

Austin Classic Limo



COMPANY SUMMARY



Confidential.. not to be disclosed to other parties

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Table of Contents

NOTE FROM THE FOUNDERS.....	3
COMPANY OPERATIONS.....	5
MARKET SEGMENTS.....	7
EQUIPMENT.....	8
1940 Buick Series 90 Limousine.....	8
1959 Jaguar MK IX Saloon.....	10
WEBSITE.....	12
GROWTH POTENTIAL.....	13
CERTIFICATIONS.....	14
EXIT STRATEGY.....	15

NOTE FROM THE FOUNDERS

As founder and partners (Phil and Dorothee Auldridge) we have taken great pride in building this company from its humble beginnings. Our small company has flourished from its inception over 10 years ago, and has maintained a consistently positive revenue stream during that period.

We have seen our competitors come and go while our own company has, year after year, yielded our targeted results of engagements and revenue.

With our emphasis on providing classic “limousines” catering primarily to the wedding industry, we have achieved a highly visible countenance within that industry, and have forged lasting bonds with wedding venues and coordinators.

We are especially proud of the unheard-of near-perfect 5 star review history, having received exclusively glowing reviews on Yelp, Google, Wedding Wire, Facebook, and The Knot.

We would like to believe that the ingredients of our success are: intelligent choice of desirable and easy-to-maintain fleet of classic automobiles, and devout adherence to superb customer service. One of the methods we have employed to insure standardization at our desired level of quality is development of an extensive array of written procedures and checklists. Even the telephone greeting is not left to chance, rather, both principals utilize a consistent, cheerful and eager greeting.

As much as we love this business and its success story, as we approach consideration for full retirement it is time to relinquish the reins to a qualified new owner who can continue to provide the same level of high-quality service and enjoy sustained growth in present time and the immediate future.

Austin Classic Limo offers the following benefits for the new owner

- A proven 10+ year history of positive revenue generation
- Full licensing and certification with the City of Austin
- A fleet of 2 beautifully restored, low maintenance classic vehicles, along with spare parts, all positioned to provide years of reliable service at minimum expense other than fuel and basic preventative maintenance. All have been specially fitted and/or modified for safe commercial use in Austin’s hot climate
- Ownership of the domain name austinclassiclimo.com
- Registration of the dba Austin Classic Limo with Hays County
- A sophisticated website including online customer reservation and payment capabilities, built on the easy to maintain WordPress platform

- A Paypal account with invoicing and scheduled invoicing facilities, integrated into the website
- Near-exclusive 5 star reviews on Yelp, Google Business, Facebook, The Knot, and Wedding Wire
- Negligible competition in this industry niche throughout Central Texas
- Established reputation with area wedding venues, photographers, and wedding coordinators
- Extensive array of procedures, email templates and documents to guide through a smooth operational transition
- Deposits for future engagements to insure a profitable first-year experience for the new owner (credit given at closing for all deposits held)
- Hundreds of wedding client photo galleries posted online on Smugmug.com
- Hundreds of client photos on company Instagram account, Yelp, Facebook, and Google accounts
- Numerous videos posted on YouTube
- A clear path to expanded revenues in future years

COMPANY OPERATIONS

The company enjoys a near-monopoly in the classic vehicle transportation niche within the entire Central Texas area (there is just one other identifiable commercial provider with one or two classic cars, operated as a subset of its primary, standard limousine business). Austin Classic Limo serves areas as far as Waco, Lampasas, Marble Falls, Fredericksburg, New Braunfels, Bastrop and San Antonio. Significant mileage surcharges are applied (and readily accepted by clients) for venues outside the greater Austin Metro area. Of course, this service area can be expanded or reduced according to the new owner's desires.

The current owners are semi-retired, and have chosen to operate the business exclusively using only the (two) owners as drivers. The typical wedding engagement at our minimum fee of \$469 is generally 2 hours or less (picking up newlyweds at end of reception and delivery to hotel), yielding a per hour revenue of well over \$200/hour. Mileage surcharge rates to out-of-Austin-metro-area are structured to insure that same \$200+ per hour revenue.

