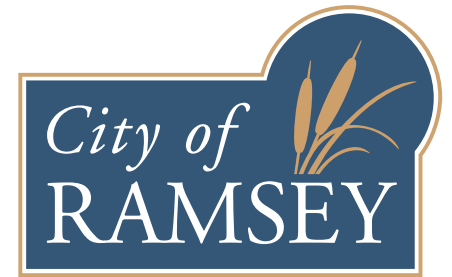




  
**MORRISSEY**  
HOSPITALITY



## ABOUT MORRISSEY HOSPITALITY

In 1995, St. Paul native and passionate hospitality veteran Bill Morrissey founded Morrissey Hospitality, forging its first partnership with the iconic Saint Paul Hotel. Today, Morrissey is a privately held business with over 700 employees across 19 unique concepts. Morrissey's second generation guides the company legacy of Midwestern values and genuine hospitality, growing an impressive portfolio of trusted brands across lodging, restaurants and event venues in the Twin Cities and throughout the Upper Midwest.

Today, connection is still at the heart of the Morrissey Hospitality ethos. The Morrissey family has grown to over 700 employees, who strive to create meaningful, exceptional experiences for guests while delivering consistent, impressive results for clients. Morrissey properties are welcoming, purposeful, and community-driven, and Morrissey Hospitality continues to build a family of iconic, trusted, long-lasting brands.

## COMMUNITY CONNECTION

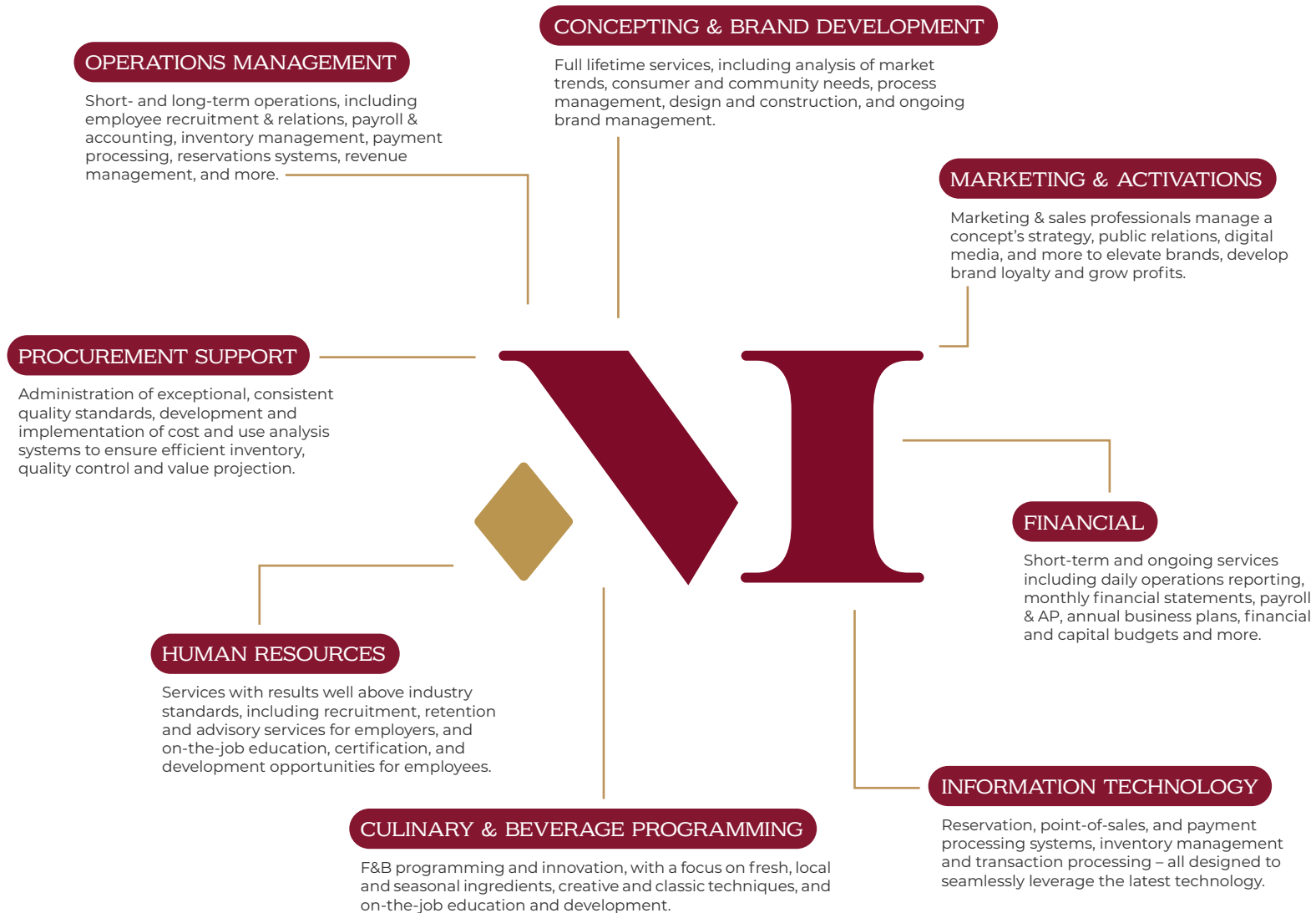
Morrissey Hospitality properties are welcoming, purposeful and community-driven. Altruism, philanthropy and community are cornerstones of our company, and we find intrinsic value in connecting with the communities we serve.

