

2018

La Rumba



Floating Dance Studio

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Business Plan

1/1/2018

Executive Summary

La Rumba is a one of the kind business concept. The company's primary business focus is a dance studio located on a luxury yacht on Toronto's prime Harbourfront location. La Rumba's secondary market will be exclusive charters, including food and beverage service. The company expects to catch the interest of regular Torontonians as well as significantly tap into the tourism market.

La Rumba is run and wholly owned by Alberto Gomez. Alberto has over 20 years of experience as a dance instructor. Additionally, he has career experiences include, but not limited to running dance studios, night clubs and is the previous owner of La Classique Night Club which he managed for over ten years. On the water, Alberto boating experience began in 1997. He has lived on his yacht in the Toronto harbour for over 11 years. His current yacht, which he has owned for nine years, is 51' Sea Ray.

The dance lesson market is considered lucrative as Canadians spent \$22.8 billion on cultural goods and services in 2003 – an amount that is greater than spending on tobacco, alcohol and gambling combined.

Tourism in Toronto is expected to remain healthy in the near future. Although faced with a decline from international visitors the last five years, 2012 saw an increase that is expected to last in the future. Tourism growth continues to come from key international markets. In 2011, Toronto reversed a five-year decline in U.S. visitors and in 2012 continued that new upward momentum, welcoming 4.7% or 100,000 more visitors from the vital U.S. market. Toronto is considered 'hot spot' for tourist from developing nations who are more willing to spend money traveling. Overseas visitors now account for over 30% of all spending by visitors in Toronto, driven in part by steadying mature markets and also by attracting more visitors from vital new markets in China, India and Brazil - those three countries delivered 281,000 visitors to Toronto last year – having grown more than 50% in just the past three years.

La Rumba will offer various types of dance lessons – from mambo to tango to ballroom. The classes will be set at various levels – beginner, intermediate, and advance. La Rumba will generate revenue from individual classes to multi-class packages upwards to \$200 for eight classes. It is estimated that eight classes will be needed to achieve next level status for an individual's progression in each discipline of dance.

La Rumba will partner with local hotels, restaurants and Harbourfront business' to offer guests promotional services to enhance their waterfront experience. La Rumba, will offer guests an exclusive and nice waterfront experience with overnight executive suite accommodations. Each suite will have a washroom with showers, daily room cleaning, colour-TV with satellite channels and basic amenities. As a result of the 5-star service, La Rumba will be a competitive alternative for both locals and tourists seeking an exclusive waterfront escape in Toronto.

Food service catering services will be available for classes and executive charters, including drinks – alcoholic and non-alcoholic. Prices will be higher than average. Not only will the menu be of higher quality but the environment – luxurious yacht facing the city and nature in a prime location – will be worth the value.

La Rumba requires an initial capital investment of \$2 million. This amount includes the purchase of the yacht, its transportation to Toronto, and all other related expenses to starting the business.

Table of Contents

- Executive Summary** _____ **(i)**

- 1 Company Profile** _____ **1**
 - 1.1 Business Overview 1
 - 1.2 Mission..... 1
 - 1.3 Current State 1
 - 1.4 Management..... 1
 - 1.5 Legal Structure 2
 - 1.6 Location 2

- 2 Potential Yachts** _____ **3**
 - 5.1 Yacht #1..... 3
 - 5.2 Yacht #2..... 5
 - 5.3 Yacht #3..... 7

- 3 Market Information** _____ **9**
 - 2.1 Toronto and its Cultural Market 9
 - 2.2 Toronto Tourism Market 11
 - 2.3 Hotel and Motel Industry in Canada 13
 - 2.4 Competitors 16

- 4 Sales and Marketing** _____ **20**
 - 3.1 Pricing Strategy 20
 - 3.2 Prime Location..... 21
 - 3.3 Marketing Strategy 21

- 5 Operations** _____ **24**
 - 4.1 Manager..... 24
 - 4.2 Dance Studio 24
 - 4.3 Hospitality & Charters 24
 - 4.4 Food & Beverage..... 24
 - 4.5 Yacht Maintenance 24

- 6 Financials** _____ **26**
 - 6.1 Capital Investment Required 26
 - 6.2 Revenue Forecast 27
 - 6.3 Cash Flow and Funding..... 28

Appendix A: Supporting Documentation
Appendix B: Yachts
Appendix C: Financials

1 Company Profile

1.1 Business Overview

La Rumba is a one of the kind business. The company's primary business focus is a dance studio located on a luxury yacht on Toronto's prime Harbourfront location. La Rumba's secondary market will be exclusive charters, including food and beverages. The company expects to catch the interest of regular Torontonians as well as significantly tap into the tourism market. Due to owner's industry experience and the niche environment of the business, La Rumba plans to build a strong market position along Toronto's rapidly developing waterfront lanscape.

1.2 Mission

La Rumba's mission is to serve its dance clients, through various levels of lessons, to develop their dance skills to expert level with a focus in Latin and ballroom dance. Additionally, La Rumba will provide guest's the ability to charter with high quality service comparable to that offered by 5-star hotels, including food and beverage services.

1.3 Current State

Research on the relative industries has been completed – as well as research on competitors. Strategic partners have been selected, a marketing strategy has been built, planning and subsequent operations have been thoroughly thought out, and research on potential yachts has begun. The finances have also been developed and the company is currently addressing potential funding. Please see various sections of this business plan for more detail analysis of current and future state of La Rumba.

1.4 Management

La Rumba is run and wholly owned by Alberto Gomez. Alberto has over 20 years of experience as a dance instructor. He is certified in Ballroom, Salsa, Merengue, Bachata, ChaCha, Mambo and Argentine Tango. Additionally he has experience running dance studios and night clubs and is the previous owner of La Classique Night Club which he managed for over ten years.

Alberto is well recognized in the dance and choreography industry in Toronto and across many cities around the world. The Toronto Salsa Web Convention recognized Alberto's legendary contributions to the dance and his role as a pioneer in promoting salsa in Toronto. Toronto Sun has titled him the "Prince of Dancers". Over the years, Alberto has also acquired several film credits for assisting with choreography for Jackie Chan in Tuxedo. Alberto also choreographed one of Toronto's biggest Latin entertainment concerts with Tito Puente and Johnny Pacheco. The highlight of his dance career can be attributed to his choreograph and performance for the Salsa Queen Celia Cruz. Please find his resume in Appendix A.

On the water, Alberto boating experience began in 1997. He has lived on his yacht in the Toronto harbour for over 15 years. His current yacht, which he has owned for nine years, is a 51'. The yacht is 16 years old with max speeds of 29 knots. The boat is in great condition – thanks to Alberto's care and maintenance. Alberto's yachting skills are considered expert as he

can drive his yacht alone even though it is designed to be sailed with a crew. Lastly, Alberto is well known in Toronto's Harbourfront community as an expert boat teacher and boat salesmen.

Additionally, Alberto is a fluent speaker in English, Spanish, Portuguese and Italian.

1.5 Legal Structure

La Rumba is currently operating as a sole proprietorship. This is the norm for start-ups in this industry. Insurance will provide protection against any liability. Once the yacht is purchased and clients are obtained, La Rumba will re-evaluate the need to convert business legal structure into a corporation. The current legal structure will ensure funds are reserved during the start-up phase of the operations when cash flow is limited.

1.6 Location

La Rumba is operating in an office on the proprietor's home yacht, located on the Harbourfront. Most work will be done on location and mail can be sent to: Marina Office – 539 Queens Quay West, Toronto ON, M5V 3G3. The office location on the company premise will significantly reduce office space and other related costs. The office location will be moved to the La Rumba yacht once it has been purchased. As discussed, Harbourfront will remain the dock for La Rumba's business as it is the centre of Toronto's tourism and in the heart of the city's water activities.

2 Potential Yachts

2.1 Yacht#1

<http://www.yachtworld.com/boats/2006/Sunseeker-105-Yacht-3165558/Palm-Beach/FL/United-States>

2.1.1 Overview

105' Sunseeker 105 Yacht

Built in 2006, "EXUMA" is the best kept 105' Sunseeker currently on the market. The list price of the yacht is at \$2,955,000. However, it has recently been dealt with a price reduction, and due to downward price market for yachts, Alberto is confident to negotiate the purchase price of the yacht for \$2,000,000.

- Boat Name: EXUMA
- Year: 2006
- **Current List Price: US\$ 2,995,000**
- Located in Palm Beach , FL
- Hull Material: Fiberglass
- Engine/Fuel Type: Twin diesel
- YW# 78847-3165558

For additional feature, please see Appendix B.





2.2 Yacht#2

<https://www.hmy.com/used-yachts-for-sale/KAISERWERFT/2005-101-Baron-103/236613>

2.2.1 Overview

101' Kaiserwerft Baron 103 Yacht

The sophisticated work of KaiserWerft, Sea Breeze showcases design and engineering craft at its best. Built in Germany in 2005, with every imaginable extra, fittings of the highest quality have ensured luxury on-board, with use of the finest materials, equipment and tools. The list price of the yacht is at \$1,695,000. However, it has recently been dealt with a price reduction, and due to downward price market for yachts, Alberto negotiated the purchase price of the yacht for \$1,200,000.

- Boat Name: Sea Breeze
- Year: 2005
- **Current List Price: US\$ 1,695,000**
- Located in Palm Beach , FL
- Hull Material: GRP
- Engine/Fuel Type: Diesel

For additional feature, please see Appendix B.





2.3 Yacht#3

<https://www.hmy.com/used-yachts-for-sale/DESTINY/2001-98/241452>

2.3.1 Overview

98' Destiny Yacht

"JEANNINE D" is 98' fiberglass motoryacht built by Destiny in 2001. She features a 4 cabin layout accommodating 8 owners/guests, and is powered by 2x MTU 16V2000's, 1800 hp, with cruising speed of 21 knots, and max 23 knots. The list price of the yacht is at \$1,795,000.

However, it has recently been dealt with a price reduction, and due to downward price market for yachts, Alberto negotiated the purchase price of the yacht for \$1,000,000.

- Boat Name: JEANNIE D
- Year: 2001
- **Current List Price: US\$ 1,795,000**
- Located in Hillsboro, FL
- Hull Material: Fiberglass
- Engine/Fuel Type: Diesel

For additional feature, please see Appendix B.





3 Market Information

The industry analysis is twofold; it focuses on the Toronto Market: clients that will attend dance classes on a regular basis at various levels; and the Tourism Market: those that will come to Toronto to experience at the yacht’s hospitality facilities overnight and/or engage in one-time dance classes.

Lastly this section includes a competitive analysis of the local dance instructors and hospitality and tourism industries in the region. Overall the high-level purpose will illustrate that La Rumba will not only be able to compete in these industries but also continue to be successful in the long-term.

3.1 Toronto and its Cultural Market

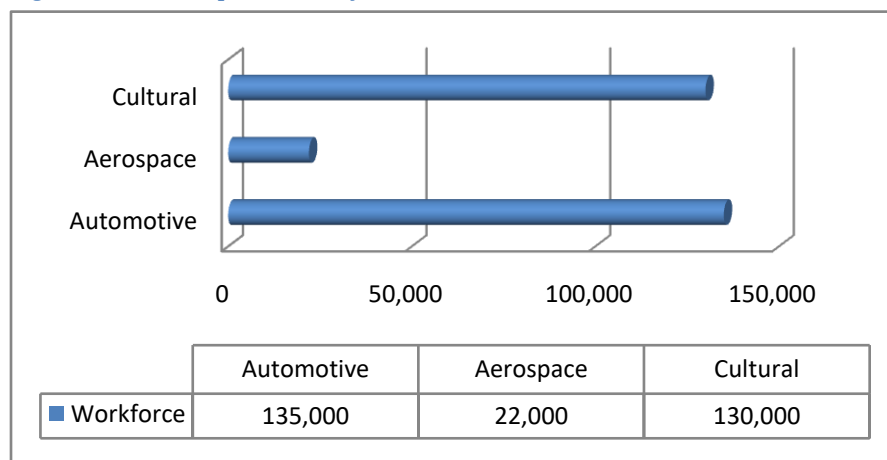
3.1.1 Toronto Size and Importance

Toronto is the most populous city in Canada and the provincial capital of Ontario. Toronto, with a population of 2.6 million, is at the heart of the Greater Toronto Area (GTA) which contains 6.2 million people (Wikipedia, 2014). The city is the anchor of the Golden Horseshoe region, which wraps around Lake Ontario from Toronto to Niagara Falls and totals almost 9 million residents, approximately a quarter of Canada's entire population (Wikipedia, 2014). Toronto is the fourth largest city and the most populous Great Lakes city, surpassing Chicago.

3.1.2 Significance of the Cultural Economy

Toronto is considered one of the world's most diverse cities by percentage of non-native-born residents, with about 49% of the population born outside Canada (Wikipedia, 2014). The city’s culture diversity adds to the city’s GDP: “Toronto’s cultural economy contributes more than \$9 billion annually to Toronto’s GDP and employs more than 130,000 people. The culture sector in Toronto employs six times more workers than Ontario’s aerospace industry and is roughly equivalent to the 135,000 people employed in Ontario’s automotive sector”(City of Toronto Economic Development Committee and Toronto City Council, 2011). Figure 1 illustrates the significance of Toronto’s culture sector impact on the economy.

