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MEMORANDUM

TO: Community and Economic Development Committee

FROM: Matt Rehbein, Economic Development Specialist

DATE: November 10, 2021

RE: Planning Option Agreement Extension for the Blue Ramp Site – Merge, LLC

The City of Appleton entered into a Planning Option Agreement with Merge, LLC to provide a 9-month initial term to conduct due diligence for a potential mixed-use development on the Blue Ramp and Conway Hotel sites on March 1, 2020. In return for this option Merge paid the City \$1,000.

This Option was mutually extended to May 31, 2021. Per Section 2 of the Original Option, Merge, LLC paid the City an additional \$5,000 for the first mutually extended 6-month extension; a second extension reflects the same option fee of an additional \$5,000. The City and Merge entered into a Development Agreement for the Conway Hotel site on September 9, 2021, and Merge closed on the purchase of the Conway Hotel site on October 7, 2021. Construction on Phase I is scheduled to begin in Spring 2022.

Merge has submitted a TIF Application for Phase II (Former Blue Ramp Site) and is working with staff to finalize a Development Agreement; however, it will not be approved and signed by the time the current Option expires (November 30, 2021). Merge Urban Development Group would like the continued assurance that the City would be interested in selling these parcels for a mixed-use development that is aligned with our Comprehensive Plan. In return for a 1-month extension, Merge would pay an additional \$1,000 option fee for the Blue Ramp site.

Staff Recommendation:

An extension to the Planning Option Agreement for the Blue Ramp site through December 31, 2021 to Merge, LLC **BE APPROVED**.