Our properties not only serve as gathering spaces – they also benefit their local communities. Morrissey concepts provide local employment opportunities, tourism, and community engagement and enrichment.

Morrissey Hospitality is a leader in philanthropic efforts in the Twin Cities. In 2020, we provided over 16,000 meals to First Responders and Front Line Hospital Staff, and took over leadership of the Ronald McDonald House. Morrissey Hospitality partners with the Boys & Girls Club of the Twin Cities, and in 2020-2021, the Morrissey team prepared and provided over 47,000 meals to families in need. Additionally, Morrissey Hospitality participates in the annual "Light the Night" event for the Leukemia & Lymphoma Society.

# SERVICES

Morrissey Hospitality builds brands, gives guests extraordinary experiences, and exceeds expectations for hotel, restaurant and event venue partners. With over 25 years in hospitality, our partnerships are based on mutual respect, common goals and shared values. Morrissey Hospitality's team of entrepreneurs and innovators, and experts in hospitality management, culinary, beverage, finance, event planning, marketing, design, branding and concepting.

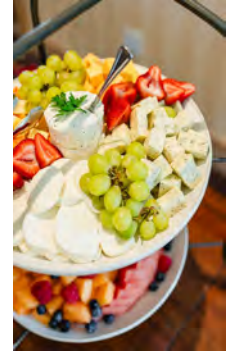


## FOLLOW

[www.morrisseyhospitality.com](http://www.morrisseyhospitality.com)

Morrissey Hospitality [f](#) [in](#) [t](#) [i](#)

