

AGENDA
PLANNING COMMISSION
REGULAR MEETING
3:30 p.m. Tuesday, September 22, 2020
City Council Chambers, 2nd Floor of City Hall
823 Rosenberg, Galveston, Texas

In order to advance the public health goal of limiting face-to-face meetings (also called “social distancing”) to slow the spread of the Coronavirus (COVID-19), the meeting will be held by videoconference and there will be no public access to the location described above.

Public Comment can be submitted on-line: <https://forms.galvestontx.gov/Forms/PublicComment> or by calling 409-797-3665.

1. Call Meeting To Order
2. Attendance
3. Conflict Of Interest
4. Approval Of Minutes: August 18, 2020

Documents:

[2020-08-18 PC MINUTES.PDF](#)

5. Meeting Format (Staff)
6. Public Comment

Members of the public may submit a public comment using the web link below. All comments submitted prior to the meeting will be provided to the Planning Commission.

[HTTPS://FORMS.GALVESTONTX.GOV/FORMS/PUBLICCOMMENT](https://forms.galvestontx.gov/forms/publiccomment)

- a. Agenda Items
- b. Non-Agenda Items

7. New Business And Associated Public Hearings

- A. 20P-025 (1408 Ursuline / Avenue N) Request For Designation As A Galveston Landmark. Property Is Legally Described As M.B. Menard Survey, West 14-2 Feet Of Lot 9 And East 14-4 Feet Of Lot 10 (20090-2), Southwest Block 22 Galveston Outlots, In The City And County Of Galveston, Texas. Applicant: Michael And Suzanne McClere
Property Owner: Michael McClere

Documents:

[20P-025 PKT.PDF](#)

- B. 20P-032 (Vacant Tract Located North Of Teichman Road And East Of Vista Bella) Request For A Replat In Order To Increase The Number Of Lots From One (1) To Six (6). Property Is Legally Described As Abstract 121, Hall & Jones Survey, Part Of

Reserve B (0-2), Ponticello Replat (2008), In The City And County Of Galveston, Texas.
Applicant: John Paul Listowski Property Owner: Listowski Hatmaker LP

Documents:

[20P-032 STF PKT.PDF](#)

- C. 20P-026 (4507-4509 Bernardo De Galvez/Avenue P) Request To Revoke A Planned Unit Development (PUD) Overlay District Approved Under Ordinance 15-033. Properties Are Legally Described As M.B. Menard Survey, Lot 8, Block 109, Denver Resurvey; And M.B. Menard Survey, Lots 9 & 10, Block 109, Denver Resurvey; In The City And County Of Galveston, Texas. Applicant: City Of Galveston Property Owner: Robert G. And Dorothy J. Raines

Documents:

[20P-026 - PKT.PDF](#)

- D. 20P-027 (11279 Stewart Road) Request For A Specific Use Permit To Operate A "Substance Abuse Facility." Property Is Legally Described As The Northeast Part Of Lot 39 (39-1), Trimble And Lindsey, Section 2, In The City And County Of Galveston, Texas. Applicant: Edward Jackson Property Owner: Veco V. Delagardie

Documents:

[20P-027 - STF PKT.PDF](#)

- E. 20P-028 (11279 Stewart Road) Request For A Partial Change Of Zoning From Residential, Single-Family, Height And Density Development Zone, Zone 6 (R-1-HDDZ-6) To A Commercial, Height And Density Development Zone, Zone 6 (C-HDDZ-6) Zoning District. Property Is Legally Described As The Northeast Part Of Lot 39 (39-1), Trimble And Lindsey, Section 2, In The City And County Of Galveston, Texas. Applicant: Edward Jackson Property Owner: Veco V. Delagardie

Documents:

[20P-028 - STF PKT.PDF](#)

8. Discussion And Action Items

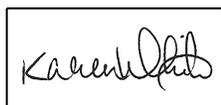
- Finalize Planning Commission Awards Recipients (Staff)

Documents:

[PC ANNUAL AWARDS - 2020.PDF](#)

9. Adjournment

I certify that the above Notice of Meeting was posted in a place convenient to the public in compliance with Chapter 551 of the Texas Government Code on September 17, 2020 at 4:00 P.M.



Prepared by: Karen White, Planning Technician

IN ACCORDANCE WITH THE PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT

(ADA), PERSONS IN NEED OF A SPECIAL ACCOMMODATION TO PARTICIPATE IN THIS PROCEEDING SHALL, WITHIN THREE (3) DAYS PRIOR TO ANY PROCEEDING, CONTACT THE CITY SECRETARY'S OFFICE, SUITE 201, 823 ROSENBERG, GALVESTON, TX 77550 (409-797-3510)

MEMBERS OF CITY COUNCIL MAY BE ATTENDING AND PARTICIPATING IN THIS MEETING



City of Galveston

MINUTES OF THE PLANNING COMMISSION OF THE CITY OF GALVESTON
REGULAR MEETING – August 18, 2020

CALL MEETING TO ORDER

The meeting was called to order at 3:30 p.m.

ATTENDANCE

Members Present via Videoconference: Jeff Antonelli, Cate Black, Bob Brown, Eugene Cook, Jeffrey Hill, Carol Hollaway, CM John Paul Listowski

Members Absent: None

Staff Present: Catherine Gorman, AICP, Assistant Director/HPO

Staff Present via Telephone: Dustin Henry, AICP, Coastal Resource Manager; Virginia Greb, Assistant Coastal Resource Manager; Karen White, Planning Technician; Donna Fairweather, Assistant City Attorney

CONFLICT OF INTEREST

Chairperson Cate Black – 20P-024

APPROVAL OF MINUTES

The August 4, 2020 minutes were approved as presented.

MEETING FORMAT

Staff explained the adjusted meeting format to the Commission and the public.

PUBLIC COMMENT

None.

NEW BUSINESS AND ASSOCIATED PUBLIC HEARINGS

20P-024 (12827 John Reynolds Cir.) Request for a Beachfront Construction Certificate/Dune Protection Permit in order to construct a single-family dwelling, driveway, and perimeter fence. The legal description of the property is Lot 11, Bermuda Beach, Section 2, a Subdivision in the City and County of Galveston, Texas.

Applicant: Cate Black, Architect

Owners: Kenneth & Lillian Kiefer

Chairperson Cate Black recused herself citing a conflict of interest.

Staff presented the staff report.

Eugene Cook arrived at 3:42 p.m.

Vice-Chairperson Jeffrey Hill opened the public hearing on case 20P-024. Applicant Cate Black, AIA, presented to the Commission. Discussion was paused between 3:51 p.m. and 3:55 p.m. due to technical difficulties. The public hearing was closed and the Vice-Chairperson called for questions or comments from the Commission.

Vice-Chairperson Jeffrey Hill split the Beachfront Construction Certificate/Dune Protection Permit and exemption from the prohibition on construction within or seaward of the Dune Conservation Area in order to construct a perimeter fence into separate motions.

Carol Hollaway made a motion to approve the Beachfront Construction Certificate/Dune Protection Permit with Staff's recommendations. Eugene Cook seconded, and the following votes were cast:

In favor: Antonelli, Brown, Cook, Hill, Hollaway
Opposed: None
Abstain: Black
Non-voting participant: CM Listowski (Ex-Officio)

The motion passed.

Bob Brown made a motion to approve the exemption from the prohibition on construction within or seaward of the Dune Conservation Area in order to construct a perimeter fence. Jeff Antonelli seconded, and the following votes were cast:

In favor: Antonelli, Brown
Opposed: Cook, Hill, Hollaway
Abstain: Black
Non-voting participant: CM Listowski (Ex-Officio)

The motion failed due to a lack of four (4) affirmative votes.

DISCUSSION AND ACTION ITEMS

- Turtles About Town Annual Report 2020 (Staff)
- Planning Commission Awards (Staff)

THE MEETING ADJOURNED AT 4:43 PM





20P-025

STAFF REPORT

ADDRESS:

1408 Ursuline / Avenue N

LEGAL DESCRIPTION:

Property is legally described as M.B. Menard Survey, West 14-2 Feet of Lot 9 and East 14-4 Feet of Lot 10 (2009-2), Southwest Block 22 Galveston Outlots, a Subdivision in the City and County of Galveston, Texas.

APPLICANT/REPRESENTATIVE:

Michael and Suzanne McClere

PROPERTY OWNER:

Michael McClere

ZONING DISTRICT:

Urban Neighborhood, Neighborhood Conservation District (UN-NCD-1)

HISTORIC DISTRICT:

N/A

REQUEST:

Request for designation as a Galveston Landmark

STAFF RECOMMENDATION:

Approval with Conditions

EXHIBITS:

A – Applicant’s Submittal

STAFF:

Daniel Lunsford
 Planner
 409-797-3659
 dlunsford@galvestonTX.gov

Public Notice and Comment:

Sent	Returned	In Favor	Opposed	No Comment
36				



Zoning and Land Use

Location	Zoning	Land Use
Subject Site	Urban Neighborhood, Neighborhood Conservation District (UN-NCD-1)	Residential
North	Urban Neighborhood, Neighborhood Conservation District (UN-NCD-1)	Residential
South	Urban Neighborhood, Neighborhood Conservation District (UN-NCD-1)	Residential
East	Urban Neighborhood, Neighborhood Conservation District (UN-NCD-1)	Residential
West	Urban Neighborhood, Neighborhood Conservation District (UN-NCD-1)	Residential

Executive Summary

The applicants are requesting designation of the above referenced address, as a Galveston Landmark.

Analysis

As per Article 10 of the Land Development Regulations, the following criteria should be considered during the Landmark Designation review process:

1. The character, interest, or value as part of the development, heritage, or cultural characteristics of the City of Galveston, Galveston County, the State of Texas, or the United States.

The house at 1408 Ursuline / Avenue N and the adjacent houses were built circa 1913 on parcels owned by the Galveston Suburban Improvement Company. At the time its Board of Directors included insurance agent John Stowe (president), builders Frank Jones and Robert Palliser, and carpenter William Schadt. The company would build, "cottages to suit every purchaser" on any of their "desirable lots" according to early advertisements.

2. Representative of an established and familiar visual feature of a neighborhood, community, or city.

Insurance records indicate that the National Folk-style house at 1408 Ursuline and the sister houses on either side were complete or "about complete" by November 11, 1913. The records further note that each cottage was elevated 2.5 feet on brick piers, and contained four rooms, one hall, one bathroom, and a porch.

3. Association with the lives of people significant in the city, region, state or national past.

Will Crawford and wife Edna were the first recorded owners of 1408 Ursuline. Mr. Crawford was a longshoreman, and both were native Galvestonians. By 1920 the

family have five children according to the city directory, and at this time they sold the house back to the Galveston Suburban Improvement Company.

The following year, William and Susie Anderson purchased the house. William was a marine engineer and ship captain, and he and Susie lived in the house until William's death in 1939. It was during the Anderson's ownership that a 144 square foot expansion and back porch were added in 1928.

Susie lived in the house until 1966. Upon her passing, the house was purchased by Anthony D'Ambra. Mr. D'Ambra was born in Sicily in 1942, and immigrated with his parents to Galveston in 1947. As an adult, Mr. D'Ambra was part of the family's grocery business.

4. Retention of historic integrity, meaning that the property possesses several, and usually most, of the following aspects of integrity: location, design, setting, materials, workmanship, feeling or association.

The Crawford-Anderson House retains its historic integrity and retains its original location, design, setting, materials, workmanship, feeling and association. It is a prime example of the National Folk style of domestic architecture seen throughout Galveston.

Financial Incentives for Historic Properties

The property is eligible for the Financial Incentive for Historic Properties for new Galveston Landmarks.

Other Reviews

The Landmark Commission heard this request at the September 21, 2020, meeting. City Council has the final decision regarding the request for a Landmark Designation. The request will be heard at the regular meeting of October 22, 2020.

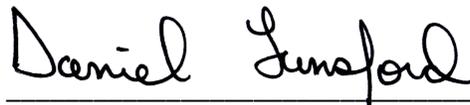
Staff Recommendation

Staff recommends approval with the following condition:

Standard Condition:

1. As with all properties containing a Historic Overlay Designation, including Landmark Designations, exterior alterations to the property will be subject to review and approval by the Landmark Commission and must conform to the Design Standards for Historic Properties of Galveston, Texas.

Respectfully Submitted:



Daniel Lunsford

September 10, 2020

Date



Catherine Gorman, AICP
Assistant Director/HPO

September 10, 2020

Date

1408 Ursuline (Avenue N)

Part of lots 9, 10/ Southwest Outlot 22

Built 1913 by the Galveston Suburban Improvement Company, Inc.

(Also built two identical houses at same time: 1404 N, to east, and 1412 N, to west.)

Galveston Suburban Improvement Company, Inc.

The Galveston Suburban Improvement Company was incorporated on 28 March 1892. The objective of the land and real estate development corporation was to build affordable housing for the working class. Early advertisements noted the company would build "cottages to suit any purchaser" on any of their "desirable" lots. Advertisements noted that a small payment was due when construction began with the balance paid in monthly installments when completed. In 1913 when the three cottages on Avenue N were built, John N. Stowe was president of the improvement company's board of directors. Stowe was an established insurance agent with his own firm on Strand Street. The 1913 board of directors for the improvement company also included pioneer builders Frank Jones and Robert Palliser, as well as pioneer carpenter, William Schadt, who manufactures windows, doors, sashes, blinds and other building materials at his mill at 27th and Ball Street. A new slate of directors were voted on every two years. The company was in operating as late as 1953 when dividend notices were posted in the local newspaper.

The original insurance record for the three Galveston Suburban Improvement Company cottages on Avenue N, dated 11 November 1913, noted that 1408 and 1412 were completed and that 1404 was "about complete." The record noted that each frame cottage was elevated 2 ½ feet on brick piers and contained four rooms, one hall, one bathroom and one porch. The record also notes each cottage was elevated 2 ½ feet on brick piers. The record also noted that all three cottages were "for sale."

J. S. WHELESS, Pres. C. M. GUINAUD, Vice-Pres. F. ANDLER, Sec'y and Treas.

GALVESTON Suburban Improvement Company

INCORPORATED MARCH 28, 1892.

AUTHORIZED CAPITAL, \$40,000.

DIRECTORS:

J. S. WHELESS.	B. F. HUTCHES, Jr.	ED. N. KETCHUM.
C. M. GUINAUD.	J. N. STOWE, Sr.	W. J. B. MOOR.
F. ANDLER.	R. B. GARNETT.	L. V. ELDER.

Buy and Sell Real Estate, Loan Money and Build Homes for Purchasers, on
Long Time and Easy Payments, at Reasonable Rates of Interest.
For Further Particulars Call on or Address,

F. ANDLER, Secretary and Treasurer,
Office, First National Bank, GALVESTON.

1893-94 Galveston City Directory Advertisement

William and Edna Crawford

Longshoreman Will Crawford was the first owner of the cottage at 1408 Avenue N. Crawford was born in Galveston in 1886 and married Edna Nelson on the island in 1919. Nelson was also a Galveston native, born here in 1890. The Galveston City Directories from 1914 to 1919 record the couple's residence as 1408 N. By 1920, their family included four children with a fifth on the way. Having outgrown the cottage, the Crawfords sold the cottage back to the Galveston Suburban Improvement Company on 26 April 1920.

William and Susie Anderson

Marine engineer and ship captain William Anderson purchased the house from the Galveston Suburban Improvement Company in 1921. Anderson was born in Galveston in 1876. In 1902, he married Elizabeth Sylvester and their union produced five children between 1903 and 1919. After Elizabeth's death in 1919, William married Susie Frances Fraide. William and Susie resided together at 1408 Avenue N until William's death in 1939. During their ownership, the Andersons added on to the rear of the house in 1928. The insurance record noted the addition was 12 feet by 12 feet and also included a new back porch with dimensions of 6 feet by 11 feet.

After Williams death in 1939, Susie maintained her residence at 1408 Avenue until 1948. She relocated and used the house as rent property until she remarried and moved back to 1408 Avenue N in 1955. She resided there until her death in 1966, after which, her estate sold the house to Anthony D'Ambra. D'Ambra was born in Sicily in 1942. He immigrated to Galveston with his parents in 1947 and joined the family grocery business as an adult. He and his wife, Lucille, used 1408 Avenue N as their residence until 1973, when they sold the house to Thomas and Wilma Young. The current owner purchase the house from Young in 2019.

Chain of Title, 1408 Avenue N

Galveston Suburban Improvement Co., Inc. to Will H and Edna Crawford upon completion
Crawfords to Galveston Suburban Improvement Co, Inc- 26 April 1920 (B:321/P:572)

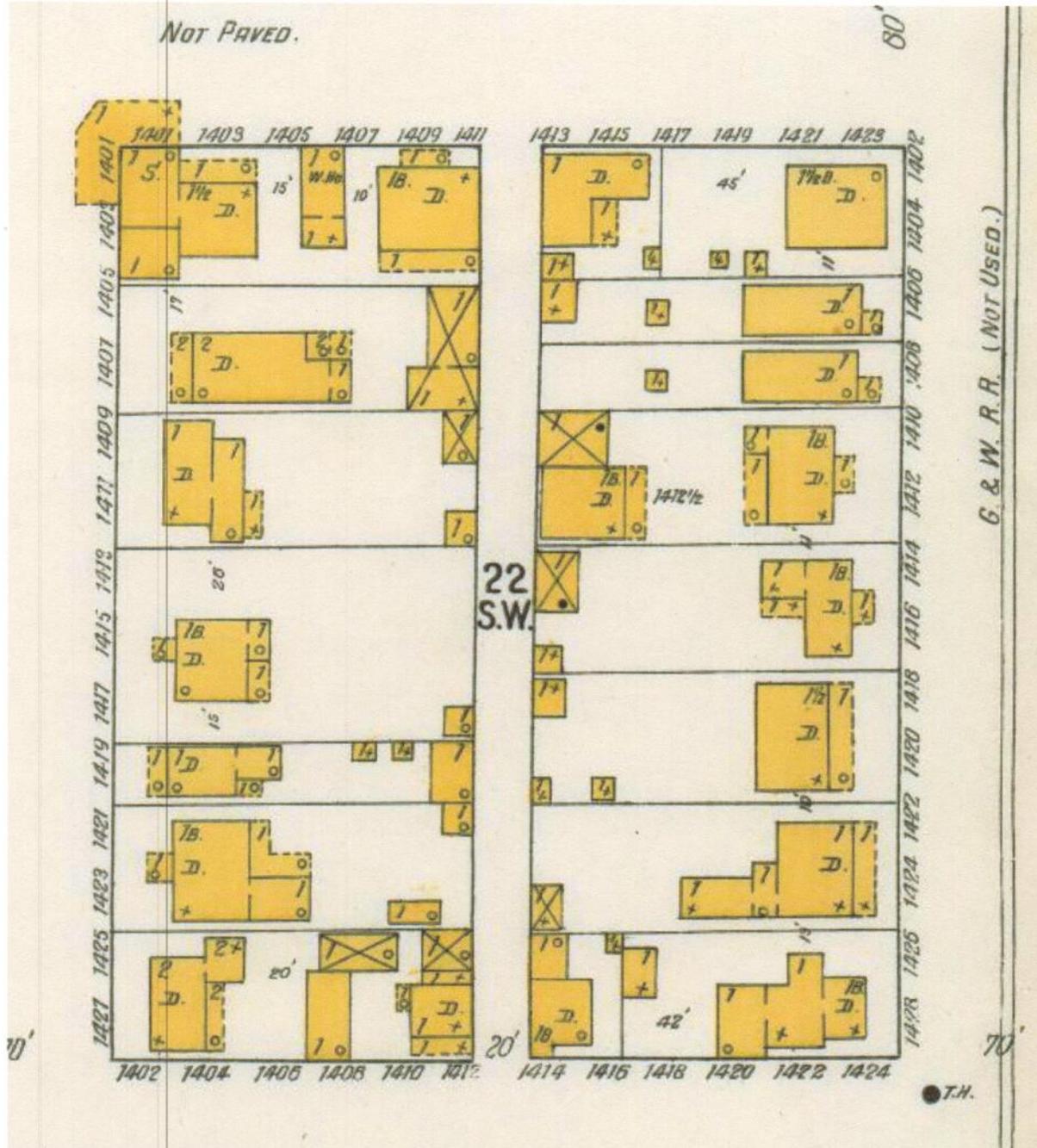
Galveston Suburban Improvement Co, Inc. to Wallace and Susie Anderson- 26 April 1921
(B:329/P:499)

Estate of Susie Anderson Winfield to Anthony D'Ambra- 15 June 1967 (B:1867/P:652)

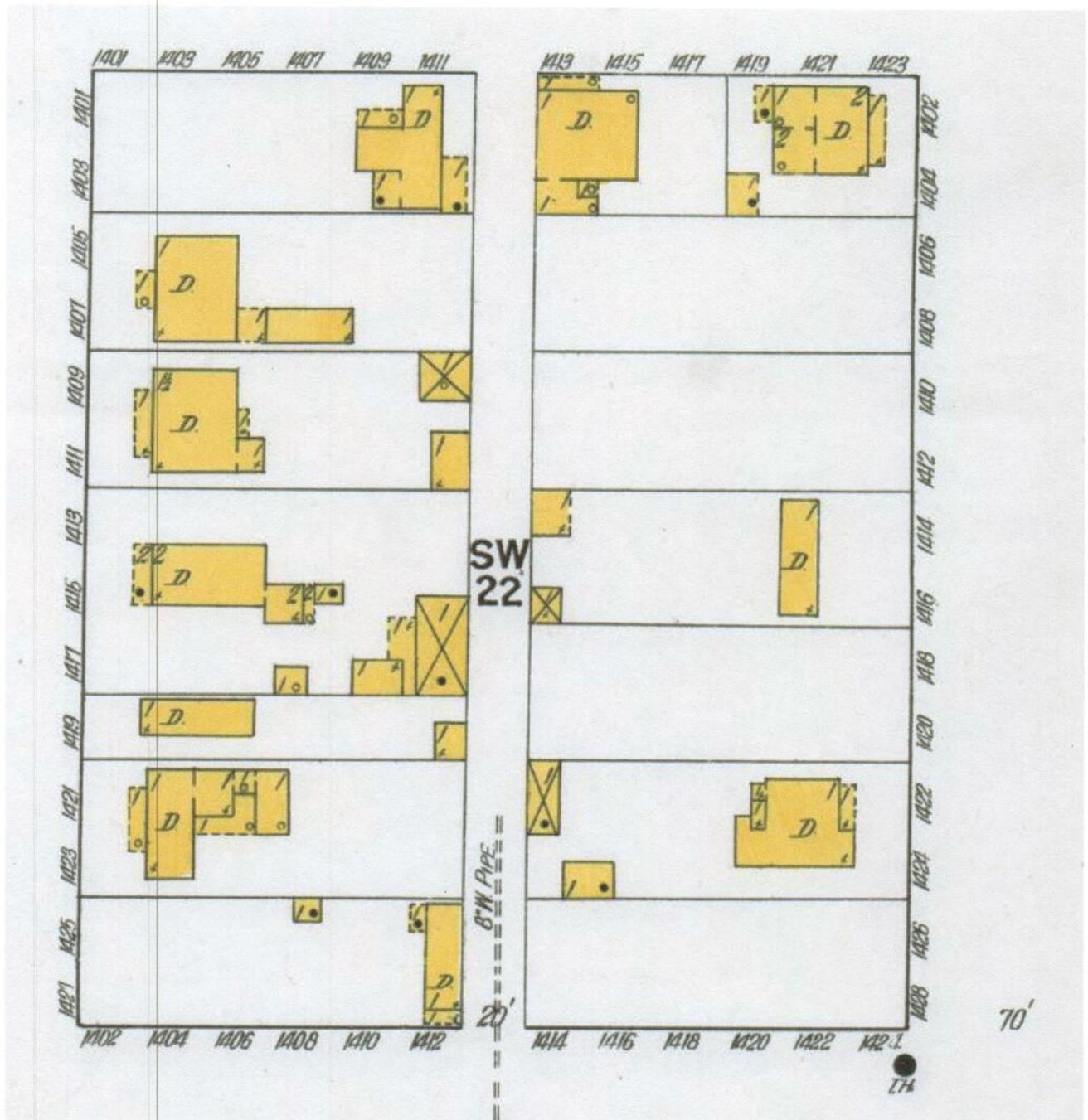
D'Ambra to Thomas Lee and Wilma Young, 2 July 1973 (B:2383/P:148)

Young to current owners, 31 July 2019

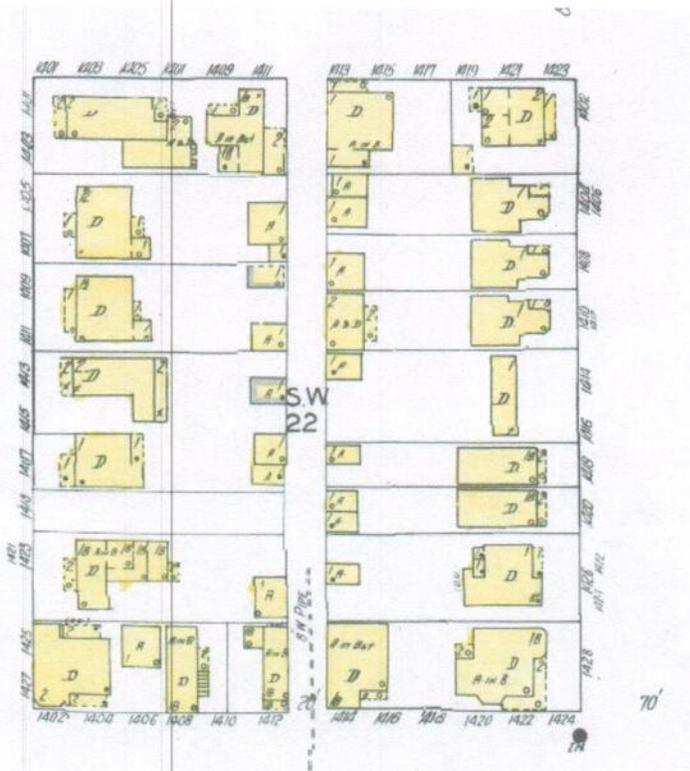
Sanborn Insurance Maps, Southwest Outlot 22



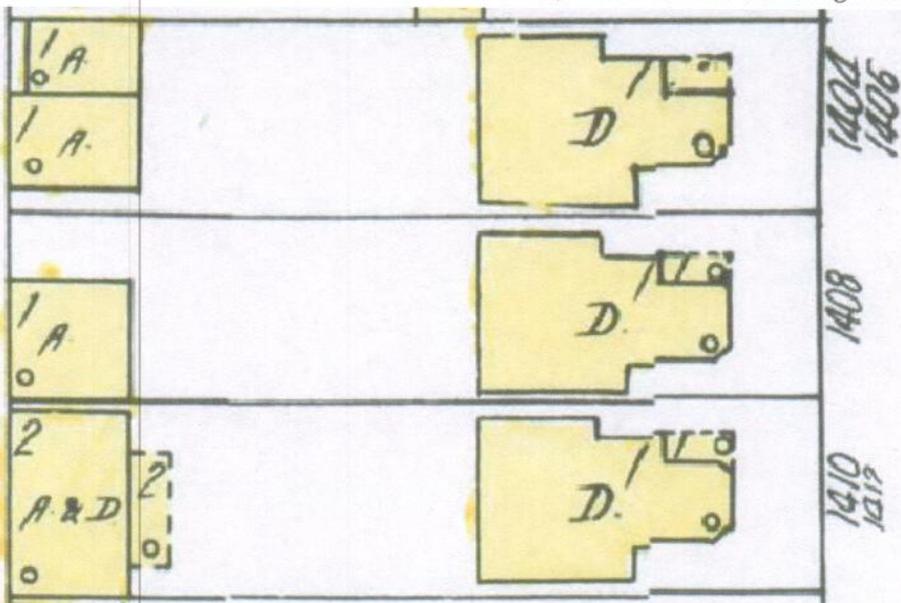
1899- Prior to hurricane on September 8th. Located just three blocks north of the beach, every building on this block was destroyed by the storm. The map also notes the track for the Galveston & Western Rail Road, which ran down Avenue N. The map notes that by 1899, this track was "not used."



1912- New construction, post 1900 Storm, is observed on several lots on the block. Lots 9 and 10 are noted as vacant in 1912. The train tracks are also absent from the 1912 map, having also been destroyed by the 1900 hurricane's storm surge.



1947- By the time the 1947 maps were drawn, the block had been rebuilt. Three houses on lots 9 and 10, including 1408 Avenue N, are seen for the first time. The identical one-story frame dwellings have identical footprints and each have an automobile garage(s) on the north end of the property, accessed from the alley. The map also recorded a one-story automobile garage behind 1408 N added by the Andersons after they purchased the property in 1921. The map does not record the 1928 addition to the back of 1408 N, noted on the building's insurance record.



City Directory Search, 1408 Avenue N (Ursuline)

1913 (Houses on N not completed/ addresses not included in the cross directory)

Galveston Suburban Improvement Company (Inc.), John Stowe, president, Fernand Andler, secretary-treasurer, office 2301 Strand, Phone 125

1914

William H. Crawford, longshoreman, r. 1408 Ave N

1916

William H. Crawford, longshoreman, r. 1408 Ave N

1919

William H. Crawford (Edna), longshoreman, r. 1408 Ave N

1921

W. G. Anderson, marine engineer, r. 1408 Ave N

1924-1925

W. G. Anderson (Susie), engineer U.S. Army Corp, h. 1408 Ave N

1928-1929

W. G. Anderson (Susie), engineer U.S. Army Corp, h. 1408 Ave N

1930

W. G. Anderson (Susie), h. 1408 Ave N

1932-1933

W. G. Anderson (Susie), h. 1408 Ave N

1936-1937

W. G. Anderson (Susie), engineer, h. 1408 Ave N

1939

W. G. Anderson (Susie), h. 1408 Ave N

1941

Mrs. Susie F. Anderson (widow W. G.), h. 1408 Ave N

1945-1946

Mrs. Susie F. Anderson, clerk Zig Zag Inn, h. 1408 Ave N

Mrs. Mary A. Gould, r. 1408 Ave N

1949

Nuel E. Lewallen (Imogene), agent U. S. Internal Revenue, h. 1408 Ave N

No listing for Susie Anderson

1951

Edward A. Jahn (Margie), lawyer 409 Trust Bldg, h. 1408 Ave N

1955

Leon W. Winfield (Susie), h. 1408 Ave N

1960

Leon W. Winfield (Susie F.), h. 1408 Ave N

1968

Address listed in cross directory with note of "No return"

1971

Anthony D'Ambra (Lucille), with D'Ambra Grocery, h. 1408 Ave N

D'Ambra Grocery (Anello D'Ambra), 1602 Ave B(Strand)

1975

Thomas L. Young, h. 1408 Ave N

1980

Thomas L. Young, h. 1408 Ave N

1985

No return

1991

No return

1995

Wilma J. Young, 1408 Ursuline

DESCRIPTION AND ESTIMATE of the Present Cash Value

Of the 6th story Asbestos 80' roofed frame building
 Situated on Lot No. 9 in Block No. SW 1/4 Q. 9, No. 1206 (404) N Street,
 in the City of Galveston, owned by Galo Sub Imp't Co. 1916 Leonard F. D. Shaw

Occupancy: Basement 9 1/2 feet on 6" blk pin for 3/4
First Floor by 10 Asbestos for dwelling
Second Floor by _____ for _____
Third Floor by _____ for _____

DESCRIPTION:

When built? 1913 Last repaired or painted? about complete
 Is it on leased ground? No When does lease expire? _____
 What is used for lighting? Electric Is gasoline used? No
 Size of building? 16 1/2 x 14 & 9 3/4 x 9 6/8
 Number of rooms Rough ceiled and papered 4 Halls 1 Bath room 1
 Number closets? 1 Porches? 1 Mantels and grates? 1
 Number of flues and construction thereof? 2, brick to gnd.
 Is public Fire Hydrant within 500 feet? Yes Within 1000 feet? _____

The above described building would cost, at present value of materials and labor 1600.00 \$ 1500.00
 T. D. Shaw and wife to Wallen Duhon and wife, the west 28 feet 2 inches of the east 28 feet 8 inches of lot 9 in the southwest block of outlot 22, and improvements; \$10. (U.S. rev. stamps indicate transaction up to \$5500). 3/30/22

Allen Duhon and wife to Antonino Patane the west 28 feet 2 inches of the east 28 feet 8 inches of lot 9 in southwest block of outlot 22, Galveston, \$10. (U.S. rev. stamps indicate transaction up to \$5500). 11/9/27

OTHER IMPROVEMENTS:

Asbestos \$ _____
Asbestos \$ _____

Deduct for depreciation from age, use or location _____ per cent \$ _____
 Making the present Cash Value \$ _____

REMARKS: Elect wiring both inside bldg OK

DESCRIPTION AND ESTIMATE of the Present Cash Value

Of the One story, Asbestos & Comp roofed Frame building
 Situated on Lot No. pts 9 & 10 in Block No. SW 22 No. 1408 N Street
 in the City of Galveston, owned by W. G. Anderson

Asst. Rd. Cl. '56

Occupancy: { Basement 3' CP for _____
 First Floor by 10' Owner Lin for Dwelling
 Second Floor by _____ for _____
 Third Floor by _____ for _____

DESCRIPTION

When built? 1913 Addn. 1928 Last repaired or painted? 1928
 Is it on leased grounds? no When does lease expire? _____
 What is used for lighting? elect Is gas used? yes
 Size of building? 25x26 14x17 addn 1928 12x12 & porch 8x11

Plastered _____

Number of rooms 5 Halls 1 Bath room 1

Number of rooms 5 with ceiling and papered. 5 Halls 1 Bath room 1
 Porches? 2 Mantels and grates? none
 Brick to ground? 2 Within 1000 feet? Yes

Estimated cost, at present value of materials and labor. \$28.00
 Depreciation age, use or location 20 per cent

Making the present Cash Valuation 5

OTHER IMPROVEMENTS

1 sty comp roof frame garage size 16x16 elec lights.
 Deduct for depreciation from age, use or location _____ per cent
 Making the present Cash Value _____

REMARKS:
Est. S.C.A. 6-38

INSPECTOR



20P-032

STAFF REPORT

ADDRESS:

Vacant Tract Located North of Teichman Road and East of Vista Bella

LEGAL DESCRIPTION:

Property is legally described as Abstract 121, Hall & Jones Survey, Part of Reserve B (0-2), Ponticello Replat (2008), in the City and County of Galveston, Texas.

APPLICANT/REPRESENTATIVE:

John Paul Listowski

PROPERTY OWNER:

Listowski Hatmaker LP

ZONING:

Residential, Single-Family (R-1)

REQUEST:

Request for a replat from one (1) to six (6) lots.

STAFF RECOMMENDATION:

Approval based on findings and conditions.

EXHIBITS:

- A – Zoning Map
- B – Current Survey
- C – Proposed Plat
- D – Article 3 Addendum

STAFF:

Karen White
 Planning Technician
 kwhite@galvestontx.gov
 409-797-3608

Public Notice and Comment:

Sent	Returned	In Favor	Opposed	No Comment
28				

Per Section 13.808 of the Land Development Regulations and state law, written public notice of this request is required. Public notices are sent to all property owners within 200 feet of the subject site and are sent to the address on file with the Galveston Central Appraisal District.

City Department Notification Responses:

Airport: Airport has no objections or comments

Building: Building has no objections

Fire Marshal: 26 lots will not require a second entrance

GPD: No objections if meets all other standards and zoning

Public Works: Each lot will be required to provide a utility easement. All water and sewer connections need to be ran towards Vista Bella. Meter boxes and sewer clean out must be alongside Vista Bella. The applicant will have to submit an engineered set of construction plans to the Engineering Department that will provide information on how water and sanitary sewer will be provided to each lot. In order to prevent a dead-end water system, the design should be a looped water system



Executive Summary

The applicant is requesting a replat to increase the number of lots from one (1) to six (6) in order to construct new single-family residential structures (see Attachment C).

The Texas Local Government Code, Chapter 212.015, requires a public hearing for properties being replatted when four (4) or more lots are involved. If the plat meets the requirements of the Galveston Land Development Regulations, the review of the plat by Planning Commission is a ministerial act.

Site and Surrounding Area

The existing 1.136-acre site is part of an undeveloped reserve, Reserve B.

Zoning and Land Use

Location	Zoning	Land Use
Subject Site	Residential, Single-Family (R-1)	Vacant
North	Residential, Single-Family (R-1)	Residential; Vacant
South	Residential, Single-Family (R-1)	Landscape Reserve
East	Residential, Single-Family (R-1)	Vacant
West	Residential, Single-Family (R-1)	Residential

Drainage/Public Infrastructure and Easements

Public Works has stated that each lot will be required to provide a utility easement. All water and sewer connections need to run towards Vista Bella. Meter boxes and sewer clean out must be alongside Vista Bella. Additionally, the applicant will have to submit an engineered set of construction plans to the Engineering Division that will provide information on how water and sanitary sewer will be provided to each lot. In order to prevent a dead-end water system, the design should be a looped water system.

Minimum Lot Standards

The replat meets the minimum standards for lots in the Residential, Single-Family (R-1) zoning district (Attachment D).

Area: 5,000 square feet

Width: 50 feet

Depth: 100 feet

Plat Approval Criteria

According to Section 13.502 of the Land Development Regulations, the following are the approval criteria for plats:

- A. **Generally.** Preliminary plats, final plats, and development plats shall be approved if, following review by City staff, it is determined that the plat meets all applicable regulations. The staff report may include “standard conditions” that serve as a checklist of ordinary regulatory requirements, but which are not corrections or changes necessary to conform to applicable regulations.
 - 1. If a plat is submitted to the Planning Commission with only the “standard conditions” in the staff report and no other conditions are required, then the plat will be considered to meet all applicable regulations, approval will

be recommended, and the item may be placed on a consent agenda of the Planning Commission.

2. If a plat does not meet all applicable regulations, the plat will be denied, except that readily verifiable conditions may be attached to preliminary approval, the satisfaction of which becomes a prerequisite for final approval.

Staff Recommendation Staff recommends approval of the request with the following conditions:

Specific Conditions to Case 20P-032:

- 1) The applicant shall accommodate the filing of the plat by March 22, 2021;

Standard Conditions:

- 2) The applicant shall adhere to all comments/conditions received from City Departments. Should conformance with the comments/conditions require alterations to the project, as approved, the case must be returned to the Planning Commission for additional review and approval. Failure to comply with all comments/conditions may result in penalties and/or revocation of this plat; and
- 3) The applicant shall comply with all recordation requirements; and, shall provide the Development Services Department and with all Galveston County filing fees by certified check or money order.

Respectfully Submitted,



Karen White
Planning Technician



Catherine Gorman, AICP
Assistant Director & Historic Preservation Officer

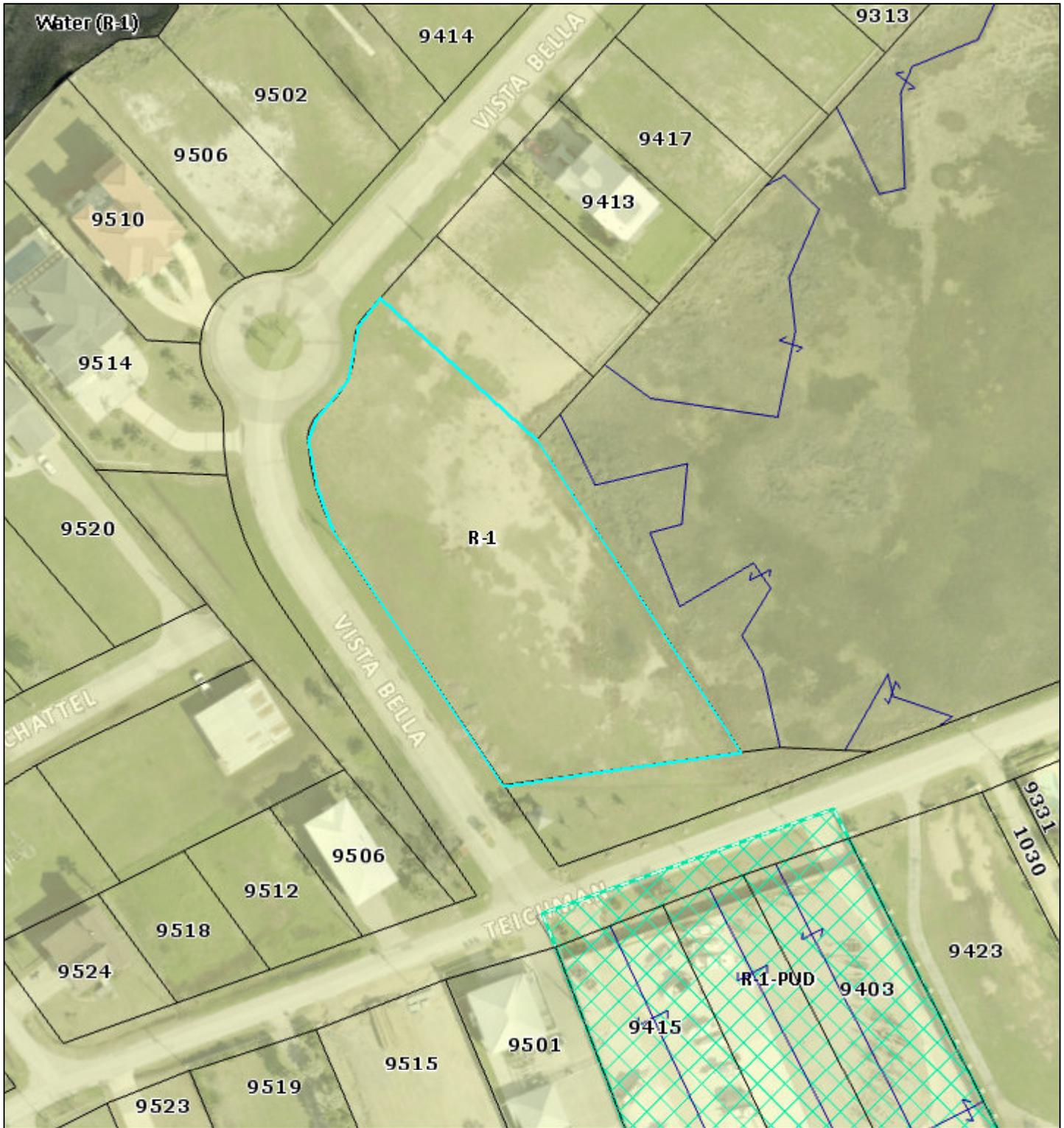
9-11-2020

Date

9/11/2020

Date

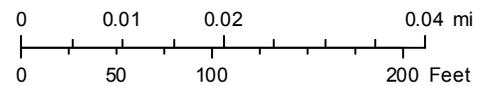
Zoning District Map Attachment A



September 11, 2020

1:1,200

- | | |
|--|--|
|  Mean High Water 1000Ft Buffer |  Parcels |
|  End of Seawall to East Beach |  Lot Lines |
|  Jamaica Beach to San Luis Pass |  Galveston Landmarks |
|  State Park to End of Seawall |  Local Historic Districts |



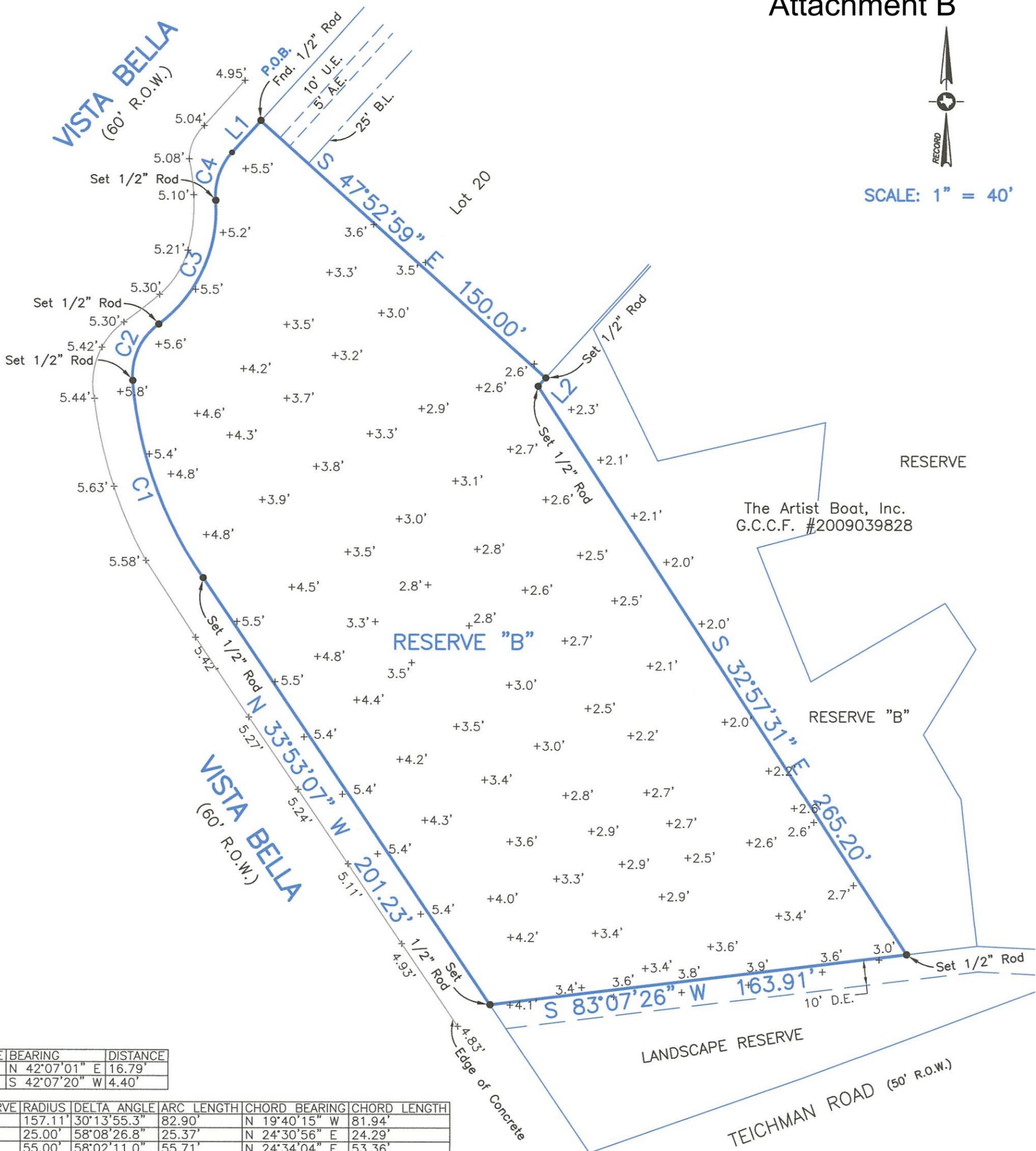
Galveston Central Appraisal District & Pictometry
 Galveston Central Appraisal District
 City of Galveston; Atkins North America, Inc.
 City of Galveston Development Services: Planning & Development Division

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. The data presented on these pages is not legally binding on the City of Galveston or any of its departments. These maps and the associated data are representations ONLY and may contain errors in the databases. Therefore, the information presented on this map is for informational purposes only and should not be construed to be legally binding.

Planning & Development Division
 City of Galveston



SCALE: 1" = 40'



LINE	BEARING	DISTANCE
L1	N 42°07'01" E	16.79'
L2	S 42°07'20" W	4.40'

CURVE	RADIUS	DELTA ANGLE	ARC LENGTH	CHORD BEARING	CHORD LENGTH
C1	157.11'	30°13'55.3"	82.90'	N 19°40'15" W	81.94'
C2	25.00'	58°08'26.8"	25.37'	N 24°30'56" E	24.29'
C3	55.00'	58°02'11.0"	55.71'	N 24°34'04" E	53.36'
C4	25.00'	46°34'02.9"	20.32'	N 18°49'59" E	19.76'

Survey of a portion of Reserve "B", of **PONTICELLO REPLAT**, a subdivision in Galveston County, Texas, according to the map or plat thereof recorded in Plat Record 2007A, Map No. 11, of the Map Records in the Office of the County Clerk of Galveston County, Texas, said tract being more particularly described by metes and bounds on attached Exhibit "A".

I hereby certify that on the below date, the herein described property, together with improvements located thereon, was surveyed on the ground and under my direction, and that this map, together with dimensions as shown hereon, accurately represents the facts as found on the ground this date.

Brian S. House
 Brian S. House
 Registered Professional
 Land Surveyor No. 6520



SURVEY DATE:	JULY 27, 2020
FILE No.:	5941-0000-0000-002
DRAFTING:	AM
JOB No.:	20-0474

NOTES:

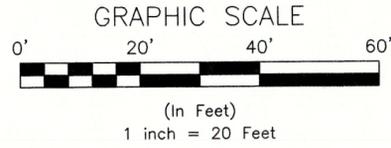
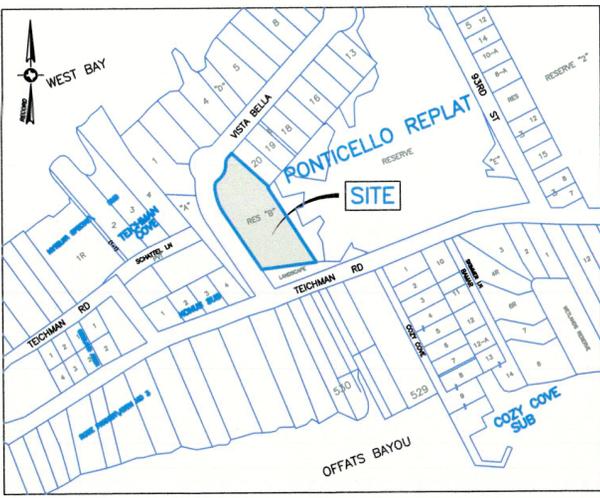
- 1) This property does lie within the 100 Year Flood Plain as established by the Federal Emergency Management Agency.
- 2) This property is subject to any restrictions of record as established by the City, Plat, or Subdivision Covenants and Restrictions; may also be subject to easements and setbacks for utility services and power lines as individually recorded or established by OSHA (call your power company).
- 3) Bearings based on recorded plat.
- 4) Elevations are shown in feet above Mean Sea Level NAVD '88 Datum as tied to NGS Monument HGCSO 62.
- 5) Surveyed without benefit of a Title Report.

PONTICELLO, PHASE II

BEING A REPLAT OF

a Portion of Reserve "B" of PONTICELLO REPLAT, a Subdivision in Galveston County, Texas, according to the map or plat thereof recorded in Plat Record 2007A, Map Number 11, of the Map Records in the Office of the County Clerk of Galveston, County, Texas.

1.136 ACRES (49,470 SQ. FT.)
AUGUST, 2020



Being a 1.136 acres tract of land out of Reserve "B" of PONTICELLO REPLAT, a Subdivision in Galveston County, Texas, according to the map or plat thereof recorded in Plat Record 2007A, Map Number 11, of the Map Records in the Office of the County Clerk of Galveston County, Texas, and being more particularly described by metes and bounds as follows:

BEGINNING at the Northwest corner of Lot Twenty (20) of said PONTICELLO REPLAT, said corner being on the Southeast line of Vista Bella, a 60.00 feet right-of-way, said corner also being a North corner of said Reserve "B", and the northern most corner of herein described tract, and being marked by a found 1/2 inch rod;

THENCE South 47°52'59" East, along the Southwest line of said Lot 20, a distance of 150.00 feet, to an interior corner of said Reserve "B", the Southwest corner of said Lot 20, and being on the Northwest line of a called 8.29 acre tract conveyed to the Artist Boat by instrument recorded in Galveston County Clerk's File Number 2009039828, and being marked by a set 1/2 inch rod;

THENCE South 42°07'20" West, along the Northwest line of said Artist Boat tract, a distance of 4.40 feet to the most Westerly corner of said Artist Boat tract, being marked by a set 1/2 inch rod;

THENCE South 32°57'31" East, along the West line of said Artist Boat tract, a distance of 265.20 feet, to the North line of the Landscape Reserve of said PONTICELLO REPLAT, said corner also being the Southeast corner of the herein described tract, and the Southwest corner of said Artist Boat tract, and being marked by a set 1/2 inch rod;

THENCE South 83°07'26" West, along the North line of said Landscape Reserve, a distance of 163.91 feet, to the East line of said Vista Bella, said corner also being the Southwest corner of the herein described tract, the Northwest corner of said Landscape Reserve, and being marked by a set 1/2 inch rod;

THENCE North 33°53'07" West, along the East line of said Vista Bella, a distance of 206.17 feet, to a point of curvature, and being marked by a set 1/2 inch rod;

THENCE Northwesterly, along the East line of said Vista Bella, following the arc of a curve to the right, said curve having a radius of 157.11 feet, an arc distance of 77.95 feet, the chord of which bears North 18°46'09" West, 77.16 feet, to a point of compound curvature, being marked by a set 1/2 inch rod;

THENCE Northeasterly, along the East line of said Vista Bella, following the arc of a curve to the right, said curve having a radius of 25.00 feet, an arc distance of 25.37 feet, the chord of which bears North 24°30'56" East, 24.29 feet, to a point of reverse curvature, being marked by a set 1/2 inch rod;

THENCE Northeasterly, along the Southeast line of said Vista Bella, following the arc of a curve to the left, said curve having a radius of 55.00 feet, an arc distance of 55.71 feet, the chord of which bears North 24°34'04" East, 53.36 feet, to a point of reverse curvature, being marked by a set 1/2 inch rod;

THENCE Northeasterly, along the Southeast line of said Vista Bella, following the arc of a curve to the right, said curve having a radius of 25.00 feet, an arc distance of 20.32 feet, the chord of which bears North 18°49'59" East, 19.76 feet, to a point of tangency, being marked by a set 1/2 inch rod;

THENCE North 42°06'50" East, along the Southeast line of said Vista Bella, a distance of 16.79 feet to the POINT OF BEGINNING and containing within said boundaries a calculated area of 1.136 acres (49,470 square feet) of land, more or less.



