



# City of Appleton

100 North Appleton Street  
Appleton, WI 54911-4799  
www.appleton.org

## Meeting Agenda - Final Community & Economic Development Committee

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Wednesday, August 11, 2021

4:30 PM

Council Chambers, 6th Floor

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1. Call meeting to order
2. Roll call of membership
3. Approval of minutes from previous meeting

[21-1111](#) CEDC Minutes from 7-14-21

**Attachments:** [CEDC Minutes 7-14-21.pdf](#)

#### 4. Public Hearings/Apearances

#### 5. Action Items

[21-1112](#) Request to approve the Development Agreement with Merge LLC for a mixed-use development located on the southeast corner of E. Washington Street and S. Oneida Street (103 E. Washington Street) in Tax Increment Financing District No. 11

**Attachments:** [Merge DA Memo 8-11-21.pdf](#)

[0312 - Merge Development Agrm - 07-28-2021 \(with exhibits\).pdf](#)

#### 6. Information Items

[21-1113](#) Community & Economic Development Department Mid-Year 2021 Budget Report

**Attachments:** [2021 Mid Year Report Comm Econ Dev Dept.pdf](#)

#### 7. Adjournment

*Notice is hereby given that a quorum of the Common Council may be present during this meeting, although no Council action will be taken.*

*Any questions about items on this meeting are to be directed to Karen Harkness, Director, Community and Economic Development Department at 920-832-6468.*

*Reasonable Accommodations for Persons with Disabilities will be made upon Request and if Feasible.*



# City of Appleton

100 North Appleton Street  
Appleton, WI 54911-4799  
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## Meeting Minutes - Final Community & Economic Development Committee

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Wednesday, July 14, 2021

4:30 PM

Council Chambers, 6th Floor

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1. Call meeting to order

**Meeting called to order at 4:30 p.m.**

2. Roll call of membership

**Present:** 4 - Reed, Thao, Alfheim and Wolff

**Excused:** 1 - Firkus

3. Approval of minutes from previous meeting

[21-0985](#)

CEDC Minutes from 7-7-21

**Attachments:** [CEDC Minutes 7-7-21.pdf](#)

**Alfheim moved, seconded by Wolff, that the Minutes be approved. Roll Call.  
Motion carried by the following vote:**

**Aye:** 4 - Reed, Thao, Alfheim and Wolff

**Excused:** 1 - Firkus

4. **Public Hearings/Appearances**

5. **Action Items**

[21-0986](#)

Request to amend the Development Agreement for the Zuelke Project located at 103 W. College Avenue in Tax Increment Financing District No. 11 and approve the associated Houdini Plaza Lease Agreement

**Attachments:** [Memo to CEDC 1st Amendment to Zuelke Project Dev Agrmt 7-8-21.pdf](#)  
[Zuelke - Fully Executed Dev Agrm.pdf](#)  
[MemotoCouncil TaxReformBill 12-18-17.pdf](#)  
[First Amendment to Dev Agrm - Zuelke-City - FINAL.pdf](#)  
[Zuelke - Houdini Plaza Lease Agreement - FINAL .pdf](#)  
[TID No. 11 Project Plan Amendment\\_FINAL.pdf](#)

**Alfheim moved, seconded by Thao, that the Report Action Item be recommended for approval. Roll Call. Motion carried by the following vote:**

**Aye:** 4 - Reed, Thao, Alfheim and Wolff

**Excused:** 1 - Firkus

## 6. Information Items

## 7. Adjournment

**Wolff moved, seconded by Thao, that the meeting be adjourned at 4:40 p.m. Roll Call. Motion carried by the following vote:**

**Aye:** 4 - Reed, Thao, Alfheim and Wolff

**Excused:** 1 - Firkus



*"...meeting community needs...enhancing quality of life."*

# MEMORANDUM

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TO: Community and Economic Development Committee (CEDC)

FROM: Karen Harkness, Director of Community & Economic Development  
Matt Rehbein, Economic Development Specialist

DATE: August 11, 2021

RE: Request Approval of the Development Agreement between the City of Appleton and Merge, LLC in TIF District #11

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Tax Increment Financing District Number 11 (TIF District #11) was created by the City of Appleton in August 2017 under the authority provided by Wisconsin Statute Section 66.1105 "Tax Increment Law" to eliminate blight and stimulate the redevelopment of this urban corridor. TIF District #11 was created as a "Blighted District" based upon the finding that at least 50%, by area of the real property within the District, is blighted within the meaning of Wisconsin Statute Section 66.1105 and 66.1333. The Project Plan was amended in September 2020.

TIF District #11 is located along East College Avenue from approximately Drew Street to just west of Superior Street, south to Water Street, and north to East Pacific Street.

Merge LLC (Developer) is requesting assistance to support a mixed-use project. The parcel, located on the southeast corner of E. Washington Street and N. Oneida Street is owned by the City of Appleton. The proposed concept is for a 5-story development which would include a mix of 56 residential units and ground floor commercial uses. A concept of proposed improvements is included as Exhibit B of the Development Agreement. This concept shows an anticipated Phase II at the location of the former Blue Ramp which will be brought forward as a separate Development Agreement.

This parcel has been vacant since the City demolished the Conway Hotel in 2013. This development will offer another opportunity for residential living in our Central Business District. This project is targeted to support the City's Comprehensive Plan goal of increasing the quantity and variety of housing product offered in Downtown Appleton.

Based on the analysis of current value of the property, projected value of the property and review of proposed expenses, TIF District #11 would invest the lesser of eighteen percent (18%) or \$1,386,000 of the Tax Increment Value as of January 1, 2024, plus interest thereon to support the construction work for Merge, LLC.

