

JANUARY 10, 2025

PROPOSAL TO PROVIDE A TAX INCREMENTAL  
DISTRICT CREATION FOR:

# The City of Appleton, Wisconsin



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Ehlers  
N19W24400 Riverwood Drive, Suite 100  
Waukesha, WI 53188

Municipal Advisor Registration Number: K0165  
SEC CIK Number: 0001604197

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## EHLERS' ADVISORS:

**Greg Johnson**

Senior Municipal Advisor  
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**Schane Rudlang**

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651-697-8527

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# CITY OF APPLETON

**Community Development**  
Economic Development  
100 N. Appleton Street  
Appleton, WI 54911  
p: 920.832.6487  
[www.appletonwi.gov](http://www.appletonwi.gov)

January 3, 2025

Re: ADDENDUM #1 to Request for Proposals – City of Appleton, Thrivent Development  
– Tax Incremental District Creation

Dear Proposer,

Attached is Addendum #1 answering questions that were received about the proposal for the City of Appleton, Thrivent Development Tax Incremental District Creation RFP dated December 16, 2024, **please acknowledge receipt of this Addendum by completing the information below and include this completed signature page within the submittal proposal.**

Vendor Name: Ehlers

Name & Title of Vendor's Authorized

Official: Greg Johnson | Senior Municipal Advisor

Signature:   
\_\_\_\_\_

Date: January 10, 2025

City of Appleton Request for Proposal  
Thrivent Development – Tax Incremental District Creation



January 10, 2025

Ms. Lily Paul  
Economic Development Specialist  
100 N. Appleton Street  
Appleton, WI 54911-4799

**Re: Proposal to Provide a Tax Incremental District Creation for the City of Appleton, Wisconsin**

Dear Ms. Paul,

Ehlers is excited to present this proposal to provide a tax incremental district (TID) creation for the City of Appleton. After a thorough review of the RFP, We believe our market-leading TID experience, previous TID work with the City, and unique project approach provide a compelling relationship option for the City to consider.

**Founded in Minnesota in 1955**, Ehlers consists of more than 85 advisors, financial specialists, analysts and client support staff. Ehlers is an S-Corporation, 100% employee-owned by all staff members with at least one year of service. We are headquartered in Roseville, Minnesota with a fully-staffed office in Waukesha, Wisconsin.

As an independent municipal advisor, Ehlers helps public sector clients build outstanding places to live, work, learn and play by delivering focused, fully-integrated municipal financial advisory services. We build strong, long-lasting client relationships - working directly and collaboratively with your staff - to complete projects and drive initiatives forward. We leverage decades of industry experience, deep market and community knowledge, and our unique team-based approach to successfully guide clients through all facets of public finance.

**Our services include:**



**We believe the following factors set our team apart from competing firms:**

**Expertise.** Serving clients across upper Midwest, Ehlers has a team of 21 Wisconsin-based advisors and consultants dedicated to the specialized work of creating tax incremental finance districts, negotiating with developers, and implementing the financing plans that drive these critical projects forward. **Since 2019, Ehlers has advised on approximately 50% of all TID creations and amendments in the state of Wisconsin, a statistic no other firm can claim. In addition, Ehlers has had the privilege of collaborating with the City on several TID creations, which affords us strong insights into Appleton’s unique financial landscape and development needs.** As a registered Municipal Advisor with the Securities and Exchange Commission, within the project plan Ehlers can provide the City with advice on the structuring of any debt obligations needed to finance TIF projects, which a non-registered firm cannot provide.

**Accessible Team Players.** We are responsive to our clients by meeting short deadlines and assigning more than one Municipal Advisor to each client to ensure we meet their needs. Our process is flexible, which helps avoid delays and facilitates decision-making.

**Client-First Values.** Ehlers prides itself on transparent communication, proactive service, and an unwavering dedication to deploying client resources most efficiently and effectively. Ultimately, we will provide the City with ongoing dialogue and idea-sharing, independent analysis, customized water rate options, and a competitive, value-oriented fee structure.

Thank you for including us in this RFP process. We appreciate your consideration and look forward to discussing how Ehlers can even better the City of Appleton.