LINE	BEARING	DISTANCE
L1	S 42°07'20" W	4.40'
L2	N 42°06'50" E	16.79'
L3	N 47°52'59" W	15.64'

CURVE	RADIUS	DELTA ANGLE	ARC LENGTH	CHORD BEARING	CHORD LENGTH
C1	157.11'	28°25'42"	77.95'	N 18°46'09" W	77.16'
C2	25.00'	58°08'27"	25.37'	N 24°30'56" E	24.29'
C3	55.00'	58°02'11"	55.71'	N 24°34'04" E	53.36'
C4	25.00'	46°34'03"	20.32'	N 18°49'59" E	19.76'

STATE OF TEXAS {}
COUNTY OF GALVESTON {}
 {} KNOW ALL MEN BY THESE PRESENTS

That I, John Paul Listowski, President of Listowski Hatmaker, LP, owner of that certain tract or parcel of land, lying and being situated in Galveston County, Texas, subdivided in the above and foregoing plat do hereby make replat of said property according to the lines and lots shown thereon, and designate said replat "PONTICELLO, PHASE II" in Galveston County, Texas.

[Signature]
John Paul Listowski
President, Listowski Hatmaker, LP

STATE OF TEXAS {}
COUNTY OF GALVESTON {}
 {} Before me, on this day August 18th 2020,
personally appeared John Paul Listowski, known to me to be the person whose name is subscribed to the foregoing instrument.

[Signature]
Notary Public, State of Texas



STATE OF TEXAS {}
COUNTY OF GALVESTON {}
 {} This Replat in the City of Galveston, Galveston County, Texas, as set forth on this plat, has been approved by the Galveston Planning Commission
on this _____ day of _____, 2020.

Secretary
Galveston Planning Commission

Chairman
Galveston Planning Commission

This is to certify that I, Brian S. House, A Registered Professional Land Surveyor of the State of Texas, have plotted the above subdivision from an actual survey on the ground, and that all corners are properly marked and that this plat correctly represents that survey made under my direction.

[Signature]
Brian S. House
Registered Professional
Land Surveyor No. 6520



SURVEY DATE: AUGUST 14, 2020
FILE No.: 5941-0000-0000-002
DRAFTING: RGW
JOB No.: 20-0474



8017 HARBORSIDE DRIVE
P.O. BOX 16142 (mailing)
GALVESTON, TX 77552
ph (409) 740-1517
www.hightidelandsurveying.com

STATE OF TEXAS {}
COUNTY OF GALVESTON {}
 {} I, DWIGHT D. SULLIVAN, County Clerk, Galveston County, Texas, do hereby certify that the written instrument was filed for record in my office on _____, 2020, at _____ O'Clock, ___M., and duly recorded on _____, 2020, at _____ O'Clock, ___M., in Instrument Number _____, Galveston County Records.
Witness my hand and seal of office, at Galveston, Texas, the day and date last above written.
DWIGHT D. SULLIVAN, County Clerk,
Galveston County, Texas
By _____, Deputy

SINGLE-FAMILY RESIDENTIAL (R-1)

Notes:

1. A site plan is required prior to the issuance of a building permit.
2. No side or rear yard required when adjacent to a canal or body of water.
3. No projection closer than 12 inches to a common property line. Projections include: roof eaves (up to 36 inches), window sills, belt courses, and other architectural features.
4. Sign, fence, and wall regulations apply.
5. Boat slips, boat docks, shade covers, or decking constructed over water do not require a setback provided the improvement built over water is part of the platted lot.
6. Accessory structures shall be limited to the provisions in Sec 3.305.
7. Only one principal structure and one ADU permitted, except as provided in Sec. 3.202.
8. Unlimited height from the east property line of Stewart Beach and eastward.
9. Zoning setbacks may be inconsistent with Building Code. Refer to Building Division to determine final building and fire code setbacks.
10. Properties located west of 25th St, east of 61st Street, South of Broadway Boulevard, north of Seawall Boulevard and properties located South of Galveston Bay, north of Stewart Road, east of 105th Street and west of the Scholes Airport - zero front, side and rear bldg. setback; minimum lot area shall be 2,500 sq. ft. No lot width or depth requirements. Note #3, above, is not applicable to properties described herein. (Ord. 15-029) (Ord. 16-030)



Minimum Lot Standards

Area:	5,000 square feet
Width:	50 feet
Depth:	100 feet

Setbacks

Front:	20 feet
Side:	3 feet
Rear:	10 feet

Building Height

Maximum:	50 feet, measured from base flood elevation
----------	---

Parking

Single -family:	One space per dwelling unit
Non-Residential:	Minimum 1 space per 300 square feet of floor area

Landscaping

Refer to Article 9, Landscaping of the City Land Development Regulations

*See note #10 above, for properties located west of 25th Street, east of 61st Street, South of Broadway Blvd. and north of Seawall Blvd. and properties located south of Galveston Bay, north of Stewart Road, east of 105th Street and west of the Scholes Airport



20P-026

STAFF REPORT

ADDRESS:

4507 and 4509 Bernardo de Galvez / Avenue P

LEGAL DESCRIPTION:

Properties are legally described as M.B. Menard Survey, Lot 8, Block 109, Denver Resurvey; and M.B. Menard Survey, Lots 9 & 10, Block 109, Denver Resurvey, in the City and County of Galveston, Texas.

APPLICANT:

City of Galveston

PROPERTY OWNER:

Robert G. and Dorothy Raines

ZONING:

Residential Single Family, Planned Unit Development (R-1-PUD)

REQUEST:

Revocation of Ordinance 15-033 regarding a Planned Unit Development (PUD)

APPLICABLE ZONING REGULATIONS:

Article 4 of the Land Development Regulations (LDR)

EXHIBITS:

A – Ordinance 15-033

STAFF:

Daniel Lunsford, Planner
 (409) 797-3659
 dlunsford@galvestontx.gov

City Department Notification Responses:

No comments

Public Notice and Comment:

Sent	Returned	In Favor	Opposed	No Comment
20				



Executive Summary

In 2015, the property owners Robert G. and Dorothy Raines submitted a request to incorporate a Planned Unit Development (PUD) Overlay District to Residential, Single Family (R-1) base zoning district to construct a Multi-Family Residential development. This request was approved by City Council as Ordinance 15-033 on May 28, 2015.

The Land Development Regulations (LDR) define the "Multi-Family Residential" land use as follows:

A building, group of buildings, or portions of a building that contains three (3) or more dwelling units on a single parcel under single ownership. Structural types of multi-family dwellings may include triplexes, multiplexes, and high-rise buildings.

The term does not include "boarding house, dormitory, fraternity, or sorority" uses; "bed and breakfast" establishments; or "commercial lodging".

According to LDR 4.100 the Planned Unit Development (PUD) is a special overlay zone that allows flexibility in development standards that are approved for specific uses on a specific site. Any deviations for the standards established in these regulations must be incorporated into a PUD plan, and an ordinance amending the zoning. According to LDR 4.105 (A), if a building permit for a use approved by Planned Unit Development (PUD) has not been issued within two (2) years of the date of final approval by City Council (May 28, 2017 in this case), the PUD and all associated plans shall expire unless the PUD specifically states otherwise.

None of the conditions included in Ordinance 15-0333 are completed to date, as listed in Attachment A. These include a failure to replat the two lots together within ninety (90) days of City Council's approval (specific condition 1), and failure to obtain permits to begin work on the project (specific conditions 2 – 5). The PUD is also in violation of LDR 4.105(A) as noted above. Because of this, in August 2020 Development Services staff initiated this request to revoke Ordinance 15-033.

Site Details and Surrounding Zoning Districts and Land Uses

The subject site consists of two adjacent lots located mid-block along Bernardo de Galvez / Avenue P, directly south of the Hometown Bank of Galveston. The property currently holds a single-family detached residence, with the other lot being undeveloped. The subject properties have a Residential, Single Family (R-1) base zoning; generally speaking the properties to the west are also zoned Residential, Single Family (R-1), but the properties to the east are generally zoned Commercial (C).

Criteria for Revoking a Planned Unit Development (PUD)

Per Section 4.105 of the Land Development Regulations, the Planning Commission may recommend approval and City Council may grant the revocation of a Planned Unit Development request if it is demonstrated that:

1. A building permit for a use approved by Planned Unit Development (PUD) has not been issued within two (2) years of the date of final approval by City Council, the PUD and all associated plans shall expire unless the PUD specifically states otherwise or a state or federal declaration of a natural disaster occurs within such period, then the PUD will automatically be extended for one additional two (2) year period; or

2. If a use approved by Planned Unit Development is discontinued for a period of one (1) year.

Staff Recommendation

Staff recommends approval of case 20P-026 to revoke Ordinance 15-033 regarding a Planned Unit Development at 4507 Bernardo de Galvez / Avenue P due to the following:

- Failure to comply with Land Development Regulations Sec. 4.105 (A); and
- Violation of conditions approved under Ordinance 15-033.

City Council has the final decision regarding this PUD request. Council will hear this request on October 22, 2019.

Respectfully submitted,



Daniel Lunsford, Planner

September 10, 2020

Date



Catherine Gorman,
Assistant Director, HPO, AICP

September 10, 2020

Date

ORDINANCE NO. 15-033

AN ORDINANCE OF THE CITY OF GALVESTON, TEXAS, CREATING A PLANNED UNIT DEVELOPMENT (PUD) OVERLAY DISTRICT IN A RESIDENTIAL, SINGLE FAMILY-ONE (R-1) BASE ZONING DISTRICT, ON PROPERTY COMMONLY KNOWN AS 4507 – 4509 AVENUE P AND WHICH IS LEGALLY DESCRIBED AS LOTS 8 THROUGH 10, BLOCK 109, DENVER RESURVEY, IN THE CITY AND COUNTY OF GALVESTON, TEXAS; TO DEVELOP FOUR TOWNHOME UNITS; TO APPROVE THE CONCEPT SITE PLAN FOR THE PUD; PLANNING CASE NUMBER 15P-015; MAKING VARIOUS FINDINGS AND PROVISIONS RELATED TO THE SUBJECT.

WHEREAS, the 2015 Galveston Land Development Regulations, Article 4, allows for the creation of a Planned Unit Development (PUD) Overlay Zoning District; and,

WHEREAS, the property is owned by Robert and Dorothy Raines. The Applicant, Brax Easterwood, AIA, is requesting that a Planned Unit Development Overlay Zone be created on property commonly known as **4507 – 4509 Avenue P** and which is legally described as Lots 8 through 10, Block 109, Denver Resurvey, in the City and County of Galveston, Texas; and,

WHEREAS, as further detailed in the Staff Report, attached and incorporated herein as **Exhibit 1** (including exhibits A, B & C), the Applicant wishes to develop four townhome units in a Residential, Single Family-One (R-1) base zoning district. The subject site is comprised of two lots within a Residential, Single Family-One zoning district (R-1), directly abutting a commercial corridor on 45th Street; and,

WHEREAS, the subject site is zoned Residential, Single Family-One (R-1). The intent of this zoning district is to provide for single-family detached dwellings with complimentary civic, recreational, and institutional uses. A multi-family use is not allowed in the Residential, Single Family-One (R-1) zoning district; and,

WHEREAS, the purpose or intent of the PUD is to develop the property with four long-term townhouse rental units. Units are designed to provide housing for small families. Design motives include an urban sensibility, sustainability, and reflection of the coastal environment; and,

WHEREAS, the requested PUD is compatible with surrounding land uses and zoning. The PUD is a floating zoning district intended to create a mixture of uses, density, and infrastructure standards, allowing flexibility in the development standards for specific uses on a specific site; and,

WHEREAS, the proposed request is supported by the goals of the 2011 Comprehensive Plan Sections LU-3.3 “Promote Infill Housing throughout the Urban Core”, LU-3.7 “Provide Adequate Buffering Between Residential and Commercial Activities”, and LU-3.10 “Consider Zoning Changes in Areas Where Development Standards Do Not Match the Existing or Intended Character of the Neighborhood”; and,

WHEREAS, the Planning Commission, at its regular meeting of May 5, 2015, voted unanimously to recommend approval of this request; and,

WHEREAS, Staff recommends that the request be approved with certain specific and standard conditions contained in Section 3 below; and,

WHEREAS, after notice and conducting a public hearing, the City Council of the City of Galveston, Texas, deems it in the public interest to grant Applicant's request for a Planned Unit Development (PUD) Overlay Zoning District in a Residential, Single Family-One (R-1) base zoning district, on property commonly known as **4507 – 4509 Avenue P** and which is legally described as Lots 8 through 10, Block 109, Denver Resurvey, in the City and County of Galveston, Texas; and,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GALVESTON, TEXAS:

SECTION 1. The findings and recitations set out in the preamble to this Ordinance are found to be true and correct and they are adopted by the City Council and made a part hereof for all purposes.

SECTION 2. Subject to certain conditions set forth in Section 3 below, the Applicant is hereby granted a Planned Unit Development (PUD) Overlay Zoning District in a Residential, Single Family-One (R-1) base zoning district, on property commonly known as **4507 – 4509 Avenue P** and legally described as Lots 8 through 10, Block 109, Denver Resurvey, in the City and County of Galveston, Texas.

SECTION 3. This Planned Unit Development (PUD) Overlay Zoning District is subject to the following conditions:

Specific Conditions to 15P-015:

1. The property owners or representative shall replat the two (2) properties into one (1) no more than ninety (90) days after securing City Council approval;
2. Construction must conform to the site plan and design details included with the PUD application and ordinance;
3. The development shall conform to the requirements of Article 9 regarding visual screening for residential uses when adjacent to a non-residential lot, tract, or parcel of land;
4. Adequate lighting for security purposes shall be installed at the properties including lighting in the alley;
5. Construction shall not be higher than the three-story building situated on the southeast corner (45th Street) of the block;

Standard Conditions of a Planned Unit Development (PUD):

6. The Applicant shall adhere to all comments/conditions received from City departments;

7. Any change or revisions to the adopted PUD Plan shall require an amendment to the PUD ordinance which requires review by the Planning Commission and City Council. Minor additions and modifications to the approved PUD plan meeting the criteria set forth in Article 4, Section 4.102 (d)(3) of the Land Development Regulations (LDR) may be approved by the Development Services Department;
8. Granting of a PUD zoning district shall not relieve the developer from complying with all other applicable sections of the Land Development Regulations (LDR), and other Codes and Ordinances of the City of Galveston, unless such relief is specified in the approved PUD plan and PUD ordinance;
9. The proposed project must comply with all signage requirements per Article 5 of the Land Development Regulations;
10. The development shall adhere to all landscaping requirements per Article 9 of the Land Development Regulations; and
11. The Applicant shall submit for approval all plans to the Development Services Department for compliance with all City codes.

SECTION 4. The concept site plan for the Planned Unit Development as submitted to the Planning Commission and to the City Council as reflected in Applicant's Exhibits A, B & C, attached and incorporated herein for all purposes, is hereby approved subject to the conditions set forth in **Section 3**.

SECTION 5. The Zoning classification for this property shall be changed to Residential, Single Family-One (R-1), PUD overlay and on the zoning maps of the City of Galveston shall be designated as R-1 PUD, subject to the conditions set for in **Section 3**.

SECTION 6. It is hereby declared to be the intention of the City Council that the sections, paragraphs, sentences, clauses, and phrases of this Ordinance are severable. If any phrase, clause, sentence, paragraph or section of this Ordinance should be declared invalid by a final judgment or decree of any court of competent jurisdiction, such invalidity shall not affect any of the remaining phrases, clauses, sentences, paragraphs, and sections of this Ordinance.

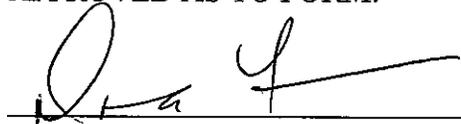
SECTION 7. All Ordinances or parts thereof in conflict herewith are repealed to the extent of such conflict only.

SECTION 8. In accordance with the provisions of Sections 12 and 13 of Article II of the City Charter this Ordinance has been publicly available in the office of the City Secretary for not less than 72 hours prior to its adoption; that this Ordinance may be read and published by descriptive caption only.

SECTION 9. This Ordinance shall be and become effective from and after its adoption and publication in accordance with the provisions of the Charter of the City of Galveston.

[EXECUTION PAGE FOLLOWS]

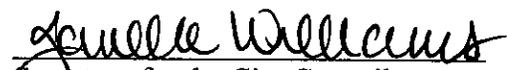
APPROVED AS TO FORM:


DONNA M. FAIRWEATHER
ASSISTANT CITY ATTORNEY

I, Janelle Williams, Secretary of the City Council of the City of Galveston, do hereby certify that the foregoing is a true and correct copy of an Ordinance adopted by the City Council of the City of Galveston at its regular meeting held on the 28th of May, 2015, as the same appears in records of this office.

IN TESTIMONY WHEREOF, I subscribe my name hereto officially under the corporate seal of the City of Galveston this 13th day of January, 2016.




Secretary for the City Council
of the City of Galveston



20P-027

STAFF REPORT

ADDRESS:

11279 Stewart Road

LEGAL DESCRIPTION:

Property is legally described as the Northeast part of Lot 39 (39-1), Trimble and Lindsey, Section 2, in the City and County of Galveston, Texas.

APPLICANT/REPRESENTATIVE:

Edward Jackson

PROPERTY OWNER:

Veco V. Delagardie

ZONING DISTRICT:

Commercial, Height and Density Development Zone, Zone 6 (C-HDDZ-6) and Residential, Single-Family, Height and Density Development Zone, Zone 6 (R-1-HDDZ-6)

REQUEST:

Request for a Specific Use Permit to operate a "Substance Abuse Facility."

APPLICABLE ZONING/LAND USE REGULATIONS:

Articles 2 & 13 – Sections 2.368 & 13.203 (C)

EXHIBITS:

- A – Aerial Map
- B – Applicant's Submittal

STAFF:

Adriel Montalvan, Senior Project Manager
 409-797-3645
 amontalvan@galvestontx.gov

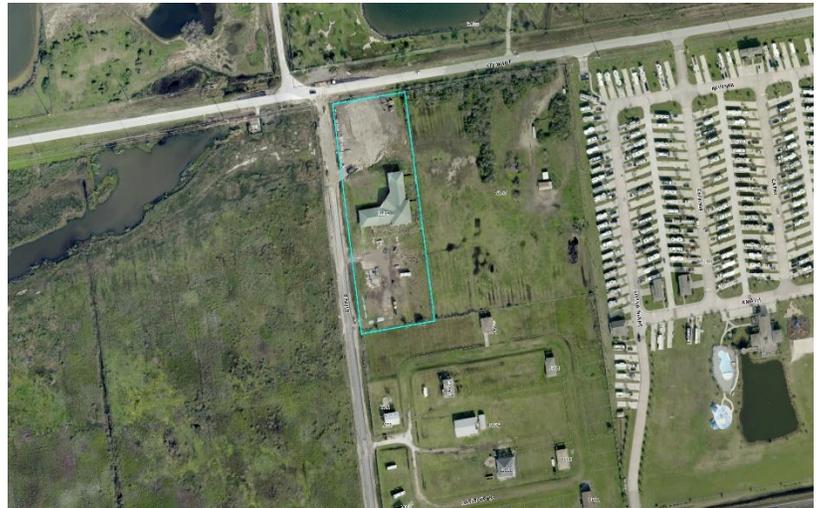
Public Notice and Comment:

Sent	Returned	In Favor	Opposed	No Comment
23				

Per Section 13.808 of the Land Development Regulations and state law, written public notice of this request is required. Public notices are sent to all property owners within 200 feet of the subject site and are sent to the address on file with the Galveston Central Appraisal District.

City Department Notification Responses:

Building Division - This building will be required to be completely brought up to code. This would require complete plan submittal and approval for permitting. This may include floodplain issues.



Executive Summary

The applicant is requesting a Specific Use Permit to operate a "Substance Abuse Facility." The Facility's program will primarily be a 90-day on-site residential treatment for women. It will provide housing, food, and treatment for up to 39 women at a time.

The Land Development Regulations (LDR) define a "Substance Abuse Facility" as follows:

A facility that provides 24-hour residential care or less than 24-hour day care for individuals rehabilitating from drug or alcohol abuse or addiction. The term does not include a "correctional or rehabilitation facility" or halfway houses for prison parolees or juveniles.

Site Details

The subject site is comprised of 3.12 acres on the corner of Stewart and 8 Mile Road. Currently, there is a vacant structure originally constructed as a church.

Zoning and Land Use

Location	Zoning	Land Use
Subject Site	Commercial and Residential Single-Family with Height and Density Development Zone, Zone-6 (C-R-1-HDDZ-6)	Vacant Structure
North	Resort/Recreation Family with Height and Density Development Zone, Zone-6 (RES/REC-HDDZ-6)	Residential
South	Residential Single-Family with Height and Density Development Zone, Zone-6 (R-1-HDDZ-6)	Vacant/Residential
East	Residential Single-Family with Height and Density Development Zone, Zone-6 (R-1-HDDZ-6)	Residential
West	Traditional Neighborhood with Height and Density Development Zone, Zone-6 (TN-HDDZ-6)	Vacant

Ability of Property to be used under Current Zoning

According to the Galveston Land Development Regulations, Article 2, Table 2.201, a “Substance Abuse Facility” requires a Specific Use Permit (SUP) in a Commercial zoning district. SUPs are approved by the City Council after recommendation of the Planning Commission.

Please note this request is associated with a request for a change of zoning for the southern portion of the property (20P-028).

Compatibility with Surrounding Land Use and Zoning

Currently, the majority of the property is zoned Commercial (C), which allows for various commercial uses by right. There are limited residential uses in the immediate area and the general vicinity is mostly vacant land. The zoning classification of nearby properties is comprised of Commercial (C), Resort/Recreation (RES/REC), and Traditional Neighborhood (TN).

Impact on the Transportation System

Based on the addition of 39 residents on the property and the employees who will work at the facility, staff finds that there will be a moderate increase in the vehicular traffic in this area. However, due to the isolative nature of this type of use, the facility will not disrupt or negatively influence current traffic conditions in the area.

Parking Requirements

According to the Land Development Regulations, Article 3, Commercial Addendum, the parking requirement is one space per 300 square feet of floor area in a Commercial (C) zoning district. Provided the change of zoning request associated with this site is approved, the use will comply with the aforementioned parking requirement as shown in Exhibit B.

Criteria for Approval

According to Division 13.601 (C) of the Land Development Regulations, the Planning Commission may recommend approval, and City Council may grant the approval of a rezoning request if it is demonstrated that:

1. The proposed zoning is preferable to the existing zoning in terms of its likelihood of advancing the goals, objectives and policies of the City's 2011 Comprehensive Plan and other adopted neighborhood plan, special area plan, redevelopment plan, or other plan applicable to the area;
2. The proposed zoning is consistent with the future land use map of the 2011 Comprehensive Plan (a future land use map amendment may be processed concurrently with the rezoning);
3. The proposed change is consistent with the implementation of existing or pending plans for providing streets, water and wastewater, other utilities and the delivery of public services to the area in which the parcel proposed for rezoning is located;
4. The range of uses and the character of development that is allowed by the proposed zone will be compatible with the properties in the immediate vicinity of the parcel proposed for rezoning, and the parcel proposed for rezoning has sufficient dimensions to accommodate reasonable development that complies with the requirements of these Land Development Regulations, including parking and buffering requirements; and
5. The pace of development and/or the amount of vacant land currently zoned for comparable development in the vicinity suggests a need for the proposed rezoning in order to ensure an appropriate inventory of land to maintain a competitive land market that promotes economic development.

“Substance Abuse Facility” Specific Use Limited Standards – LDR, Sec 2.368:

1. **Proof of Permitting.** The applicant shall provide proof of application for any licenses required by the State of Texas at the time of application for limited use approval and shall provide proof of issuance of any required licenses before commencing operations.
2. **Limit on Private Assemblies in UN District.** The use shall not host any private assemblies involving others in need of rehabilitation beyond the residents of the facility.
3. **Occupancy Limit in UN District.** The use shall not provide full-time overnight care for more than eight residents.
4. **Hours of Visitation.** Visits to residents of the facility by non-residents shall not occur between the hours of 10:00 PM and 8:00 AM.
5. **Minimum Distance from Same Use.** The use shall be located at least one-half mile from an existing location of the same use, measured as a radius from property lines of the limited use.
6. **Minimum Distance from Residential Uses in UN district.** The use shall be located at least 200 feet from a residential land use. In R-0, R-1, or R-2 districts, the use shall be 200 feet from a residential use, measured as a radius from property lines of the limited use, unless separated from the district by an arterial street.

7. **Minimum Distance from Certain Locations.** The use shall be located at least 200 feet from a school or public park, measured as a radius from property lines of the limited use.
8. **Corner Location in UN District.** The use shall be located on a corner lot.
9. **Internal Access.** Ingress to and egress from all assigned living areas for residents shall be made through the interior of the building rather than from direct outside entrances to each unit.
10. **Maintain Residential Character.** If operated within a pre-existing dwelling, the use shall maintain the residential character and appearance of the structure.
11. **Signage.** No signage is permitted.

Conditions of Approval

Should the Planning Commissions decide to recommend approval of this request, the following conditions shall apply:

Specific Conditions:

1. The applicant shall provide solid fencing around the property to reduce the impact to the surrounding neighborhood. Fencing shall not be less than 6 feet in height;
2. The applicant shall provide proof of issuance of any required licenses before commencing operations;
3. Hours of Visitation. Visits to residents of the facility by non-residents shall not occur between the hours of 10:00 PM and 8:00 AM;
4. The use shall be located at least one-half mile from an existing location of the same use, measured as a radius from property lines of the limited use;
5. The use shall be located at least 200 feet from a school or public park, measured as a radius from property lines of the limited use;
6. Ingress to and egress from all assigned living areas for residents shall be made through the interior of the building rather than from direct outside entrances to each unit;
7. No signage is permitted;

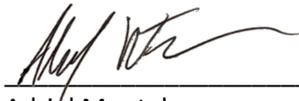
Standard Conditions:

8. The applicant shall adhere to all comments/conditions received from City departments and/or private utility companies. Should conformance with the comments/conditions require alterations to the project, as approved, the case must be returned to the Planning Commission for additional review and approval. Failure to comply with all comments/conditions may result in penalties and/or revocation of this permit;
9. If a building permit for a use approved by Specific Use Permit (SUP) has not been issued within two (2) years of the date of final approval by City Council, the SUP and all associated plans shall expire unless the SUP specifically states otherwise or a state or federal declaration of a natural disaster occurs within such period, then the SUP will automatically be extended for one additional two (2) year period;
10. If a use approved by Specific Use Permit is discontinued for a period of one (1) year, then the SUP and all associated plans shall be deemed to have expired and be of no effect;

11. Any change to the land use layout shall be submitted to the Development Services Department for possible review by Planning Commission and City Council;
12. The applicant submit for approval all plans to the Development Services Department for compliance with all City Codes and Standards; and
13. The applicant must comply with all requirements of the Land Development Regulations.

City Council has the final decision regarding this request. Council will hear this request on October 22, 2020.

Respectfully Submitted,



Adriel Montalvan
Senior Projects Manager

09/11/2020

Date

Exhibit A

Sweetwater Lake

11260

STEWART

RAVENNA

11279

11243

CATANIA

CAPRI

11210

STELLA MARE

AMALFI

8 MILE

11210

3600
3602

GAFFTOPPERS

11225

SAN LUIS PASS

SCHWARTZ

REAGOR

BEARD

This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. The data presented on these pages is not legally binding on the City of Galveston or any of its departments. These maps and the associated data are representations ONLY and may contain errors in the databases. Therefore, the information presented on this map is for informational purposes only and should not be construed to be legally binding.

Legend

Parcels



Tim Tietjens, Director
City of Galveston Department of Development Services

Cate Black, Chairperson
City of Galveston Planning Commission

RE: Serenity Isle, 11279 Stewart Road

Includes: Specific Use Permit – Site Plan approval information: Description of proposed use

Dear Mr. Tietjens,

Please accept this letter as a brief description of the proposed use for the property on the West end of Galveston for the project located at 11279 Stewart Road. A much more detailed description is included in the business plan.

Serenity Isle of Galveston will be a 39 bed residential drug and alcohol rehabilitation facility for women. It will provide housing, food, and treatment for up to 39 women at a time. The program will primarily be a 90 day on site residential treatment. Processes, treatment activities, and floor layout are detailed in the attached business plan. The facility will include a mix of one and two bedroom units, with separate areas for showers, sinks, and toilets. There will be a large food preparation and serving area, as well as a dining area. There are also areas for individual therapy sessions, group therapy sessions, and expressive therapies. Treatment will be provided by state licensed counselors. The entire property will be fenced and secure. Residents will only be allowed off-site access under supervision of one or more staff members. Visitation of residents will be limited to Friday evening and Saturday afternoon, and limited to immediate family members.

Sincerely,

A handwritten signature in black ink, appearing to read "Edward Jackson", is written over a horizontal line.

Edward Jackson, President, Serenity Isle of Galveston, LLC.



Serenity Isle of Galveston LLC
BUSINESS PLAN
August 2020

CONFIDENTIAL

No offering is made or intended by this document. Any offering of interests in Serenity Isle of Galveston LLC. will be made only in compliance with Federal and State securities laws.

This document includes confidential and proprietary information of and regarding Serenity Isle of Galveston, LLC. This document is provided for informational purposes only. You may not use this document except for informational purposes, and you may not reproduce this document in whole or in part, or divulge any of its contents without the prior written consent of Serenity Isle of Galveston, LLC.. By accepting this document, you agree to be bound by these restrictions and limitations.

INTRODUCTION

Drug and alcohol addiction are terrible things that are destroying the lives of millions of people. This is an opportunity for you to make money and make a difference in the lives of many deserving people who are reaching out to try and put their lives back together. A total of 37,370 people were admitted to state-funded substance abuse treatment programs in Texas in 2015. More than 49,000 people received treatment for substance use disorders in state-funded substance abuse treatment programs in Texas in 2017. That is more than a 30% increase in just 2 years. Thousands more paid for their own programs, through health insurance, loans, out of pocket or employer assisted programs. There is currently a waiting list for people to enter a residence program for substance abuse treatment in Texas. The wait for a state funded program is generally 6-8 weeks but sometimes can be for as long as 12 weeks. The state of Texas pays \$3,000 per person (for those in financial need) for a 30 day inpatient program, and will continue paying for supportive residential treatment for up to 90 days. Private programs which are not paid by the state generally charge between \$15,000 and \$50,000 per 30 days. We intend to enter the market by offering a 90 day treatment program for \$19,500. This represents a very attractive business opportunity. We invite you to benefit from this market as well.

We are proposing a 39 bed state of the art rehabilitation facility. Serenity Isle of Galveston LLC will be the premier drug and alcohol inpatient rehab facility in the greater Houston metro area, conveniently located on Galveston Island.

We feel that equity investors could be looking at a 300% return on investment over a 5 year period, with an additional 100% annual return thereafter.

A number of important factors will contribute to the success of this venture. The focus of the treatment program, the quality of staff, the size & scope of the market, the comfort and location of the facility, the ratio of clients to staff, the ongoing follow up program, and the long-term results, among others.

Let me summarize each of these reasons before getting into detail.

Why we will be successful

We offer a unique program in a luxurious setting. It represents a significant alternative to the traditional 12 step approach, and, by offering private bedrooms, it is a major improvement over the bunk bed style, group housing, typical to most rehab facilities. Combine this with our well landscaped serene setting, within walking distance to the Gulf of Mexico, and you have a market niche no one else offers.

Unique approach

We have designed a comprehensive substance abuse treatment program using evidence-based treatment models that focus on treating and rehabilitating the mind, body and spirit. We provide an intensive-level Recovery Retreat which will engage guests in the *re-imagining recovery process* directed by a full time Licensed Chemical Dependency Counselor. Mr. Sims has developed and refined this approach over the past five years while researching and working directly with clients. Its purpose is to assist people with substance abuse and other addictive behaviors "re-imagine" their entire life. It is a holistic model that addresses life-span development from a spiritual perspective. Unlike 12-Step programs and methods, we do not believe that a **person should be relegated to the status of "alcoholic" or "addict" for life**. The focus for the guest is doing the "self" work and imagining the life they want for themselves outside of their addiction. Instilling a sense of hope by helping the guest create a vision for themselves is the key to success.

Our program is a holistic model that addresses life-span development from a spiritual perspective. It is a 3 stage program. Stage one is a 30 day Intensive Program. This includes a 1-Hour DAILY individual session with an LCDC, along with Cranial Electrotherapy Stimulation, and lots of reading and coursework including daily assignments.

Stage two is the 60 day Supportive Program. This stage will include a continuation of the intensive program through a one hour individual session once a week plus introduction of a group meeting once a day (M-F) for 1.5 hours. The group meetings will focus on bonding, relationship-building strategies, coping skills, and directly influence the change of negative behaviors into positive outcomes. The program includes Emotional Integration Training, Access Breathwork Sessions, Mindfulness Based Relapse Prevention sessions, as well as expressive sessions (art, cooking, Qigong / Tai Chi, yoga, massage therapy, and more). In addition, the facility offers a faith-based track, which incorporates Christian-based principles and Bible study sessions into overall programming.

Stage three is the Long-term help. After graduating, the guests are invited to become a member of our online community for life-time support. This will be a weekly online Accountability & Commitment Group (A/C Group). Sessions include Recovery by Choice, and **"how was your week?"**. **Discussion centers on current life issues, and on plans for meeting challenges in the days ahead.** Unlike going to 12-Step meetings to talk about addiction and **"not using," this** focuses on the members sharing with each other how they are doing in implementing the life they envisioned during the retreat. A standard set of questions will be addressed each week and members can give and receive feedback and encouragement from their experience. The material will include what they did the previous week, how they engaged their spiritual lives, and what they experienced. Then goals will be set for the coming week. We believe having accountability to the group and the commitment required to maintain their vision will prove to be invaluable for members. Clients are able to interact with counselors and peers. Individual, on-site, counseling sessions are available as well.

Experienced management team

Our founder, Edward Jackson, earned a Bachelor of Arts (with a triple major) from North Central College, has over 25 years experience at the executive management level, has served on the Board of Directors of 5 different companies, and is motivated to make this successful. Our clinical Director is Dean Alan Sims, MAR, LCDC. He has earned a Basic Chemical Dependency Counselor Certificate from Lone Star College, a Bachelor of Arts from University of Texas at Austin, and a Master of Arts in Religion from University of Dubuque Theological Seminary, and numerous training programs in human services and behavioral health (see details in later section). He has extensive experience not only in human services / behavioral health, but also in marketing and business.

Priced well below the competition

At \$19,500 for a 90 day program, we are one of the least expensive private residential rehab centers. Most private centers charge \$20,000 to \$30,000 for just the first 30 days. Offering a first class program for less than half the price is certain to attract more people.

Aggressive marketing plan

In addition to extensive internet marketing, we will have an intense direct mail campaign: letters and brochures will **be sent to Licensed Professional Counselors (LPC's) and Counseling Associations**, state placement agencies and other agencies such as the Outreach, Screening, Assessment, and Referral (OSAR) Centers funded by the Texas Department of Health and Human Services. At the OSAR Centers (there are 14 facilities in the 11 regional centers in TX), licensed counselors provide *free* screenings and referrals to detox services, in-patient and outpatient treatment facilities, and other recovery options for anyone struggling with alcoholism, drug abuse, other addictions, or co-occurring mental health disorders. Other candidates for direct mail would be county judges, district attorneys, Child Protective Services, County Probation Departments, County Parole departments, Employee Assistance Programs, Trade Unions, and other agencies or people that refer clients to rehab facilities. These letters and brochures will be followed up with phone calls and/or direct personal contact.

Facility, location, and amenities

Unlike most residential treatment centers, our facility offers private bedrooms for all of its intensive care clients and 2 people per room for its supportive care clients. Most Texas rehabilitation centers house 4 or more people per room. We are located on 3-1/4 acres of land, in a quiet neighborhood, and only a few blocks from the beach on the Gulf of Mexico. We serve restaurant quality meals, with beverages available throughout the day. Classes in art, yoga, cooking, parenting skills, and Qigong / Tai Chi Instruction and Exercise daily are offered.

Galveston Island is a resort community and serves as the getaway location for the Houston metropolitan area. It has white sand beaches, a mild, tropical climate, warm, Gulf waters, and plenty of attractions. It is a short drive to Houston and its international airports. This will serve to attract people from all over the country. The proximity to and size of the Houston metropolitan area contribute to the strength of this location as well.

People who can afford to choose their rehab site often want a place where they can get away from their current environment, relax, and concentrate on the business of getting well. Quiet walks on the beach encourage a feeling of well being, serenity, and relaxation, all of which are an important part of the healing process. In addition, Galveston and Houston have major drug and alcohol problems.

Client to staff Ratio

We will have the best client to staff ratio of any facility in Texas. Our core 30 day intensive program has 1 LCDC for every 4 clients. When you include a full-time nurse, on call physician, recovery coaches, cook, CEO, executive assistant, trainers for Tai Chi / Qigong and other activities, you maintain a high ratio even in the 60 day supportive care stage of the program.

Size & Scope of the market

The sheer size of the market will contribute to our success. In 2001, nearly 6 million people in the United States made the decision to enter rehab. Nearly 20 million Americans struggled with a substance use disorder from alcohol or illicit drugs in 2017. Over 780,000 people in Houston had a substance abuse problem in 2008, according to the Houston/Harris County Office of Drug Policy. More than 49,000 people received treatment for substance use disorders in Texas in 2017, including more than 11,500 for alcohol use, 10,700 for methamphetamines, and 11,200 for heroin or prescription opioids. In Texas alone, the cost associated with drug and alcohol abuse was \$26 billion in 2004 and 37% of the state's budget was spent on addressing alcohol and drug abuse related problems.

EXECUTIVE SUMMARY

THE COMPANY

Serenity Isle of Galveston Recovery Center, LLC is a privately held Texas Limited Liability Corporation, founded by an experienced entrepreneur with a history of running multimillion dollar companies. It is a start-up company, scheduled to commence operations upon receipt of funding. The company has designed a business model that will cause it to penetrate the market more thoroughly than most other rehabilitation centers in the Houston area.

MARKET NICHE

We offer a unique program in a luxurious setting. It represents a significant alternative to the traditional 12 step approach, and, by offering private bedrooms, it is a major improvement over the bunk bed style, group housing, typical to most rehab facilities. Combine this with our well landscaped serene setting, within walking distance to the Gulf of Mexico, and you have a market niche no one else offers.

SAMHSA (Substance Abuse and Mental Health Services Administration) defines *Recovery* as *a process of change through which individuals improve their health and wellness, live a self-directed life, and strive to reach their full potential.*

By providing an intensive-level Recovery Retreat which will engage guests in the *re-imagining recovery process*, we assist people with substance abuse and other addictive behaviors to "re-imagine" their entire life

Further, by pricing our treatment program at \$18,000 for 90 days, we are very price competitive. At this price point, we are at the more affordable level of programs offering services that those who can afford to pay for themselves would consider using and also at a level to qualify for most insurance plans that include in-residence programs.

FINANCIAL OVERVIEW

Since this is a start-up venture, some time will be required to promote the site and acquaint people with its availability. First year revenue should be greatly exceeded in subsequent years. Revenue projections for year 1 are over \$600,000 and could reach \$750,000. Year 2 should exceed \$1.5 million and year 3 could see \$2 million or more. Cash flow will probably be negative for the first four months, but that will change substantially thereafter. Profit before taxes and depreciation should be \$500,000 in year 2, ramping up to \$1,500,000 in year 5. See projected P&L spreadsheets for details. The entire investment could be recouped in 5 years or less.

REQUESTED FUNDING

We are seeking \$2,500,000 in total funding. This could be in the form of an equity investment (preferred stock), a secured loan (convertible to stock if desired), an equity investment coupled with an SBA loan, or any combination thereof. My current thinking on this would be a \$400,000 equity investment (for 25% of the stock) plus an SBA loan for the balance, or a \$2.5 million loan at 8% interest plus 15% equity in the company.

While marketing and operational infrastructure has been developed, we currently require funds to purchase and renovate the real estate, hire necessary staff, and purchase equipment and furnishings in order to execute on this plan.

USE OF FUNDS

Funds would be used as follows:

- purchase of the building and land;
- Renovations to the building, including interior construction, repairs and maintenance to exterior & interior of building.
- New furnishings throughout, including bedding and furniture & kitchen appliances.
- Hiring of primary staff
- To supplement first year operating expenses.

A detailed breakdown is included later.

MANAGEMENT TEAM and Staff

The founder and executive director is **Edward Jackson**. He is an experienced entrepreneur with over 25 years experience managing multimillion dollar operations. He has served on the Board of Directors of 5 different companies. In 1982, he started one of the first software production companies in the United States. He built it from a one man company operating out of his home into a \$5 million company operating in a 50,000 square foot building, all without the benefit of any outside capital. After spending more than 20 years in the software business, he became general manager for a movie theater company, where he gained additional experience dealing with the general public and the entertainment industry. He also gained experience in event management.

During his career, he has had complete P&L responsibility, handled payroll, human resources, accounting, public relations, sales & marketing, training, hiring & firing and purchasing. He has interacted with corporate executives and the general public. He has created advertising campaigns, developed corporate brochures, written ad copy and worked trade shows. He excels at public relations, sales, and all types of public interaction. He is computer literate and has used many types of software including Microsoft Office (Word, Excel, Outlook,); Adobe

Photoshop, Illustrator, Acrobat and PageMaker; Intuit's QuickBooks Pro; ACT contact software, and many others. Multi-tasking is his norm.

Some of the jobs he has held include: Director of Sales (Camping Ranches of Illinois), Director of Operations (Automated Simulations, Inc.), President (Mossland Technology), C.E.O. (CERMOSS, INC.), and General Manager (Platinum Theatres, Inc.). He served on the Board of Directors for all of these except Platinum Theatres, plus Paperback Software Inc.. He was **named to Who's Who (West Coast Business Executives), inducted into the NCC Athletic Hall of Fame** (inaugural class), was class representative in the Alumni fund drive for his college, and is a past member of the Software Manufacturers Association, the Jaycees (where he served as a Director), TEC (The Executive Committee), the Gilroy Chamber of Commerce, the Morgan Hill Chamber of Commerce, and the Galveston Chamber of Commerce.

He studied pre-law at North Central College, and graduated from there with a triple major in Business Administration, Political Science, and Education. He was a two time All-American, and a National Champion. He was active in 10 different organizations and committees, including serving as an officer, chairman, team captain, or board member 20 times. He accomplished all this while maintaining a 3.0 grade average. In addition to All-American **honors, he was given many other honors and awards, including selection to Who's Who** (Outstanding College Athletes of America), North Central College Athlete of the Year, and 4 times named college wrestler of the year.

Dean Sims, MAR, LCDC, will serve as clinical director. He holds Texas Department of State Health Services License #13687. All certifications required by DSHS are current. Mr. Sims has been working in the health services field since 2011. He has a Master of Arts in Religion with a Concentration in Spirituality from the University of Dubuque Theological Seminary in Iowa and a Bachelor of Arts from the University of Texas at Austin. He completed his Licensed Chemical Dependency Counseling Certificate at Lone Star College -Montgomery in 2014. He has also completed numerous training programs in human services and behavioral health, including at NVC Academy (Non violent communication), Fort Bend County Dispute Resolution Center, and A.A. White Dispute Resolution Institute. He has worked at the Cheyenne Center DSHS Intensive Residential Treatment Program in Houston, Texas and at Pathway to Recovery Intensive Residential Treatment Program in La Marque, Texas with Court Ordered, DSHS-funded, Self-Pay, and Insurance clients. He has also worked as a residential supervisor for Northeast Texas Treatment Center. He understands the gamut of clients and their differing needs.

He has extensive experience not only in human services / behavioral health, but also in marketing and business. He served as Marketing Coordinator at Skillings Connolly, Inc. for 5 years, and Lead Generation Manager at HCSS for 7 years. He also was a teacher and coach at Harlingen High School.

Other staff members that will fill the roles of executive assistant, recovery coach, receptionist, and bookkeeper include Tisha Burchfield and Alexis Alegria.

We will not be fully staffing the facility until after we get funding and gain sufficient clients. When fully staffed, we will have the following positions: CEO/Executive Director, on-call Physician, Clinical Director, a minister, 1 Registered Nurse, 2 LPN, 4 Certified addiction drug & alcohol counselors, 2 Residential supervisors/recovery coaches, 1 nutritionist/Dietician, 1 Biofeedback technician, 1 executive assistant, 1 cook, 1 receptionist/bookkeeper, 1 Human Resource director, 1 public relations specialist, 1 massage therapist, numerous part time staff/teachers/trainers, and 1 housekeeper.

Client to staff Ratio

We will have the best client to staff ratio of any facility in Texas. Our core 30 day intensive program has 1 LCDC for every 4 clients. When you include a full-time nurse, on call physician, recovery coaches, cook, CEO, executive assistant, trainers for Tai Chi / Qigong and other activities, you maintain an even higher ratio in the 60 day supportive stage of the program. In fact, at the mid-point of year 2, when you have 19 resident clients, the ratio of staff to clients is better than 1:2, with 9 full time staff, plus an on-call physician, and several part-time trainers.

Most facilities offer 1:5 at best, and brag about that.

MARKET ANALYSIS

Size & Scope of the market

The sheer size of the market will contribute to our success. In 2001, nearly 6 million people in the United States made the decision to enter rehab. Just under 20 million Americans struggled with a substance use disorder from alcohol or illicit drugs in 2017. Over 780,000 people in Houston had a substance abuse problem in 2008, according to the Houston/Harris County Office of Drug Policy. More than 49,000 people received treatment for substance use disorders in Texas in 2017, including more than 11,500 for alcohol use, 10,700 for methamphetamines, and 11,200 for heroin or prescription opioids. In Texas alone, the cost associated with drug and alcohol abuse was \$26 billion in 2004 and 37% of the state's budget was spent on addressing alcohol and drug abuse related problems.

Amy Granberry, CEO of Charlie's Place Recovery Center in Corpus Christi, which serves mostly people in south Texas, said that at her facility the wait for one of the 60 beds set aside for people receiving state funding is generally between six to eight weeks, sometimes stretching up to 12.

The Industry

Serenity Isle of Galveston will be operating in an established and growing industry. Competitors are other intensive residential treatment centers. Serenity Isle of Galveston is located in a nice neighborhood, with well-maintained facilities and amenities at a fraction of the cost of equivalent accommodations of other facilities and NO OTHER PROGRAM OFFERS ONE HOUR OF INDIVIDUAL COUNSELING DAILY. Serenity Isle of Galveston also has considerably more internal marketing resources than the average competitor.

Competition

There are a number of intensive residential treatment centers in the Greater Houston Area. Facilities include:

- Memorial Hermann Prevention and Recovery Center (The PaRC)
- The Right Step
- Great Oaks Recovery
- Kemah Palms
- Serenity Light Recovery
- Bay Area Recovery
- La Hacienda

Serenity Isle of Galveston has the unique benefit of offering INDIVIDUALIZED instructional materials based on the client's needs and ONE HOUR OF INDIVIDUAL COUNSELING DAILY it is also a 12-Step Alternative!

Competitive Comparison

Why would individuals choose Serenity Isle of Galveston?

Several competitive advantages, including:

- LCDC Onsite Retreat Guide
- 1-Hour DAILY individual session with LCDC
- 12-Step Alternative
- Single Room Accommodations
- FREE Tablet loaded with all materials
- Nutritious Home Cooked Daily Meals to support neurological healing
- Vipassana Meditation Training - and daily sittings
- Access Breathwork Sessions weekly
- Float Tent
- Qigong / Tai Chi Instruction and Exercise daily
- Cranial Electrotherapy Stimulation Device provided for Anxiety, Depression, Insomnia, and Stress
- Access to sessions with trauma therapist
- TIME to read individualized assignments, take and review courses and view materials by leading authorities on: Emotions - Karla McLaren, Spirituality - Anthony de Mello, Development - Daniel Siegel, Trauma - Peter Levine, Brain & Addiction - Gabor Maté & Michael Dowd, Inner Bonding - Margaret Paul
- TIME to Identify Core Recovery Issues AND process experiences at an integrative *emotional / spiritual level*
- Aftercare Follow-up Services included
- Family Seminar included

- Accountability & Commitment Group for graduates to join for continued community support
- Multiple Treatment Modalities to fit the individual
- First Class facility in Nice Neighborhood *at a fraction of the cost*
- Financing through Third Party Lenders: www.prosperhealthcare.com and mytreatmentlender.com

Pricing

At a rate of \$300 per day, which is \$9,000 for the 30 day intensive program; and \$200 per day for the 60 day supportive residential treatment; our pricing comes to \$21,000 for a 90 day program, which we will discount to \$19,500 with prepaid commitment to the entire 90 day program. We will also offer Individual Aftercare Counseling Sessions at \$125 / hour. While individual clients can choose to do any of the programs individually, the plan is based on everyone choosing the full 90 program plus ongoing after-care.

SERENITY ISLE OF GALVESTON will be the most affordable program of its kind in the United States today.

Our pricing structure is such that 30 days of intensive residential treatment at our facility is likely LESS THAN the deductible / co-pay / out-of-pocket expense that would be incurred in many of our **competitor's** facilities which could not even begin to give the client the INDIVIDUAL attention and direction that they will receive in a PRIVATE ROOM with a 12-Step Alternative Program offering multiple treatment modalities which simply are not available ANYWHERE ELSE!

Our unique treatment program

Our unique treatment program is a primary reason people would choose us and a primary reason we will be successful.

We provide a comprehensive program that helps individuals get their lives back on the road to health and happiness. Our team of experienced and highly qualified substance abuse experts and clinicians understand that each client's path to recovery is unique. We will tailor an integrated recovery plan to simultaneously address not just an individual's immediate addictions, but any underlying co-occurring behavioral issues as well. We have designed a comprehensive substance abuse treatment program using evidence-based treatment models that focus on treating and rehabilitating the mind, body and spirit.

Our goal is to create an integrated holistic approach that is extensive and life-changing. We strive to give each individual client the best opportunities for long-term recovery and a sober, healthy life by working at both the emotional level to uncover the core issues causing the addiction, and also at the practical level to create coping skills and a clear life plan. Our commitment to excellence is evidenced by our treatment program, which is unique in the field. Our clinical director, through hands on experience, has created a program which he has found to be very effective. He works together with the patient to develop an individualized treatment plan that helps the patient achieve their goals. Additionally, therapeutic processes integrated into a holistic approach for a personalized recovery treatment program include physical fitness, yoga, Tai Chi / Qigong, nutrition, music, art, and cooking therapies, and other activities. The facility offers a faith-based track, which incorporates Christian-based principles and Bible study sessions into overall programming.

SERENITY ISLE OF GALVESTON will support individual clients by providing an intensive-level Recovery Retreat which will engage guests in the *re-imagining recovery process* directed by a full time Licensed Chemical Dependency Counselor.

