

## 1220 Denton PROPOSAL WARREN LOVELAND

### QUALIFICATIONS

I have completed 40 apartment and commercial developments , 1600 units. Among the developments are 2 office buildings and 2 apartment buildings are 4 individually listed projects on the National registry of Historic Places. I also had an option to purchase the Gund stable / Bakalars and got it listed before finding a developer that wanted to do a low income project there

### VISION

2 high quality 3 bedroom townhouses with 2 car garages. The West unit will be 2,478 sq ft and the East 1,820 sq ft . Each unit will half of the basement. These dwellings will be the same size as the average single-family residences in the neighborhood. I would sell the building upon completion, hopefully to an owner occupant that would then rent and manage the other unit. This rehab would encourage further reinvestment in the neighborhood and provide an attractive historic building as part of the fabric of the neighborhood.

### RESTORATION

Remediate the interior by removing asbestos and lead paint. Demolish all interior partitions plumbing, electrical, HVAC down to the brick structural walls. Remove all windows. Retain the original stair. Tear off and reroof the roof. Install replica of bell tower. Replace the sewer and water laterals. Remove the elevator, stair and storage room additions, Remove the paint / plaster from exterior. Tuckpoint as necessary. Infill non original exterior opening. Recreate new openings to match original windows. Infill the front facade with glass and wood to match the original doors but non operable. Provide new windows to match the original. Insulate the entire building to todays standards. Provide new interior partitions and stairs to create 2 townhouses. Install new high efficiency HVAC , electric, plumbing, drywall, flooring cabinets counters. Construct a 4 car garage. Work to be done to the recommended guide lines of the Secretary of the Interior, for historic buildings.

### FINANCIAL FIESABILITY

Project cost \$759,000

The completed duplex as a rental will support a mortgage of 236,000 and with cash flow of \$3,834, an investor requiring a 6.5% return would put up 59,000, total 295,000. Say 300,000.

The development will qualify for 268,400 in tax credits worth 258,000. As the use of the credits only comes at the filing of a tax return the credits are worth less that a dollar because of the time value of money.

This leaves a 201,000 shortfall . The developer will apply to the County of La Crosse for a Neighborhood revitalization grant of 100,000. Instead of demolishing the building, the grant would be used for new sewer and water lateral, interior and exterior demolition, removal of exterior plaster, tuck pointing, and lead paint and asbestos remediation. Although the property is one lot outside the Powell Pogue Hamilton district, I will ask for an exception to be made for a National Registry public building that has served Powell Pogue Hamilton for 125 years and is a part of that community.

I ask that the City make a 101,000 grant in lieu spending a similar amount for demolition and environmental remediation while destroying an historic property.

#### TIMELINE

December 2019

Project selected, State Historic Preservation office review of plans, request listing, prepare nomination. City grants an option to purchase thru August 2020. City processes grant request. Developer submits grant request to County.

January February 2020

City and County act on grant requests. City approves TND specific plan to include garages.

March

If grants and zoning approved, city, at its expense, excavates buried tank at the rear of the building overseen by their environmental consultant. City performs cleanup as necessary and provides developer with a clean Phase 1 environmental that does not suggest that a phase 2 be performed. If a Phase 2 is required, City completes it and obtains a No Further Remediation Letter from the DNR.

April

Developer completes plans and Historic approvals

May

Plans out for bid. Development Agreement with city negotiated

June

Developer purchases property. Signs development Agreement. Construction start.

November

Project completion

Contacts

Warren Loveland. 608 792 9488. [wloveland@horizon-management.net](mailto:wloveland@horizon-management.net)

I will be in La Crosse 12/9-12/31/19 and then in Arizona until May 2020. But available by phone for conferences and to answer questions.

