



CITY OF WAUKESHA
DEPARTMENT OF COMMUNITY DEVELOPMENT

City Hall, 201 Delafield Street, Room 200
Waukesha, WI 53188
Phone (262) 524-3750 Fax (262) 524-3751

CONDITIONAL USE PERMIT APPLICATION

This application must accompany a Plan Commission Application along with the required fee.

DATE: 2-4-15

[X] NEW APPLICATION

[] AMENDMENT TO EXISTING CONDITIONAL USE PERMIT

NAME OF PROJECT OR BUSINESS: Spring City Wine House, LLC

LOCATION OF USE: 336 W. Main St. Waukesha, WI 53186

TYPE OF USE: Retail / Service

Is this a NEW use or is this use being relocated from somewhere else? New

If you are relocating a use, where are you relocating it from? -

Do you operate a use in other locations? ? (Circle one) YES NO

If yes, please explain: -

Will the use be occupying an existing building or will you be building a new building? EXISTING NEW

Hours and days of operation: Sun - Sat M - Thurs 3pm-11pm, Fri 1pm-12, Sat 12-12

Number of Employees: up to 5

Number of on-site parking stalls available: none Municipal parking

Length of permit requested (6 month, 1 year, 2 year, permanent): permanent

Current zoning:

Is a License required to operate this use? (Circle one) YES NO If yes, please attach a copy.

Name of licensing authority: City of Waukesha

Will any hazardous materials be used? NO

The following information must be attached to process the permit:

- [] A site map showing the location of the proposed site.
[] A site plan showing the location of building(s), parking, landscaping, etc.
[] A floor plan of the building showing how it will be used for the proposed use.
[X] If an existing building, a photo of the building.
[] If new, complete development plans must be submitted per the development guidelines.
[] If facade changes are proposed, plans must be submitted showing changes.
[X] A business plan if there is one, otherwise answer the questions on the back.

Please Note: If approved, this permit will be issued to the applicant only and will not be transferrable. This application will become null and void if required fees and materials are not submitted at time of application.

Please attach a copy of your Business Plan if you have one. - see attached

If you do not have written Business Plan or choose not to share it, please answer the following questions:

1. What business will you be in? Wine Bar

2. Explain your business' daily operations. _____

3. How will business be managed on a daily basis? _____

4. What are your products or services? _____

5. Will your employees need additional parking? NO
6. Are employees required to have any certification(s)? yes
7. Who is the owner of the building or premises where your business will be conducted?
Harp and Eagle (Clark Hotel)
8. If you are not owner of the building or premises where your business will be conducted, do you have a lease agreement with the owner? yes
9. Are there any insurance requirements for your business? yes
10. Will you have property insurance? yes
11. Are there any noise considerations/concerns with your business operations? NO

'Spring City Wine House, LLC'



Business Plan

Prepared by

Tom Hockel

November 23, 2014



Executive Summary – *Spring City Wine House, LLC*

Spring City Wine House is a start-up retail business which will specialize in serving wine by the glass in a fun interactive experience for the customer. *Spring City Wine House* will offer fifty wines by the glass using the most advanced wine technology in the world. In addition to wine by the glass, we will serve bottled wine, beer, water, soda, coffee and assortments of cheeses, prosciutto, breads and chocolates.

Spring City Wine House wants to draw the customer into the wine tasting world. Whether a novice or professional, everyone will enjoy being able to select their own wine from our “wine machines”. The wine dispenser units offer the ability to sample a taste, half glass or full glass of wine. Using an individual “smart card”, the customer can keep track of their purchase and pay for the total bill at the end of their visit. The wine units will keep wine fresh for up to forty five days and are served at the perfect temperature, eliminating spoilage and unnecessary waste.

Spring City Wine House will be located in downtown Waukesha and will offer products and services to people throughout the Waukesha area as well as surrounding areas. Couples on a date night, diners stopping in for a before or after dinner drink, college students, business professionals, residents or guests of the Clark Hotel will all enjoy coming to *Spring City Wine House*.



Business Description – *Spring City Wine House, LLC*

The majority of sales at *Spring City Wine House* will come from wine. 81% of all revenue will be from wine sales. There will be fifty wines sold by the glass in an interactive customer experience. In addition to by the glass pours, there will be about 50 wines available by the bottle. *Spring City Wine House* will offer Sparkling wines; Champagne and dessert wines in one or two glass pours as well. We expect the sale of beer soda, water and other beverages to total 9% of sales.

