

PHENOMENON ARENA & SOCIAL CLUB

BUSINESS PLAN
LUXURY AROUND THE CORNER



Prepared for Lovell Jones

October 2026

A luxury arena inside a reused shell

Proposed brand: PHENOMENON Arena and Social Club. Working name only; trademark and domain clearance are still required.

The concept combines an immersive viewing arena with a private social club, destination dining and corporate hospitality. Reuse a roughly 45,000-square-foot former fitness center or vacant large grocery store, install 240 lower-bowl seats and 60 balcony seats facing a 100-foot-wide curved LED display, and accommodate another 400 guests throughout the venue. Two main bars, six food concessions, two restaurants and two co-ed locker-themed private suites create reasons to visit beyond the main event.

Planning decision	Initial recommendation
Facility	Lease an existing gym or grocery shell; property purchase is excluded.
Design capacity	700 guests total; staff and permitted occupant load require separate review.
Technology	Competitively bid independent curved direct-view LED, with visual impact and cost as the priorities.
Project funding	Independent curved LED retrofit: \$14M-\$36M planning range; working budget \$24.5M, pending bids.
Membership target	100 Basic + 100 Club + 100 Founders = \$6.35M annual dues.
Stabilized underwriting	More cautious mix: 100 Basic + 60 Club + 25 Founders.
Main feasibility gates	Screen clearance, event rights, entitlements and paid membership demand.

Investment thesis

PHENOMENON is positioned as the luxury immersive venue around the corner: an intimate arena, attentive servers, private suites and premium dining near desirable communities. Reusing local retail shells supports this neighborhood strategy, rather than requiring a downtown destination.

The existing shell may save land-development time and reuse parking, plumbing and utility infrastructure. Savings are conditional: roof alterations, assembly conversion, kitchens and electrical upgrades can erase the advantage. Luxury should come from seating comfort, service and sightlines rather than unnecessary building expansion.

This is a preliminary investor discussion document, not a vendor quotation, appraisal, securities offering or construction plan. All financial amounts are USD. No property, city or operating partner has yet been selected. Metro Atlanta is a working market hypothesis, not a confirmed location.

Experience and market position

Our niche is a more personal, more luxurious alternative to large immersive destinations such as Cosm, placed close to affluent residential communities. PHENOMENON brings premium viewing, dining and hosted service into a familiar neighborhood setting, so guests can enjoy a major event without making a downtown trip. This is our intended positioning, not a verified comparison of competitor service quality.

Four demand engines

Sports: destination screenings of major football, basketball, soccer, racing and fight events, subject to commercial exhibition rights. **Entertainment:** licensed concert streams, film screenings and limited live performances. **Corporate:** product launches, conferences, team celebrations and buyouts. **Hospitality:** restaurants, bars and member gatherings on quieter dates.

What makes it more luxurious

Use wide upholstered seats with drink ledges, acoustic control, warm lighting, premium restrooms, hosted arrival and seat delivery. Member lounges use bronze stanchions and dedicated servers without obstructing circulation. The premium experience depends on reliable service and the quality of the program, not simply screen size.

Market validation before committing

Prioritize affluent community shopping centers and convenient neighborhood corridors. Map a primary 10-20-minute drive catchment and a secondary 30-45-minute market; test household income, corporate demand, access and competitor pricing. Interview at least 30 corporate buyers and 50 prospective premium members. Run paid reservation tests and invite-only demonstration events. Do not assume 100 people will renew a \$50,000 membership because they express interest.

Product	Commercial purpose	Validation test
Basic	Frequent local hospitality customers	100 paid conditional reservations
Club	Seasonal sports and business hosts	60 verified customers in base case
Founders	Affluent households and corporate accounts	25 verified customers before full underwriting
Private events	Weekday demand and predictable blocks	10 signed conditional event commitments
Restaurants	Repeat visits outside event peaks	Operator proposal and local dining demand study

Operational target: one general manager, hospitality director, executive chef or restaurant partner, membership concierge, event sales manager and technical director. Cross-train event hosts and food runners. Select an experienced restaurant and bar operator before final kitchen design.

Gym or grocery store retrofit

Vacant large grocery stores are a second acquisition channel. The working 45,000-square-foot space program can fit either building type, but a larger store may provide better receiving and kitchen placement. Site selection should use a measured feasibility score rather than assume one category is cheaper.

Criterion	Former gym	Vacant grocery store
Useful retained features	Locker rooms, showers, parking; possible tall court area	Loading docks, receiving, refrigeration areas; possible food-service utilities
Main conversion burden	Pool infill, shower removal, kitchen exhaust and assembly conversion	Refrigeration removal, slab penetrations, odors and kitchen reconfiguration
Immersive-screen risk	Court may be tall but too narrow or obstructed	Broad floor plate may have low roof and column grid
Suite conversion	Reuse two former locker-room footprints as requested	Build two locker-themed suites from stockroom or former staff areas
Restaurant opportunity	Two new restaurants require kitchen infrastructure	Some food utility infrastructure may be reusable after inspection
Cost treatment	Use the same preliminary budget until survey	No automatic cost discount; price retained infrastructure and demolition

Minimum site filters

Target approximately 40,000-55,000 usable square feet, a screen zone approaching 34-38 feet clear for the alternate, a suitable roughly 100-foot-wide viewing bay, independent kitchen exhaust routes, commercial loading and adequate accessible parking. Sites failing screen geometry can still work only with a redesigned display or funded roof alterations.

Commission roof and structural surveys, slab scanning, environmental review, MEP capacity testing and a local assembly-use assessment. Confirm deed and lease restrictions, grocery exclusives, alcohol permissions, restaurant odors, late-night hours and noise limits. Never reuse refrigeration circuits or gas equipment without engineered testing.

A broker parking screen of roughly 200-250 spaces plus negotiated overflow is a planning assumption, not a code requirement. A traffic consultant must confirm local requirements, restaurant overlap, rideshare staging and event peaks. Suite guests and restaurant patrons remain within the 700-guest operating cap.

Cost conscious immersive screen strategy

The objective is a commanding visual appearance at a lower cost: a large curved LED screen, strong contrast, theatrical enclosure, premium seats and excellent sound. Design around commercially available independent LED panels and processors. A full proprietary dome recreation is outside the project brief.

