

GRANT PROPOSAL NARRATIVE

COLLABORATIVE VISION WITH THE ROTARY CLUB OF MILWAUKEE (RCM) : EMPOWERING YOUTH THROUGH CONNECTION

Introduction: Prepare for a burst of creativity as West Side Arts Un Limited (WSAU) and New State MKE LLC unveil The New State (TNS) — an all-ages music hub in the heart of Milwaukee's Near West Side inspired by and created for our community's young people. Strategically located on State Street, on a burgeoning commercial corridor currently experiencing a renaissance, this project transcends traditional venues. The New State represents a fusion of artistic expression, community engagement, corporate commitment and economic development in a neighborhood ripe for revitalization. With Rotary's support, this project has the potential to change lives and transform a community.

Organization Information and Background

The non-profit WSAU drew inspiration from the successful Free Space initiative, an all-ages showcase in Riverwest, that emerged from a recognition of the lack of essential youth development opportunities and honored the voice of youth who communicated their passion for music and creative production. The Free Space initiative revealed an abundance of talent and passion, but no commensurately inspired safe, all ages space to create, learn, perform and develop their skills. When an opportunity arose to save a historic performance venue that hosted the likes of the Talking Heads and Duran Duran, WSAU and the for profit owned by the for-profit New State MKE LLC, emerged to bring people and place together.

MISSION

WSAU, the non-profit operator, and New State MKE LLC, the development, honor the history of the State Theater by establishing a creative platform and by acting as a catalyst for aspiring creatives in Milwaukee. WSAU provides safe space and opportunities for underserved populations while cultivating a community of artists focused on literacy, mentorship, and appreciation of music. In addition, the organization encourages personal, professional, and economic development.

GOALS & PROGRAMS

The New State's goals go beyond providing a sober, all-ages space for aspiring young creatives; it includes professional mentorships, music production classes, workshops, events, and programming while supporting micro businesses. Committed to inclusivity, we reach underserved populations, offering opportunities and resources for economic prosperity and community building. The goal of the New State is to become a transformative force, shaping the future with education and sustainable careers in the arts at its core.

HISTORY

The historic State Theater, erected in 1915, has been a cultural cornerstone, transitioning from a cinema to the renowned Electric Ballroom and the Palms, which hosted internationally acclaimed acts for decades. The historic building, which had been permanently closed in 1994, faced a fire in 2017, prompting the city to consider demolition. The City's decision to preserve and invest in the theater was influenced by community support and the establishment of WSAU; now, the group is revitalizing it as The New State, aiming to create a vibrant hub for music, culture, and the arts, with a focus on fostering economic growth and community involvement. Rising from adversity, The State Theater stands as a beacon for a new generation of artists and entrepreneurs.

MAJOR SUCCESSES

The future evolution of WSAU is intricately linked with the redevelopment of TNS and their ongoing success in completing the entire arts residence, where the WSAU nonprofit serves as a programming partner and prospective operator.

2018: TNS project aimed to save The State theater from demolition, achieved through the establishment of the nonprofit WSAU. The board, comprising skilled individuals with strong ties to Milwaukee's arts and historic preservation communities, spearheaded collaborative efforts to acquire the property from the City. With the appointment of an executive director, they delved into nonprofit operations, aided by consultants and the Non-Profit Management Fund. Strategic planning involving developers, artists, and community members successfully halted the City's demolition plans.

2019: The use of allocated funds from the City's demolition plans facilitated asbestos abatement and temporary roof repair on the theater, thereby averting additional property damage. Technical assistance from neighborhood partners built expertise and support. The project broadened its scope by acquiring the property adjacent to the theater and green space for what has become the music park and the Café. This addition is bolstering economic development and enhancing the cash flow model for the overall development.

2020-2021: Amidst the pandemic, virtual and off-site educational events were organized in collaboration with partner NŌ Studios. Simultaneously, fundraising efforts were directed towards establishing a Music Park (Phase I) and Café (Phase II). The non-profit organization commenced fundraising initiatives for Phase I and II of the project.

