

DISPLAY THIS CARD ON PRINCIPAL FRONTAGE OF WORK



# CITY OF PORTLAND

# BUILDING PERMIT

This is to certify that MARTHA P. BLACKBURN

Located At 494 STEVENS

Job ID: 2011-07-1761-ALTCOMM

CBL: 135 - - E - 010 - 001 - - - -

has permission to Interior renovations

provided that the person or persons, firm or corporation accepting this permit shall comply with all of the provisions of the Statutes of Maine and of the Ordinances of the City of Portland regulating the construction, maintenance and use of the buildings and structures, and of the application on file in the department.

Notification of inspection and written permission procured before this building or part thereof is lathed or otherwise closed-in. 48 HOUR NOTICE IS REQUIRED.

A final inspection must be completed by owner before this building or part thereof is occupied. If a certificate of occupancy is required, it must be

*[Handwritten signature and date 8/5/11]*

Fire Prevention Officer

Code Enforcement Officer / Plan Reviewer

**THIS CARD MUST BE POSTED ON THE STREET SIDE OF THE PROPERTY  
PENALTY FOR REMOVING THIS CARD**

## BUILDING PERMIT INSPECTION PROCEDURES

Please call 874-8703 or 874-8693 (ONLY)

or email: [buildinginspections@portlandmaine.gov](mailto:buildinginspections@portlandmaine.gov)

With the issuance of this permit, the owner, builder or their designee is required to provide adequate notice to the city of Portland Inspections Services for the following inspections. Appointments must be requested 48 to 72 hours in advance of the required inspection. The inspection date will need to be confirmed by this office.

- **Please read the conditions of approval that is attached to this permit!! Contact this office if you have any questions.**
  - **Permits expire in 6 months. If the project is not started or ceases for 6 months.**
  - **If the inspection requirements are not followed as stated below additional fees may be incurred due to the issuance of a "Stop Work Order" and subsequent release to continue.**
1. Close-in inspection required prior to insulating or drywalling.
  2. Final inspection required upon completion.

The project cannot move to the next phase prior to the required inspection and approval to continue, REGARDLESS OF THE NOTICE OF CIRCUMSTANCES.

IF THE PERMIT REQUIRES A CERTIFICATE OF OCCUPANCY, IT MUST BE PAID FOR AND ISSUED TO THE OWNER OR DESIGNEE BEFORE THE SPACE MAY BE OCCUPIED.



# PORTLAND MAINE

*Strengthening a Remarkable City, Building a Community for Life* • [www.portlandmaine.gov](http://www.portlandmaine.gov)

Director of Planning and Urban Development  
Penny St. Louis

Job ID: 2011-07-1761-ALTCOMM

Located At: 494 STEVENS

CBL: 135 - - E - 010 - 001 - - - -

## **Conditions of Approval:**

### **Zoning**

1. This permit is being approved on the basis of plans submitted. Any deviations shall require a separate approval before starting that work.
2. Separate permits shall be required for any new signage.
3. This property shall remain a retail use. Any change of use shall require a separate permit application for review and approval.

### **Fire**

All construction shall comply with City Code Chapter 10.

### **Building**

1. Separate permits are required for any electrical, plumbing, sprinkler, fire alarm HVAC systems, heating appliances, commercial hood exhaust systems and fuel tanks. Separate plans may need to be submitted for approval as a part of this process.
2. Application approval based upon information provided by applicant. Any deviation from approved plans requires separate review and approval prior to work.

**City of Portland, Maine - Building or Use Permit Application**

389 Congress Street, 04101 Tel: (207) 874-8703, FAX: (207) 8716

Job No: 2011-07-1761-ALTCOMM	Date Applied: 7/20/2011	CBL: 135 - - E - 010 - 001 - - - - -	
Location of Construction: 494 STEVENS AVE	Owner Name: MARTHA P BLACKBURN	Owner Address: 494 STEVENS AVE PORTLAND, ME - MAINE 04103	Phone:
Business Name:	Contractor Name: Hardings Plumbing and Heating	Contractor Address: 9 Woodbury St., South Portland, M E 04106	Phone: 767-1511
Lessee/Buyer's Name: Philip Gaven	Phone: 409-3344	Permit Type: tenant fit-up	Zone: B-1b
Past Use: Retail: "the Picnic Basket"	Proposed Use: Same: Retail - Specialty bee products - tenant fit-up	Cost of Work: 1000.00	CEO District:
		Fire Dept: <input checked="" type="checkbox"/> Approved w/conditions <input type="checkbox"/> Denied <input type="checkbox"/> N/A	Inspection: Use Group: M Type: SB
		Signature: <i>Bjorklund</i> (SB)	Signature: <i>IBC 09</i>
Proposed Project Description: Interior renovations		Pedestrian Activities District (P.A.D.)	
Permit Taken By: Lannie	<b>Zoning Approval</b>		

<p>1. This permit application does not preclude the Applicant(s) from meeting applicable State and Federal Rules.</p> <p>2. Building Permits do not include plumbing, septic or electrical work.</p> <p>3. Building permits are void if work is not started within six (6) months of the date of issuance. False informatin may invalidate a building permit and stop all work.</p>	<p><b>Special Zone or Reviews</b></p> <p><input type="checkbox"/> Shoreland</p> <p><input type="checkbox"/> Wetlands</p> <p><input type="checkbox"/> Flood Zone</p> <p><input type="checkbox"/> Subdivision</p> <p><input type="checkbox"/> Site Plan</p> <p><input type="checkbox"/> Maj <input type="checkbox"/> Min <input type="checkbox"/> MM</p> <p>Date: <i>OK with condit</i> <i>7/27/11</i></p>	<p><b>Zoning Appeal</b></p> <p><input type="checkbox"/> Variance</p> <p><input type="checkbox"/> Miscellaneous</p> <p><input type="checkbox"/> Conditional Use</p> <p><input type="checkbox"/> Interpretation</p> <p><input type="checkbox"/> Approved</p> <p><input type="checkbox"/> Denied</p> <p>Date: <i>S</i></p>	<p><b>Historic Preservation</b></p> <p><input checked="" type="checkbox"/> Not in Dist or Landmark</p> <p><input type="checkbox"/> Does not Require Review</p> <p><input type="checkbox"/> Requires Review</p> <p><input type="checkbox"/> Approved</p> <p><input type="checkbox"/> Approved w/Conditions</p> <p><input type="checkbox"/> Denied</p> <p>Date: <i>S</i></p>
	<b>CERTIFICATION</b>		