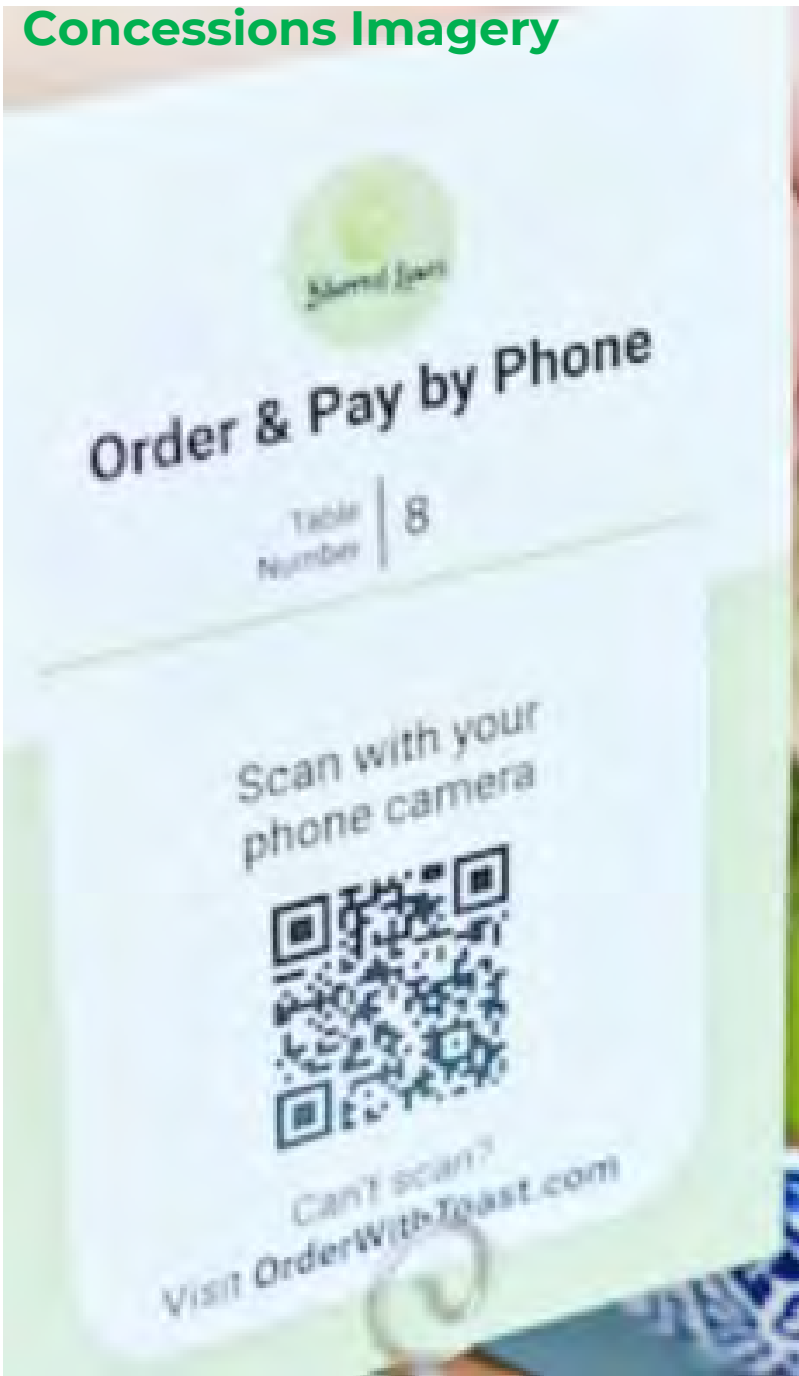
# BANQUETS & CATERING IMAGERY



# RESTAURANT IMAGERY



# Concessions Imagery



## FIVE YEAR PROFORMA

		Assumptions	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Revenue</b>							
Restaurant			\$ 859,846	\$ 1,263,973	\$ 1,592,606	\$ 1,872,904	\$ 2,044,837
Concessions			\$ 12,500	\$ 13,125	\$ 13,781	\$ 14,470	\$ 15,194
Catering			\$ 300,000	\$ 405,000	\$ 546,750	\$ 656,100	\$ 754,515
Other			\$ 100,000	\$ 135,000	\$ 182,250	\$ 218,700	\$ 251,505
<b>Total Revenue</b>			<b>\$ 1,272,346</b>	<b>\$ 1,817,098</b>	<b>\$ 2,335,387</b>	<b>\$ 2,762,175</b>	<b>\$ 3,066,051</b>
<b>COGS</b>							
Cost of Food			\$ 213,893	\$ 305,518	\$ 390,739	\$ 461,295	\$ 510,617
Cost of Beverage			\$ 122,371	\$ 176,839	\$ 225,901	\$ 266,770	\$ 294,490
<b>Total COGS</b>			<b>\$ 336,263</b>	<b>\$ 482,357</b>	<b>\$ 616,640</b>	<b>\$ 728,065</b>	<b>\$ 805,107</b>
			28.68%	28.68%	28.64%	28.62%	28.61%
<b>Salaries &amp; Wages</b>							
Fixed Labor			\$ 225,000	\$ 296,750	\$ 305,653	\$ 314,822	\$ 324,267
Variable Labor			\$ 338,274	\$ 480,871	\$ 619,063	\$ 732,442	\$ 814,443
<b>Total S&amp;W</b>			<b>\$ 563,274</b>	<b>\$ 777,621</b>	<b>\$ 924,716</b>	<b>\$ 1,047,264</b>	<b>\$ 1,138,709</b>
<i>% of revenue</i>			44.3%	42.8%	39.6%	37.9%	37.1%
<b>PTEB</b>							
EE Benefits (Medical, 401k Etc)	% of payroll	5.00%	\$ 28,164	\$ 38,881	\$ 46,236	\$ 52,363	\$ 56,935
Workers' Compensation Insurance	% of payroll	1.70%	\$ 9,576	\$ 13,220	\$ 15,720	\$ 17,803	\$ 19,358
Payroll Taxes	% of payroll	9.00%	\$ 50,695	\$ 69,986	\$ 83,224	\$ 94,254	\$ 102,484
<b>Total PTEB</b>			<b>\$ 88,434</b>	<b>\$ 122,087</b>	<b>\$ 145,180</b>	<b>\$ 164,420</b>	<b>\$ 178,777</b>
<b>Total Payroll Costs</b>			<b>\$ 651,708</b>	<b>\$ 899,708</b>	<b>\$ 1,069,896</b>	<b>\$ 1,211,685</b>	<b>\$ 1,317,487</b>
<i>% of revenue</i>			51.2%	49.5%	45.8%	43.9%	43.0%
<i>Prime Costs</i>			77.65%	76.06%	72.22%	70.23%	69.23%
<b>Food and Beverage Operating Expenses</b>							
Cleaning Supplies	% of F&B revenue	0.65%	\$ 7,539	\$ 10,848	\$ 13,906	\$ 16,439	\$ 18,196
Complimentary Services/Gifts	% of F&B revenue, cost of food and beverage comps	0.30%	\$ 3,480	\$ 5,007	\$ 6,418	\$ 7,587	\$ 8,398
Contract Services	draught line cleaning and maintenance, other contract services, PM		\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000	\$ 48,000