What will this process of *Re-Imagining Recovery* look like? Mr. Sims has developed and refined this approach over the past five years while researching and working directly with clients. Its purpose is to assist people with substance abuse and other addictive behaviors "re-imagine" their entire life. It is a holistic model that addresses life-span development from a spiritual perspective. Unlike 12-Step programs and methods, we do not believe that a person should be relegated to the status of "alcoholic" or "addict" for life.

Similar to SMART Recovery's cognitive behavioral approach in many respects, except with an overtly spiritual focus, we believe the individual has the ability to make choices for themselves and dispute irrational thoughts and beliefs.

Given that "re-frame," we believe that such a world-view will appeal to a sizable portion of the population – especially to persons who have had an issue with 12-Step approaches. **Our focus will be to provide affordable residential services to persons with addiction disorders.** Guests will be empowered to re-imagine their lives using our psycho-spiritual education and holistic living training.

The intensive program will consist of a 30-day retreat. There will be one guide for every four people. Guests will meet with their guide for one hour each day to discuss the previous day's homework and be given an assignment for the following day. Reading materials will be limited to homework assignments. Individuals will be in private rooms with shared bathroom facilities. Simple meals will be provided that emphasize good nutrition. The focus for the guest is doing the "self" work and imagining the life they want for themselves outside of their addiction. Instilling a sense of hope by helping the guest create a vision for themselves is the key to success.

The supportive treatment will include a continuation of the intensive program through a one hour individual session once a week plus introduction of a group meeting once a day (M-F) for 1.5 hours. Group therapy reinforces the notion that patients are not alone in their addiction. Group sessions allow patients to discover forgiveness of others - as well as themselves. The group meetings will focus on bonding, relationship-building strategies, coping skills, and directly influence the change of negative behaviors into positive outcomes. In addition, the facility offers a faith-based track, which incorporates Christian-based principles and Bible study sessions into overall programming. At this time, if the client has not already gotten involved with them, clients are encouraged to participate in available activities including physical fitness, yoga, Tai Chi / Qigong, nutrition, music, art, and cooking therapies. Emotional Integration Training is a key part of our supportive program and is designed to **teach clients how to manage their emotions in a skillful way. Everyone's last relapse was emotional, and everyone's next relapse will be emotional.** Having an emotional self-awareness is a key to long-term recovery. The process emphasizes getting the client out of their head and into their body. This method is an effective somatic approach to addressing trauma. ACES (Adverse Childhood Experiences) have a dose response effect and predict substance use disorder in later life. Emotional Integration Training gives the client the tools to address the **cause of their addiction rather than just treat the effects of "I don't want to drink or use today".**

By addressing their Core Recovery Issues and the associated emotions at a somatic level they **are able to get off the treadmill of trying to stay sober “just for today” and focus instead on what will “touches, moves, and inspires”.** What is their passion? What vision do they have for themselves? Emotional Integration Training **effectively teaches the client to “unwind” their** experience and re-parent themselves. This is a viable method that becomes a resource for lasting change.

Mindfulness Based Relapse Prevention (MBRP) is another key part of our supportive program. The intention of the program is to offer practices cultivating mindful awareness to individuals suffering from the addictive trappings and tendencies of the mind. MBRP practices are intended to foster increased awareness of triggers, destructive habitual patterns, and **“automatic” reactions that seem to control many of our lives.** The mindfulness practices in MBRP are designed to help us pause, observe present experience, and bring awareness to the range of choices before each of us in every moment. We learn to respond in ways that serve us, rather than react in ways that are detrimental to our health and happiness. Ultimately, we are working towards freedom from deeply ingrained and often catastrophic habits.

Similar to Mindfulness-Based Cognitive Therapy for depression, MBRP is designed as an aftercare program integrating mindfulness practices and principles with cognitive-behavioral relapse prevention skills. MBRP is best suited to individuals who have undergone initial treatment and wish to maintain their treatment gains and develop a lifestyle that supports their well-being and recovery.

After graduating, the guests are invited to become a member of our online community for life-time support. Unlike going to 12-Step meetings to talk **about addiction and “not using,” this** will be a weekly online Accountability & Commitment Group (A/C Group) where the members share with each other how they are doing in implementing the life they envisioned during the retreat. The common material covered over the 30 days plus the group meetings in the subsequent 60 days will give the members a natural bond. A standard set of questions will be addressed each week and members can give and receive feedback and encouragement from their experience. The material will include what they did the previous week, how they engaged their spiritual lives, and what they experienced. Then goals will be set for the coming week. We believe having accountability to the group and the commitment required to maintain their vision will prove to be invaluable for members.

Understanding the impact that addiction can have on the family unit, services to family members will also be provided at this facility with a one day Saturday workshop as well as self-study curriculum for family members. The content of the retreat and the methodology would be of value to anyone, not just persons in addiction.

Our services are easily scalable with only a limited full time staff being required to operate efficiently. An executive administrator will run day to day operations, take enrollments, and answer questions. Marketing will be outsourced on a per project basis to freelance marketers known to Mr. Sims from his 10 years in marketing. As we add additional clients we will scale up the staff. This will include a cook/housekeeper, a registered nurse, an on-call doctor, additional licensed chemical dependency counselors, and recovery coaches.

There are numerous methods and programs to treat substance abuse and addictive behaviors. One size doesn't fit all. By offering a unique and affordable alternative that includes cognitive behavioral therapy and choice theory with a spiritual foundation we will provide an opportunity for people with addictive behaviors to truly re-imagine their lives. The ripple effect to the family and the community at large can be transformative.

The cost of addiction on families can be devastating in its own right, both financially and emotionally. We don't believe that profiting from people who are in the place of greatest need in their lives is ethical or moral.

Expressive Therapies

When it comes to healing from addiction, artistic therapies allow patients to express themselves in a unique manner. We offer expressive options for clients including art, cooking, music, nutrition physical fitness, yoga, and Tai Chi / Qigong sessions. Another form of expressive therapy that we offer is through the use of a float tent. This is like a sensory deprivation tank. These outlets help clients learn how to manage their behaviors and feelings, reduce stress, and improve self-esteem and awareness.

Adventure Therapy

Utilizing various techniques, our adventure therapy program incorporates problem-solving initiatives, trust-building activities, as well as team and individual-oriented development.

Biofeedback & Neuro-feedback Therapy, and Cranial Electrotherapy Stimulation

Biofeedback is a form of therapy helping recovering addicts gain control over their mind and body during treatment. **During biofeedback, electronic sensors are placed on the patient's skin.** These sensors are wired to a special medical device that gives medical professionals "feedback" on the patient's "bio" signs.

Cranial Electrotherapy Stimulation is like electronic meditation. It provides a slight energy boost to the central nervous system, which helps the brain do its many jobs a little better. It has been approved by the Food & Drug Administration to treat anxiety, insomnia, and depression. It helps you process pain and your feelings at an unconscious level.

Access Breathwork Sessions

Emotional healing through access breathwork. The experience evolves on a platform of specially choreographed music to support your breathing which is designed to launch you on a psycho-spiritual journey of inspiration exploration and integration. You will learn a circular as well as a stacked breathing technique that will change your physiology and put you in an altered state very quickly.

Offering this broad a range of therapies puts us on a competitive basis with the most expensive resident programs in the country and levels above most of the locally available programs.

THE MARKET PLAN

The plan is to engage in relationship marketing as well as traditional advertising to create brand awareness, referrals, and direct inquiries. **Internet Marketing & search engine optimization** will be very important tools in this regard. Direct mail and word of mouth referrals will be the other primary marketing sources.

Website: A good website is critical. In many cases, it will be the first contact people have with Serenity Isle of Galveston. Among other things, it should highlight the treatment approach, staffing levels, costs and funding options, and contain photographs of the grounds and private bedrooms. Google AdWords will be critical in setting up the website and related promotional activities. The services of an experienced design company like AriPro Designs will be needed.

Internet marketing will include advertising on the treatment center/recovery websites (the Fix, rehabs.com and rehabreviews.com are examples). They will do a profile of the facility/program for a relatively small fee. The other marketing is with My Treatment Lender. Once you become one of their approved facilities they will list you. This is a big deal.

Direct Mail: Mail letters and brochures to Licensed Professional Counselors (LPC's) and Counseling Associations, state placement agencies and other **agencies** such as the **Outreach, Screening, Assessment, and Referral (OSAR) Centers** funded by the Texas Department of Health and Human Services. At the OSAR Centers (there are 14 facilities in the 11 regional centers in TX), licensed counselors provide *free* screenings and referrals to detox services, in-patient and outpatient treatment facilities, and other recovery options for anyone struggling with alcoholism, drug abuse, other addictions, or co-occurring mental health disorders. Other candidates for direct mail would be county judges, district attorneys, Child Protective Services, County Probation Departments, County Parole departments, Employee Assistance Programs, Unions, and other agencies or people that refer clients to rehab facilities. These letters and brochures will be followed up with phone calls and/or direct personal contact. Employee **Assistance Programs often don't want to use insurance to pay** for rehab because it follows you around for life. For example, there is a question on the License to Carry a handgun application about drug treatment. Then for other insurance and just something no one really wants on their record. I understand the EAPs want specific amenities (the private room is a big one – food quality is another and then location – near the beach should satisfy them) and treatment options (ours should suffice). They pay a flat negotiated rate for their employees. All the refineries in Texas City and up and down the coast would be potential customers. Clients from the plants are always waiting long enough to pass a hair follicle test to get back in. Any of the Unions might be potential customers as well if they provide members with assistance for substance abuse treatment. Alcohol would likely be the primary push here, as drugs are so frowned on.

Referrals

Market through past clients of Mr. Sims: Mr. Sims has an impeccable reputation and his former clients attest to that. When they find out he is implementing his program full time, they will be a good source for referrals.

Printed Materials: Flyers & business cards will need to be designed and printed to hand out to interested parties. Continuity is vital. All advertising materials (flyers, business cards, letterhead, web site, etc.) should contain a picture of the building exterior, the name Serenity Isle of Galveston, the street address, phone number, email address, and web address.

Miscellaneous: Send out press releases to Houston area newspapers, radio stations, cable TV stations, colleges, and local magazines. Include a photo of the building exterior and grounds.

FEASIBILITY

Currently there is a waiting list of people attempting to get treatment at most residence facilities. There are literally millions of people who enter rehab facilities annually.

Our plan is based on adding 1 new client per week beginning with month 5 in year 1. In year 2 we look to add 6 clients per month, 8 per month in year three, 10 per month in year four, and 12 per month in year five. That is only 32 clients in year one, 78 new clients in year two, 104 new clients in year three, 130 new clients in year 4, and 156 new clients in year five. When you consider the millions of people annually who enter treatment facilities, these are indeed minuscule numbers. Profitability will be achieved with the first 4 fully paid clients and increases with each additional client. Additional staffing and other expenses are only added as actual client numbers warrant.

If we treat the entire \$2.5 million start-up cost as a loan at 8% annual interest, then first year operating costs would be about \$700,000 and profitability would be achieved in month 5. Year two pre-tax profits are projected at \$500,000; year three at \$750,000; year four at almost \$1.2 million and year five at \$1.5 million. The full \$2.5 million could be repaid out of cash flow at the end of year four. The property value alone, once improvements are completed, would be at least 80% of the investment, and could well equal the entire investment. An additional option would be to sell the company for a significant profit at the end of year five.

In a worst case scenario, if years 3-5 only continue at the year 2 projections, cash flow at the end of year 5 would give us a cash balance of \$2.5 million dollars which could be used to repay the initial investment. Alternatively, a mortgage could be obtained and the repayment could come out of a combination of cash on hand and mortgage proceeds.

The best scenario would be to use the \$400,000 equity investment plus SBA loan model. Operational expenses in year one are reduced by about \$100,000 profitability is up \$100,000 and cash flow is increased as well. In years two through five, profitability is up \$90,000 to \$100,000 per year, operational expenses are lower, and cash on hand at the end of year five is increased by \$1,800,000. Please see charts in appendix.

USE OF FUNDS

DESCRIPTION		
Purchase Stewart Road Building & land	\$ 800,000	
Improvements to building & landscaping	\$ 1,150,000	
Plumbing, electrical, painting, upstairs build-out, fire alarm and sprinkler system, central air & heat, commercial kitchen, instant hot water heaters, landscaping, fencing, paving, lighting, and parking lot.		
Equipment & Furnishings	\$ 150,000	
Initial Operating Expenses	\$ 200,000	
Cash Reserves	\$ 200,000	
TOTAL EXPENDITURE		\$2,500,000

The lower level of the building will only be available for storage. The upstairs is basically a shell, and will need substantial build-out to create the bedrooms, bathrooms, kitchen, dining area and meeting rooms.

Furnishings and equipment will need to be purchased. This will include beds & bedding, dressers, televisions, dining tables & chairs, refrigerator, freezer, stove, microwave, dishwasher, biofeedback machine, computers, washers and dryers, automobiles, etc.

Minor improvements and alterations will also need to be made, including setting all doors to key card access.

The balance of the funds (about \$400,000) would be kept on hand and used to pay operating expenses until such time as the cash flow becomes self sustaining (expected to occur in month #1 of actual operation). About \$200,000 will be needed to supplement initial operating expenses until we are fully operational.

Equipment breakdown

ITEM	QUANTITY	UNIT COST	TOTAL COST
MATRESS & box springs	39	\$300	\$11,700
Bed frame	39	\$200	7,800
Dresser	39	\$300	11,700
Bed linens	78	\$60	4,680
television	3	500	\$1,500
Lobby furniture	1	2,500	2,500
8' folding tables	6	\$65	\$390
4' Dining tables	6	\$175	\$1,020
chairs	80	\$25	\$2,000
Kitchen appliances	1	32,000	32,000
Computer tablets	40	200	8000
Staff computers	8	800	6400
Towel sets	80	10	800
Neurofeedback equipment	1	5,800	5,800
Washer & dryer	2	1,500	3,000
Pots, pans, cooking utensils	1	2,500	2,500
Dishes & flatware	50	50	2,500
Central air & heating units			\$12,000
Automobile down payment	1	\$2,500	\$2,500
Smoke & carbon monoxide detectors	50	\$30	\$1,500
commercial Tankless Hot water heaters 199,000 BTU	6	\$1700	\$10,200
Misc			16,000
TOTAL			\$146,200

FINANCIAL PLAN

REVENUE MODEL

Clients pay in advance for each segment (Detox, Intensive care, Supportive care).

FINANCIAL HIGHLIGHTS

KEY ASSUMPTIONS

Our plan is based on adding 1 new client per week in year 1 beginning with month 4. In year 2 we look to add 6 clients per month, 8 per month in year three, 10 per month in year four, and 12 per month in year five. That is only 32 clients in year one, 78 new clients in year two, 104 new clients in year three, 130 new clients in year 4, and 156 new clients in year five.

Marketing & publicity will be required to acquaint the market with our existence, and then time will be needed to turn interest into occupancy. Clients pay in advance.

TOPLINE PROJECTIONS

Five year financial projections show an overwhelmingly profitable outlook.

- Year 1 is expected to show a profit starting in month 5.
- Year 2 a \$30,000 per month profit.
- Year 3 net profit of \$50,000 per month.
- Year 4 net profit of \$75,000 per month.
- Year 5 net profit of \$100,000 per month.

Five year cash flow projections are similarly positive.

- Year 1 shows a positive cash flow with a cash balance of \$400,000.
- Year 2 shows a positive cash flow of \$500,000, with a cash balance of \$900,000.
- Year 3 shows positive cash flow of \$700,000, with a cash balance of \$1.6 million.
- Year 4 shows positive cash flow of \$1million, with a cash balance of \$2.6 million.
- Year 5 shows positive cash flow of \$3.3 million before debt repayment, with a cash balance of \$1.8 million after debt repayment.

REPAYMENT STRATEGY

Repayment of the loans will be made at the end of year 5 and can come from cash flow or be supplemented by a mortgage loan from a bank or other financial institution. The opportunity to sell the company at the end of 5 years is also an option.

BUSINESS MILESTONES

- Finding the proper locations (already done)
- Purchasing the building (signed purchase option in place)
- Building out the improvements
- Hiring & training the staff (partially done)
- First profitable month
- First 15 patients

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The following tables illustrate the financial goals and projected performance of Serenity Isle of Galveston, LLC during the first 5 years. As with any long-range projection, accuracy is based on reasonable estimates. The Company believes the following numbers are attainable and reasonable. However, actual results will vary.

I have presented profit and loss and cash flow charts for two different funding scenarios. The first is with a \$2.5 million loan at 8% and the second, a \$400,000 equity investment plus an SBA loan for \$2.5 million. The second provides a better rate of return for the investors, and a sounder financial footing for the company.

PRO FORMA PROFIT & LOSS YEAR 1

	Pro Forma Profit and Loss												
	Year 1			Based on 1 new client per week/ 4 per month beginning in month 5									
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YEAR
INCOME	\$0	\$0	\$0	\$0	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$676,000
Expenses													
Salaries	\$14,500	\$14,500	\$19,500	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$271,817
Payroll Expenses	\$1,109	\$1,109	\$1,492	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$20,794
medical exp	\$0	\$0	\$0	\$0	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$6,400
Utilities	\$500	\$500	\$500	\$500	\$600	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$7,850
phone & internet	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Food	\$0	\$0	\$0	\$0	\$2,600	\$4,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$38,000
City Services	\$100	\$100	\$100	\$200	\$375	\$500	\$650	\$650	\$650	\$650	\$650	\$650	\$5,275
Auto expense	\$0	\$0	\$0	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$4,500
maintenance	\$0	\$0	\$0	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$4,500
Miscellaneous	\$0	\$0	\$0	\$500	\$750	\$1,000	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$9,750
Marketing	\$2,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$13,000
Property Tax	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$35,700
Insurance	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$33,000
Interest Exp	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$200,004
7 year													
Depreciation	\$0	\$0	\$0	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$16,074
40 year													
Depreciation	\$0	\$0	\$0	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$36,563
Operating													
Expenses	\$40,651	\$39,651	\$45,034	\$58,202	\$62,127	\$64,252	\$66,152	\$66,152	\$66,152	\$66,152	\$66,152	\$66,152	\$706,827
Profit Before Taxes	-\$40,651	-\$39,651	-\$45,034	-\$58,202	\$22,373	\$20,248	\$18,348	\$18,348	\$18,348	\$18,348	\$18,348	\$18,348	-\$30,827
Estimated State Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Estimated Federal Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET PROFIT	-\$40,651	-\$39,651	-\$45,034	-\$58,202	\$22,373	\$20,248	\$18,348	\$18,348	\$18,348	\$18,348	\$18,348	\$18,348	-\$30,827

PRO FORMA PROFIT & LOSS YEAR 2

	Pro Forma Profit and Loss												
	Year 1			Year 2			Based on 1.5 new clients per week/ 6 per month						
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YEAR
INCOME	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$1,521,000
Expenses													
Salaries:	\$30,500	\$30,500	\$32,000	\$37,833	\$37,833	\$37,833	\$37,833	\$37,833	\$37,833	\$37,833	\$37,833	\$37,833	\$433,497
Payroll Expenses	\$2,333	\$2,333	\$2,448	\$2,894	\$2,894	\$2,894	\$2,894	\$2,894	\$2,894	\$2,894	\$2,894	\$2,894	\$33,163
medical exp	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$14,400
Utilities	\$600	\$600	\$600	\$650	\$650	\$700	\$750	\$750	\$750	\$750	\$750	\$750	\$8,400
Telephone & Internet	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Food	\$5,600	\$5,600	\$6,000	\$6,000	\$7,200	\$7,200	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$85,600
City Services	\$650	\$650	\$650	\$750	\$850	\$950	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$10,800
Auto expense	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
maintenance	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Miscellaneous	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$15,000
Marketing	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Property Tax	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$35,700
Insurance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Interest Expense	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$200,004
7 year													
Depreciation	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$21,432
40 year													
Depreciation	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$48,756
Operating													
Expenses	\$73,424	\$73,424	\$75,439	\$81,868	\$83,218	\$83,368	\$84,268	\$84,268	\$84,268	\$84,268	\$84,268	\$84,268	\$976,352
Profit Before													
Taxes	\$53,326	\$53,326	\$51,311	\$44,882	\$43,532	\$43,382	\$42,482	\$42,482	\$42,482	\$42,482	\$42,482	\$42,482	\$544,646
Estimated State													
Taxes	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$5,035
Estimated													
Federal Taxes	\$9,531	\$9,531	\$9,531	\$9,531	\$9,531	\$9,531	\$9,531	\$9,531	\$9,531	\$9,531	\$9,531	\$9,531	\$114,376
NET PROFIT	\$43,375	\$43,374	\$41,360	\$34,930	\$33,580	\$33,430	\$32,530	\$32,530	\$32,530	\$32,530	\$32,530	\$32,530	\$425,238

PRO FORMA PROFIT & LOSS YEAR 3

	Pro Forma Profit and Loss												YEAR	
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12		
INCOME	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$2,028,000
Expenses														
Salaries	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$594,000
Payroll Expenses	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$45,441
medical exp	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$19,200
Utilities	\$750	\$750	\$750	\$600	\$600	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$8,700
Telephone & Internet	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Food	\$8,400	\$9,600	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$122,000
City Services	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$12,600
Auto expense	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
maintenance	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Miscellaneous	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$15,000
Marketing	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Property Tax	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$35,700
Insurance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Interest Expense	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$200,004
7 year Depreciation	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$21,432
40 year Depreciation	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$48,756
Operating Expenses	\$97,628	\$98,628	\$99,628	\$99,478	\$99,478	\$99,628	\$99,628	\$99,628	\$99,628	\$99,628	\$99,628	\$99,628	\$99,628	\$1,192,433
Profit Before Taxes	\$71,372	\$70,172	\$69,372	\$69,522	\$69,522	\$69,372	\$69,372	\$69,372	\$69,372	\$69,372	\$69,372	\$69,372	\$69,372	\$835,567
Estimated State taxes	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$6,714
Federal Taxes	\$14,622	\$14,622	\$14,622	\$14,622	\$14,622	\$14,622	\$14,622	\$14,622	\$14,622	\$14,622	\$14,622	\$14,622	\$14,622	\$175,469
NET PROFIT	\$56,190	\$54,991	\$54,191	\$54,341	\$54,341	\$54,191	\$54,191	\$54,191	\$54,191	\$54,191	\$54,191	\$54,191	\$54,191	\$653,385

PRO FORMA PROFIT & LOSS YEAR 4

	Pro Forma Profit and Loss												Year 4	Based on 2.5 new clients per week/ 10 per month	
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12			YEAR
INCOME	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$2,535,000
Expenses															
Salaries	\$49,500	\$58,833	\$58,833	\$58,833	\$58,833	\$58,833	\$58,833	\$58,833	\$58,833	\$58,833	\$58,833	\$58,833	\$58,833	\$58,833	\$696,663
Payroll Expenses	\$3,787	\$4,501	\$4,501	\$4,501	\$4,501	\$4,501	\$4,501	\$4,501	\$4,501	\$4,501	\$4,501	\$4,501	\$4,501	\$4,501	\$53,295
Medical exp	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
Utilities	\$900	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$11,900
Telephone & Internet	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Food	\$10,400	\$11,200	\$12,400	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$151,000
City Services	\$1,050	\$1,100	\$1,150	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$14,100
Auto expense	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Maintenance	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Miscellaneous	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Marketing	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$19,200
Property Tax	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$35,700
Insurance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Interest Expense 7 year	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$160,000
Depreciation 40 year	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$21,432
Depreciation Operating	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$48,756
Expenses Profit Before Taxes	\$97,694	\$108,691	\$109,941	\$110,591	\$110,591	\$110,591	\$110,591	\$110,591	\$110,591	\$110,591	\$110,591	\$110,591	\$110,591	\$110,591	\$1,311,646
Estimated State taxes	\$113,556	\$102,559	\$101,309	\$100,659	\$100,659	\$100,659	\$100,659	\$100,659	\$100,659	\$100,659	\$100,659	\$100,659	\$100,659	\$100,659	\$1,223,354
Estimated Federal Taxes	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$8,391
NET PROFIT	\$21,448	\$21,409	\$21,409	\$21,409	\$21,409	\$21,409	\$21,409	\$21,409	\$21,409	\$21,409	\$21,409	\$21,409	\$21,409	\$21,409	\$256,904
	\$80,451	\$79,201	\$79,201	\$78,551	\$78,551	\$78,551	\$78,551	\$78,551	\$78,551	\$78,551	\$78,551	\$78,551	\$78,551	\$78,551	\$958,059

PRO FORMA PROFIT & LOSS YEAR 5

	Pro Forma Profit and Loss												
	Year 5			Based on 3 new clients per week/ 12 per month									
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YEAR
INCOME	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$3,042,000
Expenses													
Salaries	\$65,792	\$65,792	\$65,792	\$65,792	\$65,792	\$65,792	\$65,792	\$65,792	\$65,792	\$65,792	\$65,792	\$65,792	\$789,504
Payroll Expenses	\$5,033	\$5,033	\$5,033	\$5,033	\$5,033	\$5,033	\$5,033	\$5,033	\$5,033	\$5,033	\$5,033	\$5,033	\$60,397
Medical exp	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$28,800
Utilities	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$14,400
Telephone & Internet	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Food	\$13,000	\$15,000	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$184,000
City Services	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Auto expense	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Maintenance	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Miscellaneous	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Marketing	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$21,600
Property Tax	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$35,700
Insurance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Interest Expense 7 year	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$160,000
Depreciation 40 year	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$21,432
Depreciation	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$48,756
Operating Expenses	\$119,182	\$121,182	\$121,782	\$121,782	\$121,782	\$121,782	\$121,782	\$121,782	\$121,782	\$121,782	\$121,782	\$121,782	\$1,458,189
Profit Before Taxes	\$134,318	\$132,318	\$131,718	\$131,718	\$131,718	\$131,718	\$131,718	\$131,718	\$131,718	\$131,718	\$131,718	\$131,718	\$1,583,811
Estimated State taxes	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$10,069
Federal Taxes	\$27,717	\$27,717	\$27,717	\$27,717	\$27,717	\$27,717	\$27,717	\$27,717	\$27,717	\$27,717	\$27,717	\$27,717	\$332,600
NET PROFIT	\$105,762	\$103,762	\$103,162	\$103,162	\$103,162	\$103,162	\$103,162	\$103,162	\$103,162	\$103,162	\$103,162	\$103,162	\$1,241,142

PRO FORMA CASH FLOW YEAR 1

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Start-up Funding	\$2,500,000											
Current Sales	\$0	\$0	\$0	\$0	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500
Total Cash Received	\$2,500,000	\$0	\$0	\$0	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500
EXPENDITURES												
Operational Expenses less amortization	\$40,651	\$39,651	\$45,034	\$52,359	\$56,278	\$58,403	\$60,303	\$60,303	\$60,303	\$60,303	\$60,303	\$60,303
Building & land purchase	\$900,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Improvements	\$350,000	\$350,000	\$350,000	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase equip & furnishing	\$0	\$75,000	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal repayment												
state franchiseTAXES INCUR	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fed Income Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL CASH SPENT	\$1,190,651	\$464,651	\$470,034	\$152,359	\$56,278	\$58,403	\$60,303	\$60,303	\$60,303	\$60,303	\$60,303	\$60,303
CASH BALANCE	\$1,309,349	\$844,698	\$374,664	\$222,311	\$750,533	\$276,690	\$300,837	\$325,024	\$349,221	\$373,418	\$397,615	\$421,812

Not knowing what month will be month 1, I have left property tax as coming out every month. In reality it will accrue and come out in a lump sum in February. That will actually help early cash flow.
 In addition, total first year property tax is likely overstated as it is based on a property valuation of purchase price plus total money spent on building and land improvements.

PRO FORMA CASH FLOW YEARS 1-5

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Pro Forma Cash Flow with 8% loan model					
Start-up Funding	\$2,500,000.00				
Current Sales	\$676,000.00	\$1,521,000	\$2,028,000	\$2,535,000	\$3,042,000
Total Cash Received	\$3,176,000.00	\$1,521,000	\$2,028,000	\$2,535,000	\$3,042,000
EXPENDITURES					
Operational Expenses less amortization	\$654,190.00	\$906,164	\$1,122,245	\$1,241,459	\$1,368,001
Building & land purchase	\$800,000.00	\$0	\$0	\$0	\$0
Building Improvements	\$1,150,000.00	\$0	\$0	\$0	\$0
Purchase equip & furnishings	\$150,000.00	\$0	\$0	\$0	\$0
Principal repayment	\$0.00	\$0	\$0	\$0	\$2,500,000
state franchise TAXES INCURRED & PAID	\$0.00	\$5,035	\$6,718	\$8,391	\$10,069
Federal Income Tax	\$0.00	\$114,376	\$175,469	\$256,904	\$332,600
TOTAL CASH SPENT	\$2,794,190.00	\$1,025,575.00	\$1,304,427.00	\$1,506,753.00	\$3,898,070
CASH BALANCE	\$421,810.00	\$917,235.00	\$1,640,808.00	\$2,669,055.00	\$1,812,985.00

VALUATION

Multiple of year 5 EARNINGS (\$1,500,000)

Multiple	50% earnings achieved	80% earnings achieved	100% earnings achieved	150% earnings achieved
5	3,750,000	6,000,000	7,500,000	11,250,000
10	7,500,000	12,000,000	15,000,000	22,500,000
15	11,250,000	18,000,000	22,500,000	33,750,000
20	15,000,000	24,000,000	30,000,000	45,000,000
30	22,500,000	36,000,000	45,000,000	67,500,000

Multiple of year 5 REVENUE (\$3,000,000)

Multiple	50% Revenue achieved	80% Revenue achieved	100% Revenue achieved	150% Revenue achieved
3	4,500,000	7,200,000	9,000,000	13,500,000
5	7,500,000	12,000,000	15,000,000	22,500,000
6	9,000,000	14,400,000	18,000,000	27,000,000
8	12,000,000	19,200,000	24,000,000	36,000,000
10	15,000,000	24,000,000	30,000,000	45,000,000
15	22,500,000	36,000,000	45,000,000	58,500,000

PERSONNEL FORECAST

YEAR 1		Individual salary	combined salaries	Social Security TAXES	Medicare TAXES	TOTAL COST
CEO	1	\$60,000	\$60,000	\$3,720	\$870	\$64,590
clinical director	1	\$72,000	\$72,000	\$4,464	\$1,044	\$77,508
executive assistant	1	\$42,000	\$42,000	\$2,604	\$609	\$45,213
certified addiction drug & alcohol counselors	1	\$40,000	\$40,000	\$2,480	\$580	\$43,060
cook	0.75	\$45,000	\$33,750	\$2,092	\$489	\$36,331
housekeeping	0.5	\$24,000	\$12,000	\$744	\$174	\$12,918
Night shift supervisor	1	\$38,000	\$38,000	\$2,356	\$551	\$40,907
SUB TOTALS			\$297,750	\$18,460	\$4,317	\$320,527
MONTHLY COST			\$24,813	\$1,538	\$360	\$26,711

YEAR 2		Individual salary	combined salaries	Social Security TAXES	Medicare TAXES	TOTAL COST
CEO	1	\$60,000	\$60,000	\$3,720	\$870	\$64,590
Night shift supervisor	1	\$38,000	\$38,000	\$2,356	\$551	\$40,907
clinical director	1	\$72,000	\$72,000	\$4,464	\$1,044	\$77,508
executive assistant	2	\$42,000	\$84,000	\$5,208	\$1,218	\$90,426
certified addiction drug & alcohol counselors	2	\$40,000	\$80,000	\$4,960	\$1,160	\$86,120
cook	1	\$45,000	\$45,000	\$2,790	\$652	\$48,442
housekeeping	1	\$24,000	\$24,000	\$1,488	\$348	\$25,836
physical trainer	0.5	\$48,000	\$24,000	\$1,488	\$348	\$25,836
massage therapist	0.5	\$54,000	\$27,000	\$1,674	\$391	\$29,065
SUB TOTALS			\$454,000	\$28,148	\$6,583	\$488,731
MONTHLY COST			\$37,833	\$2,346	\$599	\$40,728

YEAR 3		Individual salary	combined salaries	Social Security TAXES	Medicare TAXES	TOTAL COST
CEO	1	\$85,000	\$85,000	\$5,270	\$1,232	\$91,502
Registered Nurse	1	\$69,000	\$69,000	\$4,278	\$1,000	\$74,278
clinical director	1	\$108,000	\$108,000	\$6,696	\$1,566	\$116,262
executive assistant/recovery coach	2	\$45,000	\$90,000	\$5,580	\$1,305	\$96,885
certified addiction drug & alcohol counselors	2	\$42,000	\$84,000	\$5,208	\$1,218	\$90,426
cook	1	\$45,000	\$45,000	\$2,790	\$652	\$48,442
Night shift supervisor	1	\$38,000	\$38,000	\$2,356	\$551	\$40,907
housekeeping	1	\$24,000	\$24,000	\$1,488	\$348	\$25,836
Physical trainer	0.5	\$48,000	\$24,000	\$1,488	\$348	\$25,836
massage therapist	0.5	\$54,000	\$27,000	\$1,674	\$391	\$29,065
SUB TOTALS			\$594,000	\$36,828	\$8,613	\$639,439
MONTHLY COST			\$49,500	\$3,069	\$718	\$53,287

YEAR 4		Individual salary	combined salaries	Social Security TAXES	Medicare TAXES	TOTAL COST
CEO	1	\$85,000	\$85,000	\$5,270	\$1,232	\$91,502
Registered Nurse	1	\$71,000	\$71,000	\$4,402	\$1,029	\$76,431
clinical director	1	\$108,000	\$108,000	\$6,696	\$1,566	\$116,262
executive assistant/recovery coach	2	\$45,000	\$90,000	\$5,580	\$1,305	\$96,885
certified addiction drug & alcohol counselors	3	\$46,000	\$138,000	\$8,556	\$2,001	\$148,557
cook	1	\$45,000	\$45,000	\$2,790	\$652	\$48,442
Dietician	1	\$54,000	\$54,000	\$3,348	\$783	\$58,131
Physical trainer	0.5	\$48,000	\$24,000	\$1,488	\$348	\$25,836
massage therapist	0.5	\$54,000	\$27,000	\$1,674	\$391	\$29,065
housekeeping	1	\$24,000	\$24,000	\$1,488	\$348	\$25,836
Night shift supervisor	1	\$40,000	\$40,000	\$2,480	\$580	\$43,060
SUB TOTALS			\$706,000	\$40,610	\$10,238	\$756,848
MONTHLY COST			\$58,833	\$3,384	\$853	\$63,071

YEAR 5

		Individual salary	combined salaries	Social Security TAXES	Medicare TAXES	TOTAL COST
CEO	1	\$85,000	\$85,000	\$5,270	\$1,232	\$91,502
Registered Nurse	1	\$72,000	\$72,000	\$4,464	\$1,044	\$77,508
clinical director	1	\$110,000	\$110,000	\$6,820	\$1,595	\$118,415
executive assistant/recovery coach	2	\$45,000	\$90,000	\$5,580	\$1,305	\$96,885
certified addiction drug & alcohol counselors	4	\$48,000	\$192,000	\$11,904	\$2,784	\$206,688
cook	1	\$45,000	\$45,000	\$2,790	\$652	\$48,442
housekeeping	1	\$24,000	\$24,000	\$1,488	\$348	\$25,836
dietician	1	\$54,000	\$54,000	\$3,348	\$783	\$58,131
assistant cook	1	\$20,000	\$20,000	\$1,240	\$290	\$21,530
Night shift supervisor	1	\$48,000	\$48,000	\$2,976	\$696	\$51,672
physical trainer (yoga/exercise/etc)	.05	\$45,000	\$22,500	\$1,395	\$326	\$24,222
massage therapist	0.5	\$54,000	\$27,000	\$1,674	\$391	\$29,065
SUB TOTALS			\$789,500	\$48,949	\$11,448	\$849,897
MONTHLY COST			\$65,792	\$4,079	\$954	\$70,825

DEPRECIATION & AMORTIZATION CHART

REAL ESTATE

Building purchase price + improvements	\$1,950,000
Depreciation period	40 years
Annual depreciation	\$48,756
Monthly depreciation	\$ 4,063

EQUIPMENT & FURNISHINGS

Purchase price	\$150,000
Depreciation period	7 years
Annual depreciation	\$21,432
Monthly depreciation	\$ 1,786

TOTAL MONTHLY DEPRECIATION & AMORTIZATION (1st 5 yrs)	\$5,849
TOTAL ANNUAL DEPRECIATION & AMORTIZATION (1st 5 yrs)	\$70,188
TOTAL DEPRECIATION & AMORTIZATION (1st 5 yrs)	\$333,389

PROFORMA PROFIT AND LOSS Based On SBA Loan Model YEAR 1

	Pro Forma Profit and Loss												SBA LOAN		
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12		YEAR	
INCOME	\$0	\$0	\$0	\$0	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$676,000
Expenses															
Salaries	\$14,500	\$14,500	\$19,500	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$271,817
Payroll Expenses	\$1,109	\$1,109	\$1,492	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$20,794
medical exp	\$0	\$0	\$0	\$0	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$6,400
UTILITIES	\$500	\$500	\$500	\$600	\$600	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$7,950
Telephone & Internet	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Food	\$0	\$0	\$0	\$0	\$2,600	\$4,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$38,000
City Services	\$100	\$100	\$100	\$200	\$375	\$500	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$5,275
Auto expense	\$0	\$0	\$0	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$4,500
maintenance	\$0	\$0	\$0	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$4,500
Miscellaneous	\$0	\$0	\$0	\$500	\$750	\$1,000	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$9,750
Marketing	\$2,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$13,000
Property Tax	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$35,700
Insurance	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$33,000
Interest Expense 7 year	\$8,333	\$8,277	\$8,220	\$8,163	\$8,106	\$8,048	\$7,991	\$7,933	\$7,875	\$7,817	\$7,759	\$7,700	\$7,642	\$7,583	\$96,282
Depreciation 40 year	\$0	\$0	\$0	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$16,074
Depreciation	\$0	\$0	\$0	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$36,567
Operating Expenses	\$32,317	\$31,261	\$36,587	\$49,798	\$53,566	\$55,633	\$57,476	\$57,478	\$57,360	\$57,302	\$57,244	\$57,185	\$57,126	\$57,067	\$603,209
Profit Before Taxes	-\$32,317	-\$31,261	-\$36,587	-\$49,798	\$30,934	\$28,867	\$27,024	\$27,022	\$27,140	\$27,198	\$27,256	\$27,315	\$27,373	\$27,431	\$72,791
Estimated State taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Estimated Federal Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,167
NET PROFIT	-\$32,317	-\$31,261	-\$36,587	-\$49,798	\$30,934	\$28,867	\$27,024	\$27,022	\$27,140	\$27,198	\$27,256	\$27,315	\$27,373	\$27,431	\$66,624

YEAR 2

	Pro Forma Profit and Loss												
	Year 1			Year 2			Based on 15 new clients per week/ 6 per month						8BA LOAN
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YEAR
INCOME	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$1,521,000
Expenses													
Salaries	\$30,500	\$30,500	\$32,000	\$37,833	\$37,833	\$37,833	\$37,833	\$37,833	\$37,833	\$37,833	\$37,833	\$37,833	\$433,497
Payroll Expenses	\$2,333	\$2,333	\$2,488	\$2,894	\$2,894	\$2,894	\$2,894	\$2,894	\$2,894	\$2,894	\$2,894	\$2,894	\$33,163
Medical exp	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$14,400
Utilities	\$600	\$600	\$600	\$650	\$700	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$8,400
Telephone & Internet	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Food	\$5,600	\$5,600	\$6,000	\$6,000	\$7,200	\$7,200	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$85,600
City Services	\$650	\$650	\$650	\$750	\$850	\$950	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$10,800
Auto expense	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Maintenance	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Miscellaneous	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$15,000
Marketing	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Property Tax	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$35,700
Insurance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Interest Expense	\$7,642	\$7,593	\$7,524	\$7,464	\$7,404	\$7,345	\$7,285	\$7,225	\$7,165	\$7,104	\$7,044	\$6,983	\$87,768
7 year Depreciation	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$21,432
40 year Depreciation	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$48,756
Operating Expenses	\$64,399	\$64,340	\$66,296	\$72,665	\$73,955	\$74,046	\$74,886	\$74,826	\$74,766	\$74,705	\$74,645	\$74,584	\$864,116
Profit Before Taxes	\$62,351	\$62,410	\$60,454	\$54,085	\$52,795	\$52,704	\$51,864	\$51,924	\$51,984	\$52,045	\$52,105	\$52,166	\$656,884
Estimated State Taxes	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$5,025
Estimated Federal Taxes	\$11,495	\$11,495	\$10,827	\$10,827	\$10,827	\$10,827	\$10,827	\$10,827	\$10,827	\$10,827	\$10,827	\$10,827	\$131,263
NET PROFIT	\$50,436	\$50,494	\$49,207	\$42,838	\$41,548	\$41,457	\$40,617	\$40,677	\$40,737	\$40,798	\$40,858	\$40,919	\$520,589

YEAR 3

	Pro Forma Profit and Loss												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YEAR
INCOME	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$2,028,000
Expenses													
Salaries	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$594,000
Payroll Expenses	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$45,441
Medical exp	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$19,200
Utilities	\$750	\$750	\$750	\$600	\$600	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$8,700
Telephone & Internet	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Food	\$8,400	\$9,600	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$122,000
City Services	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$12,600
Auto expense	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Maintenance	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Miscellaneous	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$15,000
Marketing	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Property Tax	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$35,700
Insurance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Interest Expense	\$6,922	\$6,860	\$6,799	\$6,737	\$6,675	\$6,613	\$6,551	\$6,488	\$6,426	\$6,364	\$6,299	\$6,236	\$78,969
7 year Depreciation	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$21,432
40 year Depreciation	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$48,756
Operating Expenses	\$87,883	\$89,021	\$89,760	\$89,548	\$89,486	\$89,574	\$89,512	\$89,449	\$89,387	\$89,324	\$89,260	\$89,197	\$1,071,398
Profit Before Taxes	\$81,117	\$79,979	\$79,240	\$79,452	\$79,514	\$79,426	\$79,488	\$79,551	\$79,613	\$79,676	\$79,740	\$79,803	\$956,602
Estimated State taxes	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$6,719
Estimated Federal Taxes	\$16,741	\$17,316	\$17,316	\$17,316	\$17,316	\$17,316	\$17,316	\$17,316	\$17,316	\$17,316	\$17,316	\$17,316	\$200,886
NET PROFIT	\$63,817	\$62,104	\$61,365	\$61,577	\$61,639	\$61,551	\$61,613	\$61,676	\$61,738	\$61,801	\$61,865	\$61,928	\$749,003

YEAR 4

	Pro Forma Profit and Loss												Year 4	Based on 2.5 new clients per week / 10 per month													
	Month 1		Month 2		Month 3		Month 4		Month 5		Month 6				Month 7		Month 8		Month 9		Month 10		Month 11		Month 12		YEAR
INCOME	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$2,335,000	
Expenses																											
Salaries	\$52,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$723,000	
Payroll Expenses	\$3,978	\$4,667	\$4,667	\$4,667	\$4,667	\$4,667	\$4,667	\$4,667	\$4,667	\$4,667	\$4,667	\$4,667	\$4,667	\$4,667	\$4,667	\$4,667	\$4,667	\$4,667	\$4,667	\$4,667	\$4,667	\$4,667	\$4,667	\$4,667	\$4,667	\$55,310	
Medical exp	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000	
Utilities	\$900	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$11,900	
Telephone & Internet	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600	
Food	\$10,400	\$11,200	\$12,400	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$151,000	
City Services	\$1,050	\$1,100	\$1,150	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$14,100	
Auto expense	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000	
Maintenance	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000	
Miscellaneous	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000	
Marketing	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$19,200	
Property Tax	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$35,700	
Insurance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000	
Interest Expense	\$6,173	\$6,109	\$6,045	\$5,980	\$5,916	\$5,851	\$5,787	\$5,721	\$5,656	\$5,591	\$5,525	\$5,459	\$5,393	\$5,327	\$5,261	\$5,195	\$5,129	\$5,063	\$4,997	\$4,931	\$4,865	\$4,799	\$4,733	\$4,667	\$4,601	\$56,813	
7 year Depreciation	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$21,432	
40 year Depreciation	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$48,756	
Operating Expenses	\$93,225	\$103,800	\$104,986	\$105,571	\$105,507	\$105,442	\$105,378	\$105,312	\$105,247	\$105,182	\$105,116	\$105,050	\$104,984	\$104,918	\$104,852	\$104,786	\$104,720	\$104,654	\$104,588	\$104,522	\$104,456	\$104,390	\$104,324	\$104,258	\$104,192	\$1,249,811	
Profit Before Taxes	\$118,025	\$107,451	\$106,265	\$105,680	\$105,744	\$105,809	\$105,873	\$105,939	\$106,004	\$106,069	\$106,135	\$106,201	\$106,265	\$106,330	\$106,394	\$106,458	\$106,522	\$106,586	\$106,650	\$106,714	\$106,778	\$106,842	\$106,906	\$106,970	\$107,034	\$1,285,190	
Estimated State taxes	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$8,391	
Federal Taxes	\$22,491	\$21,729	\$21,729	\$21,729	\$21,729	\$21,729	\$21,729	\$21,729	\$21,729	\$21,729	\$21,729	\$21,729	\$21,729	\$21,729	\$21,729	\$21,729	\$21,729	\$21,729	\$21,729	\$21,729	\$21,729	\$21,729	\$21,729	\$21,729	\$21,729	\$269,890	
NET PROFIT	\$94,835	\$85,023	\$83,837	\$83,252	\$83,316	\$83,381	\$83,445	\$83,511	\$83,576	\$83,641	\$83,707	\$83,773	\$83,838	\$83,903	\$83,968	\$84,033	\$84,098	\$84,163	\$84,228	\$84,293	\$84,358	\$84,423	\$84,488	\$84,553	\$84,618	\$1,006,909	

YEAR 5

	Pro Forma Profit and Loss													
	Year 5											Based on 3 new clients per week/ 12 per month		
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11		Month 12	YEAR
INCOME	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$3,042,000
Expenses														
Salaries	\$71,500	\$71,500	\$71,500	\$71,500	\$71,500	\$71,500	\$71,500	\$71,500	\$71,500	\$71,500	\$71,500	\$71,500	\$71,500	\$858,000
Payroll Expenses	\$5,470	\$5,470	\$5,470	\$5,470	\$5,470	\$5,470	\$5,470	\$5,470	\$5,470	\$5,470	\$5,470	\$5,470	\$5,470	\$65,637
Medical exp	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$28,800
Utilities	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$14,400
Telephone & Internet	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Food	\$13,000	\$15,000	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$184,000
City Services	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Auto expense	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Maintenance	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Miscellaneous	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Marketing	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$21,600
Property Tax	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$35,700
Insurance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Interest Expense 7 year	\$5,393	\$5,326	\$5,260	\$5,193	\$5,126	\$5,059	\$4,991	\$4,923	\$4,855	\$4,787	\$4,719	\$4,650	\$4,582	\$60,282
Depreciation 40 year	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$21,432
Depreciation Operating	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$48,756
Expenses Profit Before Taxes	\$117,387	\$119,320	\$119,854	\$119,787	\$119,720	\$119,653	\$119,585	\$119,517	\$119,449	\$119,381	\$119,313	\$119,244	\$119,176	\$1,432,207
Estimated State taxes	\$136,113	\$134,180	\$133,646	\$133,713	\$133,780	\$133,847	\$133,915	\$133,983	\$134,051	\$134,119	\$134,187	\$134,256	\$134,325	\$1,609,793
Estimated Federal Taxes	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$10,069
NET PROFIT	\$28,171	\$28,113	\$28,113	\$28,113	\$28,113	\$28,113	\$28,113	\$28,113	\$28,113	\$28,113	\$28,113	\$28,113	\$28,113	\$338,057
	\$107,103	\$105,228	\$104,694	\$104,761	\$104,828	\$104,895	\$104,963	\$105,031	\$105,099	\$105,167	\$105,235	\$105,304	\$105,372	\$1,261,667

PROFORMA CASH FLOW Based On SBA Loan Model

Pro Forma Cash Flow YEAR 1 with SBA loan												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Equity Funding	\$400,000											
SBA Loan	\$2,500,000											
Current Sales	\$0	\$0	\$0	\$0	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500
Total Cash Received	\$2,900,000	\$0	\$0	\$0	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500
EXPENDITURES												
Operational Expenses less amortization	\$32,317	\$31,261	\$36,587	\$43,949	\$47,717	\$49,784	\$51,627	\$51,629	\$51,511	\$51,453	\$51,395	\$51,336
Building & land purchase	\$800,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Improvements	\$350,000	\$350,000	\$350,000	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase equip & furnishings	\$0	\$75,000	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal repayment	\$0	\$16,978	\$17,034	\$17,092	\$17,148	\$17,206	\$17,263	\$17,321	\$17,378	\$17,436	\$17,494	\$17,552
state franchise TAXES INCURRED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fed Income Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,167
TOTAL CASH SPENT	\$1,182,317	\$473,239	\$478,621	\$161,041	\$64,865	\$66,990	\$68,890	\$68,950	\$68,889	\$68,889	\$68,889	\$75,055
CASH BALANCE	\$1,717,683	\$1,244,444	\$765,823	\$604,782	\$624,417	\$641,927	\$657,537	\$673,087	\$688,698	\$704,309	\$719,920	\$729,365

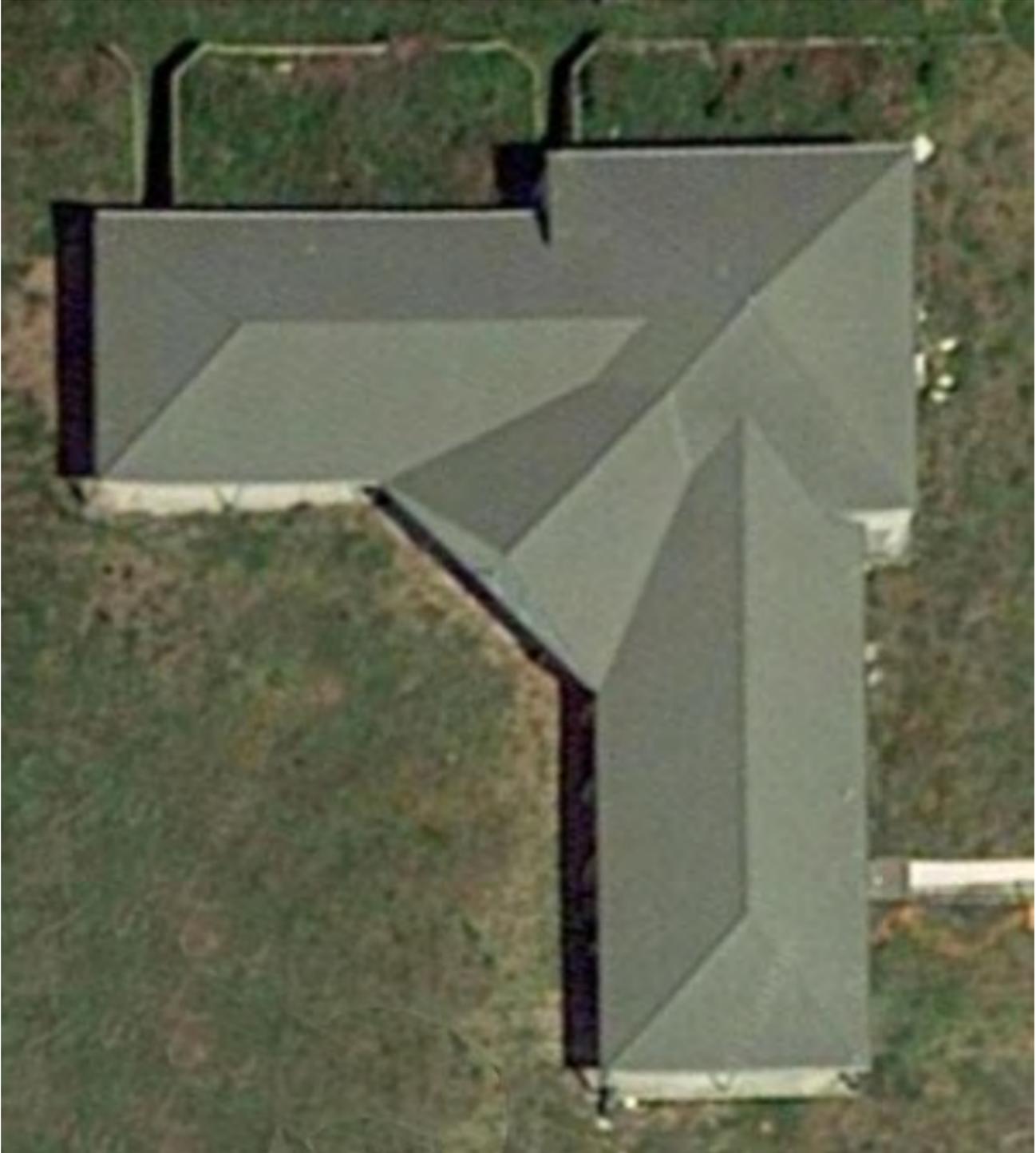
Not knowing what month will be month 1, I have left property tax as coming out every month. In reality it will accrue and come out in a lump sum in February. That will actually help early cash flow.
In addition, total first year property tax is likely overstated as it is based on a property valuation of purchase price plus total money spent on building and land improvements.

