



2013

# Growth Report



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## INTRODUCTION

Each year the Community and Economic Development Department prepares an Annual Growth Report (Report). The purpose of the Report is to analyze growth figures over a period of ten years to determine if Appleton is capturing its historically proportionate share of growth. The Report looks at Appleton's building permit activity and equalized valuation and compares them with the Fox Cities region. Equalized Value is the estimated value of all taxable real and personal property in each taxation district, by class of property. This year's Report will compare the City of Appleton to other competitor cities in the State of Wisconsin and throughout the United States that we compete with for jobs and economic development. Other areas addressed include: success in target growth areas, prospects for growth, barriers that need to be overcome to continue growth, and a synopsis of the marketing efforts taken to promote growth.

The City of Appleton saw an increase in the number and dollar value of construction permits in 2013. Much of this is due to considerable growth in commercial construction and single family homes. The employment base in Appleton and the Fox Cities remains competitive and stable. As a whole, the City of Appleton's Tax Increment Districts (TID) increased in value by .66%. The City of Appleton's unemployment rate continues to decline from an annual average 2012 rate of 8.1% to 7.9% in 2013.

Much of the City's new construction in 2013 took the form of non-taxable development. The largest of which was an expansion to St. Elizabeth Hospital. The following is a list of all commercial permits taken out in 2013 over \$100,000.

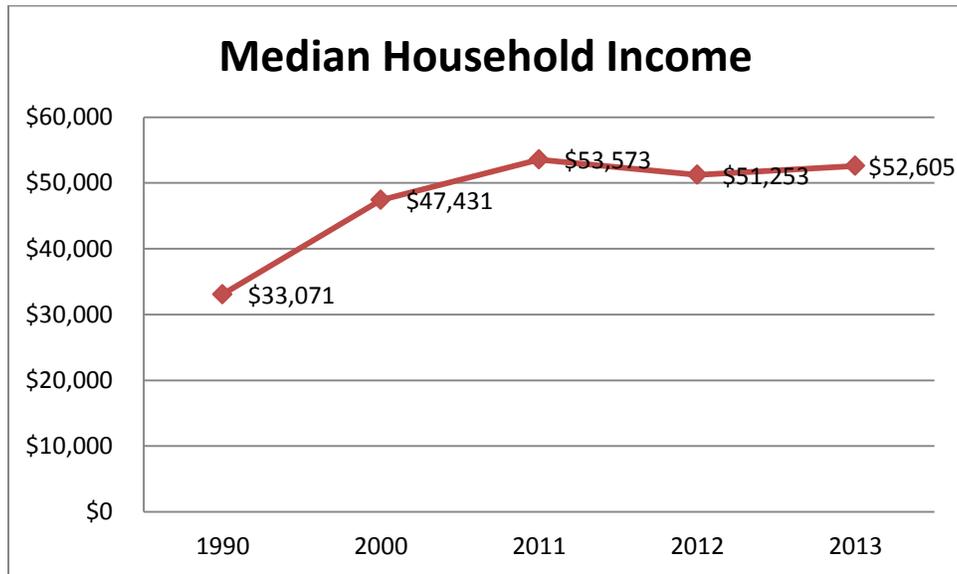
### 2013 COMMERCIAL PERMITS IN APPLETON OVER \$100,000

ESTIMATED CONSTRUCTION COST	OWNER	OWNER CONTINUED	REASON DESCRIPTION (INT=Interior)	PROPERTY ADDRESS	*=Not taxable P=Partial
\$30,300,000	ST ELIZABETH HOSPITAL	INC	REMODEL INT	1506 S ONEIDA ST	*
\$1,580,000	FOX VALLEY UNITARIAN	UNIVERSALIST	ADDITION	2600 E PHILIP LA	*
\$1,400,000	CONVENIENCE STORE	INVESTMENTS	NEW BUILDING	2120 E EDGEWOOD DR	
\$1,200,000	APPLETON	CITY OF	REMODEL HOUDINI	121 W COLLEGE AVE	*
\$1,102,000	NO WISCONSIN	WAREHOUSES LLC	REMODEL INT	1840 W SPENCER ST	
\$924,900	WI SELF STORAGE	APPLETON LLC	REMODEL INT	1117 W WASHINGTON ST	
\$600,000	CORNER PROPERTIES LLC		NEW BUILDING	3401 N BALLARD RD	
\$594,000	APPLETON	CITY OF	WASH. SQ. DEMO	103 E WASHINGTON ST	*
\$550,000	ST ELIZABETH HOSPITAL	INC	REMODEL INT	1506 S ONEIDA ST	
\$524,000	NORTHLAND DT LLC ET AL		NEW BUILDING	421 W NORTHLAND AVE	
\$500,634	WISCONSIN ELECTRIC	POWER CO	REMODEL INT	201 W EDISON AVE	*
\$490,000	ST THOMAS MORE	CONG INC	REMODEL INT	1810 N MCDONALD ST	*
\$432,000	THEDACARE INC		SIDING	2600 S HERITAGE WOODS DR	*

\$420,000	LAWRENCE UNIV OF WISC		REMODEL INT	212 S DURKEE ST	*
\$400,000	PURA VIDA VENTURES LLC		NEW BUILDING	734 W WISCONSIN AVE	
\$365,535	CALUMET VILLAGE	PARTNERS	REMODEL INT	1919 E CALUMET ST	
\$330,000	DAYTON HUDSON CORP		OTHER	1800 S KENSINGTON DR	
\$330,000	CORNER PROPERTIES LLC		NEW BUILDING	3401 N BALLARD RD	
\$320,850	MBMA PROPERTIES LLC		ADDITION	1718 E WISCONSIN AVE	
\$285,000	ST JOSEPH CEMETERY INC		NEW BUILDING	900 N BALLARD RD	*
\$230,000	APPLETON AREA SCHOOL	DISTRICT	NEW BUILDING	610 N BADGER AVE	*
\$230,000	PH EAST APPLETON LLC		REMODEL INT	3813 E CALUMET ST	
\$213,000	LHPT APPLETON MO SOUTH	LLC	REMODEL INT	820 E GRANT ST	
\$192,000	APPLETON	CITY OF	NEW BUILDING MEMORIAL PARK	1500 E WITZKE BLVD	*
\$185,400	APPLETON NORTHEAST	STORAGE LLC	NEW BUILDING	3333 N FRENCH RD	
\$183,900	FRONTIER WIS HOLDINGS	LLC	REMODEL INT	1924 S ONEIDA ST	
\$179,800	APPLETON NORTHEAST	STORAGE LLC	NEW BUILDING	3333 N FRENCH RD	
\$177,000	BERKEN	SCOTT	REMODEL INT	233 N APPLETON ST	
\$171,000	BRYCON LLC		ADDITION	2505 E EVERGREEN DR	
\$170,000	ST ELIZABETH HOSPITAL	INC	REMODEL INT	1506 S ONEIDA ST	*
\$160,000	K & E LIMITED	PARTNERSHIP	REMODEL INT	1010 W COLLEGE AVE	
\$150,000	APPLETON PROPERTY A	LLC	ADDITION	2100 W COLLEGE AVE	
\$145,832	GTJ LLC		NEW BUILDING	2920 N PROGRESSDR	
\$138,000	EISENHOWER PROPERTIES	II LLC	ADDITION	3845 E CALUMET ST	
\$126,000	APPLETON MEDICAL	CENTER INC	REMODEL INT	1818 N MEADE ST	*
\$122,000	NORTH APPLETON AMBULAT	ORY CARE CENTR	REMODEL INT	2500 E CAPITOL DR	
\$113,700	APPLETON NORTHEAST	STORAGE LLC	NEW BUILDING	3333 N FRENCH RD	
\$104,000	400 NORTH LLC		REMODEL INT	400 N RICHMOND ST	
\$103,000	THRIVENT FINANCIAL		REMODEL INT	4321 N BALLARD RD	P
\$100,000	2323 EAST CAPITOL LLC		REMODEL INT	2323 E CAPITOL DR	

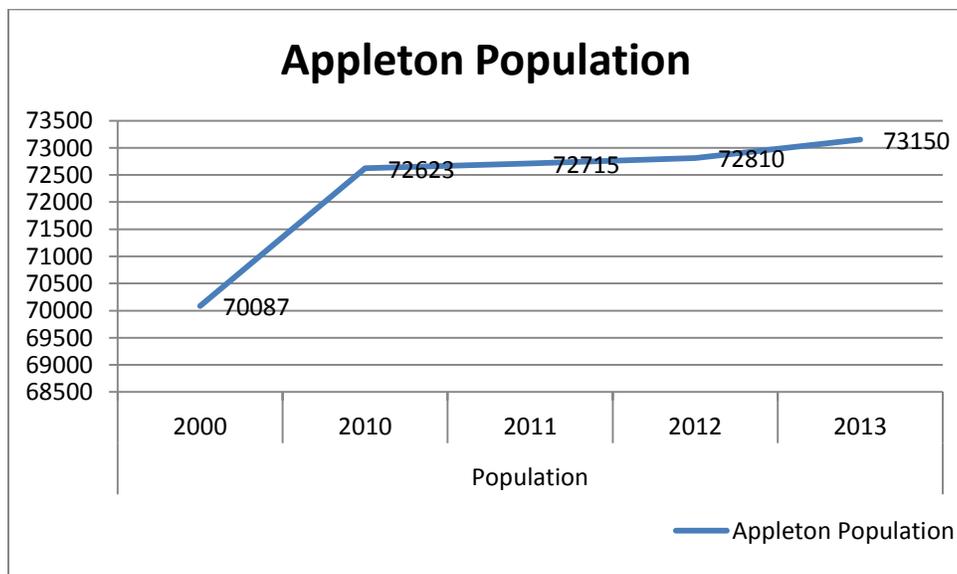
## DEMOGRAPHICS

The median household income in the City of Appleton increased slightly this year according to the US Census Bureau, American Fact Finder data. The 2012 median household income in Appleton was \$51,253; the median household income for 2013 was \$52,605 which compares closely to the median household income of \$52,627 for the State of Wisconsin.



Source: US Census Bureau – Am. Fact Finder

The City's population has been consistently growing.

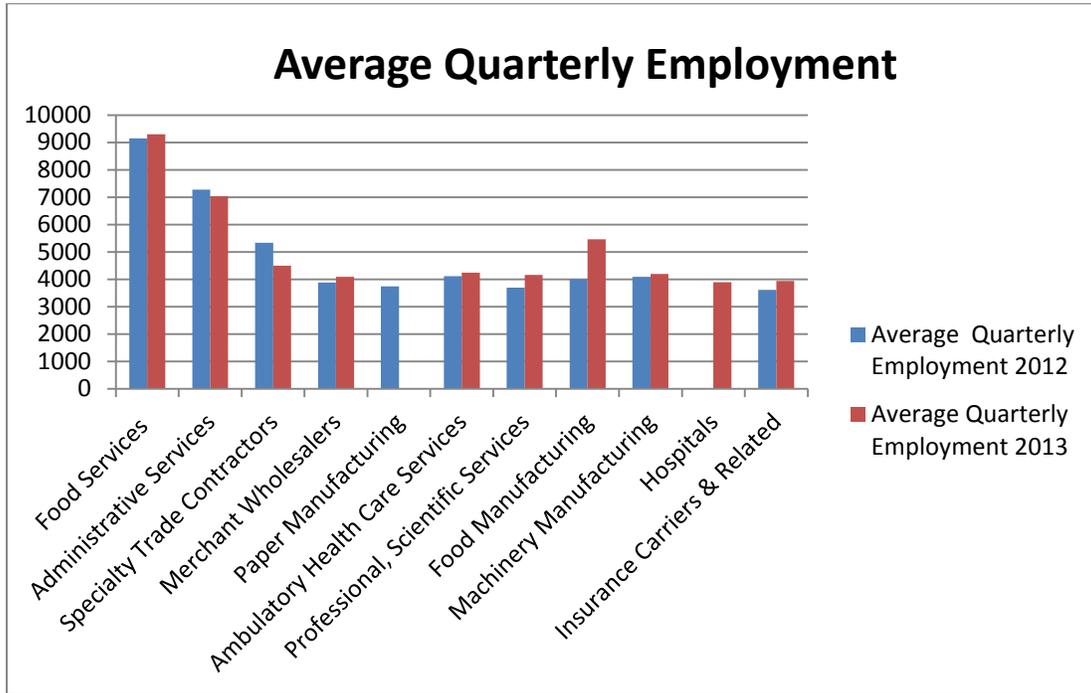


2000,2010 US Census Bureau. 2011-13 WI DOA Est.

