

MPA

MILWAUKEE
PRESERVATION
ALLIANCE

Financial
Feasibility
for the
Rehabilitation
of the

Chapel, Governor's Residence and Ward Memorial Hall

at the
Clement J.
Zablocki
VAMC
Campus

Prepared for:
Milwaukee
Preservation
Alliance

June 7, 2021

FINANCIAL FEASIBILITY
FOR THE REHABILITATION OF THE
**CHAPEL, GOVERNOR'S RESIDENCE,
AND WARD MEMORIAL HALL,**
at the Clement J. Zablocki VAMC Campus

Prepared For:

MILWAUKEE PRESERVATION ALLIANCE

Milwaukee, Wisconsin

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June 7, 2021

Miller Dunwiddie Project Number: MPA 2001

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INTRODUCTION

The Milwaukee Preservation Alliance retained the services of Miller Dunwiddie to lead a team that includes a local Milwaukee architect (Allume Architects), a developer (The Alexander Company), and a construction cost estimator (JP Cullen) to prepare a Financial Feasibility Report for the viability of the rehabilitation for the Chapel, Governor's Residence, and Ward Memorial Hall at the historic Soldiers Home in Milwaukee, Wisconsin, via the Historic Reuse Program (HRP), authorized by Section 111 of the National Historic Preservation Act (NHPA)¹.

In order to complete this report, our team evaluated the previous Economic Viability Study (prepared for the U.S. Department of Veteran Affairs dated December 22, 2019), reviewed additional Historic Reuse Program (HRP) authorized opportunities for the three structures and possible partnership options, along with preparing a pro forma for the viability of rehabilitation for the three structures. Based on our review of the previously completed Study, it appeared to focus on the viability of rehabilitation assuming a partnership with a traditional for-profit developer.

Our team has expanded on that report and evaluated the viability potential for a partnership with a nonprofit organization.

For the purpose of this report, our potential model being examined is based on a potential partnership with the Wisconsin Veterans Chamber of Commerce (WVCC) as the nonprofit user. This does not rule out the potential for other nonprofit users or a successful for profit model.

The process to completing our Financial Feasibility Study included an assessment of the current conditions of the buildings and evaluation of previously prepared reports, including the Historic American Building Surveys (HABS), Historic American Landscape Survey (HALS), relevant sections from the Historic Preservation Plan (HPP) prepared by Plunkett Raysich Architects in February 2011, and the Economic Viability Study; public outreach to engage with and receive input from the public regarding potential reuse options; an economic analysis based on the estimated construction costs and potential funding availability; and a summary of our opinions and recommendations.

POTENTIAL REUSE OPPORTUNITIES

The result of our analysis and public outreach is that **there are viable reuse opportunities for these buildings, primarily for nonprofits**, including but not limited to, the Wisconsin Veterans Chamber of Commerce (WVCC). Possible reuse functions and services include:

- Theater / Arts
- Restaurant / Café
- Veteran's Counseling Services
- Event Space
- Veteran Job Placement Services
- Recreation / Athletic Space
- Co-working office space for Veteran entrepreneurs
- Daycare
- Grocery Store

¹ <https://www.cfm.va.gov/realProperty/HRP/index.asp>

KEY FINDINGS

As a result of our analysis and understanding of the subject buildings, we believe **the rehabilitation for the Chapel, Governor's Residence, and Ward Memorial Hall is financially feasible**. Based on our analysis, we feel **the best chance at success includes**, but is not limited to:

- **Outreach to nonprofits**. Nonprofits can be both recipient of the campaign dollars and can work with the federal tax credit programs. Additionally, they can admit investors into Limited Liability Companies who then in turn are able to lease the properties from the United States Department of Veterans Affairs. This is a key difference from the previous 2019 Economic Viability Study.
- **Sequencing the project** starting with the rehabilitation of the Chapel and Governor's Residence then completing Ward Memorial Hall. Based on our knowledge of the current conditions of the building and the potential for reuse, it is our opinion that with the recent exterior preservation project performed at Ward Memorial Hall, the building is more protected than the other two and could potentially sit vacant for another few years until a reuse is determined for the building. The Chapel is in the worst condition and is therefore in more immediate need of repair. As an iconic building within the community, we feel there could be great fundraising success with measurable community enthusiasm to preserve and rehabilitate the building. As for the Governor's Residence, we believe this building is more readily adaptable with minimal work required to rehabilitate the building for reuse.
- **Utilizing Historic Tax Credits** (HTC). This credit is equal to up to 40% of Qualified Rehabilitation Expenditures (20% Federal + 20% State), generally paid out over a period of five years. Not all costs are eligible, and investors will generally pay \$0.83 on the dollar for State of Wisconsin Tax Credits and \$0.65 on the dollar for Federal Historic Tax Credits. This is reflected in the Capital Sources in Exhibit A.
- **Utilizing additional funding sources** such as Save America's Treasures and Wisconsin Economic Development Corporation (WEDC) grants.
- **Utilizing a capital campaign to fill the funding gap**. Assuming the market rate for HTCs and the possible additional funding sources, the Chapel would require a \$2.8 million campaign, Ward Memorial Hall would require a \$4.5 million campaign and the Governor's Residence a \$160,000 campaign. Foundations already contributing to Save the Soldiers Home include: the Greater Milwaukee Foundation, Brewers Community Foundation, BMO Harris Foundation, Harley Davidson Foundation, and many others. Organizations already supporting WVCC are American Family Insurance, Rockwell Automation, Kohler, US Bank, Froederdt MCW, Northwestern Mutual, and many others. These entities would be good candidates for future capital campaign contributors as well.
- Continue building upon the excited energy in the region created by the successful rehabilitation of Old Main, one of the oldest remaining buildings on the campus and the addition of over 100 new residents living on campus thanks to this recent project.
- Engage with the Milwaukee Preservation Alliance, and their funded marketing firm, and other consulting partners to assist with the promotion of the VA's RFP process.

BACKGROUND

The Milwaukee Zablocki VA Medical Center (VAMC) owns the National Historic Landmark District known as the Milwaukee Soldiers Home which contains some of the oldest, most historic buildings in the VA system, of which the majority remain intact with minimal alterations.

Approximately ten years ago, MPA became aware that iconic historic buildings at the Milwaukee Soldiers Home were vacant and endangered. At the time, the buildings were Old Main, the Chapel, Ward Memorial Hall, and the Powerhouse. Along with participating with the VA and others as a Section 106 consulting party, MPA successfully nominated the Soldiers Home to the National Trust for Historic Preservation's (NTHP) 2011 "11 Most Endangered Historic Places" list, which NTHP elevated to a National Treasure in 2012. With a focus on equity and engagement, MPA and NTHP also partnered to create a Community Advisory Council of veterans and related organizations who met regularly to explore preservation solutions for the district.

The NTHP and MPA also partnered to create the Save the Soldiers Home Coalition to conduct outreach and to advocate for the restoration of these important buildings, which continues today. Under the Save the Soldiers Home banner, this outreach consists of a website/email/social media presence, walking tour app, videos, educational resources, story collection, resources for those with family connections to the property, the installation of signage on nearby roads, and more.

In response to an RFP issued in 2016, Old Main plus five additional buildings have been successfully rehabilitated under an Enhanced Use Lease (EUL) project to provide housing for homeless or at-risk Veterans and their families. This project is a prime example of how historic buildings can be rehabilitated to meet the ongoing and potentially changing needs of veterans.

Over the years, the VA has expanded uses for long-term leasing opportunities so that reuses could be broader than housing. In the spring of 2019, the VA released a Request for Interest (RFI) for the Chapel, Ward Memorial Hall, and the Governor's Residence. At the time, there was only one response to the RFI. The VA later posted an RFP, which also received only one response. Unfortunately, that single response was deemed unfeasible. Subsequently, MPA has continued to encourage and assist the VA where appropriate, with reissuing an RFP for the restoration of the three vacant historic buildings. As part of the process in 2019, the VA engaged a consultant to conduct an economic feasibility study to explore the viability of the buildings' reuse.

