



CITY OF APPLETON
Community & Economic
Development Department
March 8, 2018

GROWTH REPORT

2017

CITY OFFICIALS

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James Walsh, City Attorney
Kami Lynch, City Clerk

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District 2: Vered Meltzer
District 3: Curt Konetzke
District 4: Joe Martin
District 5: Ed Baranowski
District 6: Greg Dannecker
District 7: Kathleen Plank
District 8: Matthew Reed
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District 11: Patti Coenen
District 12: Cathy Spears
District 13: Kyle Lobner
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Tim Smith, Property Assessor
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Matt Tooke, Property Assessor
Lona Thelen, Personal Property Clerk
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Brenda Broeske, Administrative Assistant

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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, equalized valuation, and net new construction 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.

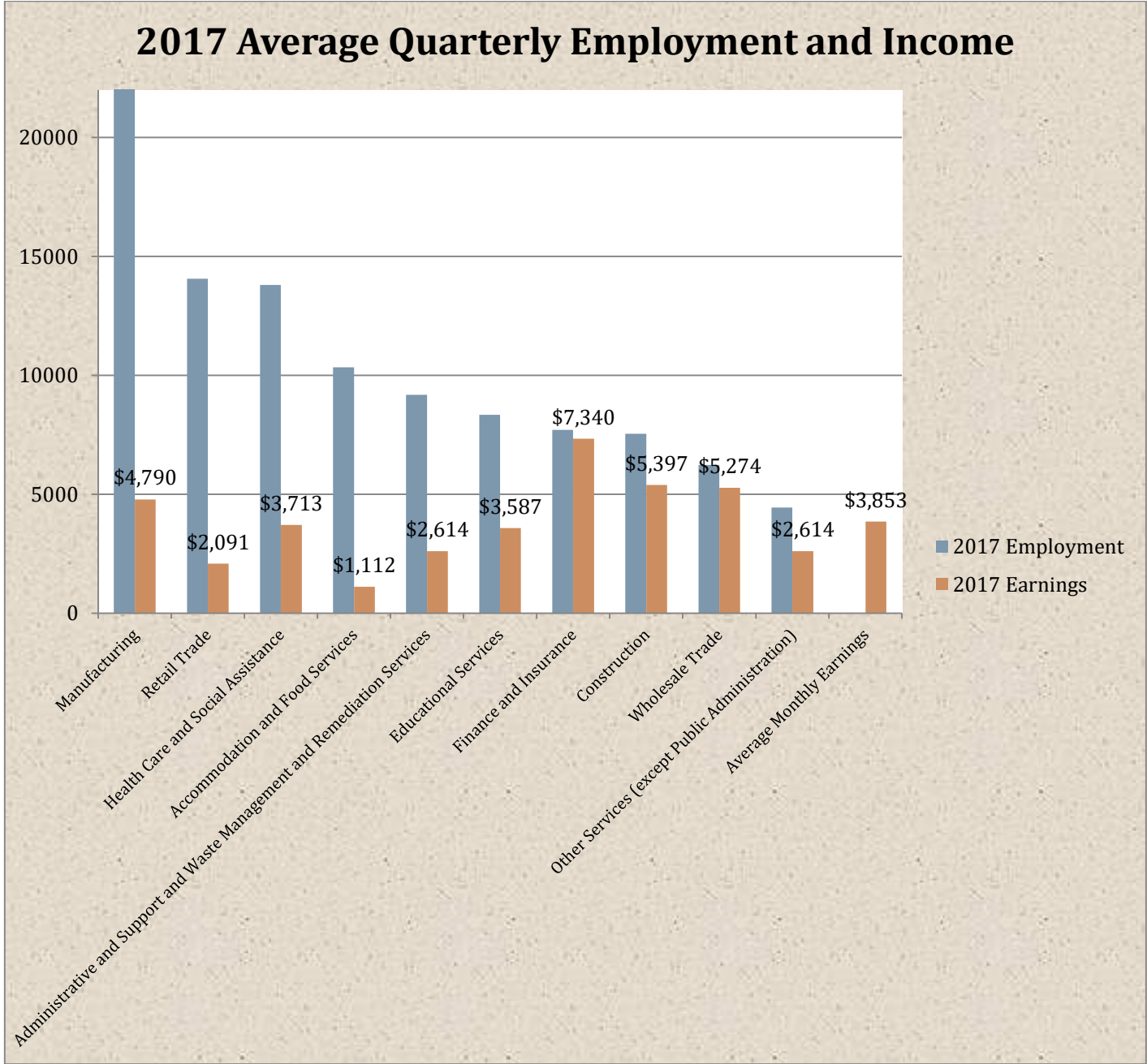
The City of Appleton saw a decrease in the number and increase in dollar value of construction permits in 2017. This increase in value is largely due to commercial permits, more specifically; the Fox Cities Exhibition Center (\$31M), Eagle Point (\$14M) and updates to the Outagamie County campus (\$11.8M). Total dollar value of permitted construction was \$115,948,406 in 2017, which is the highest in the past 10 years and well above the 10-year average of \$83,846,201. The employment base in Appleton and the Fox Cities remains competitive and stable. The City of Appleton's unemployment rate declined slightly from an annual average 2016 rate of 3.9% to 3.1% in 2017. The City's unemployment rate in January 2017 was 3.5% and 2.5% by the end of the year. As a whole, the City of Appleton's Tax Increment Districts (TID) increased in value by 7.17% due in large part to improvements to existing properties and investments in personal property.

INCOME

According to ESRI data, the median household income for the City of Appleton in 2017 was \$56,258, which is slightly below the median household income of \$56,369 for the State of Wisconsin and slightly above the U.S. average of \$56,124.

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 following chart shows the average quarterly employment by industry for the top 10 classifications and average monthly income within the Appleton MSA for 2017 (monthly earnings included in chart).



Source: US Census Bureau – Local Employment Dynamics

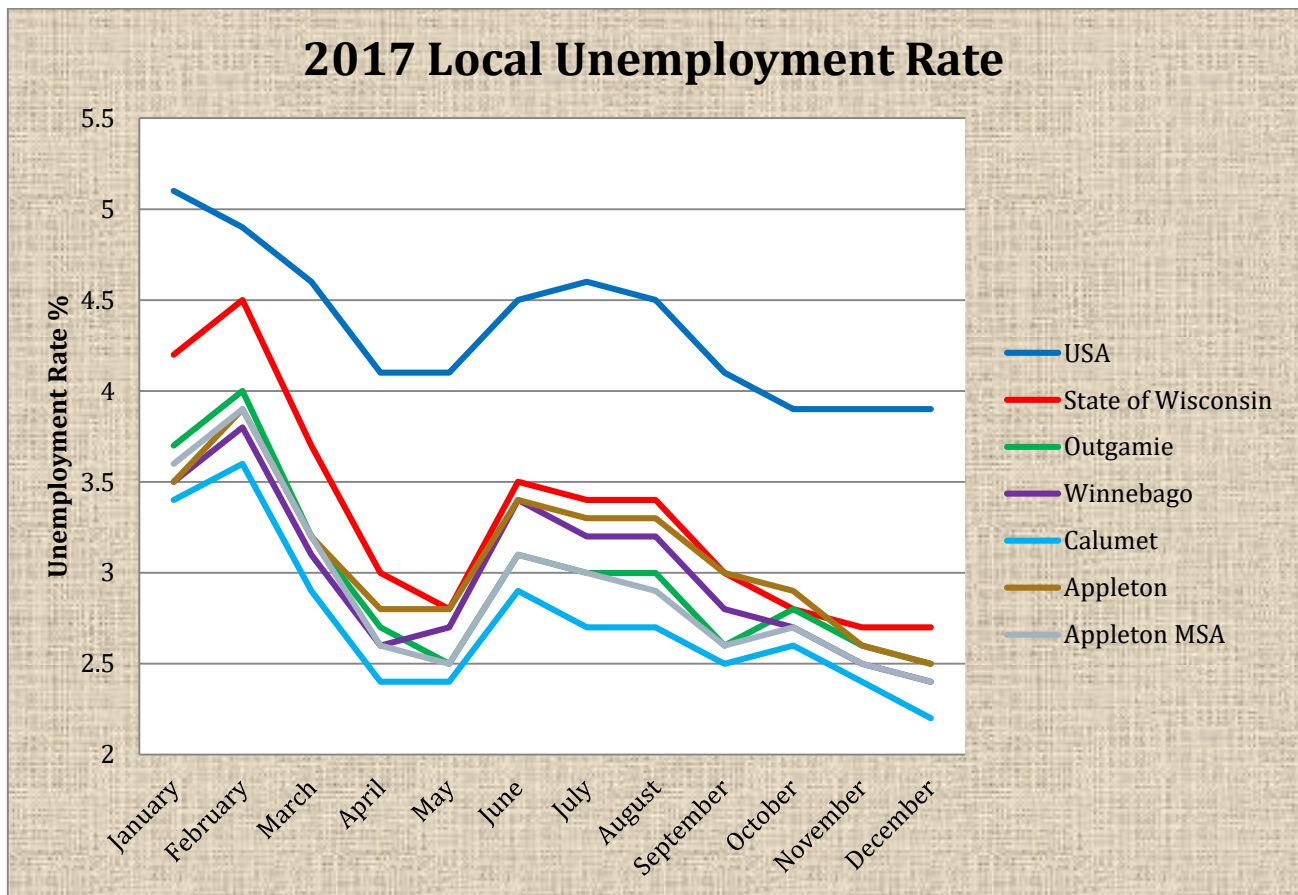
Manufacturing shows the highest quarterly employment, followed by Retail Trade and Health Care and Social Assistance.

Average monthly earnings ranged from \$1,112 to \$7,340 per position for the top ten employment sectors represented. As a reference point, the Department of Housing and Urban Development (HUD) considers a monthly gross household income of \$4,979 or less to be low income for a family of four in the Appleton MSA. It is worthy of note that 3 of the top 4 employment sectors by number of jobs provide earnings less than the average across all 10 employment categories.

It is important that 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.

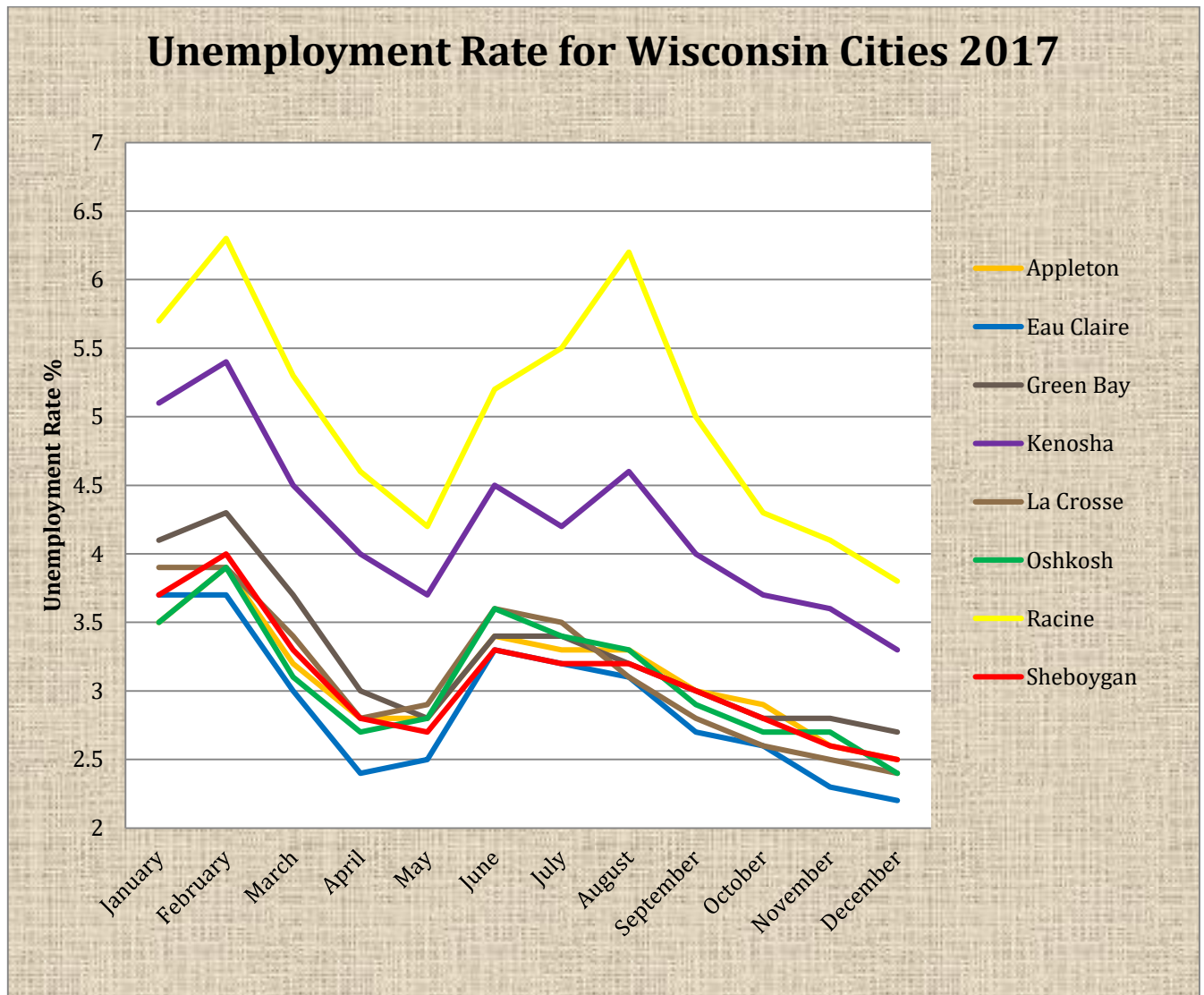
UNEMPLOYMENT

The City of Appleton has experienced a steady decline in its unemployment rate over the last year. The City started January 2017 at 3.5% unemployment and concluded the year at 2.5%. The average 2017 unemployment rate for Appleton was 3.1%. 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. 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

