



## Mixed-use development proposal to build on downtown momentum

February 22, 2018 – Bringing the downtown one step closer to the riverfront could be on the horizon if a multi-phase, mixed-use development proposal, earns approval from the Common Council and Library Board of Trustees in the months ahead.

Almost 100 apartments or condos, retail, as well as a new Appleton Public Library, are part of the first phase of a multi-phase project proposed by a development team led by Paul Klister, a principal at Commercial Horizons and his two sons Dan and Tom.

The first phase of the proposed project would be located on the site of the Soldiers Square parking ramp that would be demolished. Future phases of the project, located south of the YMCA, could add more than 200 additional apartments or condos, a restaurant and a new public parking ramp.

### The Project

The proposed development from Klister's team would be created in phases over several years and could create approximately \$66 million in new tax base. It was selected by City staff out of eight proposals that were received in January.

"We had some very strong proposals to evaluate, but the proposal by Paul Klister and his team addressed the needs we set forth and brought us a project that we believe will be a transformative development for the downtown," said Mayor Tim Hanna.

The proposed project would connect Soldiers Square with Houdini Plaza to create exciting possibilities for a variety of community events to take place in the heart of downtown.

- Phase one creates a temporary surface parking lot to the south of the YMCA, so the Soldiers Square ramp can be torn down. A new library, 96 apartments and space for retail would be built on the site currently occupied by the Soldiers Square Ramp. It also includes underground parking. The first phase of the project could create approximately \$22 million in new tax base.
- Future phases could see 200 additional apartments, a restaurant, retail and a new parking ramp built on the site of the temporary parking lot to the south of the YMCA.

Building the project on the site of the Soldiers Square Ramp, creates an exciting opportunity for young families with the potential for the library to be next to the YMCA.

"There's a strong possibility that this project can jumpstart other family-friendly business and retail in that corridor if this project moves forward," said Mayor Hanna. "It could provide a unique space for community events and would make a great connection with a revitalized Jones Park and new access planned to connect the downtown to the riverfront."

The project has the support of the YMCA, which currently owns the Soldiers Square Ramp, as well as U.S. Venture, which will build a new multi-story headquarters nearby.

### The Proposals

As noted in the summary, the proposal by Klister's team scored the highest among staff and creates the largest potential for new tax base for any of the proposed projects. The City investment in the

project for a new Appleton Public Library is estimated at \$29.8 million for the building. There will be additional costs to finish the interior, some of which could be covered by a private fundraising initiative.

Consistent with the recommendations of the Downtown Parking Study, the City would also be responsible for the parking ramp associated with the development. The parking study shows that when the Soldiers Square Ramp comes down, a replacement ramp would be needed somewhere close to its current location.

The ramp would have space for public parking, YMCA members and tenants in the development. The cost of the parking ramp is estimated at \$26.7 million and would not be built until the second phase of the proposed development.

It is important to note that these are estimated costs for the project based on preliminary conceptual designs. Costs could change and the design of the building and future phases still need to be finalized.

## The Process

City staff reviewed the proposals and scored each one using a comprehensive evaluation process. The goal is to develop a project that enhances the downtown, while creating new tax base utilizing redevelopment of available land. Criteria included:

- Compliance with Comprehensive Plan
- Compliance with Downtown Parking Study
- Compliance with Downtown Mobility Study
- Compliance with Appleton Public Library needs assessment study

Of the five development teams that submitted proposals, three teams were interviewed by our staff. Following the scoring and interview process, the Klister-led team of his two sons as well as Miron Construction, Eppstein Uhen, OPN and Founders 3, was chosen for its ability to address the needs of the project as well as the experience and reputation for quality the partners bring to the project.

Klister's team submitted two proposals, both scoring highest following staff review. The next highest scoring proposal showed a significantly higher cost for the library and lower potential for additional tax base.

## Next Steps

The recommendation by our staff will go before a joint meeting of the Finance Committee and Appleton Public Library Building and Equipment Committee on Monday, February 26 at 5:30 p.m. at City Hall. That meeting is open to the public and can also be viewed live on our website. Future meetings on the project will include opportunities for public comment.

The meeting on Feb. 26th is an informational meeting and no vote on the proposal will be taken. Klister and representatives from his team will present the plan to the joint committees. The recommendation will come back for a vote at a future meeting that will ultimately be forwarded to the Common Council and Library Board of Trustees for a final vote.

If the council and library board approve the project, City staff will work with Klister and his team to create a development agreement that will detail the project costs, as well as the roles and investments the City and development team will make in the project.

Klister estimates the first phase of the project could begin this fall and be complete by May 2020.

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