**Staff Recommendation:**

The Development Agreement between the City of Appleton and Merge LLC **BE APPROVED.**

## TAX INCREMENT DISTRICT NO. 11 DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "Agreement") is dated as of the \_\_\_ day of \_\_\_\_\_, 2021, by and among Merge LLC, an Iowa limited liability company ("Developer") and the City of Appleton, a Wisconsin municipal corporation (the "City").

### RECITALS

Developer and the City acknowledge the following:

A. Developer owns or will acquire the real property located on the southeast corner of E. Washington St. and S. Oneida St., (Parcel 31-2-0281-01) Appleton, WI more particularly described in Exhibit A, attached hereto (hereafter the "Property").

B. The Property is located within the City in Tax Increment District #11 (the "District") which was created in 2017 pursuant to Section 66.1105, Wis. Stats. along with a plan for the redevelopment of the District (the "District Plan") that provides for, among other things, the financial assistance set forth in this Agreement.

C. Subject to obtaining the financial assistance set forth herein, Developer has proposed improvements to the Property to create approximately one floor of commercial/retail space and four floors consisting of approximately fifty-six (56) market rate living units offering studio and one bedrooms with approximate square footage ranging from 385 to 720 per unit (the "Project"). All references to the Project include the Property.

D. The City has determined that the Project will spur economic development, expand the City's tax base and create new jobs; that such financial assistance is a Project Cost under the Tax Incremental Law; that the amount of financial assistance provided pursuant to this Agreement is the amount necessary to induce development of the Project; and, that the Project will not proceed without the financial assistance set forth in this Agreement.

E. Subject to obtaining financial assistance as set forth herein, Developer intends to undertake a redevelopment of the property that will increase the value of the Property and provide other tangible benefits to the surrounding neighborhoods and to the City as a whole, consistent with the District Plan. The City finds that this redevelopment of the Property and the fulfillment, generally, of the terms and conditions of this Agreement are in the vital and best interests of the City and its residents and serves a public purpose in accordance with state and local law.

F. The City, pursuant to Common Council Action dated **DATE, 2021** has approved this Agreement and authorized the execution of this Agreement by the proper City officers on the City's behalf.

G. The Developer has approved this Agreement and authorized the appropriate officers to execute this Agreement on the Developer's behalf.

H. The base value of the Property for purposes of this Agreement, including calculating increment generated by the Project, is Zero Dollars (\$0). The Developer estimates the project will create up to an additional Seven Million Seven Hundred Thousand Dollars (\$7,700,000) in incremental value.

I. All terms that are capitalized but not defined in this Agreement and that are defined under the Tax Increment Law shall have the definitions assigned to such terms by the Tax Increment Law.

## **AGREEMENT**

NOW, THEREFORE, in consideration of the Recitals and the promises and undertakings set forth herein, the parties mutually agree and covenant as follows:

### ARTICLE I UNDERTAKINGS OF THE DEVELOPER

1.1 Developer shall purchase the property for \$283,000 from the City within 30 days of execution of this agreement. Said sale of Property to Developer is contingent upon Developer fulfilling the terms and conditions of this Agreement and the City shall retain a right to repurchase the Property as more particularly set forth in Article IV.

1.2 Developer's Project is the first of two phases, is currently known as "URBANE" and shall include improvements to, and development of, the Property as set forth in Exhibit B that will result in an increase in the Property's assessed value. All aspects of the Project shall be in accordance with all applicable City zoning and building codes, ordinances and regulations.

1.3 Project Costs shall include, without limitation, costs incurred after approval of this agreement for the construction of improvements (including infrastructure improvements), environmental remediation costs, demolition, interior remodeling and development of the project.

1.4 Developer warrants and represents to the City that but for the assistance provided by the City under Article II, herein, Developer would not be able to proceed with the Project.

1.5 Developer and City acknowledge that several of the specific undertakings of the parties may require approvals from directors, boards or the City Council as applicable. The parties' agreements are conditioned upon the obtaining of all such approvals in the manner required by law. The parties cannot assure that all such approvals will be obtained; however, they agree to use their best good faith efforts to obtain them on a timely basis.

### ARTICLE II UNDERTAKINGS OF THE CITY

2.1 The City shall appropriate sufficient funds for the performance of the City's obligations under this Agreement.

2.2 City shall cooperate with Developer throughout the Project and shall promptly review and/or process all submissions and applications in accordance with applicable City ordinances. In addition, the City agrees to work collaboratively with Developer in Developer's pursuit of various grant or similar funding opportunities.

2.3 Subject to all of the terms, covenants and conditions of this Agreement and applicable provisions of law, and as an inducement by the City to Developer to carry out the Project, upon completion of the Project (which shall be defined as issuance of occupancy permits for all floors of the Project (hereafter "completion")) the City will provide payments to Developer solely from the future Tax Increments (derived from both real and personal property) to assist with

Developer's Project Costs. The City's total payment of Tax Increment Revenue to the Developer shall not exceed the lesser of i) \$1,386,000 or ii) Eighteen percent (18%) of the Tax Increment Value as of January 1, 2024, plus interest thereon (the "Contribution").

The Contribution will be paid to Developer as follows:

2.3.1 As the sole source for payment of the Contribution, the City agrees to pay the Developer an amount equal to ninety percent (90%) of the Tax Increment Revenue attributable to, and actually received from, the Property during the calendar year.

2.3.2 Payments under this Agreement shall be due in annual installments on August 15 of the calendar year following the first tax year after completion of the Project and continuing on each August 15 thereafter for a period of time described in Sec. 4.3.

2.3.3 Interest on the Contribution shall begin to accrue upon completion of the Project. The interest rate on the Contribution shall be lesser of 1) the interest rate paid by the Developer to the primary lender for the Project, as evidenced by the note indicating the loan amount; or, 2) four percent (4%).

