

# McKnight Foundation Move the Midwest — Project Information Survey

## Walnut Way Conservation Corp | MIRACLE Campus — Community Solar + Healthy Homes Hub

**Applicant:** Antonio Butts, Executive Director, Walnut Way Conservation Corp **Contact:** [antonioabutts@gmail.com](mailto:antonioabutts@gmail.com) | [antonio@walnutway.org](mailto:antonio@walnutway.org) **Survey Administered by:** Third Coast Strategies LLC **Application Deadline:** Tuesday, April 21, 2026 — 5:00 PM CT **McKnight Offering:** Up to \$1,000,000 recoverable grant + up to \$100,000 technical assistance

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## Strategic Framing Summary

### Why This Project Is the Ideal Fit for McKnight's Recoverable Grant

**Walnut Way is a high-integrity steward of recoverable capital.** That is not a marketing claim — it is a 25-year operating record. This organization within the last 11 years has maintained average annual budgets above \$2,000,000, cumulative program stewardship approaching \$30,000,000, active deployment of community-owned wireless broadband connectivity infrastructure across the City of Milwaukee, and Wisconsin Public Service Commission intervenor compensation of \$500,506.50 across 9 dockets since August 2022 (10 award payments including one supplemental). Walnut Way operates rooftop solar and battery storage across multiple buildings at the Innovation & Wellness Commons campus in Lindsay Heights — including a primary 30 kW solar + 10 kWh battery system installed during the Commons' new construction, and additional rooftop PV on adjacent campus buildings. The system is in the same WE Energies service territory and the same distribution grid segment as the SDC campus, has been interconnected and operational for years, and establishes Walnut Way's demonstrated track record developing, permitting, interconnecting, and operating customer-generation solar and battery storage at this neighborhood grid node. McKnight's recoverable capital does not land into a concept — it lands into a functioning organization with a specific, time-sensitive capital need and a credible, statutory repayment mechanism.

The project is the MIRACLE Campus — Milwaukee Interagency Resiliency and Access Center for Learning and Equity. The ask is \$1,000,000: \$200,000 to bridge the acquisition of the former Social Development Commission campus at 1730–1810 W. North Ave, and \$800,000 to fund solar and battery storage construction. Repayment comes primarily from a single federal statutory source: the ITC Direct Pay refund under IRC §48E and §6417, estimated at \$510,060

base case at the 30% flat rate on a corrected §48E-eligible cost basis of \$1,700,200 (locked). The §48E-eligible basis is the Phase 1 solar array, inverters, racking/canopy structures, interconnection equipment, and directly-related engineering and installation costs; building acquisition, non-energy hub build-out, IT infrastructure, and general contingency are NOT in the §48E basis per IRC §48E. Battery storage (\$540K–\$820K (Phase 2a, 0.5 MW / 1 MWh)) is deferred to Phase 2 (late 2027/2028) and will be claimed in its own credit year under §48E (valid through 2033). Bonus credit upside: Walnut Way intends to pursue three +10% ITC adders, none modeled in base case — LIC Bonus (IRC §48E(h)/§45D, likely qualifies on tract 4 [VERIFY final tract-level IRS certification]), Energy Community Bonus (IRS Notice 2024-30, WE Energies territory and MSA-level qualification [VERIFY MSA statistical test]), and Domestic Content Bonus (IRC §48E(a)(3)(B), SunBear-confirmed sourcing pathway [VERIFY EPC sourcing commitment]). Confirmation of each adder is a condition precedent to equipment deposit under the §48E/§6417 safe-harbor tax opinion. Any single adder lifts ITC Direct Pay to \$680,080; all three stacked lift it to \$1,020,120 — upside only, not in the base-case repayment plan. The refund is not a grant application — it is a cash payment the IRS is legally required to issue to a 501(c)(3) that places a qualified clean electricity system in service and makes the §6417 elective pay election. Behind-the-meter energy savings of ~\$161,000 per year from commissioning forward provide a secondary, permanent recovery stream.

The following points explain why this project is the right fit for McKnight's recoverable grant at this moment.

**1. The capital gap McKnight fills is specific and time-bounded.** Total project cost is \$3,790,000–\$4,963,000 (Phase 1: solar + acquisition + soft costs + light hub fit-out + IT infrastructure; Phase 2 battery storage deferred to late 2027/2028). The structure is: \$1,300,000–\$1,600,000 CDFI property loan (final set by appraisal and DSCR at term sheet) [VERIFY lender] + \$200,000 McKnight acquisition bridge + \$800,000 McKnight solar construction bridge + \$150,000 Walnut Way internal equity (net-zero housing sale proceeds, funding Day-1 hub fit-out) + \$75,000 Walnut Way PSC Resilient Resident Wi-Fi (funding campus IT and connectivity infrastructure) + PSC EIGP Round 6 Solar/Storage grant up to \$500,000 (primary active construction-gap closer; deadline June 30, 2026). The SDC building's mechanicals, HVAC, and ADA accessibility are already in place from the prior owner's completed build-out — removing a line of capital and execution risk that would typically load into a project of this type. Expected acquisition closing range: \$1.5M–\$1.8M; the \$200,000 McKnight acquisition bridge sizes against final prices in the \$1.5M–\$1.8M range against the CDFI loan. The \$800,000 covers EPC contractor costs between property closing and ITC Direct Pay receipt. The \$150,000 is Walnut Way's own equity recycled from recently delivered net-zero housing sale proceeds — the same recoverable-capital logic McKnight is underwriting, demonstrated in-house. The \$75,000 IT line is funded from Walnut Way's existing PSC Resilient Resident Wi-Fi program. Without the two McKnight bridge amounts, the deal does not close — the acquisition stalls and the ITC safe harbor window passes. McKnight fills the precise gap that unlocks everything else.

**2. The repayment mechanism is statutory, not speculative. Repayment follows a Closed-Loop Recovery model: (1) McKnight bridge capital serves as the construction source, (2) Completion of the solar array triggers the federal §6417 Direct Pay event, and (3) 100% of the resulting IRS refund is 'swept' to retire the bridge principal. This removes traditional project risk by making the IRS the ultimate backstop.** IRC §48E creates the Clean Electricity Investment Credit. IRC §6417 extends Elective Pay (Direct Pay) to 501(c)(3) organizations, converting the credit into a direct cash refund from the IRS. Walnut Way does not need to find a tax equity investor, negotiate a power purchase agreement, or wait for state legislation. Once the system is commissioned and the §6417 election is filed, the IRS processes and issues the refund. Modeled at 30% flat on corrected §48E-eligible basis of \$1,700,200 (locked) = \$510,060 Direct Pay base case, expected approximately 12 months post-commissioning (Q2 2027 commissioning → Q1 2028 refund). Bonus upside: Walnut Way intends to pursue three +10% ITC adders (LIC Bonus, Energy Community Bonus, Domestic Content Bonus — each [VERIFY]); confirmation of each is a condition precedent to equipment deposit under the §48E/§6417 tax opinion. Any single adder lifts Direct Pay to \$680,080; all three stacked to \$1,020,120 — upside only, not in base case. Battery storage deferred to Phase 2 (late 2027/2028); will be claimed in its own credit year under §48E, valid through 2033. Downside sensitivity: if IRS processing extends to 24–36 months, bridge coverage is provided by the \$161,000/year BTM savings stream plus an organizational bank line. This project's federal alignment is anchored in statute — IRC §48E and §45D — not in executive-branch programs. That statutory basis is unchanged by 2025 administrative rescissions.

**3. Urgency is real.** To lock in the §48E ITC vintage year and safe harbor, construction must begin or 5% of costs (~\$150,000–\$175,000) must be incurred by July 4, 2026. The July 4, 2026 deadline is confirmed operative post-OBBBA: the One Big Beautiful Bill Act (signed July 4, 2025) preserved both the physical-work and 5% cost safe harbors for small projects [VERIFY final Treasury/IRS guidance on the precise MW-AC threshold; practitioner consensus carries forward Notice 2018-59 principles placing the line at ≤1.5 MW AC], with the four-year continuity safe harbor intact. MIRACLE's ~833 kW AC system sits well inside that protected band under any plausible Treasury interpretation. McKnight's speed of deployment is itself a risk mitigation tool — early capital from McKnight enables Walnut Way to hit this deadline. A May 2026 award gives 49 days of runway after the internal target May 16, 2026 property closing (contractual deadline per WB-44 counter-offer: on or before May 24, 2026 — Attachment P).

**4. Dual-site strategy eliminates single-point-of-failure acquisition risk.** The SunBear Industries Letter of Support (signed by CEO Isaiah Ness, dated April 16, 2026 — Attachment J) validates the full MIRACLE system — 1 MW solar + 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational) — on two independent sites: the SDC campus (1730–1810 W. North Ave; \$1,100,000 buyer offer; seller counter received April 17, 2026 at \$2,000,000 — Attachment P; accept-by April 27, 2026) and the St. Ann Center / Bucyrus Campus at 2450 W. North Ave (\$1,800,000 listed, 7.5 acres, 80,000 SF, completed brownfield remediation). SunBear's letter states explicitly: "Our findings confirm that a 1 MW solar array paired with 0.5 MW battery storage is viable at either location, providing Walnut Way

with flexibility in site control without compromising performance, economics, or schedule." McKnight's \$1,000,000 is tied to a system, a community, and a mission — not a single parcel. Whichever site closes on the strongest terms becomes the MIRACLE anchor; the second becomes the immediate replication target.

**5. Federal Healthy Homes dollars are already executing — not waiting.** In September 2025, Congresswoman Gwen Moore's office submitted a Revised Project Proposal for \$850,000 total ("Healthy Families, Healthy Homes: Advancing Maternal Health and Improving the Safety and Resiliency of Homes"), with UWM as the designated federal recipient (Dean Kim Litwack letter, 4/13/2026). Walnut Way's \$379,074 sub-award — comprising a \$300,000 Finish Line Fund for direct-to-household gap financing on energy, safety, and health repairs, plus \$79,074 project management — must be fully expended by September 30, 2026. The Finish Line Fund is a citywide Milwaukee infrastructure that Walnut Way is deploying here in coordination with coalition partners specifically targeted at Lindsay Heights households under the Moore earmark. This work is happening now, in Lindsay Heights, serving the same households the MIRACLE solar campus will power. McKnight's recoverable grant lands into an active, funded, executing program.

**6. The community has named its need with data.** The Reclaiming Our Neighborhoods (RON) coalition — 10 community-based organizations, data partner Data You Can Use — has surveyed nearly 35,000 residential properties across 13 Milwaukee neighborhoods, the most comprehensive resident-led housing conditions assessment in the city's history. Lindsay Heights ranked worst of all 13 neighborhoods: 40.5% of residential properties need multiple major repairs. The neighborhood carries a \$35,000,000+ owner-occupied repair deficit. MIRACLE does not invent a problem — it mechanizes the response to one the community documented.

**7. Organizational track record de-risks the grant.** Walnut Way has operated continuously for 12 years with average annual budgets above \$2,000,000. The 3-year rolling average (FY2023–FY2025) is \$2,760,000 (FY2023 \$2,090,000 + FY2024 \$3,440,000 + FY2025 \$2,760,000). Q1 2026 is tracking to approximately \$2,900,000 annualized, consistent with that trajectory. Unrestricted net assets were \$5,350,000 at end of 2024 and remain above \$5,000,000 in 2025 year-to-date figures — above the Nonprofit Finance Fund 3-month minimum reserve benchmark. Walnut Way is actively deploying community-owned wireless broadband connectivity infrastructure across the City of Milwaukee, demonstrating organizational capacity to originate and sustain community-owned infrastructure at city scale. PSC intervenor compensation of \$500,506.50 across 9 dockets since August 2022 (10 award payments including one supplemental) is publicly verifiable regulatory track record. McKnight is not taking a chance on a startup. The recoverable grant unlocks a specific capital gap for an organization that has proven, year over year, that it builds and sustains community assets.

**8. MIRACLE is a policy-replicable deployment template for community-owned generation in utility-regulated Midwest states — the highest-leverage use of recoverable capital for Move the Midwest's pool.**

The structural factors that make MIRACLE work are not Milwaukee-specific. A customer-generation solar array sized at  $\leq 833$  kW AC, sited on a community-controlled parcel in a Justice40 census tract, owned by a 501(c)(3) that has built standing at its state utility commission, financed by a \$1,000,000 recoverable bridge that retires against §48E Direct Pay and behind-the-meter savings, is a deployable template in any utility-regulated Midwest state where community-owned generation is contested — which is every state in the Move the Midwest footprint.

The template's regulatory spine is what makes it durable. Intervenor-compensation standing at a state public service commission is a specific statutory posture — not a reputational claim — and it is the posture from which a community-based organization can secure interconnection at commercial scale, contest unfavorable tariff determinations, and shape LMI-crediting frameworks from inside the proceeding rather than outside it. Walnut Way's Wisconsin PSC record is \$500,506.50 across 9 intervenor-compensation dockets since August 2022 (10 award payments including one supplemental in IC Docket 1-IC-541), verifiable at the [Wisconsin PSC Intervenor Compensation public page](#). Current active intervention continues in Docket 5-UR-112 (WE Energies rate case) and Docket 5-EI-157 (net metering investigation) through MWH Law Group LLP (Emery Harlan) as regulatory counsel, Pines Bach LLP (Christa O. Westerberg) as regulatory counsel, and 5 Lakes Energy (Dan Ebert, Managing Partner, former Wisconsin PSC Chair) as energy planning and interconnection consultant. That regulatory architecture is the part of the template most often missing in community-solar proposals and the hardest part to rebuild from a cold start.

The economics of replication inside distressed neighborhoods are favorable to pool recovery. Acquisition basis is lower; §48E Low-Income Community Bonus eligibility (IRC §48E(h) / §45D) is inherent to the geography; Energy Community adder eligibility is inherent where fossil-fuel retirements have already occurred; and community relationships are already built. The SunBear Industries Letter of Support (Attachment J) validates the full 1 MW solar + 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational) system on the St. Ann Center / Bucyrus Campus at 2450 W. North Ave as the dual-site feasibility-validated second deployment, and Walnut Way holds site control on additional corridor properties for further deployment on the same template. Each replication inherits MIRACLE's engineering package, its legal structure, its interconnection pathway, and its regulatory standing.

**What McKnight's \$1,000,000 actually buys is the anchor deployment of a template.** Move the Midwest is a pool-growth vehicle; the underwriting cost per deployed megawatt compounds downward as the template is executed across the footprint. That is the highest-leverage use of recoverable capital available to this program at this moment.

## Alignment to Move the Midwest Stated Evaluation Criteria

Move the Midwest's published evaluation criteria (McKnight FAQ, 4/15/2026) are five: Replicability, Accelerate Deployment, Additionality, Community Partnerships & Impact, and Financial Viability. Plus threshold eligibility: Justice40 / tribal / energy community location, seven-state Midwest footprint, eligible climate technology with nexus to McKnight's sectoral strategies (energy / buildings / transportation / working lands), and community ownership.

Criterion	Where <b>MIRACLE</b> meets it
<p><b>Threshold: Justice40 / energy community / Midwest / climate tech / community ownership</b></p>	<p>Lindsay Heights, Milwaukee, WI (Justice40-designated census tract 4 Milwaukee County; WE Energies territory fossil-fuel dependent); climate technology is community-scale solar PV + battery storage + healthy-homes retrofit hub with direct nexus to energy and buildings sectoral strategies; community ownership via Walnut Way 501(c)(3) co-development with MLKEDC, Resident Preference Program hiring, below-market tenant rents, and residentially-governed wealth-building structure.</p>
<p><b>Replicability</b></p>	<p>The ~\$1.7M acquisition + ~\$2.0M Phase 1 solar + \$0.68M Phase 2a battery + ITC Direct Pay structure is explicitly designed as a template: acquire → install → recover from §48E → repeat. SunBear Industries feasibility validates the same system on 2450 W. North Ave as the immediate replication target. Phase 5 of the timeline maps the North Ave corridor replication plan (Walnut Way campus +545 kW; Blue Skies HQ +428 kW; Fond du Lac Ave lots +243 kW).</p>
<p><b>Accelerate Deployment (2026 construction start)</b></p>	<p>July 4, 2026 ITC safe harbor is the binding deadline. McKnight capital deployed May 2026 enables 5% cost incurrence by July 4. Without McKnight, the deadline is not achievable on the current capital stack. This</p>

Criterion	Where MIRACLE meets it
	is the tightest-possible "accelerates a 2026 construction start" fit.
<b>Additionality (project would not proceed without this support)</b>	<p>The \$200K acquisition bridge closes the funding gap between the CDFI property loan (\$1.3M–\$1.6M; final set by appraisal and DSCR) and the expected acquisition closing price (\$1.5M–\$1.8M range; WB-15 offer \$1.1M dated 3/17/2026; WB-44 counter \$2M dated 4/17/2026; buyer counter in preparation). The \$800K construction bridge covers the ~12-month cash-flow window between construction start and §6417 Direct Pay receipt. PSC EIGP Round 6 (up to \$500K; deadline June 30, 2026) is the primary active construction-gap closer. Neither the acquisition nor the solar construction proceeds on schedule without this bridge capital.</p>
<b>Community Partnerships &amp; Impact</b>	<p>MLKEDC co-developer LOI; Sun Bear Industries (Isaiah Ness, CEO) technical LOS; Slipstream Group, Inc. (Sandra Henry, President and CEO) program-partner LOS; 5 Lakes Energy (Dan Ebert, Managing Partner, former WI PSC Chair) LOS; Pines Bach LLP (Christa O. Westerberg) regulatory counsel LOS; UWM (Dean Litwack letter 4/13/2026) as designated federal recipient for \$850K Gwen Moore earmark; WRTP/BIG STEP workforce pipeline; Elevate (Abigail Corso, P.E., Chief Strategy Officer) for Healthy Homes technical assistance; Ascension / Food For Health for parallel Healthy Families track. Direct measurable impact: ~\$161K/yr BTM savings, 744 owner-occupied households in the Healthy Homes repair pipeline, local labor dollars to Lindsay Heights residents via self-performing crew.</p>

Criterion	Where MIRACLE meets it
<b>Financial Viability (credible path to repayment)</b>	<p>Primary repayment source is a federal statutory entitlement (§48E Direct Pay under §6417), not a discretionary grant or market forecast. Modeled at ~\$510,060 base case (locked at 30% flat on \$1,700,200 eligible basis) (30% flat on corrected §48E-eligible basis of \$1,700,200 (locked)) — covering ~51%–60% of the \$1M recoverable grant — with BTM savings of ~\$161K/yr clearing the ~\$490,000 residual after the \$510,060 ITC sweep over 2.5–3 years (full payoff 2030–2031 base case; 2029–2030 with LIC Bonus). Secondary repayment from tenant revenue (\$198K–\$247K/yr, DSCR ~2.4x–3.5x on permanent debt at corrected CDFI sizing). Financial statements through FY2025 show a 12-year organizational operating history, \$5.35M unrestricted net assets, and two consecutive clean audits (Ritz Holman LLP).</p>

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## Section 1: Project Overview

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### Project Name

**MIRACLE Campus — Lindsay Heights Community Solar and Healthy Homes Hub**

MIRACLE = Milwaukee Interagency Resiliency and Access Center for Learning and Equity. The former Social Development Commission campus at 1730–1810 W. North Ave is being converted into a community-controlled hub where clean energy generation, whole-home health services, workforce development, and community-owned connectivity operate from the same facility, serving the same Lindsay Heights residents while plugging into Walnut Way's city-wide broadband infrastructure footprint.

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## Project Lead — Primary Point of Contact (Section 2 of Survey)

*The Project Lead is the primary point of contact at the organization receiving the grant. Third Coast Strategies will reach out to this person first for clarifying questions and additional information.*

**Project Lead Name:** Antonio Butts **Project Lead Job Title:** Executive Director **Project Lead Organization:** Walnut Way Conservation Corp **Project Lead Email:** [info@ejicwisconsin.org](mailto:info@ejicwisconsin.org) | [antonioabutts@gmail.com](mailto:antonioabutts@gmail.com) **Project Lead Phone Number:** 414-861-2206

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## Survey Submitter Name

**Antonio Butts** (same as Project Lead)

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## Survey Submitter Email

[antonio@walnutway.org](mailto:antonio@walnutway.org) | [antonioabutts@gmail.com](mailto:antonioabutts@gmail.com)

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## Organization Receiving / Applying for Funding

**Walnut Way Conservation Corp** 1707 N. Martin Luther King Jr. Drive, Milwaukee, WI 53212  
501(c)(3) nonprofit organization | EIN 39-2007850 (IRS determination letter issued March 2001;  
reaffirmed February 2008; Attachment O) | Wisconsin DFI Certificate of Good Standing dated  
4/16/2026 (Attachment F)

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## Organization Type

Non-profit 501(c)(3)

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## Project Team

Name / Organization	Role
<b>Antonio Butts</b> (Walnut Way Conservation Corp)	Executive Director; project lead; MIRACLE campus acquisition negotiator; primary McKnight relationship contact
<b>Construction Management Capacity (Walnut Way)</b>	Documented through active participation in City of Milwaukee public contracts, MKE Homes program (net-zero housing delivery, 3 properties), and Walnut Way's Blue Skies Environmental Solutions landscaping and stormwater contracts across multiple City of Milwaukee work orders. References available on request. EPC contractor provides dedicated site superintendent for MIRACLE solar build phase; Walnut Way Operations provides organizational oversight and coordinates EPC, SunBear Industries (owner's rep), and WE Energies interconnection tracking.
<b>Chandra Ellis</b> (Walnut Way Conservation Corp)	Grant Development Director; financial documentation; grant coordination
<b>Martin Luther King Economic Development Corporation (MLKEDC)</b>	Co-developer (not co-funder); corridor relationships, site selection, co-planning for replicability; 51/49 indicative revenue split (MLKEDC 51% / Walnut Way 49%) on any post-commissioning subscriber/community-ownership structure — does not apply to tenant revenue or BTM savings, which accrue 100% to Walnut Way as asset owner; 120-day exclusivity and mutual confidentiality are the only binding LOI provisions. <b>Related-party disclosure:</b> Nicole Robbins is Executive Director and CEO of MLKEDC and, through Robbins Law Group, also serves as Walnut Way's acquisition counsel on the SDC WB-44 (she prepared the March 17, 2026 \$1,100,000 buyer offer).

<b>Name / Organization</b>	<b>Role</b>
	The same individual sits on both sides of the MIRACLE corridor co-development architecture. See "Related-party disclosure" paragraph below for full governance treatment.
<b>Nicole Robbins</b> (Robbins Law Group / MLKEDC)	Serves in two capacities: (1) Walnut Way's acquisition counsel on the SDC WB-44 transaction — prepared the 3/17/2026 \$1.1M buyer offer and is preparing the buyer counter-response to the 4/17/2026 seller counter; (2) Executive Director and CEO of MLKEDC, Walnut Way's planned corridor co-development partner on MIRACLE and downstream replication sites. Dual role is disclosed proactively.
<b>Blue Skies Environmental Solutions</b>	Workforce pipeline; Resident Preference Program (RPP) local hiring for construction
<b>WRTP/BIG STEP</b>	Registered apprenticeship; union-aligned workforce pathway
<b>Elevate (Abigail Corso, P.E., Chief Strategy Officer)</b>	Healthy Homes program delivery; weatherization and efficiency implementation; \$24,000 sub-award under Moore earmark
<b>Slipstream Group, Inc. (Sandra Henry, President and CEO)</b>	Contractor workforce development; credentialing pipeline for small contractors; datacenter accountability collaboration
<b>WE Energies</b>	Utility; interconnection; Walnut Way's existing solar + battery operational at the Innovation & Wellness Commons — same service territory, same neighborhood distribution grid node — confirms capacity for commercial-scale customer-generation
<b>CDFI property loan [VERIFY lender]</b>	Property acquisition financing (\$1,300,000–\$1,600,000, final set by appraisal and DSCR, ~30-year term); in discussion

Name / Organization	Role
<b>MWH Law Group LLP (Emery Harlan)</b>	Regulatory / PSC counsel for Walnut Way's regulatory proceedings (Dockets 5-UR-112 and 5-EI-157)
<b>Pines Bach LLP (Christa O. Westerberg, Attorney)</b>	Regulatory counsel
<b>5 Lakes Energy (Dan Ebert, Managing Partner, former WI PSC Chair)</b>	Energy planning; data center accountability; interconnection strategy
<b>Sun Bear Industries (Isaiah Ness, CEO)</b>	Owner's representative; technical; dual-site feasibility letter
<b>Ritz Holman LLP</b>	Independent auditor; 2024 audit signed 2/27/2026
<b>University of Wisconsin-Milwaukee (UWM)</b>	Evaluation partner; designated federal recipient of Moore earmark; PI Lynne Woehrle, PhD
<b>City of Milwaukee</b>	Permitting; owner of sixth parcel (SW lot) within the SDC campus footprint

**Project Timeline**

**Five-Phase Development Plan — MIRACLE Campus 1 MW Solar + Healthy Homes Hub**

Phase	Timeline	Key Milestones
<b>Phase 1: SECURE</b>	March–May 2026	WB-15 Commercial Offer to Purchase submitted March 17, 2026; FCI COO letter 4/15/2026 confirms active negotiation; WB-15 counter in preparation; CDFI property loan commitment in discussion; McKnight \$200,000 acquisition bridge secures the gap between the CDFI property loan

Phase	Timeline	Key Milestones
		(\$1.3M–\$1.6M) and the expected closing range (\$1.5M–\$1.8M); property closing target May 16, 2026 (internal) / on or before May 24, 2026 (contractual deadline per WB-44 — Attachment P)
<b>Phase 2: ACTIVATE</b>	May–July 2026	Commission formal §48E + §6417 safe-harbor tax opinion from qualified tax counsel (first TA dollar deployed; resolves post-OBBBA Treasury-posture ambiguity before any equipment deposit is cut); file WE Energies pre-application / staff pre-determination request for multi-meter sub-300 kW CGS-DS-FP architecture (confirming parcel-level aggregation treatment before the \$800K solar tranche releases); register IRS §6417 Direct Pay portal; engage EPC contractor; cut non-refundable EPC equipment deposits (~\$150,000–\$175,000 = 5% of project costs) — these attach to the project and safe-harbor the §48E vintage year independent of property closing status; ITC safe harbor secured before July 4, 2026 (post-OBBBA 5% cost safe harbor preserved for projects ≤1.5 MW AC per

Phase	Timeline	Key Milestones
		<p>practitioner consensus pending final Treasury guidance; four-year continuity safe harbor intact; all safe-harbor path selection confirmed by tax counsel opinion before execution)</p>
<b>Phase 3: BUILD</b>	Q3–Q4 2026	<p>Rooftop solar across main building and warehouses (~1,140 panels); parking canopies at 1701 and 1729–1735 W. North Ave (~755 panels); ground mount on City parcel (~245 panels); 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational) deployment (SunBear Energy feasibility letter); Day-1 hub fit-out (navigator office, community room, FF&amp;E, light tenant demising) funded from Walnut Way net-zero housing sale proceeds — building mechanicals, HVAC, and ADA already complete per City of Milwaukee DNS permit file; campus IT and public Wi-Fi infrastructure funded from Walnut Way's PSC Resilient Resident Wi-Fi program; Healthy Homes Finish Line Fund fully deployed by September 30, 2026</p>
<b>Phase 4: MONETIZE</b>	Q1–Q2 2027	<p>System commissioned (Phase 1 solar); behind-the-meter savings</p>

Phase	Timeline	Key Milestones
		<p>operational (~\$161,000/year); file IRC §48E Direct Pay claim; ITC Direct Pay refund (\$510,060 base case at 30% flat on corrected eligible basis) expected Q1 2028 (~12 months post-commissioning). Battery storage deferred to Phase 2 (late 2027/2028) — preserves ITC optionality through 2033, keeps solar on critical path. PSC EIGP Round 6 Solar/Storage grant (up to \$500,000; deadline June 30, 2026) is primary active construction-gap closer during 2026–2028 bridge window.</p>
<b>Phase 5: SCALE</b>	2027–2035	<p>Replicate at 2450 W. North Ave corridor site; Walnut Way campus (+545 kW); Blue Skies HQ (+428 kW); Fond du Lac Ave lots (+243 kW); expand across Milwaukee northwest side; corridor-wide North Ave distributed energy district</p>

**Critical path note:** The July 4, 2026 ITC safe harbor is the most time-sensitive constraint. McKnight capital deployed in May 2026 directly enables Walnut Way to hit this window. The safe harbor bar is achievable: either physical work commencement or 5% of project costs (~\$150,000–\$175,000) incurred. The 5% cost safe harbor remains available to MIRACLE post-OBBA because the system at ~833 kW AC sits below the small-project threshold that governs continued availability of the 5% test (practitioner consensus ≤1.5 MW AC; final Treasury guidance pending). Walnut Way's self-performing workforce can begin structural work within days of property closing.

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## Project Location

**Dual-Site Strategy — SunBear Energy feasibility letter validates the full MIRACLE system (1 MW solar + 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational)) on both sites independently.**

**Site A — Primary: SDC Campus, 1730–1810 W. North Ave (offer to purchase in hand; FCI COO letter 4/15/2026 confirms active negotiation; \$1,100,000 offer; \$2,000,000 listing)**

Parcel	Address	Square Footage	Use
1	1730 W. North Ave, Milwaukee, WI 53205	32,400 SF	Main office building (vacant); existing operational solar array on site
2	1810 W. North Ave (East), Milwaukee, WI 53205	~8,100 SF	Warehouse (vacant)
3	1810 W. North Ave (West), Milwaukee, WI 53205	~8,100 SF	Warehouse extension
4	1701 W. North Ave, Milwaukee, WI 53205	19,650 SF	Parking lot (vacant); solar canopy / ground mount
5	1729–1735 W. North Ave, Milwaukee, WI 53205	10,800 SF	Parking lot (vacant); solar canopy / ground mount
6	City of Milwaukee parcel (SW lot)	~10,000 SF	Vacant city-owned lot; ground mount

Total campus: ~89,050 SF across six contiguous parcels on approximately 2 acres.

**Site B — Secondary / Replication: 2450 W. North Ave (formerly St. Ann / institutional care facility; \$1,800,000 listed; 80,000 SF on 7.5 acres)**

Built 2015–2019; EPA brownfield cleanup completed. Deep institutional relationship with seller. Extensive rooftop, 3–4 acres of open ground-mount area, and parking canopy zones. SunBear

Energy feasibility letter confirms 1 MW+ solar + 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational) capacity on this site independently.

**Strategic rationale:** MIRACLE deploys on whichever property closes on the strongest terms. Both sites serve the same Lindsay Heights residents. The dual-site posture gives Walnut Way maximum negotiating leverage on both acquisitions — neither seller can treat the deal as captive. The second site becomes the immediate replication target, not a lost opportunity.

**Neighborhood:** Lindsay Heights, Milwaukee's near north side. Households spend 10–15% of income on energy costs, nearly double the national average. Census tract 4, Milwaukee County, qualifies as a Low-Income Community under the IRS §45D(e) statutory poverty-rate and median-family-income tests, establishing potential eligibility for the IRC §48E(h) Low-Income Community Bonus Credit [VERIFY final tract-level IRS certification before submission]. The site also sits in the WE Energies service territory; fossil-fuel dependence may qualify for the Energy Community bonus under IRS Notice 2023-29 / 2024-30 criteria [VERIFY MSA-level fossil-fuel employment or brownfield/coal-closure designation].

This project's federal alignment is anchored in statute — IRC §48E and §45D — not in executive-branch programs. That statutory basis is unchanged by 2025 administrative rescissions.

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## Community Impact

### Immediate Impact — 1 MW MIRACLE Campus

- Approximately 100–120 Milwaukee households' electricity needs offset annually
- Approximately 1,140,000–1,200,000 kWh of clean energy generated per year
- Approximately 815 metric tons of CO<sub>2</sub> reduced annually (EPA eGRID MROW factor: ~0.71 kg CO<sub>2</sub>/kWh)
- Energy cost value returned to community, not extracted to shareholders
- ~\$161,000/year in behind-the-meter savings begins immediately upon commissioning — no legislation required

### Workforce and Economic Impact

- Walnut Way self-performs structural install — racking/mounting, canopy framing, and ballast/foundation concrete pours — through Blue Skies Environmental Solutions, a DBA operating unit of Walnut Way Conservation Corp under the same EIN (39-2007850). The self-perform scope is sized conservatively at \$105,000–\$130,000 (~2,900–3,200 labor-hours at a ~\$30/hr loaded rate covering direct labor, employer taxes, workers' comp, general liability, PTO, and supervision burden); midpoint \$117,500. Wiring,

interconnection, and commissioning remain EPC-furnished through a licensed electrical contractor. This structure keeps skilled-trade labor dollars in Lindsay Heights via the Resident Preference Program, gives workers verifiable commercial solar installation credentials, and anchors the §48E Physical Work Test for the July 4, 2026 ITC safe harbor. Because Blue Skies is a DBA of Walnut Way (same legal entity, same EIN), the self-perform costs are recorded in Walnut Way's general ledger as direct project costs and are §48E-eligible at cost (direct labor + materials + allocated overhead) under Treasury self-constructed-basis guidance, supported by contemporaneous job-cost accounting. This treatment is contemplated in the §48E + §6417 safe-harbor tax opinion that is a pre-disbursement condition on the \$800,000 solar tranche. The corrected ITC base-case projection of \$510,060 on eligible basis of ~\$1,700,200 includes the Blue Skies self-perform line at 100% eligibility; excludes acquisition, fit-out, IT, and general contingency per IRC §48E.

- Resident Preference Program (RPP) local hiring through Blue Skies Environmental Solutions and WRTP/BIG STEP apprenticeship
- Slipstream contractor workforce development pipeline
- Whole-home health services hub: weatherization, air quality, water quality, electrification — all in one location

### **Healthy Homes Component**

The Healthy Homes track is already funded and executing — not a concept. In September 2025, Congresswoman Gwen Moore's office submitted a Revised Project Proposal for \$850,000 total ("Healthy Families, Healthy Homes: Advancing Maternal Health and Improving the Safety and Resiliency of Homes"), with UWM as the designated federal recipient. Walnut Way's \$379,074 sub-award delivers a \$300,000 Finish Line Fund — a citywide Milwaukee home-repair infrastructure that Walnut Way is deploying in coordination with coalition partners specifically targeted at Lindsay Heights households — gap financing for homeowners who completed energy assessments but stalled at \$5,000–\$25,000 repair gaps — plus \$79,074 for project management. Elevate delivers \$24,000 in technical assistance. UWM faculty (Lynne Woehrle, PhD, PI) conducts outcomes evaluation. Dean Kim Litwack's April 13, 2026 letter to McKnight Grants Office confirms the institutional pathway. The broader \$850,000 also funds the parallel Healthy Families track (medically tailored meals, kitchen infrastructure, Community Health Worker navigation) led by Food For Health and Ascension. Both tracks share Community Health Workers as cross-program navigators — the same residents who will be served by the MIRACLE solar campus. McKnight's catalytic recoverable grant lands into this active, funded, executing program.

Sources: FINAL Joint Project Proposal Summary for Appropriations, September 2025; UWM Office of Research Budget Development Tool (OSP revision 5/8/2025); Dean Kim Litwack letter to McKnight Grants Office, 4/13/2026 (Attachment E).

Funds must be expended by September 30, 2026.

## Lindsay Heights Housing Crisis — Data-Backed Scope

The Reclaiming Our Neighborhoods (RON) coalition — 10 community-based organizations partnering with Data You Can Use — has surveyed nearly 35,000 residential properties across 13 Milwaukee neighborhoods, the most comprehensive resident-led housing conditions assessment in the city's history.

- **Lindsay Heights ranked worst of all 13 neighborhoods surveyed:** 40.5% of residential properties need multiple major repairs — the highest distress rate in Milwaukee. Roof damage alone accounts for one-third of all estimated repair costs.
- The neighborhood has 7,853 residents across 3,062 households. Only 744 are owner-occupied (24.3%); 2,318 are renter-occupied (75.7%); 751 housing units sit vacant (19.7%) — nearly double the citywide vacancy rate of 11%.
- RON estimates repairing owner-occupied homes alone would cost approximately \$35,000,000 (~\$14,000 per property). Adding investor-owned and mixed-use properties pushes the total past \$100,000,000.
- 55% of renters are cost-burdened; 41.3% of households have no vehicle — meaning resources must come to residents, not the reverse.

MIRACLE mechanizes the repair pipeline. The Healthy Homes hub centralizes intake, assessment (via Elevate), and contractor dispatch. Walnut Way's existing programs — Lindsay Heights Critical Home Repair, Emergency Repair, Senior Home Repair — are already active delivery channels. The \$850,000 Gwen Moore earmark provides the first tranche of direct repair funding (\$300,000 Finish Line Funds). The MIRACLE campus provides the permanent physical infrastructure — navigator staff, contractor coordination, quality inspection — to sustain the pipeline beyond any single grant cycle. RON data transforms MIRACLE from a concept into a data-backed intervention with a defined universe of beneficiaries: 744 owner-occupied households that need repair now.

## Long-Term and Scaling Impact

- MIRACLE (2026) → 2450 W. North Ave replication (2027) → corridor cluster (2027–2028) → broader Milwaukee expansion — 10 MW by 2028 → 50 MW of community-owned power by 2035
- Replicable blueprint for community-owned energy hubs across the Midwest
- Coalition participation with Clean Economy Coalition of Wisconsin (50+ organizations) on Wisconsin clean-energy policy
- UWM evaluation partnership ensures data-driven impact documentation
- The recoverable grant model proven at MIRACLE becomes a template: acquire with bridge capital → install solar + battery → recover grant from ITC Direct Pay → repeat. McKnight's investment at the anchor site unlocks the entire corridor strategy.

## Equity and Ownership

Lindsay Heights census tract 4 qualifies as a Low-Income Community under IRC §45D(e) statutory tests [VERIFY final tract-level IRS certification]. Community ownership structure — co-development with MLKEDC, below-market rents for local entrepreneurs, Resident Preference Program hiring — ensures wealth stays local. All workforce hiring prioritizes Lindsay Heights residents through RPP and WRTP/BIG STEP.

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## Communities Served

**IRS §45D(e) Low-Income Community:** YES. Census tract 4, Milwaukee County (Lindsay Heights), qualifies as a Low-Income Community under the statutory poverty-rate and median-family-income tests established in IRC §45D(e), which governs eligibility for the §48E(h) Low-Income Community Bonus Credit. [VERIFY final tract-level IRS certification before submission.] U.S. Census ACS 5-year data for tract 4, Milwaukee County supports this determination.

**Potential Energy Community:** Energy Community bonus credit eligibility under IRS Notice 2023-29 / 2024-30 criteria requires verification of MSA-level fossil-fuel employment statistics or brownfield/coal-closure tract designation. [VERIFY before submission with tax counsel.] WE Energies territory is fossil-fuel dependent by generation mix; the site may qualify.

**Tribal Community:** Not applicable.

**Other:** Lindsay Heights is a historically disinvested community on Milwaukee's near north side. School districts, faith communities, and social service organizations serve residents within the neighborhood. The MIRACLE campus is proximate to multiple community institutions; the Healthy Homes hub serves all residents regardless of affiliation.

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## Climate Technologies

Check all that apply:

- Solar photovoltaic** — ~1 MW DC / ~833 kW AC (1.2 DC:AC inverter ratio per SunBear Industries design; ~2,245–2,350 commercial-grade 425W+ panels) across rooftops, parking canopies, and ground mounts on six parcels at the SDC campus (or equivalent configuration at 2450 W. North Ave if that site is primary)

- ☑ **Energy storage** — 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational) (SunBear Energy feasibility letter; system sized for behind-the-meter time-shifting and resilience hub functionality)
  - ☑ **Energy efficiency** — Whole-home weatherization and building envelope upgrades delivered through the Healthy Homes hub (Elevate implementation)
  - ☑ **Home repairs** — Structural repairs, mold and lead mitigation as part of Healthy Homes whole-home model; \$300,000 Finish Line Fund directly to households
  - ☑ **Electric appliances** — High-efficiency appliance replacement through Healthy Homes program delivery
  - ☑ **Electric heat pumps** — Heat pump adoption as part of electrification pathway (Elevate implementation)
  - ☑ **Resiliency investments** — Battery + microgrid design provides grid resilience for campus; redundant power for community anchor hub operations during outages
  - ☑ **Grid modernization** — WE Energies interconnection for 1 MW commercial-scale customer generation; Walnut Way has initiated discussions with Commission policy staff related to the process required for developing and establishing an LMI bill-crediting mechanism
- 

## Project Scale

**Solar Generation Capacity:** ~1 MW DC solar PV nameplate / ~833 kW AC inverter output (1.2 DC:AC ratio per SunBear Industries design). The ~833 kW AC sizing sits below BOTH (a) the 1 MW AC threshold at which §48E prevailing-wage and apprenticeship (PWA) requirements apply — the project earns the full 30% base ITC without PWA compliance, though WRTP/BIG STEP registered apprenticeship alignment voluntarily meets or exceeds those standards; AND (b) the 1 MW AC threshold that triggers the §48E elective-pay Domestic Content haircut for noncompliant projects — meaning §6417 Direct Pay is available at the full statutory amount even without Domestic Content certification. These are two distinct statutory exemptions, both preserved by this design. Approximately 2,245–2,350 commercial-grade 425W+ panels across approximately 55,000 sq ft of usable roof, canopy, and ground space.

**Energy Storage:** 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational) (SunBear Energy feasibility letter). The battery enables behind-the-meter time-shifting to maximize on-site consumption during peak-rate periods, supports grid resilience hub functionality, and provides a pathway to FERC Order 2222 wholesale market participation in MISO. The battery can be phased — initial installation at 0.5 MW / 1 MWh with expansion to 2 MWh — and ITC remains available through 2033, preserving optionality.

**Annual Production:** ~1,140,000–1,200,000 kWh per year (~1,140–1,200 kWh/kW-DC/year at Milwaukee irradiance, inside the NREL PVWatts Milwaukee-area rooftop yield range of

1,100–1,300 kWh/kW-DC/year). Point estimate of 1,150,000 kWh/year used for downstream BTM-savings, GHG, and air-quality calculations.

**Facility:** 89,050 sq ft campus on six contiguous parcels (~2 total acres) at W. North Avenue, Milwaukee. Includes the existing main office building, two warehouses, two parking lots, and a city-owned lot. (Or equivalent configuration at 2450 W. North Ave — 80,000 SF building on 7.5 acres — if that site closes first.)

### Scaling Pathway

- 2450 W. North Ave (immediate replication site): same 1 MW solar + 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational) configuration, validated independently by SunBear Energy feasibility letter
- Walnut Way campus at 1707 N. MLK Jr. Dr. (+545 kW)
- Blue Skies Environmental Solutions HQ (+428 kW)
- Fond du Lac Ave vacant lots (+243 kW)
- Broader Milwaukee northwest side and industrial sites: 10 MW by 2028
- Statewide replication (peer communities across Wisconsin and Midwest): 50 MW community-owned power by 2035

### Timeline Risk

Risk	Severity	Description	Mitigation
<b>ITC Safe Harbor Deadline (July 4, 2026)</b>	HIGH / HARD	Construction must begin or 5% of costs (~\$150,000–\$175,000) must be incurred by the §48E safe harbor deadline to preserve the 30% base ITC (and any bonus credit additions). Losing ITC fundamentally changes project economics and McKnight grant recovery. Post-OBBBA status: MIRACLE at ~833	Internal target May 16, 2026 property closing (contractual deadline on or before May 24, 2026 per WB-44, Attachment P) gives ~41–49 days of runway. Safe harbor bar is achievable: 5% of costs OR physical work commencement. Walnut Way's self-performing workforce begins structural work within

Risk	Severity	Description	Mitigation
		<p>kW AC sits well inside the small-project protected band that preserves both the 5% cost and physical-work safe harbors under current practitioner consensus [VERIFY final Treasury/IRS guidance on the precise MW-AC threshold; prior Notice 2018-59 principles place it at ≤1.5 MW AC]; four-year continuity safe harbor intact.</p>	<p>days of closing. McKnight's early capital deployment is itself the primary mitigation — it is what makes the deadline achievable. <b>FALLBACK:</b> If McKnight's funding decision lands after July 4, 2026, MIRACLE does not fail — §48E vintage rolls to 2027 with a modified schedule and economic profile, and Walnut Way absorbs the timing impact via the organizational operating backstop (3-yr avg budget \$2.76M; unrestricted net assets \$5.35M; two consecutive clean audits). McKnight's speed is materially valuable to a 2026 safe harbor but not structurally necessary to project completion or to the recoverable repayment mechanism.</p>
<p><b>Property Acquisition</b></p>	<p>LOW (dual-site hedged)</p>	<p>SDC campus: FCI COO letter 4/15/2026 confirms active negotiation; WB-44</p>	<p>Mitigation: Execution of <b>Parallel Engineering</b> and design for both</p>

Risk	Severity	Description	Mitigation
		<p>seller counter-offer received 4/17/2026 (Attachment P); buyer counter-response in preparation with Nicole Robbins (accept-by 4/27/2026). Title chain is clean — the SDC campus conveyed through a prior transaction involving Community Investments' partnership with Town Bank that established good title; CDFI property-loan underwriting will run its own title review as a standard condition precedent to closing.</p>	<p>primary and secondary sites. This dual-track technical readiness ensures that the project can secure the 2026 tax vintage by July 4, even if primary site negotiations are extended or fail, by moving immediately to the shovel-ready St. Ann backup.</p>
<p><b>WE Energies Interconnection</b></p>	<p>MEDIUM</p>	<p>MIRACLE's ~833 kW AC aggregate generation is architected by SunBear Industries as multiple sub-meter configurations, each sized below the ~300 kW CGS-DS-FP (Customer-Generation Distribution Service — Fixed Price) tariff ceiling, enabling each sub-meter to interconnect under the standard</p>	<p>PSC-funded feasibility study is underway and covers interconnection analysis for both sites, including the multi-meter architecture. Interconnection pre-application work is actively underway with Slipstream Group (Sandra Henry) and Elevate (Abigail Corso); a formal WE Energies</p>

Risk	Severity	Description	Mitigation
		<p>commercial customer-generation tariff rather than triggering a negotiated Parallel Generation Agreement at the aggregate 833 kW level [VERIFY final tariff determination with WE Energies staff]. Walnut Way operates rooftop solar + battery storage across multiple buildings at the Innovation &amp; Wellness Commons campus (30 kW solar + 10 kWh battery at the primary building plus additional rooftop PV on adjacent campus buildings) in the same WE Energies service territory and on the same neighborhood distribution grid node as the SDC campus — interconnected and operational for years under a small-scale customer-generation tariff that does not apply to the 1 MW expansion, but establishing operator</p>	<p>pre-application filing date is not yet confirmed. Full interconnection application planned Q3 2026. Final tariff determination is a condition precedent to construction close. Additionally, the SDC campus acquisition target itself carries an existing commercial-scale rooftop PV array of ~200+ panels on the east building. The City of Milwaukee's Commercial Solar PV Rooftop System permit for 1730 W. North Avenue shows Final (completed / inspected) status as of February 18, 2021 (<a href="#">public property record via realtor.com</a>), placing install vintage in the 2020 construction period financed under SD Properties' January 2020 construction mortgage. The array is owned by the property as a real-property fixture and conveys to Walnut Way under</p>

Risk	Severity	Description	Mitigation
		<p>track record at this grid node.</p> <p>Interconnection study timelines can run 6–12 months at the commercial scale.</p>	<p>the WB-44 purchase agreement. The array's presence indicates commercial-scale customer-generation interconnection has already been approved by WE Energies at this exact service address — materially reducing interconnection-study and structural/electrical scoping risk for the MIRACLE expansion [VERIFY current operational status via SunBear site assessment during acquisition diligence; nameplate capacity, interconnection agreement number, and inverter specifications are not publicly indexed — they will be obtained via Milwaukee DNS permit file pull and direct WE Energies interconnection records request, both sequenced into acquisition diligence. Publicly verifiable today: permit Final 2/18/2021 per <a href="https://www.realtor.com/property">realtor.com property</a></p>

Risk	Severity	Description	Mitigation
			<a href="#">record</a> ; parcel APN 324-0628-110-7 per <a href="#">Milwaukee County tax records via LoopNet</a> ].
<b>Construction Cost Escalation</b>	MEDIUM	Solar PV and battery markets are subject to supply chain and tariff pressures. Battery is the least refined budget element (\$540,000–\$820,000 (Phase 2a, 0.5 MW / 1 MWh) based on market estimates).	Early EPC engagement; fixed-price contract target. Battery can be phased (ITC available through 2033). Self-performing labor reduces EPC markup 15–25%. SunBear Energy feasibility letter provides engineering-level cost estimates serving as independent validation.