I hereby certify that I am the owner of record of the named property, or that the proposed work is authorized by the owner of record and that I have been authorized by the owner to make this application as his authorized agent and I agree to conform to all applicable laws of this jurisdiction. In addition, if a permit for work described in the appication is issued, I certify that the code official's authorized representative shall have the authority to enter all areas covered by such permit at any reasonable hour to enforce the provision of the code(s) applicable to such permit.

SIGNATURE OF APPLICANT ADDRESS DATE PHONE

RESPONSIBLE PERSON IN CHARGE OF WORK, TITLE DATE PHON



# General Building Permit Application

If you or the property owner owes real estate or personal property taxes or user charges on any property within the City, payment arrangements must be made before permits of any kind are accepted.

Location/Address of Construction: <u>494 STEVENS AVE. PORTLAND 04103</u>		
Total Square Footage of Proposed Structure/Area <u>1900</u>	Square Footage of Lot <u>.101 ACRE</u>	Number of Stories <u>2</u>
Tax Assessor's Chart, Block & Lot Chart# <u>135</u> Block# <u>E</u> Lot# <u>10</u>	Applicant * <u>must be owner, Lessee or Buyer</u> * Name <u>PHILIP GAVEN</u> Address <u>120 THOMPSON ST</u> City, State & Zip <u>S. PORTLAND, ME 04106</u>	Telephone: <u>207-409-3344</u>
Lessee/DBA (If Applicable)	Owner (if different from Applicant) Name <u>RICHARD WANK</u> Address <u>7805 DEER TRAIL</u> City, State & Zip <u>DALLAS, TX 75238</u>	Cost Of Work: \$ <u>1000</u> C of O Fee: \$ <u>75</u> Total Fee: \$ <u>105</u>
Current legal use (i.e. single family) <u>BIB</u> <u>COMMERCIAL - SANDWICH SHOP</u> <u>retail/Medicare Basket</u>	Number of Residential Units <u>0</u>	
If vacant, what was the previous use?		
Proposed Specific use: <u>SPECIALTY GIFTS + GOURMET PACKAGED FOODS - bee products</u>		
Is property part of a subdivision? <u>NO</u> If yes, please name		
Project description: <u>REHAB DOWNSTAIRS BATH: REMOVE CERAMIC TILE WALLS + PRESSBOARD CEILING. REPLACE WITH MOISTURE-RESISTANT SHEETROCK, REMOVE TUB + CAP PLUMBING. ALSO, GENERAL COSMETIC (PAINTING, REPLACE CARPET) will need new</u>		
Contractor's name: <u>HARDING'S PLUMBING + HEATING</u>	<u>COFO-2/COMMERCE</u>	
Address: <u>9 WOODBURY ST.</u>		
City, State & Zip: <u>So. PORTLAND, ME 04106</u>	Telephone: <u>207-767-1501</u>	
Who should we contact when the permit is ready: <u>PHILIP GAVEN</u>	Telephone: <u>207-409-3344</u>	
Mailing address: <u>120 THOMPSON ST. So. PORTLAND, ME 04106</u>		

Please submit all of the information outlined on the applicable Checklist. Failure to do so will result in the automatic denial of your permit.

In order to be sure the City fully understands the full scope of the project, the Planning and Development Department may request additional information prior to the issuance of a permit. For further information or to download copies of this form and other applications visit the Inspections Division on-line at [www.portlandmaine.gov](http://www.portlandmaine.gov), or stop by the Inspections Division office, room 315 City Hall or call 874-8703.

I hereby certify that I am the Owner of record of the named property, or that the owner of record authorizes the proposed work and that I have been authorized by the owner to make this application as his/her authorized agent. I agree to conform to all applicable laws of this jurisdiction. In addition, if a permit for work described in this application is issued, I certify that the Code Official's authorized representative shall have the authority to enter all areas covered by this permit at any reasonable hour to enforce the provisions of the codes applicable to this permit.

Signature: [Signature] Date: 7-20-11

This is not a permit; you may not commence ANY work until the permit is issue

RECEIVED  
JUL 20 2011  
Dept. of Building Inspections  
City of Portland, Maine

11-16-11

## BATHROOM RENOVATION - PROJECT PARAMETERS

- REMOVE PRESSBOARD CEILING + TILE/PLASTER WALLS
- TEMPORARILY REMOVE TOILET + HAND SINK
- REMOVE (PERMANENTLY) BATHUB + CAP PLUMBING.
- REPLACE WALLS + CEILING w/ MOISTURE RESIST. SHEETROCK
  - MUD. PAINT
- RE-ATTACH OLD TOILET + HAND SINK

## BLDG:

- NO ALTERATIONS UPSTAIRS
- PAINTING + GENERAL MAINTENANCE DOWNSTAIRS
- PAINT EXTERIOR + HANG SIGN PENDING PERMIT APPROVAL.