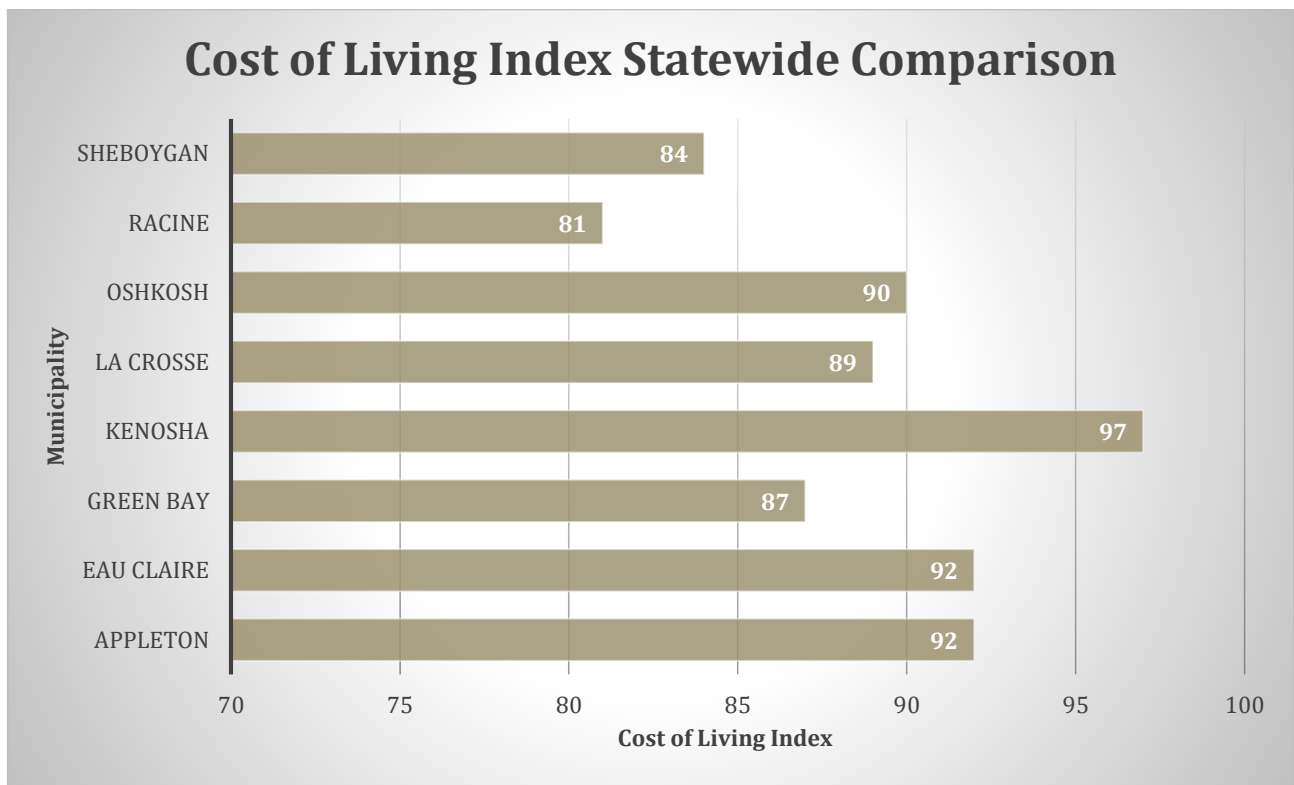
The following chart shows the average unemployment rate of the medium size cities in the State of Wisconsin. The City of Eau Claire saw the lowest average unemployment rate of 2.9% in 2017, while the City of Racine had the highest unemployment rate of 5.0%. The City of Appleton, La Crosse, Oshkosh and Sheboygan all had the second lowest unemployment rate in 2017, ending the year at an average of 3.1%. This trend will be important to watch as there are many employers looking to hire in the Appleton area and beyond. To maintain competitiveness, availability of skilled workers is crucial.



Source: State of Wisconsin Department of Workforce Development

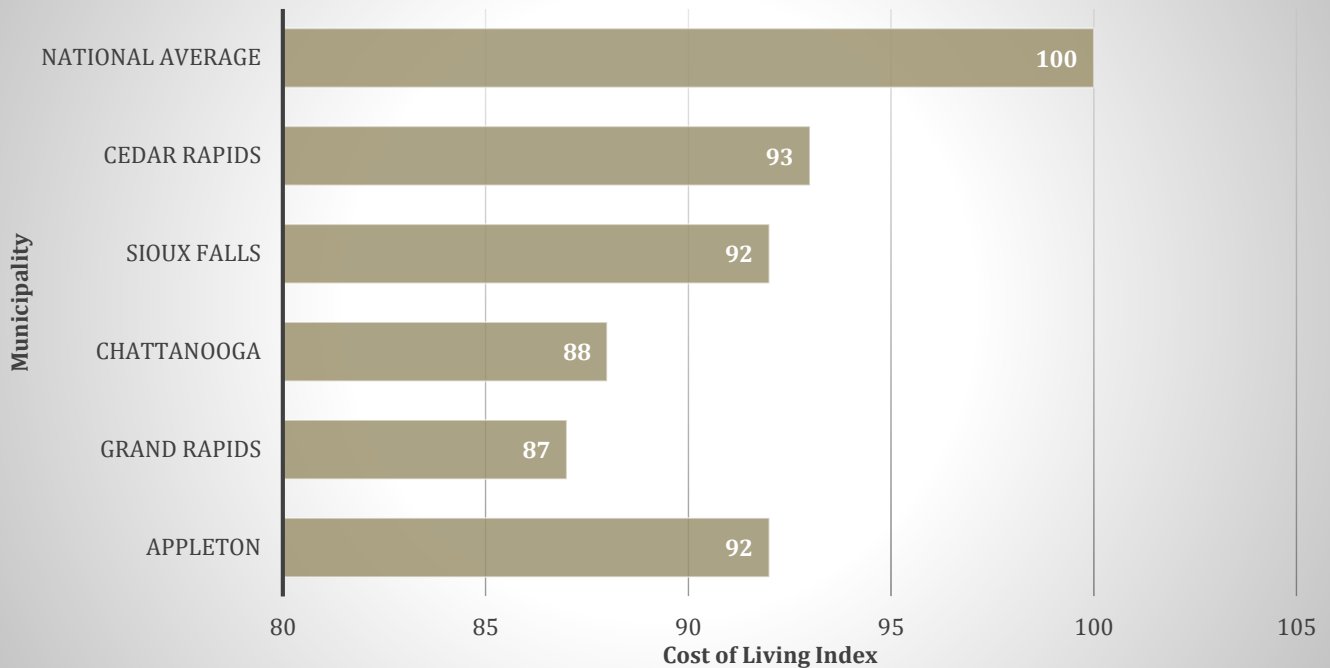
COST OF LIVING

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 92 which compares favorably to the national average of 100. Appleton's rating of 92 is near the middle when compared to other communities across the State and Midwest. Compared to the nearby communities of Green Bay and Oshkosh, Appleton's cost of utilities, healthcare, and transportation were the highest, resulting in the higher cost of living overall among the three. The first chart below compares the City of Appleton to the other midsize cities in Wisconsin; the second chart, on the following page, compares Appleton to competitor cities throughout the United States.



Source: www.bestplaces.net

Cost of Living Index National Comparison



Source: www.bestplaces.net

Categories used to calculate the cost of living index are listed below along with the City of Appleton's ranking out of 100 in parentheses():

Food (94.6): The average cost of food and groceries, not including restaurants.

Housing (70): The average cost of an area's housing which includes mortgage payments, apartment rents, and property taxes.

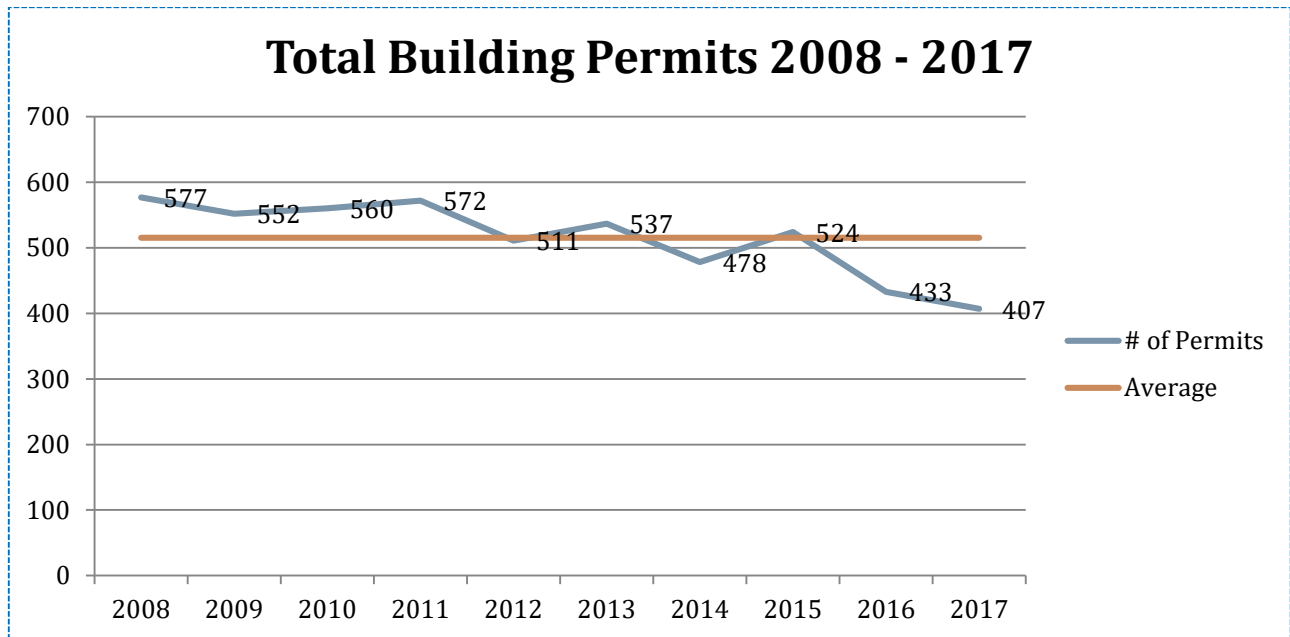
Utilities (113): The average cost of heating and cooling a typical residence for the area, including electricity and natural gas.

Transportation (108): 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.)

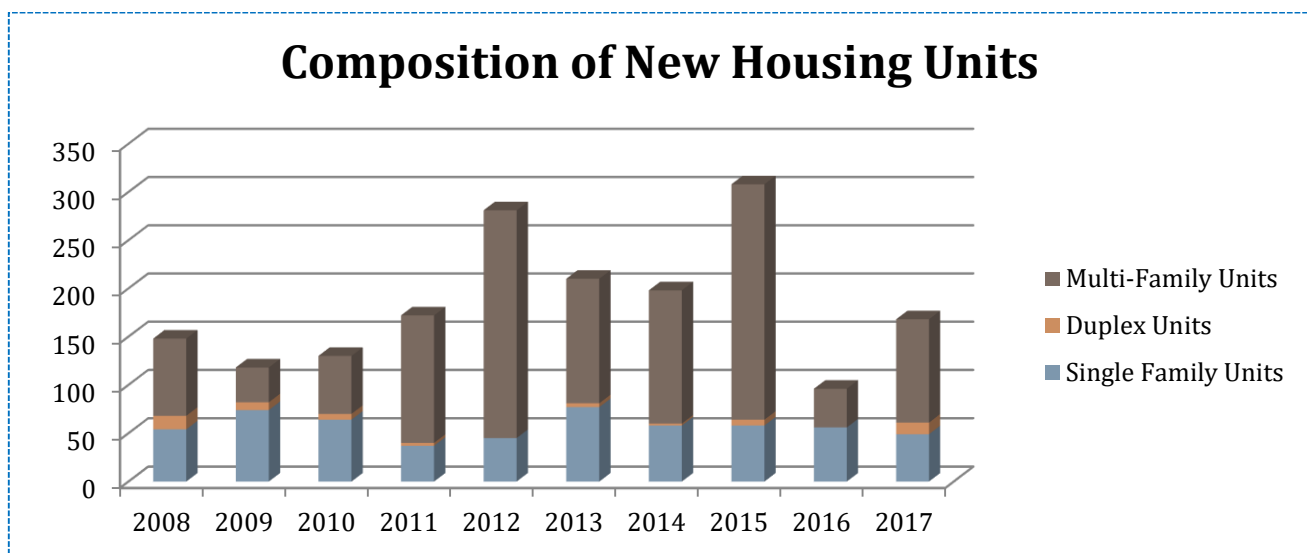
Health (108): The average cost of health care calculated using the standard daily rate for a hospital room and the costs of a doctor's office visit and a dental checkup.

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 407 permits in 2017 to a high of 577 permits in 2008. The 10-year average was 515 permits a year. The majority of the decrease was seen in the single-family and remodel/additions categories.



