


**WISCONSIN ECONOMIC  
DEVELOPMENT CORPORATION**
**COMMUNITY DEVELOPMENT INVESTMENT  
SECTION A-REDEVELOPMENT NARRATIVES**

Reference Required Supporting Documentation as needed.	Included ✓	Attachment #
<p><b>1. Project Description and Impact on Community (three-page limit):</b></p> <p>a. Describe the project, its implementation and the significance of this project to the community.</p> <p>b. Describe any public/private partnerships developed and the extent to which the applicant can ensure that all of the activities outlined within this application will be undertaken. (e.g., capacity of applicant and partners, conditions of loan agreements, status of development agreements, etc.)</p> <p>c. Which eligible activity/ies does this project fall under?</p> <p><input checked="" type="checkbox"/> Building renovation                      <input type="checkbox"/> New construction</p> <p><input type="checkbox"/> Historic preservation                      <input type="checkbox"/> Infrastructure reinvestment</p> <p><input type="checkbox"/> Demolition</p> <p><input type="checkbox"/> Professional services (planning request only)</p> <p>d. Describe the potential of the project to enhance the economic viability of the community (e.g., tax base growth, job creation, stimulation of private investment). The response should detail the potential for both temporary and permanent jobs at the project site as well as the potential for job creation to occur in the area. To the extent possible, provide detail on the potential types of jobs, wage rates and health benefits associated with the jobs that are identified.</p> <p>e. Describe the potential for the project to promote economic development in the neighborhood, community, county and/or region.</p> <p>f. Describe the potential for the project to act as a catalyst for additional commercial development or investment.</p>	<input checked="" type="checkbox"/>	1
<p><b>2. Financial Justification (two-page limit):</b></p> <p>a. Describe the various methods that will be used to fund the project and include the progress of establishing or receiving funds.</p> <p>b. Describe the financial need for grant funding that cannot be met through private sector sources (e.g., traditional financing, equity investment or donor support), public sector support (e.g., RLF financing, TIF financing, and public borrowing) or a reduction in the scope of the project.</p>	<input checked="" type="checkbox"/>	2
<p><b>3. Previous Planning Efforts (two-page limit):</b></p> <p>a. The extent to which this project is included in and/or complements previous regional or municipal planning efforts (please reference section and page numbers of the plan).</p> <p>b. The extent to which the project supports best practices for smart growth and best practices for downtown redevelopment, and the extent to which it has community-wide support.</p>	<input type="checkbox"/>	
<p><b>4. Readiness to Proceed (two-page limit):</b></p> <p>a. Describe past and planned project activities, with timelines. Include the planning process, site control, environmental condition and a project implementation schedule.</p>	<input checked="" type="checkbox"/>	4

b. Provide detailed descriptions of property transactions intended to occur over the next 5 years.		
c. Describe financing commitments and any contingencies that apply.		

**SECTION B-SITE DETAILS**

<b>Location:</b> <input checked="" type="checkbox"/> City <input type="checkbox"/> Town <input type="checkbox"/> Village:	<b>County:</b> Milwaukee
<b>Street Address:</b> 1920 North MLK Drive	<b>Project NAICS:</b>
<b>Site Size (Acres):</b>	<b>Current Zoning:</b> LB2
<b>Proposed Zoning:</b> Commercial Business	<b>Current Assessed Value:</b> \$600,000
<b>Projected Assessed Value:</b> \$800,000	<b>Current Owner of Property:</b> James Phelps
<b>Start Date:</b> 2/25/2019	<b>End Date:</b> 5/1/2020

**Project Description:** Explain any other factors that should be considered in evaluating this project (e.g., impact on Wisconsin suppliers, national/international sales, and other prospects for future expansions, etc.)  
 The Legacy Project will contribute to the renaissance along MLK Drive, promoting a thriving commercial district.

**Is the project located in a TID?** Yes No      **If yes, creation date:**

**Is the project located in a disaster area, as declared by state or federal authorities?** Yes No  
**If yes, was the declaration within 24 months prior to submitting an application?** Yes No  
**If yes, date of declaration:**

**Does the applicant or end user currently own the property on which work is to occur?** Yes No  
**If no, how do you have or expect to obtain ownership or access to the property?** 20 Year Lease Executed.

<input type="checkbox"/> Condemnation	<b>Timeframe:</b>
<input type="checkbox"/> Tax Delinquency	<b>Timeframe:</b>
<input type="checkbox"/> Purchase (attach purchase agreement or option)	<b>Timeframe:</b>
<input type="checkbox"/> Development Agreement	<b>Timeframe:</b>
<input type="checkbox"/> Other:	<b>Timeframe:</b>

**If applicant will not own the property, what entity will/does?** James Phelps is the Building Owner.

<b>Current Site Ownership:</b> James Phelps	<b>Phone:</b> 414-234-8518	<b>Email:</b> james@jcp-construction.com
<b>Final Site Ownership:</b> James Phelps	<b>Phone:</b> 414-234-8518	<b>Email:</b> james@jcp-construction.com

**Will the current owner, or applicant expecting to obtain ownership, remain the legal owner of the project site for 5 years following receipt of the award?** Yes No

**SECTION C-REQUIRED SUPPORTING DOCUMENTATION**

Please include the following attachments:	Included	Attachment #
1. <b>Resolution:</b> A signed resolution by the governing elected body authorizing the submittal of an application to the CDI Grant Program.	<input type="checkbox"/>	
2. <b>Map:</b> A map indicating the project location within its municipal jurisdiction and any specially designated federal, state or local economic or taxation zone encompassing the project site; photographs of the site and surrounding area	<input type="checkbox"/>	
3. <b>Budget Narrative:</b> A narrative describing each line item included in the project budget	<input type="checkbox"/>	
4. <b>Cost Estimates:</b> A detailed copy of any cost estimates or bidding conducted for costs listed in the project budget, or a detailed explanation of the basis for all costs	<input checked="" type="checkbox"/>	6
5. <b>Development Agreement:</b> A copy of any applicable development agreement with private parties benefiting from project implementation (if not yet signed, a signed copy must be submitted prior to first disbursement)	<input checked="" type="checkbox"/>	7

6. <b>Financing Commitments:</b> Documentation that demonstrates the success of obtaining financing (e.g., commitment letters from lending institutions, municipal resolutions for financing or TID creation); must be submitted prior to first disbursement	<input checked="" type="checkbox"/>	8
7. <b>Organization:</b> A chart illustrating the ownership, development and financing organization structure of the project, naming all entities committed at the time of submission and showing ownership percentages for any individual or entity involved. For any committed end users or partners having any ownership in the property, provide a history of the individual or company's operations with resumes detailing relevant experience and involvement, and percentage of ownership if applicable.	<input type="checkbox"/>	
8. Statements from community, public and community development leaders that support the project proposed for funding	<input type="checkbox"/>	

**SECTION D-REAL ESTATE PRO FORMA INFORMATION (if applicable)**

1. What is the market rate for triple net* rent in the project's market?	
2. What is the project's average triple net rent?	
3. If the project's rent is less than general market conditions, please provide an explanation of why:	
4. How much equity is the development entity investing in the project?	
5. What is the anticipated vacancy rate?	
6. How much debt can the project service at what rate and term with what minimum debt coverage ratio?	
7. What is the average rate of return for the first five years of the project once the building is placed in service? <ul style="list-style-type: none"> <li>a. Please define the formula utilized to determine the rate:</li> <li>b. If the project does not provide a return on investment, please explain how the development entity anticipates covering the costs associated with the development:</li> </ul>	

\* Triple net rent is the base rent that does not include any utility, common area, maintenance, insurance or taxes.

