

**Item 25-0046: Request to award a contract to Ehlers in an amount of \$14,000 for Tax Incremental District (TID) creation services and further fiscal analysis services to be billed at \$325/hour, conditioned on approval of the cost reimbursement agreement with Thrivent Financial for Lutherans (Associated with File #25-0064)**

**Item 25-0064: Request to approve entering into a cost reimbursement agreement with Thrivent Financial for Lutherans for an initial amount of \$100,000 to fund Tax Incremental District (TID) creation/fiscal consulting, engineering-related consulting and other City consulting services deemed necessary to facilitate the redevelopment of Thrivent's office campus located north of I-41 and west of Ballard Road (Associated with File #25-0046)**

**Common Council**

Wed, Feb 19, 2025 7:00PM

**Mayor Jake Woodford 1:07:01**

All right, on to Community Development Committee. All right. First is item 24-0046, request to award a contract to Ehlers in an amount of \$14,000 to tax increment—incremental district creation services and further fiscal analysis services to be billed at \$325 per hour. This is conditioned on the approval of the cost reimbursement agreement which is, which is the next item that was separated out. So, this is 25-0046. We have a motion and a second to approve. Discussion. Alder Hartzheim.

**Aldersperson Sheri Hartzheim (District 13) 1:07:46**

Thank you, Chair. I voted against this in committee, mostly because of the verbiage involved with the action item. It concerns me that we're putting, perhaps the cart before the horse in saying we would like "TID creation services" rather than "TID exploration services". So, I just fear that we're on the precipice of starting something that we won't be able to pull back from should we choose not to create a TID here.

**Aldersperson Sheri Hartzheim (District 13) 1:08:29**

What—my biggest concern is that Thrivent Financial for Lutherans is an \$8 billion company in 2023. Who knows what 2024 was. But billion with a B, which is 1000s of millions. I, again, fear that we walk down this path of TID creation services, and that is almost like a look Appleton is creating a TID for an \$8 billion company, and I think everyone here understands where I'm coming from in that regard, and maybe they're not as reluctant as I am. Thank you.

**Mayor Jake Woodford 1:09:11**

Just like to be clear that the item before you is for consulting services and any further legislative actions related to the creation of a Tax Incremental District would come back before the council, as it would in a standard process. So, I just want to make sure that everyone's clear about what's in front of you—not creating a TID. What's in front of you is for consulting services. Alder Wolff.

**Aldersperson Nate Wolff (District 12) 1:09:38**

I withdraw my....

**Mayor Jake Woodford 1:09:40**

Alder Hayden.

**Alderson Patrick Hayden (District 7)** 1:09:42

Thank you, Chair. I share some of Alder Hartzheim concerns. And when it comes to language here, I think words matter, so I guess I have a question for Director Homan. Does Thrivent understand that these consulting services aren't for the creation of a TID explicitly but that we're looking into the potential of creating a TID, and that it's not guaranteed with the with the path—with us passing these two resolutions?

**Mayor Jake Woodford** 1:10:17

Director Homan.

**Director Kara Homan (Community And Economic Development)** 1:10:19

Yes, they do understand that. We've made it abundantly clear that in order to proceed with creating a TID, we need substantial documentation of the "but for" for the TID, as well as any corresponding development agreement that would have increment passed on, again, deep dive into the pro formas and back and forth and analytics, which is why we, given the complexity of this development, felt it warranted to bring on Ehlers as an expert to assist.

**Alderson Patrick Hayden (District 7)** 1:10:50

May I ask a follow—

**Mayor Jake Woodford** 1:10:51

Please.

**Alderson Patrick Hayden (District 7)** 1:10:52

And along with that, you know, looking into the creation of a TID, the potential of the creation of a TID, we talk about the development of an area of blight, benefit of community, which I see both those, but I have a hard time with the "but for" test, which I have a hard time seeing this pass, just because I kind of feel like this development is going to happen whether or not the city gets involved in financing it or not. I know we're not at that point yet, but I would like to kind of hear before we get to that process, what Thrivent's plans are, with or without the city's development, if this is going to be developed in the same way, regardless of what path the city chooses to go down.

**Mayor Jake Woodford** 1:11:44

I can speak to that right now, which is, we don't have that information yet, and the "but for" test has not been applied to this project because the analysis hasn't been done yet. So, to answer those questions right now, we don't have that information yet, but understanding that that is your question and your colleagues may share that question, that's certainly something that we will bring back to that development team that's associated with the Thrivent project. So, appreciate you raising that and we will certainly bring that back.

**Alderson Patrick Hayden (District 7)** 1:12:22

Thank you.

**Mayor Jake Woodford** 1:12:23

Alder Doran.

