

Work could begin soon on Appleton river development

By **Steve Wideman**
Post-Crescent staff writer

APPLETON – Work could begin within three months on the first phase of a \$55 million commercial and residential project on the Fox River, a principal in the development firm said.

Mark Geall, principal partner of Tanesay Development, said Wednesday that the Boldt Co. is set to send out requests for bids on the project to be built on the river between the College Avenue bridge and Telulah Park.

“We are working to complete the design. We hope to break ground on the first of three phases of construction in late summer,” Geall said.

Geall’s comments followed a 16-0 vote by the Common Council to accept, in concept, terms of a development agreement in which Tanesay commits to a project worth \$55 million over three phases.

In return, the city promises to form a tax incremental financing district to use new property taxes generated by the project to reimburse Tanesay up to \$9.75 million.

Various aspects of the plan, including rezoning, establishing a tax incremental financing district and an agreement to maintain public trail and river access on the RiverHeath site, must be approved by the Common Council.

The plan also calls for the city to extend Newberry Street through Telulah Park to the RiverHeath site at Tanesay’s expense.



Post-Crescent graphic by Jim Rosandick

TIF district

A tax incremental financing district allows a municipality to use gross property tax revenues from new development within the district to pay for improvements in that district.

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RIVERHEATH: Council members express cautious but optimistic outlook

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Preliminary plans for the project, to be built on 15 acres formerly owned by Kaukauna Utilities, include construction of a 10-story and three, four-story buildings all with mixed commercial and residential use.

In total, the plans call for the buildings to contain 198 apartments and 114,540 square feet of commercial space, including a 75- to 150-seat theater and at least two restaurants.

Geall said the first, \$25

million phase includes construction of a four-story building with 56 apartments, a pair of free-standing restaurants, the theater, 6,500 square feet of retail space and renovation of an existing hydroelectric plant to generate electricity for use by RiverHeath.

But one of the most immediate steps in the project is securing financing, Geall said.

"We are talking with several major financial institutions. Everything looks good," he said.

RiverHeath cost breakdown

RiverHeath development costs in phases and city reimbursement of portions of those costs using tax incremental financing (TIF) funds:

Phase 1	City TIF reimbursement:
RiverHeath: \$25 million	\$2 million
City TIF reimbursement:	Phase 3
\$5.75 million	RiverHeath: \$15 million
Phase 2	City TIF reimbursement:
RiverHeath: \$15 million	\$2 million

Aldermen uniformly praised Geall's plans, but nonetheless urged caution.

"This is our waterfront. This is big-time stuff that will affect our children's

children," said Ald. Jim Clemons. "But it is a frightening time to get into the housing market. There are similar developments in Green Bay that are not ex-

actly filling up."

Clemons said he believes the plan has changed significantly from its initial public introduction that called for building 75 condominiums and one restaurant in the first phase. "It was going to be a nice residential development, but now it is more commercial," Clemons said.

Clemons said that could mean a significant investment by the city is sewer, water and infrastructure.

Ald. Edward Baranowski said the project "has to succeed."

"We have a significant potential to put \$55 million on the property tax rolls," Baranowski said, adding there are risks to the city, particularly with Tanesay's promise to repay city costs to build a road through Tehulah Park.

Ald. Jeff Jirschele said the council should serve as cheerleaders for the project, "but at the same time we have to keep an eye on things."

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