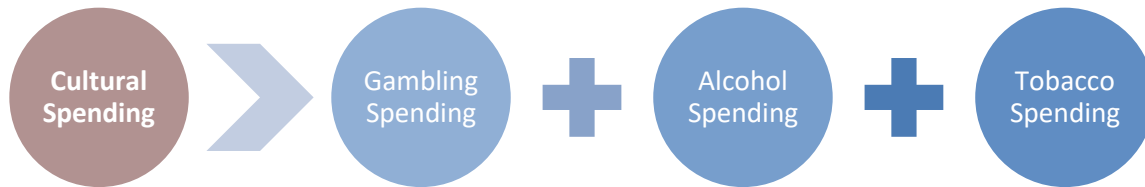
Figure 1: Culture Impact on Workforce



3.1.3 Consumer Spending on the Industry

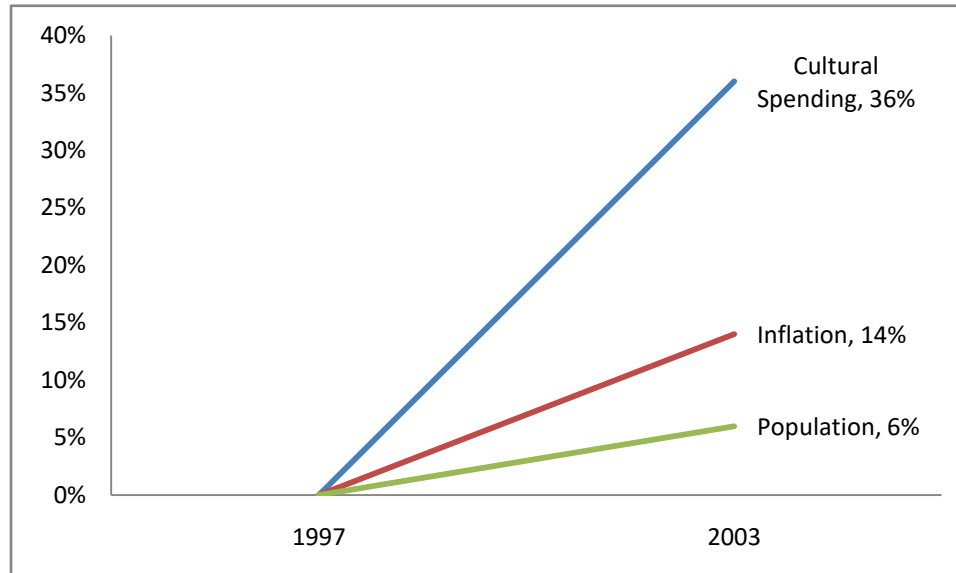
Canadians spent \$22.8 billion on cultural goods and services in 2003 – “an amount that is greater than spending on tobacco, alcohol and games of chance combined” (Statistics Canada's Survey of Household Spending, 2005; Hill Strategies Research, 2005).

Figure 2: Cultural Spending in Canada, 2003



The industry is considered a growth market. From 1997 to 2003 it grew by 36% where inflation and population only grew 14% and 6%, respectively (Hill Strategies Research, 2005).

Figure 3: Cultural Spending Growth Comparisons



3.1.4 Impact on the Population

A majority of Torontonians, 81%, believe that governments should spend public funds to support arts and 80% of them believe government investments in cultural arts improve the local economy (City of Toronto Economic Development Committee and Toronto City Council, 2011). The importance of cultural entertainment is also found across the province and the country. In Ontario 95% said that the “arts enrich the quality of our lives” and “89% believe that if their community lost its arts activities, people living there would lose something of value” (City of Toronto Economic Development Committee and Toronto City Council, 2011).

In terms of attendance, 99.7% of Canadians 15 years and older participated in at least one arts, culture or heritage activity (Canada Council for the Arts, 2014). Dance, in particular, saw over 1 million “Canadian adults take dance classes or perform dance themselves” (Canada Council for the Arts, 2014).

3.1.5 Key Notes

Key Notes on Toronto and its Cultural Market

A quarter of Canada's population is in Golden Horseshoe - centred around Toronto

Cultural Economy contributes more than \$9 billion to Toronto GDP

Canadian Consumers spend more on Culture than on Tobacco, Alcohol, Gambling spending combined

Cultural spending growth has significantly exceeded growth of inflation and population

Over 1 million Canadian Adults take dances classes.

3.2 Toronto Tourism Market

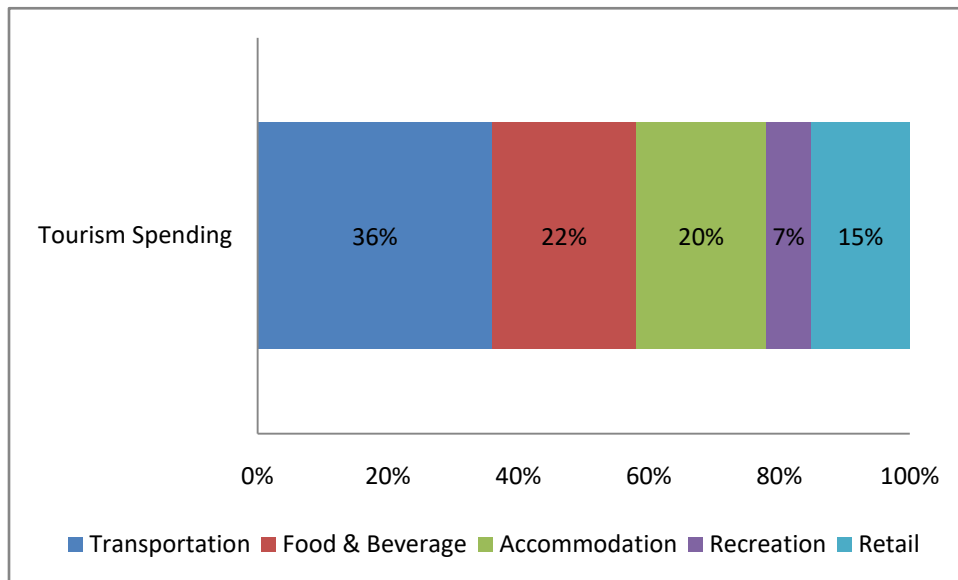
Toronto tourism market is dynamic. People come into the city from all over the province, country, continent, and the globe. They come for various reasons – vacation, conventions, business, etc. Toronto tourism is significant that is it considered the largest in the country. “Toronto is the leading tourism destination in Canada, attracting more than 25 million Canadian, American and international visitors annually” (City of Toronto, 2012).

3.2.1 Overview and Financial Structure

Tourism spending is a significant inflow of cash to the area with visitors adding “\$5.1 billion, generating \$3.8 billion in Gross Domestic Product” (City of Toronto, 2012). Based on the visitors that come to Toronto, only 40% stay overnight; however these individual account for 77% of all tourism spending (City of Toronto, 2012). The segments of the \$5.1 billion spent on tourism can be broken down to Transportation (\$1.8B), Food & Beverages (\$1.1B), Accommodation (\$1B), Recreation (\$350M), and Retail/other (\$765M).

Figure 4 illustrates Tourism sector spending as a percentage of total tourism spent.

Figure 4: Tourism Spending across Sectors



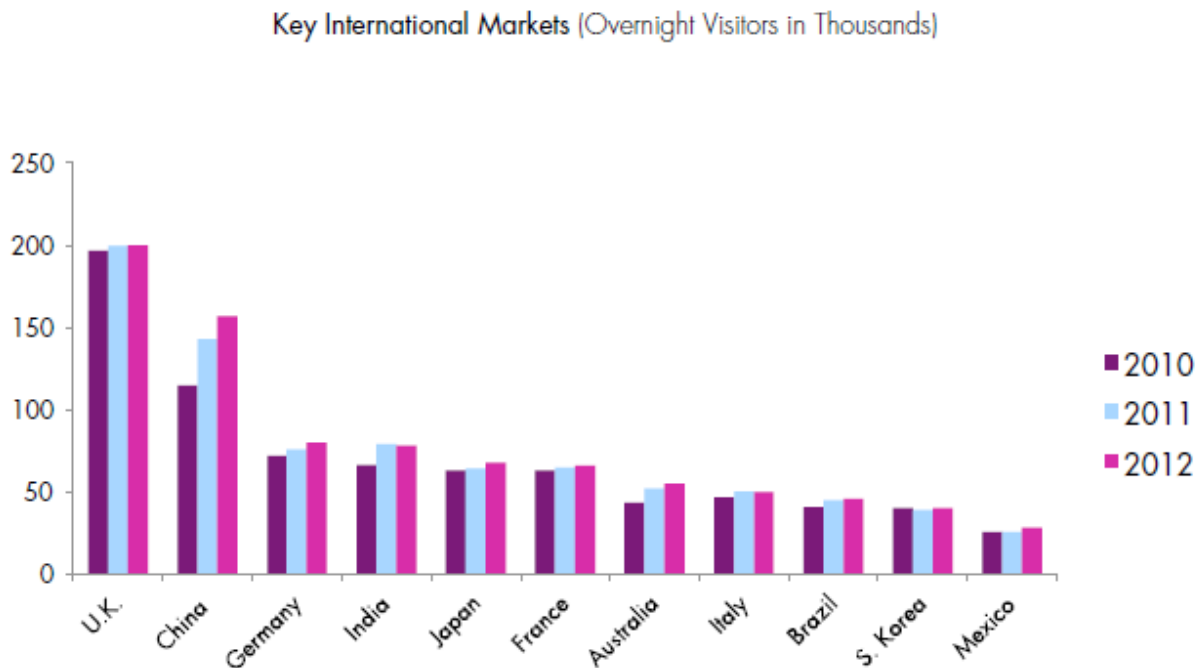
3.2.2 Growth

Tourism in Toronto is expected to remain healthy in the near future. Although faced with a decline from international visitors the last five years, 2012 saw an increase that is expected to last in the future. “Tourism growth continues to come from key international markets. In 2011, Toronto reversed a five-year decline in U.S. visitors and in 2012 continued that new upward momentum, welcoming 4.7% or 100,000 more visitors from the vital U.S. market; also continuing a recent trend, more and more American visitors are arriving in Toronto by plane, and are staying longer, visiting more attractions – doing and spending more – in the destination” (Tourism Toronto, 2012).

Additionally, with a mature markets finally rebounding from the global recession, tourism from these countries are expected to increase. “In the recent recessionary years, Toronto experienced declines in visitors from some of its most important overseas markets. Last year marked a return to growth in the U.K., Germany, France and Japan as the three countries combined for almost 10,000 new visitors over the prior year” (Tourism Toronto, 2012).

Lastly, Toronto is being a ‘hot spot’ for tourism in developing nations who are more willing to spend money traveling. “Overseas visitors now account for over 30% of all spending by visitors in Toronto, driven in part by steady mature markets and also by attracting more visitors from vital new markets in China, India and Brazil. those three countries delivered 281,000 visitors to Toronto last year – having grown more than 50% in just the past three years” (Tourism Toronto, 2012). Figure 5 illustrates Toronto overnight international visitors.

Figure 5: Overnight Visitor Market



Note: Numbers are derived from Statistics Canada data. The 2012 numbers are Tourism Toronto estimates based on Statistics Canada data.

3.3 Hotel and Motel Industry in Canada

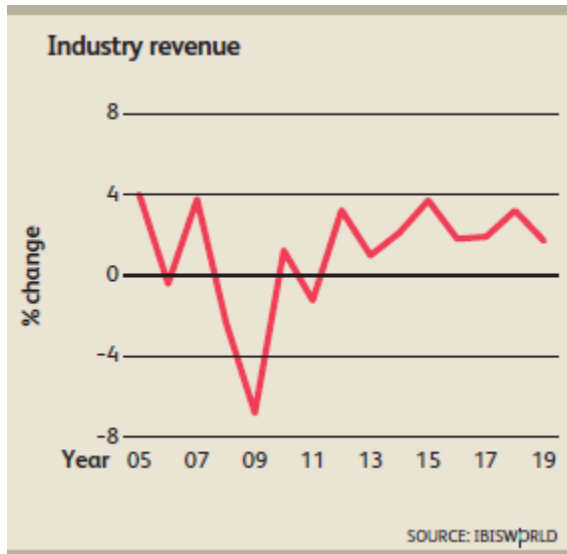
The hotel and motel industry in Canada is a dynamic one – the market is successful not only through brand-named chains but also through independent small-medium sized companies. “Despite the prominence of large, well-known hotel chains, the industry has a medium level of concentration and still has a large number of small-to medium sized independent operators” (IbisWorld, 2013).

The industry is dependent on tourism which is subsequently dependent on the amount of per capital disposable income allocated to holiday and pleasure by households, as discussed in the previous section (IbisWorld, 2013). This factor began to increase in 2013 and is expected to continue this trend beyond the next five years.

3.3.1 Financial Structure

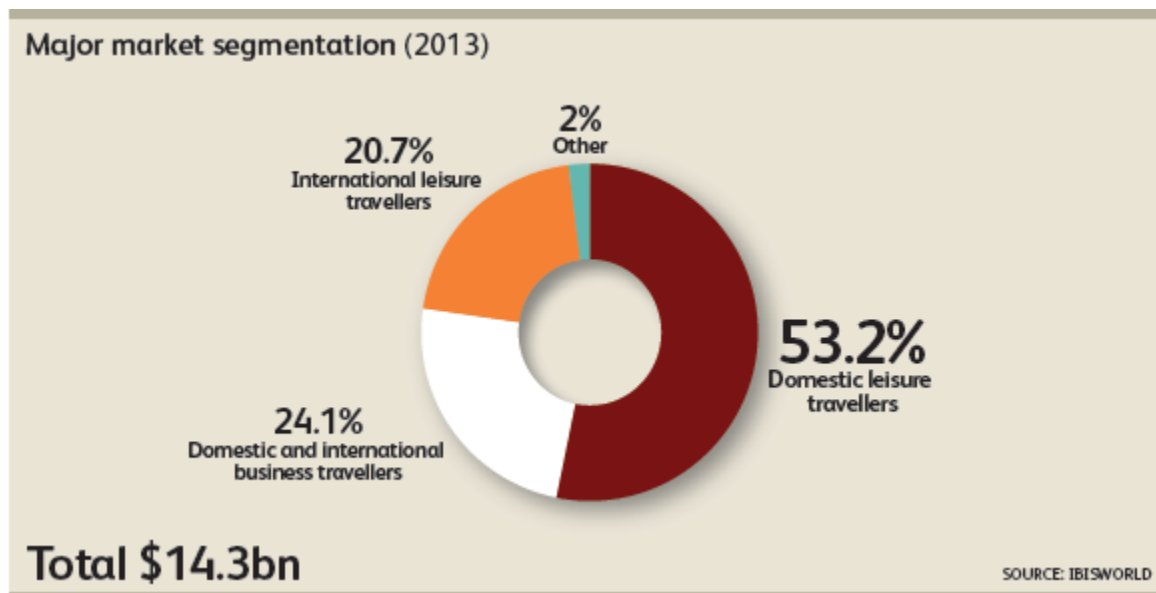
The industry in Canada is valued over \$14 billion in revenue and \$1.5 billion in profits (IbisWorld, 2013). Although it has faced a decrease in the last five years, contracting around .6%, it is expected to grow by 2.5% over the next five years (IbisWorld, 2013). Figure 6 graphs growth, illustrating that the market is always growing (above 0%) with a peak at 4% in 2015.

