



# MEMORANDUM

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*"... meeting community needs... enhancing quality of life."*

TO: Community and Economic Development Committee (CEDC)

FROM: Matt Rehbein, Economic Development Specialist

DATE: June 17, 2015

RE: Business/Industrial Park Land Sale Information

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At the Community and Economic Development Committee Meeting on June 10, 2015, a request was made to open dialogue regarding how we accelerate lot sales in the City's Business/Industrial Parks. To help facilitate that conversation I have attached the Memorandum dated November 24, 2014 regarding Business/Industrial Park Land Prices that was approved by Council January 21, 2015.

In addition to the listing and sale comparables noted in the memo, the City has sold four parcels in the Northeast Business Park since January 17, 2015. Details of those sales Include:

Location	Sale Price	Acres (# of Lots)	Price/Acre	Sale Date	Purchaser
SWC Zuehlke Dr. & Goodland Dr.	\$115,200	2.88 (2 lots)	\$40,000	Apr. 30, 2015	Farrell Investments, LLC
NWC Zuehlke Dr. & Capitol Dr.	\$155,750	4.45 (2 lots)	\$35,000	May 15, 2015	RP5, LLC

These two transactions resulted in the sale of 7.33 acres for a total of \$270,950.00 which exceeds the 2 acres for \$80,000.00 estimated in the 2015 Budget. In the Memo dated November 24, 2014, flexibility and quick turnaround of approval were noted as important considerations. This theme is also echoed in the Economic Development Strategic Plan approved by Council on June 17, 2015.

I am pleased to report that the City was responsive to both sales listed above. Construction timing was of importance to Farrell Investments, LLC which required a waiver to Deed Restrictions to proceed. Pricing of the land was critical in the RP5, LLC sale based on stormwater management needs. Going forward, I believe the same type of flexibility and/or creativity will be needed to help ensure the City realizes more sales in the Northeast Business Park & Southpoint Commerce Park. Only four lots remain available in the Northeast Business Park ranging in size from 1.44 acres to 2.69 acres. Ample inventory is available in Southpoint Commerce Park to meet site requests from 1.69 acres to over 100 acres.



## MEMORANDUM

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TO: Community and Economic Development Committee  
FROM: Matt Rehbein, Economic Development Specialist  
DATE: November 24, 2014  
RE: Business/Industrial Park Land Prices

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Staff has been asked to review the selling price of land in the City's business/industrial parks annually to see how competitive Appleton is with surrounding communities. Currently, the selling price of land in the City of Appleton's Northeast Business Park and Southpoint Commerce Park is \$40,000.00/Ac. and \$45,000/Ac. in Southpoint for lots fronting on Plank Rd. and Eisenhower Dr.

The City of Appleton currently has 8 lots consisting of about 15 acres available in the Northeast Business Park. These lots are located south of U.S. Highway 41 along Capitol Dr. The area remaining for sale is predominately light manufacturing, distribution and warehouse uses. When the lots are sold, the park will be completely sold out. All remaining lots in the Northeast Business Park will require on-site detention, which is an added expense to development and must be factored into the sale price. In addition to the City owned lots, there are currently 7 lots that are privately held and not developed. Privately owned, undeveloped lots are flagged in the City's AS400 system and notification is given on the Real Estate Inquiry Form to ensure the City's right to repurchase is triggered as appropriate.

In the Southpoint Commerce Park, there are 31 fully improved lots available, consisting of approximately 100 acres. In addition to the City owned lots, there is 1 lot privately held and not developed. The City has an additional 175 Ac. in Southpoint that are currently undeveloped. This area is identified in the five year capital improvement plan for infrastructure improvements beginning in 2015. All available lots in the Southpoint Commerce Park are served by regional stormwater detention. The three businesses located in Southpoint currently are light manufacturing and distribution uses. See attached maps for the available lots in both parks.

