

March 24, 2020

City of La Crosse Community Development Committee
400 La Crosse Street
La Crosse, WI 54601
ATTN: Dawn Reinhart

Dear City of La Crosse Community Development Committee:

The La Crosse Area Development Corporation (LADCO) would like to provide you the following update on the redevelopment project taking place at the former "Plaid Pantry" site, at the corner of 7th Street and Jackson Street in La Crosse, WI.

As you will recall, the approval of the purchase of the "Plaid Pantry" site from the City of La Crosse was contingent on the acquisition and demolition of 1088 7th Street South. LIPCO staff have begun negotiations and established an asking price from David P. Orr, owner and occupant of 1008 7th Street South. After speaking with his real estate agent, who promised him a selling price of \$150,000 ("sellers market"), Mr. Orr established an asking price of \$175,000.

This number is far higher than a realistic acquisition price, and above the \$139,000 approved amount by the LIPCO Board of Directors. That stated, we feel as though a \$20,000 - \$40,000 gap should not kill a project. This simply solidified LIPCO's thoughts of involving a third investor/owner.

LIPCO staff has applied for and been granted \$100,000 from the La Crosse County Acquisition and Demolition Grant program.

At this moment LIPCO staff are working with Keller, Inc., Kalyan and Priya Kolouju and Coulee Bank to establish a cash flow and ownership structure for the project. Moving forward, our calendar is as follows:

September 30, 2020 – Complete Pro Forma (working with Keller and Coulee Bank)

September 30, 2020 – Determine Project Feasibility

- Construction Costs
- Market for proposed housing
- Ownership Structure

November 30, 2020 – Establish Investor/Property Owner

Dec 31, 2020 – Apply for Construction Loan

Dec. 31, 2020 – LIPCO Approval

- Approval of acquisition property
- Approval of construction loan (if necessary)

**Complying with necessary approvals from the City of La Crosse throughout the process.

Sincerely,

Samuel Bachmeier, Economic Development Coordinator

cc: Kalyan and Priya Kolouju
Jodi Ehrenberger
Scott Brooks
Bob Burg
Andrea Trane