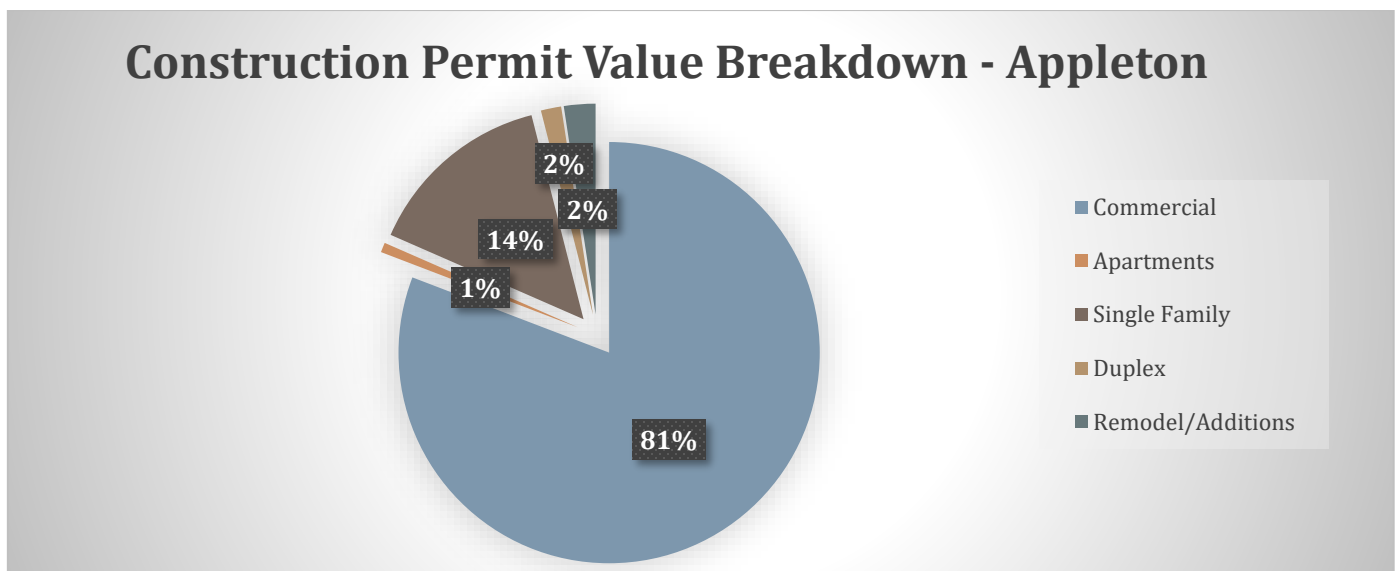
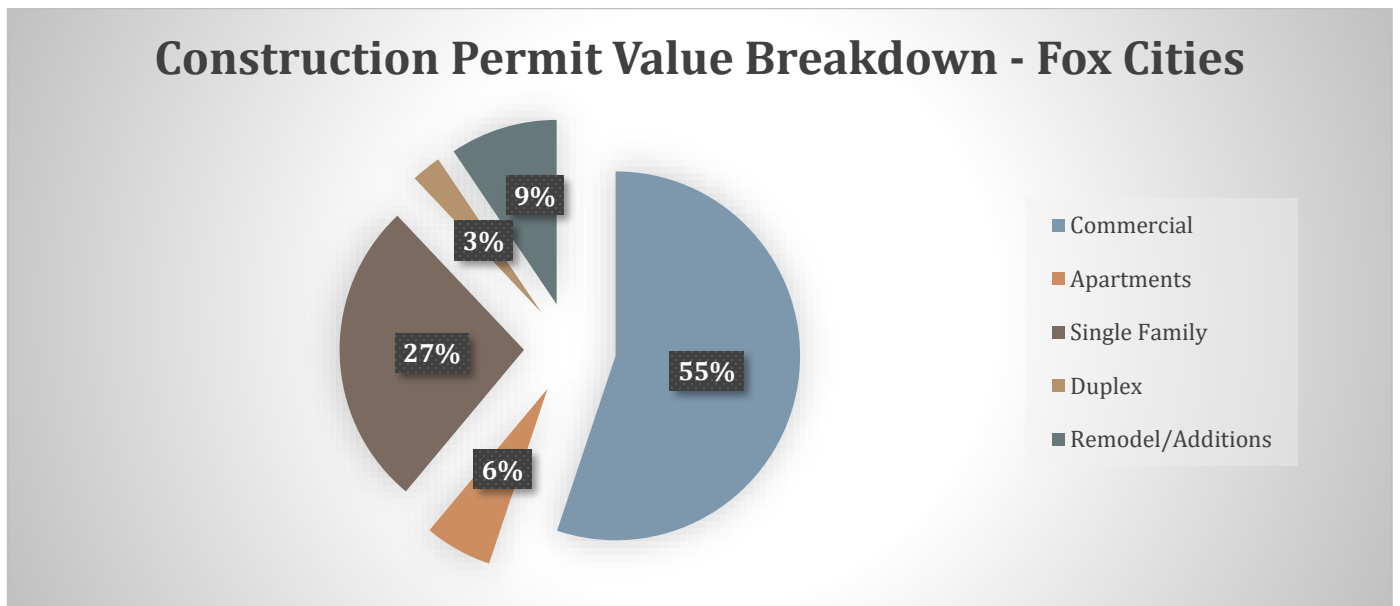
The number of single-family homes constructed in 2017 was 49, which is a 7 home decrease from 2016. Total housing unit construction in Appleton increased in 2017 to 168 units from 96 units in 2016. This is primarily due to the 107 multi-family units brought to market in 2017.



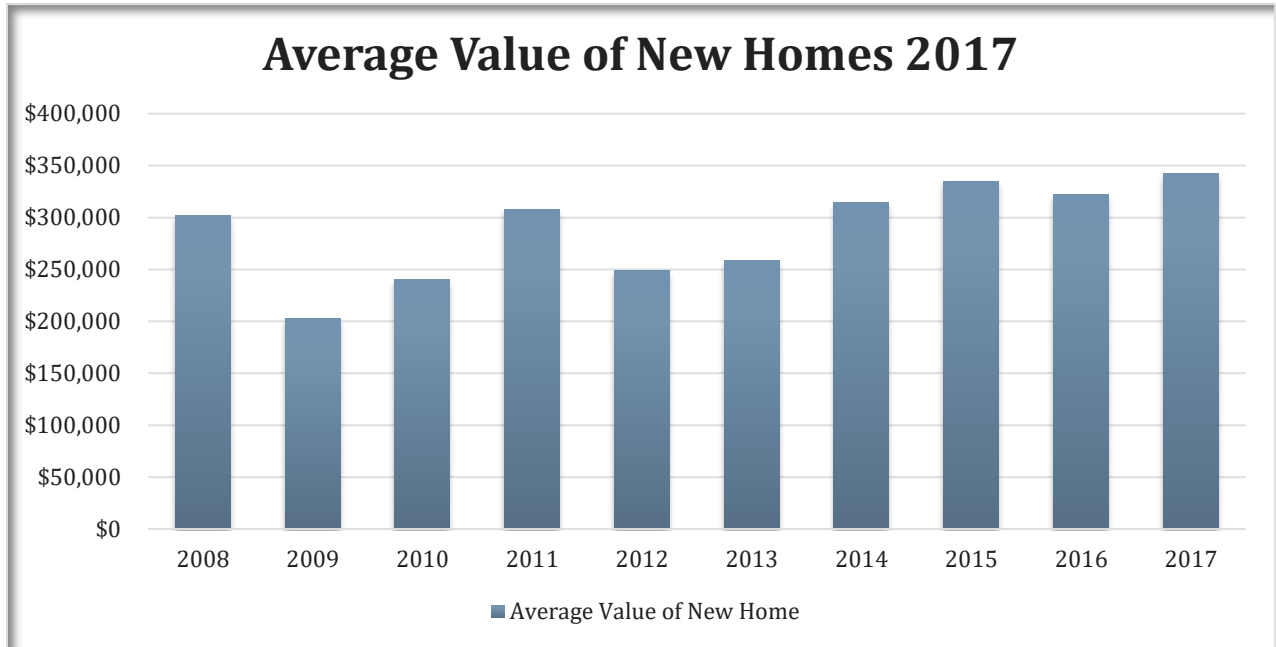
DOLLAR VALUE OF PERMITS

Appleton's total dollar value of construction in 2017 was \$115,948,406 which is an increase from the 2016 number of \$80,795,345 and well above the 10-year average of \$83,846,201. The total dollar value of all construction in the City of Appleton between 2008 and 2017 ranged from a low of \$41 million in 2011 to this year's record of \$115,948,406. A significant contributor to the 2017 high dollar value of construction is from commercial permits.

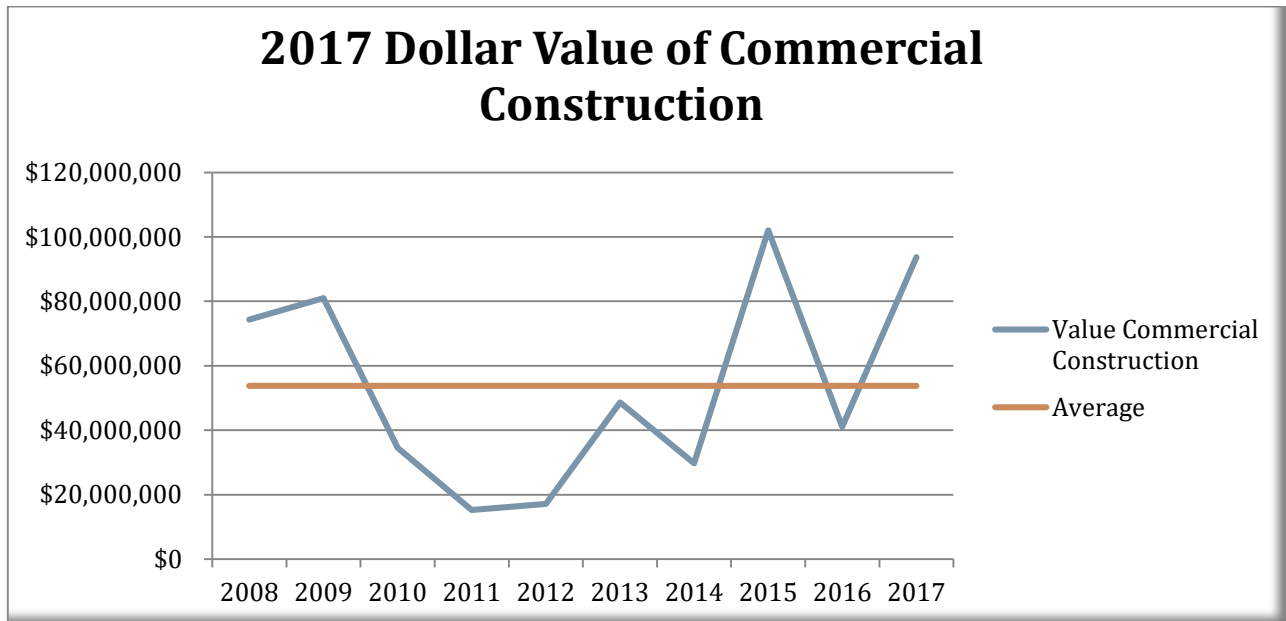
A comparison of the composition of permitted value in Appleton vs. the Fox Cities overall is to follow. As a percentage of total construction dollars spent, it is clear commercial is the category where most growth has occurred with 81% of permit value in the City and 55% of permit value throughout the Fox Cities.



The number of single-family permits decreased from 56 to 49 in 2016 and 2017 respectively. The total dollar value of single-family permits decreased to \$16,765,400 from \$18,028,796, with an average permit value of new home construction at \$342,151 in 2017 compared to \$321,943 in 2016.



Commercial construction permit values increased in 2017 to \$93,702,991 from 2016's \$41,070,011 in estimated value. This increase is attributable largely to the Fox Cities Exhibition Center (\$31M), Eagle Point (\$14M) and updates to the Outagamie County campus (\$11.8M).



To follow is a list of commercial and multi-family projects started in 2017 over \$1M in estimated value based on permits. Projects over \$1M provided for \$78,933,933 in construction value in 2017; however, \$63,803,098 of that is for properties exempt from taxes.

2017 PERMITS IN APPLETON OVER \$1,000,000

Owner	Address	Estimated Cost (\$)	Reason	Description	Taxable Status
CITY OF APPLETON	355 W LAWRENCE ST	31,000,000	NEW BUILDING	FOX CITIES EXHIBITION CENTER	N*
ASHRE LLC	955 E JOHN ST	14,000,000	NEW BUILDING	EAGLE POINT	N
OUTAGAMIE COUNTY	410 S WALNUT ST	11,803,098	ADDITION	JUSTICE CENTER ADDITION AND REMODEL	N
APPLETON RETIREMENT LLC	5715 N MEADE ST	8,250,000	NEW BUILDING	PRIMROSE	Y
HARBOR HOUSE DOMESTIC ABUSE PROGRAMS	720 W FIFTH ST	4,100,000	ADDITION	HARBOR HOUSE EXPANSION	N
ST ELIZABETH HOSPITAL INC	1506 S ONEIDA ST	2,468,835	REMODEL INT	ST. ELIZABETH	Y
ALCO TECH PROPERTIES LLC	3989 E ENDEAVOR DR	1,600,000	NEW BUILDING	CUSTOM OFFSETS	N
ALDI INC	2310 S KENSINGTON DR	1,500,000	NEW BUILDING	ALDI STORE	Y
NORTHERN WISCONSIN WAREHOUSES LLC	1840 W SPENCER ST	1,500,000	REMODEL I/E	WAREHOUSE EXPANSION	Y
LIGHTNING OFFICE LLC	3912 N LIGHTNING DR	1,412,000	NEW BUILDING	GLK FOODS	Y
MANDA PANDA PROPERTIES LLC	0 E ENDEAVOR DR	1,300,000	NEW BUILDING	SECURITY LUEBKE	N

*Property tax exempt, however Payment in Lieu of Taxes (PILOT) Agreement in place

MEASUREMENTS SUMMARIZED

The chart on the following page was added last year to demonstrate the relationship between the three measures of value discussed in this report.

PERMIT VALUE OF CONSTRUCTION:

The permitted value of construction is a sum total of estimated construction value identified on permitted projects. This is the most volatile line on this graph as it includes taxable and tax exempt real property. Permit value does not capture personal property investments or adjustments based on market factors.

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). Being the largest number (\$4.93B in 2016 vs. \$4.81B in 2015), it is also the least volatile. Equalized values capture the following changes:

- DOR's market field studies
- Demolition or destruction of buildings or other improvements
- Changes in property's exempt status
- Changes in classification of property
- Annexation gains or losses
- Other miscellaneous changes
- Adjustments (corrections) made under State law (Sec. 70.57, Wis. Stats.)

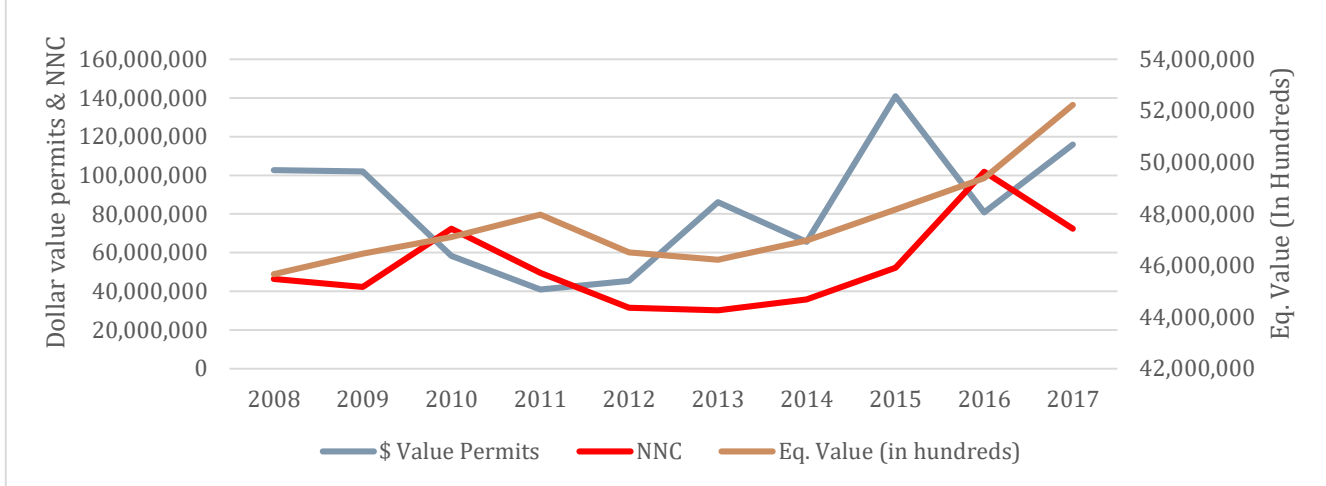
NET NEW CONSTRUCTION:

Net new construction captures the following:

- Land value changes are due to higher land utility
- Improvement value changes are due to construction of new buildings

This is a significant number to pay attention to because it ties directly to the City's available tax levy. A municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction. If no new construction occurred in your community, then your allowable levy increase is zero percent.

