

**Item 23-0007: Request to approve the Development Agreement with Oshkosh Investment LLC and Lofgren Properties 6 LLC for improvements to the property located at 200 W. College Avenue**

**Common Council**

Wed, Jan 18, 2023 7:00PM

**Mayor Jake Woodford 01:13:39**

All right. So, with that, we'll move on now to public participation. At each meeting, the Council sets aside 30 minutes for members of the public to speak on items that appear on the agenda. We ask that comments remain concise, to the point, and only out of items that appear on the agenda. We have one member of the public signed up to speak this evening, TK M[...] who's going to talk to us about item 23-0007 the community economic development agreement. All right, go ahead. Come on up. Your name and address for the record please.

**TK M. (Appleton Resident) 01:14:23**

Okay, I'm TK M[...]. I live at [...]. I'm also a Lawrence student currently. To my knowledge, downtown Appleton has been home to mostly lower income residents. I feel that by bringing in more wealthy residents, the city risks a dangerously gentrified [indecipherable] in the downtown community simply as a—as more wealthy residents join the community, I believe that the poor community will be forced out. My family owns some apartments downtown and they're home to mostly poor or lower income house people. But they fill up quite quickly. There aren't very many places for these people to go. If this housing above the bank turns into the wealthy apartments, I'm not sure that these poor income families will have a place to go.

**TK M. (Appleton Resident) 01:15:38**

In my opinion, the more wealth that comes into this community, the more risk for our homeless population to grow. I would love to see the space for use for apartments, but I don't feel that the price, the renting price, is correct for this area. Thank you very much for listening.

**Mayor Jake Woodford 01:16:00**

Thank you. All right. That's it for members of the public who signed up to speak so at this point, we're going to close public participation and move on to public hearings.

**[Jump in transcript to point at which action item was taken up.]**

**Mayor Jake Woodford 01:19:04**

We're gonna get started with the item from Community and Economic Development. This is item 23-0007 request to approve the development agreement with Oshkosh investment LLC and Lofgren properties for improvements to the property at 200 West College Avenue. We have a motion and a second to approve. We'll open the floor for discussion. Alder Wolff.

**Alderman Nate Wolff (District 12) 01:19:36**

Thank you Chair. I'm going to vote for this. I just wanted to have a little discussion about it. You know, since someone came in to speak about it, I think that it'd be nice to talk about it.

**Alderman Nate Wolff (District 12) 01:19:50**

Over time, I have thought that the prices on College Avenue are too high as well. But fortunately, I have been introduced to some people who have a lot of knowledge on development in high density areas, and something that I've learned over that time is that it's not as though they want those prices to be high; it is a byproduct of the economy that we live in and costs involved in building, and that typically, these costs are as low as they could potentially be. That is all. Thank you.

**Mayor Jake Woodford 01:20:39**

Alright, we seem to have a blank line here on the on the sheet, so I'm going to call on the ones we can see and if you're left, I guess you might be the ghost speaker. So, we're—you so it might be you so well. If it is, if it is we'll get the Alder Meltzer. Okay, sounds good. We'll make note of it. We'll move to alder Del Toro.

**Aldersperson Israel Del Toro (District 4) 01:21:04**

Thank you, Mr. Mayor. I do appreciate TK coming down and highlighting this as a potential issue of concern for us to consider as a Council. As we consider what living affordably looks like in these coming times, we have to consider what it means to live affordably in our downtown area. As we continue to develop more and more residential units in the downtown area, great. We're bringing in money, we're stimulating the local economy, we're stimulating local businesses. All are great things. However, we are marginalizing already marginalized communities. We are putting folks who could benefit from living in a centralized location, out of housing opportunities.

**Aldersperson Israel Del Toro (District 4) 01:21:50**

And so, I want us to think carefully. Tonight, I will be voting no and against this even though at committee, as part of the CEDC Community and Economic Development Committee, I voted to support this. I've changed my vote, with the realization that we really need to start planning long term to create a diverse community and that does—I'm not meaning diverse ethnically. I'm meaning diverse from an economic standpoint, in our downtown area. There is value in this. There's value of having folks have different incomes within living in the same building. There are opportunities here, as we continue to develop our TIF districts.

