



MEMORANDUM

TO: Appleton Common Council

FROM: Kara Homan, AICP Director of Community & Economic Development

DATE: June 7, 2023

RE: **Frequently Asked Questions (FAQ) - Fox Commons Development Agreement**

Q. What type of housing units are proposed for Lawrence University?

- A. The proposed Lawrence University Housing component will house approximately 190 students, with accommodations configured into apartments-style living (~60 units total), consisting of a mixture of 2-, 3-, and 4-bedroom units. Each unit will have its own living room, kitchen/dining and bathroom areas.

ATTACHED is a communication from the Developer, which includes a description and conceptual renderings of the Lawrence University housing units.

Q. With non-profit entities, such as Mosaic, Lawrence, and Prevea Health occupying the Fox Commons development, will that impact the development agreement and the taxable value?

- A. Mosaic will purchase / be the OWNER Condominium Unit #2, and will be exempt from property taxes. We approached development negotiations knowing this, and made sure to account for this from a financial and scope perspective when crafting the development agreement. Unit #2 being non-taxable was already accounted for in the estimated assessed value (prepared by our City Assessor) and in how we calculated the development incentive. Put another way, because Mosaic's unit is tax exempt no taxable value is attributed and thus no TIF incentive provided based on the Mosaic portion of the project.

Both Prevea Health and Lawrence University will be LEASING and thus be tenants within Condominium Unit #1 (which is the balance of the building beyond Mosaic's space), which will be owned by a for-profit entity, and thus will be taxable from a property tax perspective. Because their spaces will be taxable, there is no PILOT needed and no changes needed to the city's financial incentive. (Prevea and Lawrence's situation is similar to the City also paying property tax in the past when it leased the dance studio space in the mall.)

With that said, the City proactively negotiated provisions in the development agreement to financially protect the city should there ever be a future conversion of spaces within Condominium Unit #1 to an ownership that is non-profit/tax exempt. Section 3.3 of the development agreement addresses this potential scenario, and guarantees that if for some reason a future conversion to non-profit/tax exempt status would occur while the District is open (until 2044) the developer or subsequent owners are required to make a payment in lieu of taxes (PILOT) in an amount equal to what we would have otherwise received through property taxes.

ATTACHED is a communication from the Developer, which includes an illustration of the location of Units #1 (Fox Commons Properties, LLC) and #2 (Mosaic) of the proposed condominium, and a description of the condominium arrangement.



Good morning Common Council Members,

June 7th, 2023

We appreciate the opportunity to provide some clarity of the details of the Fox Commons project prior to the Common Council meeting and vote this evening. We understand there are two main points of concern:

- What parts of the building are taxable, and which are non-taxable?
- What will the Lawrence housing portion of the project entail?

We will address the taxation concern first. After the building is purchased by Fox Commons Properties LLC, the building will become a condominium comprised of two units, Unit 1 & Unit 2. Approximately 150,000 square feet of the building will remain under the ownership of Fox Commons Properties LLC and will be considered "Unit 1". Fox Commons Properties LLC will lease space within Unit 1 to entities such as Lawrence University, Prevea Health and the existing tenants as well as other potential tenants in the building to be determined. The entirety of Unit 1 will be fully subject to paying property taxes because the ownership of Unit 1 will remain under Fox Commons Properties, LLC.

The remaining 35,000 square feet of space in the building will be sold to Mosaic Family Health and will be considered "Unit 2" of the condominium. Unit 2 is the only portion of the property that will have property tax-exemption since it will be owned by Mosaic Family Health, a non-profit entity.

The included plans highlight which areas of the building will be considered as Unit 1 and Unit 2. As you have been made aware from our press release, Lawrence University will be leasing space within Fox Commons (Unit 1) for student housing to create a living-learning community within the building. This will include approximately sixty apartment-style units to house approximately 190 students. The units will be a mix of 2-, 3- and 4-bedroom units each equipped with a full kitchen, bathroom(s), bedrooms, and a common living and dining areas. We have included a sheet to demonstrate the layout of each of these units for your reference. As noted by Lawrence University in the press release, these apartment-style units will house junior and senior level students who desire to live off-campus.