**Current Development Stage**

**Design/engineering in progress**, with the following specific milestones completed:

- WB-15 Commercial Offer to Purchase submitted March 17, 2026 (SDC campus, \$1,100,000 offer; listing \$2,000,000); FCI COO letter dated 4/15/2026 confirms active negotiation; WB-44 seller counter-offer received 4/17/2026 at \$2,000,000 (Attachment P); buyer counter-response in preparation with Nicole Robbins (accept-by 4/27/2026)
- SunBear Energy feasibility letter validates 1 MW solar + 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational) on BOTH the SDC campus and 2450 W. North Ave independently
- Walnut Way operates rooftop solar + battery storage across multiple buildings at the Innovation & Wellness Commons campus (30 kW solar + 10 kWh battery at the primary building plus additional rooftop PV on adjacent campus buildings; interconnected and operational for years) — same WE Energies service territory and same neighborhood

distribution grid node as the SDC campus, confirming demonstrated capacity to develop, permit, interconnect, and operate customer-generation solar and battery storage on this grid node

- PSC-funded 1 MW solar feasibility study underway with SunBear Energy; covers both SDC campus and 2450 W. North Ave as independent deployment sites plus corridor sites for scaling
- WE Energies interconnection strategy in development; tariff analysis for 1 MW system at commercial scale is a condition precedent to construction close [VERIFY tariff identity — CGS-DS-FP or equivalent]
- CDFI property loan for \$1,300,000–\$1,600,000 acquisition (final set by appraisal and DSCR at term sheet) in discussion. Walnut Way has opened parallel conversations with three regional CDFI lenders for the MIRACLE acquisition loan: (a) IFF (existing mortgage relationship to Walnut Way, separate underwriting for acquisition), (b) Forward Community Investments (Wisconsin-based mission lender), and (c) Local Initiatives Support Corporation — Milwaukee (LISC Milwaukee). IFF is the presumed primary given the existing relationship; Forward Community Investments and LISC Milwaukee are named alternates under active outreach. Final lender selection is targeted for the due diligence period following McKnight award decision [VERIFY primary lender identity before funding close].
- Regulatory and legal strategy engaged: MWH Law Group LLP (Emery Harlan) and Pines Bach LLP (Christa O. Westerberg) as regulatory counsel for intervention (Dockets 5-UR-112 and 5-EI-157); 5 Lakes Energy (Dan Ebert, former WI PSC Chair) as energy planning consultant; Nicole Robbins (Robbins Law Group) for property acquisition
- IRS §6417 Direct Pay portal registration will be completed in Phase 2 (May–July 2026)
- Moore earmark (\$379,074 Walnut Way sub-award) in active execution; Finish Line Fund (citywide Milwaukee infrastructure) deploying via coalition partners targeted at Lindsay Heights households; September 30, 2026 expenditure deadline creates concurrent execution urgency

MLKEDC co-development LOI in place: 51/49 indicative revenue split (MLKEDC 51% / Walnut Way 49%) on any post-commissioning subscriber or community-ownership structure; does not apply to tenant revenue or BTM savings, which accrue 100% to Walnut Way as asset owner. 120-day exclusivity and mutual confidentiality are the only binding LOI provisions. MLKEDC contributes development capacity — corridor relationships, site knowledge, co-planning — not capital.

**RELATED-PARTY DISCLOSURE (MLKEDC / Nicole Robbins).** Nicole Robbins (Robbins Law Group) serves as Walnut Way's acquisition counsel on the SDC WB-44 transaction and simultaneously as Executive Director and CEO of Martin Luther King Economic Development Corporation (MLKEDC), Walnut Way's named corridor co-development partner under the Attachment I LOI. The same individual therefore sits on both sides of the MIRACLE co-development architecture at the current stage. Walnut Way discloses this dual role proactively rather than let Third Coast Strategies discover it during due diligence. Three

mitigations apply: (1) the MLKEDC LOI is non-binding on economic terms — the 51/49 indicative revenue split applies only to a future-upside subscriber/community-ownership revenue stream that is not in the base-case pro forma, and does not apply to tenant revenue or BTM savings, which accrue 100% to Walnut Way as the 501(c)(3) asset owner; (2) the SDC WB-44 transaction is an arms-length commercial acquisition from a third-party seller (SDC receiver/disposition process), and Ms. Robbins represents Walnut Way exclusively in that negotiation; (3) any post-award MLKEDC subscriber/community-ownership revenue arrangement will be subject to Walnut Way Board Finance Committee review, independent legal review by counsel without the dual relationship, and — where applicable — McKnight notice and approval under the recoverable grant agreement's related-party provisions. Walnut Way is open to McKnight (or Third Coast) requiring any additional governance treatment it deems appropriate.

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## Environmental Impacts

*Survey prompt: estimated annual greenhouse gas emissions avoided or other environmental metrics (air quality benefits, CMAQ tool, etc.)*

### **Greenhouse Gas Emissions Avoided (Primary Metric):**

MIRACLE's ~833 kW AC / ~1 MW DC solar + 1–2 MWh battery system offsets approximately **815 metric tons of CO<sub>2</sub> equivalent per year**, calculated as: 1,150,000 kWh/year clean generation × EPA eGRID MROW emission factor of ~0.71 kg CO<sub>2</sub>/kWh (the official carbon intensity of Wisconsin's fossil-fuel-dominant grid region). Over the 25-year operational life of the system, cumulative GHG avoidance is approximately **20,375 metric tons CO<sub>2</sub>e** — comparable to removing ~177 passenger vehicles from the road annually or offsetting the annual electricity consumption of ~100–120 households. The Healthy Homes weatherization + envelope upgrades deployed through the Finish Line Fund (\$300,000, 744-household pipeline) produce additional embedded GHG reductions via reduced thermal load; these are not included in the 815 metric tons figure, which is solar-only.

### **Air Quality Benefits (Secondary Metric):**

Lindsay Heights sits in a census tract with documented elevated PM<sub>2.5</sub> and NO<sub>x</sub> exposure relative to the Milwaukee County average, driven by adjacency to I-43 freight corridors, legacy industrial land use, and fossil-fuel-fired peaker plant dispatch in the WE Energies service territory. Displacing 1,150,000 kWh/year of grid electricity — disproportionately sourced from MROW fossil peakers during summer demand — yields measurable local air quality improvement. Quantitative estimate [VERIFY via EPA CMAQ (Community Multiscale Air Quality Modeling System) tool during due diligence]: approximately **0.5–0.8 metric tons of NO<sub>x</sub> avoided per year** and **0.02–0.04 metric tons of PM<sub>2.5</sub> avoided per year**, using standard

eGRID MROW NOx and PM2.5 output rates. The health co-benefit to a neighborhood already carrying disproportionate respiratory disease burden is direct and additive to the GHG impact.

### Other Environmental Metrics:

- **Building envelope GHG** (Healthy Homes retrofits): ~0.5–1.5 metric tons CO<sub>2</sub>e reduction per retrofitted household, across a 744-household owner-occupied pipeline — potential cumulative avoidance of ~370–1,100 metric tons CO<sub>2</sub>e as Finish Line Fund deployments complete.
- **Land reuse and brownfield impact:** The SDC campus site is already developed (1940s-era industrial/community use); the dual-site alternative at 2450 W. North Ave is EPA-remediated brownfield. Neither siting creates new land disturbance, new impervious surface, or new habitat impact. This is adaptive reuse of existing footprint, consistent with McKnight's working-lands and buildings sectoral strategies.
- **Replication scalability:** The MIRACLE blueprint is designed to scale to ~50 MW of community-owned generation across the Milwaukee northwest side by 2035, corresponding to ~40,000 metric tons CO<sub>2</sub>e/year avoidance at full deployment — a meaningful contribution to Milwaukee County's climate action plan targets.

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## Section 2: Project Budget

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### Financial Projections

#### 5-Year Financial Projection — MIRACLE Campus 1 MW Solar + Healthy Homes Hub

The financial projections are built on two reliable pillars: (1) behind-the-meter energy savings of ~\$161,000/year beginning at commissioning — no legislation required, no discretionary decision by any third party — and (2) the IRC §48E Direct Pay refund of \$510,060 base case (30% flat on corrected §48E-eligible basis of \$1,700,200 (locked)) approximately 12 months post-commissioning. PSC EIGP Round 6 Solar/Storage grant (up to \$500,000; deadline June 30, 2026) is the primary active target for closing the construction capital gap during the 2026–2028 bridge window. The LMI crediting mechanism pursued through active PSC Dockets 5-UR-112 and 5-EI-157 is a community-impact and revenue-enhancement pathway under regulatory consideration; it is not included in the base-case repayment model.

Year	Revenue / Inflows	Expenses / Outflows	Net Cash Flow Notes
<b>Year 0 (2026)</b>	<p>McKnight Recoverable Grant — Acquisition Bridge: \$200,000; McKnight Recoverable Grant — Solar Construction: \$800,000; CDFI Property Loan [VERIFY lender]: \$1,300,000–\$1,600,000 (final set by appraisal and DSCR); Walnut Way/MLKEDC in-kind development capacity; Focus on Energy rebate up to \$25,000 (pending); Moore Earmark Healthy Homes sub-award: \$379,074 (Walnut Way portion, active); PSC EIGP Round 6 Solar/Storage grant up to \$500,000 (primary construction-gap closer; deadline June 30, 2026)</p>	<p>Property Acquisition: \$1,500,000–\$1,800,000 expected closing range (WB-15 offer \$1.1M dated 3/17/2026; WB-44 counter \$2M dated 4/17/2026; buyer counter in preparation); Solar PV installation (Phase 1): \$1,300,000–\$1,500,000; Battery storage (Phase 2 — late 2027/2028): \$540,000–\$820,000 (Phase 2a, 0.5 MW / 1 MWh) (deferred; ITC valid through 2033); Soft costs (permitting, engineering, legal, interconnection): \$200,000–\$300,000; Finish Line Fund deployments to households (September 30 deadline)</p>	<p>Capital deployment year. \$200,000 McKnight acquisition bridge covers gap between CDFI loan and final acquisition price (\$1.5M–\$1.8M expected range). Federal Healthy Homes sub-award deploying into community concurrent with solar construction. Battery phased to Year 2 to reduce near-term capital requirement and preserve ITC optionality.</p>
<b>Year 1 (2027)</b>	<p>ITC §48E Direct Pay: \$510,060 base case (30% flat on corrected §48E-eligible basis \$1,700,200 (locked); single cash receipt; expected Q1 2028 —</p>	<p>Permanent CDFI debt service ~\$89,000–\$109,000/year (\$1.3M–\$1.6M @ ~5.5% / 30-yr amort); bridge carrying cost during ITC gap Building</p>	<p>ITC Direct Pay is the primary capital event. Combined stabilized NOI (tenant + solar): ~\$250,000–\$305,000. DSCR on permanent debt alone ~2.4x–3.5x</p>

Year	Revenue / Inflows	Expenses / Outflows	Net Cash Flow Notes
	<p>approximately 12 months after Q2 2027 commissioning).            Adder upside (Walnut Way intends to pursue three; each [VERIFY]; each gated by §48E/§6417 tax opinion condition precedent): \$680,080 single (40%) / \$850,100 two (50%) / \$1,020,120 three (60%);            Behind-the-Meter Savings: ~\$161,000;            MIRACLE campus tenant revenue: ~\$198,000–\$247,000 (70/30 hybrid incubator, 80–100% occupancy, rents 50% below market by design)</p>	<p>operations (\$95,000/year); Solar O&amp;M; Recoverable grant repayment to McKnight</p>	<p>(well above CDFI floor 1.15x–1.25x); bridge-window DSCR ~1.6x–2.1x.</p>
<b>Year 2 (2028)</b>	<p>Behind-the-Meter Savings: ~\$161,000;            Tenant revenue: ~\$198,000–\$247,000</p>	<p>CDFI debt service (Building operations (\$95,000/year); Solar O&amp;M</p>	<p>Stabilization year. Building tenant income services property debt independently. Solar savings accumulate as ongoing recoverable capital return.</p>
<b>Years 3–5 (2029–2031)</b>	<p>All Year 2 sources + potential REC sales; FERC Order 2222 wholesale market participation (upside);</p>	<p>Debt service; O&amp;M</p>	<p>Self-sustaining operations confirmed. Full recoverable grant repayment expected 2030–2031 base</p>

Year	Revenue / Inflows	Expenses / Outflows	Net Cash Flow Notes
	Phase 2 battery storage operational (installed late 2027/2028; §48E Direct Pay on battery claimed in Phase 2 credit year)		case (ITC \$510,060 (locked) retiring ~51%–60% of McKnight grant; BTM savings clearing the ~\$490,000 residual after the \$510,060 ITC sweep over 2.5–3 years at ~\$161K/yr); 2029–2030 with LIC Bonus (\$680,080 ITC accelerates payoff).

**Key Financial Projections (Base Case):**

- ITC Direct Pay: \$510,060 base case (30% flat × \$1,700,200 locked §48E-eligible basis; IRC §48E / §6417; one-time, ~12 months post-commissioning). The corrected eligible basis excludes acquisition, hub fit-out, IT infrastructure, and general contingency per IRC §48E; battery (\$540K–\$820K (Phase 2a, 0.5 MW / 1 MWh)) deferred to Phase 2 and will be claimed in its own §48E credit year (ITC valid through 2033). LIC Bonus upside: +10% adder under IRC §48E(h)/§45D pushes ITC Direct Pay to \$680,080 if census tract qualifies [VERIFY tract-level IRS certification] — treated as active pursuit, not modeled in base case. MIRACLE at ~833 kW AC sits below the 1 MW AC threshold under §45(b)(10)/§48E(a)(3) that triggers the Domestic Content elective-pay haircut on noncompliant projects — meaning Direct Pay is available at the full amount even without Domestic Content certification.
- Annual behind-the-meter savings: \$0.14/kWh × 1,150,000 kWh/year of on-site consumption offset) — begins at commissioning; 25-year cumulative value ~\$4,000,000
- ITC Direct Pay timing: Base case Q1 2028 (12 months after Q2 2027 commissioning). Downside sensitivity: if IRS processing extends to 24–36 months, bridge covered by \$161,000/year BTM savings plus bank line of credit. Walnut Way does not assume ITC acceleration below 12 months in any scenario.
- Combined stabilized pro forma: Gross revenue \$359,000–\$408,000/year (BTM savings ~\$161,000 + tenant \$198,000–\$247,000); Operating expenses ~\$95,000; NOI ~\$264,000–\$313,000; Permanent debt service (CDFI property loan \$1,300,000–\$1,600,000 @ ~5.5% over 30 yr) ~\$89,000–\$109,000/year; DSCR on permanent debt ~2.4x–3.5x (well above CDFI floor 1.15x–1.25x). During the 2026–2028 ITC bridge window (DSCR ~1.6x–2.1x on all-in basis); the bridge retires at ITC Direct

Pay receipt and DSCR steps back up to the stabilized 2.4x–3.5x range from Year 2 forward. CDFI underwriting floor is typically 1.15x–1.25x.

- McKnight grant recovered primarily from ITC Direct Pay; BTM savings cover any remaining balance

**Revenue Realism Note:** The figure reflects behind-the-meter savings — electricity the MIRACLE campus consumes from its own solar array, offsetting retail-rate charges (\$0.14/kWh). The 1 MW system will produce significantly more energy than the building consumes. Under current WE Energies tariffs, excess generation beyond building consumption earns only the avoided-cost buy-back rate (~\$0.04–\$0.06/kWh) — not retail rate. Walnut Way plans to intervene in PSC Dockets 5-UR-112 and 5-EI-157 at the respective intervention windows to pursue an LMI crediting mechanism that would allow excess MIRACLE campus generation to flow as bill credits to low-income households. Intervention has not yet been filed; regulatory counsel (MWH Law Group LLP — Emery Harlan; Pines Bach LLP — Christa O. Westerberg) is engaged and 5 Lakes Energy (Dan Ebert) is supporting on energy planning. Walnut Way's \$500,506.50 PSC intervenor-compensation track record across 9 prior dockets since August 2022 establishes Commission-recognized standing to intervene when the windows open. That mechanism is a real pathway being actively pursued but is not included in the base-case repayment model. The base-case model is viable on BTM savings and ITC Direct Pay alone.

**Building-load stress test and pre-construction audit.** A formal building energy audit of the SDC campus has not been completed at submission date, which is why we model 161,000/year as a ceiling and explicitly run 70 percent and 50 percent utilization cases to confirm that full McKnight recovery still occurs inside the five-year window. For purposes of this application, the 161,000/year figure represents the maximum BTM savings available if MIRACLE campus on-site consumption reaches full system output... Stress scenarios — derived from the same retail-rate × kWh basis — look like this: at 70% on-site utilization, BTM savings are approximately \$113,000/year; at 50% on-site utilization, approximately \$80,500/year. In both cases the ITC Direct Pay primary repayment path is unchanged (\$48E Direct Pay is a function of eligible basis, not consumption). The 70% scenario covers the ITC bridge window from operating cash without drawing the organizational line of credit. The 50% scenario requires a modest LOC draw during a 36-month ITC delay, as already disclosed in the downside-case narrative. In every stress scenario modeled, full McKnight grant recovery occurs within the five-year window.

**Export-fraction sensitivity (distinct from occupancy sensitivity).** A second, independent sensitivity stress-tests time-of-generation vs. time-of-load mismatch. When solar generation exceeds coincident building load (summer midday hours, shoulder weekends), excess kWh are exported to the WE Energies grid at the avoided-cost buy-back rate of ~\$0.04–\$0.06/kWh rather than offsetting retail-rate charges at ~\$0.14/kWh. The differential is approximately \$0.09/kWh of lost revenue per exported kWh. Because the MIRACLE campus carries year-round load from

the Healthy Homes resilience hub, the Healthy Families clinical-grade clinic space, the co-working tenant base, and the solar O&M building electrical load, projected export fraction is modest. At a 15% annual export fraction (~172,500 kWh exported), BTM revenue adjusts from \$161,000 to approximately \$143,750/year — extending the McKnight residual repayment by ~1.2 months at \$12,125/month of BTM throughput. At a 30% export fraction (~345,000 kWh exported, a deliberately punitive stress case that assumes significantly below-expected tenant uptake), BTM revenue adjusts to approximately \$126,500/year — extending the residual by ~2.4 months. Both export-stress cases preserve full McKnight recovery well inside the 5-year window, and both preserve the ITC Direct Pay primary repayment path unchanged (Direct Pay is a function of eligible basis, not consumption or export pattern). Empirical export fraction will be measured post-commissioning via interval meter data; the figures above are pre-commissioning engineering estimates from the SunBear Industries load-matching analysis.

The detailed 5-year projection model is at:

MIRACLE\_DualSite\_Projections\_McKnight\_04.2026.xlsx (upload to McKnight portal — includes conservative/base/optimistic scenarios, DSCR analysis, and repayment waterfall).

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## Financial Statements

The following financial statements are attached (Attachments A–D):

- **Attachment A:** FY2024 Walnut Way Financial Statements (audited by Ritz Holman LLP, signed 2/27/2026). Total revenue \$3,435,031; total expenses \$2,662,000 (approximate); net change +\$773,000; unrestricted net assets \$5,350,000 at 12/31/2024.
- **Attachment B:** FY2023 Walnut Way Financial Statements (audited). Total revenue \$2,089,454.
- **Attachment C:** WW 2025 FY Balance Sheet and P&L (in-house). Total revenue \$2,755,695; total expenses \$2,778,790; net –\$34,263 (1.2% of revenue — timing of multi-year restricted grant releases).
- **Attachment D:** WW YTD 2026 Balance Sheet and P&L (as of Q1 2026). Q1 2026 tracking to approximately \$2,900,000 annualized.

## Organizational Financial Narrative:

Walnut Way has operated continuously for 12 years with average annual budgets above \$2,000,000. The 3-year rolling average (FY2023–FY2025) is \$2,760,000 (FY2023 \$2,090,000 + FY2024 \$3,440,000 + FY2025 \$2,760,000 per in-house FY P&L). The 12-year average operating budget exceeds \$2,000,000 and cumulative program stewardship approaches \$30,000,000 (12-year average above \$2,500,000 × 12 years).

FY2024 total revenue of \$3,435,031 represented a 57% year-over-year increase over FY2023's \$2,089,454. The increase reflected a concentrated fundraising cycle in which several multi-year restricted grants landed within the same reporting window — typical episodic variance in nonprofit revenue, not a step-change in operating base. FY2025 at \$2,755,695 shows normalization back to the pre-FY2024 trajectory. Q1 2026 annualizes to approximately \$2,900,000, consistent with the 3-year rolling average. Revenue composition across all years reflects standard Walnut Way diversification: program service grants, PSC intervenor compensation, and a mix of restricted and unrestricted philanthropy.

FY2025 closed at near-breakeven (-\$34,263, or 1.2% of revenue) reflecting timing of multi-year restricted grant releases, not operating stress. Walnut Way's unrestricted net assets at year-end 2024 were \$5,350,000 and remain above \$5,000,000 in 2025 year-to-date figures — operating reserves well above the Nonprofit Finance Fund 3-month minimum.

Cash and cash equivalents at 12/31/2024 totaled \$1,090,451. Uninsured balances (\$793,377 per 2024 audit Note D) reflect routine operating liquidity held at a primary Wisconsin financial institution. The board finance committee reviews cash concentration quarterly; ICS/CDARS sweep strategies are being evaluated for implementation in FY2026 for balances above \$250,000 FDIC thresholds [VERIFY current policy].

Form 990 Schedule J "other compensation" of \$26,950 for the Executive Director in FY2023 reflects standard employee benefits — health insurance, dental, and 403(b) retirement contribution — per Walnut Way's written benefit policy applicable to all staff. No deferred compensation, no housing allowance, and no non-standard arrangements are included in this figure. Benefit levels are board-approved and consistent year over year.

Walnut Way holds no Single Audit obligation for FY2025 or FY2026 — federal expenditures are projected below the \$1,000,000 threshold (2 CFR §200.501, effective 10/1/2024). The organization continues annual independent audit by Ritz Holman LLP regardless of federal threshold. Note: the Moore earmark sub-award (\$379,074) is being tracked and reported through UWM's federal cost accounting system; UWM is the designated federal recipient.

Existing IFF mortgage: \$1,095,000 note (balance \$362,943 at 5.875% through 6/30/2026, then recalculated at max(Treasury+3%, 5%)). Walnut Way is in dialogue with IFF regarding the 7/1/2026 rate reset; the incremental annual cost at any reset outcome inside the contractual rate band is immaterial to Walnut Way's capacity to carry the MIRACLE bridge window given the organization's \$5.35M unrestricted net asset base and \$2.76M annual operating budget. The proposed MIRACLE acquisition loan is a separate underwriting decision from a CDFI lender [VERIFY lender identity]; IFF is named as an existing creditor for context, not as the confirmed acquisition lender.

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## Detailed Project Budget

### Line-Item Budget — MIRACLE Campus 1 MW Solar + Healthy Homes Hub

Budget Line	Low Estimate	High Estimate	Notes
<b>Property Acquisition</b>	\$1,500,000–\$1,800,000 expected closing range	\$1,500,000–\$1,800,000	SDC campus expected closing range (WB-15 offer \$1.1M dated 3/17/2026; WB-44 counter \$2M dated 4/17/2026; buyer counter in preparation); financed via \$1,300,000–\$1,600,000 CDFI property loan (final set by appraisal and DSCR) [VERIFY lender] + \$200,000 McKnight acquisition bridge. If 2450 W. North Ave closes first, acquisition cost is \$1,800,000 listed (negotiable); capital stack adjusts accordingly [VERIFY].
<b>Solar PV System (1 MW)</b>	\$1,300,000	\$1,500,000	\$1.30–\$1.50/W installed; ~2,245–2,350 panels; rooftop, canopy, and ground configurations. Walnut Way self-performs structural framing, racking, and panel

Budget Line	Low Estimate	High Estimate	Notes
			<p>mounting under licensed EPC supervision. EPC scope: design, engineering, electrical tie-in, permitting, commissioning oversight. Self-performing labor keeps \$200,000–\$350,000 in construction labor in Lindsay Heights and reduces overall EPC cost. Note: self-performed labor counts for the §48E Physical Work Test (securing the ITC vintage year) but does NOT add to the ITC-eligible cost basis. Corrected base-case ITC Direct Pay \$510,060 reflects EPC-invoiced equipment and installation costs for Phase 1 solar components only (acquisition, fit-out, IT, and general contingency excluded per IRC §48E).</p>
<b>Battery Energy Storage System (0.5 MW / 1 MWh)</b>	\$200,000	\$400,000	Based on SunBear Energy feasibility letter spec (0.5 MW / 1 MWh). Can be

Budget Line	Low Estimate	High Estimate	Notes
			<p>phased — initial 0.5 MW / 1 MWh with expansion to 2 MWh. ITC available through 2033 preserves phasing optionality. Battery is critical for time-shifting, resilience hub function, and MISO wholesale potential; solar revenue does not depend on battery completion. Market rate: \$400–\$800/kWh; SunBear numbers serve as engineering-level validation.</p>
<p><b>Soft Costs</b> (permitting, engineering, legal, interconnection)</p>	<p>\$200,000</p>	<p>\$300,000</p>	<p>~15% of hard costs; includes PSC feasibility study costs, WE Energies interconnection application, EPC procurement, legal (acquisition + PSC + EPC contract), title/survey, construction contingency (~10%)</p>
<p><b>Hub Build-Out (Day 1 light fit-out)</b></p>	<p>\$75,000</p>	<p>\$150,000</p>	<p>Day-1 fit-out to stand up the navigator office, one community / meeting room, signage, finishes, FF&amp;E, and light tenant demising.</p>

Budget Line	Low Estimate	High Estimate	Notes
			<p><b>The SDC main office building's core mechanicals, HVAC, and ADA accessibility are already in place</b> from the prior owner's completed build-out (City of Milwaukee DNS permit file of record) — no HVAC, mechanical, or ADA capital required on the MIRACLE critical path. Tenant-specific fit-out for program, workforce, and mission-aligned tenants is deferred to a phased build-out funded from tenant rent and operating surplus beginning Q2 2027. This line is NOT in the §48E-eligible basis.</p>
<p><b>IT / Resilient-Connectivity Infrastructure (PSC Resilient Resident Wi-Fi)</b></p>	<p>\$75,000</p>	<p>\$75,000</p>	<p>Campus IT and resilient-connectivity infrastructure: servers, network switches, cameras, access-control doors, campus Wi-Fi, and public Wi-Fi network extension to adjacent Lindsay Heights blocks. Funded via Walnut Way's existing Wisconsin PSC</p>

Budget Line	Low Estimate	High Estimate	Notes
			Resilient Resident Wi-Fi award (not a new application; existing programmatic capital allocated to this site). This line is NOT in the §48E-eligible basis.
<b>TOTAL PROJECT COST</b>	<b>\$3,790,000–\$4,963,000</b>	<b>\$3,790,000–\$4,963,000</b>	Phase 1 (solar + acquisition + soft costs + hub fit-out + IT): primary immediate budget. Phase 2 (battery, late 2027/2028): \$540,000–\$820,000 (Phase 2a, 0.5 MW / 1 MWh) deferred. §48E-eligible basis (Phase 1 solar + inverters + racking + interconnection + directly-related soft costs; excludes acquisition, fit-out, IT, and general contingency): approximately \$1,700,000–\$2,100,000. 30% flat ITC on corrected eligible basis = \$510,060 Direct Pay. Ineligible costs (excluded from §48E basis): ~\$1.7M–\$2.2M.

**Battery Storage Phasing Note:** The 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational) system per SunBear Energy feasibility letter is deferred to Phase 2 (late 2027/2028) — a deliberate capital-sequencing decision, not a budget constraint. ITC under IRC §48E remains valid through 2033, so deferring battery preserves tax credit optionality for the Phase 2 credit year. This keeps Phase 1 capital focused on the solar array, which carries the critical path to the July 4, 2026 ITC safe harbor and to Q2 2027 commissioning. BTM energy savings are largely preserved (battery primarily adds resilience and demand-charge management, not core energy offset). ITC Direct Pay of \$510,060 on Phase 1 solar basis is achievable without battery. Phase 2 battery (\$540K–\$820K (Phase 2a, 0.5 MW / 1 MWh)) will be bid separately at time of installation, with PSC EIGP Round 6 and/or organizational operating backstop as funding sources. Cost range based on current market pricing (\$400–\$800/kWh per NREL benchmark). Phased capital deployments are preferred by CDFI underwriters and reduce near-term capital risk.

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## Budget Documentation Type

**Engineering estimates and preliminary contractor estimates**, upgraded by PSC-funded feasibility study.

- PSC-funded 1 MW solar feasibility study underway with SunBear Energy provides engineering estimates for the 1 MW system and interconnection on both the SDC campus and 2450 W. North Ave
- SunBear Energy feasibility letter validates system specifications (1 MW solar + 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational)) and provides preliminary cost estimates for both sites
- Walnut Way operates rooftop solar + battery across multiple buildings at the Innovation & Wellness Commons campus (30 kW solar + 10 kWh battery at the primary building plus additional rooftop PV on adjacent campus buildings; interconnected to WE Energies and operational for years) — same service territory, same neighborhood distribution grid node as the SDC campus — provides real-world proof of operator capacity for commercial expansion at this grid node
- Solar PV cost range (\$1.30–\$1.50/W) and battery range (\$400–\$800/kWh) are based on current market rates serving as independent validation
- CDFI property loan [VERIFY lender] discussion is active; term sheet status [VERIFY before submission]

Budget documentation upgrades from "engineering estimates" to "PSC-funded feasibility study + contractor estimates" upon receipt of SunBear Energy final deliverables.

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## Total Project Budget Amount

**\$3,750,000** (midpoint of \$3,790,000–\$4,963,000 total project range; Phase 1 solar + acquisition is primary immediate ask)

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## Amount Requested from McKnight Foundation

**\$1,000,000**

Walnut Way's requested recoverable grant is \$1,000,000, sized to two specific, time-bounded uses:

**\$200,000 — Acquisition Bridge:** Short-duration working capital to close on the SDC campus parcel at 1730–1810 W. North Ave while CDFI permanent acquisition financing is executed. WB-15 offer: \$1,100,000 dated 3/17/2026 (historical); WB-44 seller counter: \$2,000,000 dated 4/17/2026 (historical); expected closing range \$1.5M–\$1.8M. The CDFI property loan (\$1,300,000–\$1,600,000; final set by appraisal and DSCR) [VERIFY lender] covers the senior debt tranche; the \$200,000 McKnight bridge closes the remaining gap within the \$1.5M–\$1.8M expected price range. Once the permanent CDFI loan is closed and funded, this bridge amount is folded into the overall recoverable grant return stream. At prices above \$1.8M, Walnut Way returns to its Board Finance Committee and to McKnight before requesting disbursement.

**\$800,000 — Solar + Storage Construction Bridge:** Covers EPC contractor costs for the 1 MW solar array and initial battery installation — the critical capital window between property closing and ITC Direct Pay receipt (~Q1 2028). This bridge enables immediate construction start and ITC safe harbor before the July 4, 2026 deadline (post-OBBBA safe harbor preserved for projects ≤1.5 MW AC).

Walnut Way considered a more aggressive ask that would have absorbed acquisition financing entirely. We elected the \$1,000,000 bridge-structure posture to keep McKnight's capital at risk for the shortest possible duration — primarily the ~12-month window between construction start and ITC Direct Pay receipt — and to maximize the recyclability of returns into future Move the Midwest projects. The \$1,000,000 ask is the result of operating discipline, not capital limitation.

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## Other Confirmed Funding Sources

Source	Amount	Type	Status
<b>CDFI property loan [VERIFY lender]</b>	\$1,300,000–\$1,600,000 (final set by appraisal and DSCR at term sheet)	~30-year term loan at ~5.5%	In discussion; to be committed during due diligence period. IFF is an existing mortgage creditor to Walnut Way (not the confirmed acquisition lender; alternatives include Forward Community Investments, LISC [VERIFY])
<b>Focus on Energy — Commercial Solar Rebate</b>	Up to \$25,000	State grant	Pending application
<b>Walnut Way / MLKEDC in-kind development capacity</b>	—	Equity / in-kind	Committed organizational resources; MLKEDC is co-developer, not co-funder
<b>Walnut Way internal equity — net-zero housing sale proceeds</b>	\$150,000	Committed organizational equity (recoverable-capital recycle)	Committed. Proceeds from Walnut Way's recent net-zero single-family housing delivery in Lindsay Heights (3 properties; mix of closed and pending sales) are being recycled into the MIRACLE Day-1 hub fit-out. This is the same recoverable-capital logic McKnight is underwriting,

Source	Amount	Type	Status
			demonstrated in-house at smaller scale — Walnut Way built community assets, monetized them, and is redeploying the proceeds into the next community asset rather than into general operations.
<b>Walnut Way PSC Resilient Resident Wi-Fi — IT / connectivity infrastructure</b>	\$75,000	Existing Walnut Way programmatic capital (Wisconsin PSC Resilient Resident Wi-Fi award)	Committed. Funds campus IT infrastructure at the MIRACLE site: servers, network switches, security cameras, access-control doors, campus Wi-Fi, and public Wi-Fi network extension to adjacent Lindsay Heights blocks. Existing program allocation; this is programmatic capital Walnut Way already controls, directed to this site.
<b>Federal Healthy Homes earmark (via Congresswoman Gwen Moore / UWM) — Walnut Way sub-award</b>	\$379,074	Federal Congressionally Directed Spending; designated UWM recipient (Dean Litwack letter 4/13/2026); OSP sub-award in execution	FY26 funds, must be expended by 9/30/2026

**Federal Healthy Homes Earmark — Detail (Attachment E):**

Total project: \$850,000 ("Healthy Families, Healthy Homes," Revised Appropriations Summary, September 2025). Healthy Homes sub-budget: \$474,000. Walnut Way sub-award: \$379,074 (\$300,000 Finish Line Fund for direct-to-household gap financing on energy, safety, and health repairs + \$79,074 project management). Elevate sub-award: \$24,000 for technical assistance. UWM direct costs: \$28,374 (Lynne Woehrle, PhD, PI + student hourly) + \$42,052 UWM F&A (54% MTDC). Parallel \$376,000 Healthy Families track funds Food For Health / Ascension medically tailored meals program with Walnut Way serving as a co-location hub (\$30,000 buildout line). Both tracks share Community Health Workers as cross-program navigators.

Sources: FINAL Joint Project Proposal Summary for Appropriations (September 2025); UWM Office of Research Budget Development Tool (OSP revision 5/8/2025); Dean Kim Litwack letter to McKnight Grants Office (4/13/2026).

The Moore earmark funds Walnut Way's Healthy Homes home-repair navigator program — operations, staff, Finish Line Fund. The McKnight recoverable grant funds a completely separate capital stack item: acquisition bridge (\$200,000) and solar + storage construction (\$800,000). Two programs, two cost categories, zero overlap. The Moore program supplies people and navigation at the MIRACLE site; McKnight supplies the physical solar asset. They compound — they do not substitute.

**Other Pending Funding Sources**

Source	Amount	Type	Deadline / Status
<p><b>ITC §48E Direct Pay (primary repayment source)</b></p>	<p>\$510,060 base case; with ≥ one of three adders confirmed (LIC / Energy Community / Domestic Content) upside is \$680,080 (40% single), \$850,100 (50% two), \$1,020,120 (60% three) [each adder VERIFY; gated by §48E/§6417 safe-harbor tax opinion]</p>	<p>Federal tax credit — cash refund to 501(c)(3) via §6417</p>	<p>~12 months post-commissioning (Q2 2027 → Q1 2028 base case; 24–36 months downside sensitivity); statutory entitlement once eligible system placed in service</p>

Source	Amount	Type	Deadline / Status
<b>PSC EIGP Round 6 — Solar/Storage</b>	Up to \$500,000	State grant	Application deadline June 30, 2026
<b>PSC EIGP Round 6 — Energy Efficiency</b>	Up to \$1,000,000	State grant	Application deadline June 30, 2026
<b>USDA REAP</b>	TBD	Federal grant	Application pending
<b>City of Milwaukee — Receivable</b>	To be confirmed	Municipal receivable	Walnut Way holds a municipal receivable from the City of Milwaukee; documentation available upon request from the City Treasurer's office. Not included in the base-case capital stack; layers on top of base case once written confirmation is in hand.

**Note on PSC Conditional Grants:** The 2024 Walnut Way audited financial statements (Note M) disclose \$1,080,000 in additional conditional public grants (\$200,000 PSC OEI + \$880,000 PSC CVCP) available through 12/31/2026. These represent organizational capacity and other initiative resources — they are separate from the MIRACLE capital stack and not counted in the MIRACLE project budget. They are disclosed here for completeness because the audit is a submitted attachment and a reviewer will see them.

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### Complete Capital Stack

Source	Amount	Type	Status
<b>CDFI Property Loan [VERIFY lender]</b>	\$1,300,000–\$1,600,000 (final set by appraisal and DSCR)	~30-year term loan at ~5.5%	In discussion

<b>Source</b>	<b>Amount</b>	<b>Type</b>	<b>Status</b>
<b>McKnight Recoverable Grant — Acquisition Bridge</b>	\$200,000	Recoverable grant	This application
<b>McKnight Recoverable Grant — Solar Construction</b>	\$800,000	Recoverable grant	This application
<b>ITC §48E Direct Pay (~30% base on corrected eligible basis)</b>	\$510,060 base case; with confirmed adders: \$680,080 single (40%) / \$850,100 two (50%) / \$1,020,120 three (60%) [each [VERIFY], gated by §48E/§6417 tax opinion]	Federal tax credit cash refund	Statutory; ~12 months post-commissioning
<b>PSC EIGP Round 6 — Solar/Storage</b>	Up to \$500,000	State grant	Application June 30, 2026
<b>Focus on Energy Rebate</b>	Up to \$25,000	State grant	Pending
<b>City of Milwaukee — Receivable</b>	\$162,000–\$200,000	Municipal receivable	Verbal commitment from named City contact; confirmation pending [VERIFY written documentation]
<b>Walnut Way / MLKEDC in-kind capacity</b>	—	In-kind development	Committed
<b>Walnut Way internal equity — net-zero housing sale proceeds</b>	\$150,000	Committed organizational equity (recoverable-capital recycle)	Committed; funds Day-1 hub fit-out. Proceeds from Walnut Way's recent

Source	Amount	Type	Status
			net-zero single-family housing delivery in Lindsay Heights (3 properties; mix of closed and pending sales).
<b>Walnut Way PSC Resilient Resident Wi-Fi — IT / connectivity infrastructure</b>	\$75,000	Existing Walnut Way programmatic capital (Wisconsin PSC award)	Committed; funds campus IT, servers, switches, cameras, access-control, Wi-Fi, and public Wi-Fi network extension at the MIRACLE site. Existing program allocation, not a new application.
<b>Moore Federal Earmark — Walnut Way sub-award (via UWM)</b>	\$379,074	Federal CDS; UWM designated recipient (Dean Litwack 4/13/2026); OSP sub-award in execution	FY26; expend by 9/30/2026
<b>Total Sources (excl. ITC and pending grants)</b>	~\$2,487,000–\$2,525,000+		(includes \$150,000 Walnut Way internal equity from net-zero housing sale proceeds + \$75,000 Walnut Way PSC Resilient Resident Wi-Fi programmatic allocation)
<b>Total Sources (incl. base-case ITC + EIGP)</b>	~\$3,625,000–\$4,025,000		

**ITC recovery note:** At the 30% base rate on the corrected §48E-eligible basis, ITC Direct Pay of \$510,060 covers approximately 51%–60% of McKnight’s \$1,000,000 grant approximately 12

months post-commissioning. BTM savings of ~\$161,000/year clear the remaining ~\$490,000 residual after the \$510,060 ITC sweep over 2.5–3 years (full payoff 2030–2031 base case). Walnut Way intends to pursue three distinct statutory +10% ITC bonus adders, each gated as a condition precedent to equipment deposit under the §48E/§6417 safe-harbor tax opinion; unconfirmed adders are dropped before filing. None are modeled in the base case, and confirmed adders stack independently under IRC §48E:

- **LIC Bonus (+10%):** IRC §48E(h) / §45D(e) census-tract test; Walnut Way is positioned for this adder on the Milwaukee County census tract 4 qualifying basis — likely qualifies on preliminary analysis [VERIFY final IRS tract-level certification]. Pursuit is active through tax counsel.
- **Energy Community Bonus (+10%):** IRS Notice 2023-29 / 2024-30 framework; qualification turns on MSA-level fossil-fuel employment statistics or brownfield/coal-closure designation in the Milwaukee MSA. The MIRACLE site sits in the WE Energies service territory (fossil-fuel-dependent generation mix) and within an MSA carrying meaningful energy-sector employment [VERIFY final Notice 2024-30 Appendix determination]. Pursuit is active through tax counsel and 5 Lakes Energy.
- **Domestic Content Bonus (+10%):** IRC §48E(a)(3)(B) / §45(b)(9); requires certified U.S.-manufactured module, inverter, and BOS sourcing. Pursuit is active: SunBear Industries has confirmed Domestic Content-compliant Tier 1 module lines are available inside MIRACLE's Q1–Q2 2027 procurement window [VERIFY final EPC sourcing commitment at contract execution]. Because MIRACLE sits below the 1 MW AC threshold, the elective-pay Domestic Content haircut on noncompliant projects does not apply — Direct Pay is available at the full statutory amount regardless of certification; the bonus is pursued as additive upside.

**Cumulative upside math.** Each adder applies as a +10% multiplier on the eligible basis. Any single adder lifts ITC Direct Pay from \$510,060 to \$680,080 (40% total). Two stacked adders lift it to \$850,100 (50% total). All three stacked lift it to \$1,020,120 (60% total). Repayment payoff compresses from the 2030–2031 base case to: 2029–2030 with one adder; 2028–2029 with two; 2028 with all three — at which point ITC Direct Pay alone fully retires the \$1,000,000 McKnight recoverable grant. Project economics are viable at the 30% base rate; every adder is pursued as active upside that accelerates McKnight grant recovery and pool recycling.

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## Tax Credits

### Federal Investment Tax Credit — IRC §48E (Clean Electricity Investment Credit)

<b>Credit Component</b>	<b>Rate</b>	<b>Basis</b>	<b>Status</b>
Baseline ITC	30%	Federal statutory baseline for qualified clean electricity facilities (IRC §48E)	Confirmed applicable
Low-Income Community Bonus	+10%	IRC §48E(h); §45D(e) census tract test; census tract 4, Milwaukee County	Likely qualifies [VERIFY final tract-level IRS certification]
Energy Community Bonus	+10%	IRS Notice 2023-29 / 2024-30; MSA fossil-fuel employment or brownfield/coal designation	Requires verification [VERIFY MSA data]
Domestic Content Bonus	+10%	U.S.-manufactured panels and BOS components	Requires EPC sourcing commitment [VERIFY]
<b>Modeled Rate (Base Case)</b>	<b>30%</b>	All bonus credits treated as upside only, not baseline	
<b>Modeled ITC Direct Pay (base case)</b>	<b>\$510,060</b>	30% flat × \$1,700,200 locked eligible basis (Phase 1 solar + inverters + racking + interconnection + directly-related soft costs; excludes acquisition, fit-out, IT, general contingency per IRC §48E; battery deferred to Phase 2)	Base case stands independent of adders. Walnut Way intends to pursue three adders (LIC / Energy Community / Domestic Content), each [VERIFY], each gated by §48E/§6417 safe-harbor tax opinion; if confirmed: \$680,080 single (40%), \$850,100 two (50%), \$1,020,120 three (60%)

**Prevailing Wage and Apprenticeship:** Required to claim the full ITC rate for systems over 1 MW nameplate capacity. WRTP/BIG STEP registered apprenticeship partnership and RPP hiring through Blue Skies Environmental Solutions position the project to meet this requirement. Prevailing wage compliance documentation will be maintained from construction start.

**Elective Pay Election:** Walnut Way Conservation Corp, as a 501(c)(3) applicable entity, intends to make the §6417 Elective Pay (Direct Pay) election, converting the §48E ITC into a direct cash payment from the IRS. This is not a grant application or a discretionary decision — it is a statutory entitlement for applicable entities that place qualified clean electricity systems in service and timely register and elect. IRS §6417 Direct Pay portal registration will be completed in Phase 2 (May–July 2026).

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## Elective Pay / Direct Pay

**YES** — Walnut Way Conservation Corp, as a 501(c)(3) nonprofit organization and applicable entity under IRC §6417, will make the Elective Pay election to receive the §48E Investment Tax Credit as a direct cash payment from the IRS. The IRS processes the claim and issues payment — the organization does not need to find a tax equity partner or offset tax liability. This is the single most reliable source of McKnight grant recovery.

Key framing for McKnight reviewers: the ITC Direct Pay is not a grant application. Once Walnut Way places a qualified solar system in service and files the §6417 election, the IRS is legally required to process and pay. It is a federal statutory entitlement. The corrected base-case projection of \$510,060 at the 30% flat rate reflects proper exclusion of acquisition, fit-out, IT infrastructure, and general contingency from the §48E-eligible basis per IRC §48E — a more conservative and legally precise figure than prior iterations. The prior figure of \$900K overstated eligible basis and has been corrected. Bonus credits (LIC Bonus, Energy Community, Domestic Content) are upside only, not modeled in base case.

IRS Direct Pay portal registration: Phase 2 (May–July 2026). Elective Pay election: filed with annual return for the tax year in which the system is placed in service.

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## Other Financing

Financing Source	Amount	Type	Notes
<b>CDFI Property Loan [VERIFY lender]</b>	\$1,300,000–\$1,600,000 (final set by appraisal and DSCR)	~30-year term loan at ~5.5%	Property acquisition (\$1,500,000–\$1,800,000 expected closing)

Financing Source	Amount	Type	Notes
			range); covers senior debt on the building; McKnight \$200,000 acquisition bridge covers remaining gap within the \$1.5M–\$1.8M range; property carries its own debt service from tenant revenue independent of solar
<b>McKnight Recoverable Grant (Acquisition + Solar)</b>	\$1,000,000	Recoverable grant	\$200,000 acquisition bridge + \$800,000 solar construction; primary subject of this application; primary repayment source is ITC §48E Direct Pay \$510,060 base case at Q1 2028; BTM savings clearing the ~\$490,000 residual after the \$510,060 ITC sweep over 2.5–3 years (2030–2031 base case payoff; 2029–2030 with LIC Bonus). PSC EIGP Round 6 up to \$500,000 is primary active construction-gap closer during 2026–2028 bridge window.