**Alderson Chad Doran (District 15)** 1:12:25

Thank you. Trying to, I guess, stay specific to this item, if staff could speak to this situation, I guess, in terms of when we do create a TID, is it normal for the city to go out and pay for these kind of services ourselves and sort of what makes this situation unique, I guess, in that regard?

**Mayor Jake Woodford** 1:12:51

Director Homan.

**Director Kara Homan (Community And Economic Development)** 1:12:52

Sure. So, it's my understanding the city has used Ehlers in the past for at least one possibly two TID amendments. In terms of going out for these services, we are in transition in terms of staffing. Also, we've never had a TID creation that was this complex in terms of public infrastructure, potential development, pro forma review. It is typical of cities of our size to go out for consulting of this type. It's just something new that we're doing here at the City of Appleton, but not new to other communities.

**Mayor Jake Woodford** 1:13:31

And as far as the funding mechanism to your question, Alder Doran, in the past, the city the city has paid for those outside consulting services, but as we've continued our work to identify opportunities for user generated fees and additional revenue to support the work of the city, this this particular project presents an opportunity to put that bill back on the folks who are who are generating the work, and in this case, that's Thrivent and Land By Label. And so, they've agreed to provide the resources to do this. So that—and that's also, as we understand it, really a direction that that the sector is headed in, in general, so different from the way Appleton has done it in the past, not unique within the sector, and within the context of the project this is, this is what we have before you. Alder Firkus.

**Aldersperson Brad Firkus (District 3)** 1:14:32

Thank you, Mayor. I do support voting in favor of this. I do think bringing in a third party, especially one with Ehlers' reputation in this field, is going to be beneficial for this process, but for the sake of just being thorough and getting this out here in the open—this is a hypothetical. So, you know, shoot me down if this is too hypothetical for this discussion. But if Ehlers comes back and says, "Yes, a TID would pass the 'but for' given this, that, and the other thing," but the Council were to say, "We don't want to create the TID" for whatever reasons we come up with, would this study potentially create issue—problems for us in saying, no, we do not want to create a TID?

**Mayor Jake Woodford** 1:15:19

No, it wouldn't.

**Aldersperson Brad Firkus (District 3)** 1:15:20

All right. Thank you.

**Mayor Jake Woodford** 1:15:26

Alder Croatt.

**Aldersperson Chris Croatt (District 14)** 1:15:29

Thank you, Mayor. I share some of the concerns of Alder Hartzheim, and I think Alder Hayden was right that words do matter in this case, and I'm a little bit hung up on the word "creation". I don't want to just derail this or really, you know, create a problem, necessarily, but I would like to—if the problem with an amendment is there are attachments with the word creation in them. So, my proposed amendment would be to replace "creation" with "consulting / evaluation services", and I would make that motion.

**Mayor Jake Woodford** 1:16:08

Okay. So, we have a motion, and we—I did hear a second from Alder Hayden.

**Alderson Chris Croatt (District 14) 1:16:14**

Could I ask a question of Attorney Behrens?

**Mayor Jake Woodford 1:16:17**

Go ahead.

**Alderson Chris Croatt (District 14) 1:16:17**

Does that—would the amending the action item as listed on the agenda also amend the attached documents?

**Mayor Jake Woodford 1:16:26**

Attorney Behrens.

**Attorney Christopher Behrens 1:16:28**

Your action is on the action item; the other documents are supporting documents.

**Alderson Chris Croatt (District 14) 1:16:32**

Okay.

**Attorney Christopher Behrens 1:16:33**

Your action is going to convey what the intent of this body is.

**Alderson Chris Croatt (District 14) 1:16:36**

Okay. Thank you.

**Mayor Jake Woodford 1:16:39**

So, just to be specific then, the amendment is to change this from "Tax Incremental District creation services" to "Tax Incremental District consulting services."

**Alderson Chris Croatt (District 14) 1:16:49**

"Consulting / evaluation" is—was my amendment.

**Mayor Jake Woodford 1:16:52**

Okay.

**Alderson Chris Croatt (District 14) 1:17:00**

Keeping the "further fiscal analysis services" intact.

**Mayor Jake Woodford 1:17:04**

Got it. All right, we do have a second for the amendment. Alder Hartzheim.

**Alderson Sheri Hartzheim (District 13) 1:17:10**

Thank you, Chair. I support this amendment. I feel as though this is a way for us to be very clear with the public that we are not going out for creation services immediately; we're going out to evaluate whether that is a viability. That was strange. I still have some reservations because of what I spoke about before, but as far as this amendment, I think this is a good way for us to be very, very clear that we are not immediately looking to create this. Thank you.