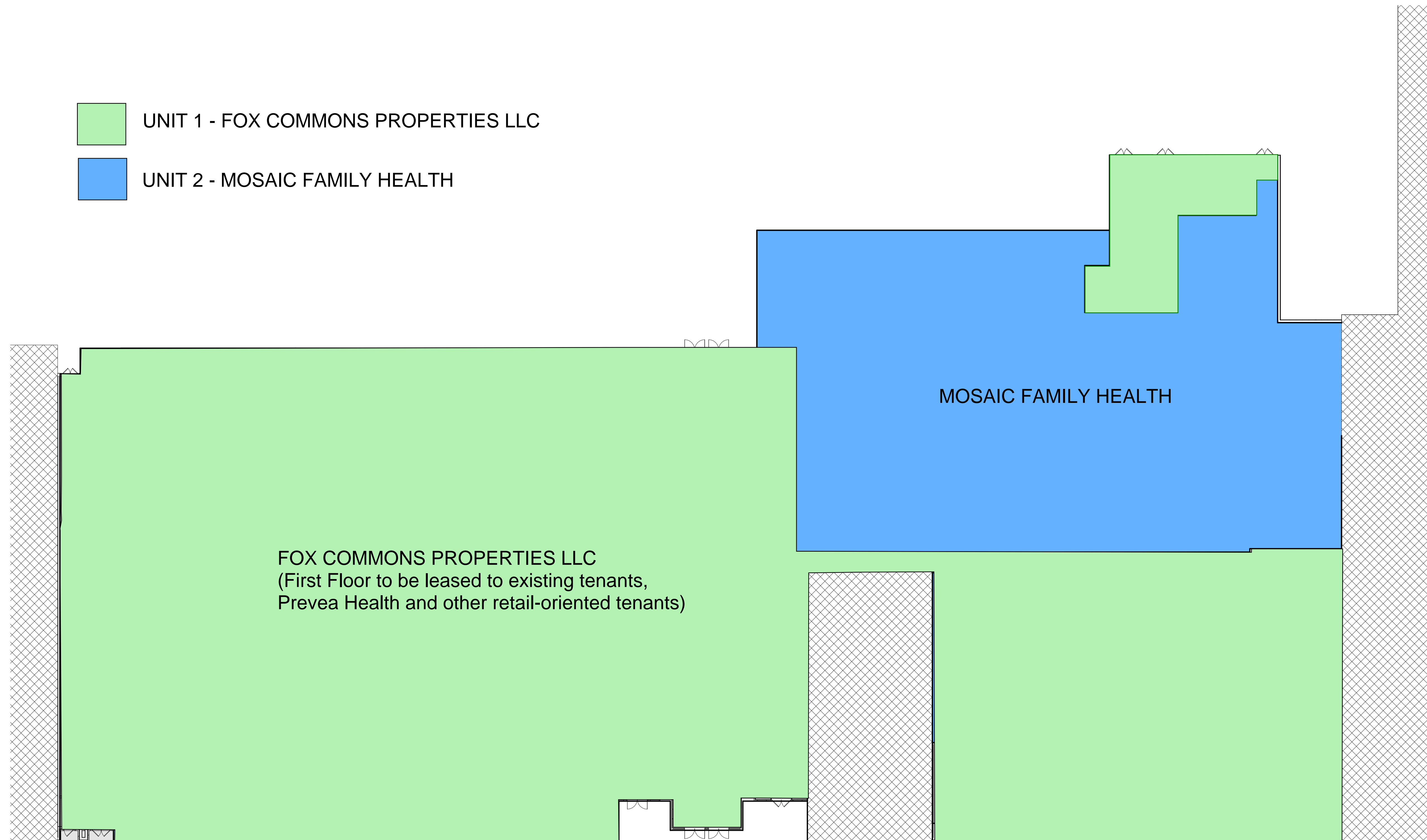
Thank you for your interest and support in this project and we hope that this letter and the included plans provide clarity ahead of tonight's meeting. If there are further questions, we will be happy to address this evening.