Display decision	Working specification
Screen geometry	100-foot developed arc width; continuous floor-to-finished-ceiling display, approximately 28-foot illustrative height; actual height follows site design
Curvature	Approximately 48-foot radius, 83-foot chord and 24-foot depth; verify with vendor mockup
Panel pitch	Quote 3-4 mm as the cost-focused starting point; upgrade only if first-row image quality requires it
Pixel calculation	Approximately 10,160 x 2,840 at 3 mm or 7,620 x 2,130 at 4 mm; source quality and processing remain limiting factors
Installed display allowance	\$3.5M midpoint; preliminary \$2M-\$5M package range, not a supplier quote
Package scope	Panels, independent support steel, processing, power distribution, calibration, installation and initial spares

A large curved commercial display can approach the intended visual impression without requiring a hemispherical dome. It will still show conventional licensed content unless separately produced immersive material is obtained. Display size and curvature alone do not establish the same camera perspective, software or content experience as Cosm. Cosm describes its own system as an integrated dome platform. [1-2]

Use matte dark surfaces around the display, dimmable architectural lighting, carefully placed acoustic walls and controlled light spill from the bars. Specify safe usable brightness rather than chasing the largest brightness rating. Obtain a physical panel demonstration at proposed seat distances before selecting pitch.

The 100 x 28 ft face contains about 2,800 sq ft of LED area, so even the lower-cost route is a substantial installation. First-row distance, vertical viewing angles, pixel visibility, curvature and processing must be tested. Clear height near 34-38 ft remains a site requirement unless the display height is redesigned.

Request at least three comparable integrator bids and separately priced alternatives at 80, 90 and 100 feet. Require support structure, heat loads, electrical demand, service access, warranty, replacement modules and commissioning in each bid. Ask for a smaller first phase only as an explicit option; the current concept keeps the requested 100-foot display.

Commercial sports exhibition, concert streams, films and pay-per-view rights remain separate procurement items. A lower-cost screen does not eliminate licensing requirements or guarantee proprietary event feeds. Actual build cost depends heavily on whether the chosen shell avoids major roof changes.

Space program and capacity

Zone	Square feet	Operating intent
Arena including screen and seats	15,000	240 lower + 60 balcony; accessible positions
Outer concourse and member lounges	6,000	Main allocation for standing guests
Two main bars	3,000	1,500 sq ft each including service
Two restaurants behind bars	5,000	2,500 sq ft each; flexible dining
Six arena food vendors	2,400	400 sq ft each
Shared kitchen and back of house	4,500	Hoods, cold storage, wash-up, receiving
Two former locker-room suites	3,000	1,500 sq ft each; both co-ed
Lobby and check-in	1,800	Separate member concierge
Public restrooms	1,600	Retain or rebuild outside suites
Offices and AV control	1,200	Secure staff and systems
Mechanical, storage and walls	1,500	Allowance subject to survey
TOTAL	45,000	Illustrative 250 x 180 ft shell

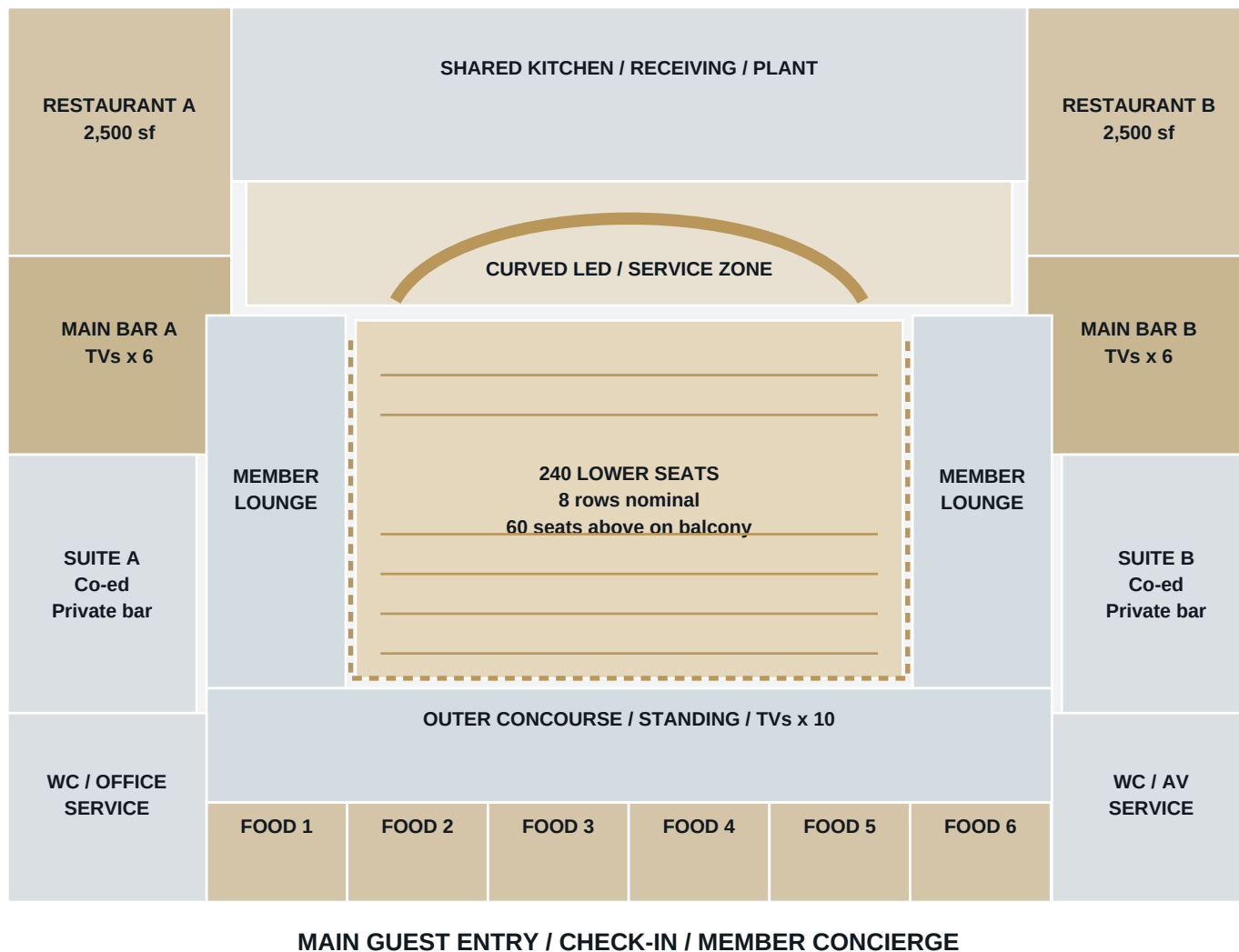
The 700-guest target includes restaurant, bar, lounge and suite patrons; those are not extra capacity on top of 300 seated plus 400 standing. Event ticketing must use one live occupancy count. Final permitted load may differ because staff, exits and local code must be included.