Figure 6: Revenue Growth as a Percent



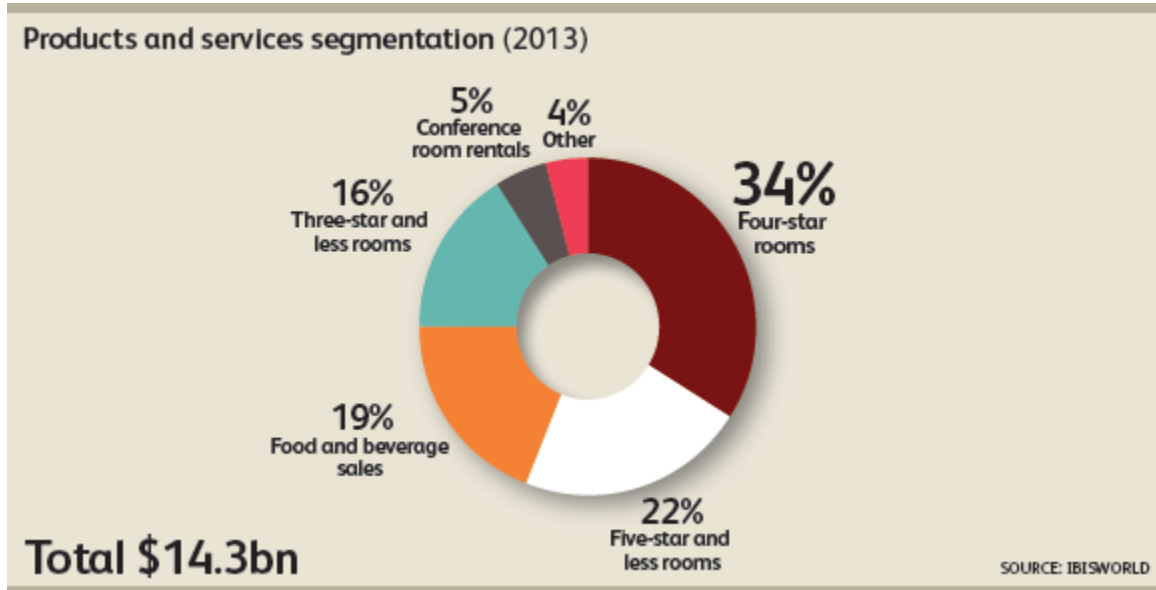
The major markets for this industry are Domestic and International leisure travelers that makeup almost 75% of revenue – 53.2% and 20.7% respectively (IbisWorld, 2013). These are La Rumba’s main market. The other major market is Domestic and International business travelers that represent 24.1% of revenue (IbisWorld, 2013). Although this market is not La rumba’s target market, La Rumba will provide the services that will support these types of guests.

Figure 7: Major Market Segments



The industry revenue can also be broken down per product and services. Four and three star hotels are the largest share of revenue – they make up a total of 50% of the market. La Rumba hospitality segment will be designed so that it fits into this category. Food and beverage is also part of the La rumba business and according to industry data, it brings in almost 20% of revenue.

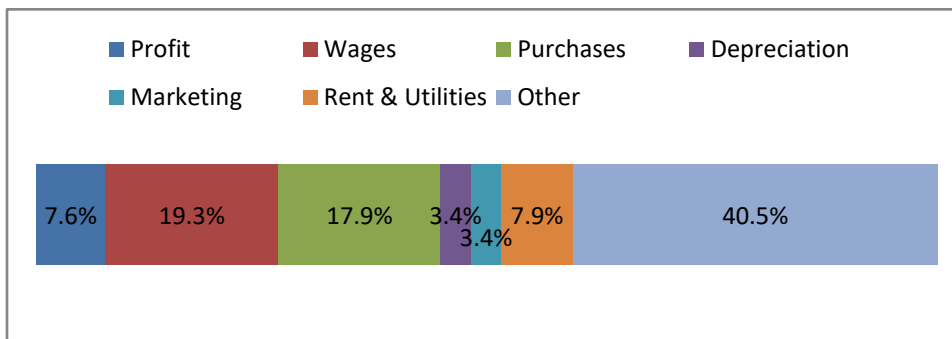
Figure 8: Market in terms of Product



3.3.2 Industry Costs

The industry can be broken down into seven categories: Profit, Wages, Purchases, Depreciation, Marketing, Rent & Utilities, and other. In terms of profit, the calculation was estimated in 2012 when the industry had not recovered. It is estimated that this percentage should increase to 10% in 2014 (IbisWorld, 2013). Purchases are a significant cost at almost 18% of revenue. This segment represents not only bedding and other room supplies but also food and beverages as well. Wages, at almost 20% of revenue, consists of “many aspects of hotel management, from front-of-house activities, such as front desk, concierge and related activities, to all back-of-house activities, including general management, accounting, marketing, room cleaning and servicing the kitchens, bars and restaurants” (IbisWorld, 2013). To lower these costs it is suggested that part-time or casual basis contracts are used so to only meet seasonal demands. The other category may not be relevant to La Rumba as it is mostly focused on franchisees. However, this category includes repair and maintenance which can be accounted for at 5% of revenue – or higher for maintenance of yacht. Figure 9 illustrates these cost segments.

Figure 9: Industry Cost Breakdown



3.4 Competitors

3.4.1 Captain John's Harbour Boat Restaurant

Although not considered a competitor, Captain John's Harbour Boat Restaurant's (Captain John) history and operations are analyzed in this report to illustrate its inevitable failures. In recent years, Captain John's has closed for business. La Rumba, not at all similar Captain John in terms of business model and operations, does not have similarities as evident in this section.

Brief History

Fleeing communism in the former Yugoslavia, Mr. Ivan Letnik moved to Toronto in 1957. He washed dishes at St. George's Golf & Country Club in Etobicoke before he opened the Pop Inn, at McCaul and Dundas Streets. In 1970 he opened his first seafood restaurant in an old fire boat, the MS Normac. In 1981 the city ferry Trillium rammed that boat and sank it (Bateman, 2013).

Mr. Letnik bought the MS Jadran, a 355-cabin passenger vessel in 1975. He sailed it from Yugoslavia and tied it to the foot of Yonge Street, where it has floated since (Wikipedia, 2014).

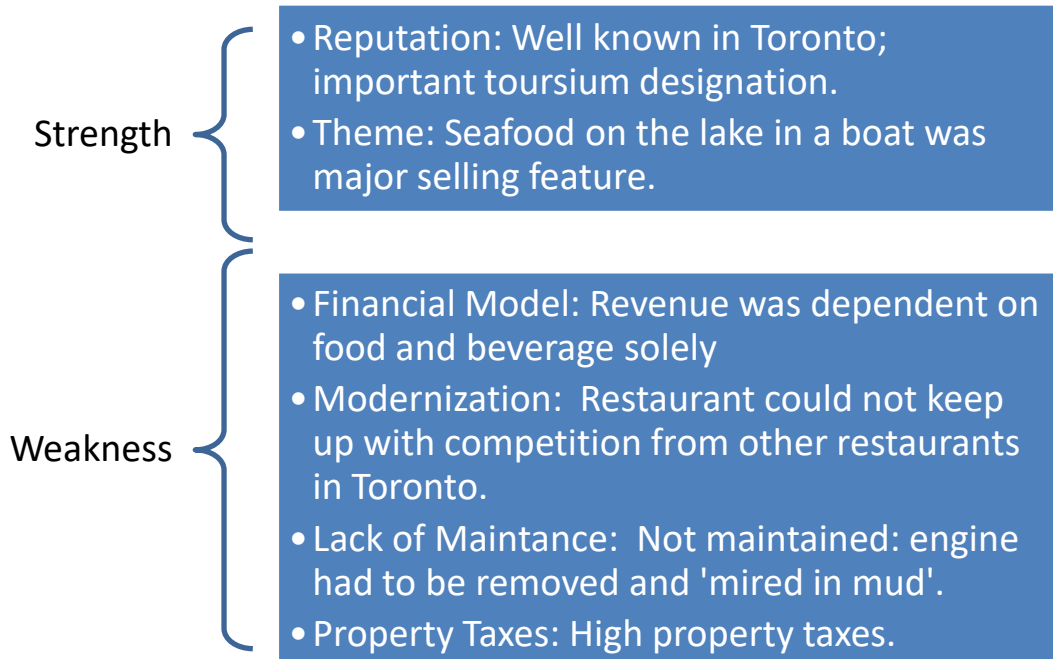
Financial Success and Failure

Through the 1970s and 1980s, the floating restaurant was a desired culinary destination attracting prominent diners such as Brian Mulroney, Mel Lastman, Robert Campeau and Steve Stavro. However, as the years went on the boat restaurant failed to keep up with the city's more sophisticated and diverse food culture (Wikipedia, 2014).

Although the restaurant boasted having "the best seafood in town!" media reviews were average while patrons reviews were mixed. During the last two decades the restaurant's clientele were primarily tourists (Wikipedia, 2014).

Additionally since the boat was no longer able to sail: "The Jadran's engine has been removed, and the ship is reportedly mired in mud, meaning the vessel would have to be towed from its current location". The location also led to the company's demise – with a prime location, at the end of Yonge Street, the restaurant was subjected to high city property taxes. These property taxes with low attendance would eventually lead to organization's bankruptcy: "in September 2013, Letnik now..." owed "...more than \$1 million in taxes, licensing fees, and berthing fees" (Bateman, 2013; Wikipedia, 2014).

A review of the company's strength and weaknesses are listed below:



3.4.2 Boatel

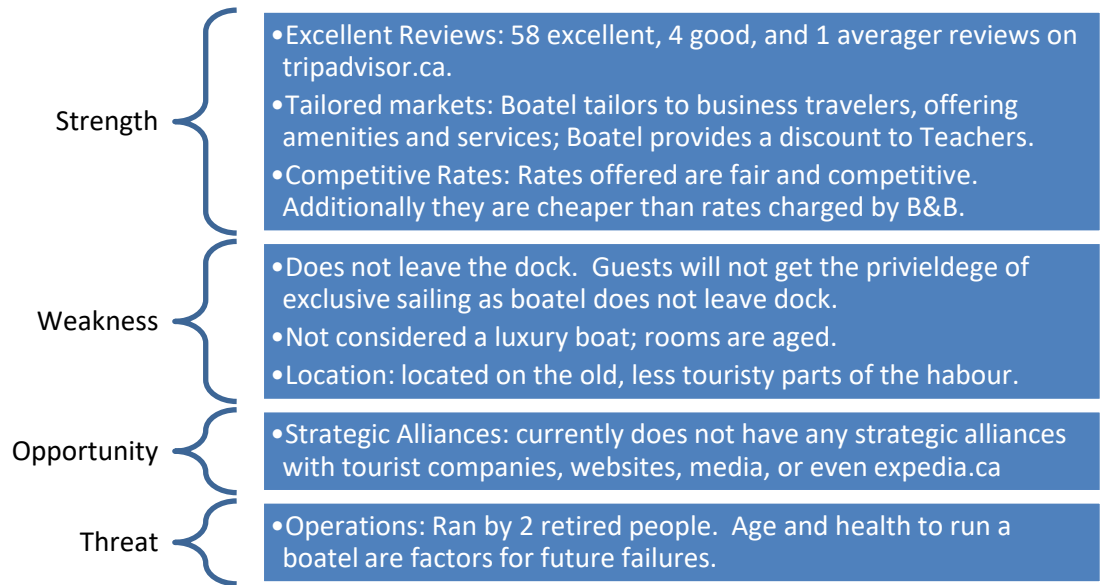
Unlike Captain John's, Boatel is a direct competitor to La Rumba's accommodations & overnight charters. Often described as the most unique bed and breakfast in Toronto, "the Boatel offers a great family vacation holiday, a romantic weekend getaway, or a refreshing change for business travelers" (Boatel, 2014). The boat is docked at Harbourfront – the same area as B&B.

Boatel is not a yacht but instead a trawler – a less luxurious boat. It was built in 1998 and is only 65-foot large. The company offers three guestrooms: a main guestroom with private ensuite at \$250/night, two cabins with shared bathrooms \$175/night. They also allow guests to book all rooms out for \$550/night. Extra features in their price are:

- a gourmet breakfast;
- bathrobes;
- WIFI Internet access;
- free North American calling; and
- Concierge service.

The Boatel remains dockside at all times. Instead, as per the website, the operators of the boatel "can arrange for a public or private day charters" on request but not through the boat (Boatel, 2014).

A review of the company's strength and weaknesses are listed on the next page.



3.4.3 Dance Instructor/Training

The Canada Council for the Arts partook in a country-wide dance registration that lead to a Canadian Dance Mapping:

http://dancemap.canadacouncil.ca/?tags=c_Dance%20instruction/training,c_Dance%20troupe/company,g_Ballroom,g_Salsa%20and%20other%20Latin%20social%20dances,g_Tango,p_ON,t_Toronto. As a result of this study, it can be determined that there are 23 dance instruction/training venues in Central Toronto that focuses on Latin and Ballroom dancing.

Only one of the dance studios, closest in terms of operations and location, has been selected for this section. However, Alberto, owner and manager of La Rumba dance studio, is aware of his competition and has a proven capability, with over ten years of running a dance studio, to successfully compete in this industry.

Danceology

Danceology like La Rumba focuses mainly on Latin and ballroom dances. Its studio is located in the heart of Liberty Village. At 3000 sq feet and recently renovated, it can be considered a large and modern venue.

Their secondary business model involves: room rentals, dance fitness classes, fitness and dancing gear. Additionally they offer:

- rental rooms;
- AC/heater/Fan;
- 14 foot ceilings;
- Wi-Fi;
- Chairs and tables;
- Indoor and outdoor state of the art sound system; and

Their prices include: a free lesson and consultation, pay as you go for private and group lessons, membership deals, and children prices. They also classify students into different levels: Beginner, Bronze, and Silver.



4 Sales and Marketing

4.1 Pricing Strategy

4.1.1 Dance Lessons

La Rumba will offer various types of dance lessons – from mambo to tango to ballroom. The classes will be set at various levels – beginner, intermediate, advance, and expert. The different types of lessons will ensure that the classes offered by La Rumba will suit the needs of a variety of potential clients. The different types of levels will also motivate the client to achieve further results while providing La Rumba the opportunity to resell to them for the next level.

La Rumba will charge \$200 for eight classes. It is estimated that eight classes will be needed to achieve next level status. For charters and those clients that wish to bring guests, the fee per class will be \$30. The fee is slightly higher than the group class fee as it will encourage guests to register for eight classes.

