

**CITY OF LA CROSSE, WISCONSIN  
UPPER FLOOR RENOVATION PROGRAM**

**GUIDELINES**

**AUTHORITY**

The Upper Floor Renovation Loan Program (Program) was initiated by the City of La Crosse Common Council via Resolution approved October 11, 2001. The Resolution adopting the program guidelines was approved December 12, 2002. The resolution authorizes the City of La Crosse to use State of Wisconsin Board of Commissioners of Public Lands funding for activities that renovate upper floors of buildings in Downtown La Crosse.

**POLICY**

The City of La Crosse Common Council is the policy setting body for the Program and is responsible for revising and amending guidelines and approving loans. Loan approval consists of the approval of a loan amount, interest rate, loan term and any other special conditions. The City of La Crosse Common Council will also be responsible for approving the final Loan and Development Agreement for each project.

**ADMINISTRATION**

The Program will be administered by the City of La Crosse Planning Department. Planning staff will provide necessary information to the Common Council, work with eligible applicants, receive proposals, perform pre-loan analysis, and supervise loan processing. After preliminary loan approval, staff is responsible for preparing a Loan and Development Agreement in accordance with approved terms and conditions and other applicable terms and conditions.

**PROGRAM OBJECTIVES**

The Program is designed to encourage long-term economic growth in the Central Business District. The Program seeks to achieve the following objectives:

1. Developing the interior of upper floors of vacant or underutilized buildings.
2. Eliminate blight and conserve important properties.
3. Develop an attractive and profitable commercial environment.
4. Increase property values.
5. Increase housing opportunities.

**TYPE OF ASSISTANCE**

Direct loans.

**USES/USE RESTRICTIONS**

Funds may be used for rehabilitation or reconstruction of the interior of upper floors of eligible buildings. Eligible activities include structural and mechanical building systems and permanent equipment. Qualified

projects must conform to the general concept plan for the area and must be located in the Central Business District. The boundaries of the Central Business District are the Mississippi River, the La Crosse River, 8th Street and Cameron Avenue.

### ELIGIBLE PROPERTIES

Assistance will be available for improvement of taxable property located in the Central Business District. Properties must be used for commercial or commercial and housing purposes.

### ELIGIBLE APPLICANTS

Proposals for financing may be submitted by property owners of eligible properties.

### FINANCING

Loans shall not exceed \$50,000. Interest rates shall not exceed the rate the City of La Crosse pays on the bonds from the State of Wisconsin Board of Commissioners of Public Lands. Amortization period and other loan conditions can be tailored to specific project needs. The Program is not a sole source of project financing. Lender and equity funds are required.

### CONTINUED FINANCING ASSISTANCE

The City's ability to provide continuing assistance is based on availability of funds from the State of Wisconsin Board of Commissioners of Public Lands. The City's Director of Finance is directed to apply for funds as the need occurs.

### PUBLIC BENEFIT

Public benefit will be measured by the increase in property value as a result of the project. Property values must increase at a rate of two times the City's loan. (A \$50,000 City loan must result in a \$100,000 increase in property value.)

### HISTORIC PROPERTIES

Historic properties must be treated in a manner that is consistent with the Secretary of Interior's Standards on Historic Preservation.

### PROGRAM CONTINUATION

Stability through continued funding for the Program is dependent upon:

1. Common Council allocation of funds borrowed from State of Wisconsin Board of Commissioners of Public Lands.
2. State of Wisconsin Board of Commissioners of Public Lands funding.
3. Level of repaying borrowed funds.

Principal and interest repaid to the City will be returned to the Program to make other loans.

## CONFLICT OF INTEREST

Except for approved eligible administrative and personnel costs, no member, officer, or employee of the City, its designees, or agents, no consultant, no member of the governing body of the City, and no other public official of the City, who exercise or who has exercised any functions or responsibilities with respect to the project during his/her tenure, or who is in the position to participate in a decision-making process or gain inside information with regard to the project, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, who are to perform in connection with the project business or in any activity for benefit therefrom, which is part of the project business at any time during such persons tenure or for one year thereafter.