**Aldersperson Israel Del Toro (District 4) 01:22:34**

This proposal puts us in a situation where we are about to spend or cash out if, if successful, nearly three quarters of a million dollars to support this particular project. Imagine what we can do with three quarters of a million dollars designed for truly genuinely affordable housing in the city of Appleton. So as more and more proposals like these start to hit our desks, let's think carefully and creatively as a Council so that we don't marginalize additional communities and make our downtown more gentrified and less affordable for those already in peril. Thank you, Council.

**Mayor Jake Woodford 01:23:18**

All right, Alder Alfheim.

**Aldersperson Kristin Alfheim (District 11) 01:23:21**

Thank you. Great discussion. I think all of us are aware of doing the best we can to help all people. If I can ask a question of Director [indecipherable].

**Mayor Jake Woodford 01:23:32**

Director Homan?

**Aldersperson Kristin Alfheim (District 11) 01:23:32**

I apologize Director Homan.

**Mayor Jake Woodford** 01:23:34

Oh, yeah. Go ahead.

**Aldersperson Kristin Alfheim (District 11)** 01:23:35

Director Homan, can you validate—does the city own 200 West College?

**Mayor Jake Woodford** 01:23:41

Mic number? Director three. Okay, go ahead.

**Director Kara Homan (Community And Economic Development)** 01:23:45

We do not.

**Aldersperson Kristin Alfheim (District 11)** 01:23:47

So, the city does not own the property. Do we have the right to dictate what the private citizen does in terms of selling the real estate or renting it?

**Director Kara Homan (Community And Economic Development)** 01:23:57

We wouldn't have the ability to dictate, but we do have the ability to negotiate, which is what you have in the development agreement.

**Aldersperson Kristin Alfheim (District 11)** 01:24:04

Right. So just to clarify, I think it's a valid conversation that we're having, and I appreciate the gentleman bringing it to our attention. But in some—if we don't own the property, we can't make it to be what we want it to be because it would feel good. We don't own the property. So, we have to be careful on that. We can be aware. We can have great conversations, but to speak of the project as if it would cost us money and we could sell spend it better elsewhere I think is not appropriate. It is a pay-go program. So, in essence, there is no money out of pocket to the city unless it does the growth that it's expected.

**Aldersperson Kristin Alfheim (District 11)** 01:24:39

So again, great conversation to have, I think we should continue talking about affordable housing in our city. But in this project, that is not the issue. It is a development pra—project of a prime downtown development area. Then to think that we should value it for what it is, which is to attract people of all kinds to and all levels of denomination and wealth. But this is not the project to be having this discussion on. Thank you.

**Mayor Jake Woodford** 01:25:10

Alder Meltzer.

**Aldersperson Vered Meltzer (District 2)** 01:25:13

Thank you. I think that it's really important when we think about housing and when we talk about affordable housing, to remember that "market rate" does not mean "affordable". So, 24 market rate living units—that language is outdated. That language gives the wrong impression. These are not 24 accessible living units. These are living units that are very far out of the reach of many people who need to be able to live downtown in order to survive in our community.

**Aldersperson Vered Meltzer (District 2)** 01:25:51

I am concerned about the number of higher income units being built and where are we going to have the space? Where are we going to be able to fill in all of these other units that it's not time to have the conversation about

yet? When that—when the time for that conversation comes, will we have enough space for them? Will it be quality, equitable space for them? These are some concerns I have. And I think it's important for us to choose our language proactively as we move forward with these conversations to really raise awareness to the fact that market rate is not accessible to many people. Thank you.

**Mayor Jake Woodford 01:26:36**

Alder del Toro.

**Aldersperson Israel Del Toro (District 4) 01:26:38**

Thank you. I'd like to respectfully disagree with Alder Alfheim. In this instance, we don't have the ability to dictate what—on what is not ours; however, the permitting process exists for a reason, and the request to approve this permit is a potential stop to say "Rethink," and "Are you in line with what we want as a city in our downtown?"

**Mayor Jake Woodford 01:27:03**

I just want to be clear. What's in front of the Council is a development agreement. There there's no permitting. This is not—I just want to be very specific in our language here.

**Aldersperson Israel Del Toro (District 4) 01:27:12**

Right. Thank you. So even with a development agreement, we could as a Council still say "No, this is this type of project is not in line with where we see the downtown area going as a city", and we could send that signal to additional developers that may be able to provide a service that really diversifies our downtown. So, I think we're at that point where that discussion—maybe this isn't the appropriate place for it, but maybe in committee, you and I and the other members could definitely chat about how to appropriately have this discussion on future items going forward. Thank you.

