



City of Appleton

100 North Appleton Street
Appleton, WI 54911-4799
www.appleton.org

Meeting Agenda - Final Community & Economic Development Committee

Wednesday, February 26, 2020

4:30 PM

Council Chambers, 6th Floor

1. Call meeting to order
2. Roll call of membership
3. Approval of minutes from previous meeting

[20-0264](#) CEDC Minutes from 1-29-20

Attachments: [CEDC Minutes 1-29-20.pdf](#)

4. Public Hearings/Apearances

5. Action Items

[20-0265](#) Request to approve the City of Appleton maintain its current selling prices for business/industrial park land and adjust option fees as described in the attached documents

Attachments: [Business-Industrial Park Land Value Memo 2-5-20.pdf](#)

[Exhibit A-Ind Land Sales Comparison.pdf](#)

[Exhibit B-Ind Land Asking Price Comparison.pdf](#)

[Southpoint Commerce Park Map.pdf](#)

[NE Business Park Map.pdf](#)

6. Information Items

7. Adjournment

Notice is hereby given that a quorum of the Common Council may be present during this meeting, although no Council action will be taken.

Any questions about items on this meeting are to be directed to Karen Harkness, Director, Community and Economic Development Department at 920-832-6468.

Reasonable Accommodations for Persons with Disabilities will be made upon Request and if Feasible.



City of Appleton

100 North Appleton Street
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Meeting Minutes - Final Community & Economic Development Committee

Wednesday, January 29, 2020

4:30 PM

Council Chambers, 6th Floor

1. Call meeting to order

Meeting called to order at 4:30 p.m.

2. Roll call of membership

Present: 3 - Coenen, Reed and Alderperson Lobner

Excused: 2 - Alderperson Thao and Alderperson Van Zeeland

Others present:

Luke Presberg, Merge Urban Development

Joy Hannemann, Merge Urban Development

Paul Hoffman, Hoffman Holdings

Manny Vasquez, Pfefferle

Greg Landwehr, Pfefferle

Jennifer Stephany, Appleton Downtown Inc.

3. Approval of minutes from previous meeting

[20-0108](#)

CEDC Minutes from 1-15-20

Attachments: [CEDC Minutes 1-15-20.pdf](#)

Alderperson Lobner moved, seconded by Coenen, that the Minutes be approved. Roll Call. Motion carried by the following vote:

Aye: 3 - Coenen, Reed and Alderperson Lobner

Excused: 2 - Alderperson Thao and Alderperson Van Zeeland

4. Public Hearings/Appealances

5. Action Items

[20-0109](#)

Request to approve proposed changes to the Art in Public Places Policy as identified in the attached revised policy

Attachments: [Memo to CEDC Revised APAC Policy February 2020.pdf](#)
 [StaffReport Revised Art in Public Places Policy For2-4-20.pdf](#)

Aldersperson Lobner moved, seconded by Coenen, that the Report Action Item be recommended for approval. Roll Call. Motion carried by the following vote:

Aye: 3 - Coenen, Reed and Aldersperson Lobner

Excused: 2 - Aldersperson Thao and Aldersperson Van Zeeland

[20-0110](#)

Request to approve the Planning Option Agreement with Merge, LLC (d/b/a Merge Urban Development Group) for a potential mixed-use development located on the former Blue Ramp and Conway Hotel sites

Attachments: [Merge Option Memo to CEDC 1-29-20.pdf](#)
 [Planning Option Agreement Merge LLC-City of](#)
 [Appleton_v3_Signed.pdf](#)
 [Map_Blue Ramp+Conway Hotel.pdf](#)
 [Letter of Intent Merge_11-29-19.pdf](#)
 [Merge Projects + References.pdf](#)

Coenen moved, seconded by Aldersperson Lobner, that the Report Action Item be recommended for approval. Roll Call. Motion carried by the following vote:

Aye: 3 - Coenen, Reed and Aldersperson Lobner

Excused: 2 - Aldersperson Thao and Aldersperson Van Zeeland

[20-0128](#)

The Community and Economic Development Committee may go into closed session pursuant to State Statute §19.85(1)(e) for the purpose of discussing real estate negotiations regarding the potential sale of the former Blue Ramp and Conway Hotel sites in Downtown Appleton and then reconvene into open session

The Committee did not go into closed session.