Sincerely,

A handwritten signature in black ink that reads "Cole Alsbach".

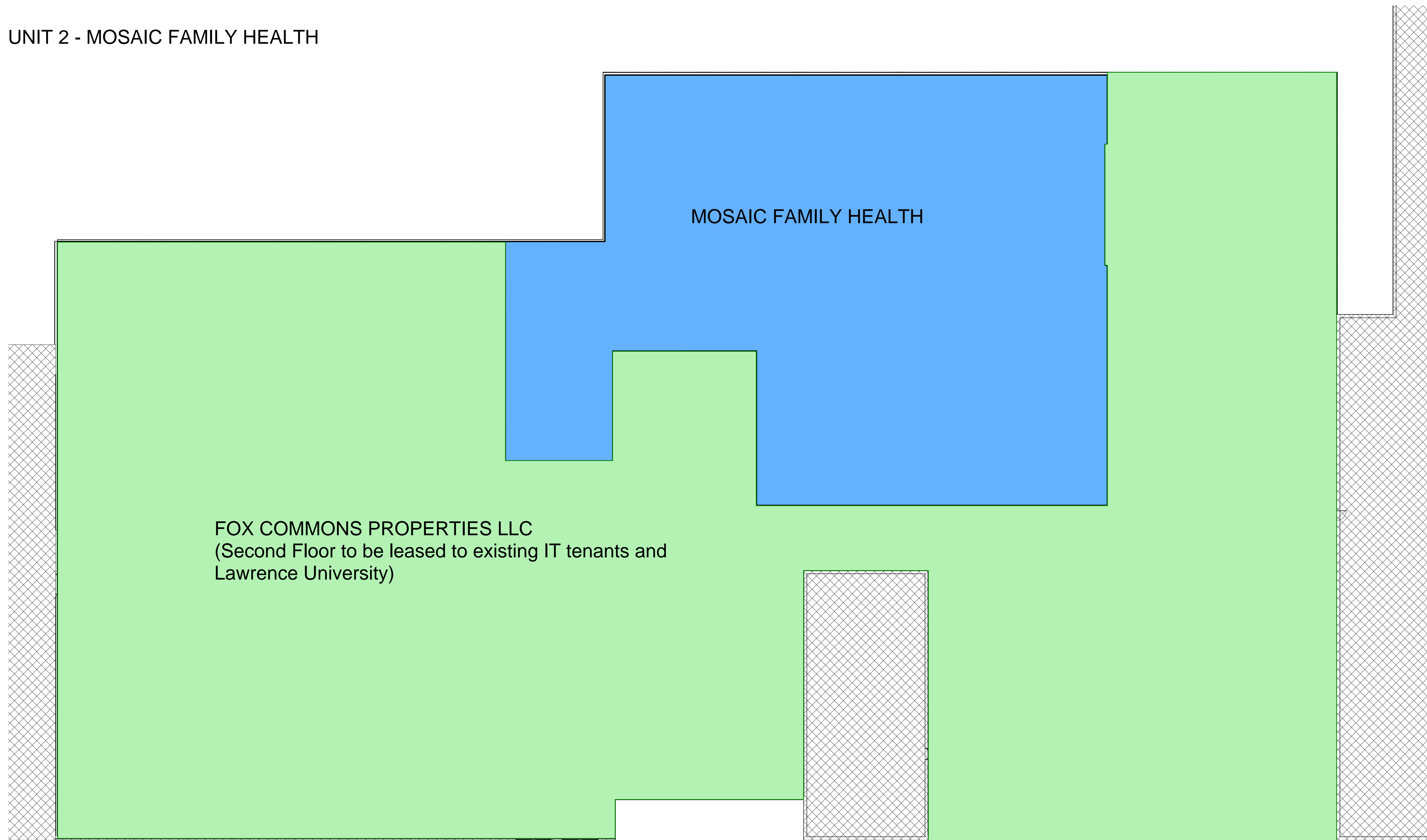
Cole Alsbach
Vice President of Operations
Dark Horse Development

