



PLANNING AND DEVELOPMENT

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Memorandum

To: Economic Development Commission

From: Planning and Development Staff

Date: May 24, 2018

RE: 18-0756

At the request of the Economic Development Commission, this memorandum provides a brief summary of each of the projects approved by the EDC that have formalized development agreements within Tax Incremental Finance Districts in the prior three years.

THE CHARMANT HOTEL, LLC (TID #11) – January 2015

Project Plan:

The developer will own, refurbish, renovate, and develop a currently underutilized downtown property into a boutique hotel. The project will renovate and revitalize the former Funke Candy Company building, and is also meant to be a catalyst for local business growth in the surrounding area. The building itself will meet LEED Gold standards and will feature a rooftop garden, geothermal heating/cooling, interesting and unique rooms, and the historic rehabilitation of an anchor building that fronts the City's Riverside Park.

Total Projected Project Cost: \$25,000,000

Original vs. Projected Assessed Value: \$405,800 vs. \$7,000,000 (\$6,594,200 increment)

Current Assessed Value: \$9,156,900

Tax Creation (Original vs. Current): \$12,534.30 vs. \$268,135.67

Developer Request: \$500,000 (pay-go grant) – 7.58% of increment value

Approved by EDC: \$750,000 (pay-go grant) – additional funded because WEDC grant not approved – 11.37% of increment value

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2219 LOFTS LIMITED PARTNERSHIP (TID #14) – February 2016

Project Plan:

The developer will own, refurbish, renovate and develop a currently underutilized property (former Armory Bakalars Sausage Building) into low-income housing units. 24 apartment units will be created consisting of one-, two-, and three-bedroom units. Interior spaces will be renovated with the intent of honoring the historic location of the building. Common spaces will also be developed and include a community room, fitness room, lounge area, lobby, on-site laundry, computer area, storage areas, and a common patio area. A new elevator will be installed to access all floors. Developer will also nominate building for listing on National Registry of Historic Places.

Total Projected Project Cost: \$3,300,000

Original vs. Projected Assessed Value: \$358,800 vs. \$805,000 (\$446,200 increment)

Current Assessed Value: \$695,600, Expected 2018 Assessed Value: \$869,500

Tax Creation (Original vs. Current): \$11,603.20 vs. \$20,182.43, Expected 2018 Taxes: \$25,215.50

Developer Request: \$250,057 (pay-go grant) – 56.04% of increment value

Approved by EDC: \$166,000 (pay-go grant) - 37.2% of increment value

*Developer did not meet construction completion date in original agreement. Agreement was amended to delay completion date until January 2019.

DOERFLINGER'S SECOND CENTURY, INC. (TID #6) – May 2016

Project Plan:

The developer will own and renovate a partially vacant property (the former Doerflinger Building) with the intent of creating a more desirable aesthetically pleasing retail and retail support space. Specifically, HVAC improvements, removal of non-historic exterior transom, addition of historic replication transom, installation of 10,400 sq. ft. of wide plank floors, and construction of egress stairs for more retail space will occur.

Total Projected Project Cost: \$385,000

Original vs. Projected Assessed Value: \$1,817,500 vs \$1,870,000 (\$52,500 increment)

Current Assessed Value: \$2,306,900

Tax Creation (Original vs. Current): \$54,302.93 vs. \$68,614.95

Developer Request: \$98,810 (upfront grant), \$94,000 (loan) – 367.25% of increment

Approved by EDC: \$98,810 (upfront grant – includes 15% administrative fee), \$94,000 (loan) - 367.25% of increment

*Loan managed by Redevelopment Authority

ROOSEVELT SCHOOL APARTMENTS, LLC (TID #13) – June 2016

Project Plan:

The developer will own, refurbish, renovate and develop a vacant property (former Roosevelt School Building). The project will result in the creation of 33 affordable housing units.

Total Projected Project Cost: \$6,790,612

Original vs. Projected Assessed Value: \$0 vs. \$1,250,000 (\$1,250,000 increment)

Current Assessed Value: \$1,370,800

Tax Creation (Original vs. Current): \$0 vs. \$39,849.06

Developer Request: \$352,941 (loan) – 28.24% of increment

Approved by EDC: \$300,000 (loan) – 24% of increment

*Loan managed by Redevelopment Authority.

