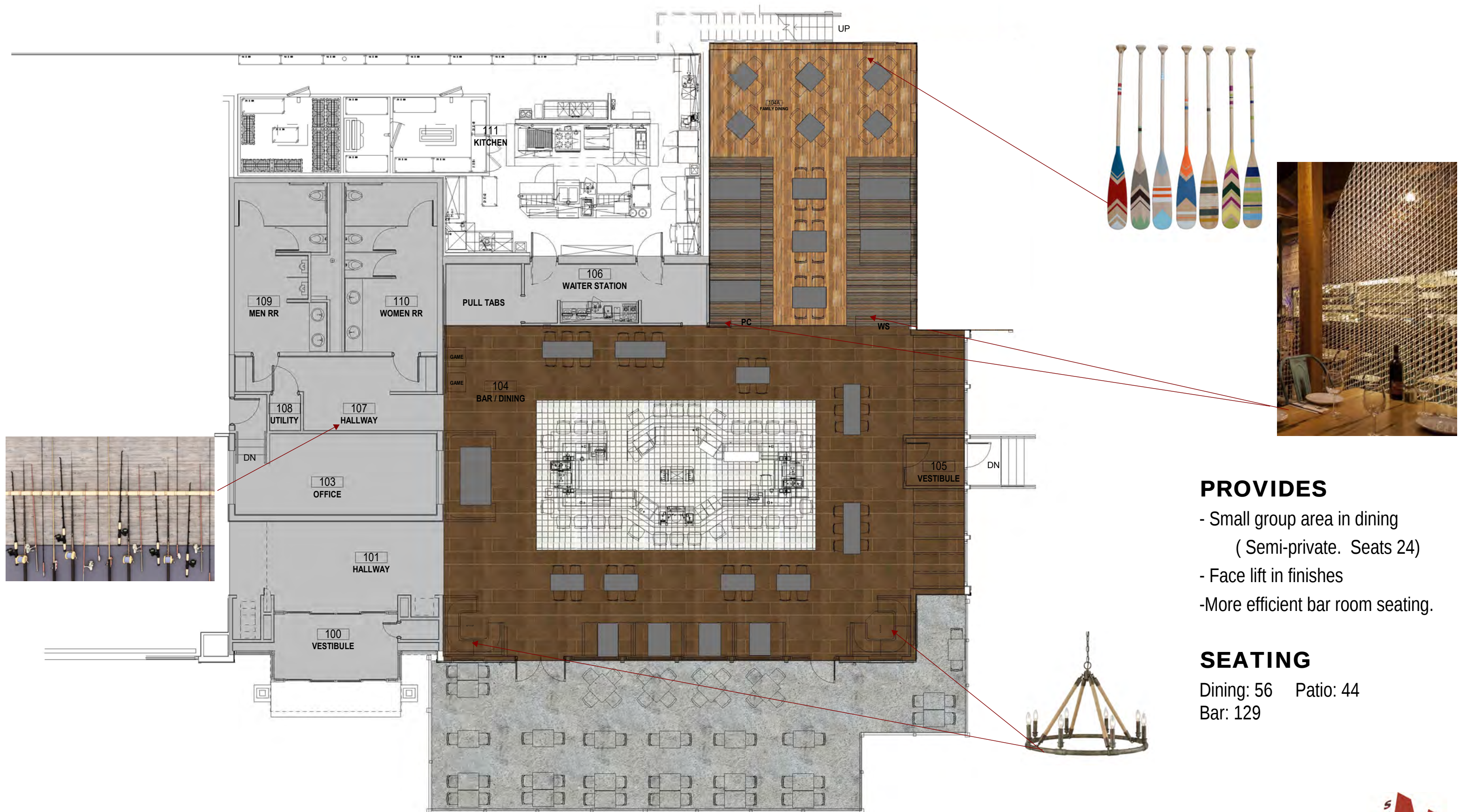




PERGOLA



THE TOP WATER



PROVIDES

- Small group area in dining
(Semi-private. Seats 24)
- Face lift in finishes
- More efficient bar room seating.

