



8. PROPOSED FINANCIAL RETURN, BUSINESS PLAN, AGREEMENT TERMS

We would like to present our business plan for the next 5 years, taking in account the requirements of RFP – the contract term is three (3) years with two (2) annual renewals. Due to the fact that during the first year the Golden Isles Tennis Center is going to be under construction there wouldn't be any activity at the facility, therefore we are not expected any income.

Business Plan/ Pro Forma

	1st year	2nd year	3rd year	4th year	5th year	Total
Revenue						
Revenue from courts and membership, including:	0	36,306.00	48,263.00	60,869.00	67,932.00	213,370.00
<i>court rentals</i>		20,720.00	25,900.00	28,490.00	29,915.00	105,025.00
<i>light fees</i>		4,060.00	5,075.00	5,583.00	5,862.00	20,579.00
<i>memberships</i>		11,526.00	17,288.00	26,797.00	32,156.00	87,767.00
Private lessons, clinics, camps, social events	0	164,433.00	225,666.00	271,170.00	309,113.00	970,383.00
Revenue from Pro-Shop	0	25,200.00	31,500.00	34,650.00	36,383.00	127,733.00
Revenue (payments from the City)	0	25,000.00	25,000.00	25,000.00	25,000.00	100,000.00
Total Revenue	0	250,939.00	330,430.00	391,690.00	438,428.00	1,411,486.00
Sharing plan with City	0	36,306.00	48,263.00	60,869.00	67,932.00	213,370.00
All Florida Tennis revenue		214,633.00	282,166.00	330,820.00	370,496.00	1,198,115.00

Expenses						
Payrolls	0	55,206.00	69,390.00	82,255.00	92,070.00	298,921.00
Contractors (including purchase of inventory for resale)	0	32,622.00	42,956.00	50,920.00	56,996.00	183,493.00
Maintenance of courts, provision of inventory and equipment for courts (supplies, material, repair, tennis balls, etc)	0	25,103.00	30,043.00	35,086.00	38,227.00	128,459.00
Maintanace of Pro-shop	0	5,019.00	6,609.00	7,834.00	8,769.00	28,230.00
Insurance	0	12,547.00	12,000.00	12,500.00	13,000.00	50,047.00
Bills (local telephone, electricity, utilities, water, solid waste disposal, sewer service)	0	48,000.00	50,000.00	52,000.00	54,000.00	204,000.00
Advertisement and marketing	0	5,019.00	6,609.00	7,834.00	8,769.00	28,230.00
Meals and entertainment		7,528.00	9,913.00	11,751.00	13,153.00	42,345.00
Fees, licenses, taxes, accounting	0	7,528.00	9,913.00	11,751.00	13,153.00	42,345.00
Total Expenses	0	198,572.00	237,432.00	271,929.00	298,135.00	1,006,069.00
Net Income	0	16,061.00	44,734.00	58,891.00	72,360.00	192,046.00

8.a. Methodology for determining fees, proposed fee schedule for court usage and instructional programs as well as general pricing strategy for food/beverage and merchandise sales.

Our methodology is based on following:

- We take into account the current rates of The Golden Isles Tennis Center and we are going to offer a bit higher prices for the court rentals and membership. The reason for this is that it will be a completely new facility which is built by The City of Hallandale Beach; it will allow everyone to play on the high-quality



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courts with the best outfitting. Additionally we are interested in getting more benefits for The City of Hallandale Beach since **all the revenue from court rentals and membership will be retained by The City;**

- We are going to extend a list of services and in addition to current programs to offer: family membership for 4 persons (2 adults + 2 children); team membership for athletes; **premium membership with court and light fees included; seasonal premium membership;**
- we provide **discount for residents;**
- we provide discount depending on the quantity of lessons / classes, that the customer is going to buy;
- we provide discount for camps if they are paid in advance;
- our prices for food, beverages and merchandise sales are very attractive because we are in long-term cooperation with the wholesale company which gives us good prices;

Here is the list of services and prices which we are going to offer for The Golden Isles Tennis Center after it construction:

	For residents	For non-residents
Court rentals	\$6	\$8
Light fees	\$6	
Annual single membership	\$160	\$200
Annual family membership (2 adults + 2 children)	\$350	\$450
Annual family membership (2 persons)	\$250	\$350
High performance	\$35-\$65	\$55-\$75
Adult clinics	\$25	\$30
Junior groups	\$18-\$25	\$25-\$35
Camps	\$220-\$250 per week	\$250-\$300 per week

8.b. Anticipated income from all revenue sources.

