



PLANNING AND DEVELOPMENT

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Memorandum

To: Community Development Committee
From: Caroline Gregerson
Date: 8/09/2018
File ID: 18-1136
Re: Policy on outstanding real estate development obligations

On July 11, 2017, the CDC reviewed under legislative item number 17-0897 several vacant land sale guidelines.

Staff recommended the following policy change:

All purchasers of City-owned property must fulfill their commitments to the City, which includes but is not limited to satisfying City of La Crosse Purchase Agreements (both vacant land and real estate), repayment of housing rehabilitation deferred loan repayment agreements, property taxes, satisfying all municipal obligations and maintaining properties in accordance with all municipal codes and ordinances.

The CDC, approved this policy change but “with exceptions”. Those exceptions meant that a developer wanting to develop 2 or 3 or more properties would have to “fulfill burden of proof” and the Committee could approve the exception. A policy with exceptions has created confusion when in multiple offer situations, which has frequently been the case. Staff would like the Committee to approve a policy that can be consistently applied by the program managers.

Staff recommends the following changes for consideration:

All purchasers of City-owned property (or other LLCs or individuals related to or in affiliation with purchaser) must fulfill their commitments to the City, which includes but is not limited to satisfying City of La Crosse Purchase Agreements (both vacant land and real estate) (herein referred to as “Agreements”), repayment of housing rehabilitation deferred loan repayment agreements, property taxes, satisfying all municipal obligations and maintaining properties in accordance with all municipal codes and ordinances.

Exception: A potential purchaser of City-owned property may have one (1) outstanding Agreement that is proceeding according to any established timelines but not yet completed and still be eligible to bid on other city-owned real estate opportunities. If a purchaser would like to have more than two unsatisfied Agreements, the purchaser or the property must meet the following exceptions:

- Property has been listed for 60 days with no other accepted offers by the Community Development Committee

OR

- The purchaser intends to owner-occupy the property themselves or has a signed contract with a specified buyer who will owner-occupy the property themselves upon completion of the real estate development.

OR

- The purchaser is responding to a competitive RFP (Request for Proposal) process.