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MEMORANDUM

TO: Community and Economic Development Committee (CEDC)

FROM: Karen Harkness, Director of Community & Economic Development

DATE: September 28, 2022

RE: CDI Grant Application to WEDC – Merge Urban Development

Staff is proposing to submit a Community Development Investment (CDI) grant application to Wisconsin Economic Development Corporation (WEDC) on behalf of and in collaboration with the owners of Merge Urban Development. This grant is designed to support private investment in new construction projects. The grant amount shall not exceed \$250,000, and the funds will be used for redeveloping a parcel within the downtown area. The project is known as Urbane115. The CDI grant does require a 1:1 match, and the developer's investment would count towards this match.

Urbane115 will be a 5-story mixed-use building on a vacant site at 115 E. Washington Street. The project is located in the City of Appleton's downtown, near College Avenue, City Center, and the Fox Cities Performing Arts Center. The project includes 56 residential units, a mix of: furnished studios, studios, one-bedroom units, and two-bedroom units. There will be 6,129 square feet of leasable commercial space on the first floor, which is designed to be divisible. The total project cost is \$12+ million. The project site is located in Outagamie County – Census Tract 55087010100 – a federally-designated Qualified Opportunity Zone.

In 2019, the City of Appleton began working with Merge Urban Development Group, the developer of Urbane115, to identify a project site for a mixed-use development that would aid in filling the City's gap in housing and respond to the City's Comprehensive & Downtown Plans. The development agreement was executed in August 2021, and the site was acquired shortly thereafter.

If awarded the grant, an agreement with the developer will need to be approved by Common Council at a future meeting which will outline how the grant funds will be disbursed and other WEDC grant requirements that need to be followed by the City and the property owners.

Please feel free to contact me at 920-832-6468 with any questions, or by email at karen.harkness@appleton.org.

Staff Recommendation:

The submission of the WEDC CDI grant applications **BE APPROVED** and the City accept the WEDC CDI grant funds should they be awarded.