



Welcome to

THE TERRACE

Food Hall

POWERPOINT PRESENTATION

Our Mission

// To create the structure and systems needed to allow our customers access to the majority of their away-from-home daily meal requirements on a one-stop-shop basis. //



The Concept

The Terrace Food Hall, LLC in Downtown Springfield, MA will be an exciting new dining concept which will lease out spaces for local food and beverage artisans & eateries to offer their services. It allows food business owners the ability to share and therefore reduce the high initial upfront costs of opening a traditional brick and mortar while still having an individual footprint to sell to the public.

The Terrace Food Hall will feature local eateries and restaurants while introducing the concept of cross meal ordering that can be enjoyed in shared seating areas.

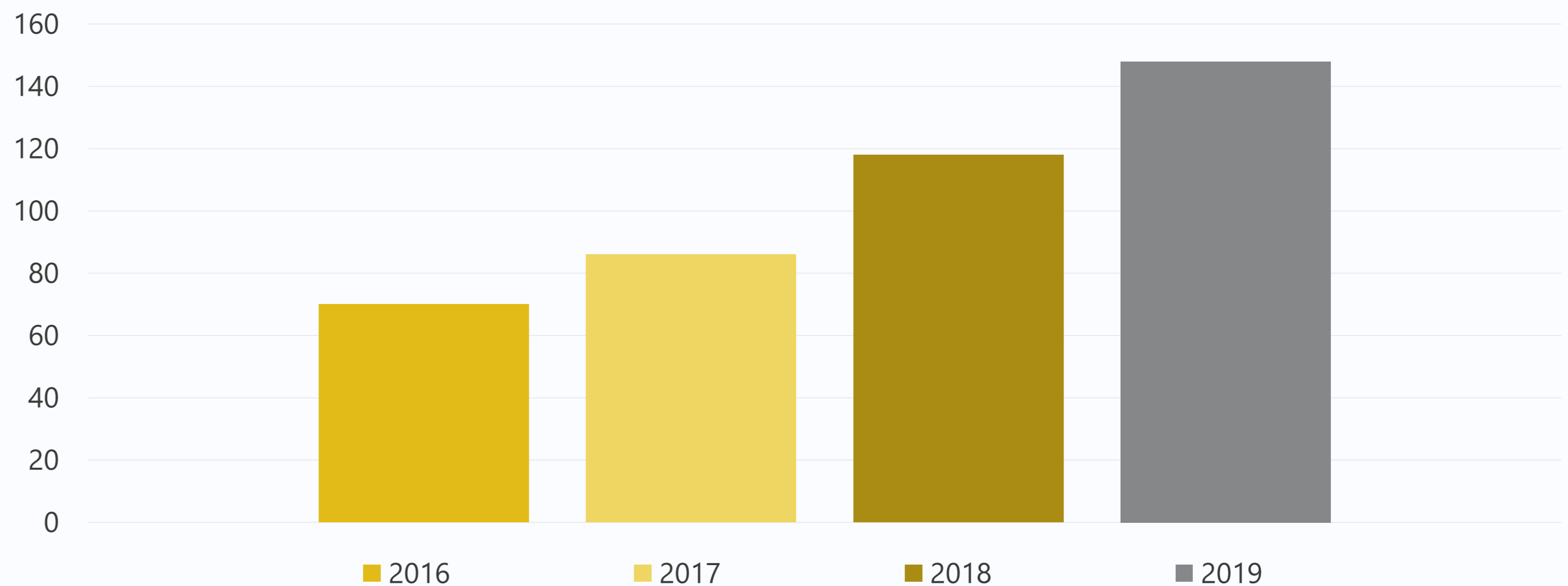


The number of active food hall projects in the U.S. grew to 86 by the close of 2017 and to 118 by the close of 2018. Over the last few years, about 30 new projects have been added annually, and that number is climbing.

Setting aside any “rumored” projects, it appears that there will likely be 180 food halls in existence in the U. S. by the end of 2019, although the real number may end up being closer to 190. At the current pace of development, we think there could be 300 projects up and running by the end of 2020.

Market Overview

Food Halls in the United States



Target Market

The traditional mall food court is a common seating area, surrounded by a periphery of food vendors. Those food vendors were usually fast food providers and the primary purpose of the mall food to serve as an amenity for consumers who were at the mall primarily to shop. Accordingly, the target markets of The Terrace Food Hall are local food and beverage artisans, restaurateur and eateries.