**AFRICAN AMERICAN CHAMBER OF COMMERCE OF WI APPLICATION TO WEDC REDEVELOPMENT  
NARRATIVE FOR LEGACY CO-WORKING AND INNOVATION SPACE**

**ATTACHMENT 1**

**a. Describe project, implementation and significance to the community**

With your support, the Chamber will build out the interior of a now vacant storefront on a revitalizing commercial corridor in Bronzeville, an area that will benefit from the proposed extension of the Hop streetcar. The Legacy Co-Working and Innovation Space, 1920 N. MLK Dr., will serve entrepreneurs and Chamber members. The Chamber will transform the long-vacant, 3988 square foot space into an exciting hub to inspire people working on their business dreams and promote collaboration. The space will include:

- **Co-Working space:** the front of the Legacy Co-Working and Innovation Space, with big windows facing MLK Drive has four tables for small meetings or co-working, and another table with eight workstations. Adjacent to the Co-Working Space, there will be a private lounge, two private offices for short-term lease, a private phone conference room and a larger conference room with meeting technology.
- **SHARED Commercial Kitchen:** an 800 sq. ft. commercial kitchen answers an extremely unmet need in the community for space for entrepreneurs to create products for retail sale and/or catering. With a focus on baking, the kitchen will have six large workstations and the following commercial grade equipment: Combi Oven; Convection Oven; Planetary Mixer; Proofer Cabinet; Refrigerator; and Storage.
- **Coffee Shop/Retail Space** available for long term lease
- **Administrative Workspace** that includes a Board room, conference room, three private offices and open workspace with a small kitchenette.

The Legacy Co-Working and Innovation Space development offers many benefits to the Chamber and the community:

- Entrepreneurs, Chamber members and the community will be able to access affordable office space and technology, as well as a commercial kitchen
- Legacy contributes to the renaissance along MLK Dr., promoting a thriving commercial district.
- The Chamber will move its administrative office from the 6<sup>th</sup> floor of a building on 6<sup>th</sup> Street and Wisconsin Avenue to the highly visible space along MLK Dr., closer to its current and potential members.
- The Chamber develops a sustainable funding model by supplementing member dues, grant and sponsorships with earned revenue through facility rentals and increased programming revenue at the Legacy Co-Working and Innovation Space.

Build out of the former warehouse space began in February 2019 and is anticipated to be completed in June 2020, in advance of the Democratic National Convention in Milwaukee in July. GCA Galbraith Carnahan Architects designed the space, and JCP Construction will lead the build out.

**b. Public/private partnerships and capacity to carry out program**

In 2019, the Chamber has launched a \$1 million campaign to support the Legacy Project: \$650,00 of which will support build out and furnishing of the space; \$130,000 for organizational capacity to manage the space; and the remainder to establish an endowment to support the Chamber into the future. The Chamber applied for a loan through the Milwaukee Economic

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NARRATIVE FOR LEGACY CO-WORKING AND INNOVATION SPACE**

Development Corporation (MEDC) and Forward Community Investments (FCI) to finance project construction and increased operating costs (including adding a staff member to coordinate facility rentals and usage) as the fundraising progresses in earnest.

To date, the Chamber has raised nearly \$500,000 in cash and pledges, including a currently anonymous \$300,000 commitment to name the space; gifts from the Greater Milwaukee Foundation and Wells Fargo Employee Resource Group (\$40,000), LISC Milwaukee (\$35,000), Debbie Allen, Historic MLK BID and WE Energies (\$5,000), and pledges from the Milwaukee Brewers Community Foundation (\$25,000), Town Bank/Catholic Family Life Insurance (\$20,000), and Old National Bank. Additionally, there are numerous proposals pending with corporations and foundations, including Johnson Controls and Manpower. This campaign has every prospect of succeeding in creating a designated space for entrepreneurs to advance the community now, and providing resources to sustain the Chamber into the future.

Deborah Allen, DNA Network and incoming Chamber Board Chair, Susan Lloyd, Lloyd Consulting, Inc. and Greg Wesley, the Medical College of Wisconsin, are supporting the fundraising efforts for the Legacy Co-Working and Innovation Space. The Board of Directors, chaired by outgoing Chamber Board Chair Wanda Montgomery, President of the Village of Brown Deer and Director of Community Partnerships at Children's Hospital of Wisconsin, envisioned this campaign. The Board includes entrepreneurs and other professionals in business, construction, finance, law and sales representing major corporations and small business. Executive Director Ossie Kendrix brings robust leadership from his experience in the business, government and non-profit sectors. The Chamber currently has 3 FT and 2 PG staff serving 200 members, administering loans, providing enriching programming and hosting events.

A thriving African American Chamber of Commerce on MLK will make a statement to the nation, whose eyes will be on us this summer during the Democratic National Convention, that Milwaukee promotes economic opportunity for all. Please join us supporting this important effort.

- c. Which eligible activity does this fall under?** Building renovation
- d. Describe the potential of the project to enhance the economic viability of the community, tax base, job creation & stimulation of private investment, including temporary and permanent jobs**

As a result of Legacy and our programming, the Chamber expects:

- 80 new businesses will launch in 3 years, providing over 200 new jobs
- 40 existing new small businesses will expand to create an additional 100 jobs
- More Chamber members will benefit from business education (over 400 individuals served annually)
- More members will join the Chamber (25% increase in membership annually)

- e. Describe the potential to promote economic development in the neighborhood, community, county and/or region**

African American-owned firms account for only 10% of the approximately 27 million total U.S. businesses. There are more than eight million minority-owned businesses in the United

**AFRICAN AMERICAN CHAMBER OF COMMERCE OF WI APPLICATION TO WEDC REDEVELOPMENT  
NARRATIVE FOR LEGACY CO-WORKING AND INNOVATION SPACE**

States, according to the Census Bureau. Of these, about 2.5 million are owned by African Americans. The Chamber aims to address this inequity.

According to Fortune Magazine, the number of businesses owned by African American women grew 322% between 1997 and 2015, making African American women the fastest growing group of entrepreneurs in the U.S. We witness this phenomenon in Milwaukee. Of the 33 participants in our recent RISE Entrepreneurial Training program, 31 are African American women. These entrepreneurs run successful, innovative businesses including AP Makeup Academy, Bronzeville Collective, Lush Popcorn, and PumpFive that provide important services and employment while building community. The Chamber recognizes our distinctive opportunity to provide an inspiring environment designed for minority entrepreneurs, innovators and influencers, where a variety of start-ups and freelancers can incubate, receive business development support, and network to explore their potential at the Legacy Co-Working and Innovation Space.

Adija Smith, Confectionately Yours by GGG (located in the Sherman Phoenix), explains the direct impact Legacy will have on aspiring food businesses, *“When I started my bakery, I wished that a commercial kitchen such as this one would have been available for me to utilize. This is great because it provides food entrepreneurs with access to a kitchen and business support.”*

The Chamber supports African American entrepreneurs and business owners. We have over 250 members, the majority of who have 0-1 employees or between 2-5 employees. Moving our operations to the Legacy space, within the Bronzeville neighborhood, on Dr. MLK Jr. drive will provide greater access to the community that needs our support. This currently-vacant storefront will bring essential resources to an underserved neighborhood in Milwaukee’s historic Bronzeville neighborhood, supporting the commercial revitalization in the 53212 zipcode.

**f. Describe the potential for the project to act as a catalyst for additional commercial development and investment**

As a result of the Legacy project and the Chamber’s increased capacity to provide entrepreneurial education and support services where our members live and work, we anticipate 80 new businesses will launch, providing 200 jobs, and 40 existing small businesses will expand, creating 100 new jobs. These businesses will need to secure space to operate. Bronzeville Collective, a collaboration of women artists and entrepreneurs, three of who participated in the Chamber’s RISE Entrepreneurial education program, rents 3,500 square foot store for example, within three blocks from the Legacy space. Other Chamber entrepreneurs rent space in the Sherman Phoenix, including Adija Smith, Confectionately Yours by GGG , who also hopes to expand into the Legacy Co-Working and Innovation Space.

