



PLANNING AND DEVELOPMENT

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

Memorandum

To: Community Development Committee
From: Staff
Date: **February 3, 2021**
Re: Action on LOI 7th & Jackson St

Offer to purchase: \$1.00, see attachment 7th & JacksonSt Plans S&S Framing **Irregular lot:** Approx. 60' x 138'

Purchaser's Experience:

Owner of S&S Framing; owns and manages 2 duplexes & recently built duplex on at 1707 -1709 Jackson St. See picture below for Purchaser's style inspiration.



Proposal:

Construct a 4-unit townhome; each unit will be 2 bedroom, 1 ½ baths and laundry. Construction will take approximately 6 months from the date that the permit is issued. Proposed rents are \$900/mo. Site will have off street parking, bicycle parking and backyard patios. Fences will be installed in between each unit in the rear to create privacy for the patio area. Access walks will be provided to each unit.

Construction:

The Purchaser will be providing electric heat and built in air. A traditional water heater will be located under the stairs of each unit. The building will be wood framed, with asphalt shingles, smart board siding w/ shakes and stone accents on each unit. Purchaser will incorporate window trim and multiple contrasting colors.

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Offer to purchase: \$17,000, see attachment 7th & Jackson St. Plans LADCO

Background:

The City approved a LOI from this Purchaser, LADCO, in February 2020. At that time Staff asked LADCO to provide documentation that would demonstrate the projects feasibility within 60 days. Due to COVID, LADCO requested an extension as they need to redirect their efforts to assist small businesses during COVID. The Committee granted an extension til July 7th, 2020. In August 2020, Staff had not received the requested documents: a business plan, including sources and uses, construction costs, proof of financing, 10-year operating plan or pro-forma and a MOU or agreement with the Koloujus (the commercial space tenant). An extension was not granted and the property was listed for sale in September 2020.

LADCO has since provided an updated plan. The revised plan will provide one commercial space and three residential units. They are not pursuing the acquisition of the adjacent property. The construction costs are estimated to be 1.8M. LADCO has been awarded \$100,000 from the County Acquisition & Demolition Grant Program, they have identified a potential grant of \$250,000 from the Community Investment Grant. LADCO has provided a Cash Flow Analysis but not a proforma. They are still working on finding an Investor and financing for the project.

The Kolouju's have opened their Indian Grocery Store in the Coulee Region Business Center (CRBC). The CRBC is a business incubator and therefore they are still looking for a permanent commercial space to operate the Grocery and expand the business to add a deli.

REVISED Proposal:

4 story structure. The 1st floor will house 1,783 SF of commercial space. The tenant is tentatively an Indian Grocery Store and Deli with a drive through. Floors 2-4 will each have 1-unit of housing that is approximately 1,721SF. Each unit of housing will have 2 bedrooms, 2 bathrooms and laundry. The development will have 14 parking stalls total.

Construction:

It is difficult to forecast an accurate construction schedule as LADCO need to secure funding for the development.