Plan eight lower rows of approximately 30 seats plus 60 seats on a rear-and-side horseshoe balcony, with counts adjusted for aisles and accessible seating. A roughly 90 x 65 ft seating footprint leaves space for premium seat widths, row depth and cross aisles; a sightline consultant must establish riser heights and first-row distance. The drawing is a zoning diagram, not a finished seating or code plan.

Screen restrooms and kitchens from guest sightlines. Preserve independent egress from suites and restaurants. Pool demolition or infill, if present, requires a separate structural and moisture investigation. Do not conceal active building services behind the LED.

Revised concept floor plan

Illustrative 250 x 180 ft shell. Diagrammatic zoning only; not a surveyed LA Fitness plan. North is at the top. Dimensions and exits require architectural validation.

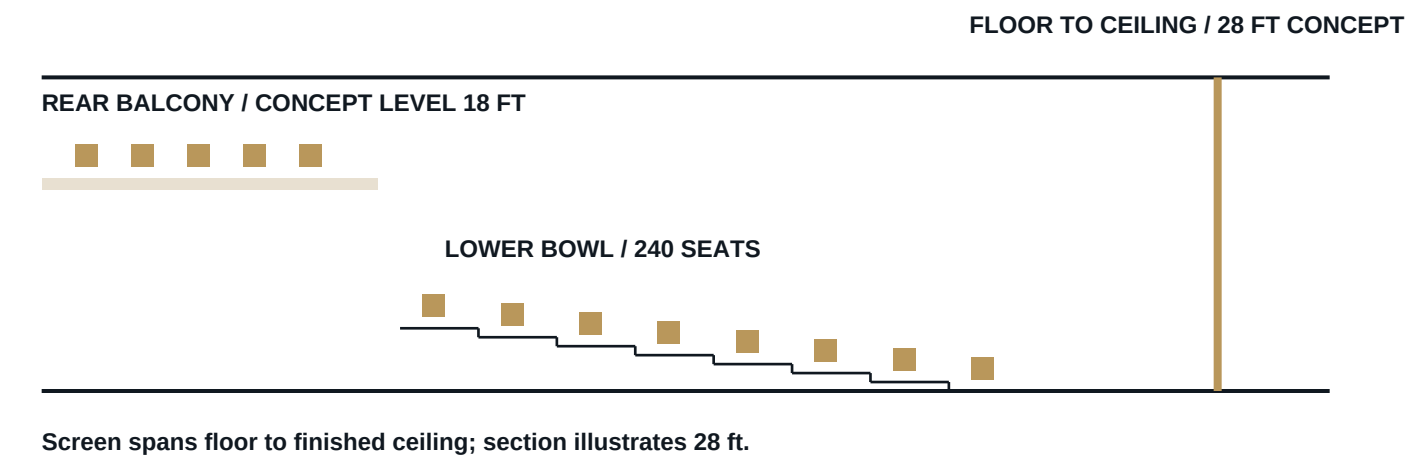


Dashed gold outline indicates the proposed upper balcony above the rear and sides of the lower bowl. Stair and lift locations require detailed design. Adjacencies are prioritized over exact area proportions. Entry and support functions extend into the front zones; full area allocations are listed on the preceding page. Perimeter arrows and final door locations are deliberately deferred to the architect. Both restaurants sit behind their respective bars, near shared kitchen access.

Display schedule: 12 bar TVs + 10 outer concourse TVs + 4 restaurant TVs + 4 suite TVs = 30 large-format displays, generally 85-98 inches. Specify commercial-duty displays, an AV distribution matrix, captioning, zoned sound and synchronized feeds. Protect circulation from queues and standing viewers.

Arena section and weekly operation

Illustrative section through rear balcony and lower bowl toward the screen. Concept geometry only.



The screen reaches from floor to finished ceiling. No audience seating, balcony or hospitality space is beneath the display. Side and rear balconies face the screen and stop before its wall. Seat symbols are illustrative, not seat counts. The rear balcony shown here is part of a horseshoe with side wings totaling 60 seats. Existing beams, balcony structure, access stairs, lift and viewing angles must be resolved in engineering. The drawing does not authorize an 18-foot balcony elevation.

Operating feature	Updated planning basis
Monday through Thursday	2-3 separately ticketed stadium events per day
Friday through Sunday	4-5 separately ticketed stadium events per day
Pricing	Tiered stadium pricing; \$100 model reference average; GA \$20 daily
Annual operating calendar	330 days; 188 weekdays and 142 Friday-Sunday dates
Seat inventory	240 lower + 60 balcony = 300 total; 400 additional venue guests
Founders beverage service	52 bottles annually with rollover; no lower-tier complimentary beverages

Balcony enclosure and suite makeover

The revised arena has 240 lower-bowl seats and 60 balcony seats, preserving 300 ticketable seated places and the original 700-guest operating target. Do not add balcony tickets to the revenue model as extra inventory. The balcony forms a shallow horseshoe along the rear and sides, facing the screen and ending before its wall. No audience seating is beneath the screen.

Bronze and glass rails, opaque acoustic walls below the balcony edges, and controlled entry portals partially close the viewing bowl from the outer concourse. Two main bars remain outside this enclosure, with secondary TVs maintaining an event atmosphere. Screen the kitchen and service paths from stadium sightlines.

Element	Concept requirement
Balcony	Approximately 2,000 gross sq ft of new upper-level area, subject to measured layout. Independent support columns where possible; do not assume existing roof can carry audience loads.
Access	Allow for protected stairs, accessible upper-level access and clear circulation. Final number, placement and dimensions require code design.
Sightlines	Check balcony front-row guardrail obstruction, screen top visibility and under-balcony lower-row views before fixing elevation.
Locker room makeover	Convert both former locker rooms to co-ed hospitality suites. Retain the sports-locker identity with walnut lockers, leather benches and display niches. Remove changing-room functions.
Owner suite service	Each suite has its own private bar, server station and service pantry, seating groups, large TVs and reservation-controlled access. Existing wet-area plumbing may assist the conversion.