- UNIT 1 - FOX COMMONS PROPERTIES LLC
- UNIT 2 - MOSAIC FAMILY HEALTH



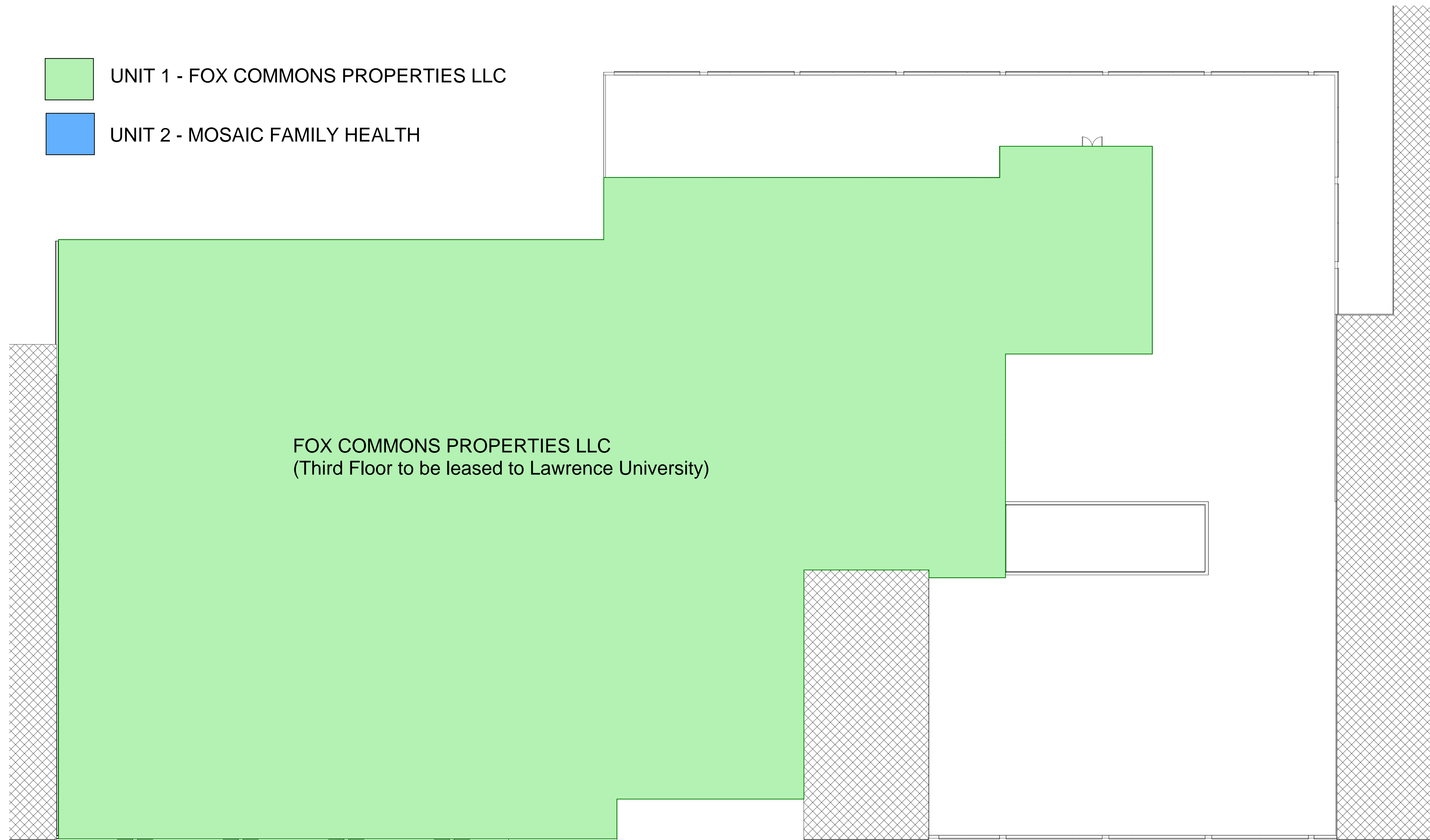
1 First Floor Plan
1/16" = 1'-0"