Decorations	\$1,000 per quarter, flowers and seasonal décor		\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Dues and Subscriptions	association fees		\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400
Licenses and Permits	food and liquor license, music rights		\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200
Operating Supplies	% of F&B revenue, misc supplies	0.55%	\$ 6,379	\$ 9,179	\$ 11,766	\$ 13,910	\$ 15,396
Printing and Stationery	menu printing, F&B related collateral		\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400
Training	annual food safety certifications, BT tips training		\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800	\$ 4,800
Uniform Costs	replacement and new hire uniforms		\$ 2,400	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200
China	annual replacement to maintain par		\$ -	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
Glassware	annual replacement to maintain par		\$ -	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200
Flatware	annual replacement to maintain par		\$ -	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400
Dishwashing Supplies	% of F&B revenue	0.65%	\$ 7,539	\$ 10,848	\$ 13,906	\$ 16,439	\$ 18,196
Music and Entertainment	caple and overhead music costs		\$ 5,600	\$ 5,600	\$ 5,600	\$ 5,600	\$ 5,600
Paper and Plastics	% of F&B revenue	0.95%	\$ 11,019	\$ 15,855	\$ 20,324	\$ 24,026	\$ 26,594
Reservation Fees	annual reservation system costs		\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200
Utensils	annual replacement to maintain par		\$ -	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200
<b>Total F&amp;B Expenses</b>			<b>\$ 114,955</b>	<b>\$ 140,338</b>	<b>\$ 154,920</b>	<b>\$ 166,999</b>	<b>\$ 175,380</b>
<i>% of revenue</i>			9.03%	7.72%	6.63%	6.05%	5.72%
<b>Undistributed Expenses</b>							
<b>Technology</b>							
Tec- A&G	security and accounting software		\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500
Tec- Cost of Cell Phones	two management phones \$75 per month, 1 MOD phone \$150 per month		\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600
Tec-Cost of Internet Services	guest/admin internet		\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800
Tec-Cost of Telephone			\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800
Tec- Hardware	misc technology hardware, computers, printers		\$ 5,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
Tec- Information Systems	LAN/WAN, email software, PCI compliance		\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000