2022-2023 The Music Park was opened with assistance from Near West Side Partners and the Greater Milwaukee Foundation, enabling onsite events to commence while off-site programming ensured sustainable budget growth. Crucial alliances were forged with various organizations, offering mentorship, training, and paid employment prospects for young individuals. Notable collaborators include Washington Park Wednesdays, Milwaukee Youth Theatre, and Your Move MKE.

In addition to these earlier fundraising and development wins, a major construction grant of \$250k from the City through the Milwaukee Economic Development Corporation allowed WSAU and TNS to reach its Phase II Cafe fundraising goals. The first phase of the outdoor Music Park hosted nine events/programs, drawing over 600 community participants, while the organization provided over 350 training hours to individuals with a passion for music and performance.

Upon its completion in June 2024, the Café will generate employment opportunities, increase revenue to sustain ongoing project expenses, and enhance programming and community involvement.

QUALIFICATIONS

The TNS project embodies a journey from grassroots origins to professional development, symbolizing a collective commitment to preserving a historical gem and amplifying youth voices and futures. John Hennessy, board president and seasoned developer, has been actively involved in the redevelopment of the Near West Side since the 1980s. With a track record of 3 successful historic tax credit redevelopments in the neighborhood, he also played a pivotal role as a volunteer in fundraising and construction endeavors to preserve the Wisconsin Conservatory of Music. The board includes neighborhood developers, radio personalities, record label owners, architects, music educators from Milwaukee Public Schools, media professionals, business owners, attorneys, CPAs, and recording artists/producers. Promise Bruce, Vice President of the board is a radio host for HOT 105.7. Along with Dima Pochtarev, they have extensive experience recording, producing and performing and most importantly a passion for the community. The project also benefits from the support, expertise, and vision of the Near West Side Partners founded by community and corporate pillars Marquette University, Aurora Health, Molson Coors, Potawatomi, and Harley Davidson, and for whom the New State Theater is critical to their overall vision for revitalizing the surrounding community. Leveraging the expertise of Rotary Members in would further position the team for future successes in the theater's historic restoration, community development, and sustained operation.

COMMUNITY SUPPORT

Support for the TNS project from the community is clearly demonstrated through a well-organized board and committees, which actively engage young individuals and local residents. Collaborative efforts with stakeholders such as the Department of City Development and the local alderperson, along with existing partnerships with Near West Side Partners, NO Studios, and Milwaukee Youth Theater, are further propelling the project forward. Positive feedback from resident surveys underscores the community's enthusiasm for youth employment opportunities.

Substantial financial support has been secured from the city, individual donors, Near West Side Partners, Historic Concordia, the State of Wisconsin through a Community Development Grant, and leading Milwaukee foundations.

PROJECT/PROGRAM DESCRIPTION

1 | ABSTRACT The New State Theatre vision is to transform a community by restoring a historic treasure, providing learning and performing space for youth, creating opportunities for community gathering, and creating meaningful employment opportunities. This is not an isolated vision, as the New State Theater is a key pillar in the broader 27th Street corridor revitalization plan led by the Near West Side Partners. Once completed, it promises to be a hub of activity for young people exploring their music passions, community residents convening over a cup of coffee, music enthusiasts enjoying a singularly unique concert experience, and diverse gatherings in a bustling outdoor performance space. The thoughtful three-phased approach started with the outdoor Music Park, soon to be followed by phase 2, the area's only coffee shop and cafe run by the owners of the successful Soul Daddy's restaurant. Those two phases have set the stage for ongoing plans for the final phase and centerpiece, a 400+ seat Music Hall performance venue with three studios for commercial and community use in a renovated historic New State Theater.

This vision extends beyond infrastructure to nurture the aspirations of youth from diverse backgrounds, guiding them in translating their dreams and talents into sustainable careers and lifelong practices. In a shared commitment to diversity, equity, and inclusion, WSAU and The New State advocate for a culture that embraces and celebrates differences. This collaboration exemplifies a broader commitment to service, integrity, and the advancement of a peaceful society and promises to provide safe, inspiring youth opportunities, economic growth, and community transformation.