4.1.2 Charter & Hospitality Services

La Rumba will offer charter and hospitality services that match those services offered by 5-star rated hotels. Each room will have a washroom with shower, daily room cleaning, colour-TV with satellite channels, soap and body wash, hair-dyers, lamps, towels, linens and bath robes. The suites will have available for guests food and breakfast for purchase, 24-hour reception with bilingual staff, luggage service, internet access, additional pillow and blankets, and a lobby with seats. Additionally the yacht will be modern and luxurious.

As a result of the 5-star service, La Rumba will charge competitive prices – those matched by other hotels. Please see **Error! Reference source not found.** for the charter rates. La Rumba also offers other services that are not found on hotels, such as boat rides around Toronto.

Dance classes will not affect hospitality guest services as the boat will remain docked during all classes. The boat will only sail for the benefit of hotel guests.

4.1.3 Food and Beverage

Food and beverage as mentioned earlier in this report will be offered. The food and beverage services will offer high quality food and various types of drinks – alcoholic and non-alcoholic. La Rumba will have a full-time chef. Food will be served at breakfast for guests. Dinner options will be available but will also be served to dance patron as well as guests. Drinks will be served throughout the night.

Prices will be higher than average. Not only will the menu be of higher quality but the environment – luxurious yacht facing the city and nature in a prime location – will be worth the value.

4.1.4 Gift Certificates

Gift certificates will be available. The certificates will be valued at \$25 upwards to \$1,000. These can be used for both hospitality services and dance classes.

4.2 Prime Location

La Rumba will be docked at the Harbourfront. The Harbourfront hosts more than 4,000 events a year and more than 17 million visits occur annually (Linton, 2013; Harbourfront Centre, 2014). The Harbourfront Marina has welcomed La Rumba's business model with open arms. The property management has offered a prime central docking location at a discounted price for the yacht.

4.3 Marketing Strategy

4.3.1 Local Community

The Harbourfront is located in central Toronto with various new residential condominium developments. The local community has a population over 70,000. Flyers will be handed out to promote the restaurant and dance school in these condominiums. Below contains a list of Toronto neighbourhoods within 1km.

Figure 10: Condo Development and Population

Area	Estimated # of Residents/Visitors
Harbourfront, Waterfront, and The Island	43,295 ¹
City Place	13,500 ²
Liberty Village	14,500 ³
	71,295.

4.3.2 Toronto Events

There are hundreds of events in Toronto. La Rumba plans to target as many events as possible. There are many different strategies that La Rumba will employ such as strategic alliances, discounts, or handing out flyers, etc. Please see Figure 10 for each event, the business line affected, and the population of attendees.

Figure 11: Events and Attendances

Month	Festival	Line of Business	# of Attendees
January	Winterlicious	Restaurant	180,000 ⁴
February	Canadian International AutoShow	Hotel/Restaurant	300,000 ⁵
March	St Patrick's Day	Dance/Restaurant	500,000 ⁶

¹(City of Toronto, 2012)

²(Bateman, 2013)

³(The BREL Team, 2011)

⁴(Wikipedia, 2014)

⁵(Harper, 2014)

June	Luminato	Dance/Restaurant	1,100,000 ⁷
June	Pride Week	Dance/Hotel/Restaurant	1,000,000 ⁸
June	<i>Jazz Festival</i>	Dance/Restaurant	500,000 ⁹
July	Canada's Day	Dance/Hotel/Restaurant	<i>Unknown</i>
July	Summerilicious	Restaurant	4x regular attendance ¹⁰
August	CNE	Hotel/Restaurant	1,400,000 ¹¹
August	Caribana	Dance/Hotel/Restaurant	1,300,000 ¹²
September	TIFF	Hotel/Restaurant	400,000 ¹³
October	Nuit Blanche	Dance/Hotel/Restaurant	1,200,000 ¹⁴

4.3.3 Web Marketing

Website

A website will need to be completed. The website interface design will be modern and easy to use. It should also mirror the class of a luxury yacht – La Rumba's theme. The website should have four major webpages – one for each of the line of businesses: hospitality/wellness, charters, dance, food and beverages.

The hospitality section will have all the required features that are essential in a hotel website – rates, terms and agreements, accommodations, etc. Additionally the hospitality section will allow patrons to book and pay for accommodations directly online.

The dance section will contain all the required information for dance lessons – types of dance, types of levels, about the instructor, and times/dates. Additionally it will allow the patron to reserve and pay for lessons and packages on-line.

The food and beverage section will be a basic restaurant website. It will contain the menu, times of operations, and permit patrons to make reservations. Additionally any specials – such as summerlicious or prix fix menus will be listed.

The website will have to be mobile friendly as mobile technology use is increasing rapidly.

⁶(Davidson, 2014)

⁷(Wikipedia, 2014)

⁸(Wikipedia, 2014)

⁹(Torontojazz, 2014)

¹⁰(Wikipedia, 2014)

¹¹(Tepper, 2013)

¹²(Wikipedia, 2014)

¹³(tiff, 2014)

¹⁴(ScotiabankNuit Blanche, 2014)

Social Media

La Rumba will have to set up and maintain a Facebook, Twitter, and Instagram account. The information will mirror that of the website. Additionally, this portion of the web marketing will be constantly updated with promotions, discounts, and events. La Rumba can even use this section to notify its customers when the yacht will not be docked at the Harbour.

4.3.4 Media Attention

Alberto will use all his available connection to obtain free marketing broadcasts from TV stations. For example, CTV, CityTV, and CBC regularly host TV shows and newscasts in and around Harbourfront – Alberto has in the past and is willing to approach these groups in the future in hope to receive free publicity. Alberto will also investigate at a later time the costs and returns in hosting an advertisement on Univision, American Spanish language broadcast television network popular in Toronto and Omni's Latin TV time slots.

Alberto will also write various media outlets including BlogTO, Tourism Toronto, Toronto Life and all major Newspaper outlets, in hopes they will do a story on La Rumba or put La Rumba on one of their many published lists.

Lastly, Alberto will investigate the costs and returns in hosting an advertisement physically and digitally in Toronto Star, Toronto Sun, Now, and other prominent local papers.

4.3.5 Instructors

Dance instructors will be hired to teach various classes. These instructors will be selected based on their ability to bring in new clients. Therefore, these positions will benefit La Rumba's business and marketing strategy.

5 Operations

5.1 Manager

Alberto, the owner, will also act as the manager. He will manage the dance studio, hospitality, charters, food and beverage services and the yacht team. Once roles have been developed and leaders have proved themselves, he will promote as necessary. As mentioned earlier, Alberto has years of experience managing and maintaining yachts, dance studios, and clubs.

5.2 Dance Studio

The dance studio will need to hire dance instructors. These instructors will be hired based off estimated demand and how many clients they bring in. They will be hired on a causal basis and not be considered full-time employees. They will teach their lessons as scheduled and continue to return to teach future lessons as needed or as scheduled. They will be paid per hour with bonuses allotted based on number of dance patrons they bring in.

5.3 Hospitality & Charters

Only two employees will be required – a maid and a concierge. The maid will be part-time and be required to clean the boat and hotel rooms as well as do laundry. He/She will be needed for half the day. A concierge will be hired once the hotel business has flourished. The concierge will be required to speak more than one language so to meet the 5-star requirement of hospitality. The person will also be responsible for other tasks hotel related on the yacht – luggage maintenance, payment processing, etc.

5.4 Food & Beverage

The food and beverage services will require a cook as well as a bartender/server. A chef will be hired based on bookings and associated menu requests – the interview will require them to present high quality dishes that can be prepared on a yacht. Although the yacht will provide all kitchen amenities found in a restaurant kitchen, it will be on a smaller scale.

All servers will have to maintain their smart serve and associated responsibilities. He/she will not only be serving the client but also preparing drinks. There will most likely be two servers/bartenders so to ensure that the bar/restaurant provides adequate service.

5.5 Yacht Maintenance

5.5.1 Captain and Crew

Captain will need to be hired on a causal basis – only when the boat needs to leave the dock. The captain will be required to hold a commercial license. Alberto is a captain and can sail the boat if need be, however his position as manager is better suited to focus on the business. Alberto, living on Harbourfront since 2003, is able to find a captain on short notice when need be.

Two crew members will need to be hired. They will be in charge of the front part of the yacht (known as the bowl) and the back part of the yacht (known as the stern).When not sailing, the

crew is in charge of maintaining the yacht – washing, checking lines, waxing, and maintaining fenders.

5.5.2 Mechanic

A mechanic is required for upkeep of the engine. He will be required based on needs. At least three times a year he will be employed – to change the oil, summarize, and to winterize the yacht. Any sporadic issues cannot be foreseen.

6 Financials

Full Financial statements can be found in Appendix C.

6.1 Capital Investment Required

La Rumba's requires funding for purchase and delivery of the yacht as well as the costs to implement certain aspects of the corporation's revenue streams. It is estimated that the initial capital investment is valued at \$2,000,000 CAD. Figure 12 illustrates the investment in details.

6.1.1 Figure 12 - Required Capital Investment

Yacht		1,700,000		USD
Duty Fees	169,680		Capitalized to Asset	CAD
Currency Exchange	<u>178,610</u>	348,290	Capitalized to Asset	CAD
Mechanic				
Mechanic, Fees	1,000		Capitalized to Asset	CAD
Mechanic, Flight	400		Expensed	CAD
Mechanic, Accommodations	<u>600</u>	2,000	Expensed	USD
Transportation to Toronto				
<i>estimated days:</i>	21			
Onboard Mechanic, Fees	4,200		Expensed	CAD
Captain, Fees	3,150		Expensed	CAD
Fuel, Florida to Toronto	60,000		Expensed	USD
Marina	2,500		Expensed	USD
Insurance	2,000		Expensed	CAD
Oil	2,000		Expensed	USD
Transportation, Misc	<u>5,000</u>	78,850	Expensed	USD
Other Fees				
Alberto Travel - Flight, Car, Hotel, Meals	2,000		Expensed	USD
Lawyer	1,500		Capitalized to Asset	CAD
Surveyor	4,000	7,500	Capitalized to Asset	USD
Redesign Yacht and Start Business				
Dance Studio Set-up	10,000		Capitalized to Asset	USD
Marketing Strategy	5,000		Expensed	CAD
Computer System - POS	5,000		Capitalized to Asset	CAD
Hotel	5,000		Expensed	CAD
Restaurant	<u>10,000</u>	35,000	Expensed	CAD
Total		<u><u>2,171,640</u></u>		
Cash investment		<u><u>-200,000</u></u>		CAD
Required Funding		<u><u>1,971,640</u></u>		CAD

6.1.2 Yacht Costs

La Rumba plans to purchase a \$2.5 million yacht at the value of \$1.5-1.7 million. Due to very low boat sales – still at recession levels – this drastic price reduction is common in the yacht industry today. Since the yacht will need to be purchased in Florida and subsequently paid in USD, it will be subject to Canadian tariffs and CAD-USD exchange rate. Tariffs are valued at 9.5% of the cost of the asset. In terms of currency exchange discrepancies, La Rumba took a conservative approach and has assumed the USD will be valued at \$1.25 CAD in March 2018.

6.1.3 Additional Purchasing Costs

Additionally La Rumba is subjected to normal purchasing costs of buying a yacht –Mechanic review and approval, Lawyer, and Surveyor.

6.1.4 Transportation Florida to Toronto

Since the yacht is estimated to be around 100 ft, the only way to transport from Florida is through sailing it. Insurance will be purchased and a captain and a mechanic will be required on the yacht during the transportation to ensure the boats safety. Fuel is expected to cost only \$60,000 as La rumba will require the yacht to have a full gas tank before the yacht is purchased.

6.2 Revenue Forecast

6.2.1 Dance Studio Income

The dance studio is estimated to be in operation in the beginning of July. Since La Rumba will host 3 levels of dance classes 7 times a week it, a total of 21 classes will be administered per week; therefore in a month it can be planned that La Rumba hosts 64 classes per month. It is estimated that class size will be between 10 to 40 students – this estimation is based on Alberto's previous experience as a dance studio owner and it is often the range of attendees at other dance studios across the city. The average attendees per class is 25; so it can be estimated that La Rumba will host dance lessons for 1,600 students per month.

As discussed in the previous sections, La Rumba will charge \$30 to drop-in attendees and \$25 to attendees who purchase the 8-class package. It is estimated that the drop-in and package ratio of attendees be 1:9.

Instructors are charged \$50/class and earn a commission of % 15 for bringing in new students - 35% of attendees are estimated to be brought in through an instructor.

6.2.2 Hospitality/Charter Income

The hospitality/charter portion of the company was estimated using Toronto's 2013 occupancy rate. (Please note: this is a conservative approach since, as per previous section, Toronto occupancy rate is expected to grow during the next 5 years.) As with the Dance studio, La Rumba took a more conservative approach and used a percentage of occupancy rates to calculate

revenue – the idea behind this theory is that less people will be interested in staying overnight in a yacht in the winter compared with staying in a hotel.

As mentioned in the operation section, the company will have 2 beds available for each class. See Figure 13 for a quick review.

Figure 13 Rooms and Prices

	Price/Night	Number of Rooms
VIP Estate Room	\$500	2
Guest Estate Room	\$300	2

Using B&B monthly projections on rates on Toronto’s monthly hotel occupancy rate, the available number of rooms and their relative prices, and number of days per month, revenue is estimated in **Error! Reference source not found.**

A maid and a concierge are the related wage expenses relevant to the hotel business. They are both paid \$15/hr, however the maid would work 6 hour/day where the concierge works 8 hours/day. Miscellaneous expense is related to the costs associated with linens, toiletries, etc.

6.2.3 Food & Beverage Income

The yacht will be able to hold 4 tables which will be able to fit 4 people per table. Food & Beverage will be available to guests for Breakfast, Lunch and before/ during dance classes. This would include charters and hospitality bookings. Drinks will be available during the whole day and permitted after dance lessons.

6.3 Cash Flow and Funding

Alberto hopes to obtain a government supported loan with a discounted interest of 3%. He is currently in discussions with BDC. He is also looking at Canadian Banks and as well as silent investors. However, for the pursue of the financial statements, La Rumba is conservative and estimated interest rate for \$2,000,000 loan at the average 6% rate. With this rate, it can be estimated that La Rumba have a positive cash flow in 2021 – its 3rd year of operations. Please see Appendix C for financial statements.