City of Appleton Dollar Value of Permits/Equalized Values/Net New Construction



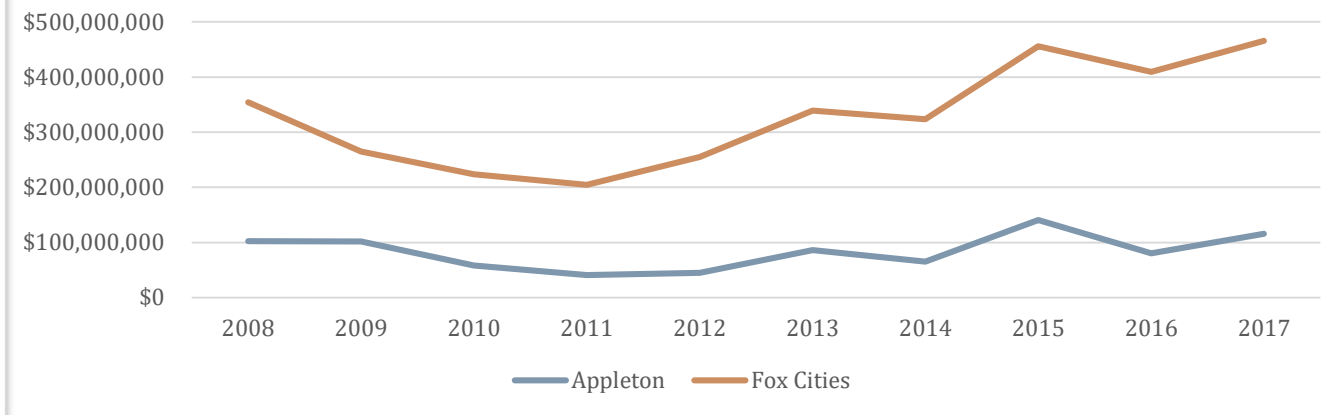
This chart shows that the City can have a lot of permit activity in a year, but if it is not taxable, then net new construction will not rise proportionally.

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, Fox Crossing and Little Chute and Towns of Buchanan, Grand Chute, Greenville, Vandebroek, and Harrison. In 2013, the Town of Harrison incorporated into the Village of Harrison, and these figures include year-end data for both. The Village of Fox Crossing also incorporated in 2016, which resulted in changes to the data in 2017.

The total dollar value of construction in the Fox Cities increased by 11.6% in 2017 to \$465,786,130 from \$409,231,762 in 2016. By comparison, Appleton's dollar value of construction increased by approximately 44% over 2017 going from \$80,793,345 in 2016 to \$115,948,406. The City of Appleton comprised 24.8% of the total dollars spent on construction in the Fox Cities in 2017.

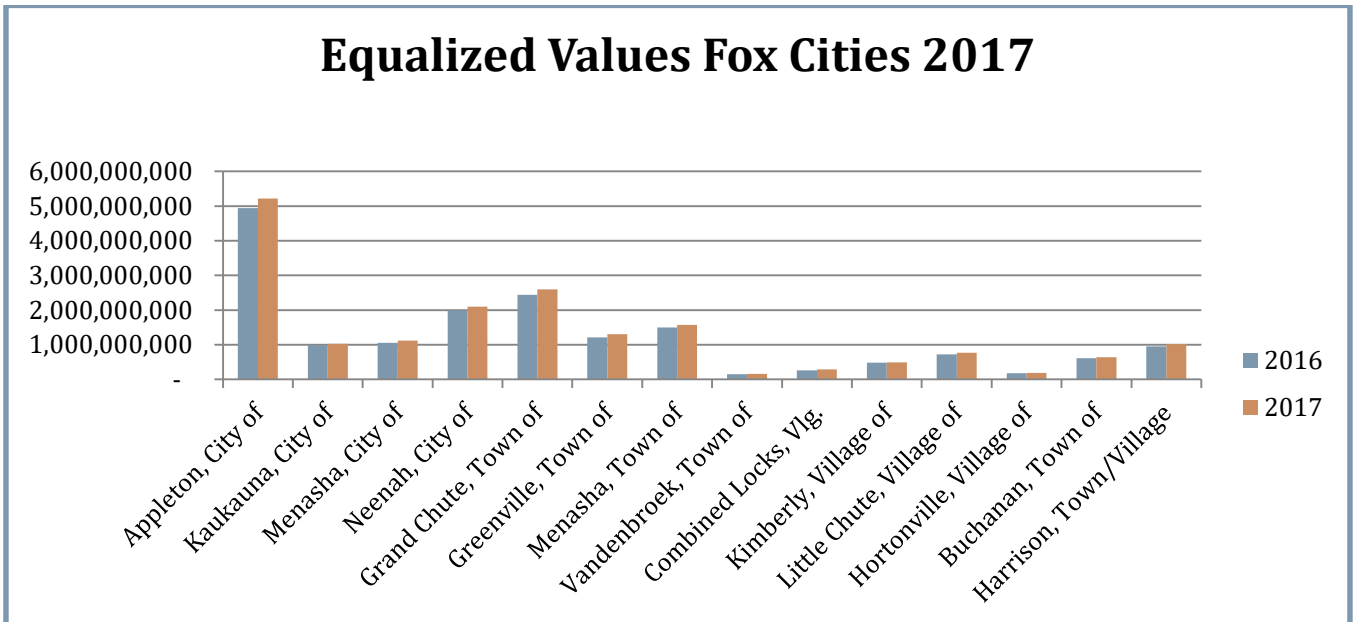
Dollar Value Permits Fox Cities & Appleton



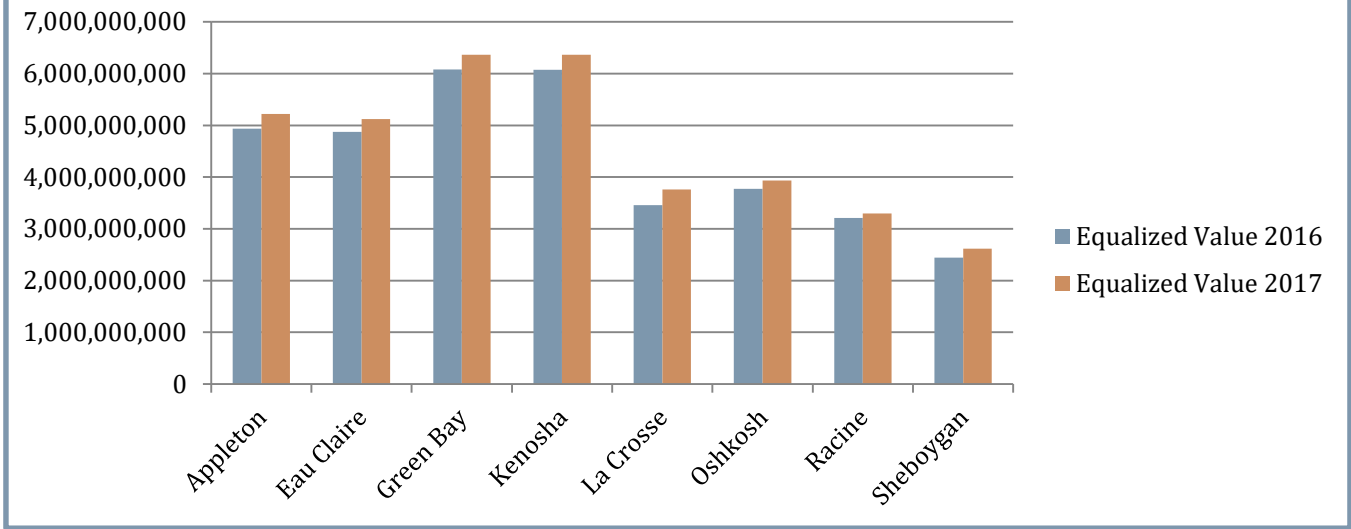
EQUALIZED VALUE

Appleton experienced an increase in equalized values for the City overall of 6%. The following charts compare Appleton's equalized value to the Fox Cities and other midsize cities in the State of Wisconsin.

Equalized Values Fox Cities 2017

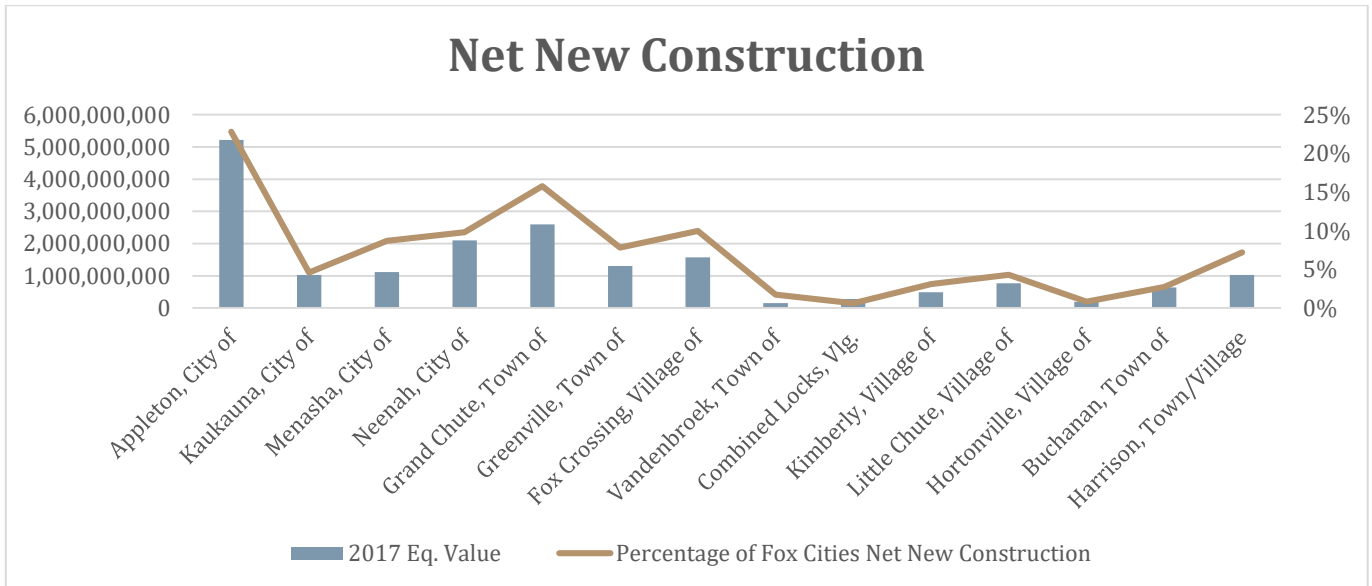


Equalized Values Statewide 2017



In addition to equalized values, the following chart shows the percentage of net new construction captured by each municipality (as a percentage of the Fox Cities) and their equalized values. Municipalities use the percentage increase of net new construction as a valuation factor in determining the allowable tax levy for the municipality.

Net New Construction



Municipality	2017 Eq. Value	Net New Const.	Percentage Increase	% of Fox Cities Net New Const.
Vandenbroek, Town of	157,040,200	5,565,200	3.54%	2%
Menasha, City of	1,117,040,500	27,560,800	2.47%	9%
Calumet County*	3,775,868,100	86,456,100	2.29%	N/A
Harrison, Town/Village	1,022,877,900	22,771,000	2.23%	7%
Fox Crossing, Village of	1,576,693,800	31,566,200	2.00%	10%
Kimberly, Village of	495,368,300	9,878,400	1.99%	3%
Grand Chute, Town of	2,600,378,400	49,973,500	1.92%	16%
Greenville, Town of	1,307,620,200	24,845,300	1.90%	8%
Little Chute, Village of	771,569,100	13,599,300	1.76%	4%
Outagamie County*	14,067,089,500	239,900,400	1.71%	N/A
Neenah, City of	2,095,284,800	31,055,900	1.48%	10%
Kaukauna, City of	1,027,973,700	14,535,000	1.41%	5%
Hortonville, Village of	191,585,000	2,678,800	1.40%	1%
Appleton, City of	5,222,923,900	72,348,100	1.39%	23%
Buchanan, Town of	640,489,000	8,712,800	1.36%	3%
Winnebago County*	12,326,462,000	160,183,300	1.30%	N/A
Combined Locks, Vlg.	285,923,400	2,000,000	0.70%	1%
Fox Cities Total	\$18,512,768,200	317,090,300	1.71%	100%

*County numbers included for NNC comparison only, not included in totals

The City of Appleton represents 28.2% of the Fox Cities by total equalized value and captured 23% of net new construction equalized value. The City's net new construction percentage increase is 1.39% compared to the Fox Cities average of 1.71% which warrants monitoring to

ensure the City of Appleton captures its “fair share” of net new construction. Details of Net New Construction throughout the State can be found on the State of Wisconsin Department of Revenue Website:

<https://www.revenue.wi.gov/SLFReportsassessor/nnc-2017-preliminary.pdf>

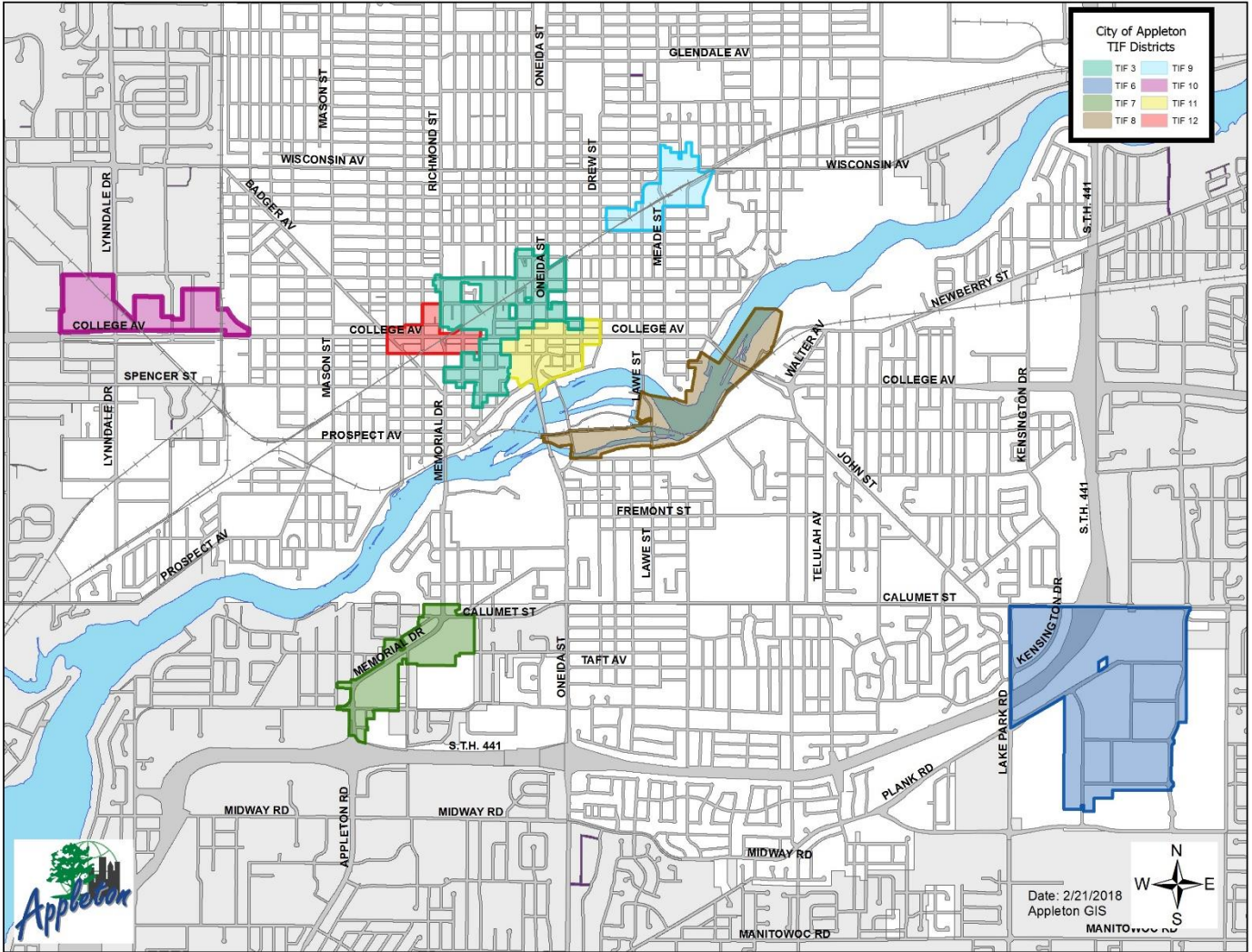
TAX INCREMENTAL DISTRICT

The following table shows the value increase/decrease of Tax Incremental Districts since creation, change during the past year, and an average annualized percentage change. All districts except for TID 10 saw an increase in value with a cumulative increase in TIF District valuations of 7.17%.

<i>Tax Incremental District Valuations</i>									
TID #	Start	Base Value	2016 Value	2017 Value	Total Increment	2016-2017 Increment	% Change in 2016-2017 Value	Avg % Annual Change Since Start	% Change in Total Value Since Start
TID 3	1993	\$18,940,800	\$60,456,400	\$64,720,300	45,779,500	4,263,900	7.05%	11.51%	241.70%
TID 6	2000	\$12,141,600	\$104,849,300	\$109,151,000	97,009,400	4,301,700	4.10%	57.07%	798.98%
TID 7	2007	\$25,657,000	\$42,854,100	\$45,931,800	20,274,800	3,077,700	7.18%	11.29%	79.02%
TID 8	2009	\$6,135,100	\$19,937,600	\$29,334,200	23,199,100	9,396,600	47.13%	75.63%	378.14%
TID 9	2013	\$21,512,900	\$23,275,900	\$24,330,100	2,817,200	1,054,200	4.53%	13.10%	13.10%
TID 10	2013	\$24,543,900	\$26,091,900	\$23,902,100	(641,800)	(2,189,800)	-8.39%	-2.61%	-2.61%
Total		\$108,931,300	\$277,465,200	\$297,369,500	\$188,428,200	\$19,904,300	7.17%		172.99%

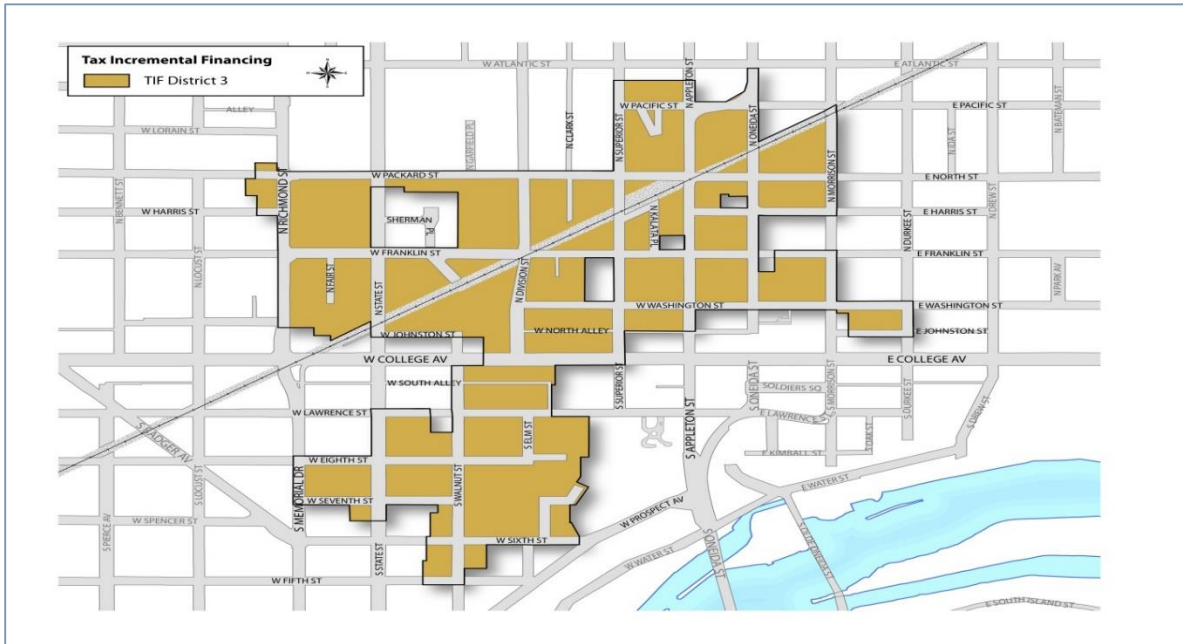
*Note: TID #6 & TID #8 Base Value adjusted to include amended area that was added to the district.

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:

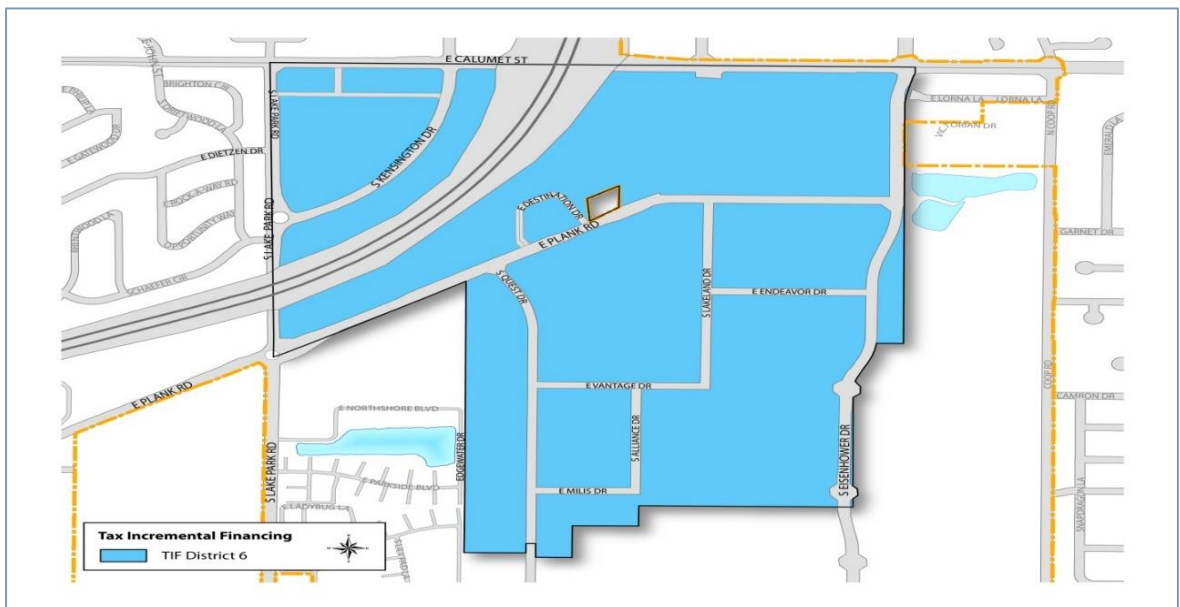


TAX INCREMENTAL DISTRICT PERFORMANCE

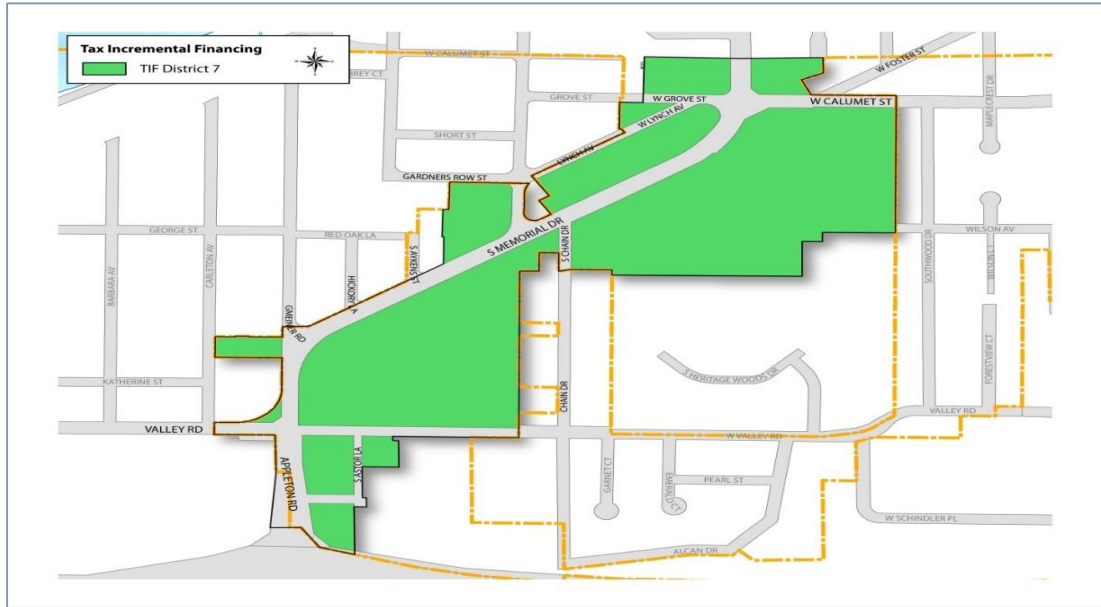
TID #3 Equalized valuations in TID #3 increased by \$4,263,900 or 7.05%. Much of this increase is attributable to newly permitted improvements to existing properties and personal property increases at 330 W. College Avenue. This TID was declared distressed in 2011, and is scheduled to close by 2031.



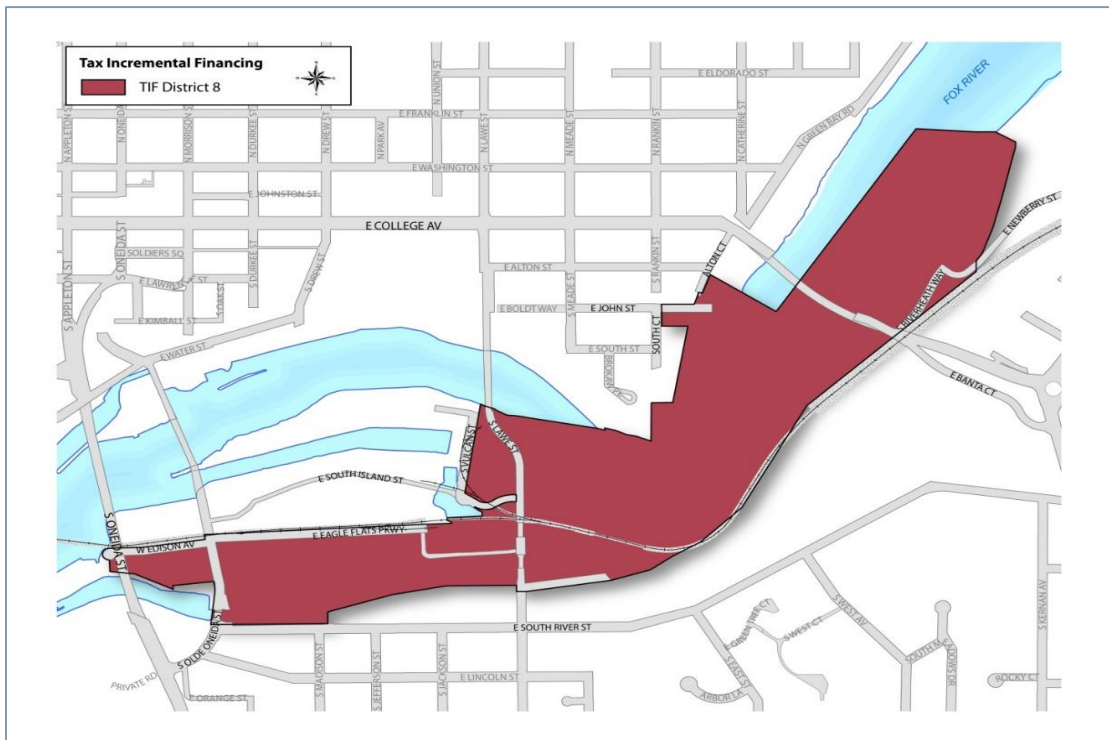
TID #6 Equalized valuations increased in TID #6 by \$4,301,700 or 4.10%. Much of this increase is due to the newly constructed Encapsys headquarters and personal property increases at 3845 E. Calumet Street. This TID is scheduled to close in 2023.