SEATING

Dining: 56 Patio: 44
Bar: 129

SKIMMING THE WATER

Estimated Return on Investment (ROI) for Muni Options	Interior remodel	Pergola	4 Season Porch
Cost	\$ 727,000	\$ 938,000	\$ 1,371,000
Cost allocated as normal maintenance	300,000	300,000	300,000
Remainder to expand capacity (assume 5 year internal financing)	<u>\$ 427,000</u>	<u>\$ 638,000</u>	<u>\$ 1,071,000</u>
New Seats	0	26	24
Average Check	\$ 18	\$ 18	\$ 18
Turn a Day	4	4	4
Days of revenue	0	115	365
Conservation factor	<u>50%</u>	<u>50%</u>	<u>50%</u>
Estimated annual Revenue 1st year	<u>\$ -</u>	<u>\$ 107,640</u>	<u>\$ 315,360</u>
Estimated Net Income attributed to expansion			
2020	\$ (106,750)	\$ (100,298)	\$ (94,302)
2021	(102,480)	(92,142)	(78,389)
2022	(98,210)	(83,933)	(62,319)
2023	(93,940)	(75,668)	(46,089)
2024	(89,670)	(67,348)	(29,693)
2025	-	68,631	201,074
2026	-	70,690	207,106
2027	-	72,811	213,319
2028	-	74,995	219,719
2029	-	77,245	226,310
Estimated 10 year cumulative net income	<u>\$ (491,050)</u>	<u>\$ (55,015)</u>	<u>\$ 756,737</u>

Projection of Net Income Related to Expansion

Revenue Assumptions	"What if"
New seats	0
Average check	\$ 18
Turns a day	4
Days of revenue	0
conservative estimate as a percent of total	50%
Estimated annual revenue	\$ -
Expenses	
Cost of sales	30%
Labor	11%
Debt service	\$ 61,000
Other operating	4.50%

Project cost estimate and financing	2020	2021	2022	2023	2024
Debt	5%	5%	5%	5%	5%
Total Project costs	\$ 727,000				
Kitchen remodel	x				
Bathroom remodel	x				
Dining area remodel	x				
Deck					
Pergola					
Relocate bar					
4 season porch					
Investment attributed to seating expansion	\$ 427,000				
Principal	\$ 85,400	\$ 85,400	\$ 85,400	\$ 85,400	\$ 85,400
interest	\$ 21,350	\$ 17,080	\$ 12,810	\$ 8,540	\$ 4,270

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Projection of added revenue and expense related to the expansion										
Inflation		3%	3%	3%	3%	3%	3%	3%	3%	3%
Revenue attributed to expansion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Expense										
Cost of Sales	-	-	-	-	-	-	-	-	-	-
Labor	-	-	-	-	-	-	-	-	-	-
Debt Service	106,750	102,480	98,210	93,940	89,670	-	-	-	-	-
Other operating expense	-	-	-	-	-	-	-	-	-	-
	106,750	102,480	98,210	93,940	89,670	-	-	-	-	-
Net income (loss)	\$ (106,750)	\$ (102,480)	\$ (98,210)	\$ (93,940)	\$ (89,670)	\$ -	\$ -	\$ -	\$ -	\$ -
simple Roi cash on cash	-25%	-24%	-23%	-22%	-21%	0%	0%	0%	0%	0%

Total net increase \$ (491,050)

Projection of Net Income Related to Pergola Expansion

Revenue Assumptions	
	"What if"
New seats	26
Average check	\$ 18
Turns a day	4
Days of revenue	115
conservative estimate as a percent of total	50%
Estimated annual revenue	<u>\$ 107,640</u>
Expenses	
Cost of sales	30%
Labor	11%
Debt service	See below
Other operating	4.50%

Project cost estimate and financing					
	2020	2021	2022	2023	2024
	5%	5%	5%	5%	5%
Total Project costs	\$ 938,000				
Kitchen remodel	x				
Bathroom remodel	x				
Dining area remodel	x				
Deck	x				
Pergola	x				
Relocate bar					
4 season porch					
Investment attributed to seating expansion and banquet	\$ 638,000				
Principal	\$ 127,600	\$ 127,600	\$ 127,600	\$ 127,600	\$ 127,600
interest	\$ 31,900	\$ 25,520	\$ 19,140	\$ 12,760	\$ 6,380

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Projection of added revenue and expense related to the expansion and banquet										
Inflation		3%	3%	3%	3%	3%	3%	3%	3%	3%
Revenue attributed to expansion	\$ 107,640	\$ 110,869	\$ 114,195	\$ 117,621	\$ 121,150	\$ 124,784	\$ 128,528	\$ 132,384	\$ 136,355	\$ 140,446
Total	107,640	110,869	114,195	117,621	121,150	124,784	128,528	132,384	136,355	140,446
Expense										
Cost of Sales	32,292	33,261	34,259	35,286	36,345	37,435	38,558	39,715	40,907	42,134
Labor	11,302.20	11,641	11,991	12,350	12,721	13,102	13,495	13,900	14,317	14,747
Debt Service	159,500	153,120	146,740	140,360	133,980	-	-	-	-	-
Other operating expense	4,844	4,989	5,139	5,293	5,452	5,615	5,784	5,957	6,136	6,320
	207,938	203,011	198,128	193,290	188,497	56,153	57,838	59,573	61,360	63,201
Net income (loss)	\$ (100,298)	\$ (92,142)	\$ (83,933)	\$ (75,668)	\$ (67,348)	\$ 68,631	\$ 70,690	\$ 72,811	\$ 74,995	\$ 77,245
simple Roi cash on cash	-16%	-14%	-13%	-12%	-11%	11%	11%	11%	12%	12%
Total net increase for 2020-2029 <u>\$ (55,015)</u>										

