



# MEMORANDUM

---

“...meeting community needs...enhancing quality of life.”

TO: Community & Economic Development Committee  
FROM: Matt Rehbein, Economic Development Specialist  
DATE: May 4, 2017  
RE: 2016 Growth Report Summary

---

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.

## **OVERALL GROWTH**

The City uses three primary measures of growth for the purpose of the Annual Growth Report. 1) building permits, 2) equalized value, and 3) net new construction. A description and summary of each measure is listed below.

## **PERMITS**

- In 2016, Appleton issued a total of 433 construction permits, below the 10-year average number which is 545. Much of this decrease is due to reductions in commercial and multi-family permits.
- The City of Appleton saw a decrease in the number and dollar value of construction permits in 2016. This is not surprising as we saw significant construction in 2015 consisting of two cancer centers and several multi-family projects. Total dollar value of permitted construction of \$80,795,345 in 2016 is close to the 10-year average of \$81,114,301.
- The City of Appleton led in the dollar value of residential construction for the region based on permits in 2016 with \$18 million, despite ranking 4<sup>th</sup> in the number of permits issued, behind Harrison (72 permits), Greenville (66 permits), and Grand Chute (66 permits). The City of Appleton issued 56 permits.

## **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 Department of Revenue (DOR) on August 15 of each year (Definition: Wisconsin Dept. of Revenue). Equalized value allows for comparison across communities because it is standardized by the DOR, rather than assessed value which can vary by community.
- All but one community in the Fox Cities increased in equalized value in 2016. On average, values increased by 3.17%. By comparison, the City of Appleton's equalized value increased by 2.53%.

## **NET NEW CONSTRUCTION**

- Appleton saw net new construction of \$102 million (an increase of 2.06%) in 2016 accounting for 29% of the total net new construction in the Fox Cities. This is significant because municipalities use the percentage increase of net new construction as a valuation factor in determining the allowable tax levy for the City.

## **OTHER CONSIDERATIONS**

While the hard numbers related to growth are important to measure, we also take a look at other factors that impact investment in our community for the purpose of the Growth Report. Of note are the following statistics.

## **EMPLOYMENT & UNEMPLOYMENT**

- The City of Appleton had an annual unemployment rate in 2016 of 3.9%, a small decrease from the annual unemployment rate of 4.0% for 2015. This is significant as businesses from all sectors are experiencing a shortage of workers. When considering whether to stay, expand, or relocate, the availability of labor is always a considerable factor.
- Within the Appleton MSA employment sector of manufacturing continues to lead in terms of employment numbers providing 23,838 jobs with average annual earnings of \$4,979 per month. The year 2016 notes the first time Retail Trade job numbers have exceeded Health Care and Social Assistance which is worthy of mention since average earnings in Retail of \$4,088 are less than the average monthly earnings across all sectors.

## **TAX INCREMENTAL FINANCING DISTRICTS**

- Overall, the City realized an increase in value across all six TIF Districts of 6.39%. This is not surprising due to the 2016 adjustment to the Citywide assessment ratio as set by the State of Wisconsin Department of Revenue. This adjustment by the State resulted in an approximately 1.0% increase in value before taking into consideration any new property values. Specific performance across all TIF Districts is further explained in the report.

## **SUMMARY**

Looking at the three measures of growth referenced at the beginning of this report (permits, equalized value, and net new construction), the City of Appleton captured 19.74% of the total dollar value of permits in the Fox Cities, 22.7% of the increase in equalized value, and 29% of net new construction for the region.

With more than 100 acres of fully improved industrial sites in the Southpoint Commerce Park, and as redevelopment continues downtown, in the TIF Districts, on the riverfront with Riverheath, Eagle Flats, and the former Foremost Farms property, Appleton is well positioned to continue to grow and remain a leader in the Fox Cities.