

**CITY OF LA CROSSE, WISCONSIN  
CITY PLAN COMMISSION  
REPORT  
June 2, 2014**

➤ **AGENDA ITEM – PC2014-06-02-04**

Resolution to approve the Creation of Tax Incremental District 16 and Project Plan.

➤ **ROUTING: F&P Committee**

➤ **BACKGROUND INFORMATION:**

Tax Incremental District 16 is proposed to be created to prepare the La Crosse Industrial Park Corporation (LIPCO) owned Trane Plant 6 (TP6) site for redevelopment. In 2010, the TP6 building was raised and the soil was remediated to a standard acceptable by the DNR. Prior to redevelopment occurring, approximately 97,000 cubic yards of fill is required to bring the site to an elevation two (2) feet above the regional flood elevation. The Federal Emergency Management Agency (FEMA) will require a Letter of Map Revision (LOMR), certifying that the site is no longer in the 100 year flood fringe, and the LOMR process is expected to take several months to accomplish.

In addition to fill, other site preparation expenditures are required including the removal of buried boiler slag, rubber contaminated with PAHs, and the removal of two existing asphalt parking lots. The combined cost to prepare the site for redevelopment is estimated to be \$1,100,000. Given the time needed to accomplish these tasks, the site could be ready for redevelopment in 2014-2015.

The proposed redevelopment plan includes a Low Income Housing Tax Credit housing component, a commercial/retail component, and a professional office component. Tax revenue projections show that the site preparation costs could be repaid within twelve years, given the current mil rate, site preparation costs, and an estimated redevelopment value of \$5,500,000. A copy of the TID Plan is attached.

➤ **GENERAL LOCATION:**

The property is bound by George Street the west, St. Cloud Street to the north, St. Andrew Street to the south, and the Fenigor Group property to the east. Maps are incorporated within the project plan showing the TID boundary, as well as the location and type of site prep projects.

➤ **RECOMMENDATION OF OTHER BOARDS AND COMMISSIONS:**

Economic Development Commission recommended for approval. See attachment.

➤ **CONSISTENCY WITH ADOPTED COMPREHENSIVE PLAN:**

The comprehensive plan is in favor of incentivizing distressed infill development.

➤ **PLANNING RECOMMENDATION:**

A range of factors are weighed in preparation of the TID project plan, including, long-range economic feasibility, land use and density compatibility, additional employment, etc. Preliminary cost/benefit estimates indicate that site prep costs could be recouped within a reasonable time period.

