

# REDEVELOPMENT AUTHORITY OF THE CITY OF KAUKAUNA

City of Kaukauna  
**Council Chambers**  
Municipal Services Building  
144 W. Second Street, Kaukauna



Thursday, April 06, 2023 at 9:00 AM

## AGENDA

1. Roll Call.
2. Approval of Minutes
  - [a.](#) Approve Minutes from March 2, 2023 Meeting
3. New Business.
  - [a.](#) Renew Kaukauna Initiative
  - [b.](#) Revolving Loan Application Review - Wellness 360
  - [c.](#) Revolving Loan Application Review - CO4 Workspace
  - d. Financial Update
4. Closed Session.
  - a. Adjourn to Closed Session per Wisconsin State Statute 19.85 (1)(e) to discuss the disposition of public funds for Wellness 360
  - b. Return to Open Session for Possible Action
  - c. Adjourn to Closed Session per Wisconsin State Statute 19.85 (1)(e) to discuss the disposition of public funds for CO4 Workspace
  - d. Return to Open Session for Possible Action
5. Other Business.
6. Adjourn.

## NOTICES

**IF REQUESTED THREE (3) DAYS PRIOR TO THE MEETING, A SIGN LANGUAGE INTERPRETER WILL BE MADE AVAILABLE AT NO CHARGE.**

# REDEVELOPMENT AUTHORITY OF THE CITY OF KAUKAUNA

City of Kaukauna  
**Council Chambers**  
 Municipal Services Building  
 144 W. Second Street, Kaukauna



Thursday, March 02, 2023 at 9:00 AM

## MINUTES

### 1. Roll Call.

Members present: John Moore, Paul Hennes, Nicci Sprangers, Quin Lenz, Julie Schroeder

Member(s) absent: Karl Kilgas, Heather Hayes

Other(s) present: Associate Planner Lily Paul, PCDD Joe Stephenson

Schroeder made a motion to excuse the absent members. Hennes seconded the motion. The motion carried unanimously.

### 2. Approval of Minutes

#### a. Approval of Minutes from January 5, 2023 Meeting

Hennes made a motion to approve the minutes from the January 5, 2023 meeting. Sprangers seconded the motion. The motion passed unanimously.

### 3. Old Business.

#### a. Acquisition of Property - 140 E 2nd Street

PCDD Stephenson updated the RACK committee what the owner of 140 E 2<sup>nd</sup> Street is asking for their building: \$100k firm. The owners are hoping to have an answer if RACK wants to buy the building and convert into another pedestrian walk-way, or not so they can start to make necessary improvements to the building. Since the building has a residential unit, and commercial space it would offer more to the community that way. There are RACK funds for any of the future repairs.

*No action was taken.*

### 4. New Business.

#### a. Certificate of Appropriateness - 123 E 2nd Street

AP Paul presented a project at 123 E 2<sup>nd</sup> Street, to convert the back section of the commercial space into a one bed-room residential unit. Since this is a change happening within the Commercial Core District, they would need a Certificate of Appropriateness. City Zoning Code 17.22(2)(d) allows "dwellings above or behind other principal uses so

as to not interrupt business frontage” the business frontage right now is Boards & Bites. All proper building permits and submittals will still need to be submitted.

A motion was made by Hennes to grant the Certificate of Appropriateness allowing the use of residential behind the principal business at 123 E 2<sup>nd</sup> Street. Lenz seconded the motion. The motion passed unanimously.

5. Closed Session.

- a. Adjourn to Closed Session per Wisconsin State Statute 19.85 (1)(e) to discuss the acquisition of property, 140 E 2nd Street
- b. Return to Open Session for Possible Action.

*Closed session was not acted on.*

6. Other Business.

*There was no other business.*

7. Adjourn.

Schroeder made a motion to adjourn the meeting. Hennes seconded the motion. Meeting adjourned at 9:22 AM.



# RENEW KAUKAUNA

A Downtown Revitalization Program

Date: 1/1/2023

Author: City of Kaukauna:  
Community Development  
Department



## **Overview**

The City of Kaukauna is known for its vibrant history and a community of firsts. Kaukauna is lucky to have one of the most historic city cores and some of the oldest buildings in the state of Wisconsin. Sixty-Four (64) commercial buildings, between uptown and downtown, are over 100 years old and another dozen buildings are over 70 years old. The historic charm of the city's core is one of its greatest assets, but an old building needs a lot of work to remain usable and aesthetically pleasing.

Kaukauna has come to a crossroads where many of its downtown buildings are seeing their age. From façade degradation to interior neglect, the downtown is losing its vibrancy. The cost to repair an exterior historic building can often be 10's of thousands of dollars. Similarly, the cost to renovate and bring units up to code, in a 100+ year old building, is very cost prohibitive to many businesses. Business owners and building owners who just saw one of the largest economic downturns in US history, are not flush with thousands of dollars to renovate their buildings.

To revitalize and breathe new life into our downtown, the city needs to get serious about programs that will fix our aging buildings, reduce vacancies, provide code compliant units, and attract new foot traffic to the city's core.

The planning department took a walking tour and asked businesses about their perceptions of the downtown and if they believe investment in the buildings would help. The answer was a resounding "yes". Business owners are by and large concerned about the city's downtown health and a number of business owners stated they would use both façade improvement grants and interior renovation grants to improve their facility.

Planning staff proposes a three-pronged approach to "Renewing" Kaukauna's Commercial Core.

1. Façade Improvement Program (FIP)
2. Interior Renovation Program (IRP)
3. Downtown Beautification

## **Facade Improvement Program**

The Façade Improvement Program (FIP) is a forgivable loan program to help renovate the exterior of historic buildings within the Commercial Core District. The program provides matching forgivable loans up to \$15,000.

Example:

Total Project Cost	Maximum City Match	Private Match
\$30,000.00	\$15,000.00	\$15,000.00
\$10,000.00	\$5,000.00	\$5,000.00
\$40,000.00	\$15,000.00	\$25,000.00

- A. Eligible Properties: Properties that meet the following criteria may apply for FIP.
  - a. Properties Zoned Commercial Core District (CCD).
  - b. Properties built prior to 1950 and/or properties that are recognized as a contributing property on the State Historic Registry.
  - c. Total Project cost must be \$10,000 or more.

- B. Ineligible Projects and Expenditures: *See Additional Program Details*
- C. Eligible Projects:
  - a. All projects shall be comprehensive and not partial projects. (Exemplified of comprehensive project: All masonry work on the front façade, all windows replaced, entire back façade renovation)
  - b. Repair or replace the following:
    - i. Existing siding.
    - ii. Existing masonry work.
    - iii. Historic architectural detail.
    - iv. Gutters, soffit, fascia or trim
    - v. Roof, windows or doors
  - c. City of Kaukauna Redevelopment Authority reserves the right to approve or deny any project as it fits within the scope of this program. If scenarios outside the bounds of this program guide arise, the Redevelopment Authority shall make their best judgement in awarding project funding.
  - d. All exterior materials shall be replaced in kind and with like materials. If the applicant wishes to replace with not like materials the Redevelopment Authority shall approve the new materials on a case by case basis using the Secretary of the Interior's Standards for the Treatment of Historic Properties as a guide.
- D. The forgivable loan will be secured via a lien on the property. If the original applicant maintains ownership of the building for 10 consecutive years, the loan is forgiven. If the building were to sell before the 10-year period, the loan shall be paid back in its entirety.

### **Interior Renovation Program (IRP)**

The Interior Renovation Program (IRP) is a forgivable loan program to help bring up to code the interior of historic buildings within the Commercial Core District. The program provides 1/3 matching forgivable loans up to \$15,000.

Example:

Total Project Cost	Maximum City Match	Private Match
\$30,000.00	\$10,000.00	\$20,000.00
\$10,000.00	\$3,333.33	\$6,666.67
\$45,000.00	\$15,000.00	\$30,000.00

- A. Eligible Properties: Properties that meet the following criteria may apply for FIP.
  - a. Properties Zoned Commercial Core District (CCD).
  - b. Properties built prior to 1950 and/or properties that are recognized as a contributing property on the State Historic Registry.
  - c. Total Project cost must be \$15,000 or more.
- B. Ineligible Projects and Expenditures: *See Additional Program Details*
- C. Eligible Projects:
  - a. Repair or replace the following:
    - i. Noncompliant Electrical systems
    - ii. Noncompliant Plumbing systems
    - iii. Noncompliant HVAC systems

- iv. Historic architectural details
- v. Structural elements of the building deemed unsafe by the City's Building Inspector.
- vi. Interior walls, doors or floor that are dilapidated or in a state of disrepair.
- b. City of Kaukauna Redevelopment Authority reserves the right to approve or deny any project as it fits within the scope of this program. If scenarios outside the bounds of this program guide arise, the Redevelopment Authority shall make their best judgement in awarding project funding.
- D. The forgivable loan will be secured via a lien on the property. If the original applicant maintains ownership of the building for 10 consecutive years, the loan is forgiven. If the building were to sell before the 10-year period, the loan shall be paid back in its entirety.