A collaboration with the Rotary Club of Milwaukee could take on many forms that would deepen or accelerate the transformation. Whether opening doors to community influencers passionate about youth, arts and/or historic restoration, supporting immediate needs to finalize architectural/engineering plans to unlock tax credit revenue streams, funding future studio space, supporting current programming, or participating as mentor or event volunteers, Rotarians have the opportunity to make this transformation a reality.

2 | SIGNIFICANCE OF PROJECT

- **Safe, Inspiring Youth Opportunities** | The project centers on youth development, providing studio and performance spaces, equipment, and mentorship for exploring arts careers. WSAU ensures a productive and safe environment for youth programming, particularly among low-income BIPOC individuals in Milwaukee.
- **Economic Potential** | The construction and ongoing operations of the facility and café will generate job opportunities, with the project leaders foreseeing the employment of 25 Full-Time Equivalents in the long term. Independent artists, consultants, and interns will benefit through paid opportunities, fostering a thriving creative ecosystem. The outdoor venue has proven successful in attracting diverse audiences. Expanded events could reach thousands annually from the community and beyond. The café and theater hold significant business potential, serving as thriving venues accommodating thousands each year.
- **Transformation of the Community** | Rotary's diverse skills would drive the theater hub's success, transforming a blighted site into a vibrant hub with measurable impacts. Their connections expand financial support and commitment to youth mentoring aligns with measurable development outcomes. Professional services ensure The New State Music Hall's long-term success, with clear metrics for economic growth and community engagement. The offer of naming rights for "The Rotary Music Park" signifies a lasting commitment, reinforcing Rotary's integral role in this transformative project that offers a safe and thriving third space for this neighborhood

3 | OUTCOMES AND INDICATORS

Over the next 3 years, based on the impactful data points from 2023, WSAU and TNS envision a trajectory of continued growth and positive community impact. Key indicators such as increased attendance, expanded programming, and heightened community engagement will serve as markers of progress towards our shared goals.

- **Increased Financial Support** | Building on the success of securing \$1m over 5 years since the nonprofit's inception, WSAU anticipates a steady increase in financial support of \$1m in 2024 and \$4.5m within 2 years based on planning and focused fundraising. Included is the additional investment from Tax Credit Equity estimated at \$8.8M. This funding will be instrumental in sustaining and expanding their youth-centric programs and events, and completing the all-ages development and independently-run retail café.
- **Advancement of Development** | Leveraging the expertise of a seasoned tax credit developer, the project has secured a substantial \$250,000 grant from the Wisconsin Economic Development Corporation (WEDC) for Phase II (Café). Over the next few years, significant venue expansion is expected that will not only enhance infrastructure but also contribute to the economic revitalization of the neighborhood. Following the completion of the Historic Designation and preparation of the Tax Credits, additional corporate partnerships are sought for capital investment. The total fundraising target is \$14.5 million, with \$1 million raised to date and estimated tax credits available totaling \$8.8 million, leaving a gap of \$4.5 million to be raised.
 - This amount encompasses \$1.5 million allocated for startup operating capital, enabling the nonprofit operations to achieve net positive cash flow within 6 years. The development is projected to get to cash flow positive after two years of operations, which also encompasses servicing any debt throughout the construction phase of the development.
- **Growing Community Engagement** | The attendance of over 8,000 people at events and programs (on and off-site) throughout the Milwaukee area in the 2023 season highlights a growing interest and engagement with WSAU within the community. As WSAU continues to organize engaging events like Washington Park Wednesdays, a popular West Side event in the summer, the community bonds are expected to strengthen. Over the next 1-5 years, WSAU aims to expand its reach, attracting an even broader audience to its diverse range of activities.
- **Data Points for ongoing projects goals, in 2023 alone:**
 - WSAU fundraised \$107,000.
 - Secured \$250,000 through New State MKE LLC, with approximately \$500,000 in additional commitments earmarked for developing the Café.
 - Over 600 people attended programs organized by WSAU at The New State Music Park.
 - There were 51 learning interactions covering performance, production, and music skills.
 - Paid over \$4,100 to creative understudies and interns, investing over 350 hours in programs and events.
 - Hired 19 performing artists and paid out over \$4,100 to local talent.
 - WSAU is one of the few organizations that pay its youth assistants during educational programs.
 - WSAU organized a total of 19 programs and events, with 9 held in The Music Park.

