



Placentia Planning Commission Agenda

Regular Meeting
November 10, 2015
6:30 p.m.
City Council Chambers
401 E. Chapman Avenue

Christine Schaefer
Chair

Frank Perez
Vice Chair

Dennis Lee
Commissioner

James Schenck
Commissioner

Thomas Solomonson
Commissioner

Vic Tomazic
Commissioner

Vacant
Commissioner

City of Placentia
401 E Chapman Avenue
Placentia, CA 92870

Phone: (714) 993-8124
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Website: www.placentia.org

Procedures for Addressing the Commission

Any person who wishes to speak regarding an item on the agenda or on a subject within the Planning Commission's jurisdiction during the "Oral Communications" portion of the agenda should fill out a "Speaker Request Form" and give it to the Commission Secretary BEFORE that portion of the agenda is called. Testimony for Public Hearings will only be taken at the time of the hearing. Any person who wishes to speak on a Public Hearing item should fill out a "Speaker Request Form" and give it to the Commission Secretary BEFORE the item is called.

The Commission encourages free expression of all points of view. To allow all persons the opportunity to speak, please keep your remarks brief. If others have already expressed your position, you may simply indicate that you agree with a previous speaker. If appropriate, a spokesperson may present the views of an entire group. To encourage all views, the Commission discourages clapping, booing or shouts of approval or disagreement from the audience.

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EQUIPMENT WHILE THE COMMISSION IS IN SESSION.**

Special Accommodations

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's Office at (714) 993-8231. Notification 48 hours prior to the meeting will generally enable City staff to make reasonable arrangements to ensure accessibility.
(28 CFR 35.102.35.104 ADA Title II)

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In compliance California Government Code Section 54957.5, any writings or documents provided to a majority of the Planning Commission regarding any item on this agenda that are not exempt from disclosure under the Public Records Act will be made available for public inspection at the City Clerk's Office at City Hall, 401 East Chapman Avenue, Placentia, during normal business hours.

Study Sessions are open to the public and held in the City Council Chambers or City Hall Community Room.

REGULAR MEETING
6:30 p.m. – City Council Chambers

CALL TO ORDER:

ROLL CALL: Commissioner Lee
Commissioner Schenck
Commissioner Solomonson
Commissioner Tomazic
Vice Chair Perez
Chair Schaefer

PLEDGE OF ALLEGIANCE:

ORAL COMMUNICATIONS:

At this time the public may address the Planning Commission concerning any agenda item, which is not a public hearing item, or on matters within the jurisdiction of the Planning Commission. There is a five (5) minute time limit for each individual addressing the Planning Commission.

CONSENT CALENDAR:

1. Minutes

Planning Commission Meeting- September 8, and October 13, 2015.

Recommended Action: Approve

PUBLIC HEARING: None

OLD BUSINESS: None

NEW BUSINESS:

2. UCD 2015-06: Use Conformity Determination for Laser Tag Use

Recommended Actions: It is recommended that the Planning Commission:

- a. Adopt Resolution PC-2015-19, A Resolution of the Planning Commission of the City of Placentia, Approving Use Conformity Determination 2015-06 for Laser Island DBA Family Entertainment Located at 1840 N. Placentia Avenue and Making Findings in Support Thereof.

DEVELOPMENT REPORT:

DIRECTOR'S REPORT:

PLANNING COMMISSION REQUESTS

Commission members may make requests or ask questions of Staff. If a Commission member would like to have formal action taken on a requested matter, it will be placed on a future Commission Agenda.

ADJOURNMENT

The Planning Commissioners ADJOURN to a Regular meeting on Tuesday, December 8, 2015 at 6:30 p.m. in the City Council Chambers at 401 East Chapman Avenue, Placentia.

CERTIFICATION OF POSTING

I, Charles L. Rangel, Secretary to the Planning Commission of the City of Placentia, hereby certify that the Agenda for the November 10, 2015 Regular Meeting of the Planning Commission of the City of Placentia was posted on November 4, 2015.

Charles L. Rangel, Secretary

**PLACENTIA PLANNING COMMISSION
MINUTES OF THE REGULAR MEETING**

September 8, 2015

The regular meeting of the Placentia Planning Commission on September 8, 2015 was called to order at 6:31 p.m. in the Placentia Council Chambers, 401 East Chapman Avenue, Placentia, by Vice Chair Perez.

ROLL CALL:

PRESENT: Commissioner Lee, Solomonson, Tomazic, Perez
ABSENT: Schenck, Schaefer (excused)

PLEDGE OF ALLEGIANCE: Acting City Administrator Arrula

OTHERS PRESENT: Yolanda Summerhill, Assistant City Attorney
Damien R. Arrula, Acting City Administrator
Charles Rangel, Contract Senior Planner
Candice Martinez, City Clerk Specialist

ORAL COMMUNICATIONS: None

CONSENT CALENDER:

- 1. Minutes**
Planning Commission Meeting- August 11, 2015
Recommended Action: Approve
(Approved 4-0, as recommended)

Motion by Commissioner Solomonson, seconded by Commissioner Tomazic and carried a (4-0, Schaefer and Schenck absent) vote to approve the recommended action.

PUBLIC HEARING:

- 2. Applicant: CKUSA dba Shanghai Garden**
Project Location: 1448 N. Kraemer Boulevard

Use Permit (UP) 2015-05:

To permit the sale of alcoholic beverages (Type 41 On-site Sale Beer and Wine Bona-fide Eating Establishment) for on-site consumption, in conjunction with a full service restaurant, for the property located at 1448 N. Kraemer Boulevard in the T-C Town Center Commercial District. The proposed use is not expected to create a negative impact on the physical environment and is therefore categorically exempt pursuant to the California Environmental Quality Act (CEQA) Guideline § 15061(b)(3) and City Environmental Guidelines.

Recommended Actions: It is recommended that the Planning Commission:

- Open Public Hearing concerning Use Permit 2015-05, Receive the Staff Report and consider all Public Testimony, and Close Public Hearing; and
- Adopt Resolution PC-2015-14, A Resolution of the Planning Commission of the City of Placentia, Approving Type 41 Alcoholic Beverage Control License On-Site Consumption of Beer and Wine- Bona Fide Eating Establishment, and Approving Use Permit No. 2015-05 Located at 1448 N. Kraemer Boulevard; and

- c. Find that the Application is Categorically Exempt pursuant to the California Environmental Quality Act of 1970, as amended, the Guidelines promulgated thereunder (14 CCR § 15303) and Placentia Environmental Guidelines.

(Approved 4-0, with changes to the Conditions of Approval)

Senior Planner Rangel provided a brief overview on the item noting the applicant had applied for a Type 41 license to permit the sale of alcoholic beverages at their business. He noted that the Police Department had determined there is not an un-concentrated use of the license in the surrounding area.

Senior Planner Rangel noted that the wrong business name was listed in the Conditions of Approval (COA) and provided updated COA list to each of the Commissioners. He recommended to the Commission to approve the item with the corrected changes to the COA.

Vice Chair Perez opened the public hearing at 6:39 p.m.

Ian Robb, applicant, provided a brief overview on his restaurant, Shanghai Gardens, and requested for the Commission to approve his application for a Type 41 license.

Vice Chair Perez asked the applicant if he agrees with all the items listed in the COA.

Mr. Robb stated that he agrees with all the items listed in the COA.

Vice Chair Perez closed the public hearing at 6:41 p.m.

A motion was made by Commissioner Lee, seconded by Commissioner Solomonson and carried a (4-0, Schaefer and Schenck absent) vote to approve the recommended actions with the changes to the Conditions of Approval.

**3. Applicant: James Carrone
Project Location: 201 – 261 Lakeview Avenue**

Zone Change (ZC) 2015-01:

To change the zoning designation from Neighborhood Commercial (C-1) District to Office Commercial (C-O) District for a property located at 201 – 261 Lakeview Avenue. The proposed Zone Change is not expected to create a negative impact on the physical environment and is therefore categorically exempt pursuant to the California Environmental Quality Act (CEQA) Guideline § 15301 Existing Facilities and City Environmental Guidelines.

Recommended Actions: It is recommended that the Planning Commission:

- a. Open the Public Hearing, concerning the Zone Change No. 2015-01, Receive the Staff Report and consider all Public Testimony, and Close Public Hearing; and
- b. Adopt Resolution PC-2015-15, A Resolution of the Planning Commission of the City of Placentia, Recommending to the City Council of the City of Placentia, California, Amending the Official Zoning Map of the City by Changing the Zoning Designation from "C-1" Neighborhood Commercial to "C-O" Commercial Office District and Change to Land Use Designation in the General Plan as Part of the General Plan Update on a +/- 1.20 Acre Site at 201-261 Lakeview Avenue (Zone Change 2015-01); and
- c. Find that the Applicant is Categorically Exempt from CEQA pursuant to State CEQA Guidelines § 15301 as it pertains to an "Existing Facility" where it can be

seen with certainty that there is no possibility that the project will have a significant effect on the environment.

(Approved 4-0, as recommended)

Senior Planner Rangel provided a brief overview on the item noting that due to the Orange County Transportation Authority (OCTA) Lakeview Avenue Overpass project, the main entrance to the commercial center property will be closed permanently. He noted that the applicant is having difficulty leasing out the building for retail use and has request to change the zoning to allow for commercial offices for personal use.

Commission Solomonson inquired if other businesses located in the area would also be requesting to change the zoning from a retail center to a commercial center.

Senior Planner Rangel noted he that has spoken with the manager of Cobble Stone, and they have stated that they have enough business to stay as a retail center.

Vice Chair Perez opened the public hearing at 6:50 p.m., and closed the public hearing at 6:51 p.m.

Motion by Commissioner Tomazic, seconded by Commission Solomonson and carried a (4-0, Schaefer and Schenck absent) vote to approve the recommended actions.

OLD BUSINESS: None

NEW BUSINESS:

4. Finding of Conformity

Recommended Actions: It is recommended that the Planning Commission:

- a. Adopt Resolution PC-2015-16, A Resolution of the Planning Commission of the City of Placentia, Making Certain Findings Concerning the Installation of two (2) freeway-oriented entry signs with digital/static display capabilities, generally located at 350 S. Placentia Avenue, Placentia, California (Assessor's Parcel Number 339-441-01) and 500 S. Melrose Street, Placentia, California (Assessor's Parcel Number 339-102-01) with Respect to the Consistency of the Proposed Installation Thereof with the City of Placentia General Plan Pursuant to California Government Code § 65402.

(Approved 4-0, as recommended)

Senior Planner Rangel noted that this item requests that the Commission make a finding that the installation of two (2) freeway oriented signs on city owned parcels, 350 S. Placentia Ave., and 500 S. Melrose St., are in conformity with the General Plan.

Commissioner Tomazic inquired if the Commission was approving the two (2) specific sites that could be used for the installation of digital billboard signs or approving the digital billboard signs.

Assistant City Attorney Summerhill clarified that the recommended action is to make a finding that the installation of two (2) freeway-oriented signs are in conformity with the General Plan.

Commissioner Solomonson inquired if the installation of any type of signs at each specific location would be presented to the Planning Commission for approval.