Appendix A: **Supporting Documentation**

Appendix A: Supporting Documentation

Alberto Gomes

890 St. Clarens Avenue
Toronto, Ontario M6H 3X6
Home Phone: (416) 658-7581
Cell Phone: (647) 295-7581
Email: albertosalsa@hotmail.com
Height: 5'9" Weight: 150 lbs

20 Years of Dance Performances and teaching throughout Canada, USA, Cuba and Ecuador

Performances

- Performed in concert for Salsa legends such as Tito Puente, Celia Cruz, Johnny Pacheco and Eddie Palmiere
- Carnival Cruise Line-Argentine Tango and Salsa Shows
- Danced and Acted in musicals such as "A Rose for Mr. Tango"

Choreographed

- Movie: The Tuxedo starring Jackie Chan, Jennifer Love Hewitt and Jason Isaac
- The Latin Ambassadors Dance Troupe (Performed for five consecutive years at Ontario Place)
- George Randolph Academy of Dance Theatre and Arts

Dance Competitions

- 7 Year Toronto Salsa Champion

Teaching

- 20 Years of Teaching Experience in all Latin Rhythms, Ballroom, and Argentine Tango

Awards

- Awards of Achievement as pioneer of salsa instruction and performances

Special Skills

- Competitive Boxing, Swimming, Horseback Riding, Powerboat Operation and Navigation

Work Experience

- 1993-2003 *Owner of La Classique Night Club*
 - Latin Dance Instructor
 - Latin Dance Choreographer and Performer
 - Entertainer
- 1989-1992 *Berlin Night Club*
 - Promoter
 - Latin Dance Instructor
 - Dance Competition Coordinator

Languages

- English, Spanish, Portuguese and Italian.

Appendix B: Yachts

Appendix B: Yachts

Yacht 1

Additional Specs, Equipment and Information:

Boat Name

EXUMA

Specs

Hull Shape: Deep Vee

Dimensions

LOA: 101 ft 1 in

Beam: 20 ft 8 in

LWL: 79 ft 10 in

Maximum Draft: 6 ft 7 in

Dry Weight: 196200 lbs

Engines

Total Power: 4800 HP

Engine 1:

Engine Brand: MTU

Year Built: 2006

Engine Model: M93

Engine Type: Inboard

Engine/Fuel Type: Diesel

Location: Starboard

Engine Hours: 2900

Drive Type: Direct Drive

Engine Power: 2400 HP

Engine 2:

Engine Brand: MTU

Year Built: 2006

Engine Model: M93

Engine Type: Inboard

Engine/Fuel Type: Diesel

Location: Port

Engine Hours: 2900

Drive Type: Direct Drive

Engine Power: 2400 HP

Tanks

Fresh Water Tanks: (660 Gallons)

Fuel Tanks: (2383 Gallons)

Holding Tanks: (132 Gallons)

Description

Main Saloon

- Fitted carpet and granite surround
- Low coffee table
- Bar with 2 stools
- Cocktail cabinet with glass stowage
- Fridge with icemaker
- Granite counter top with sink

- LCD television (55")
- Hi Fi surround sound system with radio, CD & DVD , BOSE V35
- Flooring cherry wood (Bruce Afzelia Natural)
- Granite surround beside patio doors in Giallo Veneziano granite

Dinning Area

- 8 x leather chairs
- Cabinets with doors and drawers
- Chinaware, glassware and cutlery – complete set for 10 people Side windows with blinds
- Halogen overhead lighting
- Air conditioning
- Fitted carpet and granite surround Manual sliding door to galley

Special Instructions & Extras

- Giallo Veneziano Granite inset under dining table and chairs
- Special extendable table (central leaf to store within table) to be cherry with no glass inset or black lacquer edge
- Additional 2 dining chairs required (total 10)
- Granite top for forward central unit with cherry fiddle (Galaxy Black)
- All light switches to be lit GEWISS type with description on each switch
- Haviland 'Clair de Lune' Arcades 1272 china with stowage consisting of:

Galley

- Entrance from the Main Deck Lobby
- Watertight side door leading to port side deck (manual with electric lock)
- Granite floor
- Granite work top with sinks
- Waste disposal unit in sink
- Ceramic electric four ring hob
- Extractor fan ducted externally
- Coffee maker (freestanding)
- Electric oven
- Microwave
- 2 x Fridges
- 2 x Freezers
- Wine cooler
- Dishwasher (full-size)
- Cabinets and overhead lockers
- Side windows with blind
- Overhead halogen lights
- Air conditioning
- AC sockets
- Telephone point
- Fold-down work surface (forward starboard side)
- Dalsouple rubber flooring with drain at aft end (in front of oven)
- Diverter valve under Galley sink to drain to grey water tank or directly overboard
- Additional extractor fan
- Sink tap type with pull-out head
- Waste disposal switch to be waterproof and beside sink
- Removable stainless steel upstand required around hob
- APPLIANCES:
- 2 X 700mm wide Miele ovens
- 5-ring Miele ceramic hob
- Wider extractor to accommodate larger hob
- Large Whirlpool (GH5184XP) microwave
- Full-size Miele dishwasher
- Rubbish compactor
- Frigo custom fridge/freezer with remote compressors
- Sub-zero freezer drawer unit with icemaker (700BFI) located forward
- Sub-zero fridge drawer unit (700BR) located forward

Main Deck VIP Cabin

- DVD multi-region
- Square Galaxy Black Granite inset above mini bar
- Data point beside desk telephone point connected to hub in tech area
- Two satellite decoders (DLA & Direct TV) connected to TV
- All light switches GEWISS type
- Telephone handset Bang & Olufsen
- Single remote to control AV equipment
- Custom Aft bulkhead moved aft by 200mm to provide more space within Stateroom
- Minibar

Lower Deck Master Stateroom

- Double berth with sprung mattress, pillows and bedspread
- Fitted carpet
- LCD screen Television
- Hi Fi surround sound system with radio, CD/DVD BOSE,
- Magic eye for entertainment equipment
- Mini bar fridge & glassware stowage (2 x champagne, 2 x whisky & 2 x hi-ball)
- Dressing table with low back chair
- Four vertical portlights on each side (central two openable, outer two fixed)
- Storm shutters for all portlights, storage required for storm shutters
- Storage combination of cupboards and drawers
- Telephone handset type – B&O Dect located beside desk
- Square Emerald Pearl granite inset above mini-bar
- Data point beside desk area telephone point connected to hub in tech area, ability required to print from laptop to network printer in Wheelhouse (AC point required within close proximity)
- Two satellite decoders (DLA & Direct TV) connected to TV (AV remote to switch between decoders)

Port Guest Cabin

- Two single berths with sprung mattress, pillows and bedspread
- Wardrobe with wooden hangers
- Safe deposit box
- Fitted carpet
- Three vertical portlights (centre one openable, outer two fixed)
- Storm shutters required for all portlights, storage required for storm shutters
- Third, fixed berth on inboard side. Lower berths to be 860mm wide. Upper berth to be 760mm wide
- Infill required to convert lower berths into double berth
- TV upgraded to 20" LCD
- Data point beside telephone point connected to hub in tech area (AC point required within close proximity)
- Two satellite decoders (DLA & Direct TV) connected to TV (AV remote to switch between decoders)
- All light switches to be lit GEWISS type with description on each switch
- Telephone handset type – B&O bulkhead mounted beside dressing table
- Built-in Sony Playstation 2 with wireless controls

Starboard Guest Cabin

- Two single berths with sprung mattress, pillows and bedspread
- Wardrobe with wooden hangers
- Safe deposit box
- Fitted carpet
- Bedside cabinet with drawer Reading lights
- LCD Flatscreen Television
- Large vertical portholes with storm shutters and blind Storage under berths
- Mirrors
- AC sockets
- Telephone point

- Escape hatch
- Three vertical portlights (centre one openable, outer two fixed)
- Storm shutters required for all portlights, storage required for storm shutters
- Third, fixed berth on inboard side. Lower berths to be 860mm wide. Upper berth to be 760mm wide
- Infill required to convert lower berths into double berth
- TV upgraded to 20" LCD
- Data point beside telephone point connected to hub in tech area (AC point required within close proximity)
- Two satellite decoders (DLA & Direct TV) connected to TV (AV remote to switch between decoders)
- Telephone handset type – B&O bulkhead mounted beside dressing table
- Built-in Sony Playstation 2 with wireless controls

Raised Wheelhouse

- Main engines single lever electronic controls (MTU) Full engine instrumentation (analogue)
- MTU Blue Line Engine displays
- High exhaust temperature warning
- Engine stop warning
- Trim tab control
- Bow & stern thruster control
- Ride stabilising system control
- CCTV monitoring and control
- Fuel level gauge
- Fresh water level gauge
- Rudder angle indicator
- Full monitoring of boat systems
- Windscreen wipers with glass washing system
- Demisting fans for windscreen
- 3 x searchlight controls
- Telephone points (port-side x 4)
- AC sockets
- Air conditioning
- Adjustable seat with electric movement control
- Starboard chart table with storage & chart light
- Sofa
- Clock & Barometer
- Teak floor
- Additional carbon fibre dash panel located in headlining above helm position for depth, speed and wind displays
- Teak stair treads and flooring without caulking with satin varnish
- Upgraded air conditioning capacity
- Data points X 2 beside telephone point connected to hub in tech area
- Black mesh windscreen cover required for forward and side screens

Navigation Package

- CCTV connected to NavNet display & NavNet PC screen
- Nav PC (to run Nobletech software) with 15" display and wireless keyboard
- Furuno GP37 DGPS dedicated GPS for Nav PC
- Fax/Printer/Scanner connected to Nav PC and Fleet 77 (located on aft starboard side of Wheelhouse), used as network printer
- Radar/Chartplotter upgraded to Furuno NavNet Black Box with 17" and 15" display. AIS (FA-150), ARPA and GPS/WAAS
- Second radar Furuno FAR2117BB (with six-foot scanner) connected to 17" PC display in wheelhouse only
- Network Sounder black box connected to NavNet system
- Weather fax black box connected to NavNet system
- Simrad IS15 Depth and Speed Multi Displays (located in overhead panel)
- Simrad IS15 Analogue Wind Display (located in overhead panel)
- Simrad AP50 Autopilot

- Simrad RS87 VHF with four handsets and two intercom points
- Icom 502 VHF X2 with Commandmic at Flybridge helm and Crew Mess
- Hand-held Icom M88 VHF X3 (chargers to be built-in)
- Furuno SC-50 satellite Gyro Compass display (SC-502)

Electrical System

- Frequency Converter (40 Kva)
- 1 x 3 phase dockside connection (100 amp) with Glendinning Cablemastersystem and remote control
- Telephone (2 lines) and television dockside connection
- Telephone exchange with handsets throughout boat
- Power management load sharing and protection system. Protection is by means of magnetic circuit breakers and residual current devices at 300 mA
- Seamless transfer between shorepower & Generator
- Remote battery Isolation switches
- 3 x 24v 95 Amp chargers
- 1 x 12v 40 Amp charger
- Emergency battery cross connecting system
- AC Engine room fans
- Engine room and bilge lights
- TV antenna and circuit Glomex
- CCTV system comprising of 4 cameras (Engine Room facing aft, Radar Mast for stern docking, one on each outboard side of Aft Cockpit deckhead) connected to display in Wheelhouse (with control) and Flybridge Helm (without control) plus to Crew Mess and Captain's Cabin TV's (without control)
- Data network with outlets in all cabins, Saloon, Wheelhouse, Crew Mess and Captain's Cabin. Connected to hub in tech area and Fleet 77
- KVH G8 satellite TV system connected to six DLA and six Direct TV decoders (located in Guest Cabins, Saloon and Crew Mess)
- KVH Fleet 77 satellite telephone system connected to PABX and on board data network
- Phone point on bracket for side boarding ladder, connected to PABX
- Dual band GSM for voice/fax/data connected to PABX
- Muster alarm with activation from Wheelhouse, Crew Mess and Engine Room

Engine Room

- Trolling valves for gearboxes
- Hydraulic power steering with pumps driven from each gearbox Hydraulic pumps for bow thruster and stern thruster
- Small Safi valve fitted in conjunction with engine-driven bilge pump Emergency steering
- Oil exchange system for engines/gearboxes/generators
- Intakes for air circulation with emergency shutdown
- AC forced air extraction with automatic shutdown flaps Temperature sensor on exhaust jackets
- Removable dunnages
- Water-cooling for deep sea seals via ball valve
- Inspection lamp
- Fuel tank level indicator (sight gauge for wing tanks)
- Remote switches for fuel sight gauges
- Fresh water outlet with basin
- Fluorescent lights
- Engine room sound insulation covered in unperforated white alloy 2 X fire alarm systems
- Engines control system panels
- Fire extinguishing system
- CCTV Camera
- AC/DC electrical outlets (double AC & 1 X 24v outlet)
- Workshop compressor with outlets in transom services locker and

Systems & Generator Area

- Separated from main engine room
- Doorway to engine room
- Frequency Converter (40 Kva)

- AC/DC electrical outlets above workbench (double AC & 1 X 24v outlet) Power management system panel for protection and control of the AC electrical system
- Workbench with vice
- Telephone point
- Toolbox
- Steering hydraulic control unit
- Trim tabs and hatch hydraulic control unit Gangway hydraulic control unit
- 1 X Water maker (234 litres per hour / 62 US gals per hour)

Generators

- Generators: 2 x 50kw @ 60hz
- Water separating silencers
- Power management system
- Computer controlled synchronising and load sharing system
- Automatic control of generators and distribution system
- Full manual back up operation of generators shore power selection and feeder sub board selection
- Electric pump for re-fuelling tender from diesel tank
- Forward long-range integral fuel tank
- Fire alarm with central alarm in wheelhouse and sensors in all cabins, galley, dining area, saloon, wheelhouse, crew mess, generator room, engine room & garage
- FM 200 & CO2 with its own heat detection system, including engine and generator shut down air intake and extraction flaps shutdown and 30 second time delay before releasing FM 200
- 12 x portable fire extinguishers installed for an immediate use
- 1 x electric pump AC, to be fed via sea water strainer for fire fighting and chain washing
- 1 x hand operated pump, to be fed via sea water strainer for fire fighting and chain washing
- Fire hydrant outlets forward & aft with fire hose & nozzle

Deck Equipment

- Side gate and door on port and starboard side
- 12 stainless steel cleats
- Ship's bell above forepeak locker
- Intercom speaker located in forepeak locker
- Fairleads bow and stern, port and starboard
- Automatic anchor and chain salt water wash down
- Fresh water deck wash with outlets forward and aft
- Pulpit and handrails with stainless steel stanchions
- Lighting around side decks
- Sunpad and seat at the bow
- Large storage locker below forward sunpad with power lift for fender stowage
- Triple horn cluster located on Wheelhouse roof
- Windlass and capstans 3-phase
- Indication in Wheelhouse for when side deck Engine entrance door open
- Stainless steel anchor plates to extend past chine down to waterline
- Stainless steel rubbing strake at bow (to waterline)
- Anchor chain lengths to be increased to 2 X 120m (galvanised steel) in lieu of std
- Cleat chafing plates
- Manual switch for chainwash in forepeak locker (1 of 3)
- Sealing around windows in black