EXIT TO SUNDOCK

4' 1/2'

KITCHEN

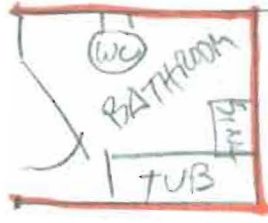
30" SINK

DECK



BASMENT STAIRS

CLOSET



SLIDING DOOR

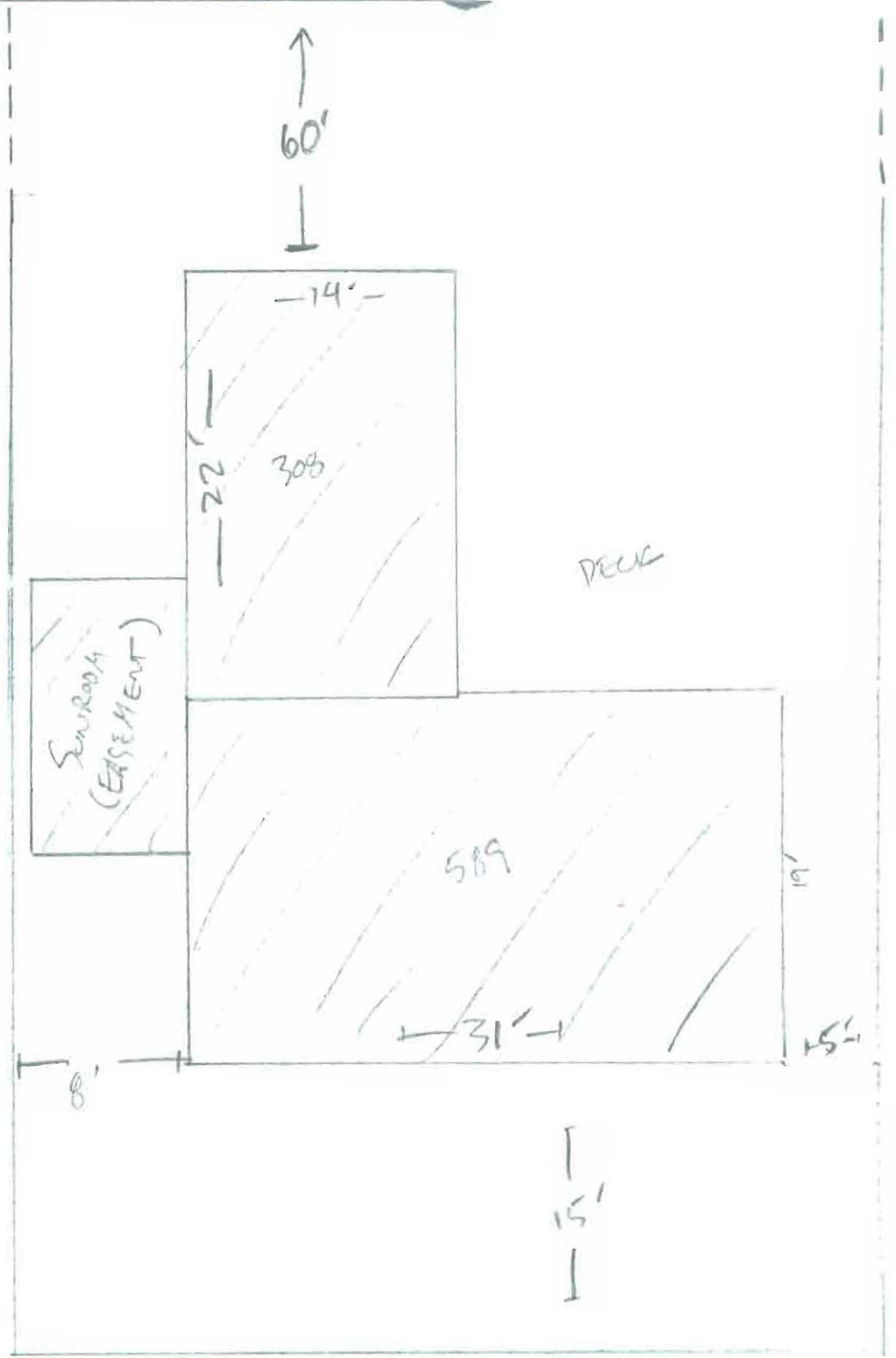
BEE KEEPING + REGISTER

HONEY + SPECIALLY FOOD

REGISTER

3/6"