## ATTACHMENT 2

### 2. Financial Justification

- a. In July 2019, the African American Chamber of Commerce of Wisconsin launched a Capital Campaign for the Legacy Project. Detailed below is an update on the status of funding requests and awards as of January 15, 2020.

Prospect NAME	Request Amount	Date Submitted	Expected Notification	Result	Notes
Anonymous Donor	100,000	Dec-19	Dec-19	\$300,000	Mtg in January to discuss media alert. Awaiting Letter.
LISC Milwaukee	\$35,000	3/15/2019		\$35,000	yes for commitment but funds have not been received yet
Historic MLK BID		3/15/2019		\$5,000	considering an additional request as of 08/30/19
Doolittle Foundation	\$10,000	8/28/2019	Dec-19		
Old National Bank	\$40,000				donation confirmed verbally to Greg Wesley
Kohls Hometown Giving	\$25,000	9/20/2019			
Catholic Financial Life		10/21/2019	Jan-20		Verbal commitment from Bill O'Toole
Town Bank			Jan-20		Osse meets w/ Jay next week; Bill O'Toole will reach out too
Greater Milwaukee Foundation	\$40,000		Nov-19	\$40,000	
Wells Fargo Employee Resource Group	\$40,000	8/20/2019		\$40,000	check has been received
Milwaukee Brewers Community Foundation	\$25,000	10/30/2019	Jan-20	\$25,000	
WE Energies Foundation	\$25,000	10/30/2019	Dec-19	\$5,000	
Manpower	\$25,000	11/1/2019			
Giacomo Falluca	\$10,000		Jan-20		per conversation with Ossie
F. Dohmen Foundation					Reviewing Legacy information per meeting with Ossie on 11/4, not sure of giving priorities
PNC Bank		TBD			Ossie conversation with Dan Sweeney and Bill O'Toole mentioning Chris Goller
BMO Harris Bank		TBD			Ossie meeting with Racquel Filmanowicz
American Family Insurance		TBD			Via Chamber Board member Ranell Washington & Cecelia Gore's contact Judd Schemmel
Associated Bank		TBD			Via Greg Wesley and John Utz
IMPACT 100	\$100,000	12/9/2019	Spring 2020		naming rights
Johnson Controls Foundation	\$100,000	12/1/2019	Jan-20		incorporate programming at Silver Spring neighborhood center
Jane Bradley Pettit Foundation	\$25,000	1/15/2020			
WEDC Funding via Milwaukee County	\$250,000		Feb-20		Need to confirm Milw Co ask the requester/fiscal agent
City of Milwaukee Block Grant office					
Bradley Foundation	\$50,000	12/1/2019			
Evinrude Foundation	\$10,000	2/1/2020			
Northwestern Mutual	\$50,000	TBD			technology
Anon Foundation		TBD			
Enterprise Foundation	\$25,000	TBD			via Debbie Allen
AACCW Board Giving	\$6,750			\$6,750	
<b>TOTAL</b>	<b>\$830,000</b>			<b>\$461,750</b>	<b>Pledged/Committed</b>
				\$72,000	Paid to date to GC (27K out of operations 2019)

- b. In February of 2019, development of the Legacy Project stated and as of July 2019, the African American Chamber ran out of money to continue to advance the project. As a result, all efforts were halted relative to the construction of the project and the Chamber launched a capital campaign to continue to raise public/private funds for the Legacy Project. Since July 2019, the Chamber has made strides in raising public/private funds in support of the Legacy Project. However, there continues to be a 300K gap in looking at the total cost of the buildout and furnishings is estimated at 650K and operating for new programming is budgeted at 130K. The Legacy Project will not happen if grant funds are not secured from WEDC.



#### ATTACHMENT 4

#### 4. Readiness to Proceed

- a. This building for this project is privately owned by James Phelps. James Phelps and the African American Chamber have gotten all City approvals granted for the project to begin and be completed. We are predicting a May 2020 move-in date, under the certainty that the African American Chamber will be able to secure all funds needed to buildout and begin programming within the space.
- b. There are no intended property transactions over the next 5 years. In 2019, the African American Chamber signed a 20-year lease with the Owner (James Phelps). Our intent is to remain at the Legacy space for at least 20 years.
- c. In November 2019, the African American Chamber successfully secured financing for the Legacy Project from Milwaukee Economic Development Corporation (MEDC) and Forward Community Investments (FCI). The financing is tied to strict fundraising goals and the project will be funded at 60% of all funds raised. Now that the African American Chamber has raised approximately 465K, we are advancing a closing of financing which will enable the construction of the Legacy project to resume in early February.

Attachment 6

AACC Legacy Cost Break-Down  
 Milwaukee, WI  
 GCA  
 JCP Construction

Date:					
Bid Date:					
Structure Area sf:					28,120
Building Vol. cf:					2,447
Occupied Area sf:					-
Parking Area sf:					-
Labor					
	Quantity				
Description	4	mo			
General Conditions	-	cf			
Demolition	-	cy			
Earthwork	192	in concrete			
Site Concrete	1	ton Included in Concrete			
Concrete Reinforcement	13	cy			2,684
Concrete Work - Finishing	13	cy			3,713
Concrete Equipment	-	sf			
Masonry Restoration & Cleaning	-	ea			
Metal Fabrications-railings	5,186	sf			5,590
Rough Carpentry	5,186	sf			40,564
Finish Carpentry					
Metal Wall Panels - Exterior	-	sf			
Patching at Roof	5,186	sf			
Firestopping @ Penetrations	5,186	sf			
Caulking and Sealing	2	ea			143
Hollow Metal Frames - Welded Frame	2	ea			107
Hollow Metal Doors	15	ea			1,074
Wood Doors - Solid Core Doors Common	4	ea			1,146
Punch Windows	19	ea			2,510
Door Hardware	160	sf			
Glass and Glazing	160	sf			
Glass and Glazing - Film on Glass	6,132	sf			14,000
Drywall	4,000	sf			
patching allowance	-	sf			
Ceilings & Soffits	-	sf			3,048
Concrete Ceiling Prep & Finish	460	sf			
Ceramic & Porcelain Tile	860	sf			
Acoustical Ceilings - Washable Ceilings	1,600	sf			
Kitchen Floor	1,112	sf			
Carpet Tile	1,102	sf			
Wood Floor	6,296	sf			
Paints & Coatings -Drywall					

Attachment 6

Paints & Coatings - Mural	1	ls	
Intimecent Paint	-	sf	931
Toilet Partitions & Urinal Screens	4	ea	
Signage & Directory	1	ls	
Fire Extinguishers & Cabinets	3	ea	215
Mailboxes	-	ea	
Lockers	-	ea	
Toilet Accessories	21	ea	1,462
Dock Equipment	-	ea	
Trash Chutes		lnft	
Food Service Equipment	1	ea	
FF&E	1	ea	
Plumbing - Office	3,926	sf	
HVAC -HOOD	1	sf	
HVAC -Office	3,926	sf	
Electrical -Office	3,926	sf	
<b>SUBTOTAL</b>			<b>107,755</b>
SALES TAX			
LABOR ESCALATION			-
MATERIAL ESCALATION			
FUEL SURCHARGE			
LABOR BURDEN			
<b>SUBTOTAL</b>			
CONTINGENCY	0		
General Liability	-	ea	
<b>SUBTOTAL</b>			
FEE - LUMP SUM	0		0
PAYMENT & PERFORMANCE BOND	-	ea	
<b>BID AMOUNT</b>			





# AIA<sup>®</sup> Document A101<sup>™</sup> - 2017

## *Standard Form of Agreement Between Owner and Contractor where the basis of payment is a Stipulated Sum*

**AGREEMENT** made as of the 30th day of July in the year 2019  
(In words, indicate day, month and year.)

**BETWEEN** the Owner:  
(Name, legal status, address and other information)

MLK 1920, LLC  
1920 N. Martin Luther King Drive  
Milwaukee, WI 53212

and the Contractor:  
(Name, legal status, address and other information)

JCP Construction LLC  
1849 N. Martin Luther King Drive, Suite 200  
Milwaukee, WI 53212

for the following Project:  
(Name, location and detailed description)

AACC/Legacy Social Suite Enterprise  
1920 N. Martin Luther King Jr. Drive  
Milwaukee, WI 53212

The Architect:  
(Name, legal status, address and other information)

Galbraith Carnahan Architects  
6528 West North Avenue  
Milwaukee, WI 53213

The Owner and Contractor agree as follows.

