CITY OF STOUGHTON
FINANCE DEPARTMENT
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Date: January 7, 2021

To: Redevelopment Authority

From: Jamin Friedl

Subject: 421 E. Main Street

Joanne Grassman is interested in purchasing and rehabbing the building located at 421 E. Main Street. She recently reached out to the Finance Department inquiring about potential TIF or other funding available to assist with this project. This building is located in TIF No. 5; however, I do not believe enough value would be created to provide the type of funding assistance Ms. Grassman is looking for.

One alternative we discussed is similar to how the RDA offered to assist Abel Gallery in researching and securing grants. I requested a memo from Ms. Grassman summarizing the proposed project to aid the RDA in possibly identifying ways it could assist with securing funding.

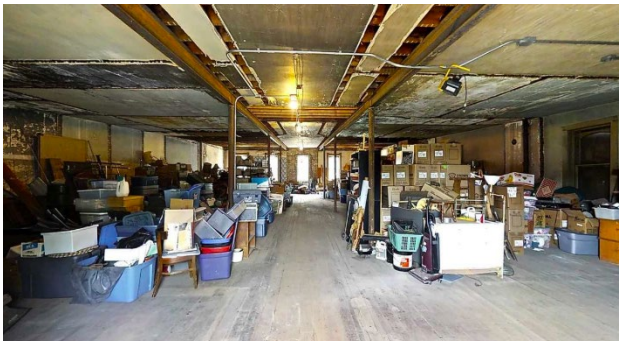
The information received from Ms. Grassman follows:

Our intent is to historically restore as much of the building as possible and to renovate the remainder so that it becomes a beautiful, functional building that contributes prominently to Stoughton's downtown.

The building provides one of the first "looks" that visitors see when they enter downtown from the East. Interestingly, the building also sits on the horizon of downtown as one enters from the West and is visible as far west as Van Buren St. It is 2 doors down from the Stoughton Opera House and sits on a corner that will be a traffic flow to the new Riverfront Development. Currently, the building's look is "blighted" by the city's description. Windows and doors are boarded, the brick has been neglected and, worse, patched with cement (which will eventually destroy the brick) and painted over.

While the first floor of the building is currently usable, it has lost its historic beauty & value:

The upstairs of the building is currently not functional as it has no heat, a/c, plumbing and limited electricity, aside from having no walls or ceiling!



Our vision for the building is to renovate the upstairs into three high quality apartments, two 1-bedroom units and one 2-bedroom, 2-bath unit. The apartments will feature the restored original wood floors and tin ceilings along with up-to-date features like in-unit washer/dryer. The one-bedroom apartments will have a sunny southern exposure with beautifully restored windows. We hope to include a porch for all tenants that overlooks Rotary Park.

The main floor will have the original wood floors restored, tin ceilings (replaced) and will become a spacious retail gallery for artisan home furnishings featuring Wisconsin made works. Our LLC has already been formed: Grand Inspired LLC, named after the Grand Hotel.

The lower level also holds potential to be renovated into retail space as it has a walkout back and high ceilings. This will be phase three of our plan.

The outside of the building will have the windows and brickwork restored to again highlight the beautiful architecture of the building.

Financially, we are not sure that this can happen. We have had one general contractor visit the building with us who estimated that it could cost as much as $400-$450K to bring up to code and livability. This includes masonry, window repair & replacement, HVAC, Electricity, Plumbing, potentially roofing as well as the general building costs of constructing apartments. This, of course, does not include the cost to purchase the building. The project would not be feasible at that cost as the value of the finished building would not reach the level of investment.

But, we would like to move forward, trying to decrease costs by being our own GC and putting in as much "sweat equity" as we can. This will mean the project will take longer to complete before it can start generating any income. We are also exploring the Historic Preservation Tax Credits and have consulted with the Wisconsin Historical Society. We hope to put in an offer on the building imminently that will include contingencies of getting restoration & renovation quotes that make the project viable. Again, these may come back too high to make the project financially possible.

This is not an easy project. There is a ton of work to do on the building and it has the real potential to be out of reach financially, which is probably why the building has been on the market for over two years. The longer the building sits as is, the higher the cost to restore it and the more likely it is that it will not ever happen.