

Item 23-0561: Request to approve the Development Agreement with Fox Commons Properties, LLC for improvements and redevelopment of the property located at 10 E. College Avenue (Tax Id #31-2-0290-01) in Tax Increment Financing District No. 11

Common Council

Wed, Jun 07, 2023, 7:00PM

Mayor Jake Woodford 13:57

So, with that, I have no further business to present to you so we will move on. We come now to a time of public participation. At each meeting, the Common Council reserves 30 minutes for members of the public to express their views on items which appear on our agenda. We have three people signed up to speak this evening. I just want to call your name. I'll ask that you please approach this microphone and state your name and address for the record. I will ask that you please keep your comments concise and to the point and that you please take into consideration the comments that are made by those who have spoken before you. So, with that, we'll get into our list. First signed up was John Keller. John, welcome.

John Keller 14:46

Thank you. I'm John Keller [XXXXXX] Appleton, Wisconsin. I'm here to discuss TIF district number 11. My opposition is probably not what you would expect but I'm actually opposing the fact that the Park Central Building has been included in TIF district number 11. I'm not opposed in general to TIF districts; I think it's an excellent opportunity for the city and developers to work together in terms of redevelopment. But specifically, regarding the Park Central Building, if you look at what the developers are advertising, they're clearly catering and advertising to a white only crowd. And I would encourage anyone that questions that comment to take a look at the front of the building after this meeting at the storyboard that shows exactly what it's going to look like when the development is completed. You'll see the couple walking into the building—white—the older gentleman and the young man walking out of the building—white—the young lady on the first—

Mayor Jake Woodford 15:45

Mr. Keller

John Keller 15:46

Yes?

Mayor Jake Woodford 15:47

Mr. Keller, is there an item on the agenda that you're speaking to? I'm sorry, to interrupt.

John Keller 15:51

TIF District 11, which is on the agenda, and this is in District TIF—TIF District 11.

Mayor Jake Woodford 15:58

Which item are you referring to?

John Keller 16:00

When I called and I said what I was going to speak about they said I would come to this meeting because it was in TIF District 11. I guess, I mean, you have the cameras here. You're talking about the development over here, which is 11 as well, correct?

Mayor Jake Woodford 16:19

Okay, so to be clear, the item on the agenda tonight is a request to approve a development agreement with Fox Commons properties, which is in TIF District 11. However, the Council is not taking action on the formation of the TIF district or other projects within the TIF district. And per the Council rules, public comment is limited to items which appear on the agenda. So based on what you'd like to talk about, which is an important and valid topic, I just have to note that we do have a Council rule that states we have to limit public comment to items that appear on the agenda.

John Keller 16:57

And I apologize then. When I called in to ask, they said 11 was on the agenda tonight. So, I didn't understand. So.

Mayor Jake Woodford 17:03

No, no apology necessary. And I'd be happy to follow up with you directly, and Director Homan and I can get in touch with you, and we'll follow up. Thank you, John. Next is Lee Vogel.

Lee Vogel (Mosaic Family Health) 17:17

Good evening. I'm Lee Vogel. And my address is [XXXXXX] Town of Center, but I'm representing a property, Mosaic Family Health at 229 South Morrison in Appleton, and I'm here to speak in support of the development by Fox Commons in the in the complex that we are actually in—or adjacent to right now.

Lee Vogel (Mosaic Family Health) 17:44

I know many of you and have had conversations about Mosaic's relocation, probably now almost five years ago, and it's been a journey that's been longer than that. We would be slated to be a part of this. This development is about a 35,000 square foot clinic and educational building. Because we are a clinic which is the home of Fox Valley Family Practice residency, where we train the next generation of family physicians for our community.

Lee Vogel (Mosaic Family Health) 18:13

This is an opportunity for us not only to continue to serve our patients, which of the population is a mixture of those in perhaps the most vulnerable in our community, but we serve all people of all socio-economic classes. And to move into this particular complex would allow us to continue that service, enhance it with additional services, and be smack in the middle of the HUDs district that serves a wider number of neighbors and citizens of the of our community that have an average popul—average income of about \$32 to \$34,000 per family. It allows us to be near the transit across from the library and in in the complex that is that has potential synergy with Lawrence University where we together can collaborate around health and educational opportunities for our community.

Lee Vogel (Mosaic Family Health) 19:04

I know that some of the questions that may come up have to do with tax status. It's a 35,000 square foot in the larger complex that the remainder of that is what is will be on the tax rolls. We currently have a pilot payment in lieu of taxes that's been in existence with the city since 1980 and have been in conversation about continuing that. I'd like people to understand that as we exit the bluff site where we currently are at 29 South Morrison, we are vacating a property that has significant payroll or tax roll opportunity for the city. Thank you.

Mayor Jake Woodford 19:44

Next is [Ronna S.]