Tec- F&B	POS system	\$	7,800	\$	7,800	\$	7,800	\$	7,800	\$	7,800
Tec - Sales & Marketing	Catering Software	\$	2,800	\$	2,800	\$	2,800	\$	2,800	\$	2,800
<b>Total Technology</b>		\$	<b>27,800</b>	\$	<b>23,800</b>	\$	<b>23,800</b>	\$	<b>23,800</b>	\$	<b>23,800</b>
<i>% of revenue</i>			2.18%		1.31%		1.02%		0.86%		0.78%
<b>A&amp;G</b>											
A&G- Bank Charges		\$	1,800	\$	1,800	\$	1,800	\$	1,800	\$	1,800
A&G- Credit Card Commissions	% of revenue	2.90%	\$ 36,898	\$	52,696	\$	67,726	\$	80,103	\$	88,915
A&G- Human Resources	recruiting, misc HR expenses	\$	6,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000
A&G- Legal Services	misc legal expenses	\$	3,000	\$	3,000	\$	3,000	\$	3,000	\$	3,000
A&G- Payroll Processing	% of payroll	1.30%	\$ 7,323	\$	10,109	\$	12,021	\$	13,614	\$	14,803
<b>Total A&amp;G</b>		\$	<b>55,021</b>	\$	<b>70,605</b>	\$	<b>87,548</b>	\$	<b>101,518</b>	\$	<b>111,519</b>
<i>% of revenue</i>			4.32%		3.89%		3.75%		3.68%		3.64%
<b>S&amp;M</b>											
Sales/Marketing- Media		\$	44,532	\$	36,342	\$	46,708	\$	55,243	\$	61,321
Sales/Marketing- Website		\$	31,809	\$	18,171	\$	23,354	\$	27,622	\$	30,661
<b>Total S&amp;M</b>		\$	<b>76,341</b>	\$	<b>54,513</b>	\$	<b>70,062</b>	\$	<b>82,865</b>	\$	<b>91,982</b>
<i>% of revenue</i>			6.00%		3.00%		3.00%		3.00%		3.00%
<b>POM</b>											
POM- Building		\$	2,500	\$	2,600	\$	2,704	\$	2,812	\$	2,925
POM- Elec. & Mech.	First year many items under warranty	\$	2,000	\$	2,500	\$	2,600	\$	2,704	\$	2,812
POM- Elevators & Escalators	75% of first year under warranty	\$	1,000	\$	4,000	\$	4,000	\$	4,000	\$	4,000
POM- Engineering Supplies		\$	480	\$	499	\$	519	\$	540	\$	562
POM- Furniture and Equipment		\$	1,000	\$	1,500	\$	3,000	\$	3,120	\$	3,245
POM- Grounds		\$	1,500	\$	1,500	\$	1,500	\$	1,500	\$	1,500
POM- HVAC Equipment		\$	1,000	\$	2,500	\$	2,500	\$	2,500	\$	3,500
POM- Kitchen Equipment		\$	2,000	\$	3,000	\$	3,120	\$	3,245	\$	3,375
POM- Life/Safety	Fire alarm and sprinkler testing	\$	2,800	\$	2,912	\$	3,028	\$	3,150	\$	3,276
POM- Waste Removal		\$	10,800	\$	11,448	\$	12,135	\$	12,863	\$	13,635
<b>Total POM</b>		\$	<b>25,080</b>	\$	<b>32,459</b>	\$	<b>35,107</b>	\$	<b>36,433</b>	\$	<b>38,828</b>
<i>% of revenue</i>			1.97%		1.79%		1.50%		1.32%		1.27%
<b>Utilities</b>											
Electricity	6% increase YOY	\$	45,000	\$	47,700	\$	50,562	\$	53,596	\$	56,811
Gas	6% increase YOY	\$	18,000	\$	19,080	\$	20,225	\$	21,438	\$	22,725
Water/Sewer	6% increase YOY	\$	12,000	\$	12,720	\$	13,483	\$	14,292	\$	15,150
<b>Total Utilities</b>		\$	<b>75,000</b>	\$	<b>79,500</b>	\$	<b>84,270</b>	\$	<b>89,326</b>	\$	<b>94,686</b>
<b>GOP</b>		\$	<b>(89,822)</b>	\$	<b>33,817</b>	\$	<b>193,145</b>	\$	<b>321,484</b>	\$	<b>407,264</b>
<b>Fixed</b>											
Fixed- General Liability Insurance		\$	12,000	\$	12,600	\$	13,230	\$	13,892	\$	14,586
Fixed- Management Fees	% of revenue	5.00%	\$ 63,617	\$	90,855	\$	116,769	\$	138,109	\$	153,303
<b>Total Fixed</b>		\$	<b>75,617</b>	\$	<b>103,455</b>	\$	<b>129,999</b>	\$	<b>152,000</b>	\$	<b>167,889</b>
<b>EBITDA</b>		\$	<b>(165,439)</b>	\$	<b>(69,637)</b>	\$	<b>63,145</b>	\$	<b>169,484</b>	\$	<b>239,375</b>
<i>% of revenue</i>			-13.00%		-3.83%		2.70%		6.14%		7.81%

