



City of Appleton

100 North Appleton Street
Appleton, WI 54911-4799
www.appleton.org

Meeting Agenda Community & Economic Development Committee

Monday, April 27, 2015

5:00 PM

Council Chambers, 6th Floor

JOINT MEETING WITH APPLETON REDEVELOPMENT AUTHORITY AT 5:15 PM

1. Call meeting to order
2. Roll call of membership
3. Approval of minutes from previous meeting

[15-607](#) CEDC Minutes from 4-6-15

Attachments: [CEDC Minutes 4-6-15.pdf](#)

4. Public Hearings/Apearances

[15-609](#) Presentation of the Appleton Economic Development Strategic Plan (EDSP) by the consultant, Manheim Solutions, Inc. (as Joint Meeting with Appleton Redevelopment Authority)

Attachments: [Memo to CEDC ARA and Council EDSP.pdf](#)

5. Action Items

6. Information Items

[15-608](#) Completed Community Development Investment (CDI) Grant Application Submittal

Attachments: [CDI Grant 2015 for 513 Part 1.pdf](#)

[CDI Grant 2015 for 513 Part 2.pdf](#)

[15-614](#) Organizational Matters:

1. Elect a Vice-Chair
2. Set Meeting Date and Time
3. Designate a Contact Person

7. Adjournment

Notice is hereby given that a quorum of the Common Council may be present during this meeting, although no Council action will be taken.

Any questions about items on this meeting are to be directed to the Community and Economic Development Department at 920-832-6468.

Reasonable Accommodations for Persons with Disabilities will be made upon Request and if Feasible.



City of Appleton

100 North Appleton Street
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Meeting Minutes - Final Community & Economic Development Committee

Monday, April 6, 2015

5:00 PM

Council Chambers, 6th Floor

1. Call meeting to order

Meeting called to order at 5:00 p.m.

2. Roll call of membership

Present: 4 - Alderperson Stueck, Alderperson Konetzke, Alderperson Meltzer and
Alderperson Spears

Excused: 1 - Alderperson Coenen

Others present:

Alderperson Tim Trauger, District #1

Alderperson Jeff Jirschele, District #15

Adrienne L. Palm, Fox Cities Chamber/Pulse YP

Mee Vang, Social Work, UW-Oshkosh

Brad Cebulski, "513"

3. Approval of minutes from previous meeting

[15-538](#)

CEDC Minutes from 3-23-15

Attachments: [CEDC Minutes 3-23-15.pdf](#)

**Alderperson Konetzke moved, seconded by Alderperson Meltzer, that the
Minutes be approved. Roll Call. Motion carried by the following vote:**

Aye: 4 - Alderperson Stueck, Alderperson Konetzke, Alderperson Meltzer and
Alderperson Spears

Excused: 1 - Alderperson Coenen

4. Public Hearings/Appearances

[15-540](#)

Adrienne Palm, Director of Leadership-Pulse & Cultivate, of Fox Cities Chamber of Commerce & Fox Cities Regional Partnership - Young Professionals (YP) Week Presentation

YP Week is a weeklong platform for discovery, adventure and meaningful conversations about the issues that matter among young professionals in Wisconsin. YP Week brings together key leaders in the community, at purposefully chosen locations that integrate the unique cultural assets with meaningful learning or social interaction. The activities engage the millennial workforce in experiences that are important to you as a YP while educating your employers on the important role these functions play in retaining you as their workforce.

This Appearance was presented.

5. Action Items

[15-539](#)

Request to approve Wisconsin Economic Development Corporation's (WEDC) Community Development Investment (CDI) Grant Application

Attachments: [CDI Grant Memo-App-Tracking Form.pdf](#)

Alderson Konetzke moved, seconded by Alderson Spears, that the Report Action Item be recommended for approval. Roll Call. Motion carried by the following vote:

Aye: 4 - Alderson Stueck, Alderson Konetzke, Alderson Meltzer and Alderson Spears

Excused: 1 - Alderson Coenen

[15-554](#)

Request for Waiver of Repurchase Rights for Lot Five (5), Northeast Business Park No. One (1), retroactively, as described in the attached memo

Attachments: [SJ Waiver 3-30-15.pdf](#)

Alderson Stueck moved, seconded by Alderson Meltzer, that the Report Action Item be recommended for approval. Roll Call. Motion carried by the following vote:

Aye: 4 - Alderson Stueck, Alderson Konetzke, Alderson Meltzer and Alderson Spears

Excused: 1 - Alderson Coenen

6. Information Items

[15-541](#)

2014 Growth Report for the City of Appleton

Attachments: [2014Growth Report Summary CEDC.pdf](#)
 [2014 Growth Report.pdf](#)

This Presentation was presented.

[15-555](#)

Director's Report

Economic Development Strategic Plan is scheduled to be presented at the April 27, 2015 CEDC meeting

This Presentation was discussed.

7. Adjournment

Aldersperson Konetzke moved, seconded by Aldersperson Spears, that the meeting be adjourned at 6:15 p.m. Roll Call. Motion carried by the following vote:

Aye: 4 - Aldersperson Stueck, Aldersperson Konetzke, Aldersperson Meltzer and Aldersperson Spears

Excused: 1 - Aldersperson Coenen



"...meeting community needs...enhancing quality of life."

MEMORANDUM

TO: CEDC, ARA, Council

FROM: Karen Harkness, Director of Community & Economic Development

DATE: April 15, 2015

RE: Economic Development Strategic Plan Presentation, Mon. 4/27/15 @ 5:15 p.m.

Manheim Solutions will present the City of Appleton's Economic Development Strategic Plan (EDSP) under information in a joint meeting of CEDC and ARA on Monday, April 27, 2015 at 5:15 p.m. in Council Chambers.

CEDC will meet at their regular time of 5:00 p.m. to conduct required business.

ARA will join CEDC at 5:15 p.m. for the EDSP Presentation.

The Economic Development Strategic Plan assesses existing conditions impacting the local economy and identifies strategies that will contribute to the City's future health, enhance the business climate, ensure the vibrancy and vitality of the City and support community growth consistent with the City's character and culture.

The Economic Development Strategic Plan is available at
[Click here to view Appleton Strategic Plan](#)

WISCONSIN ECONOMIC DEVELOPMENT CORPORATION

Community Development Investment Application

A. GRANT REQUEST

Grant Request: \$150,000 + Applicant Leverage: \$685,822 = Total Project Cost: \$835,822

Name of WEDC Community Account Manager: Naletta Burr

B. APPLICANT INFORMATION

Legal Name: City of Appleton

Applicant Type: ☒ City ☐ Town ☐ Village ☐ County ☐ Tribal Entity

FEIN #: 39-6005381

Address: 100 N. Appleton St.

City, State, Zip: Appleton, Wi. 54915

Telephone #: (920) 832-6408

Internet Address: www.Appleton.org

NAICS (for end use): 531120

C. LOCAL GOVERNMENT CONTACTS:

Primary Contact:

Name: Karen Harkness Title: Director, Community and Economic Development

Address (if different): 100 N. Appleton St.

Phone: 920-832-6468 Email: Karen.Harkness@appleton.org

Highest Elected Official:

Name: Tim Hanna Title: Mayor

Address (if different):

Phone: 920-832-6400 Email: Tim.Hanna@appleton.org

Official Authorized to Sign Contracts:

Name: Jim Walsh Title: City Atty

Address (if different):

Phone: 920-832-6423 Email: Jim.Walsh@appleton.org

Individual to Receive Grant Payments:

Name: Tony Saucerman Title: Director, Finance

Address (if different):

Phone: 920-832-6440 Email: Tony.Saucerman@appleton.org

Reporting Contact:

Name: Karen Harkness Title: Director, Community and Economic Development

Address (if different):

Phone: 920-832-6468 Email: karen.Harkness@appleton.org

D. SECONDARY CONTACT (e.g. consultant, developer, partner, as applicable):

Name: Garritt R. Bader Title: Member

Organization: 513 West College, LLC

Explain Role: Member of 5-Member Investor Team

Address: 300 N. Van Buren Street

City, State, Zip: Green Bay, WI 54301

Tele #: (813) 500-0296 Fax #: (888) 645-8301

Email Address: gb@gb-re.com

E. PROJECT AREA DETAILS		
Project Location: <input checked="" type="checkbox"/> City <input type="checkbox"/> Town <input type="checkbox"/> Village Of: Appleton		County: Outagamie
Project Site Address: 513 W. College Avenue, Appleton, WI 54911		
Is the project located in a TID? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, creation date:		
Is the project located in a State or Federally declared disaster area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If yes, was the declaration within the 24 months prior to submitting an application? <input type="checkbox"/> Yes <input type="checkbox"/> No		
If yes, date of declaration:		
Does the applicant or end user currently own the property on which work is to occur? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
If no, how do you have or expect to obtain ownership or access to the property?		
<input type="checkbox"/> Condemnation	Timeframe:	
<input type="checkbox"/> Tax Delinquency	Timeframe:	
<input checked="" type="checkbox"/> Purchase (attach purchase agreement or option)	Timeframe: Close on purchase in June 2015	
<input type="checkbox"/> Development Agreement	Timeframe:	
<input type="checkbox"/> Other:	Timeframe:	
If applicant will not own the property, what entity will/does?		
Current Site Ownership: Evergreen Storage, LLC	Phone: (920) 739-0101	Email: cwinter@rollewinter.com
Final Site Ownership: 513 West College, LLC	Phone: (813) 500-0296	Email: gb@gb-re.com

F. REDEVELOPMENT NARRATIVES (reference Required Supporting Documentation as needed)
<p>1. Project Description (three page limit):</p> <ul style="list-style-type: none"> a. Describe the project, its implementation and the significance of this project to the community b. The extent to which this project is included in and/or complements previous regional or municipal planning efforts (please reference section and page numbers of the plan) c. The extent to which the project supports best smart growth practices; best downtown redevelopment practices; and has community wide support d. Describe any public/private partnerships developed and the extent to which the applicant can ensure that all of the activities outlined within this application will be undertaken? (e.g. conditions of loan agreements, status of development agreements, etc.) e. Which eligible activity (ies) does this project fall under? <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Building renovation <input type="checkbox"/> New construction <input type="checkbox"/> Historic preservation <input type="checkbox"/> Infrastructure reinvestment <input type="checkbox"/> Demolition <input type="checkbox"/> Professional services <p>2. Project Timeline (two page limit):</p> <ul style="list-style-type: none"> a. Describe past and planned project activities with timelines, including planning process, site control, environmental condition, and a project implementation schedule b. Provide detailed descriptions of intended property transactions to occur over the next five years <p>3. Project Financing (two page limit):</p> <ul style="list-style-type: none"> a. Describe the various methods that will be used to fund the project and include the progress of establishing or receiving funds b. I certify that incentive assistance is needed to ensure this Project will happen in Wisconsin. Describe the financial need for grant funding that cannot be met through private sector sources (e.g. traditional financing, equity investment or donor support), public sector support (e.g. RLF financing, TIF financing, and public borrowing) or a reduction in the scope of the project

4. Economic Development Potential (two page limit)

- a. Describe the potential of the project to enhance the economic viability of the community (e.g. tax base increases, job creation, stimulation of private investment). A response should detail the potential for both temporary and permanent jobs at the project site as well as the potential for job creation to occur in the area. To the extent possible, provide detail on the potential types of jobs, wage rates and health benefits associated with the jobs that are identified.
- b. Describe the potential for the project to promote economic development in the neighborhood, community, county and/or region
- c. Describe the potential for the project to act as a catalyst for additional commercial development or investment

G. PROJECT TIMELINE

Start Date: July 1, 2015

End Date: October 31, 2015

H. PROJECTED ECONOMIC DEVELOPMENT

How many jobs will likely be created as a result of this project? 30 - 40

a. Full-time (>35 hours/week):

Type of Positions	Direct	Indirect	Avg. Base Hrly	Healthcare
Optimal – No Experience	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$17.00	<input checked="" type="checkbox"/>
Optimal – Experience	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$40.00	<input checked="" type="checkbox"/>
BConnected – No Experience	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$17.00	<input checked="" type="checkbox"/>
BConnected – Experience	<input checked="" type="checkbox"/>	<input type="checkbox"/>	\$25.00	<input checked="" type="checkbox"/>
The Docking Station	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$Varies	<input type="checkbox"/>

b. Part-time (<35 hours/week):

Type of Positions	Direct	Indirect	Avg. Base Hrly	Healthcare
Co-Working Space	<input type="checkbox"/>	<input checked="" type="checkbox"/>	\$Varies	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	\$	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	\$	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	\$	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	\$	<input type="checkbox"/>

c. Temporary (construction, etc.):

Type of Positions	Direct	Indirect	Avg. Base Hrly	Healthcare
	<input type="checkbox"/>	<input type="checkbox"/>	\$	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	\$	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	\$	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	\$	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	\$	<input type="checkbox"/>

Current assessed value of the property or district in which work is occurring: \$401,600 + \$103,400 = \$505,000

Please see addendum for copies of current property tax records for the two tax parcels that comprise this property.