31' FRONTAGE



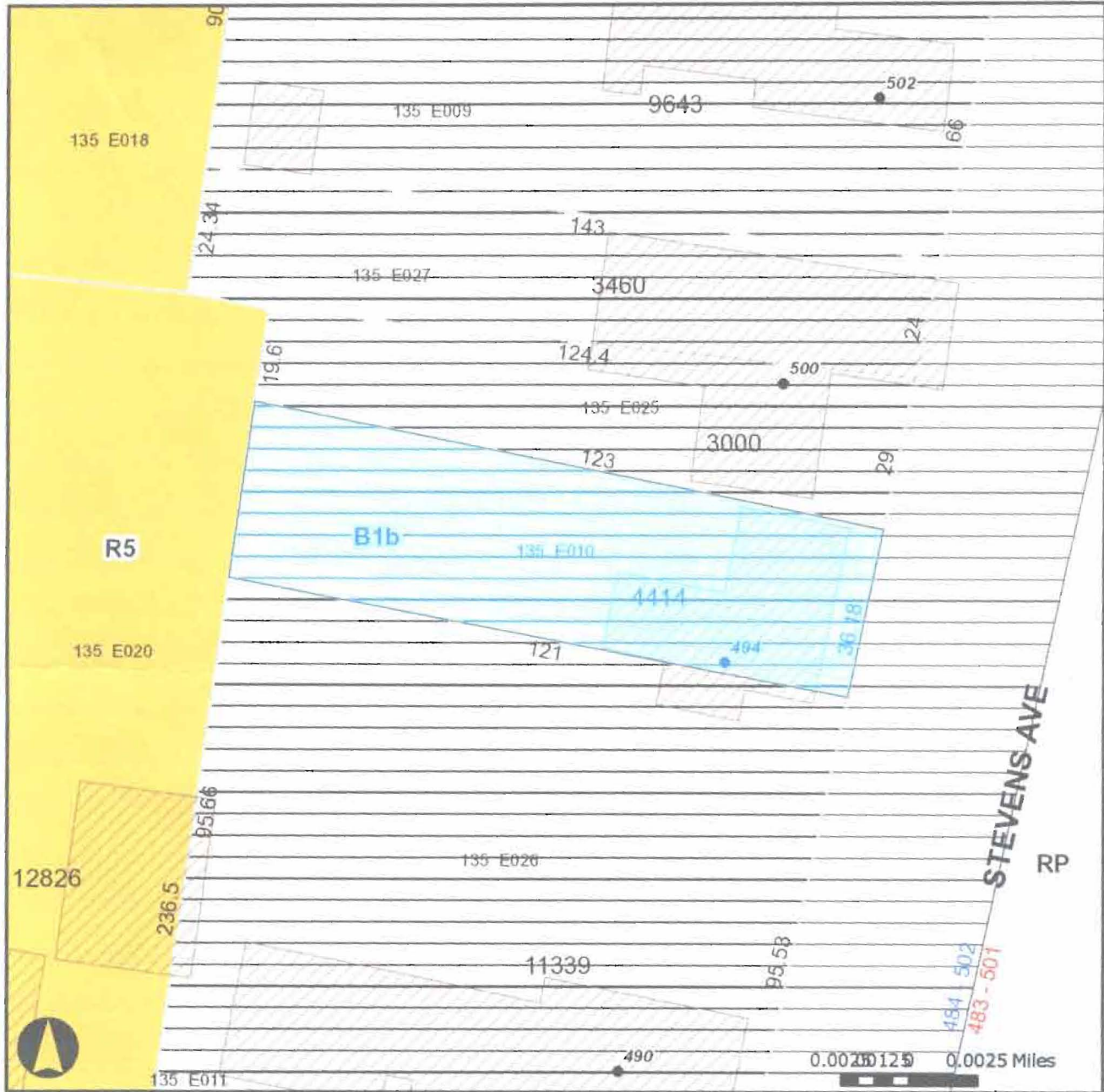
SIDEWALK



Phil Gavin  
5/13/11

494 Stevens Ave

# Map



Parcels



Parcels



Interstate



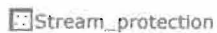
Streets



Buildings



Stream Overlay Zone



Island Zoning



Zoning (continued)



Zoning (continued)



5/13/11

## Executive Summary

The Honey Exchange is a specialty store centered on honey, honeybees, and beehives. The centerpiece of the store is retail to the broad market of a wide variety of honeybee-related items, including: local and other boutique honeys, candles, health products (such as lip balm, skin salve, etc.), mead, books, and other bee-themed gift items. Two other elements to the business model will offset the seasonality of gift sales and help us attract area beekeepers and help make visits to the store a unique experience. The first element is a centralized location where hobbyist and sideline (those whose hives are producing saleable commodities) beekeepers could extract their honey quickly and conveniently. They would either pay for the service and take their honey and beeswax home or sell it to the store where it would be packaged for sale on site. This extracting process will also serve as a draw for curious shoppers and school age children. Beekeeping supplies season runs February through May and the extracting season runs July through October, so at other times of the year those spaces would be used for educational programs. The second element is the sale of a select inventory of beekeeping equipment tailored to the needs of hobbyist and sideline beekeepers. The season when beekeepers purchase most of their equipment is in the late winter and early spring.

The market is ripe for such a store because of increased awareness and concern for honeybees among the general public. The number of beekeepers and beehives has risen steadily since 2006 and much of the growth in beekeepers has come from professionals with the financial means to take on a relatively expensive hobby. Currently demand for local honey vastly outpaces supply. The retail store is supported by the green movement, buy-local, and high end grocery trends. While there are competitors for each element of the business model, no single store like this is operating in New England and we believe The Honey Exchange will become a destination.

No store in Maine is focused specifically on honey and honeybee-themed gift items. While there is abundant competition for gifts in general in Portland, the nearest specialty honey store is in Cambridge, Massachusetts (110 miles away). Other specialty and high-end groceries carry local honey but none is forming relationships with area beekeepers and helping them succeed in their ventures.

The nearest location offering honey extraction service, in Brunswick, Maine (40 miles away) is open some weekday evenings and on weekends. The next nearest beekeeping supply store that offers extraction service, in Tyngsborough, Mass (100 miles away) is open by appointment.

There is no beekeeping supply store in Portland, though three are operating within an hour's drive. The nearest, in North Yarmouth (12 miles away) is a small, unkempt shop open by appointment. The next nearest is the aforementioned store in Brunswick. The third competitor for beekeeping supplies, in Lebanon, Maine (39 miles away and far from the main thoroughfare) is open only Tuesdays, Thursdays, and Saturday morning. We intend our retail space to be far more convenient, attractive, and inviting than any of our competitors.

We are seeking the sale of seven (7) promissory notes at \$10,000 each, to prepare and equip the store for opening, secure inventory, and provide working capital for growth and development. The notes have terms payable over 5 years, the first 2 years with interest only payments at 8%. In years 3-5 we will return a third of the principal each year plus interest. The third year has a rate of 10%. The 4th and the 5th year return a third of principal and a return of 12% on the remaining balance.

## **Business Description**

The Honey Exchange is a four-season retail model diversified into four channels: broad-market retail, education, service, and equipment sales. We will sell a wide variety of retail products having to do with bees, beehives, or honey. We will also be in the business of education, from beekeeping classes to field-trips for school kids. We will also provide services to beekeepers in convenient honey extraction as well as service and assistance with beehives. For example, we would offer a hive assembled, painted, delivered, and installed with bees (a service not being provided by anyone in New England.) We also expect to be a conduit for beekeepers to sell between each other and to get their products to retail. We will provide a selection of beekeeping equipment focused on the hobbyist beekeeper.