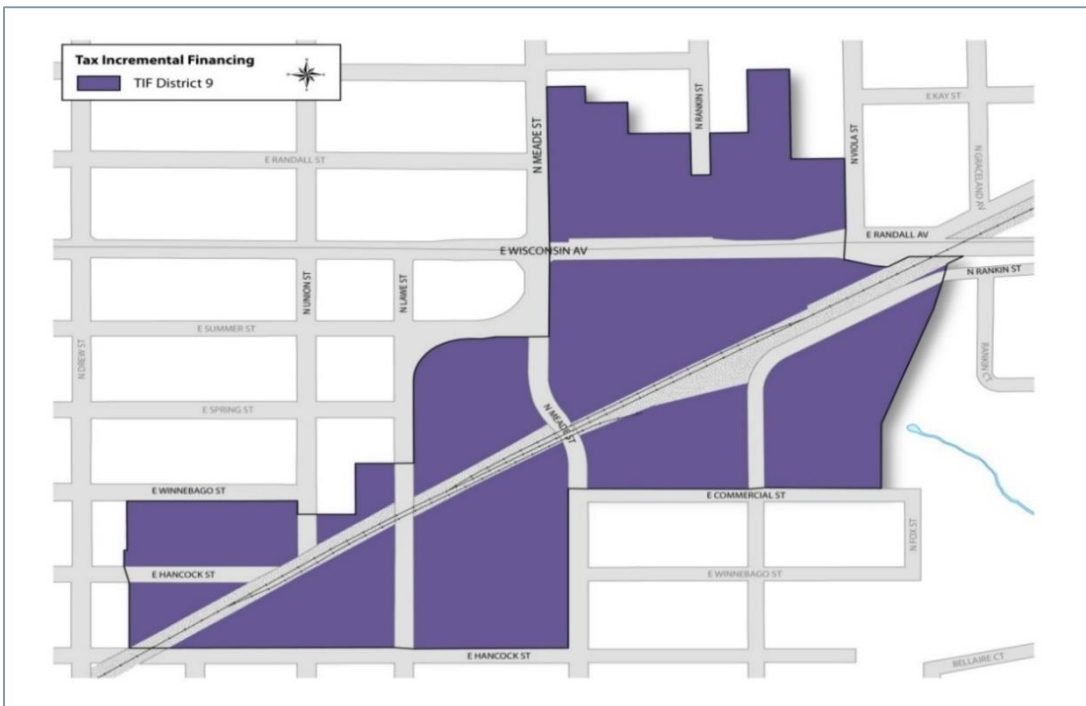
TID #7 TID #7 saw an increase in equalized valuation of \$3,077,700 which is 7.18%. Investments in personal property at the Pick-N-Save and improvements to the Arby’s property (423 Calumet) led to much of this increase. This TID is scheduled to close in 2034.



TID #8 In 2017, the equalized value of TID #8 increased by \$9,396,600 or 47.13%. Most of this growth is attributed to both residential apartments and commercial development in the RiverHeath project. This TID is scheduled to close in 2036.



TID #9 TID #9 was created in 2013 and saw an increase in value of \$1,054,200 or 4.53%, due mostly to an increase in the value of personal property. This TID is scheduled to close in 2039.

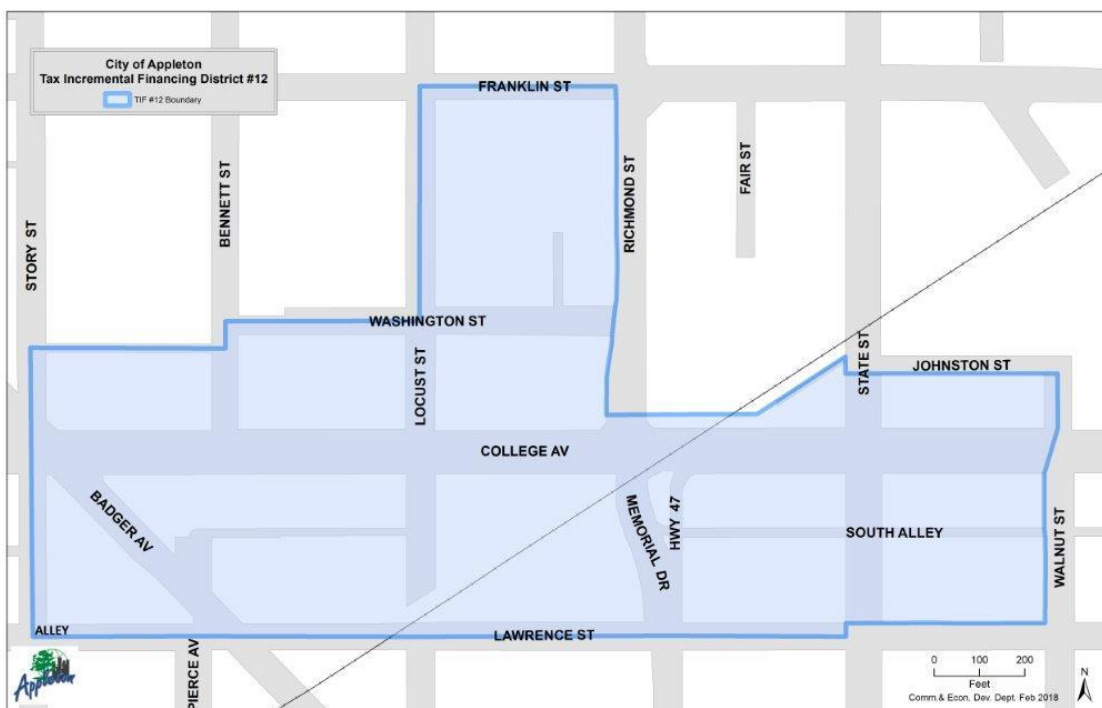


TID #10 TID 10, also created in 2013, saw a decrease in value of \$(2,189,800) or (8.39)% due to significant reductions in the value of Marketplace Mall (2700 W. College Avenue). This TID is scheduled to close in 2039.



TID #11 and TID #12

TIDs #11 and #12 were created in 2017. Two projects were announced in TID #11 in 2017, the U.S. Venture Headquarters and a renovation of the Zuelke Building. Being new, there is not incremental value to report yet, but maps of the districts are as follows:



BUSINESS DEVELOPMENT

The City once again experienced a net gain in new businesses. During 2017, 202 new businesses opened in the City, while 45 closed for a net gain of 157. The following pages highlight the new businesses that opened in Appleton and the businesses that closed or moved in 2017.

New Businesses That Opened in the City of Appleton:

ACCENT CUSTOM COMPONENTS INC	RIGHT FOOT PERFORMANCE PRODUCTS OF WISCONSIN INC	ARROW CUTTING DIES % PAT STAHL
BAMBOO CHINESE & JAPANESE REST : AF INC	ANDERSON FAM LEARNING CTR LLC	BIG HEARTS LITTLE HANDS HOME CHILD CARE % MELISSA F HAMPP
BYTESIZE SOLUTIONS LLC	CARE PARTNERS ASSISTED LIVING LLC	CARE PARTNERS ASSISTED LIVING LLC
CENTURY OAKS ON BALLARD LLC	DONZE CPA LLC	ENCAPSYS LLC
FIRST BANK FINANCIAL CENTRE	APEX PROPERTIES GROUP LLC (LATITUDE 44 OFFICE/CLUBHOUSE)	MRS SMITH'S FAMILY DAY CARE % LAURA SMITH
ORANGE BUSINESS SERVICES US INC	RIGHT AT HOME INC	SHI SHU FAMILY CHILD CARE LLC
STARBUCKS COFFEE COMPANY : STARBUCKS CORPORATION	STATE FARM MUTUAL AUTOMOBILE INSURANCE CO	VALLEY COATINGS & EQUIPMENT INC
BERKLEY ASSET PROTECTION : A W.R. BERKLEY COMPANY	WEBOUTS LLC	ASCENTIUM CAPITAL LLC
CIT BANK NA	CARE FUSION SOLUTIONS LLC	CBRE INC
FOX CITY MARKETING INC	COLLAR CAPITAL MANAGEMENT LLC	CRIMSON CREATIVE GROUP LLC
DEERE CREDIT INC	GREENLEAF COMPACTION INC	DATA SALES CO INC
EVOLUTION WEALTH MANAGEMENT INC	FEISTEL & ASSOCIATES LLC	FIRST AMERICAN COMMERCIAL BANCORP INC
FLEETMATICS USA LLC	FOX RIVER CAPITAL : ATLAS CAPITAL GROUP LLC	GEARY, TIMOTHY P ATTORNEY AT LAW LLC
GREAT LAKES COCA-COLA DISTRIBUTION LLC	MINUTE MEN HR OF WISCONSIN INC	INSIGHT INVESTMENTS LLC
KRUZEL, SUSAN C LPC LLC	EDH WEALTH ADVISORS INC : RIGHTSTONE INC	BANLEACO : BANKERS LEASING COMPANY
HYPNOSIS INSTITUTE OF WISCONSIN % RONALD L LINDBERG	HUSSEY, BRENNAN PT LLC	MERRIMAK CAPITAL COMPANY LLC
MERYDYAN TECHNOLOGIES LLC	MIDWEST MEDIUM LORI ANN % LORI MANNIS	OPNAD FUND INC
PAC-VAN INC	PRIVATE WEALTH MANAGEMENT GROUP LLC	PROACTIVE CONSULTING LLC
S&D COFFEE INC	FARNAM STREET FINANCIAL INC	SHARP LEASING USA CORP
SOMERSET CAPITAL GROUP LTD	STYMIEST AND ASSOCIATES % JIM STYMIEST	SUMMIT FUNDING GROUP INC
TERRES FIORI LLC	THEDACARE INC	TWIN EAGLE RESOURCE MANAGEMENT LLC
UNIVERSAL INSURANCE ADVISORS INC	VERIZON CREDIT INC	VON BRIESEN & ROPER SC
W W GRAINGER INC	WINMARK CAPITAL CORPORATION	WINTRUST CAPITAL
ZAPTASTIC PROFESSIONAL COACHING LLC	HARMONY COUNSELING CENTER INC	HMONG CONNECTION SERVICES LLC

POLAR BEAR CARPENTRY LLC	RAE FAMILY DAYCARE % CARROL A RAE	WILDE WEB MARKETING LLC
METRO PCS % ABBAS AMIN	NEW MECHANICAL LLC	ACCOUNTING UNLIMITED LLC
ADVISORS OF AMERICA % YIA MICHAEL THAO	AZCO CONSTRUCTION INC	BREATHE REVOLUTION STUDIO : PARNEE FREDERICK LMT LLC
EMPIRE INKS LLC	LEWINS ELECTRIC LLC	MALONEY LANDSCAPING & PAVING : MALONEY LANDSCAPING INC
PHO XPRESS % SUSH LEE	PIC SOLUTIONS II LLC	SCHILLER'S TREE SERVICE INC
STAT INFORMATIC SOLUTIONS LLC	STL OFFICE SOLUTIONS INC	THAI BUBBLE TEA % LA MAI YANG
TIESLING'S DAYCARE % MARLENE R TIESLING	URBAN FIT WI LLC	EMERALD TAX & ACCOUNTING LLC
ES FIRE PROTECTION : ELECTRIC SCIENTIFIC COMPANY	SWEET N EASY EVENTS LLC TRAVI Z EVENTS LLC	TODAY'S ORGANICS % SHIRLEY HALVERSON
UNITY AUTO LLC	AMY & KIDS CO FAMILY CHILD CARE % AMY S NOGAR	STUDIO H BOUTIQUE RECORDING STUDIO/REHEARSAL % TONY ANDERS
SIMPLY INSPIRED HAIR DESIGNS % COURTNEY ANDRES	ANGEL KEEPERS ACADEMY LLC	CURIOSITY CABIN DAYCARE % JILL PENGLASE
SIMPLY INSPIRED HAIR DESIGNS % RACHEL FLOYD	JENTLE MASSAGE LLC	KOLASH WEALTH STRATEGIES LLC
LAMBS FAMILY DAY CARE % PEGGY MATHENA	MILLENNIUM CONSTRUCTION INC	OLSON'S FAMILY DAYCARE % KATIE OLSON
PRECISION LAND SURVEYING LLC	RENEW AUTO SALES INC	SIMPLY INSPIRED HAIR DESIGNS % LAURIE KURTH
INDEPENDENT/COLONIAL LIFE % CAMERON S ROBERTS	SCHMITT TITLE LLC	WALK WITH ME IN-HOME CHILD CARE % ASHLEY R DUCHENY
WILSON FINANCIAL LLC	WILEY, JOHN (EQUIPMENT) % JOHN WILEY	ANDREA'S FAMILY DAYCARE % ANDREA KEENAN
ANNA BELL'S DAY CARE % ANN M RAUEN	BOOST MOBILE : LA WIRELESS LLC	COMMERCIAL PLACE THE/PLACE PERFECT REALTY % MICHAEL KUNESH
GLOBAL CONCRETE LLC	J MARKLEY BARBERSHOP LLC	CHAIR INSIDE THE CORNER BARBER SHOP % MARIAH KNOX
MASSAGES BY KELLY LLC	MELISSA ALDERTON PHOTOGRAPHY % MELISSA ALDERTON	PASOUA HOME CARE LLC
SCHOOLHOUSE HOMEWORKS % STEVE G SCHOOL	3RD GOSPEL HEATING/COOLING LLC	BOOST MOBILE-MEXICANA TRAVEL SERVICES % MONICA P GALINDO
FLOOR COMPANY LLC THE	ADT LLC	CARDTRONICS USA INC
OPNAD FUND INC	DE LAGE LANDEN FINANCIAL SERVICES INC	DELL EQUIPMENT FUNDING LP
INTERFACE SECURITY SYSTEMS LLC	LILY'S SALON % LILY TRINKO	PRIMO WATER CORPORATION
TIMEPAYMENT CORP	RUG DOCTOR LLC	WABASHA LEASING LLC
AFFORDABLE BIKE REPAIR : LUTZ NICE CO LLC	ADP LLC	ADT LLC
ANGEL CORNER DAYCARE % STEPHANIE SCHMIDT	BEAUTY BAR LLC THE	BUNNIES AND BEARS CHILD CARE % BONNIE J HESSELMAN
KAY JEWELERS : STERLING JEWELERS INC	CLOVE STUDIO DANELSKI % AMY DANELSKI	CLOVE STUDIO LEINTZ % KATY LEINTZ
OPNAD FUND INC	AUTOMATED ENERGY SOLUTIONS INC	CRYOTHERAPY OF WISCONSIN APPLETON LLC
CSI LEASING INC	FUJIFILM NORTH AMERICA CORP	T-MOBILE STORE : T-MOBILE USA INC
TIMEPAYMENT CORP	GREAT LAKES COCA-COLA DISTRIBUTION LLC	HAIR ARTIST SALON PICCOLO % JUANEMA PICCOLO
HAIR ARTIST SALON ROBERTS % SARA ROBERTS	NU SKIN ENTERPRISES UNITED STATES INC	PAC-VAN INC