## FIVE YEAR PROFORMA - ASSUMPTIONS

Capacity	Sq. Footage	Questions	Assumption	Est Capacity
Restaurant	3,300	Kitchen serves approx. 400?	18 sq ft per guest, min revenue \$150/sq foot	183
Patio	2,700		18 sq ft per guest, min revenue \$150/sq foot	150
Catering	7,000	Kitchenette is prep kitchen	15 sq ft per guest	467
Rooftop Patio	3,050	Restaurant or Catering Only?		

### Assumptions

#### Restaurant / Patio

Year 1 covers based on 50% factor from Kendall's 2015 - factor based on decrease in overall population between locations  
 Covers increasing 40%, 20%, 12%, 6% into year 5  
 Anticipate nominal growth in covers after year 5. 3 - 5% annually  
 Year 1 average check starts at \$26.50 assumes upscale casual full service restaurant in line with comp set  
 Average check increasing 5% through year 4 and 3% in year 5  
 Average check increase will result from ongoing menu development  
 Opening operating model is 5 days / week Lunch & Dinner Service  
 Restaurant is self sustaining - not seasonal or dependent on concessions / catering drivers  
 Restaurant is community gathering spot  
 Revenue surpasses \$150 revenue / square foot in Year 2

#### Concessions

Concessions are amenity for outdoor water features  
 Food and NA sales only, no alcohol  
 Seasonal May - September  
 Year 1 revenue based on \$125 / day x 20 operating days or \$2,500 / month  
 5% YOY growth through Year 5 is combination of volume and menu mix / pricing

#### Catering

In house catering serviced by restaurant kitchen  
 Food, Beverage, Supplies can be safely and efficiently transported to second floor  
 Second floor kitchen is prep kitchen / warming kitchen only  
 Revenue includes base food & beverage + 25% other revenue (room rental / catering service charge, misc., etc.)  
 Year 1 revenue assumes Catering Sales Person is hired and selling pre opening  
 YOY revenue trajectory is based on growth trends from other start up catering operations  
 Not based on Bunker Hills due to golf factor and business on the books at takeover