Retail products would include: Any jars of honey or comb honey we are able to produce or source; wax products including candles, lip balms and lotions; food and drinks made with honey or to accompany honey, including sauces and condiments, mead, and tea; age appropriate gifts in categories from pre-K, elementary, 18-34, 35-44, including t-shirts and bee-themed jewelry and housewares; books and magazines about bees or gardening; garden items such as seeds and bulbs; health products from the hive including bee pollen and propolis tinctures; bees installed, in painted equipment, packages, nucleus colonies, or queens; and impulse items at the register.

We will carry a carefully selected inventory of beekeeping equipment and supplies. On opening in the summer we will keep a low inventory until late winter, when we will gauge demand and incentivize pre-orders for early spring sales.

Our key demographic for the broad retail aspect of the business is the 18-44 years of age, affluent conscientious consumer. In the book *Megatrends 2010*, Patricia Aburdene writes "by 2000, the market for values-driven commerce, from organic food and eco-tourism to Earth-friendly appliances and alternative medicine, had reached \$230 billion, according to a report in *The New York Times*, and was growing by double digits every year." This trend has survived the recent economic recession, as evidenced by the extremely successful opening of Whole Foods Market in Portland in February of 2007.

The beekeepers we expect to attract cut across many demographic groups. We will reach them though their very active county club and state association (of which we are active members with high-ranking contacts). We will also advertise in beekeeping magazines with wide circulation in the northeast. Our targets within the beekeeper segment will be the urban/suburban professionals among them who represent the majority of the approximate 10% annual growth in participation over the last four years.

## **Operations and Location**

We will begin business being open seven days a week. After the first quarter we will establish which weekday has the slowest volume and reduce to a six day week. Opening hours will be 10-7 every day, and may also be adjusted to volume after the first quarter.

The location of the business, 494 Stevens Avenue, Portland, is well situated for both aspects of our target market: broad market retail, and beekeeper specific. The traffic count on Stevens Avenue of 12,950 per day (2009 Maine DOT Countbook) gives the store excellent visibility. The location, in the stable, affluent neighborhood of Deering surrounds us our target demographic. Within a half mile in each direction are public elementary, middle, and high schools, a Catholic high school, and post-secondary school. An additional elementary school is one mile away at the prosperous neighboring Ocean Avenue/Baxter Boulevard neighborhood. The beekeepers will come from many directions, and the location is just over one mile from the Forest Avenue exit on Highway 295.

We are also developing a website for on-line purchasing and expect to earn a quarter of our revenue on-line within three years. We will achieve this in part through a vigorous on-line presence with a blog and use of social media, and in part by active contact with past out-of-town visitors through electronic or traditional mail.

The building has 1,900 square feet of space, on a 1/10 acre lot with a yard suitable for an active beehive and a shed for storage. The ground floor has three main rooms: One room will be dedicated to the honey and bee-themed gifts; the second to beekeeping supplies display, beekeeping impulse items and classroom space; and a large kitchen area for honey extraction. The second floor has three rooms which will be used for an office, inventory storage, and beekeeping woodenware sales room. One restroom is downstairs and customer use and another upstairs for staff.

A significant proportion of our honey and wax products will be extracted, produced, and labeled in the shop with our own proprietary labeling. We will also buy honey and other condiments in jars, and mead, from local suppliers. Many of our gift items will also be produced by local artisans, and others will be purchased from national wholesalers. Beekeeping supplies will be purchased wholesale from Betterbee, in Greenwich, NY. Our own experience keeping bees has shown the products supplied by Betterbee to be superior to those being offered by our area competition. Books will be purchased through Bookazine, and Ingram booksellers.

### **Market/Industry Analysis**

Due to the widespread media coverage of Colony Collapse Disorder (CCD), the public is generally aware of the plight of honeybees and their importance in the food supply. According to the LOHAS (Lifestyles of Health and Sustainability) Journal (Volume 12, spring 2011) the segment of the marketplace that makes buying decisions based on their values system represents 17% of the population. For this market segment the groundwork has already been laid for a buying decision to help honeybees. The LOHAS Journal identifies a further 25% ("Connecting Values with Consumers", spring 2008) as inclined to make values-based purchase decisions when it is made simple and convenient. For those consumers ready to embark on a beekeeping hobby, our accessible location, customer service, mentoring program, and tailor-made inventory will make the commitment much less intimidating. For consumers inclined to make a values-based purchase decision to help honeybees short of keeping their own bees, we will provide opportunities to buy products of the honeybee hive and support local beekeepers.

Membership in the county beekeeping club and state association, as well as the number of beehives managed in the state of Maine, has risen by double digits each year since 2006. Similar results are reported by beekeeping organizations nationwide. Introductory beekeeping courses are offered late winter and early spring at the University of Southern Maine, just over a mile from the store. About 100 new potential beekeepers take the classes and we believe the convenience and personalized service the store offers will attract a majority of them as customers.

Beekeepers approach their hobby with a passionate enthusiasm. Recent interest in the craft is among professional people with disposable income to spend, quite distinct from the traditional rural beekeeper. We have received very positive feedback on this model from wide contacts in the beekeeping community and were greatly assisted in the development of this business plan by Erin Forbes, President of the Maine State Beekeeper's Association.

To develop revenue projections we chose the nearest we could find to our unique business model and selected Gift, Novelty and Souvenir Stores, in the subcategory "Groceries & other foods for human consumption off the premises." (factfinder.census.gov, 2007) The average revenue for this type of business in Maine is \$317,400. Our projected revenue is \$222,000 for the first year, with 10% annual growth. In order to attract the two separate elements (honey extracting service and beekeeping supply sales) that offset the seasonality of other gift stores, we selected an urban

neighborhood location with less foot traffic necessary than downtown. We are confident we can capture 85% market share by our third year with a dynamic marketing plan.