A grocery-store conversion can recreate these two locker-themed suites within former staff or stockroom areas. Renderings show the design intent; they do not establish that a particular existing shell can support a balcony or taller display.

The revised plan carries \$2.5M for balcony and enclosure, \$3.2M for building systems, and \$2.9M construction contingency. The independent LED display allowance is \$3.5M, bringing the total project midpoint to \$24.5M. These remain planning assumptions, not secured savings. Major roof raising remains excluded and must be priced separately. Original-shell area stays 45,000 sq ft; a 2,000 sq ft balcony would bring gross floor area toward 47,000 sq ft.

Membership design and constraints

Tier and annual dues	Requested benefits	Proposed delivery rules
Basic \$3,500	Two complimentary drinks per week; roped member sections; dedicated servers.	104 standard drinks yearly. Weekly drinks do not roll over. GA included on ordinary member visits; premium seating purchased separately.
Club \$10,000	Basic benefits; select season stadium seating; monthly bottle service; reserved area and private servers.	Illustrate 12 published season dates with one seat per account, confirmed by reservation. 12 house bottles yearly. Dates and guest rules must be agreed.
Founders \$50,000	Lower-tier non-drink services; shared owner-suite access; preferred stadium seating for up to four; 52 bottles per year with unused bottles rolling over.	52 bottles total per year. No Basic complimentary drinks or Club monthly bottles. Shared suites and four-seat requests are reservation-based.

Founders beverage allowance: 52 bottles per year total, accrued at one bottle per week. Founders receive no additional complimentary drinks or bottles from Basic or Club membership. Unused weekly bottles remain credits and roll forward; no expiry is assumed here. All other non-drink membership services remain included.

Capacity must be contractual

100 Founders x four guests = 400 requested stadium places before Club members or public tickets. Unlimited guaranteed four-seat access cannot be promised in a 300-seat arena. For premium dates, use a disclosed booking window, per-account event limits, waitlists and allocation by season. Suite reservations also require time slots and a capacity limit. A Founder is a hospitality member, not an equity owner.

Illustrative weekly-program session allocation: 30 occupied member seats and 270 saleable seats in the lower weekly-schedule case; 60 occupied member seats and 240 saleable seats in the upper weekly-schedule case. These are average allocations, not guaranteed member quotas. The word preferred means booking priority, not guaranteed availability. If customers demand guarantees, cap Founders near 25-40 or dedicate smaller guaranteed season packages.

A \$100 bottle-cost allowance covers approved house selections and basic consumables; premium upgrades are charged separately. Track outstanding rollover bottle credits, redemption cost and deferred obligations. Gratuity, tax, guests, sharing, responsible service and resale restrictions must be stated clearly. Confirm alcohol benefit rules with local licensing counsel before launch.

Build cost and reuse economics

Curved LED alternate budget	Working \$M
Site diligence, design, permits and engineering	1.10
Lease carry, deposits and mobilization	0.70
Independent curved LED, support and commissioning	3.50
Electrical, HVAC and fire protection upgrades	3.20
Demolition, pool contingency and structural work	1.30
Luxury interiors, public areas and facade	2.40
Tiered seats, risers and accessibility	0.90
Balcony structure, stairs, lift and partial enclosure	2.50
Two main bars and two private-suite bars	1.40
Two restaurants, six stalls and kitchen infrastructure	1.60
Audio, 30 TVs, control and networking	0.80
Furniture, POS, security and smallwares	0.90
Construction contingency	2.90
Preopening staff, marketing and working capital	1.30
TOTAL PROJECT USES	24.50

These are independent order-of-magnitude allowances, not bids. Revised independent-LED project range: \$14M-\$36M; working midpoint \$24.5M. The lower display allowance uses a cost-focused 3-4 mm panel specification and independent processing. Obtain comparable vendor quotes before treating the reduction as secured savings.

The \$24.5M midpoint is about \$544 per original shell sq ft including technology and opening reserves. A net \$800,000 annual occupancy allowance is assumed in operations, approximately \$17.78/sq ft all-in; confirm base rent, CAM, tax and insurance with an actual lease. Purchase price, land, major roof replacement and abnormal environmental remediation are excluded.

Reuse advantage example only: if retained shell, parking and utilities avoid \$3M-\$6M of replacement work but conversion adds \$2M-\$5M, net savings could range from negative \$2M to positive \$4M. Underwrite the measured existing conditions, not the gym brand. \$1.3M opening reserve is thin against operating burn; secure an additional \$1M-\$2M standby facility if financing allows.

Neighborhood niche and major game pricing

Brand promise: Big-event energy. Personal service. Luxury around the corner. The customer should recognize PHENOMENON as the premium local place for a major game, an evening out or a hosted business gathering.

The expansion idea is a repeatable community format: suitable vacant gyms and grocery stores near high-income neighborhoods, with accessible parking, short travel times and restaurant-quality hospitality. A location in every nice community is a long-term ambition; each site must demonstrate enough demand for the screen investment and premium memberships.

Differentiator	How the venue delivers it
More personal	300 stadium seats, hosted arrival, dedicated member servers and recognizable staff
More luxurious	Comfortable premium seats, high-quality food, signature cocktails and private suites
Convenient community access	Neighborhood retail location, parking and rideshare access; guests need not travel downtown
Major-game exclusivity	Limited premium seating, reservation priority and selective \$200-\$300 tickets

Premium ticket ladder

Regular reference prices are approximately \$70 upper deck, \$95 lower bowl and \$135 at premium tables, priced per person. Weekday afternoon movies can use discounted event-specific prices; concerts, fights and major games can command higher prices. The \$100 annual average must emerge from actual sales rather than be applied to every event.

Maintain \$100 as the blended average stadium ticket in the base financial model. For selected major games, price some premium positions or packages at \$200 and \$300, subject to demand and licensed event rights. Define any inclusions before selling; bottle service, meals or premium production can reduce the contribution from higher prices.

