



April 16, 2018

City of La Crosse  
Board of Public Works  
400 La Crosse St.  
La Crosse, WI 54601

Re: Request for Land Swap

Dear Members of the Board:

Please accept this letter of support for an exchange of land between the City of La Crosse and Impact Seven, Inc. Impact Seven requests to exchange the residential lots we currently own at 1109 St. James Street and 901 George Street, with approximately 29,000 SF of the southern end of the City-owned 800 block of Kane Street. In exchange for the land swap, Impact Seven commits 1) to removing the existing homes on the St. James/George lots, and 2) relocating the topsoil cultivated by the Hunger Task Force, from the disturbed area of 800 Kane to the St. James site, for their continued use.

We had originally proposed to build six townhome units and a neighborhood center on the St. James Street/George Street site. Our plans had received preliminary Multifamily Design Committee approval in early December 2017. In late December, our general contractor provided new construction cost estimates that exceeded their earlier estimates by almost 20%. The cost increases were driven primarily by material and labor shortages that had emerged last fall and winter, and our growing understanding of the costs associated with building in the flood plain. Simultaneously, our tax credit pricing diminished owing to the changes in federal tax law, which diminished investor appetite for the credits given lower federal corporate tax rates.

We have responded to the cost increases and funding deficits by 1) searching for additional sources of funding, 2) securing a local general contractor, and 3) revising our building plan. We have found additional sources of funding through:

- An additional \$150,000 commitment from the City for CDBG funds;
- An increase of \$211,500 in Impact Seven's commitment of NeighborWorks discretionary grant funds, for a total of \$411,500;
- A \$100,000 anonymous donation from the La Crosse philanthropic community;
- An additional grant request underway to the Robert & Eleanor Franke Charitable Foundation;
- Better tax credit pricing through a different investor.

In January, we approached Borton Construction from La Crosse about our plans. Our hope was that a local general contracting firm might secure better construction pricing, owing to their knowledge of



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local resources and network of subcontractors. Borton's cost estimate on the original plan (which included the St. James townhouses) was lower than that from our original GC, but still were not within budget.

Accordingly, we are proposing to the City a revised project plan, in which:

- The six townhomes planned for the St. James site are consolidated into the multi-family building;
- The multi-family building will remain at its original location on the 700 block of Kane;
- The neighborhood center will relocate to the subject parcel at the 800 block of Kane;
- Additional parking to service the housing and community center will be installed adjacent to the neighborhood center on the 800 block of Kane.

Please see the attached drawings, which include:

- A site plan and ground floor building layout for the multi-family building proposed for the 700 block of Kane;
- A proposed site plan and various renderings for the community center and additional parking at the 800 block of Kane, including a section through the parking area.

We are proposing this site revision after a diligent effort to evaluate alternates, which we conducted in concert with City staff.

Our current proposal offers a serviceable building plan that has met the approval of City staff, our project partners at The Hunger Task Force (who run the adjacent Kane Street Community Garden), the neighborhood association and the alder. In addition, the St. James Street/George Street site, which is adjacent to the Kane Street Community Garden, can be repurposed for storm water management and/or cultivation. We are working actively with our architect and Borton to revise construction costs for a plan that we believe will align with our budget.

We are grateful for the open ears and minds that have helped us confront challenges to deliver a plan that honors our commitments to unit count and the provision of a community space, and that fits well into the Lower Northside & Depot Neighborhood.

Please do not hesitate to contact me at 608-405-9064 or [mcarlson@impactseven.org](mailto:mcarlson@impactseven.org).

