



GHANA NATIONAL COUNCIL

# GHANA HOUSE ACQUISITION REPORT

**Mr. Clement Timpo, Chairman Ghana House Acquisition Committee**

# PRESENTATION OVERVIEW

## OUR COMPANY AT A GLANCE

- WHO WE ARE
- VISION
- GHANA HOUSE CHICAGO
- OBJECTIVES
- REAL ESTATE
- DETERMINATIONS
- PROPOSED USES FOR THE PROPERTY
- SUBSIDIARY INVESTMENT BOARD
- ACQUISITION COAT ANALYSIS
- STRATEGY
- PROPERTY MANAGEMENT
- MARKETING PLAN
- CONCLUSION
- QUESTIONS/ANSWERS

# Our Mission

# WHO WE ARE



Ghana National Council (GNC) is a community of Ghanaians that began meeting in the 1960's as the Ghana Student's Union; to create a home base for themselves and others that migrated from Ghana to Chicago. The council was formed to assist fellow Ghanaians and Africans with resources in citizenship, employment, housing, education, health, and fellowship.

As a 501 (c)(3) council, GNC has grown to consist of 14 affiliate Ghanaian organizations. The Ghana National Council is the mouthpiece of the Ghanaian community in the Chicago metropolitan area with a Ghanaian population of over 20,000 residents in Chicago and the surrounding cities.

Vison  
**WHAT WE SEE**



- **Acquire a Ghana House for the Ghanaian Community.**
- **Acquire a Ghanaian Consulate for the Chicago land area.**
- **Educate and provide Ghanaians with affordable health & life insurance.**
- **Educate Ghanaians and Non-Ghanaians in our culture, music, and fashion.**
- **Provide Ghanaians with the tools to become self-sufficient.**

# GHANA HOUSE CHICAGO

TOGETHER TOWARDS TOMORROW



## **Introduction:**

The Ghana National Council of Metropolitan Chicago set up an eight-member Ghana House Acquisition Committee: Mr. Clement D. Timpo, Mr. Reuben Hadzide, Attorney William H. Amattey, Mr. Ebenezer Antwi Nsiah, Hajia Marriam Issaka, Mr. Stephen Somuah, Mr. Jeff Badu and Mr. Davidson Zigah.

*\*Mrs. Beatrice Tayui, a Chicago area business woman as an observer and adviser to the committee.*

## **Mandates:**

- To submit a report within six months to the GNC on the need for the acquisition of a Community Center to be known as “The Ghana House”, based on Private Equity Venture-ship;
- To propose the acquisition of a Community Center that is composed of various Activity Halls, where two or more events could take place alternately without any interruption or interference from each other;
- The Community Center’s surroundings or compound should have adequate parking spaces to accommodate a least 200 vehicles, and;
- Any other facilities that the committee may deem appropriate for a community center.



# GHANA HOUSE OBJECTIVES

## OPTIONS



- 1) Formation of a distinct and detached corporation from the Ghana National Council to handle the affairs of the proposed Ghana House.
- 2) To partner the corporation to be formed with an investor(s) and negotiate naming right and reservation privileges with the investor(s).

\*Option Two will have no burdensome IRS compliance requirements, however, the Ghana National Council and for that matter, the Ghanaian community would have no say or control over the management of the property.



# REAL ESTATE



1

A) TO BUY LAND IN THE CHICAGO AREA AND BUILD FROM THE GROUND UP;

2

B) BUY AN EXISTING PROPERTY IN THE CHICAGO AREA AND REHAB;

3

C) BUY LAND/EXISTING PROPERTY IN THE SURROUNDING CHICAGO SUBURBS AND BUILD OR REHAB.

# DETERMINATIONS

## GHANA HOUSE CHICAGO



These determinations culminated in the categorization of the real estate issues into three main features;

- a) Provision for two auxiliary halls with a sitting capacity of 500 each for organizing community traditional funeral, outdoorings, birthday parties, graduation parties, etc. The auxiliary halls' structures should be composed of retractable or partitioned structures, which could be expanded to accommodate the capacity of the events;
- b) An office space for the Ghana National Council, meeting and conference rooms for the community meetings etc., and
- c) Provision for Parking to accommodate at least 200 vehicles.