MPA believes the economic viability study falsely concludes that reuses for the buildings are very limited and that restoration costs are prohibitive. MPA is of the opinion there are possible reuses not considered by the consultant and felt additional review by a Historic Preservation professional would lead to differing feasible recommendations for the adaptive reuse of the buildings.

The Miller Dunwiddie team was selected based on its experience working to preserve and rehabilitate historic structures in addition to their familiarity with this historic site having previously completed a Historic American Landscape Survey (HALS) and previous building preservation projects at numerous buildings.

PURPOSE

The purpose of this report is to provide an analysis of the previous economic viability study, evaluate additional reuse opportunities, and provide a revised pro forma.

The Chapel, Governor's Residence, and Ward Memorial Hall are being studied for reuse because the Milwaukee Preservation Alliance would like to determine the viability of preserving the buildings as opposed to removal. The Chapel and Ward Memorial Hall have both been vacant for 20+ years, while the Governor's Residence has been vacant for approximately 4 years.

The purpose of this study is to analyze the issues that impact use or potential reuse of the property and to make recommendations to the Milwaukee Preservation Alliance on a viable and appropriate future for the Chapel, Governor's Residence, and Ward Memorial Hall.

CONSULTANT TEAM

The Miller Dunwiddie Team is comprised of historic preservation architects and a financial advisor who specialize in the continued and sustained use of historic properties, including the historic Zablocki VA Medical Center Campus along with Ward Memorial Hall, the Chapel, and the Governor's Residence buildings. Our team includes several key individuals who have worked previously and currently on this campus including:

MILLER DUNWIDDIE

Denita Lemmon, Melissa Ekman, and Chuck Liddy

Chuck and Melissa were part of the HALS team, completed reuse assessments and advised on new construction and restoration on the site, including the theater. Chuck provided historic oversight for our team with over 40 years of experience in the preservation of historic properties. Melissa Ekman served as project architect and provided her expertise in building condition assessments and work scope related to reuse options. Denita was Principal for the project; she oversees the firm's preservation sector and facilitated the project to ensure a successful outcome.

ALLUME ARCHITECTS

Nick Migan

Nick began his work helping outline the requirements and obligatory compliance with the various Federal regulations along with Chuck Liddy and Melissa Ekman from Miller Dunwiddie during some of the early work on the campus with the Chequamegon Bay Group (CBG). In 2012, he was hired by Dave Cleary at CBG to provide coordination services under a contract between Chequamegon Bay Group and the Section 106 Consulting Parties (Signatories to a Programmatic Agreement). This contract and the Programmatic Agreement were put in place to guide the staff at the Zablocki VA Medical Center through their obligatory compliance with various Federal regulations. These regulations stipulate that as a Federal entity, VA is required to maintain the historic properties extant within the Old Soldiers Home National Historic Landmark. As a local professional in the area, Nick provides a depth of knowledge of not only who the key players are related to this site, but also who within the Milwaukee area can provide insight into potential uses.

THE ALEXANDER COMPANY

Jonathan Beck

Jon has been a member of the Community Advisory Council and played a critical role in the current EUL property related to the capital campaign through his work with The Alexander Company as the project developer. Jon completed the feasibility analysis based on uses identified by the team and potential funding sources.

JP CULLEN

Jasun Berka

JP Cullen is the General Contractor who executed the construction and restoration work under the EUL. Jasun was the project estimator for this work and as such established a deep understanding of, and respect for the historic context of this campus. He provided the construction cost budget for the identified scope of work for the purposes of this report.

PROCESS

Our analysis approach to reaching our recommendations is a four-part process including assessment of the three buildings, review of the previous Economic Viability Study, public outreach, and economic analysis.

Condition Assessment

Based on our evaluation of the current conditions of the buildings, along with our review of the previously prepared reports, our team prepared a "Proposed Scope of Work" for each building that was used to develop construction budget estimates that were utilized in preparing our pro forma analysis. See Appendix A for the "Proposed Scope of Work" for each building and Appendix B for construction budget estimates.

Economic Viability Study Review Summary

The Milwaukee Preservation Alliance shared the "Milwaukee Economic Viability Study" (Study) dated December 22, 2019, with the Miller Dunwiddie team. Our team evaluated the report and found it focused on a traditional for-profit business model and determined it would be infeasible. Based on this finding our evaluation has expanded to review the feasibility of a nonprofit business model.

Public Outreach

A key part of the study involved securing public input on desired uses. The process kicked off with an interview with the Executive Director of the WVCC, followed by a targeted listening session with interested parties from the WVCC, and continued with a public survey/questionnaire to help guide the vision for the reuse and restoration of these important historic buildings. Anyone who was interested in helping create the vision for the future of these buildings was encouraged to participate online.

- **Listening Session at WVCC**
- **Public Survey**

A survey was available online to all who were interested. It was intended to give interested parties the opportunity to bring forth their opinions and suggestions to help guide the vision of reuse and restoration of these historic buildings. The survey asked participants two questions:

1. What services/functions currently bring you to the Zablocki VA Medical Center in Milwaukee (Zablocki)?
2. What additional services/functions would benefit veterans on the Zablocki campus and might be a good fit for the remaining vacant Soldiers Home buildings?
3. Participants were also asked if they would be interested in participating in future listening sessions.

Economic Analysis

Based on the information obtained from the "Scope of Work" documents and the associated construction budget estimates (provided by JP Cullen), we prepared budgeted construction hard costs and construction soft costs and compared those costs with anticipated capital funding sources including Federal Historic Tax Credits, State Historic Tax Credits, New Market Tax Credits, and Construction/Permanent Loans to determine the feasibility of rehabilitation.

CONDITION ASSESSMENT

Our team conducted onsite investigations to review the current conditions of the Chapel, Governor's Residence and Ward Memorial Hall and their immediately surrounding landscapes. Additionally, as part of this assessment, we reviewed previous documents including the Historic American Building Surveys (HABS), the Historic American Landscape Survey (HALS), and sections from the Historic Preservation Plan (HPP), prepared in February 2011 by Plunkett Raysich Architects, that provided a general building history, existing building conditions and deficiencies at the time of the assessment, and recommendations for treatment.

Based on our review of the current conditions and review of the previously prepared HPP, our team prepared a Scope of Work for each building that was used to develop construction budget estimates that were utilized in preparing our pro forma analysis.

ECONOMIC VIABILITY STUDY ANALYSIS

Based on our review of the previously prepared Economic Viability Study, our team determined the study focused on the partnership with a traditional building developer. Following our public outreach, we determined there is another possible option for a partnership with **a nonprofit entity**. We feel this would be a more successful collaboration model for the rehabilitation of these three buildings and has been taken into consideration for our pro forma.

Market Overview

The campus is bordered by Milwaukee, West Milwaukee, and West Allis, with American Family Field adjacent at the northeast corner and the Hank Aaron State Trail (HAST) cutting through with over 117,000 users annually and 5,000 users a week during the warmer months. According to the Encyclopedia of Milwaukee, there are over 4,000 medical professionals and other staff at the VAMC.² Since the completion of the previous study, 101 new housing units were completed bringing new residents and housing staff to the campus.

The previous Study indicates the market areas surrounding the historic campus largely consist of residential with a few new industrial and retail centers. They identified an estimated 500,000 vacant square feet of Class B office properties and therefore determined the demand for new office space is low in the area. While demand for new "traditional" office space may be low, our team has taken into consideration the new EUL project bringing more individuals to the site. Also upon talking with the WVCC, there is a growing need for "business start-up" space by veteran entrepreneurs.

For the Governor's Residence specifically, our team has evaluated and determined a less traditional style business model encompassing "shared work spaces" could be a highly effective model applied where limited modifications would be required to the existing structure to create shared work spaces. It was assumed that the office space in the Governor's Residence would be leased for \$12 NNN (Net Net Net Lease or Triple Net Lease). We felt that this was an attractive rate for the users and attractive to Community Development Entities who provide New Market Tax Credit (NMTC) allocation.