Ronna S. (Resident) 19:45

[Ronna S. XXXXX] Appleton. First of all, thank you, thank you, thank you for all the work that's gone into both the library and the mall. I mean, this is this has been a long haul, particularly for the library, and I'm very excited about that. I'm also excited and relieved that they are on their way finally, like with the bids for the library and the ideas for the downtown mall.

Ronna S. (Resident) 20:18

I like the idea of Lawrence University students getting off campus and into what I would say is the real world. Lawrence has made a concerted effort for that in the last 20-30 years. They've come a long way from the ivory tower of the 1970s and 80s when I was on campus. So, I'm happy to see the student housing. I sort of wish that I had seen it in the paper or sooner before tonight, but I realized that probably wasn't practical. The more information that we the citizens can get on these issues, the smoother everything's going to be. And again, thank you for all the time and energy that you've put in on this.

Mayor Jake Woodford 21:00

Alright, that's it for folks who signed up to speak. Was there anybody who missed the sign in sheet but would like to speak on an item that appears on the agenda? Okay, seeing none, we will close public participation.

[Cut]

Mayor Jake Woodford 24:40

Alright, we'll move on now to the item from Community and Economic Development. Right, this is item 23-0561 request to approve the development agreement with Fox Commons Properties LLC for improvements and redevelopment of the property located at 10 East College Avenue in tax increment financing district number 11. We have a motion and a second to approve. Open the floor for discussion. And Alder Fenton.

Aldersperson Denise Fenton (District 6) 25:21

Thank you, Your Honor. I've got a few questions here, and so I may ask to direct a couple of these directly to Director Homan. And the first is on—we understand that some of the information about the proposed occupancy has come out fairly recently. And given that, I'd like to direct to Director Homan the—a question regarding the need for moving swiftly on this. I do know that we've already voted on a lease, contingent lease agreement for the dance studios to move out of the space and I'd just like to hear Director Homan's comments in terms of needing to do this expeditiously.

Mayor Jake Woodford 26:20

Director Homan?

Director Kara Homan (Community And Economic Development) 26:22

So, there's definitely critical timing on the city end as it relates to the dance studio. I know I've had conversations with Director Gazza as it relates to the con—contingent lease that he has not yet executed to move the dance studio to Northland Mall. In addition to that, there's a lot of prep work in terms of renovating and getting that space ready for the dance studio and we're really at the 11th hour from that perspective.

Director Kara Homan (Community And Economic Development) 26:49

There's also critical timing on the developers end. There's a real estate transaction that is needing to occur very soon, as well as commencement of construction to ensure that, in particular, for the Lawrence University occupancy of fall of 2024, that that component can be done in time for that academic year.

Alderson Denise Fenton (District 6) 27:12

Thank you. Could I continue?

Mayor Jake Woodford 27:14

Please continue.

Alderson Denise Fenton (District 6) 27:14

Got a couple more. Thank you, Your Honor. So—and I'm relaying some questions that have been asked to me, and I want to express my appreciation to Dr. Vogel for mentioning the tax-exempt status and some of the ramifications there. But my question is, we have another health care entity that's take—that's one of the potential lessees. Just wanted to ask if anybody else in the building would be tax exempt?

Mayor Jake Woodford 27:48

Director Homan?

Director Kara Homan (Community And Economic Development) 27:49

In terms of the tenants that I'm aware of, no. But I know there's other negotiations occurring that are still underway. It's my understanding that Valley New School, which would be tax exempt, will be relocating. But I'm not aware of any others. But there could be. But again, if they're leasing from the private developer, they would still be taxable from a real estate property perspective.

Mayor Jake Woodford 28:26

Go ahead.

Alderson Denise Fenton (District 6) 28:27

Thank you, Your Honor. And I'm relaying some questions that have come to me from constituents. Our favorite subject parking—with two healthcare entities being located there. And we understand that there is an agreement within the development agreement to purchase up to 280 parking spots. But the question that was asked of me is that we've got people with limited mobility who would be patients at the building, and they were interested in what kind of parking arrangements would be available for those folks.

Mayor Jake Woodford 29:08

So, what I'll say about this is, as a—in terms of the city's approval of a development agreement, the considerations for how customers and users—end users of businesses will take place is a matter for those organizations and businesses to determine. And so as far as the city is concerned, we have had multiple conversations and staff have had multiple conversations with tenants and potential tenants in the redevelopment, including Mosaic. We've had conversations with Mosaic about the accessibility of the yellow ramp, connectivity of the yellow ramp to the to the development, and we've advised the developers and Mosaic on options for and policies about reservation of parking spaces within the yellow ramp. So, we've had multiple conversations, and I am—I'm directly aware of the considerations that those tenants and potential tenants have been taking with regard to accessibility and access for their users.

Mayor Jake Woodford 30:19

But again, as far as the Council action is concerned, that that's really a matter for those end users to make determinations about. Of course, the city will do what we can to support those efforts to make sure that folks can get where they need to be.

Alderson Denise Fenton (District 6) 30:34

Just, I have one more, and I believe it's in the same vein.