Respectfully submitted,



**Greg Johnson**  
Senior Municipal Advisor  
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262-796-6168



**Todd Taves**  
Senior Municipal Advisor  
ttaves@ehlers-inc.com  
262-796-6173



**Schane Rudlang**  
Municipal Advisor  
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# Proposal Narrative

## Description of Proposed Project & Familiarity with the City of Appleton

The proposed Thrivent Master Plan contains office, various forms of newly platted residential development, and commercial uses. **Section 66.1105(2)(f)3** of the Wisconsin TIF Statutes states newly platted residential development can only occur within mixed use TIF districts where one of the following applies:

- A. The density of the residential housing is at least 3 units per acre.
- B. The residential housing is located in a conservation subdivision, as defined in **66.1027 (1) (a)**.
- C. The residential housing is located in a traditional neighborhood development, as defined in **66.1027 (1) (c)**.

Newly platted residential development can only comprise up to 35% of the gross area of a mixed use district. Other criteria for a mixed use district include at least 50% of the district area must be suitable for some combination of residential, commercial, and industrial uses (2 out of 3 land uses required).

The proposed Thrivent Master Plan includes proposed land uses suitable for a mixed use TIF district. Based on the overall site acreage of 580.8 acres the proposed residential uses (Townhomes, multi-family, single family lots, TND 1/8 acre lots, and Garden Style apartments) maximize the allowable newly platted residential development. The proposed office commercial, and “mixed use” development will need to comprise at least 50% of the total area of the district.

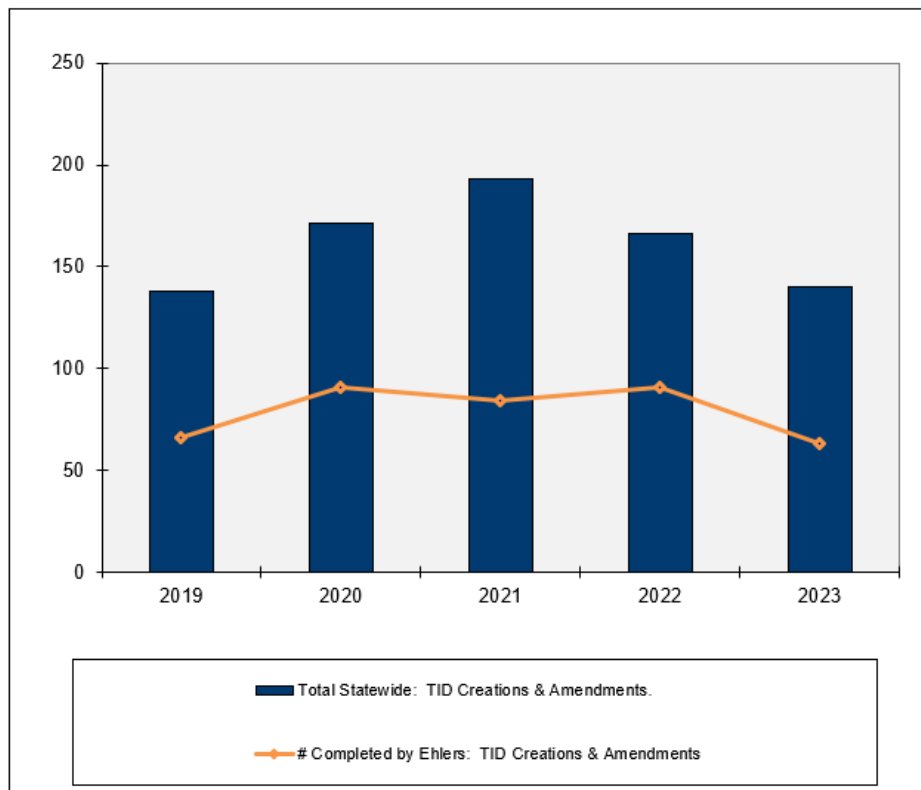
As part of our Phase 1 feasibility analysis, Ehlers will propose strategies to ensure the district boundary follows statutory requirements. Also, different absorption rates should be modeled to evaluate tax increment generated from the Master Plan to determine if increment is sufficient to support the proposed investment of TID funds.

Ehlers has assisted the City of Appleton with TIF project plans previously. In 2020, Ehlers prepared a project plan and boundary amendment for TID #11. In 2023, Ehlers worked for Valley Transit and Appleton, to develop a theoretical proforma and TIF estimate for a multifamily housing development integrated with the Regional Multimodal Joint Development Transit Center in Appleton.