Projected assessed value of the property or district in which work is occurring: According to DeAnn Brosman, Appleton City Assessor, our building valuation will rise from an adjusted \$300,000 (upon current state reassessment) to over \$1,000,000.

A detailed justification of these estimates should be provided in the Economic Development Potential narrative requested above.

I. LEGAL INFORMATION

YES/NO

Has the applicant, or any owner, officer, subsidiary or affiliate, been involved in a lawsuit

☒ Yes ☐ No

in the last 5 years? Please see attached list of lawsuits involving the City of Appleton.	
Has the applicant, or any owner, officer, subsidiary or affiliate, ever been involved in a bankruptcy or insolvency proceeding or are any such proceedings pending?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
In the last 5 years, has the applicant, or any owner, officer, subsidiary or affiliate, been charged with a crime, ordered to pay or otherwise comply with civil penalties imposed, or been the subject of a criminal or civil investigation?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the applicant, or any owner, officer, subsidiary or affiliate, have any outstanding tax liens?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Applicant certifies that they have completed a similar background review of the developer or any pass through recipient	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Please attach a detailed explanation of any YES responses.	

J. STATE REQUESTS FOR BID OR PROPOSAL	
Are you aware of any State of Wisconsin request for bid or request for proposal to which the applicant intends to respond or to which the applicant or has recently responded?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If yes, please provide the following:	
<ul style="list-style-type: none"> a. Identify the bid or request for proposal (e.g., bid number, or general description or title). b. Identify the state agency or public entity to which you are submitting the bid or proposal. c. Explain the status of the bid or proposal (e.g., recently submitted; considering submission; in current negotiations). 	
Please note that if you answer "yes", WEDC may not be able to discuss potential financial assistance until the request for bid or request for proposal process has been completed.	

K. REQUIRED SUPPORTING DOCUMENTATION CHECKLIST		
Please include the following attachments:	Included ✓	Attachment #
1. A map indicating the project location within its municipal jurisdiction and any specially designated federal, state or local economic or taxation zone encompassing the project site. Photographs of the site and surrounding area.	<input checked="" type="checkbox"/>	K-1
2. A copy of any applicable redevelopment plan pertaining to the project.	<input checked="" type="checkbox"/>	K-2
3. Narrative describing each line item included in the project budget. If any past costs are to be considered as match, please include dates, purpose and amount.	<input checked="" type="checkbox"/>	K-3
4. A copy of any cost estimates or bidding conducted for costs listed in the project budget, or an explanation of the basis for all costs.	<input checked="" type="checkbox"/>	K-4
5. A copy of any applicable development agreement with private parties benefitting from project implementation. (If unsigned, signed copy must be submitted prior to first disbursement). Awaiting hopeful approval, upon which the applicant and private party will execute an agreement.	<input type="checkbox"/>	N/A
6. Documentation that demonstrates the success of obtaining financing (e.g. commitment letters from lending institutions, municipal resolutions for financing or TID creation).	<input checked="" type="checkbox"/>	K-6
7. For any committed end users or partners having an ownership in the property, provide a history of the individual or company's operations with resumes detailing relevant experience and involvement and percentage of ownership if applicable.	<input checked="" type="checkbox"/>	Within Word Document
8. Individuals owning 20% or more of the project may be required to submit signed and dated personal financial statement.	<input checked="" type="checkbox"/>	Forwarded Via E-Mail

L. OPTIONAL DOCUMENTATION HELPFUL IN PROJECT EVALUATION		
	Included ✓	Attachment #
1. Pro forma	<input checked="" type="checkbox"/>	L-1
2. Municipal planning (relevant sections only)	<input checked="" type="checkbox"/>	L-2
3. Statements from community, public and community development leaders that support the project proposed for funding	<input checked="" type="checkbox"/>	L-3

M. CERTIFICATION STATEMENT

This application, and the information being submitted to WEDC, is true and correct to the best of my (our) knowledge. This also certifies that:

1. The applicant certifies that to the best of its knowledge and belief, the information being submitted to WEDC is true and correct.
2. The applicant understands submitting false or misleading information in connection with an application may result in the applicant being found ineligible for financial assistance under the funding program, and the applicant or its representative may be subject to civil and/or criminal prosecution.
3. The applicant certifies that it is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it.
4. The applicant certifies that it is not in default under the terms and conditions of any grant or loan agreements, leases, or financing arrangements with its other creditors.
5. The applicant understands this application and other materials submitted to WEDC may constitute public records subject to disclosure under Wisconsin's Public Records Law, § 19.31 et seq. The applicant will mark documents "confidential" where appropriate for financial and other sensitive materials that should be, to the extent possible, be kept in confidence. WEDC will notify the applicant if it receives a public records request for materials marked confidential.
6. The applicant certifies that WEDC is authorized to obtain a credit check and Dun and Bradstreet on the applicant, the business and/or the individual(s).
7. The recipient of Community Development Investment Grant funds shall enter into a contract with WEDC that may require, at the discretion of WEDC, a personal or business guarantee from any private owner of the site with more than 20% ownership interest.
8. The recipient of Community Development Investment Grant funds shall provide WEDC verified statements, semi-annual project reports, financial reports, and a financial audit in accordance with the contract between parties.
9. The applicant understands that grant eligibility is limited to only one non-planning or marketing Community Development Investment Grant per fiscal year.
10. Funds received for remediation under the Community Development Investment Grant program shall not replace funds from any other source including Agri-Chemical, Petroleum Environmental Cleanup Act and the Superfund.
11. Funds received under the Community Development Investment Grant program shall not be used for environmental remediation costs where there is a known viable causer of contamination with ownership interest in the property.
12. The applicant certifies that it has disclosed and will continue to disclose any occurrence or event that could have an adverse material impact on the project. Adverse material impact includes but is not limited to lawsuits, criminal or civil actions, bankruptcy proceedings, regulatory intervention or inadequate capital to complete the project.
13. The applicant will provide signage, according to WEDC specifications, at the project site indicating WEDC financial participation should grant funds be provided to the project.
14. The applicant is will identify WEDC participation in planning and feasibility documents should grant funds be provided to produce the documents.

Signature: _____

Karen E. Harnes
(Authorized Representative)

Date: _____

4/13/2013

Printed Name: _____

Harnes

Title: _____

Director

M. PROPOSED PROJECT BUDGET: Please see Section K, Item #4 for a detailed analysis of how project funds will be applied.									
PROJECT ACTIVITIES*		SOURCES OF FUNDING*							
		(TIF, In-kind, DNR, CDBG, USDA, Developer, etc.)							
		WEDC	SOURCE #1 NAME: LLC Equity	SOURCE #2 NAME: Lender	SOURCE #3 NAME:	SOURCE #4 NAME:	SOURCE #5 NAME:	TOTAL	
Building Renovations								\$	770,727
Demolition								\$	
New Construction									
Site Improvements:								\$	
- Streets								\$	
- Sewer/Water								\$	
- Public Space								\$	
- Parking								\$	
- Other:								\$	
Site / Area Planning								\$	
Marketing								\$	
Other:								\$	
Other:								\$	
SUBTOTAL		\$	\$	\$	\$	\$	\$	\$	770,727
OTHER ACTIVITIES**									
Property Acquisition								\$	300,600
Other: Soft Costs								\$	132,394
TOTAL		\$	150,000	\$	100,000	\$	953,721	\$	1,203,721
*Please provide the following for the sources listed above									
Source	Source Name:	Contact Name:	Contact Title	Contact	Email Address	Phone Number			
1.	513 West College, LLC	Garritt R. Bader	Member	gb@gb-re.com		(813) 500-0296			
2.	American National Bank	Paul Northway	Senior VP	PNorthway@americannationalbank.org		(920) 739-1040			
3.									
4.									
5.									

*Project Activities are those activities that are reimbursable through the Community Development Investment Grant and that count towards the required 3:1 match.
 **Other Activities are those activities that demonstrate the financial investment necessary for project completion but are not reimbursable, nor do they count towards the required 3:1 match. They will count towards the total applicant leverage stated on page 1 of the Application.

Budget	313100500 & 313100600	Parcel Number
Winters Building	25,129	Building Area: (SF): BASEMENT NOT INCL
513 W. College Ave.	18,807	Land Size: (SF, Acre)

Description	\$	Comments
Land		

Land Purchase	\$300,000			
Closing Costs	\$600			Mike Strick Meeting Thu 12/19
Title Insurance	\$1,500			Based on Past Quote From Renee @ Evans Seller Resp.
Brokerage Commission	\$0			Seller Pays Brokerage Commission
TOTAL Land	\$300,600			

Construction				
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Building	\$30.67	\$770,727	Awaiting Budget Refinement From CCC
Site Work - Typical		\$0	See Detail
Site Work - Atypical		\$0	See Detail
Signage		\$0	See Detail
Insurance & Performance Bond		\$0	By GC
Contingency		\$0	
TOTAL Construction Costs		\$770,727	

Soft Costs				
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Site Investigation	\$0	See Detail
Building Permits / Public Works Permits / Impact Fees	\$750	See Detail
Planning / Dev't Review / Zoning / Public Hearing Fees	\$0	
Architect & Structural Engineer	\$0	Included in Building Construction Cost
Civil Engineering	\$0	
Landscape Architect	\$0	
Development Costs	\$131,644	See Detail
TOTAL Soft Costs	\$132,394	
TOTAL - Costs Before Financing	\$1,203,721	

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Effective Gross Income	\$132,061	\$132,061	\$132,061	\$132,061	\$132,061	\$145,267	\$145,267	\$145,267	\$145,267	\$145,267
Optimal (2nd)	38,062	38,062	38,062	38,062	38,062	41,868	41,868	41,868	41,868	41,868
The Docking Station (1st)	37,820	37,820	37,820	37,820	37,820	41,602	41,602	41,602	41,602	41,602
Coffee Shop (1st)	10,249	10,249	10,249	10,249	10,249	11,274	11,274	11,274	11,274	11,274
B Connected (2nd)	29,996	29,996	29,996	29,996	29,996	32,996	32,996	32,996	32,996	32,996
Coworking Space (1st)	15,934	15,934	15,934	15,934	15,934	17,527	17,527	17,527	17,527	17,527
Operating Expenses	\$32,598	\$32,884	\$33,173	\$33,465	\$33,760	\$34,456	\$34,756	\$35,060	\$35,367	\$35,677
Management Fee	6,603	6,603	6,603	6,603	6,603	7,263	7,263	7,263	7,263	7,263
Real Estate Taxes	15,000	15,150	15,302	15,455	15,609	15,765	15,923	16,082	16,243	16,405
Property Insurance	2,500	2,525	2,550	2,576	2,602	2,628	2,654	2,680	2,707	2,734
Utilities	15,000	15,150	15,302	15,455	15,609	15,765	15,923	16,082	16,243	16,405
Maintenance	15,000	15,150	15,302	15,455	15,609	15,765	15,923	16,082	16,243	16,405
Subtotal Operating Expenses	54,103	54,578	55,058	55,542	56,032	57,186	57,686	58,190	58,699	59,213
Expense Reimbursables	21,505	21,694	21,885	22,077	22,272	22,731	22,929	23,130	23,332	23,536
Net Operating Income	\$99,463	\$99,176	\$98,887	\$98,595	\$98,301	\$110,811	\$110,510	\$110,206	\$109,900	\$109,590
Less 5% Replacement Reserve	\$4,973	\$4,959	\$4,944	\$4,930	\$4,915	\$5,541	\$5,526	\$5,510	\$5,495	\$5,479
Loan Payment	\$78,749	\$78,749	\$78,749	\$78,749	\$78,749	\$78,749	\$78,749	\$78,749	\$78,749	\$78,749
Before-Tax Cash Flow	\$15,740	\$15,468	\$15,194	\$14,916	\$14,636	\$26,521	\$26,235	\$25,947	\$25,655	\$25,361
Cap Rate	8.01%	7.99%	7.96%	7.94%	7.92%	8.92%	8.90%	8.88%	8.85%	8.83%



These are preliminary tenant-specific costs that will be revised and vary based on individual space allocations and finishes. None of these costs are paid by the landlord.

