
MEMORANDUM

To: MetroPlains Partners, LLC
MetroPlains, LLC

From: Amy Peterson, Planning and Economic Development Administrator

Date: October 19, 2015

Re: **EDC Recommendation on Funding Request**

On October 23th, the EDC recommended to approve a financial assistance package, with MetroPlains Partners, LLC and MetroPlains, LLC (Developer), to redevelop the former Armory/Bakalars Building into low-income housing units. On August 27, 2015, the Developer requested a modification to the terms of the CDBG loan. The following terms are described below:

- The City of La Crosse shall fund a \$500,000 CDBG loan with the following terms: 1% interest over 30 years (\$5,000 per year), interest only payments throughout the life of the loan as a cash flow note with the City's payment immediately after the first mortgage, and principal amount due at year 30. If the development is refinanced at any time during the life of this loan, the equity built in the amount of principal amortized on the first mortgage, shall be paid to the City in a balloon payment. Developer will comply with CDBG federal regulations.
- The City will take a 2nd mortgage on the property through the loan term.
- The Developer will commit to a minimum increment value (real property) of \$805,000 as of January 1, 2016, for the parcel located at 17-50281-70.
- The City of La Crosse shall fund a pay-go TIF grant, to the Developer, not to exceed 85% of tax increment revenue produced by parcel 17-50281-70, over the life of TID 14. Assuming the \$805,000 valuation, this equates to \$12,895 for eleven years, beginning in year 2017.
- The Developer shall apply for the Federal Home Loan Bank Affordable Housing Program (FHLB-AHP) for gap financing. If the FHLB-AHP grant is awarded, the City's TIF grant shall be reduced by an amount equal to the FHLB-AHP grant award.
- The Developer shall increase the number of two and/or three bedroom units under the 30% income limit, in consultation with Couleecap.
- The Developer will permanently remove any billboard on premise.
- Developer will agree to other standard City Developer Agreement terms and conditions.

Rob McCready, Partner

Date

Timothy Kabat, Mayor, City of La Crosse

Date

Teri Lehrke, City Clerk

Date