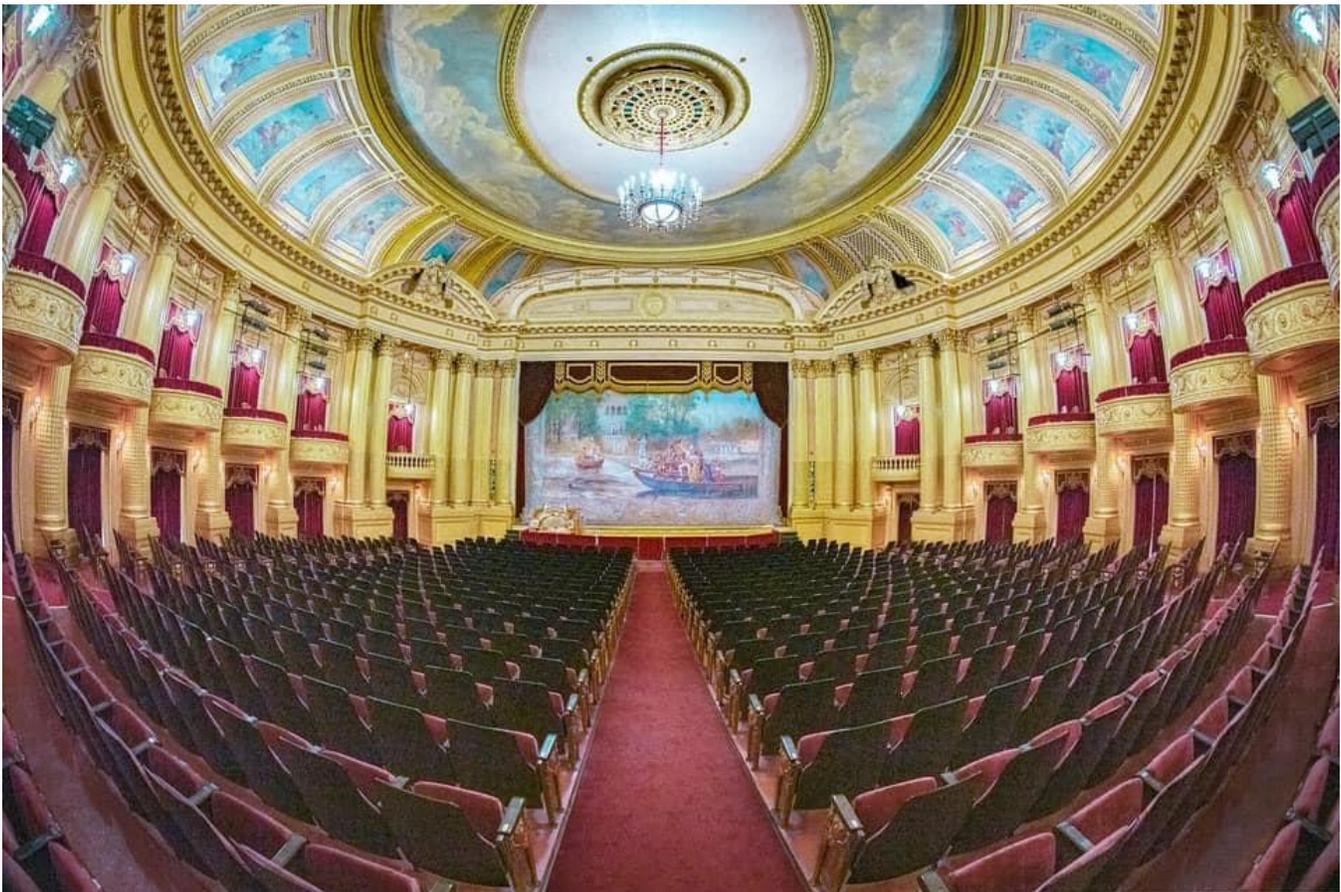
For the Chapel and Ward Memorial Hall, with more open spaces conducive to gatherings, possible reuse functions or services could include event or venue spaces, conference center, continued theater and arts uses, recreation/athletic space, daycare and/or grocery/convenience store.

² <https://emke.uwm.edu/entry/clement-j-zablocki-va-medical-center/>. Accessed May 7, 2021.

Financial Feasibility

The previous report focused on a traditional for-profit business model and determined this project may be infeasible. Based on this finding, **we explored alternative approaches using a nonprofit business model which can offer additional funding source options** such as capital campaigns and grant opportunities to help offset construction costs. Upon talking with the WVCC, we confirmed working with a nonprofit as the lessees and end users for these spaces could be a successful business model to consider, especially considering the opportunity to utilize a capital campaign to help fill the financing gap. **We believe this strategy makes the rehabilitation of these buildings feasible.**

Generally, the historic redevelopment of Theatres (and Chapels) has been taken on by non-profits, most often with a capital campaign to help fill funding gaps. Examples in Wisconsin are the Al. Ringling Theatre, the West Bend Theatre and the Oriental Theatre. Each of these developments utilized the federal and state historic tax credits along with a capital campaign as leverage. None of them take on permanent debt as it is assumed the operating revenue will be sized to cover operating expense. The nonprofits have organized a capital campaign to raise the necessary funds prior to construction to act as the leverage for the available tax credit programs. These are seen as community facilities and are also recognized by the State of Wisconsin as being deserving of local property tax abatement.



Al. Ringling Theatre, image accessed from: <https://www.alringling.org/>

PUBLIC OUTREACH

The Miller Dunwiddie team conducted interviews with the Executive Director of the Wisconsin Veterans Chamber of Commerce (WVCC), held one listening session with interested parties from the WVCC, and prepared one questionnaire/survey that was shared via social media.

Interview

The Miller Dunwiddie team conducted multiple interviews with the Executive Director of the WVCC, Saul Newton, to discuss the possible interest and viability of various veteran related functions at the three buildings. An initial meeting introduced our current effort to Mr. Newton. Based on that meeting, Mr. Newton reached out to members of the WVCC and invited them to a Listening Session, described below in greater detail. Following the listening session, subsequent meetings with Mr. Newton were conducted to vet-out options discussed during the Listening Session and possible opportunities that he has as part of the WVCC.

Listening Session

A key part of the study involved securing public input on potential and desired uses as the campus. This included a targeted listening session with interested parties from the WVCC as well as other supportive individuals. The objective of this listening session discussed possible reuse opportunities for the three historic buildings, either individually or as a collective grouping, along with identifying possible Veteran-owned business entity(ies) who may be interested in becoming a steward(s) of one or all three of these buildings. The listening session was attended by the Secretary of the Wisconsin Department of Veteran Affairs Mary M Kolar who was interested in the project and conducted a conference call with MPA following the session.

Following the Listening Session, it was determined a possible partnership model to further evaluate is a nonprofit partnership, and for the purposes of this report the model being examined is based on the WVCC as the nonprofit user, however the model applies for any nonprofit user. In order to further explore the viability of this partnership, subsequent meetings with Mr. Newton were conducted to further discuss the possibility and feasibility of the options discussed during the Listening Session, along with possible opportunities that he has as part of the WVCC.

As the result of our public reach efforts, the business model being examined as part of this assessment is based on a non-profit user.