This Column lists all the landlord-performed work to complete the building renovation.

SCOPE OF WORK

COMMENTS

PROFESSIONAL SERVICES	REVISED PRELIMINARY BUDGET 02/23/2015	REVISED LANDLORD ALL B PRELIMINARY BUDGET 02/23/2015	REVISED PRELIMINARY BUDGET 02/23/2015	REVISED 2nd 2,288 PRELIMINARY BUDGET 02/23/2015	REVISED 4th 3,738 PRELIMINARY BUDGET 02/23/2015
Architectural Design	\$44,997	\$39,470	\$1,903	\$860	\$2,764
Insurance: Builders Risk and Liability	\$32,861	\$27,761	\$1,756	\$793	\$2,551
Municipal Submittals and Fees:	\$2,236	\$1,809	\$147	\$67	\$213
State Approvals and Fees	\$4,900	\$4,900	\$0	\$0	\$0
Local Permits and Fees	\$4,000	\$4,000	\$0	\$0	\$0
Testing (Quality Requirements):	\$500	\$500	\$0	\$0	\$0
Soil/Compaction/Concrete Testing	\$500	\$500	\$0	\$0	\$0
Printing and Reproductions	\$500	\$500	\$0	\$0	\$0
GENERAL CONDITIONS	\$129,704	\$115,477	\$4,018	\$3,281	\$6,928

Supervision:

- Project Management Team
- Project Director
- Project Manager
- Project Engineer
- Project Assistant
- Estimator

- Site Supervision
- Safety Director
- Travel Expenses

Construction Facilities and Temporary Controls:

- Site Security Fencing
- Temporary Electrical
- Temporary Heat Equipment and Fuel
- Temporary Fire Protection
- Project Equipment Rental
- Temporary Toilets
- Office Trailers
- Storage Trailers
- Field Office Supplies
- Safety Supplies
- Snow Removal and Plowing
- Temporary Enclosures/Winter Protection
- Temporary Telephone
- Personal Protective Equipment



SCOPE OF WORK

SCOPE OF WORK	REVISED PRELIMINARY BUDGET 02/23/2015	REVISED LANDLORD ALL PRELIMINARY BUDGET 02/23/2015	REVISED B PRELIMINARY BUDGET 02/23/2015	REVISED 2nd 2,288 PRELIMINARY BUDGET 02/23/2015	REVISED 4th 3,738 PRELIMINARY BUDGET 02/23/2015	COMMENTS
Water						
Dumpsters						
Project Mobilization						
Interim Cleanup						
Final Cleanup						
Miscellaneous Materials						
SITEWORK	\$14,200	\$14,200	\$0	\$0	\$0	
Demolition	\$14,200	\$14,200	\$0	\$0	\$0	
Site and Building Excavation	\$0	\$0	\$0	\$0	\$0	
CONCRETE	\$0	\$0	\$0	\$0	\$0	
Foundations and Flatwork	\$0	\$0	\$0	\$0	\$0	
MASONRY	\$6,900	\$6,900	\$0	\$0	\$0	
Concrete Masonry Units	\$6,900	\$6,900	\$0	\$0	\$0	
METALS	\$21,120	\$21,120	\$0	\$0	\$0	
Miscellaneous Metal Fabrication and Erection	\$21,120	\$21,120	\$0	\$0	\$0	
CARPENTRY	\$78,001	\$53,653	\$7,009	\$1,947	\$15,393	
Interior Rough Carpentry	\$25,600	\$17,800	\$2,300	\$1,200	\$4,300	
Finish Carpentry	\$36,381	\$27,273	\$2,589	\$747	\$5,773	
Architectural Woodwork	\$10,000	\$2,560	\$2,120	\$0	\$5,320	
Sills	\$6,020	\$6,020	\$0	\$0	\$0	



SCOPE OF WORK	REVISED PRELIMINARY BUDGET 02/23/2015	REVISED LANDLORD ALL PRELIMINARY BUDGET 02/23/2015	REVISED B PRELIMINARY BUDGET 02/23/2015	REVISED 2nd 2,288 PRELIMINARY BUDGET 02/23/2015	REVISED 4th 3,738 PRELIMINARY BUDGET 02/23/2015	COMMENTS
DOORS, WINDOWS & GLAZING	\$73,105	\$49,000	\$12,000	\$2,835	\$9,270	
Doors, Frames and Hardware	\$32,065	\$7,960	\$12,000	\$2,835	\$9,270	
Aluminum Entrances & Glazing	\$41,040	\$41,040	\$0	\$0	\$0	
FINISHES	\$205,235	\$141,490	\$19,242	\$11,837	\$32,667	
Drywall (Wall Assembly)	\$92,481	\$66,012	\$9,289	\$2,773	\$14,407	
Ceilings	\$2,029	\$2,029	\$0	\$0	\$0	
Flooring	\$72,396	\$44,711	\$5,712	\$8,397	\$13,577	
Painting	\$38,329	\$28,737	\$4,241	\$667	\$4,683	
SPECIALTIES	\$2,300	\$2,300	\$0	\$0	\$0	
Toilet Partitions and Accessories	\$2,300	\$2,300	\$0	\$0	\$0	
Miscellaneous Specialties	\$0	\$0	\$0	\$0	\$0	
Partitions/Shelving	\$0	\$0	\$0	\$0	\$0	
CONVEYING SYSTEMS	\$40,000	\$40,000	\$0	\$0	\$0	
Elevators	\$40,000	\$40,000	\$0	\$0	\$0	
MECHANICAL	\$82,123	\$82,123	\$0	\$0	\$0	
Fire Sprinkler Systems	\$0	\$0	\$0	\$0	\$0	
Plumbing	\$18,764	\$18,764	\$0	\$0	\$0	
HVAC Systems	\$63,359	\$63,359	\$0	\$0	\$0	
ELECTRICAL	\$105,757	\$84,757	\$8,500	\$3,000	\$9,500	
Building Electrical	\$105,757	\$84,757	\$8,500	\$3,000	\$9,500	
Security System	\$0	\$0	\$0	\$0	\$0	
Fire Alarm	Included	Included	Included	Included	Included	
Sound and Video	\$0	\$0	\$0	\$0	\$0	
Data/Communication Cabling	\$0	\$0	\$0	\$0	\$0	
Sub-total Construction Costs	\$803,442	\$650,490	\$52,672	\$23,759	\$76,522	
Overhead	\$57,205	\$76,986	\$3,750	\$1,692	\$5,448	
Contractor Fee	\$32,138	\$43,251	\$2,107	\$950	\$3,061	
Preliminary Total Construction Cost	\$892,785	\$770,727	\$58,529	\$26,401	\$85,031	
Contingency	\$0	\$0	\$0	\$0	\$0	

Cost Summary Sheet
February 9, 2015
Building Area (1) : 6000 sq ft
Building Area (2) : 6000 sq ft
Building Area (3) : 6000 sq ft
Building Area (4) : 6000 sq ft

SCOPE OF WORK		Total Construction Cost		COMMENTS	
	Cost Per SF				

2014 Lawsuits

No	Date Served	[Entire] Case Caption	Case No.	Type (trip and fall, rehab foreclosure, accident, Work Comp, etc)	Intro Papers Filed	Attorney
1	1-2-14	John C. Berkley v. Auto Club Insurance Association, Julie A. Nji and City of Appleton	13 CV 1393	City is a subrogated party. Berkley, while working as a police officer, responded to an incident at the home of Ms. Nji, slipped and fell on some snow/ice and incurred expenses. City paid Workers Comp on this matter and will be reimbursed with any settlement pursuant to Statute	1-15-14	CRB
2	1-23-14	John S. Doran and US Dept of Veteran Affairs v. Appleton West End Realty, LLC, The Cincinnati Insurance Company, City of Appleton and ABC Insurance Company	13 CV 1424	Slip and fall of John Doran in front of a property owned by Appleton West End Realty (Bruce Chudacoff)	2-13-14	SD
3	2-20-14	Peter Magyar v. City of Appleton	14 SC 606	His daughter's vehicle was damaged by a City snow plow		
4	2-20-14	Cease and desist demand from attorney Nicholas Y. Borger on behalf of Dave Viaene	No no	Mr. Viaene feels that he is being harassed by the City of Appleton and the attorney is giving a formal demand to cease and desist	Given to CRB	
5	4-14-14	Colonial Savings, F.A. v. Tammy Dvorak aka Tammy R. Dvorak, John Doe Dvorak and City of Appleton	14 CV 43 (Calumet County)	Rehab foreclosure	4-15-14	CRB/SD
6	5-5-14	CVS Pharmacy v. City of Appleton	14 CV 473	Excessive assessment for the year 2013	5-13-14	JPW / Amy Seibel
7		Weyenberg (Worker's Comp)		Referred to Atty Nowakowski		
8	8-____-14	Dennis C. Strong v. City of Appleton	14 SC 2362	Replevin action		SD/CRB
9	11-7-14	Steven D. Pillow v. City of Appleton, Casey Voss and Gary Lewis (US District Court)	14-C-1298	Civil rights claim due to incident on 7/23/13		
10						

2015 Lawsuits

No	Date Served	[Entire] Case Caption	Case No.	Type (trip and fall, rehab foreclosure, accident, Work Comp, etc)	Intro Papers Filed	Attorney
1	12-29-14	WHEDA v. Donna L. Berg, City of Appleton, Midland Funding LLC and Discover Bank	14-CV 1246	Rehab foreclosure	1-6-15	CRB
2	1/22/15	Dennis C. Strong v. City of Appleton Police Department	15 SC 159	APD seized vehicle in June of 2014 as evidence from theft which he was the victim and Parris Kelly needs to relinquish his interest in DMV title to same vehicle he improperly obtained.	appearance	AKJ
3	2-13-15	John's Repair and Towing LLC v. City of Appleton and City of Appleton Common Council	15 CV 129	Removal from the police tow list	3-3-15	AKJ
4	4-8-15	Associated Bank, N.A. v. Estate of Harold J. Marchant and City of Appleton	15 CV 308	Rehab foreclosure		CRB
5	3-24-15	Paul Adamski v. Andrew Maier, Outagamie County District Attorney's Office, City of Appleton, Sergeant Dan Tauber and Officer John Doe	14 C 1447 JPS	Violation of civil rights Referred to attorneys Gregg Gunta and Ann Wirth (they have handled the other Adamski federal lawsuits)		
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						

Substitute **W-9**

DO NOT send to IRS

Taxpayer Identification Number (TIN) Verification

Print or Type

This form can be made available in alternative formats to qualified individuals upon request.