## LABOR STATISTICS

The City of Appleton and the Appleton Metropolitan Statistical Area (MSA) defined by the Office of Management and Budget (OMB) as Outagamie and Calumet Counties, has a well-established labor force and is known internationally for its industry clusters of food processing, paper industry and manufacturing. The chart below shows the average quarterly employment by industry for the top 10 classifications within the Appleton MSA for the years 2012 and 2013.

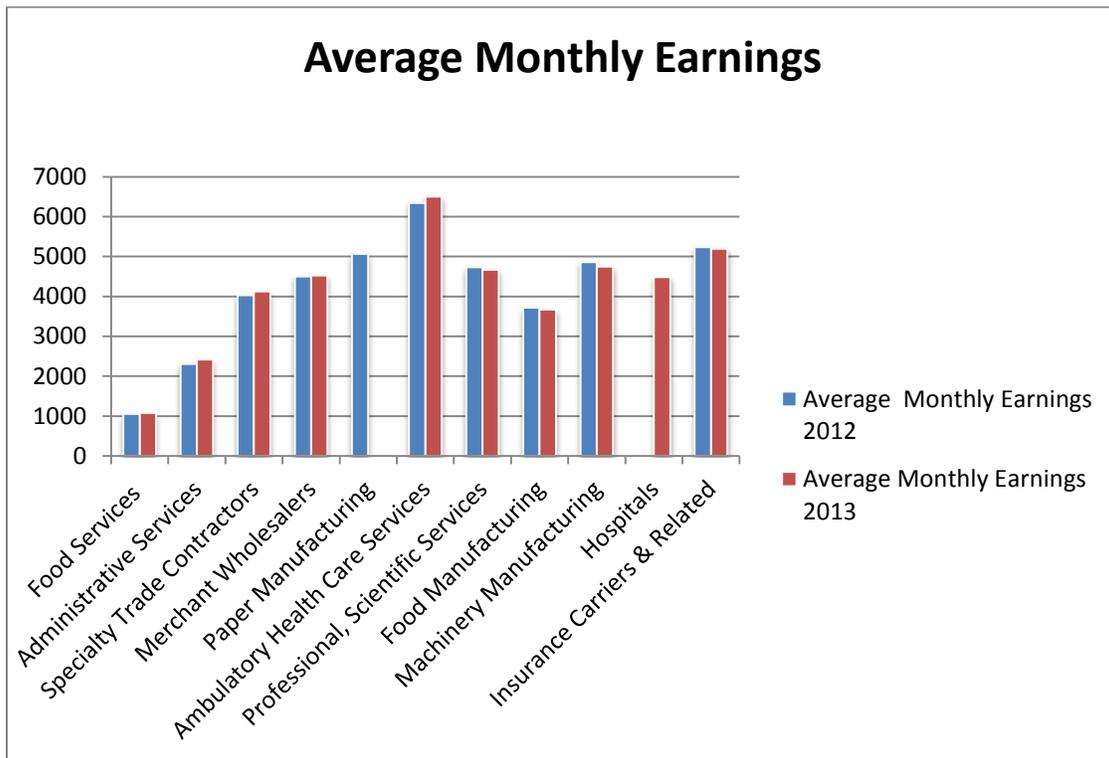
*\*Note: Paper Mfg. fell out of the top 10 in 2013, replaced by Hospitals, therefore single year data provided for each.*



Source: US Census Bureau – Local Employment Dynamics

Food services (restaurants, fast foods, and banquets) has the highest quarterly employment followed by administrative services (call centers, receptionist, etc). This year hospitals overtook paper manufacturing in number of jobs. While worth noting paper manufacturing dropped out of the top ten in number of employees in the, many of these jobs have been subcontracted and no longer are counted as “employees” at these companies but remain in the Appleton MSA.

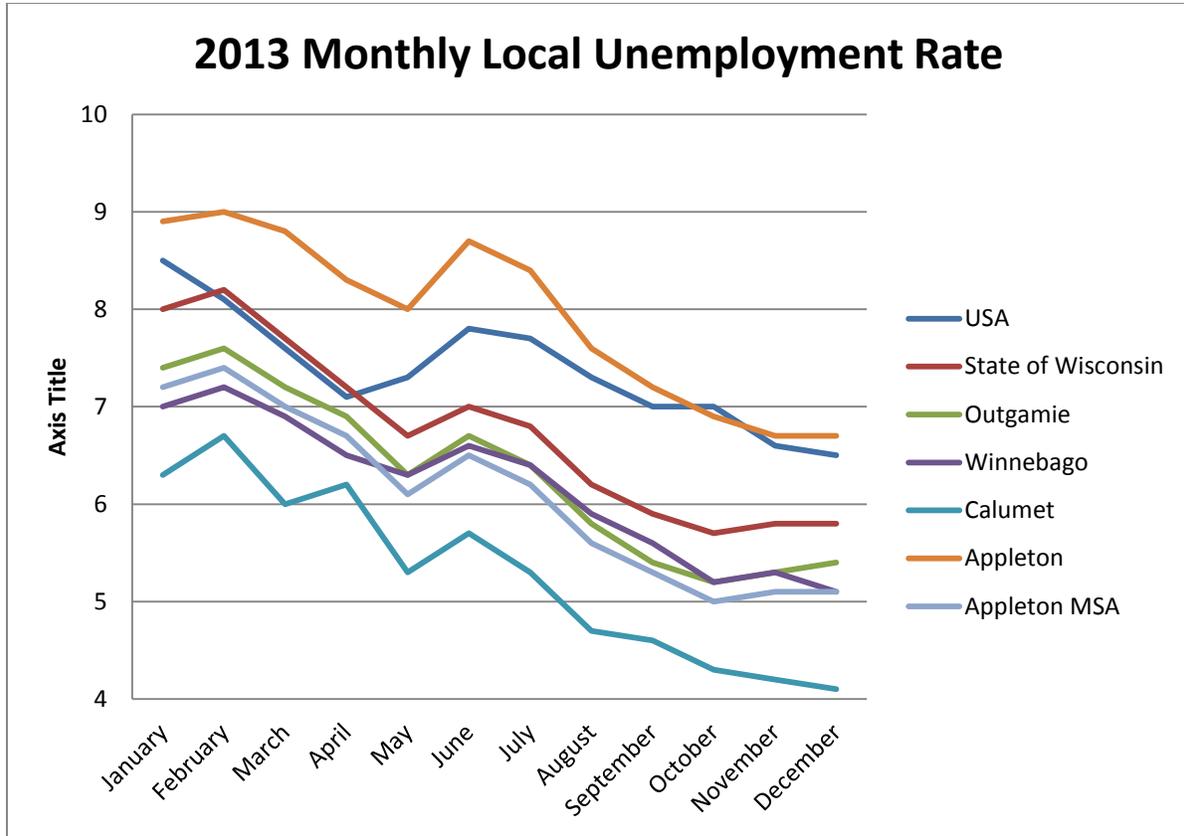
It is important to take into account the average monthly wages the leading employment sectors in the Appleton MSA produce. Looking at the previous chart regarding the quarterly employment sectors we see that the sectors with the highest employment numbers have the lowest average monthly earnings; food services at \$1,000 and administrative services near \$2,400. Looking at the stable and emerging industry clusters (food manufacturing, hospitals) here in the Appleton MSA, you can see the average monthly income is higher, ranging from \$3,600-\$6,500 dollars. As a reference point, the Department of Housing and Urban Development (HUD) considers a monthly income of \$4,745.83 or less to be low income for a family of four in the Appleton MSA. It's important we continue to invest in the necessary infrastructure, economic support and educational systems to continue the growth of high wage industries to keep the income levels up in our community.



Source: US Census Bureau – Local Employment Dynamics

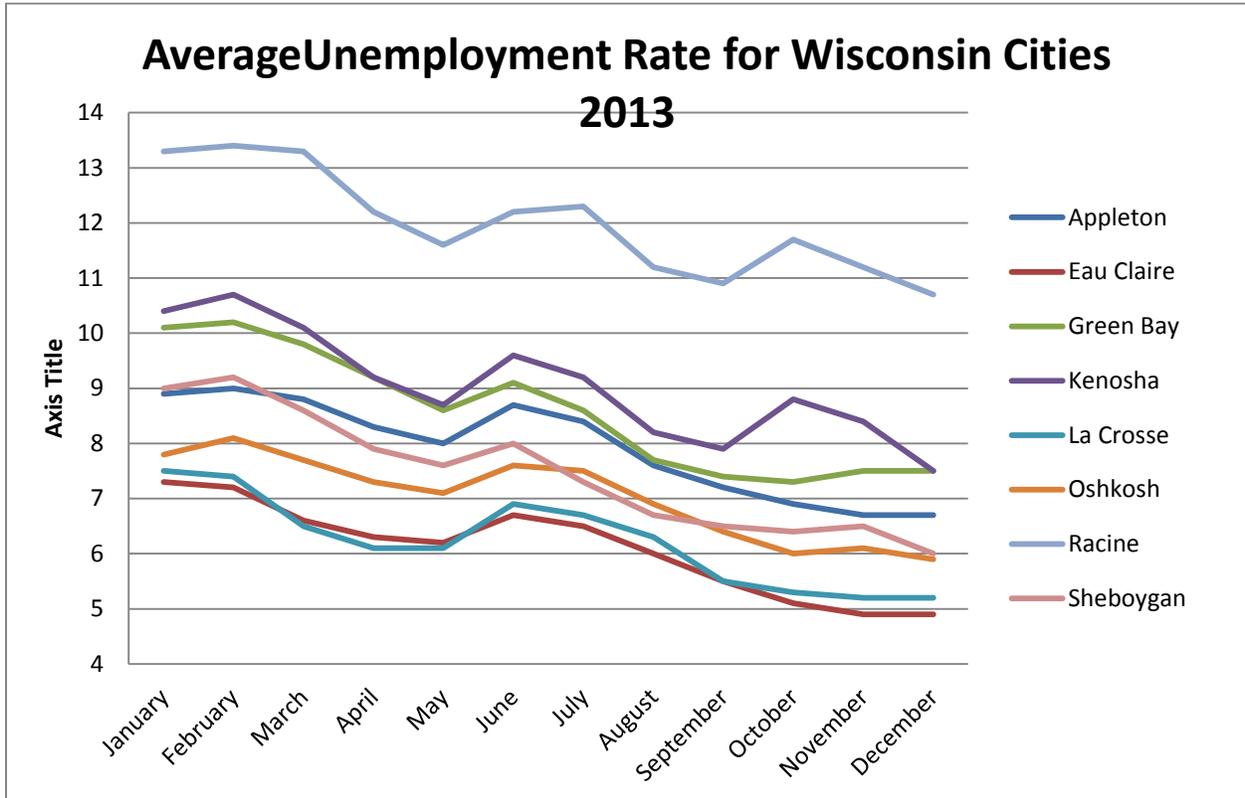
# UNEMPLOYMENT

The City of Appleton has experienced a steady decline in its unemployment rate over last year. The City started 2013 at 8.9% unemployment and concluded the year at 6.7%. The average 2013 unemployment rate for Appleton was 7.9%. Included in the chart are the comparable unemployment rates for the United States, the State of Wisconsin, Appleton MSA and the counties of Winnebago, Outagamie and Calumet. It's important to note the unemployment rate for the City of Appleton consists of persons who file an unemployment claim and live within the corporate city limits of Appleton.