PAWNEE LEASING CORPORATION	PLANK ROAD APARTMENTS LLC	PURE RATES % KIMBERLY RATES
ROOTED LLC	RUG DOCTOR LLC	SAFETY-KLEEN SYSTEMS INC
SALON REVOLUTION DAKIN % MALLORY DAKIN	SALON REVOLUTION KOLASINSKI % EMILY KOLASINSKI	SALON REVOLUTION PRIEBE % MELISSA PRIEBE
STEARNS BANK NA	STUDIO 10 M JOHNSON % MICHELLE JOHNSON	STUDIO 10 K JOHNSON % KELLY JOHNSON
STUDIO 10 ANDERSON % KAYLA ANDERSON	STUDIO 10 OLSON % ANGELA OLSON	STUDIO 10 VAN LANEN % KAYLA VAN LANEN
U UNLIMITED % MICHELE HEPFLER	UNITED REALTY FOX VALLEY LLC	UPS STORE THE : ACC&H INC
VSAY DESIGNS % VISETH MOUA	MASSAGE BY MANDY LLC	KEY REAL ESTATE SERVICES LLC
US BANK NATIONAL ASSOCIATION	US BANK NATIONAL ASSOCIATION	601 BRIARCLIFF DRIVE OPERATING COMPANY LLC
SHELTER DESIGN GROUP LTD	STARBUCKS COFFEE COMPANY: STARBUCKS CORPORATION	CSC SERVICE WORKS INC
IBM CREDIT LLC	TENANT SALES AND SERVICE CO	ECO ATM LLC
WIRELESS EXPRESS LLC	APPLETON MARRIOTT COURTYARD RIVERFRONT : RIVER HEATH HOSPITALITY	

Businesses That Closed or Moved Out of the City of Appleton:

CAFE DEBE : DC WICH LLC	RELIABLE REFUSE REMOVAL LLC	GJB HEALTH SERVICES LLC
4C ENERGY CONTROL SOLUTIONS LLC	CELTIC LEASING CORP	KUSTOM KITCHEN & BATH SHOPPE INC
MED-STAT USA LLC	SONNET'S GARDEN BLOOMS LLC	MILO MILO LLC
ETHOS LLC	ONE AMERICA RETIREMENT SRV LLC ONE AMERICA FINANC PRTRNS INC	ADAGIO THERAPY LLC
LIFE DESIGNS THERAPEUTIC MASSAGE & BODYWORK LLC	TINA MARIE'S UNIQUE BOUTIQUE LLC	LEKSIII INVESTMENTS LLC & LEKS III LLC
NETWORK HEALTH PLAN : NETWORK HEALTH INC	TRAVELING PALETTE THE % LAURA A STEGER	TRI-MANOR LTD
TRANSCENDENT TECHNOLOGIES LLC	BLUE 2.0 LLC	WETTENGEL'S SEW-VAC SHOP : SEW VAC INC
ALLSTATE INSURANCE COMPANY	TERRAFIN CONSULTING LLC TERRAFIN GROUP INC	CLASSY CUTS HAIR CARE SALON % JUDITH A WEINS
EAGLE VAPOR % YVETTE M CORNELIUS	FAMILY CHRISTIAN STORES LLC	JACK & DICK'S SERVICE % JACK HINTZ
KELLIE'S CHILD CARE % KELLIE D JOHNSON	RADIOSHACK #01-6273 : GENERAL WIRELESS OPERATIONS INC	WINNEBAGO DENTAL LAB INC C&J REAL ESTATE LLC
CAROLE'S GIFTS & ANTIQUES % CAROLE HOFFMAN	GATHERED EARTH THE % ERICA & ANDY SMITH	GO FOR JOHN PHOTOGRAPHY % JOHN CHRISTIAN ADAMS
MERLIN 200,000 MILES SHOP : SBA-TLC LLC	MOSQUITO CREEK LLC	NAILS BY DUYEN % DUYEN O'HAYER
CAPITAL CREDIT UNION	CROSSFIT FOX VALLEY : KRATOS GYM LLC % JEFF & BEAU	CUTTHROAT CUE SPORTS LLC
GORDMANS STORE #14 : GORDMANS INC	HWA RANG DO APPLETON ACADEMY % DON CONE	NICOLET NATIONAL BANK
FULL RANGE FITNESS : PARADISO PERFORM FITNESS LLC	RANKIN COMPANY INC THE	RASMUSSEN COLLEGE INC
ZOUNDS HEARING OF APPLETON : BLUE FEATHER INC		

HOMEOWNER REHABILITATION PROJECTS

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.

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 reallocates those funds to future rehabilitation projects.

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 from 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 1,100 homes in the City of Appleton and generated over \$6 million in outstanding loans. The City rehabilitated 23 housing units in 2017 and spent over \$450,000 on home improvement loans. The goal for 2018 is to rehabilitate an additional 24 housing units.

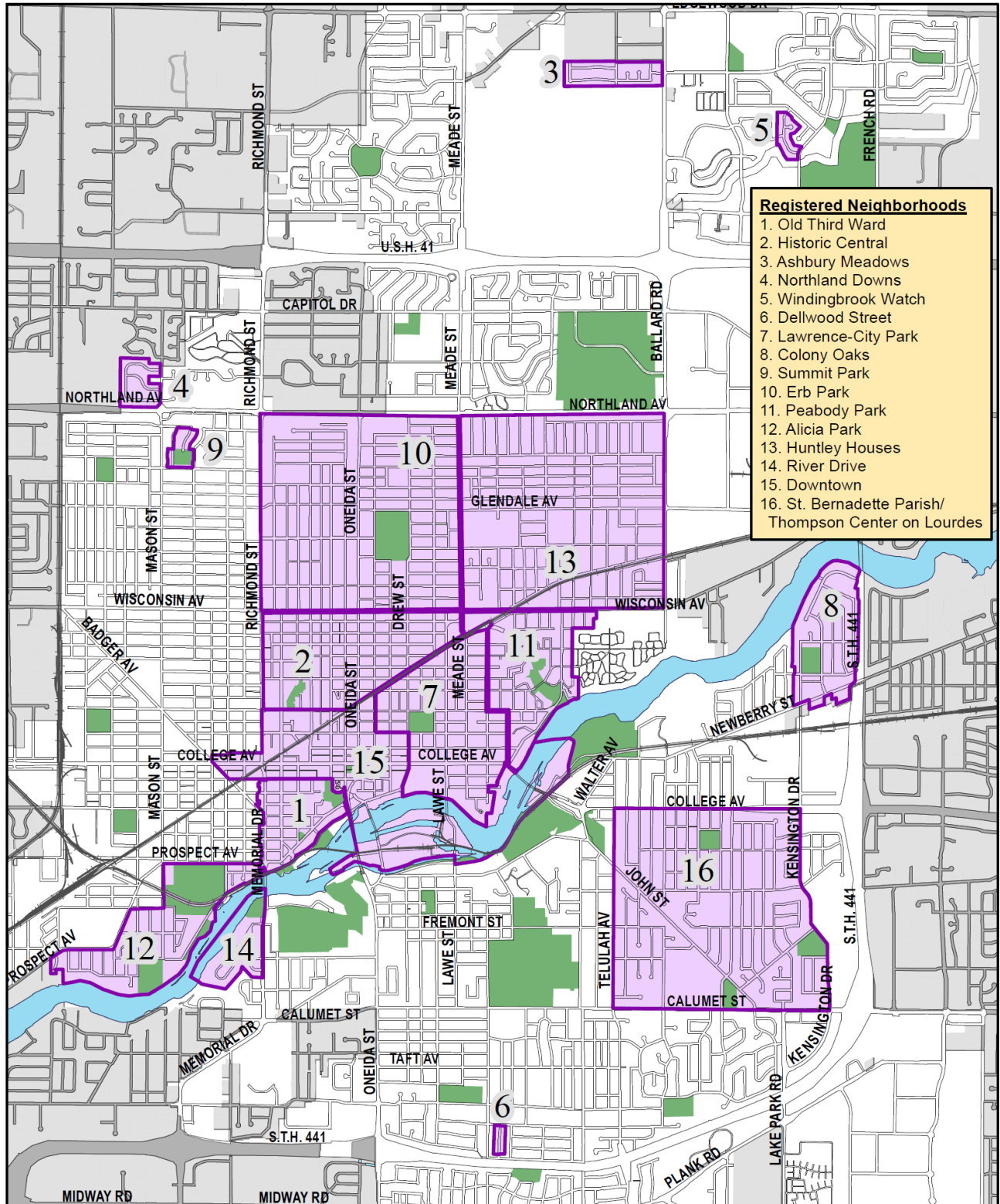
NEIGHBORHOOD PROGRAM

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 16 registered neighborhoods throughout the City. Registered neighborhoods are completely or partially located in 14 of the 15 Aldermanic Districts in the City. The central city neighborhoods north, south, and east of downtown are highly represented by five registered neighborhoods (Old Third Ward, Historic Central Neighborhood, Lawrence-City Park, Peabody Park, and Downtown).

One application for The Neighborhood Grant Program (TNGP) was received, approved and funded in 2017. This grant was for \$60,000 to the St. Bernadette Parish/Thompson Center on Lourdes Neighborhood to replace a natural gas generator and electrical inverter in the former Parish School building along with exit and hallway lighting. This building is used for the Thompson Community Center, which provides activities to seniors in our community.

The primary goal of the Neighborhood Program is to increase communication between Appleton's neighborhoods and City Hall. Two neighborhood program meetings were held in 2017, one in spring and another in fall. Both "roundtable" discussions provided opportunities for residents to share their experiences as neighborhood leaders among peers, strengthen their neighborhoods, and establish a clear line of communication with the City. 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 on various topics such as when a developer or the City is proposing a project which may directly or indirectly impact a registered neighborhood. A map of Registered Neighborhoods is on the following page:



Registered Neighborhoods - February 2017



PROSPECTS FOR GROWTH

1. Northside

- A. The City of Appleton purchased two properties totaling approximately 23 acres on Edgewood Drive long identified as future commercial/industrial use on the Future Land Use Map. While not yet served by City utilities, the City continues to manage these properties to provide for additional growth in the future.
- B. Privately owned land is still available for office developments north of I-41 along Enterprise Avenue and Evergreen Drive and privately owned industrial sites are available south of I-41.
- C. The City of Appleton has approximately 186 single-family lots available for sale in established subdivisions, the majority of which are located on the north side. There are several acres of planned single-family lots that are currently unplatted as well.
- D. A lift station was added in 2017 to accommodate approximately 950 acres of growth on the north side; it's located southeast of the intersection of Broadway Drive and Richmond Street, adjacent to future Spartan Drive.
- E. The extension of Spartan Drive is scheduled to begin in 2019 and be complete in 2025 from Meade Street to Highway 47.
- F. Evergreen Drive (east of Richmond Street) reconstruction with stormwater improvements is scheduled to start in 2018. This area is expected to see additional growth with the Meijer opening across the street in the Town of Grand Chute.

2. Southside

- A. The Wisconsin Department of Transportation (WisDOT) plans to construct a "Diverging Diamond" intersection at Hwy 441 and South Oneida Street starting in 2018. In addition, the City of Appleton completed utility updates to South Oneida Street between the Oneida Skyline Bridge to Hwy. 441. Roadwork will be completed in 2018. These improvements will further enhance this area's attractiveness for commercial development/redevelopment.
- 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. 2017 saw the sale of just under 7 acres for two new businesses which are under construction.

3. Downtown/Riverfront

- A. EAGLE FLATS: The developer is pursuing the next phase of the project, which is targeting the addition of residential units, a visitor's center in partnership with the Fox River Navigational Authority, and public access at the property east of Lawe Street adjacent to Lock III. In addition, the site immediately west of Lawe Street continued being prepped for construction in 2017.

- B. RIVERHEATH DEVELOPMENT: Tanesay Development completed the construction of a Courtyard by Marriott in 2017, a 100-room hotel which opened in summer 2017. Just under 6 acres are still available in this development for future projects.
- 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 was 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, Multi-Family Residential District. A request for proposals went out in 2012. The development agreement for this project was approved by the Appleton Redevelopment Authority and Common Council in 2014. The City received notice that the developer was not going to be able to proceed with the project in 2015, and another RFP process was completed in 2015. Several responses were received. Community and Economic Development negotiated a development agreement with the selected development team, Alexander Company and Iconica. Sale and groundbreaking of the site occurred in early 2017. Phase I will include 100 independent senior living units. Construction will be complete in summer 2018. Future phase(s) are under discussion.

BARRIERS TO GROWTH

1. Citywide

- A. Net New Construction for the City was lower than most of our neighboring communities which will limit the City's ability to raise the tax levy and provide services.
- B. Workforce and Skilled Labor

While the unemployment rate for Appleton and the Fox Cities overall has been dropping and is currently quite low, that number alone does not tell the whole employment story. Underemployment and a skills gap exist which prevents maximizing potential in our labor force. Some suggested strategies for addressing future labor needs include:

- a. Aligning Workforce and Economic Development Efforts
- b. Engaging the Unemployed, Underemployed and Discouraged
- c. Talent Attraction and Retention
- d. Capital Improvement Funds
- e. Incumbent Worker Training
- f. Flexible Schedules
- g. Seasonal Programs
- h. Job Sharing Programs
- i. Phased Retirement Programs
- j. Knowledge Transfer and Reverse Mentoring

Source: Matt Kures, UW-Extension Center for Community and Economic Development

- C. New tax regulations, passed on December 22, 2017, create uncertainty in both implementation and impact for many looking to make investments in real estate.