### Competition

- Honey, food items, and mead
  - Whole Foods and other specialty grocers such as Rosemont Market offer some of the same products we will sell. None of them features our credibility with local honey and beeswax harvested and packaged in-house. Our special relationship with the local beekeeping community capitalizes on the local food movement and concern for honeybees within the green-products movement.
- Gift items
  - Portland's Old Port and downtown areas feature innumerable gift shops, but none with a honeybee hive theme. We will have an observation hive populated with bees, assembled hives (without bees) to investigate, and a honey extracting kitchen that will be in operation four months out of the year. These elements will provide a richer experience to visitors and will be especially appealing to elementary school children and their parents.
- Wax lotions and health products
  - Burt's Bees is a formidable competitor, but also proof of the huge demand for beeswax-based health and beauty products. We will be able to offer any product offered by the Burt's Bees line, but produced by local beekeepers. This will appeal to the buy-local and green products demographic more than the mass produced products available elsewhere.
- Beekeeping Supplies:
  - Brown's Apiaries (North Yarmouth), Bees-n-Me (Brunswick), and Bee Pride (Lebanon, ME) all have inconvenient locations and store hours, but they do attract customers willing to suffer inconvenience to save a little bit of money. A common complaint among area beekeepers is that "nobody is making it easy." We will offer convenience, superior customer service to attract less price sensitive consumers and provide both one-stop shopping and a sales outlet for area beekeepers
  - On-line/catalog retailers: There are over a half-dozen major retailers who sell supplies to area beekeepers. We will have to keep our prices competitive with theirs though we believe we can earn a "buy-local" premium by offering personalized service. We are skilled, experienced beekeepers ourselves and can offer advice to new, inexperienced, or struggling beekeepers who are often daunted by the all-encompassing catalogs of major suppliers.

### Marketing Strategy

While we will offer excellent products for sale, what sets The Honey Exchange apart is our unique shopping experience. Our motto is "What's good for the bees is good for ME." Much publicity has already been done in many forms of media to raise common awareness of the importance of honeybees. Concern for the plight of honeybees is very high and we will give people an opportunity to feel a part of the local beekeeping movement so even those who don't wish to have a hive of bees can still support the craft. During store hours we will always have on staff a knowledgeable beekeeper experienced in customer service.

Pricing for most of the items for sale will be dictated by the current market. The price for a pound of local honey is very consistent between farmers' markets, and specialty, high-end grocery

stores. We will be competitive with those prices, though our margin for honey extracted on-site will be higher than honey purchased in jars wholesale. We will sell rare and imported honeys at a premium. Beekeeping supplies will be just slightly higher than from catalog companies, justified by our personalized service. Prices for gift items will be competitive with those offered elsewhere in the city of Portland.

We will promote the business first to the beekeepers through the local and state organizations already mentioned, and through personal contact. It is a group who communicate with one another well already, and we are a part of it. That will get us started in the extracting element. After that our goal is to bring our honeybee presentation to every elementary school in Portland and South Portland. We will send each student home with promotional material and encourage kids and their parents to visit our store and observation hive. The attraction of observation hives for school children is well demonstrated in children's museums and nature centers, and in our own experience bringing a traveling hive to schools. We will also offer low-cost field trips. We have already established a relationship with the school/business liaison in South Portland and will approach Portland schools at the beginning of the next school year. Local (and national) press outlets have already shown an interest in anything that benefits honeybees and we will work to attract them through our community involvement. We will work with the Portland "Buy Local" organization; advertise in the local press, and in regional and national beekeeping journals. We will also use an already broad network in Social Media, linked to an established beekeeping blog.

Overall we will market the Honey Exchange by extensive community involvement and in a "personality-driven" storefront; the store will always be staffed with knowledgeable people passionate about the product.

We will maintain 40% margins on sales and expect 10% annual growth. While this is an aggressive growth projection, it is based on a conservative year one revenue projection and confidence our hands-on marketing will lead to strong word-of-mouth marketing. Long-term growth is built into the business plan because we make it easier for beekeepers to succeed. An adage exists that beekeepers "get into it for the bees and get out of it because of the honey." By giving honey producers a convenient way to extract and sell their honey, and helping them keep bees healthy they should be able to increase their hives beyond what is practical now. In addition to honey production, sideline beekeepers could also be encouraged to collect bee pollen and propolis. We will sell them the products to collect it, then buy the product from them and re-sell it to an eager market. Demand for local bee pollen and propolis (used as a health supplement) also outpaces the current supply.

### **Management/Employees**

Until demand warrants the hiring of employees, the store will be staffed by the principals, Meghan and Phil Gaven. Both Meghan and Phil bring a skill and passion for beekeeping and gourmet food to the operation and each offers a balance of talents for running the business.

Meghan Gaven has twenty years' experience in marketing, half of which was spent in an entrepreneurial role. After graduating from University of California, Berkeley, she held several positions in marketing before joining the marketing department of Pine Ridge Winery, and later the world-renowned Caymus winery. In 1994 she founded Missing Link Communications which provided sales and marketing software to wine industry clients. Missing Link Communications was sold to Orion Software in 2006 and Meghan continues to work as brand manager to this day. She brings a wealth of computer and database skill, information gathering, organizational, and time management ability.

Phil Gaven attended Cornell University's School of Hotel Administration and spent 15 years managing fine dining restaurants. This background taught him the value of superior customer service and gave him the ability to teach the art of service to others. During his tenure as General Manager of Printer's Row Restaurant in Chicago (a three and a half star, white tablecloth restaurant) annual sales grew from \$1.5 million to \$2 million. He gained experience in accounting, inventory control, hiring, training, scheduling, operations management, purchasing and personal selling. Phil is presently studying for certification as a Master Beekeeper. He has established himself in the community as a skilled beekeeper and teacher through mentoring a number of new beekeepers and presenting entertaining and informative programs to students in all age categories.