Public Survey / Questionnaire

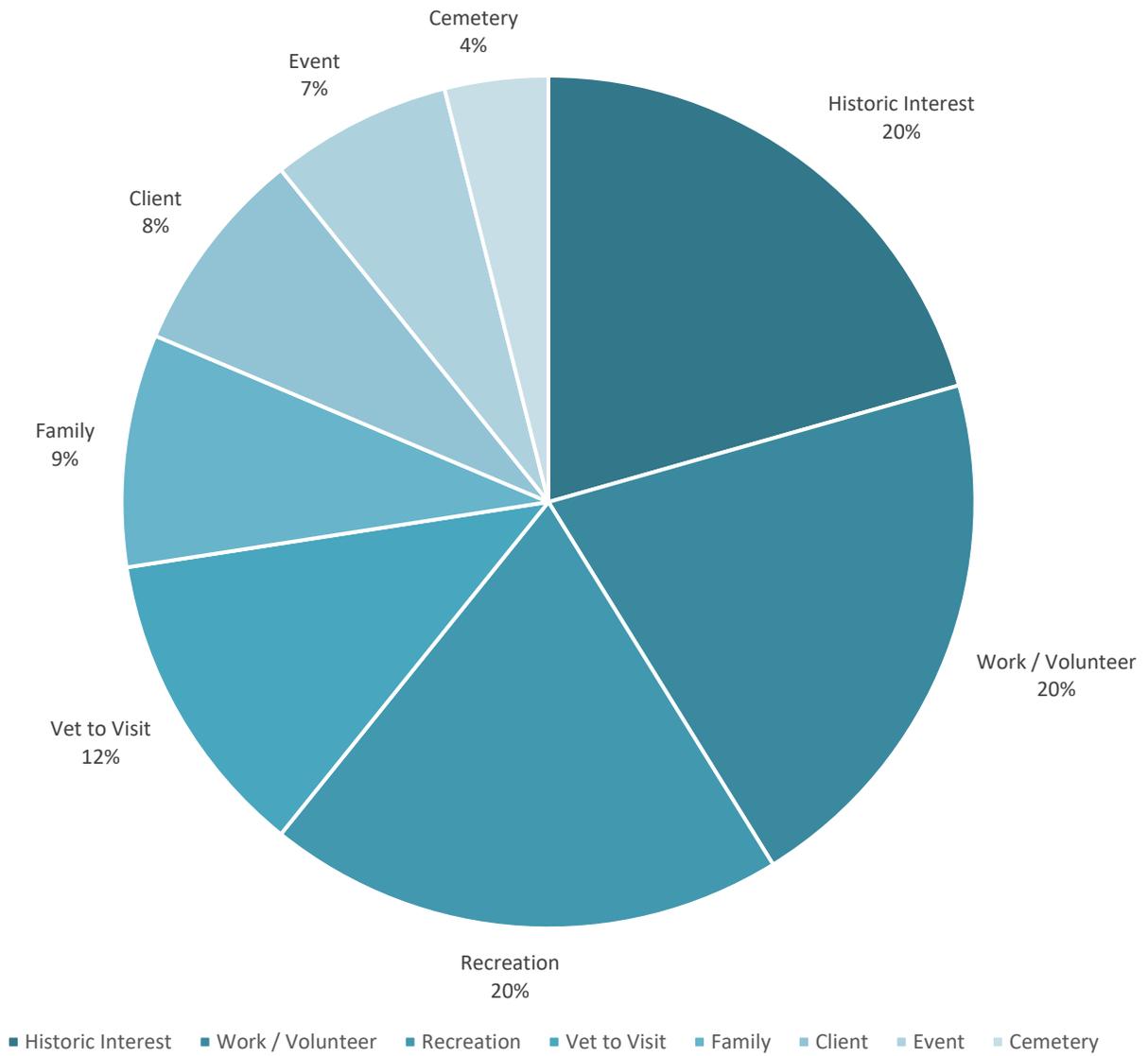
Our public outreach continued with a public survey/questionnaire conducted via social media, posted on MPA's website, Facebook, delivered via email lists (both MPA and Save the Soldiers Home), and publicized with a press release in addition to social media, to provide additional opportunity for interested parties to share information with our team regarding the public interest in the site and buildings. The survey was available online to all who were interested. It was intended to give interested parties the opportunity to bring forth their opinions and suggestions to help guide the vision of reuse and restoration of these historic buildings.

The survey asked participants two questions, along with a follow-up question regarding their interest in future participation. The questions asked were:

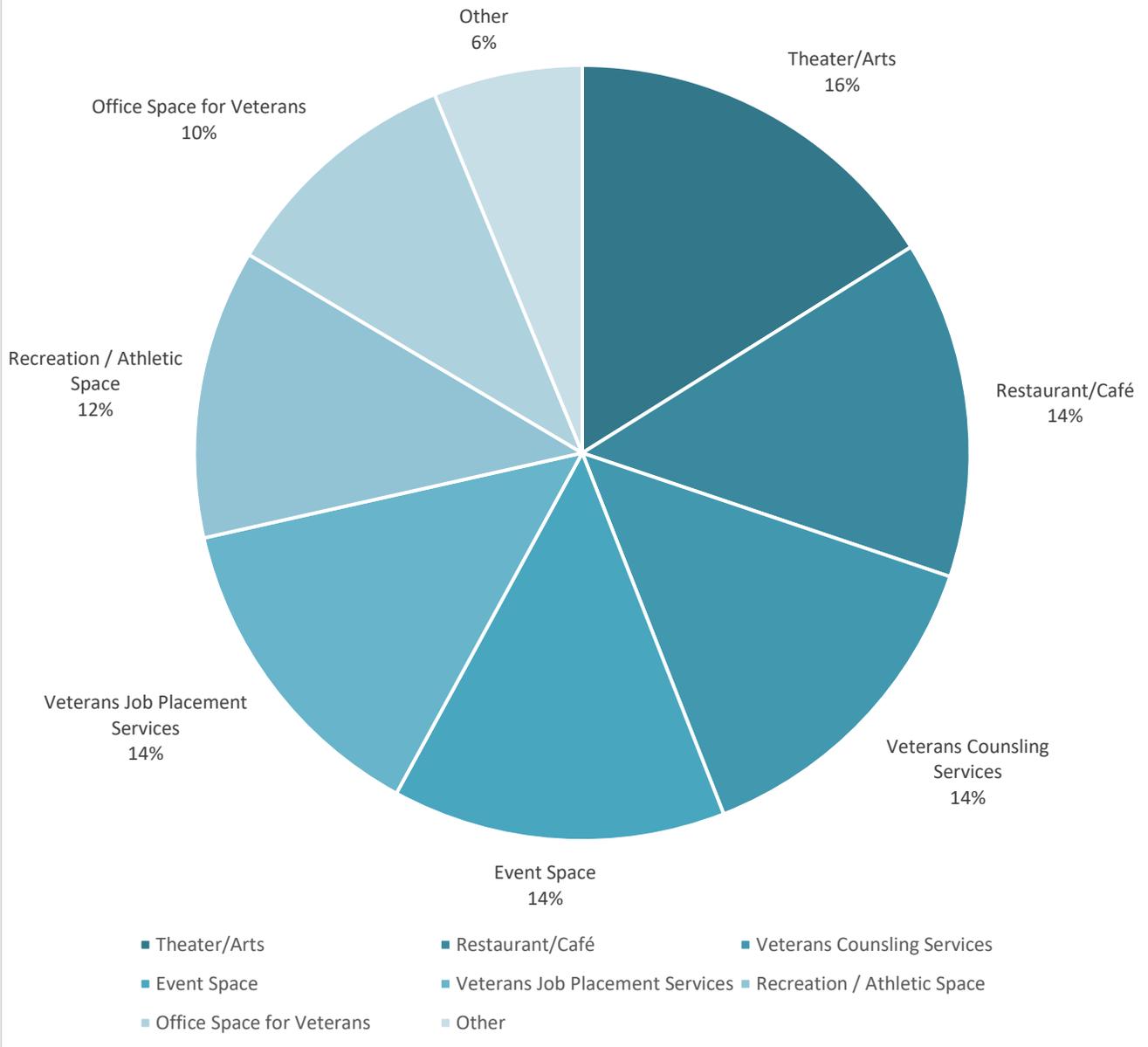
1. What services/functions currently bring you to the Zablocki VA Medical Center in Milwaukee (Zablocki)?
2. What additional services/functions would benefit veterans on the Zablocki campus and might be a good fit for the remaining vacant Soldiers Home buildings?
3. Would be interested in participating in future listening sessions. (the results of which were privately shared with MPA)

There was an impressive total of 102 responses to this survey. Responses to the two questions are illustrated in the following graphics.

Q1: What Services / Functions bring you to Zablocki?



Q2: What additional services/functions would be a good fit the vacant buildings?