Acting City Administrator Arrula noted that once the Planning Commission finds that there is conformance with the General Plan, the item would be presented to City Council with an agreement for construction of the freeway-oriented signs.

Motion by Commissioner Lee, seconded by Commissioner Solomonson, and carried a (4-0, Schaefer and Schenck absent) vote to approve the recommended action.

DEVELOPMENT REPORT:

Contract Senior Planner Rangel noted upcoming items that will be presented to the Planning Commission, including: Massage Parlor Ordinance.

DIRECTOR'S REPORT: None

PLANNING COMMISSION REQUESTS: None

ADJOURNMENT

Vice Chair Perez adjourned the Planning Commission meeting at 7:10 p.m. to a regular meeting on Tuesday, October 13, 2015 at 6:30 p.m. in the City Council Chambers at 401 East Chapman Avenue, Placentia.

Submitted by,

Charles L. Rangel
Contract Planner

**PLACENTIA PLANNING COMMISSION
MINUTES OF THE REGULAR MEETING**

October 13, 2015

The regular meeting of the Placentia Planning Commission on October 13, 2015 was called to order at 6:32 p.m. in the Placentia Council Chambers, 401 East Chapman Avenue, Placentia, by Vice Chair Perez.

ROLL CALL:

PRESENT: Commissioner Lee, Solomonson, Perez, Schaefer
ABSENT: Schenck, Tomazic

PLEDGE OF ALLEGIANCE: Commissioner Lee

OTHERS PRESENT: Yolanda Summerhill, Assistant City Attorney
Damien R. Arrula, Acting City Administrator
Charles Rangel, Contract Senior Planner
Michelle Munoz, Secretary

ORAL COMMUNICATIONS: None

CONSENT CALENDER: None

PUBLIC HEARING:

1. **Applicant: City of Placentia**
Project Location: City-wide

Zoning Code Amendment (ZCA) 2015-04:

An Ordinance Amending Sections 23.27.040(6), 23.30.030(4), 23.33.030(14), 23.33.040(14), 23.36.030(17) and 23.36.040(15) of Title 23 (Zoning Ordinance) and Section 8.44.050 of Title 8 (Health and Sanitation) of the Placentia Municipal Code Pertaining to massage establishments. The proposed Zone Code Amendment is not expected to create a negative impact on the physical environment and is therefore categorically exempt pursuant to the California Environmental Quality Act (CEQA) Guideline § 15061(b)(3) and City Environmental Guidelines.

Recommended Actions: It is recommended that the Planning Commission:

- a. Open Public Hearing concerning the Zone Change, No. 2015-04, Receive the Staff Report and consider all Public Testimony, and Close the Public Hearing; and
- b. Adopt Resolution No. PC-2015-17, A Resolution of the Planning Commission of the City of Placentia, California, recommending to the City Council of the City of Placentia, Amending Sections 23.27.040(6), 23.30.030(4), 23.33.030(14), 23.33.040(14), 23.36.030(17) and 23.36.040(15) of Title 23 (Zoning Ordinance) and Section 8.44.050 of Title 8 (Health and Sanitation) of the Placentia Municipal Code Pertaining to massage establishments.
- c. Find that the Application is Categorical Exempt from CEQA pursuant to State CEQA Guidelines § 15301 as it pertains to an "Existing Facility" where it can be seen with certainty that there is no possibility that the project will have a significant effect on the environment.

(Approved 4-0)

Senior Planner Rangel provided a brief overview of the item noting with AB 1147 going into effect January 2015, cities and counties will be able to regulate businesses that provide massage therapy services and the California Massage Therapy Council will be responsible for regulating individuals who apply or have certification to provide massage therapy services. He noted that the proposed ordinance will require all massage applicants to apply for a Use Permit which will be approved by the Planning Commission. He noted that acupuncture establishments have been excluded from the ordinance because they are regulated and licensed by the State.

Chair Schaefer inquired if individual massage therapist are required to have a license.

Acting City Attorney Summerhill noted the provisions in the Placentia Municipal Code section 8.44.050 states that a massage business license is required for both the establishment owner and each practitioner.

Chair Schaefer opened the public hearing at 6:46 p.m., and closed the public hearing at 6:47 p.m.

Motion by Vice Chair Perez, seconded by Commissioner Lee, and carried a (4-0, Schenck and Tomazic absent) vote to approve the recommended actions.

OLD BUSINESS: None

NEW BUSINESS:

2. UCD 2015-05 Parking Determination for 201 West Santa Fe Street

Recommended Actions: It is recommended that the Planning Commission:

- a. Adopt Resolution PC-2015-18, A Resolution of the Planning Commission of the City of Placentia, Making Certain Findings the Practical Difficulties Exist which Preclude the Reasonable Provision of the Required Number of Parking Spaces, and the Public Off-Site Parking may be Counted for Some or All of the Required Parking Pertaining to the Business to be Located 201 West Santa Fe Street and Making Finding in Support Thereof Subject to the Attached Conditions of Approval.

(Approved 4-0)

Senior Planner Rangel noted that the property owner and tenant are requesting relief from the Placentia Municipal Code on parking requirements for businesses. He provided a brief overview on the type of business for that location, and noted that Staff recommends that the Planning Commission approve the parking determination.

Chair Schaefer noted that the Planning Commission is addressing the parking determination issue and not the type of establishment opening in that location.

Motion by Chair Schaefer, seconded by Vice Chair Perez, and carried a (4-0, Schenck and Tomazic absent) vote to approve the recommended action.

DEVELOPMENT REPORT:

Senior Planner Rangel noted upcoming items that will be presented to the Planning Commission, including: Use Conformity Determination for Laser Tag Use.

DIRECTOR'S REPORT:

Senior Planner Rangel noted that the City is working on the MetroLink Station and the Comprehensive Update.

PLANNING COMMISSION REQUESTS: None

ADJOURNMENT

Chair Schaefer adjourned the Planning Commission meeting at 6:59 p.m. to a regular meeting on Tuesday, November 10, 2015 at 6:30 p.m. in the City Council Chambers at 401 East Chapman Avenue, Placentia.

Submitted by,

Charles L. Rangel
Senior Planner



Placentia Planning Commission

Agenda Staff Report

TO: PLANNING COMMISSION

FROM: CONTRACT SENIOR PLANNER

DATE: NOVEMBER 10, 2015

SUBJECT: **UCD 2015-06: USE CONFORMITY DETERMINATION FOR LASER TAG USE**

RECOMMENDATION:

It is recommended that the Planning Commission take the following action:

1. Adopt Resolution PC-2015-19, A Resolution of the Planning Commission of the City of Placentia, Approving Use Conformity Determination 2015-06 for Laser Island DBA Family Entertainment Located at 1840 N. Placentia Avenue and Making Findings in Support Thereof.

REQUEST:

The applicant, Doug Hornecker for Laser Island dba Family Entertainment is requesting a Use Conformity Determination for an unlisted use within the C-1 zoning district

DISCUSSION:

The Use Conformity Determination (UCD) process was adopted to address businesses desiring to locate in a commercial or manufacturing zone where the proposed use is not specifically called out as either permitted or allowed with a use permit. Per the City's Municipal Code, in instances where this situation occurs, the Planning Commission has the authority to determine if the use is in accord with the purpose of the zoning district and having characteristics similar to those uses listed in the zoning district. Based upon this review, the Planning Commission may find that the use is allowed by right, that the use may be allowed subject to the approval of a use permit, or that the use is not allowed within the zoning district.

The uses in the C-1 Neighborhood Commercial District that come closest to the proposed Laser tag use are:

(5) Game arcades; includes any establishment having four (4) or more freestanding mechanical or electronic games of chance, skill or entertainment, whether as the primary use or in conjunction with another business, but excluding vending machines dispensing a product for sale;

(15) Studios, including dance and music;

Although the proposed use does incorporate arcade games, that is only a secondary use, the primary use and main attraction is the laser tag activities which are why the

UCD is appropriate for the Planning Commission inasmuch as this specialized form of entertainment typically involves the assembly of large groups of young patrons interacting as teams.

DESCRIPTION OF THE PROPOSED USE:

According to the applicant's Business Plan submitted to the City, prior to a player entering into the laser arena, they go into a briefing room used to explain the game rules and objectives. Then they go into a vesting room where a staff member gives a briefing about the theme of the specific game to the players. After the players have been briefed, they enter into the laser arena which consists of jungle labyrinth complete with fluorescent and (UV) ultraviolet lights, pulsating music, and foggy darkness designed to bombard the player's senses. The arena is technologically sophisticated with the ability to interact with players.

The object of the game is to score maximum points while defending oneself or the team's base from attack. Players are grouped into teams up to 20 players, identified with colors displayed on their vests and lasers. A typical round of play is twenty minutes. Points are scored by tagging the opposing team's members and deactivating their base station while avoiding being hit by the opposite team. In addition to the laser arena the project will also include a climbing attraction called the "Coco Climb" and a miniature golf course known as "Tiki Golf". There will also be party rooms available selling a variety of foods such as pizza hot dogs, salads, ice cream and beverages. Due to the family theme as well as the passionate competitive spirit among the teams, alcoholic beverages are not being proposed since it is felt that consumption of alcoholic beverages could contribute to an escalation of unruly behavior.

FULL SERVICE RESTAURANT VS. LIMITED OPTIONS

Typical customers include Scouts, church groups, birthday parties, office parties and corporate team building. The applicant has indicated that the proposed selection of food items, which are limited to pre-prepared frozen pizza and other pre-packaged food and beverage items is the only viable option within their business plan, because, in order to have a full service kitchen, they would have to install more costly kitchen facilities such as a fully vented exhaust system and hire more staff which is very costly.

PERMITTED OR CONDITIONALLY PERMITTED USE

Laser Island operates an existing business in the City of Upland which has been in operation since 20010, employs 20-30 employees and sales exceeding \$900,000. The applicant has submitted a business plan for the proposed location in Placentia projected to exceed sales of the Upland site. The commercial center located at the south east corner of Placentia and Bastanchury Road has been plagued challenges due to the low volume intersection and because the anchor tenant (Vons) vacated the center many years ago during the recession. The proposed entertainment may act as a regional draw and help the center capture a new major anchor.

Typically, specialized forms of entertainment such as night clubs, amusement parks, and game arcades generate various operational concerns relating to health and safety, security and law enforcement. The best way these concerns can be mitigated and

regulated is through the issuance of a conditional use permit and the subsequent preparation of conditions of approval which incorporate the conditions of internal departments such as Police Dept. as well as outside agencies such as Health Dept. and Orange County Fire Authority. Staff is therefore recommending the Planning Commission determine the proposed use as a conditionally permitted use.

CEQA:

In accordance with the requirements of the California Environmental Quality Act ("CEQA"), Public Resources Code §§ 21000 *et seq.*, the State CEQA Guidelines, 14 C.C.R. §§ 15000 *et seq.*, and the Environmental Impact Report Guidelines of the City of Placentia. Staff recommends that the Planning Commission exercise its independent judgment and find that UCD 2015-06 is exempt from CEQA pursuant to State CEQA Guidelines § 15061(b)(3) as it pertains to a use where it can be seen with certainty that there is no possibility that the project will have a significant effect on the environment.