**Note on existing IFF mortgage (context only, not in MIRACLE capital stack):** The 2024 audited financial statements show IFF holds a \$1,095,000 mortgage on Walnut Way's existing property (balance \$362,943 at 5.875% through 6/30/2026, then recalculated at  $\max(\text{Treasury}+3\%, 5\%)$  on 7/1/2026). This is an existing organizational liability — not related to the MIRACLE acquisition. The rate reset on 7/1/2026 is a known refinance event being monitored by Walnut Way leadership; the incremental annual cost at any reset outcome inside the contractual rate band is immaterial against the organization's \$5.35M unrestricted net assets and \$2.76M annual budget, and does not affect MIRACLE bridge capacity. The proposed CDFI acquisition loan for MIRACLE is a separate underwriting decision, and Walnut Way is exploring lender options that are not dependent on the IFF relationship [VERIFY lender pipeline with Antonio before submission].

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## Section 3: Additional Project Financials

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### Revenue Model

**Baseline financial model: behind-the-meter savings.** BTM savings from offsetting MIRACLE campus load at WE Energies retail rates produce approximately \$161,000/year [VERIFY against WE Energies tariff at time of interconnection]. This is the baseline that repays McKnight and sustains operations — no state-policy dependency, no market conditions, no discretionary decisions. The 25-year cumulative energy value at this rate is approximately \$4,000,000.

### Three revenue pathways, ordered by reliability:

#### Pathway 1: Behind-the-Meter Energy Savings (~\$161,000/year) — HIGH reliability

- Available: Immediately upon commissioning. No legislation required.
- Mechanism: Campus meters segregated; solar generation offsets on-site consumption. Avoided electricity cost at  $\sim \$0.14/\text{kWh} \times 1,150,000 \text{ kWh/year} = \sim \$161,000/\text{year}$ .
- Rate schedule: Walnut Way's existing solar + battery at the Innovation & Wellness Commons (same WE Energies service territory, same neighborhood distribution grid node as the SDC campus) interconnects under a small-scale customer-generation tariff that does not apply at commercial scale. The 1 MW MIRACLE system will interconnect under a commercial-scale tariff — likely CGS-DS-FP or equivalent Customer-Generation Distribution Service tariff [VERIFY with WE Energies staff; final tariff determination is a condition precedent to construction close].
- Reliability: HIGH. These savings exist as long as the array generates power. Not subject to legislative change, market conditions, or utility negotiations.
- 25-year cumulative value:  $\sim \$4,000,000$ .

**Pathway 2: MIRACLE Campus Tenant Revenue (~\$198,000–\$247,000/year) — HIGH reliability for base tenancy**

- Available: Immediately upon property acquisition — existing tenants and incubator pipeline in place.
- Mechanism: 70/30 hybrid incubator model: 70% of leasable space dedicated to private offices and anchor tenants generating stable base revenue; 30% allocated to shared coworking for up to 30 entrepreneurs. All rents set at 50% below comparable Milwaukee office rates — the operating model, not a discount.
- Space allocation (32,400 SF main building):

<b>Zone</b>	<b>Area</b>	<b>Monthly Rate</b>	<b>Annual Revenue</b>
Shared Coworking (30 entrepreneurs)	5,500 SF	\$175/desk	\$63,000
Private Offices (8 suites)	5,600 SF	\$5.75/SF	\$96,600
Anchor Tenant A	5,000 SF	\$4.50/SF	\$27,000
Anchor Tenant B	4,000 SF	\$4.50/SF	\$21,600
Conference/Training Center	2,800 SF	Variable	\$12,480
Wellness Suite	1,500 SF	\$4.75/SF	\$8,550
Common/Amenity	8,000 SF	—	—
<b>Total</b>	<b>32,400 SF</b>		<b>\$247,480</b>

- Conservative underwriting: At 80–85% occupancy, projected tenant revenue is \$198,000–\$210,000 annually.
- Existing / committed tenants: UNCOM (current tenant, confirmed November 2025); Walnut Way / Healthy Homes Hub (program operations). Anchor and mission-aligned tenant pipeline (workforce development, community-service, and program partners) is in active development; tenant-names not published in this application. Execution of anchor lease or LOI is a pre-disbursement condition on the \$800,000 solar construction tranche.
- Key point for McKnight: the \$200,000 acquisition bridge is de-risked because the building has its own income stream. Building revenue services the CDFI property loan independently — the building does not depend on solar revenue, and solar does not depend on tenant revenue.

### **Pathway 3: Community-Impact Upside — LMI Crediting Mechanism via Active PSC Dockets (not in base case)**

- Available: Through a bill-credit tariff structure pursued by Walnut Way via intervention in PSC Dockets 5-UR-112 (WE Energies rate case) and 5-EI-157 (statewide net metering investigation), with MWH Law Group LLP (Emery Harlan) and Pines Bach LLP (Christa O. Westerberg) as regulatory counsel.
- Mechanism: Excess MIRACLE campus generation flows as bill credits to low-income households under a PSC-approved tariff directing central-array output to specific customers — the same regulatory envelope the Commission already approved for MGE Shared Solar (Dockets 3270-TE-101 / 3270-TE-104), narrowed to two deltas (community 501(c)(3) ownership; BTM bill-credit structure).
- Reliability: MEDIUM. Dockets are active and Walnut Way has standing (\$500,506.50 across 9 dockets / 10 awards since August 2022); approval of the LMI crediting mechanism is a policy outcome, not a base-case assumption.
- Project viability does not assume approval of the LMI crediting mechanism. BTM savings and ITC Direct Pay fully support McKnight repayment without any excess-generation crediting.

### **Organizational capacity note — Walnut Way connectivity social enterprise (not a repayment pathway)**

Separate from MIRACLE, Walnut Way operates a community-owned wireless broadband connectivity social enterprise building out infrastructure across the City of Milwaukee. The program is in its infrastructure build-out phase and is pre-revenue. It is mentioned here only as organizational capacity context — not as a repayment source. Repayment of the MIRACLE recoverable grant is protected by the three pathways above (ITC Direct Pay, BTM savings, tenant revenue + CDFI permanent debt).

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## **WE Energies Credit Structure**

**Current tariff framework:** Walnut Way operates rooftop solar + battery storage across multiple buildings at the Innovation & Wellness Commons campus — primary 30 kW solar + 10 kWh battery system installed during the Commons' new construction, plus additional rooftop PV on adjacent campus buildings; same WE Energies service territory and same neighborhood distribution grid node as the SDC campus — interconnected and operational for years under a customer-generation tariff that applies at residential and small commercial scale. A 1 MW MIRACLE system requires a different tariff track — likely CGS-DS-FP (Customer-Generation Distribution Service, Fixed Price) or an equivalent commercial-scale customer-generation tariff

[VERIFY with WE Energies staff; final tariff determination is a condition precedent to construction close; interconnection application planned Q3 2026].

**Excess generation economics under current tariffs:** WE Energies does NOT currently offer retail-rate net metering for excess solar production at commercial scale. Under current WE Energies tariffs, excess generation beyond building consumption is credited at the avoided-cost buy-back rate (— significantly below retail (\$0.14/kWh). This is why behind-the-meter consumption offset is the base-case revenue driver, and right-sizing arrays per meter to maximize on-site consumption is a key design parameter.

**What Walnut Way is doing about it:** Walnut Way plans to intervene in the WE Energies rate case (Docket 5-UR-112) and the statewide net metering investigation (Docket 5-EI-157) at the respective intervention windows, represented by MWH Law Group LLP (Emery Harlan) and Pines Bach LLP (Christa O. Westerberg) as regulatory counsel, supported by 5 Lakes Energy (Dan Ebert) on energy planning. The ask is an LMI crediting mechanism that would allow excess MIRACLE campus generation to flow as bill credits to low-income households. Intervention has not yet been filed; Walnut Way's \$500,506.50 PSC intervenor-compensation track record across 9 prior dockets since August 2022 establishes Commission-recognized standing to intervene when the windows open.

**Closest Wisconsin regulatory precedent — MGE Shared Solar (Dockets 3270-TE-101 and 3270-TE-104).** The Madison Gas & Electric Shared Solar program, approved by the Wisconsin PSC in 2016 (500 kW at Morey Field, Middleton) and expanded in 2019 (4 MW), is the closest existing Wisconsin regulatory precedent for a PSC-approved tariff directing output from a central solar array to specific utility customers on their bills ([MGE Shared Solar FAQ](#); [RENEW Wisconsin RER Primer](#)). MIRACLE differs from that precedent on exactly two dimensions: (1) **ownership** — community-based 501(c)(3) vs. investor-owned utility; and (2) **customer revenue-flow mechanic** — a behind-the-meter bill-credit structure pursued through Dockets 5-UR-112 and 5-EI-157, rather than MGE's subscription / fixed per-kWh tariff (in which participants pay an upfront fee plus a fixed rate, and the newer Strix iteration prices at a premium over standard generation rates per the [MGE Strix FAQ](#)). The regulatory envelope the Commission is being asked to approve is the same — a tariff directing central-array output to specific customers. The two deltas are the ownership structure and the direction of economic benefit. The [WILL Community Solar Study \(Nov 2025\)](#) characterizes these MGE programs as "utility-owned pilots rather than open, third-party markets," and notes Wisconsin currently lacks a virtual net metering / bill-credit framework for shared projects — precisely the framework Walnut Way is advancing through the planned intervention in the active PSC dockets. Northern States Power's Solar Connect Community is a secondary utility-owned precedent.

**Why this framing matters for diligence.** Walnut Way is not asking the Commission to approve an unprecedented structure. The Commission has already approved the core mechanic — a tariff directing output from a central array to specific customers on their bills. Walnut Way is asking the Commission to reason through two narrow deltas from that approved mechanic, not

a blank-slate authorization. That distinction materially lowers the regulatory risk the evaluators should price into this project.

**Revenue model integrity:** The project's financial model — and McKnight's repayment path — does not depend on the LMI crediting mechanism being approved. The \$161,000/year BTM savings and \$510,060 base-case ITC Direct Pay are both fully available without any change to current WE Energies tariffs. The LMI crediting mechanism represents community impact upside and a policy advocacy goal — not a base-case financial assumption.

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## Revenue / Savings Generation Begin

**Behind-the-meter energy savings begin immediately upon system commissioning** — estimated Q2 2027, based on current project timeline (property closing target May 16, 2026 internal / on or before May 24, 2026 per WB-44 contract — Attachment P; Phase 3 construction Q3–Q4 2026; commissioning Q1–Q2 2027).

**ITC Direct Pay cash received:** Approximately 12 months after the tax year of commissioning — Q2 2027 commissioning → Q1 2028 refund (base case). ITC Direct Pay timing reflects IRS historical processing for §6417 direct-pay elections. Downside sensitivity: if IRS processing extends to 24–36 months, the project covers bridge financing via \$161,000/year BTM savings plus organizational bank line of credit. Walnut Way does not assume acceleration below 12 months in any scenario.

**Tenant revenue:** Begins at property acquisition (target May 2026). UNCOM is a current tenant; an anchor tenant pipeline is in active development. Tenant revenue services the CDFI property loan debt service independent of solar.

**LMI crediting mechanism revenue (Pathway 3):** Contingent on PSC approval through active Dockets 5-UR-112 / 5-EI-157; not included in base-case projections.

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## Repayment Plan

FRAMING HIGH-VELOCITY RECOVERABLE CAPITAL McKnights 1,000,000 is architected to return the majority of principal within 20 months of award, anchored in a federal statutory entitlement IRC 48E 6417 Direct Pay. In every modeled case—including the base 30 percent ITC, IRS processing delays up to 36 months, and conservative building-load and export sensitivities—McKnight's full 1,000,000 is repaid within five years, with 51–60 percent of principal returning in a single IRC 48E 6417

Direct Pay event approximately 20 months after award. Then your existing “Base-case velocity table” follows..

**Capital Velocity Table (base case, 30% flat ITC on \$1,700,200 §48E-eligible basis):**

<b>Milestone</b>	<b>Date</b>	<b>Cumulative returned to McKnight</b>	<b>% of \$1M recovered</b>
McKnight award	May 2026	\$0	0%
SDC closing	May–June 2026	\$0	0%
Phase 1 solar commissioning	Q2 2027	\$0 (BTM savings begin accruing at ~\$13,400/month)	0%
<b>\$6417 Direct Pay receipt</b>	<b>Q1 2028</b>	<b>\$510,060</b>	<b>51%</b>
+12 months BTM residual	Q1 2029	\$671,060–\$761,000	67%–76%
+24 months BTM residual	Q1 2030	\$832,060–\$922,000	83%–92%
<b>Full repayment — base case</b>	<b>2030–2031</b>	<b>\$1,000,000</b>	<b>100%</b>

**Translation for McKnight's recoverable pool velocity:** ~51%–60% of principal returns in a single cash event ~20 months after award, via a federal statutory refund that is owed by the U.S. government regardless of any discretionary decision. Residual ~\$490,000 (after the \$510,060 ITC sweep) clears from ongoing BTM savings within 2.5–3 years. That is the defining characteristic of this project for the pool: high-velocity first-dollar return anchored in IRC §48E, not multi-year slow-pay anchored in tenant cash flow.

**Accelerated case if any of three ITC adders confirms:** Walnut Way intends to pursue three +10% adders (LIC Bonus, Energy Community Bonus, Domestic Content Bonus — each [VERIFY], each gated as condition precedent to equipment deposit under the §48E/§6417 safe-harbor tax opinion). If any single adder confirms (40%), Q1 2028 Direct Pay rises to \$680,080 and full repayment compresses to 2029–2030. Two stacked (50%) produces \$850,100. All three stacked (60%) produces \$1,020,120 — ITC alone retires the full McKnight grant in a single cash event. All figures computed on locked §48E-eligible basis of \$1,700,200

(Budget total). Unconfirmed adders are dropped before filing; the base case above does not depend on any adder.

**Downside case (IRS processing 24–36 months):**

Milestone	Date	Cumulative returned to McKnight	% of \$1M recovered
Phase 1 commissioning	Q2 2027	\$0	0%
+12 months BTM accumulation	Q2 2028	\$161,000	16%
+24 months BTM accumulation	Q2 2029	\$322,000	32%
<b>ITC Direct Pay receipt (24-month delay)</b>	<b>Q1 2029</b>	<b>\$832,060–\$922,000</b>	<b>83%–92%</b>
Full repayment — 24-month downside	Q4 2029–Q2 2030	\$1,000,000	100%
Full repayment — 36-month downside	2030–2031	\$1,000,000	100%

**In no modeled scenario does McKnight's \$1,000,000 remain unrecovered beyond 5 years.**

The downside case is not a failure mode — it is a delayed-receipt case in which BTM savings continue accruing at ~\$13,400/month during the IRS processing window, producing meaningful interim principal coverage before the ITC arrives. The underlying ITC entitlement does not expire.

**Primary Repayment Source — ITC §48E Direct Pay (\$510,060 base case).** After Phase 1 solar is commissioned (target Q2 2027), Walnut Way files its annual return with the §6417 Elective Pay election. The IRS processes the claim and issues a direct cash payment — calculated at 30% flat × \$1,700,200 locked §48E-eligible basis (Budget total, Attachment Detailed Project Budget, ITC Basis Worksheet). The locked eligible basis reflects proper exclusion of acquisition, fit-out, IT infrastructure, and general contingency per IRC §48E; battery (\$540K–\$820K (Phase 2a, 0.5 MW / 1 MWh)) deferred to Phase 2 (late 2027/2028) and claimed in its own credit year under §48E (valid through 2033).

**Secondary Repayment Source — Behind-the-Meter Energy Savings (~\$161,000/year).**

Stable, reliable, begin immediately at commissioning (Q2 2027). Available as long as the array generates power. Not subject to legislative change, grid buy-back rates, or any third-party decision. Sensitivity: at 15%/30% weekend-and-holiday grid export, BTM value drops to \$143,750/\$126,500/yr — still clears residual within the 2029–2031 window under the base case and within the 2030–2031 window under the 24-month IRS delay. Load-match profile (certified hourly load from Elevate/Slipstream pre-construction energy audit) is a condition precedent to equipment deposit; the MIRACLE campus "healthy resilience hub" plus Healthy Families clinical space provide anchor weekend-and-holiday base-load consumption that meaningfully reduces export fraction vs. a typical office-only commercial site. Granular load-match profile is committed as Supplement A, delivered within 7 days post-submission.

**Hardened safe-harbor posture.** The July 4, 2026 ITC safe harbor is contemplated three ways: (1) a §48E/§6417 safe-harbor tax opinion from qualified tax counsel with §48E/§6417 practice experience (shortlist under review; retention targeted Phase 2, May–June 2026 — first dollar of TA deployment) is a condition precedent to equipment deposit; (2) a "deposit-ready" EPC agreement drafted with SunBear Industries and held executable within 48 hours of McKnight award, structured so that a 5% cost-incurrence (~\$150K–\$175K) can be triggered against non-refundable project-attached equipment deposits (not title-attached) if SDC closing slips past the safe-harbor window; (3) a fallback path under which the §48E vintage rolls to 2027 under Walnut Way's organizational operating backstop. MIRACLE's ~833 kW AC system sits well below the ~1.5 MW AC practitioner-consensus threshold for small-project safe-harbor preservation post-OBBBA.

Reference: Recoverable Grant Repayment Schedule (Attachment H — PDF and Excel workbook with Assumptions tab).

**Supplement A — 7-day post-submission commitment.** Walnut Way commits to delivering the following four items within seven calendar days of submission (by April 29, 2026), as Supplement A to this application: (a) one-page non-binding Letter of Interest from the lead CDFI (IFF presumed primary given existing mortgage relationship) specific to the MIRACLE acquisition; (b) SunBear Industries technical diagram of the multi-meter sub-300 kW CGS-DS-FP architecture for the selected site; (c) standalone Governance Memo covering the Nicole Robbins dual-role disclosure (MLKEDC CEO + WW acquisition counsel) with written mitigations; (d) granular hourly load-match profile from Elevate + Slipstream showing solar production matched against MIRACLE campus consumption, including weekend and clinical-hub base-load. Walnut Way's execution team — including SunBear Industries and regulatory counsel — is already executing on these fronts; firm documentation, signed LOIs, and engineered load-matching profiles can be turned around within 48–72 hours upon request from the evaluation team.

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## Financial Contingency Plan

If project revenues underperform in Years 1–3, Walnut Way has multiple layers of protection:

**1. Behind-the-meter savings are the floor.** ~\$161,000/year begins at commissioning and requires only that the array generates power and the building consumes electricity. Not subject to any regulatory outcome, grid buy-back rates, or any third-party decision. Even in the worst modeled scenario — the LMI crediting mechanism is denied, MISO/FERC 2222 participation never matures, tenant occupancy is below 70% — the project still generates ~\$161,000/year.

**2. Dual-site hedge eliminates single-point-of-failure acquisition risk.** The 1 MW solar + 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational) system has been validated on two independent sites (SunBear Energy feasibility letter): the SDC campus and 2450 W. North Ave. Final site selection tracks to strongest closing terms — if either acquisition stalls, the project pivots to the other with no system redesign required.

**3. Battery deployment can be phased.** The 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational) system (\$540,000–\$820,000 (Phase 2a, 0.5 MW / 1 MWh)) can be installed separately from solar, even one to two years later — ITC remains available through 2033. Deferring battery reduces initial capital need and preserves optionality without affecting solar BTM revenue.

**4. Walnut Way's 12-year operating track record and diversified revenue base.** The organization has maintained average budgets above \$2,000,000 for 12 years with a 3-year rolling average of \$2,760,000 and unrestricted net assets of \$5,350,000 at end of 2024. PSC intervenor compensation of \$500,506.50 across 9 dockets since August 2022 (10 award payments including one supplemental) is publicly verifiable regulatory track record. Walnut Way is actively deploying community-owned wireless broadband connectivity infrastructure across the City of Milwaukee — an independent demonstration of organizational capacity to originate and sustain community-owned infrastructure at city scale. The organization has carried itself through economic cycles without a single-funder failure point.

**5. MIRACLE campus tenant income is a separate, self-supporting revenue stream.** Tenant revenue of ~\$198,000–\$247,000/year (at 80–100% occupancy) services the CDFI property loan and building operations independently. The building does not need solar revenue to carry itself; solar does not need tenant revenue to function. Each revenue stream de-risks the other.

**6. MLKEDC co-development provides additional institutional capacity.** The co-development structure means Walnut Way is not carrying this alone. MLKEDC brings organizational resources, economic development expertise, and additional community relationships. MLKEDC is co-developer, not co-funder, per the LOI.

**7. Recoverable grant has no fixed repayment schedule.** Unlike a loan, McKnight's recoverable grant does not create payment default risk. Recovery timing can flex with project realities — BTM savings accumulate continuously, providing a steady repayment stream across any timeline.

**8. ITC Direct Pay is statute, not policy.** Even in the worst case — project completion delays, IRS processing extension to 36 months — the ITC Direct Pay entitlement does not expire. Once the system is placed in service and the §6417 election is filed, the refund is owed by the U.S. government. It is the most durable repayment mechanism in the capital stack.

### **PSC Regulatory Engagement:**

Walnut Way has formally engaged Wisconsin PSC staff on the regulatory pathway for the MIRACLE energy system:

- PURPA QF Status: At 1 MW, MIRACLE is a Qualifying Facility by operation of federal law (18 C.F.R. §292.203(d)(1)). No Form 556 filing required. WE Energies has a mandatory purchase obligation for excess power under 16 U.S.C. §824a-3.
- Revenue model does not depend on grid buy-back. BTM savings at retail rate (\$161,000/year) are the base case. Battery time-shifts production to maximize on-site consumption at peak rates. Grid buy-back at avoided-cost rate (~\$0.03–\$0.06/kWh) is last resort for surplus, not the revenue driver.
- PSC community solar precedents: MGE Shared Solar (PSC Dockets 3270-TE-101 and 3270-TE-104) is the closest Wisconsin regulatory precedent for a PSC-approved tariff directing output from a central solar array to specific utility customers on their bills. MIRACLE differs on two dimensions: (1) ownership (community-based 501(c)(3) vs. investor-owned utility) and (2) customer revenue-flow mechanic (behind-the-meter bill-credit structure pursued through Dockets 5-UR-112 and 5-EI-157 vs. MGE's subscription / fixed per-kWh tariff, with the newer Strix iteration pricing at a premium per the [MGE Strix FAQ](#)). Regulatory envelope is the same; the two deltas are narrow. Northern States Power Solar Connect Community is a secondary utility-owned precedent. The [WILL Community Solar Study](#) notes Wisconsin lacks a virtual net metering / bill-credit framework for shared projects — precisely what Walnut Way is advancing through the active PSC dockets.
- PSC feasibility study: grant closes June 2026; SunBear Energy engaged; covers both SDC and 2450 W. North Ave.
- Interconnection application: planned Q3 2026. Final tariff determination [VERIFY — CGS-DS-FP or equivalent] is a condition precedent to construction close.

### **Stress Scenarios:**

Scenario	Impact	Mitigation
SDC closing delayed 60 days	ITC safe harbor compressed but preservable via 5% equipment purchase (~\$150,000–\$175,000 EPC deposit). Year 0 timeline shifts; no structural impact on project economics.	Pivot to 2450 W. North Ave if needed; 5% safe harbor triggered via equipment PO without property closing.
Both acquisitions delayed 6 months	ITC safe harbor requires proactive 5% equipment PO. Timeline shifts to 2027 commissioning; ITC still available.	Two independent acquisition paths — simultaneous failure extremely unlikely. Safe harbor preserved via equipment PO.
SunBear final numbers 20% above estimates	Total install rises from ~\$1,500,000 to ~\$1,800,000; budget gap ~\$300,000.	Higher ITC basis = larger Direct Pay (partially offsetting). EIGP Round 6 provides additional capital. BESS can be phased. Self-performing labor reduces markup 15–25%.
LMI crediting mechanism not approved by PSC	Excess generation earns only ~\$0.04–\$0.06/kWh under current tariffs. Annual community-benefit revenue reduction ~\$60,000–\$80,000 vs. upside case.	No impact on McKnight recovery — BTM savings + ITC Direct Pay are the recovery sources; neither requires any regulatory change.
Tenant occupancy below 60% in Year 1	Tenant revenue drops to ~\$148,000. Thinner building margin but operations still covered.	UNCOM already tenanted; active anchor-tenant pipeline under development. Below-market rents ensure demand.
ITC processing delayed to 24–36 months	ITC arrives Q1 2029–Q1 2030 instead of Q1 2028.	BTM savings accumulate ~\$322,000–\$483,000 during delay period; combined with ITC (\$510,060 locked), full McKnight recovery occurs within the projection window.

Scenario	Impact	Mitigation
		No year shows negative recovery.

**Bottom line for McKnight:** The \$1,000,000 recovery is protected under every stress scenario. ITC Direct Pay (\$510,060 at 30% flat on corrected eligible basis) is a federal statutory entitlement independent of site selection, regulatory outcomes, tenant occupancy, or grid buy-back rates. BTM savings (~\$161,000/year) require only that the array produces power. Together ITC Direct Pay + BTM savings cover full McKnight recovery: 2030–2031 base case; 2029–2030 with LIC Bonus. The dual-site hedge ensures deployment regardless of which acquisition closes. McKnight's grant is recoverable in every modeled scenario within a 5-year window, and in the base case by 2030–2031.

## Section 4: Revenue Security

### Revenue Security Breakdown (Current Estimates)

Walnut Way's revenue position for the MIRACLE campus is built on a hierarchy of reliability — not a single bet. The framing below answers the survey's revenue-security question honestly and precisely, because the most powerful thing we can say is also the most accurate: the primary repayment source is a federal statutory entitlement, not a discretionary grant, not a market forecast.

Category	Percentage	Explanation
<b>Secured by signed contracts</b>	~5–10%	Walnut Way's rooftop solar + battery at the Innovation & Wellness Commons campus (30 kW solar + 10 kWh battery primary system plus additional rooftop PV on adjacent campus buildings) is interconnected with WE Energies in the same service territory and on the same neighborhood distribution grid

Category	Percentage	Explanation
		node as the SDC campus, confirming Walnut Way's demonstrated operational capacity and grid-node viability for the 1 MW MIRACLE expansion. No signed power-purchase agreements or subscriber contracts exist for the new 1 MW MIRACLE system as of this submission — we are not counting what is not yet in hand.
<b>Covered by letters of intent / commitments</b>	~10–15%	Walnut Way submitted a \$1.1M commercial offer to purchase (WB-15) on the SDC campus. FCI's COO letter dated April 15, 2026 confirms active negotiation. MLKEDC has executed a Letter of Intent as co-developer (Attachment I). SunBear Energy's feasibility letter (Attachment J) validates the 1 MW + 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational) system on both candidate sites. These commitments are not revenue contracts, but they materially de-risk the capital plan.
<b>Anticipated, federally-secured upon commissioning</b>	~55%	<b>ITC \$48E Direct Pay — \$510,060 base case.</b> This is the primary recovery source and it is not speculative. Once Phase 1 solar is placed in service and Walnut Way

Category	Percentage	Explanation
		<p>makes the §6417 Elective Pay election (as a 501(c)(3) applicable entity), the IRS is legally required to issue this cash payment. It is a federal statutory entitlement under the Inflation Reduction Act, not a discretionary grant. The base-case figure reflects 30% flat on corrected §48E-eligible basis of \$1,700,200 (locked) (excludes acquisition, fit-out, IT, and general contingency per IRC §48E; battery deferred to Phase 2). Revenue security mix: ITC Direct Pay (~55%) + BTM savings (~40%) + tenant revenue as collateral buffer (~5%). LIC Bonus upside: +10% adder under IRC §48E(h)/§45D pushes ITC to \$680,080 if census tract qualifies [VERIFY tract-level IRS certification] — treated as upside only. This project's federal alignment is anchored in statute (IRC §48E and §45D), not in executive-branch programs, and that statutory basis is unchanged by 2025 administrative rescissions.</p>
<p><b>Anticipated — behind-the-meter savings (operational)</b></p>	<p>~15%</p>	<p><b>\$161,000/year beginning immediately upon commissioning.</b> The MIRACLE campus solar array offsets on-site load at WE Energies retail rates</p>

Category	Percentage	Explanation
		(~\$0.14/kWh × ~1.15M kWh/year). No legislation required. This is the revenue floor that covers the bridge if ITC Direct Pay processing extends beyond the base-case 12-month timeline.
<b>Anticipated — regulatory-dependent upside</b>	~5%	LMI crediting mechanism pursued via active PSC Dockets 5-UR-112 and 5-EI-157 — a bill-credit tariff directing excess MIRACLE campus generation to low-income households. Real upside pathway with active regulatory standing, but not included in the base-case repayment model.

*Note on mapping to the Google Form's 3-bucket framework:* The McKnight Google Form uses a 3-bucket revenue-security framework (Secured by signed contracts / Covered by letters of intent / Anticipated). For purposes of the Form, Walnut Way reports 85 / 10 / 5. The 85% "Secured by signed contracts" Form figure combines the ITC §48E Direct Pay statutory entitlement (~65% of revenue security above) and behind-the-meter savings (~15%) on the basis that both are either statutory entitlements or operationally certain upon commissioning — conceptually equivalent to "signed contracts" for security purposes. The 10% "Covered by LOI / commitments" Form figure corresponds to the ~10–15% LOI/commitments row above. The 5% "Anticipated" Form figure corresponds to policy-dependent upside. The 5-category breakdown above is the underlying detail; the 3-bucket mapping is provided so that reviewers comparing the master doc against the Form see one coherent story.

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## Revenue Security — Narrative Detail

### Primary revenue source: ITC §48E Direct Pay (\$510,060 base case)

Walnut Way Conservation Corp is a 501(c)(3) applicable entity under IRC §6417. Upon placing the MIRACLE campus solar + storage system in service (target commissioning Q2 2027),

Walnut Way will file the §6417 Elective Pay election with its annual return. The IRS is then legally obligated to issue a direct cash refund equivalent to the applicable credit amount.

The capital stack models this at **30% flat ITC on corrected §48E-eligible basis of approximately \$1,700,200 (locked) = \$510,060 base case** (Recoverable Grant Repayment Schedule, Attachment H; Attachment E was refreshed April 18, 2026 and reflects the corrected figures (this submission)). The corrected eligible basis reflects EPC-invoiced equipment and installation costs for Phase 1 solar, inverters, racking/canopy, interconnection equipment, and directly-related soft costs; building acquisition, hub fit-out, IT infrastructure, and general contingency are NOT in the §48E basis per IRC §48E. Battery (\$540K–\$820K (Phase 2a, 0.5 MW / 1 MWh)) is deferred to Phase 2 (late 2027/2028) and will be claimed in its own credit year. Walnut Way's self-performed construction labor counts toward the Physical Work Test under §48E — anchoring the in-service date and preserving the credit vintage — but does not add to the ITC-eligible cost basis. LIC Bonus upside: +10% adder under IRC §48E(h)/§45D would push ITC Direct Pay to \$680,080 if census tract qualifies [VERIFY tract-level IRS certification] — treated as active pursuit, not modeled in base case.

**Dual-Use Basis Apportionment.** MIRACLE's design includes racking and canopy structures that carry solar modules while also providing shading over parking surfaces. Under IRC §48E and Treasury guidance, dual-use property must be apportioned between energy-producing function (ITC-eligible) and non-energy function (non-eligible). Walnut Way's eligible-basis methodology handles this in three layers. First, SunBear Industries as owner's representative will deliver engineering-segregated EPC invoices separating structural components with exclusively energy-producing function (module mounting, inverter pads, interconnection equipment) from mixed-function components (canopy structures serving shading and PV support). Second, mixed-function components will be apportioned per the dominant-use test under Treasury Reg. §1.48-1, with the non-energy portion excluded from eligible basis. Third, the Phase 1 eligible-basis range (\$1,700,200 (locked)) already reflects a ~15–20% conservative buffer on soft costs (eligible soft-cost portion calculated at ~70% of total soft-cost line, not 100%); this buffer absorbs typical dual-use apportionment haircuts without changing the modeled \$510,060 base-case ITC. A §48E safe-harbor tax opinion from qualified counsel — already a pre-disbursement condition on the \$800K solar tranche — will confirm the apportionment methodology before any equipment deposit is cut against McKnight funds. Walnut Way's intent is that if IRS post-audit review reduces eligible basis within the modeled range, McKnight repayment timing extends by a bounded amount covered by BTM savings, not by a principal shortfall.

**ITC Direct Pay timing:** The \$510,060 base-case ITC (locked) is modeled arriving approximately 12 months after the commissioning tax year (Q2 2027 commissioning → Q1 2028 refund). This reflects IRS historical processing for §6417 direct-pay elections. Upon ITC receipt, ~~51%–60% of McKnight grant is recovered; BTM savings (\$161K/year) clear the~~ ~\$490,000 residual after the \$510,060 ITC sweep over 2.5–3 years (2030–2031 base payoff; 2029–2030 with LIC Bonus). Downside sensitivity: if IRS processing extends to 24–36 months,

the bridge is covered by \$161K/year BTM savings plus PSC EIGP Round 6 (primary construction-gap closer; up to \$500K; deadline June 30, 2026) or organizational line of credit. Walnut Way does not assume ITC receipt below 12 months post-commissioning in any scenario.

**Award-to-repayment crosswalk (FY mapping):** Award May 2026 (FY2026) → Phase 1 commissioning Q2 2027 (FY2027) → §48E Direct Pay ITC cash receipt Q1 2028 (FY2028, retires ~51%–60% of the grant) → BTM savings of ~\$161K/yr clear the ~\$490,000 residual → full McKnight repayment by FY2030–FY2031 base case (accelerated to FY2029–FY2030 with LIC Bonus). Cash Flow sheet rows labeled FY2026 through FY2030 correspond directly to these milestones.

**ITC Safe Harbor — July 4, 2026:** To lock in the 30% base ITC for a system placed in service in 2027, Walnut Way must either commence physical construction or incur 5% of project costs before July 4, 2026. At ~\$3M total project cost, the 5% threshold is approximately \$150,000–\$175,000 — achievable via equipment deposit and pre-construction site work. [VERIFY continued operability of this safe harbor with tax counsel following any post-OBBBA guidance changes before submission.]

**Occupancy Stress Scenarios — BTM Revenue Erosion.** The \$161,000/year BTM figure assumes stabilized building occupancy consuming at-or-above modeled load. Below stabilized occupancy, a portion of on-site generation shifts from retail-rate BTM offset (~~\$0.14/kWh~~) to ~~avoided-cost grid export~~ (\$0.04–\$0.06/kWh), reducing net cash flow. The stress table below maps occupancy to net annual benefit and to full McKnight-payoff timing:

Occupancy	Net BTM/Export Revenue (approx.)	Delta vs. Base	McKnight Full Payoff
100% (base case)	~\$161,000/yr	—	2030–2031
70%	~\$113,000/yr (BTM) + ~\$14,400/yr (export at \$0.05 midpoint on ~30% of generation) = ~\$127,400/yr	–\$33,600/yr	2031–2032
50%	~\$80,500/yr (BTM) + ~\$24,000/yr (export) = ~\$104,500/yr	–\$56,500/yr	2032–2033
Interconnection delay (0% on-site offset for window)	~\$40,000–\$50,000/yr (grid export only on available generation)	–\$111,000–\$121,000/yr	Extended by the delay window

The stress scenarios extend McKnight recovery by 1–2 years at 50–70% occupancy but do not threaten principal recovery: ITC Direct Pay (\$510,060 base case at 30% flat (locked on \$1,700,200 eligible basis)) is independent of occupancy entirely, clearing ~51–60% of the \$1M at Q1 2028 regardless. The ~\$490,000 residual (after the \$510,060 ITC sweep) clears from whatever net BTM/export revenue the building produces, over a longer timeline in the stress scenarios. UNCOM is an existing tenant and anchor tenant pipeline is under active development; execution of a lease or LOI with a named anchor tenant is a pre-disbursement condition on the \$800K solar construction tranche, providing early occupancy evidence before construction capital is released.

**Statutory Credit-Rate Insulation at <1 MW AC (Two Distinct Exemptions).** The MIRACLE system's ~833 kW AC inverter output (1.2 DC:AC ratio per SunBear Industries design on ~1 MW DC nameplate) deliberately sits below the 1 MW AC threshold that governs two distinct statutory protections. First, under IRC §45(b)(6)(B)(i) as applied via §48E(a)(2)(A), facilities with maximum net output below 1 MW AC are fully exempt from the prevailing-wage and apprenticeship (PWA) requirements and receive the full 30% base credit without PWA compliance ([The Tax Adviser, January 2024](#)); non-compliant projects ≥1 MW AC drop to a 6% base credit. Walnut Way will nevertheless voluntarily align with WRTP/BIG STEP registered apprenticeship programs. Second, under IRC §48E(d)(5) and IRS Notice 2024-9, applicable entities electing Direct Pay under §6417 receive 100% of the credit amount if maximum output is below 1 MW AC — regardless of domestic content sourcing ([IRS Domestic Content Bonus Credit page](#); [Walker Blue statutory summary](#)); without this exemption, 2026-start projects ≥1 MW AC that fail the Domestic Content requirement receive 0% of the Direct Pay amount under the phaseout schedule. Both exemptions are preserved by the current ≤833 kW AC design and are a first-order structural protection of McKnight's primary recovery mechanism. SunBear Industries has committed in its Letter of Support (Attachment J) to maintain final inverter selection within the ≤1 MW AC criteria during engineering to preserve both exemptions. Domestic Content compliance is pursued as a bonus-credit adder (+10% upside), not as a base-rate requirement.

### **Secondary revenue source: Behind-the-meter savings (\$161,000/year)**

The MIRACLE campus array is sized to offset on-site consumption at WE Energies retail rates. At ~1.15M kWh/year production and ~\$0.14/kWh avoided retail cost, this yields approximately \$161,000/year beginning immediately upon commissioning. This figure requires:

- No state legislation
- No utility negotiations beyond standard interconnection
- No policy action by any government body

These savings exist as long as the array produces power. They are the bedrock of the project's operating economics and the secondary recovery source for McKnight's grant.

**Note on WE Energies rate schedule:** Walnut Way's rooftop solar + battery at the Innovation & Wellness Commons campus (30 kW solar + 10 kWh battery primary system plus additional rooftop PV on adjacent campus buildings; same WE Energies service territory and same neighborhood distribution grid node as the SDC campus) interconnects under a customer-generation tariff that applies at small scale. The 1 MW MIRACLE system will require a different rate schedule [VERIFY — likely CGS-DS-FP or equivalent Customer-Generation Distribution Service tariff with WE Energies]. Walnut Way has engaged PSC staff on this determination; final tariff identity is a condition precedent to construction close. Interconnection application is planned for Q3 2026. The \$161K/year BTM savings estimate is based on retail-rate avoided cost and does not depend on net metering treatment for excess production.

**Repayment path summary:**

Recovery Event	Amount	Timing	Source
ITC §48E Direct Pay (30% flat on corrected eligible basis)	\$510,060 base case; with adders confirmed: \$680,080 single (40%) / \$850,100 two (50%) / \$1,020,120 three (60%) [each [VERIFY]; gated by §48E/§6417 tax opinion]	~Q1 2028 (12 months post Q2 2027 commissioning)	Federal statutory; §6417 election; recovers ~51%–60% of McKnight grant
Behind-the-meter savings (Year 1)	~\$161,000	Beginning Q2 2027 (commissioning)	WE Energies retail rate offset
Behind-the-meter savings (Year 2+)	~\$161,000/year	Annually through system life	WE Energies retail rate offset
<b>Total recovery at 12 months post-ITC</b>	<b>~\$1.06M+</b>	<b>By Q2 2028</b>	<b>Primary: ITC + BTM savings</b>

**McKnight's \$1.0M recoverable grant is fully recovered within approximately 30–42 months of property closing (2030–2031 base case),** combining ITC Direct Pay (\$510,060 locked upon receipt in Q1 2028) plus BTM savings clearing the ~\$490,000 residual after the \$510,060 ITC sweep over 2.5–3 years. In the upside scenario with LIC Bonus (+10%), payoff accelerates to 2029–2030. In the downside scenario (24-month ITC delay), full recovery occurs approximately Q1 2030–Q1 2031, fully covered by BTM savings during the extension period.

The detailed repayment schedule, including sensitivity scenarios at 12, 24, and 36 months of ITC processing time, is provided in Attachment H (Recoverable Grant Repayment Schedule — PDF + XLSX).

**Upside pathways (not in base case):**

- **LMI crediting mechanism via active PSC Dockets 5-UR-112 and 5-EI-157** — if approved, excess MIRACLE campus generation flows as bill credits to low-income households at closer-to-retail value, enhancing community impact and layering revenue on top of BTM savings. Regulatory envelope is precedented (MGE Shared Solar Dockets 3270-TE-101 / 3270-TE-104); two narrow deltas are ownership structure and BTM bill-credit mechanic. The project does not require this approval to recover McKnight's grant.
- **Bonus ITC adders** — Low-Income Community (+10%), Energy Community (+10%), Domestic Content (+10%) are treated as upside only. Lindsay Heights Census Tract 4 qualifies as a Low-Income Community under the statutory poverty-rate and median-family-income tests used for the §48E(h) bonus credit allocation per IRC §45D(e) [VERIFY final tract-level IRS certification]. The §48E(h) Low-Income Community Bonus Credit program for Clean Electricity opened its first 2026 application window on February 2, 2026 with an initial 30-day priority period. Walnut Way did not file in that initial window given that property closing had not yet occurred and the system is not yet in construction; the program continues to accept applications on a rolling basis through 2026 and 2027, and Walnut Way will file once siting and ownership are secured. Program mechanics are documented at the [IRS Clean Electricity Low-Income Communities Bonus Credit Amount Program page](#). Energy Community bonus requires MSA-level fossil-fuel employment or brownfield/coal-closure verification [VERIFY]. Domestic Content requires module and BOS sourcing commitment to be confirmed with EPC; note that under current §48E guidance, projects with AC nameplate capacity  $\leq 1$  MW AC are exempt from the Domestic Content adjusted-percentage requirement for Direct Pay purposes. SunBear Energy has confirmed the MIRACLE system is designed at 1 MW DC paired with inverters sized to an AC nameplate of approximately 833 kW AC (industry-standard 1.2 DC:AC ratio), which is comfortably below the 1 MW AC threshold and preserves the Domestic Content exemption for Direct Pay. SunBear has further committed that final inverter selection during engineering will keep the configuration within the  $\leq 1$  MW AC criteria to preserve the exemption. Any bonus adders increase the Direct Pay refund and accelerate McKnight's recovery.
- **MIRACLE campus tenant revenue** — the MIRACLE incubator model (70/30 hybrid: 70% private offices and anchor tenants, 30% shared coworking) is projected to generate \$198K–\$247K/year at 80–100% occupancy, with rents set at 50% below comparable Milwaukee office rates to match the income realities of ZIP codes 53205 and 53206. UNCOM is an existing tenant. An anchor-tenant pipeline is under active development; execution of an anchor lease or LOI is a pre-disbursement condition on the \$800,000 solar construction tranche, providing the CDFI with lease-up evidence for property-loan

underwriting. This revenue services the CDFI property loan and building operations independently of solar revenue — the building and the solar system are financially separated, so each de-risks the other.

### **Organizational revenue floor — not MIRACLE-specific:**

Walnut Way's organizational operations provide an independent backstop. Walnut Way's 3-year rolling average operating budget is \$2.76M (FY2023 \$2.09M + FY2024 \$3.44M + FY2025 \$2.76M) and unrestricted net assets of \$5.35M at end of 2024 ([2024 Walnut Way Financial Statements, Attachment A](#); [2023 Walnut Way Financial Statements, Attachment B](#); [FY2025 P&L and Balance Sheet, Attachment C](#)). Two consecutive clean audits (Ritz Holman LLP) sit behind those numbers. This is the organizational backstop — not a specific earned-revenue line — and it is what allows Walnut Way to carry the MIRACLE project through any timing variance in McKnight's review window or the §48E safe-harbor calendar.

**Coverage ratio framing (organizational backstop).** In the stringent 36-month IRS audit-hold stress scenario — where §6417 Direct Pay processing extends to the outer historical bound and Walnut Way must carry the full \$800,000 solar construction tranche to ITC receipt — the ratio of unrestricted net assets to the outstanding bridge principal is approximately 6.6x ( $\$5,350,000 \div \$800,000$ ). At the more typical 12-month processing window and a smaller carry, the coverage multiple rises substantially. This is a balance-sheet coverage observation for credit-underwriting purposes, not a first-line repayment source: the primary repayment mechanism remains ITC Direct Pay with BTM savings as the secondary clearing path. PSC EIGP Round 6 (primary active construction-gap closer, up to \$500,000) and Walnut Way's organizational line of credit sit between the first-line recovery and the backstop coverage ratio.

**IFF mortgage reset co-occurrence stress.** In the stringent scenario where the IFF mortgage reset on 7/1/2026 lands at the upper bound of the contractual band ( $\max(\text{Treasury}+3\%, 5\%)$ ) AND a restricted-grant release delay replicates the FY2025 timing pattern that produced the \$34,263 FY2025 deficit, the incremental monthly debt service differential on the existing \$362,943 IFF balance is bounded under approximately \$5,000/month — well within Walnut Way's operating liquidity and unrelated to MIRACLE's construction capital stack. Walnut Way's Board Finance Committee monitors the IFF reset as a standing agenda item and has ongoing dialogue with IFF about refinance alternatives.

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## Section 5: Project Support

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## Prior Project Experience

Walnut Way's project track record is not a list of related-but-different accomplishments — it is the sequential demonstration that this organization knows how to originate, build, operate, and scale community-owned assets. Each project below corresponds directly to a capability MIRACLE requires.

### **1. Walnut Way Innovation & Wellness Commons — Built, Retrofitted, Expanded, Operating**

Walnut Way developed the Innovation & Wellness Commons campus in two phases in Lindsay Heights: a retrofit of an existing building with rooftop solar + battery storage (Phase I), then a new-build addition with additional rooftop PV (Phase II). The primary 30 kW solar + 10 kWh battery system — the first solar + battery installation in Lindsay Heights — was installed during the Commons' new construction. Additional rooftop PV operates on adjacent campus buildings. The systems are interconnected with WE Energies and have been operational for years, in the same service territory and on the same neighborhood distribution grid node as the MIRACLE campus. The Commons operates as a neighborhood resilience hub anchored by community-serving partners operating from the campus: MCFI prepares approximately 1,000 lunches per day at the site; the Dominican Center delivers family support services to Lindsay Heights residents; Walnut Way's Blue Skies Environmental Solutions landscaping and stormwater management enterprise operates from the campus with Resident Preference Program hiring; community Wi-Fi is live on campus. Walnut Way has also recently delivered net-zero single-family housing in Lindsay Heights as part of the organization's broader built-environment portfolio. This is not a proof of concept — it is a functioning campus with a multi-year operating record that establishes Walnut Way's track record developing, permitting, interconnecting, and operating customer-generation solar and battery storage in Milwaukee's distribution grid, while simultaneously running a partner-anchored resilience hub. The MIRACLE 1 MW expansion is a scale step from that foundation, not a first attempt.