## **SOURCES AND USES OF FUNDS**

### **Sources of Funds**

7 notes at \$10,000 apiece	\$70,000
----------------------------	----------

### **Uses of Funds**

The \$70,000 will be used as follows:

• Inventory:	Broad-market retail items	\$20,000
	Beekeeping Supplies	10,000
• Equipment	Office and Electronic	2,250
	Beekeeping Specific	6,000
• Website and logotype development		5,000
• Repairs and Leasehold Improvements		4,900
• Signage		1,000
• Working Capital		20,850
<b>TOTAL</b>		<b>\$70,000</b>

We will begin with an inventory weighted toward broad market retail to take us through the late-summer Portland tourist season and into the winter holidays. In January the inventory weighting will begin to tip toward beekeeping supplies, which are typically purchased from January through April. Inventory in April and May will include bees. We will control this inventory by taking extensive pre-ordering from early spring beekeeping schools, and by summer cycle will repeat.

In addition to equipment common to all retail businesses (computer, cash register) the store will require capital expenditures in specialized equipment used for extracting honey from combs.

Repairs to the building will include exterior and some interior painting, some exterior landscaping, minor renovations to the basement to render it useful as storage space, replacement of the kitchen floor with yellow hexagonal ceramic tile, and minor improvements to the restroom.

The working capital will enable The Honey Exchange to meet current expenses and ensure the growth of the business.

### **Summary**

After careful assessment of trends in value-driven commerce, the buy-local and local foods movement, the growth of green businesses, and concern for the plight of honeybees, we believe we have a model for a unique shopping experience. Extensive conversations with interested parties have confirmed our opinion. We have found a high-visibility location to capitalize on the retail gift and specialty food market and have added additional revenue streams to offset the seasonality of the retail business cycle. We believe our high-quality products, superior customer service, and appealing

---

setting give us a strong advantage over our competitors. We have an authentic passion for the product and services, a commitment to the community, and the business skills required to make the business a success. We feel our revenue projections are achievable and our growth projections realistic.



**Financial Addenda to The Honey Exchange  
Business Plan**

- Cash Flow Projections
- Projected Revenue Breakdown
- Pro-forma Balance Sheet
- Income Statement, two year summary
  - Break-even Analysis
  - Resumes of Principals

## The Honey Exchange

Pro-Forma Balance Sheet  
31-Jul-07

### Current Assets

Cash	19,750
Prepaid Expenses	7,250
Inventory	30,000
Supplies	1,000

**Total Current Assets** 58,000

### Fixed Assets

Equipment	7000
Leasehold Improvements	5000

**Total Fixed Assets** 12000

**Total Assets** 70,000

### Current Liabilities

Current Long-Term Debt	\$11,608
------------------------	----------

**Total Current Liabilities**

### Long-Term Liabilities

Term Loan	\$58,392
-----------	----------

**Total Long Term Liabilities** \$58,392

**Total Liabilities** \$70,000

### Net Worth

Owner's Equity	\$0
----------------	-----

### Total Liabilities

**& Owner's Equity** 70,000

## The Honey Exchange

### Projected Income Statement Two Year Summary

	Year One	Year Two
<b>Sales</b>	222,000	244,200
<b>Cost of Goods Sold</b>	134,676	148,143
<b><u>Gross Profit</u></b>	87,325	96,057
<b><u>Operating Expenses</u></b>		
Payroll	6,400	7,040
Payroll Expense	960	1,056
Supplies	3,100	3,410
Repairs & Maintenance	3,600	3,960
Advertising	5,625	6,188
Rent	18,000	19,800
Telephone	1,810	1,991
Utilities	5,100	5,610
Insurance	1,500	1,650
Interest	5,829	6,412
Accounting & Legal	1,500	1,650
Outside Services	5,000	5,500
Car and Delivery	0	0
Miscellaneous	2,400	2,640
<b>Total Expenses</b>	60,824	66,906
<b>Net Profit Before Taxes and Depreciation</b>	26,501	29,151

## The Honey Exchange

Break Even Analysis  
Two Year Summary

### August 1, 2011 - July 31, 2012

→ The following break-even analysis is based on projected sales of \$222,000

Break-even point in Sales Dollars =  $\frac{\text{Fixed Costs}}{1 - \text{Variable Costs}}$

=  $\frac{\$60,824}{1 - 60.66\%}$

= **\$154,629**

We project exceeding the break even point in the ninth month of operation.

### August 1, 2012 - July 31, 2013

→ The following break-even analysis is based on projected sales of \$244,200

Break-even point in Sales Dollars =  $\frac{\text{Fixed Costs}}{1 - \text{Variable Costs}}$

=  $\frac{\$66,906}{1 - 60.66\%}$

= **\$170,092**

**Philip J. Gaven**  
**120 Thompson Street**  
**South Portland, Maine 04106**  
**(207) 767-4236**

Work Experience:

**Proprietor/Craftsman**

Shininglass Studio Furniture

Present

South Portland, Maine

Design, build, and finish custom and limited production hardwood furniture and house wares.

**General Manager**

Printer's Row Restaurant

November 1994 – August 2002

Chicago, IL

Responsible for hiring, training, supervising, and scheduling the Assistant Manager as well as the front-of-house staff. Performed all liquor and wine purchasing, inventory, wine list development, and staff wine education. The wine list received the Wine Spectator *Award of Excellence* for six years running. Responsible for forecasting and budgeting. Promoted from Manager to General Manager in Spring 1997. In Summer 1997 Printer's Row boosted its Chicago Magazine rating from 2 ½ stars to 3 stars.