**ADDITIONS AND DELETIONS:**  
The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

The parties should complete A101<sup>™</sup>-2017, Exhibit A, Insurance and Bonds, contemporaneously with this Agreement. AIA Document A201<sup>™</sup>-2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

**ELECTRONIC COPYING** of any portion of this AIA<sup>®</sup> Document to another electronic file is prohibited and constitutes a violation of copyright laws as set forth in the footer of this document.

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- 8 MISCELLANEOUS PROVISIONS
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**ARTICLE 1 THE CONTRACT DOCUMENTS**

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary, and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract, and are as fully a part of the Contract as if attached to this Agreement or repeated herein. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. An enumeration of the Contract Documents, other than a Modification, appears in Article 9.

**ARTICLE 2 THE WORK OF THIS CONTRACT**

The Contractor shall fully execute the Work described in the Contract Documents, except as specifically indicated in the Contract Documents to be the responsibility of others.

**§ 2.1** The Contract Sum set out in Article 4 has been arrived at on the basis of incomplete drawings and specifications. Both the Contractor and the Owner intend that the Architect's refinements and changes, leading to the final contract drawings, be completely consistent with the design concept expressed in the enumerated drawings and specifications. In the event that the Contractor believes the Architect's "refinements" or changes to the enumerated drawings will require additional time and expense to do the work, it should report the extent of the increase in cost or time to the Owner. The increase will be handled by change order pursuant to relevant provisions of the Contract Documents.

**§ 2.2** To the extent that the Owner requires any incidental services, construction consulting, or value engineering of the Contractor, the Owner acknowledges that such services are advisory and are not professional design services. The Owner will, with due diligence, refer such questions, matters, and inquiries to the design professionals, and the Contractor shall have no liability to the Owner or the Architect or its consultants for such services requested by the Owner and rendered hereunder. The Contractor shall in no way be responsible for any design services.

**ARTICLE 3 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION**

**§ 3.1** The date of commencement of the Work shall be:

*(Check one of the following boxes.)*

- The date of this Agreement.
- The date the Contractor receives the building permit and completed working drawings and specifications.
- A date set forth in a notice to proceed issued by the Owner.

Established as follows:  
(Insert a date or a means to determine the date of commencement of the Work.)

If a date of commencement of the Work is not selected, then the date of commencement shall be the date of this Agreement.

§ 3.2 The Contract Time shall be measured from the date of commencement of the Work.

§ 3.3 Substantial Completion

§ 3.3.1 Subject to adjustments of the Contract Time, including approved extensions, as provided in the Contract Documents, the Contractor shall achieve Substantial Completion of the entire Work:  
(Check one of the following boxes and complete the necessary information.)

Upon receipt of the Certificate of Occupancy and as also stated in Supplement A201-2017 General Conditions Section 9.8 per Exhibit C.

By the following date:

§ 3.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Contractor shall achieve Substantial Completion of such portions by the following dates:

Portion of Work	Substantial Completion Date
N/A	

§ 3.3.3 When the Contractor considers the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall request in writing that the Architect inspect the Work to determine if the Work is substantially complete. The Architect thereafter shall perform an inspection within two business days of the Contractor's notification to determine if the Work is substantially complete. In the event that the Work is found substantially complete, the Contractor will be so notified in writing within one business day of the inspection. If the Work is found not to be substantially complete, the Contractor will be notified in writing within one business day of the inspection and given a comprehensive list of items that must be completed before the Work will be considered substantially complete.

§ 3.3.4 Included in the construction schedule are [Zero (0)] calendar days that Contractor and Owner anticipate to be lost due to inclement weather. The Contractor will advise the Owner on a monthly basis in writing as to the number of days' work could not be performed or was delayed due to inclement weather. If the accumulated number of lost days exceeds the allotment of [Zero (0)] calendar days as anticipated by the Contractor and Owner, that difference shall constitute the basis for a time extension to the Contractor. Inclement weather shall be defined as weather conditions of any nature which prevent the Contractor from being able to perform for at least half of the day.

§ 3.3.4.1 In the event of delay in the Work beyond the reasonable control of Contractor resulting from: (1) conduct or lack of conduct by the Owner or the Architect, or their consultants, representatives, officers, agents, or employees; or (2) delay by the Owner in making the site available, or in furnishing any items required to be furnished to the Contractor by Owner pursuant to the Contract Documents, the Contractor shall be entitled to an extension of time commensurate with the delay and compensation for any and all extra costs of labor, materials and/or equipment, plus jobsite overhead, extended home office overhead incurred by reason of such delay, plus profit on those amounts.

ARTICLE 4 CONTRACT SUM

§ 4.1 The Owner shall pay the Contractor the Contract Sum in current funds for the Contractor's performance of the Contract. The Contract Sum shall be Five Hundred Four Thousand and Fourteen Dollars (\$504,014.00), subject to additions and deductions as provided in the Contract Documents.

§ 4.2 Alternates

§ 4.2.1 Alternates, if any, included in the Contract Sum:

Item	Price
N/A	



§ 4.2.2 Subject to the conditions noted below, the following alternates may be accepted by the Owner following execution of this Agreement. Upon acceptance, the Owner shall issue a Modification to this Agreement. (Insert below each alternate and the conditions that must be met for the Owner to accept the alternate.)

Item	Price	Conditions for Acceptance
N/A		

§ 4.3 Allowances, if any, included in the Contract Sum: (Identify each allowance.)

Item	Price
Roof Patching	\$2,500
Kitchen Equipment	\$40,100
Mural	\$20,000
FF&E	\$50,000

§ 4.3.1 For increases in the Work made for the owner, the contractor's markup shall be [Ten percent (10%)] of the estimated cost of such increases. There shall be no decrease in the contractor's profit or fee for the deductive change orders.

§ 4.4 Unit prices, if any: (Identify the item and state the unit price and quantity limitations, if any, to which the unit price will be applicable.)

Item	Units and Limitations	Price per Unit (\$0.00)
N/A		

§ 4.5 Liquidated damages, if any: (Insert terms and conditions for liquidated damages, if any.)

N/A

§ 4.6 Other: (Insert provisions for bonus or other incentives, if any, that might result in a change to the Contract Sum.)

N/A

§ 4.7 In the event that the Contractor is required to pay or bear the burden of any new federal, state, or local tax, or of any rate increase of an existing tax (except a tax on net profits), as a result of any statute, court decision, written ruling, or regulation taking effect after the date of this Agreement, the Contract Sum shall be increased by the amount of the new tax or tax increase.

**ARTICLE 5 PAYMENTS**

**§ 5.1 Progress Payments**

§ 5.1.1 Based upon Applications for Payment submitted to the Architect by the Contractor and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum to the Contractor as provided below and elsewhere in the Contract Documents.

§ 5.1.2 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month, or as follows:

§ 5.1.3 Provided an Application for Payment is received by the Architect not later than the fifth day of the month, the Owner shall make payment to the Contractor not later than the tenth (15th) day of the same month. If an Application for Payment is received by the Architect after the application date fixed above, payment of an amount certified by the Owner shall be made not later than ten (10) calendar days after the Architect receives the Application for Payment.

