

PHENOMENON ARENA & SOCIAL CLUB

BUSINESS PLAN
LUXURY AROUND THE CORNER



Prepared for Lovell Jones

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Luxury around the corner

PHENOMENON Arena and Social Club is a proposed luxury entertainment and hospitality venue that brings major-event excitement into desirable residential communities. Our intended distinction is a more personal, luxurious neighborhood experience than large immersive destinations: premium viewing, attentive service, dining and private hospitality without requiring a downtown trip.

The venue

Retrofit a roughly 45,000-square-foot vacant gym or large grocery store into an intimate arena with **300 stadium seats and 400 standing or non-stadium guests**, for a 700-guest target subject to occupancy approval. The seating program combines 240 lower-level positions and 60 side-and-rear balcony seats. A curved LED display of roughly 100 feet in developed arc width runs continuously from floor to finished ceiling, with no audience seating beneath it.

Two main bars, two restaurants behind the bars, six food concessions and approximately 30 distributed TVs support the arena. Former locker rooms become two co-ed private suites with sports-locker styling, dedicated bars and service areas. Marble, walnut, bronze and warm lighting create the atmosphere of a luxury resort while preserving a community-scale format.

Programming and ticket sales

Host licensed sports screenings, concert streams, films and corporate events. Plan two to three ticketed events Monday-Thursday and four to five Friday-Sunday. Across 330 operating days, the model allows 904-1,224 public sessions after corporate events and setup. Regular reference prices are \$70 upper deck, \$95 lower bowl and \$135 at premium tables; matinees can be discounted, with selected major games at \$200-\$300. The financial model uses a \$100 blended paid-ticket average, not a uniform price. Standing admission is a \$20 daily pass.

Recurring membership revenue

Annual tier	Core benefits
Basic \$3,500	Two complimentary drinks weekly, reserved member areas and dedicated servers.
Club \$10,000	Basic benefits, select season seating and monthly house-bottle service.
Founders \$50,000	Shared owner-suite access, preferred seating requests for up to four and 52 bottles yearly with rollover. No lower-tier complimentary beverages.

At 100 members per tier, annual dues total \$6.35M. Member seat access requires reservations and disclosed limits; 100 Founders cannot all receive four guaranteed stadium places at once. Membership conveys hospitality benefits, not ownership.

Economics and investment

The business earns revenue from membership dues, stadium tickets, standing admission, owned bars and restaurants, food-concession commissions, corporate rentals and sponsorship. The independent curved-LED approach prioritizes visual impact and cost control rather than replicating a proprietary dome system.

Annual planning estimate	Lower scenario	Target scenario
Membership dues	\$2.20M	\$6.35M
Stadium tickets and standing GA	\$9.27M	\$16.40M
Owned bar and restaurant sales	\$5.73M	\$12.79M
Corporate, concessions and sponsorship	\$0.96M	\$1.55M
Total revenue	\$18.15M	\$37.09M
Operating expenses	\$12.58M	\$19.95M
Illustrative EBITDA	\$5.57M	\$17.14M

The lower scenario assumes 100 Basic, 60 Club and 25 Founders; 904 public sessions; 35% sell-through of 270 paid seats and 20% occupancy of 400 standing positions. Target assumes 100 members per tier, 1,224 sessions, 50% sell-through of 240 paid seats and 35% standing occupancy. Standing visits average two sessions per daily pass. Paid hospitality spend averages \$30-\$32 per session visit, excluding complimentary benefits.

These are conditional operating scenarios, not guaranteed forecasts. EBITDA excludes interest, taxes, depreciation and capital replacement. At current Target ticket volume, every \$10 change in realized average price changes annual revenue by \$1.47M. A low-demand scenario produces approximately \$8.79M revenue and a \$0.74M EBITDA loss, demonstrating the need to validate demand before financing.

Development capital

Working project budget: **\$24.5M**, within an independent preliminary range of \$14M-\$36M. The midpoint includes a \$3.5M screen allowance, balcony and enclosure works, hospitality fit-out, building systems, contingency and opening reserves. Property acquisition and major roof raising are excluded. Increasing capacity may require additional exits, restrooms or parking works; these must be priced before underwriting.

Illustrative funding sources are \$15.5M partner equity, \$6M equipment or term financing, \$2M landlord improvements and \$1M sponsor cash. Ownership terms, valuation and distribution rights remain negotiable. Membership presales should support demand validation and future services, rather than be treated as unrestricted equity capital.

Path to launch

Shortlist suitable community locations; complete structural, utility and occupancy feasibility; obtain three comparable LED bids; secure a hospitality operator and event rights; validate paid member and ticket demand; then finalize financing and permits. A preliminary 14-16-month delivery window assumes a suitable shell and timely approvals. The goal is a repeatable neighborhood venue format after the first location proves its economics.

Status: No property or final vendors have been selected. This summary reflects the current PHENOMENON business plan. Costs, attendance and pricing require independent validation; the cover is a concept illustration.