Aft Cockpit & Bathing Platform

- Table and settee for 8 people with 3 X directors chairs
- Storage within aft seat moulding
- Teak stairs to Flybridge
- Teak laid cockpit sole and stairs to bathing platform
- Teak bathing platform
- Stainless steel framed sliding doors to Main Saloon
- Side deck door and stairs to engine room and tender garage

- Overhead lighting
- Low level lighting
- Four stainless steel cleats and fairleads at the stern (Aft Cockpit)
- 2 x cockpit stern gates
- Portable engines and thrusters remote control on lead
- Emergency steering position in starboard side locker
- VHF handset beside emergency steering position
- Hydraulic gangway
- Steps down to bathing platform
- Bathing ladder (removable)
- Hot / cold water hand-held swimming shower
- Locker with dockside water and deck wash in the stern
- Locker with electrical shorepower connections, TV & telephone connection
- 2 X stern cleats on bathing platform
- 2 X pop-up cleats on bathing platform
- CCTV camera located on each aft outboard side of deckhead
- Table one piece with high-gloss finish
- Custom cold store
- Capstans to be 3-phase in lieu of hydraulic
- 6 X Summit SD346 Folding teak/stainless Directors chairs (Sunseeker Florida to supply)
- Outlet from Engine Room workshop compressor in transom services locker
- Stern docking lights with stainless steel bezels (located on underside of flybridge overhang)
- Non-slip finish on flat GRP areas on bathing platform
- Cleat chafing plates required in lieu of chafing bars (see detail sketch)
- Speakers (2 X Bose 131) connected to Saloon Bose system

Stern Garage

- Stern garage with storage for tender launch & recovery system for 5.4 meter tender and two jet skis (not included)

Flybridge

- Direct access from the Wheelhouse and from the Aft Cockpit Stainless steel framed windscreen
- Teak-laid flybridge deck
- 2 x remote control spotlights on radar arch Lighting on underside of radar arch Low-level lighting
- Loudhailer
- Spa tub
- large Sunpad
- Deckwash outlet
- Dining table with seating
- Fully-fitted wet bar with sink
- Fridge
- Ice maker
- Electric griddle
- Stern rails
- Ensign and staff
- Large fixed bimini to cover area from radar march to top of flybridge windscreen, zip fixings required in lieu of cord. Canvas top to have zipped section above bar grill to provide ventilation when frying. Navy Blue canvas top
- Forward starboard bench seat raised with step up (
- GRP storage locker on starboard side
- Port side oval table to have high gloss finish
- Two high gloss teak tables on starboard side without folding leaves, space between tables 450mm.
- KVH G8 satellite TV system connected to six DLA
- and six Direct TV decoders
- KVH Fleet 77 satellite telephone system connected to PABX and on

- board data network
- Dual band GSM for voice/fax/data (needs to be compatible with Singular network) connected to PABX
- Furuno four-foot and six-foot scanners on radar arch
- CCTV camera located on radar mast for stern docking
- Safety rails to have perspex dodgers (same tint as side deck windows)
- Speakers (6 X Bose 131) connected to Saloon Bose system
- All GRP locker lids have stainless steel catches
- Two sockets in aft Flybridge deck for umbrellas
- Bar top in Imperial White granite
- Removable stainless steel upstand around griddle
- Furuno Network Weather Fax antenna on radar arch
- Furuno SC-50 satellite Gyro Compass (located at top of light mast)
- NUC lights
- 2 X Summit Stacking Chaise with cushions in Sunbrella Nette
- All Antibes lights (large) Xenon bulb type

Crew Mess and Crew area

- Dinette table with sofa
- Cabinet and overhead lockers
- CD/DVD with two speakers
- LCD Television
- VHF with DSC
- Depth & speed multi-view display Microwave and sink
- AC Socket
- Porthole with storm shutter and blind Overhead halogen lighting
- Second Miele Washing Machine and vented Tumble Dryer (stacked)
- Monitoring panel display upgraded to 8" touchscreen display
- CCTV connected to Monitoring Panel display
- TV 20" LCD
- Commandmic connected to Icom VHF in Wheelhouse
- Telephone handset type – B&O bulkhead mounted
- Ironing board

Underwater Gear

- Bow thruster (Hydraulic/engine driven - 50hp)
- Stern thruster (Hydraulic/engine driven - 50hp)
- Ride stabilising system
- Furuno Network Sounder transducer connected to NavNet system
- Xenon DC Underwater lights X 6 each side and X 5 across transom

Sanitary and Water System

- Tecma toilet system (DC) turbine pump discharging to black water tank c/w tank full indication
Black water tank with level indication at monitoring panel
- Special Instructions & Extras
- Capacity of Black water tank to be minimum of 600 litres
- Capacity of Grey water tank to be minimum of 400 litres

Hot Water System

- 1 X AC Bronze hot water circulating pump
- Insulated 28mm dia. Acorn piping throughout to reduce heat loss Accumulator tank
- 2 X 153 ltr. Hot water cylinders, each fitted with 2 X 2kw immersion heaters

Fresh Water System

- 1 x AC Fresh water pressure system
- 1 x 24v DC Fresh water pressure system
- Accumulator tank
- 28mm dia. Acorn piping throughout supplying all outlets Water purifier supplying entire fresh water system
- 2 X Sea Recovery watermakers in lieu of std:
- Commercial pre-filter option with oil/water separator
- Fresh water flush option

Safety Equipment

- 2 X 8 man Life rafts
- EPIRB located aft on Flybridge
- Captain supply walkabout oxygen system

Additional Specs, Equipment and Information:

Boat Name:

Sea Breeze

Draft:

5' 5"

Current List Price:

\$1,695,000 USD

Fuel Capacity:

977.4365924

Year:

2005

Fuel Type:

Diesel

Engine Model:

16V2000

Engine Manufacturer:

MTU

Length:

101' 9"

Beam:

22' 4"

Hull Material:

GRP

Location (city):

Palm Beach

Location (state):

Florida

Location (country):

United States

Description

STYLISH, DISTINCTIVE HARMONY & ASSERTIVE SWEEPING LINES...
“31 METER YACHT CRAFTED AND CONCEIVED IN GERMANY BY KAISERWERT”

The sophisticated work of KaiserWerft, Sea Breeze showcases design and engineering craft at its best. Built in Germany in 2005, with every imaginable extra, fittings of the highest quality have ensured luxury on-board, with use of the finest materials, equipment and tools.

The exterior is futuristic. Assertive sweeping lines are balanced with a distinguished interior of luxury spaces that reflect contemporary yet graceful opulence. Form and function, comfort and attention to every detail invites guests to truly relax.

“A mix of classic and contemporary flavor at its finest”

Introduction

The motor yacht SEA BREEZE is a 31 m 102 (foot) well sized composite boat which was crafted by Kaiserwerft and conceived by Kaiserwerft. Accommodating 8 passengers and 4 crew. Launched to celebration in the year of 2004 this yacht's interior design showcases the design knowledge which are originating from Kaiserwerft and the owner who commissioned the yacht. Sea Breeze was fitted with a traditional fin stabilization system when built. This Owner has installed a Sea Keeper gyro zero speed stabilizer for additional stabilization. Sea Breeze is ready to take your family to the Bahamas or points beyond in comfort and style.

Accommodations

Owner's Suite (Main Deck)

Split level Double Cabin with sitting area, lower level king-size bed. Higher level en-suite bathroom with combination Jacuzzi/bath/shower twin wash stand, WC and bidet.

Owner's cabin (Lower Deck)

Double cabin with sitting area, desk and large wardrobe. Ensuite-Bathroom with combination bath/shower, wash stand and WC. Twin cabins with shower room's en-suite.

- | | |
|---------------------------|--------------------------------|
| • Crew Cabins (x2) | Twin berth Cabins |
| • Crew Mess | Dining/rest area for 4 persons |
| • Crew Bathroom | Shower and WC |

Engines

MACHINERY

- Main Engines 2 x MTU 16V 2000 M91 Charge Air Cooled, Turbocharged, Electronic Governed, Marine Diesel Engines 2000 HP (1471 kW) @ 2350 RPM. W-4 service in January, 2017
- Gearboxes ZF 2555, reverse/reduction gearboxes, ratio 1:2.462
- Shafts/Propellers "Inline" shafts of Aquamet steel alloy, water lubricated stern bearing + 2 outboard "P" brackets. 2 x Propellers, Dia.1080 mm 5 Blade NAB running in partial tunnels

Electronics

NAVIGATION EQUIPMENT

Magnetic Compass

- 1 x Cassens Plath mainhelm

Sat. Compass

- 1 x Simrad HS50

Auto Pilot

- Simrad AP50 Hand Remote, heading signal from Simrad HS50 and Rategyro/Fluxgate RFC35R

Depth Sounder

- Forward looking sonar FLS Gold

Radar

- Simrad RA83 Single 4' Scanner GPS signals from Simrad HS50 & Simrad GN33S/W

Weather Fax

- Navtex NAV-5

Chart plotter

- Simrad chart system CS 55 15”TFT

Wind Inst.

- Simrad IS 15 with lot/log

Audio & Visual Equipment

Salon

- Beo-Sound 9000 Audio/Hifi
- BeoCord V8000 video recorder
- B&O DVD player
- BeoVision 4-42 TV
- Karthrein Sat receiver UFD590
- Sonance Ceiling speaker

Owner’s Suite

- BeoCenter2 audio/HiFi

Main Deck

- BeoVision 5 TV
- HT 502 speakers
- Karthrein Sat receiver UFD590

Owner’s Suite

- BeoVision 5 TV

Lower deck

- HT 502 speakers
- Karthrein Sat receiver UFD590

Guest Cabins

- BeoVision 6 TV
- BeoCenter 2 audio/HiFi
- HT 502 speakers
- Karthrein Sat receiver UFD590

Crew Cabins & Mess

- 2x Sharp LC-15S1E TV
- 2x Car radio
- Karthrein Sat receiver UFD590

Dining Area

- BeoVision 6 TV

Galley

- Car radio

Aft Deck & Boat Deck

- Ceiling Speakers

Machinery & Electric

Water maker

- AQUABASE, 200l per hour

Generators

- 2 x HFL

Marine Generator Sets

- 3 phase, 230/400 V AC 50 Hz/(60 kW)

Perkins Base Engine

- (4 Cyl. rated @ 1500 RPM)

Electricity

- 230 volts AC 1 phase 50 Hz
- 400 volts AC 3 phase 50 Hz

Shore Power

- New Atlas power converter installed in 2016

Power Convertor Output

- 80 kVA, 180-520 VAC 50-60 Hz, mono or 3 phase w/ synchronisation, dual shorecord

Batteries

- 24 volt DC Systems Gel

Batteries with Dolphin Chargers 2pcs.

- 120A 3pole
 - 800Ah 24V Domestic
 - 400Ah 24V Engine Starting
 - 200Ah 12V Radio/Coms)
 - 200Ah 12V Service
- All batteries new in 2016

Inverter

- Mastervolt 24V to120V

Steering System

- BCS twin hydraulic ram, twin balanced rudder arrangement with interlink.

Bow Thruster

- 36 kW/50 hp, Hyd. powered via PTO

Stern Thruster

- 36 kW/50 hp Hyd. powered via PTO + WESMAR Stabilizers

Fuel Filters

- Racor D-75/1000MAX Racor D-*500MAM30

Fire/Bilge Pump

- 1 x Biergans AM 50EM2 T50, 40m³/hr
- 400VAC

1 x ACM

- 401BT, 24VDC, 14m³/hr 4xJabsco 3550

Boiler

- 2 x G&R, 200 litre Electric Hot Water
- Boiler 5+5kw

WC's

- 6 x TECMA Marine WCs, sea water flush plus
- Integral Water Bidet

Air Conditioning

- HFL Chilled Water AC Compressor Plant 280,000
- BTU Individual fan coil units for each room

Stabilizer

- Zero speed Sea Keeper Gyro stabilizer installed in 2014
Wesmar fin stabilizers

Deck Equipment

DECK EQUIPMENT

Anchor Windlass

- 2x 3500 watt/24 volt

Lofrans

- Vertical Aft Warping

Capstans Lofrans

- 2x1500watt/24VDC

Ground Tackle Anchor

- 2x 128 kg High Holding Power

Chain

- 2x 110 metres, 12,5mm stud link

Boat Crane

- Besenzoni Hydraulic Crane Type
- G 309 600 kg Rebuilt in 2016

Passerelle

- Besenzoni Hydraulic

Passerelle Type

- PI 383

Galley & Laundry

Domestic & Office Equipment

Main Galley

- Miele 4 ring cooking stove
- Miele Air Extract Hood
- Miele Oven
- Miele Dishwasher
- Miele Microwave
- Miele Steam cooker
- G.E. Footcenter; Icemaker
- Miele Freezer
- Miele Refrigerator
- Miele Coffee Machine
- Universal Trash Compactor
- Miele Dish warmer
- Liebherr Wine cooler

Crew Mess

- Siemens Microwave
- Siemens Refrigerator
- Siemens Cooking stove
- Siemens Air Extract Hood
- AEG Freezer

Laundry

- Miele Washing machine
- Miele Dryer

Guest area

- Miele Refrigerator

Helm station

- Coolmatic Refrigerator

Owner's Cabins

- Coolmatic Refrigerator

Salon

- Wesamat Icemaker
- Miele Refrigerator
- Liebherr Refrigerator

Fly

- Miele Grill

OFFICE EQUIPMENT

Network

- 2x patchfeld switch HP procurve
- 2124 Wall sockets in all spaces throughout yacht

Printer Network

- Brother MFC 9030 printer/fax/copy

Internet

- Connection with the Simrad F55 System

Facsimile

- Interfaced via PABX to SATCOM
- GSM & PSTN

Safety & Fire Protection

SAFETY & SECURITY EQUIPMENT

Safety

- Watertight bulkheads 4 towing, Rope Rocket Line
- Thrower
- 1 x JOTRON SART
- 1 x JOTRON EPIRB
- 1 x Axis50 GMDSS VHF

Life Rafts

- 3 x 8 Man VIKING RescYou™ Raft Pro, Self-righting life rafts with SOLAS “B” packs in GRP containers with float free hydrostatic release units.