Source: State of Wisconsin Department of Workforce Development

The following chart shows the unemployment rate of the medium size cities in the State of Wisconsin we are competing with for economic development. The cities of Eau Claire and La Crosse led the way with the lowest unemployment rates of 4.9% and 5.2% while the City of Racine had the highest unemployment rate with 10.7%. The City of Appleton was in the middle, ending the year with an unemployment rate of 6.7%.



Source: State of Wisconsin Department of Workforce Development

## COST OF LIVING

The cost of living index is a number used as the total of all living expense categories. The categories used to determine the index include housing, food and groceries, transportation, utilities, health care and miscellaneous expenses such as clothing, services and entertainment. The definition of these variables that are evaluated for each index is included below. The City of Appleton has a cost of living index of 94.4 which compares favorably to the state of Wisconsin which is at 99 and the National average of 100. The first chart below compares the City of Appleton to the other midsize cities in Wisconsin, the second chart below compares Appleton to competitor cities throughout the United States.

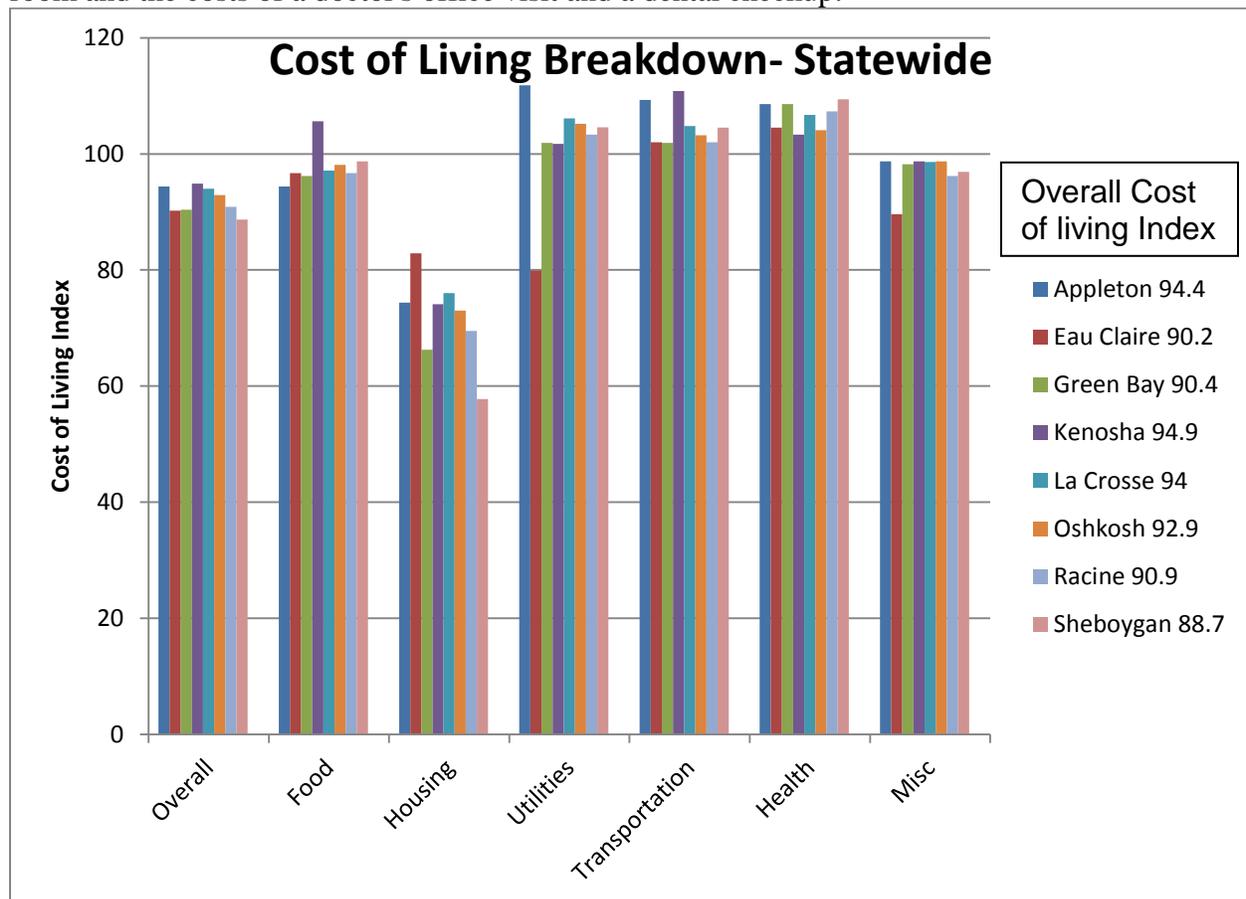
**Food:** The average cost of food and groceries not including restaurants.

**Housing:** The average cost of an area's housing which includes mortgage payments, apartment rents and property taxes.

**Utilities:** The average cost of heating and cooling a typical residence for the area, including electricity and natural gas.

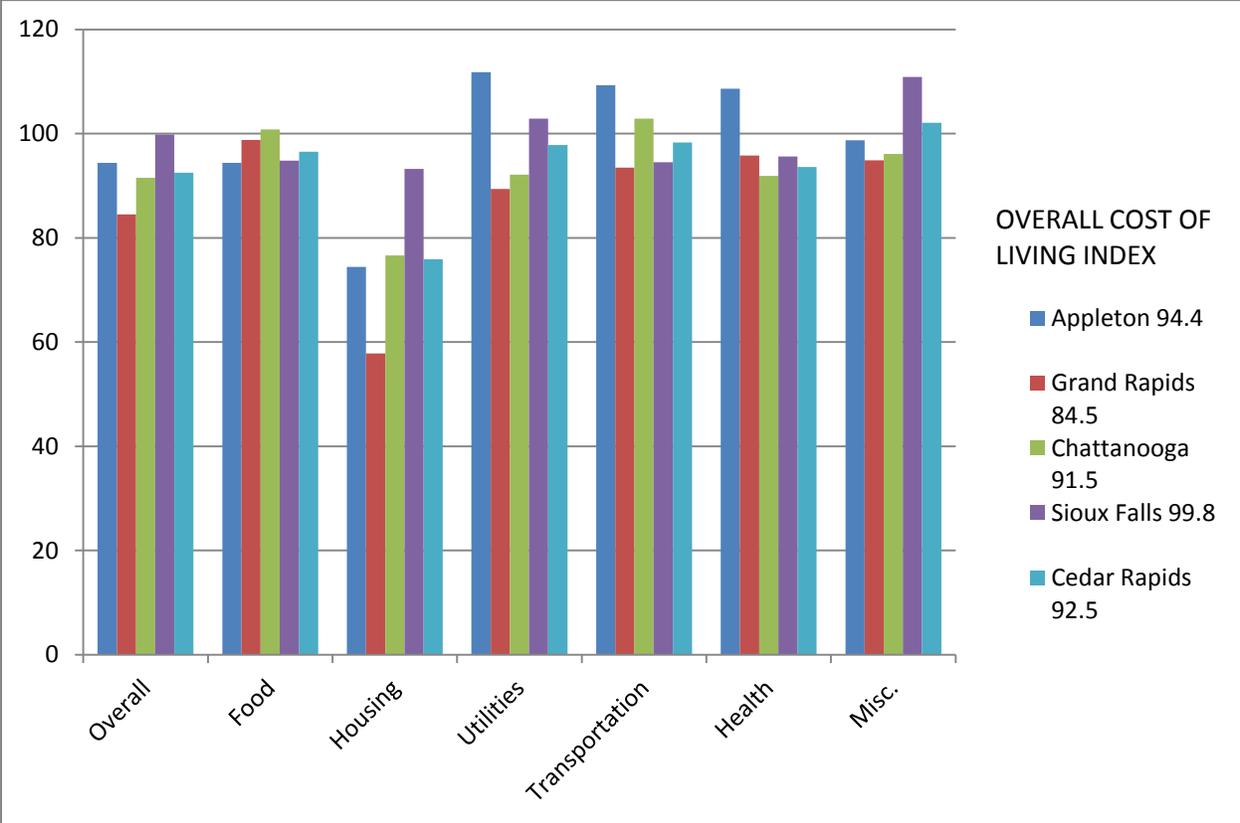
**Transportation:** The average cost of gasoline, car insurance and maintenance expenses and mass transit expenses for the area. (Cost of the vehicle and vehicle registration and licensing taxes not included.)

**Health:** The average cost of health care calculated using the standard daily rate for a hospital room and the costs of a doctor's office visit and a dental checkup.



Source: [www.bestplaces.net](http://www.bestplaces.net)

## COST OF LIVING COMPARED TO OTHER U.S. COMMUNITIES

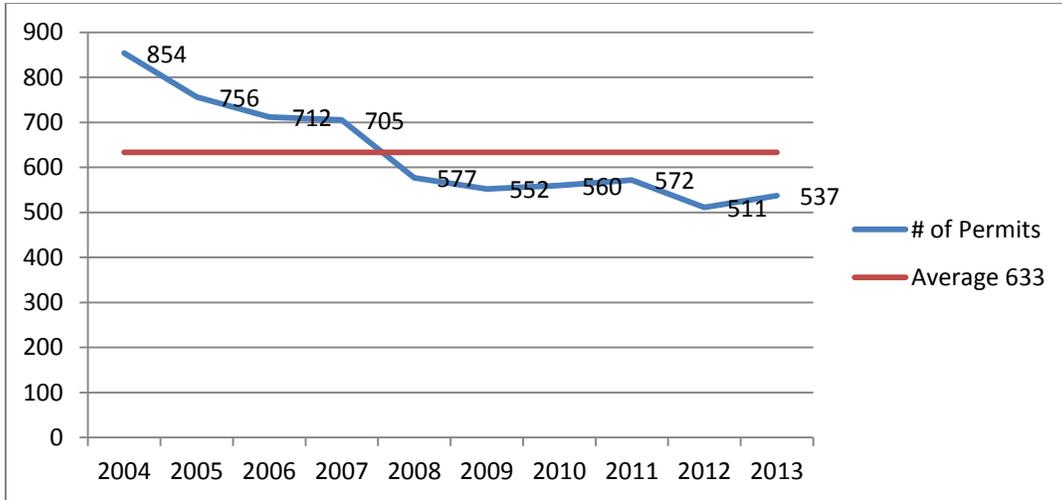


Source: [www.bestplaces.net](http://www.bestplaces.net)

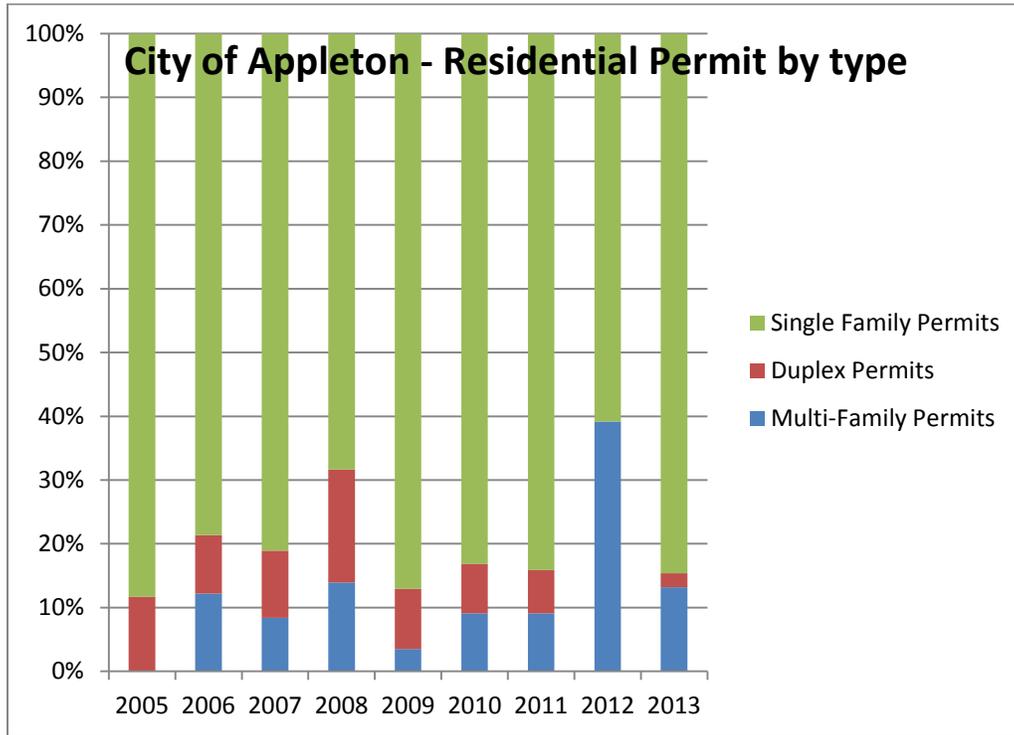
## BUILDING PERMIT ACTIVITY

The City of Appleton's building permit activity over the last ten years is shown below. The yearly total number of permits issued ranged from a low of 511 permits in 2012 to a high of 854 permits in 2004. The ten-year average was 633 permits a year. The 537 permits issued in 2013 is a slight rebound over the 2012 numbers.