# 1220 Denton Street

## HISTORIC REHAB COSTS

Environmental clean-up & demo - interior		45,000	
Roof, ladder, parapet caps	4,400 sq.ft. @ 7.27	32,000	
New openings	7 @ 1,000	7,000	
Bell tower		25,000	
Exterior repair, tuckpoint, strip paint		185,000	
Rough brick, window, door, return, casing, fire door infill, caulk		54,000	
Interior stairs & partition		14,000	
Carpentry labor		20,000	
Interior doors & trim		5,000	
Drywall		20,000	
Insulation		9,000	
Flooring - sound	2,000 sq.ft. @ 2.50	5,000	
Flooring - finish	4,600 sq.ft. @5	23,000	
Ceramic tile	7,000 x 2	14,000	
Electric		42,000	
Plumbing		24,000	
HVAC		24,000	548,000
Legal		3,000	
Title		1,000	
Architech		15,000	
Interest		1,000	
Tax		1,000	
Insurance		1,000	
Appraisal		1,000	
Historic study		3,000	
Accounting		2,000	
Contincency Historic 6%		40,000	
Developer fee 10%		55,000	123,000

### Total costs eligible for tax credits

**671,000**

## NON-HISTORIC COSTS

Appliances	2 x 3,000	6,000	
Cabinets & counters		12,000	
Blinds		2,000	
Landscape		1,000	
Sewer & water laterals		10,000	
Excavating: garage, additiona removal, plat, back fill, site grading		5,000	
Concrete flatwork	800 sq.ft. @ 4.00	3,000	
4 car garage		24,000	63,000
Contingency 6%		4,000	
Developer fee 10%		6,000	
Sale commission	300,000@ 5%	15,000	25,000

### Total non-historic costs

**88,000**

### TOTAL PROJECT COST

**759,000**

### Sources and uses of funds

Sale of property	300,000
Developer equity/ tax credits	258,000
La Crosse county grant	100,000
City of La Crosse grant	101,000
Total sources	759,000

Developer has a line of credit to fund costs prior to sale

Sale price Cash flow 3,834 capped at .065 =59,000

Mortgage	236,000
	295,000 say 300,000

Tax credits

Qualified basis  $671,000 \times 40\% = 268,400 \times 96 \text{ cents} = 257,664$  say 258,000

Wis credits 20% federal credits 20%

## INCOME AND EXPENSE

West 3 bed 2 ½ bath 2 car garage \$1,500 month 2,478 sq ft

East 3 bed 2 ½ bath 2 car garage 1,400 month 1,820 sq ft

Tenant pays all utilities	\$2,900 X 12 Months	34,800
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Vacancy 10%		3,400
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Effective gross		31,400
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### Operating expenses