Lifebuoys

- 4 x Lifebuoys (2 with buoyant lines, 2 with smoke/light)

Lifejackets

- 14 x SOLAS Lifejackets 4 x SOLAS (Child size)

Fire Fighting Engine Room

- CO2 Installation – Batec

Fire Hydrant

- Sea Water Fire Hydrant System – fore & aft deck
- Fire extinguisher blanket
- Portable Fire Extinguishers

Tanks

Fuel

- 14,000 liters, 3699 USG

Water

- 2,000 liters, 528 USG w/ freshwater

Grey Water

- 1,200 liters, 317 USG

Black Water

- 800 liters, 264 USG

Lub oil

- 450 liters, 106 USG

Tenders

New 15' Tender with 4 stroke outboard, 2015

ACCOMMODATIONS

Master Stateroom (Main Deck Forward)

The master has a king size bed and is at the aft end of the suite and looks forward to a half height electric pop-up bulkhead that houses a 32' plasma TV and entertainment center. A few steps down on the starboard side leads you to a large mirrored closet and dressing area and huge athwartship master head which has a separate glass and cherry framed enclosure for both head and shower. The linens are Pratesi. A pair of his and hers sinks are set into an athwartship onyx counter complementing the slightly lighter onyx flooring.

- King berth
- CD player
- Entertainment center
- Stereo system
- Head
- AM/FM tuner
- Shower
- VCR
- (2) sinks
- Air conditioning
- Television
- Closet

VIP Stateroom (Below Deck Aft)

The VIP stateroom is an aft full beam stateroom with a king size bed with padded fabric head board and mirrored panel above, vanity, settee, stereo and a 27" TV.

- King berth
- (2) night stands
- Entertainment center
- Burl vanity w/flip-up mirror
- 27" television
- Carpeting
- CD player
- Air conditioning
- Stereo system
- (2) closets
- AM/FM tuner
- Head with shower & bath tub
- Hi-Fi VCR

Guest Stateroom (Below Deck AmidshipPort)

This stateroom has a "walk-around" queen size bed with a padded fabric headboard with mirrored panels above along with a fabric padded bed base with concealed lift and pull drawer access to storage space beneath. There are two nightstands units with 3 drawers and burl veneer top. The entertainment center includes a TV, DVD, VCR and stereo system which includes a CD player. A full height cedar-lined wardrobe is featured in this stateroom.

- Queen berth
- (2) night stands (burl veneer top with
- Entertainment center two drawers)
- 20" television
- Closet
- CD player
- Carpeting
- Stereo system
- Air conditioning

- AM/FM tuner
- Head with shower & sink
- VCR

Guest Stateroom (Below Deck Amidship Starboard)

The second guest staterooms has two single beds with padded headboards and mirrors above along with storage space beneath the beds. Included is a 20" TV, DVD, VCR and stereo with storage space for videos, cd's, etc. The wardrobe is full height and cedar lined.

- (2) double berths
- Nightstand w/burl veneer top
- Entertainment center
- Air conditioning
- 20" television
- Carpeting
- CD player
- Closet
- Stereo system
- Head
- AM/FM tuner
- Shower with marble floor
- VCR

SALON

The full beam salon/dining/bar area is almost 600 square feet. It features an Evan Marshall Interior with Roman shades and stainless light sconces, custom Savage Lighting, granite counter tops. To starboard is a sit down high granite bar with 4 freestanding chairs. The fully equipped bar offers an icemaker, bar refrigerator, glass storage and liquor storage. To port is a dining area with an over-sized round table for eight. Aft of the dining is a large L-shape sofa and 2 occasional chairs. The entertainment system includes a 36" HD TV that can easily be concealed by a Tambour Door, surround sound stereo, 200 disc CD player, DVD player, HiFi VCR, AM/FM stereo tuner, multiamplifier seeker and fully programmable remote system.

DINING & GALLEY

The dining area is forward offset to port with a oversize round table with eight freestanding chairs and light edelweiss marbled flooring with black galaxy borders. This area has built-in storage for china, Christofle Flatware, Baccarat Crystal and features volume control of the main system source (china, crystal and flatware are excluded).

Galley (Main Deck)

The fully equipped marble countered galley is immediately forward for easy and unobtrusive crew service to the dining area and salon. The countertops are granite with full height backsplash. New appliances, freezer, water heater and granite floor have been installed.

- Dishwasher (new)
- Drawers
- Refrigerator (new)
- Sink & garbage disposal
- Stove (new)
- Icemaker
- Microwave oven
- Air conditioner
- Trash compactor (new)
- Fan

FLYBRIDGE

The centerline stairs in the aft portion of the pilothouse leads to the bridge deck with electric door. Two oversized and surprisingly comfortable athwartship bench seats will each seat three comfortably, with upper deck helm station to starboard. Aft of the two bench seats is a wet bar with sink, icemaker, and stainless steel barbecue grill to starboard, and a very comfortable u-shaped settee and dining table to port. Separating the dining area and the tender and wave runner storage area aft is an over sized jacuzzi. The Radar Arch is forward angled for improved sun bathing and exterior styling. An AM/FM CD player services the flybridge.

- Dual DDEC control heads
- Trim Tab control and indicator
- Simrad AP 20 autopilot (remote)
- Link multi speed and depth
- Furuno FR 811 radar remote
- Bow thruster control
- Robertson R135 rudder indicator
- Northstar 952x
- Icom ICM502 VHF
- (2) ACR RCL-160 spot light controls
- Fusion stereo with JL audio amp
- Four JL audio speakers

AFT DECK

The teak aft deck has an oversize table and settee that will comfortably seat 8 for dining. The bridge deck was extended an extra 4' to cover aft deck while dining. A custom walk behind bar w/refrigerator was also added at construction.

MECHANICAL

- Bow thruster
- Head treatment system
- Twin anchors
- Atlas shorepower converter (50 and 60 hertz)
- 110/208V, 3-Phase AC, 60/50 hz, 24 volt DC
- (2) Northern Lights generators 40kw Port -638 hours as of. 12/5/17 and Stbd- 434 hours as of 12/5/2017
- Naiad Stabilizers with Koopnautic control heads

PILOTHOUSE

Pilothouse (Main Deck)

The raised pilothouse is accessed from the main deck starboard entry area and had a mid-ship steering station with all electronics arrayed across the forward panel below the windshield.

Visibility is excellent forward and to both sides. A comfortable L shaped settee will comfortably seat five or six. The floor is teak and holly, electric Racaro pilot seat, and "additional" a/c system for pilothouse.

- Dual DDEC control heads
- Kenwood stereo system
- Simrad AP20 autopilot
- Ships alarm and security system
- 2 x Furuno 1500 color radar's with antennas
- 6" Danforth compass
- Furuno 600L color video depth sounder with bronze transducer and PCB
- Sea 156 VHF radio with antenna and mount
- Northstar 6100i chart plotter with combo antennae
- Panasonic KX-TA 624 telephone/intercom system with ten phones.
- Quantum Marine bow thruster
- NEC Multi-sync. LCD 1525M Weather Works

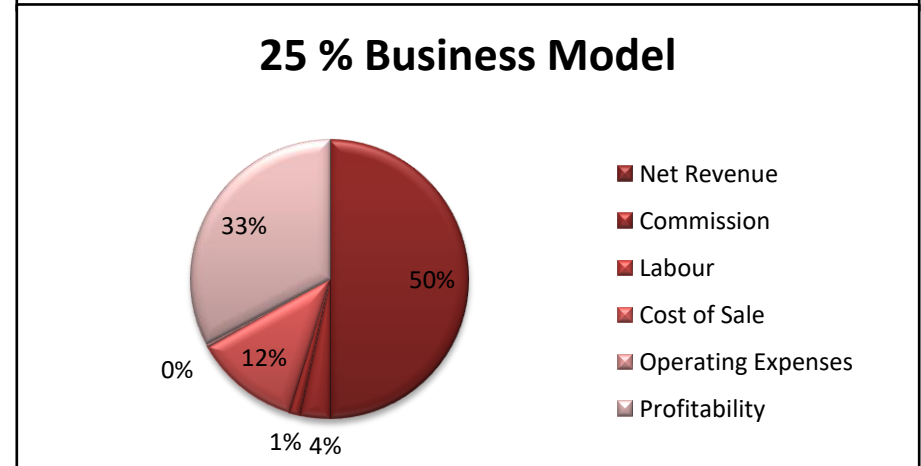
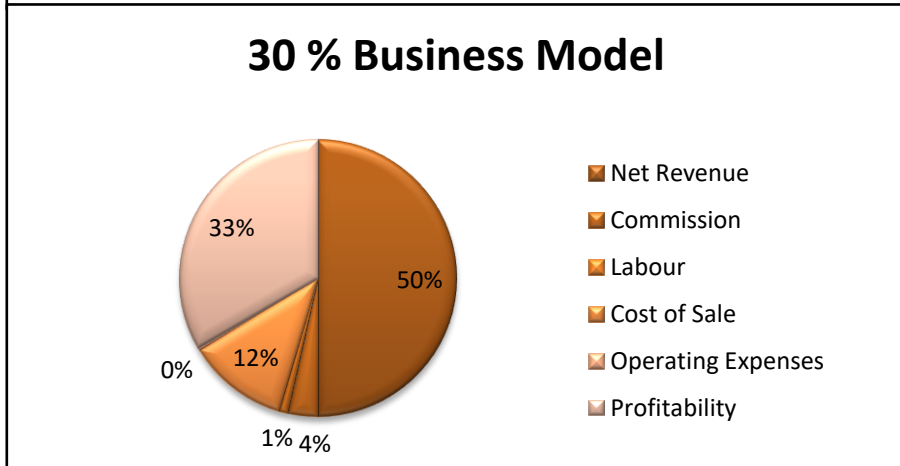
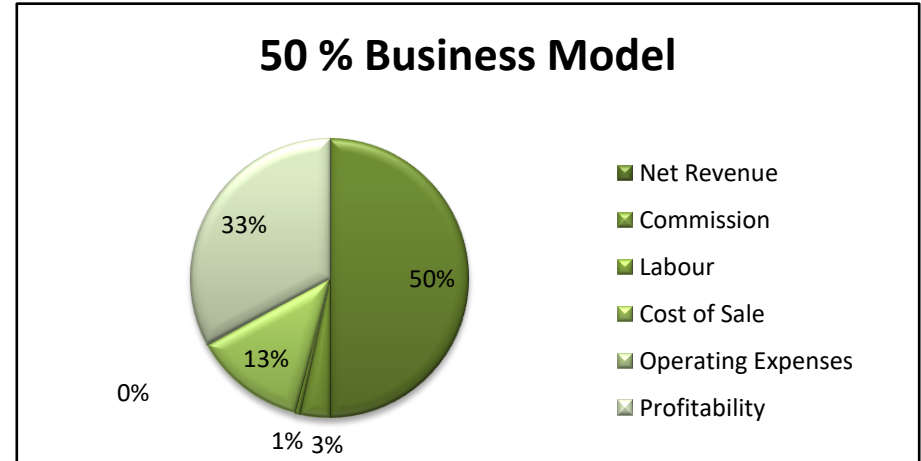
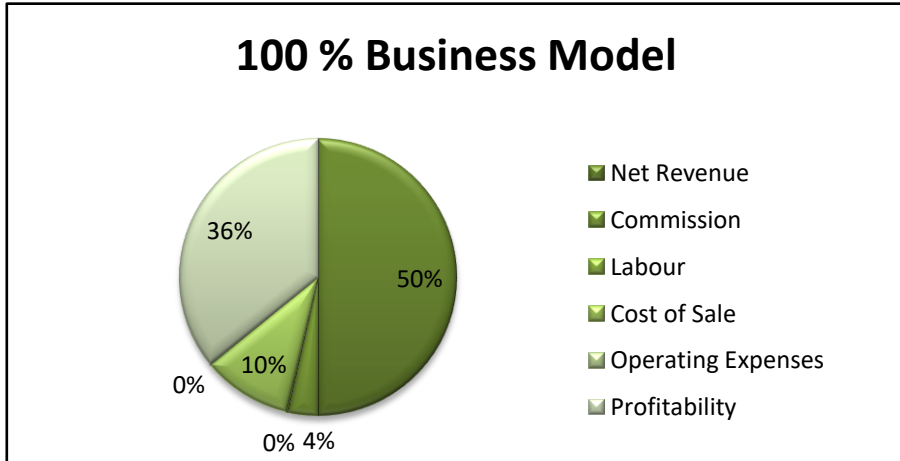
- Link wind speed indicator/direction
- Noble Tech w/charts
- Link speed and depth
- Nera Marine Mini "M" Voice, Data and Fax
- NEC Multi-Sync. LCD 1500M for computer/wifi
- 2 x RCL 100 spot light controls
- Elbix - closed circuit TV monitor
- Sea Hail hailer
- Back up emergency controls
- Digital TV
- Icom IC-M710 Single Sideband
- KVH Trac phone system
- Dual a/c controls

Appendix C: Financials

Appendix C: Financials

Table 1 Revenue Projections Based on Physical Capacity

La Rumba - Annual Revenue Projection Chart(s)



	Net Revenue	Commission	Labour	Cost of Sale	Operating Expenses	Profitability
Business Model 100%	7,672,300.00	520,125.00	50,963.00	1,587,020.00	16,535.62	5,497,656.38
Business Model 50%	3,836,150.00	260,062.50	50,963.00	989,880.00	16,263.37	2,518,981.13
Business Model 30%	2,301,690.00	156,037.50	52,912.60	542,025.00	14,959.12	1,535,755.78
Business Model 25%	1,918,075.00	130,031.25	50,963.00	467,382.50	14,170.87	1,255,527.38

Supporting Financial Documentation Attached “La Rumba – Floating Dance Studio Financials”

Profit & Loss Projection Charts

P&L – Projections; Business Model 25%, 30%, 40%, 50%, 60%, 75% & 100%

P&L – Annual; 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026 & 2027

Loan Amortization Schedule

Initial Investment

La Rumba

Floating Dance Studio

Location	Operating Hours	Services	Rate	Duration
Harbourfront Toronto, ON M5J 2K9	6:00 am to 12:00 am 24 hour booking online w/ E-Commerce on Website	Dance Classes	\$25	1 hr
		Private Dance Classes	\$150	1 hr
		Private Charters	\$10,000	5 hrs
		Hospitality	\$400	19 hrs
		Food & Beverage	\$25 - \$50	1 hr
		ADD-ON: Wellness & Massage	\$120	1 hr
		Retail Merchandise	\$35	-

