

City Brewing Company, LLC
925 South 3rd Street
La Crosse, WI 54601

April 2, 2021

City of La Crosse
400 La Crosse Street
La Crosse, WI 54601

Commission, Committee, and Council Members,

Please find included with this correspondence a rezoning petition and conditional use permit application for the properties located in Burns Addition east half of Block 3 at the corner of Jackson and 4th Streets.

The petition and CUP are to convert the above mentioned properties, as well as parcels 17-30088-80 and 17-30087-90 from their current zoning to M2-Heavy Industrial. This is to allow for City Brewery to increase employee parking for our growing workforce as well as have proper zoning for future planned expansion of processing facilities.

Parcels 17-30088-20 through 17-30088-70 is currently zoned R5-Multiple Dwelling properties. These properties were/are non-owner occupied rentals. Due to the varying degrees of disrepair, removing the structures will improve the overall appearance of a well-traveled thoroughfare used by residents and visitors to the area. Razing the properties will result in the loss of the tax revenue for the City. However, the loss of tax revenue to the city will be offset in the future by continued infrastructure investments by City Brewery to the La Crosse campus by end of year 2021. In addition, local businesses should see increased sales by the increased number of employees of City Brewery as they stop to patronize local businesses on their commutes to and from work each day to the smaller communities around the area. Also, due to the increased amount of employees at City Brewery, employees are parking along the residential streets surrounding the brewery's campus. This is taking parking from residents of the adjoining neighborhood. This also causes street maintenance and snow removal headaches for the city's street and utility crews.

Parcel 17-30087-90, this structure, formerly the restaurant "Walt's" and then the City Brewery Tour Center, is no longer used in this capacity. It is currently used to house spare parts inventory for the brewery's processing equipment. This area is planned to eventually be converted into more employee parking or into additional processing area. The change in zoning also better aligns with its current and future use.

Parcel 17-30088-80, former restaurant parking, the majority is currently zoned C1- Light industrial and a small portion along the North end is M2-Heavy Industrial. The whole is currently used for parking by City Brewery employees. There would be little effect on use or tax revenue of rezoning the entire parcel as M2. The purpose is to have the parcel properly zoned for the planned future expansion of processing/cellar area.

City Brewery's commitment to the City of La Crosse continues to grow as the brewery grows. During calendar year 2020, City Brewery invested over \$63 million in capital to expand the operations and increase the output of the La Crosse facilities. This included the installation of a new high speed packaging line that offers increased flexibility to ensure we are well positioned for the increased and projected production our customers demand. We also added a variety packaging line which helps meet end consumers demand for increased variety in our customer's product offerings. In 2021, we are continuing to invest and plan to spend an additional \$34 million on additional plant infrastructure and improvements by 12/31/21. These enhancements to the La Crosse facilities required the addition of local and regional employees. Our headcount needs for company and union employees rose from 577 on 1/1/2020 to 686 on 12/31/2020. City Brewery plans to add an additional 140 employees during 2021. Based on the current production goals for the La Crosse facility, City Brewery's La Crosse facility will surpass 5 million barrels of finished product by the end of the fourth quarter 2021 compared to 3.8 million barrels in 2020.

In addition to our own employment needs, City Brewery also contributes to the employment of several skilled tradespeople from La Crosse and the surrounding communities. City Brewery utilizes numerous mechanical, plumbing, electrical and construction contractors who also call La Crosse home. City Brewery also relies on several local service companies to provide trucking, refuse and general support for our operations. As well as several temporary employment staffing agencies and other service providers to help maintain our operations and facilities. City Brewery not only owns and operates the downtown brewery; we also rent over 1.5 million square feet of warehousing from local property owners.

To allow the rezoning and CUP will allow City Brewery to continue its commitment to our employees, customers, our quality vendors and suppliers and the City of La Crosse. Approval of the application and petition will allow City Brewery to provide safe and secure off street parking for our ever increasing number of employees and set the groundwork to allow further investment within the City of La Crosse. Given the brewery's investments in the City of La Crosse in years 2020 and 2021, we ask that the requested CUP not be subject to any payment in lieu of taxes.

Sincerely,

A handwritten signature in black ink, appearing to read "Ross Sannes". The signature is fluid and cursive, written over a white background.

Ross Sannes, CEO

City Brewing Company, LLC