### **Downtown Beautification**

Downtown Beautification is a grant program meant to beautify the downtown through use of art and plantings.

- A. Eligible Properties: Properties that meet the following criteria may apply for FIP.
  - a. Properties Zoned Commercial Core District (CCD).
- B. Ineligible Projects and Expenditures: *See Additional Program Details*
- C. Murals: approved murals are eligible for 100% of the cost up to \$2,500. This amount covers all costs of the mural, from materials to payment of the artist.
- D. Planters: The City will purchase planters for the Commercial Core and place them in front of qualified business on a first come first serve bases. The flowers and vegetation within the planters will be maintained by the business owner while the planter itself remains the property of the City of Kaukauna and will be maintained by the City.
- E. Blade Signs: Blade signs, following the City's sign code, are eligible for a 50/50 cost share or up to a \$500 grant.

### **Ineligible Properties:**

In addition to the eligibility outlined within each program, any property which has one or more of the following conditions shall be in ineligible for any of programs within this document.

- A. Any property where the owner or the property itself, is delinquent on any debt owed to the City of Kaukauna.
- B. Properties owned in part or in whole by tax exempt entities.
- C. Properties that have open code violations unless the funds are being used to correct a current code violation.
- D. Properties that have an open Renew Kaukauna loan or properties that have received Renew Kaukauna funds in the past 10 years, excluding any Downtown Beautification funds.
- E. Projects that do not employ professional labor.
  - a. Only projects that that employ professional labor shall be eligible for this program.
  - b. Professional labor is considered work done by an individual who is trained and engaged in such work as a career.
  - c. Painting and staining shall be exempt from this requirement.

**Ineligible Expenditures:**

All items listed below shall not be funded by this program.

- A. Projects that are completed or underway prior to Redevelopment Authority Approval.
- B. Purchasing of permanent equipment or tools.
- C. Demolitions of an entire structure or part of a structure that do not have a planned in-kind replacement.
- D. Organizations may not use this program to reimburse their own staff's labor expenses.
- E. Building additions or projects that are entirely demolition work.

**Application Process:**

1. Talk with Planning Staff to determine if your project is eligible.
2. Submit an application to the City of Kaukauna Planning Department.
  - a. Applications must be filled out in full and can be submitted any time of the year.
  - b. Completed applications will take 2 weeks to review and will be submitted to the next available RACK meeting for discussion and approval.
  - c. Applications that are not completed may take longer to review than 2 weeks.
  - d. The applicant must submit the following with the application:
    - i. Proof of insurance on the property
    - ii. Proof of ownership
    - iii. Bids from a qualified contractor – (Qualified Contractors being a company or individual who has the appropriate licenses active on the Wisconsin Department of Safety and Professional Services Divisions of Industry Services (DSPS) website and that meet the qualifications of professional labor.)
    - iv. Most recent bank statements
    - v. Two years of tax statements
    - vi. Proof of personal financing for the remainder of the project amount
    - vii. Sites plans and or improvement visuals for the project.
    - viii. Signed Contract with selected qualified contractor.
3. RACK Review: the application will be presented to RACK for formal review. RACK will vote on whether or not to fund the project based on the above guidelines.
4. If the application is approved, a loan document will be drafted by the City of Kaukauna or its legal consultant.
  - a. The loan document may take up to three weeks to draft.
  - b. Loan monies will be dispersed only after all documents have been signed and the applicant has spent their portion of the project money.
    - i. Expenses for the remaining work will be substantiated with invoices.
    - ii. Using the invoices to indicate the remainder of the project cost, the city will make a one time payment to the applicant or contractor for the remainder of the project or the amount agreed to in the Loan.
    - iii. The preference shall be to pay the contractor directly and the City reserves the right to determine if the contractor or applicant shall receive the funds.
    - iv. All funds must be spent on the project and in no case should the funds be used for anything other than the project.
    - v. In the event there is a costs savings on the project the City's portion of the remaining funds will be reduced.

- vi. In the event the project costs more than anticipated, it is the responsibility of the applicant to make up those remaining funds.

### **Budget**

This initiative is funded by the American Rescue Plan Act allocation and Redevelopment Authority of the City of Kaukauna funds. While the below budget shall serve as a guide RACK reserves the right to alter allocations to each of the programs based on applicant need.

Total Budget: \$300,000

Façade Improvement Program: \$170,000

Interior Renovation Program: \$100,000

Downtown Beautification: \$30,000





# MEMO

## PLANNING AND COMMUNITY DEVELOPMENT

To: Redevelopment Authority of the City of Kaukauna  
From: Lily Paul, Associate Planner  
Date: April 3, 2023  
Re: Revolving Loan Application Review – Wellness 360

Sydney Hummell, owner of Wellness 360, located at 500 Lawe Street, is seeking a loan to replace the roof of the building. The current roof is in bad condition, and leaking occurs. Some repairs were done, but was not fixed completely. The existing roof condition can be found in the Proposal (Exhibit 4). Please find Exhibit 3 which describes the improvements already made to the building and the income of the business.

The cost estimate for this update is \$48,375, including replacing the skylights. ARC Contracting is proposed to do the work. Ms. Hummell is projecting to put 20% (\$10,000) of her personal/business money into the repairs and a final loan amount of \$38,375. A printed attachment of financials will be available at the meeting to aid in the discussion of the loan proposal.

It is the duty of the Redevelopment Authority to discuss and agree on the loan proposal. Loan proposals will be based on need and ability to repay. Minimum standards include the following:

1. Loan Amount: Loan amounts are subject to the availability of funds. There is no set minimum or maximum loan amount, however, the Redevelopment Authority of the City of Kaukauna loan amount shall not constitute the only source of funds for the project.

2. Interest Rate: The interest rate shall be established by the RACK board. Please check the Interest Rates Addendum for the latest guidelines. \*The interest rate has been set at 2%\*
3. Term: The term of the loan shall be no longer than the term of private financing. In no case shall the term exceed fifteen (15 years).
4. Period of Payment: The repayment schedule shall be set up for monthly payments.
5. Amount of Payment: Interest and principal shall be collected for the term to maturity. Interest and/or principal may be deferred for up to one year, if justified in the loan proposal.
6. Collateral: Reasonable security will be required for one hundred percent (100% of the loan. Collateral shall consist of a first or second lien on all assets owned and used in the business and personal guarantees.





# REVOLVING LOAN PROGRAM APPLICATION



Project Name: Wellness 360

Project Address:

500 LAKE ST. KAUKAUNA, WI 54130

Contact Name:

Sydney Hummell

Contact Address:

500 LAKE ST. KAUKAUNA, WI 54130

Telephone:

920-277-2457

Email:

Wellness.360@gmail.com

Year Business Established: 2019

Applicant Is:

Owner ☒ Lessee of Property ☐ Sole Proprietorship ☐  
Partnership ☐ Corporation ☐ Other Business Structure ☐

Number of Employees:

2

Full Time

Part Time

Brief Description of Business:

Health + Beauty studio. 2 Employees + 10 Independent business owners

List all owners, directors, or partners having 20% or greater interest:

Sydney Hummell - 100%

Project Description:

New roof on building

In what ways will the project benefit the community?

Increase tax value ☐  
Improve curb appeal/aesthetics ☐  
Safety or security upgrades ☐  
Accessibility improvements ☐  
Job creation or retention ☐ jobs created ☐ jobs retained  
Improved building longevity ☒  
New or retained business ☐  
Energy efficiency upgrades/weatherization ☐  
Creating services not currently available in a community ☐  
Other:



**Project Costs**

Acquisition	
Exterior Renovation	
Interior Rehabilitation	
Land/Site Improvements	\$ 50,000
Utility Improvements	
Machinery/Equipment	
Design Services	

**Project Financing**

Personal Funds	\$ 10,000
Lender Funds	
RACK Funds Requested	\$ 40,000
Other	

**Existing Building Conditions**

If building is owned by applicant:

Acquisition Date	Jan 7, 2022
Purchase Price	\$ 285,000
Existing Mortgage Balance	\$ 220,000
Land Contract Balance	
Monthly Mortgage Payment(s)	\$ 1,400
Recent Appraised Value	

If building is leased by applicant:

Annual Rent	
Lease Termination Date	
Name of Building Owner	
Address of Building Owner	



## Application Agreement

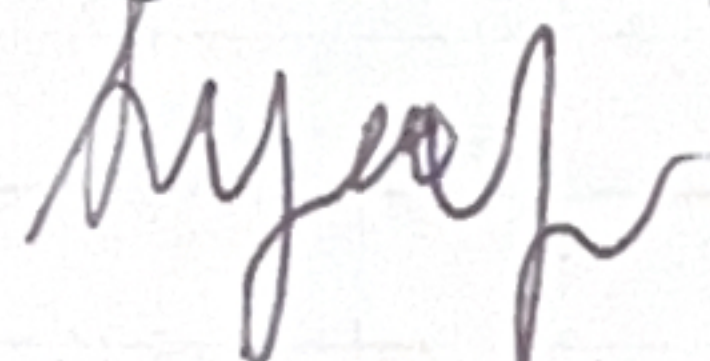
The applicant certifies that all information in this application, and all information furnished in support of this application, is given for the purpose of obtaining a loan under the Commercial Revolving Loan Program and is true and complete to the best of the applicant's knowledge.