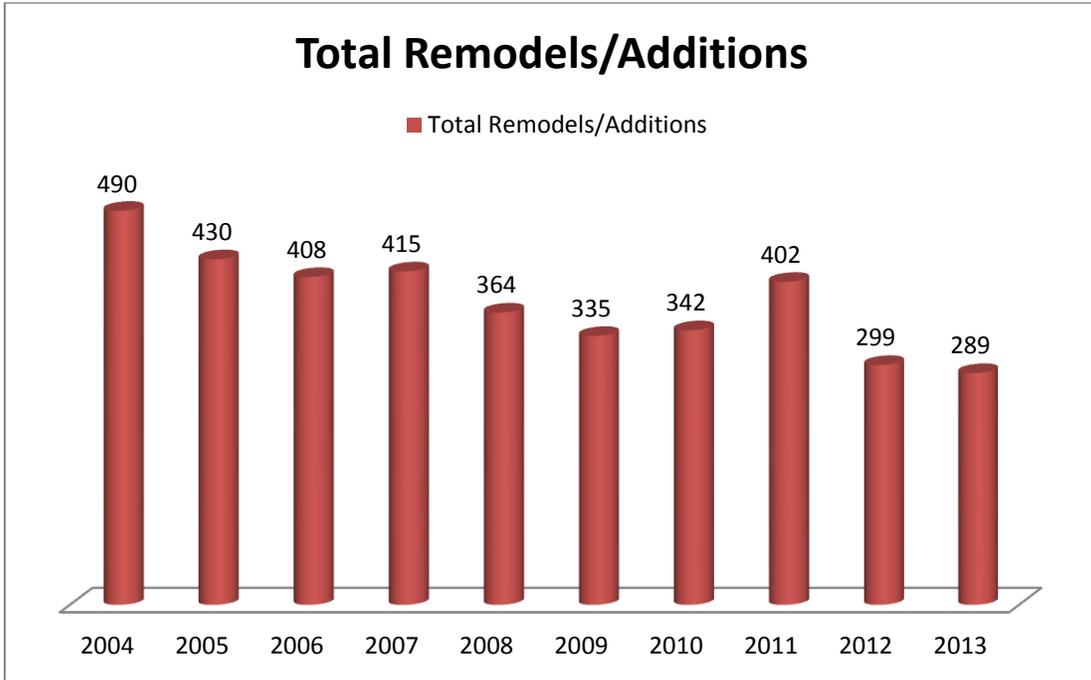
**Total Building Permits 2004-2013**



The number of single-family homes constructed annually increased in 2013 to 77 homes from 45 homes in 2012. The number of multi-family building permits decreased from 29 permits to 12 permits in 2013. Total housing unit construction in Appleton decreased in 2013 to 203 units from 281 units. This is primarily due to the significant number of multi-family units delivered to market in 2012; 236 compared to 2013's 122 units.

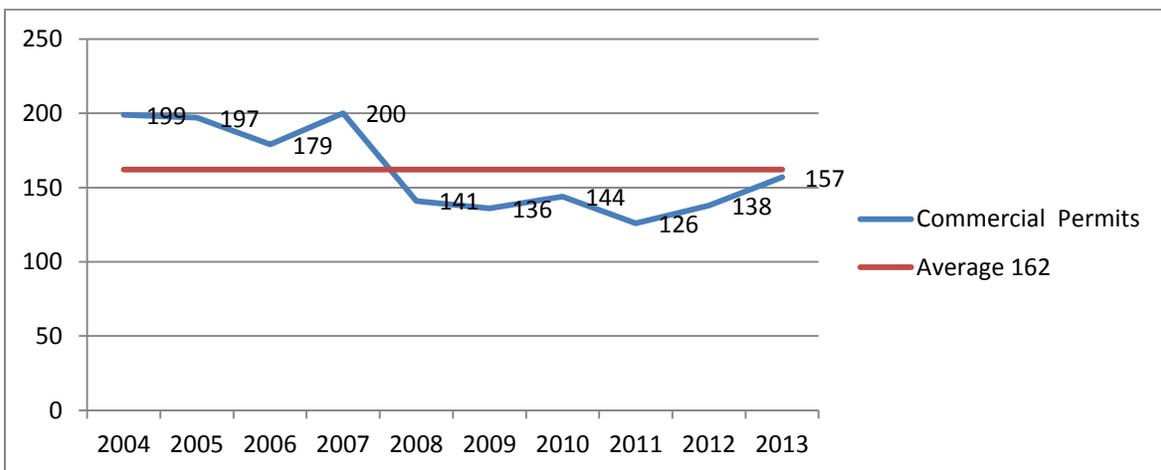


In 2013, there were 289 permits issued for additions and alterations. This is a slight decrease from the 299 permits in 2012.



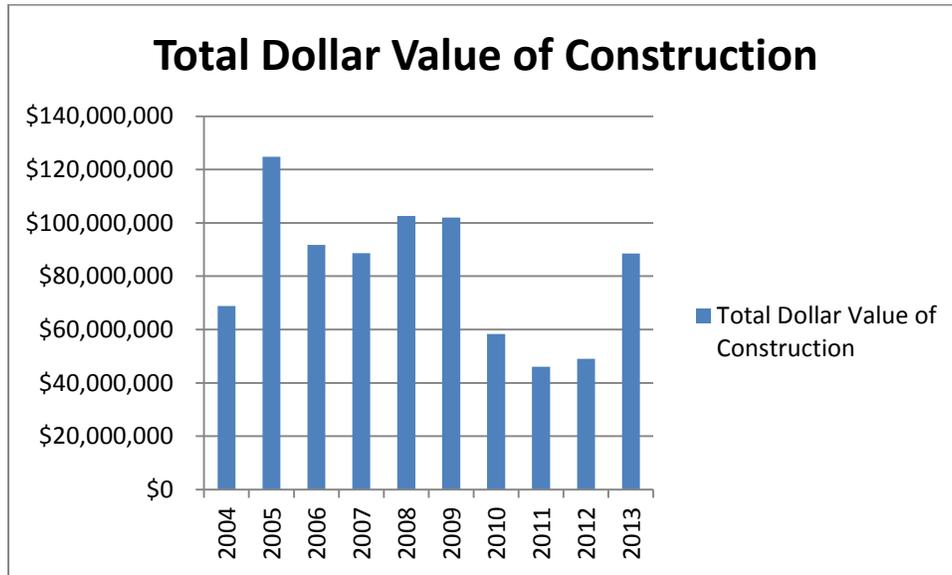
There were 157 commercial building permits issued in the City of Appleton in 2013, which is slightly below the ten-year average of 162.

**NUMBER OF COMMERCIAL PERMITS**

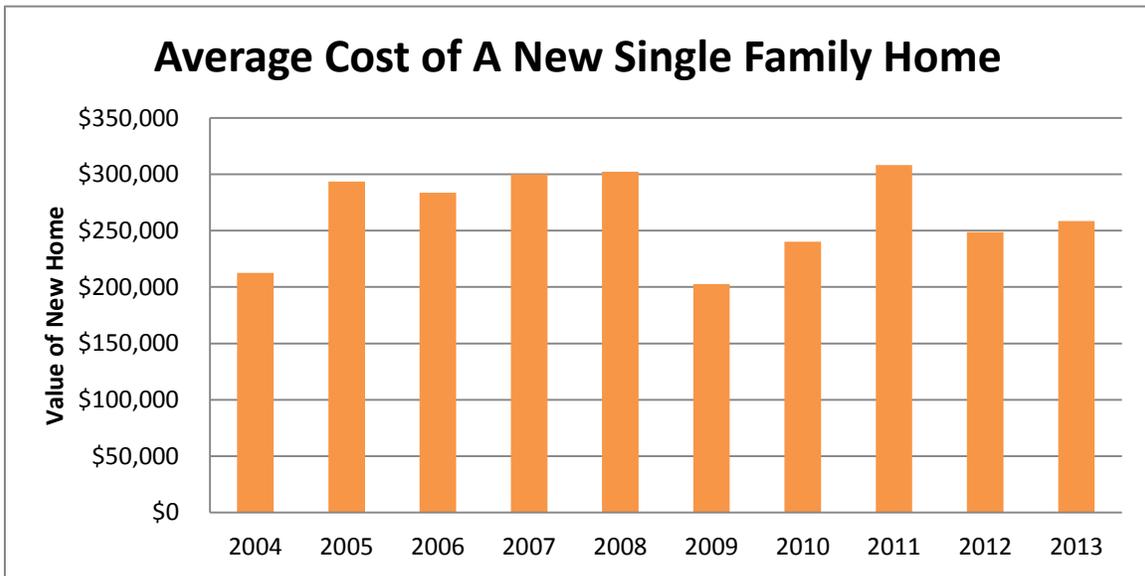


## DOLLAR VALUE OF PERMITS

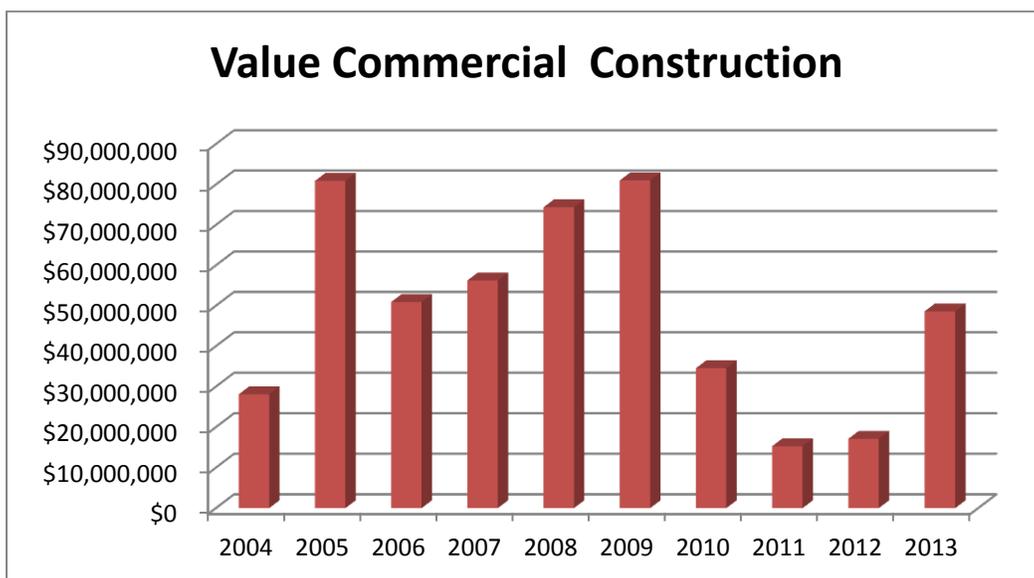
Appleton's total dollar value of construction in 2013 was \$88,486,657, which is a noticeable increase over the 2012 number of \$49,084,251. The total dollar value of all construction in the City of Appleton between 2004 and 2013 ranged from a low of \$46 million in 2011 to a record high of \$124.8 million in 2005.