[20-0126](#)

****CRITICAL TIMING**** Request to accept the Amendment to the Offer to Purchase from Hayden Properties, LLC or its assigns to purchase Lots 30, 31, 32 and 33 in Southpoint Commerce Park Plat 3 and Parcel ID #31-9-5714-00, comprising a total of approximately 49.84 acres, subject to lot size as determined by survey, at a purchase price of \$1,893,920 (\$38,000 per acre) (Amendments include changes to the timeframe for land under contract)

Attachments: [Amendment OTP Hayden Properties LLC Memo to CEDC 1-23-20.pdf](#)
 [2nd Amendment to Offer Hayden Properties Buyer Signed.pdf](#)
 [Hayden Properties LLC OTP Memo to CEDC 9-10-19.pdf](#)
 [F Street Development Cover Letter 9-10-19.pdf](#)
 [Hayden Properties Offer to Purchase + Addendum.pdf](#)
 [Southpoint Land Aerial.pdf](#)
 [Southpoint Land Aerial #2.pdf](#)
 [SPCP Subject Parcel Map 9-10-19.pdf](#)
 [SPCP Deed Restrictions.pdf](#)

Alderson Lobner moved, seconded by Coenen, that the Report Action Item be recommended for approval. Roll Call. Motion carried by the following vote:

Aye: 3 - Coenen, Reed and Alderson Lobner

Excused: 2 - Alderson Thao and Alderson Van Zeeland

[20-0127](#)

The Community and Economic Development Committee may go into closed session pursuant to State Statute §19.85(1)(e) for the purpose of discussing real estate negotiations regarding the potential sale of Lots 30, 31, 32 and 33 in Southpoint Commerce Park Plat 3 and Parcel ID #31-9-5714-00 and then reconvene into open session

The Committee did not go into closed session.

[19-0796](#)

Resolution #5-R-19: Rededication and Revitalization of Soldier's Square

Attachments: [#5-R-19 Soldier's Square.pdf](#)
 [Reso #5-R-19 Memo to CEDC 6-12-19.pdf](#)
 [Reso #5-R-19 Memo to CEDC 9-11-19.pdf](#)
 [Soldier Square Ramp Deed Restriction Opinion 09-05-2019.pdf](#)
 [Original Deed from 1851.pdf](#)
 [Historical Newspaper Articles.pdf](#)
 [Muni Services Minutes 11-11-08.pdf](#)
 [Council Minutes 11-19-08.pdf](#)
 [Civil War Monument Condition Report.pdf](#)
 [Excerpt from Comp Plan re Soldier Square-YMCA Park Ramp Area.pdf](#)
 [1922 Comprehensive Plan.pdf](#)
 [Map of Streets-Area in 1922.pdf](#)
 [#5-R-19 Soldier's Square PROPOSED REVISIONS 9-25-19.pdf](#)
 [#5-R-19 Soldier's Square AMENDMENT 10-2-2019.pdf](#)
 [Soldiers Square Resolution - redlined 01-23-2020 1.pdf](#)
 [Soldiers Square Resolution - clean version 01-23-2020.pdf](#)

Recommended approval of version dated 1-23-2020

Alderperson Lobner moved, seconded by Reed, that the Report Action Item be recommended for approval. Roll Call. Motion carried by the following vote:

Aye: 3 - Coenen, Reed and Alderperson Lobner

Excused: 2 - Alderperson Thao and Alderperson Van Zeeland

6. Information Items

7. Adjournment

Coenen moved, seconded by Alderperson Lobner, that the meeting be adjourned at 5:00 p.m. Roll Call. Motion carried by the following vote:

Aye: 3 - Coenen, Reed and Alderperson Lobner

Excused: 2 - Alderperson Thao and Alderperson Van Zeeland



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

MEMORANDUM

TO: Community and Economic Development Committee

FROM: Matt Rehbein, Economic Development Specialist

DATE: February 5, 2020

RE: Business/Industrial Park Land Sale and Option Prices

Staff completes an annual review of the selling price of land in the City's business/industrial parks to see how competitive Appleton is with surrounding communities. Currently, the selling price of land in the City of Appleton's Southpoint Commerce Park and the Northeast Business Park is \$40,000.00/acre.