On the other hand, the visitors to food malls are the Millennial. Millennials comprise the group of about 80 million young men and women who were born in the '80s and '90s. They are:

Responsible for a huge portion of the quick-serve industry.

- ✓ On average, they visit fast food joints 12 or more times per month.
- ✓ They spend more of their income on food than any other generation.
- ✓ They don't cook so they eat out more often than older users.
- ✓ One of the top things Millennials look for in a fast food restaurant is creativity and innovation.
- ✓ The generation is more ethnically diverse than any other age group.
- ✓ They are regularly exposed to many cultural influences.
- ✓ They're used to having lots of options whenever they shop. So they are interested in different products and experiences at a single location.





55%

Of Millennials prefer communal tables when dining out



40%

Of Millennials will order something different every time they visit the same restaurant



44%

Of Millennials spend on their food dollars on eating out

Millennial Eating Patterns Favor Food Halls

Business Model

The company will offer gross rent structures to food vendors. These are all-inclusive rents that charge vendors for real estate, janitorial and common area maintenance. The company will also offer shared storage space, common freezer, and refrigerator. The carts in the lanes will also be rented out to shopping carts (such as candles vendors, cell phone, etc.)

The Company will have third-party designer and architecture in their panel that provides services to the tenant. Each tenant will be responsible for their store designing, architecture, kitchen, equipment and management of their store.



Organizational Structure





MORGAN STREET FOOD HALL

Size: 20,000 square foot

Hours:

Friday – Saturday: 7 AM to Midnight

Sunday – Thursday: 7 AM to 10 PM

Status: Operational

Started in August 2018, Morgan Street is a dark wood corridor of small food vendors, each specializing in one kind of cuisine, from Southern to empanadas, to Lebanese and burgers. There are also more than a dozen retail vendors, from a florist to a jerky cart.

Morgan Street Food Hall is a project of Hibernian Hospitality Group.



DURHAM FOOD HALL

Size: 15,000

Status: Coming Soon

Durham Food Hall provides a space for chefs to experiment and collaborate. Durham Food Hall features 10 mini eateries, 3 private event spaces, and 2 bars.



TRANSFER CO. FOOD HALL

Size: 42,800 square foot

Status: Coming Soon

Transfer Co. is Raleigh's Food Hall, Market, and Gathering Place in Downtown Raleigh. Housed in the historic Carolina Coach Garage and Shop, a five-minute walk from Fayetteville Street, Transfer Co. offers 43,000+ SF of renovated warehouse and newly built space for food producers, makers, vendors, restaurateurs, their guests, and the local community.

Competitive Advantages

The following is a listing of the primary competitive advantages of the Company upon entering the market.



Owner's experience



Highly-trained staff to ensure unmatched customer service and experience



Highly visible location with a suitable consumer base in close proximity



Located in the downtown area



Available 365 days a year



STRENGTHS

- Knowledge and experience of the owner
- Customer service commitment
- No food hall within a 15-mile radius of the location
- Excellent location and visibility
- Community oriented
- Cultural diversity in offering food
- Convenience and value of money
- Flexibility for customers desire to implement their architecture
- Available 365 days a year

WEAKNESSES

- Company needs funding and working capital for a successful launch
- As a new business, the Company must build its credibility
- Fixed cost are unavoidable

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OPPORTUNITIES

- Increasing popularity of the food hall industry
- Growth among demographic segments
- Increase in per capita income
- Ability to attract event

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THREATS

- Instability of the US economy leads to unpredictable market activity
- Larger companies that have more resources and the ability to reach deeper into the market

Social Media

- Community engagement is also a driver for Millennials. They expected to be engaged and listened to. The Company will use social media and location-based tools to create and participate in dialogues with Millennials.
- The Company will manage its brand on social media sites, such as Facebook, Instagram, and Twitter. By sharing photos of the premises, such as on Instagram as a foodie photo, the Company will direct targeted customers into the food hall.
- Update the Company's listing at www.tripadvisor.com, www.yelp.com, and www.places.singleplatform.com.
- The Company will update the Google page of the business, mentioning operating hours, customer reviews, location
- guide, and phone numbers.

Advertising and promotional strategies

The company will use various advertisement media to attract customers. These include:

- Print media – These include flyers and brochures, roadside signs, billboards or human billboards, outlining the vendors and their menu and pricing of the items served at the premises.
- Use influencers – These include celebrities or influential personalities whose opinion matters to the general public. The company will work with influencers to drive clients to its venue.
- Theme days and special events – The venue will leverage the varied cultures of its target market and organize special events to attract more customers.