ASSET OVERVIEW

Based on the findings from our public outreach we have determined **there are viable reuse opportunities for these buildings, primarily for nonprofits**, including but not limited to, the Wisconsin Veterans Chamber of Commerce (WVCC). For all possible reuses, the potential partner will be required to work closely with the State Historic Preservation Office for any work proposed for the buildings. Possible reuse functions and services include:

- Theater / Arts
- Restaurant / Café
- Veteran's Counseling Services
- Event Space
- Veteran Job Placement Services
- Recreation / Athletic Space
- Office space for Veterans
- Co-working office space for Veteran entrepreneurs
- Daycare
- Grocery Store

Functions/Services	Chapel	Governor's Residence	Ward Memorial Hall
General Office, Government Office, Medical Office, Shared Office / Co-Workspace	<ul style="list-style-type: none"> Requires structural improvements. Little reconfiguration of current building design and layout would be required for open shared/co-workspace. Utilities have been cut off and require complete installation of upgraded systems. 	<ul style="list-style-type: none"> Little reconfiguration of current building design and layout. Adequate overall building condition. Utilities and building systems are functional. Minimal updates will be required to comply with current building, fire and ADA Codes. 	<ul style="list-style-type: none"> Requires structural improvements. Utilities have been cut off and require complete installation of upgraded systems Current layout poses reconfiguration challenges.
Event / Venue Space Conference Center Theater/Arts	<ul style="list-style-type: none"> Requires structural improvements. Historical features include open sanctuary space, little modification would be required to the historic configuration. Utilities and building systems would require complete upgrades. 	<ul style="list-style-type: none"> Requires reconfiguration of current building design and layout Adequate overall building condition. Utilities and building systems are functional. Requires updates to comply with Building, Fire, and ADA Codes. Current layout poses reconfiguration challenges. 	<ul style="list-style-type: none"> Requires structural improvements. Little modification would be required to the historic configuration. Utilities and building systems would require complete upgrades.
Residential* *Through our public outreach there was not a high demand for additional residential type services needed at this time.	<ul style="list-style-type: none"> Not compatible due to configuration and layout of the building. 	<ul style="list-style-type: none"> Adequate overall building condition. Utilities and building systems are functional. Minimal improvements can be made to improve building efficiency. Minimal updates will be required to comply with current building, fire and ADA Codes. 	<ul style="list-style-type: none"> Not compatible due to configuration and layout of the building.
KEY	High Potential	Medium to Low Potential	Little to No Potential

ECONOMIC ANALYSIS

A financial analysis was prepared for each of the buildings assuming the development would utilize the following tax credit programs: Federal New Markets Tax Credits, Federal and State Historic Tax Credits. See Exhibit A below for a summary and Appendix C for a full breakdown.

The Historic Tax Credit is equal to up to 40% of Qualified Rehabilitation Expenditures (20% Federal + 20% State), generally paid out over a period of five years. Not all costs are eligible, and investors will generally pay \$0.83 on the dollar for State of Wisconsin Tax Credits and \$0.65 on the dollar for Federal Historic Tax Credits. This is reflected in the Capital Sources in Exhibit A. It was assumed there would be minimal permanent financing carried on the Governor's Residence. Capital Campaigns then would be needed on each of the properties as a gap filler. The Chapel would require a \$2.8 million campaign, Ward Memorial Hall would require a \$4.5 million campaign and the Governor's Residence a \$160,000 campaign.

Estimates for the hard construction costs include the construction budget estimates prepared by JP Cullen, assuming Davis-Bacon Act wage rates, and a 10% owner's contingency which is required by construction lenders and tax credit investors. Soft costs include design team costs which were estimated by the team based on our experience working with historic buildings.

The following additional funding sources were also evaluated, with some being viable options for these buildings:

- TIF – would not be available given the assumption there would be no increase in property taxes.
- Save America's Treasures – could potentially be available for each of the three buildings. The maximum award is \$500,000. Moving quickly in applying would position these projects for the best success.
- Wisconsin Economic Development Corporation (WEDC) grants – could be available for the Chapel and Ward Memorial Hall. The maximum award is \$250,000. We understand these grants are awarded to a community and the community can only receive one grant per year. For this instance, the City of Milwaukee is the "community" and would apply for the grant to be used for a particular project. As noted below, in our opinion, the best chance of success for the rehabilitation of the buildings is to sequence the projects so the Chapel and Governor's Residence move forward together, in which case only one of the two buildings could potentially receive a grant that year. Additionally, the rehabilitation of the Chapel is a higher profile potential project over the Governor's Residence and therefore we believe the Chapel would have a higher potential success rate of receiving the grant.
- League of Historic Theaters (LHAT) – this organization does not appear to have any grant opportunities at this time.

As a comparison, the Capital Campaign for Old Main (and the 5 other EUL Buildings) was \$3 million with the funds being raised over a two-year period for the \$44.5 million development.

In our opinion, **the best chance of success would be to sequence the rehabilitation of the buildings**, starting with the Chapel and the Governor's Residence, then Ward Memorial Hall could follow. Most historic theater redevelopments have had a capital campaign component. It is our understanding that nonprofits can be both recipient of the campaign dollars and can work with the federal tax credit program. Additionally, they can admit investors into Limited Liability Companies who then in turn lease the properties from the United States Department of Veterans Affairs.

Exhibit A

	Chapel	Governor's Residence	Ward Memorial Hall	Total	Qualified Rehabilitation Expenditures
CAPITAL SOURCES					
Federal Historic Tax Credits	\$836,545	\$314,609	\$1,271,549	\$2,422,703	
State Historic Tax Credits	\$1,068,311	\$401,772	\$1,623,833	\$3,093,916	
New Market Tax Credits	\$1,087,676	\$409,055	\$1,653,268	\$3,149,999	
Construction/Permanent Loan	-	\$561,839	-	\$561,839	
Deferred Development Fee	\$737,504	\$277,362	\$1,121,006	\$2,135,872	
Save America's Treasures	\$500,000	\$500,000	\$500,000	\$1,500,000	
WI Economic Development Corporation	\$250,000	--	\$250,000	\$500,000	
Capital Campaign Requirement	\$2,739,659	\$156,537	\$4,424,282	\$7,320,478	
TOTAL CAPITAL SOURCES	\$7,219,695	\$2,621,174	\$10,843,938	\$20,684,807	
PROPOSED USE OF FUNDS					
Hard Construction Costs	\$5,646,323	\$2,042,692	\$8,304,816	\$15,993,831	\$14,807,571
Soft Construction Costs	\$1,323,373	\$578,482	\$2,289,123	\$4,190,978	\$3,830,478
TOTAL PROPOSED USE OF FUNDS	\$6,969,696	\$2,621,174	\$10,593,939	\$20,184,809	\$18,638,049

KEY FINDINGS

As a result of our analysis and understanding of the subject buildings, we believe **the rehabilitation for the Chapel, Governor's Residence, and Ward Memorial Hall is financially feasible**. Based on our analysis, we feel **the best chance at success includes**, but is not limited to:

- **Outreach to nonprofits**. Nonprofits can be both recipient of the campaign dollars and can work with the federal tax credit programs. Additionally, they can admit investors into Limited Liability Companies who then in turn are able to lease the properties from the United States Department of Veterans Affairs. This is a key difference from the previous 2019 Economic Viability Study.
- **Sequencing the project** starting with the rehabilitation of the Chapel and Governor's Residence then completing Ward Memorial Hall. Based on our knowledge of the current conditions of the building and the potential for reuse, it is our opinion that with the recent exterior preservation project performed at Ward Memorial Hall, the building is more protected than the other two and could potentially sit vacant for another few years until a reuse is determined for the building. The Chapel is in the worst condition and is therefore in more immediate need of repair. As an iconic building within the community, we feel there could be great fundraising success with measurable community enthusiasm to preserve and rehabilitate the building. As for the Governor's Residence, we believe this building is more readily adaptable with minimal work required to rehabilitate the building for reuse.
- **Utilizing Historic Tax Credits** (HTC). This credit is equal to up to 40% of Qualified Rehabilitation Expenditures (20% Federal + 20% State), generally paid out over a period of five years. Not all costs are eligible, and investors will generally pay \$0.83 on the dollar for State of Wisconsin Tax Credits and \$0.65 on the dollar for Federal Historic Tax Credits. This is reflected in the Capital Sources in Exhibit A..
- **Utilizing additional funding sources** such as Save America's Treasures and Wisconsin Economic Development Corporation (WEDC) grants.
- **Utilizing a capital campaign to fill the funding gap**. Assuming the market rate for HTCs and the possible additional funding sources, the Chapel would require a \$2.8 million campaign, Ward Memorial Hall would require a \$4.5 million campaign and the Governor's Residence a \$160,000 campaign. Foundations already contributing to Save the Soldiers Home include: the Greater Milwaukee Foundation, Brewers Community Foundation, BMO Harris Foundation, Harley Davidson Foundation, and many others. Organizations already supporting supporting WVCC are American Family Insurance, Rockwell Automation, Kohler, US Bank, Froederdt MCW, Northwestern Mutual, and many others. At the end of this paragraph, add "These entities would be good candidates for future capital campaign contributors as well."
- Continue building upon the excited energy in the region created by the successful rehabilitation of Old Main, one of the oldest remaining buildings on the campus and the addition of over 100 new residents living on campus thanks to this recent project.
- Engage with the Milwaukee Preservation Alliance, and their funded marketing firm, and other consulting partners to assist with the promotion of the VA's RFP process.