YEARLY CASH FLOW Based On SBA Loan Model

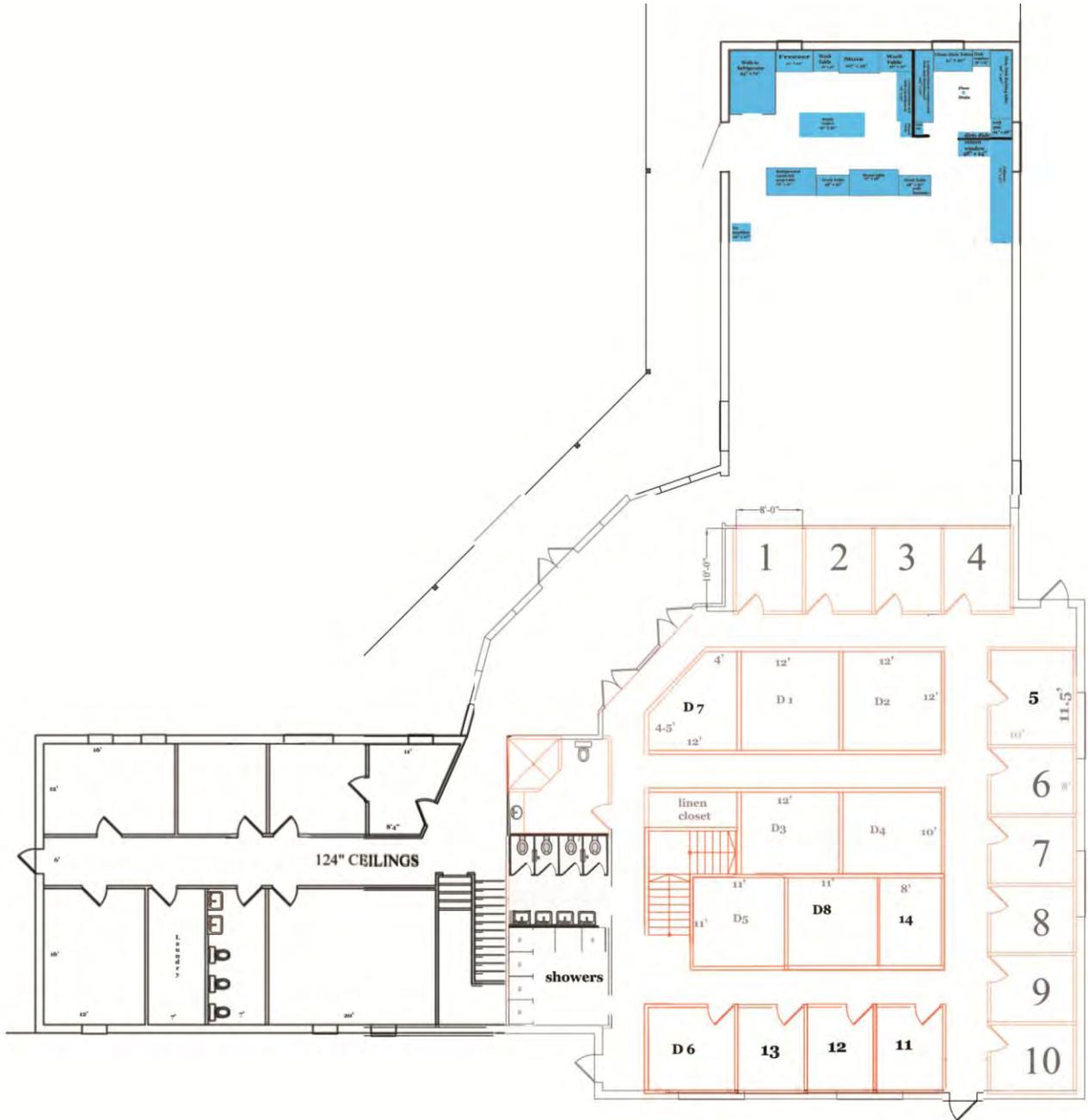
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Pro Forma Cash Flow					
Model with SBA loan					
Equity Funding	\$400,000				
SBA Loan	\$2,500,000				
Current Sales	\$676,000	\$1,521,000	\$2,028,000	\$2,535,000	\$3,042,000
Total Cash Received	\$3,576,000	\$1,521,000	\$2,028,000	\$2,535,000	\$3,042,000
EXPENDITURES					
Operational Expenses less amortization	\$550,568	\$793,928	\$1,001,210	\$1,179,623	\$1,362,019
Building & land purchase	\$800,000	\$0	\$0	\$0	\$0
Building Improvements	\$1,150,000	\$0	\$0	\$0	\$0
Purchase equip & furnishings	\$150,000	\$0	\$0	\$0	\$0
Principal repayment	\$189,901	\$215,250	\$224,018	\$233,146	\$242,644
state franchise TAXES INCURRED & PAID	\$0	\$5,035	\$6,713	\$8,391	\$10,069
Federal Income Tax	\$6,167	\$131,261	\$200,886	\$269,890	\$338,057
TOTAL CASH SPENT	\$2,846,636	\$1,145,474	\$1,432,827	\$1,691,050	\$1,952,789
CASH BALANCE	\$729,364	\$1,104,890	\$1,700,063	\$2,544,013	\$3,633,224

BUILDING EXTERIOR AND INTERIOR LAYOUT

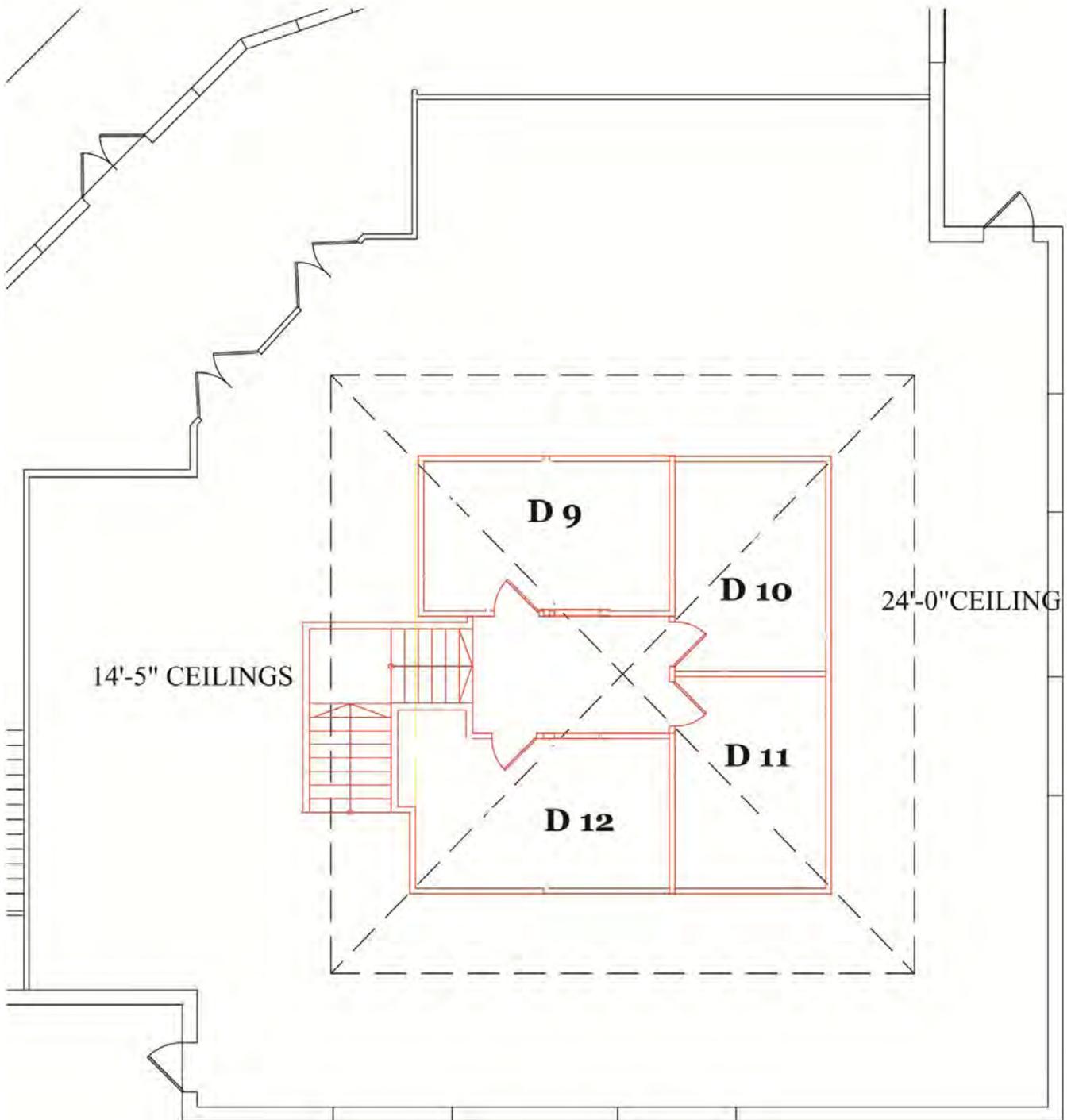
EXTERIOR



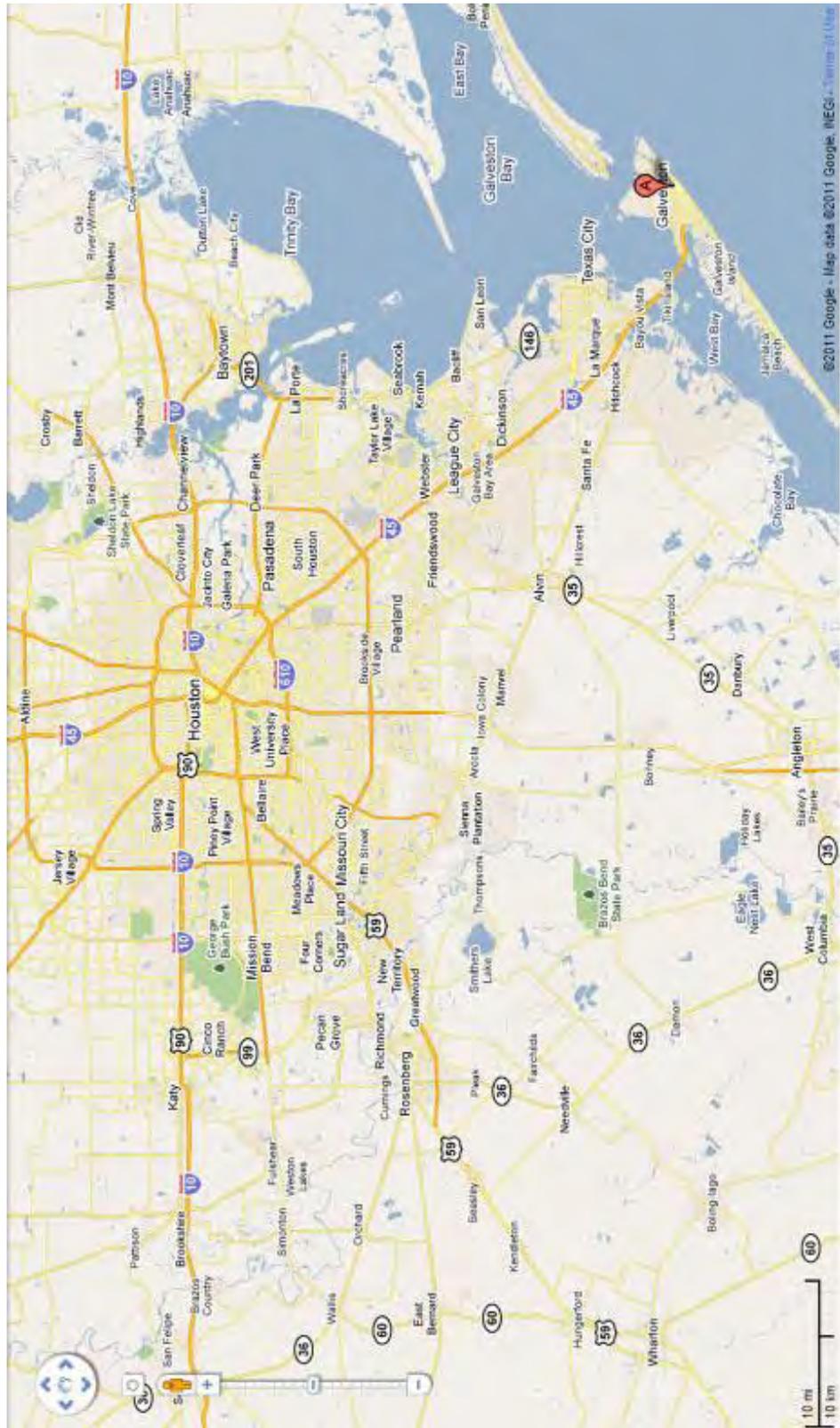
MAIN FLOOR LAYOUT



MEZZANINE LEVEL (4 bedrooms)



MAP HOUSTON AND GALVESTON AREA



City of Galveston
Planning Commission
Request for variance of section 2.369

SEC.2.369 Substance abuse facility, section B Limited use standards, subsection 1. **Proof of permitting.** The applicant shall provide proof of application for any licenses required by the State of Texas at the time of application for limited use approval and shall provide proof of issuance of any required licenses before commencing operations.

I am requesting a temporary variance in the application for an SUP for a drug and alcohol residential rehabilitation facility. The variance is one of timing in the application for license and certification by the State of Texas. The reason is as follows: Once application is made for State certification, a site visit by a representative from the State is required within 6 months of application. If the facility fails the inspection, re-application cannot be made for 6 months. Since application for an SUP from the city is at least a 3 month process, followed by additional time to get building permits and then an additional 4 months (or more) construction time, inspection failure would be a given, resulting in an additional 6 month delay in opening. I am requesting that the application for certification be allowed to wait until construction actually begins. I will not be opening the facility until required licenses are issued. In addition, the cost of the application is over \$4,000 and is an unnecessary expense and burden until the city council approves the SUP.

Thank you for your consideration.

Sincerely,

Edward Jackson

NOTE:

 WORK IN PUBLIC R.O.W. SHALL BE

 BUILT TO C.O.G. STANDARDS. SEE

 CIVIL NOTES ON C0.1

BUILDING REMODEL

FOR SERENITY ISLE OF GALVESTON, LLC

11279 STEWART ROAD

GALVESTON, TEXAS

TABLE OF CONTENTS

- C0.1 COVER SHEET
- C0.2 DEMO SITE PLAN
- C1.0 SITE PLAN, GRADING & PAVING
- C1.1 SITE PLAN, DRAINAGE
- C1.2 SITE PLAN, LANDSCAPE
- C1.3 SWPPP
- C2.0 CIVIL DETAILS
- C2.1 CIVIL DETAILS
- C2.2 CIVIL DETAILS
- C2.3 CIVIL DETAILS
- C2.4 CIVIL DETAILS

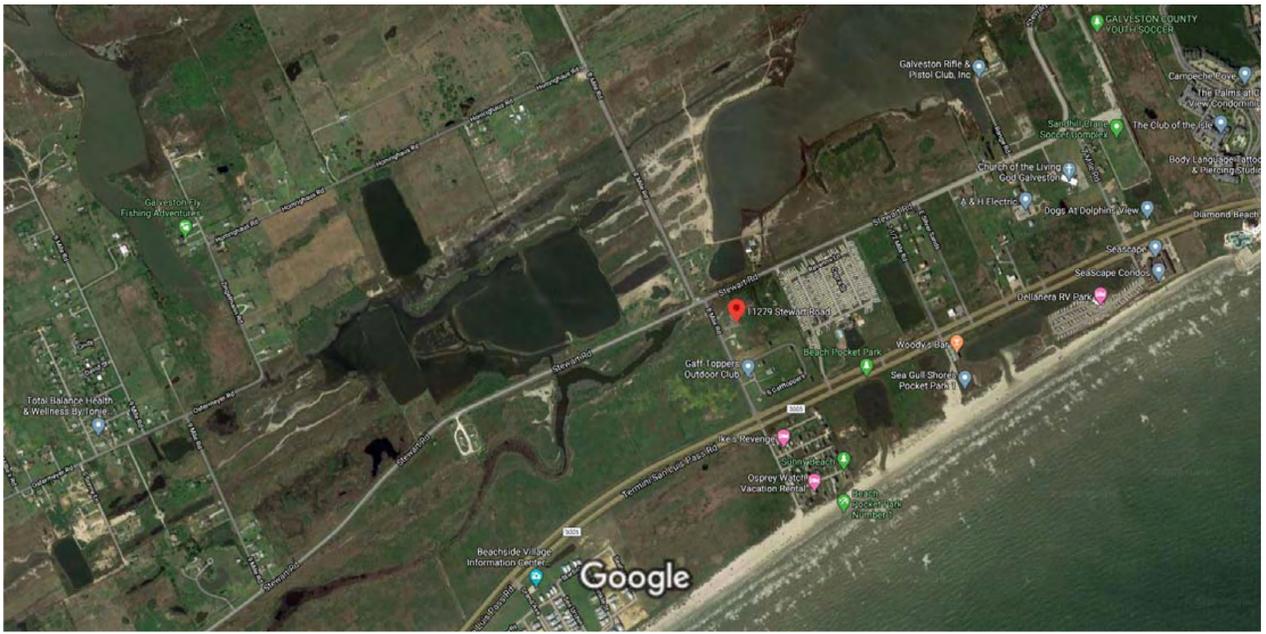
- A1.0 ARCHITECTURAL PLAN
- A1.1 ARCHITECTURAL PLAN, WEST
- A1.2 ARCHITECTURAL PLAN, NORTH

Civil Engineering General Notes

1. THE CONTRACTOR SHALL CONTACT THE TEXAS ONE CALL NOTIFICATION SYSTEM, 1-800-DIG-SAFE , 1-800-344-8377, PRIOR TO COMMENCEMENT OF EXCAVATING ACTIVITIES AND OBTAIN PERMITS FOR ALL UTILITY FIRMS.
2. ALL CONSTRUCTION IN THE CITY RIGHT OF WAYS SHALL BE IN ACCORDANCE WITH THE MOST CURRENT CITY OF GALVESTON ADOPTED SPECIFICATIONS AND STANDARD DETAILS .
3. THE CONTRACTOR SHALL OBTAIN ALL NECESSARY PERMITS PRIOR TO CONSTRUCTION.
4. THE CITY ENGINEER'S OFFICE AND/OR BUILDING DIVISION SHALL BE NOTIFIED 24 HOURS PRIOR TO STARTING EACH PHASE OF CONSTRUCTION .
5. THE PROJECT BENCHMARK IS SHOWN ON THE CIVIL DRAWINGS.
6. PRIOR TO ANY CONSTRUCTION IN THE PUBLIC RIGHT-OF-WAY, THE CONTRACTOR/DEVELOPER SHALL NOTIFY THE CITY OF GALVESTON ENGINEERING DEPARTMENT.
7. WORK PERFORMED BY THE CONTRACTOR:
 - A. ANY WORK PERFORMED WITHOUT THE APPROVAL OF THE CITY BUILDING DIVISION AND/OR UTILITIES/ ENGINEERING ALL WORK AND MATERIAL NOT IN CONFORMANCE WITH THE SPECIFICATIONS IS SUBJECT TO REMOVAL AND REPLACEMENT AT THE CONTRACTOR'S EXPENSE.
 - B. WHENEVER THE INSPECTOR FINDS ANY WORK BEING PERFORMED IN A DANGEROUS OR UNSAFE MANNER, OR CONTRARY TO THE PLANS OR SPECIFICATIONS, OR NOT MEETING THE INTENT OF THE PLANS OR SPECIFICATIONS, THE INSPECTOR WILL ISSUE A STOP WORK ORDER. UPON ISSUANCE OF A STOP WORK ORDER, THE CITED WORK SHALL IMMEDIATELY CEASE. THE STOP WORK ORDER SHALL STATE THE REASON FOR THE ORDER, AND THE CONDITIONS WHICH CITED WORK IS AUTHORIZED TO RESUME UPON WRITTEN ORDER TO RESUME WORK. WHERE AN EMERGENCY EXISTS, THE INSPECTOR SHALL NOT BE REQUIRED TO GIVE A WRITTEN NOTICE PRIOR TO STOPPING THE WORK. THE CONTRACTOR IS RESPONSIBLE FOR ALL COSTS AND DELAYS FOR THE WORK RELATED TO THE STOP WORK ORDER.
8. THE CONTRACTOR SHALL UNCOVER ALL EXISTING CITY UTILITY LINES BEING TIED INTO TO VERIFY THEIR TYPE, CONDITION, LOCATION, INVERT, SLOPE, AND ANY OTHER INFORMATION NEEDED TO DETERMINE THAT THE UTILITY CONNECTION WILL FUNCTION AS DESIGNED. THE CONTRACTOR IS RESPONSIBLE FOR MAKING ANY REPAIRS NECESSARY TO THE LATERAL OR MAIN LINES OF THE CITY WATER, SANITARY SEWER, AND/OR STORM DRAIN SYSTEM NECESSARY FOR THE CONNECTION TO FUNCTION AS DESIGNED. THE CONTRACTOR SHALL LOCATE OR HAVE LOCATED ALL EXISTING UNDERGROUND PRIVATE UTILITIES (ELECTRIC, TELEPHONE, PIPELINES, ETC.) AND STRUCTURES IN ADVANCE OF CONSTRUCTION AND SHALL ELIMINATE ALL CONFLICTS PRIOR TO START OF CONSTRUCTION.
9. THE CITY OF GALVESTON IS NOT RESPONSIBLE FOR LIABILITY INCURRED DUE TO DELAYS AND/OR DAMAGES TO UTILITIES IN CONJUNCTION WITH THIS CONSTRUCTION. THE CITY WILL NOT PARTICIPATE IN THE COST OF CONSTRUCTION OR UTILITY RELOCATION.
10. NOT USED.
11. APPLICATIONS FOR STREET/CURB CUT PERMITS MUST BE APPROVED BY THE CITY ENGINEER PRIOR TO APPROVAL OF IMPROVEMENT PLANS. SEPARATE PERMIT IS REQUIRED.
12. BACKFILLING SHALL NOT BE STARTED UNTIL WATER, SEWER, GAS LINES ARE APPROVED BY THE CITY OF GALVESTON BUILDING DIVISION.
13. CONSTRUCTION OF CONCRETE OR PAVING ITEMS SHALL NOT COMMENCE UNTIL ALL UNDERGROUND WORK HAS BEEN INSPECTED AND TESTED.
14. DISPOSAL OF AND STOCKPILING OF EXCESS MATERIAL SHALL BE DONE IN SUCH A WAY THAT WILL NOT CREATE A NUISANCE. THE PLACING OF MATERIAL ON PRIVATE PROPERTY OF ANOTHER REQUIRES WRITTEN AUTHORIZATION FROM PRIVATE PROPERTY OWNER AND CITY. EARTHWORK STOCKPILES ARE NOT TO EXCEED 6 FEET IN HEIGHT. SLOPES ON ALL SIDES OF THE STOCKPILE SHALL NOT EXCEED A 1 TO 4 RATIO OF HEIGHT TO LENGTH. ANY EARTHWORK STOCKPILE, EVEN LESS THAN 6 FEET, MUST BE REMOVED WITHIN 7 DAYS OF CITY NOTIFICATION IF DUST SUPPRESSION EFFORTS FAIL TO MAINTAIN SATISFACTORY AIRBORNE CONTAMINANT CONTROL.
15. TRAFFIC CONTROL SHALL BE COORDINATED WITH THE CITY OF GALVESTON ENGINEERING DEPARTMENT.
16. IN ACCORDANCE WITH THE SWPPP, THE CONTRACTOR SHALL PROVIDE ADEQUATE MEANS FOR CLEANING TRUCKS AND/OR OTHER EQUIPMENT OF MUD PRIOR TO ENTERING PUBLIC STREETS, AND IT IS THE CONTRACTOR'S RESPONSIBILITY TO CLEAN STREETS, ALL DUST, AND TAKE WHATEVER MEASURES ARE NECESSARY TO INSURE THAT ALL ROADS ARE MAINTAINED IN A CLEAN, MUD AND DUST-FREE CONDITION AT ALL TIMES. THE CONTRACTOR SHALL UTILIZE A STREET SWEEPER FOR STREET CLEANING. AN APPROVED SET OF PLANS SHALL BE MAINTAINED ON THE JOB SITE AT ALL TIMES THAT WORK IS IN PROGRESS. DEVIATION FROM THE PLANS SHALL NOT BE ALLOWED WITHOUT AN APPROVED PLAN REVISION, REVIEWED BY CITY.
17. A MINIMUM HORIZONTAL SEPARATION OF NINE (9) FEET IS REQUIRED BETWEEN SEWER SERVICES AND WATER OR FIRELINE SERVICES. A MINIMUM HORIZONTAL SEPARATION OF NINE (9) FEET IS REQUIRED BETWEEN RECLAIMED WATER SERVICES AND SEWER, WATER, OR FIRELINE SERVICES PERTO EQ TAS 290*217.

CITY OF GALVESTON CODE REFERENCES

- 2012 INTERNATIONAL BUILDING CODE (CHAPTER 10 OF CITY CODE) ORDINANCE AND LOCAL AMENDMENTS.
- 2012 INTERNATIONAL FIRE CODE
- 2012 INTERNATIONAL FIRE CODE ORDINANCE
- 2014 ELECTRICAL CODE [EFFECTIVE SEPTEMBER 1, 2014, PER THE STATE OF TEXAS LAW REQUIRES ALL WORK TO ADHERE TO THE 2014 NATIONAL ELECTRICAL CODE.]
- FLOOD ORDINANCE NO. 02-085
- NATIONAL ELECTRICAL CODE, CHAPTER 12 OF THE CITY CODE*
- 2015 LAND DEVELOPMENT REGULATIONS*



KEY MAP



The seal appearing

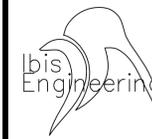
 on this document

 was authorized by

 NORMAN S. HOFFMAN

 P.E. 95483

 10/10/2019



REG # F-11156
P.O. Box 55171 Galveston, Texas 77555
PH 409.621.6740

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BUILDING REMODEL
FOR SERENITY ISLE OF GALVESTON, LLC
11279 STEWART ROAD
GALVESTON, TEXAS

REVISIONS
A FOR
PRELIMINARY
REVIEW

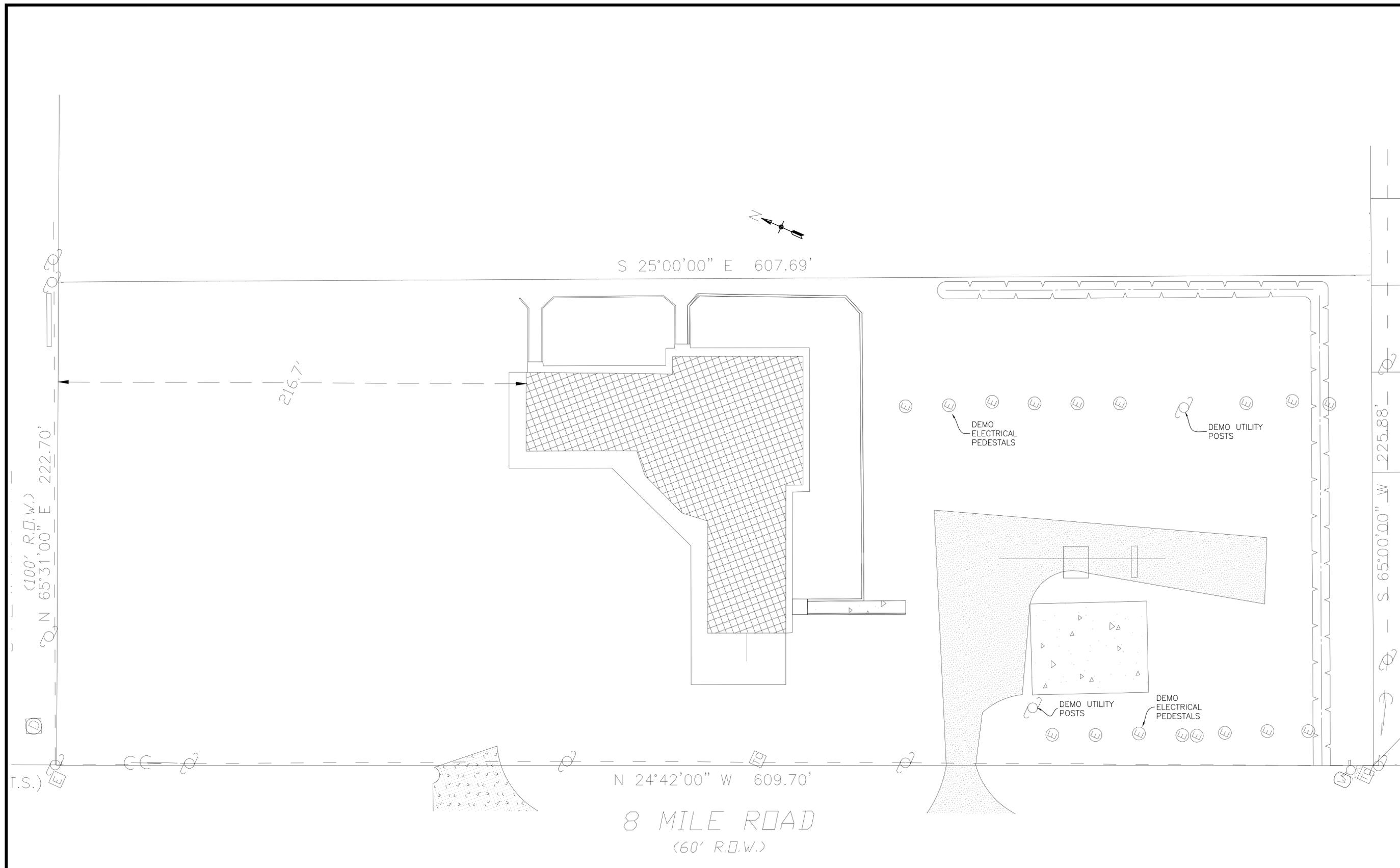
DATE
17 AUGUST, 2020
DESCRIPTION

DRAWN BY GD

APPROVED BY NH

SHEET NO.

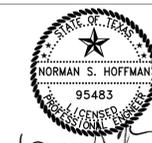
C0.3



8 MILE ROAD
(60' R.O.W.)

1 DEMO PLAN
SCALE: 1"=20'

NOTE:
CONTRACTOR TO CALL (811)
BEFORE ANY DIGGING.



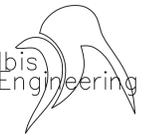
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1 EXISTING BUILDING
ELEVATION LOOKING NORTH
SCALE: N.T.S.



2 EXISTING BUILDING
ELEVATION LOOKING SOUTHEAST
SCALE: N.T.S.



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BUILDING REMODEL
FOR SERENITY ISLE OF GALVESTON, LLC
11279 STEWART ROAD
GALVESTON, TEXAS

REVISIONS
A FOR
PRELIMINARY
REVIEW

DATE
17 AUGUST, 2020
DESCRIPTION

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C0.4

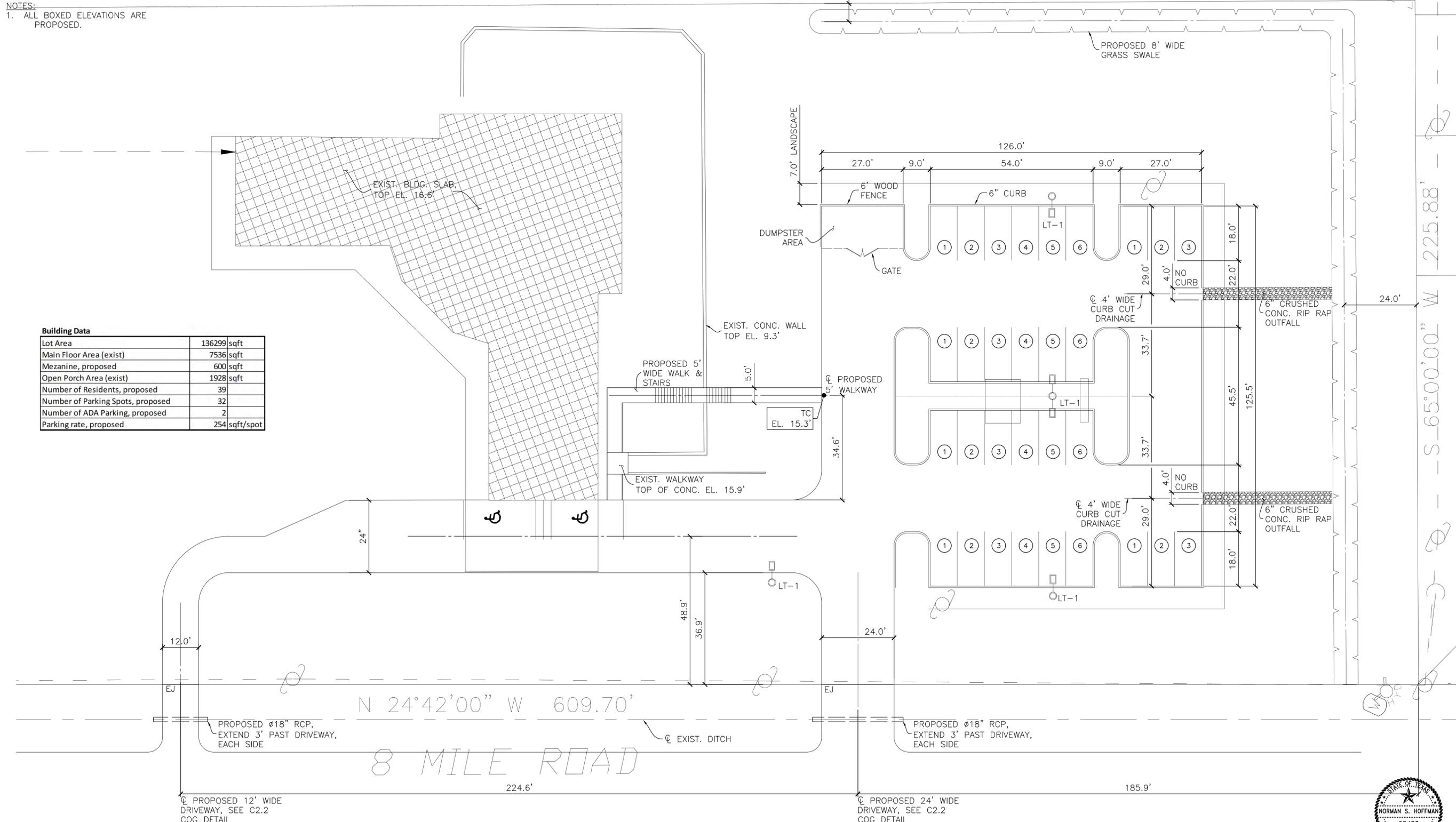
KEY:
 CJ= CONTROL JOINT
 EJ= EXPANSION JOINT
 EL= ELEVATION
 HP= HIGH POINT
 LP= LOW POINT
 MEG= MATCH EXIST. GRADE
 TG= TOP OF GRADING
 TCB= TOP OF CURB
 TP= TOP OF PAVEMENT

NOTES:
 1. ALL BOXED ELEVATIONS ARE PROPOSED.

S 25°00'00" E 607.69'

Building Data

Lot Area	136299 sqft
Main Floor Area (exist)	7536 sqft
Mezanine, proposed	600 sqft
Open Porch Area (exist)	1928 sqft
Number of Residents, proposed	39
Number of Parking Spots, proposed	32
Number of ADA Parking, proposed	2
Parking rate, proposed	254 sqft/spot



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BUILDING REMODEL
 FOR SERENITY ISLE OF GALVESTON, LLC
 11279 STEWART ROAD
 GALVESTON, TEXAS

REVISIONS
 A FOR PRELIMINARY REVIEW

DATE
 17 AUGUST, 2020
 DESCRIPTION

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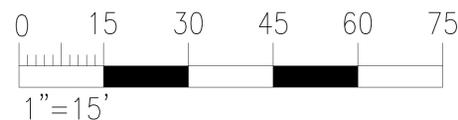
APPROVED BY NH

SHEET NO.

C1.0

1 GRADING & PAVING
 SITE PLAN
 SCALE: 1"=15'

NOTE:
 CONTRACTOR TO CALL (811)
 BEFORE ANY DIGGING.



LIGHTING
 LT-1 PHILLIPS GARDCO LED TYPE 3, 25'
 MOUNTING HEIGHT, SEE C3.0 &
 C3.1.



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BUILDING REMODEL
FOR SERENITY ISLE OF GALVESTON, LLC
11279 STEWART ROAD
GALVESTON, TEXAS

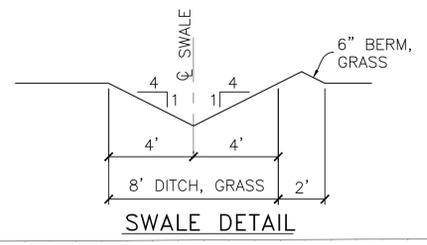
REVISIONS
A FOR
PRELIMINARY
REVIEW

DATE
17 AUGUST, 2020
DESCRIPTION

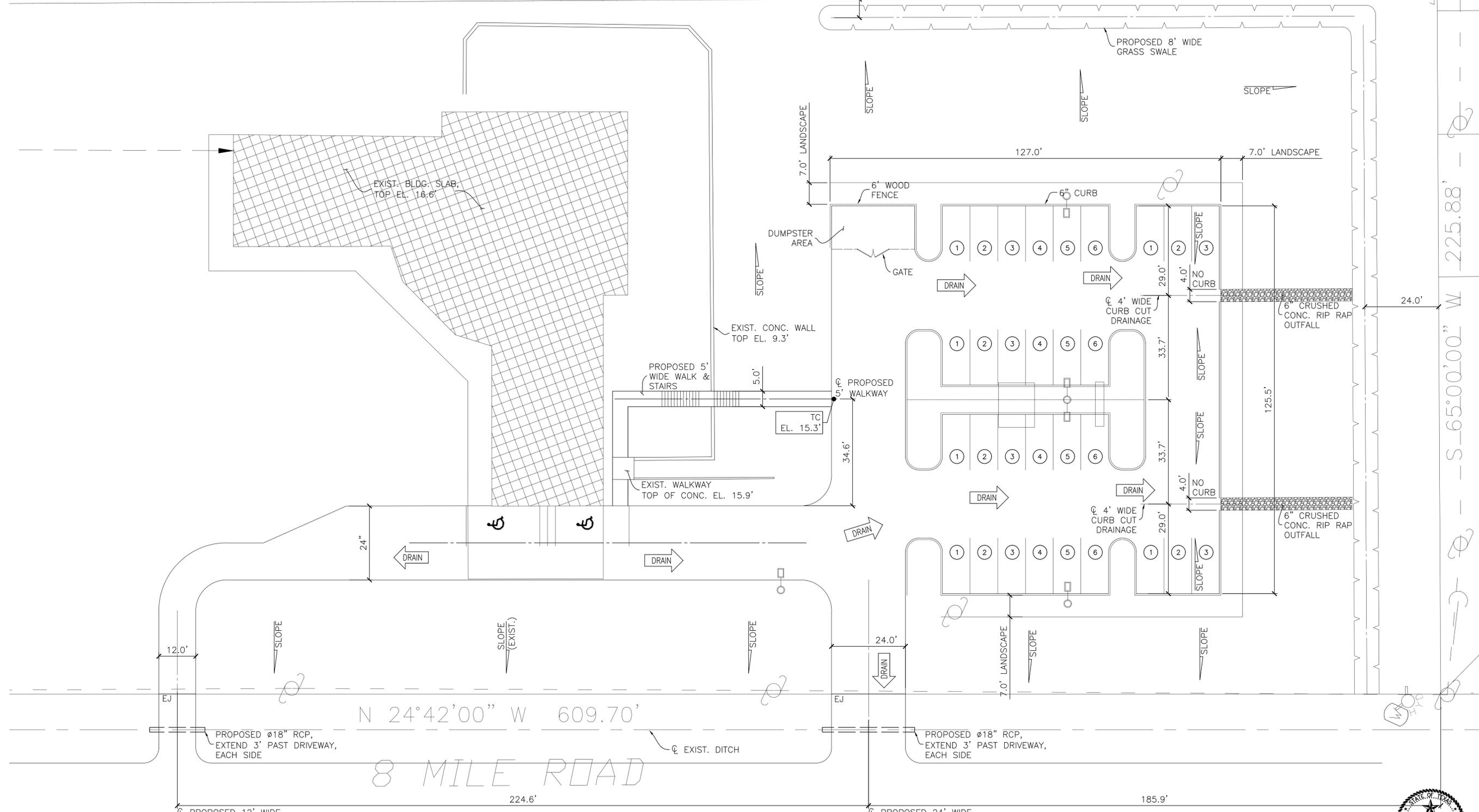
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SHEET NO.

C1.2



S 25°00'00" E 607.69'



N 24°42'00" W 609.70'

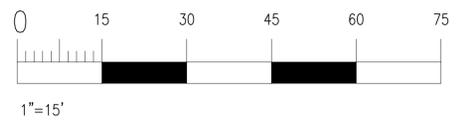
8 MILE ROAD

PROPOSED 12' WIDE DRIVEWAY, SEE C.2.2 COG DETAIL

PROPOSED 24' WIDE DRIVEWAY, SEE C.2.2 COG DETAIL

1 DRAINAGE SITE PLAN
SCALE: 1"=15'

NOTE:
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BEFORE ANY DIGGING.

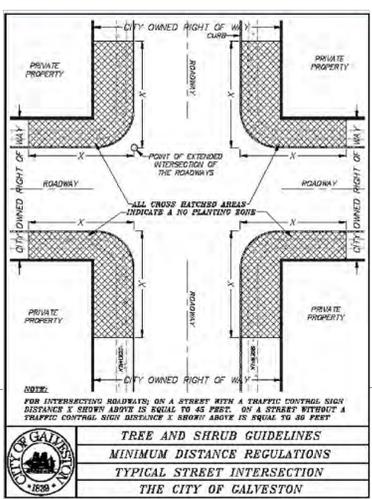


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RECOMMENDED TREE SPECIES FOR RIGHT-OF-WAY PLANTINGS

- Large/Medium Trees & Palms**
- live oak (*Quercus virginiana*)
 - baldcypress (*Taxodium distichum*)
 - Montezuma baldcypress (*Taxodium mucronatum*)
 - cedar elm (*Ulmus crassifolia*)
 - pecan (*Carya illinoensis*)
 - magnolia (*Magnolia grandiflora*)
 - bur oak (*Quercus macrocarpa*)
 - overcup oak (*Quercus lyrata*)
 - Compton's oak (*Quercus x comptoniae* = *Q. virginiana* X *Q. lyrata*)
 - Mexican sycamore (*Platanus mexicana*)
 - anacua (*Ehretia amata*)
 - Texas ebony (*Ehretia ebano* or *Pithecolobium flexicaule*)
 - Italian stone pine (*Pinus pinea*)
 - Texas sabal palm (*Sabal mexicana*)
 - California fanpalm (*Washingtonia filifera*)
 - Canary Island date palm (*Phoenix canariensis*)
 - Florida sabal palm (*Sabal palmetto*)
- Small Trees (<20' tall at maturity)**
- yaupon (*Ilex vomitoria*)
 - crapemyrtle (*Lagerstroemia indica*)
 - Jerusalem-thorn or retama (*Parkinsonia aculeata*)
 - Desert-willow (*Chilopsis linearis*)
 - possumhaw (*Ilex decidua*)
 - Eve's-necklace (*Saphora affinis* or *Styphnolobium affinis*)
 - orchidtree (*Bauhinia* spp.)
 - Japanese black pine (*Pinus thunbergii*)
 - flameleaf sumac (*Rhus lanceolata*)
- Species to Avoid in the City ROW**
- oleander (*Nerium oleander*)
 - Japanese yew (*Podocarpus macrophylla*)
 - windmill palm (*Trachycarpus fortunei*)
 - Chinese tallowtree (*Vriada sebifera* or *Sapium sebiferum*)
 - saltcedar (*Tamarix* spp.)
 - Arizona ash (*Fracinus velutina*)
 - Japanese or Chinese privet (*Ligustrum* spp.)
 - Willow species (*Salix* spp.)
 - Rubbertree (*Ficus elastica*)
 - all bamboo species
 - palms w/ less than 5' clear trunk
 - any shrub species maintained as a shrub

INTERSECTION DIAGRAM



All of this information is available on the City's Webpage!
www.cityofgalveston.org
 trees@cityofgalveston.org
 409.797.3546

REPLANTING IN THE CITY RIGHT-OF-WAY

S 25°00'00" E 607.69'

A Property Owner's Guide

NOTE:
 WORK IN PUBLIC R.O.W. SHALL BE BUILT TO C.O.G. STANDARDS. SEE CIVIL NOTES ON CO.1

bis Engineering
 REG # F-11156
 P.O. Box 55171 Galveston, Texas 77555
 PH 409.621.6740
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BUILDING REMODEL
 FOR SERENITY ISLE OF GALVESTON, LLC
 11279 STEWART ROAD
 GALVESTON, TEXAS

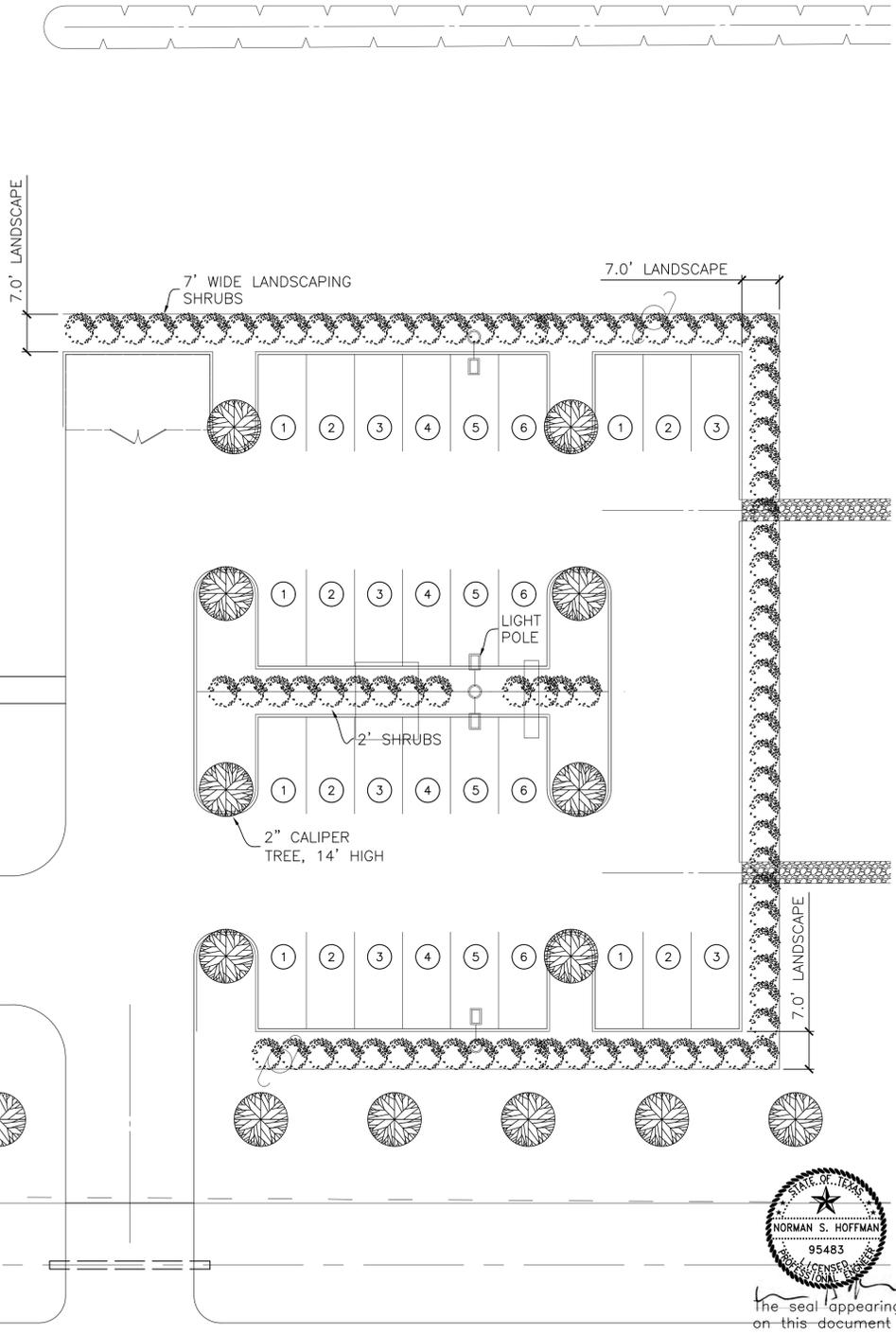
REVISIONS
 A FOR PRELIMINARY REVIEW

DATE
 17 AUGUST, 2020
 DESCRIPTION

DRAWN BY GD
 APPROVED BY NH

SHEET NO.

C1.2



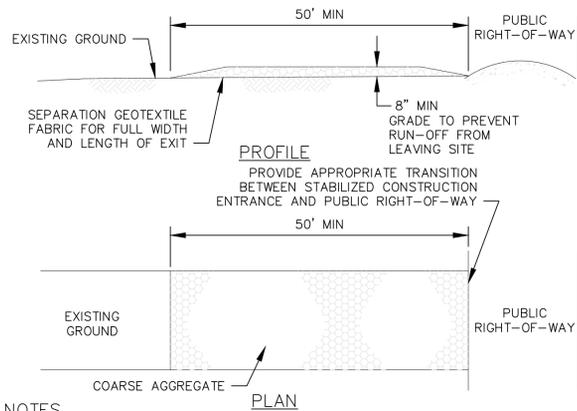
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1 LANDSCAPE SITE PLAN SCALE: 1"=15'

NOTE:
 CONTRACTOR TO CALL (811) BEFORE ANY DIGGING.

N 24°42'00" W 609.70'

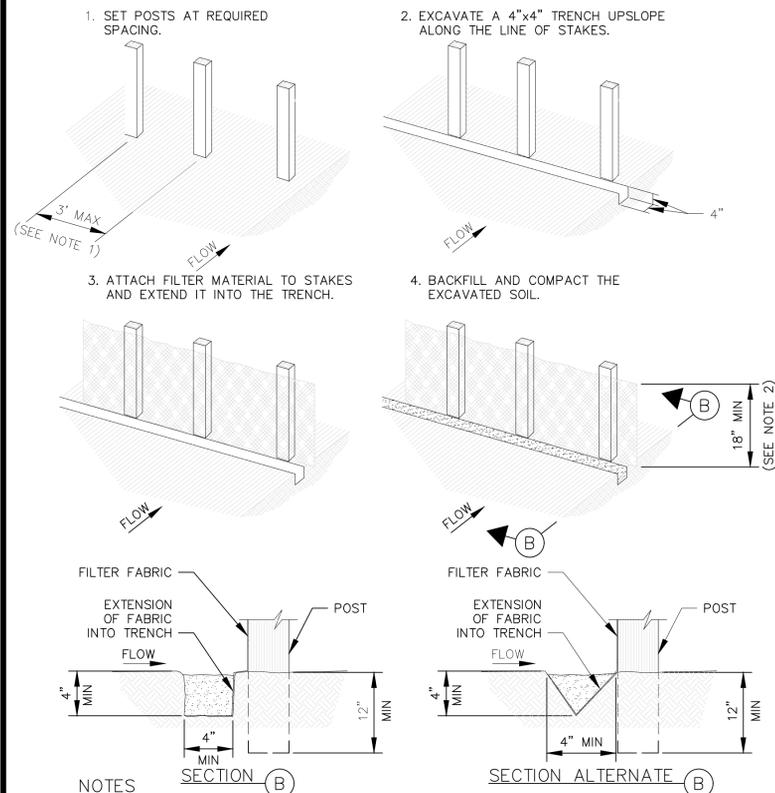
8 MILE ROAD



NOTES

1. LENGTH SHALL BE AS SHOWN ON THE CONSTRUCTION DRAWINGS, BUT NOT LESS THAN 50 FEET.
2. THICKNESS SHALL BE NOT LESS THAN 8 INCHES.
3. WIDTH SHALL BE NOT LESS FULL WIDTH OF ALL POINTS OF INGRESS OR EGRESS.
4. STABILIZATION FOR OTHER AREAS SHALL HAVE THE SAME AGGREGATE THICKNESS AND WIDTH REQUIREMENTS AS THE STABILIZED CONSTRUCTION EXIT, UNLESS OTHERWISE SHOWN ON THE CONSTRUCTION DRAWINGS.
5. STABILIZED AREA MAY BE WIDENED OR LENGTHENED TO ACCOMMODATE A TRUCK WASHING AREA. AN OUTLET SEDIMENT TRAP MUST BE PROVIDED FOR THE TRUCK WASHING AREA.
6. STABILIZED CONSTRUCTION EXIT SHALL BE MAINTAINED FREE OF SEDIMENT FOR THE DURATION OF THE PROJECT.