Management	3,000	
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Marketing	300	
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Turnover	500	
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Utilities on vacant	480	
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Repairs and maint	400	
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Painting	300	
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HVAC/appliance	600	
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Exterminator	250	
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Real estate tax	5,000	
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Insurance	900	
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Reserve for rep	500	
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Total expense	12,230	12,230
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Net before debt service		19,170
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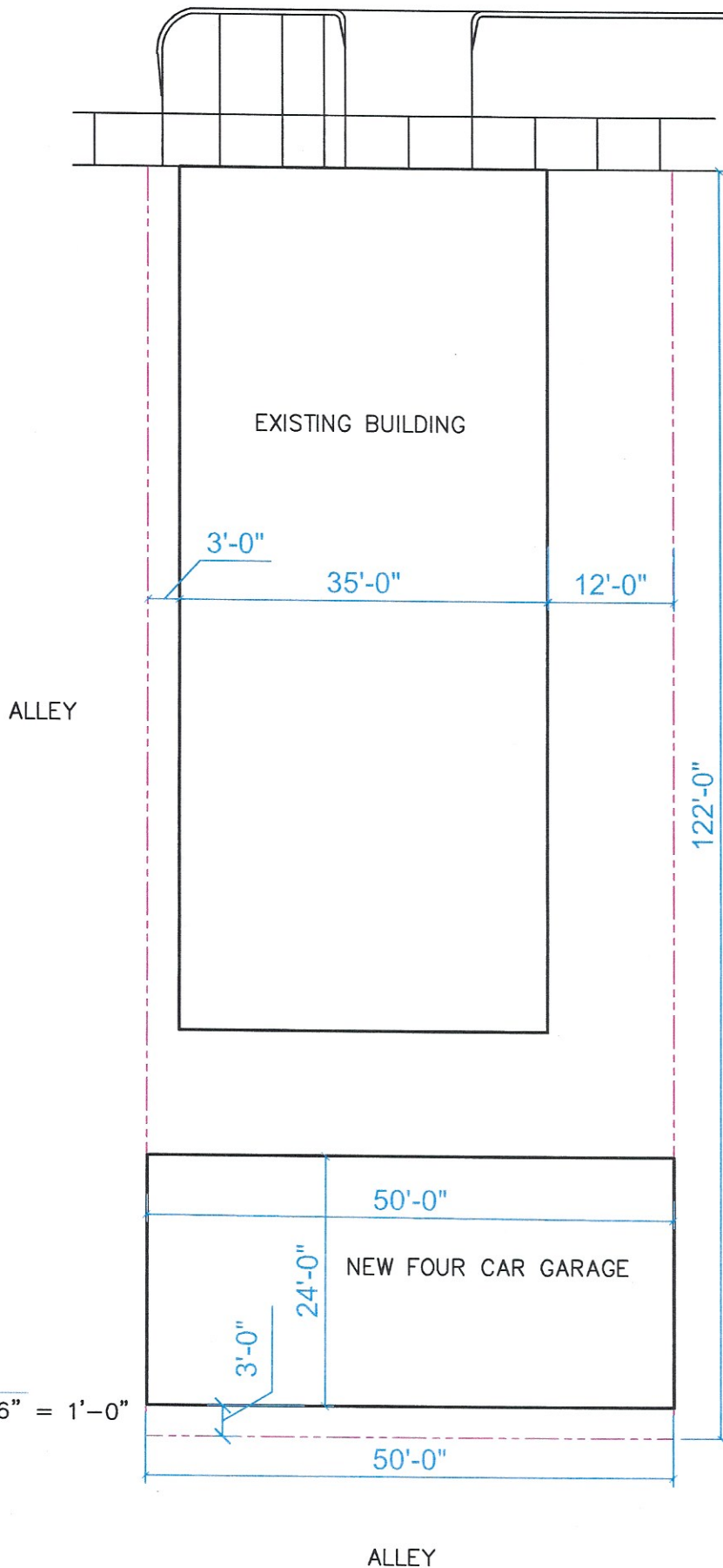
Loan 4 ¼ % 25 year .065 constant. Coverage ratio 1.25.  $19,170 / 1.25 = 15,336$  debt service

15,336 / .065 = 236,000 loan		15,336
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Cash flow		3,834
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DENTON STREET



NORTH



SITE PLAN

SCALE 1/16" = 1'-0"