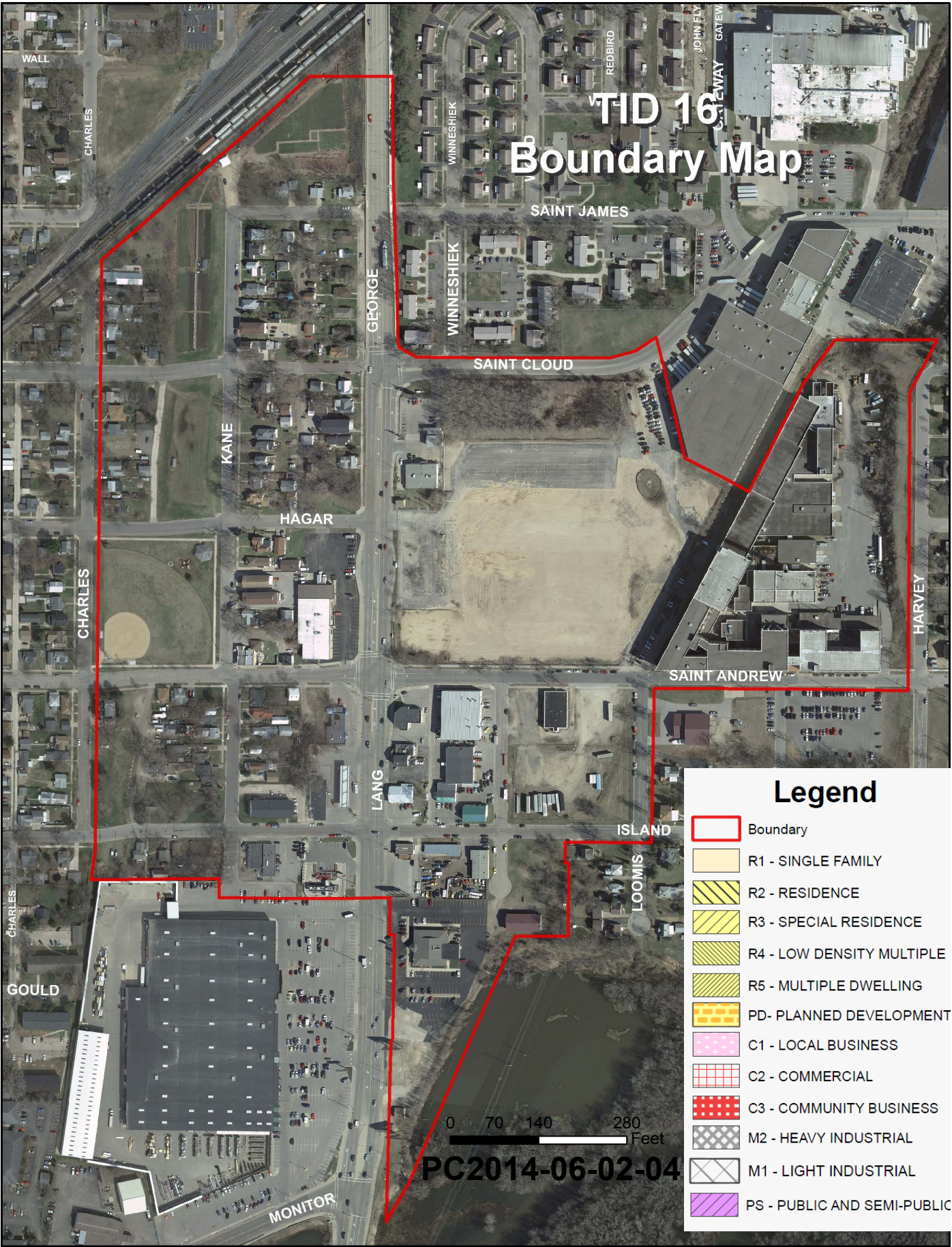
In terms of land use, the mixed use proposal appears to be a quasi-strip mall design with a rather large parking lot surrounded by a mix of low-income and market rate residential units incorporated as either stand-alone structures and/or located above commercial uses. Staff is in favor of the higher density uses, which could shift the appearance from a strip mall design to a design more suitable for an urban environment. In terms of employment, the developer has not produced figures projecting the quantity or quality of new jobs created as a result of the development.

This site is somewhat difficult to redevelop given its proximity to heavy industrial use, its proximity to adjacent low valued housing, and its proximity to other distressed properties within the 100 year flood fringe. And though an official application has not been submitted to the Economic Development Commission, the developer asserts that gap financing is required above and beyond the site preparation costs.

The site is in need of public assistance in order for it to become suitable for redevelopment. A number variables exist that could substantially alter the projections in the project plan. Recent discussions with the developer revealed that additional public assistance will be requested which requires amendments to the project plan. There is a risk of creating a TID prior to securing a developer, as seen in TID 10 – Park Plaza, which can subtract years of potential increment revenue. In this case however, there is an opportunity for a DNR partially forgivable loan and free fill (the City just has to cover the cost of trucking). This TID was put on hold last year because there was not a developer or developer's agreement but the LIPCO Board and City Staff feel it is appropriate to go forward with a TIF at this time so the site can be further prepped for redevelopment.

**This item is recommended for approval subject to an amendment to the project plan that would allow for, subject to a developer's agreement, funding for gap financing for a Low Income Housing Tax Credit Housing project as well as Market Rate Housing and a potential City street traversing the property. These items would add \$3.5 million dollars of project costs to the Project Plan, however expenditures would be subject a Developer's Agreement.**







# TID 16 Zoning Map