STABILIZED CONSTRUCTION EXIT
NTS



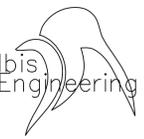
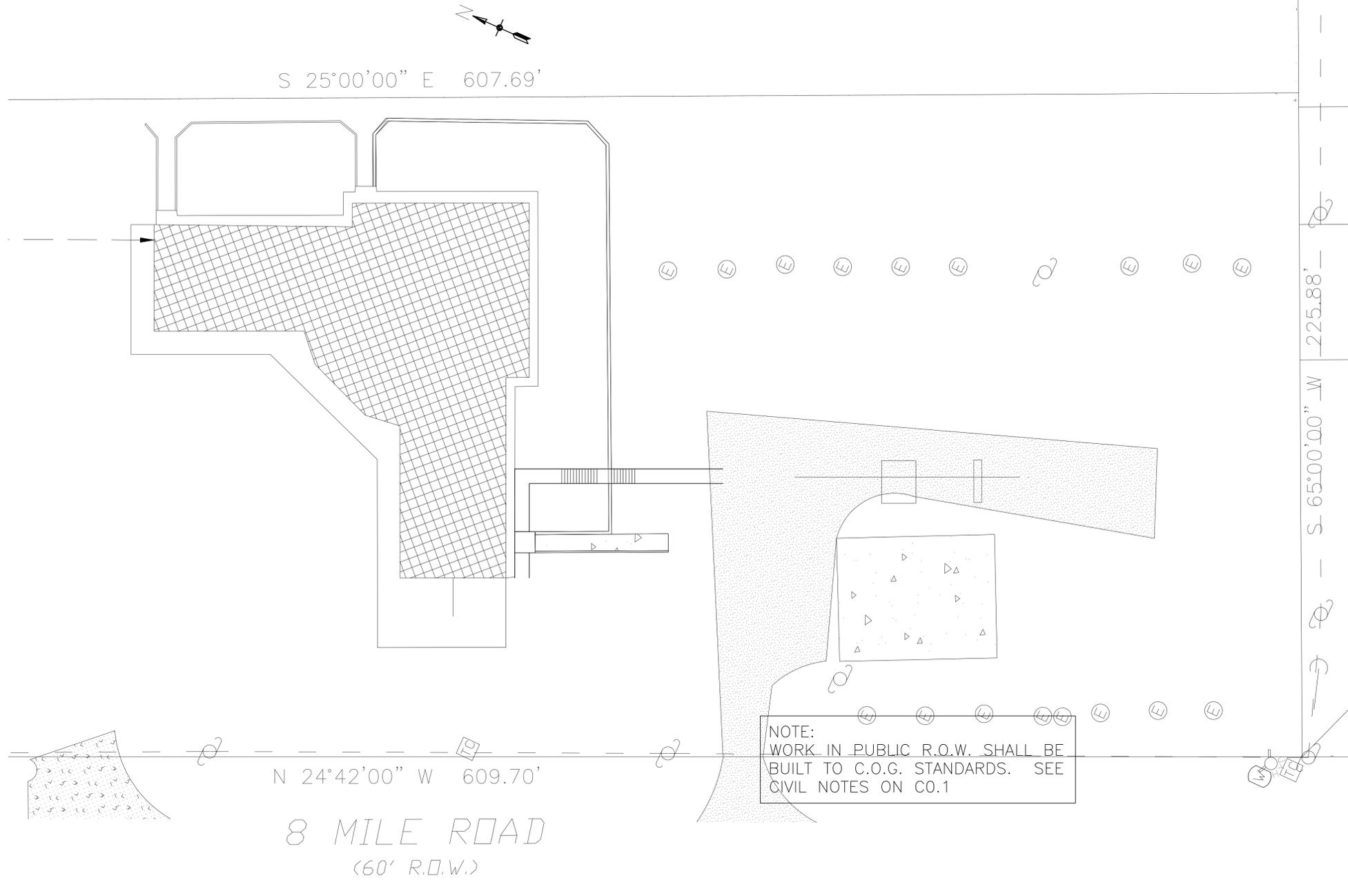
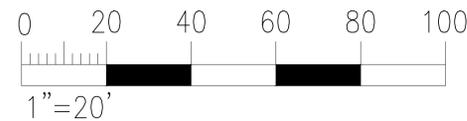
NOTES

1. 2 INCH THICK BY 2 INCH WOODEN STAKES TO BE SET AT MAX SPACING OF 3 FEET AND EMBEDDED A MIN OF 8 INCHES. IF PRE ASSEMBLED FENCE WITH SUPPORT NETTING IS USED, SPACING OF POST MAY BE INCREASED TO 8 FEET MAX.
2. ATTACH FILTER FABRIC TO WOODEN STAKES. FILTER FABRIC FENCE SHALL HAVE A MIN HEIGHT OF 18 INCHES AND MAX HEIGHT OF 36 INCHES ABOVE NATURAL GROUND.
3. WHEN TWO SECTIONS OF FILTER CLOTH ADJOIN EACH OTHER THEY SHOULD BE OVERLAPPED 6 INCHES AT THE POSTS AND FOLDED.
4. MINIMUM HEIGHT OF FILTER SHOULD BE 18 INCHES AND A MAXIMUM OF 36 INCHES ABOVE NATURAL GROUND.
5. WHEN TWO SECTIONS OF FILTER CLOTH ADJOIN EACH OTHER THEY SHALL BE OVERLAPPED 6 INCHES AT THE POSTS AND FOLDED.

FILTER FABRIC FENCE
NTS

1 FILTER FABRIC FENCE
SITE PLAN
SCALE: 1"=20'

NOTE:
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BUILDING REMODEL
FOR SERENITY ISLE OF GALVESTON, LLC
11279 STEWART ROAD
GALVESTON, TEXAS

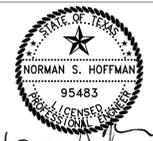
REVISIONS
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REVIEW

DATE
17 AUGUST, 2020
DESCRIPTION

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ASSUMPTIONS FOR PAVEMENT ANALYSIS

1.0 Traffic Conditions - (National Crushed Stone Assoc.)

- 1.01 Parking Lots
Light traffic - Few vehicles heavier than cars. No regular use by trucks.
Daily EAL = 6 or less
- 1.02 Medium Duty Access Lanes
Medium-Light traffic - Maximum of 1,000 vehicles per day, including not more than 10 percent two axle loaded trucks or larger vehicles carrying light loads or empty.
Daily EAL = 6 to 20
- 1.03 Heavy Duty Access Drives
Heavy Duty traffic - Maximum of 3,000 vehicles per day, including not more than 10 percent two axle trucks or 1 percent heavy trucks with three or more axles.
Daily EAL = 21 to 75

2.0 Flexible Base Pavement

- 2.01 Saturated CBR of natural sandy clay subgrade: 3
- 2.02 CBR of imported sandy clay subgrade: 6

3.0 Rigid Pavement

- 3.01 Modulus of subgrade reaction: 100 pci (imported sandy clay subgrade)
- 3.02 Modulus of rupture: 500 psi at 7 days (concrete)

PAVEMENT MATERIAL

- 1.0 Limestone Base - Base material shall be composed of crushed limestone meeting the requirements of grade 1 in the Texas Department of transportation (TXDOT) 2004 Standard Specifications Item 247. The limestone shall be compacted to a minimum of 95 percent of the maximum density as determined by the Standard moisture/density relation (ASTM D698).
- 4.0 Concrete - The materials and properties of concrete shall meet the applicable requirements in the ACI Manual of Concrete Practice. The concrete shall have a minimum modulus of rupture of 500 psi at 28 days. Concrete with a compressive strength of at least 4,000 psi will meet these criteria. The mixture shall contain 3 to 5 percent entrained air.

ASSUMPTIONS FOR PAVEMENT ANALYSIS

1.0 Traffic Conditions - (National Crushed Stone Assoc.)

- 1.01 Parking Lots
Light traffic - Few vehicles heavier than cars. No regular use by trucks.
Daily EAL = 6 or less

2.0 Flexible Base Pavement

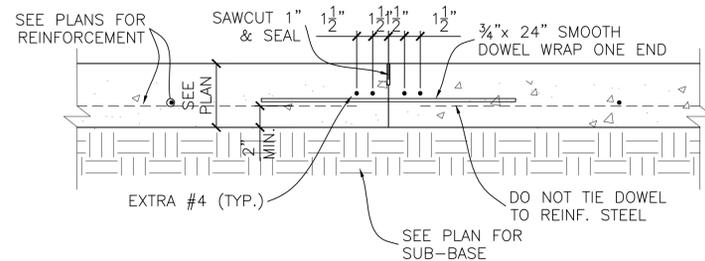
- 2.01 Saturated CBR of natural sandy clay subgrade: 3
- 2.02 CBR of imported sandy clay subgrade: 6

3.0 Rigid Pavement

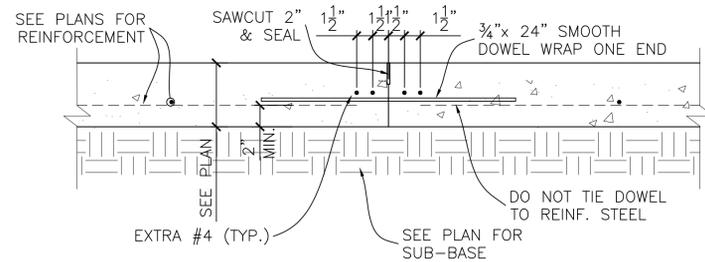
- 3.01 Modulus of subgrade reaction: 100 pci.
- 3.02 Modulus of rupture: 500 psi at 7 days (concrete)

NOTES:

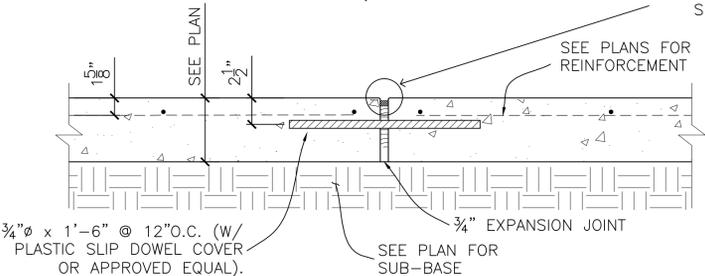
1. SAW CUTTING OF CONTRACTION JOINTS MUST BE PERFORMED BY CONTRACTOR WITHIN 16 HOURS FROM CONCRETE PAVEMENT POUR.



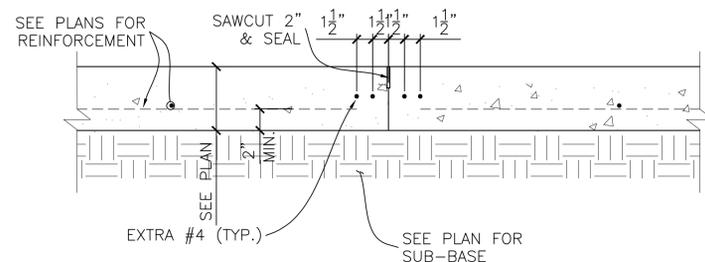
1 LONGITUDINAL JOINT DETAIL (LJ)
Scale: 1 1/2" = 1'-0"



2 TRANSVERSE JOINT DETAIL (TJ)
Scale: 1 1/2" = 1'-0"



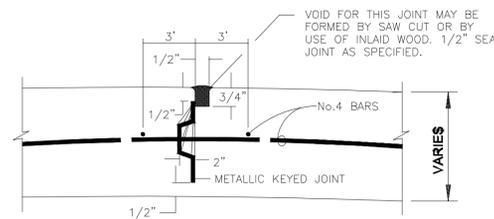
3 EXPANSION JOINT (EJ) DETAIL
Scale: 1 1/2" = 1'-0"



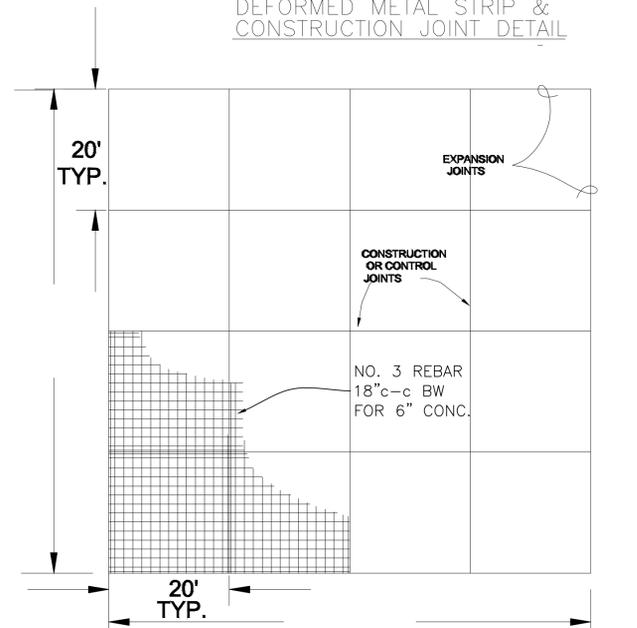
4 CONTROL JOINT (CJ) DETAIL
Scale: 1 1/2" = 1'-0"

MINIMUM CONCRETE STRENGTH SHALL BE 3500psi W/ 3" SLUMP MAX.

LIME STABILIZATION RATE IS 27 lb/ SQ. YD.



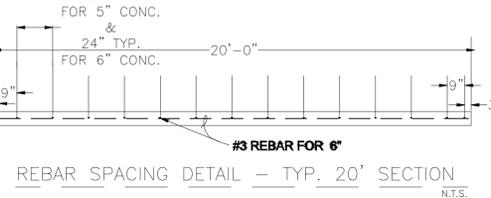
DEFORMED METAL STRIP & CONSTRUCTION JOINT DETAIL



TYPICAL PARKING LOT, PAVING, AND REINFORCING DETAIL

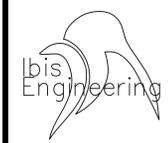


REBAR SPACING DETAIL - TYP. 20' SECTION



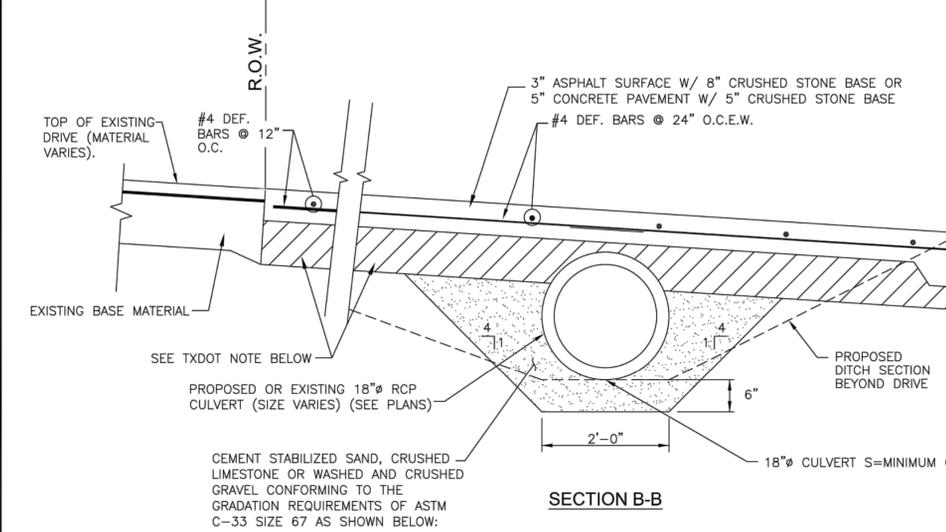
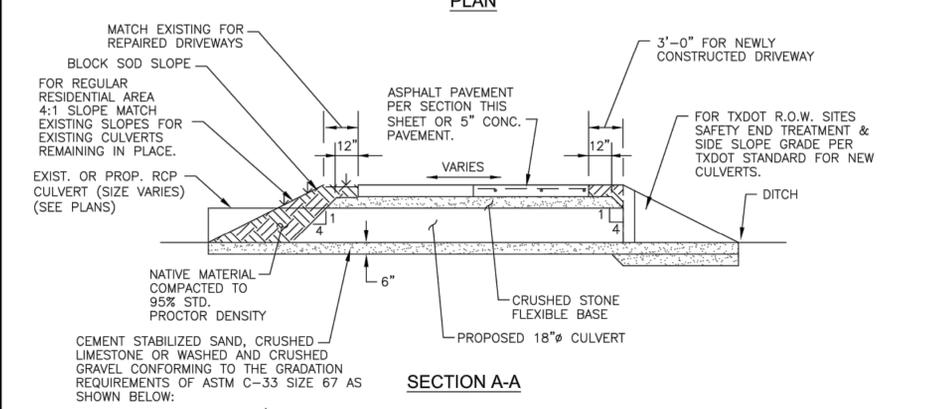
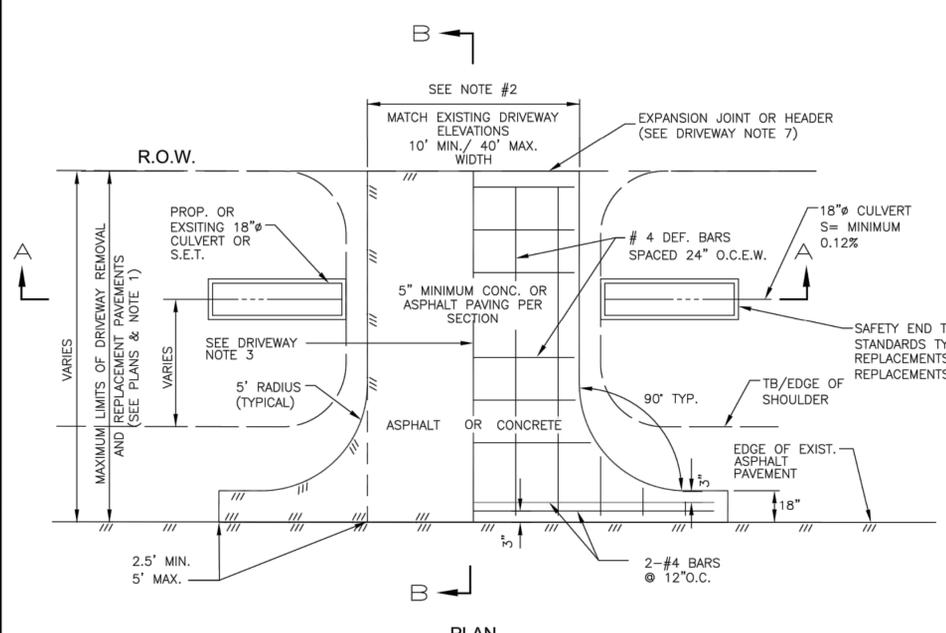
NOTES:

1. DOWELS FOR PAVEMENT EXPANSION JOINTS SHALL BE 3/4" ϕ FOR 6" TO LESS THAN 7" PAVEMENT THICKNESS, 1" ϕ FOR 7" TO LESS THAN 9" PAVEMENT THICKNESS AND 1 1/4" ϕ FOR 9" OR GREATER PAVEMENT THICKNESS.
2. EXPANSION JOINT SHALL BE PLACED AT THE END OF EACH CURB RETURN AND AT MAXIMUM 80' SPACING.
3. ALL JOINT SEAL MATERIAL SHALL BE ASPHALT RUBBER IN ACCORDANCE WITH ASTM DESIGNATION D3405.
4. IF DEFORMED METAL STRIPS ARE ALLOWED, THEY SHALL BE STAKED IN PLACE WITH #3 BARS.



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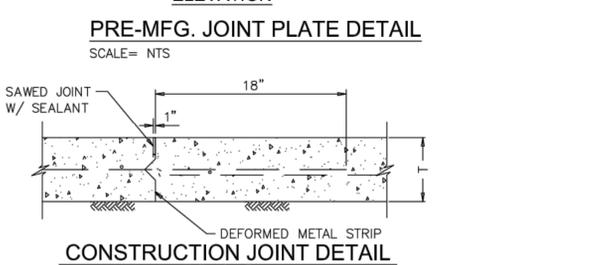
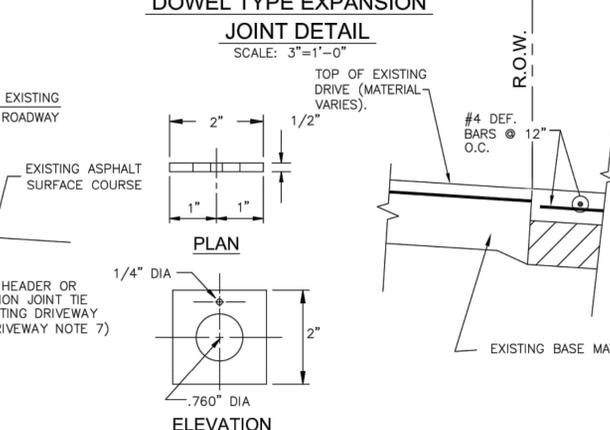
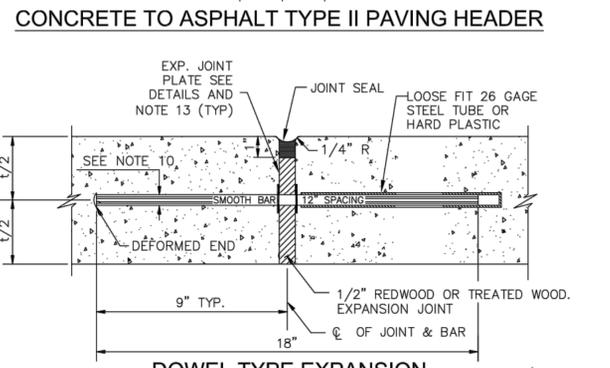
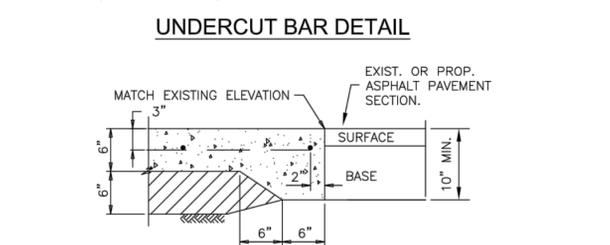
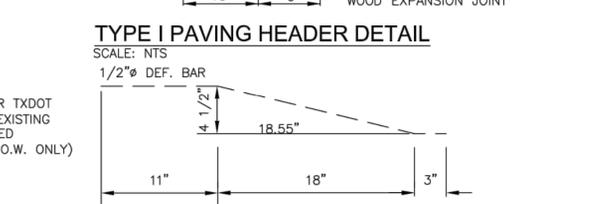
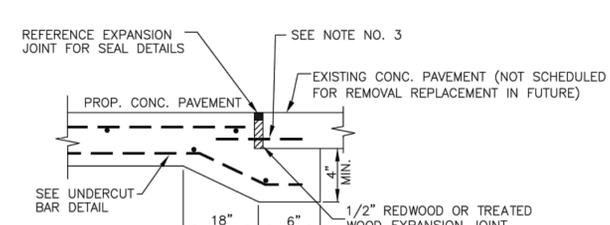
BUILDING REMODEL
 FOR SERENITY ISLE OF GALVESTON, LLC
 11279 STEWART ROAD
 GALVESTON, TEXAS



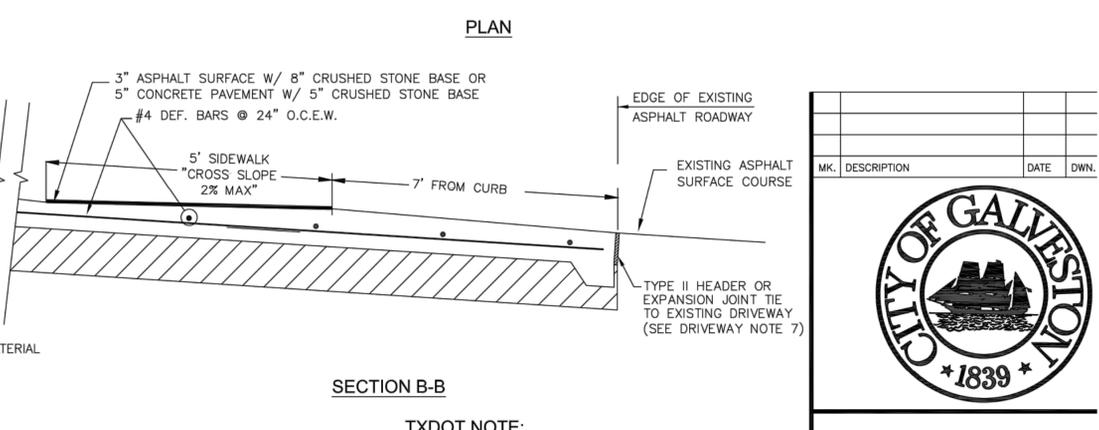
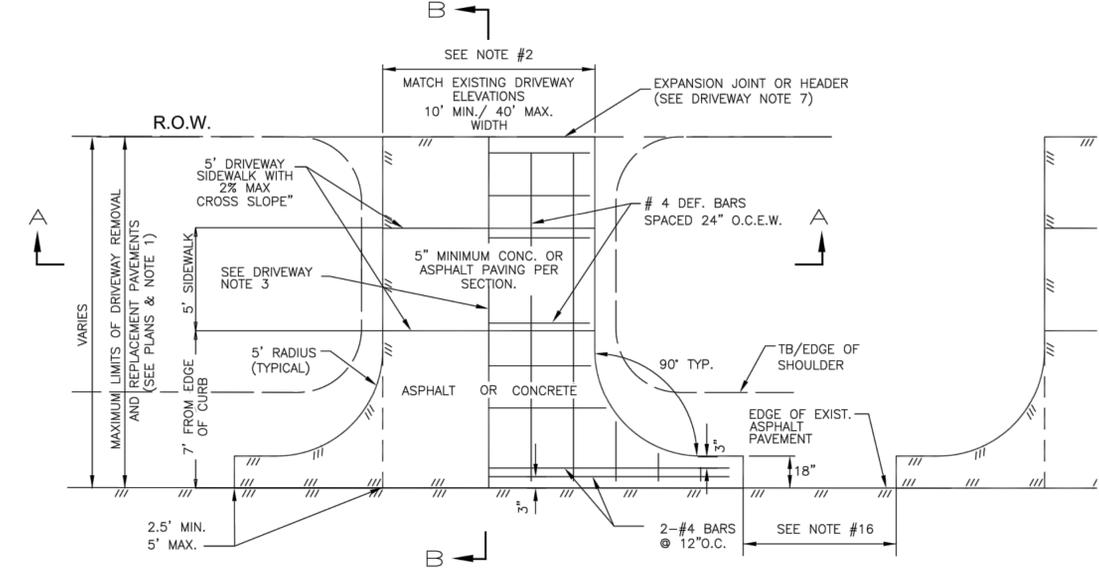
TXDOT NOTE:
 8" MINIMUM CONCRETE AND ANY ASPHALT DRIVEWAYS TO BE REPAIRED/REPLACED IN TXDOT RIGHT-OF-WAY SHALL MATCH EXISTING TXDOT PAVEMENT SECTION. BASE MATERIAL FOR ASPHALT DRIVEWAYS SHALL BE CRUSHED LIMESTONE. CRUSHED RECYCLED CONCRETE IS NOT ACCEPTABLE TO TXDOT.

PASSING	1 INCH SIEVE	100%
PASSING	3/4 INCH SIEVE	90 - 100%
PASSING	3/8 INCH SIEVE	20 - 55%
PASSING	NO. 4 SIEVE	0 - 10%
PASSING	NO. 8 SIEVE	0 - 5%

CONCRETE OR ASPHALT DRIVEWAY DETAIL
 SCALE: NTS



- DRIVEWAY NOTES:**
- IN THE EVENT TOTAL DRIVEWAY AND/OR CULVERT REMOVAL & REPLACEMENT IS REQUIRED, IT SHALL BE DONE PER DETAILS ON THIS SHEET. ASPHALT DRIVEWAYS IN TXDOT R.O.W. SHALL MATCH TXDOT PAVEMENT SECTION.
 - THE MAXIMUM LIMIT OF DRIVEWAY REMOVAL AND REPLACEMENT SHALL BE LOCATED AT THE RIGHT-OF-WAY UNLESS OTHERWISE DIRECTED BY THE CITY ENGINEER (SEE NOTE 7).
 - DRIVEWAYS SHALL BE CONSTRUCTED TO MATCH EXISTING DRIVEWAY WIDTH MEASURED AT THE RIGHT-OF-WAY TO A MAXIMUM WIDTH OF 40'-0". WHEN DRIVEWAY EXCEEDS 20'-0" IN WIDTH, A 3/4" REDWOOD BOARD EXPANSION JOINT W/ STEEL RUNNING THROUGH IT, OR APPROVED EQUAL, SHALL BE INSTALLED THE FULL LENGTH OF THE DRIVEWAY. EXCEPTIONS WILL BE MADE ON A CASE BASIS BY CITY ENGINEER'S OFFICE.
 - PROPOSED DRIVEWAY FINISH SURFACE MATERIAL SHALL MATCH EXISTING MATERIALS SUCH AS PEA GRAVEL, INLAID BRICK, STAMPED OR COLORED CONCRETE. EXISTING ASPHALT, SHELL, SHELLCOTE, DIRT, GRAVEL OR GRASS DRIVEWAYS SHALL BE REPAIRED IN KIND AS REQUIRED UNLESS OTHERWISE SHOWN ON PLANS. ASPHALT DRIVEWAYS SHALL BE REPAIRED PER PROPOSED PAVEMENT REPLACEMENT SECTION.
 - DRIVEWAYS SHALL BE MATCHED TO STREET PAVEMENT ELEVATIONS.
 - NATIVE MATERIALS SHALL BE USED AS A BASE LEVELER AND /OR AS BACKFILL REQUIRED WHEN OVER EXCAVATION OCCURS DUE TO POOR SOILS OR ANY OTHER CONDITION RESULTING IN OVER EXCAVATION OF DRIVEWAYS. NATIVE MATERIALS SHALL BE COMPACTED TO 95% STANDARD PROCTOR DENSITY.
 - WHERE TYING INTO EXISTING CONCRETE DRIVEWAY AND CONDITION OF EXISTING DRIVEWAY ALLOWS, PROVIDE 1x4" REDWOOD BOARD W/24" LONG #4 DEFORMED BARS @ 12" O.C.E.W. THROUGH IT DRILLED INTO EXISTING DRIVEWAY. WHERE EXISTING CONCRETE IS IN POOR CONDITION PROVIDE TYPE II PAVING HEADER (DRIVEWAYS ONLY).
 - FILL AT CULVERTS SHALL BE CONTROLLED BY 4H:1V SLOPE RATHER THAN DRIVEWAY SHOULDER WIDTH TO MINIMIZE AMOUNT OF CULVERT PIPE EXPOSED. FOR DRIVEWAYS IN FM3005 R.O.W., SLOPES SHALL CONFORM TO TXDOT STANDARDS. (SEE NOTE 9)
 - IN THE EVENT TOTAL CULVERT REMOVAL IS REQUIRED, SAFETY END TREATMENTS SHALL BE REPLACED OR ADDED PER TXDOT STANDARDS IF NONE EXISTED AT NO SEPARATE PAY. (APPLICABLE TO DRIVEWAYS IN TXDOT R.O.W. ONLY)
 - DOWELS FOR PAVEMENT EXPANSION JOINTS SHALL BE 1" DIA. FOR 6" PAVEMENT THICKNESS.
 - ALL JOINT SEAL MATERIAL SHALL BE HOT POURED ASPHALT RUBBER OR AS APPROVED IN ACCORDANCE W/ ASTM DESIGNATION D3405.
 - DEFORMED METAL STRIPS SHALL BE STAKED IN PLACE W/ #3 BARS.
 - PRE-MANUFACTURED JOINT PLATE, TWO PER LOAD TRANSFER DEVICE, LOOSE FIT ON EXPANSION END AND TACK WELD TO FIXED END.
 - PROVIDE 3/4" (5" THICK PAVEMENT) DIAMETER SMOOTH STEEL BAR, 20" LONG ON 12" CENTERS. END TREATMENT SHALL MATCH EXPANSION JOINT ADJACENT TO HEADER. WHERE THE ADJACENT EXPANSION JOINT HAS A SLIP SLEEVE ADJACENT TO HEADER, DRILL HOLE AND DRIVE DOWEL INTO EXISTING PAVEMENT. WHERE ADJACENT EXPANSION JOINT HAS A SLIP SLEEVE OPPOSITE TO THE HEADER, DRILL AND EPOXY DOWEL INTO EXISTING PAVEMENT W/"PRO-ROC" OR EQUAL, AND PROVIDE SLIP SLEEVE ON EXPOSED END. WHEN TYPE II PAVING HEADER IS ADJACENT TO PROPOSED ASPHALT PAVEMENT, PLACEMENT OF EXPANSION JOINT AND SMOOTH BAR IS NOT APPLICABLE.
 - ALL PROPOSED SUBGRADE SHALL BE PROOF ROLLED. IF SOFTSPOTS OR WET SUBGRADE IS ENCOUNTERED TREAT IT WITH FLYASH TO ESTABLISH FIRM SUBGRADE.
 - PROPERTIES WITH TWO DRIVEWAYS SHALL MAINTAIN A 20' MIN. DISTANCE BETWEEN FLARES AT STREET.



TXDOT NOTE:
 6" MINIMUM CONCRETE AND ANY ASPHALT DRIVEWAYS TO BE REPAIRED/REPLACED IN TXDOT RIGHT-OF-WAY SHALL MATCH EXISTING TXDOT PAVEMENT SECTION. BASE MATERIAL FOR ASPHALT DRIVEWAYS SHALL BE CRUSHED LIMESTONE. CRUSHED RECYCLED CONCRETE IS NOT ACCEPTABLE TO TXDOT.

CONCRETE OR ASPHALT DRIVEWAY DETAIL
 SCALE: NTS

NO.	DESCRIPTION	DATE	BY

City Engineer
 City of Galveston, Texas
 Engineering Section
 Driveway Construction Deta

SHEET No.:
 DATE: FEBRUARY, 2018
 Dwn By: JR
 Chkd By: DRF



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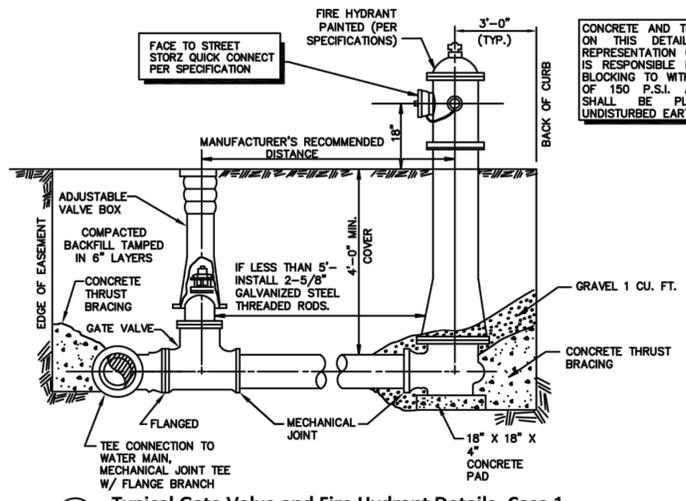
REVISIONS A FOR PRELIMINARY REVIEW

DATE: 7/7 AUGUST, 2020
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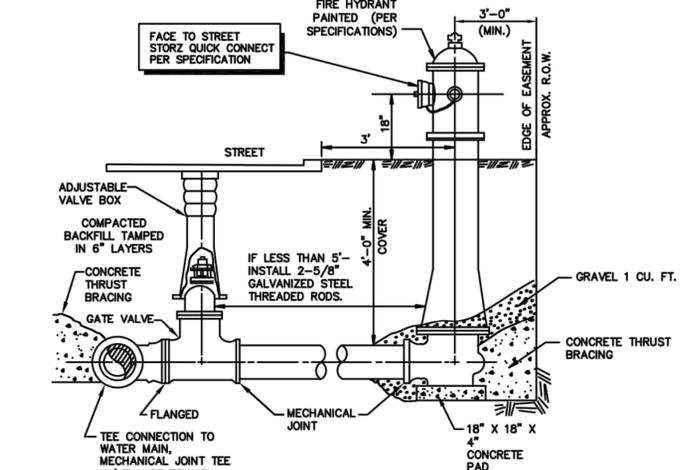
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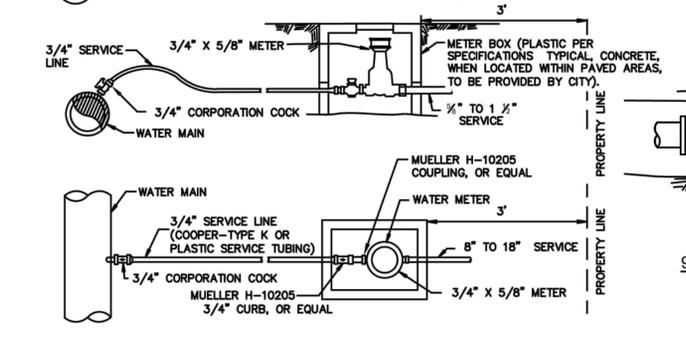
C2.2



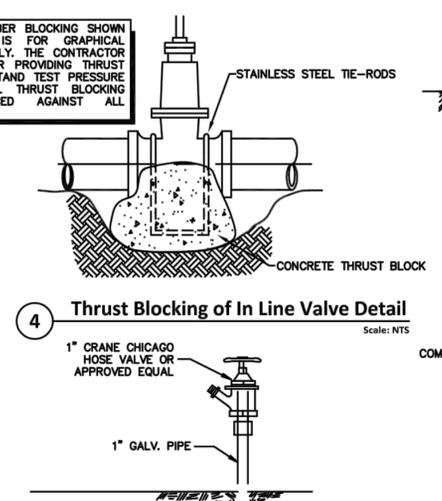
1 Typical Gate Valve and Fire Hydrant Details- Case 1
Scale: NTS



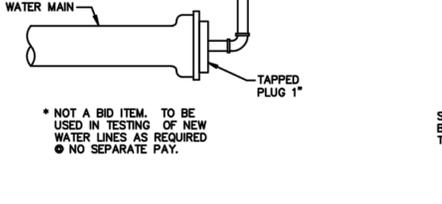
2 Typical Gate Valve and Fire Hydrant Details- Case 2
Scale: NTS



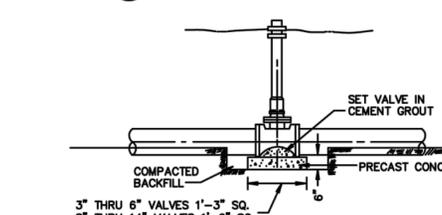
3 Small Meter Installation (Up to 1 1/2\")
Scale: NTS



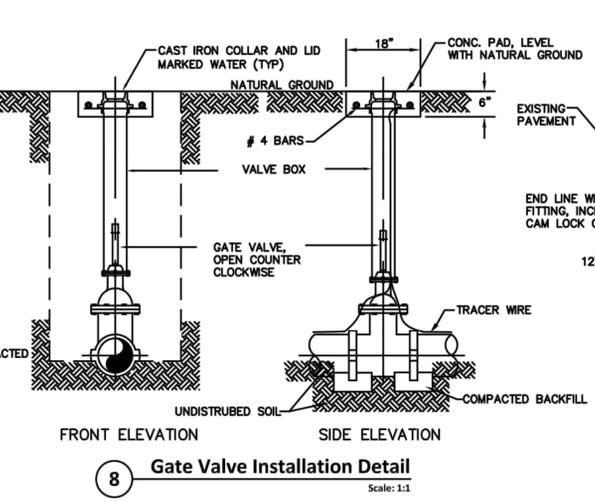
4 Thrust Blocking of In Line Valve Detail
Scale: NTS



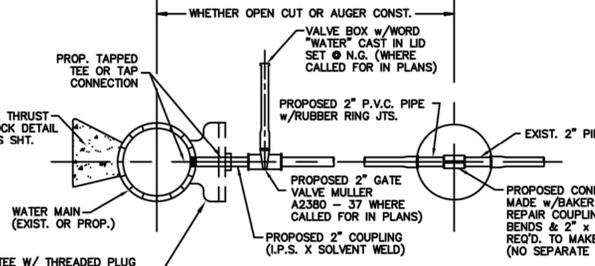
5 Blow Off Detail
Scale: NTS



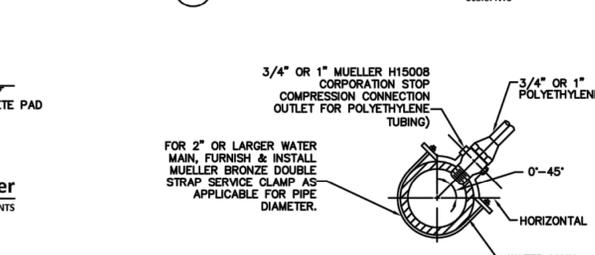
6 Blocking for Valves 14\"/>



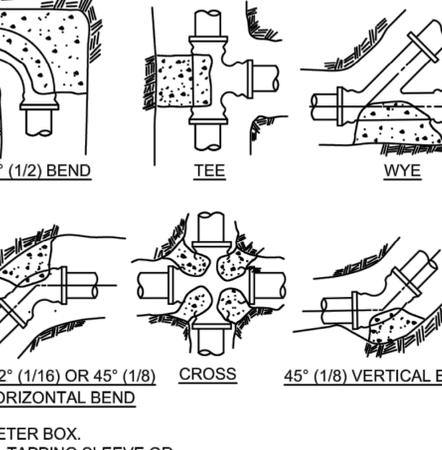
8 Gate Valve Installation Detail
Scale: 1:1



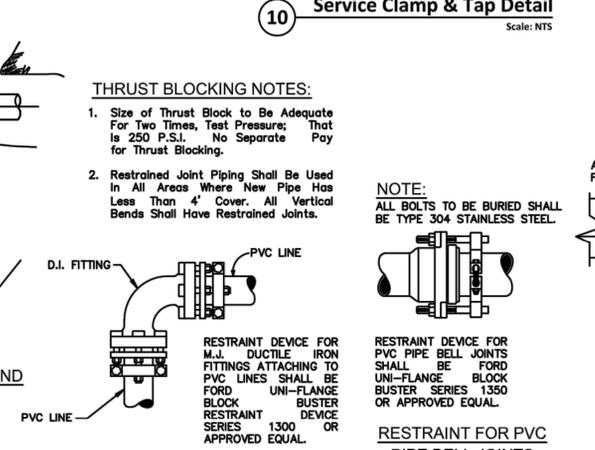
9 2\"/>



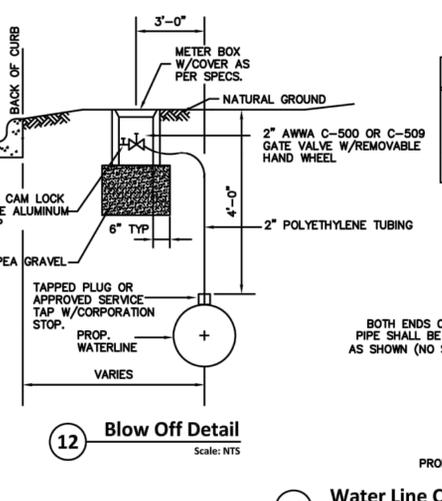
10 Service Clamp & Tap Detail
Scale: NTS



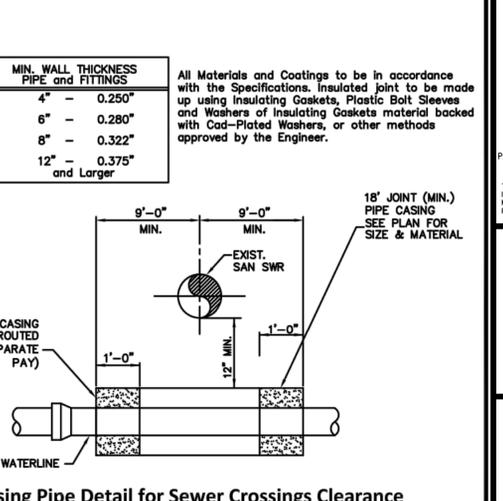
7 Typical Thrust Blocks
Scale: NTS



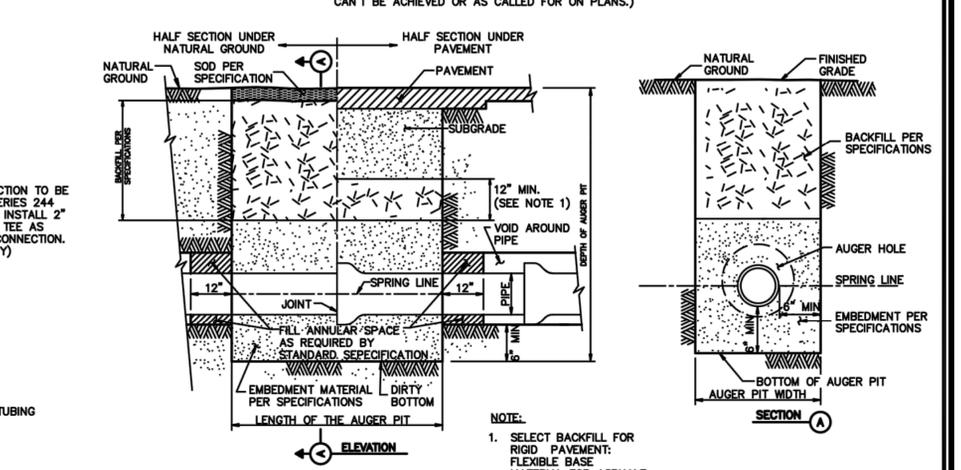
11 Mechanical Joint Fitting and PVC Pipe
Scale: NTS



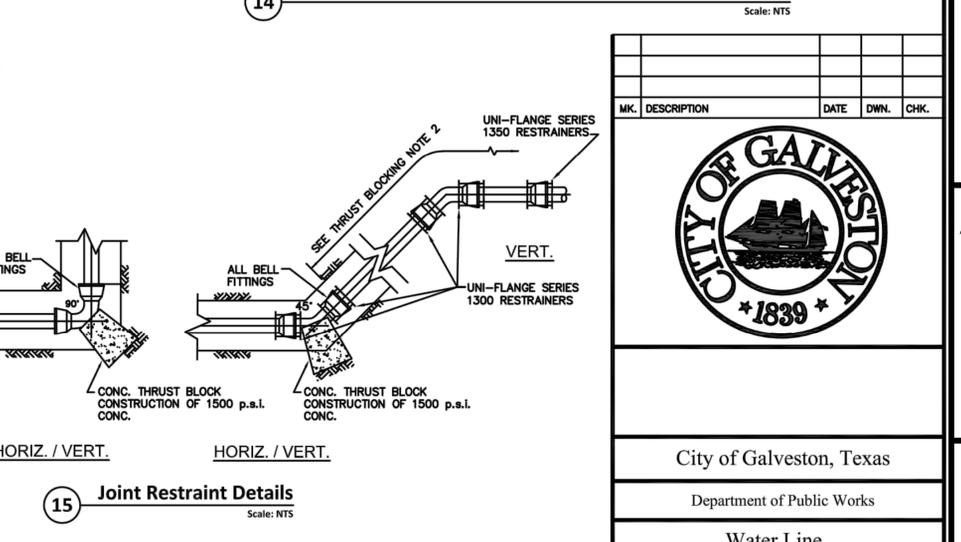
12 Blow Off Detail
Scale: NTS



13 Water Line Casing Pipe Detail for Sewer Crossings Clearance
Scale: NTS



14 BEDDING AND BACKFILL AUGER PIT AND AUGER HOLE
Scale: NTS



15 Joint Restraint Details
Scale: NTS

- GENERAL NOTES**
1. WATER SERVICE NEEDS TO EXTEND BEHIND THE CURB AND TERMINATE AT THE METER BOX.
 2. TAPPING SADDLES FOR WATER MAINS NEED TO BE SMITH-BLAIR STAINLESS STEEL TAPPING SLEEVE OR APPROVED EQUAL.
 3. IF WATER SERVICES ARE BEING SPLIT BETWEEN 2 RESIDENTIAL PROPERTIES, THEY SHOULD BE A MINIMUM OF 1-1/2\".
 4. NO BUILT IN METER COUPLING ON THE CITY SIDE OF THE METER; IT SHOULD BE COMPRESSION BY IRON PIPE THREADS.

- THRUST BLOCKING NOTES:**
1. Size of Thrust Block to be Adequate For Two Times, Test Pressure; That is 250 P.S.I. No Separate Pay for Thrust Blocking.
 2. Restrained Joint Piping shall be Used in All Areas Where New Pipe Has Less Than 4' Cover. All Vertical Bends Shall have Restrained Joints.

NOTE:
ALL BOLTS TO BE BURIED SHALL BE TYPE 304 STAINLESS STEEL

NO.	DESCRIPTION	DATE	DWN.	CHK.