The applicant further certifies that they are the owner of the property described in this application, or the lessee with proof of the owner's consent to improve said property.

The applicant further certifies that the loan proceeds will be used for the work and materials identified in this application and will abide with all provisions and guidelines of the Commercial Revolving Loan Program.

The applicant further authorizes disclosure of all financial information submitted in connection with this application by and between the Redevelopment Authority of the City of Kaukauna and any lender agreeing to participate with the applicant's loan through this program.

Signature of Applicant



Signature of Applicant

Date

3/27/23

Date





## Exhibit 2

### RACK Loan Info

#### Business Description

Wellness 360 is home to 11 small business owners, all operating under one roof. We provide the community with various health + beauty services including massage, nutrition coaching, esthetics, injectables, spray tans, reiki, hair, makeup & more. Our company works with a variety of providers on a commission basis as well as a few team members who pay on a monthly rent rate + commission basis. I am attaching an additional document in which it breaks down those incomes further.

#### Description of Need

Our building is in need of a new roof. We have 72 patches across the roof, due to the prior owner's decision, which has caused the roof to have frequent leaks.

#### Estimates

I am attaching in an additional document, the quotes from our preferred company, ARC Contracting

## Exhibit 3

### Wellness 360 Improvements + Income

#### Improvements made since purchase

1. \$12,000 Lower level upgrades
  - A. New Ceiling
  - B. New lighting
  - C. Walls painted
  - D. New Flooring
2. \$15,000 Flooring in treatment rooms
  - A. Carpet pulled + Vinyl added in 7 Treatment rooms
3. \$3,000 Ceiling + lights in treatment room
  - A. Original 1977 tile ceiling + box lights removed. Drywall ceiling + Can lights + Chandelier added.
4. \$2,000 Baseboard in some treatment rooms
5. \$4,000 plumbing added
  - A. Plumbing + vanities added to 3 treatment rooms

#### Future Improvements

1. \$100,000-\$175,000 Upper level upgrades occurring in 2023
  - A. New flooring in Entire hallway + Lobby
  - B. New Ceilings in entire hallway + lobby
  - C. New Ceilings in all treatment rooms
  - D. New Light fixtures (1977 originals currently) across entire building
  - E. New baseboard through entire building
  - F. Wall added to create additional treatment room
  - G. Walls taken down + replaced in back hallway of building
  - H. Wall replaced to extend existing treatment room
2. \$50,000 New roof (completing by May 2023)
  - A. 20 year warranty with life expectancy of 25-30 years
  - B. All skylights replaced + warrantied
3. \$4800 New Concrete in front entrance (completing by May 2023)

## Exhibit 3

### Rent Roll

1. Treatment room 1: \$700/month + 5% (avg \$300/month)
2. Treatment room 2: 30% Commission (AVG. \$1000/month)
3. Treatment room 3: \$700/month + 3% ( avg \$300/month)
4. Treatment room 4: 30% commission ( avg \$800/month)
5. Treatment room 5: \$600/month + 3% commission (avg \$400/month)
6. Treatment room 6: 30% Commission (avg. \$1500/month)
7. Treatment room 7: 15% Commission (avg \$4000/month) increasing to 25% commission 6/1/23
8. Lower level treatment room: 25% commission (projected income \$1000/month)

**March 13, 2023**

Wellness 360



## **Roof Replacement Proposal**

ARC Contracting  
2300 Holly Rd. Neenah, WI 54956  
Prepared by: Jesse Chase

Enclosed is the proposal and pictures for the roofing project on your commercial building.

## Roof Synopsis and Notes:

Age of roof:	17 years
Square Footage:	4,213sf
Concerns:	Leaking
Slope:	Low Slope
Roof Type:	Pea Gravel, Built-up Roofing system
Composition:	Wood decking

### Further notes from the inspection are as follows:

- The building is experiencing multiple leaks and will have areas of wet insulation.
- Multiple failing repairs.
- The pea gravel will need to be removed before installing the new roof system.

## Inspection Images:

### Overview











Large amount of tar patches.







**ARC Contracting of Wisconsin, Inc.**

2300 Holly Road  
Neenah, WI 54956  
(877) 272-3200

**Customer:**

Wellness 360  
500 Lawe St  
Kaukauna, WI 54130

**ARC Project Manager:**

Adam Reichenberger  
(920) 517-1682

DESCRIPTION OF WORK:

- ARC Contracting will pull required permits prior to the start of the project.
- Remove the existing loose pea gravel prior to loading the roof with materials.
- Inspect for wet insulation where there were previous leaks and provide replacement cost to the owner.
- Load roof with materials and set up a safety warning line system up to OSHA standards.
- Remove the existing edge metal and safely dispose of the debris.
- Remove all unused roofing penetrations and safely dispose of the debris.
- Fill in the open areas with new insulation up to the existing roof system.

## Exhibit 4

Item 3.b.

- Mechanically fasten new 1" ISO insulation board over the existing roof system with approved fasteners.
- Mechanically fasten new 50 mil PVC single ply membrane over the new ISO insulation board with approved fasteners.
- Flash the perimeter with 50 mil PVC single ply membrane and terminate with approved fasteners.
- Furnish and install new aluminum drain inserts into the existing drainage system for proper water flow.
- Flash all penetrations and terminate with approved roofing materials.
- Furnish and install a new 24-gauge 4" edge metal on the perimeter for a decorative finish.
- Perform a workmanship quality inspection to ensure a watertight roofing system.
- Clean up all tools and debris from the job site.
- Ten (10) year Workmanship Warranty.
- Twenty (20) year IB Manufacturer Warranty.

Investment Total: \$44,225.00

Skylight Replacement: \$4,150.00 (5 skylights)

Int.\_\_\_\_\_

Customer Signature\_\_\_\_\_

Print Name\_\_\_\_\_

Date\_\_\_\_\_

March 13, 2023

## TERMS AND CONDITIONS

- i. All agreements are contingent upon strikes, accidents or delays beyond the control of ARC Contracting of Wisconsin, Inc. Any and all complaints/claims concerning workmanship, aesthetic quality, damage, debris, additional materials, etc. must be given to ARC Contracting of Wisconsin, Inc. in writing, by certified mail, within thirty (30) days of completion of job or are hereby and absolutely waived.
- ii. If payment is not made as set forth herein, Customer will be in default of the payment terms of this contract, waiving notice or presentment. Upon default, Customer agrees to pay all costs associated with the collection, including attorney's fees, pre-judgment and post-judgment interest at 1.5% monthly. Further, Customer and/or Property Owner agrees that this agreement represents a consensual lien on all property, and that ARC Contracting of Wisconsin, Inc. may take whatever steps necessary to perfect such a lien. In addition, if payment in full is not received by ARC Contracting of Wisconsin, Inc. within fifteen (15) days of completion any/all warranties shall become void.
- iii. Payments shall be made as follows: (1<sup>st</sup>) **1/2 upon approval**; (2<sup>nd</sup>) **1/2 upon completion**
- iv. ARC Contracting of Wisconsin, Inc. disclaims any and all responsibility for pre-existing conditions (disclosed and undisclosed) including, but not limited to: structural damage and deficiencies, clogged drains, mold growth, excessive standing water, removal of hazardous material or other hidden deficiencies such as HVAC units/conduits, electrical or gas lines. This agreement does not cover, and in no case, shall ARC Contracting of Wisconsin, Inc. be liable for, the removal of or damage to HVAC units/conduits, gas lines, water lines, electric lines, or conduits, whether located above, below or within the roof system, lightning protection systems, landscaping, communication cable, communication devices, or other devices, including recalibration of satellites. It is the building owner's responsibility to provide protective measures. Customer and/or Property Owner agree that all residences and commercial structures that have plumbing related facilities have the presence of mold and mildew. ARC Contracting of Wisconsin, Inc. shall not be responsible for mold or mildew existing prior to any roofing work or any mold or mildew discovered subsequent to any roofing work. Customer and/or Property Owner hereby waives any claim for personal injury or property damage against ARC Contracting of Wisconsin, Inc. related to any form of mold or mildew. Customer and/or Property Owner agree that, unless otherwise specifically stated within this agreement, ARC Contracting of Wisconsin, Inc. will only be responsible for the roof during the time that the roof project is in progress and under no circumstances will ARC Contracting of Wisconsin, Inc., its owners, officers, or employees be responsible for interior finishes after roof work as described herein has been completed in full by ARC Contracting of Wisconsin, Inc.
- v. This agreement shall be governed by the laws of the State of Wisconsin, and the venue for any dispute arising under this contract shall be in Winnebago County, Wisconsin. This document represents the entire agreement, and all modifications must be accepted by both parties in writing.
- vi. The person or person(s) signing this agreement represents that they are either the owners of the property for which the roofing work is being performed, and/or the authorized agent of all owners whose signatures do not appear on this agreement. In addition, they affirmatively represent that they have the available funds to pay the entire charges contemplated by this agreement upon substantial completion and that they are not currently a Petitioner under any case in Bankruptcy Court nor contemplating the filing of any Petition in Bankruptcy. Customer and/or Property Owner is signing as the owner of the property and personal guarantor.