In accordance with the requirements of the California Environmental Quality Act ("CEQA"), Public Resources Code §§ 21000 *et seq.*, the State CEQA Guidelines, 14 C.C.R. §§ 15000 *et seq.*, and the Environmental Impact Report Guidelines of the City of Placentia. Staff recommends that the Planning Commission exercise its independent judgment and find that UCD 2015-06 is exempt from CEQA pursuant to State CEQA Guidelines § 15061(b)(3) as it pertains to a use where it can be seen with certainty that there is no possibility that the project will have a significant effect on the environment.

Prepared and submitted by:



Charles L. Rangel
Contract Senior Planner

Review and approved by:



Damien R. Arrula
Interim City Administrator

Attachments:

1. Letter from Applicant
2. Resolution PC-2015-19



**Business Expansion Plan
2015**

**ADB Family Entertainment, Inc.
207 E. Foothill Blvd
Upland, CA 91786**

Confidentiality Agreement

The undersigned reader acknowledges that the information provided by ADB Family Entertainment, Inc. in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of ADB Family Entertainment, Inc.

It is acknowledged by reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by reader, may cause serious harm or damage to ADB Family Entertainment, Inc.

Upon request this document is to be immediately returned.

Signature

Name (typed or printed)

Date

This is a business plan, it does not imply an offering of securities.

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1.0 Executive Summary

What is Laser tag?

Laser Tag is a \$246,000,000 a year industry.

It is a high-tech game of hide and seek, tag and capture the flag all rolled into one. The game is played in a 4000 square foot maze called "the arena". Stepping into the arena is like walking through a life-size video screen into a futuristic labyrinth filled with unfriendly foes. Pulsating music, sirens and intermittent flashes of light and color breaking through the foggy darkness bombard the player's senses. Laser tag is proven to appeal to players of all ages.

For younger and new players it is an active and adventurous game set in a fantasy world. Players emerge breathless and laughing. They see it as a fun-filled social activity. For older and more experienced players there are the challenges of bettering their score or the teamwork of defending their base. For these players it's a competitive sport. These players may play hundreds of games. They pride themselves on being experts and can discuss strategy as long as someone will listen.

An estimated 1.5 million laser tag experiences happen each month in North America.

Several thousand of these experiences occur every month at **Laser Island** in Upland, California, a successful Family Entertainment Center (FEC) now in its sixth year of operation.

1.1 Objectives

It is the intent of ADB Family Entertainment, Inc:

1. To establish a 2nd **Laser Island** stand-alone laser tag facility in Placentia.
2. To produce a net profit exceeding 30% in the first year of operation.
3. To exceed \$1,000,000 in yearly revenues by the end of the first year of operation.
4. Long term goals are to open other **Laser Island** centers in prime areas of opportunity.

1.2 Mission

There are currently only two stand alone laser tag facilities operating in Orange County, one of the most densely populated and ideal demographic locations in this state. Interested consumers in the area must drive anywhere from 2 to 8 or more miles to find similar entertainment opportunities. **Laser Island 2** will seek to become one of the premier entertainment destinations for residents of Orange County. It will provide a drug-free, high intensity, healthy environment for the young as well as the young at heart, to join others in the pursuit of a great time. As at the original location, an emphasis will be placed on providing exceptional customer service at a first-class facility to ensure that patrons will make **Laser Island 2** one of their favorite entertainment destinations.

1.3 Keys to Success

The keys to success in this business are:

1. **Equipment.** Ensuring that players get the greatest possible satisfaction out of playing a **Laser Island** laser tag game generates player enjoyment, repeat customer traffic and profitability. A strong laser tag system provides the players with an exciting playing experience. The equipment must give players immediate and continual feedback during the game. A variety of game formats as well as the ability to interact with the game arena itself adds excitement to the experience and ensures that even the most regular players are continually challenged.
2. **The ‘Wow’ Effect.** We have only one opportunity to make a lasting first impression. If guests do not say “Wow!” when they first walk through the doors, they’ll never make it into the arena. They must be offered an environment with a sight, sound and feeling “experience”. It requires a creative blend of several key physical elements (props, colors, textures, graphics, lighting, sound, etc.) to achieve this effect. In addition to the laser tag arena, which is the only attraction that most of the competitive laser tag sites will offer, **Laser Island 2** will also offer a miniature golf called “Tiki Golf” and our CoCo Climb attraction, as well as video arcade games and redemption games, and a Cafe offering pizza, appetizers, sandwiches, salads, snacks, soft drinks, coffee and ice cream. It is the intention that the activities will change periodically to keep the interest level high and guarantee a unique experience with every visit. The environment will also be kept impeccably clean and tasteful at all times.

- 3. Customer Service.** Repeat business is a key factor in the long-term success of any recreational facility and we are proud to say that at the Upland **Laser Island**, we have many repeat customers including families that have had birthday parties with us since opening. It is customer service that ensures that all players, regardless of skill level, have an enjoyable time and will keep coming back. It will also have them bringing their friends back with them. Excellent customer service applies to not only large groups, but to the walk-in player as well. This philosophy also directly applies to the attending parents and families and friends of players, as their experience will determine if they bring their families back or call to schedule a birthday or ever schedule another party with us.

2.0 Company Summary

Laser Island is a DBA of ADB Family Entertainment, Inc. and has been operating in Upland, California for over 6 years. **Laser Island's** gross revenues in 2014 were approximately \$1,010,000.00 with net income exceeding \$250,000. Since its opening in 2008, **Laser Island** has achieved consistent year-over-year sales growth despite the bad economy. **Laser Island** is a first-class, jungle themed modern laser tag facility and Family Entertainment Center (FEC). **Laser Island** is continuing to grow during 2015 and plans to open a second location this year. Based on market research and demographics, we have chosen the Placentia location. The local competition has been examined, and while there are other laser tag facilities in the Orange County area, there remains a largely untapped market for quality, affordable family entertainment that **Laser Island 2** is designed to fulfill.

2.1 Company Ownership

Laser Island 2 will be operated as a DBA of ADB Family Entertainment, Inc. a California Corporation. ADB Family Entertainment, Inc. is owned 100% by Douglas A. and Susan M. Hornecker.

2.2 The Management Team

The management team will be comprised of Doug and Susie Hornecker and will both play important roles in the successful launch and operation of **Laser Island 2**.

Doug and Susie Hornecker have owned several successful businesses, including real estate investing, a golf franchise and Storagecraft of Upland, in Upland, California that operated for over 30 years. Doug was instrumental in creating and building the first

Laser Island in 2008 and he has been the facility General Manager since its opening in the Winter of 2008. Susie manages all the office work and assists Doug with many of the store operations. Doug and Susie live in Upland, California.

As **Laser Island 2** will be located in Placentia, our Upland Assistant Manager will become the General Manager at the Placentia location. **Laser Island** has a policy of promoting from within the company and there are several employees who are currently being trained for management positions for **Laser Island 2**.

The management team possesses the necessary skills, experience and aptitudes to ensure the success of **Laser Island 2**.

2.3 Start-Up Summary

The start-up costs for **Laser Island 2** are estimated to be \$500,000. Included in these costs are all the development costs, equipment, and start-up capital. The estimated costs are based upon the start-up costs of the original **Laser Island** in Upland.

| Start-Up Fees & Costs | |
|----------------------------------|----------|
| Legal Fees - Corporation | \$2,500 |
| Accounting | \$1,000 |
| Lease deposit | \$30,000 |
| Architect & Facility Design | \$25,000 |
| Structural Engineer | \$5,000 |
| Permits & Licenses | \$5,500 |
| Insurance (2 month deposit) | \$5,000 |
| Utility deposits | \$3,000 |
| Contractor | \$30,000 |
| Plumbing | \$30,000 |
| Electric | \$25,000 |
| Acoustic | \$1,200 |
| Insulation | \$1,200 |
| Air Conditioning | \$30,000 |
| Drywall | \$10,000 |
| Sprinklers | \$4,000 |
| Paint | \$7,500 |
| Saw cuts/ nails | \$2,400 |
| Cement | \$1,500 |
| Floors | \$4,000 |

| | |
|-----------------------------|------------------|
| Doors | \$9,000 |
| Laser Tag Equipment | \$45,000 |
| Arena/ Golf Lumber | \$8,000 |
| Foam Effects | \$3,600 |
| Briefing room carpet | \$1,000 |
| Vesting room pad | \$1,000 |
| Golf Carpet/ Equipment | \$4,000 |
| Parking Lot striping | \$600 |
| Bathroom Tile/ Partitions | \$10,500 |
| Cafe Fixtures and Equipment | \$35,000 |
| Cafe and Party Tables | \$6,000 |
| Front Counter & Shelving | \$2,500 |
| Office Furniture & Supplies | \$2,000 |
| Indoor & Outdoor Signage | \$6,000 |
| Decor & Tiki's | \$5,000 |
| Lockers, Staff & Customer | \$ 1,500 |
| Video Arcade Games | \$40,000 |
| Change/ Ticket Counters | \$2,500 |
| POS & 5 Computers | \$7,500 |
| Alarm System | \$4,000 |
| Security Cameras & DVR | \$1,500 |
| Sound System | \$8,000 |
| TV's | \$3,000 |
| Redemption | \$4,000 |
| Tokens/ Tickets | \$3,000 |
| Uniforms | \$500 |
| Initial Inventory | \$4,000 |
| Printing/ Copies | \$1,500 |
| Advertising | \$3,000 |
| Cleaning Supplies | \$500 |
| Working Capital (3 months) | \$50,000 |
| Miscellaneous | \$2,500 |
| Total | \$500,000 |

3.0 Products and Services

This section describes the laser tag game system; however, the description cannot properly instill an appreciation of the adrenaline pumping thrill a participant gets from the game. This can only be understood by playing the game. Consistent with the company's philosophy and objective, the facility will also offer the area's finest selection

of video games as well as other activities including miniature golf to its customers for their amusement before and after they experience the laser tag arena. Food and beverage offerings are planned through a fully self-contained Cafe concession. A very important capability of the facility will be its ability to offer party rooms and meeting facilities.

3.1 Laser Tag

Laser Island 2 will offer an experience different from any laser tag currently available in the area. Prior to a player's entering into the arena, a briefing room is used to explain the game, its objectives and rules. A vesting room is then used to gear up. A qualified staff member (marshal) incorporating the theme of the specific game gives briefings to the players during this time.

After the players have been briefed, they enter into the laser arena. Stepping into the **Laser Island 2** arena is like walking through a life-size video screen into a fluorescent colored jungle labyrinth lit by ultraviolet (UV) lights. Pulsating music, sirens and intermittent flashes of light and color breaking through the foggy darkness bombard the player's senses. The arena is technologically sophisticated with the ability to interact with players.

