



A real estate company with a social mission.



**BUSINESS PLAN & OPERATING BUDGET
2022**



LIST OF ATTACHMENTS

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2022 Operating Budget
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Overview of Travaux, Inc.

A Real Estate Provider with a Social Mission

Founded by the Housing Authority of the City of Milwaukee (HACM) in 2015, **Travaux's** mission is to "serve as its real estate development arm for the purpose of developing, constructing, and managing a continuum of housing and mixed-used development options for the affordable and market rate real estate market."

Travaux's social mission will be fulfilled in the following ways:

- Earning revenue that can be used to support HACM's resident programs.
- Developing and supporting real estate projects that provide social and environmental benefits.

Four Key Lines of Business (LOB):

Real Estate Development, Real Estate Construction, Real Estate Finance Consulting, and Asset Management

Potential Products

Real Estate Development

Travaux will provide holistic real estate development services which provide clients with an experienced and knowledgeable guide through the real estate development process, from site selection, to securing mixed-financing, and creating a potential exit strategy at the completion of the con-

Market Rate Housing

Mixed Income Housing

Workforce Housing

Transit Oriented Development

Student Housing

Community Facilities

Real Estate Construction

Both independently, and through strategic partnerships, **Travaux** will construct traditional, market rate, residential and mixed-use products, leveraging its expertise in developing affordable, senior, and supportive housing products to meet the growing needs of a diverse community.

Areas of Expertise

Real Estate Finance Consulting

Travaux's third LOB will serve to evaluate the financial feasibility of complex value added real estate investments. This includes speculative land, land development, and commercial and residential rehabilitation/development for all property types: offices, retail, multi-family and mixed-use.

Low Income Housing Tax Credit (LIHTC)

New Market Tax Credits

Tax Increment Financing (TIF)

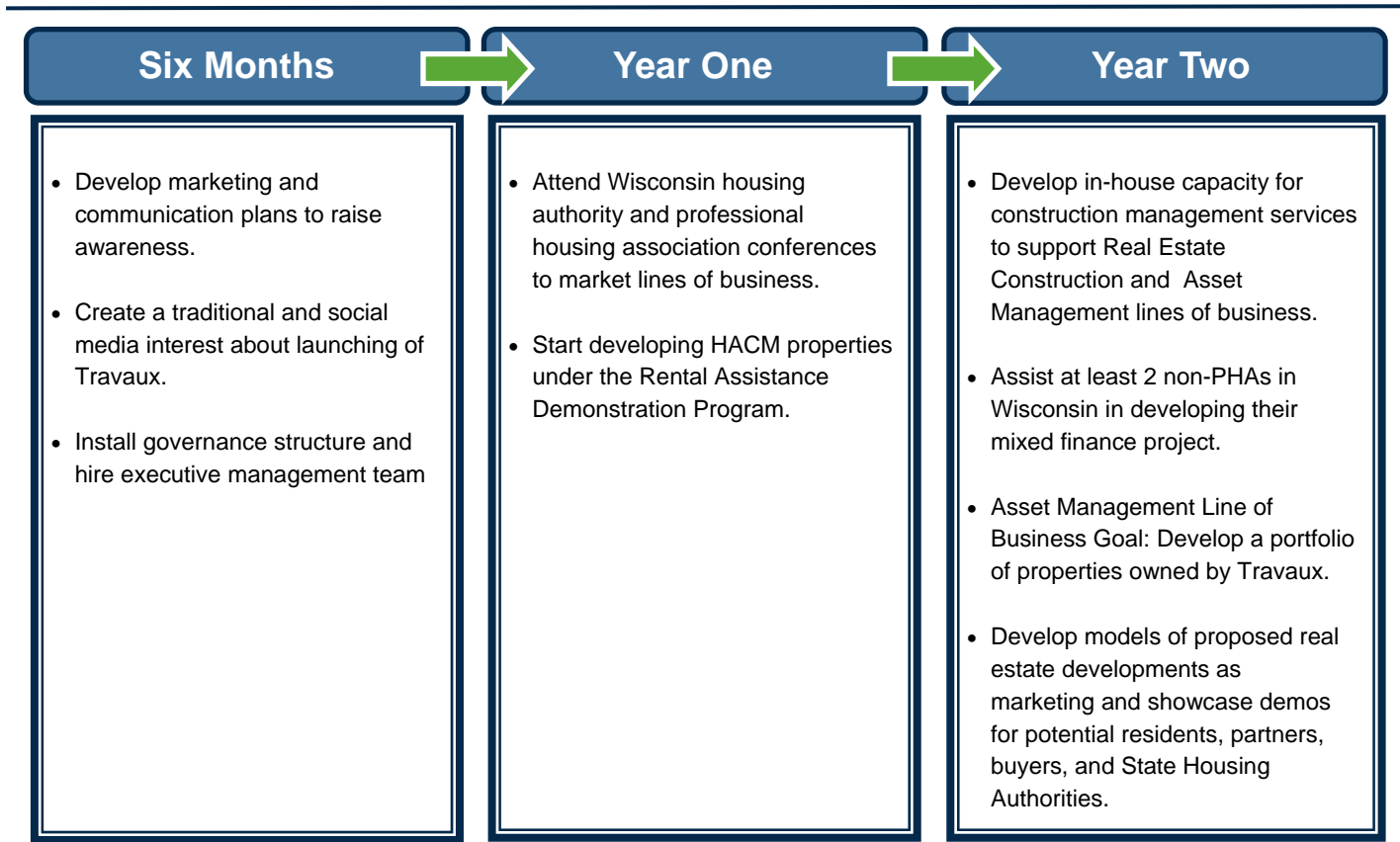
Rental Assistance Demonstration (RAD)

