

November 29, 2019

City of Appleton
Department of Community & Economic Development
100 N. Appleton Street
Appleton, WI 54911

Dear Appleton Stakeholders,

On behalf of our development team, thank you for the opportunity to visit Appleton, WI and to tour development sites within the East College Avenue Opportunity Zone.

Merge has pursued OZ development in small to mid-sized communities across the Midwest since the initiative was put into law in late 2017. The markets we seek are usually under 100,000 in population, have a presence of higher-ed, and offer a compelling balance between lifestyle and cost of living. In 2019, our team gained approval of two projects in the State of Wisconsin - the North Side Yard mixed-use project in Stevens Point (\$40M project cost) as well as Mackson Corners & the Brio Building in Oshkosh (\$50M project cost). We continue to plan similar developments across Wisconsin, Iowa, Minnesota, and South Dakota - several of which will break ground next year.

The City of Appleton's East College Avenue Opportunity Zone has attractive features that make mixed-use development projects viable investments when paired with local planning efforts and incentives. Appleton's investments in district parking, strong downtown employment, and diverse retail & entertainment options make it an attractive place for residential density of scale.

Two sites within the City were of near-term interest to Merge: the former Hotel Conway site and the former Blue Ramp Site. Together, these sites have the potential to add significant future taxable value through residential density of scale. Because of their proximity to both College Avenue and the City's parking assets, the sites create an ideal place for 1) urban dwellings that offset daytime parking and 2) thoughtfully placed first-floor retail or amenities for residents that create a pedestrian-friendly experience. Our team would like to bring a sketch and estimate of project costs to facilitate a discussion about Merge mixed-use development on these sites. Before we invest in an architectural concept, we would like to understand that the City is receptive to this type of development on these city-owned properties.

Enclosed please find precedent projects for reference. Please do not hesitate to contact me with questions.

Sincerely,



Brent Dahlstrom