**Aldersperson Israel Del Toro (District 4) 01:27:16**

Alder Firkus

**Aldersperson Brad Firkus (District 3) 01:27:35**

Thank you, Mayor. I would urge support for this. I believe—one of the things is the North College study had shown that we have—one of our main shortage points within the housing market is that middle to middle upper income area, which market rate will address. Any more supply ends up easing the pressure of rates for rents and purchasing prices that are caused when you do not have enough housing. So, adding these units does have a benefit, which this project would do.

**Aldersperson Brad Firkus (District 3) 01:28:30**

And if I can, as far as the affordable housing, we do have ARPA money to the tune of \$3 million that was set aside for affordable housing. So, it's not that we're not doing anything about affordable housing, that we're neglecting it. We have taken other actions to address that issue. I don't think, though, that we have to shy away from other housing building opportunities just because this isn't in that umbrella. Thank you.

**Mayor Jake Woodford 01:28:55**

Alder Schultz.

**Aldersperson Alex Schultz (District 9) 01:28:58**

Thank you, Chair. At the risk of repeating what some of my colleagues have said, I think the conversation is overdue. All of us, if we think about the downtown zone and how many developments have happened in the

last, let's say half a dozen years, about that, at least a half a dozen significant middle to high income apartment and duplex complex housing developments that have taken place. And I know our previous CEDC director was very conscious of what those looked like and how much we're you know what the scale was from high end to low end and what was low income and affordable. And I think the number I'd heard at one point was 15% of one of the projects. Is that significant? I don't know, but I think it's worth a conversation when we think about all the development that's happened at our downtown. Because how many more will there be?

**Alderson Alex Schultz (District 9) 01:29:47**

We've seen a huge number of significant projects already happened and those are, I would say, middle to high income opportunities with some low income. But maybe it's time. As I'm hearing my colleagues speak maybe it's time for a conversation again, just to sit down on a table and assess what we have and maybe where we're falling short. And maybe it's the ARPA funding that we can address or maybe look into using to figure out if there's some way to help us in this situation. Thank you.

**Mayor Jake Woodford 01:30:20**

So, just—our conversation is bordering on philosophical, general philosophical. And what is before the Council is a specific development agreement, which has been moved and seconded for approval. So, I just want to remind the Council that we not stray too far into philosophical, general philosophical. Let's keep it to the to the item before us. Alder Fenton.

**Alderson Denise Fenton (District 6) 01:30:46**

Thank you, Your Honor. One of the information items that we had before us in City Planning Commission last week was the housing affordability report, and I apologize if I'm getting the name incorrect. But as with the previous reports, it talked about how many units that we have built in over a period of time, but more importantly, how many more are needed. And so, I am going to vote for this. And I urge my colleagues to vote for this because this puts 24 new units into an area that is in great demand that falls in line with our College North development plan. And just by virtue, we hope, of developing these units as the supply increases, we hope that rents go down because we've got somebody who's got a brand-new unit available, may want to move into that unit, leaving a less brand new unit available at a lower rent, which can drive overall prices down.

**Alderson Denise Fenton (District 6) 01:32:02**

So bottom line, I would absolutely be voting against it were we to take existing housing and being use the word gentrify and make that into market level or high. But what we're now doing is taking office space that has been underutilized and turning it into housing, which we absolutely need. So, for that reason, and that reason only, I'm going to be voting for this.

**Mayor Jake Woodford 01:32:33**

Alder Alfheim.

**Alderson Kristin Alfheim (District 11) 01:32:34**

Thank you, Chair. This would be my final comment. Great discussion. Again, there's a philosophical edge to this, that I think that we all agree we'll continue.

**Alderson Kristin Alfheim (District 11) 01:32:43**

In meeting our new director, I think when she asked me what is my priority, my response was, "We need to work on affordable housing". So, this is an issue. It just isn't this project's issue. So, I would recommend we move forward on approval for get various reasons giving and move forward looking forward to more discussions as we can work with our community to find bigger and better opportunities as we move forward. Thank you.

**Mayor Jake Woodford** 01:33:11

All right, there are no other speakers in the queue. So, we have a motion and a second to approve this. At this time, I ask that you please cast your votes. Motion passes 13 to two with Alders Meltzer and Del Toro opposed.