Spring City Wine House will offer a limited selection of cheeses, prosciutto, breads and chocolates served from the Clark Hotel kitchen; we expect total food sales to equate to about 10% of total sales.

Spring City Wine House will produce revenue from the sales of wine by the glass, bottles of wine sold, appetizers, beer and other beverages. As indicated in the Projection Income Statement, our major costs of business will be salaries, rent and maintaining inventory. The major start-up costs are the wine dispenser units, coolers, equipment and remodeling costs.

Spring City Wine House will be located at 336 Main St. Waukesha, WI. This location suited our requirements exactly. The wine bar will be situated in the center of historic downtown Waukesha, convenient to most area residents and near, Restaurants, bars, nightclubs and the Clark Hotel.

Spring City Wine House will operate as a Limited Liability Company (LLC) with two members Thomas and Stacy Hockel. In addition, *Spring City Wine House* plans to employ 3 to 4 part-time employees.



Advertising/ Marketing - *Spring City Wine House, LLC*

Spring City Wine House intends to run a 3 part direct mail advertising campaign targeted at downtown Waukesha and its residence. In addition, we will have an on-line presence and social media avenues including Facebook and company website. We will advertise in the Waukesha Freeman and additional area newspapers as well.

We expect to schedule winemaker tastings and educational seminars for our customers, as well as host special private events for local businesses and groups. *Spring City Wine House* can provide excellent choices of wine, beverages and light foods for private events and company functions.

Spring City Wine House will have outdoor advertising from the lighted storefront sign visible to most of Main Street and nearby streets and businesses.



Market Assumption – *Spring City Wine House, LLC*

Spring City Wine House, LLC, plans to service the greater Waukesha area; including business professionals, visitors, college students, as well as thousands of area residents and outlying area residents. *Spring City Wine House* will be located in downtown historic Waukesha and will draw many people from the immediate area due to the unique aspect of the business.

With most competition on the east side of Milwaukee, we believe that *Spring City Wine House* will thrive in the city of Waukesha as an alternative to taverns and night clubs. The great selection of wine by the glass, varieties of bottled wine, light foods, chocolates and beverages, within a relaxing, comfortable décor will entice customers to come, stay, relax and make return visits.

Downtown Waukesha is making great strides towards revitalization. The city has made many efforts to provide grants and sometimes public financing to encourage property owners to upgrade and enhance their properties. *Spring City Wine House* will help by bringing in an upscale business. People that range from the mid-twenties to late sixties will appreciate the wine bar concept and will become regular customers.

Overall we believe 336 W. Main St. Waukesha, WI is the best possible location for a wine bar business, due to its prime location in historic downtown Waukesha. It is surrounded by upscale condominiums and apartments, thriving restaurants, an elegant hotel, lively bars and coming soon.....*Spring City Wine House*.

Trends in the US Wine Industry for 2014

Posted on March 26, 2014

By Dr. Liz Thach, MW

The numbers for 2013 are in, and most experts are more optimistic about the 2014 wine market in the US. Though there are still some areas recovering less quickly from the recession (parts of the Midwest and some on-premise wine sales), in general “cellars are sunny but with a few lingering cobwebs.”

Following is a brief review of trends in the US wine market for 2014 and highlights of 2013. Sources include the *Wine Marketing Council*, *Nielson*, *Silicon Valley Bank*, *Impact*, *Rabobank*, *Euromonitor*, *ShipCompliant*, *GuestMetrics*, *OIV*, *Wine Institute*, *Constellation Brands*, *Wine.com* and *Frederickson* at the *Unified Wine Symposium*.

Wine Sales in the US in 2013

- According to Impact Databank, US wine volume was 329 million cases in 2013, a 1% increase from 2012. This includes both domestic and imported wine, and makes the US the world’s largest wine market with France in second place at 313 million cases.
- The estimated retail value of 2013 wine shipments is \$36.3 billion, a 5% increase from 2012. This makes the US the largest wine market in terms of revenues.
- Approximately 34% of sales were from imports, with California comprising 57%, and other states making up the remaining 9%.
- Wine sales have been growing at a rate of 2 to 3% per year in the US market for the past 21 years.