Illustrative major-game mix using 210 paid seats: 90 at \$100, 80 at \$200 and 40 at \$300 generates \$37,000 gross ticket revenue, or \$176.19 per paid seat. At a flat \$100 those same seats generate \$21,000, so gross incremental ticket revenue is \$16,000. The remaining 90 of 300 stadium seats are assumed allocated to members for this example.

At 20 such premium sessions per year, the incremental ticket opportunity would be \$320,000 relative to selling the same seats at \$100. After the modeled 25% content allowance and 3% payment fees, approximately \$230,400 remains before extra labor, package inclusions and taxes. This sensitivity is not added to the base annual totals: the \$100 annual average may already contain a mix of lower and higher ticket prices.

Use demand-based seat zones and dates rather than pricing every game at \$300. Keep members informed about included dates, booking priorities and whether premium packages require supplements. Validate major-game ticket prices with paid reservations before treating this uplift as financeable revenue.

Ticket tiers and revenue sensitivity

Seat category	Illustrative seats	Regular reference price
Upper deck balcony	60	\$70 per person
Lower bowl standard	180	\$95 per person
Lower bowl premium tables	60	\$135 per person
TOTAL	300	Weighted full-inventory reference \$98

Premium table positions are part of the existing 240 lower-level seats, not 60 additional places. Layout and seat counts require architectural validation. At the illustrated inventory mix, $(60 \times \$70 + 180 \times \$95 + 60 \times \$135) / 300 = \98 . The realized paid average will differ because members, discounts, sell-through and premium dates affect the mix.

Use an event-by-seat pricing matrix: discounted weekday afternoon movies, regular sports and evening films, higher-priced concerts and fights, and selected \$200-\$300 major-game packages. Confirm what a table ticket includes; food and drink sold separately remain in hospitality revenue. Included package benefits must not be counted again as separate sales.

Average paid ticket	Lower ticket revenue \$M	Target ticket revenue \$M	Lower total revenue \$M	Target total revenue \$M
\$50	4.271	7.344	13.881	29.747
\$75	6.407	11.016	16.016	33.419
\$100	8.543	14.688	18.152	37.091
\$125	10.679	18.360	20.288	40.763

Price-only sensitivity holds attendance, membership dues, bar sales, food sales and other revenue unchanged. Lower model: $904 \text{ sessions} \times 270 \text{ saleable seats} \times 35\% = 85,428 \text{ paid tickets annually}$. Target: $1,224 \times 240 \times 50\% = 146,880$. Ticket revenue equals those counts times the realized average price.

Every \$10 drop reduces annual ticket and total revenue by \$854,280 in the lower scenario or \$1,468,800 in Target. The suggested \$2.1M sensitivity would require 210,000 paid tickets and is not the current model volume. With modeled content and payment costs declining by 28% of lost ticket revenue, the corresponding EBITDA reduction is approximately \$615,082 or \$1,057,536, before any attendance or spending changes.

Lower ticket prices may increase demand, while higher prices may reduce it. This table isolates price effects and does not assume an occupancy response. Treat \$75 as a practical downside pricing check and validate the \$100 reference through an event-level sales forecast before investment underwriting.

Weekly event programming

The revised operating pattern is two to three ticketed stadium events Monday through Thursday, and four to five Friday through Sunday. The \$100 paid stadium average remains a model reference, subject to the actual ticket mix. A session is a separately reserved viewing block with its own seating turnover.

Annual calendar assumption	Lower schedule	Upper schedule
Operating weekdays Monday-Thursday	188	188
Operating weekend days Friday-Sunday	142	142
Ticketed blocks per weekday	2	3
Ticketed blocks per weekend day	4	5
Gross scheduled arena blocks	944	1,274
Blocks reserved for corporate rentals and setup	40	50
Public ticketed event sessions	904	1,224

Retain 330 operating days: 188 Monday-Thursday dates and 142 Friday-Sunday dates. This is a planning calendar, approximately 35 closed dates annually; it must be aligned to the actual opening year. Lower schedule: $188 \times 2 + 142 \times 4 = 944$. Upper: $188 \times 3 + 142 \times 5 = 1,274$. At average counts of 2.5 and 4.5, gross blocks are 1,109; after 45 corporate/setup blocks, 1,064 remain public.

Illustrative daily timing

Weekdays: two evening blocks, for example 5:00-7:30 pm and 8:00-10:30 pm; add an afternoon event when demand supports a third. Friday-Sunday: four blocks spanning late morning through evening; a fifth is a shorter afternoon or late-night program subject to actual event duration and approved hours. Long live games and corporate buyouts reduce available blocks.

Corporate rentals replace public blocks: allow 40 blocks for 30 rentals in the lower case, and 50 for 40 rentals in the upper case. Bar TVs may carry simultaneous programming, but this does not create additional stadium seating. Maintain cleaning, food-service and seat-reset intervals between arena events.

Keep \$20 general admission as a daily outer-concourse pass. Convert standing session entries to distinct daily paying visitors using an assumed two-session average visit. Membership beverage allowances remain annual; member seating remains reservation-based. Model 30 occupied member seats per session in the lower case and 60 in the upper case, subject to actual booking demand.

Added standing room capacity

The updated program retains 300 stadium seats and increases standing/non-stadium guest capacity to 400, creating a 700-guest operating target. Restaurant, bar, suite and lounge patrons count within that total; their occupancy is not an extra allowance.

Keep the existing 6,000 sq ft outer concourse and member lounge allocation as a starting point. Additional standing positions must avoid service queues and accessible circulation. Architect and fire review must verify assembly load, exit capacity, restroom provision and parking before 700 becomes the permitted guest count. Staff are additional people in code calculations.

Change at unchanged occupancy rates	Lower scenario	Target scenario
Standing occupancy per public session	80 people at 20%	140 people at 35%
Incremental GA revenue per year	\$180,800	\$428,400
Incremental owned bar and food revenue	\$542,400	\$1,370,880
Total incremental annual revenue	\$723,200	\$1,799,280
Added payroll, utilities and administration	\$150,000	\$300,000
Net modeled EBITDA increase	\$343,584	\$927,938

Food COGS, content costs and payment fees also increase with sales and are included in revised operating totals. Stadium ticket sales and ticket-price sensitivity remain unchanged because no seats were added. The \$24.5M build midpoint is retained provisionally; any required exit, restroom or parking works must be priced and incorporated before underwriting.

