



Appleton
Fox Cities
Wisconsin

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Appleton's RiverHeath selected for \$1 million federal stimulus grant

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APPLETON — Federal officials have told developers of RiverHeath that the project is eligible for nearly \$1 million in American Reinvestment and Recovery Act funds.

Assuming final approval by the U.S. Department of Energy, the \$978,168 in economic stimulus money will be used to pay for construction of an innovative, geothermal exchange system intended to significantly reduce cooling and heating costs for RiverHeath, a \$55 million residential and commercial complex.

The project, slated for construction on 15 acres of riverfront property just north of the College Avenue bridge, would use water from the Fox River to help cool buildings, said Mark Geall, a Neenah native and principal in Tanesay, the Chicago-based development firm behind RiverHeath.

"We were very fortunate to receive this grant. The competition was fierce," Geall said, noting RiverHeath was one of three commercial real estate projects in the country to earn similar grants.

The DOE grant will help fund a geothermal system that uses heat exchange plates immersed in the Fox River to help provide air conditioning to the RiverHeath complex, Geall said.

"Geothermal exchange systems use the earth's energy to reduce costs to heat and cool buildings," Geall said. "The design is complete. We just have to build the system."

Cold water in the river will wash over the plates and provide essentially free air conditioning for the development.

Geall said the Department of Energy must review the proposed technology before issuing a final award. The state Department of Natural Resources must also review and approve the geothermal exchange technology.

The grant not only helps RiverHeath, but also puts Appleton on the DOE's map of alternative energy-friendly places, said Community Development Director Karen Harkness.

"Over the next several years, the DOE is making other energy grants available for use of alternative energy sources," she said. "There is a push at the state and federal level to increase alternative energy use in economic development. RiverHeath's grant opens a relationship for Appleton with the DOE."

The stimulus money is expected to assist Tanesay in securing \$20 million from the Federal Housing

Administration to fund the first phase of construction, Geall said.

The first phase includes construction of a 56-unit residential complex, 4,000 square feet of restaurant space, a 75- to 150-seat theater, space for an outdoor ice rink and 6,500 square feet of commercial space.

Ultimately, RiverHeath will include 178 residential units and 114,500 square feet of commercial space.

"The bankers are going to look at the grant as less money we need for the project. Our demand is lowered for debt, and that's good," Geall said.

He said the DNR recently issued a certificate of demolition completion for the site, formerly a toxic-ridden home to a drilling oil manufacturer. The DNR previously declared the site free of toxins after a decade of remediation work.

"The certificate of demolition means there is no liability (for environmental cleanup), and that's huge with the bankers," he said.

Geall said Tanesay is in the midst of a market feasibility study required by the FHA before approving any federal financing.

Construction is now slated to begin in early 2010, Geall said.

Additional Facts

RiverHeath financials

- Total estimated project cost: \$55 million
 - Initial construction phase cost: \$20 million
 - Maximum city reimbursements for infrastructure work: \$9.5 million
 - Application to Department of Energy for geothermal funding (stimulus money): \$1 million-plus
 - Private investments so far in RiverHeath: Approximately \$4 million
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