



## PLANNING AND DEVELOPMENT

400 LA CROSSE STREET | LA CROSSE, WI 54601 | P: (608) 789-7512

September 27, 2019

Memo

To: Common Council

From: Jason Gilman, AICP, Director of Planning and Development

C: Mayor Kabat, Andrea Schnick

RE: 621 3<sup>rd</sup> Street Acquisition

Dear Council Members:

Regarding the potential acquisition of 621 3<sup>rd</sup> Street, I would like to offer the following for your consideration:

1. The City taxpayers have and will be making significant public investments on all sides of this property. It is a highly visible and influential gateway to the downtown and it's use and maintenance will have influence over the private investments around it.
2. The property hasn't been for sale for 23 years
3. The property currently only brings in \$6K in annual taxes-much too low for a property of this size (.41 acres), location and visibility. The City's acquisition and redevelopment can bring much higher returns both on and off the site due to this site's influence on the area around it-accelerating investment on the site rather than allowing a buy-and-hold investor to take it and leave it blighted.
4. The current building has deferred maintenance, has an environmental stigma and has non-conforming sign revenues which may offer an investor the opportunity to buy and hold, looking to cash in on elevating market values while letting the property remain blighted. The City can mitigate this with a P-3 redevelopment approach-something our redevelopment plans suggest in this area.
5. The property had multiple bids in the same range as the City's offer, which shows its true market value above its assessed market value.
6. The property can positively advertise what our community values are or negatively advertise our values. 30,000 car a day travel by it; business travelers, recreational tourists, medical tourists and many others. The common good can have some influence in this proposition.
7. The property has high corridor visibility from 2<sup>nd</sup> Street and Copeland-gateway visual corridors in the City

JASON GILMAN, AICP, PLANNING & DEVELOPMENT DIRECTOR  
 TIM ACKLIN, AICP, SENIOR PLANNER  
 ANDREA SCHNICK, ECONOMIC DEVELOPMENT PLANNER  
 LEWIS KUHLMAN, AICP, ENVIRONMENTAL PLANNER  
 JACK ZABROWSKI, ASSOCIATE PLANNER  
 ASHLEY MARSHALL, CLERK STENO III

CAROLINE GREGERSON, COMMUNITY DEVELOPMENT ADMINISTRATOR  
 DAWN REINHART, NEIGHBORHOOD HOUSING DEVELOPMENT ASSOCIATE  
 TARA FITZGERALD, PROGRAM COORDINATOR  
 KEVIN CLEMENTS, HOUSING SPECIALIST  
 KEVIN CONROY, HOUSING REHABILITATION SPECIALIST

8. The City will not take a loss on this property by turning it into a revenue producer above its current state, either through taxable redevelopment or a ground lease (certainly worth more than the current annual \$6K in taxes)
9. The site is a gateway to the City's premier festival grounds and river parkway and will have influence over the character of our public spaces and greater downtown
10. The site is shown as a redevelopment/investment area in the City's downtown plans, the City's RDA plans and the Riverside North plans
11. Owning the site may help the city save money in long range transportation investment in what is now a very complex intersection which will need improving in the future. Not owning it will subject the City to potentially much higher right of way acquisition costs in the future should this site be needed for geometric reconfiguration.
12. The cost of acquisition is accommodated by significant tax investment growth in TID 11 and 17-much of which has been fueled by the elimination of blight, and can be leveraged to create much higher value on the site itself (gaining higher returns sooner through proactive redevelopment or ground lease options)- We need to maintain our commitment to these trends.
13. In order to honor the great investments being made by local investors including but not limited to Cliff Le Clair, the Clearys, The Weber Group, Marine Credit Union and many others, the City should do what it can to mitigate this property remaining blighted.

Lastly, I would suggest acquisition is a fiscally conservative strategy due to the following:

- The cost of blight and its dampening effect on property values in the City
- -The cost of billboard acquisition should we need the property in the future for transportation improvements could be (\$300K +)
- -The cost of transportation right of way should we need this to re-align the geometry of this intersection
- -The opportunity cost of a buy-and-hold investor sitting on it for a long period
- -The blighting impacts on major public investments and our festival grounds
- -The property will never be less expensive
- Favorable historic interest rates and high performing adjacent TIF districts/revenues

Please contact me if you have any questions. Thank you for your consideration.