2. Northside

- A. Significant road improvements are needed to Apple Creek Road and Broadway Drive which require widening, including the acquisition of new right-of-way. French Road, north of Edgewood Drive, is a rural 2-lane road. Future development could necessitate the widening and urbanizing of French Road.
- B. Regulatory floodplains are known to exist on the northside.
- C. Enforcement of wetland regulations has delayed some projects.
- 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 City sold all available City-owned parcels in the Northeast Business/Industrial Park in 2016. The City no longer has any inventory of “ready to build” sites for sale on the north side with utilities and infrastructure in place. A few privately owned lots remain available.
- F. Limitations of the existing utility infrastructure and coordinating their expansion with timing of development will have to be closely coordinated.

3. Southside

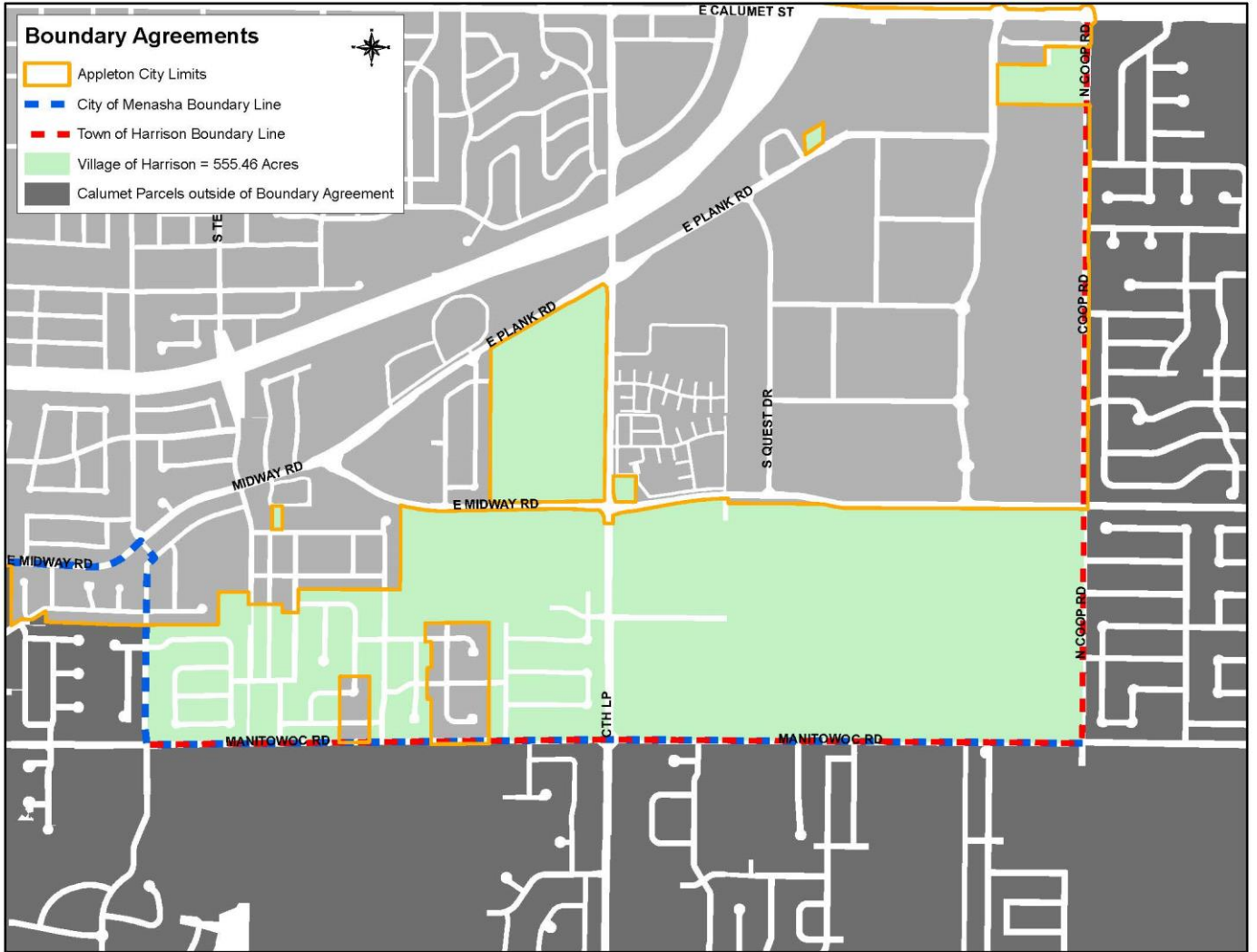
- A. Needed open green space and recreational amenities have been identified as a need on the south side. There is limited land available on the City’s south side with sufficient size to accommodate a community park. Staff outlined several potential sites for a community park, and Council did not recommend pursuit of any of the options.
- B. Enforcement of wetland regulations has delayed some projects.
- C. In 1999, the City of Appleton and Town of Harrison entered into an inter-municipal agreement in order to establish fixed boundaries, facilitate orderly development, and provide for cost effective governmental services. The agreed upon boundary line and the City of Appleton’s future growth area are shown on the following map. In 2013, the Village of Harrison incorporated as an independent municipality, after initially meeting the Incorporation Review Board’s standards. Later that year, the boundary line was significantly changed to transfer land from the Town of Harrison to the Village of Harrison, leaving only the City of Appleton and the City of Menasha growth areas remaining in the Town. While the area that the Village has either annexed, or will annex, was designated City growth area in a previous agreement with the Town, the court has held that the Village is not precluded from annexing that property.

The City of Appleton is currently involved in litigation with the Village of Fox Crossing and Town of Menasha with regard to land designated as the City’s future growth area located within the Village. Because of this pending litigation, additional information will be provided in a future report.

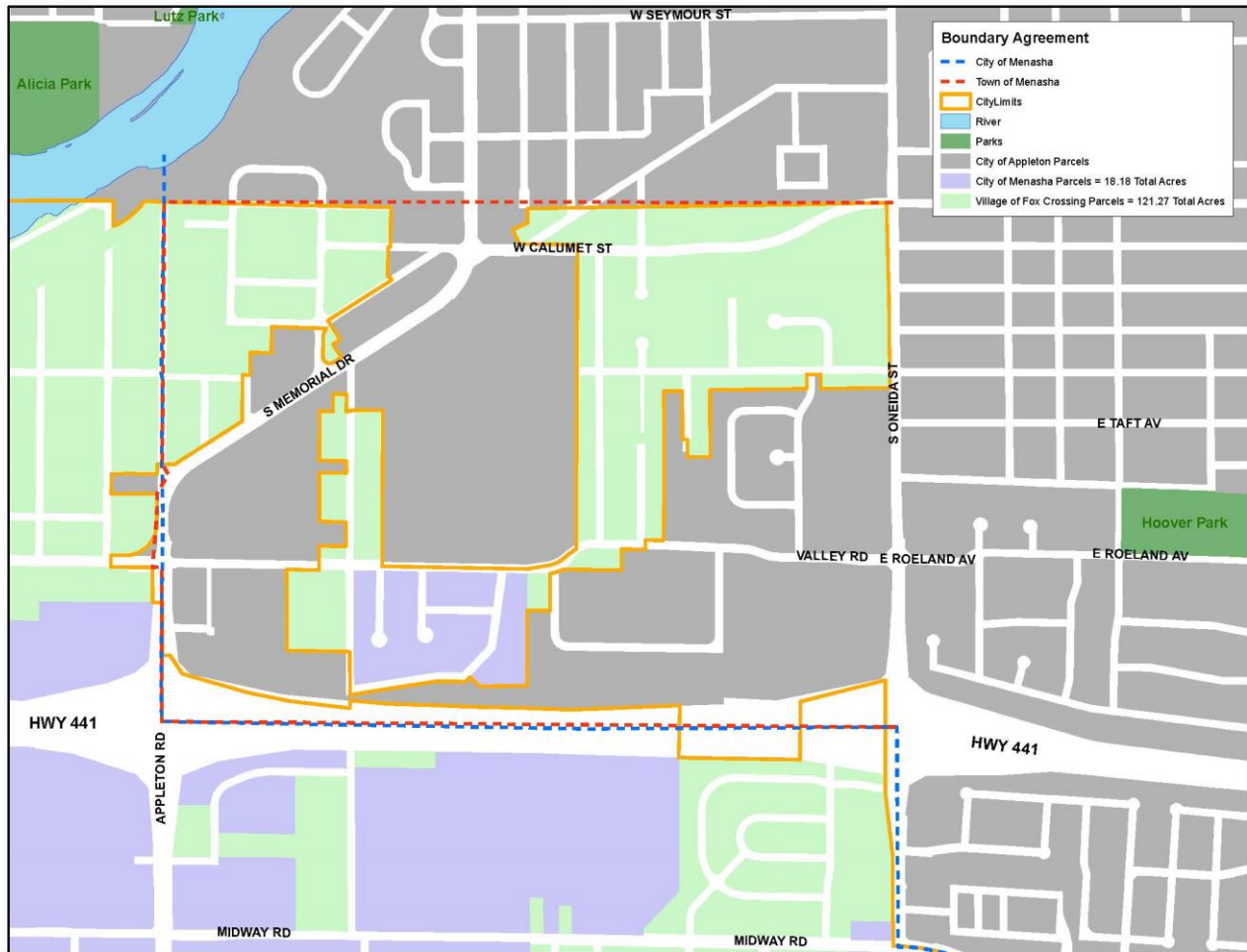
To date, the Village of Harrison has annexed land within the City’s original growth area totaling \$47,186,50000 in assessed value, and the Village of Fox Crossing has annexed land within the City’s growth area totaling \$61,108,900.

To follow are maps identifying annexed property within the City’s growth area:

LAND ANNEXED BY VILLAGE OF HARRISON



LAND ANNEXED BY VILLAGE OF FOX CROSSING



STRATEGY/MARKETING

1. Comprehensive Plan Update 2010-2030

In 2016, the City of Appleton began conducting a 5-year update to its 2010-2030 Comprehensive Plan, which includes updates to the Parks and Recreation Master Plan (Chapter 18) and a full re-write of the City's Downtown Plan (Chapter 14). Monthly Steering Committee meetings, workshops, walking and bicycle tours, presentations, and open houses were held over 11 months offering numerous opportunities for public input, in addition to an interactive website at <http://www.envisionappleton.org/> allowing for on-line comments.

A Comprehensive Plan is intended to guide the growth and development of a community. It is a long range plan, addressing current issues while also looking beyond to future issues and opportunities with the City. It includes analysis, recommendations and implementation strategies which will impact a community's population, economy, housing, transportation, community facilities, recreation-open space, and land use. A Comprehensive Plan establishes a vision for future land use, physical development, and quality of life in the City, as well as provides a comprehensive set of goals, policies and initiatives to achieve that vision.

A public hearing was held at the February 6, 2017 City Plan Commission meeting for the proposed City of Appleton Comprehensive Plan 2010-2030 Text and Future Land Use Map Amendments. The Comprehensive Plan was adopted by the Common Council on March 15, 2017.

2. 2015 Economic Development Strategic Plan

The Appleton Common Council approved the Appleton Economic Development Strategic Plan (EDSP) on June 17, 2015. The EDSP identifies where Appleton is today and where it wants to be tomorrow in terms of economic development. The EDSP is a "report card" of where we are now, identifying our strengths and weaknesses and sharing demographic data and community assets such as education, employment, local trends, availability of land, etc. The next component of the EDSP is where we, as a community and organization, want to go in the future. In technical terms, we establish goals. The EDSP outlines 4 Economic Goals.

1. Business Attraction
2. Business Retention and Expansion
3. General Economic Development
4. Workforce

Once the goals were established, the identification of key actions and measures support achievement of the Economic Goals. The EDSP outlines 16 key actions and measures.

1. Continue fast approvals & create more aggressive sales policies to drive business park purchase & construction activities, which will drive growth of tax base & jobs.
2. Create an email marketing campaign with a customer friendly web site.
3. Target highly-desirable site selectors, real estate brokers, & c-suite executives, growing the Appleton brand via website & online advertising.
4. Develop marketing campaign targeting key clusters: Office; Healthcare; Manufacturing; Food & Beverage; Retail; & Logistics.

5. Continue the visitors' attraction campaign targeting a 100-mile radius around the City with supplemental funding.
6. Conduct annual survey of businesses regarding City's customer service.
7. Create a single point of entry for projects through the Community and Economic Development Department.
8. Gather testimonials from businesses as evidence of consistent government responsiveness.
9. Continue 'fast-track permitting.' Review commercial permitting processes & streamline where appropriate to assure that permits are issued in a predictable & professional manner, & customers receive clear communication.
10. Restructure permit, inspection & storm water processes to be convenient for the consumer. Permit, water & storm water fees need to be competitive relative to nearby communities & other communities that the City competes for expansion & new projects.
11. Continue to conduct 40 annual site visits to key industries using business retention software to tabulate & analyze results.
12. Conduct Cost-Benefit analysis of completed and proposed projects.
13. Increase local food production and evidence of sales, distribution, processing and consumption.
14. Encourage & promote opportunities for executive, parent & student participation in coordinated programs with manufacturers, technology, & other key companies.
15. Assist with workforce efforts to sustain high student graduation rates, job placement.
16. Identify & implement best practices examples from neighboring communities.

Staff continually works to further these goals, key actions and measures.

3. The Fox Cities Economic Development Professionals

PURPOSE STATEMENT

Building professional relationships and sharing best practices to advance our region's economy.

FOX CITIES ECONOMIC DEVELOPMENT PROFESSIONALS

STRATEGIC INITIATIVES

1. To provide for professional development and networking.
2. To encourage, facilitate communication, and participation among members and among economic development peers.
3. To learn about and work to establish economic development best practices.
4. To establish an educational and best practices manual for members.
5. To advance our region's economy.
6. To improve and establish collaborative efforts among economic development organizations in the region.

The City of Appleton continues to remain committed to and actively engaged in FCEDP.

4. Fox Cities Regional Partnership

The City of Appleton has supported the efforts of the Fox Cities Regional Partnership, both financially and operationally since 2012. Many of these investments are to help support attracting and retaining an intelligent, innovative workforce to the City. The City contributed toward the following programs in 2017:

- PULSE Young Professionals Week
- Bazaar After Dark
- The Artery
- Talent Upload

5. 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 2017, staff met with over 45 businesses to resolve issues, help with retention, and assist with expansion plans.

The City of Appleton sponsored a booth at the Manufacturing First conference in 2017 which was shared with the Fox Cities Regional Partnership. The conference was attended by over 1,100 manufacturers and 600 students. We also sponsored a booth at the InDevelopment Conference, which is a gathering of the region's most influential people in commercial and economic development.