Earlier renderings that show 300 additional guests are visual concepts from the prior capacity program. The current written specification is 300 seated plus 400 standing/non-stadium guests, subject to approval. A larger capacity ceiling does not by itself guarantee additional attendance.

Annual revenue mockup

The lower scenario combines the 2-weekday/4-weekend schedule with 100 Basic, 60 Club and 25 Founders. The upper scenario combines 3-weekday/5-weekend events with your target of 100 in each membership tier. The difference reflects schedule, membership and attendance assumptions together.

Annual revenue \$M	Lower scenario	Upper scenario
Membership dues	2.200	6.350
Paid stadium event tickets	8.543	14.688
Standing GA daily passes	0.723	1.714
Paid bar sales	3.436	7.674
Owned restaurant food sales	2.290	5.116
Corporate venue rental	0.360	0.600
Food concession commission	0.300	0.450
Sponsorship and ancillary	0.300	0.500
TOTAL REVENUE	18.152	37.091

Bar food and ticket revenue inputs

Model inputs and calculations

Lower: 904 public sessions; 30 occupied member seats; 270 saleable seats x 35% occupancy x \$100 x 904 = \$8,542,800. Standing: $400 \times 20\% \times 904 = 72,320$ session entries; divide by two sessions per paying visitor x \$20 = \$723,200 GA.

Upper: 1,224 public sessions; 60 occupied member seats; 240 saleable seats x 50% occupancy x \$100 x 1,224 = \$14,688,000. Standing: $400 \times 35\% \times 1,224 / \text{two sessions per paying visitor} \times \$20 = \$1,713,600$ GA. These occupancy rates are blended averages; weekday and weekend demand must be measured separately.

Paid bar and owned restaurant sales exclude complimentary benefits and concession sales. Lower: $(30 \text{ members} + 94.5 \text{ paid seated} + 80 \text{ standing}) \times 904 + 6,000 \text{ corporate visits} = 190,868$ session visits at \$30 spend = \$5,726,040. Upper: $(60 + 120 + 140) \times 1,224 + 8,000 = 399,680$ at \$32 = \$12,789,760. Session-level spend avoids treating a repeat guest as a fresh full-day spending visit.

Assume 60% of owned food-and-beverage revenue comes from bars and 40% from restaurant food. Lower: \$3,435,624 bars + \$2,290,416 food. Upper: \$7,673,856 bars + \$5,115,904 food. These splits are planning assumptions; test check averages, food attachment and repeat-visit spending. Bar COGS of 25% and food COGS of 37.5% produce the modeled weighted 30% cost.

Corporate rental: $30 \times \$12,000$ or $40 \times \$15,000$. Six vendors gross an assumed \$250,000 or \$375,000 each annually; the venue retains 20% commission only. \$100 stadium tickets include entry; no additional \$20 GA. No separate other-date admission revenue is added. All values are independent assumptions requiring market validation.

Operating profit and demand risk

Annual operating expense \$M	Lower scenario	Upper scenario
Paid food and beverage COGS 30%	1.718	3.837
Labor including payroll burden	4.400	6.000
Rent and occupancy	0.800	0.800
Utilities	0.725	0.900
Content and production 25% of admissions	2.317	4.100
Insurance and administration	0.725	0.950
Payment fees 3% of revenue	0.545	1.113
Marketing and member sales	0.600	0.900
AV maintenance and software	0.500	0.650
Complimentary benefits	0.252	0.702
TOTAL OPERATING EXPENSE	12.581	19.952
ILLUSTRATIVE EBITDA	5.571	17.139

Benefit costs remain \$251,920 and \$702,400 respectively. Founders receive 52 bottles annually with rollover and no lower-tier complimentary drinks or bottles. Other tiers retain their existing benefits.

Content and production at 25% of paid stadium and GA revenue is a placeholder, not a confirmed rights deal. Each additional five percentage points costs approximately \$463,300 or \$820,080 annually. Actual deals may impose minimums, per-event fees or larger shares. Payroll has been reduced from the earlier every-day schedule but still needs an operator roster.

EBITDA excludes interest, taxes, depreciation, owner distributions and capital replacement. Use a \$500,000 annual replacement reserve. Illustrative \$6M debt at 10% amortized over ten years requires about \$0.976M annual service. Lower-scenario cash after debt and reserve is approximately \$4.095M before taxes, conditional on the stated inputs.

Low-demand test: 50 Basic, 25 Club and 10 Founders; lower weekly schedule; 15% paid-seat occupancy and 10% standing occupancy. Annual revenue is approximately \$8.785M. With \$4.1M payroll and adjusted variable costs, EBITDA is approximately negative \$0.743M. Debt and replacement reserve produce an approximately \$2.219M cash shortfall before taxes. This assumes member attendance stays at 30 per session, itself optimistic.

The upper case is a potential operating scenario, not a financing forecast. Validate \$100 realized ticket prices, daily demand, membership renewal and available content. Forecast weekday and weekend attendance separately once pilot sales provide evidence.

Capital raise and ownership

Illustrative sources	Amount	Position
Strategic and financial equity	\$15.5M	Primary permanent risk capital
Equipment or term financing	\$6.0M	Subject to underwriting and guarantees
Landlord improvement contribution	\$2.0M	Negotiated; may be recaptured through rent
Sponsor capital	\$1.0M	Cash funded by developer/operator
TOTAL	\$24.5M	Matches curved LED alternate uses

Do not count annual presale dues as equity or unrestricted build cash. Dues fund future services and refunds if opening conditions fail. Hold conditional deposits separately until financing, permits and opening milestones are satisfied. Customer membership sales and investment subscriptions use separate contracts, accounts and marketing.

Example equity proposal for partner discussions

One illustrative structure: new investors contribute \$15.5M for 60% of fully diluted equity; sponsor contributes \$1M cash plus development work and operating responsibility for 40%, with part vesting against milestones. This implies a \$25.83M post-money valuation and substantial sponsor value that investors must validate. A \$1M check equals approximately 3.87% of the company if all subscriptions share identical terms. It is not a promised valuation or return.

Possible terms for counsel to negotiate: investor approval of material debt and related-party contracts; quarterly reporting; board seats; an 8% non-guaranteed, non-cumulative preferred distribution only from available cash, then return of capital before residual distributions. A preferred hurdle is not a fixed obligation. At \$15.5M invested, an 8% annual hurdle of \$1.240M is below the lower weekly-schedule cash estimate but is unsupported in the low-demand case; no full payout should be promised.