All Florida Tennis is expecting the following revenue:

	1st year	2nd year	3rd year	4th year	5th year	Total
Revenue for City, including	0	36,306.00	48,263.00	60,869.00	67,932.00	213,370.00
<i>court rentals</i>		20,720.00	25,900.00	28,490.00	29,915.00	105,025.00
<i>light fees</i>		4,060.00	5,075.00	5,583.00	5,862.00	20,579.00
<i>memberships</i>		11,526.00	17,288.00	26,797.00	32,156.00	87,767.00

	1st year	2nd year	3rd year	4th year	5th year	Total
Revenue for All Florida Tennis LLC	0	214,633.00	282,166.00	330,820.00	370,496.00	1,198,115.00
Private lessons, clinics, camps, social events	0	164,433.00	225,666.00	271,170.00	309,113.00	970,383.00
Revenue from Pro-Shop	0	25,200.00	31,500.00	34,650.00	36,383.00	127,733.00
Revenue (payments from the City)	0	25,000.00	25,000.00	25,000.00	25,000.00	100,000.00

We are expecting growth of revenue for the next years based on our experience and skills how to increase the number of members and visitors. **We are expecting the total payments to The City for 5 years in amount of more than \$210,000.00.**

Payments from the City were calculated as follows: \$2,000.00 per month for the months of February through



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November and \$2,500.00 per month for December and January. Total payment from The City per year is:

- lower than our expected expenses for maintenance of courts, provision of inventory and equipment for courts (supplies, material, repair, tennis balls, etc)
- more than twice lower than our expected bills for local telephone, electricity, utilities, water, solid waste disposal, sewer service.

Our anticipated income from all revenue sources was calculated for the first year after construction as follows:

	Public (reservations only)		Public	Public	Public
PUBLIC COURTS RENTAL					
7:00 - 8:30	\$8	\$8	\$6	\$6	\$8
8:30 - 10:00	\$8	\$8	\$8	\$6	\$6
10:00 - 11:30	\$8	\$8	\$6	\$8	\$6
4:00 - 5:30	\$8	\$8	\$8	\$6	\$6
5:30 - 7:00	\$8	\$8	\$6	\$8	\$6
7:00 - 8:30	\$8	\$8	\$6	\$6	\$8
8:30 - 10:00			\$6		
Total per day	\$48	\$48	\$46	\$40	\$40
Maximum daily gross		\$222			
Maximum yearly gross (365 - 75 rain days - 10 holidays)		\$62,160.00			
1/3 capacity		\$20,720.00			

LIGHT FEES					
Summer - 6 months	\$6	\$6	\$12	\$6	\$6
Winter - 6 months	\$9	\$9	\$15	\$9	\$9
Total per winter day	\$36				
Total per summer day	\$51				
Maximum daily gross (average)	\$43.50				
Maximum yearly gross (365 - 75 rain days - 10 holidays)	\$12,180.00				
1/3 capacity - Projected Revenue from Light Fees	\$4,060.00				
TOTAL FOR CITY FROM RENTALS AND LIGHT FEES	24,780.00				

MEMBERSHIPS				
	Year 2	Year 3	Year 4	Year 5
Total number of members	70	105	163	195
<i>Family</i>	<i>21</i>	<i>32</i>	<i>49</i>	<i>59</i>



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<i>Individual</i>	21	32	49	59
<i>Junior</i>	25	37	57	68
Average Membership Fee				
<i>Family</i>	\$300	\$300	\$300	\$300
<i>Individual</i>	\$180	\$180	\$180	\$180
<i>Junior</i>	\$59	\$59	\$59	\$59
Total	\$11,525.50	\$17,288.25	\$26,796.79	\$32,156.15

Private Courts	Jesse	Danny	Coach #1	Coach #2	Coach #3
7:00 - 8:00	\$60	\$45	\$45	\$20	\$20
8:00 - 9:00	\$60	\$45	\$45	\$20	\$20
9:00 - 10:30	Adult clinics		Adult clinics		Adult clinics
	\$75 (3*\$25)		\$75 (3*\$25)		\$75 (3*\$25)
10:00 - 11:30					
4:00 - 5:30	PEE-WEE (Junior Programs)		High Performance	High Performance	High Performance
	\$100		\$90	\$90	\$90
5:30 - 7:00		Tennis 101 (Junior Programs)	High Performance	High Performance	High Performance
		\$100	\$90	\$90	\$90
7:00 - 8:30		Adult clinics		Adult clinics	
		\$120		\$120	
Total per day	\$295	\$310	\$345	\$340	\$295
Maximum private	\$1,585.00				
Maximum yearly gross (365 - 75 rain days - 10 holidays)	\$443,800.00				
1/3 capacity	\$147,933.33				

	year 1	year 2	year 3	year 4
camps	6,500.00	8,125.00	8,938.00	9,384.00
social events	10,000.00	12,000.00	14,000.00	15,000.00

8.c. Proposed rent structure/revenue sharing plan.

All Florida Tennis LLC offers the following sharing plan with the City:

1. The City shall retain all revenue from:
 - a. all membership,
 - b. daily tennis,
 - c. lighting fees.
2. All Florida Tennis LLC shall retain all revenue from:
 - a. tournaments,
 - b. private lessons,
 - c. camps and clinics,