APPENDIX A

SCOPE OF WORK (MILLER DUNWIDDIE)

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PROPOSED SCOPE OF REHABILITATION WORK

MILWAUKEE VA MEDICAL CENTER (ZABLOCKI)

Prepared for the Evaluation of the Economic Viability Study
June 7, 2021

CHAPEL (BUILDING 12)

Buildings of this era often utilized materials containing asbestos and lead based paint. Prior to significant repair work, building components in the vicinity of any repair must be tested for the presence of these materials, and an abatement program must be designed to deal with any environmentally hazardous levels of these materials that are discovered. It has been reported that some lead paint and asbestos abatement have previously occurred at the interior; however lead paint is still present at the exterior of the Chapel, and other hazardous material may be found within the walls.

This building has been vacant for many years and overall is in fair to poor condition with more extensive repairs needed for rehabilitation to a new use. All proposed work is to be completed in consultation with the State Historic Preservation Office (SHPO) to ensure it meets the Secretary of the Interior's Standards and will qualify for Historic Tax Credits.



ROOF

- Remove and replace the existing shingle roofing material, associated underlayment and flashings. Install ice and water membrane.
- Remove and replace gutters and downspouts.
- Add insulation to meet current energy code requirements. Type of insulation and placement will require consultation with the State Historic Preservation Office (SHPO).

BUILDING EXTERIOR

With any rehabilitation project, the historic exterior building materials should be retained and repaired as possible, unless they are deteriorated beyond repair, in which case they should be replaced with new material matching the existing in all aspects (material type, dimensions, color, texture, etc.).

- Remove and replace the existing exit stairs and basement access door on the south side.
- Replace all deteriorated bricks in the foundation walls and tuck-point all deteriorated exterior brick. Evaluate the foundation to determine if waterproofing the perimeter is recommended.
- Repair and/or replace wood shakes and siding that are deteriorated beyond repair. When shakes/siding are removed, the sheathing should be inspected and replaced as required.
- Repair, remove and selectively replace exterior wall sheathing, and repair/replace deteriorated studs at deteriorated sheathing. It is assumed work will likely need to be performed from the interior, however it is possible it could be repaired from the exterior as part of the shake/siding repair work.
- Remove all loose and flaking paint, prepare surface and refinish to match the historic appearance.
- Repair and refinish all exterior windows. Evaluate if replacement is necessary. Depending on the sash and muntin dimensions, it could be possible to replace single glazing with insulated glazing.

- Provide new storm windows, placement at the exterior or interior will require consultation with SHPO. Depending on the HVAC and fresh air requirements for a new use, it is possible new storm windows could be fixed with insulated glazing to improve the thermal performance of the window systems.

BUILDING INTERIOR SANCTUARY

With any change in use, the historic integrity of the primary space should be retained. Building rehabilitation for new use should have as little impact on this space as possible.

- Provide additional studs around window openings for header support.
- Repair historic wall surfaces and refinish. It is assumed the interior plaster may contain asbestos and lead based paint.
- Repair historic floor surfaces and refinish. Repair and/or replace deteriorated subfloor and primary flooring.
- Repair historic ceiling surfaces and refinish. It is assumed the interior plaster may contain asbestos and lead based paint.
- Repair and refinish exposed steel columns and arches.
- Provide selective demolition of non-character defining features as required for new use occupancy.

BUILDING STRUCTURE

- Provide scaffolding around the bell tower for temporary support. Remove exterior wall sheathing over approximately the bottom half of the tower and replace deteriorating studs. Add studs to strengthen and stabilize tower. Reconfigure/rebuild structural support for the tower on the south and east faces, particularly the southeast corner, redirecting load away from support directly above or on the window openings.
- Remove interior cross bracing across window frames on the east and south walls of the tower interior and replace with plywood sheathing screwed to the exterior studs.
- Remove and rebuild the foundation along the entire north chapel wall.
- Remove the north porch floor and column structure.
- Add foundations at the perimeter of the north porch. Replace the porch floor and column structure.
- Rebuild the south foundation wall and portions of the west foundation wall beneath the office and sacristy on the west side of the chapel.
- Rebuild all exterior corners of the foundation wall.

BUILDING MECHANICAL/ELECTRICAL/PLUMBING SYSTEMS

- Replace all building mechanical systems and provide new heating, ventilating, and air conditioning as required for new use.
- Replace all building electrical systems as required for new use.
- Replace all plumbing systems as required for new use.
- Fire protection may need to be added pending the code requirements for the new use.
- Provide new metering for all building systems as required to separate utilities from the campus services and become the responsibility of the new lease holder.

ACCESSIBILITY

- Provide accessible exterior route as required by current code and ADA requirements for change of use and occupancy requirements.
- Provide new and/or upgrade existing toilet room facilities to meet current code and ADA requirements as required for new use.

BUILDING TECHNOLOGY

The building currently has telephone cabling.

- Upgrade/reroute existing telephone cabling as required for new use.
- Install CATV cabling as required for new use.

GOVERNOR'S RESIDENCE (BUILDING 39)

Buildings of this era often utilized materials containing asbestos and lead based paint. Prior to significant repair work, building components in the vicinity of any repair must be tested for the presence of these materials, and an abatement program must be designed to deal with any environmentally hazardous levels of these materials that are discovered.

This building has been the most recently used and is overall in very good condition with minor repairs needed for rehabilitation to a new use. All proposed work is to be completed in consultation with the State Historic Preservation Office (SHPO) to ensure it meets the Secretary of the Interior's Standards and will qualify for Historic Tax Credits.



ROOF

- The existing roof was recently replaced and is in good condition. It does not appear work is required at the roof at this time.
- Clean existing gutters and downspouts of debris.
- Add insulation to meet current energy code requirements. Type of insulation and placement will require consultation with the State Historic Preservation Office (SHPO).

BUILDING EXTERIOR

With any rehabilitation project, the historic exterior building materials should be retained and repaired as possible, unless they are deteriorated beyond repair, in which case they should be replaced with new material matching the existing in all aspects (material type, dimensions, color, texture, etc.).

- Repoint existing cracking at masonry foundation (interior and exterior) walls.
- Remove all loose and flaking paint, prepare surface and refinish to match the historic appearance.
- Repair trim at the exterior porch and refinish. Replace wood trim deteriorated beyond repair with new material matching the existing in all aspects including material type, profile dimensions and finish.
- Repair and refinish all exterior windows. Evaluate if replacement is necessary. Depending on the sash and muntin dimensions, it could be possible to replace single glazing with insulated glazing.
- Aluminum storm windows have been added to the exterior. As they are an existing condition, additional work is not required, however replacement with wood framed storm windows could be considered to be more compatible with this historic building and have less impact on the historic integrity of the building. Depending on the HVAC and fresh air requirements for a new use, it is possible new storm windows could be fixed with insulated glazing to improve the thermal performance of the window systems.

BUILDING INTERIOR

With any change in use, the historic integrity of the primary spaces (Living Room, Dining Room, Music Room, Sitting Room, and Kitchen) should be retained. Building rehabilitation for new use should have as little impact on this space as possible.

- Repair (minor) historic wall surfaces and refinish.
- Repair (minor) historic floor surfaces and refinish.
- Repair (minor) historic ceiling surfaces and refinish.
- Provide selective demolition of non-character defining features as required for new use occupancy.

BUILDING STRUCTURE

- No significant structural deficiencies are apparent.
- Floor loading requirements should be evaluated for new use occupancy requirements.
- Previous recommendation includes cleaning and refinishing of wood members to prevent further weathering and deterioration.