Legal Name: (as entered with IRS)

Individuals: Leave Blank

Sole Proprietorships: Enter Business Name

All Others: Complete only if doing business as a D/B/A

City of Appleton

Trade Name:

Individuals: Leave Blank

Sole Proprietorships: Enter Business Name

All Others: Complete only if doing business as a D/B/A

Remit Address: Address where check should be sent if different from primary address PO Box or Number and Street, City, State, ZIP+4

Order Address: Address where order should be mailed
PO Box or number and street, City, State, ZIP+4
[NOT APPLICABLE]

Primary Address: Address where 1099 should be sent if different from remit address
PO Box or number and street, City, State, ZIP+4

Entity Designation: (check only one) Required

- ☐ Individual / Sole Proprietor
- ☐ Corporation (includes service corporations)
- ☐ Limited Liability Partnership
- ☐ Limited Liability Corporation
- ☒ Government Entity
- ☐ Hospital Exempt from Tax or Government Owned
- ☐ Long Term Care Facility Exempt from Tax or Government Owned
- ☐ All Other Entities

Taxpayer Identification Number (TIN):

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, using your EIN may result in unnecessary notices to the Requester.

3 9 6 0 0 5 3 8 1

Check Only One Required

- ☐ Social Security Number (SSN)
- ☒ Employer Identification Number (EIN)
- ☐ Individual Taxpayer Identification Number for U.S. Resident Aliens (ITIN)

Certification: Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number, AND
2. I am not subject to back up withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to back up withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding,
3. I am a U.S. person (including a US resident alien).

Printed Name
Anthony D Saucerman

Printed Title
Finance Director

Telephone Number
(920) 832-6440

Signature

Anthony D. Saucerman

Date (mm/dd/yyyy)
04/13/2015

For Agency Use Only

Agency Number

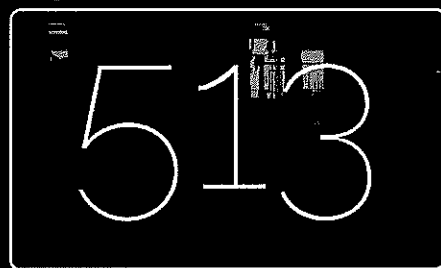
Contact

Phone Number

Change ☐ Name ☐ Address ☐ Other (explain)

For all projects approved by WHDC, this form is used as a reference for issuing checks to Recipients. WHDC will file with the IRS appropriate income tax forms for award Recipients based on information that appears on this form. Failure to provide this information may result in delayed payments. This request is being made at the direction of the Wisconsin State Controller. We are required to inform you that failure to provide the correct Taxpayer Identification Number (TIN) / Name combination may subject you to a \$50 penalty assessed by the Internal Revenue Service under section 6723 of the Internal Revenue Code. Section 6109 requires you to furnish your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, or contributions you made to an IRA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 31% of taxable interest, dividend, and certain other payments to a payee who does not furnish a TIN to a payer. Certain penalties may also apply.

Coming soon, the next great thing in Downtown Appleton



April 10, 2015

To Whom It May Concern:

As members of 513 West College, LLC, we are pleased to introduce our proposed project at 513 W. College Avenue in downtown Appleton—appropriately named “513.”

513 will be the Fox Valley’s first seed-to-fruit business workspace, giving entrepreneurs the ability to start a company in the simplest of workspaces and expand in-house as the company grows. Start with rented table space; move up to a private office; and then to a market-rate office suite all while never changing your address!

This is not your typical 25,000-square foot office building. 513 will become “home base” for the local entrepreneurial community, housing small business owners who have a goal of growing their own businesses and the business climate of Northeast Wisconsin. Partnerships with local industry leaders, non-profit and educational representatives, will create a “go-to” atmosphere for the local business and entrepreneurial communities.

What also makes this property different is that as 513 West College, LLC, we are forging this opportunity as a for-profit venture. We are renovating a frequently-vacant downtown Appleton building into “Class Funk” office space, mixing market-rate office tenants with a heavily-subsidized co-working space to foster the business incubator environment critical to start-ups. And we are not shy about this fact, as it is why we are pursuing a partnership with the City of Appleton and the WEDC—to help create what many non-profits and well-intentioned community leaders have tried but been unable to do: financially underwrite a risky co-working space endeavor and make it sustainable.

With the assistance of the City of Appleton and WEDC’s Community Development and Investment (CDI) Grant, it *will* be sustainable, and a force by which the business, entrepreneurial, IT and tech communities can all flourish and make our region smarter and stronger. This is only the beginning! With your help, we will structure a project that satisfies lender, investor, and entrepreneurial demands, resulting in a project that will foster and grow the next generation of great Fox Valley businesses for years to come. We ask for your support!

Finally, please check out our YouTube video on this project:

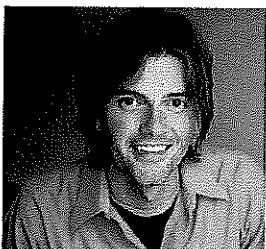
https://www.youtube.com/watch?v=XOK0NePILP8&feature=player_embedded

Respectfully submitted and with appreciation for your consideration,

513 West College, LLC:

Garritt R. Bader
Brad Cebulski
Neil Mix
Peter Nugent
Brandon Wentland

513 West College, LLC Member Biographies/Resumes (Section K, Item #7)



Garritt R. Bader
Principal, GB Real Estate Investments

Garritt R. Bader is a self-employed commercial real estate broker and developer in Green Bay. He has brokered and developed retail, multi-family and office properties since starting his company in 2007. Garritt is a graduate of Marquette University and the University of Florida, and is a member of the Downtown Green Bay & Olde Main Committees, and on the board of On Broadway, Inc.



Brad Cebulski
Owner/President, BConnected, LLC

Brad graduated from UW-Eau Claire in 2011 with a degree in Entrepreneurial Management. Since then, he has channeled his passion for small businesses by founding BConnected, LLC, to help small businesses navigate the confusing social media landscape. When not helping small businesses, he listens to music and eats copious amounts of sushi. He also thrives, runs, and operates on coffee.



Neil Mix
Entrepreneur, Engineer, Investor

Neil Mix, Appleton resident, is a Silicon Valley entrepreneur and engineer who helped build Pandora Radio from the ground up and co-founded a company acquired by Microsoft. More recently he's been connecting with local startups as an investor and advisor.



Peter Nugent
Founder, The Docking Station and President, Enlighten Financial

Peter Nugent founded Enlighten Financial, a risk management firm working with community banks throughout the Midwest. He is co-founder of The Docking Station, a shared office and collaborative space in Green Bay. He resides in Green Bay and is a graduate of St. Norbert College. Peter believes a strong entrepreneurial base is key to creating the cities of the future and is working to ensure that Northeastern Wisconsin is on the leading edge.



Brandon Wentland
Founder and President, Optimal

Brandon Wentland is the founder and President of Optimal, a local digital and internet marketing company. He is passionate about making Northeast Wisconsin an innovative place that can compete with other areas on a national level.



Section F: Redevelopment Narratives

1. Project Description

a. Describe the project, its implementation and the significance of this project to the community:

This project is a renovation of the four-story, 25,000-square foot Wichman building into leasable office space. At its heart, this is a real estate redevelopment project that will transform a former retail building into active use for area businesses, most notably, a co-working space for the area's entrepreneurial community. Three members of our investment team—Brandon, Brad and Peter—will be tenants operating their businesses in the property. Each of their companies started in basements and home offices, as no such co-working space previously existed at the time their companies were first conceived.

The idea is that creating a space where entrepreneurs connect and work among other entrepreneurs will help foster community, the exchange of ideas, and greater business prospects in the region. This ability to attract young, creative, tech talent has been a struggle for many companies in the area. One of the biggest employment gaps our area faces is in the tech and IT opportunities; the jobs are there but we can't, as a community, seem to find enough qualified applicants to fill all of them.

And this is where 513 comes into play. The Fox Cities is in need of a physical hub that will provide the resources and culture to the tech community, providing a sense of community and pride for the opportunities in our area. Our building will become that epicenter in the region; the place to meet, work, innovate, and build business. The culture will be driven by those in the tech community and the creative economy. It will be a home that attracts young, talented graduates that puts the Fox Cities on the map and brings the opportunities in the area to the forefront.

b. The extent to which this project is included in and/or complements previous regional or municipal planning efforts:

There is a network of major employers and educators in the region who are all currently trying to figure out how to fill these technology-demanding positions and attract this talent. Much of this initiative is being spearheaded by New North, Inc., and other local non-profits and governmental entities. Our project can bridge their efforts and those of the private sector. Since there is no perfect solution that will bring talent in droves, we want to start the momentum with an effort that will bolster the economy with new business and fill needed jobs. We enter into this endeavor with a three-phase effort that will focus entirely on building this community of professionals:

- Phase One: Create a physical location that brings together businesses and individuals in the tech and creative economies into one place to meet and work.
- Phase Two: Develop educational opportunities to give people the hard skills they need in order to fill open positions in the region and to attract new business to the area. These educational opportunities include but are not limited to: code camps, design camps, industry meet-ups, summits, conferences, and internship opportunities throughout the building.

- Phase Three: Provide the resources and space needed for a Start-Up Accelerator/Incubator that will generate business and jobs right in the heart of downtown Appleton.

c. The extent to which the project supports best smart growth practices; best downtown redevelopment practices; and has community-wide support:

While these three phases will take time, we can't tackle them without the critical Phase One efforts that will establish a downtown Appleton presence that creates a central hub of activity. As in most real estate pursuits, location is critical. While downtown Appleton's College Avenue corridor has experienced a renaissance over the past ten years, this property has been vacant during most of this time. We believe that our project will help further activate the immediate area and create a home for the (largely) millennials/young professionals who are seeking active, urban spaces in which to live, work and play. Their presence here can only help adjacent businesses, and foster the presence that creates more "buzz" in the area. As noted below, we have many community partners excited about our project. Programming and financing such a space is not easy, however, as we will outline later.

d. Describe any public/private partnerships developed and the extent to which the applicant can ensure that all of the activities outlined within this application will be undertaken:

One key partnership we are in the process of formalizing is a relationship with Digital Fertilizer and Avenue HQ. Digital Fertilizer is a 501(c)3 non-profit organization whose mission is to strengthen the high-growth startup community of Northeast Wisconsin by connecting, educating and empowering a network of entrepreneurs. They hold monthly events in both Green Bay and Appleton, but yet are without a true home in either city. Avenue HQ opened years ago as Appleton's first co-working space, offering professional office space to the entrepreneurial, IT and tech community but is now undergoing a transition due to the departure of both of its original founders. Our efforts are working to marry the in-place mission of Avenue HQ with the growing mission of Digital Fertilizer in a new physical space at 513. Together we will provide a new era of co-working space that will allow companies to grow within our building as we will further explain below.

We have also had discussions among some key community players in seeing this project come to life:

- Kathi Seifert, chair of the New North, Inc. task force pursuing tech talent and formerly of Kimberly Clark, has assembled a group of major area employers and educators ranging from the likes of JJ Keller, Thrivent Financial, Bemis, Kimberly Clark, Lawrence University, UW-Oshkosh, the Appleton Area School District, Omni Resources, and many others to all come together and figure out how to fill the "IT talent gap" in the region. Many of those in that group have been vocally supportive of our efforts.
- Goodwill NCW is a leader in non-profit innovation in the entire region and we have been in active discussions with them in partnering together on an innovation center for the community. Discussions continue and they are supportive of the idea and are on board with our efforts.
- Lawrence University has also been in active discussions about involving their entrepreneurship and innovation program into our project. A firm structure has yet to be determined, but they

are very confident that involving their students in our building will be a great step for the University and for downtown Appleton's business community. If we can successfully support the entrepreneurial concepts that come from the University, we will be more likely to keep those start-up jobs here in the area.