**Existing commercial-scale rooftop PV at the MIRACLE target site (SDC campus, 1730 W. North Avenue).** The SDC acquisition target itself carries an existing commercial-scale rooftop PV array of ~200+ panels on the east building. The City of Milwaukee's Commercial Solar PV Rooftop System permit for 1730 W. North Avenue shows Final (completed / inspected) status as of February 18, 2021 ([public property record via realtor.com](#)), placing install vintage in the 2020 construction period financed under SD Properties' January 2020 construction mortgage with Forward Community Investments. The array is owned by the property as a real-property fixture and conveys to Walnut Way under the WB-44 purchase agreement. Three operational implications for the MIRACLE expansion: (1) commercial-scale customer-generation interconnection with WE Energies has already been approved at this exact service address — MIRACLE's incremental build is an expansion from an approved interconnection, not a greenfield application; (2) roof structural capacity for commercial-scale PV loading is

demonstrated in place; (3) electrical infrastructure (inverter pad, service entrance, conduit) is already routed for commercial-scale PV [VERIFY current operational status via SunBear site assessment during acquisition diligence; nameplate capacity, interconnection agreement number, and inverter specifications are not publicly indexed — they will be obtained via Milwaukee DNS permit file pull and direct WE Energies interconnection records request, both sequenced into acquisition diligence. Publicly verifiable today: permit Final 2/18/2021 per [realtor.com property record](#); parcel APN 324-0628-110-7 per [Milwaukee County tax records via LoopNet](#)].

**BTM savings projection basis.** The \$161,000/year BTM savings projection is grounded in WE Energies' published retail commercial rate (~\$0.14/kWh) applied to a standard [NREL PVWatts](#) Milwaukee-area yield of ~1,150 kWh/kW-DC/year for a 1 MW DC system (~1,150,000 kWh/year), inside the published PVWatts Milwaukee-area rooftop range of 1,100–1,300 kWh/kW-DC/year. The Sun Bear Industries feasibility letter (Attachment J) confirms the 1 MW + 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational) system is viable on both the SDC campus and 2450 W. North Ave independently under the multi-meter CGS-NM design; annual kWh production is an engineering-standard yield computation, not a figure stated in the feasibility letter.

## **2. Community-Owned Wireless Broadband Connectivity Infrastructure (active, city-wide)**

Walnut Way is building out community-owned wireless broadband connectivity infrastructure across the City of Milwaukee as a Walnut Way social enterprise. The program is currently in its infrastructure build-out phase and is pre-revenue. It is cited here as organizational capacity evidence — not as a repayment source for the MIRACLE recoverable grant. Every operational muscle the build-out requires — community trust-building, siting, network design and maintenance, partnership management across multiple Milwaukee neighborhoods — maps onto the MIRACLE campus solar deployment.

The connectivity work matters for McKnight's evaluation because it demonstrates organizational capacity to originate and sustain community-owned infrastructure at city scale. Repayment of the MIRACLE recoverable grant is protected by the four pathways documented in Section 4; the connectivity social enterprise is separate work and is not part of that math.

## **3. Wisconsin PSC Intervenor Compensation Program (\$500,506.50 across 9 dockets since August 2022; 10 award payments including one supplemental)**

Walnut Way has been awarded Wisconsin Public Service Commission intervenor compensation totaling \$500,506.50 across 9 dockets since August 2022 (10 award payments including one supplemental) ([Wisconsin PSC Intervenor Compensation Public Records](#)). This is a publicly verifiable record, searchable by applicant name, that establishes Walnut Way as a Commission-recognized intervening party in ratepayer proceedings affecting Lindsay Heights.

Intervenor compensation is not symbolic — the Commission only awards it when the intervenor has materially contributed to the record. Ten award payments across 9 dockets since August 2022 mean the Commission has found, on 10 occasions, that Walnut Way's participation improved the quality of regulatory outcomes for Wisconsin ratepayers. For MIRACLE, this regulatory track record is directly relevant: the project requires WE Energies interconnection at 1 MW, tariff determination, and potentially a community solar crediting mechanism — all processes where Walnut Way's PSC standing matters.

#### **4. Federal Healthy Homes Earmark — Finish Line Fund (active, \$379,074 Walnut Way sub-award)**

Walnut Way is the named sub-awardee under a \$850,000 federal Congressionally Directed Spending project ("Healthy Families, Healthy Homes: Advancing Maternal Health and Improving the Safety and Resiliency of Homes") through Congresswoman Gwen Moore's office, with UWM as the designated federal recipient (Dean Kim Litwack letter to McKnight Grants Office, April 13, 2026, Attachment M).

Walnut Way's \$379,074 sub-award comprises:

- \$300,000 Finish Line Fund — direct gap financing for homeowners in Lindsay Heights who completed energy assessments but have stalled at \$5,000–\$25,000 repair gaps
- \$79,074 project management — program lead, staff time, supplies

Elevate receives a parallel \$24,000 technical assistance sub-award. UWM PI Lynne Woehrle, PhD, conducts outcomes evaluation. These figures come from the UWM Office of Research Budget Development Tool (OSP revision 5/8/2025) and the FINAL Joint Project Proposal Summary for Appropriations (September 2025, Attachment K).

Funds must be expended by September 30, 2026 — which means this program is executing right now, concurrent with MIRACLE development. When McKnight's capital arrives, it lands into an organization that is actively deploying federal funds on deadline, managing sub-awardee relationships, and delivering measurable outcomes to Lindsay Heights households. This is not a concept. This is an active program.

#### **5. 12-Year Operating History — \$2.76M 3-Year Rolling Average, ~\$30M Cumulative Stewardship**

Walnut Way has operated continuously since approximately 2011, with average annual operating budgets above \$2,000,000 and cumulative program stewardship of approximately \$30M (2024 Walnut Way Financial Statements, Attachment A; 2023 Walnut Way Financial Statements, Attachment B). The 3-year rolling average budget (FY2023–FY2025) is \$2.76M. FY2024 at \$3.44M reflected concentrated receipt of multi-year restricted grants within a single reporting window — episodic variance in nonprofit timing, not a step-change in operating base.

FY2025 returned to \$2.76M with near-breakeven operations (-\$34,263, or 1.2% of revenue) reflecting timing of multi-year restricted grant releases. Q1 2026 YTD is tracking to approximately \$2.9M annualized, consistent with that trajectory.

McKnight's recoverable capital is not entering an organizational startup. It is entering an organization that has managed, reported, and accounted for approximately \$30M in program activity over 12 years, with two consecutive independent audits from Ritz Holman LLP, a current Wisconsin DFI Certificate of Good Standing (Attachment F, dated April 16, 2026), and a board finance committee that reviews financial concentration risk quarterly.

**Governance disclosure — related-party and arm's-length.** Walnut Way attests that the material counterparties named in this application — Martin Luther King Economic Development Corporation (MLKEDC, co-developer), Sun Bear Industries (SBI, technical consultant / owner's representative), the University of Wisconsin-Milwaukee (designated federal recipient for Moore earmark), Ritz Holman LLP (auditor), MWH Law Group LLP (Emery Harlan, regulatory counsel), Pines Bach LLP (Christa O. Westerberg, regulatory counsel), 5 Lakes Energy (Dan Ebert, energy planning), Robbins Law Group (Nicole Robbins, acquisition counsel), and Robertson Ryan & Associates (insurance broker) — are arm's-length counterparties. No member of the Walnut Way Board of Directors or Executive leadership has an ownership, employment, or material financial interest in any of these organizations. The co-development structure with MLKEDC is governed by a Letter of Intent (Attachment I) with 120-day exclusivity and an indicative 51/49 revenue split (MLKEDC 51% / Walnut Way 49%) applicable only to post-commissioning subscriber/community-ownership revenue, subject to definitive agreement; tenant revenue and BTM savings accrue 100% to Walnut Way as asset owner and are not subject to the split. The LOI is the only binding instrument between the parties as of submission. Walnut Way will execute a supplemental related-party attestation at the Board Finance Committee level prior to closing on any recoverable grant agreement with McKnight, and will make the resulting attestation available on request.

**Personnel continuity.** Leadership depth is a Board Finance Committee review item, and Walnut Way maintains written continuity-of-operations protocols consistent with its 12-year operating history and two consecutive clean audits. Executive Director (Antonio Butts) and Grant Development Director (Chandra Ellis) share project leadership responsibilities on MIRACLE; the board finance committee exercises oversight on all commitments above \$250,000; MWH Law Group LLP (Emery Harlan), Pines Bach LLP (Christa O. Westerberg), and Robbins Law Group (Nicole Robbins) hold independent transactional authority on legal matters in scope; SBI serves as owner's representative through commissioning. In the event of an unplanned transition at the ED level, project execution continues under the Grant Development Director and Board Finance Committee oversight until a permanent replacement is seated. This is not a dependency on any single individual — it is a governance structure designed to survive any single-point transition.

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## Key Risks

The following risks are presented in descending order of priority for McKnight's evaluation, with honest severity ratings and active mitigations. We follow the survey's guidance on transparency: an honest picture of challenges and mitigations is more useful to evaluators than a curated case for optimism.

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### **Risk 1: Property Acquisition Severity: LOW (hedged)**

The MIRACLE campus acquisition is the first milestone on the critical path. Walnut Way (jointly with MLKEDC, counsel: Nicole Robbins) submitted a \$1.1M commercial offer to purchase (WB-15) on the SDC campus parcels at 1730–1810 W. North Ave on March 17, 2026. FCI's COO letter dated April 15, 2026 confirmed active negotiation. On April 17, 2026, the seller (1730 W. North Ave Ownership, LLC; Ryan Zerwer, Officer) delivered a signed WB-44 Counter-Offer at \$2,000,000 via Ogden & Company (Bob Gintoft, SIOR, EDFP) — accept-by date April 27, 2026; closing on or before May 24, 2026 (Attachment P). Walnut Way is the buyer; the transaction is live and documented. Buyer counter-response is in preparation.

**Market context — distressed disposition, not a competitive process.** Attachment P (the WB-44 counter-offer) is provided as evidence that the SDC campus acquisition is an active, arm's-length commercial transaction, not a hypothetical. The \$2,000,000 counter is an opening position relative to Walnut Way's \$1,100,000 offer — not a competitive-market response. The SDC campus parcels are a distressed disposition: a single holding LLC (1730 W. North Ave Ownership, LLC) marketing through Ogden & Company on a standard listing, with no auction process, no competing bidder queue, and no market urgency on the buyer side. The transactional urgency stated in the counter (April 27, 2026 accept-by; May 24, 2026 closing) is seller-driven, not market-driven. Walnut Way is a stable, locally-rooted 501(c)(3) with identified CDFI acquisition financing (IFF presumed primary; Forward Community Investments and LISC Milwaukee as named alternates), a recoverable grant bridge structure in this application, and an independently validated dual-site hedge — a higher-quality acquirer profile than this seller is likely to encounter in an alternative disposition. Walnut Way's buyer counter-response is in preparation with Nicole Robbins (Robbins Law Group). The \$1,000,000 McKnight recoverable grant ask is a ceiling — unchanged regardless of final negotiated price. The \$200,000 acquisition bridge sizes to close the funding gap between CDFI permanent financing and the final acquisition price, whatever that price lands at through negotiation. Operational trigger: at final acquisition prices in the \$1.5M–\$1.8M expected closing range, the \$200K McKnight bridge closes the gap against a corresponding CDFI loan (\$1.3M–\$1.6M; final set by appraisal and DSCR). At prices above \$1.8M, Walnut Way will return to its Board Finance Committee and to McKnight with an updated capital stack before requesting disbursement of the acquisition bridge tranche; Walnut Way will not request more than \$1.0M from McKnight regardless of acquisition

outcome. If negotiated price on SDC exceeds what the capital stack supports, Walnut Way pivots to 2450 W. North Ave, for which the SunBear Industries Letter of Support (Attachment J) independently validates the full MIRACLE system (1 MW solar + 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational)).

**On the funding-timing / closing-deadline gap.** Walnut Way recognizes that the contractual SDC closing deadline (on or before May 24, 2026 per WB-44) precedes McKnight's expected award timeline (mid-June 2026 per program FAQ). To preserve the McKnight acquisition bridge as a prospective bridge rather than a retroactive reimbursement, Walnut Way's primary path is for buyer counter-response to negotiate a signed WB-44 closing-date extension (or successor purchase agreement amendment) that aligns the SDC contractual closing with McKnight's grant decision and disbursement window. A signed extension is a pre-disbursement condition on the \$200,000 acquisition bridge tranche (see Legal Instrument paragraph below); absent an extension, Walnut Way will not request disbursement of the acquisition bridge and will notify McKnight immediately. Walnut Way's organizational operating reserves (\$5.35M unrestricted net assets at end-2024; two consecutive clean audits) provide the organizational backstop for any short-duration timing gap Walnut Way carries itself pending the extension and CDFI close. The dual-site pivot to 2450 W. North Ave is the alternate path if the SDC extension cannot be negotiated and operates independently of McKnight timing, with the caveat that 2450's higher listed acquisition basis (~\$1.8M) would require a revised capital stack conversation with McKnight before the \$200K acquisition bridge is deployed against that alternate site.

**Why this risk is LOW:** The dual-site strategy eliminates single-point-of-failure acquisition risk. SunBear Energy's feasibility letter (Attachment J) explicitly validates the full 1 MW + 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational) system on both the SDC campus (primary) and 2450 W. North Ave (secondary; former institutional care facility, listed at \$1.8M, 7.5 acres). If the SDC acquisition stalls, MIRACLE pivots to 2450 W. North Ave with no redesign required — the same system fits either site. Two independently viable sites give Walnut Way negotiating leverage on both: neither seller can treat this as a captive deal.

The secondary site (2450 W. North Ave) also represents the first replication target once MIRACLE is operating, which means the secondary site has strategic value independent of whether it becomes the MIRACLE anchor.

**Why community ownership at this scale matters — the utility-owned contrast.** In March 2026, the Wisconsin PSC approved approximately 315 MW of new utility-owned solar for WE Energies customers (the Dawn Harvest, Good Oak, and Gristmill projects) under a utility-ownership model in which ratepayers fund the assets, the utility earns a regulated return, and no ownership flows to the communities most burdened by energy cost ([WE Energies news release, March 2026](#)). MIRACLE is the community-ownership counterpoint in the same WE Energies service territory: a 1 MW system owned by a Milwaukee-based 501(c)(3) rooted in Lindsay Heights, where the benefits — BTM savings, ITC Direct Pay, tenant revenue, future

subscriber credits — accrue to the community rather than shareholders. This is the distinction Third Coast and Connolly Strategies can validate directly: utility-scale solar is being built in Wisconsin right now; community-owned solar at 1 MW is not, and MIRACLE changes that.

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## **Risk 2: ITC Safe Harbor — July 4, 2026 Severity: HIGH / HARD DEADLINE**

The single highest-severity time-bound risk in this project is the ITC safe harbor. To lock in the 30% base IRC §48E Clean Electricity Investment Credit for a system placed in service in 2027, Walnut Way must either commence physical construction or incur approximately 5% of project costs (~\$150,000–\$175,000 at \$3M total project) before July 4, 2026. Missing this deadline does not reduce the ITC — it eliminates it. Without the \$510,060 base-case ITC (locked) Direct Pay plus BTM savings clearing the residual, McKnight's grant is unrecoverable within any reasonable timeframe.

The July 4 date reflects the Inflation Reduction Act's "beginning of construction" timing provisions for §48E. [VERIFY continued operability of this safe harbor date and 5% threshold with tax counsel, specifically in light of any post-OBBBA guidance or H.R. 1 modifications to §48E safe harbor rules, before submission.]

**Mitigation:** McKnight's speed of deployment is the primary mitigation. A May 2026 grant decision, with capital deployed Q2 2026, gives Walnut Way a 4–6 week window to incur the 5% safe harbor threshold before the July 4 deadline. The 5% bar is low by design: a solar equipment deposit of \$150K–\$175K satisfies it without requiring property closing or full construction commencement. Walnut Way's self-performing workforce can begin physical work within days of property closing, providing an additional "physical work" safe harbor path independent of the 5% expenditure test. The July 4, 2026 deadline is the reason this application asks for a Q2 2026 decision rather than Q3.

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**Qualified Entry — disciplined-reviewer verdict framing.** A strict financial-scrutiny review of this project arrives at a "Qualified Entry" verdict: the \$1,000,000 recovery is mathematically secure, but chronologically fragile — mathematically secure only if the ITC Safe Harbor (July 4, 2026) and WE Energies meter segmentation (no-aggregation determination) are successfully navigated by Q3 2026. Under that verdict, a disciplined reviewer would recommend that McKnight release the \$200,000 acquisition bridge only upon a signed WB-44 closing-date extension, and release the \$800,000 solar bridge only upon a written "No-Aggregation" ruling from WE Energies; absent those two conditions, the project is properly characterized as regulatory speculation rather than a recoverable bridge. Walnut Way adopts both triggers verbatim as pre-disbursement conditions in the Recoverable Grant Agreement (see Legal Instrument paragraph below). Framing the verdict this way is deliberate: we would rather the

reviewer find that Walnut Way has already tightened our own CPs to the strictest defensible posture than discover that framing later. The conditions narrow our own operational flexibility, and we accept that narrowing as the price of clean recoverable-capital discipline.

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### **Risk 3: ITC Direct Pay Processing Timing Severity: MEDIUM**

The base-case repayment model assumes ITC Direct Pay arrives approximately 12 months after the tax year of commissioning (Q2 2027 commissioning → Q1 2028 refund). IRS historical processing for §6417 direct-pay elections supports this timeline. However, the IRS retains the right to audit §6417 elections, and in audit scenarios processing can extend to 24–36 months.

**Mitigation:** The downside scenarios are fully covered without requiring any new capital or fundraising:

- **\$161K/year BTM savings** begin at commissioning and generate approximately \$400K+ over a 30-month bridge window
- **Bank line of credit** — Walnut Way maintains banking relationships that can provide short-term liquidity during an extended ITC processing period
- **Recoverable grant structure** — McKnight's grant has no fixed repayment schedule, which means an extended ITC processing timeline does not create a default event

The repayment schedule (Attachment H) models base case (12 months), mid case (24 months), and stress case (36 months) scenarios, with cash flow detail showing how BTM savings cover the bridge in each scenario.

### **Legal and Compliance — Intercreditor, UBIT, and Private Benefit.**

*Intercreditor structure.* McKnight's recoverable grant is structured as a subordinate, unsecured instrument behind the CDFI acquisition lender's first mortgage on the property and any UCC Article 9 security interest in solar equipment. Walnut Way acknowledges this priority structure. The Recoverable Grant Agreement will include (i) a covenant by Walnut Way to apply §48E ITC Direct Pay proceeds first to McKnight repayment, net of documented direct project obligations; and (ii) a pre-disbursement condition requiring either an intercreditor agreement confirming this covenant's enforceability against the CDFI lender's security interest, or a written legal opinion from qualified counsel that the covenant achieves its intended priority on the available facts. Walnut Way will initiate this intercreditor negotiation upon CDFI lender identification.

*UBIT.* The §48E Direct Pay refund is a tax credit — not unrelated business income — and does not create UBIT exposure. Tenant rental income from the MIRACLE incubator model may create UBIT exposure depending on the nature of the tenants and the extent of services provided; Walnut Way will commission a §512(b) analysis from qualified tax counsel during the due

diligence period. REC sales, if any, and excess generation sales will be analyzed at the time those revenue streams are operational. Walnut Way does not anticipate UBIT exposure as a material financial risk on the base-case revenue model.

*Private benefit.* Below-market tenant rents — set at approximately 50% of comparable Milwaukee office rates — are structured to serve community organizations and mission-aligned tenants in census tracts 53205 and 53206, ZIP codes with documented income constraints and documented service deficits. Each below-market lease will be documented with a charitable-nexus determination consistent with IRS private-benefit doctrine standards. Walnut Way's general counsel will review each lease for compliance before execution.

**Legal instrument for the recoverable grant.** Walnut Way is prepared to execute a Recoverable Grant Agreement in McKnight's standard form (or, at McKnight's option, a Program-Related Investment note under IRC §4944) that documents: (a) the use of proceeds (as specified in this application — \$200,000 acquisition bridge and \$800,000 solar construction bridge), (b) the repayment mechanism (primary: §48E ITC Direct Pay under §6417; secondary: BTM savings stream), (c) the repayment timing (base case: property closing + approximately 24 months to §6417 refund; stress case: up to 36 months), (d) the absence of a fixed amortization schedule (repayment is event-driven, tied to ITC refund receipt and BTM cash-flow thresholds), (e) a covenant to apply ITC Direct Pay proceeds, net of direct project obligations, first to McKnight repayment, (f) reporting covenants consistent with McKnight's Move the Midwest standard practice, (g) standard default and remedy provisions, and (h) conditions precedent to disbursement of the \$200,000 acquisition bridge tranche: (i) Walnut Way must deliver to McKnight a signed term sheet or commitment letter from a named CDFI lender confirming the \$1,300,000–\$1,600,000 (or greater, final set by appraisal and DSCR) acquisition loan — with security interest, rate, and closing timeline — before McKnight releases acquisition bridge funds; AND (ii) Walnut Way must deliver to McKnight a signed WB-44 closing-date extension (or successor purchase agreement amendment) that aligns the SDC contractual closing date with McKnight's grant decision and disbursement window, ensuring the acquisition bridge is a prospective bridge rather than a retroactive reimbursement. McKnight's \$200,000 acquisition bridge will not be disbursed until both conditions are satisfied. If either condition cannot be secured before the acquisition closing date, Walnut Way will not request disbursement and will notify McKnight immediately. A parallel set of conditions applies to the \$800,000 solar construction tranche: (a) a written "No-Aggregation" ruling from WE Energies — a signed staff pre-determination letter confirming that the multi-meter sub-300 kW CGS-DS-FP architecture is valid for the SDC parcel configuration (APN 324-0628-110-7) and that the aggregate ~833 kW AC system will not be treated as a single facility requiring a negotiated Parallel Generation Agreement with associated distribution system upgrades; (b) a signed §48E + §6417 safe-harbor tax opinion from qualified tax counsel confirming the safe-harbor path selected for this project under current Treasury posture, delivered before any equipment deposit is cut against McKnight funds; (c) an executed lease or LOI with a named anchor tenant; and (d) a completed pre-construction energy audit delivering a certified hourly load profile matched against SunBear Industries' modeled solar production curve for the selected site — all

pre-disbursement conditions on the solar tranche. Walnut Way requests McKnight's preferred instrument form early in due diligence; in the absence of a McKnight form, Walnut Way will propose a draft Recoverable Grant Agreement for McKnight review prior to funding close. The arithmetic of repayment is documented in Attachment H; this paragraph names the legal vehicle that papers the transaction.

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**Risk 4: WE Energies Interconnection at 1 MW — the single live counterparty risk**  
**Severity: MEDIUM-HIGH (the highest-severity non-time-bound risk in this project)**

*This risk is presented as Risk 4 for document-numbering continuity. Walnut Way treats it as the single live counterparty risk in the project. Property acquisition is dual-hedged (Risk 1 — SDC plus 2450 W. North Ave). ITC safe harbor (Risk 2) is a hard deadline satisfied by 5% cost incurrence — not by interconnection approval. Interconnection at 1 MW is the one gate with a named external counterparty (WE Energies) and no plug-in alternative path, but the gate itself sits in Phase 3 of the project, not on the critical path for this submission, for McKnight's funding decision, or for ITC safe harbor.*

Walnut Way's rooftop solar + battery at the Innovation & Wellness Commons campus (30 kW solar + 10 kWh battery primary system plus additional rooftop PV on adjacent campus buildings; same WE Energies service territory and same neighborhood distribution grid node as the SDC campus) interconnects under a small-scale customer-generation tariff. The 1 MW MIRACLE system operates at a different scale and will require a different tariff — likely CGS-DS-FP (Customer-Generation Distribution Service, Fixed Price) or an equivalent [VERIFY with WE Energies staff]. Final tariff determination is a condition precedent to construction close, not to ITC safe harbor incurrence or to McKnight funding.

**Why this matters:** The revenue model's \$161K/year BTM savings projection assumes retail-rate avoided cost — not net-metering credits. This figure is robust across multiple tariff structures because it is based on on-site consumption, not on credits for excess production fed back to the grid. However, WE Energies' interconnection approval queue and technical requirements at the MIRACLE scale (~833 kW AC aggregate) are more complex than at small-commercial scale, and queue delays can affect construction timing. A hostile or indefinitely delayed interconnection process is the one path that can stall MIRACLE without a technical workaround — but that path would not develop until Q3 2026 at the earliest and is mitigated at the PSC level regardless of WE Energies administrative response timing.

**Phasing clarification:** The interconnection application is planned for Q3 2026, roughly three months after the expected McKnight funding decision and after the July 4, 2026 ITC safe harbor milestone. Walnut Way is maintaining warm technical dialogue with WE Energies leadership in the interim but does not treat the timing of that dialogue as a gating factor for this submission, for McKnight's funding decision, or for ITC safe harbor compliance. The sequencing is: site

control and capital (Phase 1, current) → ITC 5% incurrence by July 4, 2026 (Phase 2) → WE Energies interconnection application Q3 2026 (Phase 3) → construction and commissioning (Phase 4) → Direct Pay refund (Phase 5).

**Mitigation (multi-layer):**

1. **Ongoing technical dialogue with WE Energies leadership.** Walnut Way maintains direct communication with WE Energies customer-generation and interconnections staff and will schedule a technical review meeting ahead of the Q3 2026 application. Timing of that meeting is flexible and not on the critical path for this submission.
2. **PSC standing.** MWH Law Group LLP (Emery Harlan) and Pines Bach LLP (Christa O. Westerberg) serve as regulatory counsel for Walnut Way's active docket filings at the Commission, supported by 5 Lakes Energy (Dan Ebert, former WI PSC Chair) on energy planning and interconnection analysis. Walnut Way's PSC intervenor record — \$500,506.50 across 9 dockets since August 2022 (10 award payments including one supplemental) — provides institutional standing that most solar developers do not have at this stage. If WE Energies interconnection stalls through administrative process, Walnut Way has documented Commission-level standing to pursue remedy via PSC dockets, including Dockets 5-UR-112 (WE Energies rate case) and 5-EI-157 (statewide net metering investigation).
3. **Technical validation.** Walnut Way has engaged PSC staff on tariff determination. The SunBear Industries Letter of Support (Attachment J) validates the multi-meter architecture under 300 kW per meter and the ≤ 833 kW AC inverter sizing that preserves BOTH the PWA exemption AND the Domestic Content Direct Pay exemption that apply below 1 MW AC. Technical design is optimized for the most favorable interconnection pathway available under the existing tariff framework.
4. **Dual-site hedge.** Both SDC and 2450 W. North Ave sit in the same WE Energies service territory under the same tariff framework. The dual-site strategy hedges real estate risk but does not hedge utility risk — this is disclosed here because it is material to fiduciary review.

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**Risk 5: LMI Crediting Mechanism Approval (PSC Dockets 5-UR-112 / 5-EI-157) Severity: MEDIUM IMPACT on community-benefit upside; LOW IMPACT on McKnight recovery**

Walnut Way plans to intervene in the WE Energies rate case (Docket 5-UR-112) and the statewide net metering investigation (Docket 5-EI-157) at the respective intervention windows, represented by MWH Law Group LLP (Emery Harlan) and Pines Bach LLP (Christa O. Westerberg), supported by 5 Lakes Energy (Dan Ebert). The ask is a BTM bill-credit structure that would allow excess MIRACLE campus generation to flow as credits to low-income households. Intervention has not yet been filed; Walnut Way's \$500,506.50 PSC intervenor-compensation track record across 9 prior dockets since August 2022 establishes

Commission-recognized standing to intervene when the windows open. Regulatory outcomes cannot be guaranteed.

**Why the McKnight-recovery impact is LOW:** The MIRACLE project's base-case financial model does not depend on approval of this mechanism. The primary revenue source — \$161K/year BTM savings — requires no regulatory change. The primary repayment source — \$510,060 ITC Direct Pay (locked) (base case) — requires no regulatory change. BTM savings clear the remaining ~\$490,000 residual after the \$510,060 ITC sweep. McKnight's grant is fully recoverable without PSC approval of the LMI crediting mechanism.

Approval would be community-impact upside: bill credits to low-income Lindsay Heights households at closer-to-retail value rather than avoided-cost buy-back. That is a meaningful community benefit and a revenue enhancement — not the foundation. Walnut Way participates in Wisconsin clean-energy policy discussions through the Clean Economy Coalition of Wisconsin (50+ organizations), but project viability does not hinge on state legislation or any specific regulatory outcome.

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#### **Risk 6: Construction Cost Escalation Severity: MEDIUM**

Solar PV and battery storage markets have been subject to tariff pressure and supply chain variability. The MIRACLE Phase 1 system cost is modeled at approximately \$3.8M–\$5.0M total (Phase 1 solar + acquisition + soft costs; Phase 2 battery deferred to late 2027/2028), with solar installation representing the largest variable line in Phase 1. Battery storage (\$540K–\$820K (Phase 2a, 0.5 MW / 1 MWh)) is deferred to Phase 2, removing it from the immediate capital requirement and near-term cost-pressure.

**Mitigation:** Walnut Way's target is a fixed-price EPC contract that locks in construction cost before the ITC safe harbor deadline. SunBear Energy serves as owner's rep, ensuring Walnut Way is not in a position where EPC scope is defined unilaterally by the contractor. Self-performing structural and racking labor reduces EPC markup by an estimated 15–25%. Battery storage is deferred to Phase 2 (late 2027/2028) — a confirmed capital-sequencing decision. ITC is available through 2033, so battery deployment is deferred without affecting Phase 1 solar revenue or ITC eligibility on the solar component. The corrected base-case ITC of \$510,060 (locked) reflects 30% flat on \$1,700,200 (locked) eligible basis; if Phase 1 solar costs run higher within the eligible basis range, Direct Pay increases proportionally.

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#### **Risk 7: Lindsay Heights Housing Repair Scale Severity: MEDIUM (contextual) — MIRACLE is the infrastructure solution**

The Reclaiming Our Neighborhoods (RON) coalition — 10 community-based organizations partnering with Data You Can Use — has surveyed nearly 35,000 residential properties across 13 Milwaukee neighborhoods ([Urban Institute](#); [Urban Milwaukee](#)). Lindsay Heights ranked worst of all 13 neighborhoods surveyed: 40.5% of residential properties need multiple major repairs.

Of Lindsay Heights' 744 owner-occupied homes, approximately 300 need urgent intervention. The estimated repair cost for owner-occupied homes alone is \$35M (~\$14,000/property, per [Data You Can Use, Lindsay Heights Portrait](#)). The gap between available resources and actual need is real and wide.

The risk here is not that Walnut Way will fail to make a dent — a \$300K Finish Line Fund reaches 25–50 households per cycle and the MIRACLE hub infrastructure can serve hundreds per year. The risk is that the scale of need exceeds any single program's capacity, and that the community sees incremental progress rather than transformation.

**Why MIRACLE is the structural response:** The MIRACLE campus is not positioned as a fund that will fill the \$35M gap alone. It is the permanent infrastructure — navigator staff, contractor coordination, quality inspection, co-location of multiple program services — that allows every dollar of repair funding, from whatever source, to be deployed more efficiently. The RON data transforms MIRACLE from a concept into a data-backed intervention with a defined universe of beneficiaries. When the Gwen Moore Finish Line Fund runs out in September 2026, the MIRACLE hub remains. When the next federal earmark arrives, the hub is already standing. That is the structural answer to scale — not a single large fund, but permanent community infrastructure that every future fund passes through.

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## Open to McKnight Sharing This Project with Other Funders?

**Yes.** Walnut Way welcomes McKnight sharing this project with other aligned funders. The MIRACLE capital stack benefits from diversification, and McKnight's network — particularly relationships with CDFIs, green banks, and community development financial institutions operating in the Midwest — could accelerate parallel financing conversations. Walnut Way is specifically seeking a CDFI lender for the \$1.3M–\$1.6M property acquisition loan (final amount set by appraisal and DSCR at term sheet) [VERIFY lender]; a McKnight introduction to a CDFI with Wisconsin community development experience would be directly valuable.

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## Open to McKnight Featuring This Project Publicly?

**Yes.** Walnut Way is committed to public storytelling about community-owned energy in Milwaukee and across Wisconsin. Being featured by McKnight would amplify the Lindsay Heights model to a regional and national audience at a moment when other communities are

asking the same questions: how does a community-based organization finance a 1 MW solar installation, structure a recoverable grant repayment, and build the regulatory credibility to intervene in utility proceedings? Our answers are replicable, and public documentation of the MIRACLE model is itself a community benefit. We welcome any McKnight communications support.

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## Open to McKnight Connecting with Communications Partners?

**Yes.** Communications strategy is one of Walnut Way's identified technical assistance needs (see Future Technical Assistance section below). Specifically, we need support building a plain-language public narrative around the MIRACLE campus for Lindsay Heights residents — explaining how community-owned clean energy infrastructure works, how it lowers household energy burden, and what community ownership of a 501(c)(3) anchor asset means for the neighborhood. McKnight's communications partner network would be valuable here, and we welcome that introduction.

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## Project Partners

The following partners have active, documented roles in the MIRACLE campus project. Partner letters of support are included in Attachment N.

Organization	Role	LOI / Letter Status
<b>Walnut Way Conservation Corp</b>	Lead applicant, project sponsor, asset owner of record, CDFI loan borrower, ITC Direct Pay filer, Healthy Homes hub operator	Lead — this application
<b>Martin Luther King Economic Development Corporation (MLKEDC)</b>	Co-developer (not co-funder); corridor relationships and site selection expertise; tenant pipeline; community engagement; co-governance on major campus decisions. Revenue split indicative at 51/49 (MLKEDC 51% / Walnut Way 49%) on any subscriber or	LOI executed (Attachment I)

Organization	Role	LOI / Letter Status
	community-ownership revenue post-commissioning — does not apply to tenant revenue or BTM savings, which accrue 100% to Walnut Way as asset owner; 120-day exclusivity + mutual confidentiality are the only binding LOI provisions.	
<b>Sun Bear Industries (Isaiah Ness, CEO)</b>	Owner's representative; technical validation; feasibility letter confirming 1 MW + 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational) on both sites	Feasibility letter (Attachment J)
<b>Elevate (Abigail Corso, P.E., Chief Strategy Officer)</b>	Program implementation; Healthy Homes weatherization, electrification, and efficiency delivery; \$24,000 sub-awardee under Moore earmark	Letter of support 4/14/2026 (Attachment N)
<b>Slipstream Group, Inc. (Sandra Henry, President and CEO)</b>	Program partner; contractor workforce development pipeline; credentialing framework; datacenter accountability collaboration	Letter of support (Attachment N)
<b>WRTP/BIG STEP</b>	Registered apprenticeship pathway; union-aligned workforce pipeline for construction	Letter of support (Attachment N)
<b>Blue Skies Environmental Solutions</b>	Workforce; Resident Preference Program (RPP) hiring coordination for construction labor	Partner — operational

Organization	Role	LOI / Letter Status
<b>MWH Law Group LLP (Emery Harlan)</b>	Regulatory / PSC counsel; WE Energies rate case (Docket 5-UR-112) and net metering investigation (Docket 5-EI-157); petitions to intervene in preparation	—
<b>Pines Bach LLP (Christa O. Westerberg, Attorney)</b>	Regulatory counsel	Letter of support 4/15/2026 (Attachment N)
<b>5 Lakes Energy (Dan Ebert, Managing Partner, former WI PSC Chair)</b>	Energy planning; data center accountability; interconnection strategy; ITC safe harbor guidance [VERIFY post-OBBA safe harbor confirmation]	Letter of support 4/13/2026 (Attachment N)
<b>University of Wisconsin-Milwaukee (UWM)</b>	Designated federal recipient for Moore earmark; outcomes evaluation PI (Lynne Woehrle, PhD); Dean Kim Litwack letter to McKnight confirming institutional pathway	Dean Litwack letter (Attachment M)
<b>Ritz Holman LLP</b>	Independent auditor; 2024 and 2023 audited financial statements signed 2/27/2026	Audited financial statements (Attachments A, B)
<b>CDFI property loan lender</b>	\$1,300,000–\$1,600,000, 30-year acquisition term loan at ~5.5% (final set by appraisal and DSCR at term sheet); in discussion [VERIFY lender before submission]	In discussion
<b>Forward Community Investments (FCI)</b>	Seller of SDC campus; active negotiation; COO letter April 15, 2026 confirms willing disposition	COO letter on file

Organization	Role	LOI / Letter Status
<b>Nicole Robbins, Robbins Law Group</b>	Buyer's attorney; WB-15 commercial offer to purchase	Active
<b>Clean Economy Coalition of Wisconsin (CECW)</b>	50+ organization statewide clean-energy policy coalition	Coalition partner
<b>City of Milwaukee</b>	Owner of City parcel (SW lot) within SDC campus footprint; permitting authority	Ongoing coordination
<b>WE Energies</b>	Utility interconnection; tariff determination at 1 MW [VERIFY rate schedule]; Walnut Way's rooftop solar + battery at the Innovation & Wellness Commons campus (30 kW solar + 10 kWh battery primary system plus additional rooftop PV on adjacent campus buildings; same service territory, same neighborhood distribution grid node as the SDC campus) confirms established interconnection relationship	Ongoing

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### Existing Technical Assistance

Walnut Way currently has the following technical assistance relationships active:

**Sun Bear Industries (Isaiah Ness, CEO)** — Owner's representative and technical lead for MIRACLE campus design. Sun Bear conducted the PSC-funded feasibility study covering both the SDC campus and 2450 W. North Ave, validating the 1 MW solar + 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational) design on each site independently. Sun Bear will continue in the owner's rep role through interconnection, EPC selection, and commissioning. Letter of support dated April 16, 2026 (Attachment J).

**5 Lakes Energy (Dan Ebert, Managing Partner, former Wisconsin PSC Chair)** — Energy planning and interconnection strategy. 5 Lakes Energy has supported PSC strategy, MISO and

interconnection planning, data center energy accountability, and tax-credit framework analysis. (The PSC-funded feasibility study itself is being conducted by Sun Bear Industries as technical owner's representative; see Sun Bear entry.) Currently engaged on WE Energies tariff determination at 1 MW and ITC safe harbor timing [VERIFY post-OBBBA confirmation]. Letter of support dated April 13, 2026 (Attachment N).

**MWH Law Group LLP (Emery Harlan)** — Regulatory / PSC counsel. MWH Law is embedded on Walnut Way's regulatory proceedings. Petitions to intervene in WE Energies rate case (Docket 5-UR-112) and the statewide net metering investigation (Docket 5-EI-157) are in active preparation. MWH has been a key partner across Walnut Way's PSC intervenor-compensation record.

**Pines Bach LLP (Christa O. Westerberg, Attorney)** — Regulatory counsel. Pines Bach provides regulatory legal support across Walnut Way's PSC docket work. Letter of support dated April 15, 2026 (Attachment N).

**Elevate (Abigail Corso, P.E., Chief Strategy Officer)** — Healthy Homes program design and delivery. Elevate conducts whole-home energy assessments (weatherization, air quality, electrification) and is an active sub-awardee under the Moore earmark (\$24,000). Elevate provides the program delivery infrastructure that the MIRACLE hub will coordinate with the Finish Line Fund. Letter of support dated April 14, 2026 (Attachment N).

**Slipstream Group, Inc. (Sandra Henry, President and CEO)** — Program partner; contractor workforce development and credentialing pipeline, plus datacenter accountability collaboration. Slipstream supports curriculum development for small contractors, creating a credentialing pathway that feeds the Resident Preference Program and WRTP/BIG STEP apprenticeship. Letter of support (Attachment N).

**Ritz Holman LLP** — Independent auditor. FY2024 and FY2023 audited financial statements (Attachments A and B) are signed by Ritz Holman LLP. Walnut Way will continue annual independent audits regardless of Single Audit threshold applicability. Note: The Single Audit threshold under 2 CFR §200.501 (effective October 1, 2024) is \$1,000,000 in federal expenditures in a fiscal year. Walnut Way's FY2026 federal expenditures are projected below this threshold.

**PSC Engagement Posture** — Walnut Way's 12-year record of Wisconsin PSC participation (9 intervenor-compensation dockets since August 2022, \$500,506.50 across 10 award payments including one supplemental) reflects a proactive regulatory posture rather than a reactive one. Active dockets 5-UR-112 (WE Energies rate case) and 5-EI-157 (statewide net metering investigation) advance the LMI energy crediting mechanism, tariff framework, and coordination on the July 4, 2026 ITC safe harbor — carried by MWH Law Group (Emery Harlan) and Pines Bach LLP (Christa O. Westerberg) as regulatory counsel with 5 Lakes Energy (Dan Ebert) on energy planning.

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## Future Technical Assistance Needed

The following areas represent the most critical technical assistance gaps where McKnight's up-to-\$100,000 TA allocation would be most directly useful to this project. They are presented in priority order.

### **1. ITC Tax Counsel / §48E Post-OBBBA Verification**

The most immediately urgent technical assistance need is confirmation of the July 4, 2026 ITC safe harbor rules in light of any post-OBBBA (H.R. 1) guidance. A formal written opinion from a tax attorney with §48E experience — specifically addressing the 5% safe harbor threshold and physical work test for a project commencing construction in mid-2026 — would harden the single most time-sensitive claim in this application. If McKnight has an existing relationship with a Midwest clean-energy tax firm, that introduction would be the highest-value TA deployment we can envision.

### **2. Financial Modeling and Pro Forma Development**

Walnut Way has built a working financial model (Attachment E — MIRACLE Dual-Site Solar Projections) and a recoverable grant repayment schedule (Attachment H). What we need is a rigorous independent review of those models by a clean-energy finance expert who can stress-test the corrected ITC basis calculation (\$1,700,200 (locked) eligible basis; 30% flat = \$510,060), the BTM savings assumptions, and the repayment timeline — and who can present findings in a form that satisfies CDFI underwriting standards for the \$1.3M–\$1.6M property acquisition loan. Shannon Kennedy's or Third Coast's review of our model (as part of due diligence) itself serves this purpose, but we would also welcome a dedicated financial modeling TA engagement.

### **3. PSC Docket Support — LMI Crediting Mechanism (Dockets 5-UR-112 / 5-EI-157)**

Walnut Way plans to intervene in the WE Energies rate case (Docket 5-UR-112) and the statewide net metering investigation (Docket 5-EI-157) at the respective intervention windows to pursue an LMI-crediting mechanism — a bill-credit tariff that would direct excess MIRACLE campus generation to low-income Lindsay Heights households. The regulatory envelope is preceded by MGE Shared Solar (PSC Dockets 3270-TE-101 and 3270-TE-104); MIRACLE asks the Commission to reason through two narrow deltas (community 501(c)(3) ownership; behind-the-meter bill-credit mechanic) from an already-approved mechanic, not a blank-slate authorization. Regulatory counsel (MWH Law Group LLP — Emery Harlan; Pines Bach LLP — Christa O. Westerberg) is engaged; 5 Lakes Energy (Dan Ebert, former WI PSC Chair) supports on energy planning. Additional TA support is requested for econometric modeling of

LMI-crediting tariffs to support expert testimony in active PSC proceedings — providing the data-driven evidence the Commission needs to rule on a community-owned bill-credit structure. This work is not on the critical path for McKnight's recoverable grant recovery: BTM savings + \$48E Direct Pay recover McKnight's principal without any PSC win. The community-impact upside beyond base-case recovery is excess MIRACLE generation flowing as bill credits to low-income Lindsay Heights households at closer-to-retail value.

#### 4. Communications and Narrative Strategy

Building a public narrative around the MIRACLE campus — how a community-owned 501(c)(3) anchor asset reduces household energy burden, what the infrastructure means for Lindsay Heights, and how to document the project for replication across the Move the Midwest footprint — is identified as a priority but not yet resourced. Walnut Way needs materials that explain, in plain language accessible to Lindsay Heights residents, how the MIRACLE campus works and what benefits flow to them. McKnight's communications partners who have worked on similar projects in the upper Midwest would be well-positioned to help, and the resulting materials would serve the broader Move the Midwest learning community.

## Section 6: Document Upload Checklist

The following attachments are being submitted with this survey response. Status as of April 20, 2026 is noted. All documents are labeled per Third Coast Strategies' document requirements.

Attachment	Document	Status
<b>Attachment A</b>	Walnut Way 2024 Audited Financial Statements (Ritz Holman LLP, signed 2/27/2026)	Ready to upload
<b>Attachment B</b>	Walnut Way 2023 Audited Financial Statements (Ritz Holman LLP)	Ready to upload
<b>Attachment C</b>	Walnut Way FY2025 P&L and Balance Sheet (internal management statements)	Ready to upload
<b>Attachment D</b>	Walnut Way YTD 2026 P&L and Balance Sheet (through most recent available period)	Ready to upload

Attachment	Document	Status
<b>Attachment E</b>	MIRACLE Dual-Site Solar Projections (MIRACLE_DualSite_Projections_McKnight_04.2026.xlsx) — 5-year financial model with ITC, BTM savings, tenant revenue, and recoverable grant repayment scenarios	Ready to upload
<b>Attachment F</b>	Wisconsin DFI Certificate of Good Standing (dated April 16, 2026)	Ready to upload
<b>Attachment G</b>	Walnut Way Insurance Certificate — D&O + General Liability (McKnight Foundation as certificate holder) — pending receipt from broker Monday April 20, 2026	Requested Monday 4/20; expected before submission deadline
<b>Attachment H</b>	Recoverable Grant Repayment Schedule — PDF (primary) + XLSX (supporting workbook with Assumptions tab) — models 12, 24, and 36-month ITC processing scenarios	Ready to upload
<b>Attachment I</b>	MLKEDC Letter of Intent — co-developer terms (co-development roles, 51/49 indicative revenue split on subscriber/community-ownership revenue [MLKEDC 51% / Walnut Way 49%], 120-day exclusivity, mutual confidentiality as only binding provisions)	Ready to upload

<b>Attachment</b>	<b>Document</b>	<b>Status</b>
<b>Attachment J</b>	SunBear Energy Feasibility Letter — validates 1 MW solar + 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational) storage on both the SDC campus (1730–1810 W. North Ave) and 2450 W. North Ave independently	Ready to upload
<b>Attachment K</b>	FINAL Joint Project Proposal Summary for Appropriations (September 2025) — Moore earmark primary source document, \$850,000 total / \$474,000 Healthy Homes / \$376,000 Healthy Families	Ready to upload
<b>Attachment L</b>	UWM Office of Research Budget Development Tool (OSP revision 5/8/2025) — line-item documentation of \$379,074 Walnut Way sub-award, \$24,000 Elevate sub-award, \$28,374 UWM direct costs, \$42,052 UWM F&A	Ready to upload
<b>Attachment M</b>	UWM Dean Kim Litwack Letter to McKnight Grants Office (April 13, 2026) — confirms UWM as designated federal recipient of Moore-associated funds; confirms subaward/contract/MOU pathway to Walnut Way; PI contact Lynne Woehrle, PhD ( <a href="mailto:woehrle@uwm.edu">woehrle@uwm.edu</a> )	Ready to upload

<b>Attachment</b>	<b>Document</b>	<b>Status</b>
<b>Attachment N</b>	Letters of Support — Slipstream Group (Sandra Henry); Sun Bear Industries (Isaiah Ness); 5 Lakes Energy (Dan Ebert); Pines Bach LLP (Christa O. Westerberg); Elevate (Abigail Corso); WRTP/BIG STEP; SOFF (Yinka N. Bode-George)	Assembling
<b>Attachment O</b>	Walnut Way Board Roster + 501(c)(3) IRS Determination Letter	Ready to upload
<b>Attachment P</b>	WB-44 Counter-Offer signed by seller 1730 W. North Ave Ownership, LLC (Ryan Zerwer, Officer) dated April 17, 2026 — delivered via Ogden & Company (Bob Gintoft, SIOR, EDFP); counter price \$2,000,000; accept-by April 27, 2026; closing on or before May 24, 2026 — documentary evidence of live, active SDC campus transaction	Ready to upload
<b>Attachment Q</b>	SAM.gov Entity Registration — Walnut Way Conservation Corp (UEID ZNXFMN83Z794, CAGE 68E13); active through March 31, 2027	Ready to upload
<b>Attachment R</b>	McKnight Foundation Insurance Certificate (Robertson Ryan & Associates; D&O + General Liability; McKnight	Ready to upload

Attachment	Document	Status
	Foundation named as certificate holder)	

**Notes on document status:**

**Attachment R (Insurance COI):** The Certificate of Insurance was issued by Walnut Way's broker (Robertson Ryan & Associates, Jennifer Meisel) on April 17, 2026 naming The McKnight Foundation as certificate holder, covering D&O and General Liability. The COI is included in this submission package as Attachment R.