CITY OF GALVESTON
1839

City of Galveston, Texas
Department of Public Works

Water Line
Construction Details

SHEET NO.: _____ SCALE: _____ SHEET: _____
DATE: DECEMBER, 2016 VERT: NTS
DWN BY: _____ HORIZ: NTS
CHK BY: _____

DRAWN BY: GD
APPROVED BY: NH
SHEET NO. _____

NORMAN S. HOFFMAN
P.E. 95483
10/10/2019

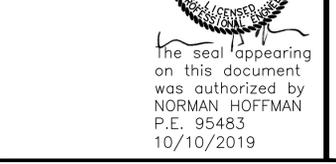
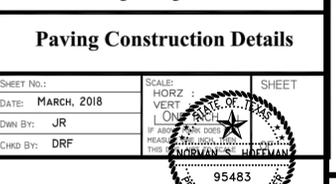
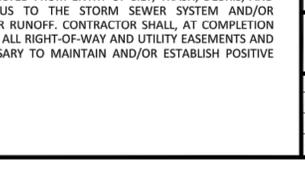
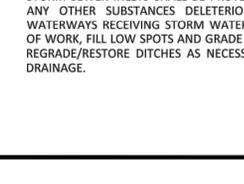
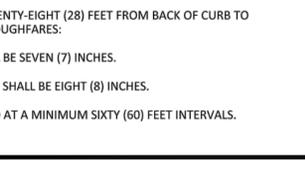
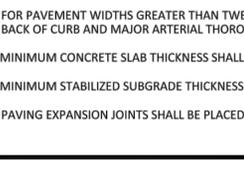
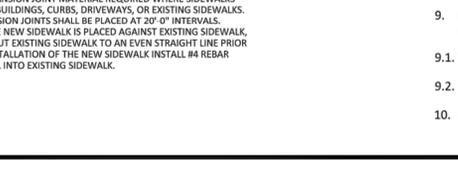
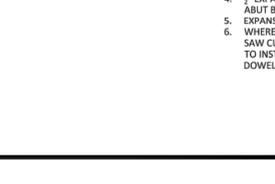
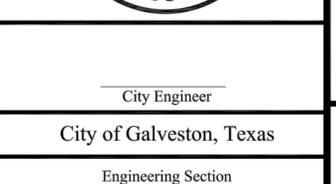
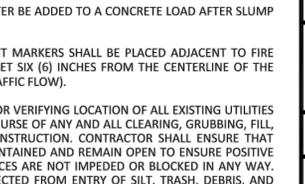
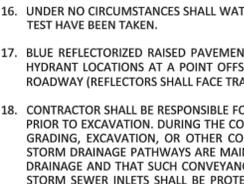
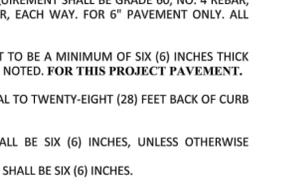
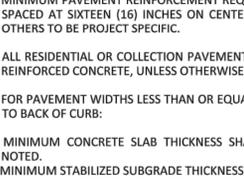
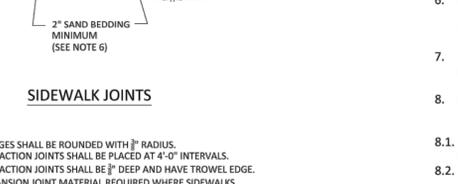
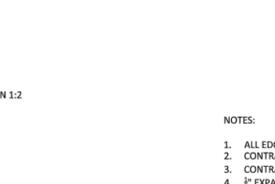
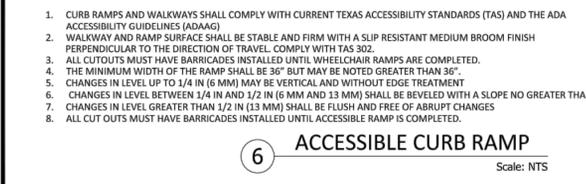
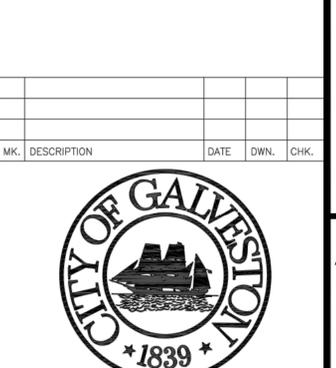
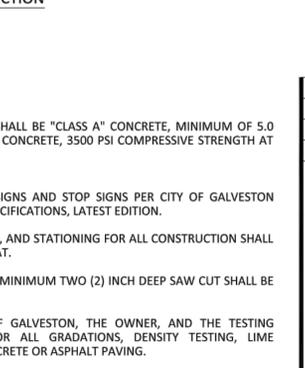
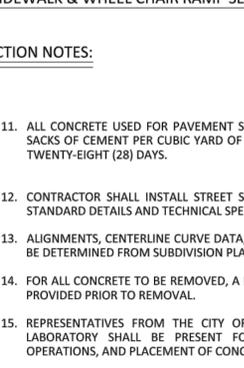
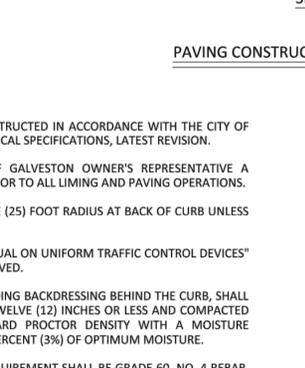
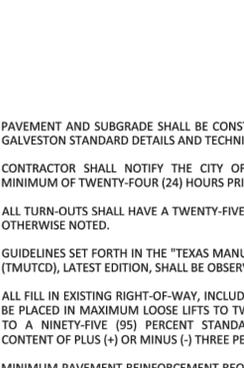
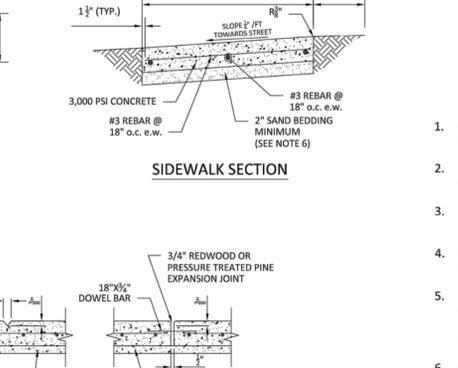
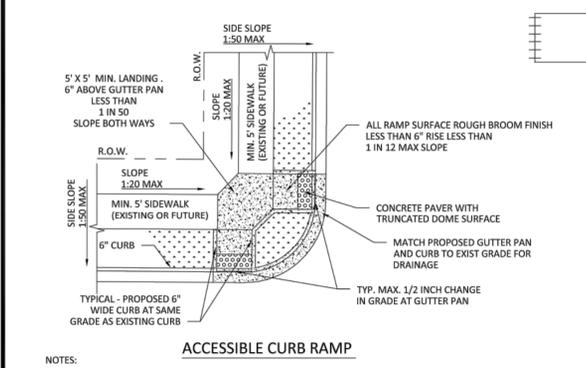
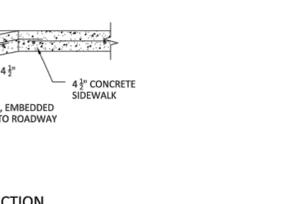
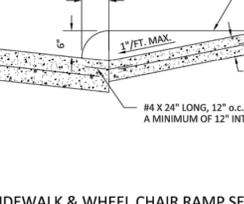
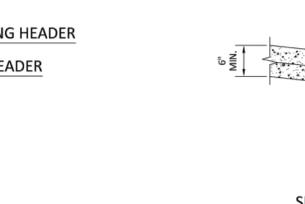
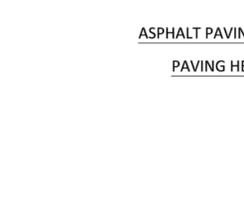
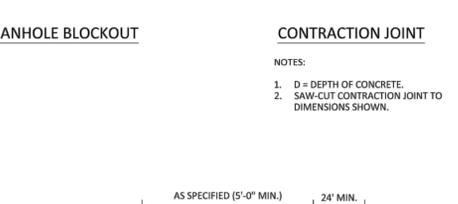
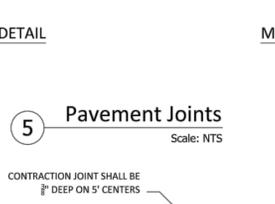
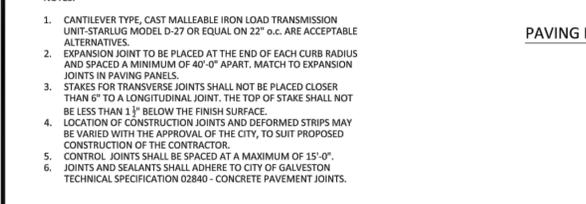
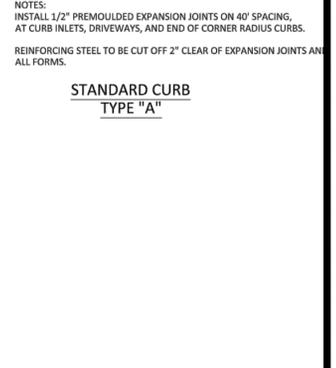
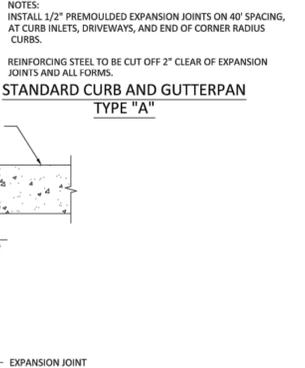
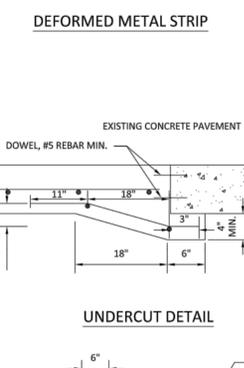
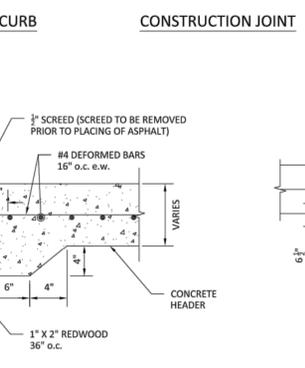
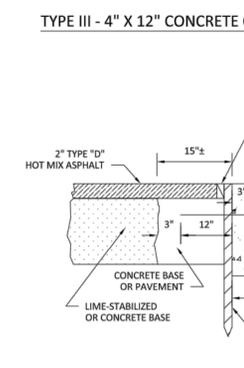
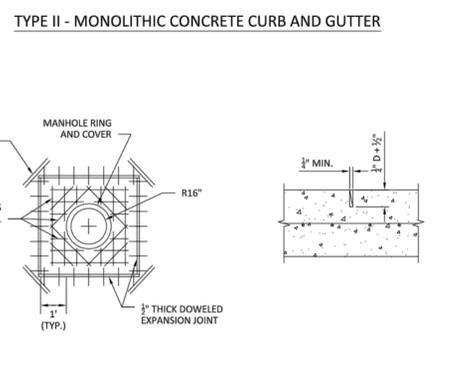
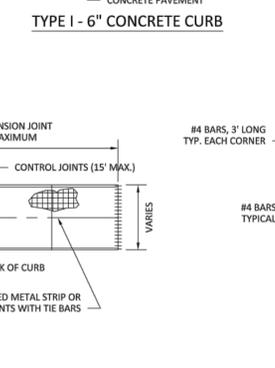
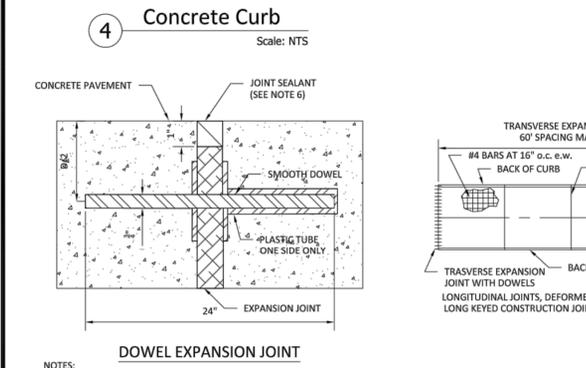
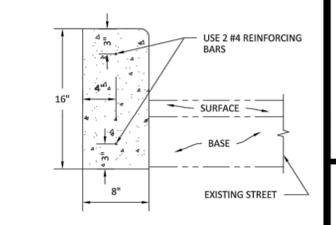
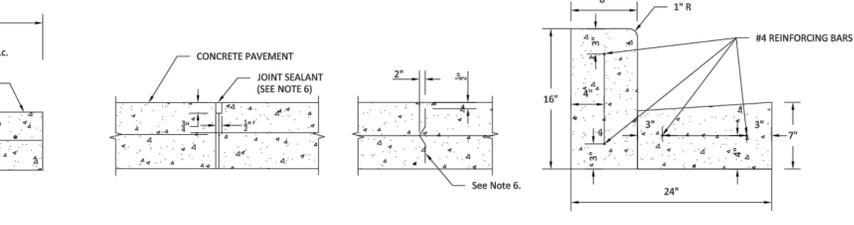
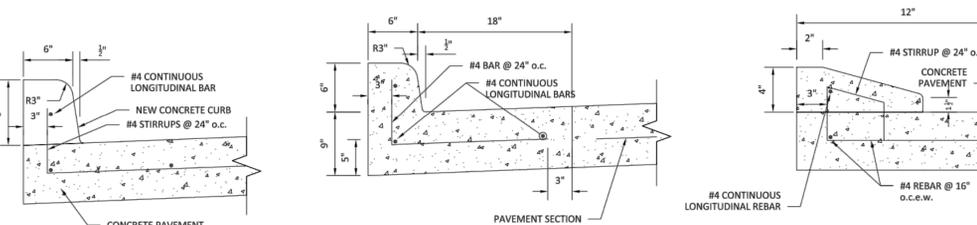
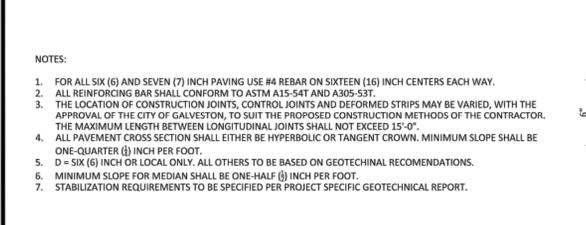
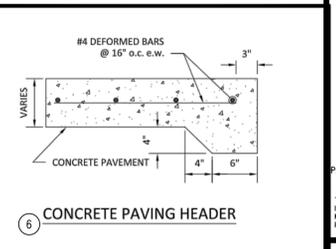
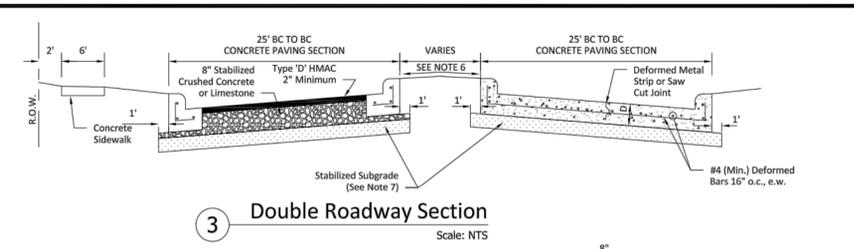
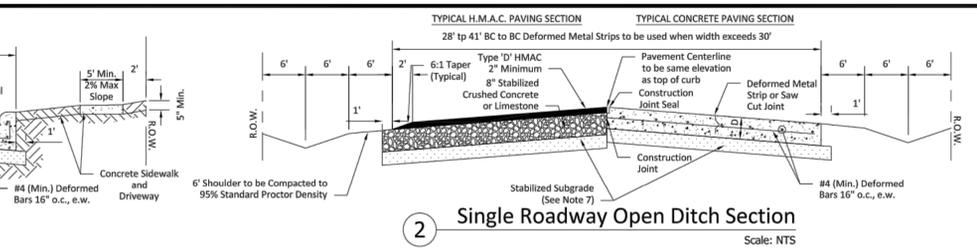
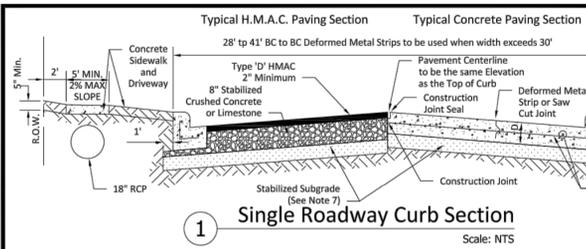
BUILDING REMODEL
FOR SERENITY ISLE OF GALVESTON, LLC
11279 STEWART ROAD
GALVESTON, TEXAS

REVISIONS
A FOR PRELIMINARY REVIEW

DATE: 7/18/2020
DESCRIPTION:

APPROVED BY: NH

C2.3



NOTES:
 1. FOR ALL SIX (6) AND SEVEN (7) INCH PAVING USE #4 REBAR ON SIXTEEN (16) INCH CENTERS EACH WAY.
 2. ALL REINFORCING BAR SHALL CONFORM TO ASTM A15-54T AND A305-53T.
 3. THE LOCATION OF CONSTRUCTION JOINTS, CONTROL JOINTS AND DEFORMED STRIPS MAY BE VARIED, WITH THE APPROVAL OF THE CITY OF GALVESTON, TO SUIT THE PROPOSED CONSTRUCTION METHODS OF THE CONTRACTOR. THE MAXIMUM LENGTH BETWEEN LONGITUDINAL JOINTS SHALL NOT EXCEED 15'-0\"/>

NOTES:
 1. CANTILEVER TYPE, CAST MALLEABLE IRON LOAD TRANSMISSION UNIT STABILUS MODEL D-27 OR EQUAL ON 22\"/>

NOTES:
 1. D = DEPTH OF CONCRETE.
 2. SAW-CUT CONTRACTION JOINT TO DIMENSIONS SHOWN.

NOTES:
 1. ALL EDGES SHALL BE ROUNDED WITH 3/8\"/>

NOTES:
 1. ALL CONCRETE USED FOR PAVEMENT SHALL BE \"CLASS A\" CONCRETE, MINIMUM OF 5.0 SACKS OF CEMENT PER CUBIC YARD OF CONCRETE, 3500 PSI COMPRESSIVE STRENGTH AT TWENTY-EIGHT (28) DAYS.

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NOTES:
 1. CURB RAMP AND WALKWAYS SHALL COMPLY WITH CURRENT TEXAS ACCESSIBILITY STANDARDS (TAS) AND THE ADA ACCESSIBILITY GUIDELINES (ADAAG)
 2. WALKWAY AND RAMP SURFACE SHALL BE STABLE AND FIRM WITH A SLIP RESISTANT MEDIUM BROOM FINISH PERPENDICULAR TO THE DIRECTION OF TRAVEL. COMPLY WITH TAS 302.
 3. ALL CUTOUTS MUST HAVE BARRICADES INSTALLED UNTIL WHEELCHAIR RAMPS ARE COMPLETED.
 4. THE MINIMUM WIDTH OF THE RAMP SHALL BE 36\"/>

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NOTES:
 1. CURB RAMP AND WALKWAYS SHALL COMPLY WITH CURRENT TEXAS ACCESSIBILITY STANDARDS (TAS) AND THE ADA ACCESSIBILITY GUIDELINES (ADAAG)
 2. WALKWAY AND RAMP SURFACE SHALL BE STABLE AND FIRM WITH A SLIP RESISTANT MEDIUM BROOM FINISH PERPENDICULAR TO THE DIRECTION OF TRAVEL. COMPLY WITH TAS 302.
 3. ALL CUTOUTS MUST HAVE BARRICADES INSTALLED UNTIL WHEELCHAIR RAMPS ARE COMPLETED.
 4. THE MINIMUM WIDTH OF THE RAMP SHALL BE 36\"/>

NOTES:
 1. ALL EDGES SHALL BE ROUNDED WITH 3/8\"/>

NOTES:
 1. ALL CONCRETE USED FOR PAVEMENT SHALL BE \"CLASS A\" CONCRETE, MINIMUM OF 5.0 SACKS OF CEMENT PER CUBIC YARD OF CONCRETE, 3500 PSI COMPRESSIVE STRENGTH AT TWENTY-EIGHT (28) DAYS.

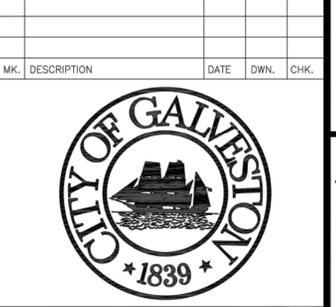
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MK.	DESCRIPTION	DATE	DWN.	CHK.

City Engineer
 City of Galveston, Texas
 Engineering Section

Paving Construction Details
 SHEET NO.:
 DATE: MARCH, 2018
 DWN BY: JR
 CHK BY: DRF
 SCALE: HORIZ: 1\"/>

REVISIONS A FOR PRELIMINARY REVIEW

DATE: 7/7 AUGUST, 2020
 DESCRIPTION:

DRAWN BY: GD
 APPROVED BY: NH

SHEET NO.
C2.4

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Technical Information

E-1

Strength

Ultimate strength design theory is used to determine the ultimate groundline moments shown in the technical charts. The location of the ultimate ground line moment is determined using an assumed embedment of 10% of the overall length of the pole plus 2 ft. In many cases a higher groundline moment may be attained without going to a larger pole. Please contact our technical staff for special requests.



Wind Loads

Wind loads for determining the maximum effective projected areas (EPA) presented in this catalog were determined in accordance with ASCE 7-05, *Minimum Design Loads for Buildings and Other Structures*. The effective projected area is the actual projected area subjected to wind times the appropriate coefficient of drag (Cd). Please note our catalog features EPA's for 90 mph, 110 mph, 130 mph, 140 mph, and 160 mph wind zones. EPA's for higher wind velocities can be attained by special design. Please contact our technical staff for special requests.

Wind pressures determined using the criteria of ASCE 7-05 are based on gust wind speeds. Editions previous to ASCE 7-95 were based on fastest mile (sustained) wind speeds. For example, if your specification calls for the design of a prestressed concrete pole to be based on a wind velocity of 100 mph with a 1.3 gust factor then you would select a pole from our catalog based on a gust wind speed of 130 mph. The following table provides a quick conversion of sustained wind speeds to gust wind speeds using a typical gust factor of 1.3:

Sustained Wind Speed Per ASCE 7-05 (mph)	Sustained Wind Speed Per ASCE 7-05 with 1.3 Gust Factor (mph)	Gust Wind Speed Per ASCE 7-05 (mph)
80	104	110
90	117	120
100	130	130

10% plus 2 foot* Rule of Thumb for the Direct Embedment of Concrete Poles

Pole Length (PL)	Embedment (PE)	Height Above Grade (PA)
15	3.5	11.5
20	4.0	16.0
25	4.5	20.5
30	5.0	25.0
35	5.5	29.5
40	6.0	34.0
45	6.5	38.5
50	7.0	43.0
55	7.5	47.5
60	8.0	52.0
65	8.5	56.5
70	9.0	61.0

The hole diameter selected for the embedment should allow a minimum clearance around the corners of the pole butt of 4 to 6 inches. Hole sizes are generally specified in 6 inch increments to accommodate standard auger sizes. The hole diameter for octagonal poles may be determined by adding 8 to 12 inches to the width of the pole butt.

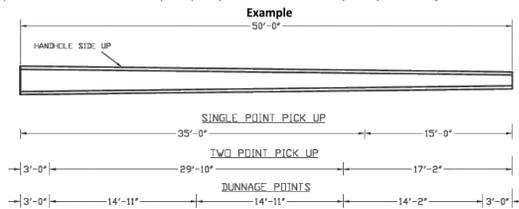
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Handling and Installation Procedures

E-2

Handling Instructions

- Prestressed concrete poles will withstand a considerable amount of bending but should not be shock loaded while under load.
- Prestressed concrete poles should never be handled or picked up by the tip.
- When shipping poles, the poles should be supported at a minimum of 3 points for poles up to and including 40 feet and 4 points for poles over 40 feet.
- Poles up to 50 feet in length may be unloaded using a one-point pickup at the balance point but should never be transported in this manner. A two-point pickup must be used to transport a pole at the job site.



NOTES: (PICK UP AND DUNNAGE) FOR 80' POLES
ONE POINT PICK UP - USED TO INSTALL POLE
TWO POINT PICK UP - USED WHEN UNLOADING OR MOVING POLE
DUNNAGE POINTS - ARE LOCATION FOR SUPPORTS WHEN STORING POLES

Installation Procedure

- Prior to installation of the pole, electrical wiring, brackets and luminaries can be installed while the pole is lying horizontally on the ground.
- Excavate the proper diameter and depth hole. The preferred method of excavation is by auger type drilling.
- To install, choke the pole with one end of a nylon sling 25% to 30% of the pole length from the top (see Handling section for location). Attach the other end of the sling to the lifting hook of the crane.
- Lift the pole allowing the butt to rest on the ground until vertical.
- Lift the pole over hole and lower until butt rests on bottom center of hole.
- While holding pole, add backfill in 4 to 6 inch layers, tamping between placement of each layer. Check for plumbness throughout the backfilling process.
- If the pole is equipped for an underground connection, stop backfilling to a point 6 inches below the connection. Make the connection and then finish backfilling the hole to a point 2 inches above grade.

Direct Embedment

Direct embedment is the most common and recommended method of installation of prestressed concrete poles. Soil conditions vary from location to location and should be investigated by an engineer prior to designing the foundation. The "rule of thumb" for the depth of embedment is 10% of the overall length plus two feet. The table on the preceding page is based on the "rule of thumb." Depending upon the type of soil, an appropriate backfill should be selected. The chart below contains suggested guidelines for the selection of backfill:

Soil Type	Backfill Description
Good Soil:	Compacted well graded sand and gravel, hard clay or well graded fine and coarse sand.
Medium Soil:	Compacted fine sand and clay, compact sandy loam, loose coarse sand and gravel.
Poor Soil:	Soft clay, clay loam, poorly compacted sand or clays containing large amounts of silt.

The excavated soil may be used as the backfill.

Requires select backfill. Clean, washed sand or minus 1/2 inch well graded gravel may be used.

Requires one of the following: cementitious earth, cement stabilized sand, limestone screenings, or urethane foam.

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Concrete Pole Specifications

E-3

1.00 SCOPE

1.10 This specification is to establish design and quality standards for static cast concrete poles for power distribution or lighting. All pole design structural calculations shall be prepared by a licensed engineer experienced in prestressed concrete design.

2.00 GENERAL

2.10 The concrete poles furnished under these specifications shall be designed and manufactured in accordance with requirements and/or recommendations of the American Concrete Institute Standard "Building Code Requirements for Structural Concrete" (ACI 318 - Latest Edition), unless otherwise specified.

2.20 Poles shall be designed in accordance with the Prestressed Concrete Institute "Guide for Design of Prestressed Concrete Poles."

3.00 PHYSICAL CHARACTERISTICS

3.10 All poles shall be prestressed concrete and suitable for direct embedment into the ground without special foundations.

3.20 Shape and Length: Poles shall be square in cross-section, with chamfered corners, and shall have a standard taper of 0.162 inch per foot. Cross-sectional dimensions shall not deviate by more than 3/8 inch. The allowable tolerance for overall length shall be +3 inches and -2 inches. The width of the bottom face of the pole (as it is cast) may be less than the top face.

3.30 Finish: The pole shall have a smooth uncolored finish with no cracks. The top surface of each pole shall be troweled until all projections, depressions, and irregularities have been removed and the entire surface has a smooth texture and neat lines. Square corners and sharp edges shall be tooled to form smooth, chamfered corners.

All small cavities shall be cleaned, saturated with water and then filled with mortar. A small cavity is defined as one larger than 1/4 inch but smaller than 3/4 inch in diameter, and less than 3/8 inch deep. Larger non-structural cavities and spalls shall be repaired by opening the side of the damaged area on a 1 to 1 slope using a mechanical grinder, cleaning thoroughly and filling with a high-strength non-shrink concrete repair material. Poles with other defects may be repaired only upon authorization of, and using the method prescribed by the Design Engineer.

3.40 Sealing Steel Strands: The end of each steel reinforcing strand (in the top and butt) shall be burned back to a minimum depth of 1/2 inch. The holes left by the removal of the strand shall be thoroughly cleaned of any loose residue. The holes shall then be completely filled with non-shrink grout and smoothed evenly with tip or butt surface.

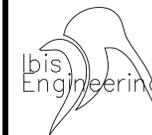
3.50 Cover: The prestressing strands shall have a minimum concrete cover of 1 inch, except that Type I poles will have a minimum cover of 3/4 inch. The centerline axis along the faces of the poles shall be clear of embedded steel except for stirrups, spiral reinforcement and fabrication devices, so that 3/4 inch diameter holes may be drilled without interference from the strands.

3.60 Sweep: Sweep is the deviation of a pole from straightness. A straight line joining the edge of the pole at the butt and the edge of the pole at the top shall not be distant from the surface of the pole at any point by more than 3/8 inch for each 10 feet of length.

3.70 Hole Drilling: Poles shall be drilled in accordance with approved drawings. The location of holes shall not deviate by more than 3/8 inch. Holes drilled after removal from molds shall be drilled from both sides of the pole and shall be uniform in entrance and exit. Holes drilled from opposing sides of the pole must be in the same plane and be centered on both faces.

3.80 Cable Entrances: Two cable entrances with couplings shall be cast in all poles 90 degrees to the handhole unless otherwise specified by the customer.

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REG # F-11156
P.O. Box 55171 Galveston, Texas 77555
PH 409.621.6740

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BUILDING REMODEL
FOR SERENITY ISLE OF GALVESTON, LLC
11279 STEWART ROAD
GALVESTON, TEXAS

REVISIONS
A FOR PRELIMINARY REVIEW

DATE
17 AUGUST, 2020
DESCRIPTION

DRAWN BY GD

APPROVED BY NH

SHEET NO.



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C3.1

Concrete Pole Specifications

E-4

4.00 MATERIALS

- 4.10 Chloride Content: The chloride content of the concrete mix, including all ingredients, shall be 0.4 pounds per cubic yard, or less.
- 4.20 Corrosion Resistance: All inserts or attachments, if required, shall be of noncorrosive material or galvanized.
- 4.30 Concrete: Concrete used in poles shall have a compressive strength at transfer of not less than 4,000 PSI, and a 28-day compressive strength of not less than 7,000 PSI, unless otherwise specified.
- 4.40 Material shall comply with the most recent revision of the following ASTM Standards:
- a) Portland Cement ASTM C105
 - b) Admixtures ASTM C494
 - c) Aggregates ASTM C33 or C330
 - d) Reinforcing Bars ASTM A615
 - e) Cold Drawn Spiral Wire ASTM A82
 - f) Prestressing Strand, 270K ASTM A416

5.00 STRENGTH REQUIREMENTS

5.10 Poles of each standard type, unless otherwise specified, shall be designed to withstand the rated design (cracking) and ultimate strength shown in the following tables, with modifications to accommodate allowances for handling, transportation and erection. The rated strength is that load which, if applied, in a direction perpendicular to the axis 2 feet below the pole tip and with the bottom of the pole (ten percent of its length plus two feet from the butt) held firm, will produce the first sign of hairline cracks. The ultimate strength is the load at which point failure occurs.

5.20 All poles shall be capable of withstanding single point pickup from the horizontal position when lifting from a point 30% of the overall length down from the tip.

6.00 GROUNDING

6.10 A PVC conduit for customer to pull a ground wire through can be cast in poles if required by the customer and included with bid to customer.

7.00 QUALITY CONTROL

7.10 Tests shall be made and records shall be maintained in accordance with the requirements of Prestressed Concrete Institute MNL-116, "Manual for Quality Control for Plants and Production of Precast Prestressed Concrete Products."

8.00 DRAWING AND DESIGN INFORMATION

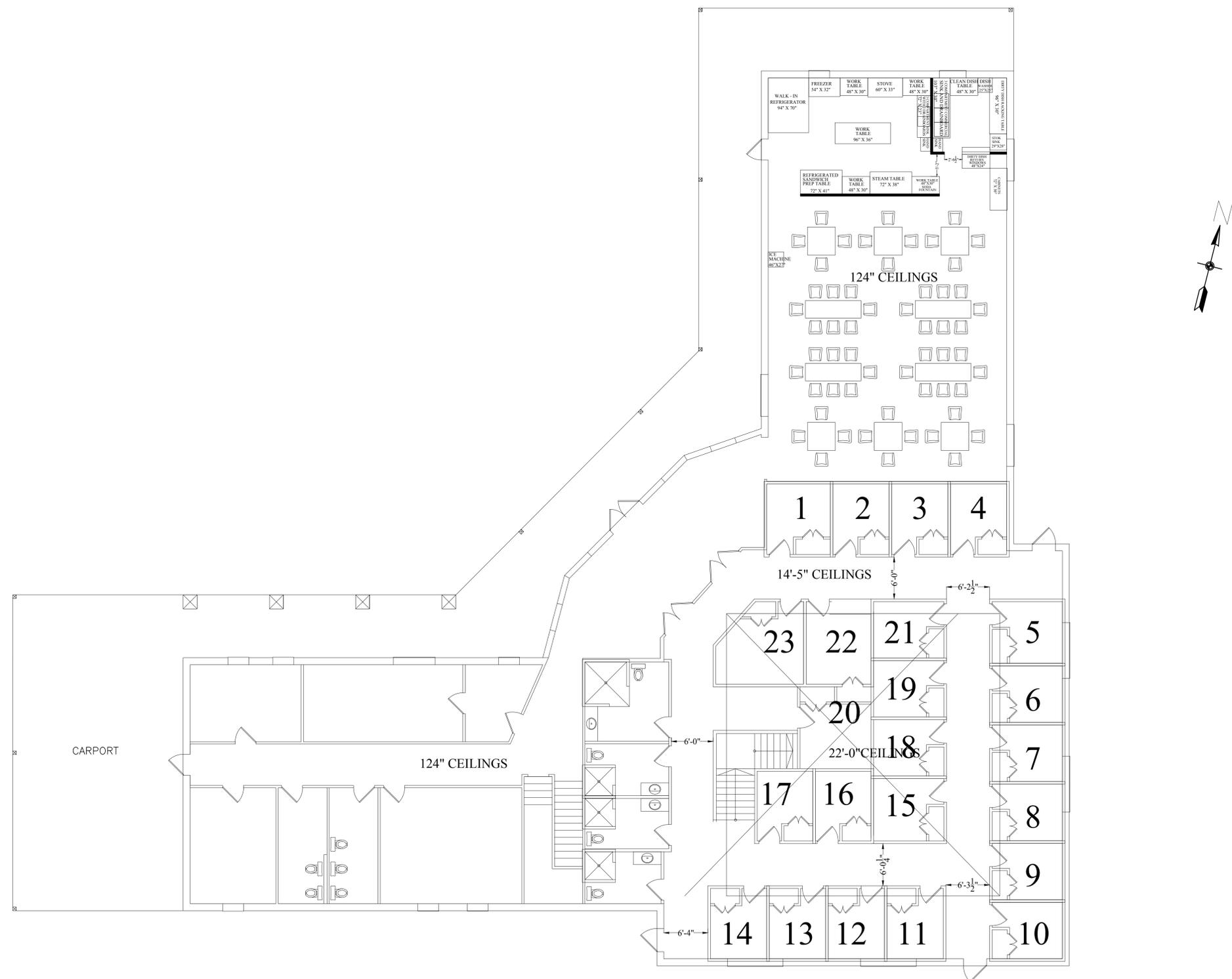
8.10 Upon request, Lonestar Prestress Mfg., Inc. will furnish detailed design drawings and computations for the poles bid or supplied, including but not limited to the following:

- 1) Total weight and center of gravity of each pole.
- 2) Calculations of cracking and ultimate moment capacities at not more than 5 foot intervals.
- 3) Dunnage and pickup points, including both one-point and two-point pickup locations.
- 4) Detail of cross section and all points where reinforcing changes.

9.00 INSTALLATION

9.10 Poles shall be supported and protected during site storage, lifting and setting to prevent damage to the pole. Spalls or other damage incurred during these operations shall be repaired to restore the pole to "as new" condition.

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BUILDING REMODEL
 FOR SERENITY ISLE OF GALVESTON, LLC
 11279 STEWART ROAD
 GALVESTON, TEXAS

REVISIONS
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DATE
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A0.1

1 OVERALL
 1st. FLOOR PLAN
 SCALE: 1/8" = 1'-0"



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 8/17/2020

BUILDING REMODEL
 FOR SERENITY ISLE OF GALVESTON, LLC
 11279 STEWART ROAD
 GALVESTON, TEXAS

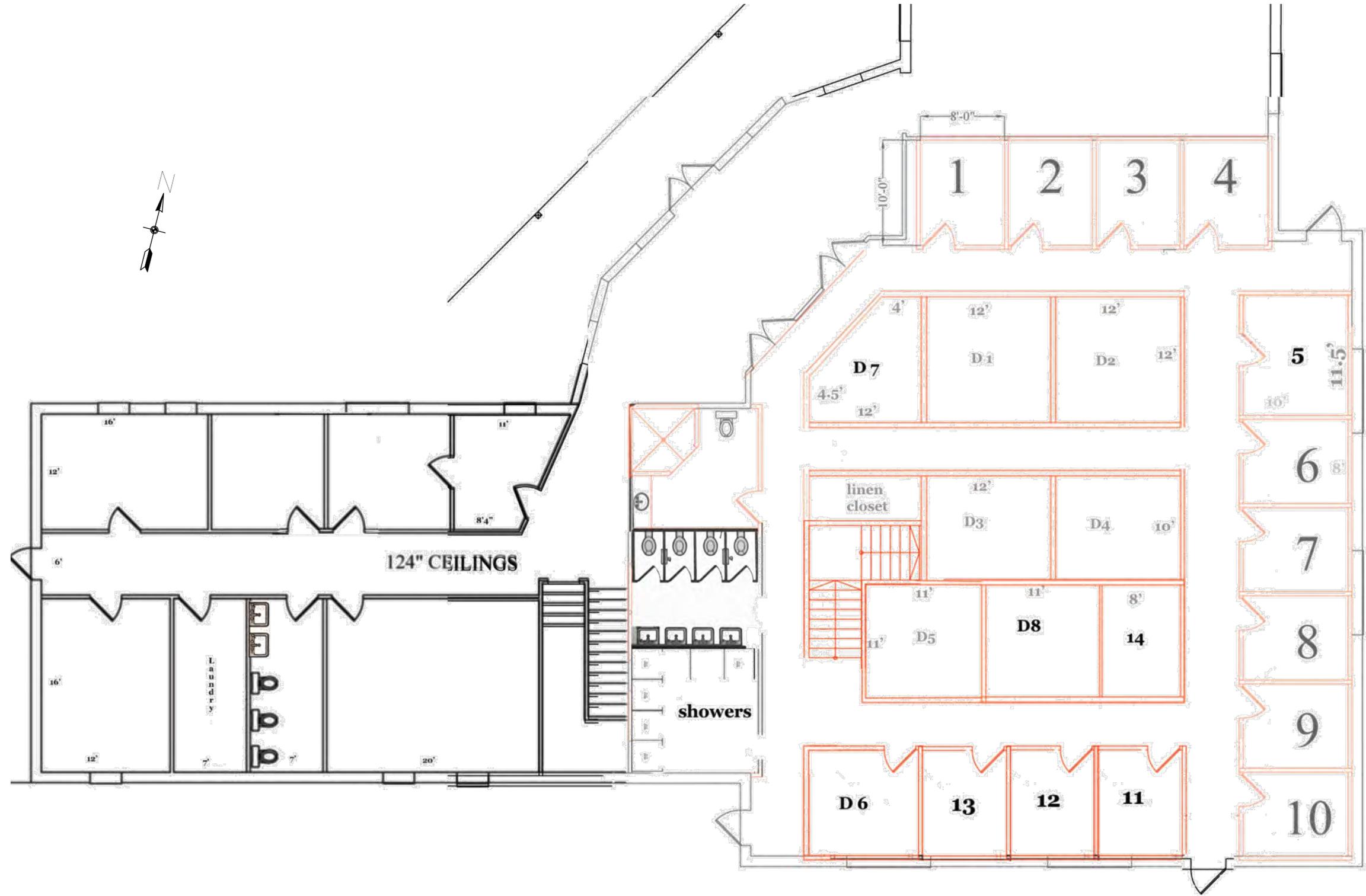
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A1.1



1 CENTRAL & WEST WING
 1st. FLOOR PLAN
 SCALE: 3/16" = 1'-0"



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 P.E. 95483
 8/17/2020



20P-028

STAFF REPORT

ADDRESS:

11279 Stewart Road

LEGAL DESCRIPTION:

Property is legally described as the Northeast part of Lot 39 (39-1), Trimble and Lindsey, Section 2, in the City and County of Galveston, Texas.

APPLICANT/REPRESENTATIVE:

Edward Jackson

PROPERTY OWNER:

Veco V. Delagardie

ZONING DISTRICT:

Residential, Single-Family, Height and Density Development Zone, Zone 6 (R-1-HDDZ-6) and Commercial, Height and Density Development Zone, Zone 6 (C-HDDZ-6)

REQUEST:

Change of zoning from Residential Single-Family with Height and Density Development Zone, Zone-6 (R-1-HDDZ-6) to a Commercial with Height and Density Development Zone, Zone-6 (C-HDDZ-6) zoning district.

EXHIBITS:

- A – Zoning Map
- B – Land Use Comparison
- C – Applicant’s Submittal

STAFF:

Adriel Montalvan, Senior Project Manager
 409-797-3645
 amontalvan@galvestontx.gov

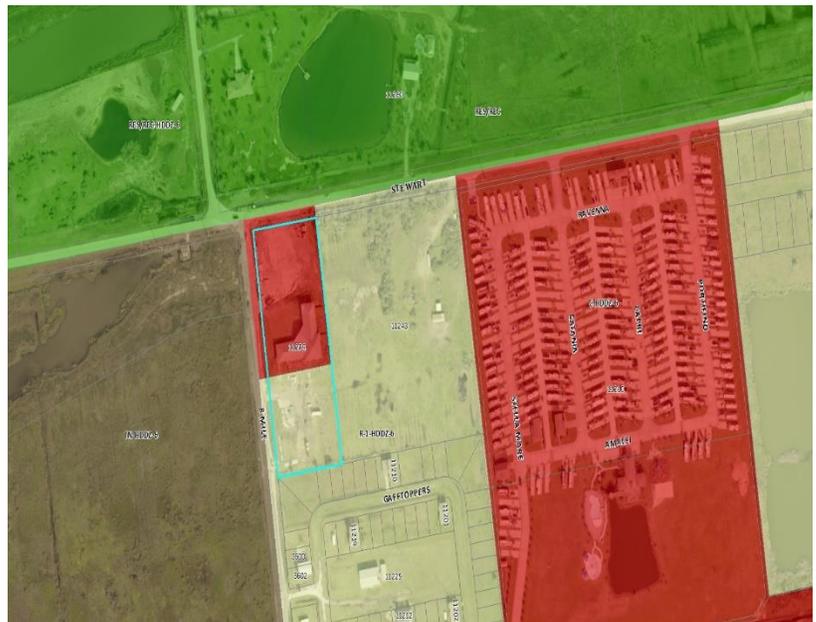
Public Notice and Comment:

Sent	Returned	In Favor	Opposed	No Comment
23				

Per Section 13.808 of the Land Development Regulations and state law, written public notice of this request is required. Public notices are sent to all property owners within 200 feet of the subject site and are sent to the address on file with the Galveston Central Appraisal District.

City Department Notification Responses:

No Objections



Executive Summary

The applicant is requesting a partial change of zoning from Residential Single-Family with Height and Density Development Zone, Zone-6 (R-1-HDDZ-6) to a Commercial with Height and Density Development Zone, Zone-6 (C-HDDZ-6) zoning district. The property is currently partially zoned Commercial (C) on the northern portion of the lot, and Residential, Single-family (R-1) on the south third portion of the property. The land area of this change of zoning will serve as a parking lot for a proposed substance abuse facility at this location.

Please note that the applicant is not requesting any change to the Height and Density Development Zone.

Zoning and Land Use

Location	Zoning	Land Use
Subject Site	Commercial and Residential Single-Family with Height and Density Development Zone, Zone-6 (C-R-1-HDDZ-6)	Vacant Structure
North	Resort/Recreation Family with Height and Density Development Zone, Zone-6 (RES/REC-HDDZ-6)	Residential
South	Residential Single-Family with Height and Density Development Zone, Zone-6 (R-1-HDDZ-6)	Vacant/Residential
East	Residential Single-Family with Height and Density Development Zone, Zone-6 (R-1-HDDZ-6)	Residential
West	Traditional Neighborhood with Height and Density Development Zone, Zone-6 (TN-HDDZ-6)	Vacant

Interpretation of Use Classification

As changes of zoning are of a permanent nature, regardless of the present proposed land use for the properties, the Planning Commission and City Council must consider all potential future land uses that will become permitted uses should the request for a change of zoning be approved. Please see Exhibit B for a comparison list of the permitted uses in the Residential, Single-Family (R-1) and Commercial (C) zoning districts.

Compatibility with Surrounding Land Use and Zoning

Currently, the majority of the property is zoned Commercial which allows for various commercial uses by right. There are limited residential uses in the immediate area, and the general vicinity is mostly vacant land. The zoning classification of nearby properties is comprised of Commercial (C), Resort/Recreation (RES/REC), and Traditional Neighborhood (TN).

Criteria for Approval

According to Division 13.601 (C) of the Land Development Regulations, the Planning Commission may recommend approval, and City Council may grant the approval of a rezoning request if it is demonstrated that:

1. The proposed zoning is preferable to the existing zoning in terms of its likelihood of advancing the goals, objectives and policies of the City's 2011 Comprehensive Plan and other adopted neighborhood plan, special area plan, redevelopment plan, or other plan applicable to the area;
2. The proposed zoning is consistent with the future land use map of the 2011 Comprehensive Plan (a future land use map amendment may be processed concurrently with the rezoning);
3. The proposed change is consistent with the implementation of existing or pending plans for providing streets, water and wastewater, other utilities and the delivery of public services to the area in which the parcel proposed for rezoning is located;

4. The range of uses and the character of development that is allowed by the proposed zone will be compatible with the properties in the immediate vicinity of the parcel proposed for rezoning, and the parcel proposed for rezoning has sufficient dimensions to accommodate reasonable development that complies with the requirements of these Land Development Regulations, including parking and buffering requirements; and
5. The pace of development and/or the amount of vacant land currently zoned for comparable development in the vicinity suggests a need for the proposed rezoning in order to ensure an appropriate inventory of land to maintain a competitive land market that promotes economic development.

Respectfully Submitted,



Adriel Montalvan
Senior Projects Manager

09/11/2020

Date

Exhibit A

RES/REC

Sweetwater Lake

8 MILE

11260

STEWART

RAVENNA

C-HDDZ-6

PORTIFINO

CAPRI

CATANIA

11210

AMALFI

STELLA MARE

11279

11243

11225

3600

3602

GAFFTOPPERS

R-1-HDDZ-6

TN-HDDZ-6

SAN LUIS PASS

SCHWARTZ

RES/REC-HDDZ-6

REAGOR

BEARD

11201

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Legend

Parcels



Table 2.201			
Permitted Uses: Agricultural and Residential Uses			
P = permitted use; L = limited use; S = specific use review; "-" = prohibited use			
Zoning Districts			
Agricultural Land Use	R-1	C	Use Standard
Agricultural Support	-	-	
Agriculture/Urban Farming	L	P	LIMITED
Commercial Stable	-	-	
Residential Stable	-	-	LIMITED
Veterinarian, Large Animal	-	-	
Residential Land Uses	R-1	C	Use Standard
Accessory Dwelling Unit	L	L	LIMITED
Bed and Breakfast	-	P	LIMITED
Boarding House, Dormitory, Fraternity or Sorority	-	P	LIMITED
Child Care Facility, Day Care (Residential)	-	P	LIMITED
Community Garden	L	P	LIMITED
Cottage Food Production	P	P	State Law
Home Based Business	-	P	LIMITED
Home Based Occupation	P	P	
Hospital House Establishment	-	P	LIMITED
Live-Work Unit	-	P	LIMITED
Condominium	-	P	LIMITED
Duplex	L	P	LIMITED
Multi-Family Residential	-	P	LIMITED

Personal Care Homes (DADS)	P	P	State Law
Short Term Rental Residential Dwelling	P	P	
Single-Family Detached	P	P	LIMITED
Townhouse	-	P	
Commercial Land Uses	R-1	C	Use Standard
Adult Day Care	-	P	LIMITED
Adult Use (SOB)	-	S	SUP
Alcoholic Beverage Sales, Liquor Store or Package	-	P	SUP
Arena / Stadium	-	P	
Auto Service/Fueling or Charging Station	-	L	LIMITED
Bar	-	P	LIMITED/ SUP
Boat Repair Facility	-	L	LIMITED
Boat Sales or Rental	-	L	LIMITED
Child Care Facility, Day Care (Commercial)	-	P	LIMITED
Cleaning / Laundry Pick-Up Station	-	P	LIMITED
Cleaning / Laundry-Mat Self Service	-	P	LIMITED
College / University / Vo-Tech	-	P	
Commercial Amusement, Indoor	-	L	LIMITED
Commercial Amusement, Outdoor	-	L	LIMITED
Commercial Lodging (Hotel)	-	L	SUP
Commercial Warehousing and Logistics	-	-	

Correctional or Rehabilitation Facility	-	S	SUP
Credit Access Business	-	L	
Family Care Facility	-	S	SUP
Fine Arts Instruction	L	P	LIMITED
Flea Market	-	L	LIMITED
Golf Carts, Sales and Service	-	L	LIMITED
Heavy Vehicle, Manufactured Home, Watercraft or Aircraft Sales or Rental	-	-	LIMITED
Homeless Shelter	-	S	SUP
Hospital	-	P	
Kennel	-	L	LIMITED
Library	-	P	
Medical Office / Clinic / Lab	-	P	LIMITED
Nursery or Greenhouse, Retail	-	P	
Nursing / Convalescent Home	-	P	LIMITED/SUP
Office	-	P	LIMITED
Outdoor Storage	-	L	Limited
Parking Lot, Commercial Surface Parking Area	-	-	LIMITED
Parking Structure or Lot Incidental to Main Use	-	L	LIMITED
Parking Structure – Mixed Use	-	L	LIMITED
Passenger Motor Vehicle Sales or Rental	-	L	LIMITED
Pawn Shop	-	P	
Personal Fitness	-	P	LIMITED

Pet Grooming Services	-	P	LIMITED
Place of Private Assembly	-	P	SUP
Place of Public Assembly	-	P	LIMITED
Private Club	-	P	SUP
Professional Services, Instruction/Counseling	-	P	LIMITED
Public Safety Facility	-	P	
Recreation Indoor	L	P	LIMITED
Recreation Outdoor	L	P	LIMITED
Recycling Center	-	L	LIMITED
Restaurant, Drive-In / Through	-	L	LIMITED
Restaurant, No Drive-In / Through	-	P	LIMITED
Retail - Big Box	-	L	LIMITED
Retail - Commercial	-	P	
RV Park	-	L	LIMITED
School, Private	-	P	LIMITED
School, Public	P	P	
Self Storage	-	P	LIMITED

Commercial Land Uses	R-1	C	Use Standard
Shooting Range	-	P	
Short Term Rental Residential Dwelling	P	P	
Small Scale Food And Beverage Production	-	P	LIMITED
Substance Abuse Facility	-	S	SUP
Vehicle Wash	-	P	
Vending Kiosk/ATM	-	L	LIMITED
Veterinarian, Small Animal	-	P	
Wholesale	-	L	LIMITED
Industrial Land Use	R-1	C	Use Standard
Automotive Wrecking and Salvage Yard; Junkyard; Recycling Business	-	-	
Excavation	L	L	LIMITED
Heavy Industry	-	-	LIMITED
Light Industry	-	-	LIMITED
Mining / Extraction	-	-	
Research and Testing Laboratory	-	P	
Parking and/or Multimodal Transportation Facility	-	L	LIMITED
Power Generation	-	-	
Industrial Land Use	R-1	C	Use Standard
Towing Service Facility	-	S	Limited/SUP
Uses involving Radioactive Material, not including uses related to diagnosis and treatment of illness; and, construction applications;	-	-	

and, academia and scientific research			
Public/Private Land Uses	R-1	C	Use Standard
Airport	-	-	
Cemetery	-	S	SUP
Heliport	-	-	LIMITED
Helistop	-	L	LIMITED
Marina	-	P	SUP
Port and Harbor Facilities	-	-	
Public Utility Plant	-	P	SUP
Rail Yard	-	-	
Wireless Telecommunication Facility	-	S	SUP w/ Standards

Tim Tietjens, Director
City of Galveston Department of Development Services

Cate Black, Chairperson
City of Galveston Planning Commission

RE: Serenity Isle, 11279 Stewart Road

Includes: Specific Use Permit – Site Plan approval information: Description of proposed use

Dear Mr. Tietjens,

Please accept this letter as a brief description of the proposed use for the property on the West end of Galveston for the project located at 11279 Stewart Road. A much more detailed description is included in the business plan.

Serenity Isle of Galveston will be a 39 bed residential drug and alcohol rehabilitation facility for women. It will provide housing, food, and treatment for up to 39 women at a time. The program will primarily be a 90 day on site residential treatment. Processes, treatment activities, and floor layout are detailed in the attached business plan. The facility will include a mix of one and two bedroom units, with separate areas for showers, sinks, and toilets. There will be a large food preparation and serving area, as well as a dining area. There are also areas for individual therapy sessions, group therapy sessions, and expressive therapies. Treatment will be provided by state licensed counselors. The entire property will be fenced and secure. Residents will only be allowed off-site access under supervision of one or more staff members. Visitation of residents will be limited to Friday evening and Saturday afternoon, and limited to immediate family members.

Sincerely,

A handwritten signature in cursive script, reading "Edward Jackson", is written over a horizontal line.

Edward Jackson, President, Serenity Isle of Galveston, LLC.



August 13, 2020

Tim Tietjens, Director
City of Galveston Department of Development Services

Cate Black, Chairperson
City of Galveston Planning Commission

RE: Serenity Isle, 11279 Stewart Road
Includes: Change of Zoning Application Narrative

Dear Mr. Tietjens:

Please accept this letter as a brief narrative of the Project proposed for Mr. Edward Jackson of Serenity Isle of Galveston on the West End of Galveston Island. The Serenity Isle facility is seeking support for rezoning a property that currently has a 'split-zoning' condition. We are requesting a Change of Zoning on the south third portion of the property from Residential-1 (R-1) to Commercial (C).