Marketing Strategies

Website

- The company has created a well-optimized website with proper site structure, page layout, and clear and easy navigation, along with targeted keywords embedded throughout the site to ensure proper search engine placement and saturation.
- The website includes all the vendors and their website link.
- The company will create a business profile on local directories, such as Google My Business, Yahoo Local, Bing Local, Yelp, Yellow pages, Insider Pages, Merchant Circle and others. The Company will become visible to anyone looking for a dining establishment on local directories.

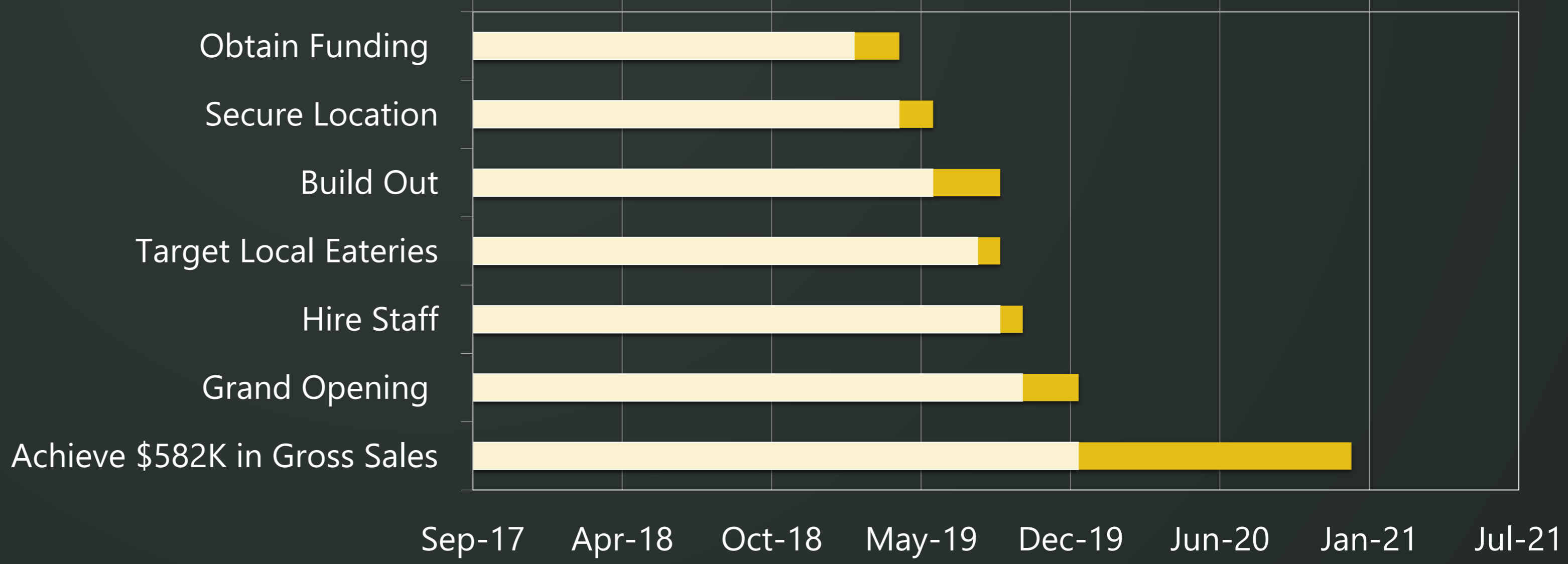
Networking

- Establish networks in the local restaurant and establish possible collaboration and partnerships.
- Building relationships with local community and small businesses. Organize events on various occasions such as Christmas, Thanksgiving, and Independence Day.

Milestones

The tentative milestones are shown below. Management reserves the right to make changes to this schedule as needed.

Milestones		
	Start Date	Duration (days)
Obtain Funding	02/15/2019	60.00
Secure Location	04/16/2019	45.00
Build Out	05/31/2019	90.00
Target Local Eateries	07/30/2019	30.00
Hire Staff	08/29/2019	30.00
Grand Opening	09/28/2019	75.00
Achieve \$582K in Gross Sales	12/12/2019	365.00



Fund Requirement

Total Source & Use of Funds

\$400 100

Total Amount Being
Requested

\$34 900

Total Funding Already
Received

\$29 200

Total Start-up Expenses

\$413 100

Total Start-up Assets

Start-up Summary

The following tables and graphs detail the funding the business will need to bring the vision to reality. Start-up funding includes all the expenditures, both start-up assets and start-up expenses, incurred before the Company starts earning revenue. The working capital element of the asset table represents the balance of cash at the beginning of Month 1 of the financial projections.