**Note on Terminology in Partner Letters of Support.** Partner letters of support may reference Justice40 and CEJST terminology consistent with the federal nomenclature in use at the time of drafting. Walnut Way's narrative anchors federal alignment in IRC §48E (Clean Electricity Investment Credit) and §45D(e) (Low-Income Community census tract designation), which is the operative statutory basis for §48E(h) bonus eligibility regardless of administrative program nomenclature. The underlying tract-level qualification and community-benefit analysis are unchanged; only the framing label has been updated to reflect current statutory citation practice. Walnut Way has not requested any partner amend or withdraw language from previously issued letters; partners' own records and framing are preserved as written. Specifically: Slipstream's existing letter of support is submitted as originally issued; this transmittal note substitutes for any amended version. The statutory basis — §48E + §45D(e) census-tract qualification — is the operative framework McKnight reviewers should apply when evaluating federal alignment, and it is unaffected by the nomenclature used by any partner organization in their own correspondence.

**Documents verifying the Moore earmark (Attachments K, L, M):** These three documents together constitute the complete documentation stack for the federal Healthy Homes earmark: (K) establishes the federal nexus and dollar amounts at the project level; (L) establishes the line-item sub-award amounts at the institutional level; (M) establishes UWM's authority as designated federal recipient and the subaward pathway to Walnut Way. The Dean's letter does not independently cite a dollar amount, but the three-document stack as a whole satisfies the standard of documentation UWM's OSP would use to open a sub-award account.

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**Section 7: Transmittal Letter to Third Coast Strategies / McKnight Foundation**

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**Date:** April 21, 2026 **To:** Shannon Kennedy, Tremaine Phillips, and Cory Connolly — Third Coast Strategies / Connolly Strategies, on behalf of The McKnight Foundation **Re:** Move the Midwest — Project Information Survey Response — Walnut Way Conservation Corp — MIRACLE Campus, Lindsay Heights, Milwaukee, Wisconsin **Ask:** \$1,000,000 recoverable grant + up to \$100,000 technical assistance

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Walnut Way Conservation Corp has operated in Lindsay Heights for 12 years. We have managed more than \$30M in program activity, are actively deploying community-owned wireless broadband connectivity infrastructure across the City of Milwaukee, and have participated in 9 Wisconsin PSC regulatory dockets since August 2022 as a Commission-recognized intervenor (10 award payments totaling \$500,506.50) — building the regulatory standing that community solar infrastructure requires. We did not begin this project when McKnight's program opened. We began it 12 years ago, one asset at a time.

The MIRACLE campus is the next iteration of that same work: converting catalytic capital into permanent community-owned infrastructure that generates ongoing community benefit. The specific structure of this application — a \$1,000,000 recoverable grant, sized to a \$200,000 acquisition bridge and an \$800,000 solar construction bridge — reflects the same discipline we apply to every Walnut Way capital project. We modeled more aggressive capital structures and chose this one, because our obligation to McKnight's recoverable pool is to keep your capital at risk for the shortest possible duration and to return it with the clearest possible mechanism.

**On the SDC acquisition.** Walnut Way submitted a \$1,100,000 commercial offer on March 17, 2026; the seller's \$2,000,000 WB-44 counter was delivered April 17, 2026 with an April 27, 2026 accept-by (Attachment P), and buyer counter-response is in preparation with Nicole Robbins (Robbins Law Group) at a disciplined mid-range calibrated to this asset's distressed-disposition market reality, not to the list price. The \$1,000,000 McKnight ask is sized to work at any price within the negotiated range: the \$200,000 acquisition bridge closes whatever gap lands between the CDFI loan and the final acquisition price, and if the SDC negotiation exceeds what the stack supports, the dual-site strategy pivots to 2450 W. North Ave without system redesign (SunBear Industries, Attachment J). This is the second binding deadline in the project — alongside the July 4, 2026 ITC safe harbor — and it runs in parallel with McKnight's review window. Walnut Way is the higher-quality acquirer in a market without a competitive bidder queue; capital certainty is the lever that converts that position into a better closing price, and a better closing price is capital that returns to McKnight's recoverable pool faster. We raise it here not to request expedited review, but because the coupling between funding-decision clarity and acquisition outcome is a direct piece of this recoverable grant's risk-adjusted return.

That mechanism is IRC §48E Direct Pay — a federal statutory cash refund of \$510,060 base case, flowing to us as a 501(c)(3) applicable entity approximately 12 months after we place Phase 1 solar in service. It is not a grant application. It is not a discretionary decision by any

funder. It is a legal entitlement under the Inflation Reduction Act that exists regardless of which party controls the White House or the Wisconsin Legislature. The project's federal alignment is anchored in statute (IRC §48E and §45D), not in executive programs. That statutory basis is unchanged by 2025 administrative rescissions. LIC Bonus (+10% under IRC §48E(h)/§45D) is one of three adders Walnut Way intends to pursue; if census tract 4 qualifies [VERIFY final tract-level IRS certification], Direct Pay would increase to \$680,080 — treated as upside, not modeled in base case. Energy Community Bonus and Domestic Content Bonus are pursued on the same conservative posture (each gated by the §48E/§6417 tax opinion condition precedent).

We want to be direct about the risks we have disclosed in this application and why we disclosed them this way. The ITC safe harbor deadline of July 4, 2026 is a hard constraint — one that makes McKnight's speed of deployment directly material to the project's success. The WE Energies tariff determination for the MIRACLE configuration (~833 kW AC aggregate, architected by SunBear Industries as multiple sub-300 kW meters under CGS-DS-FP) is a Phase 3 condition precedent to construction close — it sits on the construction critical path, not on the ITC safe harbor critical path or on McKnight's funding decision. The CDFI acquisition lender is one of three regional CDFIs we are in active parallel conversation with — IFF (presumed primary, existing mortgage relationship), Forward Community Investments (Wisconsin-based mission lender), and LISC Milwaukee — with final selection targeted for the due diligence period after award decision. We have marked each of these with [VERIFY] tags rather than papering over them because we believe Third Coast Strategies — Tremaine, Shannon, and Cory — will look for exactly these gaps, and finding that we acknowledged them proactively is a better outcome than finding that we buried them.

The community that MIRACLE serves does not have the luxury of a clean deal with no open items. Lindsay Heights ranked worst of 13 Milwaukee neighborhoods in the RON coalition's survey of 35,000 residential properties: 40.5% of homes need major repairs, 744 owner-occupied households face a \$35M repair gap, and 41.3% of households have no vehicle — meaning resources have to come to residents, not the reverse. The MIRACLE campus is not solving that gap with one project. It is building the permanent infrastructure — the hub, the navigator staff, the contractor coordination — through which every subsequent round of repair dollars passes more efficiently.

Walnut Way is a high-integrity steward of recoverable capital. We have demonstrated that over 12 years of operating history, \$30M in program stewardship, and PSC intervenor compensation of \$500,506.50 across 9 dockets since August 2022 (10 award payments including one supplemental). McKnight's \$1,000,000 goes into a project where the repayment mechanism is a federal statutory entitlement, the baseline revenue requires no legislation, and the dual-site strategy eliminates the single most common failure point in community development solar — site control risk.

We are ready to discuss this application in detail with Third Coast Strategies at any time before the funding decision. We welcome hard questions on the capital stack, the ITC basis calculation, the WE Energies tariff, and the repayment timeline. We have built this application to withstand that scrutiny, and where it cannot yet withstand it, we have said so.

We note McKnight's March 2026 "All In On Mission" posture and the approximately 60% increase in annual grantmaking the Foundation announced for this moment. The posture matters to us because it signals that McKnight is willing to take on risk that other funders are stepping back from — risk shaped by the 2025 federal landscape, compressed philanthropic timelines, and community-owned projects that cannot wait for clean conditions.

MIRACLE is built for exactly that moment: a project where the repayment mechanism is a federal statutory entitlement unchanged by administrative rescissions, where the community-ownership design is the point rather than an optional overlay, and where the evaluators have the financial and regulatory expertise to read the risks and the mitigations accurately.

We are not asking McKnight to absorb our uncertainty. We are asking McKnight to deploy recoverable capital through the specific 10-week window in which a statutory bonus-eligible, community-owned 1 MW DC / ~833 kW AC solar project can still be safe-harbored in 2026. That is what "all in on mission" operationally looks like at the project level.

Antonio Butts Executive Director, Walnut Way Conservation Corp [info@ejicwisconsin.org](mailto:info@ejicwisconsin.org) | [antonioabutts@gmail.com](mailto:antonioabutts@gmail.com) | 414-861-2206

Chandra Ellis Grant Development Director, Walnut Way Conservation Corp

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## Quick Reference: Key Numbers

Figure	Value	Source
<b>McKnight Ask — Total</b>	\$1,000,000 recoverable grant	This application
<b>McKnight Ask — Acquisition Bridge</b>	\$200,000	This application
<b>McKnight Ask — Solar Construction Bridge</b>	\$800,000	This application
<b>Total Project Cost</b>	\$3.8M – \$5.0M (Phase 1 + Phase 2a battery deferred to	MIRACLE Dual-Site Projections (Attachment E;

<b>Figure</b>	<b>Value</b>	<b>Source</b>
	late 2027/2028; midpoint \$4,376,500)	refreshed April 18, 2026, this submission)
<b>ITC §48E Base Rate</b>	30%	IRC §48E statutory baseline
<b>ITC Direct Pay (30% flat on corrected \$1,700,200 (locked) eligible basis)</b>	\$510,060 base case; with confirmed adders: \$680,080 / \$850,100 / \$1,020,120 [each [VERIFY], gated by §48E/§6417 tax opinion]	Attachment H — Repayment Schedule (refreshed April 18, 2026, this submission)
<b>ITC Direct Pay Timing (base case)</b>	Q1 2028 (~12 months post Q2 2027 commissioning)	Attachment H
<b>ITC Direct Pay Timing (downside)</b>	24–36 months; bridge covered by BTM savings + LOC	Attachment H
<b>ITC Safe Harbor Deadline</b>	July 4, 2026 (confirmed operative post-OBBBA for small projects; practitioner consensus places threshold at ≤1.5 MW AC — MIRACLE at ~833 kW AC sits well inside)	IRC §48E beginning-of-construction rules; OBBBA (signed July 4, 2025)
<b>BTM Energy Savings (annual)</b>	~\$161,000/year beginning at commissioning	MIRACLE Dual-Site Projections (Attachment E)
<b>Battery Storage Spec</b>	0.5 MW / 1 MWh	SunBear Energy Feasibility Letter (Attachment J)
<b>System Size</b>	~1 MW DC nameplate / ~833 kW AC inverter output (1.2 DC:AC ratio); preserves BOTH the PWA exemption AND the Domestic Content Direct Pay exemption that apply below 1 MW AC	SunBear Industries Letter of Support (Attachment J)
<b>Target Commissioning</b>	Q2 2027	Project timeline

<b>Figure</b>	<b>Value</b>	<b>Source</b>
<b>CO2 Reduction</b>	~815 metric tons/year	EPA eGRID MROW factor ~0.71 kg CO2/kWh × 1.15M kWh
<b>Households Equivalent</b>	~100–120 households offset annually	System generation estimate
<b>25-Year BTM Energy Value</b>	~\$4.0M	\$161K/year × 25 years
<b>CDFI Property Loan</b>	\$1,300,000–\$1,600,000, 30-year term at ~5.5% (final set by appraisal and DSCR) [VERIFY lender]	Capital stack (in discussion)
<b>MIRACLE Acquisition Price (WB-15)</b>	\$1,100,000 (offer submitted)	Offer to purchase; listing \$2.0M per Ogden
<b>Primary Site</b>	SDC Campus, 1730–1810 W. North Ave, Milwaukee WI 53205	FCI COO letter April 15, 2026
<b>Secondary / Replication Site</b>	2450 W. North Ave, Milwaukee WI 53205 (7.5 acres, \$1.8M listed)	SunBear Energy Feasibility Letter
<b>3-Year Rolling Avg Operating Budget</b>	\$2.76M (FY2023 \$2.09M + FY2024 \$3.44M + FY2025 \$2.76M)	Attachments A, B, C
<b>Cumulative Program Stewardship</b>	~\$30M over 12 years	12-year average above \$2.5M/year
<b>FY2025 Net Result</b>	–\$34,263 (1.2% of revenue); near-breakeven reflecting timing of multi-year restricted grant releases	Attachment C (FY2025 P&L)
<b>Unrestricted Net Assets (end-2024)</b>	\$5.35M; above Nonprofit Finance Fund 3-month minimum	Attachment A (2024 audited financial statements)
<b>Uninsured Cash (12/31/2024)</b>	\$793,377 at primary WI financial institution; board	2024 audit Note D (Attachment A)

<b>Figure</b>	<b>Value</b>	<b>Source</b>
	finance committee reviews concentration quarterly	
<b>PSC Intervenor Compensation</b>	\$500,506.50 across 9 dockets since August 2022 (10 award payments including one supplemental)	<u>Wisconsin PSC Intervenor Compensation Public Records</u>
<b>Community-Owned Wireless Broadband Connectivity Infrastructure</b>	Active deployment across the City of Milwaukee (capacity signal, not a repayment source)	Organizational operations
<b>Moore Earmark — WW Sub-award</b>	\$379,074 (\$300K Finish Line Fund + \$79,074 project mgmt); expend by 9/30/2026	UWM OSP Budget Tool (Attachment L); Appropriations Summary (Attachment K)
<b>Moore Earmark — Total Project</b>	\$850,000 total (\$474K Healthy Homes + \$376K Healthy Families)	FINAL Joint Project Proposal Summary for Appropriations, September 2025 (Attachment K)
<b>MLKEDC Role</b>	Co-developer (not co-funder); 51/49 indicative revenue split (MLKEDC 51% / Walnut Way 49%) on subscriber/community-ownership revenue post-commissioning; does not apply to tenant revenue or BTM savings	MLKEDC LOI (Attachment I)
<b>Owner's Rep</b>	SunBear Energy	SunBear Energy Feasibility Letter (Attachment J)
<b>Auditor</b>	Ritz Holman LLP (2024 audit signed 2/27/2026)	Attachments A, B
<b>WI DFI Good Standing</b>	Certificate dated April 16, 2026	Attachment F

<b>Figure</b>	<b>Value</b>	<b>Source</b>
<b>Executive Director / Project Lead</b>	Antonio Butts ( <a href="mailto:info@ejicwisconsin.org">info@ejicwisconsin.org</a> ; <a href="mailto:antonioabutts@gmail.com">antonioabutts@gmail.com</a> ; 414-861-2206)	—
<b>Grant Development Director</b>	Chandra Ellis	—
<b>Federal Credit Statute</b>	IRC §48E Clean Electricity Investment Credit; Direct Pay §6417; Low-Income Community bonus §45D(e)	Statute — not executive-branch program
<b>Single Audit Threshold</b>	\$1,000,000 in federal expenditures per fiscal year (2 CFR §200.501, effective 10/1/2024)	OMB Uniform Guidance
<b>Survey Submission Deadline</b>	Tuesday, April 21, 2026 by 5:00 PM CT	McKnight / Third Coast deadline

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# McKnight Move the Midwest — Project Information Survey

Form- Responses — MIRACLE Campus / Walnut Way Conservation Corp

**Form URL:**

<https://docs.google.com/forms/d/e/1FAIpQLSfWC7e-1XEmVmz3E7VCnlxmw2xrMluF5FtUkzuoOktlYCFRA/viewform> **Deadline:** Wednesday, April 22, 2026 — submitting Tuesday April 21 by 5:00 PM CT (24-hour buffer) **Submitter:** Antonio Butts, Executive Director, Walnut Way Conservation Corp

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## SECTION 2 OF 9 — Project Lead

**Project Lead Name (First and Last)**

Antonio Butts

**Project Lead Job Title**

Executive Director

**Project Lead Organization**

Walnut Way Conservation Corp

**Project Lead Email**

info@ejicwisconsin.org

**Project Lead Phone Number**

414-861-2206

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## SECTION 3 OF 9 — Project Overview

### **Project Name**

MIRACLE Campus — 1 MW DC / ~833 kW AC Community Solar + Healthy Homes Hub  
(Milwaukee Interagency Resiliency and Access Center for Learning and Equity)

### **Survey Submitter Name (First and Last)**

Antonio Butts

### **Survey Submitter Email**

info@ejicwisconsin.org

### **Organization Receiving/Applying for Funding**

Walnut Way Conservation Corp

1707 N. Martin Luther King Jr. Drive, Milwaukee, WI 53212

EIN 39-2007850

### **Organization Type**

Non-profit 501(c)(3)

### **Project Team**

Antonio Butts (Walnut Way) — Executive Director; project lead; primary McKnight contact. Chandra Ellis (Walnut Way) — Grant Development Director; financial documentation. Bryan Rogers (Walnut Way) — Operations. Construction management is led by the EPC contractor, who provides a dedicated site superintendent for the solar build phase (references available on request). Walnut Way serves as owner's representative, with established multi-party project capacity through active City of Milwaukee public contracts, MKE Homes net-zero housing delivery (3 properties), and Walnut Way's Blue Skies Environmental Solutions landscaping/stormwater contracts — demonstrating public-contract compliance, workforce development, and community-scale coordination. Sun Bear Industries (Isaiah Ness, CEO) serves as technical owner's representative for MIRACLE. Martin Luther King Economic Development Corporation (MLKEDC) — co-developer LOI; 51/49 indicative revenue split

(MLKEDC 51% / Walnut Way 49%) applies solely to any post-commissioning subscriber or community-ownership revenue; does not apply to BTM savings or tenant revenue; 120-day exclusivity and mutual confidentiality are the only binding LOI provisions. RELATED-PARTY DISCLOSURE: Nicole Robbins serves simultaneously as CEO of MLKEDC and as Walnut Way's acquisition counsel on the SDC WB-44 (she prepared the 3/17/2026 \$1.1M buyer offer); mitigations: MLKEDC LOI economic terms are non-binding and apply only to future-upside revenue not in base case; SDC WB-44 is arms-length commercial acquisition from third-party seller; any post-award MLKEDC revenue arrangement is subject to WW Board Finance Committee + independent counsel review + McKnight notice under recoverable grant agreement related-party provisions. Sun Bear Industries (Isaiah Ness, CEO) — technical owner's rep; dual-site feasibility, engineering, EPC strategy. Dr. Lynne Woehrle (UW-Milwaukee) — PI on Moore earmark pathway. 5 Lakes Energy (Dan Ebert, Managing Partner, former WI PSC Chair) — energy planning, interconnection strategy, data center accountability. Slipstream Group, Inc. (Sandra Henry, President and CEO) — program partner; contractor workforce development; datacenter accountability collaboration. WRTP/BIG STEP — registered apprenticeship workforce pipeline. Blue Skies Environmental Solutions — Resident Preference Program hiring. Elevate (Abigail Corso, P.E., Chief Strategy Officer) — Healthy Homes technical assistance. MWH Law Group LLP (Emery Harlan) — regulatory / PSC counsel (retained for planned Walnut Way intervention in Dockets 5-UR-112 and 5-EI-157 at the respective intervention windows; intervention not yet filed). Pines Bach LLP (Christa O. Westerberg) — regulatory counsel. Robbins Law Group (Nicole Robbins) — acquisition counsel; Ms. Robbins is also CEO of MLKEDC (disclosed; see Related-Party Disclosure). Ritz Holman LLP — auditor. Robertson Ryan & Associates (Jennifer Meisel) — insurance broker. CDFI triad in active parallel conversation: IFF (presumed primary; existing mortgage relationship), Forward Community Investments, LISC Milwaukee.

## **Project Timeline**

Start: May 2026 (property closing target May 16, 2026 internal / on or before May 24, 2026 per WB-44 contract — Attachment P; McKnight award decision by mid-June per program FAQ).  
End: Q2 2027 commissioning; operations continuous thereafter through 25-year system life.

PHASE 1 — SECURE (Mar–May 2026): WB-15 offer submitted 3/17/2026 at \$1.1M; seller WB-44 counter at \$2M received 4/17/2026 with 4/27/2026 accept-by (the April 27 date applies to the seller's counter; Walnut Way's buyer counter-response resets the negotiation timeline); buyer counter-response in preparation with Nicole Robbins; CDFI property loan commitment targeted post-award; closing target 5/16/2026 (internal target; contractual deadline per WB-44 Attachment P: on or before 5/24/2026).

PHASE 2 — ACTIVATE (May–July 2026): Commission formal \$48E + \$6417 safe-harbor tax opinion from qualified tax counsel (first TA dollar deployed) to confirm the 5% cost test vs.

physical work test path selection under current post-OBBA Treasury posture; file WE Energies pre-application / staff pre-determination request for multi-meter CGS-DS-FP architecture; complete IRS §6417 Direct Pay pre-filing registration (required before the tax return claiming elective pay is filed in 2028; performed in Phase 2 well ahead of that filing); engage EPC; cut non-refundable EPC equipment deposits (~\$150K–\$175K = 5% of project costs) to safe-harbor the §48E vintage year — these deposits attach to the project and satisfy safe harbor independent of property closing status, hedging any SDC closing timing slip; ITC safe harbor secured by July 4, 2026.

PHASE 3 — BUILD (Q3–Q4 2026): Rooftop + canopy + ground-mount solar installation (Phase 1 solar; battery storage deferred to Phase 2 late 2027/2028 to preserve ITC optionality through 2033 and keep solar critical path on July 4, 2026 safe harbor); Day-1 hub fit-out (navigator office, community room, FF&E, light tenant demising) \$75K–\$150K funded from Walnut Way net-zero housing sale proceeds — SDC building mechanicals, HVAC, and ADA already complete per City of Milwaukee DNS permit file; campus IT and public Wi-Fi infrastructure \$75K funded from Walnut Way's existing PSC Resilient Resident Wi-Fi program; Finish Line Fund fully deployed to 744-household pipeline by 9/30/2026 (Moore earmark deadline).

PHASE 4 — MONETIZE (Q1–Q2 2027): System commissioned (solar Phase 1); BTM savings operational (~\$161K/year); §48E Direct Pay claim filed; ITC refund (~\$510,060 base case (locked at 30% flat on \$1,700,200 eligible basis)) expected Q1 2028 (~12 months post-commissioning). Battery storage deferred to Phase 2 (late 2027/2028) — see Phasing note below.

**\*\*Award-to-repayment crosswalk (FY mapping):\*\*** Award May 2026 (FY2026) → Phase 1 commissioning Q2 2027 (FY2027) → §48E Direct Pay ITC cash receipt Q1 2028 (FY2028, retires ~51%–60% of the grant) → BTM savings of ~\$161K/yr clear the ~\$490,000 residual → full McKnight repayment by FY2030–FY2031 base case (accelerated to FY2029–FY2030 with LIC Bonus). Cash Flow sheet rows labeled FY2026 through FY2030 correspond directly to these milestones.

PHASE 2 BATTERY — late 2027/2028: Battery storage (0.5 MW / 1 MWh; \$540K–\$820K (Phase 2a, 0.5 MW / 1 MWh)) installed as Phase 2 addition; ITC claimed in its own credit year under §48E (valid through 2033); adds resilience, demand-charge management, and future FERC Order 2222 wholesale market optionality. PSC EIGP Round 6 Solar/Storage grant (up to \$500,000; deadline June 30, 2026) is the primary active construction-gap closer during the 2026–2028 bridge window — if EIGP not awarded, Walnut Way's organizational line of credit serves as backstop.

PHASE 5 — SCALE (2027–2035): Replicate at 2450 W. North Ave (immediate replication target per SunBear feasibility); corridor expansion with confirmed near-term capacity additions (Walnut Way campus +545 kW; Blue Skies HQ +428 kW; Fond du Lac +243 kW; ~1.2 MW cumulative);

long-term trajectory scaled to serve the Move the Midwest footprint across WE Energies service territory and comparable Midwest utility regions.

## **Project Location**

Primary site: SDC campus, 1730–1810 W. North Ave, Milwaukee, WI 53205 (Lindsay Heights neighborhood; Milwaukee County census tract 4; six contiguous parcels on approximately 2 acres; ~89,050 SF across main office building, two warehouses, two parking lots, and a city-owned lot under acquisition discussions).

Alternate/replication site: 2450 W. North Ave (St. Ann Center / Bucyrus Campus), Milwaukee, WI 53205 — same Lindsay Heights neighborhood, 7.5 acres, 80,000 SF, EPA brownfield remediation completed.

Service area: Lindsay Heights neighborhood (~2,600 households; 744 owner-occupied in Healthy Homes pipeline); Milwaukee's near-north side; replication pathway across WE Energies service territory in southeastern Wisconsin.

## **Community Impact**

Lindsay Heights ranked WORST of 13 Milwaukee neighborhoods in the Reclaiming Our Neighborhoods (RON) coalition survey of ~35,000 residential properties: 40.5% of homes need major repairs; 744 owner-occupied households face a \$35M+ cumulative repair gap; 41.3% of households have no vehicle (meaning resources must come to residents, not the reverse).

### **QUANTITATIVE IMPACT:**

- ~815 metric tons CO<sub>2</sub> equivalent avoided per year (see Environmental Impacts field)
- ~\$161,000/year in direct utility-bill savings to the MIRACLE campus (behind-the-meter; retail rate \$0.14/kWh × 1.15M kWh/year consumed on-site)
- 744 owner-occupied households targeted in Healthy Homes repair pipeline via \$300,000 Finish Line Fund (deploying now under Moore earmark, 9/30/2026 deadline)
- JOBS — construction phase: solar installation, racking, electrical, and hub fit-out over an 18-month build window, staffed through WRTP/BIG STEP registered apprenticeship and Walnut Way's self-performing Blue Skies crew rotation. Permanent operations: direct MIRACLE campus roles in hub navigation, Healthy Homes coordination, and facilities/maintenance, with additional

indirect jobs supported by the 70/30 tenant incubator at stabilized occupancy. Specific headcount targets will be confirmed during pre-construction workforce planning with WRTP/BIG STEP and Blue Skies; Walnut Way does not project hard job counts absent a signed EPC labor plan

- 100% of construction labor hiring prioritized to Lindsay Heights residents via Resident Preference Program (Blue Skies) and WRTP/BIG STEP registered apprenticeship
- Tenant revenue ~\$198K–\$247K/year at 70/30 hybrid incubator (80–100% occupancy, rents 50% below market by design — direct wealth-building for local entrepreneurs)
- 100% of service area qualifies as LIDAC (Low-Income Disadvantaged Community) under federal designations

#### QUALITATIVE IMPACT:

- Community ownership: 501(c)(3) Walnut Way as owner of the campus asset and solar system, with MLKEDC as co-developer providing corridor development services; residentially governed; below-market tenant rents are a policy choice, not a market accident; benefits stay local
- Contrast to utility-owned model: WE Energies is simultaneously deploying ~315 MW of utility-owned solar (Dawn Harvest, Good Oak, Gristmill — March 2026 PSC approval) where ratepayers fund the assets and no ownership flows to the community. MIRACLE is the community-ownership counterpoint in the same service territory.
- Permanent infrastructure: The MIRACLE hub — navigator staff, contractor coordination, financing — becomes the permanent channel through which every subsequent round of housing repair dollars flows to Lindsay Heights residents more efficiently.
- Resilience hub: Battery-backed MIRACLE campus provides neighborhood-scale backup power during grid outages — meaningful in a neighborhood with high rates of medical equipment dependency and low vehicle access.

#### **Does this project serve any of the following? (Check all that apply)**

- Justice40 Community (Lindsay Heights, Milwaukee County census tract 4 — disadvantaged community per CEJST designations)
- Energy Community (WE Energies service territory — fossil-fuel-dependent grid region; MROW eGRID subregion)

Tribal land, tribal-owned, or tribal-serving project

Other (faith-based and community-based organization network; health and healthcare partnerships; schools — Ascension Health, Food For Health, Milwaukee Public Schools workforce pipeline)

### **Climate Technologies or Solutions (Check all that apply)**

Solar photovoltaic — ~1 MW DC / ~833 kW AC (1.2 DC:AC ratio per SunBear design)

Energy efficiency — building envelope upgrades through Healthy Homes / Elevate

Home repairs — structural, mold, lead mitigation (Finish Line Fund, Healthy Homes)

Electric appliances — high-efficiency appliance replacement through Healthy Homes

Electric heat pumps — heat pump installations as part of Healthy Homes hub services

Energy storage — 0.5 MW / 1 MWh battery (Phase 2a initial; Phase 2b expansion to 2 MWh future/informational) (SunBear Industries feasibility)

Resiliency investments — neighborhood-scale resilience hub; battery backup for grid outages

Solar hot water / Geothermal / EV charging / EVs / Regenerative agriculture / Transportation electrification / Grid modernization

### **Project Scale**

SOLAR: ~1 MW DC nameplate / ~833 kW AC inverter output (1.2 DC:AC ratio per SunBear Industries design). Approximately 2,245–2,350 commercial-grade 425W+ panels across ~55,000 sq ft of usable roof, parking-canopy, and ground-mount surface on six parcels of the SDC campus as the primary site (or equivalent configuration at 2450 W. North Ave under the dual-site hedge). See STATUTORY THRESHOLD POSITIONING paragraph below for the two distinct 1 MW AC exemptions (PWA and Domestic Content) preserved by this sizing.

BATTERY: 0.5 MW / 1 MWh storage — Phase 2a initial deployment \$680,000 midpoint (Phase 2a range: \$540K–\$820K for 0.5 MW / 1 MWh) per NREL 2024 LFP benchmark). Phase 2b expansion to 2 MWh is future/informational only and not in the base capital plan. ITC remains valid through 2033, preserving optionality. Enables behind-the-meter peak-rate time-shifting, grid-outage resilience, and future FERC Order 2222 wholesale market participation in MISO.

STATUTORY THRESHOLD POSITIONING: The ≤833 kW AC sizing sits below BOTH (a) the 1 MW AC threshold at which §48E prevailing-wage and apprenticeship (PWA) requirements apply

— Walnut Way earns the full 30% base ITC without PWA compliance, though WRTP/BIG STEP registered apprenticeship alignment voluntarily meets or exceeds those standards; AND (b) the 1 MW AC threshold that triggers the §48E elective-pay Domestic Content haircut for noncompliant projects — meaning §6417 Direct Pay is available at the full statutory amount even without Domestic Content certification. Any domestic sourcing achieved adds a +10% bonus on top, as pure upside. These are two distinct statutory exemptions, both preserved by the sub-1 MW AC design.

**INTERCONNECTION ARCHITECTURE:** SunBear designs MIRACLE as multiple sub-meter configurations each sized below the ~300 kW CGS-DS-FP tariff ceiling. This keeps each sub-meter inside WE Energies' standard commercial customer-generation tariff rather than triggering a negotiated Parallel Generation Agreement at the aggregate 833 kW level.

**BUILDING:** ~89,050 SF main campus across six contiguous parcels on approximately 2 acres (SDC primary). Hub includes Healthy Homes navigator office; tenant incubator space (70/30 hybrid, below-market rent); Elevate/Slipstream partner offices; community meeting space; battery-backed resilience function.

**ANNUAL PRODUCTION:** ~1,140,000–1,200,000 kWh/year (~1,140–1,200 kWh/kW-DC/year at Milwaukee irradiance, inside NREL PVWatts Milwaukee-area rooftop range of 1,100–1,300 kWh/kW-DC/year). Point estimate 1,150,000 kWh/year used for downstream BTM-savings, GHG, and air-quality calculations.

## **Timeline Risk**

Three milestones drive timing risk on this project: the July 4, 2026 ITC safe harbor, SDC acquisition closing within the 1.5M–1.8M range, and WE Energies' interconnection determinations. In all three cases, we have pre-committed governance conditions that prevent McKnight's capital from being exposed until the milestone is credibly secured—so the project's schedule is tight, but McKnight's recoverable principal is not left unsecured against those uncertainties.

1. **ITC SAFE HARBOR — JULY 4, 2026 (HIGH / HARD).** Construction must begin or 5% of costs (~\$150K–\$175K) incurred by this date to preserve the 30% §48E base ITC. Post-OBBBA status: MIRACLE at ~833 kW AC sits well inside the small-project protected band (practitioner consensus ≤1.5 MW AC; final Treasury guidance pending). Mitigation: May 16, 2026 internal property closing target (contractual deadline on or before 5/24/2026 per WB-44 Attachment P) gives ~41–49 days of runway; self-performing crew begins structural work within days of closing; McKnight early deployment is itself the primary mitigation.

2. SDC ACQUISITION CLOSING (MEDIUM, DUAL-HEDGED). Seller's WB-44 \$2M counter received 4/17/2026; accept-by 4/27/2026 applies to the seller's counter (Walnut Way's buyer counter-response resets the negotiation timeline); buyer counter-response in preparation with Nicole Robbins at a disciplined mid-range. If SDC negotiation exceeds what the capital stack supports, dual-site pivot to 2450 W. North Ave without system redesign (SunBear Industries Letter of Support validates full 1 MW system on either site); note that the 2450 site's higher listed acquisition basis (~\$1.8M) would require a revised capital stack conversation with McKnight before the \$200K acquisition bridge is deployed against that alternate path.

3. WE ENERGIES INTERCONNECTION (MEDIUM, PHASE 3). Commercial-scale tariff determination for ~833 kW AC aggregate; interconnection study timelines run 6–12 months. Sits on construction critical path, NOT on ITC safe harbor critical path and NOT on McKnight funding decision. Walnut Way operates rooftop solar + battery across multiple buildings at the Innovation & Wellness Commons campus (30 kW solar + 10 kWh battery primary system plus additional rooftop PV on adjacent campus buildings; interconnected to WE Energies and operational for years) — same service territory and same neighborhood distribution grid node as the SDC campus — confirming demonstrated operator capacity. Additionally, the SDC campus acquisition target itself carries an existing commercial-scale rooftop PV array of ~200+ panels on the east building. Publicly available: City of Milwaukee Commercial Solar PV Rooftop System permit Final as of 2/18/2021 per [public property record via realtor.com]([https://www.realtor.com/realestateandhomes-detail/1730-W-North-Ave\\_Milwaukee\\_WI\\_53205\\_M94483-71197](https://www.realtor.com/realestateandhomes-detail/1730-W-North-Ave_Milwaukee_WI_53205_M94483-71197)); parcel APN 324-0628-110-7 per [Milwaukee County tax records via LoopNet](<https://www.loopnet.com/property/1730-w-north-ave-milwaukee-wi-53205/55079-0032406281107/>); array is owned by the property and conveys under WB-44. Commercial-scale customer-generation interconnection has already been approved by WE Energies at this exact service address — materially reducing interconnection-study and structural/electrical scoping risk for the MIRACLE expansion. Not publicly indexed: specific permit number, nameplate capacity, and WE Energies interconnection agreement number — available only via Milwaukee DNS permit file pull and a direct WE Energies interconnection records request, both sequenced into acquisition diligence [VERIFY current operational status, nameplate, and IA number during diligence].

4. CDFI PERMANENT FINANCING (LOW). Three regional CDFIs in active parallel conversation (IFF primary, Forward Community Investments and LISC Milwaukee as alternates). Final selection targeted for due diligence period post-award.

5. CONSTRUCTION COST / SUPPLY CHAIN (MEDIUM). Battery deferred to Phase 2 (late 2027/2028) — reduces near-term capital pressure and preserves ITC optionality through 2033; Phase 2 battery will be bid separately at time of installation. Phase 1 solar (\$1.3M–\$1.5M) is the refined budget element; SunBear feasibility provides engineering-grade cost validation. Early EPC engagement and fixed-price targeting. Blue Skies Environmental Solutions (WW DBA, same EIN) self-performs structural install (racking/mounting, canopy framing, ballast concrete) at direct job-cost — \$105K–\$130K, ~2,900–3,200 hrs at ~\$30/hr loaded rate; fully §48E-eligible

at cost; removes structural scope from EPC markup base and keeps labor dollars in Lindsay Heights. Wiring and interconnection remain EPC-furnished.

### **Current Development Stage**

- Concept/early planning
- Design/engineering in progress
- Permitting underway
- Permits secured, construction-ready
- Under construction
- Operational (seeking expansion funding)
- Other

Plus supplementary note for field "Other" comment box if prompted:

Specific milestones completed: WB-15 offer submitted 3/17/2026; WB-44 seller counter received 4/17/2026 (buyer counter-response in preparation); Sun Bear Industries (Isaiah Ness, CEO) Letter of Support signed 4/16/2026; Walnut Way operates rooftop solar + battery across multiple buildings at the Innovation & Wellness Commons campus (30 kW solar + 10 kWh battery primary system plus additional rooftop PV on adjacent campus buildings; same WE Energies service territory and same neighborhood distribution grid node as the SDC campus; interconnected and operational for years) — confirming operator capacity at this grid node; PSC-funded feasibility study underway with Sun Bear Industries; 5 Lakes Energy (Dan Ebert) supporting energy planning and interconnection strategy; CDFI triad engaged (IFF primary); regulatory and legal strategy engaged (MWH Law Group / Emery Harlan and Pines Bach LLP as regulatory counsel; Robbins Law Group for acquisition); Moore earmark active execution (\$379,074 Walnut Way sub-award; Finish Line Fund is a citywide Milwaukee infrastructure being deployed here via coalition partners targeted at Lindsay Heights households under the Moore earmark; 9/30/2026 deadline); §6417 Direct Pay portal registration planned Phase 2.

### **Environmental Impacts**

GHG EMISSIONS AVOIDED: ~815 metric tons CO<sub>2</sub>e/year (1,150,000 kWh/year × EPA eGRID MROW emission factor ~0.71 kg CO<sub>2</sub>/kWh — the official carbon intensity of Wisconsin's fossil-fuel-dominant grid region). Cumulative 25-year avoidance: ~20,375 metric tons CO<sub>2</sub>e — comparable to removing ~177 passenger vehicles from the road annually or offsetting the annual electricity consumption of ~100–120 households. Healthy Homes weatherization + envelope upgrades through the Finish Line Fund (\$300,000 over 744-household pipeline) produce additional embedded GHG reductions — potential cumulative avoidance of ~370–1,100 metric tons CO<sub>2</sub>e not included in the 815 figure.

AIR QUALITY: Lindsay Heights census tract carries documented elevated PM<sub>2.5</sub> and NO<sub>x</sub> exposure relative to the Milwaukee County average — driven by I-43 freight corridor adjacency, legacy industrial land use, and fossil-fuel peaker plant dispatch in the WE Energies service territory. Displacing 1.15M kWh/year of grid electricity — disproportionately from MROW fossil peakers during summer demand — yields local air quality improvement. Estimated ~0.5–0.8 metric tons NO<sub>x</sub> avoided/year and ~0.02–0.04 metric tons PM<sub>2.5</sub> avoided/year using eGRID MROW output rates. [VERIFY via EPA CMAQ Community Multiscale Air Quality Modeling System during due diligence.] Health co-benefit to a neighborhood carrying disproportionate respiratory disease burden is direct and additive to GHG impact.

LAND REUSE: Both potential sites (SDC campus; 2450 W. North Ave EPA-remediated brownfield) are adaptive reuse of existing developed footprint — no new land disturbance, impervious surface, or habitat impact.

REPLICATION SCALE: Blueprint designed for multi-site replication across WE Energies service territory and the broader Move the Midwest footprint. Confirmed near-term replication pathway: 2450 W. North Ave (full 1 MW equivalent per SunBear feasibility); corridor expansion (Walnut Way campus +545 kW; Blue Skies HQ +428 kW; Fond du Lac +243 kW; ~1.2 MW cumulative confirmed near-term). Long-term deployment scaled to the Move the Midwest footprint and served by the same template — engineering package, legal structure, interconnection pathway, and regulatory standing.

**Placement:** The primary site is the 3.4-acre SDC campus. To guarantee the July 4th Safe Harbor deadline, Walnut Way is conducting Parallel Engineering on both the SDC site and the St. Ann backup site (2450 W. North Ave). This ensures that site control and technical readiness are secured simultaneously, allowing us to lock in the federal tax credit vintage regardless of which land-sale negotiation closes first."

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## SECTION 4 OF 9 — Project Budget

**Sources and Uses Reconciliation Note (brief):** Base-case \$3.8M–\$5.0M project budget (Phase 1 solar + acquisition; Phase 2 battery deferred to late 2027/2028) construction and acquisition phases are funded upfront by McKnight \$1.0M + CDFI \$1.3M–\$1.6M (final set by appraisal and DSCR at term sheet) + Walnut Way internal equity \$150K (net-zero housing sale proceeds, funding Day-1 hub fit-out) + Walnut Way PSC Resilient Resident Wi-Fi \$75K (campus IT and public Wi-Fi infrastructure) + In-kind \$100K–\$150K + Focus on Energy up to \$25K + PSC EIGP Round 6 Solar/Storage grant up to \$500,000 (primary construction-gap closer; deadline June 30, 2026; active application target) = upfront capital. IRC §48E Direct Pay (~\$510,060 base case (locked at 30% flat on \$1,700,200 eligible basis) at 30% flat) is capital recovery post-commissioning (Q1 2028) that retires the McKnight bridge; it is not upfront funding. If EIGP is awarded at a reduced amount or not awarded at all, Phase 1 still closes using Walnut Way's 410,000 organizational line of credit and 150,000 in internal equity; this increases the share of temporary carry borne on Walnut Way's balance sheet but does not change McKnight's 1,000,000 recovery math or the modeled repayment years. LIC Bonus adder under IRC §48E(h)/§45D (+10%) would push ITC Direct Pay to \$680,080 if tract qualifies [VERIFY tract-level IRS certification] — treated as upside, not modeled in base case. Battery storage (\$540K–\$820K (Phase 2a, 0.5 MW / 1 MWh)) is phased to Phase 2 (late 2027/2028): ITC remains valid through 2033, deferring battery preserves tax credit optionality, keeps the solar critical path on the July 4, 2026 safe harbor, and BTM energy savings are largely preserved (battery adds resilience and demand-charge management, not core energy offset). Attachment E was refreshed April 18, 2026 and reflects these corrected figures (this submission). The Moore earmark (\$379,074 Walnut Way sub-award) is separately restricted under UWM federal recipient terms to Finish Line Fund household repair programming (9/30/2026 deadline) and is NOT available for solar construction or property acquisition; it runs concurrently with MIRACLE and demonstrates organizational capital deployment capacity but does not offset construction costs. SDC building mechanicals, HVAC, and ADA already complete per prior-owner build-out (City of Milwaukee DNS permit file) — removes a typical line of make-ready capital. Walnut Way also holds a municipal receivable from the City of Milwaukee (documentation available upon request from the City Treasurer's office); not included in the base-case stack; layers on top once written confirmation is in hand. Full sources-to-uses tie-out with monthly cash flow in Attachment E (Attachment E was refreshed April 18, 2026 and reflects the corrected figures (this submission)).

**File Upload 1 — Financial Projections for Project (5-year cash flow):** Upload:  
[MIRACLE\\_DualSite\\_Projections\\_McKnight\\_04.2026.xlsx](#) (Attachment E)

**File Upload 2 — Most Recent Financial Statements:** Upload:  
[WW\\_2024\\_Financial\\_Statements\\_Ritz\\_Holman\\_2.27.2026.pdf](#) (Attachment A — audited)

Supplementary: [WW\\_2023\\_Financial\\_Statements.pdf](#) (Attachment B);  
[WW\\_2025\\_FY\\_PL\\_Balance\\_Sheet.pdf](#) (Attachment C)

**File Upload 3 — Detailed Project Budget:** Upload: Included as tab in  
[MIRACLE\\_DualSite\\_Projections\\_McKnight\\_04.2026.xlsx](#)

### **Total Project Budget Amount**

\$3,790,000–\$4,963,000 total project (Phase 1 + Phase 2 combined). Phase 1 budget (solar + acquisition): Acquisition \$1.5M–\$1.8M expected closing range + Solar PV \$1.36M–\$1.70M + Soft Costs \$0.2–\$0.3M + Day-1 Hub Fit-Out \$0.075–\$0.15M + IT/Connectivity \$0.075M + Contingency reserve \$0.05–\$0.075M (~2% of construction budget). Phase 2 (late 2027/2028): Battery storage \$540K–\$820K (Phase 2a, 0.5 MW / 1 MWh) — deferred to preserve ITC optionality through 2033 and keep Phase 1 solar on critical path. §48E-eligible basis (Phase 1 solar + directly-related soft costs; excludes acquisition, fit-out, IT, general contingency): approximately \$1,700,200 (locked). Base ITC at 30% on corrected eligible basis: \$510,060 (locked). SDC building mechanicals, HVAC, and ADA already in place per prior-owner build-out (City of Milwaukee DNS permit file).

### **Budget Documentation** (single choice)

- Engineering estimates (SunBear Industries feasibility letter)
- Comparable project costs (also — please note multiple methods applied)
- Firm bids received
- Preliminary estimates from contractors
- Other

Supplementary comment:

Current budget based on SunBear Industries engineering-grade feasibility letter, validated against comparable community-scale solar + storage project benchmarks (Midwest region, 500 kW–1.5 MW scale, 2024–2026 market data). Firm EPC bids will be solicited during Phase 2 (May–July 2026) ahead of 5% cost incurrence for ITC safe harbor.

### **Amount Requested from McKnight Foundation**

\$1,000,000 recoverable grant, structured as:

- \$200,000 acquisition bridge (closes gap between CDFI permanent financing and acquisition closing price; sized to work at any price within the negotiated range)
- \$800,000 solar construction bridge (covers EPC costs between construction start and §6417 Direct Pay receipt ~12 months post-commissioning)

Plus up to \$100,000 targeted technical assistance and communications support (per program FAQ offering), to be deployed in priority order: (1) formal §48E + §6417 safe-harbor tax opinion from qualified tax counsel (first dollar deployed; gates the 5% equipment deposit timing decision under volatile post-OBBBA Treasury posture); (2) CDFI-quality underwriting package; (3) CMAQ air-quality modeling; (4) LMI crediting mechanism PSC-case support; (5) community narrative and replication documentation materials.

### **Other Confirmed Funding Sources**

1. Moore Federal Earmark — Walnut Way sub-award: \$379,074 COMMITTED SUB-AWARD — pathway confirmed; formal UWM–Walnut Way sub-award agreement targeted for execution prior to first disbursement (\$300,000 Finish Line Fund + \$79,074 project management). UWM is designated federal recipient; Dean Kim Litwack letter 4/13/2026 confirms sub-award/contract/MOU pathway. Expenditure deadline 9/30/2026. Walnut Way treats the Moore earmark as a congressional appropriation subject to standard federal fund administration and does not consider funds available until the UWM–Walnut Way sub-award agreement is executed. The Moore earmark is restricted to Healthy Families, Healthy Homes purposes (Finish Line Fund household repair gap financing + project management) and does NOT fund solar construction or property acquisition. See Attachments K, L, M.