The majority of the property's zoning is Commercial, and much of the area nearby is zoned to allow for some commercial uses. There is limited residential development in the area, with most of that oriented towards the beach, in the case of the Gafftoppers and Sunny Beach subdivisions to the south. While there are 3 unbuilt residential lots directly adjacent to the site, the general vicinity is largely vacant, with the most intense land-use in the area being the Stella Mare RV park to the East. The site and building has been vacant for some time. The building was originally built as a church, but has been vacant since Hurricane Ike. The site was briefly used as an unpermitted RV Park in 2009/10 (fig 4). Our Change of Zoning request is the best possible tool for moving forward with the Project, designed as a 39 bed, state of the art rehabilitation facility. Serenity Isle of Galveston LLC will be the premier drug and alcohol inpatient rehab facility in the greater Houston metro area, conveniently located on Galveston Island.

While the specifics of the treatment facility are not criteria for approval of the zoning change request, the Serenity Island business plan details the treatment approach and operations of the facility. In other words, this is not a 'project specific' approval; but, it is necessary to permit use of the land as 'Parking, incidental to main use', despite it being the location that the church historically used as it's parking lot. The property is also located within the Height and Density Development Zone (HDDZ), which places additional design and development standards on the property. This would apply more to potential future development than to the proposed parking lot, providing transition and protection to the residential neighbors.

Please see the attached Site Plans (fig 8) for the parking lot configuration and landscaping that is in conformance with LDR standards, although a 5' tall solid screening wall or fence is also required along the Southern property line shared with Gafftoppers subdivision.

The Planning Application for a Change of Zoning request provides some guidelines for the information needed for staff and commissioner evaluation. Response to those are listed for you here or in some cases may be seen in the site plans –

- *The proposed and present zoning advance the goals, objective and policies of the City of Galveston 2011 Comprehensive Plan and other adopted plans;*

The proposed Zoning change is supported by the 2011 Comprehensive Plan in a few aspects. The Human Element section of the Comp Plan compels the City to **promote preservation and creation of open space for resource conservation**. Coupled with that intention is the requirement that Commercial parking lots be located in the rear of the structure. The two combined have informed the location of the parking lot, while allowing the sizable buffer to Stewart Road to be preserved and naturally enhanced.

The Human Element of the Comp Plan also addresses some social issues that are important to the mission of the treatment facility. Supporting projects that **strengthen families, provide services to vulnerable populations, and reduce violence and abuse within the community** are all goals that the recovery from addiction and wellness will be by-products of treatment at Serenity Island. Residents will be cared for in a contained, secure facility during rehab treatment, ultimately transitioning back to the general population, and their families.

- *The present and proposed zoning is consistent with the future land use map prepared by staff and accompanying the staff report for this case;*

The proposed zoning change from R-1 impacts approximately one-third of the tract, with the North portion having been zoned Commercial with the adoption of the 2015 LDR and Land use Map. Prior to 2015, the property was split-zoned in the same proportion, with Retail zoning on the north and Multi-family on the south. As mentioned, the Zoning Districts in the general area allow for some commercial uses. While there are some residences, the isolative nature of the treatment facility will not be disruptive to the few existing neighbors, or negatively influence future development of the surrounding area.

- *The present and proposed change is consistent with the implementation of existing or planned streets, water, wastewater, other utilities and delivery of public services to the area in which the proposed rezoning is located;*

The proposed Zoning change is located in a fortunate place in this regard. Municipal sewer and water are available at the site. Located at the corner of 8-mile Road and Stewart Road offers a visual connection and ease of access from a thoroughfare, with the benefit of a less trafficked, walkable street which can provide controlled, supervised relief for some treatment patients. Additional public safety delivery to the site is ideal, in the case that they may be needed in an emergency. See attached distances to the two nearest emergency response stations. (figs 9,10).

Related to public safety, the Owner has been in discussion with the flood plain administrator about use of the first floor of the structure not being permitted. While the building appears elevated on fill, the first floor of the structure is below base flood elevation. All operations, treatments, housing etc. is limited to second story of the structure due to this condition.

- *The range of uses and character of development allowed by the proposed zone will be compatible with the properties in the immediate vicinity of the parcel proposed for rezoning and the parcel has sufficient dimensions to accommodate reasonable development that complies with the requirements or the Land Development Regulations including parking and buffering requirements;*

The character of the development, and the use of the larger tract is not incompatible with development in the area, and the parking area, is necessary for staff and visitors. The Church used this area for parking historically, and the intent is to improve the conditions. Cleaning up the site of the abandoned RV hookups and patchwork paving will greatly improve the condition of the property. Parking is the purpose of the request, and buffering well exceeds what is required.

- *The pace of development and/or amount of vacant land currently zoned for comparable development in the vicinity suggests a need for the proposed rezoning in order to ensure an appropriate inventory of land to maintain a competitive land market that promotes economic development, which supports the Planning Commission's decision.*

The tract that the existing building and parking lot are located on is approximately 3.15 acres in size, providing ample space for the development to move forward once the Zoning conflict is resolved. As stated, there is ample vacant land nearby, which could be developed, or preserved. The parking lot design and landscaping will enhance the attractiveness of the 8-mile Road streetscape, leaving more natural connections on the bayside of the property.

Thank you for your consideration on this request. We feel that it is a sensible solution to the split-zoning that currently exists, and restricts the use of a large portion of the property. This will allow for less impact to the environment, better urban design, and efficiency, as discussed. We feel that this is a great investment in Galveston, and in the health and wellness for islanders and others in the region.

Sincerely,

A handwritten signature in blue ink, appearing to read "Brax Easterwood".

Brax Easterwood AIA, and Edward Jackson, Owner

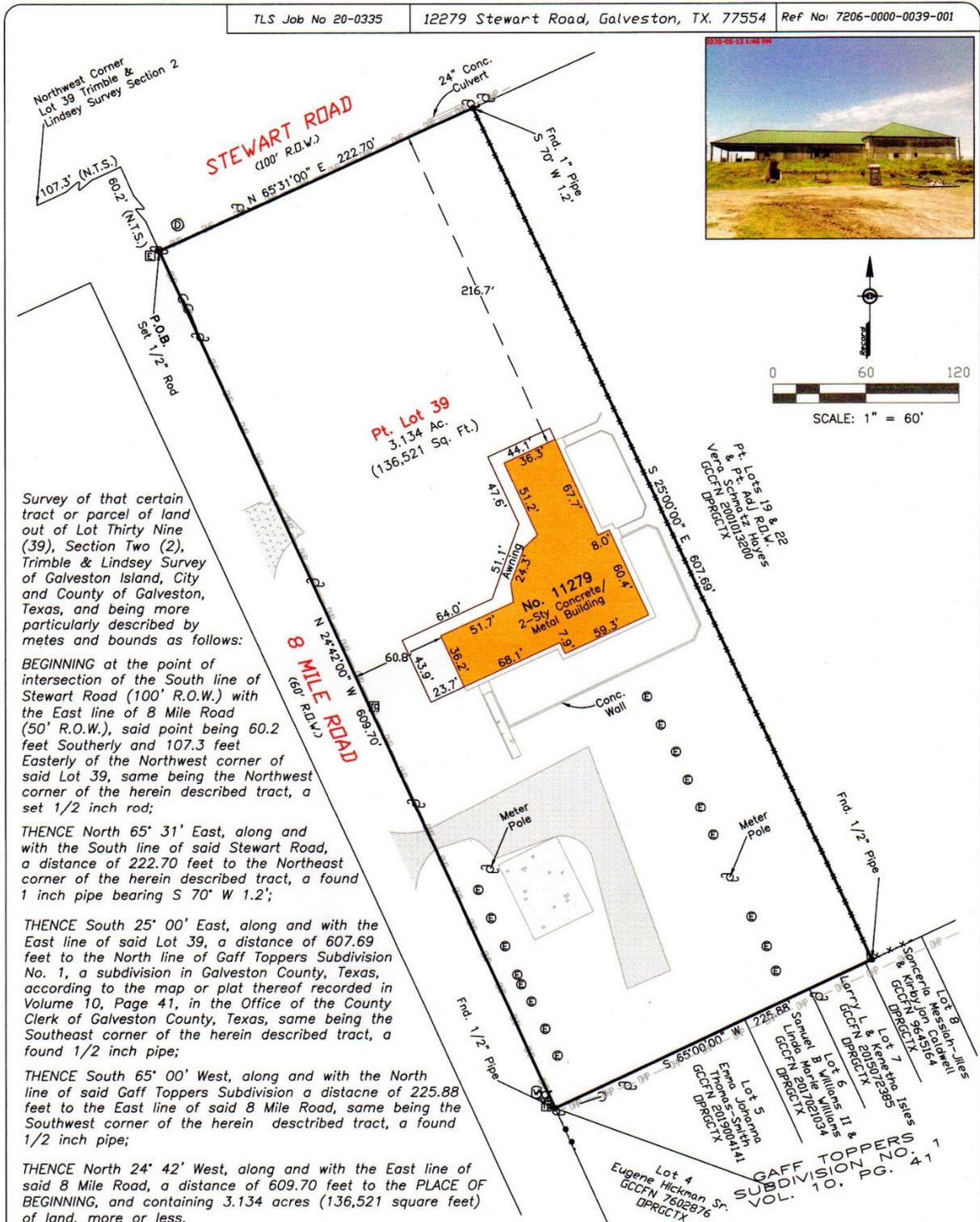


FIGURE 1 – EXISTING SURVEY



FIGURE 2 – AERIAL PHOTO



FIGURE 3 – AERIAL PHOTO 2020



FIGURE 4 – 2010 AERIAL



FIGURE 5 - ZONING 2020

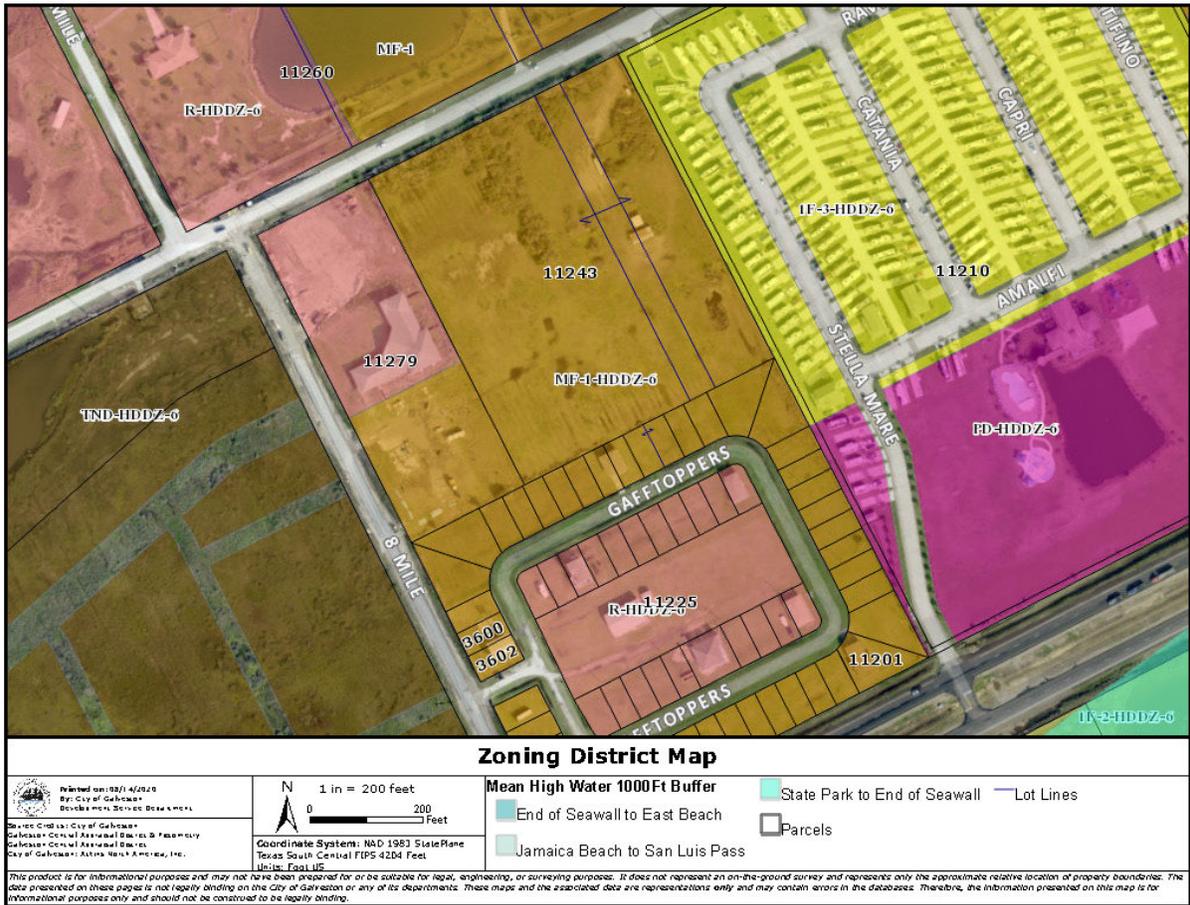


FIGURE 6 - PRE 2015 ZONING

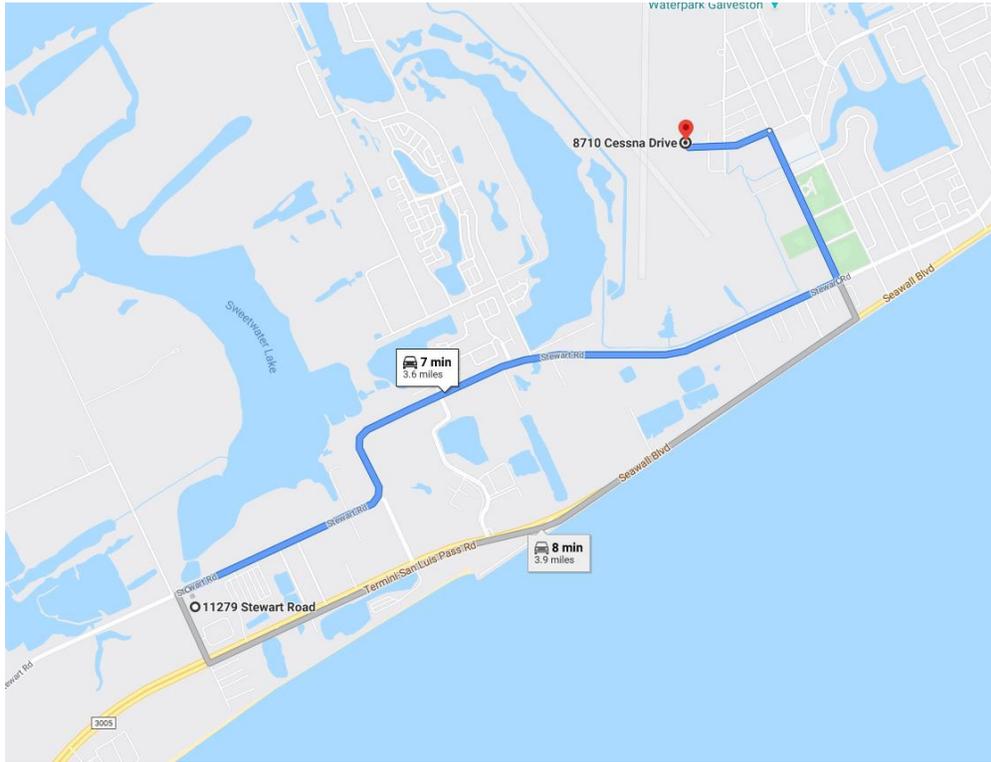


FIGURE 8 – SAFETY ROUTE #1 AIRPORT

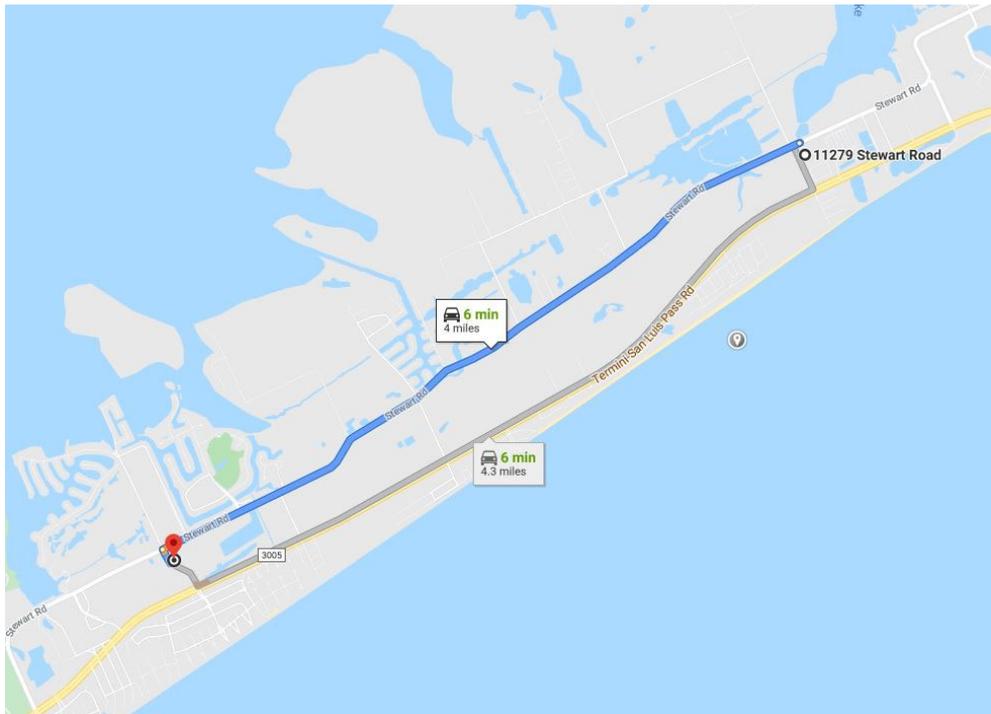


FIGURE 9 - SAFETY ROUTE #2 STATION 7



Serenity Isle of Galveston LLC
BUSINESS PLAN
August 2020

CONFIDENTIAL

No offering is made or intended by this document. Any offering of interests in Serenity Isle of Galveston LLC. will be made only in compliance with Federal and State securities laws.

This document includes confidential and proprietary information of and regarding Serenity Isle of Galveston, LLC. This document is provided for informational purposes only. You may not use this document except for informational purposes, and you may not reproduce this document in whole or in part, or divulge any of its contents without the prior written consent of Serenity Isle of Galveston, LLC.. By accepting this document, you agree to be bound by these restrictions and limitations.

INTRODUCTION

Drug and alcohol addiction are terrible things that are destroying the lives of millions of people. This is an opportunity for you to make money and make a difference in the lives of many deserving people who are reaching out to try and put their lives back together. A total of 37,370 people were admitted to state-funded substance abuse treatment programs in Texas in 2015. More than 49,000 people received treatment for substance use disorders in state-funded substance abuse treatment programs in Texas in 2017. That is more than a 30% increase in just 2 years. Thousands more paid for their own programs, through health insurance, loans, out of pocket or employer assisted programs. There is currently a waiting list for people to enter a residence program for substance abuse treatment in Texas. The wait for a state funded program is generally 6-8 weeks but sometimes can be for as long as 12 weeks. The state of Texas pays \$3,000 per person (for those in financial need) for a 30 day inpatient program, and will continue paying for supportive residential treatment for up to 90 days. Private programs which are not paid by the state generally charge between \$15,000 and \$50,000 per 30 days. We intend to enter the market by offering a 90 day treatment program for \$19,500. This represents a very attractive business opportunity. We invite you to benefit from this market as well.

We are proposing a 39 bed state of the art rehabilitation facility. Serenity Isle of Galveston LLC will be the premier drug and alcohol inpatient rehab facility in the greater Houston metro area, conveniently located on Galveston Island.

We feel that equity investors could be looking at a 300% return on investment over a 5 year period, with an additional 100% annual return thereafter.

A number of important factors will contribute to the success of this venture. The focus of the treatment program, the quality of staff, the size & scope of the market, the comfort and location of the facility, the ratio of clients to staff, the ongoing follow up program, and the long-term results, among others.

Let me summarize each of these reasons before getting into detail.

Why we will be successful

We offer a unique program in a luxurious setting. It represents a significant alternative to the traditional 12 step approach, and, by offering private bedrooms, it is a major improvement over the bunk bed style, group housing, typical to most rehab facilities. Combine this with our well landscaped serene setting, within walking distance to the Gulf of Mexico, and you have a market niche no one else offers.

Unique approach

We have designed a comprehensive substance abuse treatment program using evidence-based treatment models that focus on treating and rehabilitating the mind, body and spirit. We provide an intensive-level Recovery Retreat which will engage guests in the *re-imagining recovery process* directed by a full time Licensed Chemical Dependency Counselor. Mr. Sims has developed and refined this approach over the past five years while researching and working directly with clients. Its purpose is to assist people with substance abuse and other addictive behaviors "re-imagine" their entire life. It is a holistic model that addresses life-span development from a spiritual perspective. Unlike 12-Step programs and methods, we do not believe that a **person should be relegated to the status of "alcoholic" or "addict" for life**. The focus for the guest is doing the "self" work and imagining the life they want for themselves outside of their addiction. Instilling a sense of hope by helping the guest create a vision for themselves is the key to success.

Our program is a holistic model that addresses life-span development from a spiritual perspective. It is a 3 stage program. Stage one is a 30 day Intensive Program. This includes a 1-Hour DAILY individual session with an LCDC, along with Cranial Electrotherapy Stimulation, and lots of reading and coursework including daily assignments.

Stage two is the 60 day Supportive Program. This stage will include a continuation of the intensive program through a one hour individual session once a week plus introduction of a group meeting once a day (M-F) for 1.5 hours. The group meetings will focus on bonding, relationship-building strategies, coping skills, and directly influence the change of negative behaviors into positive outcomes. The program includes Emotional Integration Training, Access Breathwork Sessions, Mindfulness Based Relapse Prevention sessions, as well as expressive sessions (art, cooking, Qigong / Tai Chi, yoga, massage therapy, and more). In addition, the facility offers a faith-based track, which incorporates Christian-based principles and Bible study sessions into overall programming.

Stage three is the Long-term help. After graduating, the guests are invited to become a member of our online community for life-time support. This will be a weekly online Accountability & Commitment Group (A/C Group). Sessions include Recovery by Choice, and **"how was your week?"**. **Discussion centers on current life issues, and on plans for meeting challenges in the days ahead.** Unlike going to 12-Step meetings to talk about addiction and **"not using," this** focuses on the members sharing with each other how they are doing in implementing the life they envisioned during the retreat. A standard set of questions will be addressed each week and members can give and receive feedback and encouragement from their experience. The material will include what they did the previous week, how they engaged their spiritual lives, and what they experienced. Then goals will be set for the coming week. We believe having accountability to the group and the commitment required to maintain their vision will prove to be invaluable for members. Clients are able to interact with counselors and peers. Individual, on-site, counseling sessions are available as well.

Experienced management team

Our founder, Edward Jackson, earned a Bachelor of Arts (with a triple major) from North Central College, has over 25 years experience at the executive management level, has served on the Board of Directors of 5 different companies, and is motivated to make this successful. Our clinical Director is Dean Alan Sims, MAR, LCDC. He has earned a Basic Chemical Dependency Counselor Certificate from Lone Star College, a Bachelor of Arts from University of Texas at Austin, and a Master of Arts in Religion from University of Dubuque Theological Seminary, and numerous training programs in human services and behavioral health (see details in later section). He has extensive experience not only in human services / behavioral health, but also in marketing and business.

Priced well below the competition

At \$19,500 for a 90 day program, we are one of the least expensive private residential rehab centers. Most private centers charge \$20,000 to \$30,000 for just the first 30 days. Offering a first class program for less than half the price is certain to attract more people.

Aggressive marketing plan

In addition to extensive internet marketing, we will have an intense direct mail campaign: letters and brochures will **be sent to Licensed Professional Counselors (LPC's) and Counseling Associations**, state placement agencies and other agencies such as the Outreach, Screening, Assessment, and Referral (OSAR) Centers funded by the Texas Department of Health and Human Services. At the OSAR Centers (there are 14 facilities in the 11 regional centers in TX), licensed counselors provide *free* screenings and referrals to detox services, in-patient and outpatient treatment facilities, and other recovery options for anyone struggling with alcoholism, drug abuse, other addictions, or co-occurring mental health disorders. Other candidates for direct mail would be county judges, district attorneys, Child Protective Services, County Probation Departments, County Parole departments, Employee Assistance Programs, Trade Unions, and other agencies or people that refer clients to rehab facilities. These letters and brochures will be followed up with phone calls and/or direct personal contact.

Facility, location, and amenities

Unlike most residential treatment centers, our facility offers private bedrooms for all of its intensive care clients and 2 people per room for its supportive care clients. Most Texas rehabilitation centers house 4 or more people per room. We are located on 3-1/4 acres of land, in a quiet neighborhood, and only a few blocks from the beach on the Gulf of Mexico. We serve restaurant quality meals, with beverages available throughout the day. Classes in art, yoga, cooking, parenting skills, and Qigong / Tai Chi Instruction and Exercise daily are offered.

Galveston Island is a resort community and serves as the getaway location for the Houston metropolitan area. It has white sand beaches, a mild, tropical climate, warm, Gulf waters, and plenty of attractions. It is a short drive to Houston and its international airports. This will serve to attract people from all over the country. The proximity to and size of the Houston metropolitan area contribute to the strength of this location as well.

People who can afford to choose their rehab site often want a place where they can get away from their current environment, relax, and concentrate on the business of getting well. Quiet walks on the beach encourage a feeling of well being, serenity, and relaxation, all of which are an important part of the healing process. In addition, Galveston and Houston have major drug and alcohol problems.

Client to staff Ratio

We will have the best client to staff ratio of any facility in Texas. Our core 30 day intensive program has 1 LCDC for every 4 clients. When you include a full-time nurse, on call physician, recovery coaches, cook, CEO, executive assistant, trainers for Tai Chi / Qigong and other activities, you maintain a high ratio even in the 60 day supportive care stage of the program.

Size & Scope of the market

The sheer size of the market will contribute to our success. In 2001, nearly 6 million people in the United States made the decision to enter rehab. Nearly 20 million Americans struggled with a substance use disorder from alcohol or illicit drugs in 2017. Over 780,000 people in Houston had a substance abuse problem in 2008, according to the Houston/Harris County Office of Drug Policy. More than 49,000 people received treatment for substance use disorders in Texas in 2017, including more than 11,500 for alcohol use, 10,700 for methamphetamines, and 11,200 for heroin or prescription opioids. In Texas alone, the cost associated with drug and alcohol abuse was \$26 billion in 2004 and 37% of the state's budget was spent on addressing alcohol and drug abuse related problems.

EXECUTIVE SUMMARY

THE COMPANY

Serenity Isle of Galveston Recovery Center, LLC is a privately held Texas Limited Liability Corporation, founded by an experienced entrepreneur with a history of running multimillion dollar companies. It is a start-up company, scheduled to commence operations upon receipt of funding. The company has designed a business model that will cause it to penetrate the market more thoroughly than most other rehabilitation centers in the Houston area.

MARKET NICHE

We offer a unique program in a luxurious setting. It represents a significant alternative to the traditional 12 step approach, and, by offering private bedrooms, it is a major improvement over the bunk bed style, group housing, typical to most rehab facilities. Combine this with our well landscaped serene setting, within walking distance to the Gulf of Mexico, and you have a market niche no one else offers.

SAMHSA (Substance Abuse and Mental Health Services Administration) defines *Recovery* as *a process of change through which individuals improve their health and wellness, live a self-directed life, and strive to reach their full potential.*

By providing an intensive-level Recovery Retreat which will engage guests in the *re-imagining recovery process*, we assist people with substance abuse and other addictive behaviors to "re-imagine" their entire life

Further, by pricing our treatment program at \$18,000 for 90 days, we are very price competitive. At this price point, we are at the more affordable level of programs offering services that those who can afford to pay for themselves would consider using and also at a level to qualify for most insurance plans that include in-residence programs.

FINANCIAL OVERVIEW

Since this is a start-up venture, some time will be required to promote the site and acquaint people with its availability. First year revenue should be greatly exceeded in subsequent years. Revenue projections for year 1 are over \$600,000 and could reach \$750,000. Year 2 should exceed \$1.5 million and year 3 could see \$2 million or more. Cash flow will probably be negative for the first four months, but that will change substantially thereafter. Profit before taxes and depreciation should be \$500,000 in year 2, ramping up to \$1,500,000 in year 5. See projected P&L spreadsheets for details. The entire investment could be recouped in 5 years or less.

REQUESTED FUNDING

We are seeking \$2,500,000 in total funding. This could be in the form of an equity investment (preferred stock), a secured loan (convertible to stock if desired), an equity investment coupled with an SBA loan, or any combination thereof. My current thinking on this would be a \$400,000 equity investment (for 25% of the stock) plus an SBA loan for the balance, or a \$2.5 million loan at 8% interest plus 15% equity in the company.

While marketing and operational infrastructure has been developed, we currently require funds to purchase and renovate the real estate, hire necessary staff, and purchase equipment and furnishings in order to execute on this plan.

USE OF FUNDS

Funds would be used as follows:

- purchase of the building and land;
- Renovations to the building, including interior construction, repairs and maintenance to exterior & interior of building.
- New furnishings throughout, including bedding and furniture & kitchen appliances.
- Hiring of primary staff
- To supplement first year operating expenses.

A detailed breakdown is included later.

MANAGEMENT TEAM and Staff

The founder and executive director is **Edward Jackson**. He is an experienced entrepreneur with over 25 years experience managing multimillion dollar operations. He has served on the Board of Directors of 5 different companies. In 1982, he started one of the first software production companies in the United States. He built it from a one man company operating out of his home into a \$5 million company operating in a 50,000 square foot building, all without the benefit of any outside capital. After spending more than 20 years in the software business, he became general manager for a movie theater company, where he gained additional experience dealing with the general public and the entertainment industry. He also gained experience in event management.

During his career, he has had complete P&L responsibility, handled payroll, human resources, accounting, public relations, sales & marketing, training, hiring & firing and purchasing. He has interacted with corporate executives and the general public. He has created advertising campaigns, developed corporate brochures, written ad copy and worked trade shows. He excels at public relations, sales, and all types of public interaction. He is computer literate and has used many types of software including Microsoft Office (Word, Excel, Outlook,); Adobe

Photoshop, Illustrator, Acrobat and PageMaker; Intuit's QuickBooks Pro; ACT contact software, and many others. Multi-tasking is his norm.

Some of the jobs he has held include: Director of Sales (Camping Ranches of Illinois), Director of Operations (Automated Simulations, Inc.), President (Mossland Technology), C.E.O. (CERMOSS, INC.), and General Manager (Platinum Theatres, Inc.). He served on the Board of Directors for all of these except Platinum Theatres, plus Paperback Software Inc.. He was **named to Who's Who (West Coast Business Executives), inducted into the NCC Athletic Hall of Fame** (inaugural class), was class representative in the Alumni fund drive for his college, and is a past member of the Software Manufacturers Association, the Jaycees (where he served as a Director), TEC (The Executive Committee), the Gilroy Chamber of Commerce, the Morgan Hill Chamber of Commerce, and the Galveston Chamber of Commerce.

He studied pre-law at North Central College, and graduated from there with a triple major in Business Administration, Political Science, and Education. He was a two time All-American, and a National Champion. He was active in 10 different organizations and committees, including serving as an officer, chairman, team captain, or board member 20 times. He accomplished all this while maintaining a 3.0 grade average. In addition to All-American **honors, he was given many other honors and awards, including selection to Who's Who** (Outstanding College Athletes of America), North Central College Athlete of the Year, and 4 times named college wrestler of the year.

Dean Sims, MAR, LCDC, will serve as clinical director. He holds Texas Department of State Health Services License #13687. All certifications required by DSHS are current. Mr. Sims has been working in the health services field since 2011. He has a Master of Arts in Religion with a Concentration in Spirituality from the University of Dubuque Theological Seminary in Iowa and a Bachelor of Arts from the University of Texas at Austin. He completed his Licensed Chemical Dependency Counseling Certificate at Lone Star College -Montgomery in 2014. He has also completed numerous training programs in human services and behavioral health, including at NVC Academy (Non violent communication), Fort Bend County Dispute Resolution Center, and A.A. White Dispute Resolution Institute. He has worked at the Cheyenne Center DSHS Intensive Residential Treatment Program in Houston, Texas and at Pathway to Recovery Intensive Residential Treatment Program in La Marque, Texas with Court Ordered, DSHS-funded, Self-Pay, and Insurance clients. He has also worked as a residential supervisor for Northeast Texas Treatment Center. He understands the gamut of clients and their differing needs.

He has extensive experience not only in human services / behavioral health, but also in marketing and business. He served as Marketing Coordinator at Skillings Connolly, Inc. for 5 years, and Lead Generation Manager at HCSS for 7 years. He also was a teacher and coach at Harlingen High School.

Other staff members that will fill the roles of executive assistant, recovery coach, receptionist, and bookkeeper include Tisha Burchfield and Alexis Alegria.

We will not be fully staffing the facility until after we get funding and gain sufficient clients. When fully staffed, we will have the following positions: CEO/Executive Director, on-call Physician, Clinical Director, a minister, 1 Registered Nurse, 2 LPN, 4 Certified addiction drug & alcohol counselors, 2 Residential supervisors/recovery coaches, 1 nutritionist/Dietician, 1 Biofeedback technician, 1 executive assistant, 1 cook, 1 receptionist/bookkeeper, 1 Human Resource director, 1 public relations specialist, 1 massage therapist, numerous part time staff/teachers/trainers, and 1 housekeeper.

Client to staff Ratio

We will have the best client to staff ratio of any facility in Texas. Our core 30 day intensive program has 1 LCDC for every 4 clients. When you include a full-time nurse, on call physician, recovery coaches, cook, CEO, executive assistant, trainers for Tai Chi / Qigong and other activities, you maintain an even higher ratio in the 60 day supportive stage of the program. In fact, at the mid-point of year 2, when you have 19 resident clients, the ratio of staff to clients is better than 1:2, with 9 full time staff, plus an on-call physician, and several part-time trainers.

Most facilities offer 1:5 at best, and brag about that.

MARKET ANALYSIS

Size & Scope of the market

The sheer size of the market will contribute to our success. In 2001, nearly 6 million people in the United States made the decision to enter rehab. Just under 20 million Americans struggled with a substance use disorder from alcohol or illicit drugs in 2017. Over 780,000 people in Houston had a substance abuse problem in 2008, according to the Houston/Harris County Office of Drug Policy. More than 49,000 people received treatment for substance use disorders in Texas in 2017, including more than 11,500 for alcohol use, 10,700 for methamphetamines, and 11,200 for heroin or prescription opioids. In Texas alone, the cost associated with drug and alcohol abuse was \$26 billion in 2004 and 37% of the state's budget was spent on addressing alcohol and drug abuse related problems.

Amy Granberry, CEO of Charlie's Place Recovery Center in Corpus Christi, which serves mostly people in south Texas, said that at her facility the wait for one of the 60 beds set aside for people receiving state funding is generally between six to eight weeks, sometimes stretching up to 12.

The Industry

Serenity Isle of Galveston will be operating in an established and growing industry. Competitors are other intensive residential treatment centers. Serenity Isle of Galveston is located in a nice neighborhood, with well-maintained facilities and amenities at a fraction of the cost of equivalent accommodations of other facilities and NO OTHER PROGRAM OFFERS ONE HOUR OF INDIVIDUAL COUNSELING DAILY. Serenity Isle of Galveston also has considerably more internal marketing resources than the average competitor.

Competition

There are a number of intensive residential treatment centers in the Greater Houston Area. Facilities include:

- Memorial Hermann Prevention and Recovery Center (The PaRC)
- The Right Step
- Great Oaks Recovery
- Kemah Palms
- Serenity Light Recovery
- Bay Area Recovery
- La Hacienda

Serenity Isle of Galveston has the unique benefit of offering INDIVIDUALIZED instructional materials based on the client's needs and ONE HOUR OF INDIVIDUAL COUNSELING DAILY it is also a 12-Step Alternative!

Competitive Comparison

Why would individuals choose Serenity Isle of Galveston?

Several competitive advantages, including:

- LCDC Onsite Retreat Guide
- 1-Hour DAILY individual session with LCDC
- 12-Step Alternative
- Single Room Accommodations
- FREE Tablet loaded with all materials
- Nutritious Home Cooked Daily Meals to support neurological healing
- Vipassana Meditation Training - and daily sittings
- Access Breathwork Sessions weekly
- Float Tent
- Qigong / Tai Chi Instruction and Exercise daily
- Cranial Electrotherapy Stimulation Device provided for Anxiety, Depression, Insomnia, and Stress
- Access to sessions with trauma therapist
- TIME to read individualized assignments, take and review courses and view materials by leading authorities on: Emotions - Karla McLaren, Spirituality - Anthony de Mello, Development - Daniel Siegel, Trauma -Peter Levine, Brain & Addiction - Gabor Maté & Michael Dowd, Inner Bonding - Margaret Paul
- TIME to Identify Core Recovery Issues AND process experiences at an integrative *emotional / spiritual level*
- Aftercare Follow-up Services included
- Family Seminar included

- Accountability & Commitment Group for graduates to join for continued community support
- Multiple Treatment Modalities to fit the individual
- First Class facility in Nice Neighborhood *at a fraction of the cost*
- Financing through Third Party Lenders: www.prosperhealthcare.com and mytreatmentlender.com

Pricing

At a rate of \$300 per day, which is \$9,000 for the 30 day intensive program; and \$200 per day for the 60 day supportive residential treatment; our pricing comes to \$21,000 for a 90 day program, which we will discount to \$19,500 with prepaid commitment to the entire 90 day program. We will also offer Individual Aftercare Counseling Sessions at \$125 / hour. While individual clients can choose to do any of the programs individually, the plan is based on everyone choosing the full 90 program plus ongoing after-care.

SERENITY ISLE OF GALVESTON will be the most affordable program of its kind in the United States today.

Our pricing structure is such that 30 days of intensive residential treatment at our facility is likely LESS THAN the deductible / co-pay / out-of-pocket expense that would be incurred in many of our **competitor's** facilities which could not even begin to give the client the INDIVIDUAL attention and direction that they will receive in a PRIVATE ROOM with a 12-Step Alternative Program offering multiple treatment modalities which simply are not available ANYWHERE ELSE!

Our unique treatment program

Our unique treatment program is a primary reason people would choose us and a primary reason we will be successful.

We provide a comprehensive program that helps individuals get their lives back on the road to health and happiness. Our team of experienced and highly qualified substance abuse experts and clinicians understand that each client's path to recovery is unique. We will tailor an integrated recovery plan to simultaneously address not just an individual's immediate addictions, but any underlying co-occurring behavioral issues as well. We have designed a comprehensive substance abuse treatment program using evidence-based treatment models that focus on treating and rehabilitating the mind, body and spirit.

Our goal is to create an integrated holistic approach that is extensive and life-changing. We strive to give each individual client the best opportunities for long-term recovery and a sober, healthy life by working at both the emotional level to uncover the core issues causing the addiction, and also at the practical level to create coping skills and a clear life plan. Our commitment to excellence is evidenced by our treatment program, which is unique in the field. Our clinical director, through hands on experience, has created a program which he has found to be very effective. He works together with the patient to develop an individualized treatment plan that helps the patient achieve their goals. Additionally, therapeutic processes integrated into a holistic approach for a personalized recovery treatment program include physical fitness, yoga, Tai Chi / Qigong, nutrition, music, art, and cooking therapies, and other activities. The facility offers a faith-based track, which incorporates Christian-based principles and Bible study sessions into overall programming.

SERENITY ISLE OF GALVESTON will support individual clients by providing an intensive-level Recovery Retreat which will engage guests in the *re-imagining recovery process* directed by a full time Licensed Chemical Dependency Counselor.

What will this process of *Re-Imagining Recovery* look like? Mr. Sims has developed and refined this approach over the past five years while researching and working directly with clients. Its purpose is to assist people with substance abuse and other addictive behaviors "re-imagine" their entire life. It is a holistic model that addresses life-span development from a spiritual perspective. Unlike 12-Step programs and methods, we do not believe that a person should be relegated to the status of "alcoholic" or "addict" for life.

Similar to SMART Recovery's cognitive behavioral approach in many respects, except with an overtly spiritual focus, we believe the individual has the ability to make choices for themselves and dispute irrational thoughts and beliefs.

Given that "re-frame," we believe that such a world-view will appeal to a sizable portion of the population – especially to persons who have had an issue with 12-Step approaches. **Our focus will be to provide affordable residential services to persons with addiction disorders.** Guests will be empowered to re-imagine their lives using our psycho-spiritual education and holistic living training.

The intensive program will consist of a 30-day retreat. There will be one guide for every four people. Guests will meet with their guide for one hour each day to discuss the previous day's homework and be given an assignment for the following day. Reading materials will be limited to homework assignments. Individuals will be in private rooms with shared bathroom facilities. Simple meals will be provided that emphasize good nutrition. The focus for the guest is doing the "self" work and imagining the life they want for themselves outside of their addiction. Instilling a sense of hope by helping the guest create a vision for themselves is the key to success.

The supportive treatment will include a continuation of the intensive program through a one hour individual session once a week plus introduction of a group meeting once a day (M-F) for 1.5 hours. Group therapy reinforces the notion that patients are not alone in their addiction. Group sessions allow patients to discover forgiveness of others - as well as themselves. The group meetings will focus on bonding, relationship-building strategies, coping skills, and directly influence the change of negative behaviors into positive outcomes. In addition, the facility offers a faith-based track, which incorporates Christian-based principles and Bible study sessions into overall programming. At this time, if the client has not already gotten involved with them, clients are encouraged to participate in available activities including physical fitness, yoga, Tai Chi / Qigong, nutrition, music, art, and cooking therapies. Emotional Integration Training is a key part of our supportive program and is designed to **teach clients how to manage their emotions in a skillful way. Everyone's last relapse was emotional, and everyone's next relapse will be emotional.** Having an emotional self-awareness is a key to long-term recovery. The process emphasizes getting the client out of their head and into their body. This method is an effective somatic approach to addressing trauma. ACES (Adverse Childhood Experiences) have a dose response effect and predict substance use disorder in later life. Emotional Integration Training gives the client the tools to address the **cause of their addiction rather than just treat the effects of "I don't want to drink or use today".**

By addressing their Core Recovery Issues and the associated emotions at a somatic level they **are able to get off the treadmill of trying to stay sober “just for today” and focus instead on what will “touches, moves, and inspires”.** What is their passion? What vision do they have for themselves? Emotional Integration Training **effectively teaches the client to “unwind” their** experience and re-parent themselves. This is a viable method that becomes a resource for lasting change.

Mindfulness Based Relapse Prevention (MBRP) is another key part of our supportive program. The intention of the program is to offer practices cultivating mindful awareness to individuals suffering from the addictive trappings and tendencies of the mind. MBRP practices are intended to foster increased awareness of triggers, destructive habitual patterns, and **“automatic” reactions that seem to control many of our lives. The mindfulness practices in** MBRP are designed to help us pause, observe present experience, and bring awareness to the range of choices before each of us in every moment. We learn to respond in ways that serve us, rather than react in ways that are detrimental to our health and happiness. Ultimately, we are working towards freedom from deeply ingrained and often catastrophic habits.

Similar to Mindfulness-Based Cognitive Therapy for depression, MBRP is designed as an aftercare program integrating mindfulness practices and principles with cognitive-behavioral relapse prevention skills. MBRP is best suited to individuals who have undergone initial treatment and wish to maintain their treatment gains and develop a lifestyle that supports their well-being and recovery.

After graduating, the guests are invited to become a member of our online community for life-time support. Unlike going to 12-Step meetings to talk **about addiction and “not using,” this** will be a weekly online Accountability & Commitment Group (A/C Group) where the members share with each other how they are doing in implementing the life they envisioned during the retreat. The common material covered over the 30 days plus the group meetings in the subsequent 60 days will give the members a natural bond. A standard set of questions will be addressed each week and members can give and receive feedback and encouragement from their experience. The material will include what they did the previous week, how they engaged their spiritual lives, and what they experienced. Then goals will be set for the coming week. We believe having accountability to the group and the commitment required to maintain their vision will prove to be invaluable for members.

Understanding the impact that addiction can have on the family unit, services to family members will also be provided at this facility with a one day Saturday workshop as well as self-study curriculum for family members. The content of the retreat and the methodology would be of value to anyone, not just persons in addiction.

Our services are easily scalable with only a limited full time staff being required to operate efficiently. An executive administrator will run day to day operations, take enrollments, and answer questions. Marketing will be outsourced on a per project basis to freelance marketers known to Mr. Sims from his 10 years in marketing. As we add additional clients we will scale up the staff. This will include a cook/housekeeper, a registered nurse, an on-call doctor, additional licensed chemical dependency counselors, and recovery coaches.

There are numerous methods and programs to treat substance abuse and addictive behaviors. One size doesn't fit all. By offering a unique and affordable alternative that includes cognitive behavioral therapy and choice theory with a spiritual foundation we will provide an opportunity for people with addictive behaviors to truly re-imagine their lives. The ripple effect to the family and the community at large can be transformative.

The cost of addiction on families can be devastating in its own right, both financially and emotionally. We don't believe that profiting from people who are in the place of greatest need in their lives is ethical or moral.

Expressive Therapies

When it comes to healing from addiction, artistic therapies allow patients to express themselves in a unique manner. We offer expressive options for clients including art, cooking, music, nutrition physical fitness, yoga, and Tai Chi / Qigong sessions. Another form of expressive therapy that we offer is through the use of a float tent. This is like a sensory deprivation tank. These outlets help clients learn how to manage their behaviors and feelings, reduce stress, and improve self-esteem and awareness.

Adventure Therapy

Utilizing various techniques, our adventure therapy program incorporates problem-solving initiatives, trust-building activities, as well as team and individual-oriented development.

Biofeedback & Neuro-feedback Therapy, and Cranial Electrotherapy Stimulation

Biofeedback is a form of therapy helping recovering addicts gain control over their mind and body during treatment. **During biofeedback, electronic sensors are placed on the patient's skin.** These sensors are wired to a special medical device that gives medical professionals "feedback" on the patient's "bio" signs.

Cranial Electrotherapy Stimulation is like electronic meditation. It provides a slight energy boost to the central nervous system, which helps the brain do its many jobs a little better. It has been approved by the Food & Drug Administration to treat anxiety, insomnia, and depression. It helps you process pain and your feelings at an unconscious level.

Access Breathwork Sessions

Emotional healing through access breathwork. The experience evolves on a platform of specially choreographed music to support your breathing which is designed to launch you on a psycho-spiritual journey of inspiration exploration and integration. You will learn a circular as well as a stacked breathing technique that will change your physiology and put you in an altered state very quickly.

Offering this broad a range of therapies puts us on a competitive basis with the most expensive resident programs in the country and levels above most of the locally available programs.

THE MARKET PLAN

The plan is to engage in relationship marketing as well as traditional advertising to create brand awareness, referrals, and direct inquiries. **Internet Marketing & search engine optimization** will be very important tools in this regard. Direct mail and word of mouth referrals will be the other primary marketing sources.

Website: A good website is critical. In many cases, it will be the first contact people have with Serenity Isle of Galveston. Among other things, it should highlight the treatment approach, staffing levels, costs and funding options, and contain photographs of the grounds and private bedrooms. Google AdWords will be critical in setting up the website and related promotional activities. The services of an experienced design company like AriPro Designs will be needed.

Internet marketing will include advertising on the treatment center/recovery websites (the Fix, rehabs.com and rehabreviews.com are examples). They will do a profile of the facility/program for a relatively small fee. The other marketing is with My Treatment Lender. Once you become one of their approved facilities they will list you. This is a big deal.

Direct Mail: Mail letters and brochures to Licensed Professional Counselors (LPC's) and Counseling Associations, state placement agencies and other **agencies** such as the **Outreach, Screening, Assessment, and Referral (OSAR) Centers** funded by the Texas Department of Health and Human Services. At the OSAR Centers (there are 14 facilities in the 11 regional centers in TX), licensed counselors provide *free* screenings and referrals to detox services, in-patient and outpatient treatment facilities, and other recovery options for anyone struggling with alcoholism, drug abuse, other addictions, or co-occurring mental health disorders. Other candidates for direct mail would be county judges, district attorneys, Child Protective Services, County Probation Departments, County Parole departments, Employee Assistance Programs, Unions, and other agencies or people that refer clients to rehab facilities. These letters and brochures will be followed up with phone calls and/or direct personal contact. Employee **Assistance Programs often don't want to use insurance to pay** for rehab because it follows you around for life. For example, there is a question on the License to Carry a handgun application about drug treatment. Then for other insurance and just something no one really wants on their record. I understand the EAPs want specific amenities (the private room is a big one – food quality is another and then location – near the beach should satisfy them) and treatment options (ours should suffice). They pay a flat negotiated rate for their employees. All the refineries in Texas City and up and down the coast would be potential customers. Clients from the plants are always waiting long enough to pass a hair follicle test to get back in. Any of the Unions might be potential customers as well if they provide members with assistance for substance abuse treatment. Alcohol would likely be the primary push here, as drugs are so frowned on.

Referrals

Market through past clients of Mr. Sims: Mr. Sims has an impeccable reputation and his former clients attest to that. When they find out he is implementing his program full time, they will be a good source for referrals.

Printed Materials: Flyers & business cards will need to be designed and printed to hand out to interested parties. Continuity is vital. All advertising materials (flyers, business cards, letterhead, web site, etc.) should contain a picture of the building exterior, the name Serenity Isle of Galveston, the street address, phone number, email address, and web address.

Miscellaneous: Send out press releases to Houston area newspapers, radio stations, cable TV stations, colleges, and local magazines. Include a photo of the building exterior and grounds.

FEASIBILITY

Currently there is a waiting list of people attempting to get treatment at most residence facilities. There are literally millions of people who enter rehab facilities annually.

Our plan is based on adding 1 new client per week beginning with month 5 in year 1. In year 2 we look to add 6 clients per month, 8 per month in year three, 10 per month in year four, and 12 per month in year five. That is only 32 clients in year one, 78 new clients in year two, 104 new clients in year three, 130 new clients in year 4, and 156 new clients in year five. When you consider the millions of people annually who enter treatment facilities, these are indeed minuscule numbers. Profitability will be achieved with the first 4 fully paid clients and increases with each additional client. Additional staffing and other expenses are only added as actual client numbers warrant.

If we treat the entire \$2.5 million start-up cost as a loan at 8% annual interest, then first year operating costs would be about \$700,000 and profitability would be achieved in month 5. Year two pre-tax profits are projected at \$500,000; year three at \$750,000; year four at almost \$1.2 million and year five at \$1.5 million. The full \$2.5 million could be repaid out of cash flow at the end of year four. The property value alone, once improvements are completed, would be at least 80% of the investment, and could well equal the entire investment. An additional option would be to sell the company for a significant profit at the end of year five.

In a worst case scenario, if years 3-5 only continue at the year 2 projections, cash flow at the end of year 5 would give us a cash balance of \$2.5 million dollars which could be used to repay the initial investment. Alternatively, a mortgage could be obtained and the repayment could come out of a combination of cash on hand and mortgage proceeds.

The best scenario would be to use the \$400,000 equity investment plus SBA loan model. Operational expenses in year one are reduced by about \$100,000 profitability is up \$100,000 and cash flow is increased as well. In years two through five, profitability is up \$90,000 to \$100,000 per year, operational expenses are lower, and cash on hand at the end of year five is increased by \$1,800,000. Please see charts in appendix.

USE OF FUNDS

DESCRIPTION		
Purchase Stewart Road Building & land	\$ 800,000	
Improvements to building & landscaping	\$ 1,150,000	
Plumbing, electrical, painting, upstairs build-out, fire alarm and sprinkler system, central air & heat, commercial kitchen, instant hot water heaters, landscaping, fencing, paving, lighting, and parking lot.		
Equipment & Furnishings	\$ 150,000	
Initial Operating Expenses	\$ 200,000	
Cash Reserves	\$ 200,000	
TOTAL EXPENDITURE		\$2,500,000

The lower level of the building will only be available for storage. The upstairs is basically a shell, and will need substantial build-out to create the bedrooms, bathrooms, kitchen, dining area and meeting rooms.

Furnishings and equipment will need to be purchased. This will include beds & bedding, dressers, televisions, dining tables & chairs, refrigerator, freezer, stove, microwave, dishwasher, biofeedback machine, computers, washers and dryers, automobiles, etc.

Minor improvements and alterations will also need to be made, including setting all doors to key card access.

The balance of the funds (about \$400,000) would be kept on hand and used to pay operating expenses until such time as the cash flow becomes self sustaining (expected to occur in month #1 of actual operation). About \$200,000 will be needed to supplement initial operating expenses until we are fully operational.

