



PLANNING AND DEVELOPMENT

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Memorandum

To: Economic Development Commission

From: Planning and Development Staff

Date: June 28, 2018

RE: 18-0933, Update on Small Business Development Loans

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 agreements for the Small Business Development Loan Program.

People's Food Co-op, 315 5th Ave South, Tax Parcel #17-20035-60 December 2003

Project Plan: The total project will involve the acquisition and expansion of the current building at 315 5th Avenue South and the demolition of the house at 329 5th Avenue South for a new parking lot to serve the business. However, the SBDL funds are specifically used for the building/property acquisition. Applicant anticipated twenty three full-time and twelve part time positions be created, which would satisfy the requirement.

Total Projected Project Cost: \$4,547,350

Original vs. Projected Assessed Value: N/A vs. not part of original plan

Current Assessed Value: \$2,313,500

Tax Creation (Original vs. Current): N/A vs. \$68,807.18

Jobs Created: 23 full-time and 12 part-time positions

Developer Request: \$250,000 (\$200,000 from SBDL program and \$50,000 from UFRL program)

Approved by EDC: \$250,000

Terms: Twenty year loan at 3.5% interest rate. \$200,000 loan approved in late 2003 and in early 2004 added an additional ten year \$50,000 loan.

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Main Street Renaissance Incorporated, 100 South 3rd Street, Tax Parcel #17-20015-120
June 2005

Project Plan: Completely renovating the properties inside and out, including the removal of the metal grille work on the 100 S. 3rd Street façade. The first floor of the former Rowley's Office Supply would be rehabilitated and divided into three separate stores and the Applicant has indicated that they have already received several letters of intent to occupy this commercial space. In addition to the façade renovation and first floor improvement, the second and third floors will also be rehabilitated into residential uses. The project will result in the creation of four full-time and fourteen part-time jobs, which meets the requirement.

Total Projected Project Cost: \$2,102,000
Original vs. Projected Assessed Value: \$436,000 vs. \$1,650,000
Current Assessed Value: \$956,800
Tax Creation (Original vs. Current): \$17,560.71 vs. \$32,289.48
Jobs Created: Unknown

Developer Request: \$300,000 (150,000 SBDL & 150,000 TIF reimbursement once renovation is completed)
Approved by EDC: 250,000
Terms: 20 year loan at 3.25% interest rate. Payments began month one. \$110,894.34 remaining on loan. Expected to be satisfied in 2026. Outstanding property taxes total \$27,738.04 for 2015 and 2017.

Le Chateau (Ocean Fin), 410 Cass Street, Tax Parcel #17-30100-80
September 2010

Project Plan: Renovations to turn it into a French Mediterranean fine dining restaurant. Every room of the Mons Anderson house was renovated to fit the French theme. The trim work and details were meticulously done and an industrial kitchen was added. Applicant anticipated 3.5 full-time equivalent positions be created, which would satisfy the requirement.

Total Projected Project Cost: Not part of original plan
Original vs. Projected Assessed Value: \$437,000 vs. not part of the original plan
Current Assessed Value: \$437,000
Tax Creation (Original vs. Current): \$12,704.57 vs. \$13,985.79
Jobs Created: 3.5 full-time equivalent positions

Developer Request: \$100,000
Approved by EDC: \$100,000
Terms: 15 year loan, no payment first 6 months, 1% interest rate months 7 through 18, and 3% interest rate onward until year 15. 6 month deferral on loan began in September 2017 and lasted till April 2018 and led to change in amortization schedule. Payoff date remains the same but payment amount increases. \$49,590.34 remaining on the loan. Expected to be satisfied by October 2025

Four Sisters Wine and Tapas, 100 Harborview Plaza Suite 2C, Tax Parcel 17-20001-10
March 2011

Project Plan: Renovating the old Heileman building on Harborview for Wines and Tapas lounge. Space is “white box” condition requiring tenants to make personal investment for the restaurant and lounge that La Crosse is in need of. The space will have indoor and outdoor seating capacity with projected seating of 85-90 inside and 35-40 outside on space overlooking the river. Projected to create four full-time positions and six part-time positions, which meets the requirement necessary.

Total Projected Project Cost: \$570,000
Original vs. Projected Assessed Value: \$2,468,100 vs. not part of original plan
Current Assessed Value: \$5,790,600.00
Tax Creation (Original vs. Current): \$72,891.79 vs. \$169,219.58
Jobs Created: 5 full-time positions and 14 part-time positions

Developer Request: \$70,000
Approved by EDC: \$35,000
Terms: 7 year loan at 0% interest rate for the first six month, months seven through twelve will be principal only payments, months thirteen to twenty-four a 2% interest rate and 3% interest rate till the end of the loan. Loan paid off in April 2018.

The Golden Tap (Aroma Holdings), 520 State St, Tax Parcel #17-20164-40
July 2013

Project Plan: Loan to be used to purchase building, rehabilitation items, and equipment for a new Mediterranean Restaurant and Craft Beer Bar. The building vision is that the bar would be in the south portion of the building and new garage doors would allow an open air experience when the weather permits. The restaurant would be on the north side of the building. Applicant anticipated creation of eight full-time equivalent positions, which would satisfy the requirement.