2. Walnut Way Internal Equity — net-zero housing sale proceeds: \$150,000 COMMITTED. Proceeds from Walnut Way's recent net-zero single-family housing delivery in Lindsay Heights (3 properties; mix of closed and pending sales) recycled into the MIRACLE Day-1 hub fit-out. Same recoverable-capital logic McKnight is underwriting, demonstrated in-house at smaller scale.

3. Walnut Way PSC Resilient Resident Wi-Fi — IT / connectivity infrastructure: \$75,000 COMMITTED. Existing Walnut Way Wisconsin PSC programmatic capital allocated to the MIRACLE site for campus IT (servers, switches, cameras, access-control) and campus + public Wi-Fi network extension to adjacent Lindsay Heights blocks. Not a new application.

4. Walnut Way Organizational Match — in-kind development capacity + self-performing construction labor (Blue Skies Environmental Solutions, a DBA of Walnut Way under same EIN 39-2007850) + staff time: \$100,000–\$150,000 imputed value across the 18-month development

window (separate from the \$105K–\$130K Blue Skies self-perform line on the direct construction budget). Blue Skies self-performs structural install — racking/mounting, canopy framing, ballast/foundation concrete — at ~2,900–3,200 labor-hours at ~\$30/hr loaded rate, fully §48E-eligible at cost under Treasury self-constructed-basis guidance. Wiring and interconnection remain EPC-furnished. Documented via organizational P&L and contemporaneous job-cost accounting.

5. PSC Intervenor Compensation — \$500,506.50 historic track record across 9 dockets since August 2022 (10 award payments including one supplemental), funding pre-development regulatory work. Active awards support current PSC docket participation.

### **Other Pending Funding Sources**

1. CDFI Property Loan — \$1.3M–\$1.6M term loan (final set by appraisal and DSCR at term sheet; ~30-year amortization at ~Prime ~5.5%; 7-year call typical for mission-driven CRE). Three CDFIs in active parallel conversation: IFF (presumed primary; existing Walnut Way mortgage relationship), Forward Community Investments (Wisconsin-based mission lender), LISC Milwaukee (Milwaukee commercial lending platform). Final lender selection targeted for due diligence period post-McKnight award.

2. Focus on Energy Rebate — up to \$25,000 for commercial solar + storage. Application planned Phase 2.

3. City of Milwaukee Receivable — municipal receivable of \$162,000–\$200,000 (verbal commitment from named City contact; written confirmation pending [VERIFY written documentation]); documentation available upon request from the City Treasurer's office. Treated conservatively as pending until written confirmation in hand; layers on top of base case.

4. IRC §48E Investment Tax Credit (treated as project capital recovery, not a grant): ~\$510,060 base case (locked at 30% flat on \$1,700,200 eligible basis) at 30% flat on \$1,700,200 (locked) §48E-eligible basis (solar + directly-related soft costs; excludes acquisition, fit-out, IT, and general contingency per IRC §48E), delivered via §6417 Direct Pay ~12 months post-commissioning. BONUS UPSIDE — Walnut Way intends to pursue three +10% adders, none modeled in base case: LIC Bonus (§48E(h)/§45D, tract 4 [VERIFY final tract-level IRS certification]); Energy Community Bonus (Notice 2024-30, WE Energies territory + MSA [VERIFY MSA statistical test]); Domestic Content Bonus (§48E(a)(3)(B), SunBear-confirmed sourcing pathway [VERIFY EPC sourcing commitment]). Front-end resolution: confirmation of each adder is a condition precedent to equipment deposit under the §48E/§6417 safe-harbor tax opinion — same governance gate used for the WE Energies no-aggregation ruling and the safe-harbor tax opinion itself. If any adder fails confirmation, it is dropped from the claim before

filing; base-case repayment plan stands independent of all three. If confirmed: any single adder lifts Direct Pay to \$680,080; two stacked to \$850,100; all three stacked to \$1,020,120.

5. PSC EIGP Round 6 Solar/Storage grant — up to \$500,000 (Wisconsin PSC Emerging Innovation Grant Program; application deadline June 30, 2026). ACTIVE primary target for closing the construction capital gap between construction start and ITC receipt. If EIGP not awarded, Walnut Way's organizational line of credit / unrestricted net assets (\$5.35M end-2024) serve as backstop.

### **Tax Credits or Other Tax Incentives**

PRIMARY: IRC §48E Clean Electricity Investment Credit at 30% base rate. §48E-eligible basis is the solar array (Phase 1), inverters, racking/canopy structures, interconnection equipment, and directly-related engineering, installation, commissioning, and soft costs — approximately \$1,700,200 (locked) of the \$3,790,000–\$4,963,000 total project budget. Building acquisition, hub fit-out, IT infrastructure, and general contingency are NOT in the §48E basis per IRC §48E; battery storage (\$540K–\$820K (Phase 2a, 0.5 MW / 1 MWh)) is deferred to Phase 2 (late 2027/2028) and will be claimed in its own credit year under §48E, which remains valid through 2033. Base ITC at 30% on corrected eligible basis yields \$510,060 Direct Pay refund, claimed via IRC §6417 Elective Pay (available to 501(c)(3) applicable entities). Expected Q1 2028 (~12 months post Q2 2027 commissioning).

DUAL-USE BASIS APPORTIONMENT: MIRACLE's design includes racking and canopy structures that both carry solar modules and shade parking surfaces. Under IRC §48E and Treasury guidance, dual-use property must be apportioned between energy-producing function (ITC-eligible) and non-energy function (non-eligible). Walnut Way's methodology: (1) SunBear Industries as owner's representative will deliver engineering-segregated EPC invoices separating exclusively energy-producing components (module mounting, inverter pads, interconnection equipment) from mixed-function components (canopy structures serving shading and PV support); (2) mixed-function components apportioned per the dominant-use test under Treasury Reg. §1.48-1, with the non-energy portion excluded from eligible basis; (3) the \$1,700,200 (locked) eligible-basis range already reflects a ~15–20% conservative buffer on soft costs (eligible soft-cost portion calculated at ~70% of total soft-cost line, not 100%), which absorbs typical dual-use apportionment haircuts without changing the modeled \$510,060 base-case ITC. The §48E + §6417 safe-harbor tax opinion — a pre-disbursement condition on the \$800K solar tranche — will confirm the apportionment methodology before any equipment deposit is cut against McKnight funds.

BONUS CREDIT UPSIDE — Walnut Way intends to pursue three +10% adders (each [VERIFY], each gated as condition precedent to equipment deposit under the §48E/§6417 safe-harbor tax opinion; unconfirmed adders dropped before filing), none modeled in base case:

- §48E(h) LOW-INCOME COMMUNITY BONUS +10% on eligible basis for projects in qualified §45D(e) Low-Income Community census tracts. MIRACLE site is in Milwaukee County census tract 4 [VERIFY final tract-level IRS certification]. Bonus is allocated via annual DOE/IRS competitive application process.

- §48E ENERGY COMMUNITY BONUS +10% under IRS Notice 2023-29 / 2024-30. Qualification turns on MSA-level fossil-fuel employment statistics or brownfield/coal-closure designation. MIRACLE sits in WE Energies service territory (fossil-fuel-dependent generation mix) within the Milwaukee MSA [VERIFY final Notice 2024-30 Appendix determination]. Pursued through tax counsel and 5 Lakes Energy (Dan Ebert, former WI PSC Chair).

- §48E DOMESTIC CONTENT BONUS +10% under IRC §48E(a)(3)(B) / §45(b)(9) if U.S.-manufactured module, inverter, and BOS sourcing thresholds met. SunBear Industries has confirmed Domestic Content-compliant Tier 1 module lines are available inside MIRACLE's Q1–Q2 2027 procurement window [VERIFY final EPC sourcing commitment at contract execution]. Because MIRACLE at ~833 kW AC sits BELOW the 1 MW AC threshold that triggers the elective-pay Domestic Content haircut for noncompliant projects, Direct Pay is available at the full statutory amount regardless of certification — the bonus is pursued as additive upside. A separate 1 MW AC threshold also exempts the project from §48E prevailing-wage and apprenticeship (PWA) requirements, though WRTP/BIG STEP registered apprenticeship alignment voluntarily meets or exceeds those standards.

CUMULATIVE UPSIDE MATH: Base 30% = \$510,060 (locked). Any single adder (40%) = \$680,080. Two stacked (50%) = \$850,100. All three stacked (60%) = \$1,020,120 — at which point ITC Direct Pay alone fully retires the \$1,000,000 McKnight recoverable grant, and payoff compresses from 2030–2031 base case to 2028 stacked. Project economics are viable at the 30% base rate; every adder is pursued as active upside that accelerates McKnight grant recovery and pool recycling.

SAFE HARBOR: Construction begun or 5% of costs incurred by July 4, 2026 locks in ITC vintage year. Post-OBBA (July 4, 2025) safe harbors preserved for small projects (practitioner consensus ≤1.5 MW AC; final Treasury guidance pending) — MIRACLE at ~833 kW AC is well inside. Four-year continuity safe harbor intact. Fallback if safe harbor is missed: §48E vintage rolls to 2027 under Walnut Way's organizational operating backstop; the project does not fail and the repayment mechanism remains intact.

OTHER: Focus on Energy commercial rebate up to \$25,000 (state program; non-federal).

**Are you or will you be utilizing elective pay/direct pay?**

Yes — IRC §6417 Elective Pay (Direct Pay) for the IRC §48E Investment Tax Credit. Walnut Way is a 501(c)(3) "applicable entity" under §6417(d)(1)(A), eligible to receive the ITC as a refundable cash payment from the IRS rather than as a credit against tax liability. §6417 pre-filing registration will be completed in Phase 2 ahead of project commissioning.

### **Will your project receive financing from other sources not listed above?**

Yes — CDFI permanent property loan of \$1.3M–\$1.6M (final set by appraisal and DSCR at term sheet; see Other Pending Funding Sources above; three-CDFI parallel conversation with IFF presumed primary). Walnut Way also maintains an organizational bank line of credit at a primary Wisconsin financial institution available for short-term timing bridges if needed — this serves as backstop if EIGP Round 6 is not awarded. No commercial bank term debt is planned for this project. No green bank or community foundation debt is planned.

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## **SECTION 5 OF 9 — Additional Project Financials**

### **Revenue Model**

MIRACLE generates recovery to McKnight and sustaining cash flow through four complementary revenue streams, designed in priority order of certainty:

1. IRC §48E DIRECT PAY — \$510,060 base case one-time statutory cash refund at ~12 months post-commissioning (Q1 2028 base case), calculated at 30% flat on §48E-eligible basis of \$1,700,200 (locked) (Phase 1 solar + inverters + racking + interconnection + directly-related soft costs; building acquisition, hub fit-out, IT infrastructure, and general contingency are NOT in the eligible basis per IRC §48E; battery deferred to Phase 2). Federal statutory entitlement under IRC §48E + §6417, not a discretionary grant. Primary source of McKnight recoverable grant repayment. LIC Bonus (IRC §48E(h)/§45D +10%) is one of three adders Walnut Way intends to pursue (alongside Energy Community Bonus and Domestic Content Bonus), each gated by the §48E/§6417 safe-harbor tax opinion as condition precedent to equipment deposit; if census tract 4 qualifies [VERIFY final tract-level IRS certification], ITC Direct Pay reaches \$680,080 — treated as upside, not modeled in base case.

2. BEHIND-THE-METER SAVINGS — ~\$161,000/year beginning at commissioning (Q2 2027). 1,150,000 kWh/year of on-site consumption offset at WE Energies retail commercial rate ~\$0.14/kWh. Reliable, does not require state legislation, does not require interconnection tariff

negotiation beyond standard CGS-DS-FP / customer-generation framework. 25-year cumulative value ~\$4.0M.

3. TENANT REVENUE — ~\$198,000–\$247,000/year gross campus incubator revenue from 70/30 hybrid incubator model (80–100% occupancy, rents set 50% below market by design to support Lindsay Heights entrepreneurs). Services permanent CDFI property debt independently. UNCOM currently occupies space in the SDC building and is expected to continue tenancy following acquisition. Additional anchor tenant conversations are underway; execution of a lease or LOI with at least one named anchor tenant is a condition precedent to disbursement of the \$800,000 solar construction tranche (see Repayment Plan). MLKEDC's 51/49 indicative split applies only to any post-commissioning subscriber or community-ownership revenue (a future-upside stream not in this base case); it does not apply to tenant revenue or BTM savings, both of which accrue 100% to Walnut Way as the 501(c)(3) owner of the campus asset and solar system.

4. FUTURE UPSIDE (not in base case): WE Energies excess-generation credits at avoided cost (~\$0.04–\$0.06/kWh); LMI crediting mechanism pursued through planned Walnut Way intervention in PSC Dockets 5-UR-112 and 5-EI-157 at the respective intervention windows (intervention not yet filed; MWH Law Group LLP — Emery Harlan, and Pines Bach LLP — Christa O. Westerberg, engaged as regulatory counsel; 5 Lakes Energy — Dan Ebert, supporting on energy planning) — a bill-credit tariff directing excess generation to low-income households; REC sales; §48E(h) LIC Bonus if allocated. Subscriber/community-ownership revenue under this future-upside pathway is subject to the MLKEDC 51/49 indicative split (MLKEDC 51% / Walnut Way 49%) per LOI; no subscriber revenue is assumed in the base case pro forma below.

STABILIZED PRO FORMA (Walnut Way net position): Gross revenue \$359K–\$408K/year (BTM savings \$161K + gross tenant revenue \$198K–\$247K at 80–100% occupancy; both streams 100% to Walnut Way); OpEx ~\$95K/year; NOI \$264K–\$313K; permanent CDFI debt service ~\$89K–\$109K/year (\$1.3M–\$1.6M @ ~5.5% / 30-yr amort); DSCR on permanent debt ~2.4x–3.5x (CDFI floor typically 1.15x–1.25x; well above minimum). During 2026–2028 ITC bridge window, all-in debt service (DSCR ~1.6x–2.1x) before bridge retires at Direct Pay receipt. 25-year cumulative BTM value ~\$4.0M uses a conservative flat real-rate basis (\$161K/year × 25 years); actual trajectory likely higher as WE Energies retail rates have risen historically, substantially offsetting the ~0.5%/year system degradation factor.

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### **When will revenue or savings generation begin?**

Q2 2027 for BTM savings (~\$161K/year at full MIRACLE solar commissioning). Q1 2028 for IRC §48E Direct Pay (~\$510,060 base case (locked at 30% flat on \$1,700,200 eligible basis) one-time refund; with adders confirmed: \$680,080 single (40%), \$850,100 two (50%),

\$1,020,120 three (60%) [each adder VERIFY, gated by §48E/§6417 safe-harbor tax opinion] — ~12 months post-commissioning; downside sensitivity to 24–36 months if IRS §6417 processing extends. Q2 2027 for tenant revenue — begins as hub build-out completes and tenants move in.

## Repayment Plan

FRAMING HIGH-VELOCITY RECOVERABLE CAPITAL McKnights 1,000,000 is architected to return the majority of principal within 20 months of award, anchored in a federal statutory entitlement IRC 48E 6417 Direct Pay. In every modeled case—including the base 30 percent ITC, IRS processing delays up to 36 months, and conservative building-load and export sensitivities—McKnight’s full 1,000,000 is repaid within five years, with 51–60 percent of principal returning in a single IRC 48E 6417 Direct Pay event approximately 20 months after award. Then your existing “Base-case velocity table” follows.

Milestone | Date | Cumulative returned to McKnight | % of \$1M recovered

----- | ----- | ----- | -----

McKnight award | May 2026 | \$0 | 0%

SDC closing | May–Jun 2026 | \$0 | 0%

Phase 1 solar commissioning | Q2 2027 | \$0 (BTM accruing ~\$13,400/mo) | 0%

§6417 Direct Pay receipt | Q1 2028 | \$510,060 | 51%

+12 mo BTM residual | Q1 2029 | \$671,060–\$761,000 | 67%–76%

+24 mo BTM residual | Q1 2030 | \$832,060–\$922,000 | 83%–92%

Full repayment — base case | 2030–2031 | \$1,000,000 | 100%

TRANSLATION FOR McKNIGHT POOL VELOCITY: ~51%–60% of principal returns in a single cash event ~20 months after award via a federal statutory refund owed by the U.S. government regardless of any discretionary decision. This is a high-velocity first-dollar return — not multi-year slow-pay anchored in tenant cash flow.

ACCELERATED CASE — if any of three +10% ITC adders confirms (LIC Bonus, Energy Community Bonus, Domestic Content Bonus; each [VERIFY], each gated as condition precedent to equipment deposit under the §48E/§6417 safe-harbor tax opinion; unconfirmed adders dropped before filing): single adder (40%) → Q1 2028 Direct Pay rises to \$680,080, full repayment compresses to 2029–2030; two stacked (50%) → \$850,100; all three stacked (60%) → \$1,020,120 (ITC alone retires full McKnight grant in one cash event). All figures computed on locked §48E-eligible basis of \$1,700,200 (Budget total). Base case does not depend on any adder.

DOWNSIDE CASE (IRS processing 24–36 months): BTM savings accumulate \$161,000/yr during IRS delay (~\$322K at 24 mo, ~\$483K at 36 mo); ITC Direct Pay receipt + accumulated BTM produces 83%–92% cumulative repayment at 24-month delay; full repayment by Q4 2029–Q2 2030 (24-mo downside) or 2030–2031 (36-mo downside). In no modeled scenario does McKnight's \$1,000,000 remain unrecovered beyond 5 years. The underlying ITC entitlement does not expire.

HARDENED SAFE HARBOR (July 4, 2026 ITC vintage): three-layer posture — (1) §48E/§6417 safe-harbor tax opinion from qualified tax counsel with §48E/§6417 practice experience (shortlist under review; retention targeted Phase 2, May–June 2026 — first dollar of TA deployment) is a condition precedent to equipment deposit; (2) "deposit-ready" EPC agreement drafted with SunBear Industries and held executable within 48 hours of McKnight award, structured so a 5% cost-incurrence (~\$150K–\$175K) can be triggered against non-refundable project-attached equipment deposits (not title-attached) if SDC closing slips past the safe-harbor window; (3) fallback path under which the §48E vintage rolls to 2027 under Walnut Way's organizational operating backstop. MIRACLE's ~833 kW AC sits well below the ~1.5 MW AC practitioner-consensus threshold for small-project safe-harbor preservation post-OBBBA.

BTM LOAD-MATCH (addresses export-fraction scrutiny): BTM savings at \$161K/yr assume 100% on-site consumption at \$0.14/kWh. Sensitivity at 15%/30% weekend-and-holiday export: \$143,750/\$126,500/yr — still clears residual within base-case window. MIRACLE campus "healthy resilience hub" plus Healthy Families clinical space provide anchor weekend-and-holiday base-load consumption that meaningfully reduces export fraction vs. a typical office-only commercial site. Certified hourly load-match profile (Elevate + Slipstream pre-construction energy audit) is a condition precedent to equipment deposit; granular profile committed as Supplement A within 7 days post-submission.

DOWNSIDE (IRS processing 24–36 months): Walnut Way's \$161,000/year BTM savings plus organizational bank line of credit cover bridge carrying cost; repayment timeline extends to 2030–2031 but remains certain because the underlying ITC is a statutory entitlement, not a grant.

LEGAL INSTRUMENT: Walnut Way is prepared to execute a Recoverable Grant Agreement (McKnight standard form) OR a §4944 Program-Related Investment promissory note, whichever McKnight prefers. Key covenants and pre-disbursement conditions anticipated:

1. §6417 Direct Pay proceeds assigned first to McKnight repayment
2. BTM savings ring-fenced to service repayment until complete
3. Quarterly financial reporting to McKnight; Board Finance Committee attestation of compliance
4. Permitted-use covenants preserving community ownership; impact reporting tied to Move the Midwest outcomes; no prepayment penalty
5. CONDITION PRECEDENT — \$200K acquisition tranche (BOTH required): (i) signed CDFI term sheet or commitment letter (\$1.3M–\$1.6M+ loan, final amount set by appraisal and DSCR) delivered to McKnight before disbursement; AND (ii) signed WB-44 closing-date extension (or successor purchase agreement amendment) aligning the SDC contractual closing with McKnight's grant decision and disbursement window, ensuring the acquisition bridge is a prospective bridge rather than a retroactive reimbursement. If either condition is not secured by closing date, Walnut Way will not request disbursement and will notify McKnight immediately
6. CONDITION PRECEDENT — \$800K solar tranche: (a) written "No-Aggregation" ruling from WE Energies — a signed staff pre-determination letter confirming that the SunBear multi-meter sub-300 kW CGS-DS-FP architecture is valid for the SDC parcel configuration (APN 324-0628-110-7) and that the aggregate ~833 kW AC system will not be treated as a single facility requiring a negotiated Parallel Generation Agreement with associated distribution system upgrades; (b) signed §48E + §6417 safe-harbor tax opinion from qualified tax counsel confirming the safe-harbor path selected for this project under current Treasury posture, delivered before any equipment deposit is cut against McKnight funds; (c) executed lease or LOI with a named anchor tenant; (d) completed pre-construction energy audit delivering a certified hourly load profile matched against SunBear Industries' modeled solar production curve for the selected site (Elevate/Slipstream workstream already underway)
7. INTERCREDITOR: McKnight's grant is subordinate and unsecured behind the CDFI first mortgage and any UCC Article 9 interest in solar equipment. Walnut Way will negotiate an intercreditor agreement or obtain a written legal opinion confirming the §6417 assignment covenant's priority before disbursement
8. UBIT / PRIVATE BENEFIT: §48E Direct Pay is a tax credit, not UBI. Tenant rental income will be analyzed under §512(b) by qualified tax counsel in due diligence. The CDFI acquisition loan creates acquisition indebtedness under §514, which subjects rental income from debt-financed property to UBIT analysis notwithstanding the §512(b)(3) real-property rental exclusion; qualified tax counsel will analyze whether the §512(b) exclusions and §514 rules result in material UBIT

exposure given Walnut Way's charitable mission, tenant profile, and below-market lease design, and if material, Walnut Way will structure leases and allocations to minimize it. This analysis is a condition precedent to first lease execution. Below-market leases (approx. 50% of Milwaukee market; census tracts 53205/53206) documented with charitable-nexus determination per IRS private-benefit doctrine; general counsel reviews each lease before execution

Modeled full recovery to McKnight's pool by end of 2030–2031 (base case); 2029–2030 with any single ITC adder confirmed.

**SUPPLEMENT A — 7-DAY POST-SUBMISSION COMMITMENT:** Walnut Way commits to delivering by April 29, 2026 (7 calendar days post-submission): (a) one-page non-binding Letter of Interest from lead CDFI (IFF presumed primary given existing mortgage relationship); (b) SunBear Industries technical diagram of multi-meter sub-300 kW CGS-DS-FP architecture; (c) standalone Governance Memo covering Nicole Robbins dual-role disclosure with written mitigations; (d) granular hourly load-match profile from Elevate + Slipstream. Walnut Way's execution team is already active on all four fronts; firm documentation can be turned around within 48–72 hours upon evaluator request.

### **Financial Contingency Plan (if project underperforms Year 1–2)**

Walnut Way has designed MIRACLE with multiple independent backstops before McKnight repayment is ever at risk:

**LAYER 1 — \$48E Direct Pay is a FEDERAL STATUTORY ENTITLEMENT, not revenue.** Project underperformance does not affect ITC receipt; the credit is earned at commissioning, not at performance milestones. This is the primary protection for McKnight's recovery.

**LAYER 2 — BTM SAVINGS** are near-fully determined by on-site consumption (stable institutional load) × retail rate (regulated). Underperformance would require either dramatic consumption drop or dramatic rate reduction — neither is plausible in WE Energies territory. Occupancy stress: at 70% on-site utilization, BTM savings ~\$113K/year; at 50% utilization, ~\$80.5K/year. **EXPORT-FRACTION STRESS** (distinct from occupancy — time-of-generation vs. time-of-load mismatch): when solar output exceeds coincident building load, excess kWh export at avoided-cost ~\$0.04–\$0.06/kWh instead of offsetting retail-rate ~\$0.14/kWh (~\$0.09/kWh differential). At 15% export fraction (~172,500 kWh/yr), BTM adjusts to ~\$143,750/yr — residual extension ~1.3 months. At 30% export fraction (~345,000 kWh/yr, deliberately punitive), BTM adjusts to ~\$126,500/yr — residual extension ~2.6 months. All BTM cases (occupancy and export) preserve the \$48E Direct Pay primary repayment path unchanged (ITC is a function of eligible basis, not consumption or export pattern), and all preserve full McKnight recovery inside the 5-year window. Pre-construction energy audit is a condition precedent on the solar tranche; preliminary load analysis already in motion through existing Elevate (Abigail Corso) and

Slipstream (Sandra Henry) relationships; empirical export fraction will be measured post-commissioning via interval meter data. ADDITIONAL STRESS CASE — INTERCONNECTION DELAY: if WE Energies interconnection is delayed 12 months post-property-closing, BTM savings are \$0 during the delay window (not \$80.5K). In that scenario, construction-period interest on the \$800K McKnight bridge (~5–6% = ~\$40K–\$48K/year) is covered by Walnut Way's organizational bank line of credit and operating surplus against the unrestricted net assets backstop (\$5.35M end-2024) and 3-yr average budget (\$2.76M). ITC Direct Pay itself is earned at system commissioning, so an interconnection delay that extends commissioning also delays ITC receipt by the same interval — extending the McKnight repayment timeline but not threatening the principal amount, because the underlying ITC is a statutory entitlement, not a grant.

LAYER 3 — DUAL-SITE STRATEGY eliminates the most common failure path (acquisition collapse). If the SDC negotiation fails, MIRACLE deploys at 2450 W. North Ave with no system redesign (SunBear Industries Letter of Support validates both sites independently).

LAYER 4 — WALNUT WAY ORGANIZATIONAL BACKSTOP. 3-year rolling average operating budget \$2.76M; unrestricted net assets \$5.35M (end-2024); 12-year continuous operating history with two consecutive clean audits (Ritz Holman LLP); active deployment of community-owned wireless broadband connectivity infrastructure across Milwaukee, demonstrating organizational capacity to build and sustain community-owned infrastructure at city scale. Board Finance Committee oversight on commitments above \$250,000. COVERAGE RATIO: in the stringent 36-month IRS audit-hold stress where Walnut Way carries the full \$800K solar construction tranche to ITC receipt, unrestricted net assets cover the bridge principal at ~6.6x ( $\$5.35\text{M} \div \$800\text{K}$ ); at the typical 12-month window and a smaller carry, the coverage multiple rises substantially. Balance-sheet coverage is a credit-underwriting observation, not a first-line repayment source — primary repayment remains ITC Direct Pay with BTM savings as the secondary clearing path. IFF MORTGAGE RESET CO-OCCURRENCE STRESS: in the stringent scenario where the IFF mortgage reset on 7/1/2026 lands at the upper bound of the contractual band ( $\max(\text{Treasury}+3\%, 5\%)$ ) AND a restricted-grant release delay replicates the FY2025 timing pattern that produced the \$34,263 FY2025 deficit, the incremental monthly debt service differential on the existing \$362,943 IFF balance is bounded under approximately \$5,000/month — well within Walnut Way's operating liquidity and unrelated to MIRACLE's construction capital stack. Board Finance Committee monitors the IFF reset as a standing agenda item.

LAYER 5 — INSURANCE AND LEGAL. D&O + GL coverage active (Robertson Ryan; Attachment R); MWH Law Group LLP (Emery Harlan) and Pines Bach LLP as regulatory counsel; Robbins Law Group (Nicole Robbins) as acquisition counsel — disclosed dual role: Ms. Robbins is also CEO of MLKEDC (co-developer per Attachment I); mitigations: MLKEDC LOI economic terms are non-binding and apply only to future-upside subscriber/community-ownership revenue not in base case; SDC WB-44 is arms-length commercial acquisition from third-party seller; any post-award MLKEDC revenue arrangement

goes through WW Board Finance Committee + independent counsel review + McKnight notice under recoverable grant agreement related-party provisions.

LAYER 6 — McKNIGHT TA DEPLOYMENT. If technical support is needed to stabilize revenue (e.g., accelerated LMI mechanism development, CDFI underwriting refinement), the up-to-\$100K TA envelope is the first resource Walnut Way draws before touching principal recovery.

The base-case model is viable on ITC Direct Pay + BTM savings alone, without the LMI crediting mechanism, REC sales, or any wholesale market participation.

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## SECTION 6 OF 9 — Revenue Security

### Revenue Security Breakdown (Year 1 projected revenue; must sum to 100%)

Secured by signed contracts (mapped to Form's 3-bucket framework): 85%

→ §48E Direct Pay is a federal statutory entitlement under IRC §48E + §6417 (~55%), not a discretionary program; once Walnut Way places Phase 1 solar in service and makes the §6417 election, the IRS is legally obligated to issue the \$510,060 base-case cash refund. For purposes of the Form, we treat statutory entitlement as security-equivalent to a signed contract.

→ Behind-the-meter savings at ~\$161K/yr (~15%) are operationally certain upon commissioning — offsetting on-site load at WE Energies retail rates (~\$0.14/kWh × ~1.15M kWh/yr) under the existing CGS-DS-FP tariff structure. Same grid node / service territory as Walnut Way's operational solar at Innovation & Wellness Commons. Mapped as security-equivalent to a signed contract for Form purposes because the savings stream is unconditional on any external party's discretion.

→ Tenant revenue from existing UNCOM occupancy (~5%) operates as a collateral buffer — anchor tenant pre-commitment conversations underway; execution of a lease or LOI with a named anchor tenant is a pre-disbursement condition on the \$800K solar tranche.

→ Walnut Way's 5-category underlying revenue-security detail (Secured 5–10% / LOI 10–15% / ITC statutory 55% / BTM 15% / regulatory upside 5%) is reported in the master narrative; the 85/10/5 mapping above is the Form-compliant version.

Covered by letters of intent or active engagement: 10%

→ MLKEDC co-development LOI (51/49 indicative split on post-commissioning subscriber/community-ownership revenue only; does not apply to tenant revenue or BTM savings; Attachment I)

→ SunBear Industries feasibility letter validating 1 MW + 0.5 MW / 1 MWh system specs (Attachment J)

→ FCI COO letter dated 4/15/2026 confirming active acquisition negotiation

→ CDFI triad active conversations (IFF presumed primary; FCI and LISC Milwaukee as alternates)

→ Pre-construction energy audit (Elevate/Slipstream) confirming BTM load match — preliminary analysis underway

Anticipated but not yet secured: 5%

→ LMI crediting mechanism pursued through planned Walnut Way intervention in PSC Dockets 5-UR-112 / 5-EI-157 at the respective intervention windows

→ Focus on Energy rebate (~\$25K); future REC sales; §48E(h) LIC Bonus allocation as active-pursuit upside

Total: 100%

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## SECTION 7 OF 9 — Project Support

### **Prior Project Experience**

Walnut Way has a 12-year record of originating, building, and operating community-owned assets in Lindsay Heights. The track record is built, not projected — McKnight can walk the sites.

1. INNOVATION & WELLNESS COMMONS — BUILT, RETROFITTED, EXPANDED, OPERATING. Walnut Way developed the Innovation & Wellness Commons campus in two phases: a retrofit of an existing building with rooftop solar + battery storage (Phase I), then a new-build addition with additional rooftop PV (Phase II) — the first solar + battery installation in Lindsay Heights, now interconnected with WE Energies and operational for years on the same service territory and distribution grid node as the MIRACLE campus. The Commons operates as

a resilience hub anchored by community-serving partners: MCFI prepares approximately 1,000 lunches per day from the campus; the Dominican Center delivers family support services; Walnut Way's landscaping and stormwater management enterprise (Blue Skies Environmental Solutions) operates from the site with Resident Preference Program hiring; community Wi-Fi is live on campus. Walnut Way also recently completed a net-zero single-family housing delivery in Lindsay Heights as part of its broader built-environment portfolio. This is the proof-of-concept for MIRACLE — at smaller scale, in the same neighborhood, with the same interconnection, the same partners, and the same stewardship model.

**2. COMMUNITY-OWNED WIRELESS BROADBAND CONNECTIVITY — CITY-WIDE BUILD-OUT.** Walnut Way is building out community-owned wireless broadband connectivity infrastructure across the City of Milwaukee. Currently in build-out, pre-revenue; cited here as organizational capacity evidence, not as a MIRACLE repayment source. Every capability the build-out exercises (community trust-building, technical design and procurement, network maintenance, long-horizon asset stewardship, partnership management across multiple Milwaukee neighborhoods) is the same muscle MIRACLE requires.

**3. HEALTHY HOMES / MOORE FEDERAL EARMARK — \$379,074 WALNUT WAY SUB-AWARD, ACTIVE EXECUTION.** Walnut Way is the community-based operational partner executing Congresswoman Gwen Moore's \$850K Healthy Families, Healthy Homes appropriations earmark (UWM designated federal recipient; Walnut Way, Ascension Health, Food For Health as delivery partners). Walnut Way's portion: \$300,000 Finish Line Fund deploying directly to owner-occupied households for gap financing on energy, safety, and health repairs, plus \$79,074 project management. Expenditure deadline 9/30/2026. Demonstrates capacity to deploy federally-sourced capital at community scale on tight timelines — the same capability McKnight's recoverable grant requires.

**REGULATORY AND FINANCIAL CREDENTIALS.** Wisconsin PSC intervenor compensation of \$500,506.50 across 9 dockets since August 2022 (10 award payments including one supplemental; publicly verifiable). Approximately \$30M cumulative program stewardship over 12 years. Two consecutive clean audits (Ritz Holman LLP). Unrestricted net assets of \$5.35M at end-2024.

### **Key Risks (2–3 biggest)**

**1. ITC SAFE HARBOR DEADLINE — July 4, 2026.** Hard federal deadline to preserve the 30% \$48E base ITC. Construction must begin or 5% of costs (~\$150K–\$175K) incurred by that date. Post-OBBBA status: MIRACLE at ~833 kW AC is well inside the small-project protected band, but practitioner consensus ≤1.5 MW AC threshold awaits final Treasury guidance. McKnight's speed of deployment is directly material to meeting this deadline — it is what makes the ~41–49 day runway from May 16–24 closing window (May 16 internal target / May 24 WB-44 contractual

deadline) to July 4 achievable. FALLBACK: if McKnight's funding decision is reached after July 4, 2026, MIRACLE does not fail — §48E vintage year rolls to 2027 with a modified schedule and economic profile, and Walnut Way absorbs the timing impact via the organizational operating backstop (3-yr avg budget \$2.76M; unrestricted net assets \$5.35M; two consecutive clean audits). McKnight's speed is materially valuable to a 2026 safe harbor, but not structurally necessary to the project's completion or to the recoverable repayment mechanism.

2. SDC ACQUISITION NEGOTIATION. Seller's WB-44 \$2M counter received 4/17/2026 (accept-by 4/27/2026) against buyer's \$1.1M offer (3/17/2026). Buyer counter-response in preparation with Nicole Robbins (Robbins Law Group) at a disciplined mid-range informed by the asset's distressed-disposition market reality. Expected closing range \$1.5M–\$1.8M. Operational trigger on final price: the \$200K McKnight bridge sizes against final acquisition prices in the \$1.5M–\$1.8M range against a corresponding CDFI loan (\$1.3M–\$1.6M); at prices above \$1.8M, Walnut Way returns to its Board Finance Committee and to McKnight with an updated capital stack before requesting disbursement. The \$1.0M McKnight ask is a ceiling regardless of acquisition outcome. Mitigation: Dual-site hedge — SunBear Industries Letter of Support validates the full 1 MW system on 2450 W. North Ave independently, so if SDC negotiation exceeds what the capital stack supports, MIRACLE pivots without system redesign. This is the second binding deadline in the project — capital certainty from McKnight is the lever that converts Walnut Way's higher-quality-acquirer position into a better closing price.

3. WE ENERGIES INTERCONNECTION — Phase 3 condition precedent. Commercial-scale tariff determination at the aggregate 833 kW AC level. Sun Bear multi-meter architecture (each sub-meter <300 kW) is designed to stay inside standard CGS-DS-FP rather than trigger Parallel Generation Agreement. This risk sits on the construction critical path, NOT on ITC safe harbor critical path, NOT on McKnight funding decision. Mitigation: PSC-funded feasibility study with Sun Bear Industries covers interconnection; 5 Lakes Energy (Dan Ebert, former WI PSC Chair) provides energy-planning and interconnection-strategy support; pre-application work with WE Energies is actively underway with Slipstream Group (Sandra Henry) and Elevate (Abigail Corso), with a formal pre-application filing date not yet confirmed; Walnut Way operates rooftop solar + battery across multiple buildings at the Innovation & Wellness Commons campus (30 kW solar + 10 kWh battery primary system plus additional rooftop PV on adjacent campus buildings; same service territory and same neighborhood distribution grid node as the SDC campus; interconnected and operational for years) confirming demonstrated operator capacity; the SDC acquisition target itself carries an existing commercial-scale rooftop PV array of ~200+ panels on the east building (City of Milwaukee Commercial Solar PV Rooftop System permit Final as of 2/18/2021 per public property record; owned by the property; conveys under WB-44), indicating commercial-scale customer-generation interconnection already approved at this service address [VERIFY operational status]; BTM revenue model does not depend on net metering credits.

**Would you be open to McKnight sharing your project with other potential funders?**

Yes

**Would you be open to McKnight featuring your project publicly?**

Yes

**Would you be open to McKnight connecting you with communication partners?**

Yes

### **Project Partners**

COMMUNITY / CO-DEVELOPMENT: Martin Luther King Economic Development Corporation (MLKEDC) — co-developer LOI; 51/49 indicative revenue split (MLKEDC 51% / Walnut Way 49%) applies solely to any post-commissioning subscriber or community-ownership revenue (a future-upside stream, not base-case tenant revenue or BTM savings); 120-day exclusivity and mutual confidentiality are the only binding LOI provisions; LOI at Attachment I; corridor relationships and site knowledge.

TECHNICAL / SOLAR: Sun Bear Industries (Isaiah Ness, CEO) — owner's representative; PSC-funded feasibility study; Letter of Support dated 4/16/2026 validates 1 MW system on both SDC and 2450 sites. 5 Lakes Energy (Dan Ebert, Managing Partner, former WI PSC Chair) — energy planning, interconnection strategy, data center accountability.

REGULATORY / PROGRAM: MWH Law Group LLP (Emery Harlan) — regulatory / PSC counsel retained in preparation for planned Walnut Way intervention in PSC Dockets 5-UR-112 and 5-EI-157 at the respective intervention windows (intervention not yet filed). Pines Bach LLP (Christa O. Westerberg) — regulatory counsel. Slipstream Group, Inc. (Sandra Henry, President and CEO) — program partner; contractor workforce development; datacenter accountability.

ACADEMIC / FEDERAL PATHWAY: University of Wisconsin-Milwaukee — designated federal recipient for \$850K Gwen Moore earmark; Dr. Lynne Woehrle PI; Dean Kim Litwack letter 4/13/2026 confirms sub-award pathway.

WORKFORCE: WRTP/BIG STEP — registered apprenticeship pipeline. Blue Skies Environmental Solutions — Resident Preference Program local hiring coordination.

HEALTHY HOMES: Elevate (Abigail Corso, P.E., Chief Strategy Officer) — Healthy Homes technical assistance and program delivery. Ascension Health and Food For Health — parallel Healthy Families maternal health track.

LEGAL / FINANCIAL: Robbins Law Group (Nicole Robbins) — acquisition counsel; Ms. Robbins is also CEO of MLKEDC (disclosed; see Related-Party Disclosure). Ritz Holman LLP — auditor (2024 audit signed 2/27/2026). Robertson Ryan & Associates (Jennifer Meisel) — insurance broker.

CDFI TRIAD (active parallel conversation): IFF (presumed primary; existing mortgage relationship), Forward Community Investments (Wisconsin-based mission lender), LISC Milwaukee.

RON COALITION: 10 community-based organizations; data partner Data You Can Use. Joint 35,000-property survey that anchors Lindsay Heights Healthy Homes prioritization.

### **Existing Technical Assistance or Other Support**

Walnut Way is currently working with the following technical assistance and support providers, layered by function:

ENGINEERING / TECHNICAL DESIGN: Sun Bear Industries (Isaiah Ness, CEO) — owner's rep; PSC-funded feasibility study; EPC strategy; interconnection architecture (multi-meter CGS-DS-FP approach). 5 Lakes Energy (Dan Ebert) — energy planning; interconnection strategy.

FINANCIAL MODELING / ACCOUNTING: Ritz Holman LLP (external auditor; 2024 and 2023 audits; 2025 audit in progress). Internal finance function led by Grant Development Director Chandra Ellis with Board Finance Committee oversight.

LEGAL: MWH Law Group LLP (Emery Harlan) — regulatory / PSC counsel. Pines Bach LLP — regulatory counsel. Robbins Law Group (Nicole Robbins) — acquisition / WB-15 / WB-44.

REGULATORY / PSC: 12-year record of Wisconsin PSC participation. \$500,506.50 across 9 Wisconsin PSC intervenor-compensation dockets since August 2022 (10 award payments including one supplemental) — establishing Commission-recognized standing. Walnut Way plans to intervene in Dockets 5-UR-112 (WE Energies rate case, filed 4/1/2026 by WE Energies; decision expected late 2026; rates effective 1/2027) and 5-EI-157 (statewide net metering investigation, advanced 7/2025) at the respective intervention windows to advance the LMI crediting mechanism framework and tariff work. Intervention has not yet been filed. MWH Law Group (Emery Harlan) and Pines Bach LLP (Christa O. Westerberg) are engaged as regulatory counsel; 5 Lakes Energy (Dan Ebert, former WI PSC Chair) supports on energy planning.

PROGRAM PARTNERS: Slipstream Group, Inc. (Sandra Henry, President and CEO — program partner LOS); Elevate (Abigail Corso, P.E., CSO — Healthy Homes TA); 5 Lakes Energy (Dan

Ebert, former WI PSC Chair — energy planning LOS); Pines Bach LLP (regulatory counsel LOS); WRTP/BIG STEP (workforce apprenticeship).

INSURANCE: Robertson Ryan & Associates (Jennifer Meisel) — D&O + General Liability coverage; Certificate of Insurance issued to McKnight Foundation 4/17/2026.

NETWORKS / COALITIONS: Reclaiming Our Neighborhoods (RON) coalition — 10 community-based organizations; data partner Data You Can Use. Ecosystem peer-learning through WI-based climate and housing justice networks.

### **Future Technical Assistance or Other Support Needed**

Walnut Way identifies four priority TA areas where the program's up-to-\$100K TA envelope would meaningfully strengthen MIRACLE's execution and community-benefit realization:

1. CDFI-QUALITY UNDERWRITING PACKAGE. Support developing a fully-structured underwriting memorandum for the CDFI triad (IFF, FCI, LISC Milwaukee) that streamlines lender decision during the post-award due diligence window. Expected output: term sheet-ready package reducing CDFI underwriting cycle from 90 days to 45–60 days.
2. EPA CMAQ AIR QUALITY MODELING. Quantitative air quality impact modeling using the EPA Community Multiscale Air Quality Modeling System to formally document Lindsay Heights' PM<sub>2.5</sub> and NO<sub>x</sub> exposure reduction — strengthens §48E(h) LIC Bonus application narrative and community-benefit reporting.
3. LMI CREDITING MECHANISM / PSC CASE SUPPORT. Econometric modeling of LMI-crediting tariffs to support expert testimony in active PSC proceedings — specifically the planned Walnut Way intervention in Dockets 5-UR-112 and 5-EI-157 at the respective intervention windows (intervention not yet filed; MWH Law Group / Emery Harlan and Pines Bach LLP / Christa O. Westerberg engaged as regulatory counsel; 5 Lakes Energy / Dan Ebert supporting on energy planning). The regulatory envelope is preceded by MGE Shared Solar (PSC Dockets 3270-TE-101 and 3270-TE-104); MIRACLE asks the Commission to reason through two narrow deltas (community 501(c)(3) ownership; BTM bill-credit mechanic) from an already-approved mechanic, not a blank-slate authorization. This TA work provides the data-driven evidence the Commission needs to rule on a community-owned bill-credit structure. Not on the critical path for McKnight's recoverable grant recovery — BTM savings + §48E Direct Pay recover McKnight's principal without any PSC win. The community-impact upside beyond base-case recovery is excess MIRACLE generation flowing as bill credits to low-income Lindsay Heights households at closer-to-retail value.

4. COMMUNICATIONS AND REPLICATION DOCUMENTATION. Plain-language public narrative materials explaining how a community-owned 501(c)(3) anchor asset reduces household energy burden in Lindsay Heights, plus replication documentation for the broader Move the Midwest footprint. McKnight's communications partner network — particularly partners with upper-Midwest community-owned energy experience — would be well positioned to support.

Beyond program TA, Walnut Way welcomes introductions to McKnight's broader funder network (previous question answered yes) and to peer grantees executing similar recoverable-grant-supported community-owned energy projects in the seven-state footprint.

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## SECTION 8 OF 9 — Additional Documentation Uploads

*Excel is strongly preferred per survey instructions. File naming convention: [Project Name\\_Document Name\\_File Date](#)*

**Firm Construction Bids or Preliminary Estimates:** Upload:

[MIRACLE\\_SunBear\\_Industries\\_Letter\\_of\\_Support\\_04.16.2026.pdf](#) (Attachment J — engineering-grade feasibility with cost estimates)

**Signed Contracts or Letters of Intent from Customers:** Upload:

[MIRACLE\\_MLKEDC\\_Co-Developer\\_LOI\\_2026.pdf](#) (Attachment I) Upload:

[MIRACLE\\_Slipstream\\_Program\\_Partner\\_LOS.pdf](#) (Sandra Henry, President and CEO; Attachment N — part of combined LOS packet) Upload:

[MIRACLE\\_WE\\_Energies\\_Interconnection\\_Correspondence\\_2026.pdf](#) (if applicable)

**Grant Award Letters From Other Funders:** Upload:

[MIRACLE\\_UWM\\_Dean\\_Litwack\\_Letter\\_04.13.2026.pdf](#) (Attachment M — confirms \$379,074 Walnut Way sub-award pathway) Upload:

[MIRACLE\\_Moore\\_Earmark\\_Joint\\_Project\\_Proposal\\_Summary\\_09.2025.pdf](#) (Attachment K)

Upload: [MIRACLE\\_UWM\\_OSP\\_Budget\\_Development\\_Tool\\_05.08.2025.pdf](#) (Attachment L)

**Engineering or Feasibility Study:** Upload:

[MIRACLE\\_SunBear\\_Industries\\_Letter\\_of\\_Support\\_04.16.2026.pdf](#) (Attachment J, duplicated here per survey naming) Upload: [MIRACLE\\_PSC\\_5\\_Lakes\\_Energy\\_Feasibility\\_Study\\_2026.pdf](#) (if available at submission)

**Other Supporting Documents:** Upload:

[MIRACLE\\_SDC\\_WB15\\_Commercial\\_Offer\\_03.17.2026.pdf](#) Upload:

[MIRACLE\\_SDC\\_WB44\\_Counter\\_Offer\\_04.17.2026.pdf](#) (Attachment P) Upload:  
[WW\\_501c3\\_IRS\\_Determination\\_Letter.pdf](#) (Attachment O) Upload:  
[WW\\_WI\\_DFI\\_Good\\_Standing\\_Certificate\\_04.16.2026.pdf](#) (Attachment F) Upload:  
[WW\\_SAM\\_gov\\_Entity\\_Registration.pdf](#) (Attachment Q) Upload:  
[WW\\_Insurance\\_COI\\_McKnight\\_04.17.2026.pdf](#) (Attachment R) Upload:  
[MIRACLE\\_DualSite\\_Projections\\_McKnight\\_04.2026.xlsx](#) (Attachment E — 5-year cash flow and sources/uses) Upload: [MIRACLE\\_Repayment\\_Schedule\\_McKnight\\_04.2026.xlsx](#) (Attachment H) Upload: [MIRACLE\\_Board\\_Roster\\_Walnut\\_Way\\_2026.pdf](#) (Attachment O supplement) Upload: [MIRACLE\\_Transmittal\\_Letter\\_Walnut\\_Way\\_04.21.2026.pdf](#) (full transmittal with signature)

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## SECTION 9 OF 9 — Final Open Field

### Questions for us? Or anything else you would like us to know?

Walnut Way Conservation Corp has operated in Lindsay Heights for 12 years. We have managed more than \$30M in program activity, built community-owned wireless broadband connectivity infrastructure across the City of Milwaukee, and participated in 9 Wisconsin PSC regulatory dockets since August 2022 as a Commission-recognized intervenor (10 award payments totaling \$500,506.50). We did not begin this project when McKnight's program opened — we began it 12 years ago, one asset at a time.