2.3.4 The Contribution shall be a special and limited obligation of the City and not a general obligation. Payments shall first apply to accrued interest and then to the principal balance of the Contribution. Unpaid interest in any year shall be added to the principal balance of the Contribution and accrue interest. The City may prepay the Contribution, in its sole discretion, at any time, with no prepayment penalty.

2.4 This Agreement fully evidences the City's obligation to pay the Contribution. No separate instrument will be prepared to evidence the City's obligation to pay the Contribution. The Contribution shall not be included in the computation of the City's statutory debt limitation because the Contribution is limited and conditional and no taxes will be levied or pledged for its payment. Nothing in this Agreement shall be deemed to change the nature of the City's obligation from a limited and conditional obligation to a general obligation.

2.5 The City covenants to Developer that until the Contribution plus interest thereon has been paid in full, the City shall not close the District prior to its statutory expiration date.

2.6 The City shall, upon Developer's request, provide to Developer an accounting of the status of the District including, but not limited to, the outstanding principal balance of the Contribution and annual Tax Increments received from the District.

2.7 Developer hereby acknowledges that, as a result of the special and limited nature of the City's obligation to pay the Contribution, Developer's recovery of the full amount of the Contribution depends on factors including, but not limited to, future mill rates, changes in the assessed value of the Property, the failure of the Property to generate the Tax Increments at the rate expected by Developer, reduction in Tax Increments caused by revenue-sharing, changes in the Tax Increment Law, and other factors beyond the City's and/or Developer's control.

### ARTICLE III PAYMENT OF TAXES

3.1 As long as the District is in existence, the Property and all buildings and improvements thereon shall be owned and taxable for real estate tax and special assessment

purposes. The City may waive any or all of the restrictions upon execution of a payment in lieu of taxes (PILOT) agreement on a form acceptable to the City.

3.2 Throughout the duration of this agreement, all ad valorem property taxes properly assessed against the Property will be paid timely and in full.

3.3 In the event that any property owned by Developer within the District becomes exempt from ad valorem property taxes during the life of the District, then for the remaining life of the District, the Developer will make (or cause to be made) annual payments in lieu of taxes in amounts equal to what the ad valorem property taxes would have been for such other property had it not been exempt. If the Developer conveys the Property within the District to any party (related or unrelated), the terms of such sale shall impose as a covenant upon all successor owners of the property the foregoing obligation for payments in lieu of taxes during the life of the District. The City shall be a beneficiary of such covenant and entitled to enforce same against the successor owners.

#### ARTICLE IV CONDITIONS TO PAYMENT; REPURCHASE OF PROPERTY; TERMINATION OF AGREEMENT

4.1 The City shall have no obligation to pay any portion of the Contribution to Developer unless and until all of the following conditions shall have been met:

4.1.1 The Project's completion on or before May 31, 2023 subject to reasonable extensions, not to exceed six (6) months each, for Force Majeure which shall include, but not be limited to, any delays caused by pandemic or other acts beyond the reasonable control of the Developer. Such extensions shall be by mutual written agreement and, in considering any requested extension, the City and Developer agree that each will act in good faith, cooperate in expeditious and timely approvals, and said extensions shall not be unreasonably withheld, conditioned or delayed by City.

4.1.2 The Property's assessed value is no less than Seven Million Seven Hundred Thousand Dollars (\$7,700,000) on or after January 1, 2025.

4.2 The City was induced to sell the real property described in Exhibit A to Developer based on Developer's proposed Project and construction of the same according to the terms of this Agreement. As such, the City shall retain and the Developer shall grant the City a right to repurchase the real property (hereafter "repurchase options"). This repurchase option shall be subject to the following:

4.2.1 The City's repurchase right shall terminate upon Developer obtaining approved buildings plans and a building permit for improvements to the real property consistent with the Project as described in this Agreement, and, commencement of the Project's construction.

4.2.2 The City shall refrain from executing the repurchase right if Developer is making reasonable timely progress toward commencement of the Project's construction in accordance with the terms of the Agreement.

4.2.3 The City shall provide Developer thirty (30) day's written notice of its intent to repurchase the Property unless Developer waives said notice. Thereafter Developer



shall execute all necessary documents and transfer the Property's unencumbered title to the City. In exchange, the City shall pay Developer \$283,000 (or the actual amount paid by Developer to the City) less \$1,000 per calendar month calculated from the first day of the month after this Agreement is executed through the date of sale. The City and Developer agree that each will act in good faith to facilitate a timely repurchase if the City exercises its repurchase right.

4.3 This Agreement, and the City's obligation to make, or continue, any payments of the Contribution, shall terminate when any of the following shall have occurred:

4.3.1 The conditions in Section 4.1 are not met.

4.3.2 The Contribution is paid in full or August 15, 2039, whichever occurs first.

#### ARTICLE V CONFLICT OF INTEREST

5.1 No member, officer or employee of the City, during his/her tenure or for one year thereafter, will have or shall have had any interest, direct or indirect, in this Agreement or any proceeds thereof.

#### ARTICLE VI WRITTEN NOTICES

6.1 Any written notice required under this Agreement shall be sent to the following individuals:

FOR THE CITY:

City of Appleton  
Community and Economic Development Department  
100 North Appleton Street  
Appleton, WI 54911-4799  
Attn: Director

With a copy to:

City of Appleton  
City Attorney's Office  
100 North Appleton Street  
Appleton, WI 54911-4799  
Attn: City Attorney

FOR DEVELOPER:

Merge LLC  
25 West Main Street, Suite 500  
Madison, WI 53718  
Email: [info@mergeurbandevelopment.com](mailto:info@mergeurbandevelopment.com)

With a copy to:

Squire Patton & Boggs  
Attn: Steven F. Mount  
41 South High Street, Suite 2000  
Columbus, OH 43215  
Email: [steven.mount@squirepb.com](mailto:steven.mount@squirepb.com)

## ARTICLE VII ASSIGNMENT

7.1 Terms of this Agreement are not transferrable or assignable. No party to this Agreement may assign any of its interest or obligations hereunder without first obtaining the written consent of all other parties.