#### Concerns with maximizing catering revenue

Quality of food and beverage service based on existing layout, kitchen, and elevator  
 1 large space will not allow for multiple bookings on same day  
 1 large space may not appeal to small groups or breakout meetings  
 How community center will be marketing and what groups they will like to attract  
 Next level analysis should break out sales plan with event types and average checks

#### Expenses

Facility will target prime cost (Food and Beverage + Labor) at or below 70%  
 Prime costs to be achieved in Year 4 and beyond  
 Facility will target operating costs (F&B Expenses + Technology) at 8%  
 Operating costs target achieved in Year 3  
 Assumptions based on comparable facility, to be refined as operation is built out  
 Tech Hardware (Computers, POS, etc.) to be included with preopening capital  
 Industry average marketing spend of 3% to be achieved in Year 2 and beyond.  
 Year 1 marketing spend at 6% to drive traffic and achieve targeted restaurant covers and catering bookings  
 Minimal POM (Production and Operations Management) spending due to age of building  
 Assumes maintenance for F&B spaces only, CAM parking lot, snow removal, lawn care etc. not included  
 Assumes 5% management fee structure  
 EBITDA (Earnings Before Interest, Tax, Depreciation, and Amortization) improves annually and turns positive in year 3

**The Waterfront-Capital % Ranging and Estimating**

SQ-FT	Location	Estimated Cost (Index Medium)	Kitchen & Cooking Equipment	Smallwares & Tabletop	Table, Furniture and Fixtures	Point of Sale and Restaurant App Automation	Electronic Signage & Interfaces	General Conditions Permits  Associated Fees	Contingency
<b>560</b>	<b>Concessions Stand</b>								
	Lower End Level	\$ 61,600	\$ 14,784	\$ 5,544	\$ 11,088	\$ 1,848	\$ 2,464	\$ 11,088	\$ 6,160
	Standard or Mid-Level	\$ 86,800	\$ 20,832	\$ 7,812	\$ 15,624	\$ 2,604	\$ 3,472	\$ 15,624	\$ 8,680
	Higher Level	\$ 117,600	\$ 28,224	\$ 10,584	\$ 21,168	\$ 3,528	\$ 4,704	\$ 21,168	\$ 11,760
<b>2000</b>	<b>Main Kitchen</b>								
	Lower End Level	\$ 220,000	\$ 52,800	\$ 19,800	\$ 39,600	\$ 6,600	\$ 8,800	\$ 39,600	\$ 22,000
	Standard or Mid-Level	\$ 310,000	\$ 74,400	\$ 27,900	\$ 55,800	\$ 9,300	\$ 12,400	\$ 55,800	\$ 31,000
	Higher Level	\$ 420,000	\$ 100,800	\$ 37,800	\$ 75,600	\$ 12,600	\$ 16,800	\$ 75,600	\$ 42,000
<b>220</b>	<b>Indoor/Outdoor Bar</b>								
	Lower End Level	\$ 24,200	\$ 5,808	\$ 2,178	\$ 4,356	\$ 726	\$ 968	\$ 4,356	\$ 2,420