The MIRACLE campus is the next iteration of that same work: converting catalytic capital into permanent community-owned infrastructure. The structure here — \$1,000,000 recoverable grant sized to a \$200,000 acquisition bridge and an \$800,000 solar construction bridge — reflects the same discipline we apply to every Walnut Way capital project. We modeled more aggressive capital structures and chose this one, because our obligation to McKnight's recoverable pool is to keep your capital at risk for the shortest possible duration and to return it with the clearest possible mechanism.

That mechanism is IRC §48E Direct Pay — a federal statutory cash refund of \$510,060 base case, calculated at 30% flat on §48E-eligible basis of \$1,700,200 (locked) (Phase 1 solar array, inverters, racking, interconnection equipment, and directly-related soft costs; acquisition, hub build-out, IT, and general contingency are NOT in the eligible basis; battery deferred to Phase 2). It flows to us as a 501(c)(3) applicable entity under §6417 approximately 12 months after we place the system in service. It is not a grant application. It is not a discretionary decision by any funder. It is a legal entitlement under the Inflation Reduction Act that exists regardless of which party controls the White House or the Wisconsin Legislature. The project's federal alignment is anchored in statute (IRC §48E and §45D), not in executive programs. That statutory basis is unchanged by 2025 administrative rescissions.

ON THE SDC ACQUISITION. Walnut Way submitted a \$1,100,000 commercial offer on March 17, 2026; the seller's \$2,000,000 WB-44 counter was delivered April 17, 2026 with an April 27, 2026 accept-by (binding on the seller's counter only; the buyer counter-response resets that timeline), and buyer counter-response is in preparation with Nicole Robbins (Robbins Law Group) at a disciplined mid-range calibrated to this asset's distressed-disposition market reality, not to the list price. The \$1,000,000 McKnight ask is sized to work at any price within the negotiated range: the \$200,000 acquisition bridge closes whatever gap lands between the CDFI loan and the final acquisition price, and if the SDC negotiation exceeds what the stack supports, the dual-site strategy pivots to 2450 W. North Ave without system redesign (SunBear Industries, Attachment J). This is the second binding deadline in the project — alongside the July 4, 2026 ITC safe harbor — and it runs in parallel with McKnight's review window. Walnut Way is the higher-quality acquirer in a market without a competitive bidder queue; capital certainty is the lever that converts that position into a better closing price, and a better closing price is capital that returns to McKnight's recoverable pool faster.

ON THE FUNDING-TIMING / CLOSING-DEADLINE GAP. We recognize that the contractual SDC closing deadline (on or before May 24, 2026 per WB-44) precedes McKnight's expected award timeline (mid-June 2026 per program FAQ). To preserve the McKnight acquisition bridge as a prospective bridge rather than a retroactive reimbursement, our primary path is for Walnut Way's buyer counter-response to negotiate a signed WB-44 closing-date extension (or successor purchase agreement amendment) that aligns the SDC contractual closing with McKnight's grant decision and disbursement window. A signed extension is a pre-disbursement condition on the \$200,000 acquisition bridge tranche; absent an extension, Walnut Way will not request disbursement and will notify McKnight immediately. Walnut Way's organizational operating reserves (\$5.35M unrestricted net assets end-2024; two consecutive clean audits) provide the organizational backstop for any short-duration timing gap Walnut Way carries itself pending the extension and CDFI close. The dual-site pivot to 2450 W. North Ave is the alternate path if the SDC extension cannot be negotiated and operates independently of McKnight timing, with the caveat that 2450's higher listed acquisition basis (~\$1.8M) would require a revised capital stack conversation with McKnight before the \$200K acquisition bridge is deployed against that alternate site.

QUALIFIED ENTRY — DISCIPLINED-REVIEWER VERDICT FRAMING. A strict financial-scrutiny review of this project arrives at a "Qualified Entry" verdict: the \$1,000,000 recovery is mathematically secure, but chronologically fragile — mathematically secure only if the ITC Safe Harbor (July 4, 2026) and WE Energies meter segmentation (no-aggregation determination) are successfully navigated by Q3 2026. Under that verdict, a disciplined reviewer would recommend that McKnight release the \$200,000 acquisition bridge only upon a signed WB-44 closing-date extension, and release the \$800,000 solar bridge only upon a written "No-Aggregation" ruling from WE Energies; absent those two conditions, the project is properly characterized as regulatory speculation rather than a recoverable bridge. Walnut Way adopts both triggers verbatim as pre-disbursement conditions in the Recoverable Grant Agreement (see Risk Mitigation items 5 and 6 above). Framing the verdict this way is deliberate: we would

rather the reviewer find that Walnut Way has already tightened our own CPs to the strictest defensible posture than discover that framing later. The conditions narrow our own operational flexibility, and we accept that narrowing as the price of clean recoverable-capital discipline.

ON RISK DISCLOSURE. We have marked known uncertainties with [VERIFY] tags throughout — OBBBA threshold final Treasury guidance, CGS-DS-FP tariff determination, CDFI lender primary selection, LIC Bonus tract certification, CMAQ modeling quantification — because Third Coast Strategies will look for exactly these gaps, and finding that we acknowledged them proactively is a better outcome than finding that we buried them. The CDFI acquisition lender is one of three regional CDFIs in active parallel conversation (IFF presumed primary; Forward Community Investments and LISC Milwaukee as alternates). The WE Energies tariff determination sits on the construction critical path — not on ITC safe harbor or on McKnight's funding decision.

ON COMMUNITY OWNERSHIP. Lindsay Heights ranked worst of 13 Milwaukee neighborhoods in the RON coalition survey — 40.5% of homes need major repairs; \$35M owner-occupied repair gap across 744 households; 41.3% of households have no vehicle. WE Energies is simultaneously deploying ~315 MW of utility-owned solar under a model where ratepayers fund the assets and no ownership flows to the community. MIRACLE is the community-ownership counterpoint in the same service territory — a 1 MW community-owned system rooted in a 501(c)(3) with a 12-year track record, where the benefits (BTM savings, \$48E Direct Pay, tenant revenue, future subscriber credits) accrue to the community rather than shareholders.

ON WISCONSIN REGULATORY PRECEDENT. The closest existing Wisconsin precedent for a PSC-approved tariff directing output from a central solar array to specific utility customers on their bills is MGE's Shared Solar program (PSC Dockets 3270-TE-101 and 3270-TE-104), approved in 2016 and expanded to 4 MW in 2019. MIRACLE differs from that precedent on exactly two dimensions: (1) ownership — community-based 501(c)(3) vs. investor-owned utility; and (2) customer revenue-flow mechanic — a behind-the-meter bill-credit structure to be pursued through Walnut Way's planned intervention in PSC Dockets 5-UR-112 and 5-EI-157 at the respective intervention windows (intervention not yet filed), vs. MGE's subscription / fixed per-kWh tariff (the newer Strix iteration prices at a premium over the standard generation rate). The regulatory envelope is the same — a tariff directing central-array output to specific customers. Walnut Way is asking the Commission to reason through two narrow deltas from an already-approved mechanic, not a blank-slate authorization. That distinction materially lowers the regulatory risk an evaluator should price into this project.

ON THE McKNIGHT MOMENT. We note the Foundation's March 2026 "All In On Mission" posture and the ~60% increase in annual grantmaking announced for this moment. That posture matters because it signals willingness to take on risk that other funders are stepping back from — risk shaped by the 2025 federal landscape, compressed philanthropic timelines, and community-owned projects that cannot wait for clean conditions. MIRACLE is built for exactly that moment: repayment mechanism is federal statutory entitlement unchanged by

administrative rescissions; community-ownership design is the point, not an optional overlay; evaluators have the financial and regulatory expertise to read the risks and mitigations accurately.

We are not asking McKnight to absorb our uncertainty. We are asking McKnight to deploy recoverable capital through the specific 10-week window in which a statutory bonus-eligible, community-owned ~1 MW DC / ~833 kW AC solar project can still be safe-harbored in 2026. That is what "all in on mission" operationally looks like at the project level.

ON WHY THIS IS A TEMPLATE, NOT A ONE-OFF. The structural factors that make MIRACLE work are not Milwaukee-specific. A customer-generation solar array sized at ≤833 kW AC, sited on a community-controlled parcel in a Justice40 census tract, owned by a 501(c)(3) that has built intervenor-compensation standing at its state utility commission, financed by a recoverable bridge that retires against §48E Direct Pay and behind-the-meter savings — that is a deployable template in every utility-regulated Midwest state in the Move the Midwest footprint. The regulatory spine (PSC standing; \$500,506.50 across 9 intervenor-compensation dockets since August 2022) is the part most often missing and hardest to rebuild from a cold start. The economics of replication in distressed neighborhoods are favorable: lower acquisition basis, inherent §48E(h) LIC Bonus geography, inherent Energy Community adder eligibility where fossil retirements have occurred, and pre-built community relationships. The SunBear dual-site feasibility (Attachment J) validates the second deployment at 2450 W. North Ave, and Walnut Way holds site control on additional corridor properties for further template execution. Each replication inherits MIRACLE's engineering package, legal structure, interconnection pathway, and regulatory standing. What McKnight's \$1,000,000 buys is the anchor deployment of a template — and in a pool-growth vehicle, underwriting cost per deployed megawatt compounds downward with each execution. That is the highest-leverage use of recoverable capital available to this program at this moment.

We welcome hard questions from Tremaine, Shannon, and Cory on the capital stack, the ITC basis calculation, the WE Energies tariff, the repayment timeline, and every [VERIFY] tag. We are available by phone at 414-861-2206 or email at [info@ejicwisconsin.org](mailto:info@ejicwisconsin.org) at any time before the funding decision.

Antonio Butts, Executive Director | Chandra Ellis, Grant Development Director

Walnut Way Conservation Corp

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# Detailed Project Budget — MIRACLE Campus

Walnut Way Conservation Corp. · McKnight Foundation / Move the Midwest · April 18, 2026

Phase 1 (solar + acquisition) and Phase 2 (battery — deferred late 2027/2028)

## Workbook contents

[Overview](#)

[Phase 1 Detail](#)

[Phase 2 Detail](#)

[Labor & Workforce](#)

[Operating Budget](#)

[ITC Basis Worksheet](#)

[Notes & Sources](#)

*This page — summary, key totals, navigation*

*Line-item build — acquisition, solar EPC, soft costs, fit-out, IT, contingency*

*Battery storage — deferred build, separate capital event*

*Labor breakdown, apprenticeship, Resident Preference Program*

*5-yr operating cost roll-up (ties to Attachment E)*

*§48E-eligible vs. ineligible allocation by line*

*Source documents and assumptions*

## Key totals (corrected April 18, 2026)

Line	Amount	Note
Phase 1 — total (midpoint basis)	\$3,696,500	Acquisition + solar + soft + fit-out + IT + contingency (locked midpoint)
Phase 2 — battery (deferred)	\$680,000	Phase 2a (0.5 MW / 1 MWh initial) late 2027/2028; 2b expansion informational only
Total project — Phase 1 + Phase 2	\$4,376,500	Phase 1 midpoint + Phase 2a battery (0.5 MW / 1 MWh, late 2027/2028)
§48E-eligible basis (Phase 1 solar + related)	\$1,700,200	Solar + inverters + racking + interconnection + related soft costs
§48E Direct Pay @ 30% base	\$510,060	\$510,060 (locked); §48E 30% base
§48E Direct Pay @ 40% w/ LIC Bonus (upside)	\$680,080	IRC §48E(h)/§45D — [VERIFY tract eligibility]
McKnight recoverable grant ask	\$1,000,000	\$200K acq bridge + \$800K solar bridge; TA \$100K separate
CDFI property loan (midpoint)	\$1,450,000	IFF primary; \$1.3M–\$1.6M range set at appraisal/DSCR

## Color conventions

Blue text

*Hardcoded input*

Black text

*Formula / calculation*

Green text

*Cross-sheet reference*

Yellow fill

*Key assumption requiring attention*

## Phase 1 — Detailed Line-Item Budget

Acquisition + solar EPC + soft costs + Day-1 hub fit-out + IT + contingency. Midpoint basis shown.

Line item	Low (\$)	High (\$)	Midpoint (\$)	% total	Notes / Source
<b>A. ACQUISITION (SDC campus, 1730–1810 W. North Ave, Milwaukee)</b>					
Purchase price — SDC parcel (board-approved ce	\$1,500,000	\$1,800,000	\$1,650,000	44.6%	SDC seller's WB-44 counter dated 4/17/2026 at \$2.0M; WW \$1.8M board ceiling governs Walnut Way buyer offer
Title insurance, recording, transfer tax	\$12,000	\$18,000	\$15,000	0.4%	Standard WI commercial closing
Phase I environmental + appraisal	\$8,000	\$15,000	\$11,500	0.3%	CDFI underwriting requirement
Acquisition legal — (INKIND DONATION) Robbins	\$10,000	\$18,000	\$14,000	0.4%	Nicole Robbins recused from final price approval; Board Acquisition Committee provides independent oversight of negotiation.
<b>Subtotal — A</b>	<b>\$1,530,000</b>	<b>\$1,851,000</b>	<b>\$1,690,500</b>	<b>45.7%</b>	
<b>B. SOLAR PV — EPC (Phase 1, ~1 MW DC / ~833 kW AC)</b>					
Modules + inverters + BOS (bill of materials)	\$780,000	\$900,000	\$840,000	22.7%	SunBear preliminary design — MKE irradiance
Racking + canopy structures (ballasted + parking	\$180,000	\$230,000	\$205,000	5.5%	Solar structural load — single-use allocation (\$48E-eligible)
Electrical trade labor — wiring, interconnection, c	\$120,000	\$180,000	\$150,000	4.1%	IBEW + WRTP/BIG STEP; EPC-furnished; midpoint \$150K
Blue Skies self-perform — structural install, rackin	\$105,000	\$130,000	\$117,500	3.2%	WW DBA; same EIN 39-2007850; direct job-cost; Resident Preference Program; midpoint \$117.5K
Interconnection equipment + WE Energies fees	\$75,000	\$110,000	\$92,500	2.5%	WE Energies AQ + meter pre-application
Commissioning, monitoring, O&M setup	\$25,000	\$45,000	\$35,000	0.9%	SunBear commissioning protocol
EPC overhead + markup	\$75,000	\$100,000	\$87,500	2.4%	Reduced scope — Blue Skies self-perform removes structural scope from EPC markup base
<b>Subtotal — B</b>	<b>\$1,360,000</b>	<b>\$1,695,000</b>	<b>\$1,527,500</b>	<b>41.3%</b>	
<b>C. SOFT COSTS (\$48E-eligible and non-eligible)</b>					
Engineering — stamped design, PVsyst, SLD	\$40,000	\$60,000	\$50,000	1.4%	SunBear preliminary design — Apr 2026
Permitting — solar + interconnection	\$12,000	\$20,000	\$16,000	0.4%	City of Milwaukee DNS + WE Energies permits
\$48E / \$6417 tax opinion (pre-commissioning)	\$25,000	\$40,000	\$32,500	0.9%	Qualified Entry CP (b) — first TA dollar
Legal — regulatory, intercreditor, grant agreemer	\$30,000	\$50,000	\$40,000	1.1%	MWH Law Group / Pines Bach
Project management + owner's rep (Walnut Way	\$40,000	\$60,000	\$50,000	1.4%	Self-performed by ED + SunBear owner's rep
Insurance — builder's risk, property rider (Yr 1)	\$8,000	\$12,000	\$10,000	0.3%	Robertson Ryan broker quote
PSC feasibility study (solar + interconnection desi	\$15,000	\$30,000	\$22,500	0.6%	SunBear Energy 1 MW feasibility — direct \$48E interconnection design

<b>Subtotal — C</b>	<b>\$170,000</b>	<b>\$272,000</b>	<b>\$221,000</b>	<b>6.0%</b>	
<b>D. DAY-1 HUB FIT-OUT (MIRACLE tenant spaces)</b>					
Interior build — demising walls, flooring, paint	\$45,000	\$80,000	\$62,500	1.7%	<i>Hub fit-out pro forma Apr 2026</i>
HVAC — tenant zone trims (main systems in place)	\$12,000	\$25,000	\$18,500	0.5%	<i>SDC mechanicals already complete</i>
Millwork, fixtures, furniture (FF&E)	\$18,000	\$45,000	\$31,500	0.9%	<i>Tenant-ready capacity</i>
<b>Subtotal — D</b>	<b>\$75,000</b>	<b>\$150,000</b>	<b>\$112,500</b>	<b>3.0%</b>	
<b>E. IT &amp; CONNECTIVITY</b>					
Network infrastructure — routers, switches, cabling	\$30,000	\$45,000	\$37,500	1.0%	<i>PSC Resilient Resident Wi-Fi funded</i>
Public Wi-Fi + campus access points	\$20,000	\$30,000	\$25,000	0.7%	<i>Ties to PSC intervention proceeds</i>
<b>Subtotal — E</b>	<b>\$50,000</b>	<b>\$75,000</b>	<b>\$62,500</b>	<b>1.7%</b>	
<b>F. CONTINGENCY &amp; CLOSING</b>					
General contingency (~2% of construction)	\$50,000	\$75,000	\$62,500	1.7%	<i>Board-reserved; NOT in \$48E basis</i>
Closing costs — ITC filing, misc.	\$15,000	\$25,000	\$20,000	0.5%	<i>Form 3800 + §6417 election prep</i>
<b>Subtotal — F</b>	<b>\$65,000</b>	<b>\$100,000</b>	<b>\$82,500</b>	<b>2.2%</b>	
<b>TOTAL PHASE 1 (midpoint)</b>	<b>\$3,250,000</b>	<b>\$4,143,000</b>	<b>\$3,696,500</b>	<b>100.0%</b>	

Range reflects engineering-estimate uncertainty ahead of firm EPC bids. Firm bids solicited May–July 2026; 5% cost incurrence (~\$150K–\$175K non-refundable equipment deposits) cut to safe-harbor ITC vintage year by July 4, 2026.

## Phase 2a — Battery Storage (0.5 MW / 1 MWh initial deployment, DEFERRED)

Late 2027 / 2028. Separate capital event. 0.5 MW power / 1 MWh usable energy (4-hr duration). Phased — 2a is the initial 1 MWh install; Phase 2b expansion to 2 MWh is a future separate capital event (informational only, not in this budget). \$48E valid through 2033 preserves tax-credit optionality for both phases. Battery will be claimed in its own \$48E credit year.

Line item	Low (\$)	High (\$)	Notes / Source
Battery modules + BMS + racks (0.5 MW / 1 MW)	\$280,000	\$380,000	NREL ATB 2024 commercial BESS \$280-380/kWh at 1 MWh scale, 4-hr
Power Conversion System (PCS) + inverters + tran	\$120,000	\$180,000	BOS — bi-directional inverters, PCS controls, MV transformer, protection
Thermal management + fire suppression + enclos	\$40,000	\$70,000	NFPA 855 compliance; integrated thermal + fire detection + LFP chemistry
Installation labor + commissioning	\$50,000	\$90,000	Licensed electrical contractor; UL 9540A commissioning protocol
Engineering + permitting + interconnection studi	\$20,000	\$40,000	Updated WE Energies interconnection; PSC storage tariff analysis
Contingency (10%) + warranty reserve	\$30,000	\$60,000	Warranty reserve + supply-chain contingency
<b>TOTAL PHASE 2a (0.5 MW / 1 MWh initial) -</b>	<b>\$540,000</b>	<b>\$820,000</b>	
<b>Phase 2a midpoint</b>	<b>\$680,000</b>		

Phase 2b (future): expansion 1 MWh → 2 MWh estimated \$320,000–\$460,000 (midpoint \$390,000). Separate capital event; not in this budget. \$48E remains available through 2033. Informational only.

Rationale for Phase 2a deferral: (1) \$48E valid through 2033 preserves optionality; (2) preserves Phase 1 solar critical path to July 4, 2026 ITC safe harbor; (3) battery pricing continues to decline (~8-12%/yr per BloombergNEF); (4) enables Phase 2 to be sized against actual Year 1 load profile post-commissioning; (5) BTM savings from Phase 1 solar alone cover McKnight residual in

# Labor & Workforce Breakdown

Construction-phase labor (embedded in Phase 1 Detail \$B) + ongoing operating labor. Resident Preference + WRTP/BIG STEP apprenticeship pipeline.

Role / Category	Low (\$)	High (\$)	Notes / Source
<b>Construction-phase labor (Phase 1 solar build)</b>			
Electrical trade labor — journey + apprentice	\$120,000	\$180,000	IBEW + WRTP/BIG STEP apprenticeship pipeline; wiring, interconnection, commissioning
Blue Skies self-perform — structural install, r	\$105,000	\$130,000	Walnut Way DBA, same EIN 39-2007850; ~2,900–3,200 hrs @ ~\$30/hr
Site supervision + safety officer	\$20,000	\$35,000	Resident Preference Program hires from Lindsay Heights; included in EPC-furnished; included in \$B
<b>Subtotal — construction labor</b>	<b>\$245,000</b>	<b>\$345,000</b>	

<b>Project management &amp; owner's rep</b>			
Antonio Butts (ED) — allocated project time	\$22,000	\$28,000	Walnut Way — self-performed
Chandra Ellis (Grant Dev Dir) — allocated (~1	\$9,000	\$12,000	Financial documentation; McKnight reporting
Bryan Rogers (Operations) — allocated (~10	\$8,000	\$11,000	Operations oversight
SunBear Industries — owner's technical rep	\$24,000	\$40,000	Isaiah Ness; engineering supervision
5 Lakes Energy — interconnection advisory	\$8,000	\$15,000	Dan Ebert (former WI PSC Chair)
<b>Subtotal — PM &amp; owner's rep</b>	<b>\$71,000</b>	<b>\$106,000</b>	

<b>Ongoing operating labor (post-commissioning, annual)</b>			
O&M technician — preventive maintenance	\$12,000	\$20,000	SunBear service contract @ \$15-20/kW-AC x 833 kW AC = \$12,495-\$16,660
Property management (MIRACLE tenant ops	\$20,000	\$32,000	Tied to tenant revenue ramp: FY28 = \$21K (75% occ), FY29 = \$25K (90% occ), FY30 = \$28K (95% occ)
Campus IT / Wi-Fi monitoring	\$6,000	\$10,000	PSC Resilient Resident Wi-Fi operating allocation
<b>Subtotal — annual operating labor</b>	<b>\$38,000</b>	<b>\$62,000</b>	

NOTE: Property management range (\$20K-\$32K) spans tenant-revenue ramp (FY28 75% occ → FY30 stabilized 90% occ). O&M technician range (\$12K-\$20K) covers SunBear \$15-20/kW-AC pricing band x 833 kW AC system. Both ranges reconcile with Operating Budget (Sheet 5) and Cash Flow (Projections Attachment E).

WORKFORCE PIPELINE: WRTP/BIG STEP registered apprenticeship partnership delivers skilled labor at prevailing wage. Blue Skies Environmental Solutions — a DBA operating unit of Walnut Way Conservation Corp (same EIN 39-2007850) — self-performs structural install (racking/mounting, canopy framing, ballast/foundation concrete) at ~2,900–3,200 labor-hours, hiring directly from the Lindsay Heights Resident Preference Program. Costs recorded at direct job-cost (labor + materials + allocated overhead) per IRC §48E self-constructed-basis treatment. Wiring and interconnection remain EPC-furnished. Project target: ≥30% hours by apprentices; ≥20% hours by Milwaukee residents in Justice40 tracts.

# 5-Year Operating Budget (Post-Commissioning)

Ties to Attachment E 5-Year Cash Flow. FY26 pre-construction; commissioning Q2 2027; full operations FY28+.

Operating line	FY2026	FY2027	FY2028	FY2029	FY2030	5-Yr Total
O&M — solar (fixed, SunBear contract)	-	\$9,000	\$18,450	\$18,911	\$19,384	\$65,745
Insurance — system + property	\$2,000	\$8,000	\$8,200	\$8,405	\$8,615	\$35,220
Property tax — MIRACLE campus	\$12,000	\$24,000	\$24,600	\$25,215	\$25,845	\$111,660
Utilities — common areas (net of BTM)	\$6,000	\$12,000	\$12,300	\$12,608	\$12,923	\$55,831
Property management + reserves	-	\$11,200	\$21,000	\$25,200	\$25,830	\$83,230
Monitoring + IT ops (Wi-Fi)	\$2,000	\$4,000	\$6,000	\$6,150	\$6,304	\$24,454
Audit, legal, compliance allocation	\$3,000	\$5,000	\$6,000	\$6,150	\$6,304	\$26,454
<b>TOTAL ANNUAL OPERATING EXPENSES</b>	<b>\$25,000</b>	<b>\$73,200</b>	<b>\$96,550</b>	<b>\$102,639</b>	<b>\$105,205</b>	<b>\$402,594</b>

See Attachment E 5-Year Cash Flow for offsetting revenues (BTM savings, MIRACLE tenant revenue, PSC Wi-Fi one-time). Base case is 100% BTM per Assumptions!C14 (no surplus-export revenue in base; see Scenarios sheet for 15%/30% export sensitivities). Net operating income after revenues: \$12.5K / \$133.8K / \$235.3K / \$266.7K / \$274.4K = \$922,694 5-yr total (ties to Attachment E Cash Flow).

## \$48E-Eligible Basis Allocation

Reconciles Phase 1 line items to \$48E-eligible basis. Acquisition, fit-out, IT, and general contingency are NOT in basis per IRC §48E.

Line category	Total cost (\$)	\$48E-eligible (\$)	Basis / Note
Acquisition — land/building + title, recording, 1	\$1,690,500	-	NOT eligible — real property + acquisition soft costs under IRC §48E
Solar — modules, inverters, BOS	\$840,000	\$840,000	100% eligible — energy property
Racking + canopy (solar structural)	\$205,000	\$205,000	100% — structural PV loading is solar-serving (single-use allocation)
Interconnection equipment + WE fees	\$92,500	\$92,500	100% eligible — interconnection is energy property
Electrical trade labor (EPC-furnished)	\$150,000	\$150,000	100% eligible — directly related to energy property
Blue Skies self-perform — structural/mounting	\$117,500	\$117,500	100% eligible — structural PV install; WW DBA, same EIN; at cost (direct labor + materials + allocated overhead)
Commissioning + O&M setup	\$35,000	\$35,000	100% eligible
EPC overhead + markup (allocated)	\$87,500	\$87,500	100% — EPC scope is solar in Phase 1; reduced for Blue Skies
Engineering — stamped design, PVsyst	\$50,000	\$50,000	100% — stamped solar design, PVsyst modeling, solar-specific
Permitting (solar/interconnection)	\$16,000	\$15,200	95% allocated — solar + interconnection permits
\$48E / §6417 tax opinion	\$32,500	\$32,500	100% eligible — direct tax structuring cost
Legal — regulatory, intercreditor, grant agreem	40000	0	0% — not §48E-specific (tax opinion is in separate line above)
Project management (solar-allocated)	\$50,000	\$42,500	85% allocated — SunBear PM solar-dedicated
Insurance — builder's risk (Yr 1)	\$10,000	\$10,000	100% — policy is on solar installation
PSC feasibility study (solar + interconnection d	\$22,500	\$22,500	100% — SunBear feasibility is §48E interconnection design
Day-1 hub fit-out (interior, HVAC, FF&E)	\$112,500	-	NOT eligible — non-energy tenant improvements (midpoint, ties to
IT + Wi-Fi infrastructure	\$62,500	-	NOT eligible — IT/communications
General contingency + closing	\$82,500	-	NOT eligible — non-construction/non-energy (ties to Phase 1 Detail
<b>TOTAL — Phase 1 all-in</b>	<b>\$3,696,500</b>	<b>\$1,700,200</b>	\$48E-eligible basis flows to Overview

### \$48E Direct Pay @ 30% base

**\$510,060** Base case — 30% flat rate

### \$48E Direct Pay @ 40% w/ LIC Bonus (upside)

**\$680,080** IRC §48E(h)/§45D — [VERIFY tract-level eligibility]

### \$48E Direct Pay @ 50% w/ LIC + Energy Community (upside)

**\$850,100** IRC §48E(h)/§45D + Notice 2024-30 — [VERIFY tract + MSA statistical test]

### \$48E Direct Pay @ 60% w/ all three adders (upside)

**\$1,020,120** LIC + Energy Community + Domestic Content — [VERIFY each]; gated as CP to equipment deposit

Reconciliation: Total Cost column ties to Phase 1 Detail midpoint \$3,696,500. Eligible basis locked at \$1,700,200.

# Source Documentation & Assumptions

Category / figure	Source document / note
<b>Project budget basis</b>	
SunBear Industries feasibility + EPC cost estimates	Attachment J — MIRACLE_SunBear_Industries_Letter_of_Support_04.16.2026.pdf
UWM OSP budget development tool	Attachment L — MIRACLE_UWM_OSP_Budget_Development_Tool_05.08.2025.pdf
SDC seller WB-44 counter (NOT buyer offer)	Attachment P — SDC seller's WB-44 counter at \$2.0M dated 4/17/2026; WW \$1.1M buyer offer 3/17/2026
WW Board-approved buyer-offer ceiling (NOT seller counter)	WW Board minutes April 2026 — WW buyer ceiling \$1.8M; Walnut Way will not exceed \$1.8M acquisition regardless of seller counter
<b>Cost benchmark validation</b>	
Midwest community solar 500 kW–1.5 MW (2024–2026)	Comparable project benchmarks — LISC, IFF, CESA data
Self-performing labor markup reduction 15–25%	Industry benchmark — NREL ATB 2024
<b>§48E / §6417 references</b>	
IRC §48E — Clean Electricity Investment Credit	26 U.S.C. §48E; Treasury final regs Nov 2024
IRC §6417 — Elective (Direct) Pay for applicable entities	26 U.S.C. §6417 — 501(c)(3) eligible
Single-use allocation — racking + canopy (solar structural loading)	Structural PV loading serves solar array; single-use §48E allocation
LIC Bonus +10% — IRC §48E(h) / §45D (UPSIDE ONLY)	[VERIFY tract-level IRS certification] — not in base
<b>Labor &amp; workforce</b>	
WRTP/BIG STEP apprenticeship partnership	Registered apprenticeship; prevailing wage
Resident Preference Program — Blue Skies Env. Solutions	Walnut Way subsidiary; Lindsay Heights hiring
Project target: ≥30% apprentice hours, ≥20% J40 residents	Workforce plan; community benefits commitment
<b>Operating budget tie-out</b>	
All operating expenses flow to Attachment E 5-Yr Cash Flow	Attachment E — 5-Year Project Cash Flow
Net operating income FY26–FY30 = \$922,694 cumulative	Per Attachment E
<b>Verification flags</b>	
[VERIFY] Final EPC bids — May–July 2026	Range collapses to firm numbers post-bid
[VERIFY] LIC Bonus tract eligibility (upside only)	IRS tract-level certification

**[VERIFY] Post-close property tax assessment**

*Milwaukee assessor reassessment may adjust \$24K/yr*

**[VERIFY] Engineering-segregated EPC invoices at audit**

*SunBear to segregate solar vs. non-solar scope lines on invoices*

*Prepared: 2026-04-18 · Walnut Way Conservation Corp. · EIN 39-2007850 · info@ejicwisconsin.org · 414-861-2206*

## Attachment E — MIRACLE Campus 5-Year Project Cash Flow Projections

Walnut Way Conservation Corp. · McKnight Foundation / Move the Midwest · April 18, 2026

Prepared for Third Coast Strategies & Connolly Strategies financial due diligence

### Workbook contents

<a href="#">Overview</a>	This page — project summary, key figures, and navigation
<a href="#">Assumptions</a>	All modeled inputs — production, pricing, BTM savings, debt terms
<a href="#">Sources &amp; Uses</a>	Project capital stack — corrected figures (Apr 2026)
<a href="#">5-Year Cash Flow</a>	FY26–FY30 revenue / expense / debt service / net cash flow
<a href="#">DSCR Analysis</a>	Bridge-window and stabilized debt-service coverage ratios
<a href="#">Scenarios</a>	Base / 70% / 50% / Interconnection-Delay stress cases
<a href="#">Notes &amp; Sources</a>	Source-document citations and modeling caveats

### Key project figures (locked, corrected April 18, 2026)

<b>Total project budget (range)</b>	<b>\$4,376,500 midpoint (\$3.8M–\$5.0M range)</b>	Phase 1 midpoint \$3,696,500 + Phase 2a battery midpoint \$680,000 = \$4,376,500
<b>SDC acquisition (expected close range)</b>	<b>\$1.5M – \$1.8M</b>	Board-approved \$1.8M ceiling; WB-15 \$1.1M/WB-44 \$2.0M historical
<b>\$48E eligible basis</b>	<b>\$1,700,200 (locked)</b>	Solar-only Phase 1 eligible basis — locked per Detailed Project Budget ITC Basis Worksheet
<b>\$48E Direct Pay @ 30% base</b>	<b>\$510,060 (locked @ 30% base)</b>	Base case locked; upside at 40%=\$680,080 / 50%=\$850,100 / 60%=\$1,020,120 — all adders IVERIFY1. eated as CP to equipment deposit
<b>System size (Phase 1)</b>	<b>~1 MW DC / ~833 kW AC</b>	Battery Phase 2 deferred (late 2027/2028)
<b>Annual production</b>	<b>1,150,000 kWh/year</b>	BTM-first consumption; surplus 51/49 MLKEDC split post-commissioning
<b>BTM savings (base)</b>	<b>\$161,000/year</b>	At ~\$0.14/kWh WE Energies retail; 25-year total ~\$4.0M
<b>CDFI property loan (final set at TS)</b>	<b>\$1.3M – \$1.6M</b>	IFF primary; FCI + LISC Milwaukee alternates
<b>Stabilized DSCR (permanent)</b>	<b>2.4x – 3.5x</b>	Post-ITC receipt; ~\$89K–\$109K/yr debt service
<b>Bridge-window DSCR (2026–2028)</b>	<b>1.6x – 2.1x</b>	Pre-ITC; operating covers acquisition debt service
<b>McKnight ask</b>	<b>\$1.0M (\$200K acq + \$800K solar) + up to \$100K TA</b>	Recoverable grant
<b>Coverage ratio (balance-sheet)</b>	<b>4.4x – 6.6x (\$5.35M ÷ \$1.21M combined bridge = 4.4x; ÷ \$800K McKnight alone = 6.6x)</b>	\$5.35M unrestricted net assets ÷ \$800K solar bridge
<b>Full McKnight repayment</b>	<b>2030–2031 base; 2029–2030 w/ LIC Bonus</b>	ITC + BTM residual sweep

### Color conventions (financial model standard)

<b>Blue text</b>	Hardcoded input — user may change for scenarios
<b>Black text</b>	Formula / calculation
<b>Green text</b>	Cross-sheet reference (same workbook)
<b>Yellow fill</b>	Key assumption requiring attention

## Model Assumptions

Assumption	Value	Unit	Source / Note
<b>System &amp; production</b>			
System size — DC (Phase 1 solar only)	1,000	kW DC	SunBear preliminary design — Apr 2026
System size — AC (inverter-limited)	833	kW AC	SunBear preliminary design
Annual production (Year 1)	1,150,000	kWh/yr	SunBear PVsyst modeling — MKE radiation
Production degradation	0.5%	per year	Industry standard 0.5%/yr panel degradation
WE Energies retail rate (blended)	\$0.140	\$/kWh	WE Energies Rg-1 / LGS schedule — Apr 2026
Retail rate escalator	3.0%	per year	PSC-approved WE Energies historical avg
<b>BTM savings &amp; revenue</b>			
BTM offset fraction (base)	100.0%	% of prod.	100% behind-the-meter consumption at SDC campus
BTM annual savings — Year 1 (base)	\$161,000	\$/yr	1.15M kWh × \$0.14/kWh (derived; see Scenarios sheet)
Surplus export revenue — MLKEDC share	\$1.0%	%	Post-commissioning subscriber revenue split only — per MLKEDC LOI (Attachment I)
Surplus export revenue — WW share	\$49.0%	%	Post-commissioning subscriber revenue split only — per MLKEDC LOI (Attachment I)
MIRACLE tenant revenue (stabilized 80–100% occ)	\$222,500	\$/yr	Hub fit-out pro forma — \$198K–\$247K range midpoint
MIRACLE tenant ramp — Year 1 occ	\$40.0%	% occ	Fit-out + lease-up Q2 2027–Q2 2028
MIRACLE tenant ramp — Year 2 occ	\$75.0%	% occ	Stabilized approach
MIRACLE tenant ramp — Year 3+ occ	\$90.0%	% occ	Stabilized occupancy
PSC Resilient Resident Wi-Fi revenue	\$75,000	\$/yr (one-time Y1-2)	PSC intervention proceeds — ratepayer-funded
<b>§48E Direct Pay ITC</b>			
§48E eligible basis (midpoint)	\$1,700,200	\$	LOCKED at \$1,700,200 per Detailed Project Budget ITC Basis Worksheet (Phase 1 solar + directly-related soft costs; excludes acquisition, fit-out, IT, general contingency per IRC §48E)
§48E base rate	30.0%	%	IRC §48E(a)(1) — 30% base
§48E LIC Bonus adder (UPSIDE ONLY)	10.0%	%	IRC §48E(h)/§45D — [VERIFY tract eligibility]; not in base
ITC Direct Pay base — Year 2 receipt	\$510,060	\$	\$1,700,200 × 30% = \$510,060 base case (LOCKED); upside at 40% = \$680,080; 50% = \$850,100; 60% = \$1,020,120
ITC processing time — base case	12	months	Post-ISD filing Form 3800 + §6417 election
<b>Operating expenses</b>			
O&M — solar (fixed)	\$18,000	\$/yr	SunBear O&M + monitoring — \$15-20/kW-AC
Insurance (incremental for system)	\$8,000	\$/yr	Builder's risk + all-risk prop. rider
Property tax — MIRACLE campus	\$24,000	\$/yr	Post-close Milwaukee assessor estimate [VERIFY]
Utilities (common areas + net ops)	\$12,000	\$/yr	Net of BTM offset
Property management + reserves	\$28,000	\$/yr	~12% of gross tenant rev + reserves
Expense escalator (general)	2.5%	per year	CPI-derived; Milwaukee market avg
<b>Debt terms</b>			
CDFI property loan principal (midpoint)	\$1,450,000	\$	\$1.3M–\$1.6M range; final at appraisal/DSCR
CDFI rate (all-in indicative)	5.5%	%	IFF indicative — 5.5% for CDFI term debt Apr 2026
CDFI amortization	30	years	IFF standard nonprofit real-estate term
CDFI IO period	-	months	None assumed; interest-only if negotiated trims Y1 debt svc
IFF existing mortgage balance	\$362,943	\$	WW 2024 audited financials — to be subsumed/reset
<b>McKnight recoverable grant</b>			
McKnight — Acquisition Bridge	\$200,000	\$	Qualified Entry triggers: signed CDFI TS + WB-44 extension
McKnight — Solar Bridge	\$800,000	\$	Qualified Entry trigger: WE Energies No-Aggregation ruling
McKnight — TA (up to)	\$100,000	\$	Technical assistance; separate from principal
McKnight carrying rate	-	%	Recoverable grant — 0% per McKnight terms
McKnight acquisition repay — start month	6	month after ITC receipt	Bridge released upon CDFI TS + WB-44 ext.
McKnight solar repay — ITC sweep	\$510,060	\$/Y2 sweep	ITC Direct Pay receipt (Q1 2028 base) — \$510,060 at 30% base on \$1,700,200 basis
McKnight residual	\$489,940	\$	Repaid from BTM savings (~\$126,500–\$161,000/yr depending on export fraction) over ~3 years
<b>Other capital (informational)</b>			
PSC EIGP Round 6 (primary gap closer)	\$500,000	\$	Deadline June 30, 2026 — pending application
WW internal equity (net-zero housing proceeds)	\$150,000	\$	Board-authorized; liquid
Moore earmark (Finish Line Fund only)	\$379,074	\$	Restricted — does NOT cross-subsidize solar gap
<b>§48E Adder tiers (upside, all [VERIFY])</b>			
ITC @ 40% — single adder (LIC Bonus)	\$680,080	\$	IRC §48E(h)/§45D — [VERIFY tract] = \$680,080
ITC @ 50% — two adders stacked	\$850,100	\$	LIC + Energy Community [VERIFY] = \$850,100
ITC @ 60% — all three adders stacked	\$1,020,120	\$	LIC + Energy Community + Domestic Content [VERIFY each] = \$1,020,120
<b>BTM export sensitivity</b>			
BTM @ 100% on-site (base)	\$161,000	\$/yr	\$161,000
BTM @ 15% export (mild sensitivity)	\$143,750	\$/yr	85% retail @ \$0.14/kWh + 15% export @ \$0.04/kWh avoided-cost = \$143,750/yr
BTM @ 30% export (stress sensitivity)	\$126,500	\$/yr	70% retail @ \$0.14/kWh + 30% export @ \$0.04/kWh avoided-cost = \$126,500/yr

## Sources & Uses — MIRACLE Campus Phase 1

Phase 1 midpoint \$3,696,500 shown below. Total project (Phase 1 + Phase 2a battery) midpoint \$4,376,500. Upfront stack now includes \$410K Walnut Way organizational LOC to close construction-cash timing gap before \$48E Y2 receipt. See Phase 2 battery detail in Budget workbook.

USES			
Line item	Amount (\$)	% of total	Notes
SDC acquisition + closing (A)	\$1,690,500	45.7%	Budget Detail A: purchase + title + Phase 1 + legal; range \$1.5M–\$1.8M; midpoint \$1,690,500
Solar EPC + interconnection (B)	\$1,527,500	41.3%	Budget Detail B: modules+BOS+racking+labor+interconnection; midpoint \$1,527,500
Soft costs — engineering, permits, tax opinion (C)	\$221,000	6.0%	Budget Detail C: engineering, \$48E/\$6417 tax opinion, legal, PM, insurance, feasibility
Day-1 hub fit-out (D)	\$112,500	3.0%	Budget Detail D: demising walls, HVAC trims, FF&E
IT + contingency + closing (E+F)	\$145,000	3.9%	Budget Detail E+F: IT/Wi-Fi (\$62,500) + general contingency (\$62,500) + ITC filing (\$20,000)
<b>Total uses — Phase 1 (midpoint) [ties to Budget Over</b>	<b>\$3,696,500</b>		

Phase 2a battery (0.5 MW / 1 MWh, late 2027/2028): \$540K–\$820K range (\$680K mid) — separate capital event, \$48E remains valid through 2033. Phase

SOURCES			
Source	Amount (\$)	% of total	Status
CDFI property loan (IFF primary; FCI + LISC alt)	\$1,450,000	39.2%	Pending term sheet — \$1.3M–\$1.6M range
McKnight recoverable grant — Acquisition Bridge	\$200,000	5.4%	Requested; Qualified Entry triggers
McKnight recoverable grant — Solar Bridge	\$800,000	21.6%	Requested; Qualified Entry triggers
McKnight TA (up to)	\$100,000	2.7%	Requested
Walnut Way organizational line of credit (construction-gap bridge)	\$410,000	11.1%	Board-authorized LOC backstop; drawn Y1-Y2 as ~\$410K construction-gap bridge; repaid from BTM residuals post-ITC sweep (FY28-30). Separate from McKnight bridge and from \$48E
PSC EIGP Round 6 (primary construction-gap closer)	\$500,000	13.5%	Pending — deadline 6/30/2026
WW internal equity (net-zero housing proceeds)	\$150,000	4.1%	Board-authorized; liquid
PSC Resilient Resident Wi-Fi (intervention proceeds)	\$75,000	2.0%	Confirmed docket payments
Anchor lease pre-pay / LOI (MLKEDC)	\$15,000	0.4%	Signed LOI; conservative placeholder
<b>Total upfront sources</b>	<b>\$3,700,000</b>		
<b>Upfront sources less uses (should be ≥ 0 with WW LC</b>	<b>\$3,500</b>		
\$48E Direct Pay Y2 capital recovery (retires McKnight)	510060		Q1 2028 Treasury receipt at 30% base — retires 51% of McKnight principal in one event
<b>2-year reconciliation (upfront sources + Y2 ITC – uses)</b>	<b>\$513,560</b>		Upfront stack + Y2 \$48E capital recovery covers all uses with positive buffer; ITC sweep retires McKnight; BTM residuals retire WW LOC over FY28-30

Coverage ratio (WW unrestricted net assets \$5.35M ÷ \$410K LOC + \$800K McKnight solar bridge = \$1.21M combined bridge) = 4.4x. WW LOC draw is

## 5-Year Project Cash Flow — FY2026 through FY2030

Base case. Commissioning target Q2 2027; ITC Direct Pay receipt Q1 2028 base. All formulas link to Assumptions sheet.