The City of Appleton repurchased one lot in the Northeast Business Park in 2019. There are currently 7 lots that are privately held and not developed in the Northeast Business Park and 1 lot in the Southpoint Commerce Park subject to the City's right to repurchase. 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 28 fully improved lots available, of which 5 are under contract (Hayden Properties LLC). The total inventory not under contract is approximately 100 acres. Lots 17, 9 and 11 were sold in 2019 to New Morning Coffee Roasters, Custom Offsets, and Messenger Property Management respectively (details in attached Industrial Land Sales Comparison – Exhibit A) and completion of buildings on all sold lots is anticipated in 2020. The City has an additional 175 acres in Southpoint that are undeveloped. All available lots in the Southpoint Commerce Park are served by regional stormwater detention, and a wetland delineation was completed in 2016. We have funds budgeted to update the delineations in 2020. See attached map for the available lots in Southpoint.

In order to ascertain how competitive Appleton is with neighboring communities, staff prepared an Industrial Land Asking Price Comparison (Exhibit B). Data was gathered from: direct contact with sellers, CoStar (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 categories:

- 1) Municipally owned lots available for sale.
- 2) Privately owned lots available for sale.
- 3) Recent sales comparison.

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 land pricing is but one component of actual "cost" when a business is considering a purchase in a business/industrial park. 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 has proved true for all recent transactions. Each company is going to have different priorities, such as land price, infrastructure, TIF contributions, etc. Having entered the final 5 years of the life of TIF #6, we are no longer able to make new investments from TIF #6. This further increases the importance for the City to be in a position to act quickly and decisively when transactions come forward to ensure we secure sales in the business/industrial parks. We have been successful in doing this with all sale transactions in 2019. In 2020, we still need to be responsive; but with a tightening market, we may not need to be as generous on financial incentives.

The industrial market for lease and purchase space has been tightening up over the past few years, creating a scarcity of large industrial space. As a result, we have seen increased activity in the Southpoint Commerce Park (both contracts and inquiries). This has generated greater interest in "speculative" building and, in turn, more inquiries about optioning land. Historically, the City has charged an option fee of 1% of the purchase price per year. Since some of these projects can utilize large parcels and prevent the City from actively marketing these parcels during the option period, staff recommends increasing the option fee to 2% of the purchase price per year for parcels in excess of 5 acres. The option fee for lots less than 5 acres would remain at 1% of the purchase price per year. This helps protect the City's inventory of marketable parcels while preserving the smaller users' ability to ensure they have control of their expansion space.

Based on this analysis, staff would recommend the City maintain its current selling price of \$40,000 for business/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 business/industrial park land as follows:

Southpoint Commerce Park

All lots - \$40,000/Acre

Northeast Business Park

All lots - \$40,000/Acre

The City of Appleton adjust option fees to reflect 1% of the purchase price annually for lots of 5 or less acres and 2% of the purchase price annually for lots greater than 5 acres.

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

EXHIBIT A

2013-2019 INDUSTRIAL LAND SALES COMPARISON (Municipal & Private Sales)