	Standard or Mid-Level	\$ 34,100	\$ 8,184	\$ 3,069	\$ 6,138	\$ 1,023	\$ 1,364	\$ 6,138	\$ 3,410
	Higher Level	\$ 46,200	\$ 11,088	\$ 4,158	\$ 8,316	\$ 1,386	\$ 1,848	\$ 8,316	\$ 4,620
<b>3300</b>	<b>Restaurant-LL</b>								
	Lower End Level	\$ 363,000	\$ 87,120	\$ 32,670	\$ 65,340	\$ 10,890	\$ 14,520	\$ 65,340	\$ 36,300
	Standard or Mid-Level	\$ 511,500	\$ 122,760	\$ 46,035	\$ 92,070	\$ 15,345	\$ 20,460	\$ 92,070	\$ 51,150
	Higher Level	\$ 693,000	\$ 166,320	\$ 62,370	\$ 124,740	\$ 20,790	\$ 27,720	\$ 124,740	\$ 69,300
<b>2700</b>	<b>Patio-LL</b>								
	Lower End Level	\$ 297,000	\$ 71,280	\$ 26,730	\$ 53,460	\$ 8,910	\$ 11,880	\$ 53,460	\$ 29,700
	Standard or Mid-Level	\$ 418,500	\$ 100,440	\$ 37,665	\$ 75,330	\$ 12,555	\$ 16,740	\$ 75,330	\$ 41,850
	Higher Level	\$ 567,000	\$ 136,080	\$ 51,030	\$ 102,060	\$ 17,010	\$ 22,680	\$ 102,060	\$ 56,700
<b>7000</b>	<b>Event Center-UL</b>								
	Lower End Level	\$ 770,000	\$ 184,800	\$ 69,300	\$ 138,600	\$ 23,100	\$ 30,800	\$ 138,600	\$ 77,000
	Standard or Mid-Level	\$ 1,085,000	\$ 260,400	\$ 97,650	\$ 195,300	\$ 32,550	\$ 43,400	\$ 195,300	\$ 108,500
	Higher Level	\$ 1,470,000	\$ 352,800	\$ 132,300	\$ 264,600	\$ 44,100	\$ 58,800	\$ 264,600	\$ 147,000
<b>380</b>	<b>Skullery Kitchen-UL</b>								
	Lower End Level	\$ 41,800	\$ 10,032	\$ 3,762	\$ 7,524	\$ 1,254	\$ 1,672	\$ 7,524	\$ 4,180
	Standard or Mid-Level	\$ 58,900	\$ 14,136	\$ 5,301	\$ 10,602	\$ 1,767	\$ 2,356	\$ 10,602	\$ 5,890
	Higher Level	\$ 79,800	\$ 19,152	\$ 7,182	\$ 14,364	\$ 2,394	\$ 3,192	\$ 14,364	\$ 7,980
<b>3050</b>	<b>Rooftop Patio-UL</b>								
	Lower End Level	\$ 335,500	\$ 80,520	\$ 30,195	\$ 60,390	\$ 10,065	\$ 13,420	\$ 60,390	\$ 33,550
	Standard or Mid-Level	\$ 472,750	\$ 113,460	\$ 42,548	\$ 85,095	\$ 14,183	\$ 18,910	\$ 85,095	\$ 47,275
	Higher Level	\$ 640,500	\$ 153,720	\$ 57,645	\$ 115,290	\$ 19,215	\$ 25,620	\$ 115,290	\$ 64,050
<b>19210</b>	<b>Project Estimates</b>								
	Lower End Level	\$ <b>2,113,100</b>	\$ <b>507,144</b>	\$ <b>190,179</b>	\$ <b>380,358</b>	\$ <b>63,393</b>	\$ <b>84,524</b>	\$ <b>380,358</b>	\$ <b>211,310</b>
	Standard or Mid-Level	\$ <b>2,977,550</b>	\$ <b>714,612</b>	\$ <b>267,980</b>	\$ <b>535,959</b>	\$ <b>89,327</b>	\$ <b>119,102</b>	\$ <b>535,959</b>	\$ <b>297,755</b>
	Higher Level	\$ <b>4,034,100</b>	\$ <b>968,184</b>	\$ <b>363,069</b>	\$ <b>726,138</b>	\$ <b>121,023</b>	\$ <b>161,364</b>	\$ <b>726,138</b>	\$ <b>403,410</b>
	<b>Per Square Foot</b>								
	Lower End Level	\$ <b>110.00</b>							
	Standard or Mid-Level	\$ <b>155.00</b>							
	Higher Level	\$ <b>210.00</b>							