Total Start-up Funding	
Total Amount Being Requested	\$400,100
Total Funds Already Received	\$34,000
Total Funding	\$434,100
New Start-up Funding Being Requested	
Bank Amount Being Requested	\$400,100
Total Amount Being Requested	\$400,100
Start-up Funding Already Received	
Owner Contribution	\$34,900
Total Funding Already Received	\$34,900
Start-up Capital And Liabilities	
Loss At Start-up (Start-up Expenses)	(\$28,700)
Total Funds Received And Requested	\$434,100
Cash Balance On Starting Date	\$107,100

Use Of Start-up Funding

Expenses

Legal Fees	\$4,900
Grand Opening Advertising	\$9,900
Website Development	\$1,400
Initial Office Supplies	\$5,200
Pre-Opening Marketing	\$7,800

Total Start-up Expenses \$29,200

Long Term Assets

Build out	\$210,000
Furniture And Fitting	\$59,000
Computer & Accessories	\$4,900
Equipment	\$19,000
Security & Alarm	\$8,200
Music System	\$6,000

Total Long-Term Assets \$307,100

Short-Term Assets

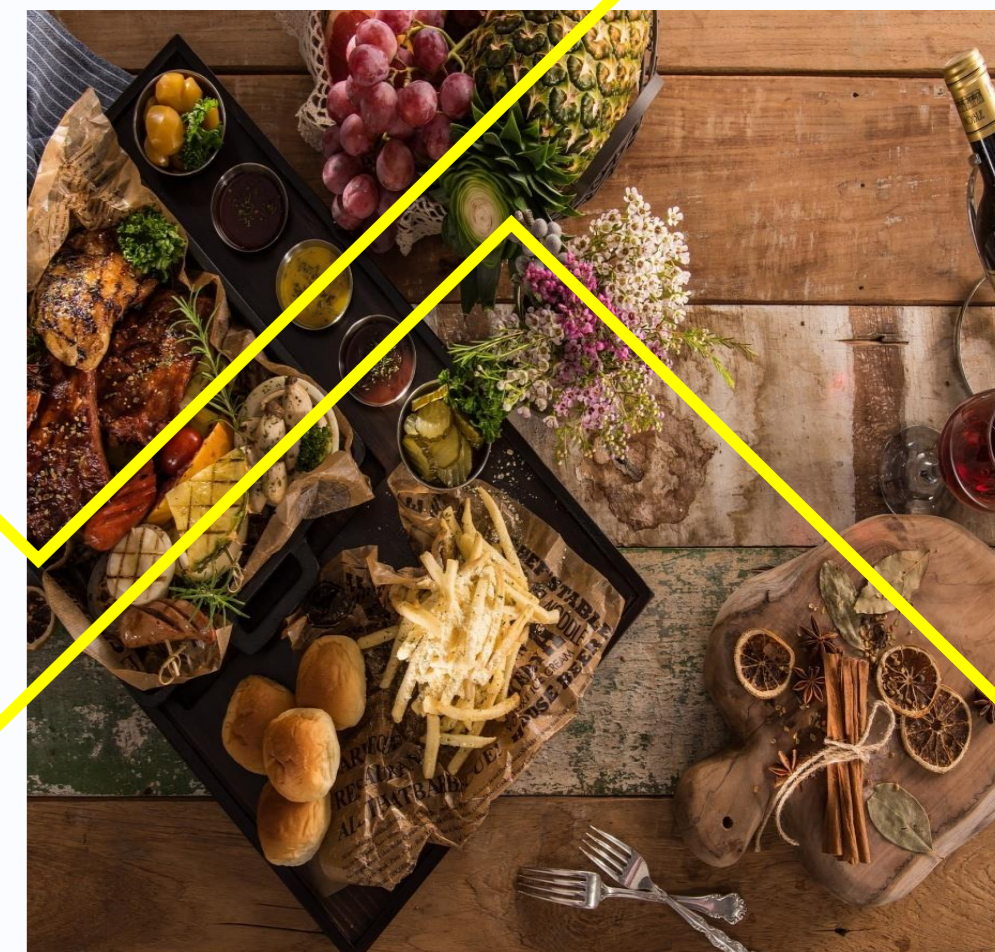
Working Capital	\$78,500
Other Current Assets	\$27,500