Total Projected Project Cost: \$420,000
Original vs. Projected Assessed Value: \$163,600 vs. not part of original plan
Current Assessed Value: \$429,700
Tax Creation (Original vs. Current): \$10,393.82 vs. \$12,680.52
Jobs Created: 7 full-time equivalent positions

Developer Request: \$200,000
Approved by EDC: \$198,397
Terms: 5 year loan at 3% interest rate. Loan has \$7,092.23 and is expected to be satisfied in September 2018. The Golden Tap closed in December 2017.

La Crosse Wellness Center (G2G, LLC), 2839 Darling Court, Tax Parcel #17-10315-612
September 2014

Project Plan: Create a Wellness Complex that offers a wide variety of wellness services in one area that fits the needs people are looking for in one location. Plans on creating more jobs for our community and creating jobs and programs for kids on the Autism Spectrum. Will also offer programs/services our community is lacking (Indoor Turf and Synthetic Ice). SBDL will go towards closing costs on property acquisition and equipment. Applicant anticipated hiring six class III jobs (pays at least \$12.61/hour), which would satisfy this requirement.

Total Projected Project Cost: \$3,650,000
Original vs. Projected Assessed Value: \$0 vs. \$3,100,000
Current Assessed Value: \$2,994,800
Tax Creation (Original vs. Current): \$0 vs. \$90,419.68
Jobs Created: 6 class III jobs

Developer Request: \$350,000 (\$200,000 SMDL & \$150,000 TIF Loan)
Approved by EDC: \$350,000
Terms: 10 year SBDL at 0% interest rate months one to twelve. 2% interest rate for months thirteen through one-hundred and thirty two and 6% interest rate till the end. TIF loan with 0% interest and 10 year payback began in 2016. Amortization schedule revised in 2017 that lowered monthly payments with 0% interest for 18 months. Payoff date remains the same. Remaining balance on the SBDL loan is \$179,943.12 and \$96,250 on TIF loan. SBDL expected to be paid off in August 2026 and TIF loan in December 2025.

Dublin Square, 103 3rd St N, Tax Parcel #17-20013-60
January 2016

Project Plan: Construction of a four season patio on Main Street side of their leased patio area. Loan will be used for project equipment and installation during the business expansion. Applicant anticipated creating two full-time equivalent and ten part-time positions which would satisfy this requirement.

Total Projected Project Cost: \$87,168
Original vs. Projected Assessed Value: \$377,000 vs. not part of original plan
Current Assessed Value: \$377,700
Tax Creation (Original vs. Current): \$11,695.31 vs. \$11,697.33
Jobs Created: 2 FTE and 10 part-time positions

Developer Request: \$54,000
Approved by EDC: \$54,000
Terms: 5 year loan with 1% interest. Remaining balance is \$29,987.76. Expected to be satisfied in May 2021.

That Foreign Place/Christos Taverna, 107 3rd St S, Tax Parcel #17-20017-20
July 2017

Project Plan: Had recently relocated to 107 3rd Street S to accommodate a larger retail space, more visibility, and the option to add a restaurant to the adjoining storefront. The new space has about 2500 square feet, roughly half for the retail store side and the remaining space to be used a Christos Taverna. Loan would be used for the project equipment and installation, additional retail and restaurant merchandise, and construction and remodeling costs of the new location to include a wine bar. The applicant anticipated creating 2 full-time and 6 part-time jobs, which would satisfy the requirement.

Total Projected Project Cost: \$ 90,000

Original vs. Projected Assessed Value: \$393,500 vs. not part of original plan

Current Assessed Value: \$423,700

Tax Creation (Original vs. Current): \$12,078.36 vs. \$13,032.74

Jobs Created: 1 full-time position as of 06/18

Developer Request: \$ 40,000

Approved by EDC: \$ 40,000

Terms: 15 year loan at 3% interest. Remaining balance of \$38,823.79. Expected to be satisfied in December 2032.

ServiceMaster, 2004 Ward Avenue, Tax Parcel #17-50323-172
November 2017

Project Plan: To purchase a new property in the City of La Crosse to expand their business and plans on purchasing property at 2002/2004 Ward Ave, La Crosse. Loan would help to purchase property, make needed plumbing improvements on the property and pay for the new property's purchasing agreement. Loan would also go towards purchasing a new company truck. The applicant anticipated creating two full-time jobs, which would satisfy this requirement. Projected to add a 3rd employee within 2 years.

Total Projected Project Cost: \$504,000

Original vs. Projected Assessed Value: \$421,800 vs. not part of original plan

Current Assessed Value: \$421,800

Tax Creation (Original vs. Current): \$6,309.66 vs. \$6,309.66

Jobs Created: 1 to date

Developer Request: \$105,000

Approved by EDC: \$54,000

Terms: 10 year loan at 3% interest. Remaining balance is \$52,448.47. Expected to be satisfied March 2028.