The object of the game is to score points while defending oneself and one's team's base from attack. Players are grouped into teams of up to 20 members, identified with the color of the flashing lights on their electronic vests and lasers (colors can be changed by the administrator for more choices in game styles). A typical play experience is twenty minutes in length, which includes a briefing on rules and strategy, a stop in the vesting room to pick up the laser and vest, and then twelve minutes of intense competition in the arena. Points are scored by tagging the opposing team's members and deactivating their base stations, while avoiding being hit by the opposite team's players.

Laser Island 2 will offer the newest Zone Helios laser tag system to its customers - the most advanced laser equipment package available in the industry. The Zone system is currently in use at **Laser Island** in Upland. Players always know if they have been hit or scored points because when a target on their vest or laser is hit, the gun pack vibrates, flashes colors, and talks to you. When the game is over, players can see their scores on a giant screen detailing all aspects of their performance, a key aspect of encouraging competition among friends and instilling the desire to play again to increase their scores.

3.2 Party Rooms

Laser Island 2 will offer a themed party room perfect for birthday parties and private groups. A major part of the exceptional success that adventure themed Family Entertainment Centers have enjoyed nationwide are attributed to the party rooms. These rooms are available for groups and families. Typical uses include birthday parties, office parties, athletic team parties and activities such as Scouts, church groups and corporate team building. They will include “packages” to allow groups to select food and beverages (pizza, hot dogs, sandwiches, soft drinks, etc.) and a selection of laser tag games and video games. The Laser Tag business is in fact a “birthday party business” and is a major income source for **Laser Island** in Upland.

3.3 Video Arcade

The video game area naturally ties-in with the experience of laser tag, and will feature many top video games at all times. The experience at **Laser Island** is that the video & redemption prize games are second only in laser tag in revenue generation. Having even a modest video arcade will ensure achieving the conservative target revenues projected in the plan. The video games will be a rotating selection of the most current and popular games.

3.4 Cafe

Laser Island 2 will have an upscale Cafe, offering a variety of food besides just pizza and hot dogs. Gourmet sandwiches, salads, ice cream, coffee and tea as well as other items will be offered. The ability to provide a quality meal will set **Laser Island 2** significantly apart from the competition. At **Laser Island** in Upland, our customers are always surprised at the taste and quality of our food. It is anticipated that the Cafe will be a major source of revenue for the facility.

3.5 Tiki Golf / CoCo Climb

The large outdoor area behind **Laser Island** in Upland is a tropical paradise featuring a 9-hole miniature golf course set amidst swaying palm trees called “Tiki Golf” as well as a climbing attraction called the “Coco Climb”, a set of three 20 foot high climbing palm trees. The Tiki Golf and Coco Climb are a source of revenue and provide value to birthday party packages. **Laser Island 2** will follow this successful format by including a Tiki Golf course and CoCo Climb.

4.0 Market Analysis Summary

The prime market of a laser tag facility is that within a fifteen-minute drive time. The ideal location will have easy access to the web of freeways in Orange County, which will translate into approximately a ten-mile radius. However, we will use five-mile radius figures in order to be conservative.

Zone Systems and Laser Quest are two of the most successful laser tag companies today. Both companies manufacture laser tag game systems as well as operate corporate owned or franchised locations across the world. Both companies recommend the following model for selecting a laser tag site:

- A total population base in the fifteen-minute drive-time of 250,000 people.
- An average household income of \$49,000 (Nationwide average)
- A population base of individuals in the 5-29 year old range of 29.8% or greater.

Additional factors that are very important in site selection is the amount of discretionary spending by families, including:

- Eating out in restaurants
- Purchases at Hobby/Toy & Game stores for their children
- Purchases at Sporting Goods stores (youth team indicators)

The final site for **Laser Island 2** is 1840 N. Placentia Blvd. The target market demographics for **Laser Island 2** Placentia will meet or exceed the demographics for the **Laser Island** in Upland which are as follows:

- Total population under age 50 in the five-mile radius of 280,000 people
- Population base in the 0-24 year old range of 40%
- Total households: 115,000
- Average household income: \$83,000
- \$572 million in restaurant expenses annually.
- \$16.6 million in Hobbies, Toys and Games annually.
- \$52 million in Sporting Goods annually.

The target market demographics of **Laser Island 2** will meet or exceed those of the most successful laser tag centers operating, and will exceed those of the successful original **Laser Island** in Upland. It is our opinion that this new facility will be a greater success than the original location and become one of the most successful sites in the country.

In November of 2008, in the worst economic period in 50 years, **Laser Island** opened its doors. Despite the economy, the public embraced the venue and have been coming in greater numbers every year since. **Laser Island** was profitable its first year and has grown each year since.

While the economy is recovering and new home construction is starting, families need a birthday party venue for their children, as well as an economical entertainment venue that the entire family can enjoy together.

4.1 Market Segmentation

Information obtained from the Laser Tag industry states that 23% of laser tag players will come from the under age 12 market segment, 50% will come from the teen and young adult segment, and 27% will come from the adult segment. The following chart illustrates what percentage of the area population falls into each market segment for some potential locations in Orange County (Placentia and Tustin) versus the Upland market.

Market Analysis (figures from LoopNet.com, within 5 miles)

| Placentia | % | Total |
|------------------------------|----------|--------------|
| Children (0-13) | 21.21 | 77,863 |
| Teens & Young Adults (14-24) | 17.44 | 65,373 |
| Adults (25-49) | 37.74 | 130,101 |
| Average Household Income | | \$97,954 |

| Brea | % | Total |
|------------------------------|----------|--------------|
| Children (0-13) | 19.04 | 66,977 |
| Teens & Young Adults (14-24) | 15.61 | 54,903 |
| Adults (25-49) | 34.40 | 121,154 |
| Average Household Income | | \$89,783 |

| Upland | % | Total |
|------------------------------|----------|--------------|
| Children (0-13) | 30.00 | 84,832 |
| Teens & Young Adults (14-24) | 23.05 | 65,162 |
| Adults (25-49) | 46.80 | 132,303 |
| Average Household Income | | \$75,760 |

4.2 Industry Analysis

The laser tag industry is a highly specialized segment of the Family Entertainment Industry which is commonly referred to as Location-Based entertainment (LBE). Location-Based Entertainment centers are defined as a variety of entertainment, retail, and other attractions all competing and cooperating in one location. This broad definition allows a great range of activities under one roof or clustered into a given area.

A Family Entertainment Center (FEC) is defined by the International Leisure and Entertainment Industry (IALEI) as unique community-based entertainment destinations with family appeal and a reliance on repeat customers for their success. A facility is defined as an FEC if it contains three or more of the following elements as major attractions: miniature golf, batting cages, bumper boats/ cars, go-karts, laser tag, rides, and soft modular play areas. However, many other attractions or entertainment options can be substituted to create an FEC.

Laser Tag centers clearly meet some of the definitions for LBE and FEC. However, a laser tag center is generally defined as a business that operates in an enclosed dimly-lit, fog-filled environment whereby patrons are equipped with light-emitting device (laser) that may or may not be attached to a vest, headset or waist-belt. The laser possesses a transmission source for information, and the laser and/or the vest, waist-belt, or headset should also have receivers that can register the data from opposing lasers to determine a winner at the end of the game.

The laser tag industry was started in the mid-1980's by a company called Photon. Photon operated out of an old warehouse in Dallas, Texas. It was part sport, part game, and a good measure of fantasy role-playing, all rolled into one package. Laser tag became the epitome of interactive equipment.

According to the most recent figures obtained from the laser tag industry experts there are 505 open and operating registered laser tag sites world-wide, with as many as 450 non-registered sites. In the United States, there are a reported 275 member sites registered and as many as 250 non-registered sites.

The laser tag industry celebrated its 30th anniversary in 2014 disproving any notion that it is a fad.

4.3 Competition

There is currently very little direct competition for a standalone laser tag facility in Orange County. There are currently only one other standalone laser tag facility in Orange County.

LazerQuest is located in Fullerton, CA. This is the only standalone laser tag operation in Orange County and has captured most of the laser tag business in Orange County. It has party rooms and a very small video arcade, but does not offer any food, has no seating for any walk-in customers and has no entertainment for the younger siblings of players. It is anticipated that **Laser Island 2** will capture nearly 100% of the laser tag business in its 15 mile radius, as well as much of the LazerQuest core business as families look for a more comfortable and all-inclusive alternative to this facility.

Additional competition for **Laser Island 2** will come from venues such as Camelot Golfland, Boomers, John's Incredible Pizza, and Bowling,. Many of these centers are outdoor activities that will not directly compete. **Laser Island 2** should benefit from being situated close to any of these prominent entertainment centers.

The Upland **Laser Island** has the same or similar competition within its 15 mile radius and has been very successful, and it is our experience that Chuck E.Cheese is not competition but is in fact a 'feeder' business for the Upland **Laser Island**. That there are 8 locations in Orange County is an excellent indicator that the area has ideal demographics to make **Laser Island 2** a success.

5.0 Strategy and Implementation Summary

5.1 Competitive Edge

Laser Island 2's competitive edge will be based on the following factors:

- **A Unique Experience.** There is only one other standalone laser tag facility in Orange County. When an individual or group wants an out-of-the-ordinary, futuristic play experience, **Laser Island 2** will be their first choice because of its competitive pricing and exhilarating party atmosphere.
- **Year Round Play.** **Laser Island 2's** indoor arena will provide customers the opportunity to play and plan parties year-round, regardless of weather conditions.

- **Wide range of game options.** **Laser Island 2** will provide our customers with changing game scenarios and a dynamic arena that can be tailored to group skill. This diversity will bring in more customers and assure their continuing satisfaction with the experience.
- **Superior Design.** Major success factors in laser tag facilities include providing a colorful, themed arena and experience, attention to details in every corner, and providing a method of observation for new players to see how the game is played before they enter the arena, as well as allowing parents to watch their children if desired. **Laser Island 2** will have closed circuit television monitors to allow this.

5.2 Marketing Strategy

In conducting our initial research, we found that laser tag has appealed to thousands of Scout troops, youth groups, corporations, as well as other groups all over the country & the world. The groups we are targeting have historically shown an interest in laser tag as an entertainment choice. Marketing Laser Island 2 will be a full time position. A few of the target markets we will pursue:

Children under 14

- Birthday Parties
- Sports Team Outings
- Scouting events
- School Fundraisers

Teens and Young Adults

- Youth Groups
- School & Campus Promotions

Adults

- Church Groups
- Office Parties
- Corporate Team-Building
- Player Leagues

Periodically, various promotions will be instituted through numerous programs including radio and television advertising, direct marketing to local schools, youth groups, daycare providers and youth sports teams, direct mail campaigns to local residents, extensive use of social media and internet marketing, and various print media including local coupon books and discount cards sold as fundraisers. Free laser tag game Achievement Awards will also be provided to local educators as rewards for their students. Other promotions involving youth groups, scouts, and church groups will also be utilized.

5.3 Sales Strategy

A pricing structure has been determined for the laser tag games as well as the peripheral activities. These peripheral activities will include miniature golf, a climbing unit and a wide selection of video games, Cafe and food sales, birthday parties and party room rentals.