The number of single family permits increased from 45 to 77 between 2012 and 2013. The total dollar value of single family permits also increased to \$19,903,000, which is nearly an 18% increase from 2012. 2011 was a record year in terms of average permit value of new home construction at \$308,094. 2013 saw an average of \$258,481 which continues the upward trend since the low in 2009 which was \$202,539.



Commercial construction permit values were near the ten-year average of \$48,700,000 with \$48,614,413 in estimated value. This is a significant increase after two years of considerably lower numbers. Major contributors to these numbers include St. Elizabeth remodel, Fox Valley Unitarian Universalist Addition and a new Kwik Trip store on Edgewood Dr. (See pp.4-5 for permit breakdown).



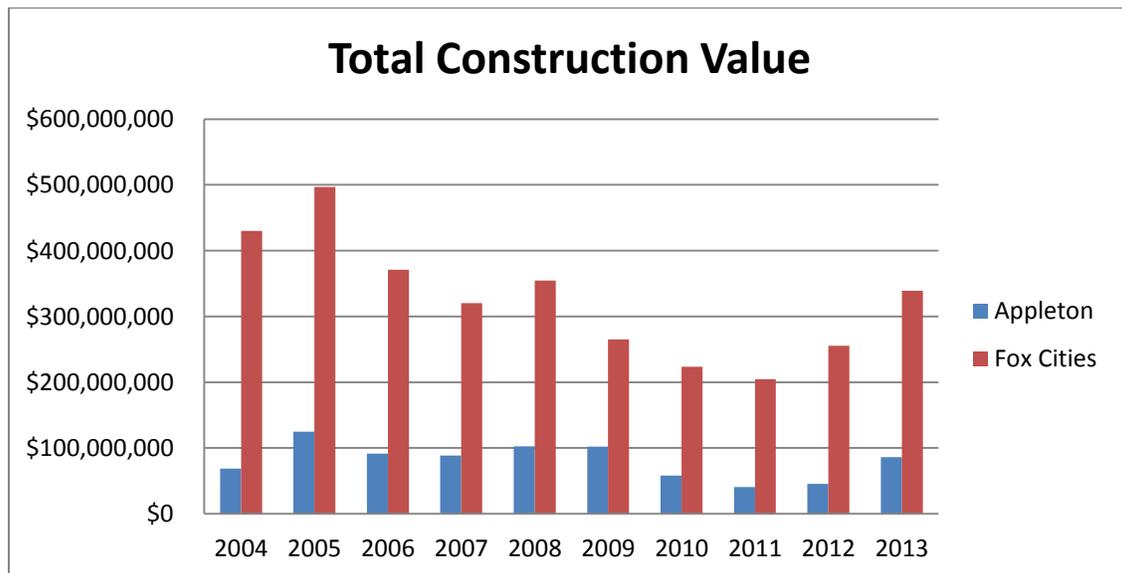
## FOX CITIES REGION CONSTRUCTION VALUE

In an effort to compare Appleton to the Fox Cities region, data was collected from 13 municipalities surrounding Appleton and comprising the Fox Cities. These are the Cities of Kaukauna, Menasha and Neenah; Villages of Combined Locks, Kimberly, Hortonville and Little Chute and Towns of Buchanan, Grand Chute, Greenville, Vandebroek, Menasha and Harrison.

*\*Note: In 2013 the Town incorporated into the Village of Harrison, these figures include year end data for both*

The total dollar value of construction in the Fox Cities increased by almost 33% in 2013 to \$339,157,542. By comparison, Appleton's dollar value of construction increased by approximately 90% over 2012 going from \$45,387,144 in 2012 to \$86,029,588 in 2013.

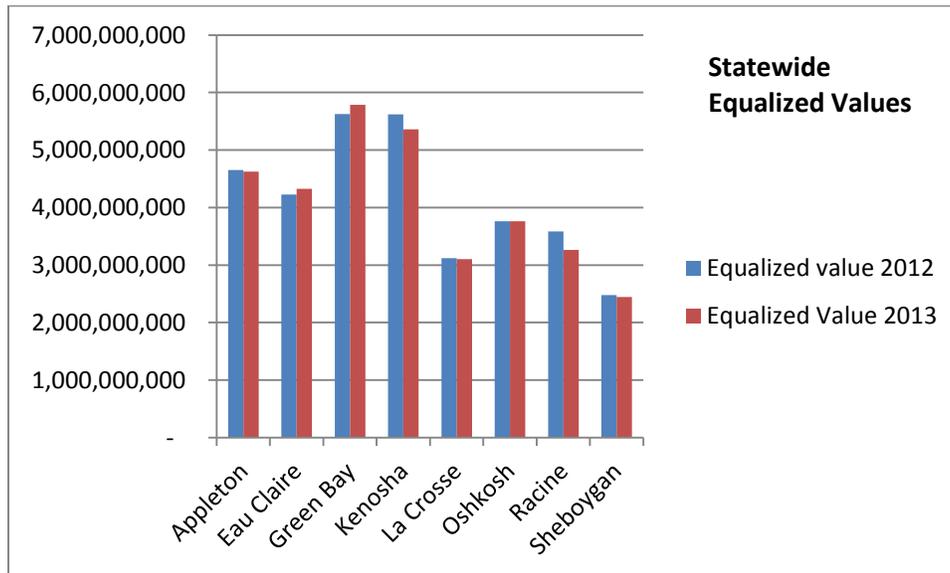
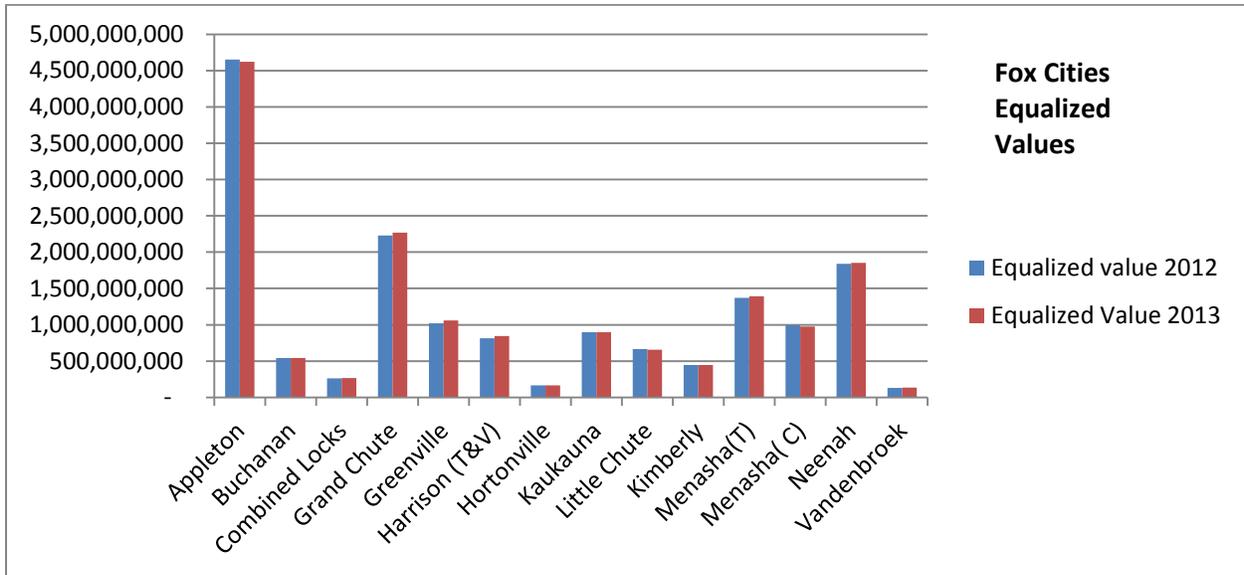
The City of Appleton comprised \$86,029,588 million or 25% of the total dollars spent on construction in the Fox Cities in 2013. Significant investments were made in Greenville to the airport and Fox Valley Technical College projects which impact the overall Fox Cities numbers and Appleton's percentage of growth as measured by Permit activity.



## EQUALIZED VALUE

The Equalized Value is the estimated value of all taxable real and personal property in each taxation district, by class of property, as of January 1, and certified by DOR on August 15 of each year (Definition: Wisconsin Dept. of Revenue). Appleton experienced a nominal decrease in equalized values for the City overall of .63%. This is slightly better than the Statewide decrease of .86%.

The following charts compare Appleton's equalized value to the Fox Cities and other midsize cities in the State of Wisconsin.



In addition to equalized values overall, the following chart captures, more specifically, the City's percentage of net new construction added over the preceding year. Municipalities use the percentage increase of net new construction as a valuation factor in determining the allowable tax levy for the city.

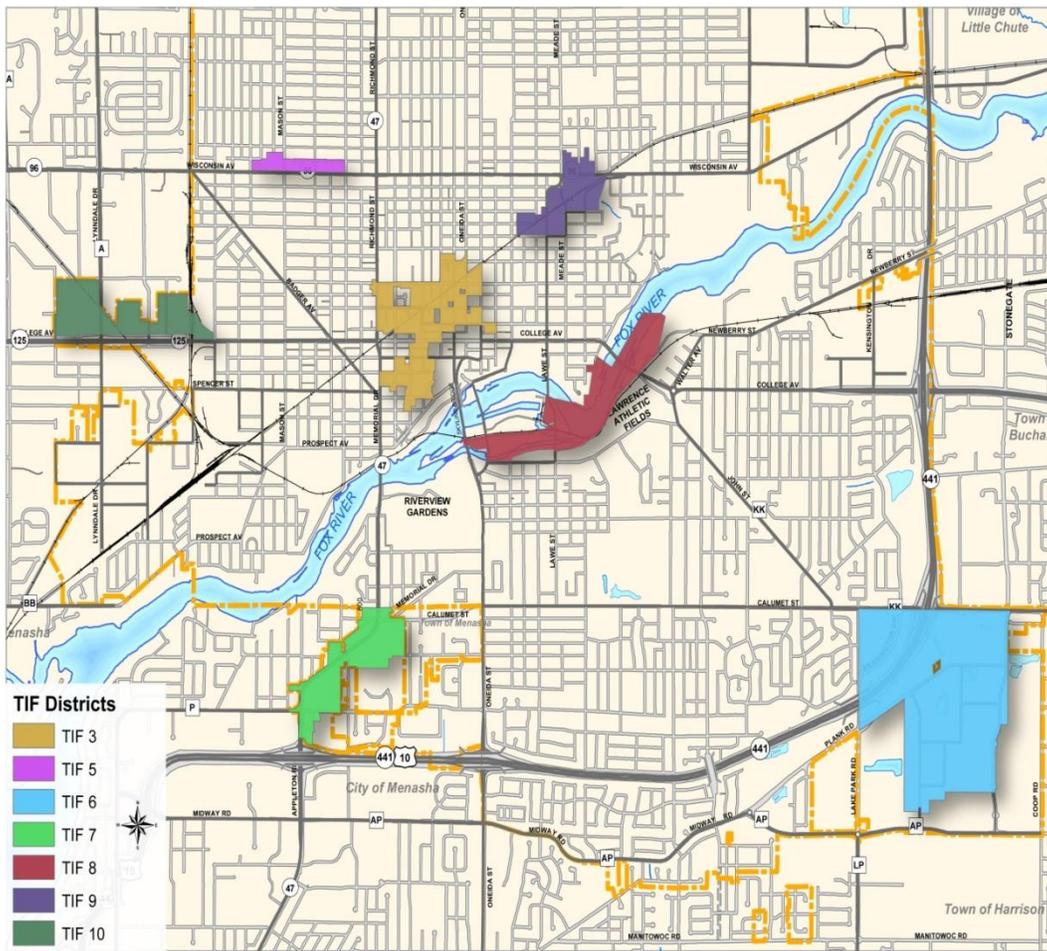
#### NET NEW CONSTRUCTION

<b>MUNICIPALITY</b>	<b>Total Equalized Value</b>	<b>2013 Amount</b>	<b>% of Fox Cities</b>
Appleton, City of	4,622,312,200	35,818,000	22%
Kaukauna, City of	896,143,200	9,963,900	6%
Menasha, City of	974,894,000	4,207,700	3%
Neenah, City of	1,852,907,500	35,591,400	22%
Grand Chute, Town of	2,268,773,300	16,637,500	10%
Greenville, Town of	1,059,681,400	32,060,900	20%
Menasha, Town of	1,394,275,300	9,646,700	6%
Vandenbroek, Town of	134,212,600	2,637,900	2%
Combined Locks, Vlg.	267,129,200	3,231,000	2%
Kimberly, Village of	448,356,700	4,998,900	3%
Little Chute, Village of	655,348,800	3,111,200	2%
Hortonville, Village of	166,774,600	551,500	0%
Buchanan, Town of	544,278,500	3,818,200	2%
Harrison, Town of	845,804,600	701,700	0%
Fox Cities Total	\$16,130,891,900	162,976,500	100%

Despite Appleton representing 29% of the Fox Cities by total equalized value, the City captured 22% of net new construction equalized value. This is partially due to significant expansions by two existing major employers Plexus and Alta Resources in Neenah. Also, impacting net new construction numbers is the significant residential construction completed in Grand Chute (\$17.2M) and Greenville (\$17.8M) compared to Appleton (\$19.9M).