4 | SIZE AND CHARACTERISTICS OF THE POPULATION TO BE SERVED

The New State plays a vital role in the cultural fabric of Milwaukee by hosting diverse events and programming for the entire city. Their primary focus lies in creating impactful experiences for the youth, with a particular emphasis on BIPOC youth within the 53233/53208 zip codes where the project is situated, as well as the surrounding Milwaukee area. In the focused area the predominant racial composition is characterized by a significant Black and Brown populations, constituting 53.62% of the residents. Roughly 25.31% of this population experiences poverty. The youth population (under 21 years) is 33% of this population. (Health Compass Milwaukee, 2023 Demographics)

5 | OUTLINE THE STRATEGY/METHODOLOGY AND TIMELINE | FUTURE GOALS

Spring 2024 (Phase II): Finalizing The Music Park and opening of the Cafe | Ensure all aesthetic touches and programmatic support are addressed to fully bring The Music Park to life. Use the completion of this phase as a catalyst for community engagement and anticipation for the broader project.

2024: Completion of Part II National Historic Designation | Finalize an offering through Baker Tilly for a syndicate to acquire Historic and New Market Tax Credits, estimated at \$8.8 million. Additionally, WSAU is enhancing its curriculum and launching a major capital campaign to secure commitments aimed at closing the remaining gap of \$4.5 million.

2025: Selling of the Historic and New Market Tax Credits to a corporate partner, beginning construction of The New State Theater (all ages music hub)

2026: Grand Opening and first year of operations (Phase III) | The Music Hall will open, allowing for educational programs in modern music production, performance, business, and professional development, as well as grander events and larger fund development options.

Explore and secure Historic Part 2 tax credits to leverage financial support for the project. | Collaborate with experts and consultants knowledgeable in historic preservation to ensure compliance and maximize tax credit benefits. Communicate the historical significance of the project to the community to garner support for this aspect of funding.

2027: 1st year operating at full capacity

2031: 1st year project is cash flow positive and no debt, without relying completely on grant income. Development disconnects from corporate partners and is managed and operated strictly by the non-profit and community into the future. Grant writing will continue in perpetuity to enhance programing, offer discounted/free opportunities for underserved populations, and expansion of operations.

ROTARY OPPORTUNITIES TO ELEVATE THE TRANSFORMATION

Rotary is an ideal partner to elevate our efforts in establishing the main music hub and theater. TNS welcomes Rotary's commitment, counsel, connections and is eager to explore what partnership and recognition would most inspire and lift up Rotarians. There are many potential opportunities including but not limited to some of the considerations below.

Board Participation. TNS welcomes Rotary engagement with WSAU's key board committees, some open to the public and others exclusive to board members. All roles within our organization are volunteer-based, with contributions serving as the driving force behind our progress.

- Grant Writing & Fundraising Committees actively engage in the capital campaign, working to secure strategic donors and orchestrate a gala event aimed at closing the gap in funding and celebrating project success.
- Marketing & Communications, Design & Development Committees
- Events/Programming & Youth Committee Mentorship
- Board Membership including Executive Committee, Board Development & Finance Committee

General opportunities and volunteering. "Done in a day" tasks such as assisting with events, plantings to beautify the outdoor space, site cleanup, Rotary sponsored concerts, etc.

Programmatic Support: Funds for curriculum development, workshop delivery, program management can help deepen offerings and provide opportunities for recognizing Rotary's role in each of those.

Support for studio space: Funding to support a Rotary named studio in the Performance space.

Catalytic support to unlock fundraising potential. A current need is support to complete the architectural designs and engineering plans necessary to secure the critical historic and new market tax credits. Helping to secure the estimated \$120K to complete that phase would facilitate progress on Phase 3.

Mentorship & Community Connectors TNS would welcome Rotarians sharing their expertise and experience to guide and support youth in their personal and professional development.