Laser Tag Games

The average price charged nationwide for a game utilizing high-end laser tag equipment is about \$8.00. However, in Southern California, the market average is \$9.00. **Laser Island 2** will price one game for \$9.00, two for \$17 and three for \$22. **Laser Island 2** will provide 12 minutes of play in the arena (20 minute game cycle, 3 games per hour). Various specials will be available to increase weekday sales such as \$12 for 2 games, and special unlimited play hours Fridays through Sundays which allow customers to play as many games as they want during unlimited play. Additionally, special wristbands will be sold at any time that allow unlimited use of all attractions (except video arcade). Attached is a copy of the current pricing and specials.

Video Arcade

The video arcade at **Laser Island 2** will be substantially larger than the arcade at **Laser Island** in Upland. The arcade in Upland has 20 games and generates approximately 11% of the overall revenue. Video game and redemption game price per play will be set so as to be consistent with existing arcade rooms and local competition.

Tiki Golf

A secondary attraction such as indoor miniature golf ("Tiki Golf") will be offered at **Laser Island 2**. At **Laser Island** in Upland, a round of Tiki Golf costs \$6 and is included as part of every birthday party package. Parents perceive this as an added value to the package.

Cafe

Food and beverage sales from the Cafe will be provided and feature top-quality, freshly made items at competitive prices ranging from \$1.50 - \$15.00. Attached is a copy of **Laser Island's** current menu.

Birthday Party Packages

Birthday parties are a core revenue for the facility. Various packages will be available. A standard birthday party package would consist of invitations, use of a party area for 2 hours, decorated tables, a party host/hostess, pizza, garlic bread, soft drinks, 2 semi-private games of laser tag and 1 round of miniature golf (or other attraction), arcade tokens, and a free 1 year Membership and spin of the Prize Wheel for the guest of honor. There will be a minimum of 10 guests at a price of \$27.50 per guest, with an additional cost for each cost for each guest after the first ten. Variations on the standard package will provide for extra arcade tokens for each guest, additional pizzas or food for each guest, special dessert, etc. Attached is a flyer detailing the current party packages and their prices which will be similar at **Laser Island 2**.

Group Events

Groups such as youth sports teams, church groups, school groups, and daycare providers will be an important target market for **Laser Island 2**. Groups of 10 or more will be offered a reduced rate for their events. Youth sports teams will be offered 'free' parties including pizza and soft drinks with the purchase of 2 laser tag games each at \$16 on weekends and \$12 on weekdays. This strategy has proven to be very successful at the Upland **Laser Island** and has resulted in substantial additional revenue from token sales and extra food purchases. For all group events, reservations will be taken and a non-refundable deposit will be required. Attached are the copies of the current group events flyers.

Fundraising

Fundraising will be offered to local non-profit groups and organizations including schools, clubs and churches. **Laser Island 2** will offer 20% of gross sales for the group with prearranged reservations and only available Monday - Thursday. Attached is the current fundraising flyer.

Corporate Team-Building

Corporate team building events will be another target market for **Laser Island 2**. This would include large and small companies or celebrities that will use the site for a corporate or private events. Events range from semi-private games or private games. Private rentals will also be available at a fixed rate. These rentals can be for the arena

or for the entire facility. The pricing will be dependent upon the day of the week and the package purchased.

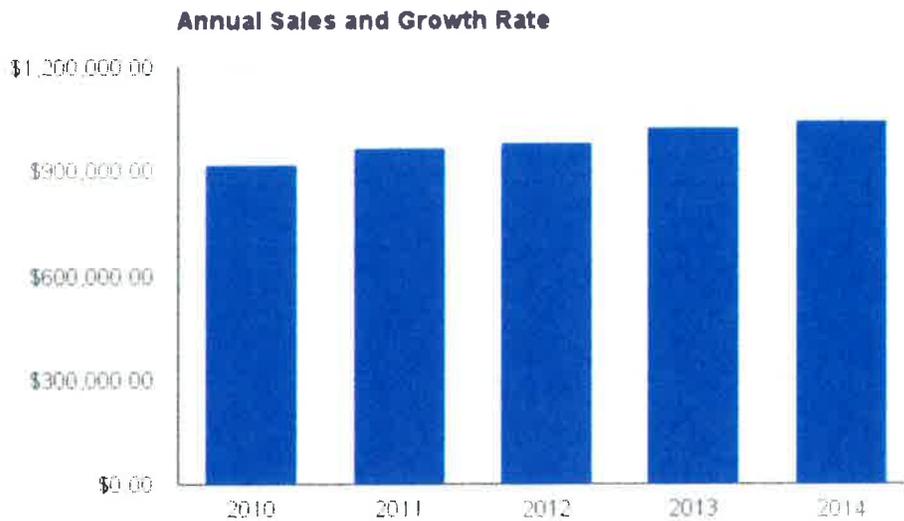
Laser Island Staff

Each **Laser Island** location employs 20-30 team members, most of which are college aged students that work part-time while attending college. There are typically no more than 2 full time management positions at each location.

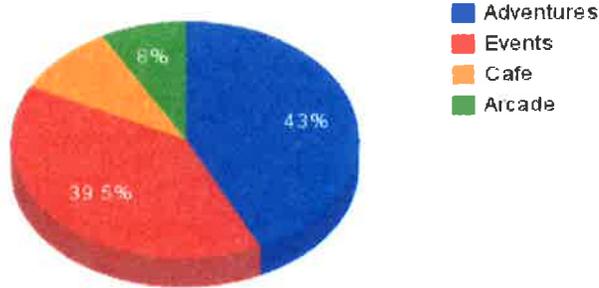
6.0 Financial Plan

6.1 Laser Island Upland

The following financial data of **Laser Island Upland** from 2009 to 2014 were used in calculating revenue projections for **Laser Island 2**.



LASER ISLAND SALES



As reflected in the chart above:

- Adventures includes laser tag, miniature golf and CoCo climb and is 43% of total revenue
- Events includes Birthdays, team parties, group events and fundraisers and is 39.5% of total revenue
- Food sales are 9.5% of total revenue
- Video Game arcade is 8% of total revenue

Monthly sales (2009-2014)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | Average |
|--------------|------------------|------------------|------------------|------------------|--------------------|--------------------|------------------|
| January | \$89,660 | \$74,475 | \$ 86,693 | \$92,940 | \$91,371 | \$93,893 | \$88,172 |
| February | \$67,270 | \$73,345 | \$ 76,757 | \$85,223 | \$86,830 | \$75,332 | \$77,460 |
| March | \$82,320 | \$84,329 | \$106,751 | \$100,199 | \$107,572 | \$109,396 | \$98,428 |
| April | \$62,806 | \$79,838 | \$83,328 | \$82,751 | \$83,463 | \$75,943 | \$78,022 |
| May | \$65,564 | \$88,238 | \$92,295 | \$83,596 | \$91,934 | \$97,235 | \$86,477 |
| June | \$63,037 | \$88,741 | \$97,138 | \$97,218 | \$94,900 | \$91,273 | \$88,718 |
| July | \$60,280 | \$76,967 | \$73,934 | \$85,123 | \$87,370 | \$92,733 | \$79,401 |
| August | \$68,388 | \$61,573 | \$79,311 | \$71,309 | \$80,877 | \$86,645 | \$74,684 |
| September | \$55,108 | \$56,064 | \$59,318 | \$50,200 | \$69,369 | \$69,450 | \$59,918 |
| October | \$55,036 | \$62,119 | \$67,778 | \$69,413 | \$69,172 | \$72,339 | \$65,976 |
| November | \$75,583 | \$78,762 | \$79,729 | \$77,975 | \$98,740 | \$96,923 | \$84,619 |
| December | \$70,833 | \$94,909 | \$66,979 | \$87,480 | \$63,370 | \$85,648 | \$78,203 |
| Total | \$815,885 | \$919,360 | \$970,011 | \$983,427 | \$1,024,968 | \$1,046,810 | \$960,077 |

Expenses (2009-2014)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | Average |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Food,Beverage | \$85,297 | \$91,477 | \$110,061 | \$106,186 | \$101,695 | \$103,818 | \$99,755 |
| Redemption products | \$18,253 | \$17,868 | \$19,741 | \$24,068 | \$15,765 | \$17,455 | \$18,858 |
| Party Decorations | \$4,325 | \$3,650 | \$3,916 | \$5,506 | \$4,644 | \$2,207 | \$4,041 |
| Laser tag | warranty | warranty | \$4,490 | \$7,192 | \$5,813 | \$9,504 | \$4,499 |
| Payroll | \$217,460 | \$263,277 | \$290,978 | \$319,427 | \$346,354 | \$339,623 | \$296,186 |
| Payroll taxes | \$18,698 | \$26,718 | \$35,453 | \$40,214 | \$39,535 | \$39,602 | \$33,370 |
| Advertising | \$23,549 | \$21,006 | \$3,702 | \$5,002 | \$6,722 | \$14,143 | \$12,354 |
| Bank & C/C fees | \$10,812 | \$12,015 | \$14,719 | \$12,756 | \$13,429 | \$16,792 | \$13,420 |
| Charitable contributions | \$0 | \$0 | \$2,010 | \$866 | \$983 | \$5,076 | \$1,489 |
| Cleaning | \$1,820 | \$1,740 | \$1,866 | \$3,115 | \$2,979 | \$3,469 | \$2,498 |
| Computer | \$5,230 | \$4,075 | \$3,538 | \$7,413 | \$6,038 | \$5,679 | \$5,329 |
| Equipment/supplies | \$4,096 | \$3,375 | \$9,414 | \$4,507 | \$8,260 | \$4,545 | \$5,700 |
| Insurance | \$28,641 | \$25,835 | \$24,509 | \$38,785 | \$37,548 | \$45,106 | \$33,404 |
| Interest expense | \$31,941 | \$32,704 | \$19,088 | \$10,402 | \$2,178 | \$17,802 | \$19,019 |
| Licensing,Permits | \$2,680 | \$7,482 | \$2,017 | \$1,517 | \$1,795 | \$1,951 | \$2,907 |
| Maintenance/repairs | \$14,016 | \$14,284 | \$19,810 | \$10,662 | \$17,554 | \$18,997 | \$15,887 |
| Miscellaneous | \$778 | \$70 | \$1,895 | \$296 | \$1,397 | \$4,178 | \$1,436 |
| Office expenses | \$4,211 | \$2,819 | \$1,208 | \$1,886 | \$2,330 | \$2,816 | \$2,545 |
| Printing & Postage | \$5,810 | \$4,210 | \$4,438 | \$4,974 | \$6,172 | \$5,233 | \$5,140 |
| Professional fees | \$5,628 | \$11,828 | \$3,100 | \$4,925 | \$25,375 | \$24,560 | \$12,569 |
| Rent | \$96,000 | \$96,000 | \$96,400 | \$99,220 | \$101,280 | \$115,136 | \$100,673 |
| Taxes(property & State) | \$6,175 | \$6,250 | \$6,328 | \$9,791 | \$6,385 | \$6,854 | \$6,964 |
| Telephone | \$4,689 | \$5,646 | \$4,392 | \$5,319 | \$5,234 | \$5,315 | \$5,099 |
| Utilities | \$24,031 | \$29,192 | \$32,751 | \$34,982 | \$36,039 | \$40,210 | \$32,868 |
| Depreciation expense | \$72,269 | \$52,385 | \$53,140 | \$39,270 | \$35,047 | \$25,957 | \$46,345 |
| Total | \$686,409 | \$733,906 | \$768,964 | \$798,281 | \$830,551 | \$876,028 | \$782,355 |