Int. \_\_\_\_\_



# MEMO

## PLANNING AND COMMUNITY DEVELOPMENT

To: Redevelopment Authority of the City of Kaukauna  
From: Lily Paul, Associate Planner  
Date: April 3, 2023  
Re: Revolving Loan Application Review – CO4 Workspace & Coretto Café

Allie Thiel, owner of CO4 Workspace, is teaming up with Heather Karisny, owner of Coretto Café. CO4 Workspace is a Co-working space located at 388 Farmland Drive. There is office space, kitchen space, storage space, and event space all available to those that are members of CO4 Workspace, you just need to reserve that space and you'll have access to the benefits. Coretto Café plays into CO4 workspace by providing a permanent food and beverage option for tenants utilizing the space, but also serve those throughout the surround communities. Please see the attached project summary that includes business description, need, expected revenue, and cost estimates. The team of Allie Thiel and Heather Karisny are looking for a loan to finish the café: buildout, fixed furniture and operating equipment, and marketing.

The cost estimate for this update is \$50,000: \$25k for fixed assets, \$20k for build out material cost, \$5k for marketing. \$10k of personal/business funds have already been put into the project. A printed attachment of financials will be available at the meeting to aid in the discussion of the loan proposal.

It is the duty of the Redevelopment Authority to discuss and agree on the loan proposal. Loan proposals will be based on need and ability to repay. Minimum standards include the following:

1. Loan Amount: Loan amounts are subject to the availability of funds. There is no set minimum or maximum loan amount, however, the Redevelopment Authority of the City of Kaukauna loan amount shall not constitute the only source of funds for the project.
2. Interest Rate: The interest rate shall be established by the RACK board. Please check the Interest Rates Addendum for the latest guidelines. \*The interest rate has been set at 2%\*
3. Term: The term of the loan shall be no longer than the term of private financing. In no case shall the term exceed fifteen (15 years).
4. Period of Payment: The repayment schedule shall be set up for monthly payments.
5. Amount of Payment: Interest and principal shall be collected for the term to maturity. Interest and/or principal may be deferred for up to one year, if justified in the loan proposal.
6. Collateral: Reasonable security will be required for one hundred percent (100% of the loan. Collateral shall consist of a first or second lien on all assets owned and used in the business and personal guarantees.



# REVOLVING LOAN PROGRAM APPLICATION



Project Name: Corretto Cafe

Project Address: 388 Farmland Dr

Contact Name: Allie Thiel

Contact Address: 390 Farmland Dr Kaukauna

Telephone: 9204623908

Email: allie@co4workspace.com

Year Business Established: 2023

Applicant Is:

Owner ☐ Lessee of Property ☐ Sole Proprietorship ☐  
 Partnership ☐ Corporation ☐ Other Business Structure ☒  
 Number of Employees: 1 Full Time 1 Part Time

Brief Description of Business:

Full Service Cafe including warm and iced beverages and made to order food

List all owners, directors, or partners having 20% or greater interest:

Heather Karisny, Allie Thiel

Project Description:

Build out 300 SF of tenant space within CO4 Workspace into a full service cafe operated by Heather Karisny of the wandering table.

In what ways will the project benefit the community?

Increase tax value ☒  
 Improve curb appeal/aesthetics ☒  
 Safety or security upgrades ☒  
 Accessibility improvements ☒  
 Job creation or retention ☒ jobs created ☒ jobs retained  
 Improved building longevity ☒  
 New or retained business ☒  
 Energy efficiency upgrades/weatherization ☐  
 Creating services not currently available in a community ☐  
 Other: Community Enrichment via

1

### Project Costs

Acquisition	
Exterior Renovation	
Interior Rehabilitation	\$25,000
Land/Site Improvements	
Utility Improvements	
Machinery/Equipment	\$20,000
Design Services	\$5,000 Website/Social Media pages/Google profile Yelp listing Google & Facebook Ad

### Project Financing

Personal Funds	\$10,000
Lender Funds	
RACK Funds Requested	\$50,000
Other	

### Existing Building Conditions

If building is owned by applicant:

Acquisition Date	August 18, 2020
Purchase Price	\$1.9M (Construction Loan)
Existing Mortgage Balance	\$1.4M
Land Contract Balance	
Monthly Mortgage Payment(s)	<b>\$3,369.38</b>
Recent Appraised Value	\$2.1M

If building is leased by applicant:

Annual Rent	\$420
Lease Termination Date	December 31st, 2023 Renewal
Name of Building Owner	Allie Thiel
Address of Building Owner	390 Farmland Dr Kaukauna WI 54130



## Application Agreement

The applicant certifies that all information in this application, and all information furnished in support of this application, is given for the purpose of obtaining a loan under the Commercial Revolving Loan Program and is true and complete to the best of the applicant's knowledge.

The applicant further certifies that they are the owner of the property described in this application, or the lessee with proof of the owner's consent to improve said property.

The applicant further certifies that the loan proceeds will be used for the work and materials identified in this application and will abide with all provisions and guidelines of the Commercial Revolving Loan Program.

The applicant further authorizes disclosure of all financial information submitted in connection with this application by and between the Redevelopment Authority of the City of Kaukauna and any lender agreeing to participate with the applicant's loan through this program.

Allie Thiel 03APR2023

Signature of Applicant Date

Heather Karisny 4/3/23

Signature of Applicant Date

**ELECTRIC CITY**  
PROPERTIES

+

*Corretto café*



## 390 FARMLAND DR PROJECT SUMMARY

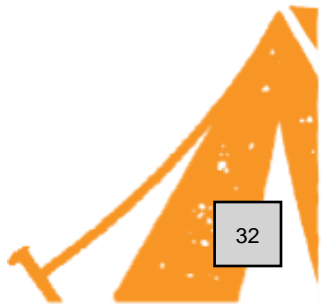
# 380 Farmland Drive Warehouses, Storage & Coworking Project



## Purpose

To cater to the trades of our community who need:

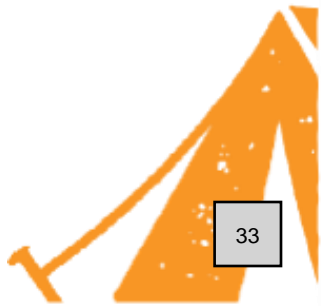
- warehousing and heated shop spaces
- individuals who need larger heated storage spaces of which few exist in the current landscape
- professionals, remote workers, business owners and members of the local community who need an on-demand home away from home to work, meet with clients & teams or network with other like-minded entrepreneurs



## Purpose

Although coworking has been well understood and a common feature in major cities for 15 years (since 2006), CO4 Workspace is entering the marketplace on fire, trailblazing in a rural community offering the same benefits of the big city in a conveniently situated close-to-home location with nearby highway access, riding the wave of the work from anywhere trend. And who doesn't want free coffee all day long?

**Our research indicates that catering to this combination of related markets diversifies income streams and provides increased overall revenue stability and flexibly.**

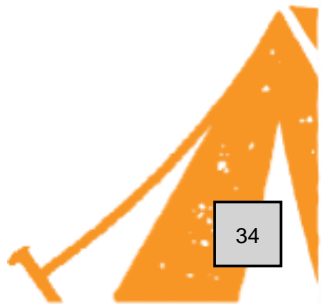


## Project Scope

To provide a local, multifunctional business hub for professionals and trades alike. To enrich the local community with a close-to-home place to socialize, gather, work, collaborate, and get a hot cup of Joe.