PROJECT  
1220 DENTON

1220 DENTON, LA CROSSE, WI

DATE October 30, 2019

DRAWN BY RA-JMB

CHECKED BY RA

PROJECT NO RA#1329

DRAWING TITLE

SITE PLAN

*river*ARCHITECTS

740 7th Street North La Crosse, WI 54601-3308 Tel 608 785-2217

SHEET No

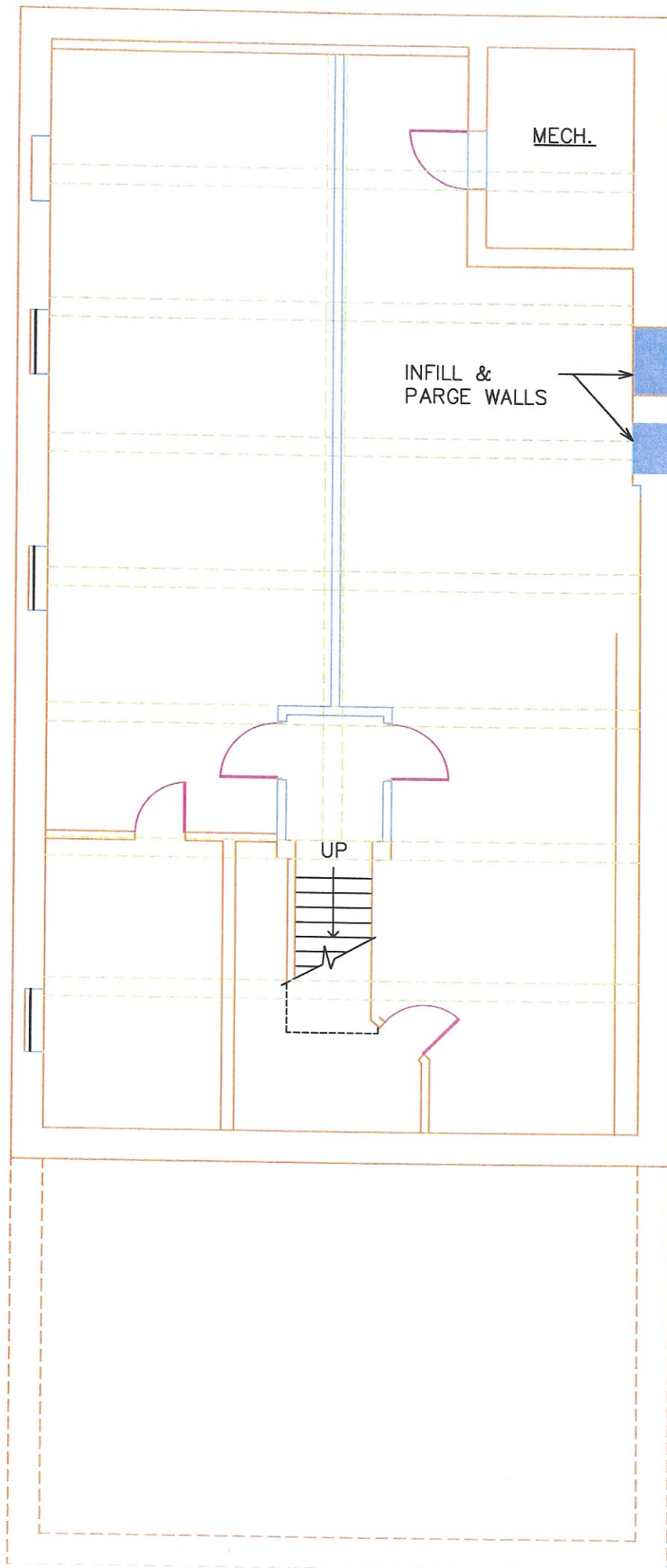
NORTH



**BASEMENT FLOOR PLAN**

SCALE  $\frac{1}{8}" = 1'-0"$

INSTALL NEW  
SANITARY SEWER  
& WATER TAPS



PROJECT

**1220 DENTON**

1220 DENTON, LA CROSSE, WI

DATE October 31, 2019

DRAWN BY RA - JMB

CHECKED BY RA

PROJECT No RA #1329

DRAWING TITLE

**BASEMENT FLOOR PLAN**

*river* ARCHITECTS

740 7th Street North La Crosse, WI 54601-3308 Tel 608 785-2217

SHEET No

NEW DOOR

INFILL OPENINGS  
TO LOOK LIKE  
ORIGINAL DOORS

NEW DOOR  
& INFILL

L.R.

L.R.