## ARTICLE VIII NO PARTNERSHIP OR VENTURE

8.1 Developer and its contractors or subcontractors shall be solely responsible for the completion of the Project. Nothing contained in this Agreement shall create or effect any partnership, venture or relationship between the City and Developer or any contractor or subcontractor employed by Developer in the construction of the Project.

## ARTICLE IX MISCELLANEOUS

9.1 Under no circumstances shall any officer, official, director, member, manager, commissioner, agent, or employee of City or Developer have any personal liability arising out of this Agreement, and no party shall seek or claim any such personal liability.

9.2 The laws of the State of Wisconsin shall govern this Agreement.

9.3 This Agreement may be signed in any number of counterparts with the same effect as if the signatures thereto and hereto were upon the same instrument.

9.4 No modification, alteration, or amendment of this Agreement shall be binding upon any party until such modification, alteration, or amendment is reduced to writing and executed by all parties to this Agreement.

9.5 Any captions or headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any of the provisions of this Agreement.

9.6 If any provisions of this Agreement shall be held or deemed to be inoperative or unenforceable as applied in any particular case in any jurisdiction because it conflicts with any other provision or provisions of this Agreement or any constitution or statute or rule of public policy, or for any other reason, then such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. To the maximum extent possible, this Agreement shall be construed in a manner consistent with the powers of the City, including but not limited to, the City's powers under the Blight Elimination and Slum Clearance Law and the Tax Increment Law, to achieve its intended purpose. Reference is made to Section 66.1333(17) of the Wisconsin Statutes and

Chapter 105, Laws of 1975 § 4, which provide that the Blight Elimination and Slum Clearance Law and the Tax Increment Law should be construed liberally to effectuate their purposes.

[Signatures on following pages]

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first above written.

CITY OF APPLETON:

By: \_\_\_\_\_  
Jacob A. Woodford, Mayor

ATTEST:

By: \_\_\_\_\_  
Kami L. Lynch, City Clerk

STATE OF WISCONSIN     )  
   : ss.  
OUTAGAMIE COUNTY     )

Personally came before me this \_\_\_\_ day of \_\_\_\_\_, 2021, Jacob A. Woodford, Mayor and Kami L. Lynch, City Clerk, of the City of Appleton respectively, to me known to be the persons who executed the foregoing instrument and acknowledged the same in the capacity and for the purposes therein intended.

Printed Name: \_\_\_\_\_  
Notary Public, State of Wisconsin  
My commission is/expires: \_\_\_\_\_

**PROVISION HAS BEEN MADE TO PAY FOR OBLIGATIONS INCURRED PURSUANT TO THIS AGREEMENT:**

\_\_\_\_\_  
Anthony Saucerman, Finance Director

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Christopher R. Behrens, City Attorney  
Dated: July 13, 2021  
By: Christopher R. Behrens  
City Law A21-0312

DEVELOPER:

Merge LLC

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
  : ss.  
\_\_\_\_\_ COUNTY )

Personally came, before me this \_\_\_\_ day of \_\_\_\_\_, 2021,  
\_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_ each  
a member of the LLC, to me known to be the persons who executed the foregoing instrument and  
acknowledged the same in the capacity and for the purposes therein intended.

\_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Notary Public, State of \_\_\_\_\_  
My commission is/expires: \_\_\_\_\_

## SCHEDULE OF EXHIBITS

- A. Legal Description of Property
- B. Proposed Improvements

## EXHIBIT A

### LEGAL DESCRIPTION OF THE PROPERTY

The North 97.17 feet of Lots One (1) and Two (2) and the North 97.17 feet of the West 30 feet of Lot Three (3), Block Twenty-eight (28), Appleton Plat, City of Appleton, County of Outagamie, State of Wisconsin, according to the recorded assessor's map of said city.

APN: 312028101

Property Address: 103 East Washington Street  
Appleton, WI 54911

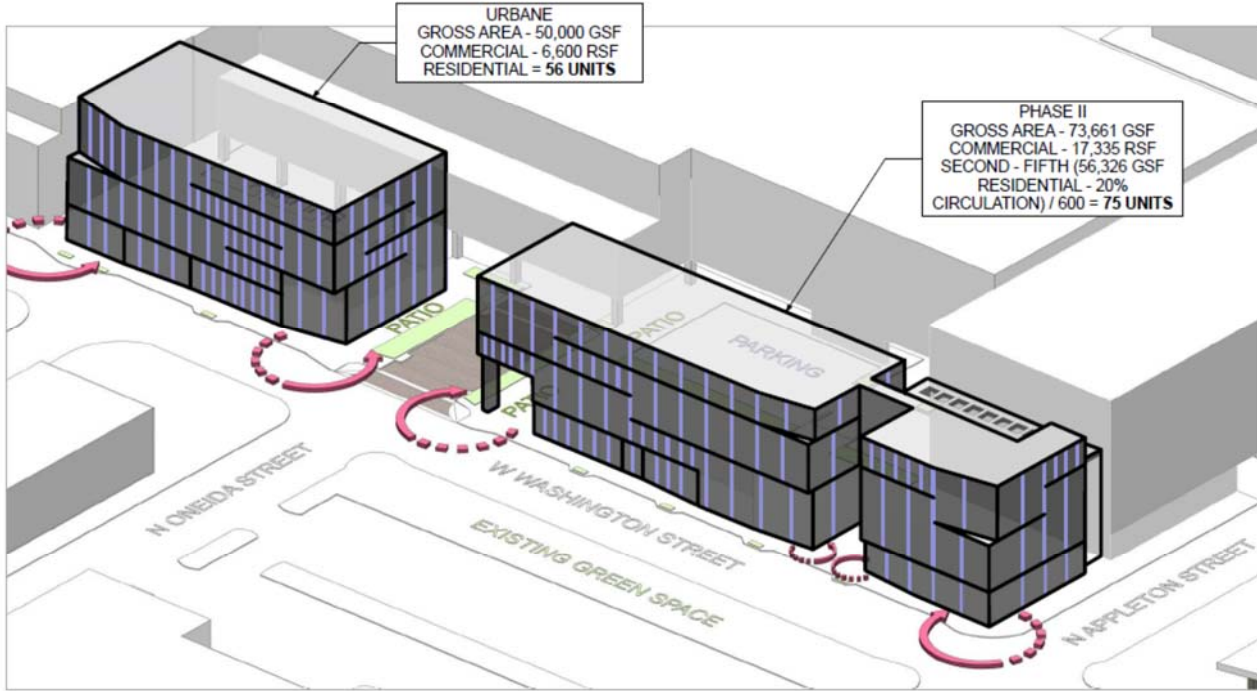
**EXHIBIT B**  
**PROPOSED IMPROVEMENTS**