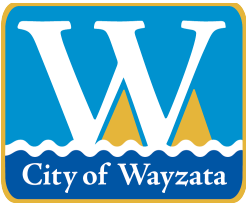
Projection of Net Income Related to Four Season Expansion

Revenue Assumptions	
	"What if"
New seats	24
Average check	\$ 18.00
Turns a day	4
Days of revenue	365
conservative estimate as a percent of total	50%
Estimated annual revenue	<u>\$ 315,360</u>
Expenses	
Cost of sales	30%
Labor	11%
Debt service	see below
Other operating	4.50%

Project cost estimate and financing					
	2020	2021	2022	2023	2024
	5%	5%	5%	5%	5%
Total project costs	\$ 1,371,000				
Kitchen remodel	x				
Bathroom remodel	x				
Dining area remodel	x				
Deck	x				
Pergola	x				
Relocate bar	x				
4 season porch	x				
Investment attributed to expansion	\$ 1,071,000				
Principal	\$ 214,200	\$ 214,200	\$ 214,200	\$ 214,200	\$ 214,200
interest	\$ 53,550	\$ 42,840	\$ 32,130	\$ 21,420	\$ 10,710

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Projection of added revenue and expense related to the pergola expansion										
May to sept - 30 inclement										
Inflation		3%	3%	3%	3%	3%	3%	3%	3%	3%
Revenue attributed to expansion	\$ 315,360	\$ 324,821	\$ 334,565	\$ 344,602	\$ 354,940	\$ 365,589	\$ 376,556	\$ 387,853	\$ 399,489	\$ 411,473
		-	-	-	-	-	-	-	-	-
Total	315,360	324,821	334,565	344,602	354,940	365,589	376,556	387,853	399,489	411,473
Expense										
Cost of Sales	94,608	97,446	100,370	103,381	106,482	109,677	112,967	116,356	119,847	123,442
Labor	33,113	34,106	35,129	36,183	37,269	38,387	39,538	40,725	41,946	43,205
Debt Service	267,750	257,040	246,330	235,620	224,910	-	-	-	-	-
Other operating expense	14,191	14,617	15,055	15,507	15,972	16,451	16,945	17,453	17,977	18,516
	409,662	403,209	396,884	390,691	384,633	164,515	169,450	174,534	179,770	185,163
Net income (loss)	\$ (94,302)	\$ (78,389)	\$ (62,319)	\$ (46,089)	\$ (29,693)	\$ 201,074	\$ 207,106	\$ 213,319	\$ 219,719	\$ 226,310
simple Roi cash on cash	-9%	-7%	-6%	-4%	-3%	19%	19%	20%	21%	21%

Total net increase for 2020-2029 \$ 756,737



City Council Workshop City Council Agenda Report

MEETING DATE: November 6, 2019	WORKSHOP AGENDA ITEM: 2.
TITLE: Update of Lake Effect Conservancy Marketing Initiative (5:15-6:00 p.m.)	
PREPARED BY: Jeff Dahl, City Manager	
REVIEWED BY: N/A	

DISCUSSION OBJECTIVE:

To further discuss the preferred brand, especially the visual components, and strategize about the launch/rollout.

BACKGROUND:

Earlier this year, the Lake Effect Conservancy approved an agreement with acclaimed marketing and communications firm, Latitude, with the objective of rebranding the Lake Effect Initiative into something more appropriate for both the initiative and the place/area.

This marketing effort, is combined with other efforts the Conservancy and City (Section Foreman's House stabilization, fundraising, lobbying, administrative support) are moving forward with in order to build on the momentum of the commencement of Phase I.

At the Tuesday, September 17 City Council Work Shop, Latitude presented its new preferred naming concept. After receiving a positive overall reception from the Council, the identified next steps were to come back to the Council with the brand's proposed visual identity and launch plan.

Please note that the intention of this rebranding process is to better capture the essence of the Lake Effect Project and area. It does not preclude naming rights of individual components of the project such as the boardwalk or plaza park.

Kristin Evenson, Wayzata resident and board member of the Lake Effect Conservancy, will be leading a presentation of the rebranding efforts, along with representatives of Latitude, at the meeting. Council Member Jeff Buchanan, as a member of the Lake Effect Partnership Group, has represented the City Council in this collaborative effort.

ATTACHMENTS:

None