

RESOLUTION 2021-25

**REQUESTING FINANCIAL ASSISTANCE THROUGH THE WISCONSIN
DEPARTMENT OF ADMINISTRATION'S NEIGHBORHOOD INVESTMENT
GRANT PROGRAM TO SUPPORT THE BLACKHAWK JUNCTION
REVELOPMENT PROJECT, AUTHORIZING THE CITY ADMINISTRATOR TO
ACT ON BEHALF OF THE CITY OF PRAIRIE DU CHIEN AS IT RELATES TO THE
GRANT, AND RESOLVING TO MEET ALL FINANCIAL OBLIGATIONS OF THE
GRANT**

WHEREAS, the City of Prairie du Chien, Crawford County, Wisconsin, hereby requests a \$1.5 million Neighborhood Investment Fund grant from the Wisconsin Department of Administration for the purpose of assisting the proposed Blackhawk Junction redevelopment project in Prairie du Chien's downtown area; and

WHEREAS, the COVID pandemic severely impacted the economy of Crawford County especially small business and the tourism sector as reflected in a drop of room tax revenue of 23% between 2019 and 2020 and an increase in unemployment by 75% in the same period; and

WHEREAS, this project will result in a more resilient community, economy, and downtown and addresses long-term critical needs; and

WHEREAS, the nine-acre property in question is a gateway to the community, a blighted property, and a contaminated site; and

WHEREAS, the Redevelopment Authority of the City of Prairie du Chien acquired the property through blight determination; and

WHEREAS, the redevelopment of the property is expected to ultimately create well over \$10 million in new tax base, to expand housing opportunities in the community, and strengthen the commercial core of the City, and

WHEREAS, the 2004 *City of Prairie du Chien Downtown Development Master Plan* specifically identified this property as a high priority redevelopment site, and

WHEREAS, the 2005 *City of Prairie du Chien Comprehensive Plan*, identified the following economic development policies: a) encourage continued downtown revitalization to enhance economic activity and b) promote redevelopment of brownfields/contaminated sites; and

WHEREAS, in 2019 the Redevelopment Authority of the City of Prairie du Chien declared the area blighted and adopted a Redevelopment Plan which included the objectives of housing and commercial redevelopment of the site; and

WHEREAS, the City, RDA, and the Wisconsin Department of Natural Resources have worked together to perform the Phase 1 and Phase 2 Environmental Site Assessments and Further Site Investigations and through an EPA Planning Grant to develop a redevelopment plan for the site, and

WHEREAS, on March 2, 2021, the Common Council created Tax Increment Financing District (TID) #8 and adopted a Project Plan for the TID to support the redevelopment efforts of the site, and

WHEREAS, the Developer of the housing component intends to develop the southern-most four acres of the Redevelopment Area with ninety-six (96) rental apartment units in six buildings to be constructed along with other site improvements such as garages, paving, parking, public sidewalks, and landscaping in two equal phases of forty-eight (48) units and three buildings per phase; and

WHEREAS, the Developer will start Phase 1 of the development in 2022 and Phase 2 no later than August of 2025 with each phase to be completed within 12 months of commencing construction; and

WHEREAS, the Developer intends to spend a minimum of Five Million Dollars (\$5,000,000) constructing each phase for a total investment of Ten Million Dollars (\$10,000,000); and

WHEREAS, the City and Developer expect that, upon stabilization, each phase of the Project will have an equalized assessed value, for real and personal property tax purposes of at least Four Million and No/100 Dollars (\$4,000,000) and

WHEREAS, as an inducement for the Developer to develop the Project on the Property, the City and RDA have agreed to provide Developer with grants in the form of land, cash, and a municipal revenue obligation to pay eligible Project costs; and

WHEREAS, three Businesses are committed to build three new commercial buildings on the north half of the property in 2022 resulting in a minimum of \$3,000,000 in new tax base; and

WHEREAS, this new commercial development will support existing, successful local businesses in expanding in the Prairie du Chien's downtown, will facilitate the location of new businesses in the downtown, and will result in the creation of new jobs and increased payroll; and

WHEREAS, the TIF District will contribute approximately \$1.2 million to each Phase of the housing project; and

WHEREAS, the Neighborhood Investment Fund grant will in the short-term leverage \$1.5 million in other public funds and \$8 million in private investment; and almost double that in the longer term; and

WHEREAS, the City finds that the construction of the Project is in the vital and best interests of the City and its residents, by eliminating blight, expanding tax base and housing, thereby serving public purposes in accordance with state and local law and consistent with the City's Project Plan for the TIF District; and

WHEREAS, the City is authorized to enter into contracts necessary and convenient to implement the purpose of the TIF District, including the ability to issue municipal revenue obligations for the purpose of expanding public infrastructure as provided in Wis. Stat. § 66.0621; and

WHEREAS, the development of the Property as contemplated by this Agreement is necessary and desirable to serve the interests of the City and its residents by eliminating blight, expanding the tax base of the City, and providing additional housing opportunities, all consistent with the purpose of a Tax Incremental Finance District under Wis. Stat. § 66.1105; and

WHEREAS, the City is committed to a) the continued redevelopment of downtown Prairie du Chien; b) the support and growth of the housing in the community, and c) the redevelopment of vacant, blighted,

and/or underutilized properties to grow the tax base, to create new jobs, and to support the commercial sector of Prairie du Chien; and

WHEREAS, the City has successfully applied for and administered numerous other state and federal grants; and

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Prairie du Chien to direct and authorize the City Administrator to submit a Neighborhood Investment Fund application to the Wisconsin Department of Administration; to sign all documents; and to take necessary action to undertake, direct, and complete the approved project; and

BE IT FURTHER RESOLVED by the City of Prairie du Chien that the Neighborhood Investment funding will be utilized for site preparation and improvements, infrastructure, and land acquisition, razing a building on the site, and performing environmental assessment and remediation of the property; and

BE IT FURTHER RESOLVED that the City of Prairie du Chien will comply with state and federal rules for the program.

Duly adopted by the Common Council of the City of Prairie du Chien at a legal meeting on the 19th day of October 2021.

By a vote of: _____ in favor, _____ against, and _____ abstain.

David Hemmer, Mayor of the City of Prairie du Chien

ATTEST:

Chad Abram, Administrator of the City of Prairie du Chien