6 | PLAN TO INVOLVE THE POPULATION YOU INTEND TO SERVE IN THE DESIGN

While the physical design has reached an advanced stage, community involvement remains crucial for refining specific elements and ensuring alignment with residents' preferences. Community workshops and open houses can gather feedback on the completed physical design, allowing residents to influence usability, aesthetics, and cultural relevance. Simultaneously, the programming design phase offers opportunities for residents to shape cultural and recreational

activities within the space. Workshops, surveys, and focus groups dedicated to programming preferences allow community input into events. Public art drives community involvement.

7 | ENHANCING THE EXISTING SERVICES IN THE COMMUNITY

Focused on music production, our model fills a gap in youth educational offerings, notably absent in local schools. By introducing modern music production programs, we empower youth with valuable skills and foster a connection between education and contemporary cultural expressions. This addresses a deficiency in current educational and extracurricular services, while creating a safe after school option..

EVALUATION PROCESS

The organization will employ a comprehensive evaluation process to assess the effectiveness of the program. This will involve surveys, interviews, and performance metrics. Regular check-ins and feedback sessions with participants, stakeholders, and community members will be conducted to gather insights on program impact.

USE OF RESULTS |

The results of the evaluation will be instrumental in refining and optimizing program components. Insights gained from participant feedback, performance metrics, and community engagement will guide strategic adjustments to enhance the program's overall effectiveness. Additionally, the results will inform future planning, allowing the organization to adapt and tailor the program to better meet the evolving needs of the community.

MEASUREMENT OF EFFECTIVENESS & CRITERIA FOR SUCCESS |

Include high participant engagement, demonstrated skill development among participants, increased community awareness and involvement, and positive feedback from both participants and the broader community.

RESULTS EXPECTED BY FUNDING PERIOD CLOSE |

By the end of the funding period, the organization aims to achieve a measurable increase in the number of youth actively participating, positive shifts in skill development, enhanced community engagement, and tangible contributions to the local creative economy.

FUNDING CONSIDERATIONS

PLANS FOR OBTAINING OTHER FUNDING NEEDED INCLUDING AMOUNTS OF OTHER FUNDERS

To ensure project resilience, we will diversify funding sources through various channels:

- Historic & New Market Tax Credits: \$8.8M (Tax Credit expert and Baker Tilly leading)
- Grant Writing and Applications: foundations and from other civic and state funding \$965,000
- Corporate Partnerships and Sponsorships estimated to be \$125,000
- Individual Large Donor Campaigns: a short list of qualified leads \$2.5M
- Events and Fundraising Campaigns: gala event. \$200,000
- Ongoing support & Strategic Partnerships and Collaborations with Near West Side Partners, WEDC
- WSAU will earn a partial development fee from the completion of the development.

PLANS FOR ENSURING CONTINUED FUNDING AFTER THE GRANT PERIOD

To secure sustained financial support beyond the grant period, the project will:

- Cultivate ongoing relationships with funding partners, emphasizing impact with philanthropic goals.
- Strategically reapply for grants, leveraging progress and success to strengthen subsequent applications.
- Pursue engagement with local sports foundations (Packers, Bucks, Brewers) to showcase the community.
- Diversify revenue streams by optimizing onsite events, services, and rental opportunities.
- Intern lease revenue from Café, theater, storefront, rental studios and Music Park.
- Develop a comprehensive plan for financial sustainability, targeting cash flow break-even by 2031.
- Operational income from paid events and rentals

TOP FIVE FUNDERS OF THE PREVIOUS FISCAL YEAR, THE CURRENT YEAR, AND THOSE PENDING

Previous Fiscal Year:

Greater Milwaukee Foundation
Forest County Potawatomi
Joy Engine
John Hennessy
Near West Side Partners

Current Fiscal Year:

Greater Milwaukee Foundation
Forest County Potawatomi
Brew City Match
Wisconsin Economic Development Corp
Near West Side Partners

Next Fiscal Year:

Dulaney's Restaurant Lease
WSAU Outdoor Park Lease
WSAU Program Revenue
Tax Credit Equity
Board contributions
Near West Side Partners
Wisconsin Economic Dev Corp.