In order to ascertain how competitive Appleton is with neighboring communities, staff prepared a Land Price Comparison (Exhibit A). Data was gathered from: Direct Contact with sellers, LoopNet which is a commercial real estate listing and comparable data service and the Wisconsin Department of Revenue. There are additional lots marketed as available for industrial in the Fox Cities, but many of those could also be commercial which commands a much higher price and are not good comparables. All referenced industrial lots are broken down into one of three (3) categories:

- 1) Municipally owned lots available for sale.



2)Privately owned lots available for sale

3)Recent Sales comparison. Please note, there are few recent sales of industrial land.

In determining the sale price of lots, staff considers several factors including the City's investment in creating the business park, cost to develop at these locations, competitive lot pricing and uses of the property. It should also be noted that pricing is but one component of actual "cost". Infrastructure, access, availability of TIF financing and other incentives are all factored in.

Site selectors and businesses seeking new locations have shared with staff that the ability to respond quickly and creatively is crucial to landing deals. This proved true in the Werner Electric, Polyflex and Plexus transactions. Each company is going to have different priorities, ex: land price, infrastructure, TIF contributions, etc. It will be important for the City to be in a position to act quickly and decisively when transactions come forward to ensure we secure sales in the parks.

The industrial market for lease and purchase space has been tightening up over the past few years creating a scarcity of large industrial space. With interest rates remaining low, and a scarcity of large spaces available, we anticipate seeing an increase in new construction in the coming years. Hopefully, this will lead to increased sales activity in the City's industrial parks.

Based on this analysis, staff would recommend the City maintain its current selling price of \$40,000 to \$45,000 for industrial park land. This puts Appleton in the middle range with regard to land prices.

**Staff Recommendation:**

*The City of Appleton maintain its current selling prices for industrial park land as follows:*

***Northeast Business Park:***

*Lots south of U.S. 41 - \$40,000/Ac.*

***Southpoint Commerce Park***

*Lot 9 fronting Eisenhower Dr. - \$45,000/Ac.*

*Lots 12 fronting on Plank Rd. - \$45,000/Ac.*

*All interior lots - \$40,000/Ac.*

*Note: Land prices are for fully improved lots and include the cost of concrete pavement.*

# LAND PRICE COMPARISON EXHIBIT A

## Municipally Owned Land Price Comparison

	Ask Price/Ac.	Regional Stormwater	Concrete Streets	Utilities	Incentives
Appleton	\$40,000-45,000	Y	Y	Y	TIF (In Southpoint Only)
Neenah	35,000	Y	Y	Y	TIF/Land Grant
Menasha	52,400	Y	Y	Y	TIF
Kaukauna	38,000	Y	Y	Y	Redev. Authority loans
Grand Chute	40,000	N	Asphalt	Y	TIF/Site Assembly/Infrastructure/Land

## Privately owned land price comparison

	Location	Largest Contiguous Lot(In Acres)	Ask price/Acre	Notes
Greenville	Greenville Crossing	39.00	\$65,000	Sewer/Water in Street
Little Chute	Evergreen	80.00	\$35-65,000	Gas/Sewer/Water in street
Grand Chute	Prospect & Abitz	14.00	\$45,000	Werner Electric Supply site
Grand Chute	SW Bus. Park	31.88	\$50,815	Sewer/Water in street