US Wine Consumption Rates

- The US is either the 1st or 2nd largest wine-consuming nation depending on the statistic source: OIV 2012 states the US consumes 29,000 hectoliters behind France (30,269 hectoliters); whereas the Wine Institute (2011) states the US consumed 3,282,500 liters versus France at 2,891,700 liters.
- Approximately 44% of all US adults drink wine, but only 35% per capita.
- For per capita wine consumption, the US ranks #62 at approximately 11 liters per person or 3.08 gallons. The Vatican ranks #1.
- Of the 330 million people in the US, 101 million now drink wine.

US Wine Consumer Demographic Trends

- Of adult wine drinkers, 15% are High Frequency drinkers (consuming wine at least once a week or more) and 29% are Occasional drinkers.
- In terms of gender, 55% of American wine consumers are women and 45% are men, with more men adopting wine over the last decade.
- Babyboomers are still spending the most on wine, with Millennials (ages 21 to 36) in second place.
- Major reasons Americans drink wine: 1) they enjoy the taste, 2) like to pair with food, 3) to socialize with friends, and 4) to relax.

Trends in Wine for 2014

- The most popular varietals in off-premise continue to be: 1) Chardonnay, 2) Cabernet Sauvignon, 3) Pinot Grigio, 4) Merlot and 5) Blends.
- The fastest growing varietals, with double digit growth, are still moscato, malbec and blends. Blends include red and white blends in both dry and sweet categories. Expect more growth and experimentation in this segment.
- The sweet spot for wine pricing is \$9 – \$11.99, but Americans are trading up and spending more on wine.
- Sparkling wine, especially Prosecco, continues to be popular, with forecasted growth.
- Dry roses, often from Provence, are desirable in summer months. Expect new entries from other countries and US wineries.
- Syrah and white zinfandel continue to decline in popularity.
- Favorite imported wines by value include: 1) Italy, 2) Australia, 3) Argentina, 4) Chile, and 5) France, but largest value growth in Argentina and New Zealand.
- Keg wine continues to gain in popularity in on-premise settings, including ultra-premium wine in this new style of container.
- Craft beer is growing faster than wine, and experts suggest that the wine industry needs to be more innovative to compete.
- Creative opportunities for wine include seasonal wines, new types of containers, e.g. mini 6-packs of wine, new varietals, blends, innovative labeling, wine cocktails, and additions, such as flavors, vitamins, energy, etc.
- People are interacting with wine much more on social media, with 80% of wine drinkers using Facebook; wine is the third most popular subject on Pinterest; and wine drinkers talk about wine online 63 times every minute. *See Constellation's great video with more statistics on this at: <http://www.youtube.com/watch?v=wfxPR7XtBUE>*

Trends in Wine Channel Distribution

- Approximately 80% of wine sold in the US is off-premise with 16% on-premise. Direct to Consumer (DTC) and Direct to Trade make up the remainder.
- There are 7762 wineries in the US (*Wine Business Monthly, 2014*)
- The number of retail outlets to sell wine has grown to 522, 420 (*Nielson, 2014*).
- Off-premise remains healthy with significant growth in the \$9 – \$11.99 range showing Americans trading up, with \$9.19 average bottle prices (*Nielson, 2014*).
- On-Premise volume and value still not back to 2007 levels, but slowly making progress with the average bottle price at \$46 and by the glass at \$10.67 (*Guestmetrics, 2012*).
- Online wine sales (ecommerce) have grown 17% in the past year, but still only maintain about 1.5% of total wine sales (*Wine.com, 2014*).
- Within online wine sales, retailer to consumer is 5.9% of off-premise wine sales (*Nielson, 2014*)
- Winery to Consumer (DTC) online sales up 9.3% to 3.47 million cases in 2013 with value at \$1.57 billion (*ShipCompliant, 2013*).
- The three largest wine corporations in the world, E&J Gallo, Constellation and The Wine Group, are headquartered in the US and own approximately 51% of the market.

Wine Bars in the US Industry Market Research Report Now Available from IBISWorld.txt

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Wine bars have recovered strongly from the recession, fuelled by consumer preferences for affordable gourmet products; in the future, wine bars will thrive, but will need to adapt to evolving consumer preferences. For these reasons, industry research firm IBISWorld has added a report on the Wine Bars industry to its growing industry report collection.