## **ELIGIBLE PROPERTIES/APPLICANTS**

The Program is designed to renovate deteriorating building upper floor interiors for new and higher economic uses. Properties eligible for loans include those buildings that are:

1. Located in the Central Business District,
2. Private taxable properties,
3. Proposed for commercial or mixed-use activity, and
4. Have vacant and/or underutilized upper floors.

Eligible applicants for rehabilitation loans include property owners of eligible properties.

No consideration will be given to rehabilitation projects located outside the Central Business District.

## **PROJECT ACTIVITIES**

### **Architectural and Engineering Analysis**

A building analysis is required for each project. The project must be determined feasible by a licensed architect or engineer and final products must comply with state and local codes. Rehabilitation of historic properties must follow "Standards for Rehabilitation" by the Secretary of the Interior. The format for the analysis shall be provided by the City. The cost of the analysis shall be the applicant's responsibility.

### **Project Supervision**

Architects with Wisconsin licensing shall be utilized to provide guidance in design development, to prepare construction documents, and to oversee rehabilitation/construction. In addition, professional general contractors (wherein their principal time and primary income are derived from rehabilitation/construction activities) shall be employed on City of La Crosse financed projects to undertake and complete all rehabilitation/construction activities.

## **Exterior Rehabilitation**

Activities principally involving exterior rehabilitation are not eligible under the Program. Activities that directly impact both interior and exterior surfaces, such as window replacements, are eligible.

## **Interior Rehabilitation**

Eligible activities include only interior rehabilitation efforts on the upper floors. Examples of eligible interior rehabilitation activities include, but are not limited to:

1. Repairing and/or replacing interior features such as stairs, elevators, lighting fixtures, etc.;
2. Reconstruction and/or installation of floors, walls and other permanent fixtures;
3. Installation and/or repair of mechanical systems such as heating, air-conditioning, electrical, plumbing, fire protection, etc.
4. Installation of an elevator (basement to top floor).

## **PROJECT SELECTION**

The City Planning Department will accept proposals from eligible applicants at any time. Financing projects will depend upon the availability of funds at the time applications are approved.

Projects will be selected for financing assistance based upon two primary criteria:

1. The degree to which the proposal meets program objectives; that is, how well the project:  
a) contributes to an improved commercial environment, and b) provides housing.
2. The proposal's economic viability based on financial documentation (including pro forma and market feasibility).

## **FINANCING**

Financial assistance from the Program is designed to make projects economically feasible. Type of assistance is a loan made under the following terms and conditions:

1. Interest Rate - Interest rate will not exceed the rate the City pays for the borrowed funds, (?% on the first allocation).
2. Term - 5 to 10 years.
3. Loan Limits - Loans may be made up to 50% of total project cost, pending availability of funds and public benefit from the project. Maximum loan limit is \$50,000.
4. Equity - Each project will require a minimum of 10% owner equity.

5. Security - Loan funds will be secured by a mortgage in favor of the City of La Crosse and subordinated at the discretion of the Common Council.
6. Project Initiation - An approved project should commence within six months from the date of loan approval.
7. Loan to Value Ratio - Loan to value ratio shall not exceed 120%.

The Program is intended to be flexible and assistance is customized to meet particular needs of individual projects. Where evidence exists, the Committee will have the option of exceeding loan terms and conditions to assist proposals that are significant in meeting objectives of the Program.

### **Required Documentation**

Each proposal submitted to the Program must include documents upon which financial analysis and final lending determination can be made. The application contains the complete list of submissions.

### **Fees**

A non-refundable loan origination fee of \$250.00 is required at time of submission of the loan application. Fees shall be used to offset administrative expenses, including salaries, relative to application review and program implementation.