§ 5.1.4 Each Application for Payment shall be based on the most recent schedule of values submitted by the Contractor in accordance with the Contract Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. The schedule of values shall be prepared in such form, and supported by such data to substantiate its accuracy, as the Architect may require. This schedule of values shall be used as a basis for reviewing the Contractor's Applications for Payment.

§ 5.1.5 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

§ 5.1.6 In accordance with AIA Document A201™-2017, General Conditions of the Contract for Construction, and subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

§ 5.1.6.1 The amount of each progress payment shall first include:

- .1 That portion of the Contract Sum properly allocable to completed Work;
- .2 That portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction, or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing, which shall not be subject to the withholding of retainage;
- .3 That portion of Construction Change Directives that the Architect determines, in the Architect's professional judgment, to be reasonably justified; and
- .4 Add fifty percent (50%) of the Contractor's estimated costs for extra work, changes, or differing site conditions that affect the Contract Price in the event of a dispute between the Owner and the Contractor where the Contractor seeks additional compensation for extra work, changes, or differing site conditions that affect the Contract Price.

§ 5.1.6.2 The amount of each progress payment shall then be reduced by:

- .1 The aggregate of any amounts previously paid by the Owner;
- .2 The amount, if any, for Work that remains uncorrected and for which the Architect has previously withheld a Certificate for Payment as provided in Article 9 of AIA Document A201-2017;
- .3 Any amount for which the Contractor does not intend to pay a Subcontractor or material supplier, unless the Work has been performed by others the Contractor intends to pay;
- .4 INTENTIONALLY DELETED; and
- .5 Retainage withheld pursuant to Section 5.1.7.

#### § 5.1.7 Retainage

§ 5.1.7.1 For each progress payment made prior to Substantial Completion of the Work, the Owner may withhold the following amount, as retainage, from the payment otherwise due:

*(Insert a percentage or amount to be withheld as retainage from each Application for Payment. The amount of retainage may be limited by governing law.)*

Five percent (5%)

§ 5.1.7.1.1 The following items are not subject to retainage:

*(Insert any items not subject to the withholding of retainage, such as general conditions, insurance, etc.)*

Materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction or suitably stored off the site with Owner's approval.

§ 5.1.7.2 Reduction or limitation of retainage, if any, shall be as follows:

*(If the retainage established in Section 5.1.7.1 is to be modified prior to Substantial Completion of the entire Work, including modifications for Substantial Completion of portions of the Work as provided in Section 3.3.2, insert provisions for such modifications.)*

N/A

§ 5.1.7.3 Except as set forth in this Section 5.1.7.3, upon Substantial Completion of the Work, the Contractor may submit an Application for Payment that includes the retainage withheld from prior Applications for Payment pursuant to this Section 5.1.7.

§ 5.1.8 If final completion of the Work is materially delayed through no fault of the Contractor, the Owner shall pay the Contractor any additional amounts in accordance with Article 9 of AIA Document A201–2017.

§ 5.1.9 Except with the Owner's prior approval, the Contractor shall not make advance payments to suppliers for materials or equipment which have not been delivered and stored at the site, but materials and equipment which have been delivered to the Project site or are being stored shall not be subject to the withholding of any retainage.

## § 5.2 Final Payment

§ 5.2.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Contractor when

- .1 Certificate of Occupancy has been obtained;
- .2 the Contractor has fully performed the Contract except for the Contractor's responsibility to correct Work as provided in Article 12 of AIA Document A201–2017, and to satisfy other requirements, if any, which extend beyond final payment; and
- .3 a final Certificate for Payment has been issued by the Architect.

§ 5.2.2 The Owner's final payment to the Contractor shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, or as follows:

## § 5.3 Interest

Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located, with interest beginning to run from the date payment was to be made for each item of work as provided for in the corresponding payment application and ending when payment is made.

*(Insert rate of interest agreed upon, if any.)*

12 % annum

## ARTICLE 6 DISPUTE RESOLUTION

### § 6.1 Initial Decision Maker

The Architect will serve as the Initial Decision Maker pursuant to Article 15 of AIA Document A201–2017.

### § 6.2 Binding Dispute Resolution

For any Claim subject to, but not resolved by, mediation pursuant to Article 15 of AIA Document A201–2017, the method of binding dispute resolution shall be as follows:

*(Check the appropriate box.)*

- Arbitration pursuant to Section 15.4 of AIA Document A201–2017
- Litigation in a court of competent jurisdiction
- Other *(Specify)*

All disputes or claims between Contractor and Owner arising out of this Agreement or the performance of the Work shall be decided by arbitration. Such arbitration shall be conducted according to the Construction Industry Rules of the American Arbitration Association, but the arbitration shall not be conducted under the auspices of arbitrators selected by the parties. Each party shall select one arbitrator within twenty (20) days after a demand for arbitration is issued and those two arbitrators selected by the parties shall select a third arbitrator who shall serve as the chairman of the panel. Any legal action initiated by either party shall be stayed pending the outcome of the arbitration. An award issued in such arbitration shall be final and binding and may be confirmed in any court having jurisdiction over the dispute and parties. Any arbitration hearing shall be conducted in the location of the Project (if possible) unless the arbitration is consolidated with another arbitration hearing in which case the locale of the other hearing shall govern. The parties shall have the right to engage in liberal discovery in the arbitration process with the parties agreeing that the Arbitrator has the right to compel discovery (as to the parties).

If the Owner and Contractor do not select a method of binding dispute resolution, or do not subsequently agree in writing to a binding dispute resolution method other than litigation, Claims will be resolved by litigation in a court of competent jurisdiction.

## ARTICLE 7 TERMINATION OR SUSPENSION

§ 7.1 The Contract may be terminated by the Owner or the Contractor as provided in Article 14 of AIA Document A201–2017.

§ 7.1.1 If the Contract is terminated for the Owner's convenience in accordance with Article 14 of AIA Document A201–2017, then the Owner shall pay the Contractor a termination fee within fourteen (14) calendar days of termination as follows:

*(Insert the amount of, or method for determining, the fee, if any, payable to the Contractor following a termination for the Owner's convenience.)*

« »

§ 7.2 The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2017.

§ 7.3 In addition to any other basis specified in the Contract Documents, the following shall constitute bases for termination by the Contractor:

- (a) Owner's failure to pay Contractor in accordance with the terms of the Contract for a period of more than 21 calendar days;
- (b) Owner's refusal for a period of more than 21 calendar days from written request by Contractor to issue appropriate Change Orders or Construction Change Directives in writing where the Owner's or its Agent's conduct interferes with Contractor's performance causing delays to the Contractor; and
- (c) Owner's failure to provide Contractor with adequate plans and specifications for Contractor to perform its Work in an efficient and workmanlike manner unless the Owner promptly remedies that failure through plan or specification amendments in written Change Orders issued within twenty-one (21) calendar days from written request by Contractor.

## ARTICLE 8 MISCELLANEOUS PROVISIONS

§ 8.1 Where reference is made in this Agreement to a provision of AIA Document A201–2017 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

§ 8.2 The Owner's representative:

*(Name, address, email address, and other information)*

Ossie Kendrix  
1920 N. Martin Luther King Jr. Drive  
Milwaukee, WI 53212

§ 8.3 The Contractor's representative:

*(Name, address, email address, and other information)*

James Phelps  
JCP Construction, LLC  
1849 N. Dr. MLK Dr.  
Suite 200  
Milwaukee, WI 53212  
[James@jcp-construction.com](mailto:James@jcp-construction.com)  
414-372-7300

§ 8.4 Neither the Owner's nor the Contractor's representative shall be changed without ten days' prior notice to the other party.