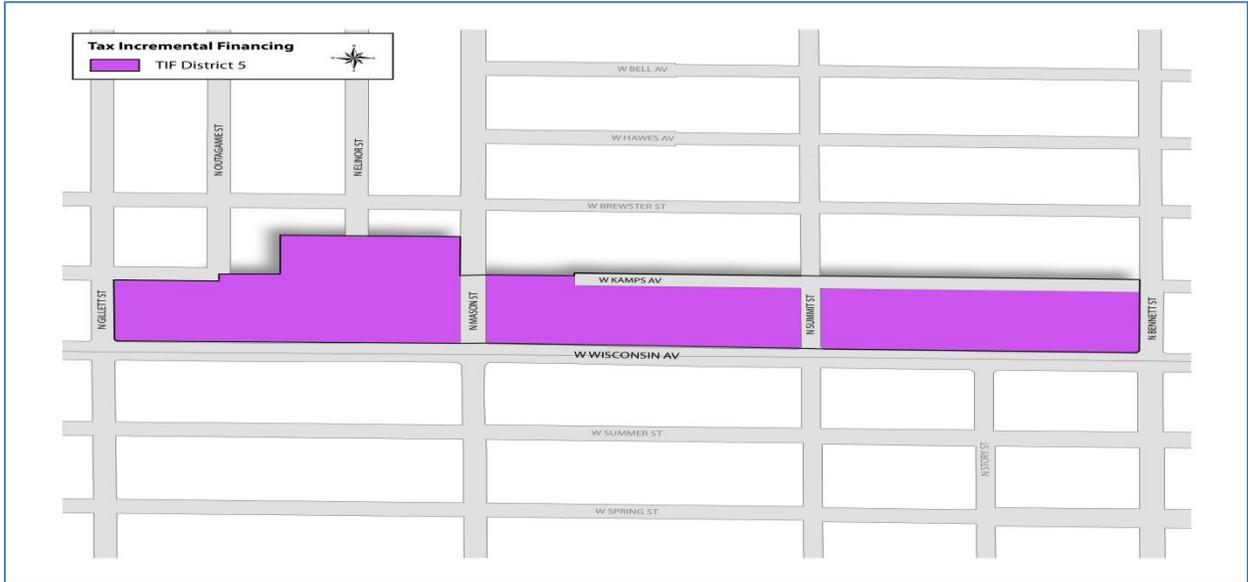
# TAX INCREMENTAL DISTRICT

An important aspect of Appleton's valuation is the effect of Tax Incremental Districts (TID). In 2013, the City created two new TIDs (#9 and #10). Also of note, the City closed TID #2 in 2013 with net increment generated of \$13.2M. The following is a City Map indicating locations of the TIDs and then a map of, and performance notes for each, along with the scheduled closing date of each TID:

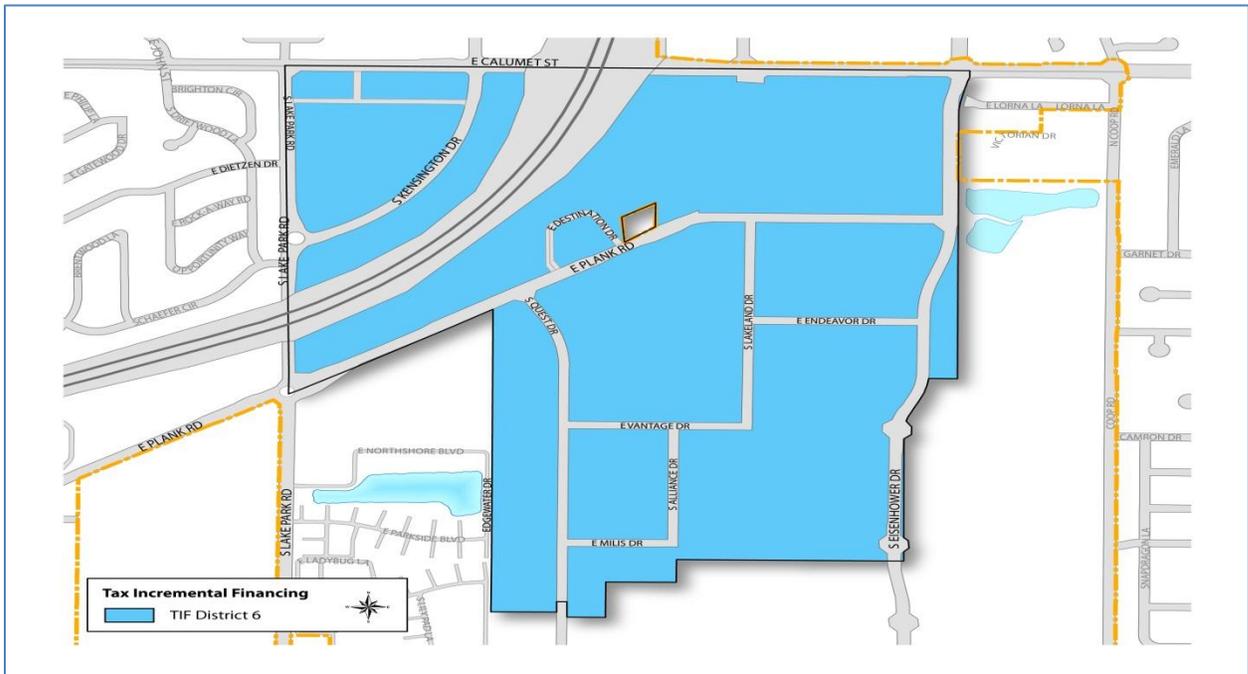




TID #5 Equalized valuations decreased in TID #5 by \$739,900 which is 6.0% compared to 2012. This is due primarily to 1320 W. Wisconsin Ave. coming mostly tax exempt and a reduction in the district due to revaluation. (Scheduled to close 2026)



TID #6 Equalized valuations increased in TID #6 by \$536,300 or 0.6%, due to new construction and an increase in revaluation. New construction in this district was primarily tenant build out at 3813 E. Calumet St. (Scheduled to close 2023)









The table below shows the value increase/decrease of Tax Incremental Districts since creation, change during the past year and an average annualized percentage change.

<b>Tax Incremental District Valuations</b>								
<b>TID#</b>	<b>Inception</b>	<b>Base Value</b>	<b>2012Values</b>	<b>2013Values</b>	<b>Total Increment</b>	<b>2012-2013 Increment</b>	<b>% Change in Total Valuation since inception</b>	<b>% Change in 2012-2013 Valuation</b>
TID3	1993	\$18,940,800	\$57,140,600	\$55,370,100	36,429,300	(1,770,500)	192.33%	-3.10%
TID5	1999	\$4,669,500	\$12,385,500	\$11,645,600	6,976,100	(739,900)	149.40%	-5.97%
TID6	2000	\$12,141,600	\$96,718,200	\$97,254,500	85,112,900	536,300	701.00%	0.55%
TID7	2007	\$25,657,000	\$35,813,800	\$35,546,100	9,889,100	(267,700)	38.54%	-0.75%
TID8	2009	\$2,693,100	\$8,186,200	\$10,446,600	7,753,500	2,260,400	287.90%	27.61%
<b>Total</b>		\$64,102,000	\$210,244,300	\$210,262,900	\$146,160,900	\$18,600	228.01%	0.01%

\*Note TID6 Base and 2009 Value adjusted to include amend area that was added to the district.

## BUSINESS DEVELOPMENT

The City, once again experienced a net gain in new businesses. During 2013, 84 new businesses opened in the city, while 72 closed for a net gain of 12. The following pages highlight the new businesses that opened in Appleton and the businesses that closed or moved in 2013.

### New businesses that opened in the City of Appleton:

A&B PROCESSING SYSTEMS CORP  
 GRAND CENTRAL STATION  
 DOLLAR TREE #5181  
 APPLETON 48 LP  
 BADGER MAILING & SHIPPING  
 BALANCE THERAPIES LLC  
 CAREER OPTIONS INC  
 COMPASSIONATE HOME HEALTH  
 DUET RECRUITING  
 LIFTING GEAR HIRE CORP  
 MANNY'S UPHOLSTERY/AUTO CUST-  
 METSO PAPER USA INC  
 PARK PLACE OPTICAL LTD  
 PREMIER FRENCH ROAD

APARTMENTS  
 SHANE BUDGET AUTO REPAIR  
 THRIVENT FEDERAL CREDIT UNION  
 THRIVENT FINANCIAL INVESTOR  
 ADVANCED AESTHETICS  
 ADVANCED AESTHETICS  
 ANDERSON PENS LLC  
 BAGELICIOUS  
 BLUE MOON EMPORIUM  
 BOLD SALON  
 FAIRWAY INDEPENDENT MORTGAGE  
 FAT GIRLZ BAKIN SHOP  
 ITEMS OF INTEREST  
 J KIPPA LAW OFFICE LLC

LEARNING SHOP AT THE BUILDING  
BANKRUPTCY LAW OFFICE OF  
LILLIANS OF APPLETON  
MIATIVITY ROOM LLC  
OPTIMAL WEB CONSULTANTS INC  
TOP SPINS LLC  
TROVE PHOTOGRAPHY LLC  
THOMPSON LAW LLC  
L & J AUTOBODY SHOP  
TEKBOLT  
W INTERNATIONAL INC  
BOSMA CHIROPRACTIC  
BRAIN TRAINING OF THE FOX  
EVAPOR OF APPLETON  
HOUDINI'S ESCAPE GASTROPUB  
IN BALANCE MASSAGE  
LIVEALITY INC  
GREGORY NEWMAN, CPA  
NISSAN MOTOR ACCEPTANCE CORP  
LYNNE PSYCHOTHERAPY SERVICES  
STONE CELLAR AT RIVERVIEW  
BADGER TREATS LLC  
BUTTONS AND BOWTIES LLC  
EVAPOR OF APPLETON  
EXTREME AUTO BODY & 24/7  
JAVA WARUNG LLC  
MARLEY'S NOVELTY SHOP  
MASAJE/A BODYWORK STUDIO  
NEUMAN'S AUTO REPAIR LLC

