

*This is inspired by a 2019 guide produced by LISC  
(Joint Venturing for Nonprofits: the Benefits, the  
Common Pitfalls and How to Navigate Them).*



# JOINT VENTURE AGREEMENT PLANNING WORKSHEET

*Note: There are no right or wrong answers to these questions (unless a question directly connects to the by-laws or mission of either entity, in which case, respond accordingly). Be very clear about what you want/need/expect out of the arrangement before formalizing anything.*

## **+ WHAT IS A JOINT VENTURE?**

A joint venture is a separate legal entity formed by two or more parties to undertake economic activity together. The separate entity may be purposefully created as a partnership, limited liability company or corporation (either for-profit or nonprofit).

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## + PROJECT OVERVIEW

Provide a brief description of the project.

## + OWNERSHIP STRUCTURE

Responses and information here are used to inform the operating agreement that you will develop and design when forming your entity.

	Partner 1	Partner 2
<b>Will one partner serve as Managing Partner?</b>	0.00%	
<b>How many board seats will each entity appoint?</b> <i>LLC's aren't required to have a Board of Directors but you absolutely can. If you form a Corporation, it will be required.</i>	87.00	
	YES	NO
<b>Will ownership structure change in the future?</b> <i>This could relate to a full exit of one partner, a phased exit, or just a split (e.g.80/20 vs 50/50). Answer however you'd like - your legal counsel can redirect, if needed.</i>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Under what conditions?</b> <i>No need to dive deep into an exit strategy here - there are some questions below to get you thinking about that. This can be a simple response like, once the project is cash-flowing and we've met any terms associated with funding strategies, Partner 1 will exit and Partner 2 will be the owner; OR whatever you come up with as partners. When the time comes, legal counsel will draft language that protects both parties.</i>		

## + SOCIAL GOALS

*What are the key community goals satisfied by this project?*

*These are things to consider from an impact perspective during the development and lease-up phase but also challenge you to think about the future of any change in use.*

## + PROJECT PRIORITIES & COMMITMENTS

*This table is designed to help you establish shared priorities and commitments before beginning a project.*

CONSTRUCTION / LEASE UP COMMITMENTS	% of building	Required	Prohibited	Best Effort	N/A
<b>First Source Hiring: Construction</b> <i>This represents a commitment to hiring economically disadvantaged workers.</i>	0.00%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Local First Hiring: Construction</b> <i>This represents a commitment to prioritizing hyperlocal contractors (usually goes city / county / region / state).</i>	0.00%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Small Business Tenants</b>	0.00%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Nonprofit Tenants</b>	0.00%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Undesirable Tenants (attach list)</b> <i>This could include businesses which may conflict with mission or target audience (e.g. vape shops).</i>	0.00%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Affordable Housing Units</b>	0.00%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Market Rate Residential Units</b>	0.00%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Other:</b>	0.00%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Are there consequences for failure to meet these goals?*

*This could include risks or challenges for either partner, including funding access, public perception, IRS designation, etc.*

## **+ ROLES & RESPONSIBILITIES**

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*Partner 1 Roles:*

*Partner 2 Roles:*

*What happens if a partner does not fulfill its obligations?*

## **+ DECISION MAKING**

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Use this section to outline how you'll make key project decisions and address potential challenges.

*Process: How will decisions be made? (e.g., consensus, majority vote, designated leads by subject area)*

*Scope: Will all decisions require joint approval? If not, what triggers joint approval (e.g., financing, tenant mix, major design changes)?*

*Challenges: How will you navigate issues related to funding, IRS designation, public perception, or other sensitive matters?*

## + STAFFING

Will one or both parties commit specific staff people to work on the project?

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*Partner 1 Staff Commitment:*

*Partner 2 Staff Commitment:*

## + FINANCING

*Partner 1 Investment:*

*Partner 2 Investment:*

	PARTNER 1	PARTNER 2	BOTH
<b>Who will be responsible for obtaining debt financing for the project?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Who will be responsible for obtaining public/charitable financing?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Who will be responsible for cost overruns/unexpected expenses?</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Will either party guarantee loans?</b> <i>USDA offers a loan guarantee program.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## + DEVELOPMENT FEES

What fees will each party earn if the project is developed successfully? The developer fee is usually anywhere from 4-10% of the total project cost. Do partners agree to defer this fee in the event of funding shortfalls? If fees are deferred, how will repayment priority be handled? Are there conditions under which a partner might forfeit their share of the fee?

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*Partner 1 Fees:*

*Partner 2 Fees:*

## + PROPERTY MANAGEMENT

*Who will serve as property manager?*

*What is required/expected of the property manager?*

*How will property management fees be calculated?*

## + OPERATING INCOME/LOSS

	PARTNER 1	PARTNER 2
<b>Who will receive net operating income?</b>		
<b>Who will cover any operating losses?</b>		

*Are there any special circumstances/conditions that would affect this?*

## **+ TERMINATION**

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*When will the joint venture end?*

*Will one party have the right to purchase joint assets?*

*How will the price be determined? (cost, value, etc.)*

## **+ CAPACITY BUILDING**

Capacity building in this context could include sharing physical space, software, or other tangible resources. It could also include strengthening one another's skills and knowledge through mentoring or collaboration.

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*Is either partner expected to help build capacity? If yes, in what way?*

*How will success be measured?*