



1080 Montreal Ave  
Saint Paul, MN 55116  
commonbond.org

November 26, 2018

Ms. Andrea Schnick  
City of La Crosse  
400 La Crosse Street  
La Crosse, WI 54601

RE: The Apartments at Red Cloud Park – TIF Application

Dear Ms. Schnick,

CommonBond is pleased to submit this application for TIF financial assistance, which is necessary to bring this project to fruition. The Apartments at Red Cloud Park are one component of the Trane 6 redevelopment, which will bring increased economic vitality to the Lower North Side Depot Neighborhood, and contribute to the goals of the Neighborhood Revitalization Strategy Area.

Without an award of tax-increment financing as proposed, this development will not move forward. Rents in the proposed project will be kept very affordable for the majority of the development, and given this, the available financing sources will not cover the costs of development. It is CommonBond's mission to provide housing for those most in need, and our unique model pairs the affordable housing with the supportive services necessary to create housing stability and improved outcomes for families in other areas of life – whether that's securing a job, going back to school, providing a stable platform so one's children can succeed in school, or assisting homeless veterans to live with dignity after their sacrifices for our country. As described in the attached materials, CommonBond has a long history of working in partnership with communities to transform underutilized sites into high-quality, stable housing that contributes to the ability of communities to sustain strong economies.

This development meets the following economic development goals:

- **Job Creation:** The construction of multifamily jobs will create a temporary bump in construction jobs. According to an April 4, 2017 article by Economic News, for every \$1,000,000 spent on a construction job, a typical construction project will generate about 5 new permanent construction jobs. This project is estimate to const \$7,875,000 and therefore should create about 35 jobs. Construction jobs in LaCrosse pay approximately \$15 as a starting wage according to salary estimates from 7 employers, users, and past and present job advertisements on Indeed in the past 36 months.



In addition, once operational, the housing project will employ both a property manager (\$22 per hour) and maintenance person (\$20 per hour) to work on site 24 hours per week each as well as a service coordinator (\$18 per hour) for 16 hours per week.

- Strengthen the Economic Base of the City: Once completed, the building is estimated to be assessed for \$2.3 million.
- Leveraging the Maximum Amount of Non-City Funds: The project has an estimate Total Development Cost of \$10,158,666. The committed CDBG funds (\$471,790) together with the anticipated application for additional funds (\$128,210) and the TIF (200,000) represent about 8% of the total. 92% of the funding for this development will come from non-City sources.
- Promote Efficient Usage of Land through the Elimination of blight and redevelopment of underutilized properties: The site on which this development will be built is part of the Trane Plant 6 facility. This piece of land was cleared during the summer of 2010 and soil remediation was completed in early 2011. Most of the site is currently vacant. Building housing on the site is the part of the plan for using this underutilized property.
- Stabilize and Upgrade Targeted Neighborhoods: The property on which the housing will be built is adjacent to the Lower North Side Neighborhood on a property that is currently vacant. As a result, the redevelopment of this property from vacant to one with new housing will inevitable upgrade the neighborhood.
- Creating a Variety of Mixed-Use Commercial/Housing opportunities to increase the number of City Residents: The proposed development will create 45 new housing units on site to complement the neighboring proposed Veterans Health facility. These housing units have the potential to bring about 60 new residents to the City.
- Encouraging Development Projects that Enhance the Streetscape and pedestrian experience and improve the vitality of downtown: The architectural plans for the project anticipate connections that will enhance the pedestrian experience in the area along St. Cloud Avenue and St. Andrew's street by connecting the project into existing infrastructure. The project has a walk-score of 58 stating that the project is walkable and that some errands can be accomplished on foot.
- Promote Use of Mass Transit: The project is less than 0.1 miles from the No. 5 Busline (Valley View Mall) and the no. 6 Busline (Northside). The developer will participate in the MTU works program for their residents, if applicable.
- Attracting Desirable Business and Retaining existing Business: Due to the walkable nature of the neighborhood and the number of businesses nearby, 45 new homes in the

neighborhood will help to attract new businesses as well as help retain those that are already there.

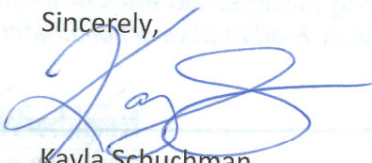
- Contribute to other unique projects or programs that provide public benefits: The proposed development is intended to give a preference for veterans and help them with services. This will be a nice complement to the proposed Veteran Health Facility proposed to be built next door.
- Improving Infrastructure: This project does not propose to improve public infrastructure.
- Retention of Existing Jobs: Not applicable

CommonBond Communities is the sponsor of The Apartments at Red Cloud. The owner entity will be CB La Crosse Family LLC, a Wisconsin limited liability company. The managing member of CB La Crosse Family LLC will be CB La Crosse Family Managing Member LLC. CommonBond Communities, a Minnesota non-profit corporation is the sole member of CB La Crosse Family Managing Member LLC. An additional LLC will be created to act as the developer of the project, with CommonBond Communities as the member.

CommonBond Communities is grateful for the partnership of the City of La Crosse. The addition of housing units to serve those in the community most in need and to revitalize this neighborhood, would not be possible without the City's assistance.

Please feel free to contact us with any questions.

Sincerely,



Kayla Schuchman

Project Manager