

**MEMO:**

**To:** Joint Neighborhood Development Corporation Board  
**From:** Brian Fukuda, Senior Consultant, Community Relations, Gundersen Health System  
 Andrea Trane, Director of Planning, Development, & Assessment, City of La Crosse  
**Date:** 10/30/23  
**RE:** Updated Plan of Dissolution for Joint Neighborhood Development Corporation

**Comments:**

A plan of dissolution is a written description of how the nonprofit intends to distribute its remaining assets and address its remaining liabilities. Below is an accounting of the liabilities and assets and some options for distribution/disposal. The only real restriction on distribution of assets is that they must be distributed to another tax-exempt organization or to the federal, state, or local government. Assets can be sold, if sold for a “reasonable amount” (ideally fair market value).

**Liabilities:**

Assuming that dissolution happens prior to the end of the year, the only remaining liabilities will be any expenses that come from the dissolution process. At this point, we are waiting on an invoice from Coulee Region Land Surveyors for \$1,500 for plat of survey work in relation to the sale of real estate. These liabilities can be covered from cash.

**Assets:**

<b><u>JDC Assets</u></b>	<b><u>Description</u></b>	<b><u>Value</u></b>	<b><u>Notes</u></b>
Real Estate	1402 6th Street S.	\$ 0	SOLD – 9/27/23
	512 Farnam Street	\$ 0	SOLD – 9/27/23
Cash	Coulee Checking Account	\$ 106,581.32	Balance as of 9/30/23
Receivables	Farnam Flats Loan	\$ 479,165.87	Balance as of 9/30/23; 2% interest; monthly payments of \$2,119.27; Balloon due 7/2031
<b>Total</b>		<b>\$ 585,747.19</b>	

**Distribution:**

The JDC partnership has been a success. Most of the primary goals of the organization have been completed, with the exception of the goal that stated: “Purchase property for and cause construction of mixed-use housing that includes market-rate housing and healthy food retail / restaurants or other retail uses.” Gundersen Health System (GHS) is in a position to address that goal with redevelopment projects being planned on their existing campus, and the JDC can accomplish that final goal by dedicating the remaining assets to support the commercial components of those projects, as outlined below.

**Cash:** Cash could be transferred to GHS to be used for lease incentives or build-out costs to fill commercial space within the Gundersen redevelopment projects adjacent to the neighborhood. To attract quality tenants and set them up for long-term success within the neighborhood, it is likely that they will require financial incentives.

**Receivable:** The loan could be assigned to GHS, so the loan revenue could provide longer-term lease incentives to help ensure the success of the commercial tenants adjacent to the neighborhood. The monthly loan payments could be directly applied to bring down the monthly lease costs for the tenants and the balloon payment (scheduled for July 2031) could be dedicated to the long-term viability of this project.

The funds should be placed in a temporary restricted fund within Gundersen Lutheran Administrative Services, Inc. for the purposes described above. If, for some reason, the projects are not able to come to fruition and use these funds for the intended purpose within ten years from the date of dissolution, GHS will work with the City of La Crosse Economic and Community Development Commission to transfer any remaining funds to a qualified non-profit that is identified through an application process at that time.

**Next Steps:**

We recommend the Board adopt this document as the plan for dissolution.

The document will then be attached to resolutions for consideration by the City of La Crosse Common Council and the Gundersen Lutheran Health System Board.

Once the plan is fully approved, staff will work to properly execute it, so this action would empower Joint Development Corporation leadership to sign the necessary documents to execute the plan.