**(Copy of Plans/Design docs follow)**



# APPLETON MIXED-USE

## CONCEPT DIAGRAM



ONITSHOT  
ARCHITECTURE



2020.09.25

# APPLETON MIXED-USE

## TYPICAL UNIT DIAGRAM

### ONE BEDROOM

- Walk-in closet
- Full kitchen
- Washer + dryer
- Bedroom with natural lighting
- Living and dining space

### STUDIO UNITS

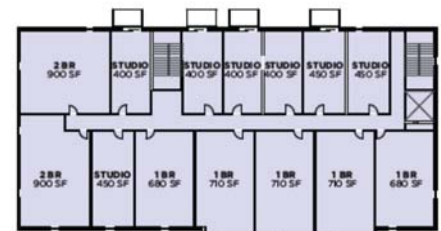
- Living room and dining area
- Built-in Murphy bed and sofa
- Ample cook and prep areas
- Built-in media center and desk work surface
- Dedicated laundry and closet space



**1 BEDROOM TYPICAL PLAN**  
1/8" = 1' 0"



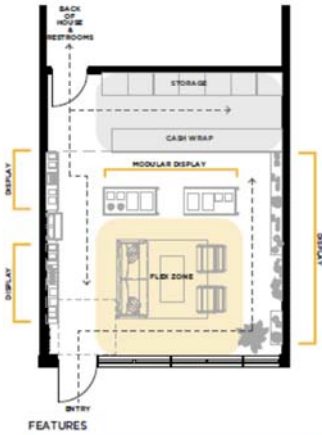
**STUDIO TYPICAL PLAN**  
1/8" = 1' 0"



**LEVEL 2-5 TYPICAL PLAN**  
1/32" = 1' 0"

# APPLETON MIXED-USE

## MICRO RETAIL



**FEATURES**

- 14' Min. Ceiling Heights
- Shared Restrooms
- Storefront
- 500 SQ.FT.



**ON17SHOT**  
ARCHITECTURE



2020.09.25

# APPLETON MIXED-USE

## VIGNETTE



ON17SHOT  
ARCHITECTURE



2020.09.25

# APPLETON MIXED-USE

## VIGNETTE



ONITSHOT  
ARCHITECTURE



2020.09.25

# COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

## 2021 Mid-Year Report

All figures through June 30, 2021

### **Significant 2021 Events:**

1. Supporting the business and not-for-profit community during the recovery from the COVID-19 has been a priority. The department continues to work and communicate with the business community with efforts including social media, regular business retention visits, and partnerships with community organizations that help build relationships that benefit the City and support recovery.
2. Industrial development saw a continued increase in 2021. F Street Development completed construction of a new 218,000 square foot building in the Southpoint Commerce Park and anticipates purchasing additional land for future phases. Bose I, LLC has an accepted offer on 30 acres in Southpoint. Valley Tool and S&D Masonry have buildings under construction in the Northeast Business Park.
3. Downtown Appleton saw the construction of four new residential and mixed-use residential developments, furthering the City's goal of creating over 465 new residential units in the downtown per the City's Comprehensive Plan 2010-2030. Projects under construction in 2021 include 320 E. College, Block 800, 318 W. College, and Crescent Lofts. These projects will result in 167 new residential units in the downtown, 58 of which will be at affordable rental rates per the WHEDA tax credit program. Staff continued collaboration with US Venture to construct their headquarters on the Bluff Site. Staff also continues to work with the new owners of the historic Zuelke Building and several additional projects in various phases.
4. A Development Planning Option was extended with Merge Urban Development for the former Conway Hotel and former Blue Ramp sites. Negotiation of a Development Agreement is underway to create a mixed-use development on each of those properties.
5. Staff issued an RFP for College Ave. North Neighborhood Plan. Eight (8) firms responded and RDG as awarded the contract by the Common Council on July 7, 2021. This collaborative planning process will begin August and be completed the first half of 2022.
6. Business enhancement grants from TIF District #11 and TIF District #12 continue to leverage significant investment in Downtown Appleton for property improvements. As of July 2021 the TIF #11 fund has been almost fully utilized with \$7,562 remaining to support property improvement. TIF District #12 has seen interest with \$14,000 committed as of July 2021. These funds leveraged another \$108,536 in private investment in the downtown.

