



WTRG

WISCONSIN TRANSPORTATION & REALTY GROUP

LENDER SUMMARY

TRANSFORM. TRANSPORT. TRANSCEND

WTRG OPPURTUNITY

Request: \$25M-\$50M Equity Investment
Use of Funds: Working Capital for KRM Commuter Rail Line
Industry: Commuter Rail Transport & TOD Real Estate
Location: Wisconsin (Milwaukee, Racine, Kenosha, Chicago)

Seek investors who can provide \$25M-\$50M over 24 months. We can provide debt, equity, or a convertible note, along with federal government guarantees and a standby letter of credit. WTRG will get state sponsorship for the FTA CIG grant, as required by law.

Interest Rate: SOFR plus up to 5.00%
Term: Up to 60 months
Cash on Cash Return: 15 – 18%
IRR: 20 – 25%

BRIEF OVERVIEW

Wisconsin Transit & Realty Group, Inc (WTRG) is developing an intrastate commuter rail system, along with Transit-Oriented Districts (TOD) real estate projects in Wisconsin. The KRM rail line will be strategically connected to regions of assets such as cultural & tourism attractions, Fortune 500 companies, regional health centers, job centers, and prominent educational institutions. The first area of focus will be the KRM Rail Line from Milwaukee to Kenosha and Chicago. Then Phase 2 will go east-west from Milwaukee to the Lake Country and then Phase 3 to Green Bay. WTRG will create a portfolio of real estate assets surrounding each rail platform. This Smart City platform will generate income for its investors over a 10-40-year period. The KRM Rail Line will go to the Chicago Airport.



ABOUT THE COMPANY

WTRG Inc is a “BOO” Built-Owned and Operated by three partners and is a commuter rail and real estate development company. WTRG will upgrade existing cargo tracks to Class 4: Passenger: 80 mph. This is the dominant class for mainline tracks used in passenger and long-haul freight service. WTRG will own and manage real estate assets through a series of LLCs for each property, enabling external equity participation and tax benefits. WTRG will receive at least 80% of its funding from the federal government through a USDOT (US Department of Transportation) FTA (Federal Transit Authority) CIG (Capital Investment Grant) Capital Investment Grants Program | FTA grant program for commuter rail projects like the Brightline in Florida.

WTRG will obtain the land for the nine KRM rail platforms and the surrounding real estate for SMART City development. Land will be given to WTRG by the cities or purchased at reduced rates for the KRM rail project. Each piece of land will be developed for the best use and issued to different companies for development. WTRG aims for a 15%-18% cash-on-cash return and an 20%-25% long-term IRR. It plans to engage with real estate professionals, mortgage brokers, and lenders to find profitable opportunities and utilize Wisconsin's tax credit programs to boost employer investment in affordable housing. The company has secured significant support for its developments, which are as follows:

- WisDOT support for KRM
- City and County support for the rail project
- A 40-year Union Pacific rail lease agreement
- A \$650M FTA CIG reimbursement budget for the entire project

SOURCES AND USES OF FUNDS

The company is seeking \$25M - \$50M in equity / debt financing to fund its initial working capital for an environmental study, engineering, and purchase of the nine rail platforms. Then WTRG will seek two \$500M bonds to complete construction, purchase rolling stock, and perform operational testing before customers ride the trains.

- Term: Up to 24 months from the date of loan closing
- Interest Rate: SOFR plus up to 5.00%
- Secured By: FTA funding for the project (80%) and equity, bonds/standby letter of credit (20%)
- Future Funding: Two \$500M bonds
- Capital for Investor Risk: Land at nine rail platforms, UP Rail contract, government guarantee (see asset values below)

Item Expense	Timeline	Reason	Amount
Predevelopment Phase	1 year	FTA Requirement	\$25,000,000
Purchase of Land/UP Contract	1 year	9 Rail Platform Stations	\$25,000,000
Total			\$50,000,000



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The FTA CIG grant requires WTRG to complete a predevelopment phase that includes an environmental study and the preparation of 30% of the engineering drawings. This will take about 12 months. Once this is completed, FTA will pay up to 80% of project expenses. This initial funding is an Angle-Equity investment. After predevelopment, WTRG enters the engineering and construction phases, which will require additional investments. WTRG has a list of investors interested in the project with the CIG grant reimbursement once we complete the predevelopment phase.

WTRG BUSINESS MODEL & STRATEGY

WTRG will serve as the Master Developer for the commuter rail system and related TODs. TODs are designed for high-density growth, maximizing real estate amenities on less land and efficiently directing transit riders through stations. This approach reduces infrastructure costs by 25% compared with auto-oriented development and generates profitable long-term returns. WTRG plans to contract with Union Pacific for Phase 1 track use, acquire TOD properties through agreements with local cities, and align developments with LEED standards to support Green Bond marketing. Operating under a Build, Own, and Operate (BOO P3) model, WTRG transfers development and operating risks from the state to itself, thereby maximizing project quality and profitability. Phase 2 will be an east-west commuter rail service across Milwaukee. Phase 3 will be a commuter rail service to and from Green Bay. WTRG will enhance employment, stimulate the local economy, and drive new infrastructure development in Wisconsin.

WTRG's property acquisition strategy is a two-step process that leverages equity and debt financing.

- Leverages commuter rail interest by constructing a new passenger rail line from Milwaukee to Chicago
- Purchase and hold the real estate for the nine rail platforms/stations to develop a SMART City concept.
- Developing TOD property around rail stations for a 25-40% profit (condos, retail, and offices) and managing land through a "Land Bank."
- Use sales and development proceeds to reduce debt, holding properties as long-term investments in the Land Bank to maximize equity and minimize debt.

WTRG Inc Estimated Asset Values

	Current Land Value	Upgrade Cost	Total Value Upon Operations
9 Train Stations	\$35.5M	\$471M	\$659M
Rolling Stock		\$90M	\$113M
Platform Equipment*		\$23M	\$37M
Track Upgrade at Stations*		\$154M	\$231M
UP Rail Contract for KRM Line		\$45M	\$100M
Personal Equipment*		\$16M	\$25M
Total (Assists)	\$34,500,000	\$799,000,000	\$1,165,000,000

WTRG'S PROPERTY ACQUISITION STRATEGY

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- *Leverages commuter rail interest by constructing a new passenger rail line from Milwaukee to Chicago
- *Purchase and hold the real estate for the nine rail platforms/stations to develop a SMART City concept.
- *Developing TOD property around the rail stations for a 25-40% profit (condos, retail, and offices) and managing land through a "Land Bank."
- *Use sales and development proceeds to reduce debts. Holding properties as long-term investments in the Land Bank to maximize equity and minimize debt.

The Wisconsin Transit and Realty Group offers significant social and economic benefits to Wisconsin citizens through its commuter rail and real estate projects.

- *Enhance urban-suburban connectivity, serving 12 community zones. Developing transit-oriented housing and reducing car costs and emissions.
- *Passenger service for 12 federally designated community zones throughout the region.
- *Rail infrastructure improvement and development for public transportation.
- 3,000-5,000 units of transit-oriented housing along the commuter rail corridor.
- *Reduce emissions through hydrogen rolling stock and fewer automobiles on the road, and 15,000 fewer trucks off highways
- *Offering investors an opportunity to be part of the KRM commuter rail line and real estate development projects for 40 years

Contact

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