- UNIT 1 - FOX COMMONS PROPERTIES LLC
- UNIT 2 - MOSAIC FAMILY HEALTH



1 Second Floor Plan
1/16" = 1'-0"

- UNIT 1 - FOX COMMONS PROPERTIES LLC
- UNIT 2 - MOSAIC FAMILY HEALTH



1 Third Floor Plan
1/16" = 1'-0"



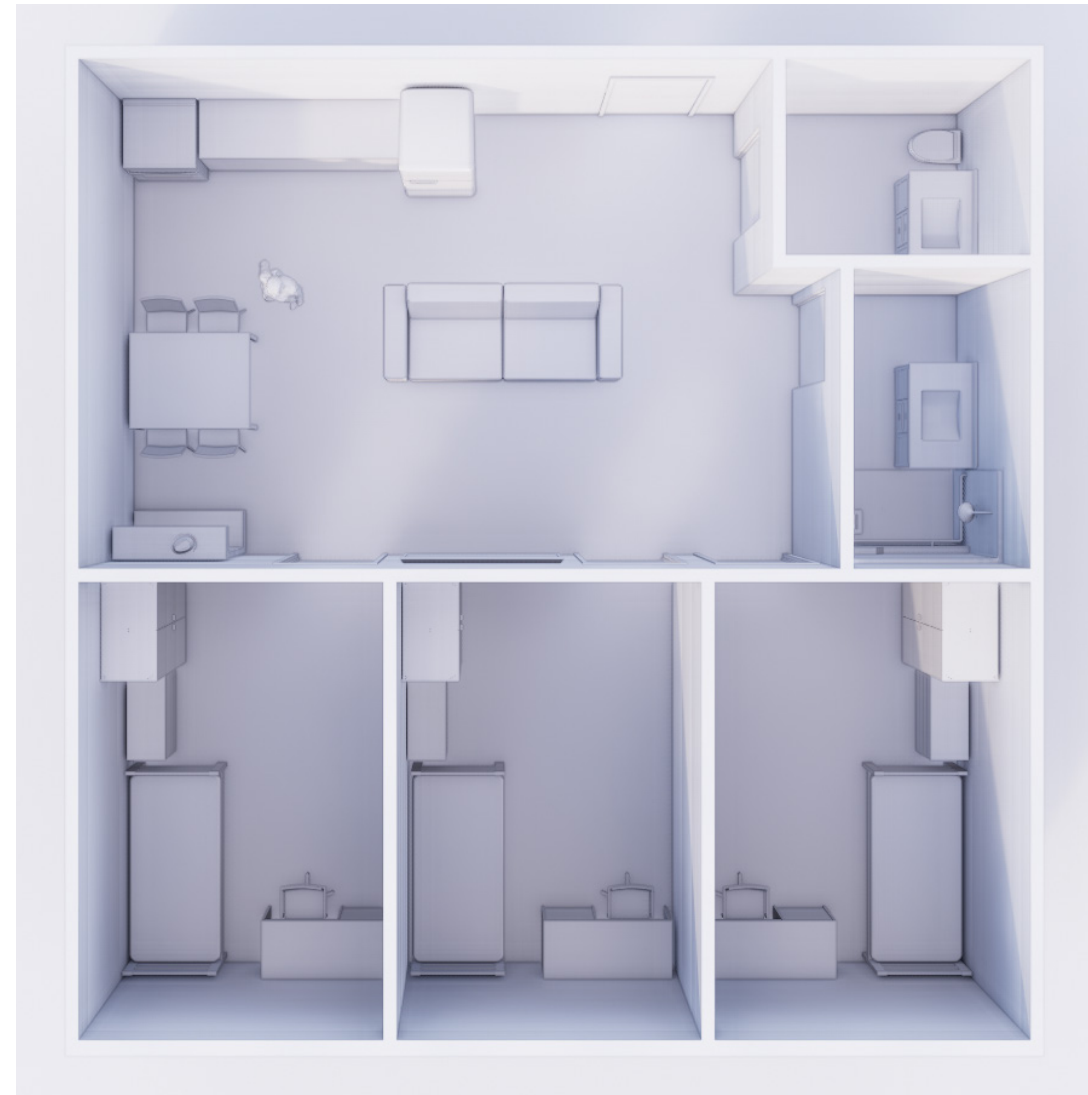
2 BEDROOM UNITS

2 Bedroom Size

Bedroom: 14'x 9'-10"

Overall Square Footage

B: 602 SF



3 BEDROOM ADA UNITS

2 Bedroom Sizes

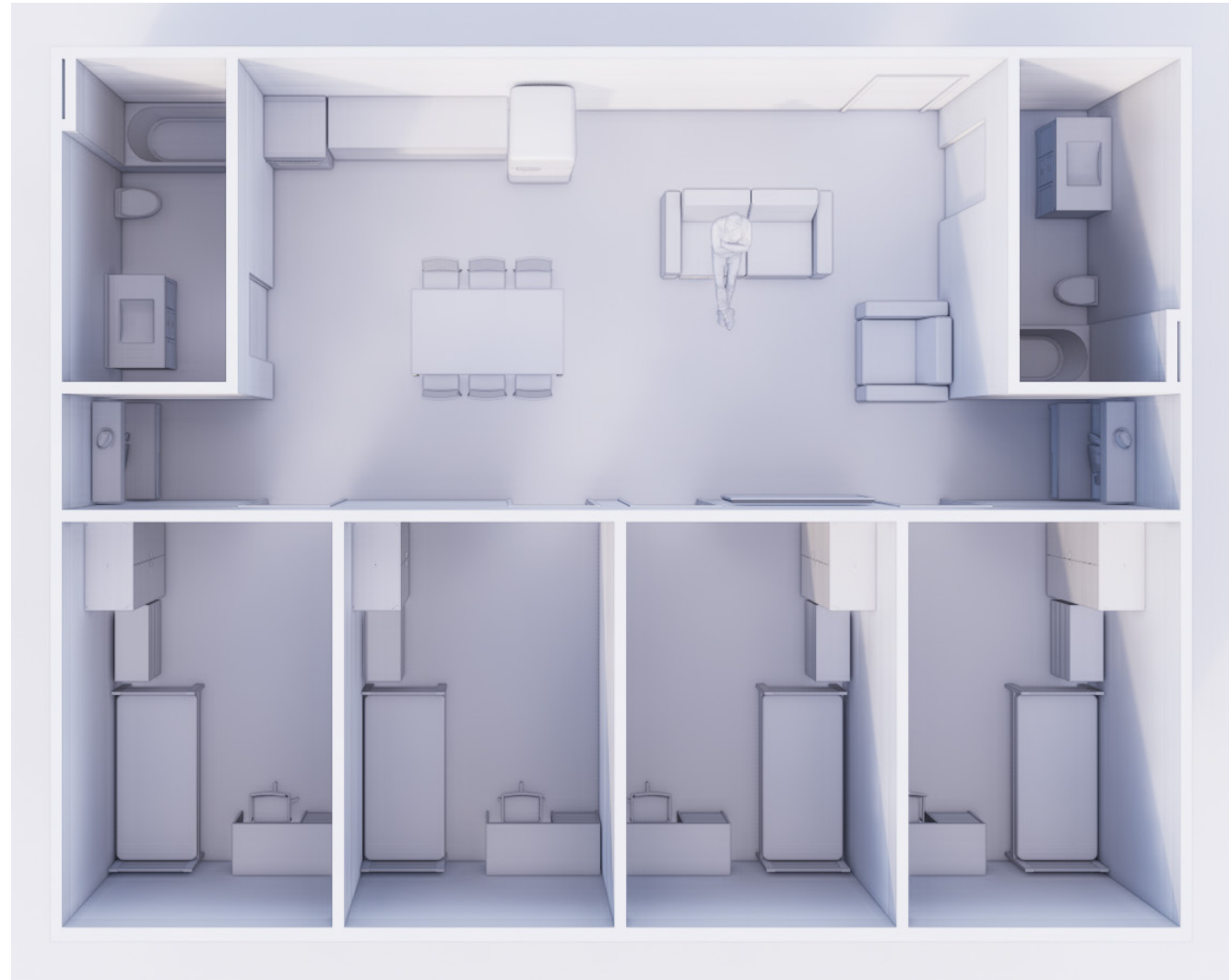
Bedroom A: 14'x 9'-10"