Room	La Rumba - Daily Room Revenue							
	Service(s)	Location	Room Turn Over	Turns Per Day	Rate Per Turn	Max Daily Rev	COS (\$)	COS (%)
1	Dance - Classes (3 Levels)	Main Room	1hr 15min	3	\$1,000	\$3,000	\$150	5.00%
2	Dance - Private Classes	Main Room	1hr 15min	2	\$200	\$400	\$100	25.00%
3	Private Charter	Harbourfront/Lake Ontario	6 hrs	1	\$10,000	\$10,000	\$3,000	30.00%
4	Executive Suite	Executive Suite #1	1 hr 20 min	1	\$500	\$500	\$50	10.00%
5	Executive Suite	Executive Suite #2	1 hr 20 min	1	\$500	\$500	\$50	10.00%
6	State Room	State Room #1	1 hr 20 min	1	\$300	\$300	\$30	10.00%
7	State Room	State Room #2	1 hr 20 min	1	\$300	\$300	\$30	10.00%
8	F&B - Breakfast	Main Room/Deck	1 hr 15 min	3	\$300	\$900	\$80	8.89%
9	F&B - Lunch	Main Room/Deck	2 hr	3	\$600	\$1,800	\$250	13.89%
10	F&B - Classes	Main Room/Deck	1 hr 15 min	3	\$800	\$2,400	\$450	18.75%
11	Massage/Wellness (RMT*)	Main Room/Deck	1 hr 15 min	3	\$140	\$420	\$260	61.90%
12	Retail Merchandise	-	-	-	-	\$500	\$150	30.00%

Dance Instructor Commission		Commission Split Between RMT		Concierge Commission	
Commission	5%	Massage & Wellness	60/40	Charter	8%
Retail Merchandise	15%	Retail Merchandise	15%	Hospitality	8%
				Retail Merchandise	15%

2019-03-01	11	\$10,000.00	\$10,000.00	\$110,000.00	\$2,000,000.00	\$0.00	\$2,000,000.00
2019-04-01	12	\$10,000.00	\$10,000.00	\$120,000.00	\$2,000,000.00	\$0.00	\$2,000,000.00
2019-05-01	13	\$33,690.47	\$9,880.95	\$130,000.00	\$1,976,190.48	\$23,809.52	\$1,976,190.48
2019-06-01	14	\$33,571.42	\$9,761.90	\$139,880.95	\$1,952,380.95	\$47,619.05	\$1,952,380.95
2019-07-01	15	\$33,452.38	\$9,642.86	\$149,642.86	\$1,928,571.43	\$71,428.57	\$1,928,571.43
2019-08-01	16	\$33,333.33	\$9,523.81	\$159,285.71	\$1,904,761.90	\$95,238.10	\$1,904,761.90
2019-09-01	17	\$33,214.28	\$9,404.76	\$168,809.52	\$1,880,952.38	\$119,047.62	\$1,880,952.38
2019-10-01	18	\$33,095.23	\$9,285.71	\$178,214.29	\$1,857,142.86	\$142,857.14	\$1,857,142.86
2019-11-01	19	\$32,976.19	\$9,166.67	\$187,500.00	\$1,833,333.33	\$166,666.67	\$1,833,333.33
2019-12-01	20	\$32,857.14	\$9,047.62	\$196,666.67	\$1,809,523.81	\$190,476.19	\$1,809,523.81
2020-01-01	21	\$32,738.09	\$8,928.57	\$205,714.29	\$1,785,714.29	\$214,285.71	\$1,785,714.29
2020-02-01	22	\$32,619.04	\$8,809.52	\$214,642.86	\$1,761,904.76	\$238,095.24	\$1,761,904.76
2020-03-01	23	\$32,500.00	\$8,690.48	\$223,452.38	\$1,738,095.24	\$261,904.76	\$1,738,095.24
2020-04-01	24	\$32,380.95	\$8,571.43	\$232,142.86	\$1,714,285.71	\$285,714.29	\$1,714,285.71
2020-05-01	25	\$32,261.90	\$8,452.38	\$240,714.29	\$1,690,476.19	\$309,523.81	\$1,690,476.19
2020-06-01	26	\$32,142.85	\$8,333.33	\$249,166.67	\$1,666,666.67	\$333,333.33	\$1,666,666.67

2020-07-01	27	\$32,023.81	\$8,214.29	\$257,500.00	\$1,642,857.14	\$357,142.86	\$1,642,857.14
2020-08-01	28	\$31,904.76	\$8,095.24	\$265,714.29	\$1,619,047.62	\$380,952.38	\$1,619,047.62
2020-09-01	29	\$31,785.71	\$7,976.19	\$273,809.52	\$1,595,238.10	\$404,761.90	\$1,595,238.10
2020-10-01	30	\$31,666.66	\$7,857.14	\$281,785.71	\$1,571,428.57	\$428,571.43	\$1,571,428.57
2020-11-01	31	\$31,547.62	\$7,738.10	\$289,642.86	\$1,547,619.05	\$452,380.95	\$1,547,619.05
2020-12-01	32	\$31,428.57	\$7,619.05	\$297,380.95	\$1,523,809.52	\$476,190.48	\$1,523,809.52
2021-01-01	33	\$31,309.52	\$7,500.00	\$305,000.00	\$1,500,000.00	\$500,000.00	\$1,500,000.00
2021-02-01	34	\$31,190.47	\$7,380.95	\$312,500.00	\$1,476,190.48	\$523,809.52	\$1,476,190.48
2021-03-01	35	\$31,071.42	\$7,261.90	\$319,880.95	\$1,452,380.95	\$547,619.05	\$1,452,380.95
2021-04-01	36	\$30,952.38	\$7,142.86	\$327,142.86	\$1,428,571.43	\$571,428.57	\$1,428,571.43
2021-05-01	37	\$30,833.33	\$7,023.81	\$334,285.71	\$1,404,761.90	\$595,238.10	\$1,404,761.90
2021-06-01	38	\$30,714.28	\$6,904.76	\$341,309.52	\$1,380,952.38	\$619,047.62	\$1,380,952.38
2021-07-01	39	\$30,595.23	\$6,785.71	\$348,214.29	\$1,357,142.86	\$642,857.14	\$1,357,142.86
2021-08-01	40	\$30,476.19	\$6,666.67	\$355,000.00	\$1,333,333.33	\$666,666.67	\$1,333,333.33
2021-09-01	41	\$30,357.14	\$6,547.62	\$361,666.67	\$1,309,523.81	\$690,476.19	\$1,309,523.81
2021-10-01	42	\$30,238.09	\$6,428.57	\$368,214.29	\$1,285,714.29	\$714,285.71	\$1,285,714.29

2021-11-01	43	\$30,119.04	\$6,309.52	\$374,642.86	\$1,261,904.76	\$738,095.24	\$1,261,904.76
2021-12-01	44	\$30,000.00	\$6,190.48	\$380,952.38	\$1,238,095.24	\$761,904.76	\$1,238,095.24
2022-01-01	45	\$29,880.95	\$6,071.43	\$387,142.86	\$1,214,285.71	\$785,714.29	\$1,214,285.71
2022-02-01	46	\$29,761.90	\$5,952.38	\$393,214.29	\$1,190,476.19	\$809,523.81	\$1,190,476.19
2022-03-01	47	\$29,642.85	\$5,833.33	\$399,166.67	\$1,166,666.67	\$833,333.33	\$1,166,666.67
2022-04-01	48	\$29,523.81	\$5,714.29	\$405,000.00	\$1,142,857.14	\$857,142.86	\$1,142,857.14
2022-05-01	49	\$29,404.76	\$5,595.24	\$410,714.29	\$1,119,047.62	\$880,952.38	\$1,119,047.62
2022-06-01	50	\$29,285.71	\$5,476.19	\$416,309.52	\$1,095,238.10	\$904,761.90	\$1,095,238.10
2022-07-01	51	\$29,166.66	\$5,357.14	\$421,785.71	\$1,071,428.57	\$928,571.43	\$1,071,428.57
2022-08-01	52	\$29,047.62	\$5,238.10	\$427,142.86	\$1,047,619.05	\$952,380.95	\$1,047,619.05
2022-09-01	53	\$28,928.57	\$5,119.05	\$432,380.95	\$1,023,809.52	\$976,190.48	\$1,023,809.52
2022-10-01	54	\$28,809.52	\$5,000.00	\$437,500.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00
2022-11-01	55	\$28,690.47	\$4,880.95	\$442,500.00	\$976,190.48	\$1,023,809.52	\$976,190.48
2022-12-01	56	\$28,571.42	\$4,761.90	\$447,380.95	\$952,380.95	\$1,047,619.05	\$952,380.95
2023-01-01	57	\$28,452.38	\$4,642.86	\$452,142.86	\$928,571.43	\$1,071,428.57	\$928,571.43
2023-02-01	58	\$28,333.33	\$4,523.81	\$456,785.71	\$904,761.90	\$1,095,238.10	\$904,761.90

2023-03-01	59	\$28,214.28	\$4,404.76	\$461,309.52	\$880,952.38	\$1,119,047.62	\$880,952.38
2023-04-01	60	\$28,095.23	\$4,285.71	\$465,714.29	\$857,142.86	\$1,142,857.14	\$857,142.86
2023-05-01	61	\$27,976.19	\$4,166.67	\$470,000.00	\$833,333.33	\$1,166,666.67	\$833,333.33
2023-06-01	62	\$27,857.14	\$4,047.62	\$474,166.67	\$809,523.81	\$1,190,476.19	\$809,523.81
2023-07-01	63	\$27,738.09	\$3,928.57	\$478,214.29	\$785,714.29	\$1,214,285.71	\$785,714.29
2023-08-01	64	\$27,619.04	\$3,809.52	\$482,142.86	\$761,904.76	\$1,238,095.24	\$761,904.76
2023-09-01	65	\$27,500.00	\$3,690.48	\$485,952.38	\$738,095.24	\$1,261,904.76	\$738,095.24
2023-10-01	66	\$27,380.95	\$3,571.43	\$489,642.86	\$714,285.71	\$1,285,714.29	\$714,285.71
2023-11-01	67	\$27,261.90	\$3,452.38	\$493,214.29	\$690,476.19	\$1,309,523.81	\$690,476.19
2023-12-01	68	\$27,142.85	\$3,333.33	\$496,666.67	\$666,666.67	\$1,333,333.33	\$666,666.67
2024-01-01	69	\$27,023.81	\$3,214.29	\$500,000.00	\$642,857.14	\$1,357,142.86	\$642,857.14
2024-02-01	70	\$26,904.76	\$3,095.24	\$503,214.29	\$619,047.62	\$1,380,952.38	\$619,047.62
2024-03-01	71	\$26,785.71	\$2,976.19	\$506,309.52	\$595,238.10	\$1,404,761.90	\$595,238.10
2024-04-01	72	\$26,666.66	\$2,857.14	\$509,285.71	\$571,428.57	\$1,428,571.43	\$571,428.57
2024-05-01	73	\$26,547.62	\$2,738.10	\$512,142.86	\$547,619.05	\$1,452,380.95	\$547,619.05
2024-06-01	74	\$26,428.57	\$2,619.05	\$514,880.95	\$523,809.52	\$1,476,190.48	\$523,809.52

2024-07-01	75	\$26,309.52	\$2,500.00	\$517,500.00	\$500,000.00	\$1,500,000.00	\$500,000.00
2024-08-01	76	\$26,190.47	\$2,380.95	\$520,000.00	\$476,190.48	\$1,523,809.52	\$476,190.48
2024-09-01	77	\$26,071.42	\$2,261.90	\$522,380.95	\$452,380.95	\$1,547,619.05	\$452,380.95
2024-10-01	78	\$25,952.38	\$2,142.86	\$524,642.86	\$428,571.43	\$1,571,428.57	\$428,571.43
2024-11-01	79	\$25,833.33	\$2,023.81	\$526,785.71	\$404,761.90	\$1,595,238.10	\$404,761.90
2024-12-01	80	\$25,714.28	\$1,904.76	\$528,809.52	\$380,952.38	\$1,619,047.62	\$380,952.38
2025-01-01	81	\$25,595.23	\$1,785.71	\$530,714.29	\$357,142.86	\$1,642,857.14	\$357,142.86
2025-02-01	82	\$25,476.19	\$1,666.67	\$532,500.00	\$333,333.33	\$1,666,666.67	\$333,333.33
2025-03-01	83	\$25,357.14	\$1,547.62	\$534,166.67	\$309,523.81	\$1,690,476.19	\$309,523.81
2025-04-01	84	\$25,238.09	\$1,428.57	\$535,714.29	\$285,714.29	\$1,714,285.71	\$285,714.29
2025-05-01	85	\$25,119.04	\$1,309.52	\$537,142.86	\$261,904.76	\$1,738,095.24	\$261,904.76
2025-06-01	86	\$25,000.00	\$1,190.48	\$538,452.38	\$238,095.24	\$1,761,904.76	\$238,095.24
2025-07-01	87	\$24,880.95	\$1,071.43	\$539,642.86	\$214,285.71	\$1,785,714.29	\$214,285.71
2025-08-01	88	\$24,761.90	\$952.38	\$540,714.29	\$190,476.19	\$1,809,523.81	\$190,476.19
2025-09-01	89	\$24,642.85	\$833.33	\$541,666.67	\$166,666.67	\$1,833,333.33	\$166,666.67
2025-10-01	90	\$24,523.81	\$714.29	\$542,500.00	\$142,857.14	\$1,857,142.86	\$142,857.14

2025-11-01	91	\$24,404.76	\$595.24	\$543,214.29	\$119,047.62	\$1,880,952.38	\$119,047.62
2025-12-01	92	\$24,285.71	\$476.19	\$543,809.52	\$95,238.10	\$1,904,761.90	\$95,238.10
2026-01-01	93	\$24,166.66	\$357.14	\$544,285.71	\$71,428.57	\$1,928,571.43	\$71,428.57
2026-02-01	94	\$24,047.62	\$238.10	\$544,642.86	\$47,619.05	\$1,952,380.95	\$47,619.05
2026-03-01	95	\$23,928.57	\$119.05	\$544,880.95	\$23,809.52	\$1,976,190.48	\$23,809.52
2026-04-01	96	\$23,809.52	\$0.00	\$545,000.00	\$0.00	\$2,000,000.00	\$0.00

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