

October 11, 2016

Letter of Intent
Acquisition & Repurpose of the Holy Cross Lutheran Church

1. Site Location: 2670 Milwaukee Street, Madison. (Legal Description: CLYDE A. GALLAGHER REPLAT OF PART OF LOTS 118 AND 119 FARWELL'S EASTERN ADDITION, LOTS 14, 15, 16, 17 & 18. FARWELLS ADDITION, E 240 FT OF S 132 FT OF LOT 118. ALSO VACATED NORTH LAWN AVE ADJ ON THE EAST).
2. Existing Conditions: The structure is comprised of three connected brick & block buildings with total square feet of 39,514 – the church, gym and a school building with 10 classrooms. They were constructed in stages between 1960 and 1990. There is a rental house on the property (2645 Union St). The buildings are in good shape but do require some mechanical updates.
3. Proposed Use: Operation Fresh Start (OFS) will repurpose 28,500 square feet consisting of the church building and gym for its use as a classroom, ancillary rooms and administration. OFS plans to lease the 10,970 square feet of the current classroom space as office to help fund building maintenance and program expansion (see Condition Use below).
4. Conditional Use: OFS has submitted for a Condition Use to utilize the current classroom portion of the building as office, which is allowable with the current zoning for repurposing a church building. If OFS does rent to a for-profit entity, taxable land value will need to be determined for that section of the property.
5. Project Schedule: Operation Fresh Start will purchase the property in January 2017 and then will start construction in the *interior only* of the church and gym over the next few years. The construction timeframe is lengthy due to much of the labor for the reconstruction will be performed by individuals attaining work skills training through Operation Fresh Start and its partners.

6. Project Team to Date:

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|----------------------------|---|
| a. Owner: | OFS Holdings, Inc. (Note: a 501(c)3)
1925 Winnebago St
Madison, WI 53704 |
| b. Project Contact Person: | Greg Markle
Executive Director, Operation Fresh Start |
| c. Architect: | Eppstein Uhen Architects
Ovation, 309 W Johnson St #202
Madison, WI 53703 |
| d. Electrical Contractor: | Faith Technology
319 Yard Drive
Verona, WI 53593 |
| e. NAMI | 4401State Road 19
Windsor, WI 53598 |
| f. Pertzborn Plumbing | 802 John Nolen Dr. Service Rd
Madison, WI 53713 |
| g. Site / Parking Plan: | Tri North Builders
2625 Research Park Dr
Fitchburg, WI 53711 |
| h. Application Submittal: | Sanford Enterprises, Inc.
110 King Street, Ste 203
Madison, WI 53703 |

7. Project Data:

a. Existing Buildings Square Footage:

i. Church:	15,200 sq ft
ii. Gym:	13,344 sq ft
iii. School:	<u>10,970 sq ft</u>
Total:	39,514 sq ft

b. Dwelling: 2 Story Rental House of 1,116 sq ft.

c. Auto / Bike Parking:

i. Commercial Tenant	25	(Existing Parking Space)
ii. Operation Fresh Start	44	(Existing Parking Space)
iii. Bike Racks	26	(New Bike Racks)

d. Lot Coverage & Usable Open Space: The lot is 1.44 acre or 62,640 sq ft, which does not include the small lot for the rental house (2645 Union St), of which a small part of the Church has been sited. The Church footprint is 21,280 sq ft. The front of the property between Milwaukee and the buildings is grass lawn with some landscaping of approximately 6,000 sq ft of the property, and the remaining of the property is the parking lot on the north and east side of the building.

e. Value of Land: Due to the non-profit status there is no city assessment.

f. Estimated Project Cost: Three Million Seven Hundred Dollars (\$3,700,000) including property acquisition and the interior build-out.

g. Number of Construction & Full Equivalent Jobs Created: OFS will act as the general contractor on this project and engage subcontractors for plumbing, electrical, fire suppression and HVAC work. The total staff members engaged in construction will be approximately 14 FTE for at least three months. Considering the time length of this project, many of these positions will not be FTE throughout the duration of the project.

In addition, over 200 OFS program participants will be engaged in this project with each receiving an income supplement during participation, most will receive credit toward a High School diploma and all will achieve employability skills and assistance with transitioning into employment. The income supplement is currently \$700 a month. Over forty-five youth will continue into employment in a construction field. OFS has a 78% success rate of youth attaining a High School diploma and/or attaining employment with wages averaging above Dane County living wage.

Furthermore, over 100 adults will attain construction training on this project through OFS instruction in partnership with Urban League Foundations for the Trades and YWCA Construct U.

Once completed, OFS will be able to serve twice as many youth in its new space necessitating increasing staff. In the OFS strategic plan this is targeted at an increase of seven FTE staff members.

h. Public Subsidy Requested: At this time, Operation Fresh Start is not seeking a public subsidy for this project.