## Inventory

- (3) Shop Condos, size range 1150-1850 SF, 12x14' Overhead Doors
- (1) Cowarehouse Unit, 650 SF, partitioned into secured shelving spaces
- (4) 14x50 Storage Units
- (2) 12x24 Storage Units
- (13) Class A Private Office Units
- (1) Class A Coworking Space
- (1) Coffee Shop







425 W. WISCONSIN AVENUE  
APPLETON, WISCONSIN 54911  
PH: 920.862.8700  
FAX: 920.862.8699  
www.millenniumconstruction.com

MILLENNIUM CONSTRUCTION INC. hereby declares that the design, drawing and shall retained with these documents is the registered property of Millennium Construction Inc. No portion of the design, drawing and shall may be copied, duplicated, distributed, disclosed or made available in any manner or company without the expressed written consent of MILLENNIUM CONSTRUCTION INC. Copyright 2022

TENANT ALTERATIONS  
**R&R TECHNOLOGIES**  
E. FARMLAND DRIVE - CITY OF KAUKAUNA, WISCONSIN

TRUSS BEARING  
118'-0"  
1ST FLOOR  
100'-0"

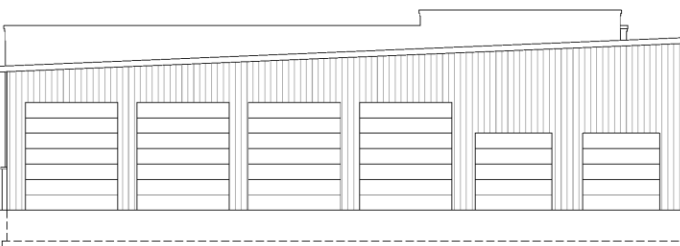
REVISIONS	
DATE	DESCRIPTION
-	-
-	-
-	-
-	-
-	-
-	-
DRAWN      CHECKED	
-	-
PROJECT NO. 1-0538-056	
DATE 03-30-2022	
SHEET NO. <b>A2.1</b>	



**1 WEST ELEVATION**  
SCALE: 1/4" = 1'-0"



**2 NORTH ELEVATION**  
SCALE: 1/8" = 1'-0"



**3 EAST ELEVATION**  
SCALE: 1/8" = 1'-0"



**4 SOUTH ELEVATION**  
SCALE: 1/8" = 1'-0"

INTERIOR WALLS ARE DIMENSIONED STUD TO STUD UNLESS NOTED OTHERWISE.  
ALL INTERIOR PARTITIONS ARE TYPE 1 UNLESS NOTED OTHERWISE. SEE WALL TYPES.  
SEE BUILDING SECTIONS AND WALL SECTIONS FOR EXTERIOR WALL CONSTRUCTION.  
DO NOT SCALE THE DRAWINGS. WRITTEN DIMENSIONS OR NOTES SHALL DETERMINE.  
IF THERE ARE MISSING DIMENSIONS OR DISCREPANCIES, IT IS THE RESPONSIBILITY  
OF THE CONTRACTOR TO CONTACT THE ARCHITECT PRIOR TO FABRICATION OR  
CONSTRUCTION.

COORDINATE LOCATION OF NEW FLOOR DRAINS WITH DESIGN-BUILD PLUMBING CONTRACTOR.



NOTE:  
THE TENANT IN ROOM 119 INTENDS TO ASSEMBLE  
WOODEN FURNITURE IN THE SPACE. THE AREA OF THIS  
ROOM IS LESS THAN THE 2,500 SQ. FT. FIRE PROTECTION  
THRESHOLD IN 903.2.4.1. THE SPACE WILL NOT BE USED  
FOR THE MANUFACTURE OR STORAGE OF UPHOLSTERED  
FURNITURE OR MATTRESSES.

NOTE:  
THE STORAGE OF COMMERCIAL MOTOR VEHICLES IS NOT  
PERMITTED IN THIS BUILDING. "COMMERCIAL MOTOR  
VEHICLE" IS AS DEFINED BY SPS 302.0202 AND INCLUDES  
VEHICLES WITH A GROSS VEHICLE WEIGHT RATING OF  
26,000 LBS OR MORE, OR A VEHICLE USED TO TRANSPORT  
SIX OR MORE PASSENGERS INCLUDING THE DRIVER.

**OVEN**  
23'-3"

**PREP KITCHEN**  
F.D. 118

**S-COMP. PREP HAND**

**COOLER**

**STORAGE UNIT**  
NO WORK

**PLUMBING CONTRACTOR: NOTE SINK & FLOOR DRAIN THIS AREA. CUT BLAS AS REQUIRED TO INSTALL UNDERGROUND PLUMBING**

**NOTE: ROOM 118 "PREP KITCHEN" SHALL BE CLASSIFIED AS A GROUP B OCCUPANCY (FOOD PROCESSING EQUIPMENT AND COMMERCIAL KITCHENS NOT ASSOCIATED WITH RESTAURANTS, CATERING AND SIMILAR DINING FACILITIES NOT MORE THAN 200 SQ. FT. IN AREA).**

**THIS SPACE WILL BE USED FOR THE PREPARATION OF INGREDIENTS FOR USE IN A MOBILE FOOD TRUCK. FRYING AND PREPARATION OF GREASE LOADED FOOD WILL BE DONE IN THE FOOD TRUCK, NOT HERE.**

**STOR**

THE LAYOUT SHOWN HERE IS SCHEMATIC AND SHALL BE COORDINATED AND FINALIZED WITH OWNER/TENANT AND CONTRACTOR. COORDINATE WITH DESIGN-BUILD HVAC CONTRACTOR TO MEET REQUIRED VENTILATION REQUIREMENTS. FINISHES SHALL MEET REQUIREMENTS OF COUNTY HEALTH DEPT.



**MILLENNIUM**  
CONSTRUCTION INC.  
DESIGNERS • TRACERS • PROJECT MANAGERS  
"THE NEW ERA OF BUILDING"

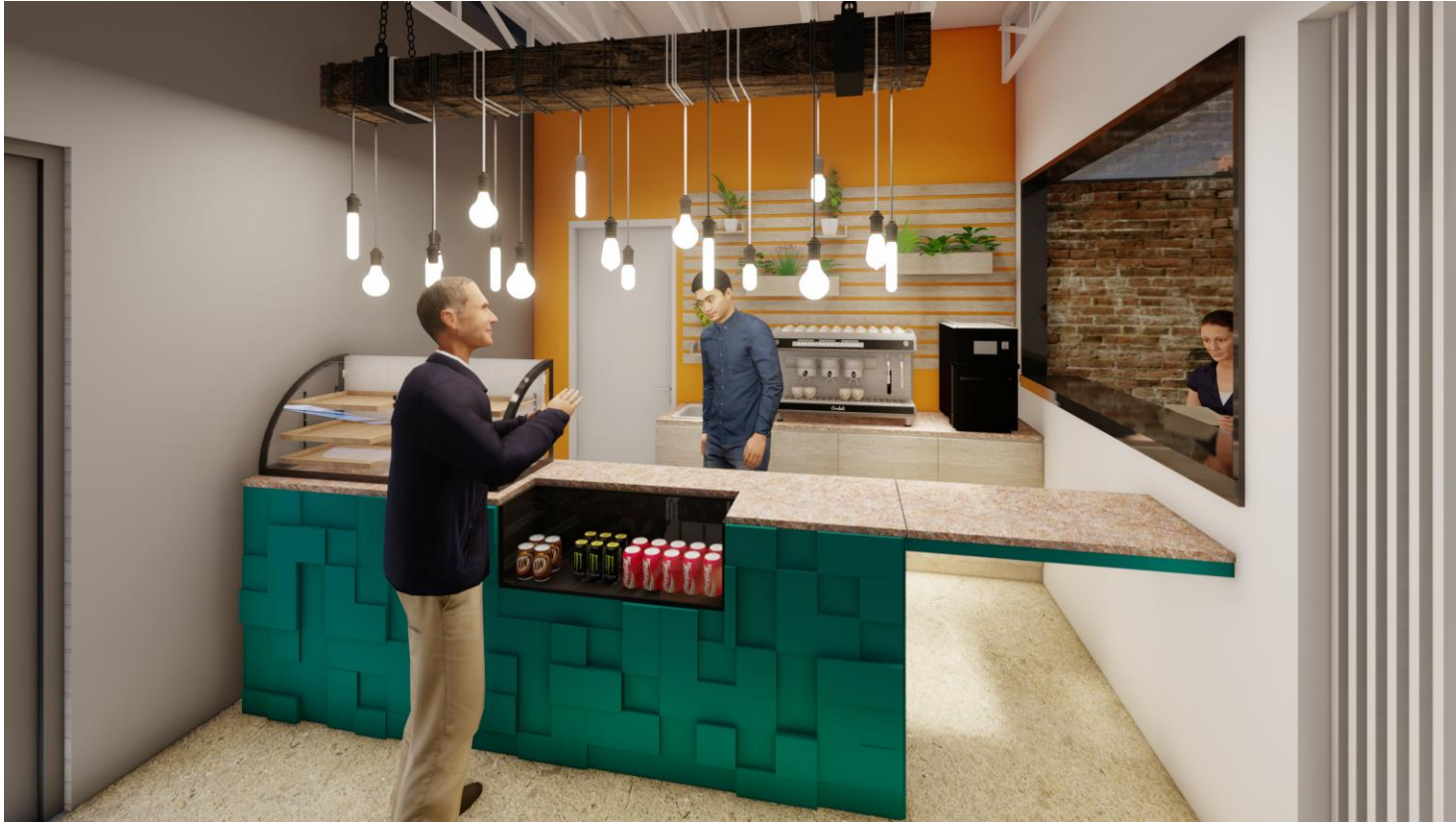
425 W. WISCONSIN AVENUE  
APPLETON, WISCONSIN 54911  
PH: 920.882.8700  
FAX: 920.882.8699

[www.millenniumconstructionwi.com](http://www.millenniumconstructionwi.com)

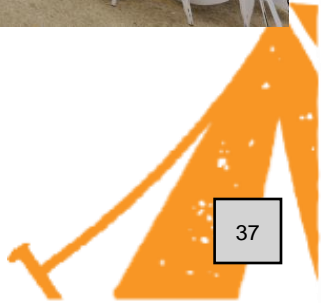
MILLENNIUM CONSTRUCTION INC. hereby declares that the design, drawing and detail contained within these documents is the copyrighted property of Millennium Construction Inc. No portion of the design, drawing and detail may be copied, duplicated, distributed, disclosed or made available to any person or company without the expressed written consent of MILLENNIUM CONSTRUCTION INC. copyright 2022

TENANT ALTERATIONS  
**R&R TECHNOLOGIES**  
FARMLAND DRIVE - CITY OF KAUKAUNA, WISCONSIN





Item 3.c.