**Mayor Jake Woodford 1:17:48**

Any further discussion? This is on the amendment. We have a motion and a second to amend. Please cast your votes. Thank you, Alder Alfheim. Motion passes 14 to 1. The item has been amended. We're back to discussion on the item as amended. Any further discussion? Hearing none, please cast your votes. Thank you, Alder Alfheim. The motion passes 15 to zero. The item has been approved as amended.

**Mayor Jake Woodford 1:18:46**

All right, moving on to Item 25-0064, request to approve entering into a cost reimbursement agreement with Thrivent Financial for Lutherans for an initial amount of \$100,000 to fund Tax Incremental District creation fiscal consulting engineering related to consulting and other city consulting services deemed necessary to facilitate the redevelopment of Thrivent's office campus located north of I 41 and west of Ballard road. We have a motion and a second to approve. Alder Hartzheim.

**Aldersperson Sheri Hartzheim (District 13) 1:19:19**

Thank you, Chair. I'd like to jump on Alder Croatt bandwagon here and amend, please, the word "creation" to state "evaluation".

**Aldersperson Chris Croatt (District 14) 1:19:29**

Second.

**Mayor Jake Woodford 1:19:31**

All right, we have a motion and a second to amend. Any discussion on the amendment? Hearing none, please cast your votes. This is on the amendment. Thank you, Alder Alfheim. Motion passes 14 to one. Item has been amended.

**Mayor Jake Woodford 1:20:01**

Now on to the item as amended. Good discussion. Hearing none, please cast your votes. Thank you, Alder Alfheim. Motion passes 15 to zero. That item has been approved.

**Mayor Jake Woodford 1:20:31**

On to the Board of Health. This is item 25-0035, approve ordinance changes to Chapter 12, Article 4 Noise as identified in the attached document. We have a motion and a second to approve. And any discussion? Alder Smith.

**Aldersperson Martyn Smith (District 4) 1:21:01**

Yeah, I asked to separate—thank you. Thank you, Mayor. I asked to pull this for discussion just to give some context for my fellow alderspersons, city officials, and perhaps anyone who's viewing. The most common complaint I received this year from constituents has to do with noise. District Four sits on both sides of College Avenue Bridge, and it isn't the vehicle—vehicular noise one might expect from an artery, rather some of the excessive noise caused by people looking to create a nuisance.

**Aldersperson Martyn Smith (District 4) 1:21:34**

I heard these complaints, and I spent time thinking about how to lessen the occurrences of this problem. I came to realize one problem in enforcing noise stems from the fact that Appleton's city code on this topic was outdated and hard to enforce. When I talked this over with Director Sepers from the health department, I found that he was willing to work on a thorough update of the code, and I'd like to thank him and Attorney Darren Glad for their help through this process.

**Alderson Martyn Smith (District 4) 1:22:01**

As the memo from Director Spears—Sepers explains, the new ordinance will make easier the enforcement of excessive vehicular noise and lend clarity to the penalty for such noise. I realize that the APD has a lot on their plate in the city, but I trust that this new ordinance language will give officers some tools to reduce this health hazard that many residents experience.

**Alderson Martyn Smith (District 4) 1:22:23**

I'd like to make clear to constituents, I don't see this issue of noise as finished and done. This at the beginning of my efforts to bring down noise levels along College Avenue, and if we can do it here, we can extend those efforts to other parts of the city. I know that come spring, cars with modified mufflers will be banging around on the on College, but I know that both from my discussions with them that both Mayor Woodford and Chief Olson recognize the problem and are working within the parameters of Wisconsin state law to lessen this problem. And I'd like to thank them for that. I'd also like to thank them for the generous time they spent with me answering questions about this problem, and I look forward to working more with Director Sepers to find ways to gather data on this problem and present information to residents in a form that will allow them to understand what the city is doing to solve this problem. Thank you, and I hope that context gives you a little bit of context for where the ordinance update is coming from.

**Mayor Jake Woodford 1:23:29**

Further discussion? We have a motion and a second to approve. Please cast your votes. Thank you, Alder Alfheim. That motion passes 15 to zero. That item has been approved.

**Mayor Jake Woodford 1:23:49**

I would also like to take the opportunity to thank Alder Smith for his advocacy and efforts. Has put a lot of time in working on these updates, and very much appreciate his commitment to the issue, and I could just attest for Alder Smith's constituents that he is indeed very passionate about this issue and has been steadfast in his efforts to address it. So, appreciate his work, and we'll take this opportunity with the updated ordinances to do some more public education about our noise ordinances in the city, because I agree there could be greater clarity, and this ordinance update will help with that. So again, thank you to Alder Smith.