Potential capital partners

Approach hospitality operators, commercial landlords with vacant gym space, family offices, sports-business investors and AV equipment financiers. Use paid founder discovery events, corporate annual hospitality accounts, sponsored lounges and concession operator contributions to prove demand. Sponsor contributions exchanged for revenue or ownership require explicit valuation and documented rights.

For a publicly marketed equity raise, counsel can assess Rule 506(c): accredited purchasers and reasonable verification are required. Rule 506(b) generally prohibits public solicitation. Form D and applicable state notices must be addressed. This document is for feasibility discussion; it does not authorize accepting investment subscriptions. [4-5]

Execution plan and investor gates

Phase	Timing assumption	Required output
Feasibility	Months 0-2	Site surveys, market test, screen vendor scope, initial rights review
Site and funding	Months 2-4	Conditional lease, landlord scope, capital commitments and operator LOI
Design and permits	Months 4-8	Stamped drawings, assembly approval, kitchen and alcohol applications
Construction and AV	Months 8-14	Permitted conversion, screen installation and independent commissioning
Launch	Months 14-16	Staff training, member preview and phased opening

Timing assumes a suitable shell and no major roof replacement. Permit reviews, financing or bespoke technology can extend the schedule beyond 18-24 months. Avoid irreversible lease commitments before structural feasibility and costed display proposals.

Decisions required before an investor offering

1. Select city and shortlist three gym or grocery sites. 2. Confirm 100-foot measurement, desired geometry and ceiling clearance. 3. Obtain three independent curved-LED proposals with like-for-like scope. 4. Validate event rights and annual minimums. 5. Finalize member seat limits and bottle-credit redemption terms. 6. Obtain operator staffing and kitchen budgets. 7. Secure investor counsel and an independently reviewed financial model.

Sources and evidence status

Primary sources accessed October 7, 2026. Facts about technology and securities pathways are sourced below. Dimensions, pricing, revenue, costs, operating allocations and timeline are independent planning assumptions and require professional validation.

[1] Cosm Technology, CX System: <https://tech.cosm.com/products/cx-system>

[2] Cosm Technology, CX Display: <https://tech.cosm.com/products/cx-system/cx-display>

[3] Cosm Atlanta event page, published 87-foot 12K+ description:

<https://www.cosm.com/atlanta/events/cirque-du-soleil-atl-2026-07-10-1230>

[4] SEC, General solicitation Rule 506(c):

<https://www.sec.gov/resources-small-businesses/exempt-offerings/general-solicitation-rule-506c>

[5] SEC, Private placements Rule 506(b):

<https://www.sec.gov/resources-small-businesses/exempt-offerings/private-placements-rule-506b>

LA Fitness is referenced only as an example of a reusable fitness-center building type. No affiliation, architectural survey or specific site is claimed. Concept imagery is aspirational and must be reconciled with the selected building and permitted plans.

Brand and architectural concepts

PHENOMENON Arena and Social Club | Proposed visual direction



Revised concept board: taller and more curved LED screen, partially enclosed balcony arena, repurposed fitness-center exterior, locker-room lounge and proposed wordmark. Earlier imagery is conceptual; the corrected screen illustration governs the floor-to-ceiling screen and no-seating-beneath layout. Images are not measured elevations or representations of a confirmed property.

Locker room and shared owner suite

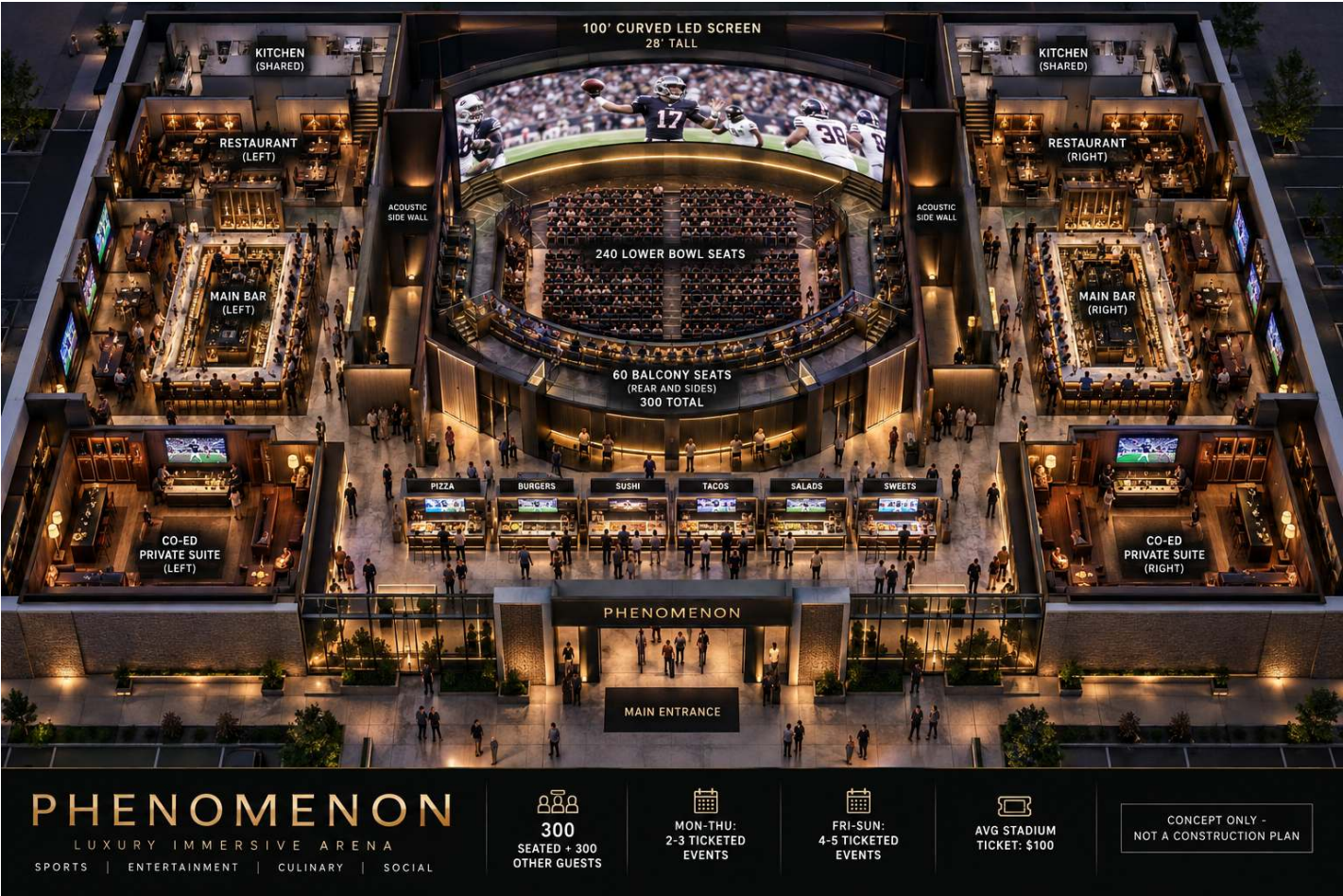
Dedicated hospitality concepts | Both former locker rooms become co-ed suites