Equipment breakdown

ITEM	QUANTITY	UNIT COST	TOTAL COST
MATRESS & box springs	39	\$300	\$11,700
Bed frame	39	\$200	7,800
Dresser	39	\$300	11,700
Bed linens	78	\$60	4,680
television	3	500	\$1,500
Lobby furniture	1	2,500	2,500
8' folding tables	6	\$65	\$390
4' Dining tables	6	\$175	\$1,020
chairs	80	\$25	\$2,000
Kitchen appliances	1	32,000	32,000
Computer tablets	40	200	8000
Staff computers	8	800	6400
Towel sets	80	10	800
Neurofeedback equipment	1	5,800	5,800
Washer & dryer	2	1,500	3,000
Pots, pans, cooking utensils	1	2,500	2,500
Dishes & flatware	50	50	2,500
Central air & heating units			\$12,000
Automobile down payment	1	\$2,500	\$2,500
Smoke & carbon monoxide detectors	50	\$30	\$1,500
commercial Tankless Hot water heaters 199,000 BTU	6	\$1700	\$10,200
Misc			16,000
TOTAL			\$146,200

FINANCIAL PLAN

REVENUE MODEL

Clients pay in advance for each segment (Detox, Intensive care, Supportive care).

FINANCIAL HIGHLIGHTS

KEY ASSUMPTIONS

Our plan is based on adding 1 new client per week in year 1 beginning with month 4. In year 2 we look to add 6 clients per month, 8 per month in year three, 10 per month in year four, and 12 per month in year five. That is only 32 clients in year one, 78 new clients in year two, 104 new clients in year three, 130 new clients in year 4, and 156 new clients in year five.

Marketing & publicity will be required to acquaint the market with our existence, and then time will be needed to turn interest into occupancy. Clients pay in advance.

TOPLINE PROJECTIONS

Five year financial projections show an overwhelmingly profitable outlook.

- Year 1 is expected to show a profit starting in month 5.
- Year 2 a \$30,000 per month profit.
- Year 3 net profit of \$50,000 per month.
- Year 4 net profit of \$75,000 per month.
- Year 5 net profit of \$100,000 per month.

Five year cash flow projections are similarly positive.

- Year 1 shows a positive cash flow with a cash balance of \$400,000.
- Year 2 shows a positive cash flow of \$500,000, with a cash balance of \$900,000.
- Year 3 shows positive cash flow of \$700,000, with a cash balance of \$1.6 million.
- Year 4 shows positive cash flow of \$1million, with a cash balance of \$2.6 million.
- Year 5 shows positive cash flow of \$3.3 million before debt repayment, with a cash balance of \$1.8 million after debt repayment.

REPAYMENT STRATEGY

Repayment of the loans will be made at the end of year 5 and can come from cash flow or be supplemented by a mortgage loan from a bank or other financial institution. The opportunity to sell the company at the end of 5 years is also an option.

BUSINESS MILESTONES

- Finding the proper locations (already done)
- Purchasing the building (signed purchase option in place)
- Building out the improvements
- Hiring & training the staff (partially done)
- First profitable month
- First 15 patients

APPENDIX

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The following tables illustrate the financial goals and projected performance of Serenity Isle of Galveston, LLC during the first 5 years. As with any long-range projection, accuracy is based on reasonable estimates. The Company believes the following numbers are attainable and reasonable. However, actual results will vary.

I have presented profit and loss and cash flow charts for two different funding scenarios. The first is with a \$2.5 million loan at 8% and the second, a \$400,000 equity investment plus an SBA loan for \$2.5 million. The second provides a better rate of return for the investors, and a sounder financial footing for the company.

PRO FORMA PROFIT & LOSS YEAR 1

	Pro Forma Profit and Loss												
	Year 1			Based on 1 new client per week/ 4 per month beginning in month 5									
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YEAR
INCOME	\$0	\$0	\$0	\$0	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$676,000
Expenses													
Salaries	\$14,500	\$14,500	\$19,500	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$271,817
Payroll Expenses	\$1,109	\$1,109	\$1,492	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$20,794
medical exp	\$0	\$0	\$0	\$0	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$6,400
Utilities	\$500	\$500	\$500	\$500	\$600	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$7,850
phone & internet	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Food	\$0	\$0	\$0	\$0	\$2,600	\$4,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$38,000
City Services	\$100	\$100	\$100	\$200	\$375	\$500	\$650	\$650	\$650	\$650	\$650	\$650	\$5,275
Auto expense	\$0	\$0	\$0	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$4,500
maintenance	\$0	\$0	\$0	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$4,500
Miscellaneous	\$0	\$0	\$0	\$500	\$750	\$1,000	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$9,750
Marketing	\$2,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$13,000
Property Tax	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$35,700
Insurance	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$33,000
Interest Exp	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$200,004
7 year													
Depreciation	\$0	\$0	\$0	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$16,074
40 year													
Depreciation	\$0	\$0	\$0	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$36,563
Operating													
Expenses	\$40,651	\$39,651	\$45,034	\$58,202	\$62,127	\$64,252	\$66,152	\$66,152	\$66,152	\$66,152	\$66,152	\$66,152	\$706,827
Profit Before	-\$40,651	-\$39,651	-\$45,034	-\$58,202	\$22,373	\$20,248	\$18,348	\$18,348	\$18,348	\$18,348	\$18,348	\$18,348	-\$30,827
Taxes													
Estimated State	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Estimated													
Federal Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
NET PROFIT	-\$40,651	-\$39,651	-\$45,034	-\$58,202	\$22,373	\$20,248	\$18,348	\$18,348	\$18,348	\$18,348	\$18,348	\$18,348	-\$30,827

PRO FORMA PROFIT & LOSS YEAR 2

	Pro Forma Profit and Loss												
	Year 1			Year 2			Based on 1.5 new clients per week/ 6 per month						
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YEAR
INCOME	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$1,521,000
Expenses													
Salaries:	\$30,500	\$30,500	\$32,000	\$37,833	\$37,833	\$37,833	\$37,833	\$37,833	\$37,833	\$37,833	\$37,833	\$37,833	\$433,497
Payroll Expenses	\$2,333	\$2,333	\$2,448	\$2,894	\$2,894	\$2,894	\$2,894	\$2,894	\$2,894	\$2,894	\$2,894	\$2,894	\$33,163
medical exp	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$14,400
Utilities	\$600	\$600	\$600	\$650	\$650	\$700	\$750	\$750	\$750	\$750	\$750	\$750	\$8,400
Telephone & Internet	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Food	\$5,600	\$5,600	\$6,000	\$6,000	\$7,200	\$7,200	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$85,600
City Services	\$650	\$650	\$650	\$750	\$850	\$950	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$10,800
Auto expense	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
maintenance	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Miscellaneous	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$15,000
Marketing	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Property Tax	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$35,700
Insurance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Interest Expense	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$200,004
7 year													
Depreciation	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$21,432
40 year													
Depreciation	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$48,756
Operating													
Expenses	\$73,424	\$73,424	\$75,439	\$81,868	\$83,218	\$83,368	\$84,268	\$84,268	\$84,268	\$84,268	\$84,268	\$84,268	\$976,352
Profit Before													
Taxes	\$53,326	\$53,326	\$51,311	\$44,882	\$43,532	\$43,382	\$42,482	\$42,482	\$42,482	\$42,482	\$42,482	\$42,482	\$544,646
Estimated State													
Taxes	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$5,038
Estimated													
Federal Taxes	\$9,531	\$9,531	\$9,531	\$9,531	\$9,531	\$9,531	\$9,531	\$9,531	\$9,531	\$9,531	\$9,531	\$9,531	\$114,376
NET PROFIT	\$43,375	\$43,374	\$41,360	\$34,930	\$33,580	\$33,430	\$32,530	\$32,530	\$32,530	\$32,530	\$32,530	\$32,530	\$425,238

PRO FORMA PROFIT & LOSS YEAR 3

	Pro Forma Profit and Loss												YEAR	
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12		
INCOME	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$2,028,000
Expenses														
Salaries	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$594,000
Payroll Expenses	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$45,441
medical exp	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$19,200
Utilities	\$750	\$750	\$750	\$600	\$600	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$8,700
Telephone & Internet	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Food	\$8,400	\$9,600	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$122,000
City Services	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$12,600
Auto expense	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
maintenance	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Miscellaneous	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$15,000
Marketing	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Property Tax	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$35,700
Insurance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Interest Expense	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$16,667	\$200,004
7 year Depreciation	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$21,432
40 year Depreciation	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$48,756
Operating Expenses	\$97,628	\$98,628	\$99,628	\$99,478	\$99,478	\$99,628	\$99,628	\$99,628	\$99,628	\$99,628	\$99,628	\$99,628	\$99,628	\$1,192,433
Profit Before Taxes	\$71,372	\$70,172	\$69,372	\$69,522	\$69,522	\$69,372	\$69,372	\$69,372	\$69,372	\$69,372	\$69,372	\$69,372	\$69,372	\$835,567
Estimated State taxes	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$6,714
Federal Taxes	\$14,622	\$14,622	\$14,622	\$14,622	\$14,622	\$14,622	\$14,622	\$14,622	\$14,622	\$14,622	\$14,622	\$14,622	\$14,622	\$175,469
NET PROFIT	\$56,190	\$54,991	\$54,191	\$54,341	\$54,341	\$54,191	\$54,191	\$54,191	\$54,191	\$54,191	\$54,191	\$54,191	\$54,191	\$653,385

PRO FORMA PROFIT & LOSS YEAR 4

	Pro Forma Profit and Loss												Year 4	Based on 2.5 new clients per week/ 10 per month	
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12			YEAR
INCOME	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$211,250	\$2,535,000
Expenses															
Salaries	\$49,500	\$58,833	\$58,833	\$58,833	\$58,833	\$58,833	\$58,833	\$58,833	\$58,833	\$58,833	\$58,833	\$58,833	\$58,833	\$58,833	\$696,663
Payroll Expenses	\$3,787	\$4,501	\$4,501	\$4,501	\$4,501	\$4,501	\$4,501	\$4,501	\$4,501	\$4,501	\$4,501	\$4,501	\$4,501	\$4,501	\$53,295
Medical exp	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$24,000
Utilities	\$900	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$11,900
Telephone & Internet	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Food	\$10,400	\$11,200	\$12,400	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$151,000
City Services	\$1,050	\$1,100	\$1,150	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$14,100
Auto expense	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Maintenance	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Miscellaneous	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Marketing	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$19,200
Property Tax	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$35,700
Insurance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Interest Expense 7 year	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$160,000
Depreciation 40 year	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$21,432
Depreciation Operating	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$48,756
Expenses Profit Before Taxes	\$97,694	\$108,691	\$109,941	\$110,591	\$110,591	\$110,591	\$110,591	\$110,591	\$110,591	\$110,591	\$110,591	\$110,591	\$110,591	\$110,591	\$1,311,646
Estimated State taxes	\$113,556	\$102,559	\$101,309	\$100,659	\$100,659	\$100,659	\$100,659	\$100,659	\$100,659	\$100,659	\$100,659	\$100,659	\$100,659	\$100,659	\$1,223,354
Estimated Federal Taxes	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$699	\$8,391
NET PROFIT	\$21,448	\$21,409	\$21,409	\$21,409	\$21,409	\$21,409	\$21,409	\$21,409	\$21,409	\$21,409	\$21,409	\$21,409	\$21,409	\$21,409	\$256,904
	\$80,451	\$79,201	\$79,201	\$78,551	\$78,551	\$78,551	\$78,551	\$78,551	\$78,551	\$78,551	\$78,551	\$78,551	\$78,551	\$78,551	\$958,059

PRO FORMA PROFIT & LOSS YEAR 5

	Pro Forma Profit and Loss												
	Year 5			Based on 3 new clients per week/ 12 per month									
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YEAR
INCOME	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$3,042,000
Expenses													
Salaries	\$65,792	\$65,792	\$65,792	\$65,792	\$65,792	\$65,792	\$65,792	\$65,792	\$65,792	\$65,792	\$65,792	\$65,792	\$789,504
Payroll Expenses	\$5,033	\$5,033	\$5,033	\$5,033	\$5,033	\$5,033	\$5,033	\$5,033	\$5,033	\$5,033	\$5,033	\$5,033	\$60,397
Medical exp	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$28,800
Utilities	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$14,400
Telephone & Internet	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Food	\$13,000	\$15,000	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$184,000
City Services	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Auto expense	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Maintenance	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Miscellaneous	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Marketing	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$21,600
Property Tax	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$35,700
Insurance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Interest Expense 7 year	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$13,333	\$160,000
Depreciation 40 year	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$21,432
Depreciation	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$48,756
Operating Expenses	\$119,182	\$121,182	\$121,782	\$121,782	\$121,782	\$121,782	\$121,782	\$121,782	\$121,782	\$121,782	\$121,782	\$121,782	\$1,458,189
Profit Before Taxes	\$134,318	\$132,318	\$131,718	\$131,718	\$131,718	\$131,718	\$131,718	\$131,718	\$131,718	\$131,718	\$131,718	\$131,718	\$1,583,811
Estimated State taxes	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$10,069
Federal Taxes	\$27,717	\$27,717	\$27,717	\$27,717	\$27,717	\$27,717	\$27,717	\$27,717	\$27,717	\$27,717	\$27,717	\$27,717	\$332,600
NET PROFIT	\$105,762	\$103,762	\$103,162	\$103,162	\$103,162	\$103,162	\$103,162	\$103,162	\$103,162	\$103,162	\$103,162	\$103,162	\$1,241,142

PRO FORMA CASH FLOW YEAR 1

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Start-up Funding	\$2,500,000											
Current Sales	\$0	\$0	\$0	\$0	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500
Total Cash Received	\$2,500,000	\$0	\$0	\$0	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500
EXPENDITURES												
Operational Expenses less amortization	\$40,651	\$39,651	\$45,034	\$52,359	\$56,278	\$58,403	\$60,303	\$60,303	\$60,303	\$60,303	\$60,303	\$60,303
Building & land purchase	\$900,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Improvements	\$350,000	\$350,000	\$350,000	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase equip & furnishing	\$0	\$75,000	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal repayment												
state franchiseTAXES INCUR	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fed Income Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL CASH SPENT	\$1,190,651	\$464,651	\$470,034	\$152,359	\$56,278	\$58,403	\$60,303	\$60,303	\$60,303	\$60,303	\$60,303	\$60,303
CASH BALANCE	\$1,309,349	\$844,698	\$374,664	\$222,311	\$750,533	\$276,690	\$300,837	\$325,024	\$349,221	\$373,418	\$397,615	\$421,812

Not knowing what month will be month 1, I have left property tax as coming out every month. In reality it will accrue and come out in a lump sum in February. That will actually help early cash flow.
 In addition, total first year property tax is likely overstated as it is based on a property valuation of purchase price plus total money spent on building and land improvements.

PRO FORMA CASH FLOW YEARS 1-5

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Pro Forma Cash Flow with 8% loan model					
Start-up Funding	\$2,500,000.00				
Current Sales	\$676,000.00	\$1,521,000	\$2,028,000	\$2,535,000	\$3,042,000
Total Cash Received	\$3,176,000.00	\$1,521,000	\$2,028,000	\$2,535,000	\$3,042,000
EXPENDITURES					
Operational Expenses less amortization	\$654,190.00	\$906,164	\$1,122,245	\$1,241,459	\$1,368,001
Building & land purchase	\$800,000.00	\$0	\$0	\$0	\$0
Building Improvements	\$1,150,000.00	\$0	\$0	\$0	\$0
Purchase equip & furnishings	\$150,000.00	\$0	\$0	\$0	\$0
Principal repayment	\$0.00	\$0	\$0	\$0	\$2,500,000
state franchise TAXES INCURRED & PAID	\$0.00	\$5,035	\$6,713	\$8,391	\$10,069
Federal Income Tax	\$0.00	\$114,376	\$175,469	\$256,904	\$332,600
TOTAL CASH SPENT	\$2,794,190.00	\$1,025,575.00	\$1,304,427.00	\$1,506,753.00	\$3,898,070
CASH BALANCE	\$421,810.00	\$917,235.00	\$1,640,808.00	\$2,669,055.00	\$1,812,985.00

VALUATION

Multiple of year 5 EARNINGS (\$1,500,000)

Multiple	50% earnings achieved	80% earnings achieved	100% earnings achieved	150% earnings achieved
5	3,750,000	6,000,000	7,500,000	11,250,000
10	7,500,000	12,000,000	15,000,000	22,500,000
15	11,250,000	18,000,000	22,500,000	33,750,000
20	15,000,000	24,000,000	30,000,000	45,000,000
30	22,500,000	36,000,000	45,000,000	67,500,000

Multiple of year 5 REVENUE (\$3,000,000)

Multiple	50% Revenue achieved	80% Revenue achieved	100% Revenue achieved	150% Revenue achieved
3	4,500,000	7,200,000	9,000,000	13,500,000
5	7,500,000	12,000,000	15,000,000	22,500,000
6	9,000,000	14,400,000	18,000,000	27,000,000
8	12,000,000	19,200,000	24,000,000	36,000,000
10	15,000,000	24,000,000	30,000,000	45,000,000
15	22,500,000	36,000,000	45,000,000	58,500,000

PERSONNEL FORECAST

YEAR 1		Individual salary	combined salaries	Social Security TAXES	Medicare TAXES	TOTAL COST
CEO	1	\$60,000	\$60,000	\$3,720	\$870	\$64,590
clinical director	1	\$72,000	\$72,000	\$4,464	\$1,044	\$77,508
executive assistant	1	\$42,000	\$42,000	\$2,604	\$609	\$45,213
certified addiction drug & alcohol counselors	1	\$40,000	\$40,000	\$2,480	\$580	\$43,060
cook	0.75	\$45,000	\$33,750	\$2,092	\$489	\$36,331
housekeeping	0.5	\$24,000	\$12,000	\$744	\$174	\$12,918
Night shift supervisor	1	\$38,000	\$38,000	\$2,356	\$551	\$40,907
SUB TOTALS			\$297,750	\$18,460	\$4,317	\$320,527
MONTHLY COST			\$24,813	\$1,538	\$360	\$26,711

YEAR 2		Individual salary	combined salaries	Social Security TAXES	Medicare TAXES	TOTAL COST
CEO	1	\$60,000	\$60,000	\$3,720	\$870	\$64,590
Night shift supervisor	1	\$38,000	\$38,000	\$2,356	\$551	\$40,907
clinical director	1	\$72,000	\$72,000	\$4,464	\$1,044	\$77,508
executive assistant	2	\$42,000	\$84,000	\$5,208	\$1,218	\$90,426
certified addiction drug & alcohol counselors	2	\$40,000	\$80,000	\$4,960	\$1,160	\$86,120
cook	1	\$45,000	\$45,000	\$2,790	\$652	\$48,442
housekeeping	1	\$24,000	\$24,000	\$1,488	\$348	\$25,836
physical trainer	0.5	\$48,000	\$24,000	\$1,488	\$348	\$25,836
massage therapist	0.5	\$54,000	\$27,000	\$1,674	\$391	\$29,065
SUB TOTALS			\$454,000	\$28,148	\$6,583	\$488,731
MONTHLY COST			\$37,833	\$2,346	\$599	\$40,728

YEAR 3		Individual salary	combined salaries	Social Security TAXES	Medicare TAXES	TOTAL COST
CEO	1	\$85,000	\$85,000	\$5,270	\$1,232	\$91,502
Registered Nurse	1	\$69,000	\$69,000	\$4,278	\$1,000	\$74,278
clinical director	1	\$108,000	\$108,000	\$6,696	\$1,566	\$116,262
executive assistant/recovery coach	2	\$45,000	\$90,000	\$5,580	\$1,305	\$96,885
certified addiction drug & alcohol counselors	2	\$42,000	\$84,000	\$5,208	\$1,218	\$90,426
cook	1	\$45,000	\$45,000	\$2,790	\$652	\$48,442
Night shift supervisor	1	\$38,000	\$38,000	\$2,356	\$551	\$40,907
housekeeping	1	\$24,000	\$24,000	\$1,488	\$348	\$25,836
Physical trainer	0.5	\$48,000	\$24,000	\$1,488	\$348	\$25,836
massage therapist	0.5	\$54,000	\$27,000	\$1,674	\$391	\$29,065
SUB TOTALS			\$594,000	\$36,828	\$8,613	\$639,439
MONTHLY COST			\$49,500	\$3,069	\$718	\$53,287

YEAR 4		Individual salary	combined salaries	Social Security TAXES	Medicare TAXES	TOTAL COST
CEO	1	\$85,000	\$85,000	\$5,270	\$1,232	\$91,502
Registered Nurse	1	\$71,000	\$71,000	\$4,402	\$1,029	\$76,431
clinical director	1	\$108,000	\$108,000	\$6,696	\$1,566	\$116,262
executive assistant/recovery coach	2	\$45,000	\$90,000	\$5,580	\$1,305	\$96,885
certified addiction drug & alcohol counselors	3	\$46,000	\$138,000	\$8,556	\$2,001	\$148,557
cook	1	\$45,000	\$45,000	\$2,790	\$652	\$48,442
Dietician	1	\$54,000	\$54,000	\$3,348	\$783	\$58,131
Physical trainer	0.5	\$48,000	\$24,000	\$1,488	\$348	\$25,836
massage therapist	0.5	\$54,000	\$27,000	\$1,674	\$391	\$29,065
housekeeping	1	\$24,000	\$24,000	\$1,488	\$348	\$25,836
Night shift supervisor	1	\$40,000	\$40,000	\$2,480	\$580	\$43,060
SUB TOTALS			\$706,000	\$40,610	\$10,238	\$756,848
MONTHLY COST			\$58,833	\$3,384	\$853	\$63,071

YEAR 5

		Individual salary	combined salaries	Social Security TAXES	Medicare TAXES	TOTAL COST
CEO	1	\$85,000	\$85,000	\$5,270	\$1,232	\$91,502
Registered Nurse	1	\$72,000	\$72,000	\$4,464	\$1,044	\$77,508
clinical director	1	\$110,000	\$110,000	\$6,820	\$1,595	\$118,415
executive assistant/recovery coach	2	\$45,000	\$90,000	\$5,580	\$1,305	\$96,885
certified addiction drug & alcohol counselors	4	\$48,000	\$192,000	\$11,904	\$2,784	\$206,688
cook	1	\$45,000	\$45,000	\$2,790	\$652	\$48,442
housekeeping	1	\$24,000	\$24,000	\$1,488	\$348	\$25,836
dietician	1	\$54,000	\$54,000	\$3,348	\$783	\$58,131
assistant cook	1	\$20,000	\$20,000	\$1,240	\$290	\$21,530
Night shift supervisor	1	\$48,000	\$48,000	\$2,976	\$696	\$51,672
physical trainer (yoga/exercise/etc)	.05	\$45,000	\$22,500	\$1,395	\$326	\$24,222
massage therapist	0.5	\$54,000	\$27,000	\$1,674	\$391	\$29,065
SUB TOTALS			\$789,500	\$48,949	\$11,448	\$849,897
MONTHLY COST			\$65,792	\$4,079	\$954	\$70,825

DEPRECIATION & AMORTIZATION CHART

REAL ESTATE

Building purchase price + improvements		\$1,950,000
Depreciation period	40 years	
Annual depreciation		\$48,756
Monthly depreciation		\$ 4,063

EQUIPMENT & FURNISHINGS

Purchase price		\$150,000
Depreciation period	7 years	
Annual depreciation		\$21,432
Monthly depreciation		\$ 1,786

TOTAL MONTHLY DEPRECIATION & AMORTIZATION (1st 5 yrs)	\$5,849
TOTAL ANNUAL DEPRECIATION & AMORTIZATION (1st 5 yrs)	\$70,188
TOTAL DEPRECIATION & AMORTIZATION (1st 5 yrs)	\$333,389

PROFORMA PROFIT AND LOSS Based On SBA Loan Model YEAR 1

	Pro Forma Profit and Loss												SBA LOAN		
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12		YEAR	
INCOME	\$0	\$0	\$0	\$0	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$676,000
Expenses															
Salaries	\$14,500	\$14,500	\$19,500	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$24,813	\$271,817
Payroll Expenses	\$1,109	\$1,109	\$1,492	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$1,898	\$20,794
medical exp	\$0	\$0	\$0	\$0	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$800	\$6,400
UTILITIES	\$500	\$500	\$500	\$600	\$600	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$7,950
Telephone & Internet	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Food	\$0	\$0	\$0	\$0	\$2,600	\$4,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$5,200	\$38,000
City Services	\$100	\$100	\$100	\$200	\$375	\$500	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$650	\$5,275
Auto expense	\$0	\$0	\$0	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$4,500
maintenance	\$0	\$0	\$0	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$4,500
Miscellaneous	\$0	\$0	\$0	\$500	\$750	\$1,000	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$9,750
Marketing	\$2,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$13,000
Property Tax	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$35,700
Insurance	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$33,000
Interest Expense 7 year	\$8,333	\$8,277	\$8,220	\$8,163	\$8,106	\$8,048	\$7,991	\$7,933	\$7,875	\$7,817	\$7,759	\$7,700	\$7,700	\$7,700	\$96,282
Depreciation 40 year	\$0	\$0	\$0	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$16,074
Depreciation	\$0	\$0	\$0	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$36,567
Operating Expenses	\$32,317	\$31,261	\$36,587	\$49,798	\$53,566	\$55,633	\$57,476	\$57,478	\$57,360	\$57,302	\$57,244	\$57,185	\$57,185	\$57,185	\$603,209
Profit Before Taxes	-\$32,317	-\$31,261	-\$36,587	-\$49,798	\$30,934	\$28,867	\$27,024	\$27,022	\$27,140	\$27,198	\$27,256	\$27,315	\$27,315	\$27,315	\$72,791
Estimated State taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Estimated Federal Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,167
NET PROFIT	-\$32,317	-\$31,261	-\$36,587	-\$49,798	\$30,934	\$28,867	\$27,024	\$27,022	\$27,140	\$27,198	\$27,256	\$27,315	\$27,315	\$27,315	\$66,624

YEAR 2

	Pro Forma Profit and Loss												
	Year 1			Year 2			Based on 1.5 new clients per week/ 6 per month						8BA LOAN
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YEAR
INCOME	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$126,750	\$1,521,000
Expenses													
Salaries	\$30,500	\$30,500	\$32,000	\$37,833	\$37,833	\$37,833	\$37,833	\$37,833	\$37,833	\$37,833	\$37,833	\$37,833	\$433,497
Payroll Expenses	\$2,333	\$2,333	\$2,488	\$2,894	\$2,894	\$2,894	\$2,894	\$2,894	\$2,894	\$2,894	\$2,894	\$2,894	\$33,163
Medical exp	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$14,400
Utilities	\$600	\$600	\$600	\$650	\$700	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$8,400
Telephone & Internet	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Food	\$5,600	\$5,600	\$6,000	\$6,000	\$7,200	\$7,200	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$8,000	\$85,600
City Services	\$650	\$650	\$650	\$750	\$850	\$950	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$10,800
Auto expense	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Maintenance	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Miscellaneous	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$15,000
Marketing	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Property Tax	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$35,700
Insurance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Interest Expense	\$7,642	\$7,593	\$7,524	\$7,464	\$7,404	\$7,345	\$7,285	\$7,225	\$7,165	\$7,104	\$7,044	\$6,983	\$87,768
7 year Depreciation	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$21,432
40 year Depreciation	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$48,756
Operating Expenses	\$64,399	\$64,340	\$66,296	\$72,665	\$73,955	\$74,046	\$74,886	\$74,826	\$74,766	\$74,705	\$74,645	\$74,584	\$864,116
Profit Before Taxes	\$62,351	\$62,410	\$60,454	\$54,085	\$52,795	\$52,704	\$51,864	\$51,924	\$51,984	\$52,045	\$52,105	\$52,166	\$656,884
Estimated State Taxes	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$420	\$5,025
Estimated Federal Taxes	\$11,485	\$11,485	\$10,827	\$10,827	\$10,827	\$10,827	\$10,827	\$10,827	\$10,827	\$10,827	\$10,827	\$10,827	\$131,263
NET PROFIT	\$50,436	\$50,494	\$49,207	\$42,838	\$41,548	\$41,457	\$40,617	\$40,677	\$40,737	\$40,798	\$40,858	\$40,919	\$520,589

YEAR 3

	Pro Forma Profit and Loss												YEAR	
	Year 3			Based on 2 new clients per week/ 8 per month										
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12		
INCOME	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$169,000	\$2,028,000
Expenses														
Salaries	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$49,500	\$594,000
Payroll Expenses	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$3,787	\$45,441
Medical exp	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$19,200
Utilities	\$750	\$750	\$750	\$600	\$600	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$750	\$8,700
Telephone & Internet	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Food	\$8,400	\$9,600	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$10,400	\$122,000
City Services	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$1,050	\$12,600
Auto expense	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Maintenance	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Miscellaneous	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$1,250	\$15,000
Marketing	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Property Tax	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$35,700
Insurance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Interest Expense	\$6,922	\$6,860	\$6,799	\$6,737	\$6,675	\$6,613	\$6,551	\$6,488	\$6,426	\$6,364	\$6,299	\$6,236	\$6,174	\$78,969
7 year Depreciation	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$21,432
40 year Depreciation	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$48,756
Operating Expenses	\$87,883	\$89,021	\$89,760	\$89,548	\$89,486	\$89,574	\$89,512	\$89,449	\$89,387	\$89,324	\$89,260	\$89,197	\$89,134	\$1,071,398
Profit Before Taxes	\$81,117	\$79,979	\$79,240	\$79,452	\$79,514	\$79,426	\$79,488	\$79,551	\$79,613	\$79,676	\$79,740	\$79,803	\$79,865	\$956,602
Estimated State taxes	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$559	\$6,719
Estimated Federal Taxes	\$16,741	\$17,316	\$17,316	\$17,316	\$17,316	\$17,316	\$17,316	\$17,316	\$17,316	\$17,316	\$17,316	\$17,316	\$17,316	\$200,886
NET PROFIT	\$63,817	\$62,104	\$61,365	\$61,577	\$61,639	\$61,551	\$61,613	\$61,676	\$61,738	\$61,801	\$61,865	\$61,928	\$61,990	\$749,003

YEAR 5

Pro Forma Profit and Loss Year 5 Based on 3 new clients per week/ 12 per month

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	YEAR
INCOME	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$253,500	\$3,042,000
Expenses													
Salaries	\$71,500	\$71,500	\$71,500	\$71,500	\$71,500	\$71,500	\$71,500	\$71,500	\$71,500	\$71,500	\$71,500	\$71,500	\$858,000
Payroll Expenses	\$5,470	\$5,470	\$5,470	\$5,470	\$5,470	\$5,470	\$5,470	\$5,470	\$5,470	\$5,470	\$5,470	\$5,470	\$65,637
Medical exp	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$28,800
Utilities	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$14,400
Telephone & Internet	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$3,600
Food	\$13,000	\$15,000	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$15,600	\$184,000
City Services	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Auto expense	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$12,000
Maintenance	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$6,000
Miscellaneous	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$18,000
Marketing	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$1,800	\$21,600
Property Tax	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$2,975	\$35,700
Insurance	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$36,000
Interest Expense 7 year	\$5,393	\$5,326	\$5,260	\$5,193	\$5,126	\$5,059	\$4,991	\$4,923	\$4,855	\$4,787	\$4,719	\$4,650	\$60,282
Depreciation 40 year	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$1,786	\$21,432
Depreciation Operating	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$4,063	\$48,756
Expenses Profit Before Taxes	\$117,387	\$119,320	\$119,854	\$119,787	\$119,720	\$119,653	\$119,585	\$119,517	\$119,449	\$119,381	\$119,313	\$119,244	\$1,432,207
Estimated State taxes	\$136,113	\$134,180	\$133,646	\$133,713	\$133,780	\$133,847	\$133,915	\$133,983	\$134,051	\$134,119	\$134,187	\$134,256	\$1,609,793
Estimated Federal Taxes	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$839	\$10,069
NET PROFIT	\$28,171	\$28,113	\$28,113	\$28,113	\$28,113	\$28,113	\$28,113	\$28,113	\$28,113	\$28,113	\$28,113	\$28,113	\$338,057
	\$107,103	\$105,228	\$104,694	\$104,761	\$104,828	\$104,895	\$104,963	\$105,031	\$105,099	\$105,167	\$105,235	\$105,304	\$1,261,667

PROFORMA CASH FLOW Based On SBA Loan Model

Pro Forma Cash Flow YEAR 1 with SBA loan												
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
Equity Funding	\$400,000											
SBA Loan	\$2,500,000											
Current Sales	\$0	\$0	\$0	\$0	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500
Total Cash Received	\$2,900,000	\$0	\$0	\$0	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500	\$84,500
EXPENDITURES												
Operational Expenses less amortization	\$32,317	\$31,261	\$36,587	\$43,949	\$47,717	\$49,784	\$51,627	\$51,629	\$51,511	\$51,453	\$51,395	\$51,336
Building & land purchase	\$800,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Improvements	\$350,000	\$350,000	\$350,000	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase equip & furnishings	\$0	\$75,000	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Principal repayment	\$0	\$16,978	\$17,034	\$17,092	\$17,148	\$17,206	\$17,263	\$17,321	\$17,378	\$17,436	\$17,494	\$17,552
state franchise TAXES INCURRED	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Fed Income Tax	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,167
TOTAL CASH SPENT	\$1,182,317	\$473,239	\$478,621	\$161,041	\$64,865	\$66,990	\$68,890	\$68,950	\$68,889	\$68,889	\$68,889	\$75,055
CASH BALANCE	\$1,717,683	\$1,244,444	\$765,823	\$604,782	\$624,417	\$641,927	\$657,537	\$673,087	\$688,698	\$704,309	\$719,920	\$729,365

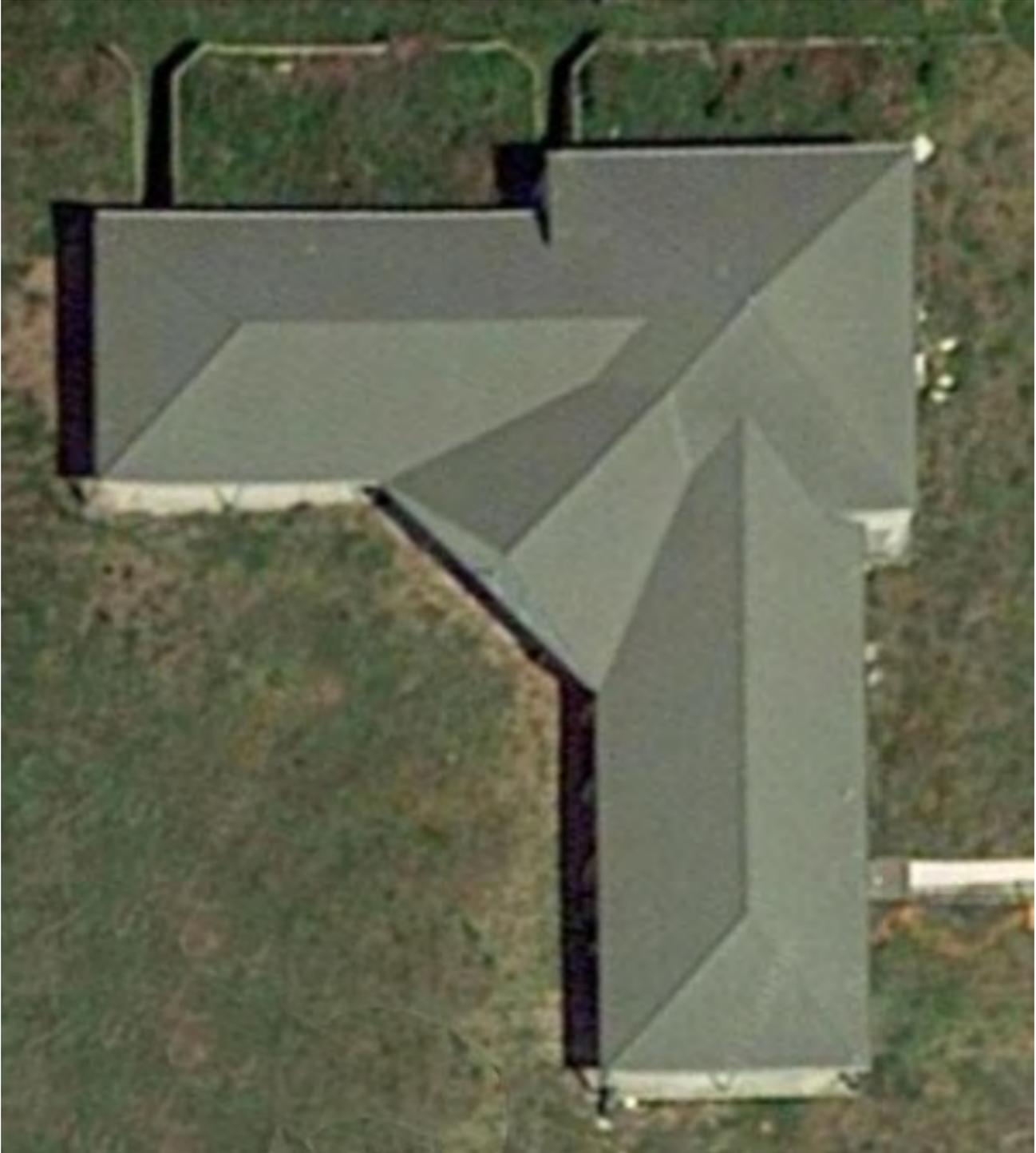
Not knowing what month will be month 1, I have left property tax as coming out every month. In reality it will accrue and come out in a lump sum in February. That will actually help early cash flow.
In addition, total first year property tax is likely overstated as it is based on a property valuation of purchase price plus total money spent on building and land improvements.

YEARLY CASH FLOW Based On SBA Loan Model

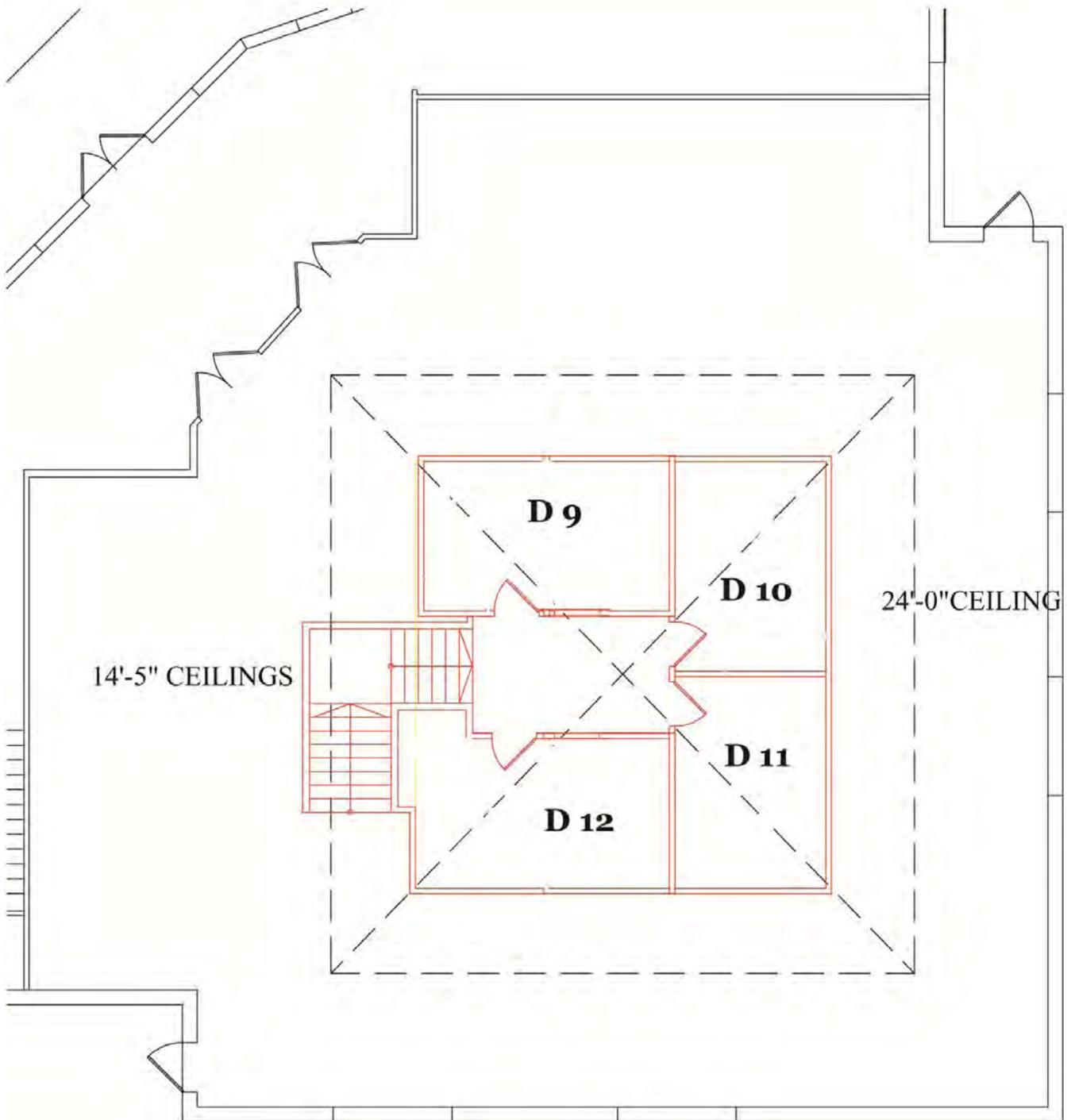
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Pro Forma Cash Flow					
Model with SBA loan					
Equity Funding	\$400,000				
SBA Loan	\$2,500,000				
Current Sales	\$676,000	\$1,521,000	\$2,028,000	\$2,535,000	\$3,042,000
Total Cash Received	\$3,576,000	\$1,521,000	\$2,028,000	\$2,535,000	\$3,042,000
EXPENDITURES					
Operational Expenses less amortization	\$550,568	\$793,928	\$1,001,210	\$1,179,623	\$1,362,019
Building & land purchase	\$800,000	\$0	\$0	\$0	\$0
Building Improvements	\$1,150,000	\$0	\$0	\$0	\$0
Purchase equip & furnishings	\$150,000	\$0	\$0	\$0	\$0
Principal repayment	\$189,901	\$215,250	\$224,018	\$233,146	\$242,644
state franchise TAXES INCURRED & PAID	\$0	\$5,035	\$6,713	\$8,391	\$10,069
Federal Income Tax	\$6,167	\$131,261	\$200,886	\$269,890	\$338,057
TOTAL CASH SPENT	\$2,846,636	\$1,145,474	\$1,432,827	\$1,691,050	\$1,952,789
CASH BALANCE	\$729,364	\$1,104,890	\$1,700,063	\$2,544,013	\$3,633,224

BUILDING EXTERIOR AND INTERIOR LAYOUT

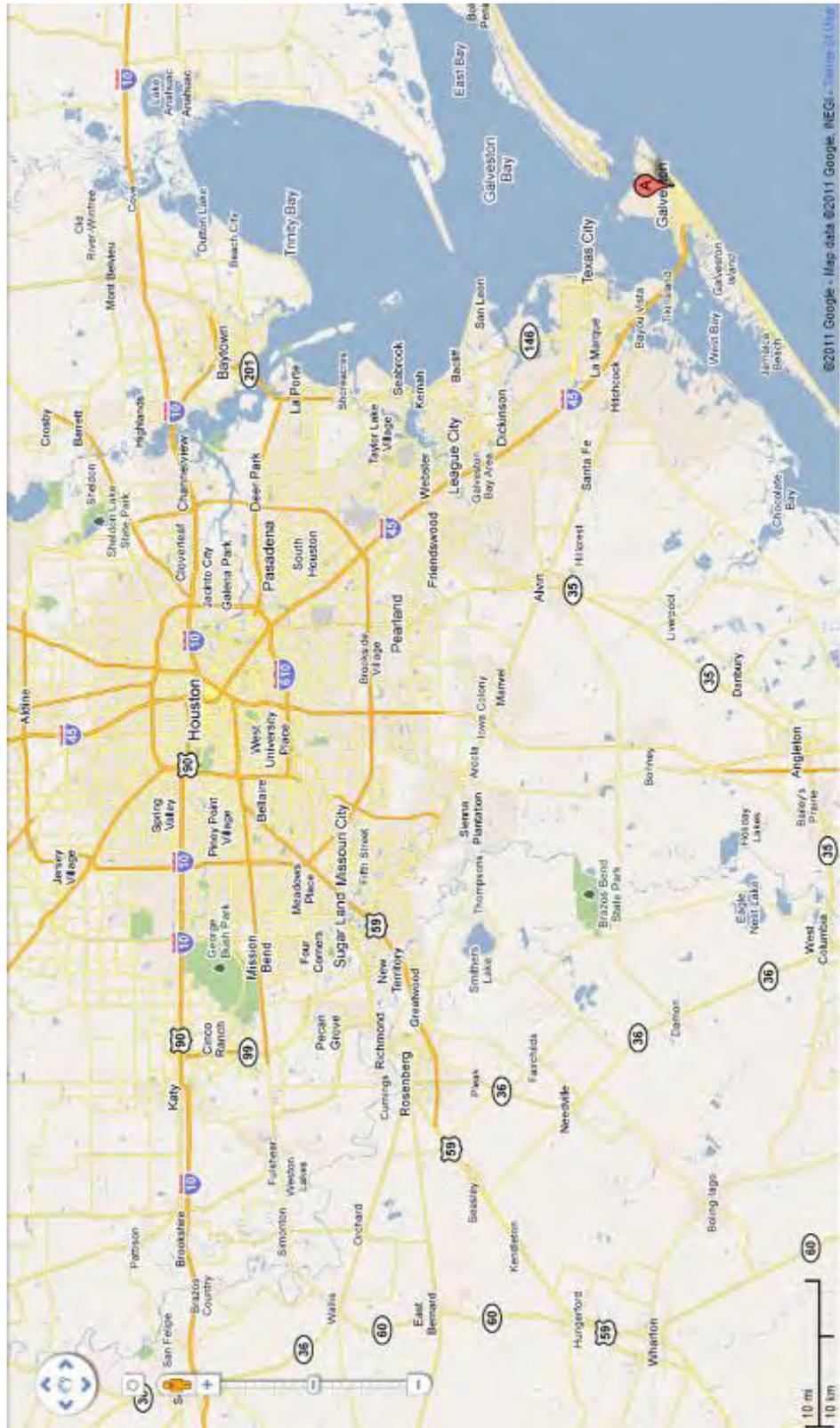
EXTERIOR



MEZZANINE LEVEL (4 bedrooms)



MAP HOUSTON AND GALVESTON AREA



Planning Commission Awards

As a part of the American Planning Association's National Community Planning Month, the Galveston Planning Commission is introducing Planning and Design Awards. The Planning and Design Awards are intended to recognize projects that contribute to a better quality of life in our community and serve as models to learn from and emulate.

The schedule is as follows:

August 4, 2020 – Planning Commission discussion item, identify potential recipients

August 10, 2020 – Public nominations opened

August 18, 2020 – Planning Commission discussion item, continue to identify potential recipients

September 9, 2020 – Public nomination closed

September 22, 2020 – Planning Commission vote, finalize recipients

October 22, 2020 – Presentation at City Council

Eligibility:

The Planning Commission's Planning & Design Awards program is open to all planners, residents, developers, builders, architects, community groups, design professionals, local governments, students, or other interested parties. To be eligible for consideration, proposed projects must be located in the City of Galveston and have been completed within the last five years, on or after January 1, 2015.

No projects that have or had a direct professional, financial, ownership, design, consulting and / or construction interest of any current member of the Planning Commission will be considered.

Categories:

- Beautification
- Development
- Environmental
- Historic Preservation
- Investment
- Participation
- Planning
- Redevelopment

Criteria for Project Consideration:

Quality of Life Benefit. How does the project make the community a better place? Examples:

- Promotes historical or environmental preservation, conservation, or restoration
- Improves safety and facilities for bicycles and pedestrians
- Supports mixed use development and encourages transit options
- Fosters a sense of place as it integrates into and enhances the surrounding neighborhood

Originality & Innovation. How does the project have a visionary approach or innovative concept to address needs or challenges in the community? Examples:

- Uses space effectively and creatively
- Employs a cutting-edge slant in fields like green building or sustainability
- Uses a fresh approach to financing or cost-efficiency

Quality & Comprehensiveness. In what ways does the project represent excellence from the planning process through implementation? Examples:

- Excellence in analysis, writing, graphics, design, and implementation
- Has a positive impact on local and/or regional objectives
- Has delivered developed plans, addressing community needs with long range vision

Implementation & Transferability. How does this project serve as a model for others to learn from? Examples:

- Paves the way for future projects by clearly demonstrating what to do to get it done
- Fosters good planning through its methodology or components

Education & Engagement. How does the project clearly demonstrate meaningful public involvement? Examples:

- Employs a variety of user-friendly tools inclusive of the traditionally under-served
- Provides meaningful opportunities and is responsive to the public's involvement
- Increases awareness in the community of the benefits and importance of good planning

Potential Recipients:

Nominated by PC last year, still eligible:

- Bassett Vaughn Investment Group INC. Salt Water Soul shop. 1019 53rd Street. Beautification of former transmission shop. Expansion of local small businesses.
- Vision Galveston. Community outreach. Participation.
- GHA and McCormick Barron Salazar. Cedars at Carver Park and Villas on the Strand. Development. Participation – significant public participation in project development. *(Last year eligible)*
- Turtle Island Restoration Network. Turtles About Town. Public Art project that seeks to raise awareness of sea turtle conservation efforts.
- Galveston Art Center. Completed in 2018, the building has been completely restored including damage from Hurricanes Ike and Harvey. The final stage of the restoration was the metal cornice crowning the top.

- Seeding Galveston. Non-profit urban farm project located at 33rd and Avenue N. Seeding Galveston is committed to ensuring that residents and visitors to Galveston Island can buy locally grown food at reasonable prices, make wiser, more nutritious food choices, reduce the community's carbon footprint, and enhance the security of the neighborhoods by eliminating unused vacant lots

Nominated by Staff:

- Fire Station #1, 823 26th Street. Opened in August 2019, Fire Station 1 is a well-designed building, intended to match the architecture of the historic downtown area. The new station is a top-of-the-art facility, and offers the necessary indoor storage space for first responders and their equipment so it is protected from the island's climate. The Fire Station replaces the City Hall Annex, which has since been demolished.
- 30th Street Pump Station, 715 30th Street. The red brick "Galveston Water and Electric Light Station" was built in 1904 atop the buff limestone foundations of the earlier 1889 pump station that was destroyed in the 1900 hurricane. Designed by prominent Galveston architect Charles William Bulger (1851-1922), the monumental arched wood windows and elaborate pressed metal cornice recalled the baths of ancient Rome, a fitting metaphor for the building that was the center for Galveston's public water distribution system for over a century. Restoration of the building and conversion to a community center has been recently completed using CDBG Disaster Recovery funds. Recipient of 2020 AIA Houston Design Award.
- Market Street Sidewalk Improvements. The City of Galveston has installed new decorative brick sidewalks, street furniture, landscaping, and decorative lights on Market Street from 25th to 33rd Streets. This public investment supports private investment that has seen many new businesses in this area of downtown.
- Causeway Murals. For this public art project, the City of Galveston procured the services of local artist Gabe Prusmack to paint murals on the causeway entry monuments. Mr. Prusmack's distinctive murals can be seen on many Galveston buildings.

Nominated by Planning Commission members at 8/4/20 PC meeting:

- Lost Bird Project at Galveston Island State Park. Sponsored by the Galveston Island Nature Tourism Council, Houston Audubon, and The Bryan Museum - <https://www.galvestonnaturetourism.org/the-lost-bird-project/>. (Carol Hollaway)
- Abe and Annie Seibel Student Residences, Avenue R and 39th Street. Student Housing at Galveston College. (Carol Hollaway)
- Topsy Turtle, Pocket Park #2. Example of successful public/private partnership. (Carol Hollaway)
- Seawall Interpretive Trail (SIT). Artist Boat. Beautifying 70 Galveston Seawall Benches into Educational Works of Art - <https://www.artistboat.org/project-sit/>. (Bob Brown)

Nominated following 8/4/20 PC Meeting:

- 2406 and 2410 Church, Emily's Home Building, Remodeling, and Design Services (Carol Hollaway)
- Falstaff Brewery (Staff)