



PLANNING AND DEVELOPMENT

400 LA CROSSE STREET | LA CROSSE, WI 54601 | P: (608) 789-7512 | F: (608) 789-7318

Memorandum

To: Community Development Committee

From: Dawn Reinhart

Date: 6/7/2018

Re: Action on acquisition of 901 5th Ave S

Assessed Value: \$79,400

Fair Market Value: \$91,900

Appraised Value: \$109,000

Lot Size: 31.5 x 68

Housing market index: two steps below average



Staff contacted the adjacent land owners of 508 Winnebago St to determine their interest in purchasing the vacant property. The owner of 512 Winnebago St is interested for purchasing the Winnebago St but would not add any improved value to the property. 901 5th Ave was interested in purchasing the property for less than assessed value but had intentions to construct a garage. Both offers were rejected. The owner of 901 5th Ave contacted Staff to advise that his tenants have moved out and may be interested in selling to the City.

The structure was built in the 90's. It is 3 bedrooms, 2 baths, and is about 1,600 sq. ft. (including the finished basement). There is no garage but does provide off street parking. In 2004 the property went through foreclosure. The current owner purchased the property from the Bank. There was some cosmetic damage that was repaired. A new water heater, kitchen cabinets, flooring and trim was installed. The foundation of the property is good; however the quality of the construction is fair.

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- Framing is 2 x 4 vs. 2 x 6. Unless the builder used foam insulation, this type of construction provides 54% less insulation. During the inspection it was noted that there was candle soot that settled along the roof joists. This is an indicator that the attic was not well insulated.
- Venting issues in the basement bathroom, no closet in the basement bedroom, flooring in both bathrooms needs replacement
- Trim missing throughout the home, some of the interior doors and door jambs are damaged
- A few pieces of siding is missing, damage of the soffit and fascia, roof will need replacement in 5-8 years. There were a couple of water spots on the ceiling in the entryway and the main floor living room. Property owner not aware of any defects in the roof.

The property does not have any historical charm or curb appeal. Not sure how this could be addressed if it was decided to list the property for rehab with an owner occupied deed restriction.

The property could be combined with 905 5th Ave and 508 Winnebago St. This would increase the lot size to 60 x 100 and more desirable for redevelopment.

Area Redevelopment: RHP owns 508 Winnebago St (vacant lot), RHP is under contract to purchase 905 5th Ave (structure is blighted and will be demolished), RHP incentivized renovation at 911 5th Ave, RHP sold a vacant lot for a new SFD at 915 5th Ave and there are several owner occupied units being constructed on the corner of 5th Ave & Mississippi St.

Price notes: Buyer wants appraised value. Purchased home in foreclosure expecting to make a profit. Purchase is a very high priority but staff concerned about high asking price. Owner has stated since tenant has moved out, he will give City opportunity to purchase. However if cant agree on a price, he will make some repairs and continue renting it out. A high acquisition price will likely not be recovered in increase tax base. However, it will clean up this area and have long term benefits. We are the only entity willing to do this type of work.