Other

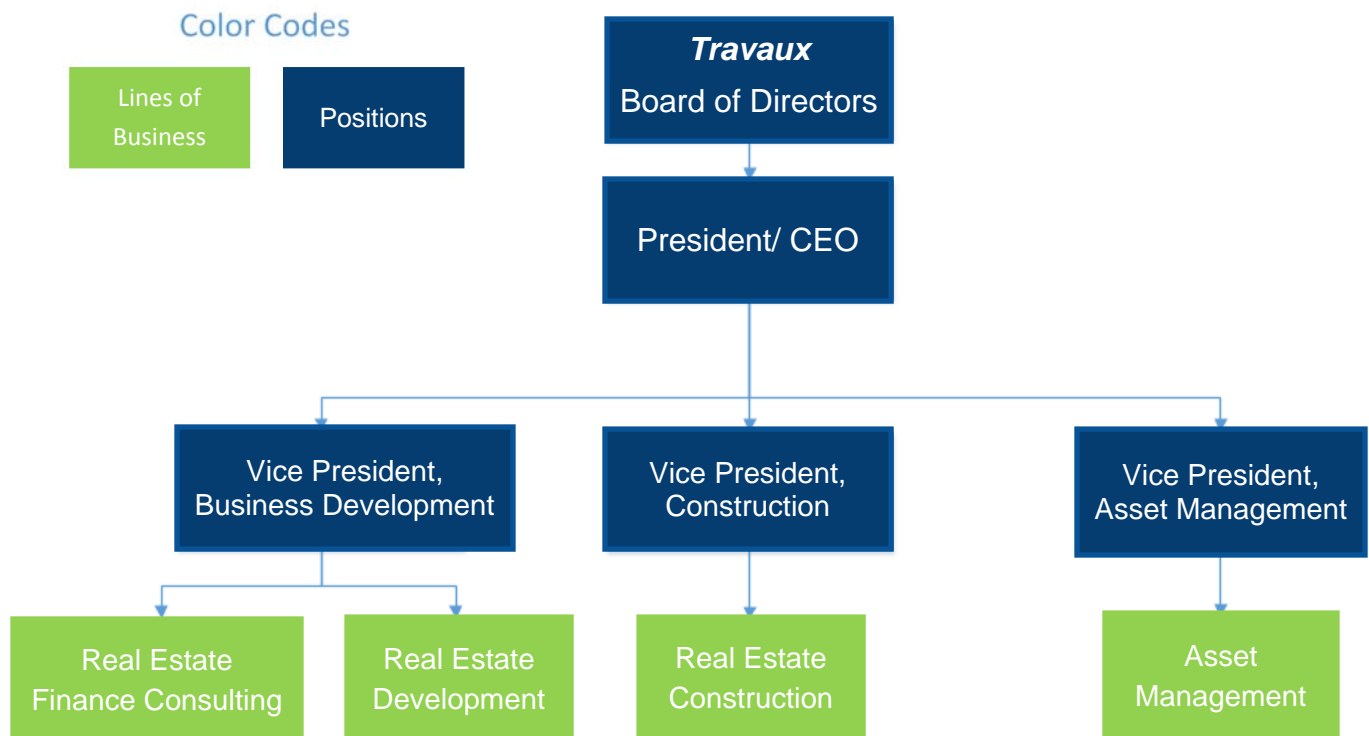
Asset Management

Travaux will leverage HACM's experience in managing large numbers of units, scattered sites, and diverse funding streams to effectively manage strategic needs for established portfolios. **Travaux's** Asset Management will extend quality services to all real estate owners in and around the City of Milwaukee and can augment HACM's property management services.