BUILDING MECHANICAL/ELECTRICAL/PLUMBING SYSTEMS

- Fire protection may need to be added pending the code requirements for the new use.
- Insulate current return air ductwork in the unconditioned attic space to meet current energy codes.
- Replace lamps with LED bulbs.
- Upgrade all EMT conduit, MC Cable, and junction box installation to meet current codes.
- Replace wiring and disconnects for newer furnaces and condensing units to meet current codes.
- Provide new metering for all building systems as required to separate utilities from the campus services and become the responsibility of the new lease holder.

ACCESSIBILITY

- Provide accessible exterior route as required by current code and ADA requirements for change of use and occupancy requirements.
- Provide new and/or upgrade existing toilet room facilities to meet current code and ADA requirements as required for new use.
- Depending on reuse occupancy, an elevator may be required to provide accessibility to all levels. For the purposes of this report, assume a new exterior elevator is installed at a secondary elevation. Proposed location and cladding of exterior façade will require consultation with SHPO.

BUILDING TECHNOLOGY

The building currently has telephone and CATV cabling.

- Upgrade/reroute cabling as required for new use.

WARD MEMORIAL HALL THEATER (BUILDING 41)

Buildings of this era often utilized materials containing asbestos and lead based paint. Prior to significant repair work, building components in the vicinity of any repair must be tested for the presence of these materials, and an abatement program must be designed to deal with any environmentally hazardous levels of these materials that are discovered.

The exterior is in good condition with only minor repairs needed. The exterior was recently restored including masonry wall repairs and roofing replacement. The interior is in poor condition with more extensive repairs needed for rehabilitation to a new use. All proposed work is to be completed in consultation with the State Historic Preservation Office (SHPO) to ensure it meets the Secretary of the Interior's Standards and will qualify for Historic Tax Credits.



ROOF

- Add insulation to meet current energy code requirements. Type of insulation and placement will require consultation with the State Historic Preservation Office (SHPO).

BUILDING EXTERIOR

With any rehabilitation project, the historic exterior building materials should be retained and repaired as possible, unless they are deteriorated beyond repair, in which case they should be replaced with new material matching the existing in all aspects (material type, dimensions, color, texture, etc.).

- Remove all loose and flaking paint, prepare surface and refinish to match the historic appearance.
- Exterior windows were previously restored. To improve their thermal performance new wood storm windows can be considered. Placement at the exterior or interior will require consultation with SHPO. Depending on the HVAC and fresh air requirements for a new use, it is possible new storm windows could be fixed with insulated glazing to improve the thermal performance of the window systems.
- The veranda structure was recently repaired. Steps and floor decking to be repaired and refinished. Deteriorated boards are to be replaced if deteriorated beyond repair with new material matching the existing in all aspects including material type, profile dimensions and finish.
- Restore and reinstall the US Grant stained glass window on the east side of the building.

BUILDING INTERIOR

With any change in use, the historic integrity of the primary space should be retained. Building rehabilitation for new use should have as little impact on this space as possible.

- Provide interior drainage for basement level,
- Repoint cracked and/or deteriorated masonry foundation walls.
- Repair historic floor surfaces and refinish. Repair and/or replace deteriorated subfloor and primary flooring.

- Stage and ancillary spaces to the west need to be completely rebuilt.
- Repair historic ceiling surfaces and refinish. It is assumed the interior plaster may contain asbestos and lead based paint. Remove loose and flaking paint from stamped metal ceiling below the balcony. Repair and refinish to match the historic appearance.
- Refinish all interior surfaces including repainting, gold leaf and mural restoration at the side walls of the theater, proscenium and below balcony.
- Pending the potential reuse and code requirements for the existing seating, for the purposes of this report, assume all seating is removed and replaced, with a row of seats salvaged, repaired, refinished and reinstalled. Consultation with SHPO will be required for the treatment of the existing seats.
- Provide selective demolition of non-character defining features as required for new use occupancy.

BUILDING STRUCTURE

- Carefully inspect and repair and/or replace failed, failing, rotted and otherwise damaged floor structure. Carefully inspect all support conditions at masonry walls and rebuild connections at exterior wall as required. Based on previous exterior restoration, work is assumed to be limited.
- Carefully inspect all foundation conditions and rebuild footings as required. Tuckpoint/selectively replace rubble stone walls visible from the basement..
- Replace/provide foundations for basement columns.
- Repair/replace basement entrance locations, predominately toilet room access areas on the south side of the building.
- Provide structural reinforcement as required for reinstalling the US Grant stained glass window on the east side of the building.

BUILDING MECHANICAL/ELECTRICAL/PLUMBING SYSTEMS

- Replace all building mechanical systems and provide new heating, ventilating and air conditioning as required for new use.
- Replace all building electrical systems as required for new use.
- Replace all plumbing systems as required for new use.
- Provide new metering for all building systems as required to separate utilities from the campus services and become the responsibility of the new lease holder.

ACCESSIBILITY

- Provide accessible exterior route as required by current code and ADA requirements for change of use and occupancy requirements.
- Provide new and/or upgrade existing toilet room facilities to meet current code and ADA requirements as required for new use.
- Depending on reuse occupancy, an elevator may be required to provide accessibility to all levels. For the purposes of this report, assume a new exterior elevator is installed at a secondary elevation. Proposed location and cladding of exterior façade will require consultation with SHPO.

BUILDING TECHNOLOGY

The building currently has telephone cabling.

- Upgrade/reroute existing telephone cabling as required for new use.
- Install CATV cabling as required for new use.

APPENDIX B

CONSTRUCTION BUDGET ESTIMATES (JP CULLEN)

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BLDG 12 -CHAPEL



Scope of Work	Total Cost
General Conditions/Supervision	374,113
Sitework	145,807
Concrete	115,113
Precast/Masonry	64,285
Temporary Protection	29,810
Demolition/Lead/ACM	451,062
Metals	241,930
Wood, Plastic, and composites	532,158
Thermal and moisture protection	230,980
Openings	476,370
Finishes	527,230
Specialities	48,608
Equipment	11,416
Furnishings	21,701
Conveying Equipment	-
Plumbing	194,843
Fire Protection	86,562
HVAC Systems	466,750
Electrical Systems	444,758
	4,463,497
Contingency (10%)	446,350
CM Fee (5%)	223,175
TOTAL CONSTRUCTION	5,133,021



Scope of Work	Total Cost
General Conditions/Supervision	136,835
Sitework	98,591
Concrete	79,705
Precast/Masonry	76,924
Temporary Protection	27,208
Demolition/LEAD/ACM	122,520
Metals	122,867
Wood, Plastic, and composites	161,275
Thermal and moisture protection	57,395
Openings	175,960
Finishes	179,270
Specialities	52,629
Equipment	8,143
Furnishings	12,313
Conveying Equipment	-
Plumbing	77,259
Fire Protection	63,221
HVAC Systems	87,057
Electrical Systems	75,604
	1,614,776
Contingency (10%)	161,478
CM Fee (5%)	80,739
TOTAL CONSTRUCTION	1,856,993

BLDG 41- WARD THEATER



Scope of Work	Total Cost
General Conditions/Supervision	472,757
Sitework	321,672
Concrete	257,234
Precast/Masonry	124,690
Temporary Protection	321,691
Demolition/Lead/ACM	495,465
Metals	287,394
Wood, Plastic, and composites	744,021
Thermal and moisture protection	95,082
Openings	655,188
Finishes	878,638
Specialities	96,242
Equipment	1,018
Furnishings	86,957
Conveying Equipment	137,817
Plumbing	287,435
Fire Protection	131,338
HVAC Systems	627,682
Electrical Systems	542,752
	6,565,072
Contingency (10%)	656,507
CM Fee (5%)	328,254
TOTAL CONSTRUCTION	7,549,833

APPENDIX C

DETAILED PROFORMA SPREADSHEET (THE ALEXANDER COMPANY)

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Chapel, Governor Mansion, Theatre
STATEMENT OF FORECASTED SOURCES AND USES

