

HOFF MALL EXPANSION

101 E. Main St & 111 S. First St

Mt. Horeb, WI

WEDC – Community Development Investment Grant

Attachment

Section A – 1

Project Introduction

The owner of the project will be Hoff Associates of Mt Horeb, LLP. The Gallina Companies is the developer of the project. Hoff Associates have owned and operated Hoff Mall at 101 E. Main St. since 1986. The Gallina Companies have an accepted Offer to Purchase 111. S First St and 109 E. Front St. The Offer to Purchase will be assigned to Hoff Associates prior to closing. Upon completion of the project, the mixed use development will have 12,115 Sq. Ft. of commercial space and 42 apartments.

The Hoff Mall Expansion project is the redevelopment and expansion of the historic Hoff Mall building. Originally opened in 1887 as the Hoff Company General Store, the building was operated as a general store until 1984. Hoff Associates purchased the building in 1986, did extensive remodeling and renovation and had the building placed on the National Register in 1989. The proposed Hoff Mall Expansion involves the remodeling of the existing Hoff Mall building located at 101 E. Main St, including upgrading and renovation of the existing 12 apartments and division and remodeling of an existing 1,157 sq. ft. suite of commercial space. The proposed project also includes construction of a four-story, 30 unit luxury apartment building at 111 S. First St a shared parking lot and an additional parking lot located at 109 E. Front St. As per the recently approved GDP, the Hoff Mall Expansion at 111 S. First St. is designed to strengthen the entire Hoff Mall project, as well as the surrounding properties. The expansion project is the redevelopment of this underutilized site and removes the blighted existing 1- and 2-story buildings with new high-quality apartments with both enclosed and surface parking.

The addition of the four-story luxury apartment building is a high-quality infill development that is designed to enhance the historic character of the Hoff Mall building and to be compatible with the architecture of the surrounding downtown business district. This new structure will provide a needed alternative housing option for the Mt. Horeb multi-family rental market as well as serving as a catalyst for the revitalization of the downtown area as envisioned with the newly created TID #5. See Attachment Section C-1 for project images and site plan.

Owner / Developer

The developer and property manager of the project is The Gallina Companies. Established in 1980, the firm provides in-house development, design, construction, acquisition and ongoing management of luxury apartments, residential condominium properties and commercial retail/office buildings. The Gallina Companies has successfully developed over 3,100 apartment units in the Madison, Milwaukee, northern Illinois, and western Florida areas.

The Gallina Companies initially redeveloped the Hoff Mall building and have managed it since its completion in 1986. Since then, Hoff Assoc. of Mt. Horeb, LLP, which is affiliated with The Gallina Companies, have owned, renovated and maintained this mixed-use development to preserve this prominent historic downtown property. In 2011, The Gallina Companies relocated its corporate offices into Hoff Mall as further evidence of our commitment to Mt. Horeb and the downtown area. With this experience in the market, we feel there is strong demand for quality housing and commercial spaces in the downtown Mt. Horeb.

Also see attachment Section C – 6 for the developers and owners resume and past projects completed.

Project Status

SIP Approval	December, 2016
TIF / Development Agreement	December, 2016
Grant Approval	December, 2016
Loan Approval	November, 2016
Loan/ Purchase Closing	January, 2017
Construction Commencement	March, 2017
Construction Completion	March, 2018

Community Economic Impact

The Mount Horeb Area Economic Development Corporation (MHAEDC) formed a “Downtown Study Committee” to study what other communities have done to revitalize their downtown areas and provide incentives to attract new businesses. Their study was essential to help the Village develop a plan for downtown MH revitalization and the creation of TID #5. One of the key findings of the study was to have downtown residential housing which is an essential element for vibrant evening and weekend business support.

The Hoff Mall project will provide this needed housing to help drive further commercial development and investment in the downtown. The recently submitted 4 story office building, at the corner of Front and Second St, for the corporate offices of Duluth Trading is evidence of this.

The Hoff Mall development will have a positive social and economic impact on the downtown area. The construction will provide an estimated 70 jobs for the building trades while the completed project will provide for a part-time property manager in addition to the high quality, energy efficient housing for the work force and others in the area.

The improvements to the properties will provide an additional estimated increment to the tax base of \$2,493,500 and enhance the property values of the surrounding properties.

The Village of Mt Horeb is supportive of the Hoff Mall development as evidenced by the approval of the GDP, TIF Funding and authorization to submit the CDI grant application.