Total Short-Term Assets \$106,000

Total Expenses & Assets

Total Start-up Expenses	\$29,200
Total Start-up Assets	\$413,100

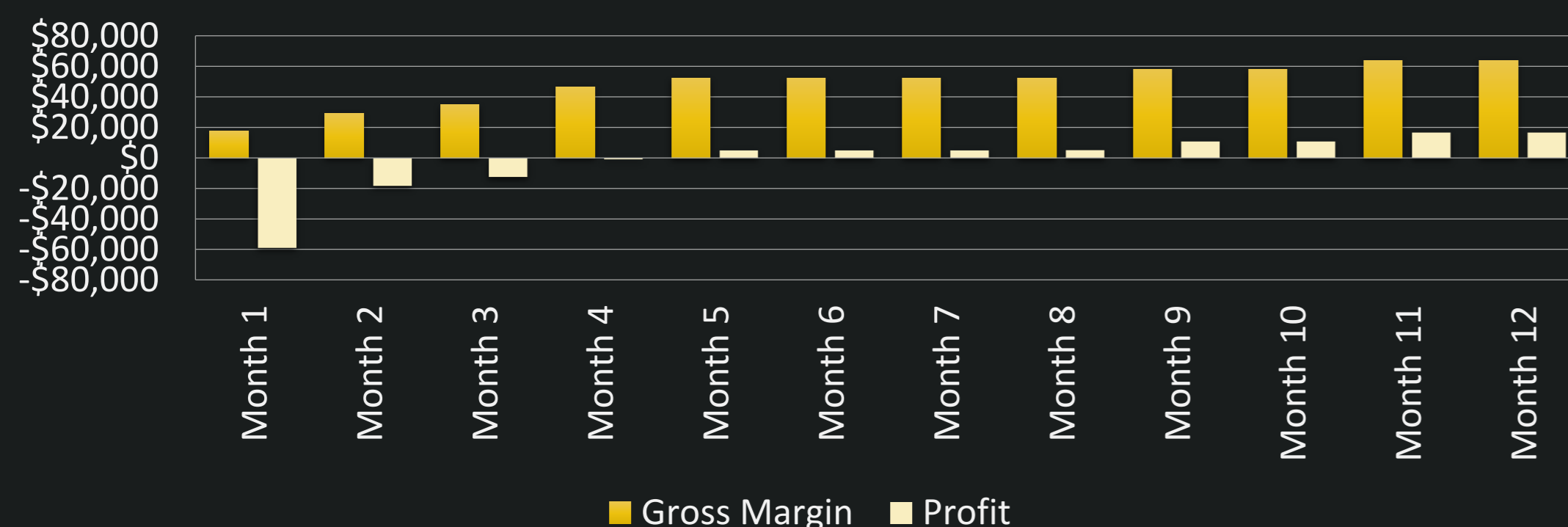
Total Funding Requirements \$442,300



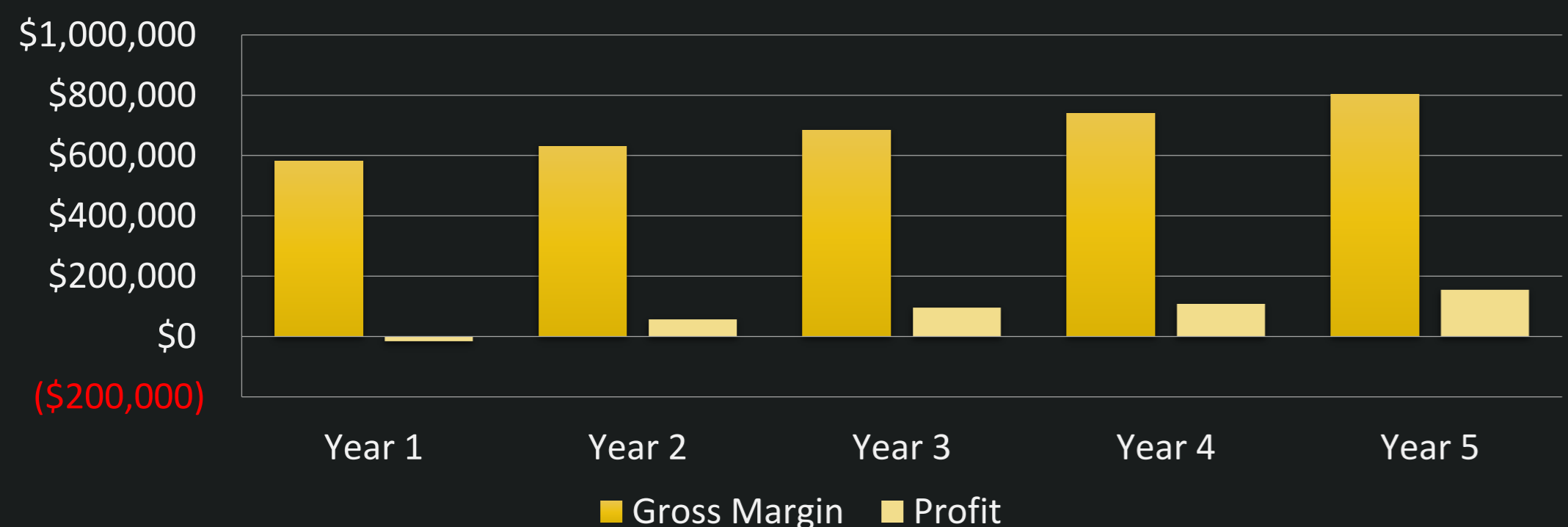
Projected Income Statement

The Terrace Food Hall, LLC intends to deploy its funding to maximize growth and profitability. In the Income Statement table below, gross margin equals sales minus direct costs. The “bottom line” or profit (as measured before and after interest, taxes, depreciation and amortization) equals gross margin minus operating expenses.

Gross Margin & Profit Monthly



Gross Margin & Profit Yearly

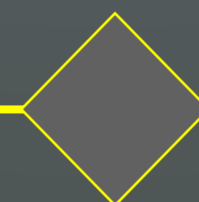


Pro Forma Income Statement					
	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue	\$582,360	\$630,821	\$683,332	\$740,233	\$801,891
Expenses					
Rent	\$322,056	\$331,718	\$341,669	\$351,919	\$362,477
Telephone/Internet	\$6,000	\$6,180	\$6,365	\$6,556	\$6,753
Website Hosting/Updates	\$1,200	\$1,230	\$1,261	\$1,292	\$1,325
Supplies	\$9,600	\$9,888	\$10,185	\$10,490	\$10,805
Utilities	\$30,500	\$31,415	\$32,357	\$33,328	\$34,328
Professional Services	\$6,600	\$6,765	\$6,934	\$7,107	\$7,285
Facility Maintenance & Janitorial	\$14,400	\$14,832	\$15,277	\$15,735	\$16,207
Startup Expenses	\$29,000	\$0	\$0	\$0	\$0
Depreciation & Amortization	\$19,867	\$19,867	\$19,867	\$19,867	\$19,867