NOBLE MERCHANT, THE  
RED SHOES PR INC  
ZOUNDS HEARING OF APPLETON  
CRAIG AUGUSTINE PHOTOGRAPHY  
BELTONE HEARING  
STATE FARM MUTUAL AUTOMOBILE  
FAT CAT UPHOLSTERY LLC  
CRAIG IHDE CONSTRUCTION LLC  
INCLUSION DANCE  
LATINO TAX SERVICES  
MIKE'S THERAPEUTIC MASSAGE  
PERSONAL FITNESS TRAINERS LLC  
REVEAL FITNESS INC  
XIONG VIDEO PALACE  
PROFESSIONAL POLISH SHOP  
NATA COMPLIANCE SERVICES LLC  
BIG APPLE BAGELS  
DIRECTBUY OF NORTHEAST WI  
ERC-ASSIST  
IMAGE RESUME & CAREER SERVICES  
SMILES ON CALUMET  
LATINO EXPRESS  
MAURICES INCORPORATED  
PREMIER PLANK ROAD LLC  
REEL SHOT, THE  
STATE FARM MUTUAL AUTOMOBILE  
TWC NEWS AND LOCAL  
PROGRAMMING

**Businesses that closed or moved out of the City of Appleton:**

ADVANCED PAIN MANAGEMENT  
FARMERS INSURANCE GROUP  
FOX VALLEY TERRAZZO INC  
FUN FACTORY DJ SYSTEMS  
HAPPY JOE'S PIZZA  
OLDMAN INC  
HEALTHY MATTERS MUSCULAR  
JACK M HERB, CFP, CLU, CHFC  
LAWE STREET CREATIONS  
A BOUTIQUE  
NATURAL TRESSES LLC  
DAINTY DAISIES  
EVEY ENTERTAINMENT LLC  
FORTINO'S BISTRO  
HOUDEK HEMP HOUSE LLC  
LILLIANS OF APPLETON  
M&I SUPPORT SERVICES INC #APSS

PLAZA BARBERSHOP  
STARBUCKS COFFEE #2709  
WGBA-TV NBC-26  
WILSON, STEVE ATTORNEY  
MORTON DRUG CO INC  
SENIOR ADVANTAGE OF WISCONSIN  
SCHUBERT LAW OFFICE  
THRIFTY TICKETS LLC  
A-ABSOLUTE HOME INSPECTION  
DAVIESRUSSELL LLC  
MASTERSON PERSONNEL INC  
SILLY TOAST LLC  
TOUCH OF WELLNESS MASSAGE  
YOU'LL BE FLOORED  
GOLD SPOT, THE  
LISA'S TOUCH OF HEALTH LLC  
MAN CAVE HEADQUARTERS

ACE AMERICA'S CASH EXPRESS  
ASSOCIATED BANC CORPORATION  
CARZ-N BIKEZ SERVICE  
CLIPPITY DO DA PET SALON  
FOX VALLEY MONUMENT & STONE  
FURNITURE DEPOT INC  
HARMONY CHIROPRACTIC  
HOLLY'S HIDDEN TREASURES  
HEALTH AND WELLNESS COACH LLC  
KAEHNE LIMBECK PASQUALE &  
PIF CLOTHING CO LLC  
PRO CLEAN JANITORIAL SERVICE  
REVOLUTION DOJO LLC  
MARITIME OF APPLETON LLC  
ACE OF FADES BARBERSHOP &  
TENOR FAMILY DENTISTRY LLC  
BIG SHANGHAI BUFFET  
BANGKOK ORIENTAL FOOD  
BLOCKBUSTER LLC  
FOX VALLEY SCHOOL OF MASSAGE

PASTY KOOP, THE  
TREASURES RESALE STORE  
THRIFTY PEACOCK LLC, THE  
KING SPA  
AH WEST GROUP LLC  
BOYSON CHIROPRACTIC, CHRIS  
ACCU-LUBE QUICK LUBE INC  
NATURALLY BALANCED BODY LLC  
DIRECTBUY  
NATIONAL MANAGEMENT CORPOR-  
HANNAGAN TIM PHOTOGRAPHY  
KENSINGTON GRILLE, THE  
TROPICAL MEXICAN CUISINE  
SOUND ADVICE  
U BAKE  
VALLEY CLEANING LLC  
BEAM CONSIGNMENT BOUTIQUE

## **Minority Owned Businesses**

Community & Economic Development's Diversity Coordinator began working with the City Assessor's staff to develop best practices in supporting and retaining minority owned businesses by providing interpreting services, making introductions and educating staff on cultural differences.

Valuing diversity and inclusion in Appleton helps us continue to build an economically vibrant community. Appleton's racial and ethnic minorities make up about fifteen percent of the general city population and twenty-five percent of our school population. In order to attract and retain our diverse community members, we must have services that meet all needs. Examples include diverse offerings for hair services, food, interpreting services and general business opportunities.

We are happy to report that our minority owned businesses are showing growth in our community. In Appleton, seven percent of our businesses identify as minority owned.

The Diversity coordinator makes contact with minority owned businesses as an essential part of business retention. This is done through formal and informal outreach. Minority Business Enterprises (MBEs) make a substantial contribution to the U.S. economy and yet they face obstacles and barriers to success. Through effective outreach, our goal is to help these businesses succeed and flourish.

## **HOUSING & NEIGHBORHOOD SERVICES**

### **Housing Rehabilitation Projects**

For many years, the City of Appleton has operated two programs to help property owners maintain residential properties. The Homeowner Rehabilitation Loan Program provides financial and related technical assistance for low-to moderate-income homeowners in the City of Appleton for the rehabilitation of their property. In order to qualify, the property must be owner occupied as well as meet income, equity and asset requirements.

The City also operated the Rental Rehabilitation Loan Program. This Program provided financial and related technical assistance to property owners who rent the units in a property located in the City of Appleton. In order to qualify, income and rent limits are applied to the tenants/units and continue for the first five years of the loan. In addition, there needed to be enough equity in the property to cover the lien. Due to lack of funding, a lack of eligible properties and the administrative time required to administer the Rental Rehabilitation Loan Program, the City of Appleton's Common Council voted to eliminate this program in 2013 and direct any future resources into the Homeowner Rehabilitation Loan Program.

For the Homeowner Rehabilitation Loan Program, financial assistance is provided in the form of a 0% interest, deferred payment loan. The City places a lien on the property for the amount being spent on the rehabilitation, and the owner pays the loan back when the property is sold or

vacated. This allows the City to assist property owners with maintaining and/or increasing their property values. When loans are repaid, the City recycles those funds into future properties.

Priority is given to the following improvements: Lead-based paint hazards, roofing, foundation, electrical, plumbing, heating, windows, doors, insulation, interior walls/ceilings, private sidewalk, driveway, porches, siding, exterior trim, etc. The City does not provide funding for purchasing properties, additions to properties, cosmetic and/or luxury items.

The purpose of the program is two-fold: (1) to ensure decent, safe, and sanitary housing for low-income residents of the City of Appleton, and (2) to maintain the housing stock of these homes before they get to the point of being beyond repair. This stabilizes neighborhoods, maintains property values and ultimately increases the tax base in the city.

The Program has five main objectives that directly benefit the City of Appleton:

1. Help low-income residents of the City of Appleton maintain decent, safe, and sanitary housing
2. Reduce the risk of lead poisoning in the older housing stock
3. Stabilize neighborhoods
4. Increase the tax base for the City
5. Create jobs in the community by hiring local contractors

The Program is considered to be very successful in achieving these objectives. Since 1979, the Homeowner Rehabilitation Loan Program has rehabbed over 1000 homes in the City of Appleton, and generated over \$5.7 million in outstanding loans. The City rehabilitated 18 housing units in 2013 and spent nearly \$300,000 on home improvement loans. The goal for 2014 is to rehabilitate an additional 24 housing units.

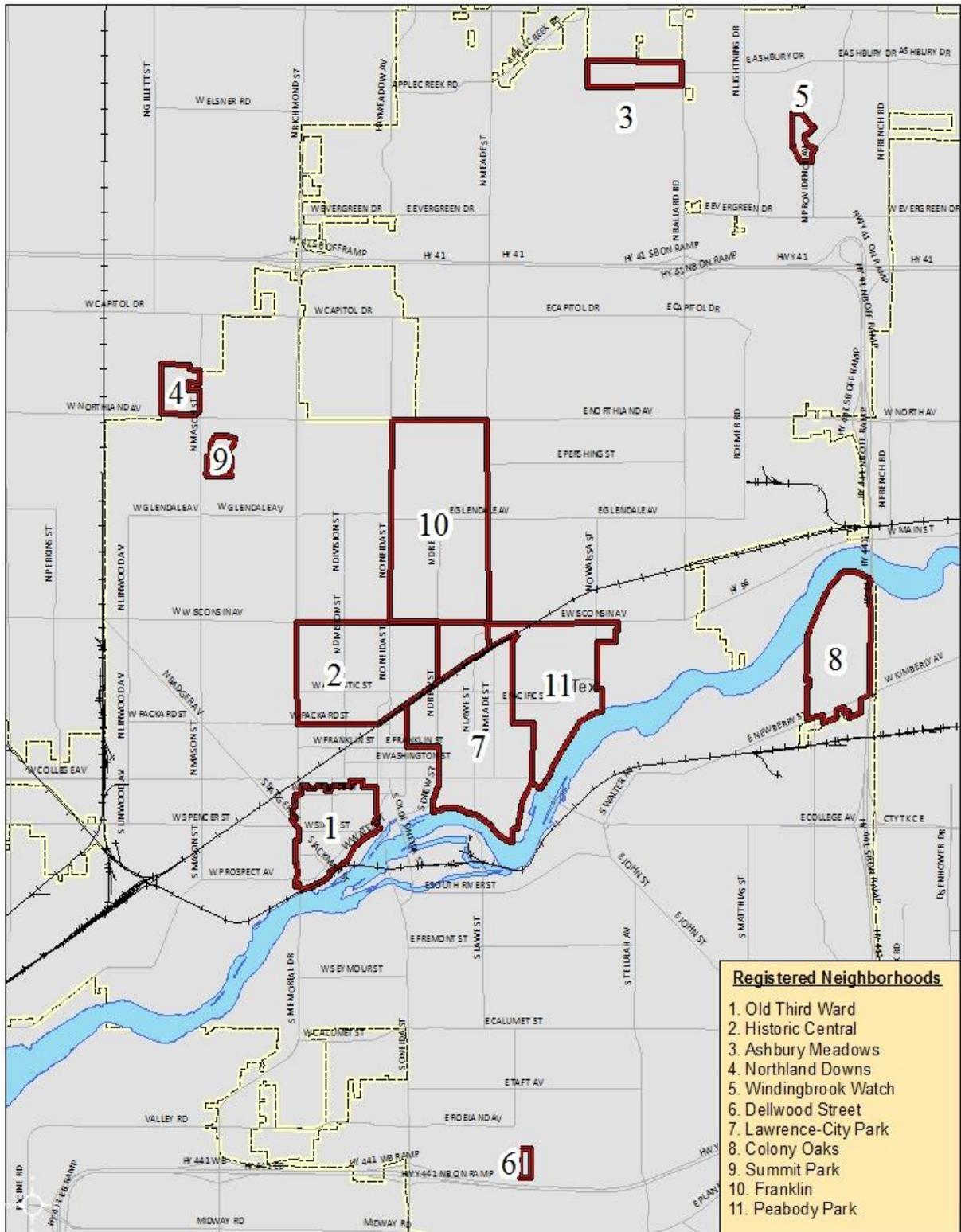
## **NEIGHBORHOOD PROGRAM**

The Neighborhood Program was created in October 2012, with the goal of strengthening Appleton's neighborhoods by building strong bonds, engaging social capital, encouraging investment, and leveraging local resources. Beginning in the summer of 2013, Staff developed a program brochure, conducted interviews with the Post Crescent and local news and television agencies and created the City's Neighborhood Program webpage which serves as the one-stop shop for all information on the program. These efforts increased awareness of the program and increased participation by Appleton residents.