It was also determined that the location of the property should be such as to facilitate easy access and commute to and from the average Ghanaian place of residence. The location must be such as to be almost equidistant to the average Ghanaian place of residence in the Chicago area. It was therefore determined that preference should be given to locations that have easy access to the major highways, such as the Kennedy Expressway (Route 90/94 South), I55, I57 and Route 290. Additionally, it was also determined that the property should be located in the following areas:

- a) Areas south of Cicero toward Southwest;
- b) The surrounding suburbs to Chicago, such as the southern suburbs like Dolton, etc.,
- c) Any other areas where accessibility and affordability would be a prominent as a deciding criteria or factor.

Finally, the committee had determined that in choosing the location, security must seriously be factored in since the Ghanaian community events are organized late into the night.





**TODAY TOWARDS TOMORROW**

**#GHANAHOUSECHICAGO**

# PROPOSED USES

## FOR THE PROPERTY



The property complex when acquired would be made available to the general public rental, especially other African communities. The facilities could therefore be used for the following:

- Auditorium Halls: Two Auditorium halls for serving large-scale events, such as weddings, and church services, Traditional funerals, outdoorings, seminars, where two separate events can take place concurrently.
- Meeting and Conference Rooms: The community needs meeting and conference rooms to hold monthly organizational meetings, and to entertain and host delegations to the Chicago area from Ghana, etc.;
- Office for The Ghana National Councils: The Ghana National Council since its inception over 30 year, has no permanent business address. There is therefore the urgent need to provide a centralized office space for the Ghana national Council.



# THE SUBSIDIARY INVESTMENT BOARD

## THE INVESTMENT BOARD PROPOSAL



The following may constitute steps to a Ghana House Private Equity Venture-ship or Board:

- 1) A group of community investors interested in the Ghana House Private Equity investment will meet and agree in writing to incorporate a Private Venture/Equity Corporation, i.e. "The Ghana House Equity Venture Incorporated";
- 2) Next, the incorporators would agree in writing as to who will act as the corporation's incorporator, i.e. who will serve (a) as its first Board of Directors, (b) Who will purchase what type of stock, in what amount, and for how much, (c) That the corporate documents that have already been prepared (Minutes of Incorporation Meetings, By-laws, Mission Statement, etc.) will be adopted by the organizers when the corporation comes into existence. The organizers should require that all share subscriptions be in writing in order to establish firmly each offer and its details, including the number of shares to be purchased and the price to be paid;
- 3) Finally, the filing of the incorporation papers, i.e. the article of Incorporation with the State of Illinois, signed by at least one of the incorporators and in duplicate original. That is, two fully signed copies must be sent or delivered to the Secretary of State along with the statutory filing fee. In addition, an initial fee is generally imposed for each authorized share of stock. Within several days to several weeks, the corporation will receive from the filing office, a Certificate of Incorporation. The issuance of this certificate will officially signify the existence of the corporation.

# ACQUISITION COST ANALYSIS



## RETURN ON INVESTMENT CAPITAL (ROI):

- A \$2,000,000 Budget for Two Auditorium Halls, Meeting Rooms and an Office Space Rental for GNC (Option #1- Building from Ground-up); and
- A \$500,000 Budget for Two Auditorium Halls, Meeting Rooms and an Office Space Rental for the GNC (Option # 2 - Acquiring an Existing Property/Structure and Rehabilitating).

Both presentations feature very handsome returns on investment capital. The \$2,000,000 capital investment (Building from Ground-up) has an average ROI for the three-year budget projection of 31% (average nets income/invested capital), while the average ROI for the same three-year period for an investment capital of \$500,000 (Acquiring and Existing Property and Rehab) of 33%.