Thank you for your time and consideration,



Michael Carlson  
Director, Real Estate Development

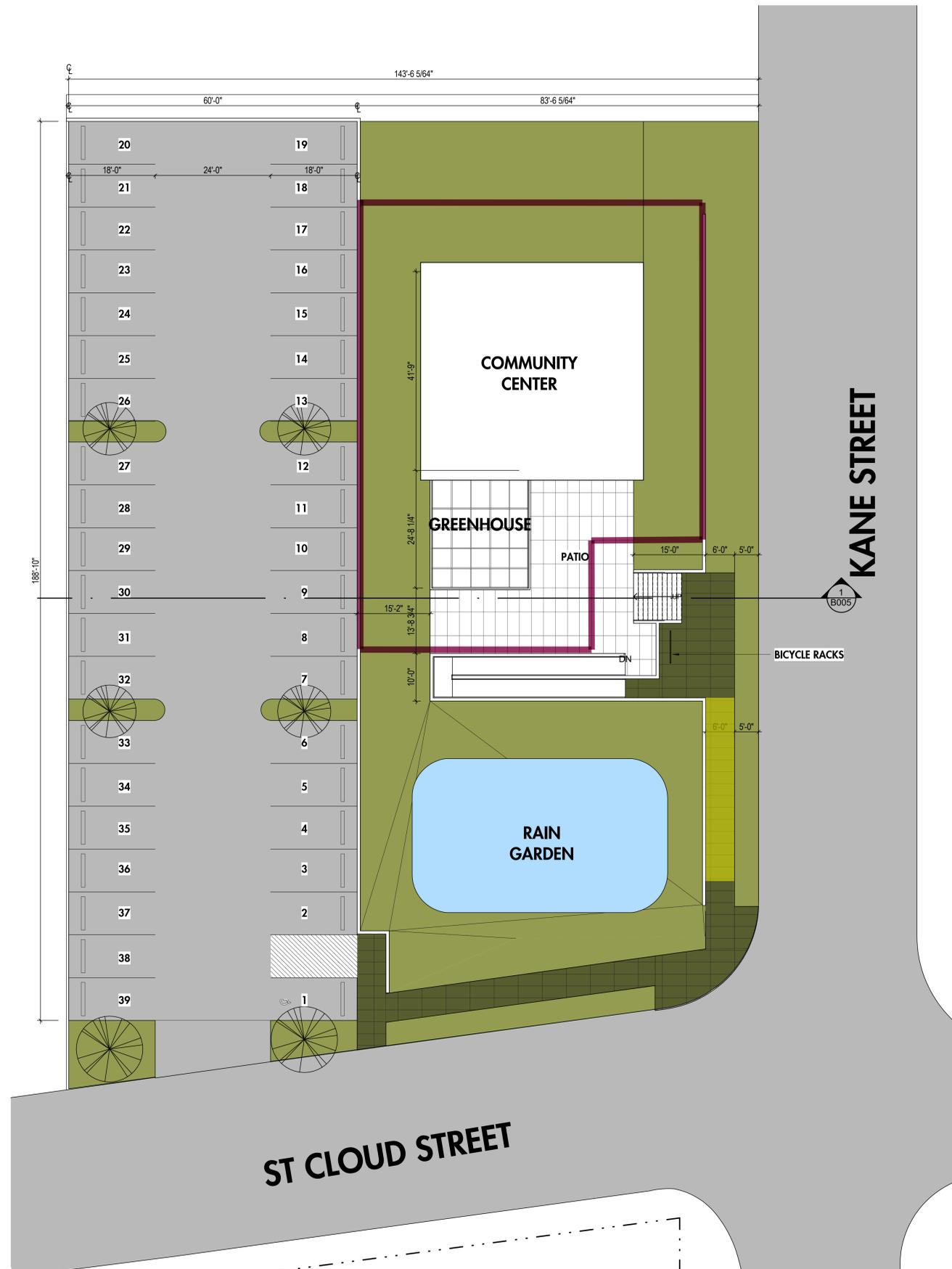


KANE STREET COMMUNITY HUB



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SITE PLAN COMMUNITY CENTER - option 2  
 SCALE: 3/32" = 1'-0"

## Garden Terrace - Community Center



COMMUNITY CENTER - SITE PLAN  
 SCALE: 3/32" = 1'-0"



1 SITE PLAN WITH 1ST FLOOR  
SCALE: 1/16" = 1'-0"

# Garden Terrace - Multifamily Apartments