Travaux's Two-Year Plan

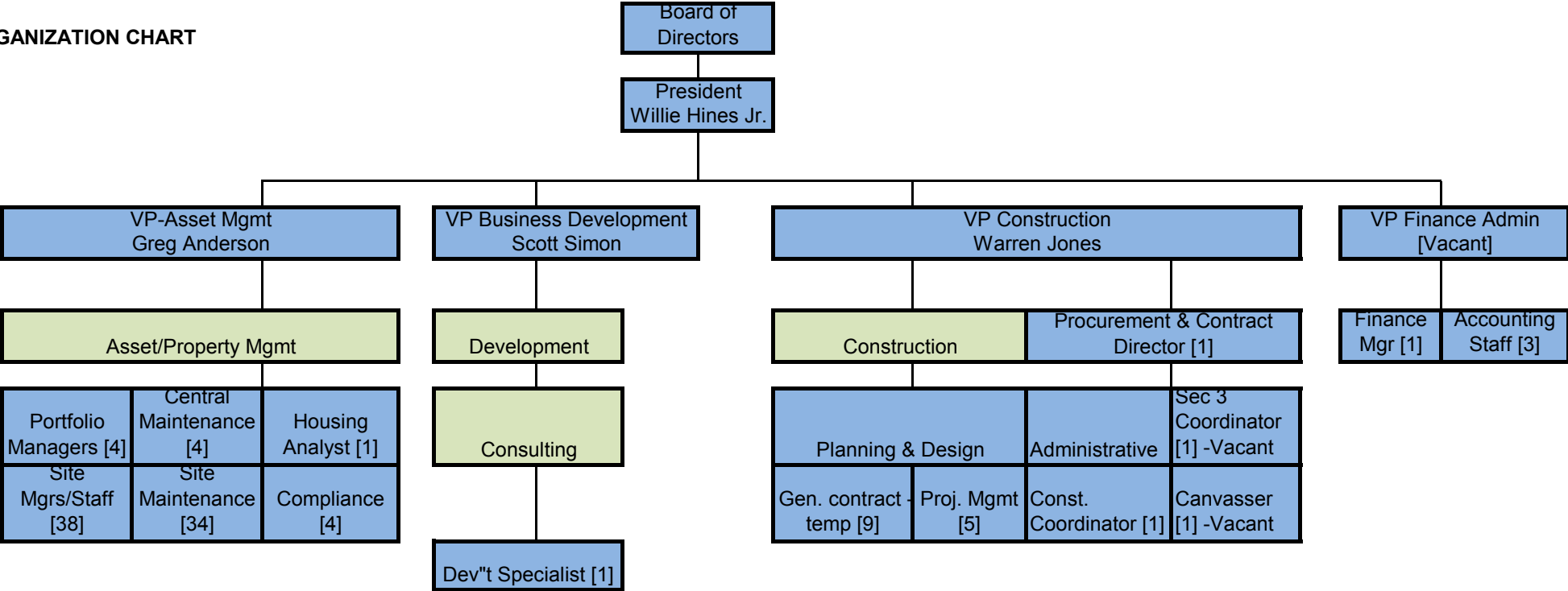


Proposed Organizational Chart and Lines of Business





TRAVAUX
ORGANIZATION CHART



Color Codes:

Line of Business
Position or Function

[#] = No. of Employees
Summary: Regular Employees only

Fin/admin/Procurement	8
Property Management	86 [83 Employees are directly charged to the Projects]
Construction	8
Development	2
Total	104



Operating Budget Assumptions CY 2022

1. Under the existing Cooperation Agreement between Travaux and HACM, Travaux is providing employees to HACM to manage some of its Public Housing developments, all of its Market Rate developments and Low Income Housing Tax Credit (LIHTC) developments. Employees cost assigned to these developments are directly charged to the project and is not presented as part of Travaux Operating Budget. Travaux earns fee in managing the LIHTC developments.
2. Salary increase budgeted at 3% of total salaries. Individual increase are based on performance per Performance Management & Appraisal System; bonus and incentives are not included in budget.
3. Benefits calculated at 40% of salaries
4. Development fees earned on HACM projects are split 30:70 [30% Travaux]
5. Three [2] direct HACM employees are currently supervise and assigned under Travaux. Their costs are carried under HACM budget, not Travaux.
6. Construction Fees assumed at 12% of Construction cost before GP,OH, GR [5%; 2%; 5%]

