

August 30, 2023  
Three Sixty Real Estate Solutions, LLC  
1243 Badger Street  
La Crosse, WI 54601

TO: La Crosse City Clerk  
CC: Planning Staff

**RE: Request for Zoning Approval Extension on 2415 State Rd – Copper Rocks Redevelopment**

**Background Information**

In July of 2022 we obtained all necessary city approvals to re-zone the above location to a Planned Development District from Commercial zoning.

Our team worked to develop construction cost estimates and a financial pro-forma upon getting the rezoning approved. The proposed project had some financial gaps that we were planning to apply for WEDC grants and local TIF, without which, we would not be able to do the project.

After receiving updated cost estimates on the project, we found that due to market forces our initial projected construction costs have increased by approximately 30%. Added to this cost increase is an increase in interest rates for borrowing from 3.5% in January 2022 to 7.5% presently. We analyzed our projected rent roll for the apartments and commercial space at Copper Rocks and have determined that the return on investment was not acceptable, even with TIF from the city and a possible WEDC grant. We are thirteen months past our re-zoning approval and while we see some relief in the cost of materials in some building products, other material costs continue to rise as do interest rates.

**Request from Developer on Extending the Zoning approval**

Our request at this time is for an extension of eighteen months to allow for construction costs to come down, interest rates to come down and rents to increase or some combination of the three. We still anticipate applying for TIF from the city and applying for WEDC Idle Site Grant. The goal is to have the return on investment attractive enough to ensure the project can move forward.

Respectfully,

Jeremy Novak  
Three Sixty Real Estate Solutions, LLC