Income Statement (2009-2014)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--|-----------|-----------|-----------|-----------|-------------|-------------|
| Sales | \$815,885 | \$919,360 | \$970,011 | \$983,427 | \$1,024,968 | \$1,046,810 |
| Cost of Goods Sold- Food,Beverage, etc. | \$85,297 | \$91,477 | \$138,208 | \$143,440 | \$128,049 | \$133,174 |
| % Cost of Goods | 11.04% | 10.07% | 14.25% | 14.58% | 12.49% | 12.72% |
| Operating Income | \$687,078 | \$817,039 | \$831,803 | \$839,986 | \$896,919 | \$913,636 |
| Gross Margin | 88.96% | 89.93% | 85.75% | 85.42% | 87.51% | 87.28% |

Operating Expenses

| | | | | | | |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Payroll | \$217,460 | \$263,277 | \$290,978 | \$319,427 | \$346,354 | \$339,623 |
| Payroll taxes | \$18,698 | \$26,718 | \$35,453 | \$40,214 | \$39,535 | \$39,602 |
| Advertising | \$23,549 | \$21,006 | \$3,702 | \$5,002 | \$6,722 | \$14,143 |
| Bank & C/C fees | \$10,812 | \$12,015 | \$14,719 | \$12,756 | \$13,429 | \$16,792 |
| Charitable contributions | \$0 | \$0 | \$2,010 | \$866 | \$983 | \$5,076 |
| Cleaning | \$1,820 | \$1,740 | \$1,866 | \$3,115 | \$2,979 | \$3,469 |
| Computer | \$5,230 | \$4,075 | \$3,538 | \$7,413 | \$6,038 | \$5,679 |
| Equipment/supplies | \$4,096 | \$3,375 | \$9,414 | \$4,507 | \$8,260 | \$4,545 |
| Insurance | \$28,641 | \$25,835 | \$24,509 | \$38,785 | \$37,548 | \$45,106 |
| Licensing,Permits | \$2,680 | \$7,482 | \$2,017 | \$1,517 | \$1,795 | \$1,951 |
| Maintenance/repairs | \$14,016 | \$14,284 | \$19,810 | \$10,662 | \$17,554 | \$18,997 |
| Miscellaneous | \$778 | \$70 | \$1,895 | \$296 | \$1,397 | \$4,178 |
| Office expenses | \$4,211 | \$2,819 | \$1,208 | \$1,886 | \$2,330 | \$2,816 |
| Printing & Postage | \$5,810 | \$4,210 | \$4,438 | \$4,974 | \$6,172 | \$5,233 |
| Professional fees | \$5,628 | \$11,828 | \$3,100 | \$4,925 | \$25,375 | \$24,560 |
| Rent | \$96,000 | \$96,000 | \$96,400 | \$99,220 | \$101,280 | \$115,136 |
| Telephone | \$4,689 | \$5,646 | \$4,392 | \$5,319 | \$5,234 | \$5,315 |
| Utilities | \$24,031 | \$29,192 | \$32,751 | \$34,982 | \$36,039 | \$40,210 |
| Total Operating Expenses | \$468,149 | \$529,572 | \$552,200 | \$595,866 | \$659,024 | \$692,431 |
| % Operating Expenses | 57.38% | 57.60% | 56.93% | 60.59% | 64.30% | 66.15% |

| | | | | | | |
|-----------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| EBITDA | \$218,929 | \$287,467 | \$279,603 | \$244,120 | \$237,895 | \$221,205 |
| Interest Expense | \$31,941 | \$32,704 | \$19,088 | \$10,402 | \$2,178 | \$17,802 |
| Depreciation Expense | \$72,269 | \$52,385 | \$53,140 | \$39,270 | \$35,047 | \$25,957 |
| Net Profit | \$114,719 | \$202,378 | \$207,375 | \$194,448 | \$200,670 | \$177,446 |
| Profit Margin | 14.06% | 22.01% | 21.38% | 19.77% | 19.58% | 16.95% |

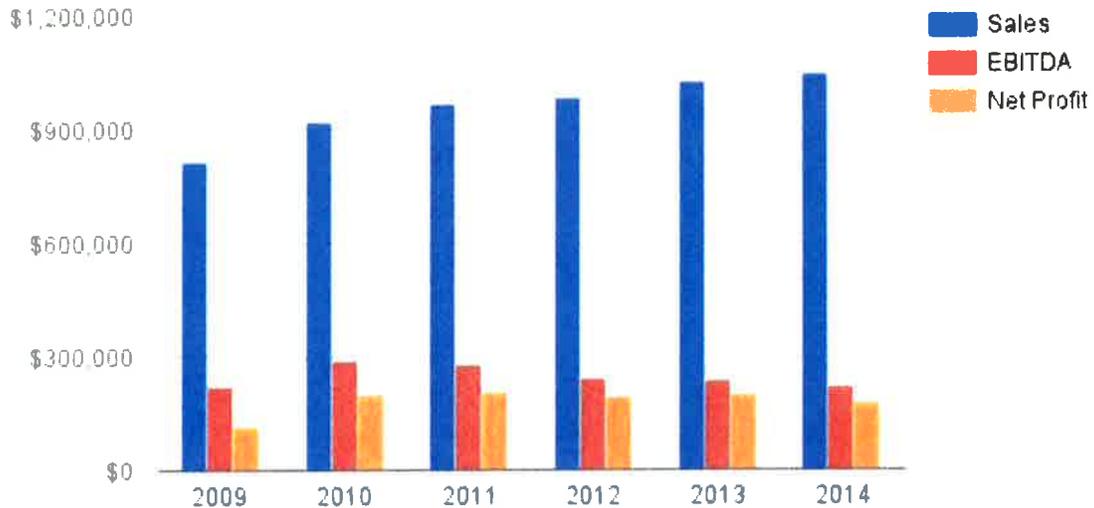
EBITDA Analysis

The following is the EBITDA analysis for **Laser Island Upland** from 2009-2014. With EBITDA over \$276,000 and net profits of over \$200,000 **Laser Island** has the ability to repay a new SBA loan.

Profit and Loss (2009-2014)

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Sales | \$815,885 | \$919,360 | \$970,011 | \$983,427 | \$1,024,968 | \$1,046,810 |
| Operating Costs | \$468,149 | \$621,049 | \$690,408 | \$739,306 | \$787,073 | \$825,605 |
| EBITDA | \$218,929 | \$287,467 | \$279,603 | \$244,120 | \$237,895 | \$221,205 |
| Taxes, Interest & Depreciation | \$104,210 | \$85,089 | \$72,228 | \$49,672 | \$37,225 | \$43,759 |
| Net Profit | \$114,719 | \$202,378 | \$207,375 | \$194,448 | \$200,670 | \$177,446 |

Profit and Loss (2009-2014)



6.2 Laser Island 2

Attached are Proforma Income Statements which detail expected Revenues, Expenses, and Profits before taxes for the first 3 years of operation for **Laser Island 2**.

Laser Island 2's total projected revenue for the first year is based on the three year average revenues of **Laser Island Upland** from 2009-2011. Revenues are projected to grow at an annual rate of 8% based on growth rates at Upland for the last 6 years.

Laser Island 2's projected expenses are based on the average expenses of **Laser Island Upland** from 2009-2014 except for rent, interest and payroll. Rent is based on anticipated rent of \$12,500 per month. Interest is based on a loan of \$500,000 at 6% interest fully amortized over 10 years. Payroll is expected to be slightly higher at **Laser Island 2**. Expenses are expected to grow at an annual rate of 5% with the exception of interest and depreciation.

6.3 Break-Even Analysis

For our Break-even analysis, we assume operating costs of \$64,281 per month, which includes all fixed costs, payroll, rent, utilities, and all other operating costs. We also assume 56 hours of operation per week with 30 laser packs and 3 games per hour.

Each game will be priced at \$9.00 but with various discounts, the average price of a game will be \$6.75 as reflected in the chart below.

Laser Tag Game Projections

| Hours Open/Week: | | Price/Game | % Purchased | | Price/Game | % Purchased | |
|-------------------------|---------|------------|-------------|--|------------|-------------|-----|
| Maximum Hours Open/Year | 1 Game | \$9.00 | 62% | | 1 Game | \$9.00 | 62% |
| Laser Packs available: | 2 Games | \$8.50 | 25% | | 2 Games | \$8.50 | 25% |
| Games/Hour: | 3 Games | \$7.33 | 13% | | 3 Games | \$7.33 | 13% |

| | | | |
|-----------------------|---------|------------------------------|--------|
| Max Game Plays/Week: | 5,040 | Average price/game: | \$7.50 |
| Max Game Plays/Month: | 21,672 | Promotions/Discounts: | 10% |
| Max Game Plays/Year: | 260,064 | Price/Game (after discounts) | \$6.75 |

The following chart shows the estimated revenue from laser tag based on the average capacity total number of plays per month and per year.

| Average Capacity | Weekly | Monthly | Yearly | Plays/Mo. | Plays/Yr. |
|------------------|----------|-----------|-------------|-----------|-----------|
| 15% | \$5,103 | \$21,943 | \$263,315 | 3,251 | 39,010 |
| 20% | \$6,804 | \$29,257 | \$351,086 | 4,334 | 52,013 |
| 25% | \$8,505 | \$36,572 | \$438,858 | 5,418 | 65,016 |
| 30% | \$10,206 | \$43,886 | \$526,630 | 6,502 | 78,019 |
| 35% | \$11,907 | \$51,200 | \$614,401 | 7,585 | 91,022 |
| 40% | \$13,608 | \$58,514 | \$702,173 | 8,669 | 104,026 |
| 45% | \$15,309 | \$65,829 | \$789,944 | 9,752 | 117,029 |
| 50% | \$17,010 | \$73,143 | \$877,716 | 10,836 | 130,032 |
| 60% | \$20,412 | \$87,772 | \$1,053,256 | 13,003 | 156,038 |
| 100% | \$34,020 | \$146,286 | \$1,755,432 | 21,672 | 260,064 |

Laser Tag Revenue Only

The chart above shows that we need to sell approximately 9,752 plays (a play being represented by the purchase of one game of laser tag by one person) per month to break-even. This represents less than 45% of our laser tag operating capacity. This

conservative approach excludes revenue from the video arcade, miniature golf, Cafe and food sales.

Break-Even Analysis - Laser Tag Only

| | |
|------------------------------------|----------|
| Monthly Laser Tag Plays Break-Even | 9,752 |
| Monthly Revenue | \$65,829 |
| Assumptions: | |
| Average per-Game Revenue | \$6.75 |
| Estimated Monthly Fixed Cost | \$64,281 |

All Revenue Sources

The chart below shows that including all potential revenue sources, we need to sell about 6,502 plays per month to break-even. This represents less than 30% of our laser tag operating capacity. This approach includes revenue from the video arcade, miniature golf, Cafe and food sales.