The foundation of the program is the neighborhood registry. Residents are asked to register their neighborhoods by meeting with fellow residents to identify the neighborhood's primary and secondary contacts, create a neighborhood name and define the neighborhood's boundaries. We have a total of 11 registered neighborhoods throughout the City. Registered Neighborhoods are completely or partially located in 12 of the 15 Aldermanic Districts in the City. The central city neighborhoods north, south and east of downtown are highly represented by four large registered neighborhoods (Old Third Ward, Historic Central Neighborhood, Lawrence-City Park, and Peabody Park).

One of the missions of the program is to strengthen neighborhoods through educational programs. The City contracted with Sustainable Fox Valley to collaborate on a neighborhood learning series called the Neighborhood Academy. The Neighborhood Academy is a six-module learning series intended to provide the knowledge and tools for Appleton residents residing in registered neighborhoods to increase their effectiveness as neighborhood leaders. Staff worked with Sustainable Fox Valley to market the program including creating a program brochure. The Neighborhood Academy began in October 2013, with an orientation meeting to discuss the program and introduce City Staff and the facilitator from Sustainable Fox Valley.

The primary goal of the Neighborhood Program is to increase communication between Appleton's neighborhoods and City Hall. In order for residents to strengthen their neighborhoods, a clear line of communication with the City is important. Program Staff assist Appleton's neighborhoods through communication in a variety of ways. First, we receive direct contact from neighborhood leaders regarding issues in their neighborhoods. Staff also contacts neighborhoods when a developer or the City is proposing a project which may directly or indirectly impact a registered neighborhood. It's important that neighborhoods are included in the process of reviewing developments or projects that the City reviews. Staff anticipates that communication with neighborhoods will increase in 2014. A map of Registered Neighborhoods is on the following page:



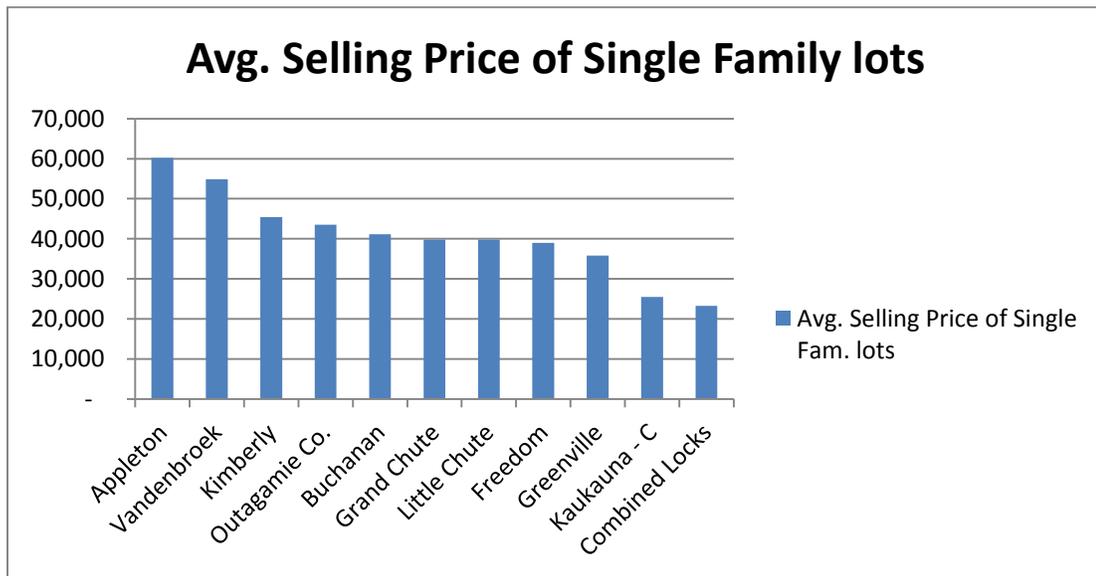
## Registered Neighborhoods

# PROSPECTS FOR GROWTH

## 1. Northside

- A. The City of Appleton has 15 acres of industrial land available in the Northeast Business Park for future development, located south of Hwy. 41 along Capitol Dr.
- B. Privately owned land is still available for office developments north of Hwy. 41 along Enterprise Ave. and Evergreen Dr.
- C. The City of Appleton has approximately 271 single family lots available for sale in established subdivisions, the majority of which are located on the North side. A Multiple Listing Service search of single family lot sales in 2013 indicated average prices ranging from \$23,243 to \$60,196 within the Fox Cities with Appleton having the highest average price(s). The average sale price in Outagamie County was \$43,516, compared to the Appleton average of \$60,196. Also of note, average number of days on the market for lots in the City of Appleton was 1,481 compared to the countywide average of 979 days. Developers incur higher carry costs in interest and taxes the longer a property is on the market.

\*Town/Village of Harrison complete data not available due to incorporation in 2013. Excluded from report.



Source: Multiple Listing Service Data

## 2. Southside

- A. State Highway 441 continues to be a commercial corridor with opportunities for development. The Wisconsin Department of Transportation (WisDOT) is developing plans to reconstruct the US 10/WIS 441 freeway. The WIS 441 Tri-County Project will reconstruct and expand US 10/WIS 441 from four to six lanes from Cold Spring Road to

about 1/2 mile east of Oneida Street (approximately 6 miles). Final design is scheduled to be completed in 2015 with construction to begin in 2016. These improvements will further enhance this area's attractiveness for commercial development.

- B. The City currently has 100+ acres of fully improved land available for development in the Southpoint Commerce Park and an additional 100+ acres with planned improvements.
- C. A 120 unit multi-family housing project is proposed on currently vacant land on Plank Road.

### **3. Downtown/Riverfront**

- A. **EAGLE FLATS:** The Developer is pursuing the next phase of the project, which is targeting the addition of residential units and public access at the property east of Lawe Street adjacent to Lock III as well as the potential to convert the former office building along Lawe Street to a viable use.
- B. **RIVERHEATH DEVELOPMENT:** Tanesay Development broke ground on a new 32 unit apartment building with approximately 2,500 sf of retail space on the first floor. Expected delivery to market is June 2014 and the project is 50% pre-leased. Also coming spring of 2014, Tanesay Development is going to break ground on four more town home buildings. Two of the town home units are already sold.
- C. **FORMER FOREMOST DAIRY SITE:** The City took title to the former Foremost Farms USA property located at 935 E. John Street in July of 2011. The site has been remediated, the building demolished and the raceway abandoned to provide a site ready for development. The City rezoned this property on April 13, 2010 to R-3, multifamily residential district. A request for proposals went out in 2012 and the Appleton Redevelopment Authority (ARA) is in negotiations with the Vetter Denk/Ganther development group for the purchase and development of this site for a development consistent with R-3 zoning. Several neighborhood meetings have also been held with the Vetter Denk/Ganther Development Team.

## **BARRIERS TO GROWTH**

### **1. Northside**

- A. Several significant road improvements are needed. Apple Creek Road, Edgewood Drive (east of Ballard Road) and Broadway Drive all require widening, including the acquisition of new right-of-way.
- B. Stormwater management is a critical and costly piece of the development picture in the Northeast Business Park. New development is responsible for providing for its own stormwater management.

- C. Regulatory floodplains are known to exist on the northside.
- D. As growth continues to fill in subdivisions and commercial space, the area may need additional police, fire, school and recreational areas to meet growing demands.
- E. The average price of single family lots in the City of Appleton is 35% more than the average for Outagamie County. According to developers, this high cost is attributable primarily to two factors, 1) The land was acquired at the height of the market (2008 and prior) and 2)The City’s development policies relative to infrastructure are onerous.

**2. Southside**

- A. As growth continues to fill in subdivisions and commercial space, the area may need additional police, fire, school and recreational areas to meet growing demands.

**STRATEGY/MARKETING**

2013 marked a year of transition in it was the first full year in which the City has had an Economic Development Specialist since 2010 and it is also the first full year in which the City has participated as an investor in the Fox Cities Regional Partnership. Given these changes, the City has decided to make a review of its current marketing efforts and to conduct strategic planning to determine the best use of resources going forward.

**1. 2013 Strategic Planning**

The City’s Economic Development Strategic Plan (EDSP), anticipated to be completed in June 2014, will assess existing conditions impacting the local economy and identify strategies that will contribute to the City’s future economic health, enhance the business climate, ensure the vibrancy and viability of the City and support community growth consistent with the City’s character and culture. Funding is included in 2014 to start implementation of these key strategies. The following are some of the initiatives that may be developed from the plan:

- 1) Commission a Business Climate Study to review the local climate for business retention and expansion of existing business as well as recruiting outside business to the area. The study could conduct interviews with a cross section of local businesses and benchmark the City of Appleton against its peers to evaluate economic development policies and identify best practices to various issues impacting the business climate.
- 2) Prepare and Economic Development Resource Assessment identifying issues that should be addressed, related recommendations and implementation plans.
- 3) Prepare site readiness standards and market identified priority development sites.

## 2. **The Fox Cities Economic Development Partnership**

The Fox Cities Economic Development Partnership (FCEDP) is a business attraction and retention organization comprised of municipalities and organizations interested in the economic growth of the Fox Cities. The creation and activities of the Fox Cities Regional Partnership has caused FCEDP to re-evaluate its role and necessity. Planning and evaluation of the role for this entity will be ongoing in 2014.

## 3. **Fox Cities Regional Partnership**

The City of Appleton has decided to support the efforts of the Fox Cities Regional Partnership, both financially and operationally.

The Fox Cities Regional Partnership is a public-private sector partnership within the organizational structure of the Fox Cities Chamber of Commerce. Marketing efforts completed by the Regional Partnership in 2013 include (From the Fox Cities Regional Partnership's 2013 Q4 Performance Report):

- **Regional Familiarization Tour** with eight invited national site selection consultants. Site selectors from Illinois, Ohio and New Jersey spent a weekend in the Fox Cities, toured available business properties, learned of the opportunities of Fox Valley Technical College, and learned from local leaders about our region's business profile, workforce, educational system, community amenities, non-profit sector and much more.
- **Regional Partnership met with nearly 50 site selectors** over the course of the year, marketing the region face-to-face with these important consultants
- **Participated in "Process Expo,"** a food processing equipment manufacturing trade show in Chicago; marketing the region to those who supply equipment to our regional food processing sector
- **Economic development website launched.** In addition to data critical to site selector review of the region, site contains several valuable features:
  - GIS-enabled property search function that allows users:
    - to look for available buildings and land by size, type or location
    - to generate customized demographic reports, wage and salary reports on 200 occupations, consumer expenditure reports, business census reports and housing reports

- access to heat mapping function that provides graphic presentation of key economic indicators
- “Tools for Business Success,” which provides businesses extensive information on business formation, business planning, disaster planning, financial, educational, training, HR and many additional resources
- “SizeUp,” a tool for business to benchmark and compare their performance to similar companies locally, regionally, state-wide and nationally

#### **4. Marketing**

Staff partnered with Locate in Wisconsin, LoopNet and CoStar to reach the commercial real estate and development community. All of the above mentioned services are online resources for commercial real estate brokers, site selectors and companies to research available sites within our community.

Business Retention and Expansion Program - Assisting in the retention and expansion of local industries is a top priority in the City of Appleton because nine out of ten jobs created in the City are created by existing businesses expanding their operations or by local entrepreneurs starting businesses. In 2013, staff met with 22 businesses to resolve issues, help with retention and assist with expansion plans.

The City of Appleton hosted the annual InDevelopment conference in 2013 at the Radisson Paper Valley Hotel. The conference was attended by 250 real estate professionals, investors, contractors, engineers, banking professionals and others involved in the development of our community.

Staff attended the Marketing and Attraction course put on by the International Economic Development Council. Course highlights include:

- Site selection fundamentals including corporate strategies
- Identifying target audiences using data-driven techniques
- Developing a community marketing plan and brand
- Garnering internal and external support for the marketing campaign
- Engaging social media and website design to target new markets
- Utilizing Geographic Information Systems (GIS) to serve clients
- Benchmarking, evaluating, and monitoring the marketing plan