Alderson Denise Fenton (District 6) 30:37

So, indulge my constituents in me. Thank you.

Mayor Jake Woodford 30:37

Okay, go ahead.

Mayor Jake Woodford 30:40

Of course.

Alderson Denise Fenton (District 6) 30:41

There's been a concern expressed for security with the Lawrence students being housed—the apartments there and concerned whether Lawrence or Appleton Police Department is responsible, or some—somewhere in the building, and I understand, but could you please just share the thoughts on that?

Mayor Jake Woodford 31:02

Well, well, again, if the tenants or if the end user were any development downtown, it would be just like, you know—the Zuelke Building, for example. You know, buildings may employ their own security, and actually, Pfefferle Management already has security in the space. I'm not aware directly of the plans, and I don't know that we've had deep discussions with the developers about their plans for security within the building. But of course, the Appleton Police Department, Appleton Fire Department will provide emergency services upon request within the development, and, again, it's up to those tenants and end users to manage sort of day-to-day security and safety operations within the building. But of course, our public safety departments will work in partnership with the developers and their tenants, just as we do with all businesses and organizations in the community to make sure that folks in those spaces are kept safe.

Alderson Denise Fenton (District 6) 32:03

Thank you.

Mayor Jake Woodford 32:06

Alder Doran.

Alderson Chad Doran (District 15) 32:08

Thank you. I just wanted to share that I had a lot of concerns about this development agreement when it first appeared on the committee agenda. I had a lot of questions about the financial pieces of this, asked a lot of questions at committee, had a lot of questions to follow up with staff even after committee, met with some staff last week, got a lot of those questions answered. We got some new information from the developers. I had some more questions for staff. And I just wanted to share that I think, although I had a lot of concerns and questions kind of throughout the process, wanted to commend the staff for taking those and getting the answers. Also commend the development team for coming forward and sharing more of that information for us.

Alderson Chad Doran (District 15) 32:55

I—another piece of this I was really concerned about this was that a lot of the information that seemed to be missing. I didn't want to see that there were any sort of perception issues in the community that we weren't doing our due diligence in knowing all the information that we might typically know, with a with a development agreement.

Alderson Chad Doran (District 15) 33:12

Also understanding there are aspects of this that are sort of without outside of our scope of concern. But this is sort of a unique development. It's also a very large development, and I think it just draws with it, the potential for extra scrutiny. And I just wanted to say that I really appreciate the efforts that staff went through and the developers have gone through to answer all of our questions, at least the questions that I had, and making me feel comfortable with the project that the city is properly protected, and that this can be a benefit for the city and for our downtown. So, I plan to vote to approve it. Thank you.

Mayor Jake Woodford 33:50

Alder Firkus.

Alderson Brad Firkus (District 3) 33:53

Thank you, Mayor. This question is probably more for Director Homan, but as far as the nature the agreement for the housing component of this project, would—is this...? I'm going to try to ask this question as clearly as I can, but is this going to be housing that the developer is building that Lawrence is effectively leasing and then subleasing to its students? Or is this a portion of the building that's going to be Lawrence's, and Lawrence University wants to use their portion of the building to build housing?

Mayor Jake Woodford 34:25

Director Homan?

Director Kara Homan (Community And Economic Development) 34:27

Yeah, so placed on your counter today was some additional information from the developer. And for those in the audience, we did have that same information on the back table. The Lawrence component will be part of condominium unit one, which will be owned by the development team, the for-profit entity. So, it's my understanding the structure will be they will be a tenant of a portion of Unit One. Developer will build it out, and then I couldn't speak to the arrangement of how they're going to manage the leasing to students. I don't know the details, but it's going to be different than how Mosaic's doing it where they'll own it and then do it.

Alderson Brad Firkus (District 3) 35:07

Okay, thank you.

Mayor Jake Woodford 35:12

Alder Hartzheim.

Alderson Sheri Hartzheim (District 13) 35:15

Thank you Chair. I would like to echo Alderman Doran's comments in regards to the thanks I have for staff and the developers for releasing the information that I had primarily questioned. And in particular, the information that's contained in the memorandum that we received tonight has been very helpful to me in this regard.

Alderson Sheri Hartzheim (District 13) 35:34

One of the questions that I had from many people, and in my own mind was what is the—I mean, I don't intend to be an alderman for 25 years, but in 25 years, what is this going to look like? We don't we don't want to be in the same place that we are today as far as the City Center area. So, this particular memorandum and this information here goes a long way in that regard. And I appreciate that. Thank you.

Mayor Jake Woodford 36:02

And I believe we'll have a copy of that attached to the minutes. So, for folks who are watching now or after the fact, look for those in the minutes if you're wondering about the documents that are being referenced tonight and anybody who's in attendance, I believe we still have some copies in the back of the room. But we'd be happy to provide those to you. Is there any further discussion?

Mayor Jake Woodford 36:26

We have a motion and a second to approve. Please cast your votes. Motion passes 14 to zero. The item has been approved.