## ARTICLE 9 ENUMERATION OF CONTRACT DOCUMENTS

§ 9.1 This Agreement is comprised of the following documents:

AIA Document A101™ - 2017. Copyright © 1915, 1918, 1925, 1937, 1951, 1958, 1961, 1963, 1967, 1974, 1977, 1987, 1991, 1997, 2007 and 2017 by The American Institute of Architects. All rights reserved. **WARNING:** This AIA Document is protected by U.S. Copyright Law and International Treaties. Unauthorized reproduction or distribution of this AIA Document, or any portion of it, may result in severe civil and criminal penalties, and will be prosecuted to the maximum extent possible under the law. This draft was produced by AIA software at 12:47:48 ET on 12/04/2018 under Order No.8439962347 which expires on 07/30/2019, and is not for resale.

User Notes:

(795224879)

- .1 AIA Document A101™-2017, Standard Form of Agreement Between Owner and Contractor
- .2 AIA Document A201™-2017, General Conditions of the Contract for Construction
- .3 Drawings

Number	Title	Date
A001	First Floor Code Plan Revision #1	04/17/2019 (CB-02)
A101	First Floor Plan Revision #2	04/17/19 (CB-02)
A111	First Floor Reflected Ceiling Plan Revision #2	04/17/19 (CB-02)
A120	First Floor Finish Plan Revision #2	04/17/19 (CB-02)
A400	Interior Elevations Revision #1	04/17/19 (CB-02)
A401	Interior Elevations Revision #1	04/17/19 (CB-02)
A600	Door Schedule, Elevations & Details Revision #1	04/17/19 (CB-02)
C100	Grading, Paving & Drainage Plan Revision #1	04/17/19 (CB-02)
G100	Cover Sheet	04/17/19 (CB-02)

.4 Specifications

Section	Title	Date	Pages
NA			

.5 Addenda, if any:

Number	Date	Pages
NA		

Portions of Addenda relating to bidding or proposal requirements are not part of the Contract Documents unless the bidding or proposal requirements are also enumerated in this Article 9.

.6 Other Exhibits:

*(Check all boxes that apply and include appropriate information identifying the exhibit where required.)*

[ N/A ] AIA Document E204™-2017, Sustainable Projects Exhibit, dated as indicated below:  
*(Insert the date of the E204-2017 incorporated into this Agreement.)*

[ X ] Supplementary and other Conditions of the Contract:

Document	Title	Date	Pages

.7 Other documents, if any, listed below:

*(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201™-2017 provides that the advertisement or invitation to bid, Instructions to Bidders, sample forms, the Contractor's bid or proposal, portions of Addenda relating to bidding or proposal requirements, and other information furnished by the Owner in anticipation of receiving bids or*

*proposals, are not part of the Contract Documents unless enumerated in this Agreement. Any such documents should be listed here only if intended to be part of the Contract Documents.*

This Agreement entered into as of the day and year first written above.

\_\_\_\_\_  
**OWNER (Signature)**

\_\_\_\_\_  
*(Printed name and title)*

\_\_\_\_\_  
**CONTRACTOR (Signature)**

\_\_\_\_\_  
*(Printed name and title)*



**Financial Plan:**

**Legacy Co-Working & Innovation Space Revenue Assumptions:**

<b>Commercial Kitchen</b>					
	Hours	Hourly Rate	Weekly Revenue	Monthly Revenue	Annual Revenue
Estimated Avg Client Usage Hours	6				
Estimated Hours Used Per Week with 12 clients	72	\$25	\$1,800	\$7,200	\$86,400
Estimated Hours Used Per Week with 6 clients	36	\$25	\$900	\$3,600	\$43,200
Member Youth Baking Classes (1/week; supplies paid by member org)	4	\$25	\$100	\$400	\$4,800
Adult Cooking Classes (12 participants @ \$40 once per week)			\$480	\$1,920	\$23,040
Less: Cooking supplies @ \$15 per participant (12)			(\$180)	(\$720)	(\$8,640)
Cold Storage Fees: 2 clients at \$100 per month			\$50	\$200	\$2,400
<b>Total Revenue (w/ 40% 6 clients and 60% 12 clients)</b>			<b>\$1,890</b>	<b>\$7,560</b>	<b>\$90,720</b>
<b>Co-Working Space</b>					
				Monthly Revenue	Annual Revenue
Minority Business Membership (40: 0-1 employee businesses at \$100/year)				\$333	\$4,000
Minority Business Membership (10: 2-5 employee businesses at \$250/year)				\$208	\$2,500
<b>Total</b>				<b>\$542</b>	<b>\$6,500</b>
<b>Office Space (3 Private Offices)</b>					
	Lease Period			Monthly Revenue	Annual Revenue
One 8x12 office	1 year			\$200	\$2,400
One 8x12 office	1 year			\$200	\$2,400
One 9x13 office	1 year			\$300	\$3,600
<b>Total</b>				<b>\$700</b>	<b>\$8,400</b>
<b>Commercial Tenant- Coffee Shop</b>					
	Lease Period			Monthly Revenue	Annual Revenue
13x7 commercial space (Coffee Station)	2 year			\$500	\$6,000
<b>Total</b>				<b>\$500</b>	<b>\$6,000</b>
<b>Grand Total Legacy Co-Working and Innovation Space</b>					
				Monthly Revenue	Annual Revenue
<b>Total</b>				<b>\$9,302</b>	<b>\$111,620</b>



## **COMMERCIAL KITCHEN**

### Commercial Kitchen General Use:

The 800 sq. ft. commercial kitchen will consist of 6 prep tables, a combi oven and convection oven. Tables can be rented for a minimum of 2 hours, but the estimated average use time is 6 hours based on the time culinary chefs need to prep, cook, and package their products for sales or catering events.

The growing number of food entrepreneurs locally in Milwaukee leads to a projection of 12 clients utilizing the space for an average of 6 hours at \$25 per hour on a weekly basis. To be conservative for the projections, we assume all weeks will not reach the 12 client mark and consider 6 clients using the space for an average of 6 hours on some weeks. The total revenue considers that 6 clients will use the space per week for 40% of the year with the remaining 60% of the year seeing 12 clients per week.

### Member Youth Baking Classes:

There are multiple AACCW member organization that provide youth baking classes. The kitchen will be offered in 4 hour blocks to these organizations to provide space for the classes. The projections assume 1 class per week during evening or weekend hours. Member organizations will be responsible for providing the supplies for their programs limiting the Chambers expenses to the use of the facility.

### Adult Cooking Classes:

The Chamber will market the space to and engage local chefs to host cooking classes for adults during evening and weekend hours. Classes can hold up to 12 participants at \$40 each. The Chamber's estimated supply and materials cost is \$15 per person is deducted from the overall revenue. The projections assume one cooking class per week.

### Cold Storage Fees:

The Kitchen will have the ability to store up to two client's cold storage supplies at a time. This service will be offered to food entrepreneurs at a cost of \$100 for a term of one month. The projections and demand leads to the assumption the storage will continually be in use.

## **CO-WORKING SPACE (Increased Membership Revenue Projection)**

The front of the Legacy Co-Working and Innovation Space will be utilized by current and new minority owned businesses that are members of the Chamber. The cost of use is included in their membership. The space contains four tables for small meetings or co-working, along with eight workstations equipped with computers. The growth of RISE MKE, a 14-week entrepreneurial training program designed for business development, will garner new membership to the chamber by holding 3 trainings per year consisting of 15 businesses in each cohort. The majority of the businesses have 0-1 employees and 2-5 employees on the next level indicating the needs small businesses have for growth opportunities. The training program will convert participants to new chamber members generating additional revenue through the development of the Co-working space. Assuming 40 (0-1 employee) new members and 10 (2-5 employee) new members increased revenue from memberships total \$6,500.