## Recent Sales Comparison (Municipal & Private Sales)

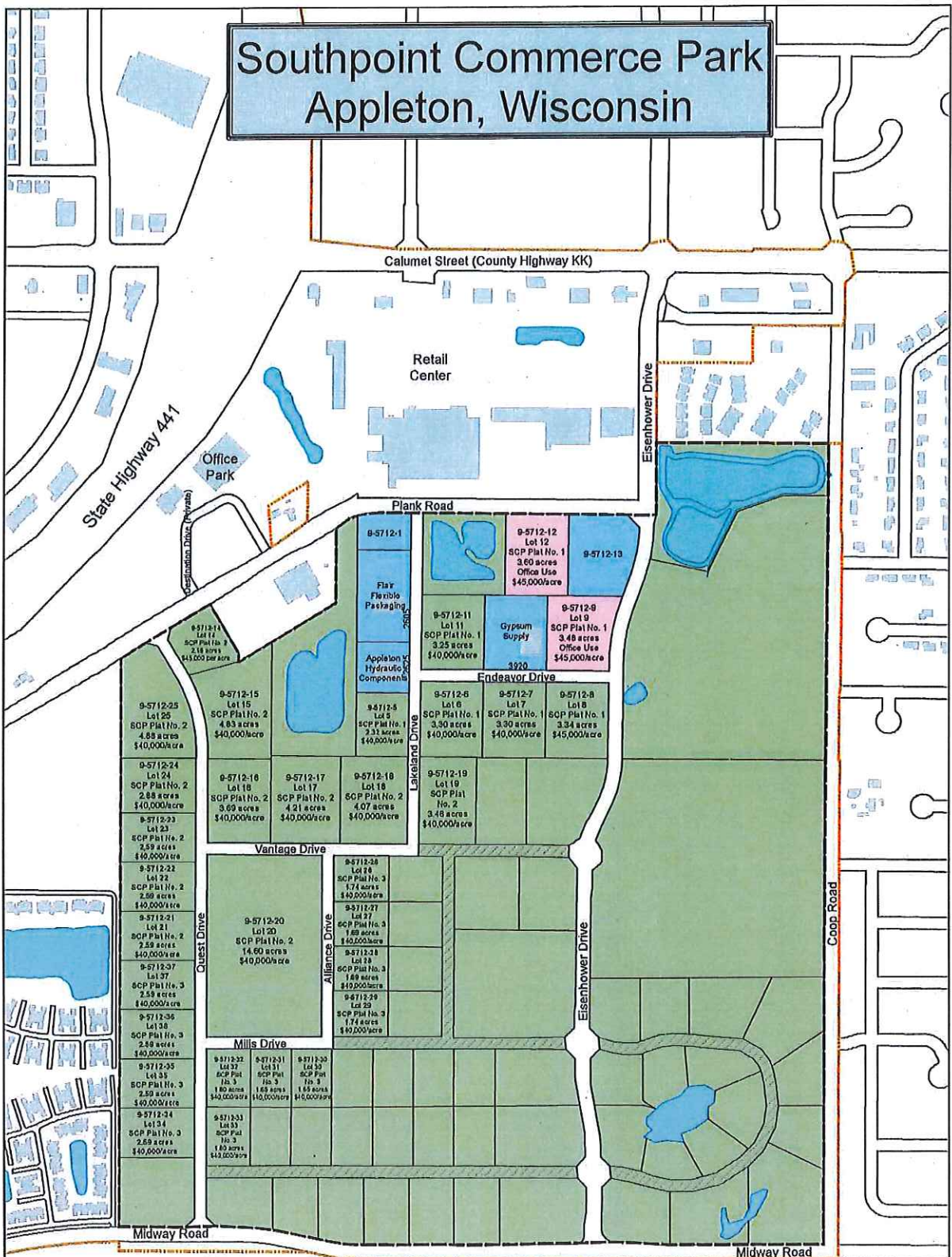
Location	Sale Price	Size (In Acres)	Price/Acre	Sale Date
Kaukauna Ind. Park	\$228,000	6.00	\$38,000	2014 Polyflex
Lakeland Dr., Appleton	\$58,000	1.37	\$42,336	Sept. 2013 Flair
Neenah	\$0	5.00	\$0	2012 City of Neenah to Plexus
Conkey St., Appleton	\$96,600	2.22	\$43,514	May 2010 Endeavor Electric
41 & Roemer, Appleton	\$42,500	1.00	\$42,500	May 2010 GTR Leasing (Energy Control & Design)

Sources:

Seller Contact  
LoopNet  
WI Dept. of Revenue

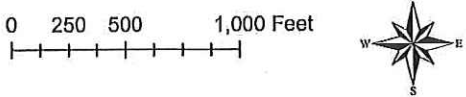


# Southpoint Commerce Park Appleton, Wisconsin



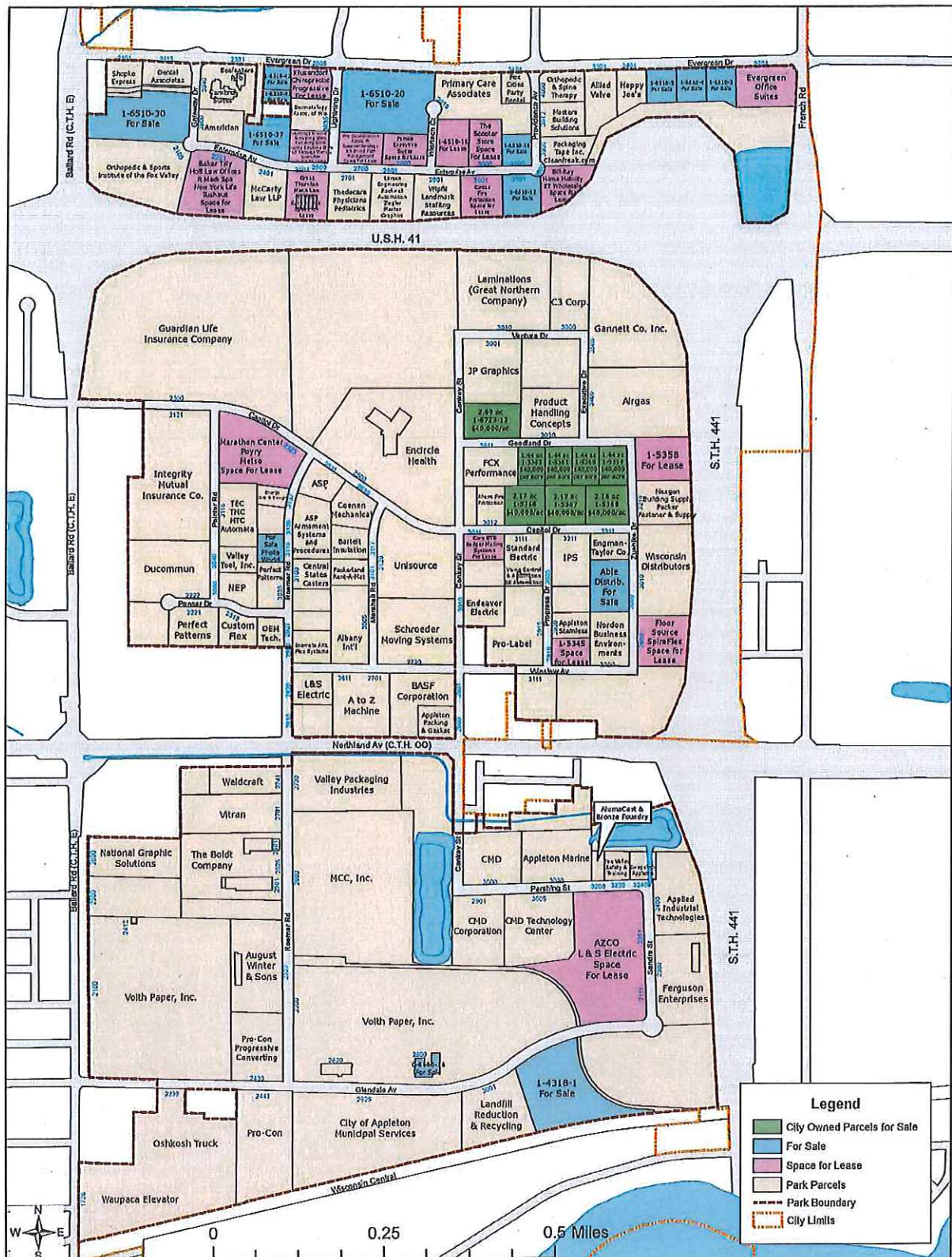
**Legend**

- For Sale
- Office Use
- Sold
- Park Boundary
- Proposed Parcel Lines
- Proposed Roads
- City Limits





Northeast Business Park  
Appleton, Wisconsin



Prepared by City of Appleton  
Comm. & Econ. Dev. Dept. 2/13