Additionally, the owners during the past 4 years have chosen to NOT accept any bookings during the months of July and August, setting those months aside for vacation. A new owner available to operate year-around can expect an immediate 17% increase in revenues. There is also the lucrative winery tour market which the current owners have not explored.

The year of 2020 has been an aberration to the company's normally consistent revenue stream. In fact, the current owners chose to self-cancel scores of reservations (and return deposits) between the period of March – November 2020 due to concerns over Covid-19 dangers. Fortunately, the owners have had financial resources to weather this temporary significant reduction in income, and demand for services continue to be as strong as every during this period.

In November 2020 we decided to modify the 1940 Buick with installation (reversible without damage) of a full length transparent acrylic shield between the driver and passenger compartment, which, along with a mandated requirement for mask wearing in the vehicle, has allowed us to cautiously renew limited services with the singular vehicle.

Calendar year 2021 has shown strong demand for our services, and we have turned away scores of potential engagements by adhering to our policy of single vehicle operation for Covid-19. In fact, the month of May 2021 has yielded over \$9,000 in engagement revenue using only the 1940 Buick (with a few minor exceptions)

In addition to weddings, the company also frequently provides vehicles for:

- Quinceaneros
- Anniversaries and Birthdays (usually transport to dinner and back)
- Static displays for special events
- Photo shoots
- Movies and video shoots

This business model lends itself well to a new owner who is either looking for a stand-alone venture, a semi-retired individual(s), or even an owner who has a normal Monday-Friday job, since almost all of the engagements occur on weekends and evenings.

With the average mission of 2 to 2.5 hours and average mission revenue of \$517 (Calendar year 2019), this market niche affords a significantly greater revenue per hour than any “traditional” modern limousine operation, yet company pricing remains very competitive

A new owner who enjoys interacting with people, both on the phone and in person, and who has an interest in classic cars, will find this business to be more than just a way to earn revenue, but a pleasant and rewarding lifestyle.

MARKET SEGMENTS

- Weddings

A large percentage of engagements are for weddings. The Austin and Central Texas has quickly become, literally, the “Wedding Capital of the Nation”, with wedding parties coming from all points on both east and west coast to take advantage of Austin’s temperate weather, activities, and number of wedding venues.

A wedding engagement can involve one or multiple trips, such as: Bride to Church/Newlyweds from Church to Reception/Reception to final destination, and any combination thereof. Multiple trips, or driver wait times, incur additional fees. Because these type of celebrations are once-in-a-lifetime occasions, clients are usually much less price sensitive than would be the case for just basic transportation. The business is selling the EXPERIENCE, not merely transportation.

- Quinceaneros

A young Hispanic female’s 15th birthday is a time of significant celebration among that group. A typical quinceanero begins in the morning, involves a church ceremony, typically followed by the honoree and a few of her friends taking a chauffeured drive around the area before being delivered to an events venue where the celebration continues well into the night. No expense is spared for these lavish affairs, including for the classic vehicle. Due to the driver times required, significant standby and mileage charges typically apply and are willingly paid.

- Anniversaries/Birthdays

As with weddings, clients celebrating milestones in their lives want it to be something special, and are happy to pay the premium rates to have their occasion be truly special, including significant driver standby rates (such as during dinner)

- Static Displays/Photo-Movie/Video Sessions

These type of events are almost always financed by corporate entities, where the planners are more concerned with quality of vehicles and reputation/reliability of the company rather than costs. Premium charges are almost always cheerfully and gratefully accepted!

EQUIPMENT

The company operates 2 classic vehicles restored to their original condition. Acquisition and preparation of a classic vehicle for commercial use in Texas' challenging environment goes well beyond merely finding a decently conditioned vehicle and putting it into service. Each of our vehicles has received complete period-correct interior replacement, upgraded cooling systems, air conditioning installation (a requirement by City of Austin), rebuilt engines, and dual circuit brake systems for safety, as follows:

1940 Buick Series 90 Limousine



View additional Photos: <http://austinclassiclimo.com/1940-buick/>

The series 90 Buick was the pinnacle of Buick offerings in this era. Built on a longer chassis, with a second row of fold up passenger seats, accommodating a total of 7 passengers (plus driver), this meets the City of Austin's requirement for an operator to have at least one "limousine" in its fleet. With only some 900 of these exquisite vehicles manufactured in 1940, the remaining ones are extremely rare and desirable. This particular vehicle is in remarkably undamaged or molested physical condition, with no evidence of rust, or previously repaired damages. The electrical system has been upgraded from 6 volt positive ground to 12 volt negative ground, to accommodate the A/C system, a high output alternator, and modern radio. It received a complete, show quality repaint in June 2020. In September 2020 a fully rebuilt Small Block Chevrolet V8 replaced the troublesome, overheating-prone 1972 Buick V8 engine. The

new engine performs perfectly and runs very cool, even in hot Austin summers.

Vehicle Acquisition Cost	\$30,000
New seats, door panels, carpeting and headliner	3,000
New under dash and instruments	500
Period style steering wheel	300
Power Steering/Power Brakes (dual circuit) from later model	-
Completely refabricated rear suspension with modern shocks	5,000
Bumpers, taillights, etc rechromed	1,500
Show quality repaint in original color (Summer 2020)	7,980
Rebuilt original front shock absorbers	810
Chevrolet SBC V8 crate engine and installation (Fall 2020)	12,100
Wide Whitewall tires	1,200
Upgraded high capacity radiator and cooling fan	900
Modern Vintage Air A/C and Heater (in dash) installed	2,000
Total Investment	\$65,290
Current Value	\$45,000

1959 Jaguar MK IX Saloon



View additional photos: <http://austinclassiclimo.com/1959-jaguar/>

The Jaguar MK IX, represents the pinnacle of British luxury. With prewar styling, right hand steering, and Rolls Royce/Bentley quality furnishings, this car exudes the grandeur of earlier times, and is understandably the most popular choice with our brides. For years, the MK IX's were just "old cars", and many were relegated to sitting outside in the weather, neglected, until nothing of value remains. Not the case, however, with this particularly rare example, one of few of its vintage still remaining. With walnut dash and trim throughout, a stock sunroof (standard on these models), Wilton wool carpeting, and wool headliner, this car turns heads everywhere it goes. The electrical system has been converted from positive ground to negative ground to accommodate the A/C system and various electronics, including modern AM/FM/Bluetooth radio

Fortunately, the mechanical components of this model were used throughout a 20+ year model range, so replacement of virtually every component is readily available at reasonable cost. The inline 6 cylinder, double overhead cam engine is the same platform as used in Jaguar's XKE models, and has proven itself over the years to be smooth, reliable, and near bullet proof. This engine is coupled with a Borg-Warner automatic transmission which has performed flawlessly throughout our ownership.

1959 Jaguar original acquisition cost	30,000
Fully rebuild original-model engine	8,000
Respray of front fenders and contrasting gray side panels	2,500
Modern aluminum radiator custom built for this model	800
Newer brake rotors/brake lines/hoses/dual circuit master cylinder	2,500
Full trunk original style reupholster	1,000
Newer seats reupholster in original style leatherette	1,500
All woodwork refinished	1,500
Jaguar-specific A/C system, including specially manufactured alternator to accommodate power steering pump	3,000
Updated electric fuse box system, recent front suspension bushings, many spare parts	500
Newer headliner, including sliding sun roof, with new rubber front/rear windshield gaskets	1500
Power steering box overhaul	800
Rechroming of bumpers, trim, light surrounds, etc	2000
Total Investment	\$62,800
Current Value	\$50,000

WEBSITE

The primary business website, www.AustinClassicLimo.com and associated blogsite www.austinclassiclimo.com/blog/ have both been developed using the worldwide-popular *WordPress* platform which provides virtually maintenance-free operation and allows easy modification of content by a novice administrator.

Currently the websites are hosted by GoDaddy.com, but of course they can be easily transported to any other reputable host. These websites are fully “Mobile Responsive”, a web term meaning that the content presentation is automatically optimized for correct viewing on any type of device... cellphone, tablet, or desktop. (Try it on desktop and cellphone to see the transformation). With 60% of all website inquiries generated from mobile devices (2020 stats), this feature is critical to proper presentation and use of the website.