ELECTRIC CITY STORAGE GROSS REVENUE		
Storage Unit Size	1-Yr Revenue	Note
Self Storage Units	\$30,550	Assumes 100% Occupancy
Heated Shop Condos	\$95,741	Assumes 100% Occupancy
Class A Offices	\$168,000	Assumes 100% Occupancy
<b>Total 1-year Revenue</b>	<b>\$263,740.96</b>	





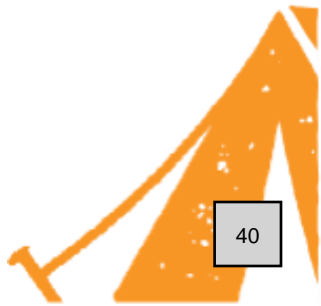
ELECTRIC CITY PROPERTIES ANNUAL EXPENSE FORECAST	
ITEM	AMOUNT
Utilities	\$15,000
CAM	\$5,000
Operating Expenses	\$15,000
Property Taxes	\$32,800
Debt Service	\$97,584
13% VAC	\$15,540
<b>Total</b>	<b>\$180,924</b>



## **CO4 Workspace Market Analysis: Decentralization is the Future**

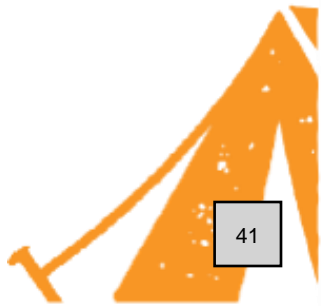
Observing the world become increasingly interconnected in the global marketplace through modern cloud computing technology, coupled with America's workforce becoming less committed to the Corporate model, we saw an opportunity to create a modern, multifunctional campus to house and nurture a wide variety of business operations.

The future of work for the management, administrative, sales, retail, business and professional services occupations that make up 31% of Kaukauna's workforce is becoming an increasingly decentralized, flexible in time and space model that is quickly adaptable to the trends, patterns and the demands of the global marketplace. Pivoting amidst the pandemic, business operations remained viable by finding unconventional methods to continue meeting the need of the consumer.



## CO4 Workspace Market Analysis: Decentralization is the Future

- **Retail** sales transitioned to live video feed and browsing online product galleries offering free exchanges, returns and shipping in lieu of in-person window shopping.
- **Food** – whether the source is a favorite restaurant or the grocery store - transformed into online ordering with same day pick up or delivery, in which Moms all over the world are still celebrating this long-awaited breakthrough in today's culture of convenience. The newest emerging trend of automated delivery – ranging from UW-Madison's Starship robot to drone food delivery technology like Flytrex, recently launched in Texas, reinforces the continued decentralization of the food and retail service industries.
- **Education** went online, and many are finding the financial and time flexibility this provides remarkably beneficial. Millions of in-house corporate positions transitioned to work in place or remote work functionality, and that is here to stay!

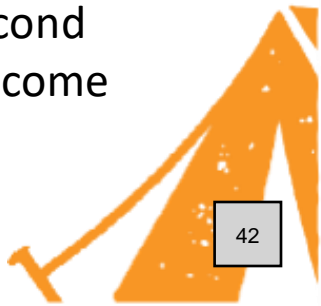


## CO4 Workspace Market Analysis: Decentralization of the Workplace

Amidst the fear of loss of productivity and accountability, employers were apprehensive to release employees from the office. Throughout the pandemic, employers began to re-assess benchmarks and Key Performance Indicators, placing less emphasis on the quantity of the timeclock and more focus on employee benefits to retain top talent and quality of output.

According to the HR Firm Beni.fit , among the top employee benefits that mid to top tier talent in the current workforce look for is **wellness programs, flexible schedules, flexible workspaces, and employer-sponsored wifi**. With cost of living, fuel and food prices on the rise, both employers and employees are looking for ways to cut the fat in expenditures and alleviate strain on cramped budgets.

Large Corporations are downsizing in favor of a hybrid remote work model, releasing high-dollar commercial real estate properties. This trend has added fuel to the fire of the commercial flex space market, repurposing second generation buildings in new and creative ways, curating spaces allowing remote workers and small teams to come together for huddles on-demand in favor of the previous everyday office presence model.



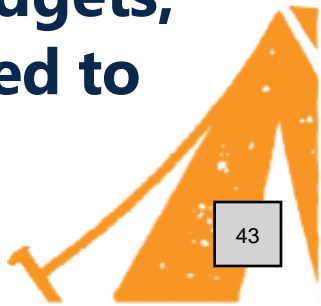


## **CO4 Workspace Market Analysis: Decentralization of the Workplace**

In the wake of the pandemic, labor shortages have caused the once beloved community coffee shops that provided all day gathering places to close by 2p, leaving communities in the Northern Hemisphere undergoing seasonal climate changes with few indoor venue options for social interaction, small group gatherings, personal or professional meeting places or casual work sessions that used to occur at the window seat or in the arm chairs at the downtown coffee shop.

The Great Resignation has set 5.6 Million workforce employees on a course to launch out as an entrepreneur

**Whether driven to downsize by the current economic forecast, scale as a new business, or a fringe benefit provided by unlimited corporate budgets, time and space freedom is the future of work – and we stand prepared to provide an environment to welcome it with open arms.**



## Market Validations

Gen Z and Gen Y trends and patterns **strongly suggest decentralization of the workplace is the future** of the global, mobile marketplace

### OVER THE NEXT DECADE:

- Gen Y will graduate college and build careers. With a continued commitment to work-life balance, Gen Y will continue focusing less on physically spending time at a job site and more on getting the job done. Connecting through the cloud will allow Gen Y to succeed on the move and approach the work/life balance they desire.
- Gen Z will challenge the traditions of academia, demanding more personalized learning programs at a price they can afford. Their comfort with online learning through Internet video channels (YouTube, for example), podcasts, webinars and other social media tools will challenge an educational system that is unprepared to meet their real-time, on-demand expectations.
- Smartphones and other mobile Internet devices will be the primary digital information tools for both Gen Y and Gen Z globally.
- As youth connect through the global grid, they will develop, adopt and adapt cross-cultural, transnational consumer patterns.
- Internet-savvy youth will enable – or develop on their own – a growing number of global small businesses started using mobile platforms.

## Market Validations

- The coworking industry is experiencing a **200% growth over the last 5 years**
- 30%** of the office market will be **flex space by 2030**

### INDUSTRY STATS

**Incredible Numbers  
That Back Up The  
Growth And Potential Of  
Coworking.**

GROWTH RATE OVER  
THE PAST 5 YEARS

**200%**

COWORKING MEMBERS  
BY 2020

**3.8m**

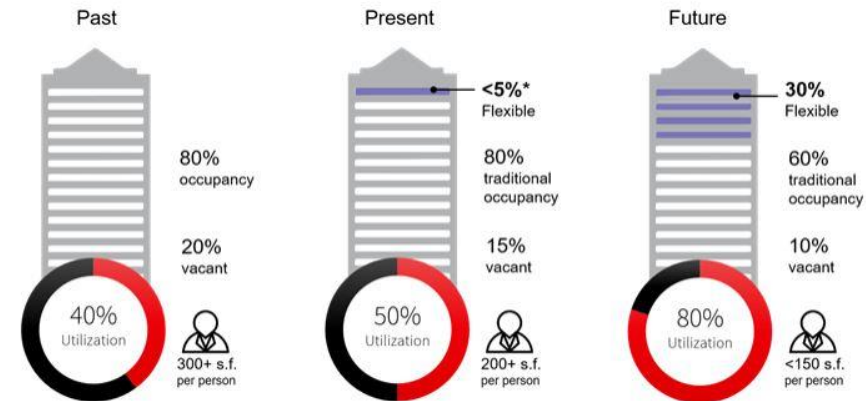
COWORKING SPACES  
IN THE WORLD TODAY

**14,411**

COMPANIES THAT WILL HAVE  
SHARED WORKSPACE BY 2020

**50%**

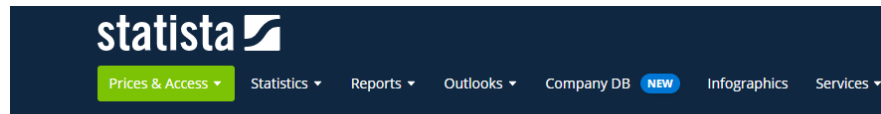
### A flexible space revolution is on the horizon