As noted several times in this submittal, we have chosen the deal structure that we have in order to ensure the project's long-term success. With the appropriate purchase price and construction pricing, we feel we have the financial wherewithal to complete this project. Additionally, the city has repeatedly given its support to this project over the past six months, expressed herein via a letter from Appleton Mayor Tim Hanna. Finally, we are structuring the entire building as an office project with market rents that help support the subsidized co-working space as we build that environment over the first ten years. If the WEDC graciously awards us this grant, this project WILL happen.

e. Which activities does this project fall under?

This project is a building renovation project that will convert former retail space into creative office space to appeal to established and new businesses alike.

The Wichman building dates to the early 1900s according to records, and although not necessarily historic, it is a 4-story presence on this 500 block of West College Avenue. As referenced earlier, our project will reactivate this former retail building into a vibrant, modern office space, and in the process, increase the property's valuation and taxable value.

Please refer to the enclosed space plan exhibits showing the proposed modifications to floors 1, 2 and 4, and the exterior façade rendering. As you'll see, we are creating spaces of varying dimensions and size to accommodate that co-working → private office → private suite business life cycle growth opportunity. What isn't as immediately discernable from these renderings is the image that we are working diligently to achieve—that "funk factor"—through this project: applying modern interior treatments such as glass, steel and refinished hardwood flooring, along with bold coloring and design, to appeal to the creative class. At the same time we are working to preserve elements of the building's periodic charm.

2. Project Timeline

a. Describe past and planned project activities with timelines, including planning process, site control, environmental condition, and a project implementation schedule:

Our Purchase Agreement with the current building to June 15, 2015. During this time we will continue to refine our construction budget, secure additional tenants, and finalize our bank financing.

If Closing occurs as scheduled in July, construction would take approximately four months to complete and therefore be ready for occupancy around Thanksgiving 2015.

- b. Provide detailed descriptions of intended property transactions to occur over the next five years:**

Once formally acquired, it is the intention of the applicant to hold the property and maintain it as the proposed office/co-working facility for the foreseeable future. There are no plans to sell or transfer it.

3. Project Financing

- a. Describe the various methods that will be used to fund the project and include the progress of establishing or receiving funds:**

This project will be funded with a combination of private equity and traditional bank financing.

Regarding the private equity, each member of our LLC is contributing an equal amount of equity, and as a result, has an equal percentage of project ownership. There are no outside equity participants.

In terms of bank financing, we have been negotiating with four primary lenders active in Northeast Wisconsin and have narrowed that down to one pending final loan approval. As of this submittal we continue to discuss the opportunity with the lenders but are now waiting to determine whether we qualify for this WEDC grant and how that would, as a result, positively impact our budget and lending criteria before finalizing an agreement and terms with this particular lender.

- b. Describe the financial need for grant funding that cannot be met through private sector sources, public sector support or a reduction in scope of the project:**

As stated previously, while our long-term objective of this space is to foster and grow the area's entrepreneurial, IT and tech communities, this is a for-profit real estate development project with office tenants that will pay rent to support the altruistic goals of the co-working space. Charitable donations for this type of pursuit have proven to be sparse and insecure, and municipal funding is unavailable since this site is not in an existing TID district and the nearest one—TID #3—is distressed. So what we decided to do was approach the creation of a co-working and entrepreneurial business space from the for-profit angle of a real estate development: build the co-working space but subsidize it with the market rents on the other, market-rate office spaces. While we as an investor team won't realize the outsized private equity returns, we will earn a respectable return while accepting reasonable risk.

As noted earlier, the pitfall with this type of project is what other area non-profits and well-intentioned community leaders have discovered: start-ups (and even start-up spaces!) are risky endeavors, and ones that many investors are not willing to pursue as a result. Many of these investors demand returns of 20%+ to compensate them for such a risk, and even with this grant we will only realize an investor-required and bank-required minimum return of approximately 9%. To reiterate this point, we are positioning this project to be financially successful and sustainable as both we and our lender require. The WEDC grant, however, will help ensure that the co-working space can "find its legs" (member support) in the beginning without jeopardizing the success of the project.

The entity that operates the co-working space will be a tenant like any other building tenant except that it will be paying only 40%-50% of going market rental rates in order to ensure it is a sustainable and viable presence for the entrepreneurial business community we want to attract. **Specifically, the proposed annual rent on the co-working space in Years 1 – 5 is approximately \$15,000; market rent would be \$30,000. So what we are hoping the WEDC grant will provide is, essentially, the \$15,000 gap between the market and subsidized rent over the ten year initial lease term—a total of \$150,000.**

4. Economic Development Potential

a. Describe the potential of the project to enhance the economic viability of the community (tax base increases, job creation, stimulation of private investment)

As we state often throughout this submittal, our goal is to create an environment that will foster the growth of the entrepreneurial business, IT and tech communities. What we want to do is stop the flow of young talent out of our area—young talent that, for a variety of reasons, feels disconnected locally and/or that the community locally isn't sustainable to foster the peer-to-peer networking and resources vital to growth. Therefore we believe that our project can be that crucial missing piece that slows, and perhaps ultimately helps stop, this exodus. We can be that "home base," that physical hub at which people can meet, network and share ideas. And it's this feeling of "community" and "place" that can make all the difference in making young professionals want to stay and even relocate here. Two of our project partners explain what our proposed physical space means to their businesses:

As one of three currently-signed tenants for the building, Brandon Wentland of Optimal writes, "At Optimal we oftentimes collaborate with other creative professionals. The co-working space is a natural place to look for this talent as well as a physical place to collaborate together. It also gives our team the ability to get out of the office and work in a new environment. It effectively could serve as a scalable backup office space should we too quickly outgrow our office space." Another signed tenant, Brad Cebulski, writes, "My business, BConnected, is completely made up of individuals who are rooted in the creative economy. They are in tech, design, photography, videography, the arts, journalism, and development. The company culture that we have intentionally built will be relocated to this center to serve as a launching pad for others that want to be part of that community." Brandon goes on to say, "A growing number of entrepreneurs are connecting in Northeast Wisconsin, all passionate about start-ups. To hit that point of critical mass that other cities have, we need the right ecosystem. You need talent (or a way to train talent), sustainable businesses paying for that talent, and funding. The vision of this project hits all three of these. It's a place for talent (co-working and office space), a place to train talent (code school), a sustainable flow of compensation for talent. Once that environment is created, the final component funding become much more feasible."

In terms of jobs, between 30 and 40 people will be on-site daily on day one, with more to come. Optimal's team is comprised of a diverse, cross-functional team. Half of the positions are for technical hard skills, with years of experience, designers and developers mainly. The other half have little to no experience and are typically right out of college. For team members requiring training, starting salary is between \$30,000-\$40,000. Senior employees earn upwards of \$70,000-\$90,000. For new and developing talent, the goal is for them to earn a minimum of \$50,000 within two years of starting with the company. Optimal offers health insurance (match 60% of cost) and 2-4 weeks of PTO depending on tenure. BConnected has grown its team from one employee to eight in the past three years and plans on continued growth in the years to come. Almost all of the jobs created have been in the creative field

where team members work directly with local companies to help them create photos, videos, graphics and other promotions that will help them connect with their customers online. Since the start of the company, the majority of the jobs filled have been by those that would be considered "millennials" and that are active participants in the creative economy. The average salary for anyone starting out usually ranges from \$30,000-\$35,000 per year and can reach up to \$50,000 per year for more senior level employees. The Docking Station and co-working space will each house upwards of ten entrepreneurs each, at both full-time and part-time pursuits, and earning varying salaries.

b. Describe the potential for the project to promote economic development in the neighborhood, community and/or region.

The economic success of a region hinges on the growth of business and job opportunities. We are designing this building to help build both of these aspects from the ground up in the tech/IT communities. We will serve as a "home base" for new entrepreneurial ideas and give them the resources they need to grow and be surrounded by experienced individuals. New start-up ideas exist currently but the people who are developing them are moving to locations where they will have a higher opportunity for growth. Currently, as a region, we do not have a place for people to go to see their tech and creative start-ups flourish.

What we will be emulating, in large part, is the success of The Docking Station in Green Bay. Opened in May 2011, the co-working and private office operation has 48 members and is focused on building a community of like-minded people working independently but collaboratively. Otherwise relegated to coffee shops or one's home, The Docking Station fosters incredible collaboration by fellow business owners forming ideas out of conversations.

The tech and entrepreneurial communities are crucial for a couple of different reasons. First of all, entrepreneurs that become "primary employers" (i.e. most of their money comes from outside the area but they employ people in the area) make a direct impact on the tax base and local spending. These types of job-creators funnel large amounts of cash into local economies. Secondly, a thriving tech/IT community provides a backbone of talent and opportunities for that entrepreneurial culture. The two feed off of each other. Many entrepreneurs look for a contingency plan in case their business fails and many talented tech professionals end up spinning off and creating thriving companies.

A building that is designed to cultivate entrepreneurs, start-ups, and talent will have an enormous impact on the economic progress of our area. If you fast forward five years, we believe that people will have started, grown, and solidified businesses in this building without looking to leave for another city to do so. We will also have connected talented professionals with the countless opportunities that are scattered around Northeast Wisconsin. Currently, people are trying to build businesses in their own world or in a different community; we will provide a building block for opportunity, talent, and innovation.

Harvard Business Review even declares, "From the dawn of human society, entrepreneurship – the creation of value by growing, or *scaling*, an enterprise – has always had a positive and unique social and economic impact on society." Tech start-ups are currently the biggest opportunity for scaling enterprises. *HBR* further states, "Great entrepreneurs benefit society first by scaling up their enterprises as far and fast as possible, and then by reinvesting their successful stature in becoming inspiring role

models; reinvesting their knowledge by becoming mentors or teachers; and reinvesting their financial gain in the next generation of entrepreneurs.”

Brad Cebulski’s company has experienced first-hand what it is like to lose key talent to bigger opportunities in other communities. He states, “In the last two years we have lost five full-time employees to other communities for reasons that were out of my control. These individuals wanted the culture, the entrepreneurial atmosphere, and the creative community. Our area has these same things to offer but it is currently scattered—and other employers are suffering through the same hardships. This will help many businesses attract and retain young, talented professionals in the tech and creative community.”

c. Describe the potential for the project to act as a catalyst for additional commercial development or investment.

As was seen by the opening of the Fox Cities Performing Arts Center in 2004, and as is being proposed in pursuit of the new Fox Cities Exhibition Center, large-scale projects can have a profound, positive impact on their neighborhoods. They act as anchors that stabilize an area and attract others that want to be around them to feed off the activity they generate.

More activity and more people leads to further activity and people, generating positive economic development in the form of new businesses, redeveloped properties and increased property tax base. This theory is practiced everyday: modern shopping malls are anchored by large department stores that draw customers who then patronize the small retail shops and restaurants in-between them. Suburban office parks almost always have a string of lunchtime restaurants nearby. In both cases the result is the same: attract people for a particular purpose and then give them other reasons to stay (and spend!). Properties adjacent to these high-traffic areas are highly sought by investors since it’s known that a good business environment equals a secure investment.

In similar respects we believe that our project will have a similar effect on Appleton’s downtown. As noted earlier, our site has been repeatedly vacant over the past ten years and only has a total property tax assessment of \$505,000. Many different operators have opened and closed with no long-term presence, and when properties sit idle they can have a profound, negative impact on the immediate area. There are vacancies across College Avenue from our site, and some mostly vacant buildings nearby. We aim to be a generator on this block. When our building is occupied, our building’s valuation will likely increase from an adjusted \$300,000 to over \$1,000,000, according to DeAnn Brosman, Appleton City Assessor. There will instantly be between 30 and 40 people working in a space where none do currently—and the likelihood that this number will grow quickly. Their presence will support nearby stores and restaurants and undoubtedly support the Appleton Parking Utility when someone invariably neglects to plug his or her meter between meetings! The presence of a growing workspace could open opportunities for new stores and restaurants, or even new office space.