## Firm Experience with Similar Areas of Expertise

Ehlers brings decades of collective experience creating, managing and amending TIDs for our clients. As we mentioned in our Executive Summary, since 2019 Ehlers has advised on approximately 50% of all TID creations and amendments in the state of Wisconsin, as represented in the below graphic:

5 YEAR HISTORY	2019	2020	2021	2022	2023
Total Statewide: TID Creations & Amendments.	138	171	193	166	140
# Completed by Ehlers: TID Creations & Amendments	66	91	84	91	63
Percentage	47.83%	53.22%	43.52%	54.82%	45.00%



Volume aside, we believe our qualifications are best demonstrated by our performance on similar projects, as illustrated by the following case studies. We invite you to contact the references we’ve included along with them.

**City of Oshkosh, Wisconsin  
Length of Relationship: 2010 - Present**

**RECENT TID PROJECT HIGHLIGHTS:**

In 2022, the City solicited proposals for redevelopment of a 14-acre municipally owned site located on the Fox River in its downtown Sawdust District. The City selected T. Wall as the preferred developer and engaged Ehlers to review the developer's request for TIF assistance, and to create the Tax Incremental District for the project. Ehlers has served as the City's Municipal Advisor since 2010 and has created sixteen of the City's active districts. The project included construction of 291 units of market rate multifamily housing with 21,800 sq. ft. of first floor retail space and various on-site amenities. The developer requested TIF payments totaling \$27.7 million over the life of the District. Based on Ehlers review of the developer's sources and uses, financing and project cashflow projections, we recommended a maximum incentive totaling \$20 million in payments which the developer agreed to. The TID was subsequently created, and the project, referred to as the "Mill on Main" broke ground this fall with Phase I scheduled for completion by 2026. The project, once complete, will add approximately \$48 million in value to the City's tax base.

**REFERENCE:**

**Kelly Nieforth**  
**Community Development Director**  
215 Church Avenue  
P.O. Box 1130  
Oshkosh, WI 54903  
920-236-5055  
[knieforth@oshkoshwi.gov](mailto:knieforth@oshkoshwi.gov)

**Village of Mount Pleasant, Wisconsin  
Length of Relationship: 2006 - Present****RECENT TID PROJECT HIGHLIGHTS:**

Ehlers has served as the Village's Municipal Advisor since 2006 and has created all seven of the Village's active districts to include TID No. 5, the location of the Microsoft data center project. In 2022, Ehlers assisted the Village with creation of TID No. 7, a 510-acre mixed use district focused on development of new housing to meet needs in the community. Since the TID's creation, Ehlers has assisted with the review of TIF assistance requests and negotiations for the following residential development projects:

- » "Leo Living", a 374-unit moderate density rental residential development on a 49 acre site being developed by Advenir Oakley Capital LLC.
- » The "Seasons at Spring Street", a 320-unit market rate apartment multi-family project being developed by Fiduciary Real Estate Development.
- » The "Springs at Mount Pleasant", a 280-unit market rate apartment multi-family project being developed by Continental Properties.

In addition to the nearly 1000 residential units that have been approved for development, TID 7 will be the site for the new headquarters of Educators Credit Union. The Village also expects additional commercial, industrial and residential development to occur within the TID.

**REFERENCE:**

**Samuel Schultz, AICP, CNU-A**  
**Community Development Director**  
8811 Campus Drive  
Mount Pleasant, WI 53406  
414-882-1705  
[sschultz@mtpleasantwi.gov](mailto:sschultz@mtpleasantwi.gov)



**The City of Cudahy, Wisconsin  
Length of Relationship: 1995 - Present**

**RECENT TID PROJECT AND FISCAL STUDIES HIGHLIGHTS:**

Ehlers has served as the City’s Municipal Advisor since the early 1990’s. Ehlers has created all eight of the City’s TIF districts, which includes two Environmental TIF Districts. In 2024, Ehlers assisted the City with creation of TID No. 6, a Rehabilitation or Conservation District located at E. Squire Avenue and Packard Avenue. The district was created to facilitate development of “The Scoot”, an 80 unit multi-family market rate apartment complex featuring a clubroom, roof deck, fitness center, co-working space, and 4,100 square feet of commercial space to be developed by Land by Label LLC.

Ehlers also assisted the City with a developer proforma review and developer agreement negotiation for the project. Based on Ehlers review of the developer’s sources and uses, financing and project cashflow projections, we recommended a maximum incentive totaling \$4,050,000. The developer agreement contained several security provisions including a letter of credit that is reduced and terminated once tax increment achieves defined milestones, required a shortfall payment while debt remains outstanding, and provided the ability to levy a special assessment or special charge.