Los Angeles, CA (PRWEB) December 04, 2013

The Wine Bars industry has enjoyed a stellar run over the past five years and has taken advantage of the changing hospitality landscape. The industry, which consists of bars that primarily serve a range of wines by the glass, along with a limited food menu, has comfortably outpaced the broader Bars and Nightclubs industry. While the recession caused industry revenue to decline 0.7% in 2009, wine bars have recovered strongly, fuelled by consumer preferences for affordable gourmet products. Demographic trends have also played a role in the industry's growth. According to IBISWorld Industry Analyst Andy Brennan. "Younger consumers are increasingly taking to premium beverages, such as wine and craft beer, and opting for small inviting venues that offer a unique dining experience." Over the five years to 2013, the industry has grown at an average annual rate of 2.7%. In 2013, despite shaky consumer confidence, the industry is expected to increase 3.0% to \$619.7 million.

The industry has been assisted by rising wine consumption in the United States over the past decade. According to the Wine Institute, an advocacy organization for the wine industry in California, per capita wine consumption increased 35.8% between 2000 and 2012 to 2.73 gallons. Wine bars have continued to spring up to cater to this demand. An estimated 1,146 are currently in operation throughout the United States. The main growth has occurred in major metropolitan areas such as New York and San Francisco, where incomes are higher than average and consumer tastes have a preference for premium products. Wine bars are also comparatively cheaper to set up and require less ongoing expenses than a full-scale bar or restaurant, which has been a big advantage during a time of anemic economic growth. By providing limited food services and a defined product range, operators can better control costs and enjoy the high product margins that wines provide.

"IBISWorld expects the industry to continue to steal market share from other forms of bars and restaurants over the next five years," says Brennan. Consumers with rising incomes will continue to seek affordable gourmet dining experiences. However, wine bars will need to adapt to evolving consumer preferences, especially among younger demographics, which represent the industry's key market. On the back of these trends, industry revenue is expected to grow in the five years to 2018.

The industry is highly fragmented and consists of a large number of small operators, many of which are family owned and operated. There is also a very low prevalence of wine bar operators than own more than one location. There are limited economies of scale that can be gained from operating more than one wine bar, mainly due to the high labor intensity of the industry, although industry knowledge and experience certainly helps. Also, the varying state liquor laws make it difficult for owners to form large chains.

For more information, visit IBISWorld's wine Bars in the US industry report page.

Wine Bars in the US Industry Market Research Report Now Available from IBISWorld.txt

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<http://www.facebook.com/pages/IBISWorld/121347533189>

IBISWorld industry Report Key Topics

The Wine Bars industry comprises lounges and bars that primarily focus on selling wine for immediate consumption. These establishments may also provide limited food services.

Industry Performance

Executive Summary

Key External Drivers

Current Performance

Industry Outlook

Industry Life Cycle

Products & Markets

Supply Chain

Products & Services

Major Markets

Globalization & Trade

Business Locations

Competitive Landscape

Market Share Concentration

Key Success Factors

Cost Structure Benchmarks

Barriers to Entry

Major Companies

Operating Conditions

Capital Intensity

Key Statistics

Industry Data

Annual Change

Key Ratios

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Recognized as the nation's most trusted independent source of industry and market research, IBISWorld offers a comprehensive database of unique information and analysis on every US industry. With an extensive online portfolio, valued for its depth and scope, the company equips clients with the insight necessary to make better business decisions.

Headquartered in Los Angeles, IBISWorld serves a range of business, professional service and government organizations through more than 10 locations worldwide. For more information, visit

<http://www.ibisworld.com> or call 1-800-330-3772.

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References

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City of Waukesha – www.ci.waukesha.wi

Wine Institute – www.wineinstitute.org

Statista- the statistics portal – www.statista.com

Wine Spectator – www.winespectator.com

Napa Technology – www.napatechnology.com

Perlage Wine Systems – www.perlagesystems.com

Micromatic Wine Systems – www.micromatic.com

Enomatic Wine Systems – www.enomatic.com

Coravin Wine Systems – www.coravin.com

Small Business Administration – www.sba.gov

Independent Consumers Guide to Fine Wine – www.erobertparker.com

Jancis Robinson – www.jancisrobinson.com

Into Wine – www.intowine.com

Becoming a Wine Bar owner – www.more.com

On Wine- Anne Shamberg – www.jsonline.com