## PRIVATE OFFICES

The Legacy Co-Working and Innovation space will provide three private offices to growing entrepreneurs with one-year lease terms. Rents are projected to be \$200 for the two 8x12 spaces and \$300 for the 9x13 office space garnering \$8,400 in annual revenue.

## COMMERCIAL TENANT – COFFEE SHOP

The Legacy Co-Working and Innovation space will provide commercial space for a coffee shop in a 13x7 area with a 2 year lease at \$500 per month. The Chamber is in conversation with a few existing coffee businesses discussing the potential use. This space will generate \$6,000 in annual revenue.

### Legacy Co-Working and Innovation Profit and Loss Projection:

The following projection only reflects the income and expenses related to the Chamber by establishing the Co-Working and Innovation Space. This P&L does not reflect the existing Chamber operational income and expenses.

<b>Legacy Co-Working and Innovation Space</b>	Projection		Projection		Projection	
Statement in Actual	Year 1		Year 2		Year 3	
<b>REVENUE</b>	USD	%	USD	%	USD	%
Commercial Kitchen	90,720	81.3%	95,256	82.0%	100,019	82.7%
Three (3) Private Office Space	8,400	7.5%	8,400	7.2%	8,400	6.9%
Coffee Shop	6,000	5.4%	6,000	5.2%	6,000	5.0%
Co-Working Space	6,500	6.1%	6,500		6,500	
		0.0%	-	0.0%		0.0%
<b>Total Revenues</b>	<b>111,620</b>	<b>100.0</b>	<b>116,156</b>	<b>100.0</b>	<b>120,919</b>	<b>100.0</b>
Vacancy Consideration (5%)	(5,681)		(6,808)	- 0.1	(6,046)	- 0.1
<b>GROSS REVENUES</b>	<b>106,039</b>		<b>110,348</b>	<b>105.26%</b>	<b>114,873</b>	<b>105.26%</b>
			3% Annual Expense Increase			
<b>OPERATION EXPENSES</b>	USD	%	USD	%	USD	%
Salaries & Wages (FT Kitchen Manager)	\$ 50,000.00	45.8%	\$51,500.00	55.1%	\$53,045.00	68.3%
Payroll FICA (7% salaries & wages)	\$ 3,500.00	3.2%	\$ 3,605.00	3.9%	\$ 3,713.15	4.8%
Utilities	\$ 6,000.00	5.5%	\$ 6,180.00	6.6%	\$ 6,365.40	8.2%
Advertising/Marketing	\$ 2,400.00	2.2%	\$ 2,472.00	2.6%	\$ 2,546.16	3.3%
Cleaning	\$ 3,000.00	2.7%	\$ 3,090.00	3.3%	\$ 3,182.70	4.1%
Insurance	\$ 1,800.00	1.6%	\$ 1,854.00	2.0%	\$ 1,909.62	2.5%
Equipment Maintenance	\$ 800.00	0.7%	\$ 824.00	0.9%	\$ 848.72	1.1%
Equipment Replacement	\$ 1,000.00	0.9%	\$ 1,030.00	1.1%	\$ 1,060.90	1.4%
Professional Services (accounting)	\$ 1,200.00	1.1%	\$ 1,236.00	1.3%	\$ 1,273.08	1.6%
Internet, Website, and Hosting	\$ 1,500.00	1.4%	\$ 1,545.00	1.7%	\$ 1,591.35	2.0%
Telephone	\$ 900.00	0.8%	\$ 927.00	1.0%	\$ 954.81	1.2%
Office Supplies	\$ 600.00	0.5%	\$ 618.00	0.7%	\$ 636.54	0.8%
FCI Loan Interest (\$600K; \$300k; \$0)	\$ 36,000.00	33.0%	\$18,000.00	19.3%	\$ -	0.0%
Legal	\$ 500.00	0.5%	\$ 515.00	0.6%	\$ 530.45	0.7%
Depreciation	\$ -	0.0%	\$ -	0.0%	\$ -	0.0%
<b>Total Operating Expenses</b>	<b>\$109,200.00</b>	<b>100.00%</b>	<b>\$93,396.00</b>	<b>100.00%</b>	<b>\$77,657.88</b>	<b>100.00%</b>
<b>NET OPERATING INCOME</b>	<b>\$ (3,161.00)</b>	<b>-2.8%</b>	<b>\$16,952.20</b>	<b>14.6%</b>	<b>\$37,214.98</b>	<b>30.8%</b>
Add: interest	36,000		18,000			
Add: Depreciation						
Cash flow available for debt	32,839		34,952		37,215	
Debt service requirements	36,000		18,000		0	
Net Profit	(3,161)		16,952		37,215	<b>32%</b>
Debt coverage ratio	0.91x		1.94x		#DIV/0!	
Profit Margin	-2.8%		14.6%		30.8%	

**Projection Assumptions (Income):** See Revenue Source Assumptions above. Projection includes a vacancy consideration to the revenue sources primarily related to the kitchen space.

**Projection Assumptions (Expenses):**

**Year One:** Year One expense assumptions are as follows:

- Salaries & Wages reflect the new position for a full-time kitchen manager at \$50,000 per year. This role will manage all activities related to scheduling clients, cleaning, and keeping inventory of supplies and materials. Payroll taxes assume 7% of gross salary.
- Utilities for gas and electric are estimated to be \$500 per month or \$6,000 annually.
- Advertising and Marketing assumes a \$200 per month budget or \$2,400 annually.
- Cleaning & Pest control is \$250 per month or \$3,000 annually and only specific to the Commercial Kitchen. General office cleaning is considered under the AACCW general budget.
- Business and Client Usage (Kitchen) Insurance is projected to be \$1,800 annually.
- Equipment Replacement and Maintenance total \$1,800 per year as no major replacements are projected given equipment will be new and under warranty.
  
- FCI's debt service is assumes:
  - Year 1: \$600,000 loan interest only at 6% in year one for a \$36,000 payment.
  - Year 2: Assumes the debt is paid down conservatively by half from the capital campaign contributions. This leads to an \$18,000 interest only payment assuming a full year.
  - Year 3: The Chamber reasonably expects to meet its capital campaign goal within 18-months of its launch, leading to the FCI debt being paid in full and no debt service requirement reflected in the projections.

The \$3,161 shortfall in year 1 will be covered by revenue generated from the chambers existing operations (see global projections below).

**Years Two & Three** - Revenues are projected to increase by 5% from the commercial kitchen with the other revenue sources remaining the same for conservative projections. Expenses are estimated to increase by 3% in year two and three.

**Capital Campaign: To Begin 6/4/19**

The projections assume a loan based on interest only over an 18-month period during construction and stabilization of the project. The campaign to raise \$1,000,000 toward construction and endowment will utilize first in grants to pay down the debt obligation from FCI. The modest goal is to pay down \$300,000 within the first 12 months and the remaining \$300,000 over the next 6 months based on the size of contributions and time frames donors provide in making these gifts. The chamber desires to retire the FCI debt as soon as possible to strengthen the Chambers operation. Early pending contributions include:

- Wells Fargo - \$40,000
- Brew City Match - \$35,000
- MLK BID - \$5,000

**African American Chamber of Commerce of Wisconsin Actual & Projected Profit and Loss w/  
Legacy Co-Working & Innovation Space:**

The following projection reflects the historical actual AACCW 2016, 2017, & 2018 profit and loss along with a comparative two year projection of the Chambers historical income and expenses blended with the new income and expenses related to the Co-Working and Innovation Space to provide the future outlook encompassing all of the Chamber's operations.