7. The Appleton Redevelopment Authority Business Enhancement Grant Program has awarded \$80,442 in grants to leverage \$109,867 in private investment to improve 16 commercial properties throughout the City. The ARA grants are available to properties outside of the TIF #11 and TIF #12 program boundaries.
8. The Department is in the process of proposing amendments to the boundaries and project plans for Tax Incremental Districts No. 3 and No. 12. TIF No. 3 is no longer eligible for new projects. TIF No. 3 is being amended to pull low valued parcels out and add them to TIF No. 12 to encourage redevelopment and reinvestment in our Central Business District. The proposed Tax Incremental District No. 3 Project Plan amendment subtracts 13 tax parcels from the District which will be added to Tax Incremental District No. 12. The proposed Tax Incremental District No. 12 Project Plan amendment will add to the District approximately \$2.3 or \$2,345,594 million in additional potential project cost expenditures. Project costs include parcels being removed from Tax Incremental District No. 3 and 23 additional parcels. The amendment will also revise the kind, number and location of proposed public works or improvements within the District and the detailed list of project costs to add potential cash grants (development incentives) to be paid to owners, lessees or developers of land located within the District.
9. In response to Resolution #1-R-21 Accessory Dwelling Units, Staff collaborated with Alderpersons Fenton, Firkus and Meltzer, the City Attorney's Office, DPW, Finance and the Inspection Division to create Zoning Ordinance standards for Accessory Dwelling Units (Attached and Detached) and Junior Accessory Dwelling Units (JADUs). The Plan Commission approved the Resolution and the Zoning Ordinance standards on June 9, 2021, and the Common Council will take action at their July 7, 2021 meeting.
10. Staff collaborated with Alderpersons Schultz, Fenton and Meltzer, the City Attorney's Office and Health Department to review and analyze the Municipal Code and State Statutes regarding short term rental regulations. It was determined by staff that regulating short term rentals beyond the current regulations would require additional Health Department staff to administer a new short term rental program unit. Alternatively, staff updated the City website and created a webpage solely devoted to short term rental regulations which explains the current application, inspection and sales and room tax payment process.
11. Implementation of the Comprehensive Plan continued in 2021, with highlights that include infill projects along the I-41 corridor, targeted plans for streetscaping and an area north of College Avenue, development of additional downtown housing, zoning ordinance amendments to allow accessory dwelling units, and continued progress toward redeveloping the "bluff site" area.
12. During the second half of 2020 and the first half of 2021, the site plan review team has approved approximately 49 dwelling units, 265,600 square feet of industrial space, 331,400 square feet of office/commercial space, and 5,300 square feet of institutional space.

13. Staff facilitated and approved the First Addition to Broadway Hills Estates and the M&J Weyenberg Properties LLC annexations, resulting in roughly 18.3 acres of land being annexed.
14. Final plat approval resulted in the recording of 125 residential lots, including the Third Addition to Clearwater Creek, Sixth and Seventh Addition to Emerald Valley, North Edgewood Estates 2, and Trail View Estates South. Staff anticipates approximately 118 additional lots will be approved in 2021.
15. New mobile assessment software for field work completed by the Assessor team was deployed early in the year for faster updating.
16. Appleton GIS software provider (ESRI) is undergoing a major platform shift away from its long-term core program ArcMap to a new product called ArcPro. Migration to ArcPro by the core GIS staff has begun along with planning for the migration by other GIS users. The change will effect internal procedures, run nightly scripts, as well as increase demands on hardware to run the larger more powerful ArcPro.
17. GIS team provided on-going technical support for the COVID-19 pandemic, including creating the City of Appleton COVID-19 website, streamlining the process of updating graphics for social media posts and automated daily updates for website, as well as assisting staff with work from home technical issues.
18. In May 2021, staff organized and delivered the Neighborhood Program spring meeting, an informal "roundtable" discussion for neighborhood leaders, using a virtual meeting platform. In total, there were 5 participants representing four (4) different neighborhoods. The fall Neighborhood Program meeting is anticipated to be in person for October 2021. The Historic Central Neighborhood was granted funding through the Neighborhood Grant Program to support a front porch music event (Porchfest).
19. The Appleton Public Arts Committee held a photo contest to find images to fill the Houdini Plaza Welcome Tower. Staff prepared the contest rules, submission form, prepared the compilation of photos for the Art Committee to review and then coordinated the installation of the winning photos. Staff will continue to work with the Art Committee to find images to fill the Welcome Tower.
20. The City of Appleton Homeowner Rehabilitation Loan Program committed \$137,328 in new loan funds to 7 owner-occupied homes in the first half of 2021. New applications have been accepted and processed during the first half of 2021 with 27 new applications being submitted. Additional applications will be accepted in the fall. The Housing Coordinator is in the process of committing over \$200,000 to 9 new projects in quarter 3.



21. The City was notified by HUD in May that the 2021 CDBG allocation for the City of Appleton is \$619,567.00. Common Council approved the following funding amounts:

City of Appleton Rehabilitation Loan Program - \$29,892.00  
Appleton Housing Authority - \$37,000.00  
Fair Housing Services - \$25,000.00  
CDBG Administration - \$57,433.00  
Greater Fox Cities Habitat for Humanity - \$147,000.00  
Pillars Adult & Family Shelter - \$27,185.00  
Rebuilding Together Fox Cities - \$100,000.00  
The Mooring Programs - \$39,343.00  
WWBIC - \$68,030.00  
LEAVEN - \$16,632.94

22. The City was notified by DEHCR in June that the 2021 EHH allocation for the Fox Cities is \$189,311.00. The following agencies were funded for programming that includes rapid re-housing, street outreach, prevention, and emergency shelter efforts:

ADVOCAP, Inc. - \$55,743.00  
City of Appleton - \$29,083.00  
Harbor House - \$20,480.00  
Pillars, Inc. - \$84,005.00

23. The City was notified by HUD in May that the 2021 COC allocations for the Fox Cities totals \$355,140.00. The following agencies were funded for programming that includes rapid re-housing and coordinated entry efforts:

COC CE- SSO  
City of Appleton - \$32,177.00

COC RRH  
ADVOCAP, Inc. - \$45,212.00  
City of Appleton - \$16,000.00  
Pillars, Inc. - \$19,764.00  
Salvation Army of the Fox Cities - \$103,548.00

COC RRH EXP  
ADVOCAP, Inc. - \$13,552.00  
City of Appleton - \$3,543.00  
Pillars, Inc. - \$23,384.00  
Salvation Army of the Fox Cities - \$38,900.00

COC HP RRH  
Pillars, Inc. - \$59,060.00

**2021 Mid-Year Budget/Actual Comparison:**

**Community Development Budget/Actual Comparison**

*for the period ending June 30, 2021*

	Current YTD Actual	Current Year Amended Budget	% of Budget Expended
Administration & Geographic Information Systems	\$250,913	\$598,159	41.9%
Marketing & Business Services	\$102,351	\$177,312	57.7%
New & Redevelopment Projects & Business Parks	\$89,974	\$321,667	28.0%
Assessor	\$288,902	\$610,624	47.3%
Planning	\$134,999	\$269,794	50.0%
Total:	\$867,139	\$1,977,556	43.8%

**Performance Data Community Development:**

The following Table lists Community Development program areas and the performance measures for each, including both the target and end measure.

**Community Development - Administration & GIS**

**B.U. 15010**

	2020 Target	2020 Actual	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	TOTAL	2021 TARGET	Comments
Employee retention - % staff turnover	0%	0%	0%	0%			0%	0%	
Accurate and useful information - # of layers edited (GIS)	800	804	287	252			539	900	
Quality training to support staff performance - % of training courses completed	100%	N/A	0%	0%				100%	
- # of technical support calls/emails by GIS	500	589	174	233			407	600	
Annual performance evaluations completed - % complete	100%	100%	N/A	N/A				100%	
Increase efficiency & effectiveness of City by using GIS - # of GIS projects	250	283	66	74			140	250	

2021  
**Community Development - Marketing & Business Services**

**B.U. 15030**

	2020 Target	2020 Actual	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	TOTAL	2021 TARGET	Comments
Attract Appleton's rate of net new construction									
- City's % of Fox Cities equalized value	New measure	New measure	N/A	N/A	Available in Aug			28%	Annual
- City's % of Fox Cities net new construction	New measure	New measure	N/A	N/A	Available in Aug			25%	Annual
Appleton's economy grows and tax base enhanced									
- % increase in net new construction	1.75%	1.16%	N/A	N/A	Available in Aug			1.60%	Annual
Retention visit clients served									
- # Business retention visits/follow-ups	40	44	10	3			13	40	

\*Note: Prospects include businesses from outside of Appleton, contacts by real estate agents, developers, State of Wisconsin, Fox Cities Chamber of Commerce.

2021  
**Community Development - New & Redevelopment Projects**

**B.U. 15040**

	2020 Target	2020 Actual	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	TOTAL	2021 TARGET	Comments
Assist in land assembly, development incentives or project management									
- # developments generated via direct mgt.	5	34	11	17			28	12	
- # of improved business park acres	117	100	100	100				117	
Tax base enhanced									
- % change in equalized value	New measure	New measure	N/A	N/A	Available in Aug			4.0%	Annual
- # of acres sold in business park	4	16.05	0	0			0	4	

\* All commercial/industrial permits at or above \$100,000 less tax exempt or non-profit permits.

\*\* TIF Districts and target districts (ARP's, Business Parks)

2021  
**Community Development - Planning**

**B.U. 15020**

	2020 Target	2020 Actual	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	TOTAL	2021 TARGET	Comments
Timely, accurate processing of applications									
- % of apps processed within the timeframe p	100%	100%	100%	100%				100%	
- # of development projects guided thru the review process, resulting in approval	30	38	9	8			17	30	
- # of comp plan goals&objectives implmnt	40	82	10	30			40	40	
Work process outputs									
- # of admin apps approved	425	408	40	332			372	425	
- # of commission apps approved	30	85	10	16			26	30	
- # of customer inquiries served	900	1,076	471	399			870	900	
- # of comp plan & ordinance amend adpt	2	28	0	1			1	2	
- # of historic sites,bldgs&dist.recognized	2	1	0	0			0	2	
- # of public art projects approved	3	4	1	3			4	3	

Community Development - Block Grant

(including CDBG-CV1)

	2020 Target	2020 Actual	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	TOTAL	2021 TARGET	Comments
<b><u>Client Benefits/Impacts</u></b>									
Annual Entitlement Amount	\$577,214	\$940,327	\$953,837	\$0			\$953,837	\$591,226	
% of award spent on projects	91.26%	100%	94%	0%				79.12%	
Average award (not incld program income)	\$52,676	\$87,352	\$74,700	\$0			\$74,700	\$51,976	
<b><u>Strategic Outcome</u></b>									
# of single audit findings	0	0	0	0			0	0	
# of HUD exceptions to annual act.plan	0	0	0	0			0	0	
# of HUD CAPER findings	0	0	0	0			0	0	
Official HUD Timeliness ratio (max 1.5:1)	1.5:1	1.20:1	1.14:1	N/A				1.5:1	
<b><u>Work Process Outputs</u></b>									
# of Block Grant awards made	10	19	12	0			12	9	

2021

**B.U. 2140**

**Community Development - Emergency Housing & Homeless Grant (EHH)/Housing Programs (HP)**

(including ESG-CV1)