As a result of the projected cost analysis, our investment projections' outlooks appear very promising and its therefore being recommended that investors should feel encouraged and comfortable to invest in the Ghana House Acquisition Property



# ACQUISITION AND FINANCING

## STRATEGY



Based in the budget analysis, it was determined that there are two ways of acquiring and financing the Ghana House Property:

1. Through the authorization and issuance of public stock to the value of a half a million (\$500,000) to meet the short-term objective or a \$2.0 million dollar for the long-term objective. The Investment Board would determine how many shares of stock of the new investment corporation would be offered for sale to the public. When these shares are purchased, they would comprise the corporation's "issued and outstanding" stock at a par value. The monies raised would then constitute the capital for the proposed Ghana House Complex; or
2. Finance the acquisition by borrowing from a financial institution to the tune of the \$2.0 million dollars. To meet the requirements to secure the loan, we would need the following:
  - Earnest money of \$50,000 to \$100,000;
  - 20% or \$400,000 down payment requirement to secure a commercial mortgage loan;
  - Collateral to obtain a commercial mortgage loan may be needed.

**GNC SEED MONEY \$10,000.00**

# STRATEGY

# ACQUISITION AND

# FINANCING



Since the Ghana House complex is a Ghanaian community investment proposal, the community would have to have a financial stake in the proposed property. To therefore facilitate the acquisition of this property, we may consider the following options:

- The Investment Board would have to approach a major investor to agree to purchase majority share in the Private Equity Venture;
- The Ghana National Council and its Affiliate groups to be given the opportunity to purchase minority shares in the outstanding shares to be declared by the newly formed Real Estate Investment Corporation;
- Forming partnership between the Ghana National Council, its affiliates and the public, where interested individuals could contribute to raise the necessary earnest capital;
- The Ghana National Council and its affiliate organizations would have to organize fundraisers to generate the necessary capital to buy their share of the equity shares in the establish corporation;
- Members of the Ghanaian community would have to, this time around, not fail in the acquisition drive as happened twenty years ago and pledge handsomely to acquire share in the investment Board to be set up.. A pledge of for example \$1,000 from 50 community member could generate an earnest capital of \$50,000.
- Additionally, between the Ghana National Council itself and its affiliate organizations an additional \$20,000 could be raised from the sale of additional equity shares, making it an estimated total of \$70,000 in earnest money for any bank loan before any other appeals for funds could be launched in the general community. The purchase of these shares would be an investment in an equity venture with an expected future return on investment and should not be construed as a charitable donation.



# PROPERTY MANAGEMENT

## STRATEGY



### **Investment Board:**

To capture investors' confidence, and in our overture to lure investors into putting money into the purchase and ownership of the proposed Ghana House Complex, a prudent property management professional company would have to be contracted to handle the day to day management of the property.

The Investment Board of the Ghana House Real Estate Investment Corporation would therefore have to appoint an independent property management company with experience in real estate and property management to properly manage the facility as a profit-making public business venture. The property management company would be paid a management fee at a negotiated percentage of gross revenue, out of which it would be required to meet some of its operating overhead. Another management option would be for the Investment Board to lease the various cost centers on leasehold basis to independent businesses to run at a rental fee. The rental fees would again constitute the income for the property leaseholders out of which their leasehold expenses would be paid.

# MARKETING PLAN

TODAY TOWARDS TOMORROW



To sell the project to potential investors, a strategic marketing plan would have to be developed. The marketing plan would involve the following:

1. The strategy for lining up potential investors to raise the needed capital. The marketing plan should be able to convince investors to put their money into the Ghana-House proposal;

The strategy of converting the initial capital outlay into a profit-making venture, vis-à-vis the strategy of generating enough revenue from the proposed cost centers to offset the cost and expenditure outlays, while ensuring the potential for making profit.



# CONCLUSION

TOGETHER WE CAN BUILD



Our destiny is in our own hands; if we work hard at what we seek to acquire, there is no earthly reason why we should not be successful. We must remember that we have waited too long for the Ghana House. Twenty years have come by very fast without anything meaningful taking place. Other communities that have come into the Chicago area recently have done what has dogged us for over twenty years; the property will not wait for us forever, we need to leave a legacy for our children. This time, we must develop time lines or time frame to meet our objective of acquiring a Ghana House Property, if that is our desire. Before the end of next year, if we cannot start to build a Ghana House from ground-up, then at least, we need to come up with the earnest money to purchase any abandon property any rehab.

We need an institution that will leave a true and proud socio-economic and cultural legacy for our children. Our communal strength has always been our ability to come together in upholding our cherished Ghanaian tradition of excellence and responsibility.





**QUESTIONS**



**ANSWERS**