DINING

INFILL  
BRICK  
WALL

CUT NEW  
OPENINGS  
IN BRICK  
WALL &  
INSTALL  
NEW  
WINDOWS

DW

KITCHEN

KITCHEN

DW

DINING

UP

BATH/  
LAUNDRY

DN

W D

NEW OPENING  
& NEW DOOR

FRAME IN  
OPENINGS

5' ARCH  
OPENING

INFILL  
BRICK WALL

BATH/  
LAUNDRY

W D

FAMILY ROOM

REBUILD  
ARCHED  
OPENING

NORTH



FIRST FLOOR PLAN

SCALE  $\frac{1}{8}" = 1'-0"$

FIRST FLOOR PLAN

PROJECT  
1220 DENTON

1220 DENTON, LA CROSSE, WI

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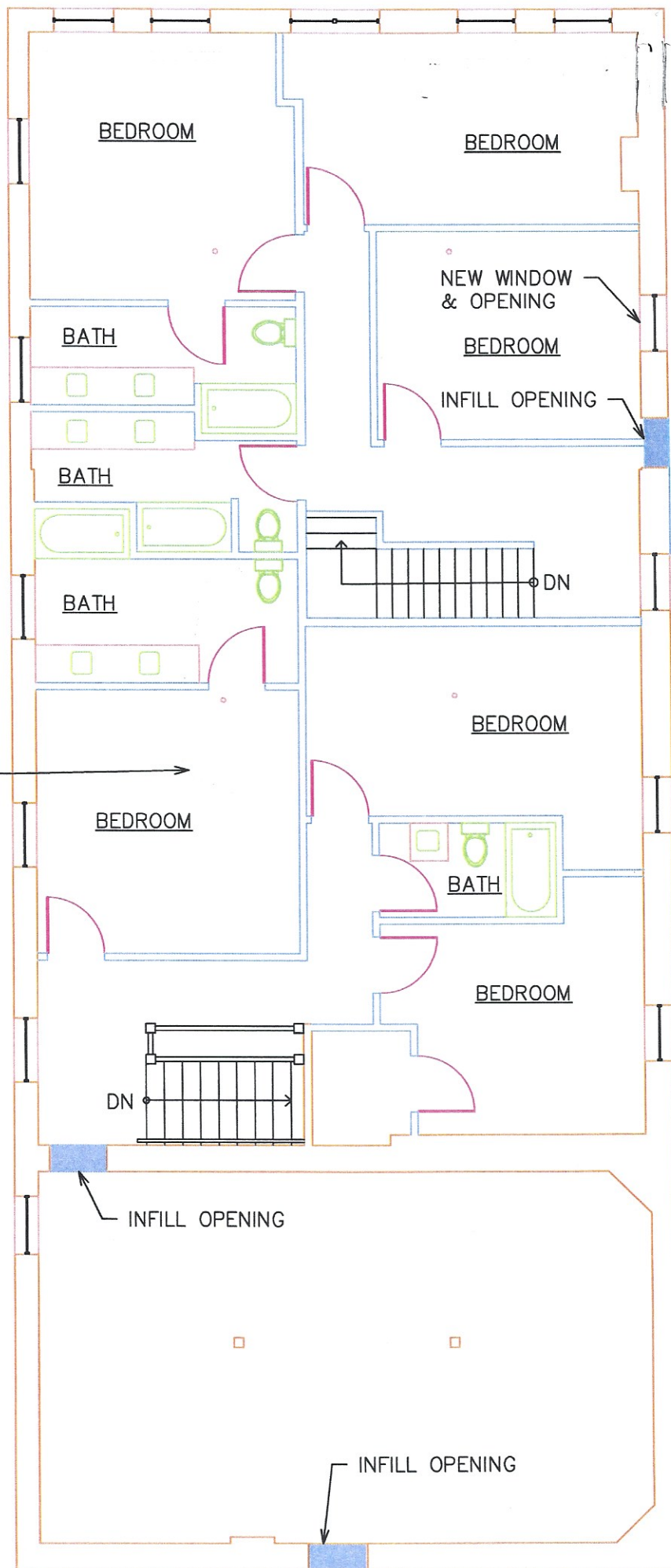
SHEET No



NEW DRYWALL  
CEILING ENTIRE  
SECOND FLOOR



SECOND FLOOR PLAN  
SCALE  $\frac{1}{8}" = 1'-0"$



PROJECT  
**1220 DENTON**

1220 DENTON, LA CROSSE, WI

DATE October 31, 2019

DRAWN BY RA - JMB

CHECKED BY RA

RA #1329

PROJECT No  
DRAWING TITLE

SECOND FLOOR PLAN

SHEET No