**REFERENCE:**

**Tom Pavlic**  
Mayor  
5050 S. Lake Drive  
Cudahy, WI 53110  
414-769-2222  
[thomasp@cudahy-wi.gov](mailto:thomasp@cudahy-wi.gov)

## Consulting Team Structure

Ehlers will serve as the lead advisory firm responsible for all aspects of this engagement. We do not intend to subcontract any of the required work. Greg Johnson will be the City's primary contact and project manager, with Todd Taves serving as the back-up municipal advisor. Schane Rudlang will provide proforma analysis, if needed. The team structure will be as follows:

### MUNICIPAL ADVISORS

#### **Greg Johnson**

Senior Municipal Advisor  
*Primary Contact, TID Creation, Developer  
Negotiations*

#### **Todd Taves**

Senior Municipal Advisor  
*TID Creation, Project Support*

#### **Schane Rudlang**

Municipal Advisor  
*Pro forma Analysis*

Professional biographies for each team member follow below. All assigned staff are readily available to commence work for the City.



#### **Greg Johnson** **Senior Municipal Advisor**

Greg is a Senior Municipal Advisor with our Wisconsin Municipal Finance team. He guides local governments and public agencies in the design and implementation of financial solutions that empower communities to advance their critical missions. Prior to joining Ehlers in 2005, Greg worked in municipal government as an administrator in Kansas, Illinois and Wisconsin. Clients depend on Greg for his ability to comprehensively analyze their financial landscapes and construct innovative debt issuance and economic development programs.



**Todd Taves**  
**Senior Municipal Advisor**

Todd is a Senior Municipal Advisor on our Wisconsin Municipal Finance team. He joined Ehlers in 2003 after serving eight years as the Administrator for the Village of Bellevue. He previously held positions with the Waukesha Housing Authority and the Village of Sussex. Todd’s previous experience gives him a first-hand understanding of how local governments operate and the challenges they face, along with an ability to relate with staff and officials on a more personal level. These insights all help him craft recommendations and plans tailored to his clients’ specific circumstances and needs.



**Schane Rudlang**  
**Municipal Advisor**

Schane serves as a Municipal Advisor on our Minnesota Municipal Finance team where he primarily assists Ehlers’ clients with their Economic Development and Redevelopment initiatives. Prior to joining the firm, Schane spent 11 years as Bloomington’s Port Authority Administrator, leading over \$1.3 billion in public and private investment in the South Loop District. His work included multiple Mall of America expansions, housing and hotel projects, business expansion and retention initiatives, and efforts to bring a World’s Fair back to the United States in Minnesota. He also was the primary contact for Bloomington’s legislative policies, working with lobbyists, policy experts and also testifying at legislative hearings.

## Project Approach & Detailed Work Plan

The project team proposes to undertake the following steps for the TIF District Creation scope. Our approach is flexible and has proven to deliver the information, recommendations, and facilitated discussions essential to creating a TIF with confidence and accuracy.

### Phase I: Feasibility Analysis

The purpose of Phase I is to determine whether the TID is a statutorily and economically feasible option to achieve the City's objectives. This phase begins upon your authorization of this engagement and ends on completion and delivery of a feasibility analysis report. As part of Phase I services, Ehlers will:

- » Consult with appropriate City officials to identify the City's objectives for the TID
- » Provide feedback as to the appropriateness of using Tax Incremental Financing in the context of the "but for" test
- » Identify preliminary boundaries and gather parcel data from City. Determine compliance with the following statutory requirements as applicable:
  - \* Equalized Value test
  - \* Purpose test (industrial, mixed use, blighted area, in need of rehabilitation or conservation, or environmental remediation)
  - \* Newly-platted residential land use test for mix-use districts
- » Prepare feasibility analysis report. The report will include the following information, as applicable:
  - \* Identification of the type or types of districts that may be created
  - \* A description of the type, maximum life, expenditure period and other features corresponding to the type of district proposed
  - \* A summary of the development assumptions used with respect to timing of construction and projected values
  - \* Projections of tax increment revenue collections to include annual and cumulative present value calculations
  - \* Qualification of the district as a donor or recipient of shared increment, and projected impact of any allocations of shared increment
  - \* If debt financing is anticipated, a summary of the sizing, structure, and timing of proposed debt issues
  - \* A cash flow pro forma reflecting annual and cumulative district fund balances and projected year of closure
  - \* Identification of how the creation date may affect the district's valuation date, the base value, compliance with the equalized value test, and the ability to capture current year construction values and changes in economic value

