



Appleton
Fox Cities
Wisconsin

July 16, 2009

RiverHeath gets vote of confidence

Appleton's backing needed to secure FHA funding for \$55 million project

*By Steve Wideman
Post-Crescent staff writer*

APPLETON — Common Council members should know within three months whether their word is gold when it comes to the federal government.

Aldermen voted 12-3 with one abstention on Wednesday to promise financial help in the form of a development agreement for a planned \$55 million commercial and residential complex on the Fox River.

The vote was needed for RiverHeath LLC to draw financing for the project from the Federal Housing Administration.

But some aldermen think RiverHeath developer Mark Geall should secure financing without city help.

"If the financing goes through I will jump up and say let's do it, but we've talked about this project for three years and I've always asked 'Where's the money?'" said Ald. Jim Clemons.

Under terms of the development agreement, the city promises to reimburse RiverHeath up to 90 percent, with a maximum of \$9.5 million, for certain expenses, including roads, sewer and other infrastructure costs.

The reimbursements will come from increases in property taxes generated by RiverHeath, which ultimately calls for construction of 178 residential units and 114,500 square feet of commercial space on 15 acres beneath the east end off the College Avenue bridge.

"(The developers) don't get a dime until they pay us (property taxes)," said Ald. Peter Stueck, who voted to approve the agreement, which requires a final council vote upon Geall securing financing.

"This is the classic chicken and egg scenario. Someone has to give first. I don't have a problem being the one to give," Stueck said.

Geall said it will be 60 to 90 days before the FHA completes processing of his application for financing.

Geall said the city wins immediately with a permanent easement contained in the agreement granting the public access to the riverfront.

City Atty. James Walsh said the easement, which isn't dependent on the success of the project, continues with any subsequent owner of the land.