	2020 Target	2020 Actual	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	TOTAL	2021 TARGET	Comments
<b><u>Client Benefits/Impacts</u></b>									
\$ Grant Award ESG	\$218,734	\$527,430	\$0	\$189,311			\$189,311	\$214,021	
\$ Grant Award HAP	\$25,000	\$36,770	\$0	\$0			\$0	\$45,489	
<b><u>Strategic Outcomes</u></b>									
Expand the # of homeless persons served									
- # assisted in emergency shelter	1,000	1,279	318	351			669	1,000	**doesn't include Harbor House DV Shelter
- # assisted in rapid rehousing	75	107	32	27			59	50	
- # assisted with prevention services	150	492	77	58			135	100	**91 served through ESG-CV funding
<b><u>Work Process Outputs</u></b>									
# grant applications prepared	2	3	0	2			2	4	
# of contract period extensions requested	0	0	0	0			0	0	



Community Development - Continuum of Care Program (COC)

	2020 Target	2020 Actual	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	TOTAL	2021 TARGET	Comments
<b>Client Benefits/Impacts</b>									
\$ Annual Award (COC 1- RRH)	\$183,128	\$366,960	\$0	\$0			\$0	\$183,920	
\$ Annual Award (COC 2- HP RRH)	\$60,896	\$121,792	\$58,124	\$0			\$58,124	\$58,184	
\$ Annual Award (COC 3- RRH EXP)	\$83,447	\$156,934	\$0	\$0			\$0	\$80,957	
\$ Annual Award (COC 4- CE SSO)	New measure	New measure	\$0	\$32,177			\$32,177	\$32,177	
<b>Strategic Outcomes</b>									
Help clients improve self-sufficiency									
- % moved from transitional to permanent	70%	15%	56%	62%				70%	
- % in permanent maintain/increase income	77%	18%	24%	13%				77%	
Average length days on prioritization lists									
	New measure	New measure	99.22 (singles) 60.82 (families)	Not available				90 (singles) 60 (families)	**Due to conversion to new HMIS platform, th
<b>Work Process Outputs</b>									
# grant applications prepared	3-Renewal	3	0	0			0	4	
# of contract period extensions requested	0	0	0	0			0	0	

## Community Development - Homeowner Rehab

B.U. 2160/2170/2190

	2020 Target	2020 Actual	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total	2021 TARGET	Comments
<b>Housing Rehabilitation Programs (city-wide)</b>									
Funding for LMI homeowner rehab projects									
- CDBG funds award amount	\$77,694	\$77,694	\$0	\$29,892			\$29,892	\$29,892	
- Program income received (all grants)	\$373,212	\$635,175	\$50,234	\$143,888			\$194,122	\$424,180	
Unspent grant funds									
- Committed	\$75,000	\$249,036	\$141,891	\$137,328			\$137,328	\$75,000	
- Uncommitted	\$160,000	\$81,667	\$260,373	\$313,182			\$313,182	\$160,000	
Improved LMI single-family homes & owner-occupied duplexes									
- # of loans made	24	16	3	4			7	24	
- # units rehabilitated	24	16	4	4			8	24	
- # residents benefited	60	48	5	11			16	60	
- Average loan amount	\$15,000	\$23,793	\$19,949	\$23,326			\$21,879	\$15,000	
- Amount committed to rehab activity	\$360,000	\$380,680	\$59,848	\$93,303			\$153,151	\$360,000	
- # applications processed	33	41	12	0			12	33	
- # applications approved	27	28	8	0			8	27	

**Community Development - Neighborhoods Program (NP)**

	2020 Target	2020 Actual	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	TOTAL	2021 TARGET	Comments
<b><u>Client Benefits/Impacts</u></b>									
# of new partnerships generated	1	3	0	0			0	1	
# of registered neighborhoods	20	20	20	20			20	21	
# of neighborhood program participants	25	32	N/A	5			5	25	
<b><u>Strategic Outcomes</u></b>									
# of projects awarded grant funding	2	0	0	1			1	2	
<b><u>Work Process Outputs</u></b>									
<b><u>Grant Funds (CDBG)</u></b>									
Committed	\$108,653	\$0	\$0	\$0			\$0	\$108,653	
Uncommitted	\$0	\$108,653	\$108,653	\$108,653			\$108,653	-	
Spent	\$108,653	\$0	\$0	\$0			\$0	\$108,653	
<b><u>General Funds</u></b>									
Committed	\$4,224	\$0	\$0	\$1,500			\$0	\$4,734	
Uncommitted	\$0	\$3,234	\$6,234	\$4,734			\$6,234	-	
Spent	\$4,224	\$0	\$0	\$0			\$0	\$4,734	

Community Development - Assessing

	2020 Target	2020 Actual	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	TOTAL	2021 TARGET	Comments
<b>Client Benefits/Impacts</b>									
<u>Equitable asmts &amp; distribution of tax levy:</u>									
Res districts within 10% of market value	100%	93%	48%	48%				100%	
Coefficient of dispersion of asmt/sale ratios	10%	7%	9%	9%				10%	
# of asmt errors result inaccurate tax bills	0	2	1	1			2	0	
<b>Strategic Outcomes</b>									
<u>Asmts to accurately reflect market values</u>									
Residential class level of assessment	100%	95%	88%	87%				100%	
Commercial class level of assessment	100%	90%	92%	91%				100%	
Overall level of assessment	100%	94%	88%	89%				100%	
<b>Work Process Outputs</b>									
<u>Building Information updated:</u>									
% Commercial new bldgs inspected	100%	60%	75%	78%				100%	
% Residential new bldgs inspected	85%	77%	43%	60%				85%	
% Sold buildings updated	35%	44%	27%	25%				50%	
Total # of interior inspections citywide	900	420	126	75			201	2,500	
<u>Property Record Maintenance</u>									
Deeds processed (ownership changes)	2,300	2,530	489	720			1,209	2,000	
Lot splits, CSM's & new platted parcels	230	113	80	51			131	250	
Annexed parcels	5	29	16	0			16	10	
Assessments updated	900	840	765	295			1,060	900	