DURATECH INDUSTRIES, INC. (TID #13) – May 2017

Project Plan:

The developer will refurbish, renovate, and develop a portion of its current property as well as construct a 47,000 sq. ft. two story addition to establish a new product line and increase employment by 41 persons over the next 3 years. The new facility constructed will have two custom clean rooms with accurate climate control for manufacturing.

Total Projected Project Cost: \$5,200,000

Original vs. Projected Assessed Value: \$1,969,000 vs. \$4,719,000 (\$2,750,000 increment)

Current Assessed Value: \$122,500 (2018 information not available)

Tax Creation (Original vs. Current): \$3,231.61 vs. \$3,231.61 (project not yet complete)

Developer Request: \$550,000 (upfront grant) – 20% of increment

Approved by EDC: \$275,000 (pay-go grant, 15% administrative fee) – 10% of increment

THE HUB ON 6TH (TID #11) – October 2017

Project Plan:

Developer to refurbish, renovate and develop the former County Administrative Building into 113 residential units, two ground floor commercial spaces, 26 underground parking stalls.

Total Projected Project Cost: \$15,500,000

Original vs. Projected Assessed Value: \$378,300 vs. \$10,500,000 (\$10,121,700 increment)

Developer Request: \$1,500,000 pay-go grant, \$300,000 Upper Floor Renovation Loan – 17.78% of increment

Approved by EDC: \$1,342,103 (15% City, 85% Developer), \$500,000 TIF 11 loan – 18.2% of increment

RWR PROPERTIES – CAMP 20 (TID #7) – January 2018

Project Plan:

The developer will purchase and develop several properties totaling 1.42 acres in the Lower Northside Depot neighborhood (located at the intersection of Wall and Charles Streets). A 32 unit apartment building will be built, consisting of 8 two-bedroom units, 24 one-bedroom units, and 25 detached car one-car garages. This will be a secure property with an automatic gate system, high-levels of security lighting, secure door access, video surveillance system, and full fire alarm and sprinkler system. The project will also include high efficiency LED lighting, Energy Star appliances and will be highly insulated.

Total Projected Project Cost: \$2,500,000

Original vs. Projected Assessed Value: \$71,500 vs. \$2,200,000 (\$2,128,500 increment)

Current Assessed Value: \$71,500 (project not yet complete)

Tax Creation (Original vs. Current): \$320.39 vs. \$320.39 (project not yet complete)

Developer Request: \$220,000 (loan or grant, grant preferred) – 10.34% of increment

Approved by EDC: \$220,000 (loan) - 10.34% of increment

IMPACT SEVEN – GARDEN TERRACE (TID #16) – Development agreement to be signed.

Project Plan:

The developer is proposing to construct a fifty unit family rental housing development centrally located within the City of La Crosse. The proposed development will consist of the construction of one, two-story garden style building and one townhome style building split between two parcels (Parcel 1 and Parcel 2) containing 14, one bedroom units (575 square feet), 16, two bedroom units (825 square feet), 20, three bedroom apartment style units (1,100-1,335 square feet) for a total of fifty units. In addition, the developer is also proposing to construct a separate 1,500 square foot community building located on Parcel 2. The community facility on Parcel 2 will house the Kane Community Hub, featuring a multipurpose meeting space, a catering-style kitchen for activities such as nutritional classes and community meals, and on-site property management offices.

Total Projected Project Cost: \$10,371,083

Original vs. Projected Assessed Value: \$0 vs. \$1,600,000 (\$1,600,000 increment)

Current Assessed Value: \$0

Tax Creation (Original vs. Current): \$3,050.12 vs. \$3,050.12 (project not started)

Developer Request: \$160,000 (upfront grant) – 10% of increment

Approved by EDC: \$160,000 (upfront grant), 15% admin fee stays with city. Total developer grant is \$136,000. \$36,000 to be granted in 2018 and the remaining \$100,000 in 2019 after increment is received. – 10% of increment