*\* Under 5% of current U.S. office inventory is controlled by independent, third-party flexible space providers (spanning all operator types, from traditional executive office suites to coworking to incubators). Given industry shifts, flexible workspace and shared amenity spaces are projected to encompass approximately 30% of the office market by 2030.*

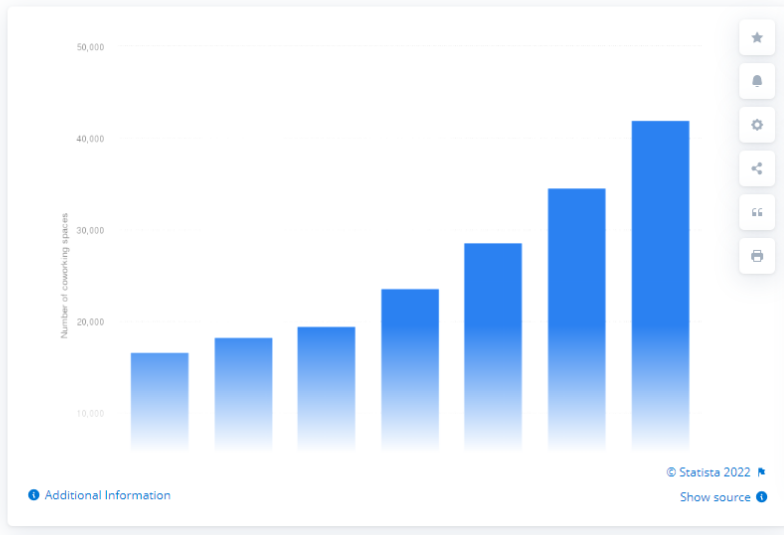
## Market Validations

- The coworking industry is experiencing a **20% sustained compound annual growth rate** projected through 2024
- This growth, in part, is due to the pandemic accelerated plans to **start online businesses to achieve time flexibility and increase earning potential**

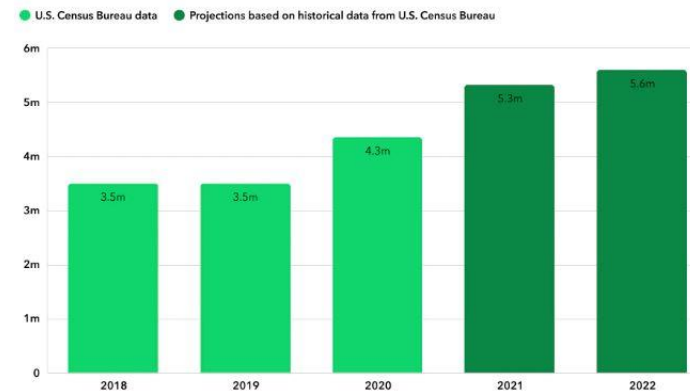


Real Estate > Property Services

Number of coworking spaces worldwide from 2018 to 2020 w



### New business starts per year: 2018 to 2022



Source: QuickBooks analysis of the U.S. Census Bureau's Business Formation Statistics, November 2021 | <https://www.census.gov/econ/bfs/index.html>

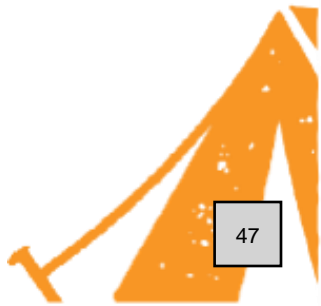
### Why now, and why so many?

An overwhelming 83% of people who want to start a business say COVID accelerated their plans. This is either because they spotted a new opportunity online during the pandemic or because it made them rethink their priorities.

## CO4 Workspace Differentiators

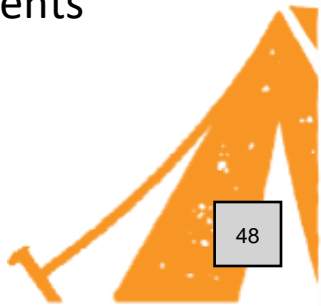
According to Corporate Suites 2022 Worldwide Coworking Statistics Report,

“Members are now choosing coworking spaces that provide comprehensive offerings that cater to their entire lifestyle. In 2022, we are seeing diverse types of coworking models that feature co-living spaces as well as amenities that help members cope with the intensity of their work. Luxuries such as **catering, exercise rooms, privacy pods, and rooms for video conferencing** are becoming part of the new scene.”



## CO4 Workspace Differentiators

- **Location:** Highway access to Appleton/ATW: 15 min; Green Bay/Austin Straubel: 15 min
- **Private Offices:** Intentionally sized, designed, priced and located for the decentralized workforce of today
- **Network:** Hand-picked businessowners, entrepreneurs and professionals representing diverse industries
- **Amenities & Service:** Multi-purpose space to meet the demands where work & leisure collide – fitness center, showers, social spaces & events, in house café
- **Accessibility:** 24/7 access to all members
- **Flexibility:** Membership tiers built to cater to a wide variety of size, usage duration, and budget requirements

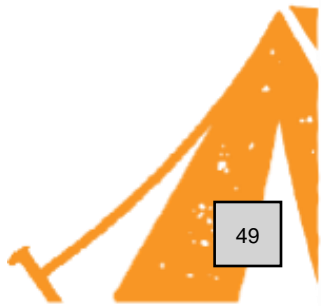




## CO4 Workspace Market Validations – Competitive Landscape Analysis

We toured 8 coworking venues within the Greater Fox Valley and in Madison, WI. We discovered the following 9 components to a successful coworking space:

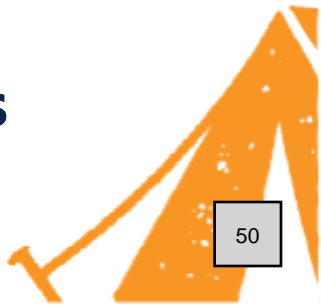
1. Affordable **private office spaces of various sizes** to accommodate a variety of budgets and space requirements
2. Lounge furniture and individual desk pods that **encourage social integration** while also personal space conscious (individual chairs around a round table vs. couches or long tables and wall counters)
3. **Fast, reliable internet** and secure building access control
4. A **clean, open concept** space that is warm, pleasing to the eye and bright with natural and ambient light



## CO4 Workspace Market Validations – Competitive Landscape Analysis

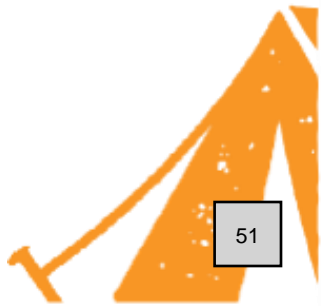
5. Provide a **separate social and eating area** from the open seating coworking space
6. Provide a small, quiet and **private space for phone calls**
7. Develop a **collaborative, supportive community** of like-minded business-people: they'll come for the space and stay for the people
8. **Be present** in the beginning as you ramp up
9. Offer flexible options – specifically **part time office rentals & day offices**

**....and we've designed a floorplan to meet all of these components**



## **Corretto Café: A necessary component to success**

An effective and profitable coworking space is defined by the community it develops coupled with the amenities it provides. Fresh coffee has a way of bringing people together and made to order food has a way of keeping people together. The intent of Corretto Café is to create a symbiotic relationship with CO4 Workspace – providing critical food & beverage service to the members of CO4 Workspace while serving the surrounding community as a local hang-out on the North side of town. CO4 Workspace is centrally located between Wrightstown and Kaukauna, serving both communities as well as commuters passing through to Highway 41 and dog lovers enjoying the dog park. As most coffee shops in Kaukauna and the immediately surrounding areas close by mid-afternoon, Corretto Café intends to provide afternoon operating hours as well as grab and go meal items for after-hours enjoyment.