The main site includes:

- A fully automated customer “Request Quote” page, allowing potential clients to enter all details needed to provide a firm price quote and availability. Once the prospect completes and submits the form, it is automatically forwarded to the company email address (info@austinclassiclimo.com) for prompt response.
- A payments page with direct, programmed links to Paypal for customer deposit and final payments
- A built in “PHONE US” button automatically appears when viewed from a cellphone
- A contacts page for general prospect inquiry (designed to shield company email address from ‘bots)
- A rates page showing charges for the various services
- A Galleries section, with links to the extensive company Instagram images page, as well as videos of representative celebrations
- A reviews menu allowing prospects to view our 5 star reviews on Yelp, Google, Wedding Wire, The Knot, and Facebook
- A VEHICLES page showcasing our classic “limousines” as well as other vintage cars in our fleet which are offered as static displays as well as photo and video shoots. Vehicles currently on the website OTHER than the 1940 Buick and 1959 Jaguar are NOT included in the sale offering.

GROWTH POTENTIAL

The current owners, being semi-retired, have chosen to operate this business utilizing only ourselves as drivers, operating the two vehicles simultaneously on any particular date and time frame. Additionally, during the past 4 years, owners have declined bookings in the calendar months of July and August, in favor of enjoying extended vacations.

A new owner, operating year around (instead of just 10 months/year) should be able to expect a 17% increase in annual revenues (see below).

The operations of the business, and the website affords a new owner the opportunity to offer any other personally owned classic cars or motorcycles for static display or photo/video opportunity. This allows tax deductibility of expenses for these vehicles, and the static nature of the engagement shouldn't require any special city licensing nor commercial liability insurance. Visit the current "other vehicles" page on the website as example (vehicles shown are NOT part of the sale offering): <http://austinclassiclimo.com/photo-op-cars/>

There is also ample opportunity for an expansion-minded owner to increase fleet size and expand operations to take advantage of the burgeoning demand for this exclusive service in the Central Texas area. The sellers do have an exquisitely restored 1940 Cadillac available as an optional purchase. This vehicle was removed from commercial service in late spring 2020, remaining in perfect commercial operating condition, in recognition of Covid-19 limitations.

This business offers a huge tax advantage for the owner, allowing legitimate tax deductions for many expenses that are already being incurred, including:

- Deduction of a portion of home for home office (utilities, repairs, taxes, office supplies)
- Business use items: computers/printers/modems, cellphones and cellphone service, internet service
- Garage expense (including square footage deductions) including vehicle lifts, tools, air compressors, cabinets, etc
- Medical Insurance for owner/employees
- Support vehicle expenses (truck, etc)

CERTIFICATIONS

Austin Classic Limo is fully licensed as a limousine operator with the City of Austin.

New owner transition will require:

City of Austin Limousine Operators Authority

- Submission of application
- Background check

Each driver must obtain a City of Austin Chauffeur's Permit (renewal every 2 years without exam or background check)

- Background Check
- Driving Record (recent violations may require a safety course)
- Pass a written exam covering city regulations and other related subjects

EXIT STRATEGY

Unlike a “startup” business, Austin Classic Limo is a fully operational business with a 10 year history of profitability. Advance bookings, committed by client deposits, insure immediate continuation of revenue streams

The current owners/sellers have a vested interest in seeing the continued success of Austin Classic Limo and therefore offer the following as a no-charge component of the sale:

- New owner training.. computer systems operation, phone sales/etiquette, notes for various venues, etc
- Written procedural guides, including a guide to continuing success
- Transference of ACL website to new owner’s chosen host
- Transference of vehicle titles (all clear of liens) to new owner
- Website modification to accommodate new owners phone numbers, “about us”, etc
- Paypal modification to accommodate new owners paypal accounts
- Assistance in completing City of Austin licensing
- Available for phone consultation up to 6 months after sale date

A prospective buyer must execute a non-disclosure agreement in order to receive detailed, line-by-line revenue and expense listings and any other documentation that might be appropriate.

For questions, or to initiate further discussion, contact:

Phil Auldridge

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