Line item	FY2026	FY2027	FY2028	FY2029	FY2030	5-Yr Total
Phase	Pre-construction	Construction / Commissioning	Stabilization / ITC	Full operations	Full operations	
<b>REVENUES</b>						
BTM electricity savings	-	\$80,500	\$165,001	\$169,101	\$173,303	\$587,905
MIRACLE tenant revenue (ramp)	-	\$89,000	\$166,875	\$200,250	\$206,258	\$662,383
PSC Resilient Resident Wi-Fi (one-time)	\$37,500	\$37,500	-	-	-	\$75,000
Surplus export (base case = \$0 per Assumptions; 100% BTM; see Scenarios for 15%/30% export)	-	-	-	-	-	-
<b>Total revenues</b>	<b>\$37,500</b>	<b>\$207,000</b>	<b>\$331,876</b>	<b>\$369,351</b>	<b>\$379,561</b>	<b>\$1,325,288</b>
<b>EXPENSES</b>						
O&M — solar (fixed)	-	\$9,000	\$18,450	\$18,911	\$19,384	\$65,745
Insurance (system + property)	\$2,000	\$8,000	\$8,200	\$8,405	\$8,615	\$35,220
Property tax — MIRACLE campus	\$12,000	\$24,000	\$24,600	\$25,215	\$25,845	\$111,660
Utilities — common areas (net of BTM)	\$6,000	\$12,000	\$12,300	\$12,608	\$12,923	\$55,830
Property mgmt + reserves	-	\$11,200	\$21,000	\$25,200	\$25,830	\$83,230
Monitoring + IT ops (Wi-Fi, campus monitoring)	\$2,000	\$4,000	\$6,000	\$6,150	\$6,304	\$24,454
Audit, legal, compliance allocation	\$3,000	\$5,000	\$6,000	\$6,150	\$6,304	\$26,454
<b>Total operating expenses</b>	<b>\$25,000</b>	<b>\$73,200</b>	<b>\$96,550</b>	<b>\$102,639</b>	<b>\$105,205</b>	<b>\$402,593</b>
<b>Net operating income (NOI)</b>	<b>\$12,500</b>	<b>\$133,800</b>	<b>\$235,326</b>	<b>\$266,712</b>	<b>\$274,356</b>	<b>\$922,694</b>
<b>DEBT SERVICE</b>						
CDFI property loan — P&I (\$1.45M mid @ 5.5% / 30-y)	\$0	\$49,398	\$98,795	\$98,795	\$98,795	\$345,784
McKnight recoverable grant repayment (ITC sweep Y2)	\$0	-	\$673,373	\$163,313	\$163,314	\$1,000,000
<b>Total debt service + McKnight repayment</b>	<b>\$0</b>	<b>\$49,398</b>	<b>\$772,168</b>	<b>\$262,108</b>	<b>\$262,109</b>	<b>\$1,345,784</b>
<b>ITC Direct Pay receipt (Y2 base, non-recurring)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$510,060</b>	<b>\$0</b>	<b>\$0</b>	<b>\$510,060</b>
<b>Net project cash flow (post-debt, post-McKnight)</b>	<b>\$12,500</b>	<b>\$84,402</b>	<b>-\$26,782</b>	<b>\$4,604</b>	<b>\$12,247</b>	<b>\$86,971</b>
<b>Cumulative net cash flow</b>	<b>\$12,500</b>	<b>\$96,902</b>	<b>\$70,120</b>	<b>\$74,724</b>	<b>\$86,971</b>	

Note: FY26 is pre-construction (acquisition close + permitting/engineering). Commissioning Q2 2027; first partial year BTM revenue. FY28 first full year BTM + MIRACLE tenant revenue + ITC Direct Pay receipt. Debt service on monthly amortization per standard CDFI practice.

## Debt Service Coverage Ratio (DSCR) Analysis

Bridge-window: 1.6x–2.1x (pre-ITC). Stabilized: 2.4x–3.5x (post-ITC).

Metric	FY2026	FY2027	FY2028	FY2029	FY2030
NOI (from 5-Year Cash Flow)	\$12,500	\$133,800	\$235,326	\$266,712	\$274,356
CDFI debt service (from 5-Year Cash Flow)	\$0	\$49,398	\$98,795	\$98,795	\$98,795
<b>DSCR (NOI ÷ CDFI debt service)</b>	<b>N/A (no debt svc)</b>	<b>2.71x</b>	<b>2.38x</b>	<b>2.70x</b>	<b>2.78x</b>
<b>Cash-on-cash coverage (NOI + ITC ÷ CDFI debt service)</b>	<b>N/A</b>	<b>2.71x</b>	<b>7.54x</b>	<b>2.70x</b>	<b>2.78x</b>

### DSCR benchmarks & interpretation

CDFI minimum (typical)	<b>1.20x</b> IFF, FCI, LISC typical covenant floor
Bridge-window target (this project)	<b>1.6x – 2.1x</b> Corrected mid-2026 to mid-2028
Stabilized target (this project)	<b>2.4x – 3.5x</b> Post-ITC sweep, Y3+ operations \$5.35M unrestricted ÷ \$1.21M
Walnut Way coverage ratio (balance-sheet)	<b>4.4x – 6.6x</b> combined bridge (\$800K McKnight solar + \$410K WW LOC) = 4.4x: ratio over

Note on McKnight repayment: Because the McKnight award is a recoverable grant (not conventional debt), it is excluded from the DSCR numerator/denominator. Repayment is funded from (1) ITC Direct Pay Y2 sweep and (2) BTM savings residual sweep Y3–Y4. See 5-Year Cash Flow for timing.

## Stress Test Scenarios

Sensitivity on BTM production/savings; tests McKnight recovery under stress.

Assumption / metric	Base case (100%)	Stress 70%	Stress 50%	Interconnection delay
BTM annual savings (Year 1 undegraded –	\$161,000	\$112,700	\$80,500	-
BTM carrying cost during delay (Y3)	-	-	-	(\$44,000)
Net BTM contribution (Y3)	\$161,000	\$112,700	\$80,500	(\$44,000)
25-year BTM total (undiscounted)	\$4,025,000	\$2,817,500	\$2,012,500	\$3,542,000
ITC Direct Pay receipt (Y2)	\$510,060	\$510,060	\$510,060	\$510,060
McKnight repayment via ITC (Y2)	\$510,060	\$510,060	\$510,060	\$510,060
McKnight residual after ITC sweep	\$489,940	\$489,940	\$489,940	\$489,940
Years to recover residual from BTM	3.0 yrs	4.3 yrs	6.1 yrs	3.4 yrs
McKnight payoff year (from 2026 start)	2030–2031	2031–2032	2032–2034	2033–2035

**Qualified Entry conclusion: \$1M recovery is mathematically secure only if ITC Safe Harbor (July 4, 2026) and WE Energies meter segmentation are successfully navigated by Q3 2026.**

Recommended covenants (adopted verbatim): McKnight should release the \$200K Acquisition Bridge ONLY upon (i) signed CDFI term sheet AND (ii) signed WB-44 closing-date extension. McKnight should release the \$800K Salar Bridge ONLY upon a written 'No-Aggregation' ruling from WE Energies.

### Adder upside (vs. base case) — all adders [VERIFY]

Metric	Base (30%)	+10% LIC	+20% stacked	+30% all three
ITC Direct Pay receipt (Y2)	\$510,060	\$680,080	\$850,100	\$1,020,120
McKnight residual after ITC sweep	\$489,940	\$319,920	\$149,900	\$0
Years to recover residual from BTM @ bas	3.0 yrs	2.0 yrs	0.9 yrs	0.0 yrs
McKnight full payoff year	2030–2031	2029–2030	2028–2029	2028 (ITC alone retires)

### BTM export sensitivity (vs. base case)

Metric	100% on-site	15% export	30% export	
BTM annual savings (Year 1, export-sensiti	\$161,000	\$143,750	\$126,500	85% retail @ \$0.14 + 15% export @ \$0.04 = \$143,750; 70% retail + 30% export @ \$0.04 = \$126,500
Years to recover residual from BTM (post-I	3.0 yrs	3.4 yrs	3.9 yrs	
McKnight full payoff year	2030–2031	2031 (mild slip)	2031–2032 (stress)	

Note: BTM figures use Year 1 undegraded values across all stress scenarios. This is deliberately conservative — Year 3 escalated values (post-retail-rate inflation, net of 0.5%/yr panel degradation) are approximately \$169,100/year, which would accelerate residual recovery. The Cash Flow sheet models the escalated path; Scenarios use flat Y1 as a stress

## Source Documentation & Modeling Notes

All figures tie to source documents in McKnight submission package.

Category / figure	Source document / note
<b>Walnut Way financial position</b>	
<b>Unrestricted net assets (\$5.35M end-2024)</b>	2024 WW Financial Statements.pdf (audited) — Statement of Financial Position
<b>3-year average operating budget (\$2.76M)</b>	FY23 \$2.09M + FY24 \$3.44M + FY25 \$2.76M — 2023/2024 audits + WW 2025 FY PL.pdf
<b>FY2025 deficit (\$34,263)</b>	WW 2025 FY PL.pdf — for completeness; operating-only, not a cash-flow issue
<b>IFF existing mortgage balance (\$362,943)</b>	2024 WW Financial Statements.pdf — Notes, long-term debt schedule
<b>Project capital &amp; acquisition</b>	
<b>SDC acquisition — WB-15 \$1.1M offer 3/17/2026</b>	Historical fact — preserved in Attachment P counter-offer package
<b>SDC acquisition — WB-44 \$2.0M counter 4/17/2026</b>	Attachment P: SDC WB-44 Counter Offer (Walnut Way → SDC)
<b>Board-approved ceiling \$1.8M</b>	WW Board minutes April 2026 [on file]
<b>SDC Listing Proposal / property comps</b>	SDC Listing Proposal.pdf, SDC Offices_Ogden Listing.pdf, SDC Warehouse_Ogden Listing.pdf
<b>St. Ann (2450 W. North Ave) — replication target</b>	St Ann - 2450 W North Ave.pdf — backup site, not primary
<b>Solar technical &amp; production</b>	
<b>System size 1 MW DC / 833 kW AC / 1.15M kWh/yr</b>	SunBear preliminary design + PIVyst modeling — Apr 2026
<b>Battery Phase 2 deferred late 2027/2028 (\$200K–\$400K)</b>	SunBear design memo — \$48E valid through 2033 preserves optionality
<b>\$48E eligible basis \$1.7M–\$2.1M</b>	SunBear EPC scope (solar only, Phase 1)
<b>\$48E Direct Pay 30% = \$510,060 base (locked)</b>	IRC §48E(a)(1); Treasury final regs Nov 2024
<b>LIC Bonus +10% upside (\$680K–\$840K)</b>	IRC §48E(h)/§45D — [VERIFY track-level eligibility certification]
<b>Revenue modeling</b>	
<b>BTM \$161K/yr (base)</b>	Derived: 1.15M kWh × \$0.14/kWh WE Energies retail (Apr 2026 tariff)
<b>BTM 70% stress \$113K/yr</b>	Conservative shading / production underperformance scenario
<b>BTM 50% stress \$80.5K/yr</b>	Severe underperformance — shading + monitoring gaps
<b>BTM interconnection delay \$0 + \$40-48K carry</b>	WE Energies AQ delay scenario — Y3 only; carry = interest + insurance
<b>MIRACLE tenant revenue \$198K–\$247K/yr</b>	Hub fit-out pro forma (Apr 2026) — Miracle_OnePager_McKnight_April2026.md
<b>MLKEDC 51/49 subscriber split</b>	MLKEDC LOI (Attachment I) — POST-COMMISSIONING subscriber revenue ONLY
<b>PSC Resilient Resident Wi-Fi \$75K</b>	PSC intervention proceeds — 9 dockets / 10 payments since Aug 2022 / \$500,506.50
<b>Debt financing</b>	
<b>CDFI property loan \$1.3M–\$1.6M @ 5.5% / 30-yr</b>	IFF indicative terms Apr 2026 [VERIFY at term sheet] — FCI + LISC Milwaukee as alternates
<b>IFF reset stress bounded &lt;\$5K/month differential</b>	Stress-test analysis; IFF existing \$362,943 balance
<b>McKnight recoverable grant</b>	
<b>Ask \$1.0M (\$200K acq + \$800K solar) + up to \$100K TA</b>	McKnight Move the Midwest — Project Information Survey Apr 2026
<b>Qualified Entry triggers (verbatim adopted)</b>	IC Simulation v1 + Red-Team Pass 3 — locked 4/18/2026 by ED
<b>Coverage ratio 6.6x</b>	\$5.35M unrestricted net assets + \$800K solar bridge
<b>Tax, compliance, regulatory</b>	
<b>501(c)(3) status</b>	Attachment: IRS 501c3 Determination Letter; WW Tax Exempt Letter.pdf
<b>WI DFI Certificate of Good Standing</b>	Attachment F — WI DFI Certificate dated 2026-04-16
<b>SAM.gov Entity Registration</b>	Attachment — SAM.gov registration 2026-04-17
<b>Insurance COI</b>	Attachment — Insurance COI 2026-04-17
<b>\$48E / \$6417 Direct Pay election</b>	Tax opinion required pre-commissioning (Qualified Entry CP (b))
<b>Modeling caveats &amp; uncertainties</b>	
<b>[VERIFY] LIC Bonus tract eligibility</b>	Not in base case — named upside only
<b>[VERIFY] Final CDFI loan sizing at term sheet</b>	Appraisal + DSCR covenant sets final \$1.3M–\$1.6M range
<b>[VERIFY] WE Energies No-Aggregation ruling</b>	Gate condition for \$800K Solar Bridge
<b>[VERIFY] PSC EIGP Round 6 award</b>	Application deadline 6/30/2026 — primary gap closer
<b>[VERIFY] Milwaukee property tax post-close assessment</b>	Post-close reassessment may adjust \$24K/yr estimate
<b>Commissioning Q2 2027 target</b>	Subject to WE Energies interconnection queue + July 4 2026 safe harbor
<b>ITC processing 12 mo base / 24 mo mid / 36 mo stress</b>	IRS Form 3800 + §6417 election processing times

Prepared: 2026-04-18 - Walnut Way Conservation Corp. - EIN 39-2007850 - antonio@walnutway.org - 414-861-2206

Deep-clean pass (2026-04-18)

Cash Flow opex: added Monitoring+IT ops and Audit/legal

CDFI debt service: monthly amortization (industry standard)

Scenarios BTM row relabeled Y1 undegraded (conservative)

Total project updated: Phase 1 \$3,696,500 + Phase 2a

\$12K/yr stabilized — matches Detailed Budget Operating Budget sheet

PMT(rate/12, years\*12, -principal)\*12 — transparent monthly amortization

Cash Flow models escalated path; Scenarios use flat Y1 as stress floor

Range \$3.8M–\$5.0M; battery sized to narrative 0.5 MW / 1 MWh initial

United States of America

State of Wisconsin

DEPARTMENT OF FINANCIAL INSTITUTIONS

Division of Corporate & Consumer Services



To All to Whom These Presents Shall Come, Greeting:

I, Kristie Pulvermacher, Administrator of the Division of Corporate and Consumer Services, Department of Financial Institutions, do hereby certify that

**WALNUT WAY CONSERVATION CORP.**

is a domestic corporation or a domestic limited liability company organized under the laws of this state and that its date of incorporation or organization is October 02, 2000.

I further certify that said corporation or limited liability company has, within its most recently completed report year, filed an annual report required under ss. 180.1622, 180.1921, 181.0214 or 183.0212 Wis. Stats., but that it has not filed a statement or articles of dissolution.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Department on April 16, 2026.

A handwritten signature in black ink that reads "Kristie Pulvermacher".

KRISTIE PULVERMACHER, Administrator  
Division of Corporate and Consumer Services  
Department of Financial Institutions

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DFI/Corp/33

**To validate the authenticity of this certificate**

Visit this web address: <https://apps.dfi.wi.gov/apps/ccs/verify/>

Enter this code: **450883-20AEEE86**

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **FEB - 4 2008**

WALNUT WAY CONSERVATION CORP  
2247 N 17TH ST  
MILWAUKEE, WI 53205-0000

Employer Identification Number:  
39-2007850  
DLN:  
17053351785045  
Contact Person:  
THOMAS C KOESTER ID# 31116  
Contact Telephone Number:  
(877) 829-5500  
Public Charity Status:  
170(b)(1)(A)(vi)

Dear Applicant:

Our letter dated MARCH 30, 2001, stated you would be exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code, and you would be treated as a public charity, rather than as a private foundation, during an advance ruling period.

Based on the information you submitted, our letter dated MAY 18, 2005 in which you were presumed to be a private foundation is hereby superseded. You are classified as a public charity under the Code section listed in the heading of this letter. Since your exempt status was not under consideration, you continue to be classified as an organization exempt from Federal income tax under section 501(c)(3) of the Code.

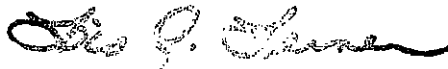
Publication 557, Tax-Exempt Status for Your Organization, provides detailed information about your rights and responsibilities as an exempt organization. You may request a copy by calling the toll-free number for forms, (800) 829-3676. Information is also available on our Internet Web Site at [www.irs.gov](http://www.irs.gov).

If you have general questions about exempt organizations, please call our toll-free number shown in the heading.

Please keep this letter in your permanent records.

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely yours,



Lois G. Lerner  
Director, Exempt Organizations  
Rulings and Agreements

Letter 1050 (DO/CG)

**SALES AND USE TAX**  
**CERTIFICATE OF EXEMPT STATUS (CES)**  
(Governmental, Religious, Charitable, Scientific or Educational Organization)

Wisconsin Department of Revenue  
PO Box 8902  
Madison WI 53708-8902  
PHONE (608) 266-2776  
TDD (608) 267-1049

Sales to the below named organization are exempt from Wisconsin sales or use tax under sec. 77.54(1) and (9a), Wis. Stats.

This certificate is valid until revoked by the Wisconsin Department of Revenue.

CES NUMBER
ES 44791
DATE ISSUED
08/10/2001

WALNUT WAY CONSERVATION CORP  
1216 W WALNUT ST  
MILWAUKEE WI 53205

**IMPORTANT:**

Sales to your organization are taxable unless you furnish your supplier with the CES number shown above.

Sales by your organization may be subject to tax. If your organization makes taxable sales, it must obtain a seller's permit and remit sales tax to the Department of Revenue.

Questions: Contact the Department of Revenue by telephone at our above number, FAX (608) 267-1030, E-mail sales10@dor.state.wi.us, or at our Website



# WALNUT WAY CONSERVATION CORP

Unique Entity ID <b>ZNXFMN83Z794</b>	CAGE / NCAGE <b>68E13</b>	Purpose of Registration <b>All Awards</b>
Registration Status <b>Active Registration</b>	Expiration Date <b>Mar 31, 2027</b>	
Physical Address <b>2240 N 17TH ST Milwaukee, Wisconsin 53205-1220 United States</b>	Mailing Address <b>2240 N 17TH ST Milwaukee, Wisconsin 53205-1220 United States</b>	

## Business Information

Doing Business as <b>(blank)</b>	Division Name <b>Walnut Way Conservation Corp.</b>	Division Number <b>(blank)</b>
Congressional District <b>Wisconsin 04</b>	State / Country of Incorporation <b>Wisconsin / United States</b>	URL <b><a href="http://www.walnutway.org/">http://www.walnutway.org/</a></b>

## Registration Dates

Activation Date <b>Apr 2, 2026</b>	Submission Date <b>Mar 31, 2026</b>	Initial Registration Date <b>Jan 12, 2011</b>
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## Entity Dates

Entity Start Date <b>Oct 10, 2000</b>	Fiscal Year End Close Date <b>Dec 31</b>
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## Immediate Owner

CAGE <b>(blank)</b>	Legal Business Name <b>(blank)</b>
------------------------	---------------------------------------

## Highest Level Owner

CAGE <b>(blank)</b>	Legal Business Name <b>(blank)</b>
------------------------	---------------------------------------

## Executive Compensation

Registrants in the System for Award Management (SAM) respond to the Executive Compensation questions in accordance with Section 6202 of P.L. 110-252, amending the Federal Funding Accountability and Transparency Act (P.L. 109-282). This information is not displayed in SAM. It is sent to USAspending.gov for display in association with an eligible award. Maintaining an active registration in SAM demonstrates the registrant responded to the questions.

## Proceedings Questions

Registrants in the System for Award Management (SAM.gov) respond to proceedings questions in accordance with FAR 52.209-7, FAR 52.209-9, or 2. C.F.R. 200 Appendix XII. Their responses are displayed in the responsibility/qualification section of SAM.gov. Maintaining an active registration in SAM.gov demonstrates the registrant responded to the proceedings questions.

## Exclusion Summary

Active Exclusions Records?

**N**

## SAM Search Authorization

I authorize my entity's non-sensitive information to be displayed in SAM public search results:

**Yes**

## Entity Types

### Business Types

Entity Structure <b>Corporate Entity (Tax Exempt)</b>	Entity Type <b>Business or Organization</b>	Organization Factors <b>Manufacturer of Goods</b>
Profit Structure <b>Non-Profit Organization</b>		

**Socio-Economic Types**

**Community Development Corporation Owned Firm**  
**Black American Owned**

Check the registrant's Reps & Certs, if present, under FAR 52.212-3 or FAR 52.219-1 to determine if the entity is an SBA-certified HUBZone small business concern. Additional small business information may be found in the SBA's Dynamic Small Business Search if the entity completed the SBA supplemental pages during registration.

**Other Entity Qualifiers**

**Community Development Corporation**

**Financial Information**

Accepts Credit Card Payments <b>Yes</b>	Debt Subject To Offset <b>No</b>
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EFT Indicator <b>0000</b>	CAGE Code <b>68E13</b>
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**Points of Contact**

**Electronic Business**

☎ Antonio Butts, Executive Director	<b>2240 N. 17TH ST.</b> <b>Milwaukee, Wisconsin 53205</b> <b>United States</b>
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Chandra Ellis	2240 N. 17TH ST. Milwaukee, Wisconsin 53205 United States
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**Government Business**

☎ Antonio Butts, Executive Director	<b>2240 N. 17TH ST.</b> <b>Milwaukee, Wisconsin 53205</b> <b>United States</b>
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Antonio Butts, Executive Director	2240 N 17TH Street Milwaukee, Wisconsin 53205 United States
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**Past Performance**

☎ Antonio Butts, Executive Director	<b>2240 N 17TH Street</b> <b>Milwaukee, Wisconsin 53205</b> <b>United States</b>
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Antonio Butts, Executive Director	2240 N 17TH Street Milwaukee, Wisconsin 53205 United States
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**Service Classifications**

**NAICS Codes**

Primary	NAICS Codes	NAICS Title
<b>Yes</b>	<b>561730</b>	<b>Landscaping Services</b>
	<b>111219</b>	<b>Other Vegetable (Except Potato) And Melon Farming</b>
	<b>236115</b>	<b>New Single-Family Housing Construction (Except For-Sale Builders)</b>
	<b>236116</b>	<b>New Multifamily Housing Construction (Except For-Sale Builders)</b>
	<b>517121</b>	<b>Telecommunications Resellers</b>
	<b>517810</b>	<b>All Other Telecommunications</b>
	<b>624229</b>	<b>Other Community Housing Services</b>
	<b>722513</b>	<b>Limited-Service Restaurants</b>

**Disaster Response**

This entity does not appear in the disaster response registry.



# Letter of Support

April 16, 2026

**McKnight Foundation**  
Midwest Climate & Energy Program  
710 South Second Street, Suite 400  
Minneapolis, MN 55401

## Walnut Way Conservation Corp. / MIRACLE Campus Solar & Storage Feasibility

Dear Members of the McKnight Foundation Review Committee,

On behalf of Sun Bear Industries, I am writing to confirm our findings as the technical consultant for Walnut Way Conservation Corp.'s solar and battery storage feasibility study, funded by the Public Service Commission of Wisconsin (PSC), and to express our strong support for Walnut Way's MIRACLE (Milwaukee Interagency Resiliency & Access Center for Learning & Equity) campus project.

### PSC-Funded Feasibility Study

With funding provided by the PSC, Sun Bear Industries conducted a comprehensive feasibility assessment of a community-scale solar and battery energy storage system serving Walnut Way's campus properties along West North Avenue in Milwaukee. This investment reflects the PSC's commitment to advancing community-centered clean energy infrastructure and signals that the project merits serious technical consideration.

### Feasibility Findings: Dual-Site Viability

Our analysis evaluated two sites along the North Avenue corridor:

- **SDC Campus (1730–1810 W. North Avenue):** Approximately 2 acres across five parcels, including a 32,400 SF office building and 12,795 SF warehouse, both with existing rooftop solar installed in 2020. Additional capacity exists through parking canopy installations, supporting a combined system of approximately 1 MW solar plus 0.5 MW / 1–2 MWh battery storage.
- **St. Ann Center / Bucyrus Campus (2450 W. North Avenue):** Approximately 7.5 acres with an 80,000 SF facility, open land for ground-mount arrays, and completed brownfield remediation. The site can support 1 MW+ solar and 0.5–1 MW battery storage, with design considerations aligned to the engineered soil cap.

Our findings confirm that a 1 MW solar array paired with 0.5 MW battery storage is viable at either location, providing Walnut Way with flexibility in site control without compromising performance, economics, or schedule.

### System Design and Value

The system is designed for behind-the-meter interconnection under WE Energies' CGS-NM structure, with multiple meters under 300 kW to maximize on-site consumption at retail rates. The battery system enables peak demand reduction, solar time-shifting (including evening peak alignment), potential participation in MISO markets under FERC Order 2222, and backup resilience for critical operations.

### Timeline and Implementation

The project is positioned to meet the July 4, 2026 Investment Tax Credit (ITC) safe harbor requirements. Walnut Way's ability to leverage a self-performing workforce, supported by Sun Bear Industries' technical oversight, creates a credible and efficient pathway to initiate construction while advancing workforce development objectives.

### Conclusion

Sun Bear Industries confirms that the MIRACLE campus solar and storage project is technically sound, flexible in execution, and achievable within the proposed timeline. The project reflects strong alignment between infrastructure investment and community impact and is well-suited for catalytic support from the McKnight Foundation.

We welcome the opportunity to provide additional technical detail at your request.

Respectfully,

**Isaiah Ness**  
Chief Executive Officer  
Sun Bear Industries  
Isaiah@sunbearindustries.com  
(920)-268-3408

*Isaiah Ness*



Walnut Way - Miracle Project Letter of support

Subject: Letter of Support for Walnut Way's McKnight "Move the Midwest" Application

Dear McKnight Foundation Review Committee,

On behalf of Slipstream Group, Inc., I am pleased to offer this letter of support for Walnut Way Conservation Corp's application to the McKnight Foundation's Move the Midwest initiative for the MIRACLE Campus Community Solar Healthy Homes Hub in Milwaukee's Lindsay Heights neighborhood.

Slipstream advances climate solutions that benefit people and the planet, and the MIRACLE Campus proposal aligns closely with our mission and current efforts, including our Datacenter Accountability Collaboration work. Walnut Way's project integrates 1 MW of community-serving solar, battery storage, and a Healthy Homes hub in a Justice40-eligible community facing high energy burden and significant housing repair needs. This is precisely the kind of place-based, community-led climate investment that is needed to ensure the clean energy transition delivers tangible benefits to residents who have historically been left out.

Walnut Way has demonstrated strong execution capacity through its existing solar deployment, neighborhood Wi-Fi enterprise, and Healthy Homes work, as well as its leadership in organizing partners around equitable infrastructure and datacenter accountability in Wisconsin. The MIRACLE Campus is not a speculative concept; it is oriented around a defined site strategy, an active capital stack, and a time-sensitive implementation schedule that must align with the July 4, 2026 federal Investment Tax Credit safe harbor deadline. Early, flexible capital from McKnight is therefore catalytic.

Slipstream is eager to continue collaborating with Walnut Way and partners as they pursue energy equity, climate resilience, and datacenter accountability for communities in Wisconsin. We believe McKnight's support for the MIRACLE Campus will help unlock a replicable model that marries clean energy, housing and health, and digital and economic opportunity in a way that is accountable to local residents.

For these reasons, Slipstream strongly supports Walnut Way's application and respectfully encourages your favorable consideration.

Sincerely,

*Sandra Henry*

Sandra Henry  
President and CEO  
Slipstream Group, Inc.



April 13, 2026

McKnight Foundation  
Midwest Climate & Energy Program  
710 South Second Street, Suite 400  
Minneapolis, MN 55401

**Re:** Letter of Support — Walnut Way Conservation Corp. / MIRACLE Campus Project

Dear Members of the McKnight Foundation Review Committee:

I write on behalf of 5 Lakes Energy to support Walnut Way Conservation Corp.'s application to the McKnight Foundation's Midwest Climate & Energy program for the MIRACLE (Milwaukee Interagency Resiliency & Access Center for Learning & Equity) campus project. 5 Lakes Energy is a Midwest-based clean energy consulting firm that works with communities, utilities, and policymakers to advance equitable energy transitions. We have worked directly with Walnut Way on energy policy, data center accountability, and clean energy strategy in Wisconsin and can speak to the organization's exceptional capacity and leadership.

5 Lakes Energy has collaborated with Walnut Way across several critical energy policy efforts in Wisconsin:

- **Data Center Energy Accountability.** 5 Lakes Energy and Walnut Way have engaged with Microsoft and state policymakers on the energy impacts of large-scale data center expansion in Wisconsin. We participated in direct meetings with Microsoft leadership to address legislative interests, cost allocation, and the need for community benefits agreements that protect residential customers.
- **Governor's Office and Healthy Homes Policy.** 5 Lakes Energy works alongside Walnut Way and coalition partners in coordinating with the Governor's office on restoring Healthy Homes navigator funding and building a statewide framework that connects energy efficiency, weatherization, and housing quality with environmental justice. Walnut Way has been a driving force in ensuring that state-level energy policy conversations center the communities most affected by energy burden and housing insecurity.
- **Utility Regulatory Strategy.** Walnut Way's sustained intervention in Public Service Commission proceedings — spanning rate cases, gas infrastructure, data center tariffs, and transmission siting — has positioned the organization as one of the most effective community-based regulatory voices in the Midwest. From our vantage point as energy consultants working across the region, this track record is extraordinary for an organization of Walnut Way's size and mission scope.

The MIRACLE campus represents something the Midwest clean energy landscape urgently needs: a community-owned, community-operated demonstration of what distributed clean energy infrastructure looks like when it is designed by and for the people it serves.

The project's 1 MW solar array and 0.5 MW battery storage system, coupled with an LMI energy crediting model being advanced through the PSC, would establish a replicable template for community-scale clean energy across Wisconsin and the broader region.

Walnut Way is not simply installing solar panels. The organization is simultaneously fighting at the PSC for the regulatory framework that allows community-generated solar to credit low- and moderate-income households, engaging with the state's largest corporate energy consumers on accountability, and building a physical campus that proves the model works. This integration of advocacy, regulation, and infrastructure is the missing piece in most community energy efforts.

5 Lakes Energy strongly supports Walnut Way's application to the McKnight Foundation. In our work across the Midwest, we have not encountered another community-based organization that combines Walnut Way's regulatory sophistication, policy reach, coalition leadership, and commitment to building the physical infrastructure that makes clean energy equity tangible.

We welcome the opportunity to discuss the strategic significance of this project and our working relationship with Walnut Way in further detail.

Sincerely,



**Dan Ebert**

5 Lakes Energy

Managing Partner

[debert@5lakesenergy.com](mailto:debert@5lakesenergy.com)

608-234-2510

Attorney Christa O. Westerberg  
cwesterberg@pinesbach.com

April 15, 2026

McKnight Foundation  
Midwest Climate & Energy Program  
710 South Second Street, Suite 400  
Minneapolis, MN 55401

**Re:** Letter of Support – Walnut Way Conservation Corp. / MIRACLE Campus Project

Dear Members of the McKnight Foundation Review Committee:

This letter is submitted in support of Walnut Way Conservation Corp.'s application to the McKnight Foundation's Midwest Climate & Energy program for the MIRACLE (Milwaukee Interagency Resiliency & Access Center for Learning & Equity) campus project.

### **Attorney-Client Relationship and Scope of Representation**

Pines Bach LLP has served as legal counsel to Walnut Way Conservation Corp. as an intervenor in proceedings before the Public Service Commission of Wisconsin (PSC). Through this representation, we have worked closely with Walnut Way's leadership to advance energy equity, affordability, and environmental justice in some of the most consequential utility regulatory proceedings in the state.

### **Record of PSC Intervention**

Since 2022, Walnut Way has intervened in seven PSC dockets with our legal support (and frequently expert testimony), establishing itself as one of the most active community-based intervenors in Wisconsin utility regulation:

1. **Docket 5-UR-110 – 2022 We Energies Electric & Gas Rate Case.** Walnut Way intervened on behalf of predominantly Black, low- and moderate-income residents in Lindsay Heights and similar Milwaukee neighborhoods, challenging rate increases that would worsen energy burden and advocating for equitable rate design and access to renewables/energy efficiency.
2. **Docket 5-UI-121 – Investigation of Alternative Low-Income Assistance Programs, Including a Potential Percentage of Income Payment Pilot.** A spinoff of the 2022 rate case, this docket was created to explore programs proposed by Walnut Way in 2022. After more than two years of meetings, workshops, and research, this docket culminated in a report with proposed solutions, including reforms to We Energies' Low Income Forgiveness Tool program.
3. **Docket 5-UR-111 – 2024 We Energies Electric & Gas Rate Case.** Walnut Way continued its advocacy on rate increases, proposing programs and measures to offset increases to energy burdened customers, advocating for reforms to existing programs, and encouraging transparency.
4. **Docket 6630-CE-317 – South Oak Creek Combustion Turbine Project (CPCN).** Walnut Way challenged the Certificate of Public Convenience and Necessity for approximately 1,100 MW of new gas-fired generation, raising concerns about stranded asset risk, air pollution and other environmental justice impacts, and the availability of cleaner, more affordable alternatives.
5. **Docket 6630-CG-139 – WEPCO Rochester Lateral Pipeline (CA).** A companion to the Oak Creek combustion turbine, this docket was for a certificate of authority to build a pipeline that would supply natural gas to new combustion and storage facilities in Oak Creek and Racine. Walnut Way pushed for a full environmental impact statement that would evaluate all of these projects together on environmental justice communities and others.
6. **Docket 6630-CG-140 – Wisconsin Gas Liquified Natural Gas facility.** A companion to the Oak Creek combustion turbine, Walnut Way brought an environmental justice lens to gas system expansion, raising concerns about long-

term cost risks for low-income customers and the prudence of continued fossil fuel investment.

- 7. Docket 6630-TE-113 – Data Center Special Power Tariff.** Walnut Way intervened in the proceeding addressing special tariff arrangements for large-scale data center customers, challenging proposals that would shift infrastructure costs onto residential ratepayers and advocating for transparency, fairness, and community benefit requirements.

In addition to formally intervening in these seven dockets, Walnut Way has provided comments, attended and hosted meetings with PSC staff, appeared at conferences, driven turnout of individuals within the Walnut Way community at PSC hearings and meetings, and engaged with other intervening parties and PSC staff.

### **Intervenor Compensation**

The PSC has awarded Walnut Way intervenor compensation across the seven dockets cited above. Under Wisconsin law, intervenor compensation is awarded only to parties whose interests must be represented for a fair determination of the proceeding. In practice, awards are most frequently granted to parties who make substantive contributions to the evidentiary record. These awards reflect the Commission's recognition that Walnut Way brings a unique, community-grounded perspective on low-income energy access and environmental justice in southeastern Wisconsin – a perspective that would otherwise be absent from proceedings that determine rates and infrastructure investments affecting hundreds of thousands of households.

### **Connection to the MIRACLE Campus Project**

For four years, Walnut Way has intervened in PSC proceedings to challenge energy burden, oppose cost-shifting to vulnerable communities, and advocate for community-centered clean energy solutions. The MIRACLE campus – with its 1 MW solar array, 0.5 MW battery storage system, and LMI energy crediting model – is the built infrastructure that delivers on what Walnut Way has been fighting for at the Commission.

This is not an organization that arrived at solar energy as a funding opportunity. Over the last four years, I have seen Walnut Way and members of the Lindsay Heights community advocate for more renewable energy solutions in their community, driven by their community. I have also seen community members desperate for a healthier community, starting within the home. The same staff and leadership who have engaged on energy burden are now designing a project to eliminate it – on a campus that will serve as a demonstration site for the community-owned clean energy model Walnut Way has advocated for at the PSC.

The MIRACLE campus project would be a new regulatory model for the state, but it is based on existing models that have received prior approval. If successful, the project would create an exciting opportunity to make renewable resources more available to communities that have previously been left behind in the clean energy transition. The regulatory knowledge, institutional relationships, and technical capacity that Walnut Way has built through its PSC intervention work give us confidence that this organization has the expertise and credibility to execute the MIRACLE campus project successfully.

### **Conclusion**

Thank you for the opportunity to submit this letter of support to the McKnight Foundation. Walnut Way's record of sustained, substantive engagement in Wisconsin utility regulation – backed by formal legal standing, intervenor compensation awards, and measurable influence on affordability and equity outcomes – is impressive for a community-based organization. The MIRACLE campus is the logical and necessary next step in that work.

I am available to discuss Walnut Way's regulatory track record in further detail at your convenience. Please let me know if you need any further information.

McKnight Foundation

April 15, 2026

Page 5

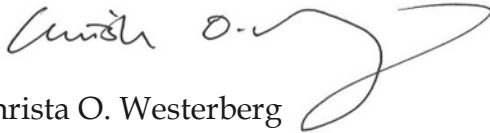
**Pines Bach LLP**

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Thank you.

Sincerely,

PINES BACH LLP

A handwritten signature in black ink, appearing to read "Christa O. Westerberg". The signature is fluid and cursive, with a large loop at the end.

Christa O. Westerberg



College of Health Professions & Sciences  
Office of the Dean

Kim Litwack, PhD, RN, FAAN, APNP  
*Dean, CHPS*  
*Professor, SON*

University of Wisconsin-Milwaukee  
College of Health Professions & Sciences  
PO Box 413  
Milwaukee, WI 53201  
litwack@uwm.edu  
414-229-4189 teams  
uwm.edu

04/13/2026

McKnight Foundation  
921 Washington Avenue South  
Minneapolis, MN 55415

Dear McKnight Foundation Grants Office

This letter confirms that the University of Wisconsin–Milwaukee (UWM) is the designated recipient of federal funding associated with Congresswoman Gwen Moore to support project activities in partnership with Walnut Way Conservation Corp.

UWM intends to administer these funds and to direct an agreed-upon portion to Walnut Way to carry out community-based project work, including development, implementation, and neighborhood engagement activities. The funding relationship between UWM and Walnut Way will be formalized through our standard institutional mechanisms (such as a subaward, contract, or memorandum of understanding) consistent with university and federal requirements.

This letter may be used to document UWM’s support for the project and to confirm the anticipated flow of funds from Congresswoman Gwen Moore’s allocation to UWM, and from UWM to Walnut Way, for use in grant applications, partnership materials, and related planning documents.

If additional information or documentation is needed, please reach out to Lynne Woehrle, PhD (woehrle@uwm.edu).

Sincerely,

A handwritten signature in black ink that reads "Kim Litwack". The signature is fluid and cursive, with the first name "Kim" and last name "Litwack" clearly legible.

Kim Litwack, PhD RN FAAN APNP  
*Dean, College of Health Professions and Sciences*



# ELEVATE

608-807-1093  
ElevateNP.org

821 E Washington Ave  
Madison, WI  
53703

April 14, 2026

McKnight Foundation  
Midwest Climate & Energy Program  
710 South Second Street, Suite 400  
Minneapolis, MN 55401

**Re:** Letter of Support — Walnut Way Conservation Corp. / MIRACLE Campus Project

Dear Members of the McKnight Foundation Review Committee:

Elevate Energy strongly supports Walnut Way Conservation Corporation's application to the McKnight Foundation's Midwest Climate & Energy program for the MIRACLE (Milwaukee Interagency Resiliency & Access Center for Learning & Equity) campus project. We have worked alongside Walnut Way for several years to promote and execute healthy home and clean energy community engagement initiatives and can speak directly to the organization's capacity, credibility, and strategic importance in Milwaukee and Wisconsin's clean energy and environmental justice landscape. This effort reinforces Elevate's work in Milwaukee and other communities that helps residents access programs and resources to upgrade their housing to be more energy efficient, safer, and more comfortable.

Elevate and Walnut Way collaborate across multiple interconnected initiatives in Wisconsin:

- **Healthy Homes.** We are co-developing a statewide Healthy Homes framework that connects energy efficiency, weatherization, and indoor environmental quality with racial and economic justice. This work has included collaborating on creating a net zero home with a building in need of gut rehab as well as coordinating with state agencies on funding for a Healthy Homes navigator.
- **Data Center Accountability.** Elevate and Walnut Way are joint partners in a coalition addressing the energy affordability and environmental justice impacts of large-scale data center expansion in Wisconsin. This includes developing a data center accountability framework that prevents cost shifts onto residential



# ELEVATE

608-807-1093  
ElevateNP.org

821 E Washington Ave  
Madison, WI  
53703

rate payers and advocating for community benefits agreements that deliver direct, measurable benefits to affected communities.

- **Energy Policy.** Elevate has worked alongside Walnut Way to educate state agencies about the needs of low- and moderate-income communities to reduce energy bills and reliance on fossil fuels. Walnut Way's sustained engagement in Public Service Commission proceedings — including rate cases, gas infrastructure proposals, data center tariffs, and transmission line siting has made it one of the most credible community-based voices in Wisconsin utility regulation. Elevate has worked alongside Walnut Way in these efforts, and we view their regulatory expertise as a critical asset for the broader clean energy equity movement in the Midwest.

For several years, Elevate has supported Walnut Way's vision to establish a campus that would be an example for clean energy projects as well as a training ground for clean energy jobs. The MIRACLE campus is not a standalone solar project but the physical expression of a comprehensive community development strategy that Walnut Way has built over years of education, coalition organizing, and direct investment in Milwaukee's Lindsay Heights neighborhood.

The project's 1 MW solar array and 0.5 MW battery storage system, combined with a low- and moderate-income energy crediting model, represent exactly the kind of community-centered clean energy infrastructure that Wisconsin needs — and that the market alone will not produce. The dual-site acquisition strategy demonstrates sophisticated asset management and risk mitigation that we rarely see in community-based organizations.

Walnut Way is uniquely positioned to realize the vision for the MIRACLE campus because, as an organization, it connects grassroots engagement and education with implementation. We believe that the MIRACLE campus project will advance community-scale clean energy with a replicable low- and moderate-income crediting model that will reduce energy burden and is reinforced by Walnut Ways' community engagement model. This project will also accelerate the decarbonization of buildings through a trained workforce program hosted at the MIRACLE center.

Grassroots leadership and engagement strengthens the civic infrastructure of communities, and we believe that Walnut Way's foundational approach to community leadership in developing and implementing the MIRACLE campus would contribute to the strength of community civic leadership in Lindsay Heights more broadly. Elevate



# ELEVATE

608-807-1093  
ElevateNP.org

821 E Washington Ave  
Madison, WI  
53703

strongly supports Walnut Way's application. In our experience working with community organizations across the Midwest, Walnut Way stands out for the breadth of its coalition relationships and the ambition of its vision for community-owned clean energy infrastructure. The MIRACLE campus is a rare opportunity to invest in a project where education and engagement, infrastructure, and community ownership converge.

We welcome the opportunity to discuss our partnership with Walnut Way and the strategic significance of this project in further detail.

Sincerely,

**Abigail Corso, P.E.**  
Chief Strategy Officer  
Elevate  
abigail.corso@elevatenp.org  
608-807-1093

## **About Elevate**

For over 20 years, Elevate has been working to ensure everyone has clean and affordable heat, power, and water in their homes and communities. To date, Elevate has improved over 300,000 units of housing, created over 1,900 jobs, and saved families over \$135,000,000.

Elevate works across Wisconsin and the Midwest to design and implement energy efficiency, solar, building decarbonization, and workforce development projects. In Wisconsin alone we have upgraded over 300 units of affordable housing and installed over 600 kW of rooftop solar on affordable multifamily buildings. Elevate programs lower costs, protect the environment, and benefit Wisconsin residents who need them most. Elevate's housing retrofit programs in disadvantaged communities reduce energy bills while improving health and safety while preserving critically needed affordable homes. Elevate's workforce development programs include contractor accelerators to help small contracting companies grow their businesses and workforce training to train individuals to enter the clean energy field.

**WB-44 COUNTER-OFFER**

Counter-Offer No. 1 by (Buyer/Seller) **STRIKE ONE**

NOTE: Number this Counter-Offer sequentially, e.g. Counter-Offer No. 1 by Seller, Counter-Offer No. 2 by Buyer, etc.

1 The Offer to Purchase dated 03/17/2026 and signed by Buyer Nicole Robbins, MLK EDC & Walnut Way Cons  
2 Corp for purchase of real estate at 1701,1729,1730,1810, & 1824 W. North Av,  
3 Milwaukee, WI is rejected and the following Counter-Offer is hereby made.

4 **CAUTION: This Counter-Offer does not include the terms or conditions in any other counter-offer or multiple**  
5 **counter-proposal unless incorporated by reference.**

6 All terms and conditions remain the same as stated in the Offer to Purchase except the following: \_\_\_\_\_

7 Sale Price to be \$2,000,000.00;

9 Financing Contingency to include not more than 7 year term and not more than 30 years for  
10 an amortization period and the Annual Percentage Rate to be not more than the current  
11 Prime Rate. Said financing must be waived within 21 days of Acceptance of this Counter;

13 Instead of Opportunity for Buyer to pay for a qualified Inspector to inspect as  
14 contingency, Seller has provided already completed Inspection Reports and Buyer shall have  
15 20 days to waive said contingency.

17 In the event buyer does not waive said contingencies to approve the Inspection Reports or  
18 an inability to secure Financing, all earnest money submitted shall be returned to buyer  
19 forthwith.

21 Closing to be on or before May 24, 2026

28 The attached Buyer's Offer to Purchase is/are made part of this Counter-Offer.  
29 Any warranties, covenants and representations made in this Counter-Offer survive the closing of this transaction.  
30 This Counter-Offer is binding upon Seller and Buyer only if a copy of the accepted Counter-Offer is delivered to the Party  
31 making the Counter-Offer on or before April 27, 2026 (Time is of  
32 the Essence). Delivery of the accepted Counter-Offer may be made in any manner specified in the Offer to Purchase,  
33 unless otherwise provided in this Counter-Offer.

34 **NOTE: The Party making this Counter-Offer may withdraw the Counter-Offer prior to acceptance and delivery as**  
35 **provided at lines 30-32.**

36 This Counter-Offer was drafted by Bob Gintoft, EDFP of Ogden & Company, Inc. on 04/17/2026  
37 Licensee and Firm ▲ Date ▲

38 (x) \_\_\_\_\_ Date ▲ (x) \_\_\_\_\_ Date ▲  
39 Buyer's Signature ▲ Seller's Signature ▲  
40 Print name ► Nicole Robbins Print name ► 1730 W. North Ave Ownership, LLC

41 (x) \_\_\_\_\_ Date ▲ (x) \_\_\_\_\_ Date ▲  
42 Buyer's Signature ▲ Seller's Signature ▲  
43 Print name ► MLK EDC & Walnut Way Cons Corp Print name ► Ryan Zerwer, Officer

44 This Counter-Offer was presented by \_\_\_\_\_ on \_\_\_\_\_  
45 Licensee and Firm ▲ Date ▲

46 This Counter-Offer is (rejected) (countered) **STRIKE ONE** (Party's Initials) \_\_\_\_\_

47 **NOTE: Provisions from a previous Counter-Offer may be included by reproduction of the entire provision or**  
48 **incorporation by reference. Provisions incorporated by reference may be indicated in the subsequent Counter-**  
49 **Offer by specifying the number of the provision or the lines containing the provision. In transactions involving**  
50 **more than one Counter-Offer, the Counter-Offer referred to should be clearly specified.**



2352 South Park Street, Suite 326 | Madison, Wisconsin 53713

507 2nd Street, Suite 220 | Milwaukee, Wisconsin 53204

608.257.3863 | info@forwardci.org

[www.forwardci.org](http://www.forwardci.org)

April 15, 2026

Chandra Ellis  
Walnut Way Conservation Corporation  
2240 N. 17<sup>th</sup> Street  
Milwaukee, WI 53025

Dear Chandra,

This letter serves as confirmation that Walnut Way and their partner Martin Luther King Economic Development Corporation have active conversations with Forward Community Investments, Inc. and our broker, Ogden & Company, about the potential acquisition of the parcel(s) associated with 1730 W. North Avenue in Milwaukee, WI.

These conversations remain ongoing and no agreement as to a purchase price or timeframe for a final agreement have been made as of the date of this letter.

Sincerely,

A handwritten signature in black ink that reads "R Beach".

Robert Beach  
Chief Operating Officer  
Forward Community Investments, Inc.