SOURCES OF FUNDS		Chapel	Governors Mansion	Theatre	Construction	Permanent
Construction/Permanent Loan	TBD	\$ -	\$ 561,839	\$ -	\$ 7,351,648	\$ 561,839
Federal Historic Tax Credit Equity	HTC Investor	\$ 836,545	\$ 314,609	\$ 1,271,549	\$ 726,811	\$ 2,422,704
State Historic Tax Credit Equity	HTC Investor	\$ 1,068,311	\$ 401,772	\$ 1,623,833	\$ -	\$ 3,093,916
New Markets Tax Credit Benefit	NMTC Investor	\$ 1,087,676	\$ 409,055	\$ 1,653,268	\$ 3,150,000	\$ 3,150,000
Deferred Development Fee		\$ 737,504	\$ 277,362	\$ 1,121,006	\$ 2,135,872	\$ 2,135,872
Save America's Treasures		\$ 500,000	\$ 500,000	\$ 500,000	\$ 1,500,000	\$ 1,500,000
Wisconsin Economic Development Corporation		\$ 250,000	\$ -	\$ 250,000	\$ 500,000	\$ 500,000
Capital Campaign Requirement		\$ 2,739,659	\$ 156,537	\$ 4,424,282	\$ 6,820,479	\$ 6,820,479
TOTAL SOURCES OF FUNDS		\$ 6,969,696	\$ 2,621,175	\$ 10,593,939	\$ 22,184,810	\$ 20,184,810

USES OF FUNDS		Building 12 Chapel	Building 39 Governors Mansion	Building 41 Theatre	Construction Project Costs	Permanent Project Costs	Qualified Rehabilitation Expenditures
Construction Costs							
Commercial Construction	JP Cullen	\$ 5,133,021	\$ 1,856,993	\$ 7,549,833	\$ 14,539,847	\$ 14,539,847	\$ 13,498,985
Construction Contingency	10.00%	\$ 513,302	\$ 185,699	\$ 754,983	\$ 1,453,985	\$ 1,453,985	\$ 1,308,586
Subtotal Hard Costs	79.24%	\$ 5,646,323	\$ 2,042,692	\$ 8,304,816	\$ 15,993,832	\$ 15,993,832	\$ 14,807,571
Soft Costs							
Appraisal / Market Study		\$ 3,453	\$ 1,299	\$ 5,248	\$ 10,000	\$ 10,000	\$ 10,000
Accounting - Building / Cost Certification		\$ 5,179	\$ 1,948	\$ 7,873	\$ 15,000	\$ 15,000	\$ 15,000
Environmental Reports / Testing		\$ 10,359	\$ 3,896	\$ 15,745	\$ 30,000	\$ 30,000	\$ 30,000
Construction Insurance		\$ 34,529	\$ 12,986	\$ 52,485	\$ 100,000	\$ 100,000	\$ 100,000
Marketing/Lease-up		\$ 1,726	\$ 649	\$ 2,624	\$ 5,000	\$ 5,000	\$ -
Construction Period Real Estate Taxes		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Soft Cost Contingency		\$ 6,906	\$ 2,597	\$ 10,497	\$ 20,000	\$ 20,000	\$ 20,000
Title / Recording		\$ 3,453	\$ 1,299	\$ 5,248	\$ 10,000	\$ 10,000	\$ 10,000
Due Diligence - Investor		\$ 10,359	\$ 3,896	\$ 15,745	\$ 30,000	\$ 30,000	\$ -
Legal Fees							
Legal - Developer		\$ 51,794	\$ 19,479	\$ 78,727	\$ 150,000	\$ 150,000	\$ 150,000
Legal - Construction / Perm Loan (Lender)		\$ 25,897	\$ 9,739	\$ 39,364	\$ 75,000	\$ 75,000	\$ 75,000
Legal - Syndication (Investor)		\$ 22,444	\$ 8,441	\$ 34,115	\$ 65,000	\$ 65,000	\$ -
Construction Interest & Fees							
Construction Loan Interest		\$ 50,770	\$ 19,094	\$ 77,170	\$ 147,033	\$ 147,033	\$ 147,033
Construction Inspection Fee (Lender)		\$ 3,453	\$ 1,299	\$ 5,248	\$ 10,000	\$ 10,000	\$ 10,000
Construction Inspection Fee (Investor)		\$ 3,453	\$ 1,299	\$ 5,248	\$ 10,000	\$ 10,000	\$ 10,000
Financing Fees							
Loan Origination Fee - Construction / Perm Loan	1.00%	\$ 25,385	\$ 9,547	\$ 38,585	\$ 73,516	\$ 73,516	\$ 73,516
Loan Application Fee - Construction / Perm Loan	0.50%	\$ 12,692	\$ 4,773	\$ 19,292	\$ 36,758	\$ 36,758	\$ 36,758
Engineering & Architectural							
MEP Systems Engineering Design Fees	MCHX Technology	\$ 58,200	\$ 53,400	\$ 72,000	\$ 183,600	\$ 183,600	\$ 183,600
Land Surveying	raSmith	\$ 6,095	\$ 6,095	\$ 7,300	\$ 19,490	\$ 19,490	\$ 19,490
Civil Site Design	raSmith	\$ 12,000	\$ 9,000	\$ 14,000	\$ 35,000	\$ 35,000	\$ 35,000
Landscape Architecture	raSmith	\$ 3,500	\$ 3,500	\$ 3,500	\$ 10,500	\$ 10,500	\$ -
Structural Engineering	raSmith	\$ 56,000	\$ 18,000	\$ 71,000	\$ 145,000	\$ 145,000	\$ 145,000
Plaster	Conrad Schmitt	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Decorative Paint & Finishes	Conrad Schmitt	\$ -	\$ -	\$ 207,500	\$ 207,500	\$ 207,500	\$ 207,500
Poster Room Conservation	Conrad Schmitt	\$ -	\$ -	\$ 32,500	\$ 32,500	\$ 32,500	\$ 32,500
Electrical Consulting	LPA	\$ 32,865	\$ 22,960	\$ 51,765	\$ 107,590	\$ 107,590	\$ 107,590
Architecture Design	Miller Dunwiddie	\$ 25,000	\$ 25,000	\$ 25,000	\$ 75,000	\$ 75,000	\$ 75,000
Architecture Design	Allume	\$ 13,333	\$ 13,333	\$ 13,333	\$ 40,000	\$ 40,000	\$ 40,000
Design Soft Costs	10.00%	\$ 20,699	\$ 15,129	\$ 25,790	\$ 61,618	\$ 61,618	\$ 61,618
Developer Fees / Reserves							
Development Fee	12.00%	\$ 737,504	\$ 277,362	\$ 1,121,006	\$ 2,135,872	\$ 2,135,872	\$ 2,135,872
Operating Reserve	20.76%	\$ 86,324	\$ 32,465	\$ 131,212	\$ 250,000	\$ 250,000	\$ -
TOTAL USES OF FUNDS		\$ 6,969,696	\$ 2,621,175	\$ 10,593,939	\$ 20,184,810	\$ 20,184,810	\$ 18,638,050

CONFIDENTIAL

FOR DISCUSSION PURPOSES ONLY

THE ALEXANDER COMPANY, INC

Chapel, Governor Mansion, Theatre
TAX CREDIT CALCULATIONS

Federal Historic Tax Credit Equity Calculation

	Commercial	Total
Total Eligible Building Basis	\$ 18,638,050	\$ 18,638,050
Federal Historic Tax Credit	20.00%	20.00%
Federal Historic Credit	\$ 3,727,610	\$ 3,727,610
Credits Passed Through to Investor		\$ 3,727,610
Investor Member Percentage		99.99%
Tax Credits for Syndication		\$ 3,727,237
Net Price per Credit		\$ 0.650
Federal Historic Tax Credit Equity		\$ 2,422,704

State Historic Tax Credit Equity Calculation

Total Eligible Building Basis	\$ 18,638,050
State of Wisconsin Tax Credit Percentage	20.00%
Calculated State Historic Tax Credits	\$ 3,727,610
Reserved State Historic Tax Credits	\$ 3,727,610
Tax Credit	\$ 3,727,610
Net Price per Credit	\$ 0.830
State Historic Tax Credit Equity	\$ 3,093,916