Break-Even Analysis - All

| | |
|------------------------------|----------|
| Monthly Laser Tag Plays | 6,502 |
| Monthly Laser Tag Revenue | \$43,886 |
| Monthly Revenue All Other | \$24,314 |
| Monthly Revenue | \$68,200 |
| Assumptions: | |
| Average Per-Unit Revenue | \$6.75 |
| Estimated Monthly Fixed Cost | \$64,281 |

7.0 Attachments

- Current Price List
- Menu
- Birthday Party Flyer
- Group/Team flyer
- Fundraising Flyer
- Proforma Income Statement for **Laser Island 2** - Year 1
- Proforma Income Statement for **Laser Island 2** - Year 2
- Proforma Income Statement for **Laser Island 2** - Year 3

PROFORMA INCOME STATEMENT FOR LASER ISLAND 2 - YEAR 1

| Revenue | January | February | March | April | May | June | July | August | September | October | November | December | Annual Totals |
|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| Laser Tag/Golf/Climb | \$38,813 | \$34,147 | \$41,057 | \$35,474 | \$37,583 | \$38,458 | \$33,111 | \$31,536 | \$26,398 | \$28,607 | \$35,891 | \$38,343 | \$419,418 |
| Parties/ Group Events | \$21,094 | \$18,558 | \$22,313 | \$19,279 | \$20,426 | \$20,901 | \$17,995 | \$17,139 | \$14,346 | \$15,547 | \$19,506 | \$20,839 | \$227,943 |
| Arcade | \$9,281 | \$6,166 | \$9,818 | \$8,483 | \$8,987 | \$9,196 | \$7,918 | \$7,541 | \$6,312 | \$6,841 | \$8,583 | \$9,169 | \$100,295 |
| Food Sales | \$15,188 | \$13,362 | \$16,065 | \$13,881 | \$14,706 | \$15,049 | \$12,956 | \$12,340 | \$10,329 | \$11,194 | \$14,044 | \$15,004 | \$164,118 |
| Total Revenues | \$94,376.00 | \$74,233.00 | \$89,253.00 | \$77,117.00 | \$81,702.00 | \$93,604.00 | \$71,980.00 | \$68,556.00 | \$57,385.00 | \$62,189.00 | \$78,024.00 | \$83,355.00 | \$911,774.00 |

Expenses

| | | | | | | | | | | | | | |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Food, Beverage | \$8,076 | \$8,076 | \$8,076 | \$8,076 | \$8,076 | \$8,076 | \$8,076 | \$8,076 | \$8,076 | \$8,076 | \$8,076 | \$8,076 | \$96,912 |
| Advertising & Printing | \$1,643 | \$1,643 | \$1,643 | \$1,643 | \$1,643 | \$1,643 | \$1,643 | \$1,643 | \$1,643 | \$1,643 | \$1,643 | \$1,643 | \$19,716 |
| Bank fees | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$1,042 | \$12,504 |
| Office Expenses | \$706 | \$706 | \$706 | \$706 | \$706 | \$706 | \$706 | \$706 | \$706 | \$706 | \$706 | \$706 | \$8,472 |
| Professional fees | \$599 | \$599 | \$599 | \$599 | \$599 | \$599 | \$599 | \$599 | \$599 | \$599 | \$599 | \$599 | \$7,188 |
| Licensing, permits | \$499 | \$499 | \$499 | \$499 | \$499 | \$499 | \$499 | \$499 | \$499 | \$499 | \$499 | \$499 | \$5,988 |
| Insurance | \$2,194 | \$2,194 | \$2,194 | \$2,194 | \$2,194 | \$2,194 | \$2,194 | \$2,194 | \$2,194 | \$2,194 | \$2,194 | \$2,194 | \$26,328 |
| Payroll | \$21,018 | \$21,018 | \$21,018 | \$21,018 | \$21,018 | \$21,018 | \$21,018 | \$21,018 | \$21,018 | \$21,018 | \$21,018 | \$21,018 | \$252,216 |
| Payroll taxes | \$2,466 | \$2,466 | \$2,466 | \$2,466 | \$2,466 | \$2,466 | \$2,466 | \$2,466 | \$2,466 | \$2,466 | \$2,466 | \$2,466 | \$29,592 |
| Maintenance/repairs | \$1,540 | \$1,540 | \$1,540 | \$1,540 | \$1,540 | \$1,540 | \$1,540 | \$1,540 | \$1,540 | \$1,540 | \$1,540 | \$1,540 | \$18,480 |
| Rent | \$12,500 | \$12,500 | \$12,500 | \$12,500 | \$12,500 | \$12,500 | \$12,500 | \$12,500 | \$12,500 | \$12,500 | \$12,500 | \$12,500 | \$150,000 |
| Utilities | \$2,388 | \$2,388 | \$2,388 | \$2,388 | \$2,388 | \$2,388 | \$2,388 | \$2,388 | \$2,388 | \$2,388 | \$2,388 | \$2,388 | \$28,656 |
| Telephone | \$409 | \$409 | \$409 | \$409 | \$409 | \$409 | \$409 | \$409 | \$409 | \$409 | \$409 | \$409 | \$4,908 |
| Redemption products | \$1,516 | \$1,516 | \$1,516 | \$1,516 | \$1,516 | \$1,516 | \$1,516 | \$1,516 | \$1,516 | \$1,516 | \$1,516 | \$1,516 | \$18,192 |
| Equipment/ supplies | \$685 | \$685 | \$685 | \$685 | \$685 | \$685 | \$685 | \$685 | \$685 | \$685 | \$685 | \$685 | \$8,220 |
| Miscellaneous | \$129 | \$129 | \$129 | \$129 | \$129 | \$129 | \$129 | \$129 | \$129 | \$129 | \$129 | \$129 | \$1,548 |
| Interest Expense | \$1,932 | \$1,932 | \$1,932 | \$1,932 | \$1,932 | \$1,932 | \$1,932 | \$1,932 | \$1,932 | \$1,932 | \$1,932 | \$1,932 | \$23,184 |
| Depreciation Expense | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$59,268 |
| Total Expenses | \$64,281 | \$771,372 |

| | | | | | | | | | | | | | |
|-------------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Net Profit | \$20,095 | \$9,952 | \$24,972 | \$12,836 | \$17,422 | \$19,323 | \$7,700 | \$4,276 | -\$6,895 | -\$2,092 | \$13,743 | \$19,074 | \$140,406 |
|-------------------|-----------------|----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|-----------------|-----------------|-----------------|-----------------|------------------|

PROFORMA INCOME STATEMENT FOR LASER ISLAND 2 - YEAR 2

| Revenue | January | February | March | April | May | June | July | August | September | October | November | December | Annual Totals |
|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Laser Tag/Golf/Climb | \$41,963 | \$36,885 | \$43,797 | \$38,443 | \$41,119 | \$41,246 | \$35,570 | \$33,771 | \$29,914 | \$32,682 | \$39,782 | \$42,627 | \$457,799 |
| Parties/ Group Events | \$23,094 | \$20,358 | \$24,813 | \$20,779 | \$21,926 | \$22,901 | \$19,695 | \$18,739 | \$14,746 | \$15,847 | \$21,006 | \$22,274 | \$246,178 |
| Arcade | \$9,891 | \$8,766 | \$10,518 | \$9,083 | \$9,487 | \$9,896 | \$8,518 | \$8,191 | \$6,987 | \$7,441 | \$9,433 | \$10,117 | \$108,318 |
| Food Sales | \$16,188 | \$14,162 | \$17,265 | \$14,981 | \$15,706 | \$16,249 | \$13,956 | \$13,340 | \$10,329 | \$11,194 | \$14,044 | \$15,004 | \$172,418 |
| Total Revenues | \$91,126 | \$80,171 | \$96,393 | \$83,286 | \$88,238 | \$90,292 | \$77,739 | \$74,041 | \$61,976 | \$67,164 | \$84,265 | \$90,022 | \$984,713 |

| Expenses | January | February | March | April | May | June | July | August | September | October | November | December | Annual Totals |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Food, Beverage | \$8,480 | \$8,480 | \$8,480 | \$8,480 | \$8,480 | \$8,480 | \$8,480 | \$8,480 | \$8,480 | \$8,480 | \$8,480 | \$8,480 | \$101,760 |
| Advertising & Printing | \$1,725 | \$1,725 | \$1,725 | \$1,725 | \$1,725 | \$1,725 | \$1,725 | \$1,725 | \$1,725 | \$1,725 | \$1,725 | \$1,725 | \$20,700 |
| Bank fees | \$1,094 | \$1,094 | \$1,094 | \$1,094 | \$1,094 | \$1,094 | \$1,094 | \$1,094 | \$1,094 | \$1,094 | \$1,094 | \$1,094 | \$13,128 |
| Office Expenses | \$741 | \$741 | \$741 | \$741 | \$741 | \$741 | \$741 | \$741 | \$741 | \$741 | \$741 | \$741 | \$8,892 |
| Professional fees | \$629 | \$629 | \$629 | \$629 | \$629 | \$629 | \$629 | \$629 | \$629 | \$629 | \$629 | \$629 | \$7,548 |
| Licensing, permits | \$524 | \$524 | \$524 | \$524 | \$524 | \$524 | \$524 | \$524 | \$524 | \$524 | \$524 | \$524 | \$6,288 |
| Insurance | \$2,304 | \$2,304 | \$2,304 | \$2,304 | \$2,304 | \$2,304 | \$2,304 | \$2,304 | \$2,304 | \$2,304 | \$2,304 | \$2,304 | \$27,648 |
| Payroll | \$22,143 | \$22,143 | \$22,143 | \$22,143 | \$22,143 | \$22,143 | \$22,143 | \$22,143 | \$22,143 | \$22,143 | \$22,143 | \$22,143 | \$265,716 |
| Payroll taxes | \$2,598 | \$2,598 | \$2,598 | \$2,598 | \$2,598 | \$2,598 | \$2,598 | \$2,598 | \$2,598 | \$2,598 | \$2,598 | \$2,598 | \$31,176 |
| Maintenance/repairs | \$1,617 | \$1,617 | \$1,617 | \$1,617 | \$1,617 | \$1,617 | \$1,617 | \$1,617 | \$1,617 | \$1,617 | \$1,617 | \$1,617 | \$19,404 |
| Rent | \$13,125 | \$13,125 | \$13,125 | \$13,125 | \$13,125 | \$13,125 | \$13,125 | \$13,125 | \$13,125 | \$13,125 | \$13,125 | \$13,125 | \$157,500 |
| Utilities | \$2,508 | \$2,508 | \$2,508 | \$2,508 | \$2,508 | \$2,508 | \$2,508 | \$2,508 | \$2,508 | \$2,508 | \$2,508 | \$2,508 | \$30,096 |
| Telephone | \$430 | \$430 | \$430 | \$430 | \$430 | \$430 | \$430 | \$430 | \$430 | \$430 | \$430 | \$430 | \$5,160 |
| Redemption products | \$1,592 | \$1,592 | \$1,592 | \$1,592 | \$1,592 | \$1,592 | \$1,592 | \$1,592 | \$1,592 | \$1,592 | \$1,592 | \$1,592 | \$19,104 |
| Equipment/ supplies | \$719 | \$719 | \$719 | \$719 | \$719 | \$719 | \$719 | \$719 | \$719 | \$719 | \$719 | \$719 | \$8,628 |
| Miscellaneous | \$136 | \$136 | \$136 | \$136 | \$136 | \$136 | \$136 | \$136 | \$136 | \$136 | \$136 | \$136 | \$1,632 |
| Interest Expense | \$1,777 | \$1,777 | \$1,777 | \$1,777 | \$1,777 | \$1,777 | \$1,777 | \$1,777 | \$1,777 | \$1,777 | \$1,777 | \$1,777 | \$21,324 |
| Depreciation Expense | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$59,268 |
| Total Expenses | \$67,081 | \$804,972 |

| | | | | | | | | | | | | | |
|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|-----------------|-------------|-----------------|-----------------|------------------|
| Net Profit | \$24,045 | \$13,090 | \$29,312 | \$16,205 | \$21,157 | \$23,211 | \$10,658 | \$6,960 | -\$5,105 | \$83 | \$17,184 | \$22,941 | \$179,741 |
|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|-----------------|-------------|-----------------|-----------------|------------------|