Travaux, Inc.
Operating Budget
FY2019



**OPERATING BUDGET
2022**

	Total Consolidated	Corporate	Development	Construction	Prop. Mgmt
REVENUES					
Operating Revenue-Profit	24,159,773		302,573	23,857,200	
Project Management fee	976,704			196,750	779,954
Other Income-Accounting Fees	163,000	163,000			
Total Revenue	25,299,477	163,000	302,573	24,053,950	779,954
DIRECT COST					
Salaries & Benefits	1,065,054		0	1,065,054	
Material	639,032			639,032	
Subcontracts	19,596,986			19,596,986	
Fees	0				
Total Direct Cost	21,301,071	0	0	21,301,071	0
OPERATING GROSS PROFIT	3,998,405	163,000	302,573	2,752,879	779,954
INDIRECT EXPENSES					
Site Management Salaries	389,703			389,703	
Site Management Benefits	155,881			155,881	
Small Tools & Supplies	10,000			10,000	
Shop Labor	0				
Shop Labor - Employee Benefits	0				
Outside Repairs	0				
Depreciation Expense	0				
Insurance, Taxes, Licenses	120,270			120,270	
Miscellaneous	5,000			5,000	
Total Indirect Expenses	680,855	0	0	680,855	0
ADMINISTRATIVE					
Administrative salaries	1,508,967	490,693	203,779	518,023	296,473
Employee Bens. - Admin.	603,587	196,277	81,512	207,209	118,589
Training & Conferences	5,000	1,000		4,000	
Travel - convention	4,500	1,500		3,000	
Communications	40,000	15,750	3,500	15,750	5,000
Legal Fees	31,000	1,000		30,000	
Accounting Fees	5,000	5,000			
Insurance	22,635	22,635			
Janitorial	25,000	25,000			
Development Consulting	144,000		144,000		
Computer Supplies and Service	5,000	5,000			
Office supplies	7,000	7,000			
Sundry	106,500	55,000	4,000	47,500	0
Total ADMINISTRATIVE	2,508,189	825,854	436,790	825,483	420,062
MAINTENANCE					
Automotive Parts & Fuel	16,000			15,000	1,000
Hardware supplies	1,000			1,000	
Vehicle repairs contractor	9,000			7,000	2,000
TOTAL MAINTENANCE SUPPLIES	26,000	0	0	23,000	3,000
TOTAL OPERATING EXPENSES	3,215,044	825,854	436,790	1,529,337	423,062
NET INCOME	783,362	-662,854	-134,218	1,223,541	356,892
SUNDRY					
Miscellaneous	10,000	10,000			
Equipment repair	5,000	5,000			
Advertising	16,000	3,000	3,000	10,000	
Membership dues	2,000	2,000			
Bank charges/trustee fees	4,000	4,000			
Postage	500	500			
Dues & Subscriptions	5,000	5,000			
Printing	4,000	500	1,000	2,500	
Uniforms	15,000			15,000	
Software	45,000	25,000		20,000	
TOTAL SUNDRY	106,500	55,000	4,000	47,500	0

Travax, Inc.
Budgeted Revenues
2022

Construction Contracts	Contract Amount	% Completion for 2020 coverage	Estd Amount	% Completion 2021	Estd Amount	% Completion 2022	Progress Billings	Estd. GR.OH.GP	Total Direct Cost
Westlawn Renaissance VI	\$35,197,000	30%	\$10,559,100	60%	\$21,118,200	10%	\$3,519,700	\$377,111	\$3,142,589
Holton Terrace	\$4,740,793	70%	\$3,318,555	30%	\$1,422,238				
Merrill Park	\$8,664,085	50%	\$4,332,043	50%	\$4,332,043				
Becher Court	\$6,223,326	30%	\$1,866,998	70%	\$4,356,328				
Westlawn Renaissance V	\$10,870,000					50%	\$5,435,000	\$582,321	\$4,852,679
Westlawn Renaissance VII	\$29,900,000					40%	\$11,960,000	\$1,281,429	\$10,678,571
Carver Park	\$5,350,000					55%	\$2,942,500	\$315,268	\$2,627,232
Total			\$23,621,723		\$31,228,809		\$23,857,200	\$2,556,129	\$21,301,071

Travaux Projects as Owners Rep									
HACM	400,000				\$400,000				
HAPA	200,000				\$200,000				
WR IV - Construction Management Fee	467,000					25%	\$116,750	\$116,750	
Westlawn Infrastructure	80,000					100%	\$80,000	\$80,000	
Total	1,147,000				\$600,000		\$196,750	\$196,750	

Share in Development Fee	Earned	Paid	Paid in 2022	Travaux Share %	Amount
WR V	843,306.00	843,306.00	\$208,576	30%	\$62,573
WR VII	3,820,685.00	2,000,000.00	\$500,000	30%	\$150,000
Carver Park	1,461,534.00	1,461,534.00	\$300,000	30%	\$90,000
Total					\$302,573