| <i>Location</i> | <i>Sale Price</i> | <i>Size (In Acres)</i> | <i>Price/Acre</i> | <i>Sale Date</i> | |
|---|-------------------|------------------------|-------------------|------------------|--|
| Southpoint (Appleton) | \$144,072 | 3.48 | \$41,400 | Oct-19 | Custom Offsets |
| Southpoint (Appleton) | \$130,000 | 3.25 | \$40,000 | Nov-19 | Messenger Property Management |
| Southpoint (Appleton) | \$168,400 | 4.21 | \$40,000 | May-19 | New Morning Coffee Roasters |
| Greenville Dr., Greenville | \$1,109,920 | 32.30 | \$34,362 | Jul-19 | Burns & McDonnell |
| Randolph Dr., Kaukauna | \$152,000 | 4.00 | \$38,000 | 2019 | Velocity Water Works |
| Evergreen Dr., Little Chute | \$1,100,000 | 20.00 | \$55,000 | Jan-19 | Faith Technologies |
| Southpoint (Appleton) | \$511,000 | 14.60 | \$35,000 | Sep-18 | Becknell Industrial |
| 7241 Cty Rd. BB, Neenah | \$679,000 | 41.54 | \$35,000 | Jun-18 | |
| Oak Grove Rd. Prosperity Ctr., Kaukauna | \$186,200 | 4.90 | \$38,000 | Sep-17 | Lot 6 |
| Oak Grove Rd. Prosperity Ctr., Kaukauna | \$117,800 | 3.10 | \$38,000 | Sep-17 | Lot 8 |
| Oak Grove Rd. Prosperity Ctr., Kaukauna | \$117,040 | 3.08 | \$38,000 | Sep-17 | Lot 9 |
| CB & Rockwood Ln., Neenah (Town of) | \$208,623 | 10.60 | \$19,681 | Sep-17 | Stuff-N-Storage (A-2 General Farming zoning) |
| Endeavor Dr., Appleton (SPCP) | \$132,000 | 3.30 | \$40,000 | Aug-17 | Manda Panda Properties |
| Endeavor Dr., Appleton (SPCP) | \$150,300 | 3.34 | \$45,000 | Aug-17 | Alco Tech |
| Integrity Way, Grand Chute | \$83,000 | 2.72 | \$30,503 | Jan-17 | |
| Plank Rd. & Eisenhower, Appleton (SPCP) | \$329,400 | 7.32 | \$45,000 | Sep-16 | Encapsys |
| Kaukauna Ind. Park | \$79,800 | 2.10 | \$38,000 | May-16 | NorthStar Coop |
| Capitol Dr., Appleton (NEBP) | \$75,950 | 2.17 | \$35,000 | Mar-16 | Romenesko Developments, Inc. |
| Goodland/Conkey, Appleton (NEBP) | \$100,000 | 2.69 | \$37,175 | Dec-15 | Quantum Healthcare |
| Kaukauna Ind. Park | \$228,000 | 6.00 | \$38,000 | Jul-15 | Polyflex |
| Capitol Dr., Appleton (NEBP) | \$155,750 | 4.45 | \$35,000 | May-15 | RP5, LLC |
| Goodland Dr., Appleton (NEBP) | \$115,200 | 2.88 | \$40,000 | Apr-15 | Farrell Investments |
| Lakeland Dr., Appleton (SPCP) | \$58,000 | 1.37 | \$42,336 | Sep-13 | Flair |

*SPCP=Southpoint Commerce Park

**NEBP=Northeast Business Park

Sources:

Seller Contact

CoStar

WI Dept. of Revenue

EXHIBIT B

INDUSTRIAL LAND ASKING PRICE COMPARISON

Municipally Owned Land Asking Price Comparison

| <i>Municipality</i> | <i>Ask Price/Acre</i> | <i>Regional Stormwater</i> | <i>Concrete Streets</i> | <i>Utilities</i> | <i>Incentives</i> |
|----------------------------|------------------------------|---------------------------------------|--------------------------------|-------------------------|--|
| Appleton | \$40,000-45,000 | Y | Y | Y | Project reinvestment upon certificate of occupancy |
| Neenah | \$35,000 | Y | Y | Y | TIF/Land grant |
| Kaukauna | \$38,000 | Y | Y | Y | Redevelopment Authority loans |

Privately Owned Land Asking Price Comparison (Over 10 acres, per CoStar listings)

| <i>Municipality of Private Property</i> | <i>Ask Price/Acre</i> | <i>Largest Contiguous Lot (In Acres)</i> | <i>Location</i> | <i>Notes</i> |
|--|------------------------------|---|------------------------|--|
| Kaukauna (Town of) | \$33,269 | 26.30 | N2380 Bodde Rd. | Not served by Mun. Utilities |
| Neenah | \$18,900 | 100.00 | 2689 Cty II | Possible commercial/industrial/multifamily/residential |
| Little Chute | \$55,000 | 19.48 | Evergreen Dr. | Possible Office/I-41 exposure |
| Greenville | \$65,434 | 12.99 | W6369 Levi Dr. | Air North Business Park |
| Greenville | \$50,000 | 16.00 | Mayflower & GV | Possible commercial/industrial/multifamily/residential |

Sources:

Seller Contact
CoStar
WI Dept. of Revenue

Southpoint Commerce Park Appleton, Wisconsin



Legend

- For Sale (City Owned)
- Accepted Offer
- Privately Owned Parcels
- City Limits
- Park Boundary