PROFORMA INCOME STATEMENT FOR LASER ISLAND 2 - YEAR 3

| Revenue | January | February | March | April | May | June | July | August | September | October | November | December | Annual Totals |
|-----------------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------|
| Laser Tag/Golf/Climb | \$45,306 | \$39,351 | \$47,561 | \$41,159 | \$44,231 | \$43,863 | \$38,187 | \$36,368 | \$32,531 | \$35,299 | \$42,399 | \$45,682 | \$492,157 |
| Parties/ Group Events | \$24,735 | \$21,999 | \$26,454 | \$22,420 | \$23,567 | \$25,201 | \$21,336 | \$20,360 | \$15,781 | \$17,488 | \$22,825 | \$23,915 | \$266,101 |
| Arcade | \$10,603 | \$9,488 | \$11,240 | \$9,805 | \$10,209 | \$10,618 | \$9,240 | \$8,913 | \$7,709 | \$8,163 | \$10,155 | \$10,839 | \$116,982 |
| Food Sales | \$17,772 | \$15,746 | \$18,849 | \$16,565 | \$17,290 | \$17,833 | \$15,195 | \$14,283 | \$10,913 | \$11,587 | \$15,628 | \$16,588 | \$188,249 |
| Total Revenues | \$98,416 | \$86,584 | \$104,104 | \$89,949 | \$95,237 | \$97,515 | \$83,958 | \$79,964 | \$66,934 | \$72,537 | \$91,007 | \$97,224 | \$1,063,489 |

| Expenses | January | February | March | April | May | June | July | August | September | October | November | December | Annual Totals |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|
| Food, Beverage | \$9,159 | \$9,159 | \$9,159 | \$9,159 | \$9,159 | \$9,159 | \$9,159 | \$9,159 | \$9,159 | \$9,159 | \$9,159 | \$9,159 | \$109,908 |
| Advertising & Printing | \$1,863 | \$1,863 | \$1,863 | \$1,863 | \$1,863 | \$1,863 | \$1,863 | \$1,863 | \$1,863 | \$1,863 | \$1,863 | \$1,863 | \$22,356 |
| Bank fees | \$1,182 | \$1,182 | \$1,182 | \$1,182 | \$1,182 | \$1,182 | \$1,182 | \$1,182 | \$1,182 | \$1,182 | \$1,182 | \$1,182 | \$14,184 |
| Office Expenses | \$801 | \$801 | \$801 | \$801 | \$801 | \$801 | \$801 | \$801 | \$801 | \$801 | \$801 | \$801 | \$9,612 |
| Professional fees | \$679 | \$679 | \$679 | \$679 | \$679 | \$679 | \$679 | \$679 | \$679 | \$679 | \$679 | \$679 | \$8,148 |
| Licensing, permits | \$566 | \$566 | \$566 | \$566 | \$566 | \$566 | \$566 | \$566 | \$566 | \$566 | \$566 | \$566 | \$6,792 |
| Insurance | \$2,488 | \$2,488 | \$2,488 | \$2,488 | \$2,488 | \$2,488 | \$2,488 | \$2,488 | \$2,488 | \$2,488 | \$2,488 | \$2,488 | \$29,856 |
| Payroll | \$23,314 | \$23,314 | \$23,314 | \$23,314 | \$23,314 | \$23,314 | \$23,314 | \$23,314 | \$23,314 | \$23,314 | \$23,314 | \$23,314 | \$279,768 |
| Payroll taxes | \$2,735 | \$2,735 | \$2,735 | \$2,735 | \$2,735 | \$2,735 | \$2,735 | \$2,735 | \$2,735 | \$2,735 | \$2,735 | \$2,735 | \$32,820 |
| Maintenance/repairs | \$1,698 | \$1,698 | \$1,698 | \$1,698 | \$1,698 | \$1,698 | \$1,698 | \$1,698 | \$1,698 | \$1,698 | \$1,698 | \$1,698 | \$20,376 |
| Rent | \$13,781 | \$13,781 | \$13,781 | \$13,781 | \$13,781 | \$13,781 | \$13,781 | \$13,781 | \$13,781 | \$13,781 | \$13,781 | \$13,781 | \$165,372 |
| Utilities | \$2,633 | \$2,633 | \$2,633 | \$2,633 | \$2,633 | \$2,633 | \$2,633 | \$2,633 | \$2,633 | \$2,633 | \$2,633 | \$2,633 | \$31,596 |
| Telephone | \$451 | \$451 | \$451 | \$451 | \$451 | \$451 | \$451 | \$451 | \$451 | \$451 | \$451 | \$451 | \$5,412 |
| Redemption products | \$1,672 | \$1,672 | \$1,672 | \$1,672 | \$1,672 | \$1,672 | \$1,672 | \$1,672 | \$1,672 | \$1,672 | \$1,672 | \$1,672 | \$20,064 |
| Equipment/ supplies | \$755 | \$755 | \$755 | \$755 | \$755 | \$755 | \$755 | \$755 | \$755 | \$755 | \$755 | \$755 | \$9,060 |
| Miscellaneous | \$143 | \$143 | \$143 | \$143 | \$143 | \$143 | \$143 | \$143 | \$143 | \$143 | \$143 | \$143 | \$1,716 |
| Interest Expense | \$1,613 | \$1,613 | \$1,613 | \$1,613 | \$1,613 | \$1,613 | \$1,613 | \$1,613 | \$1,613 | \$1,613 | \$1,613 | \$1,613 | \$19,356 |
| Depreciation Expense | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$4,939 | \$59,268 |
| Total Expenses | \$70,472 | \$845,664 |

| | | | | | | | | | | | | | |
|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|-----------------|----------------|-----------------|-----------------|------------------|
| Net Profit | \$27,944 | \$16,112 | \$33,632 | \$19,477 | \$24,825 | \$27,043 | \$13,486 | \$9,492 | -\$3,538 | \$2,065 | \$20,535 | \$26,752 | \$217,825 |
|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|-----------------|----------------|-----------------|-----------------|------------------|

RESOLUTION NO.PC 2015-19

A RESOLUTION OF THE PLANNING COMMISSION OF
THE CITY OF PLACENTIA APPROVING USE
CONFORMITY DETERMINATION 2015-06 FOR LASER
ISLAND DBA FAMILY ENTERTAINMENT LOCATED AT
1840 N. PLACENTIA AVENUE AND MAKING FINDINGS
IN SUPPORT THEREOF

A. Recitals.

(i) In accordance with City of Placentia Municipal Code Section 23.39.035, the planning commission may review and determine whether a proposed use, not otherwise specified in Section 23.39.020 or 23.39.030, conforms to the intent and purpose of this chapter with regard to permitted uses or uses authorized pursuant to a use permit and has characteristics similar to those uses listed in said Section 23.39.020 or 23.39.030.

(ii) On November 10, 2015, this Planning Commission conducted a duly noticed meeting, as required by law, and at such meeting considered an application for a Use Conformity Determination for a proposed laser tag entertainment use located at 1840 N. Placentia Avenue in the Neighborhood Commercial "C-1" District. The consideration for said application was concluded prior to adoption of this Resolution.

(iii) This Planning Commission has reviewed the staff report, and facts in consideration of this Use Conformity Determination.

(iv) All legal prerequisites to the adoption of this Resolution have occurred.

B. Resolution.

NOW, THEREFORE, the Planning Commission of the City of Placentia does hereby find, determine, and resolve as follows:

1. This Commission hereby specifically finds that all the facts as set forth in the Recitals, Part A, of this Resolution are true and correct.

2. This Commission finds that the proposed use is not specifically identified in Sections 23.39.020 or 23.39.030. The uses in the C-I Neighborhood Commercial District that come closest to the laser tag use include game arcades and studios. the Use Conformity Determination application 2015-06 conforms to the intent of the C-1 Neighborhood District and is in conformance with the General Plan.

3. This Commission finds that although laser tag bares similarities to game arcades and studios, laser tag is a specialized form of entertainment typically involves the assembly of large groups of young patrons interacting as teams.

4. This Commission finds that a conditional use permit is appropriate for the use as identified.

5. The Planning Commission hereby makes the following finding: Pursuant to the provisions of the California Environmental Quality Act of 1970, as amended, the Guidelines promulgated thereunder (Section 15061(b)(3)) the general rule exemption, states that where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment that the activity is not subject to CEQA. The approval of the Use Conformity Determination for the proposed use will not have a significant effect on the environment and is not subject to the requirements of the California Environmental Quality Act of 1970, as amended.

6. This Commission finds that the facts supporting the above specified findings are contained in the staff report and exhibits, and information provided to this Planning Commission during the new business conducted with respect to consideration of Use Conformity Determination 2015-06.

7. The Secretary of this Commission shall:
a. Certify to the adoption of this Resolution; and,
b. Forthwith transmit a certified copy of this Resolution, by certified mail, to the Property Owner and Applicant at the address of record set forth in the Application.

ADOPTED AND APPROVED this 10th day of November, 2015.

CHRISTINE SCHAEFER, CHAIRMAN

I, Charles L. Rangel, Secretary to the Planning Commission of the City of Placentia, do hereby certify that the foregoing Resolution was introduced at a regular meeting of the Planning Commission of the City of Placentia held on the 10th day of November, 2015 and was passed at this regular meeting of the Planning Commission of the City of Placentia held on the, 10th day of November, 2015 by the following vote:

| | |
|------------|---------------------|
| AYES: | COMMISSION MEMBERS: |
| NOES: | COMMISSION MEMBERS: |
| ABSENT: | COMMISSION MEMBERS: |
| ABSTAINED: | COMMISSION MEMBERS: |

ATTEST:

CHARLES RANGEL,
SECRETARY TO THE PLANNING COMMISSION

APPROVED AS TO FORM

YOLANDA M. SUMMERHILL,
ASSISTANT CITY ATTORNEY