Top: locker-room makeover with walnut sports lockers and private bar. Bottom: shared owner suite with lounge seating, dedicated service and TVs. Both concepts require an actual measured plan.

Venue cutaway and updated program

PHENOMENON | Gym or grocery-store conversion | Updated weekly event schedule



Illustrated spatial concept: curved screen, lower bowl, balcony, two main bars, two restaurants, six food vendors and two co-ed private suites. Illustration labels showing 300 other guests are superseded by the revised 400-guest standing allocation; the measured design and circulation remain subject to architectural review.

Main bar and restaurant closeups

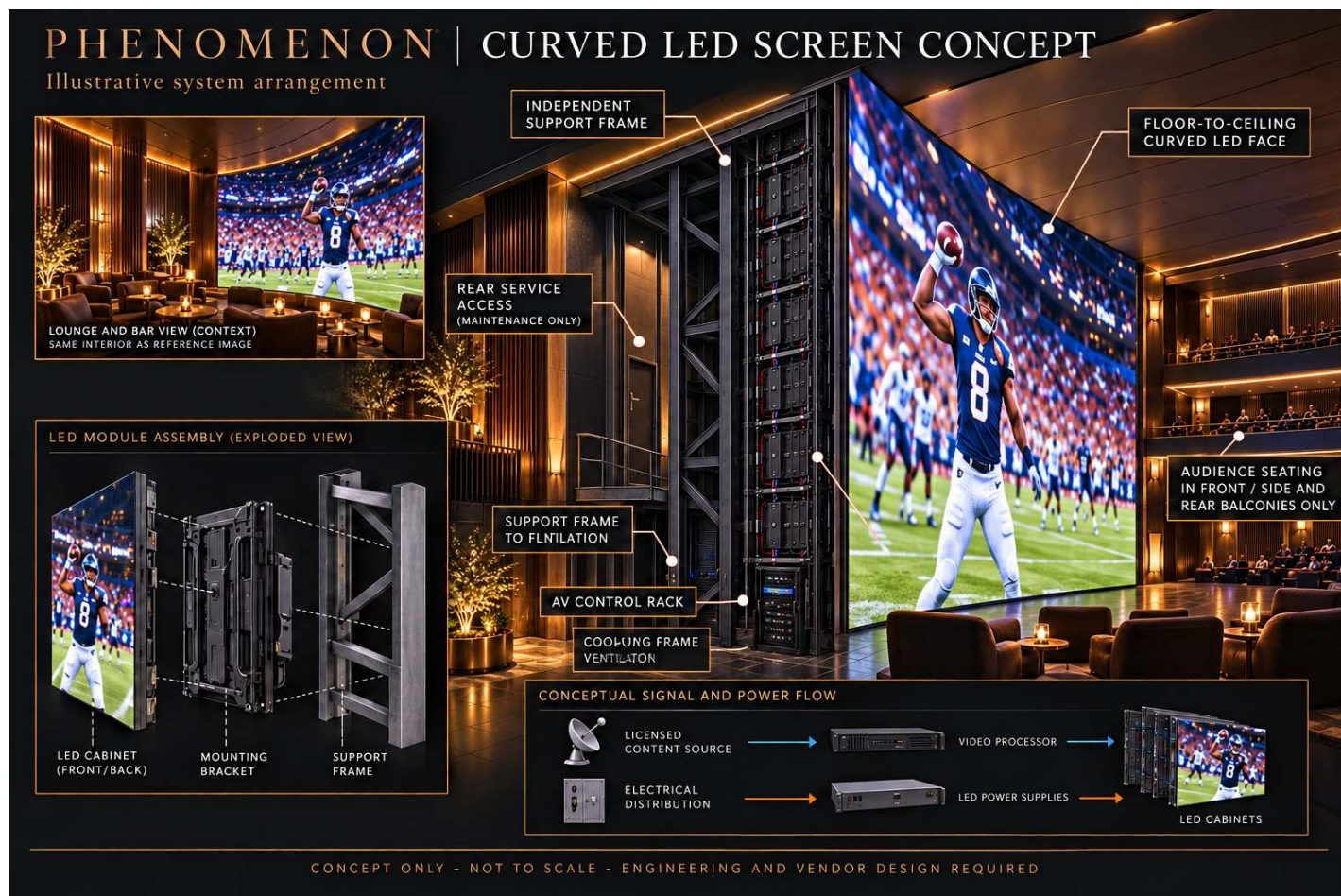
Luxury neighborhood hospitality | Personal service and premium materials



Main bar and restaurant concepts show the intended materials, guest comfort and service atmosphere. The restaurants sit behind the two main bars; dedicated servers connect dining, member lounges and the arena. Renderings are conceptual, not measured interior designs.

Corrected floor to ceiling screen concept

Continuous LED display | Seating faces the screen | Side and rear balconies



This corrected screen-system illustration supersedes earlier renderings that show seating or balconies beneath the display. The LED face is continuous from floor to finished ceiling. Upper balcony seating is on the audience side, along side walls and opposite the screen. Rear service access is for maintenance only.

The illustration explains the concept and is not a construction drawing. Exact height, support structure, panel layout, service clearance and electrical systems require vendor and engineer design. Seating capacity remains 300 with 400 standing/non-stadium guests; the financial model is unchanged by this illustration update.