Bedroom B: 14'x 9'-4" (bedroom adjacent to restroom 9'-8")

Overall Square Footage

A: 909 SF

B: 874 SF



4 BEDROOM UNITS

2 Bedroom Sizes

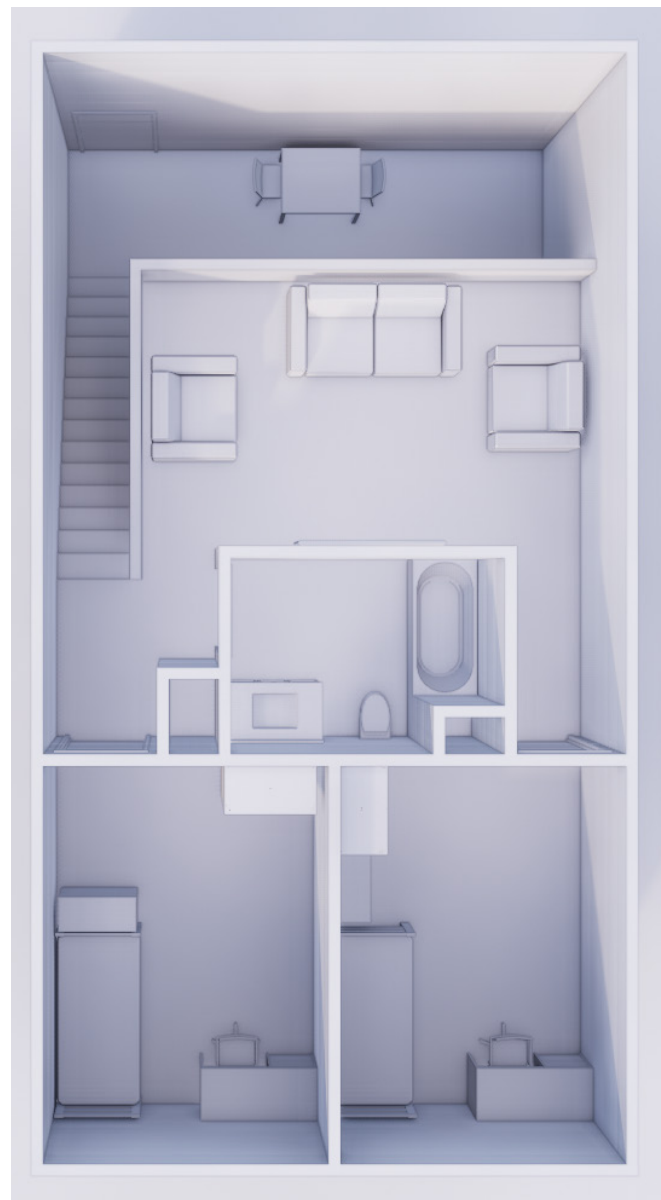
Bedroom A: 14'x 10'

Bedroom B: 14'x 9'-4"

Overall Square Footage

A: 1,238 SF

B: 1,155 SF



Level 01

Level 02

4 LOFT UNITS A

2 Bedroom Sizes

Bedroom: 13'-10'x 10'

Overall Square Footage

1,415 SF



Level 01

Level 02

4 LOFT UNITS B

2 Bedroom Sizes

Bedroom A: 13'x 9'-11"

Bedroom B: 13'-11" x 9'-8"

Overall Square Footage

1,470 SF