SECTION B: PROPOSAL NARRATIVE

- \* When warranted, evaluate, and compare options with respect to boundaries, type of district, project costs and development levels
- \* Provide guidance on district design within statutory limits to creatively achieve as many of the City’s objectives as possible and will provide liaison with State Department of Revenue as needed in the technical evaluation of options
- » Present the results of the feasibility analysis to the City’s staff, Plan Commission, or governing body

**Phase II: Project Plan Development & Approval**

If the City elects to proceed following the completion of the feasibility analysis, the project will move to Phase II. This phase includes preparation of the Project Plan, and consideration by the Plan Commission<sup>1</sup>, governing body, and the Joint Review Board. This phase begins after receiving notification from the City to proceed and ends after the Joint Review Board acts on the TID creation. As part of Phase II services, Ehlers will:

- » Prepare a draft Project Plan that includes all statutorily required components (based on the goals and objectives identified in Phase I)
- » Coordinate with your staff, engineer, planner or other designated party to obtain a map of the proposed boundaries of the district, a map showing existing uses and conditions of real property within the district, and a map showing proposed improvements and uses in the district
- » Submit an electronic version of the draft Project Plan for initial review and comment
- » Coordinate with City staff to confirm dates and times for the meetings indicated within the below table. Ehlers will ensure that selected dates meet all statutory timing requirements and will provide documentation and notices as indicated.

Meeting	Ehlers Responsibility	City Responsibility
Initial Joint Review Board	<ul style="list-style-type: none"> <li>» Prepare Notice of Meeting and transmit to City’s designated paper.</li> <li>» Mail meeting notice, informational materials, and draft Project Plan to overlapping taxing jurisdictions.</li> <li>» Provide agenda language to City.</li> <li>» Attend meeting to present draft Project Plan.</li> </ul>	<ul style="list-style-type: none"> <li>» Post or publish agenda and provide notification as required by the Wisconsin Open Records Law.</li> <li>» Prepare meeting minutes.</li> <li>» Designate City Joint Review Board representative.</li> <li>» Identify and recommend Public Joint Review Board representative for appointment.</li> </ul>

<sup>1</sup> If City has created a Redevelopment Authority or a Community Development Authority, that body may fulfill the statutory requirements of the Plan Commission related to creation or amendment of the district.

SECTION B: PROPOSAL NARRATIVE

Plan Commission Public Hearing	<ul style="list-style-type: none"> <li>» Prepare Notice of Public Hearing and transmit to City’s designated paper.</li> </ul>	<ul style="list-style-type: none"> <li>» Post or publish agenda and provide notification as required by the Wisconsin Open Records Law.</li> </ul>
Plan Commission Public Hearing	<ul style="list-style-type: none"> <li>» For blighted area districts and in need of rehabilitation or conservation districts, provide a format for the required individual property owner notification letters.</li> <li>» Attend hearing to present draft Project Plan.</li> </ul>	<ul style="list-style-type: none"> <li>» Prepare and mail individual property owner notices (only for districts created as blighted area, or in need of rehabilitation or conservation).</li> <li>» Prepare meeting minutes.</li> </ul>
Plan Commission	<ul style="list-style-type: none"> <li>» Provide agenda language to City.</li> <li>» Attend meeting to present draft Project Plan.</li> <li>» Provide approval resolution for Plan Commission consideration.</li> </ul>	<ul style="list-style-type: none"> <li>» Post or publish agenda and provide notification as required by the Wisconsin Open Records Law.</li> <li>» Distribute Project Plan &amp; resolution to Plan Commission members in advance of meeting.</li> <li>» Prepare meeting minutes.</li> </ul>
Governing Body Action	<ul style="list-style-type: none"> <li>» Provide agenda language to City.</li> <li>» Attend meeting to present draft Project Plan.</li> <li>» Provide approval resolution for governing body consideration.</li> </ul>	<ul style="list-style-type: none"> <li>» Post or publish agenda and provide notification as required by the Wisconsin Open Records Law.</li> <li>» Provide Project Plan &amp; resolution to governing body members in advance of meeting.</li> <li>» Prepare meeting minutes.</li> </ul>

<p>Joint Review Board Action</p>	<ul style="list-style-type: none"> <li>» Mail meeting notice and copy of final Project Plan to overlapping taxing jurisdictions.</li> <li>» Prepare Notice of Meeting and transmit to City’s designated paper.</li> <li>» Provide agenda language to City.</li> <li>» Attend meeting to present final Project Plan.</li> <li>» Provide approval resolution for Joint Review Board consideration.</li> </ul>	<ul style="list-style-type: none"> <li>» Post or publish agenda and provide notification as required by the Wisconsin Open Records Law.</li> <li>» Prepare meeting minutes.</li> </ul>
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- » Provide drafts of the Project Plan and related documents in sufficient quantity for the City’s staff, Plan Commission, governing body and Joint Review Board members
- » Provide advice and updated analysis on the impact of any changes made to the Project Plan throughout the approval process