And this possibility of creating new office space could be a watershed moment. If we are ultimately successful in seeing our project become that envisioned catalyst for the Fox Valley business community, our building would not have enough space for all tenants to pursue that rented table → private office → private suite business growth path we discussed earlier. We would need more professional office space downtown for these growing, successful companies—a positive development to the downtown, and for the commercial real estate community. More importantly, it would be a realization that could be the

true finish line of our pursuit. Within ten years we hope that not only have we risen the profile (and taxable value) of our property, but others' nearby as well.

Section I Developer Statement:

No member of 513 West College, LLC, either individually or as part of any current or previous business entity, has been involved in any lawsuit, bankruptcy or insolvency proceeding within the past five years. Furthermore, no member has likewise been charged with any crime, ordered to pay any civil penalties, or been the subject of any criminal or civil investigation. No member has any outstanding individual or business tax liens.

Section K: Required Supporting Documentation Checklist

Thank you again for allowing us the opportunity to apply for this WEDC grant through the City of Appleton. The following enclosures are included for your reference.

1. Maps of project location | Aerial, Photos of Immediate Neighborhood
2. Redevelopment Plans: 1st and 2nd Floor Floorplans, Facade Rendering
3. Budget Narrative
4. Copy of Consolidated Construction Company's Budget (pdf)
5. Copy of Development Agreement w/ City of Appleton - to be completed by City of Appleton
6. Letter from American National Bank
7. Resume of 513 West College, LLC Members (at the beginning of this submittal)
8. Personal Financial Statements of 513 West College, LLC Members

Section L: Optional Documentation

1. Proforma
2. Municipal Planning: Memorandum of Understanding & Importance of Project to City
3. Statements From Community, Public Leaders
4. Signed Leases

Section K, Item #3:**Explanations of the project budget****Land:**

- The property is under contract to be acquired for \$300,000.
- Closing and title services are being handled by Mike Strick of First American Title Insurance Company in Appleton. Total closing costs are estimated at \$600.00. The listed title insurance charge is the responsibility of the seller.

Building:

- According to our most-recent budget estimate from our contractor, Consolidated Construction Company, total project costs are estimated at \$770,727.
- As detailed in Section K, Item #4, this \$770,727 is the “landlord all” column—essentially all the work that we, as the ownership group, will complete to make the building ready for occupancy. This includes finishing all common areas (including lobby and restroom areas, refurbishing the elevator, and upgrading all building electrical, HVAC and plumbing systems). This also includes the cost to bring the tenant spaces to a “whitebox” condition, from which each tenant is responsible for finishing the space for occupancy. “Whitebox” means finished floor, walls and ceiling, with all electrical complete. For instance, a tenant would then only be responsible for painting, installing a selected carpeting (if so chosen) and installing particular lighting fixtures.
- This \$770,727 cost is an all-in estimate. It includes all architectural and structural services.
- There is no site work required since we are renovating the existing building and not making any parking lot or grounds modifications.
- Exterior signage will be installed, but may be tenant-dependent and therefore is not listed in this estimate.
- Insurance and Performance Bonding is included within the “all-in” construction number.
- Contingency dollars are not specifically allocated as a category.

Soft Costs:

- There are no site investigation fees incurred on this project.
- Permit fees through the City of Appleton are estimated at \$750.
- There are no public hearing fees that will be required.
- As noted above, all architectural services are included within the construction “all-in” number.
- No civil engineering or landscape fees are required as part of this project.
- Aside from minor legal and development fees, the vast majority of Development Costs are the Tenant Improvement (TI) dollars provided for tenants to use in the above-referenced space buildout. TI dollars do not cover the entire cost of a tenant’s buildout; rather, they are used as a payment to cover partial costs in exchange for a tenant agreeing to particular lease terms.

513 West College Avenue – WEDC Application

03.31.15

Listed below are goals, objectives, and policies from the City of Appleton's *Comprehensive Plan 2010-2030* that relate to and support the proposal.

Chapter 4: Issues and Opportunities

Goal 8 – Economic Development:

Appleton will pursue economic development that brings good jobs to the area and supports the vitality of its industrial areas, downtown, and neighborhood business districts.

Chapter 7: Utilities and Community Facilities

Objective 7.1 – Provide a pattern of development that minimizes impacts to municipal services and utilities.

Chapter 8: Agricultural, Natural, Historic, and Cultural Resources

Objective 8.3 – Continue and expand efforts to preserve, restore, and interpret important features of Appleton's rich history.

Policy 8.3.2 – Educate property owners and encourage context-sensitive restoration of Appleton's historic and potentially historic properties.

Chapter 9: Economic Development

Objective 9.2 – Create the resources and culture in which entrepreneurial development is encouraged.

Policy 9.2.1 – Develop a program for entrepreneurial development comprised of networking, financial assistance, training, and supportive services for all types of entrepreneurs.

Objective 9.3 – Ensure the continued vitality of downtown and the City's neighborhood commercial districts.

Objective 9.4 – Encourage new development and redevelopment activities that create vital and attractive neighborhoods and business districts.

Objective 9.5 – Create a community environment that is conducive to attracting and retaining the creative class.

Policy 9.5.2 – Encourage the creation of vibrant mixed-use urban areas in the downtown and along the Fox River that are both walkable and bicycle-friendly.

Chapter 10: Land Use

Objective 10.2 – Encourage redevelopment to meet the demand for a significant share of future growth, and to enhance the quality of existing neighborhoods.

Chapter 11: Intergovernmental Cooperation

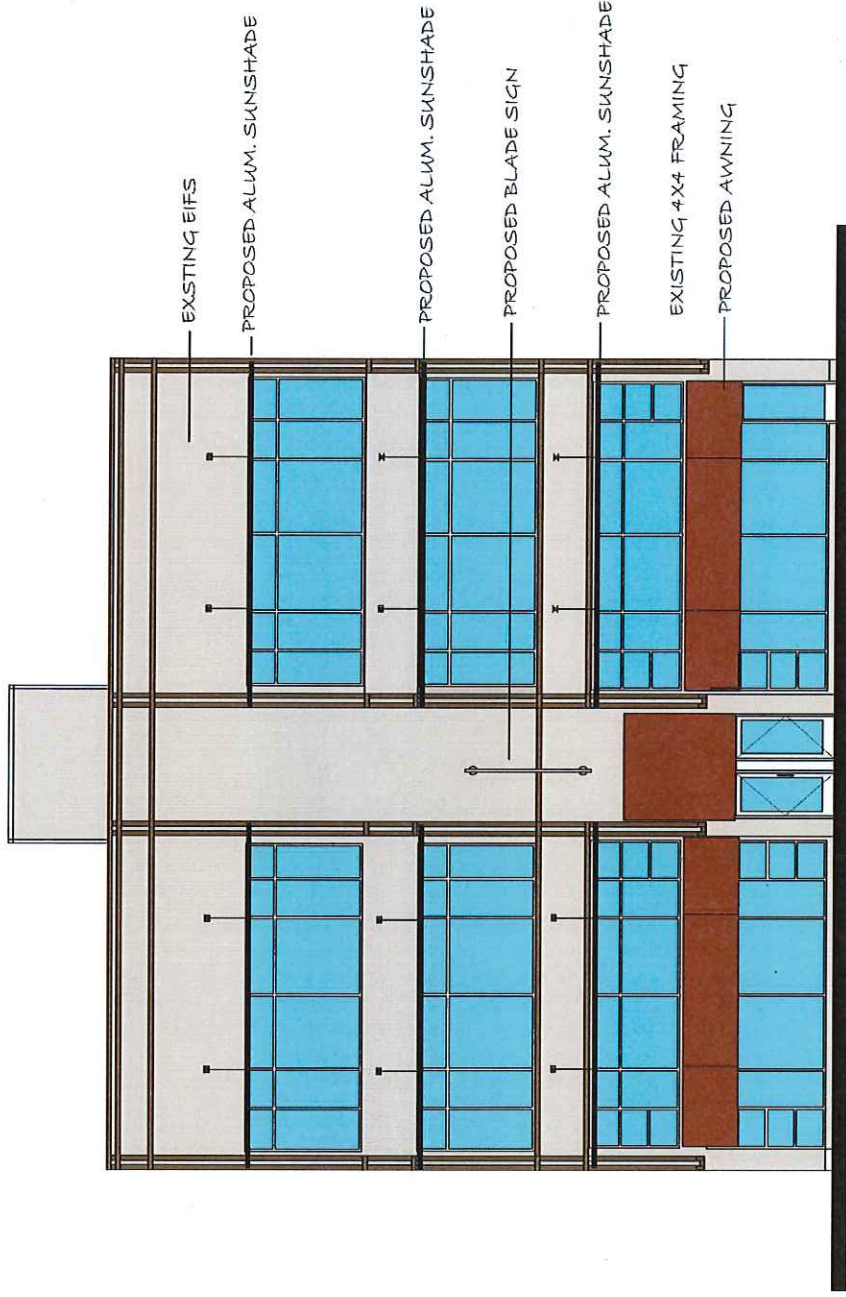
Objective 11.2 – Work with the State of Wisconsin and federal agencies on issues of concern to the City of Appleton.

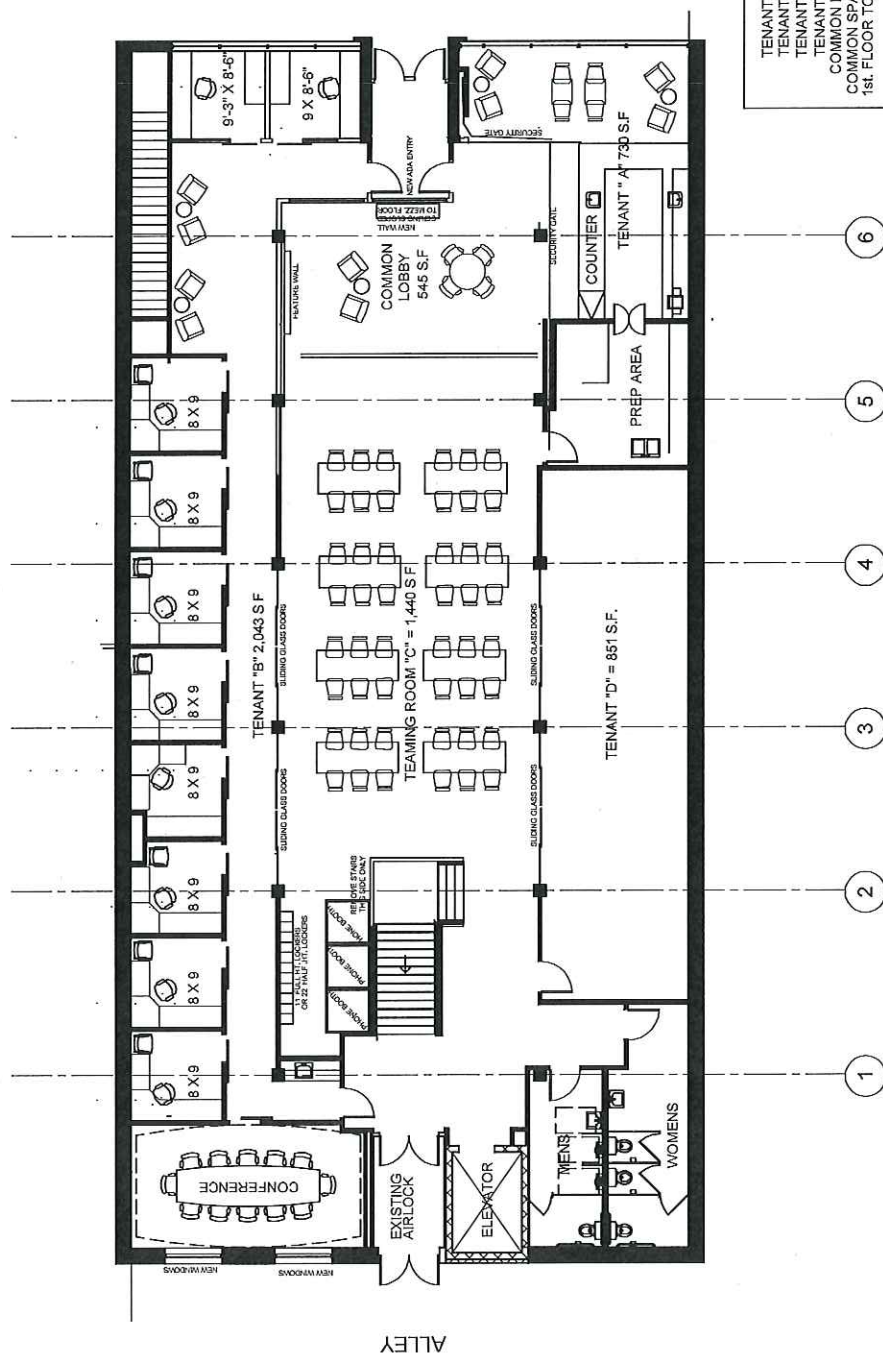
Policy 11.2.3 – Seek available opportunities for grant funding and programs that can help to develop capital facilities or improve delivery of municipal services, acquire parks and open space land, or stimulate economic or cultural development.