AACCCW	Audited Stmt		Audited Stmt		Company Prepared		Projection Year 1		Projection Year 2	
Statement in Actual	12/31/2016		12/31/2017		12/31/2018					
REVENUE	USD	%	USD	%	USD	%	USD	%	USD	%
Membership Dues	63,375	15.3%	51,850	6.5%	46,312	8.7%	49,081.20	6.4%	50,553.63	6.4%
Grants	225,000	54.2%	678,828	85.2%	315,560	59.5%	497,194.00	64.6%	512,109.82	64.5%
County Grants	5,000	1.2%		0.0%		0.0%	-	0.0%	-	0.0%
Contributions	26,510	6.4%	10,950	1.4%	36,600	6.9%	23,775.00	3.1%	24,488.25	3.1%
Special Events Revenue	136,536	32.9%	109,474	13.7%	170,050	32.1%	139,762.00	18.2%	143,954.86	18.1%
Less: Special Events Expense	(44,955.00)	-10.8%	(59,856.00)	-7.5%	(78,079.54)	-14.7%	(68,967.77)	-9.0%	(71,036.80)	-8.9%
Interest Income	2,431	0.6%	5,651	0.7%	7,590	1.4%	6,620.49	0.9%	6,819.10	0.9%
Other Income	1260	0.3%	293	0.0%	31984	6.0%	16,138.37	2.1%	16,622.52	2.1%
Legacy Co-Working and Innovation Space		0.0%		0.0%		0.0%	106,039.00	13.8%	110,348.20	13.9%
		0.0%		0.0%		0.0%	-	0.0%	-	0.0%
<b>Total Revenues</b>	<b>415,167</b>	<b>100.0</b>	<b>797,190</b>	<b>100.0</b>	<b>530,017</b>	<b>100.0</b>	<b>769,642.28</b>	<b>100.0</b>	<b>793,859.58</b>	<b>100.0</b>
<b>GROSS REVENUES</b>	<b>415,167</b>	<b>100%</b>	<b>797,190</b>	<b>100%</b>	<b>530,017</b>	<b>100%</b>	<b>769,642.28</b>	<b>100%</b>	<b>793,859.58</b>	<b>100%</b>
<b>OPERATING EXPENSES</b>	<b>USD</b>	<b>%</b>	<b>USD</b>	<b>%</b>	<b>USD</b>	<b>%</b>	<b>USD</b>	<b>%</b>	<b>USD</b>	<b>%</b>
Series & Wages	226,271	58.2%	210,645	34.6%	215,739	39.4%	222,211.02	30.1%	228,877.35	30.9%
Employee Benefits	8,042	2.1%	22,160	3.6%	45,365	8.3%	46,725.45	6.3%	48,127.21	6.5%
Payroll Taxes	17,505	4.5%	16,120	2.7%		0.0%		0.0%	-	0.0%
Professional Fees	55,045	14.2%	108,464	17.8%	45,211	8.3%	76,837.64	10.4%	79,142.76	10.7%
Grant to other Orgs		0.0%	150,000	24.7%	7,598	1.4%	78,799.00	10.7%	81,162.97	11.0%
Advertising	16,812	4.3%	13,362	2.2%	4,991	0.9%	9,176.45	1.2%	9,451.74	1.3%
Supplies	5,111	1.3%	4,850	0.8%	4,604	0.8%	4,727.04	0.6%	4,868.85	0.7%
Telephone	5,930	1.5%	7,511	1.2%	8,414	1.5%	7,962.51	1.1%	8,201.38	1.1%
Postage	191	0.0%	66	0.0%	342	0.1%	203.90	0.0%	210.01	0.0%
Printing	1,491	0.4%	1,669	0.3%	900	0.2%	1,284.52	0.2%	1,323.05	0.2%
Subscriptions	444	0.1%	390	0.1%	704	0.1%	546.79	0.1%	563.19	0.1%
Occupancy	22,739	5.8%	22,281	3.7%	23,484	4.3%	60,000.00	8.1%	61,800.00	8.3%
Technology	4,143	1.1%	5,666	0.9%	2,911	0.5%	4,288.53	0.6%	4,417.19	0.6%
Depreciation	359	0.1%	360	0.1%		0.0%	-	0.0%	-	0.0%
Travel	275	0.1%	1,725	0.3%	1,196	0.2%	1,460.62	0.2%	1,504.44	0.2%
Conferences, Conventions and Meetings	4,199	1.1%	12,606	2.1%	13,779	2.5%	13,192.40	1.8%	13,588.17	1.8%
Interest Expense	733	0.2%	1,128	0.2%		0.0%	564.00	0.1%	580.92	0.1%
Insurance	1,743	0.4%	2,408	0.4%	2,981	0.5%	2,694.50	0.4%	2,775.34	0.4%
Membership Dues	1,479	0.4%	1,319	0.2%	3,201	0.6%	2,259.78	0.3%	2,327.57	0.3%
Staff Development	1,366	0.4%	3,934	0.6%	40,560	7.4%	22,246.80	3.0%	22,914.20	3.1%
Non-Capital Fixed Asset Purchase	11,739	3.0%	1,831	0.3%		0.0%	915.50	0.1%	942.97	0.1%
Bad Debt		0.0%	10,360	1.7%		0.0%	5,180.00	0.7%	5,335.40	0.7%
Other Expense	3,190	0.8%	9,133	1.5%	2,395	0.4%	5,764.14	0.8%	5,937.06	0.8%
Miscellaneous		0.0%		0.0%	38,307	7.0%	19,153.68	2.6%	19,728.29	2.7%
Grant/Program Expenses		0.0%		0.0%	84,440	15.4%	42,219.96	5.7%	43,486.56	5.9%
Legacy Co-Working and Innovation Space		0.0%		0.0%		0.0%	109,200.00	14.8%	93,396.00	12.6%
<b>Total Operating Expenses</b>	<b>388,807</b>	<b>100.0</b>	<b>607,988</b>	<b>100.0</b>	<b>547,121</b>	<b>100.0</b>	<b>737,614.18</b>	<b>100.0</b>	<b>740,662.61</b>	<b>100.0</b>
<b>NET OPERATING INCOME</b>	<b>\$ 26,360.00</b>	<b>6.3%</b>	<b>\$ 189,202.00</b>	<b>23.7%</b>	<b>\$ (17,104.39)</b>	<b>-3.2%</b>	<b>\$ 32,028.10</b>	<b>4.2%</b>	<b>\$ 63,196.97</b>	<b>6.7%</b>
Add: interest	733		1,128				36,564		18,581	
Add: Depreciation	359		360							
Cash flow available for debt	27,442		190,690		(17,104)		68,592		71,778	
Debt service requirements	0		0		0		36,000		18,000	
Net Profit	27,442		190,690		(17,104)		32,592		53,778	
Debt coverage ratio	#DIV/0!		#DIV/0!		#DIV/0!		1.91x		3.99x	
Profit Margin	6.3%		23.7%		-3.2%		4.2%		6.7%	

## Assumptions:

### Projection Year 1:

- Projection Year 1 takes the average income from 2017 & 2018 to generate the revenue projections for the chambers current existing operations.
- The line item for the Legacy Co-Working & Innovation Space has been added and reflects the income from the Legacy projections noted above. (Highlighted in Green)
- Salary Wages and Employee benefit expenses increase by 3% from 2018.
- Occupancy expense reflects the \$60,000 in rent expense that will increase from the new lease.
- All other expenses in Year 1 are an average of 2017 & 2018 expenses from the chambers current operations.
- The line item for the Legacy Co-Working & Innovation Space has been added and reflects the expenses from the Legacy projections noted above. (Highlighted in Green)
- All said overall operations are anticipated to reflect a net profit of \$32,592 and DSC of 1.91x post construction under a stabilized model.

### Projection Year 2:

- Year 2 Chamber income and expenses outside of Legacy Co-Working Space reflect a 3% increase from the Year 1 projections.
- The Legacy line items reflect the income and expenses from the Year 2 Legacy profit & loss projection.
- With the assumed capital campaign debt reduction of \$300,000 after Year 1, Year 2 projects a \$53,778 profit and 3.99x DSC on all combined operations.