### Phase III: State Submittal

This phase includes final review of all file documents, preparation of filing forms, and submission of the base year or amendment packet to the Department of Revenue. This phase begins following approval of the district by the Joint Review Board and ends with the submission of the base year packet. As part of Phase III services, Ehlers will:

- » Coordinate with City’s assessor and other staff as necessary to obtain parcel valuations, parcel data and other information needed for preparation of the State forms that must be filed as part of the base year or amendment packet
- » Assemble and submit to the Department of Revenue the required base year or amendment packet to include a final Project Plan document containing all required elements and information
- » Provide the City with an electronic copy of the final Project Plan (and up to 15 bound hard copies if desired)
- » Provide the municipal Clerk with a complete electronic and/or hard copy transcript of all materials as submitted to the Department of Revenue for certification
- » Act as a liaison between the City and the Department of Revenue during the certification process in the event any questions or discrepancies arise

## Proforma Review & Developer Negotiations *(if requested)*

If the City requests, Ehlers will:

- » **Review developer’s data and back-up materials.** Ehlers will compile and conduct analysis on the Developer’s proposed work. Prior to beginning our analysis, we will require the following materials from the Developer:
  - \* Description of structure of public assistance needed and a narrative for why it is being requested
  - \* A live Excel version of the Developer’s proforma template including property tax projections and anticipated financial returns
    - Backup documentation for:
    - Construction costs
    - Any proposed commercial tenants, rents and pass-throughs
    - Any developer financing related to the Project and specific terms
  - \* “As is” appraisal for Project Site, Purchase and Sale Agreement, or other backup for the purchase price
  - \* Project specs including square footage of all commercial/residential space and gross square footage for the Project
  - \* Site plan and conceptual elevations
  - \* A GANTT Chart or proposed timeline for Project completion and lease-up, if necessary
- » **Conduct analysis on the Project proforma, both with public assistance and without it.** Ehlers will review the developer’s projected revenues and expenses associated with the ongoing operation of the completed Project as compared to Ehlers’ model and assumptions utilizing industry resources, such as CoStar, RS Means, as well as local market expertise. Ehlers will prepare other alternate scenarios to provide the City a reasonable expectation of the developer’s projected returns within market ranges, and any associated risks for the City
- » **Estimate City revenues from TIF or other sources.** Ehlers will build a cash flow model from the proposed Project that may support financing the developer’s “gap,” if any, and compare to the developer’s numbers. Ehlers will examine whether these revenues are appropriate to fill the “gap,” if any. Ehlers will review and provide feedback on whether any of the developer’s Project costs are eligible expenses under state statutes. Finally, Ehlers will identify options for financing any needed City portion of the Project, if necessary
- » **Prepare a summary report for the City.** The report will summarize the results of our analysis and make recommendations as appropriate to the City. Ehlers will conduct a conference call with City’s staff to discuss the analysis, potential costs and benefits of the Project and review any additional feedback from the City prior to the final report
- » **Participate in Developer Negotiations, as requested by the City.** As needed, Ehlers will participate with the City’s negotiating team in developer negotiations to create or review term sheets, development or redevelopment agreements, and financing options. If needed, Ehlers staff will provide support to the City in discussions and developing iterations of a Development Agreement. The final agreement is subject to City’s attorney approval



## SECTION B: PROPOSAL NARRATIVE

Based on the financial analysis outlined above, Ehlers will make recommendations to the City on possible incentives or assistance to Developer, and the use of “Look Back” provisions in the Development Agreement, so that if the Project is more successful than originally projected when submitting a TIF requested, the Developer assistance is adjusted accordingly.

If warranted, Ehlers will conduct further analysis, modeling and “what-if” scenarios as part of this engagement. The Ehlers team assigned to the City is available for questions and encourages as much collaboration as possible.

### Project Timeline

Ehlers will complete the phased scope of services according to the following schedule

Phase	Work Completed	Timeline
Phase I	TID Feasibility Analysis	February - July 2025
Phase II	TID Project Plan Development & District Creation	May - July 2025
Phase III	District Certification by DOR	After October 31, 2025