**Manager**

Napa Valley Grille

July 1992 – November 1994

Yountville, CA

Responsible for banquet business. With chef, prepared banquet sales kit, substantially increasing banquet sales. Developed direct mail program to generate local business. Actively involved in renovation of restaurant including: changes to concept, menu, POS system, and staff retraining. Responsible for inventory and production of monthly profit and loss statement, payroll processing, production of all menus and wine lists, as well as training and managing the bookkeeper.

**Manager**

California Cafe Bar & Grill

October 1989 - July 1992

Palo Alto, California

Responsible for front-of-house scheduling, liquor and wine purchasing, inventory, wine list development, staff wine education, production of monthly profit and loss statement. Organized off-premise catering event for 1,500 people: pricing and hiring vendors, recruiting staff, scheduling and assigning duties, and supervising during the event.

**Festival Staff**

Monterey Wine Festival

March 1989, '90, '91 '92, and '93

Monterey, California

For five years running, assisted seminar speakers, poured wine for programs, set up and broke down tastings at the three-day annual wine industry event.

**Line Cook**

Clara's Pasta di Casa

Summer and holidays 1988-1989

Woodridge, Illinois

Prepared pasta dishes for lunch service, and pre-prepped for dinner service at a family Italian restaurant.

**Food and Beverage Intern**

Hyatt Regency Chicago

Summer 1987

Chicago, Illinois

Responsible for set-up of outdoor cafe, food and beverage requisitioning, and cooking during lunch service.

Computer Skills:

Microsoft Word, Excel, Word Perfect, Lotus, Squirrel, Validec P.O.S. Systems

Education:

**Cornell University School of Hotel Administration**

(Food and Beverage Concentration)

B.S. Hotel Administration

1985-1989

Ithaca, New York

**University College, Cork**

Junior Year Study Abroad Program (English and History Electives)

1987-1988

Cork, Ireland

---

Meghan Gaven

120 Thompson St.  
South Portland, ME 04106  
207-767-4236

**Orion Wine Software December 2008 - present**  
**eSkye Solutions September 2006 – December 2008**  
**Missing Link Communications (owner) December 1994 – September 2006**

### **DarWine Product Manager**

DarWine is a sales management tool that allows wineries to micromanage their retail account sales nationally. Data collection is bundled with software. As the founder of MLC, Meghan sought out clients and developed business relationships with wholesalers nationally. After steady growth, two partners were brought on that ultimately resulted in positioning the company for sale. As an owner of MLC, Meghan was instrumental in overseeing the sale of the company to eSkye Solutions. Meghan continued to oversee development, training, and day-to-day functionality of the product through that sale and subsequent sale to Orion Wine Software.

Crucial to DarWine's success is Meghan's meticulousness and curiosity.

As liaison to many ultra-premium wineries and hundreds of distributors, Meghan strengthens the winery-wholesaler relationship while simultaneously eliciting information from both sides.

DarWine is now an integrated module in the suite of winery-industry products developed by Orion Wine Software. Meghan continues to work with the other brand managers and their customers to seek out new opportunities for improvement.

Meghan has outstanding verbal and written language skills, as well as superior proficiency in Microsoft Access, Excel, Powerpoint, and Word. Industry-specific data knowledge includes VIP, BDN, and WiMS.

**Caymus Vineyards**  
**Business Marketing Associate**  
**October 2003 – November 1994**

Oversaw the development of a retail account data system in Paradox. Developed numerous sales tracking reports. Assisted the National Sales Manager to create a goal setting system that brought accountability to the wholesaler-supplier relationship. Worked on several marketing campaigns developing core concepts as well as producing copy.

**Pine Ridge Winery**  
**Director of Marketing Services**  
**July 1992-October 1993**

Assistant to the National Sales Manager. Winery liaison to remote sales staff. Coordinated several sales meetings including meetings, tastings, tours, and multi-winery events.

**UC Berkeley 1989, BA Spanish Literature**



**REVENUE BREAKDOWN**

Assumptions:	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	TOTAL
<b>CASH RECIEPTS</b>	21000	21500	24000	11800	22000	24000	10000	18000	18000	14700	19000	18000	222000
<b>Total Purchases</b>	11848	12265	13830	7340	13850	15050	6000	11077.5	11077.5	9097.5	11920	11320	134675.5
Honey Extraction Revenue <b>1</b>	9600	9600	9600	0	0	0	0	0	0	0	0	0	28800
Honey Extraction Purchases	4800	4800	4800	0	0	0	0	0	0	0	0	0	14400
Beekeeping Supplies Reve <b>2</b>	2080	3250	3900	2600	6500	6500	0	2775	2775	2775	5200	5200	43555
Beekeeping Supplies Purchases	1456	2275	2730	1820	4550	4550	0	1942.5	1942.5	1942.5	3640	3640	30488.5
Broad Market Retail Rev. <b>3</b>	9320	8650	10500	9200	15500	17500	10000	15225	15225	11925	13800	12800	149645
Broad Market Retail Purchases	5592	5190	6300	5520	9300	10500	6000	9135	9135	7155	8280	7680	89787
	17850	18275	20400	10030	18700	20400	8500	15300	15300	12495	16150	15300	188700

assumptions: **1** buy bulk honey at \$3/lb., sell at \$6 (to ourselves, or wholesale), extracting 1,600 pounds of honey/month

<b>2</b>													
Rings per day at \$40	2	2.5	3	2	5	5	0	2	2	2	4	4	
ings per day at \$175 (hive building season)								1	1	1			
<b>3</b> Rings/day													
at \$30	11.9	11.1	13.5	11.8	19.9	22.4	12.8	19.5	19.5	15.3	17.7	16.4	16.0
at \$40	9.0	8.3	10.1	8.8	14.9	16.8	9.6	14.6	14.6	11.5	13.3	12.3	12.0