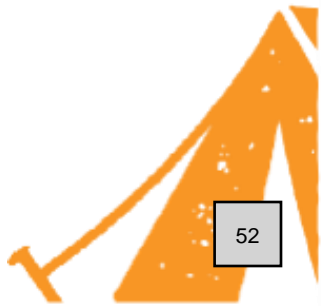


## **Corretto Café: Target Market & Competitive Landscape**

- Members of CO4 Workspace
- Employees of surrounding businesses
- Residents and community members of the surrounding neighborhoods
- Networking groups needing meeting space
- Professionals and remote workers in need of a space for a lunch meeting
- Community members in need of event space for work, social or family related events
- Travelers and commuters who need a quick, easily accessible stop
- Locals looking for an after work snacks & beverages and place to meet with friends or coworkers

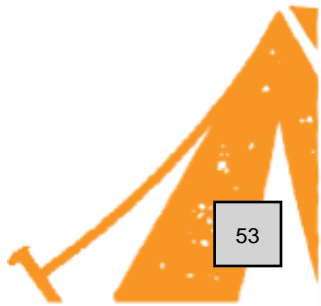
### **Area Competitors:**

- |                         |                          |
|-------------------------|--------------------------|
| • Kaukauna Coffee & Tea | • The River Coffee & Tea |
| • Sticky Fingers Café   | • Kwik Trip              |
| • Seth's Coffee         |                          |



## **Corretto Café: Differentiators**

- Experienced operators with 25+ years experience in the food service industry
- Built in customer base with CO4 Workspace
- Built in customer base with surrounding businesses – Bad Batch CrossFit, Goldin’s Recycling, Greisbach Concrete, Ron’s Autobody
- Built in customer base with surrounding high density housing
- Built in sales channels with CO4 Workspace email list and “the wandering table” social media following
- Afternoon operating hours
- Made to order food crafted from scratch using locally sourced ingredients
- Hand crafted beverages using made from syrups curated in house
- Order ahead and pick up in store convenience option



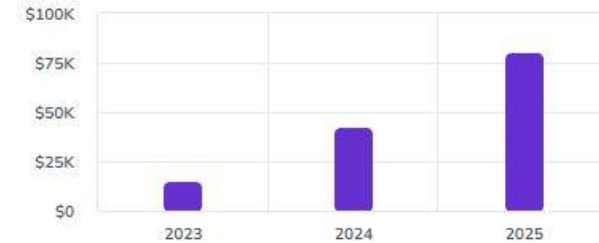
## Corretto Café: Gap Funding RACK loan & terms request

\$50,000 10-year payback with first 9 months deferred payment as ramp up grace period based on cash flow assumptions

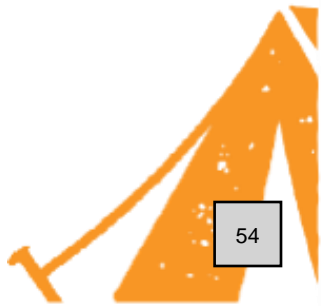
Projected cash in 2023



Cash at year's end



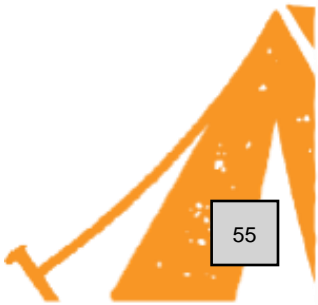
**Payback intent:** aggressive early pay down before distribution of any net gain





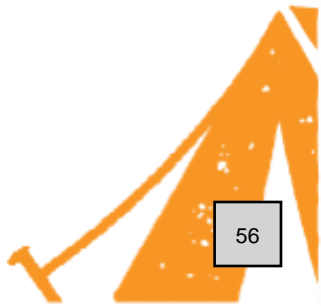
**Corretto Café: Use of Funds**

Item	Cost
Furniture & Operating Equipment (Fixed Assets)	\$25,000
Build Out Materials Cost	\$20,000
Marketing Spend	\$5,000
TOTAL	\$50,000



## **Corretto Café: Sales Channels**

- Build following on social channels and email marketing campaign through loyalty rewards program and monthly specials
- CO4 Workspace Members, email list & social media subscribers
- “the wandering table” social media subscribers
- Surrounding business community
- Surrounding residential community
- We intend to bring people in by hosting regular monthly community events



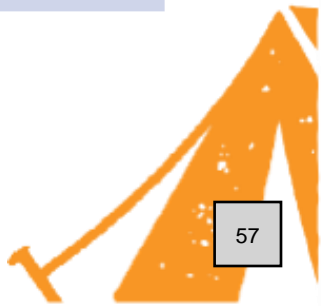
## Corretto Café: Financial Forecast

Revenue	Amount
CO4 Workspace Members (50%)	\$89,950
Event Catering (10%)	\$17,990
Public (30%)	\$53,970
Networking Groups (10%)	\$17,990
<b>TOTAL</b>	<b>\$179,900</b>

Expenses	Amount
Food & Beverage COGS	\$40,478
Dry Goods COGS	\$13,492
Payroll	\$53,970
Taxes	\$5,262
Depreciation & Amortization	\$675
Operating Expenses/Overhead	\$44,975
<b>TOTAL</b>	<b>\$158,852</b>

### Year 1 Assumptions

\$12.32 average unit cost with 14,600 total unit sales  
Gross Margin 15% with projected net profit of \$21,048



## **Corretto Café: Assumptions**

- We expect to serve on average of 23 customers a day during year one with an average purchase of \$22
- We intend to operate efficiently, managing time and materials by finding a balance between preparing food on demand and prepping items ahead
- We are working on obtaining our beer and wine license to expand our unique drink offerings sourced by local breweries and wineries
- Marketing efforts will focus on capitalizing on our social media presence and appealing to the already established audience of CO4 Workspace and “the wandering table” food truck, as well as having a regular presence at networking opportunities offered by the Heart of the Valley Chamber of Commerce
- KPI’s include weekly and monthly café foot traffic, sales volume and social media engagement stats evaluated weekly to ensure we are meeting critical benchmarks



## Corretto Café Marketing Strategy

- Co4workspace.com website
- FB posts, events, reels & stories
- Google Ads & Google My Business posts
- Listings on Yelp, NextDoor, Apple Maps, Free Office Finder & FourSquare
- Linked In
- Instagram
- Direct Mail to targeted neighborhoods (i.e. the 2 apartment complexes on the perimeter of the property)
- Press Release to local papers (Wrightstown Spirit, Kaukauna Times-Villager, Freedom Pursuit)
  - <https://thebusinessnews.com/article/co-working-spaces-%E2%80%93-the-future-of-remote-work>
  - <https://kaukaunacommunitynews.com/2023/01/17/coworking-space-opening-soon-in-kaukauna/>
- Active Campaign Email drip campaign and newsletter to existing CO4 and “the wandering table” audience
- Heart of the Valley Chamber of Commerce networking events
- Street Signage: Wind flags
- Café preferences survey to be given at CO4 Workspace Grand Opening, collecting email addresses of all who participate

## **WE BELIEVE IN RURAL AMERICA!**

Center on Rural Innovation

“Rural America is so much more than a Place” [2:15]

[https://www.linkedin.com/posts/ruralinnovation\\_rural-america-is-so-much-more-than-a-place-activity-6871479548920283136-d82d](https://www.linkedin.com/posts/ruralinnovation_rural-america-is-so-much-more-than-a-place-activity-6871479548920283136-d82d)



Sources:

<https://datausa.io/profile/geo/kaukauna-wi#economy>

<https://beni.fit/most-important-employee-benefits-in-2022/>

<https://www.channel3000.com/food-delivery-robots-on-uw-madison-campus-busier-than-ever/>

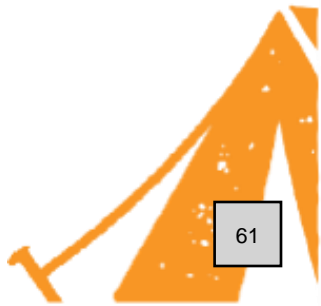
<https://www.corporatesuites.com/worldwide-coworking-statistics-2022/>

<https://www.statista.com/statistics/554273/number-of-coworking-spaces-worldwide/>

<https://quickbooks.intuit.com/r/inspiration/new-business-insights-dec-2021/>

[http://http-download.intuit.com/http.intuit/CMO/intuit/futureofsmallbusiness/intuit\\_2020\\_report.pdf](http://http-download.intuit.com/http.intuit/CMO/intuit/futureofsmallbusiness/intuit_2020_report.pdf)

<https://www.us.jll.com/en/coworking-market-growth>



## **Research & Concept Development Initiatives**

Everything Coworking Start Up School, Jamie Russo, Director and Treasurer of the Global Workspace Association

- Module 1: Understanding your Ideal Customer
- Module 2: Build your Team of Qualified Professionals
- Module 3: Validate your Location
- Module 4: Determine your Product Mix
- Module 5: Determine your Space Size
- Module 6: Draft your Pro Forma
- Module 7: Serve your ICA and Financial Goals
- Module 8: Furnish the Workspace
- Module 9: Develop the Marketing Funnel
- Module 10: Optimize your Tech Stack
- Module 11: Hire the Team
- Module 12: Prep for Opening