Chapter 14: Downtown Plan

Initiative 4 – Business and Office Development:

Strategy 4.5 – Encourage entrepreneurial business development in the downtown.





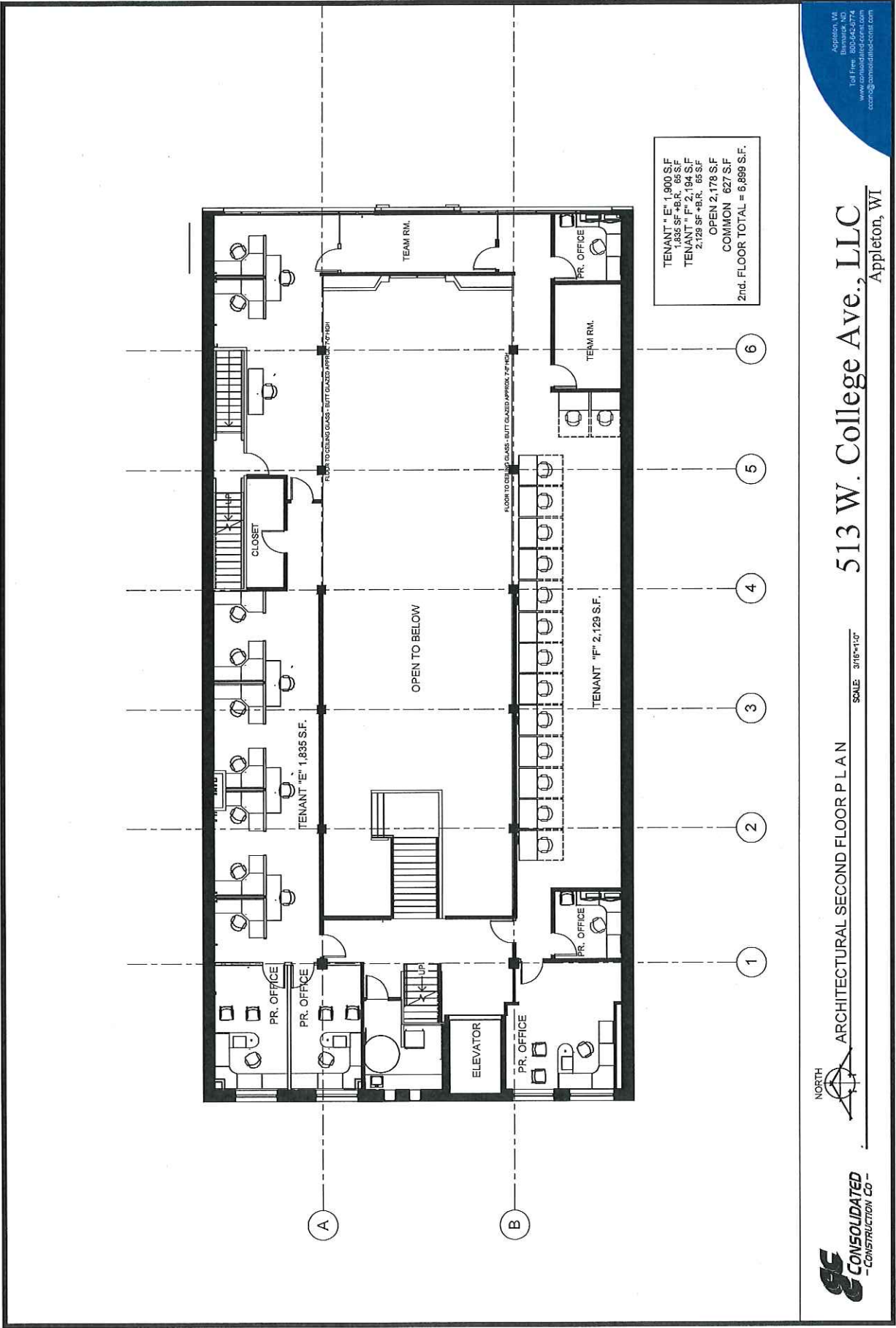
TENANT "A" 730 S.F.
 TENANT "B" 2,043 S.F.
 TENANT "C" 1,440 S.F.
 TENANT "D" 851 S.F.
 COMMON LOBBY 545 S.F.
 COMMON SPACE 1,071 S.F.
 1st. FLOOR TOTAL = 6,680 S.F.

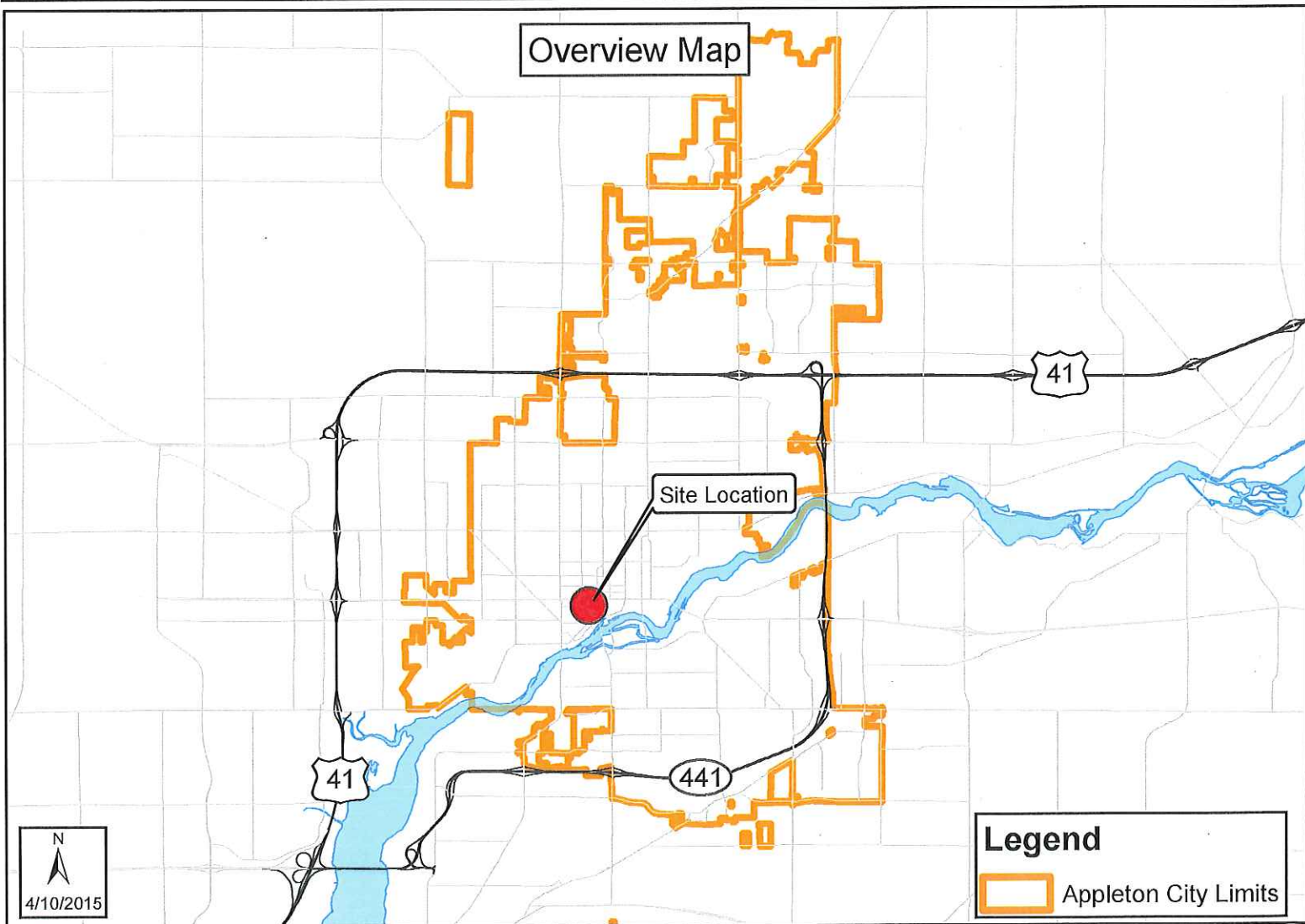
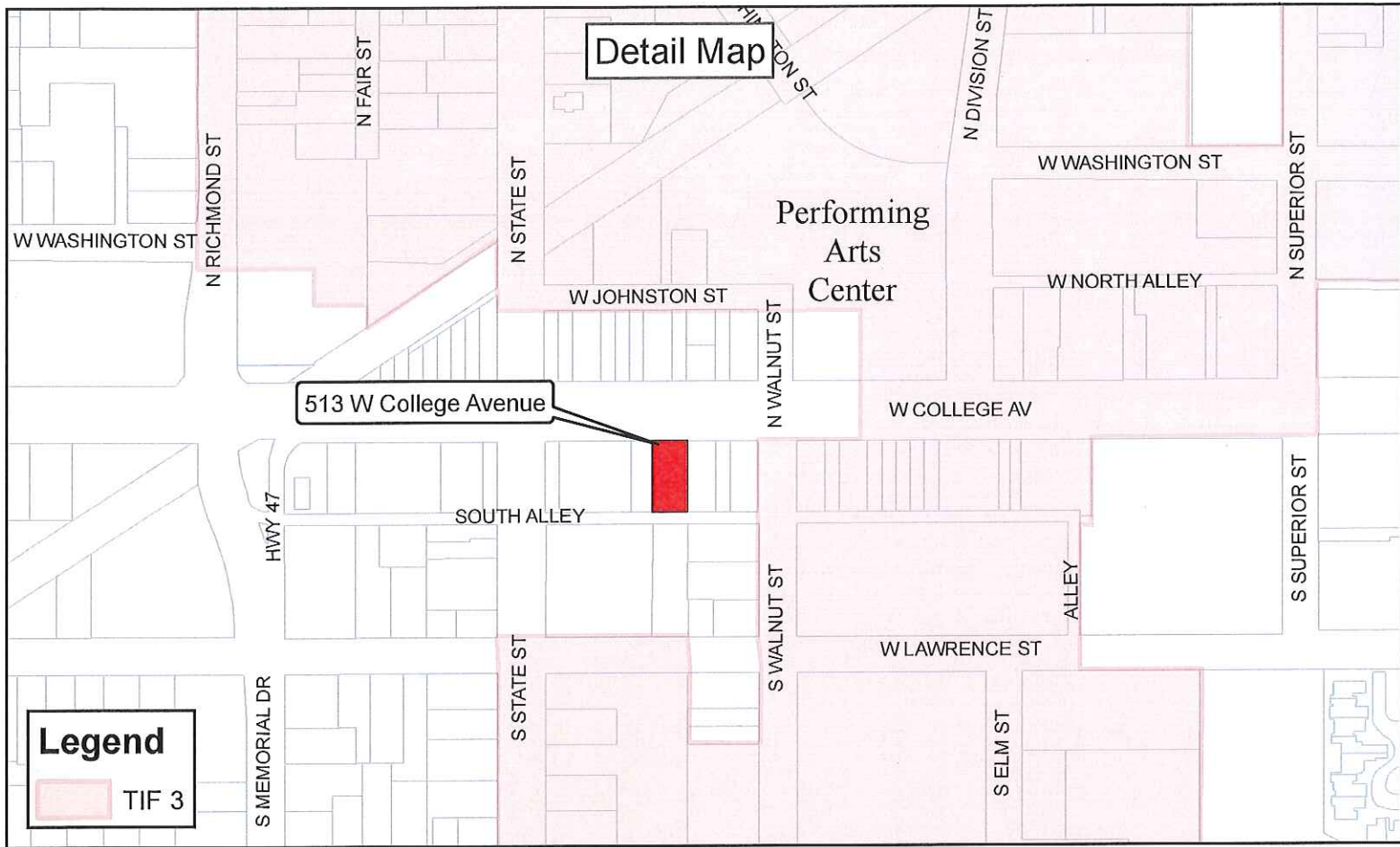