Payroll Taxes & Benefits	\$13,632	\$13,114	\$13,508	\$16,861	\$17,366
Total Personnel	\$122,256	\$117,618	\$121,146	\$151,216	\$155,752
Total Operating Expenses	\$575,110	\$552,626	\$568,569	\$614,372	\$632,165
Profit Before Interest and Taxes	\$7,250	\$78,195	\$114,763	\$125,860	\$169,726
EBITDA	\$27,116	\$98,062	\$134,630	\$145,727	\$189,592
Interest Expense	\$23,181	\$21,324	\$19,352	\$17,259	\$15,037
Taxes Incurred	\$0	\$0	\$0	\$0	\$0
Net Profit	(\$15,931)	\$56,871	\$95,411	\$108,601	\$154,689
Net Profit/Revenue	-2.74%	9.02%	13.96%	14.67%	19.29%

Income Statement Assumptions: (1) Depreciation is based on 15 years; (2) Start-up cost is amortized over 3 years; (3) Total payroll taxes are 11.15%; (4) Company taxes are based on 21%.

Disclaimer

The market analysis and financial projections presented herein represent the Company's best judgment and reasonable assumptions of future events and circumstances; all other information contained herein has been obtained from sources deemed reliable. However, no warranty or representation, expressed or implied, is made as to the accuracy or completeness of any information contained herein, and same is submitted subject to errors and omissions, and no representations or warranties of future company performance or market trends are intended, and such are expressly disclaimed.





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