NORTH
 ARCHITECTURAL FLOOR FIRST PLAN
 SCALE 3/16"=1'-0"

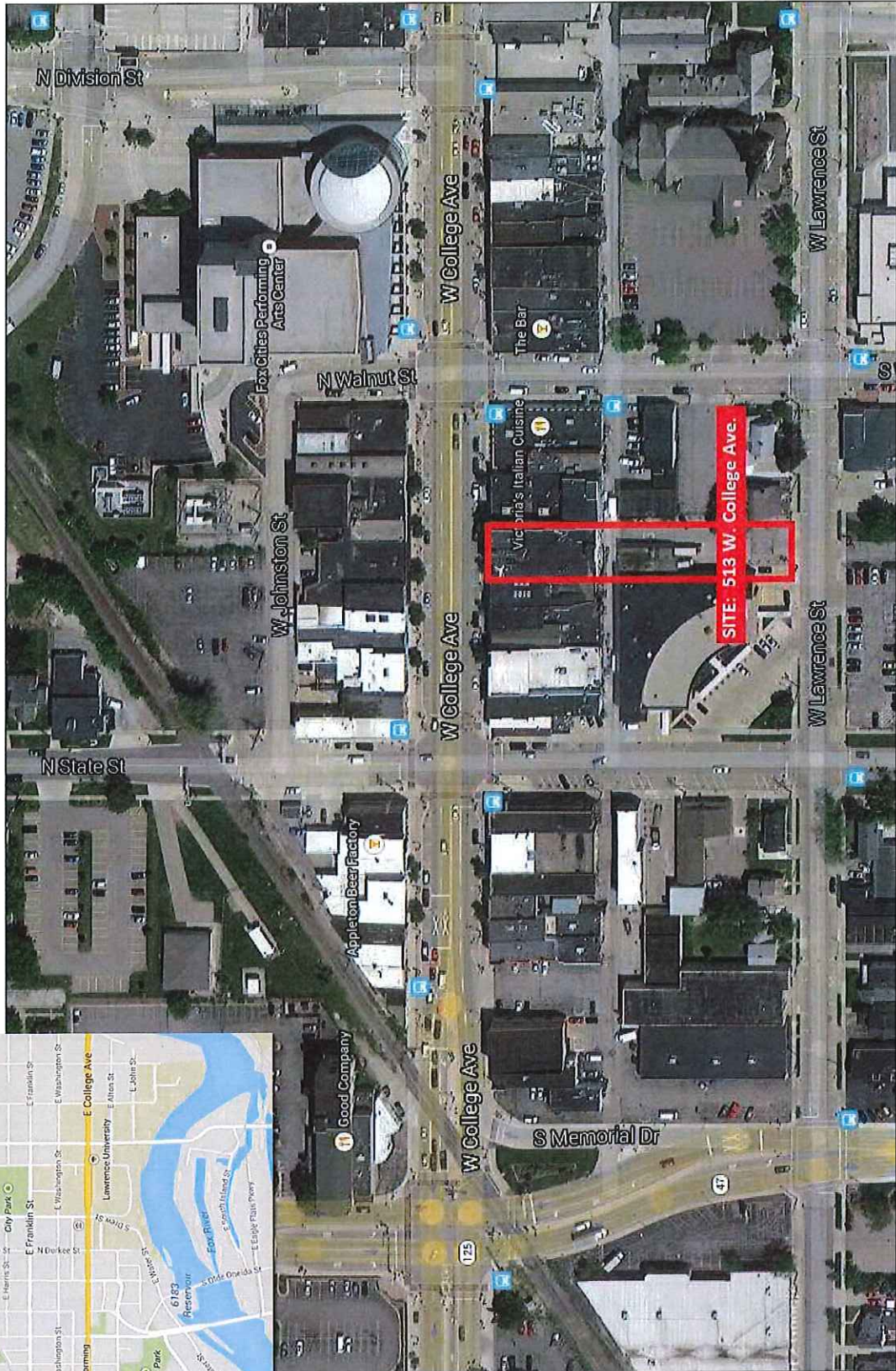
513 W. College Ave., LLC
 APPLETON, WI

Appleton, WI
 Tel: 800-542-4274
 Fax: 920-835-4274
 www ConsolidatedConstruction.com
 ccpc@consolidatedconstruction.com





Project Location: 513 W. College Avenue
Downtown Appleton







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OFFICE OF THE MAYOR

Timothy M. Hanna
100 North Appleton Street
Appleton, Wisconsin 54911-4799
(920) 832-6400 FAX (920) 832-5962
Email: mayor@appleton.org

April 7, 2015

Wisconsin Economic Development Corporation (WEDC)
201 W. Washington Avenue
P.O. Box 1687
Madison, WI 53701

RE: Letter of Support for "513"

To Whom It May Concern:

I am writing this letter in support of the proposal for 513 West College Avenue – appropriately named "513" – and the accompanying Community Development Investment Grant application. This proposal, which aims to renovate a vacant building and create a unique, entrepreneur-oriented office space, will help to advance the City's vision for downtown:

Downtown Appleton is the heart of the Fox Valley, a destination for entertainment, business, shopping, education, and recreation. The downtown is unique within the region and contains activities which are themselves unique. It is the center of decisions regarding community and economy; it is busy, vital, and attractive. Downtown is the premier urban neighborhood in the Fox Valley, offering an exceptional quality of life to its residents. Downtown Appleton is interesting and exciting to work in, fun to be at and live in, the pride of the Fox Valley.

Downtown's resurgence and increased vibrancy has drawn recent praise, with College Avenue being named one of the Great Places in America by the American Planning Association in 2014. Despite these accolades, strategic and ongoing investment in downtown remains a top priority for the City. Private sector investment, like proposed for 513, is critical to future success. By fostering entrepreneurial business development in the downtown core, 513 will build on and strengthen the area's positive momentum. This adaptive reuse project will also add to the tax base and position the City to attract and retain talented, young professionals – a key focus of our economic development efforts. For these reasons, I fully support 513 and the pursuit of grant funding for its implementation.

Sincerely,

TIMOTHY M. HANNA
Mayor of Appleton

April 10, 2015

RE: Letter of Support for "513"

To Whom It May Concern:

Please accept this letter of support from the Business Improvement District for the proposal for 513 West College Avenue Community Development Investment grant application. The "513" proposal to renovate a substantial property in the Central Business District will attract new innovative entrepreneurs to our community while enhancing the tax base.

The 513 project furthers the work of our community placemaking initiatives by attracting the creative class to invest and engage in Downtown Appleton. By attracting creative businesses and individuals to the district, we not only make Downtown a more liveable place but we introduce a level of diversity and inclusiveness that fosters growth and activity. Cities and regions that attract creative talent are also those with greater diversity and higher levels of quality of place.

We see the 513 project as a step toward becoming a "Plug and Play Community": a place where newcomers are accepted quickly and we are more likely to attract greater numbers of talented and creative people who power innovation and growth. A place where people can find opportunity, build support structures, launch businesses and craft their lives within a community with a defined sense of place.

Downtown is a vibrant and accessible destination for business, learning, living and leisure which continues to evolve through our many public and private partnerships. The 513 project brings opportunity for fostering new partnerships within the district that will contribute to the development of a strong workforce and enhancing our community's competitive edge. I look forward to working with the 513 project and connecting with the Business Improvement District programs to further their success. I support the 513 project and the proposed grant application.

Sincerely,



Jennifer Stephany
Executive Director

Appleton Downtown Inc./The Business Improvement District/Creative Downtown Appleton Inc.



April 9, 2015

To: WEDC

Re: 513 W. College, LLC financing status

Dear Sir or Madam:

Several representatives of American National Bank Fox Cities have had the opportunity to tour the subject property, have reviewed the project and financial projections, and have met with several members of the owner/management team.

After reviewing the preliminary items presented so far, our overall impression of this redevelopment project is favorable at this point. We are hoping that we will be able to move to the formal underwriting, structuring, and approval process after our receipt and review of the construction plans, specifications and costs, as well as final tenant information and lease commitments.

It is our understanding that these items are being finalized by management, and will be provided to us at that time.

While this is not a commitment to lend at this point, based on the merits of the project as proposed so far, and our impression of the management team and their competencies, we are hopeful that we will be able to partner with financing to bring this project to fruition. Grants or subordinated loans from economic development sources could prove to be a critical component for this project.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lon W. Rupnow'.

Lon W. Rupnow
Vice President

north of what you expect



April 9, 2015

New North, Inc.

Wisconsin Economic Development Corporation
Attention: Reed Hall and Tricia Braun
201 W. Washington Avenue, 6th Floor
Madison, WI 53703

600 N. Adams St. | Green Bay, WI 54307
920.336.3860 | www.thenewnorth.com

RE: Letter of Support for WEDC Community Development and Investment (CDI) Grant
Application for the City of Appleton Information Technology Co-Working building project

Dear Reed and Tricia:

On behalf of New North, Inc., I am writing in support of the WEDC Community Development and Investment (CDI) Grant Application for the City of Appleton Information Technology Co-Working building project.

New North is a nonprofit, regional marketing and economic development organization fostering collaboration among private and public sector leaders throughout the 18 counties of Northeast Wisconsin. New North is a leading partner in the growing Information Technology Alliance in the New North region, a collaboration of private companies, NEWERA, NEWREP, Chambers of Commerce, K-12 Education organizations, Technical Colleges, Universities and more in the New North region of Northeast Wisconsin. The City of Appleton is a strong partner in the work to facilitate public private partnerships on talent development in the Information Technology sector in the region.

The availability of information technology talent in the region is vital to the growth of firms within the region and state, as information technology and other STEM related occupations are present among many industry markets in the state and region. With this in mind, New North anticipates working closely with the City of Appleton and partners to promote the development, branding and extension of an IT Alliance, following the Northeast Wisconsin Manufacturing Alliance model, thus contributing to our mission of harnessing and promoting the region's resources for the purpose of sustaining and growing our regional economy. This project is a strong extension and delivery of IT resources and IT training locations in the region, a key factor of the overall IT Alliance effort.

New North appreciates the opportunity to support the work of the City of Appleton and looks forward to working with all IT Alliance collaborators to attract, develop and retain information technology talent to the region and state.

Sincerely,

A handwritten signature in blue ink, appearing to read "Kathi Seifert".

Kathi Seifert
Co-Chair of New North and Chair of IT Alliance