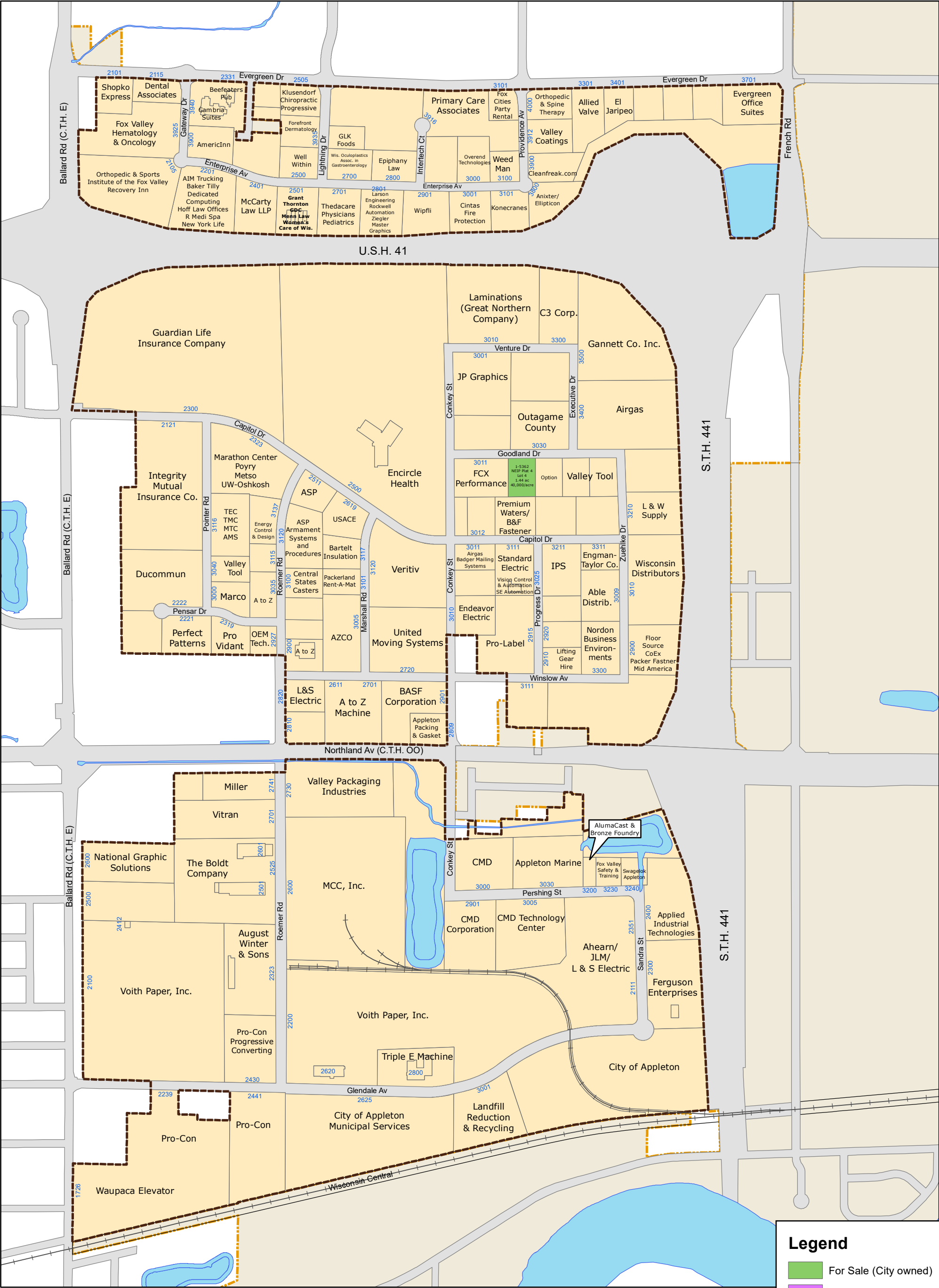
0 250 500 1,000

Feet

Prepared by City of Appleton
Comm. & Econ. Dev. Dept. 11/2019

Northeast Business Park

Appleton, Wisconsin



Legend

- For Sale (City owned)
- Accepted Offer
- Park Parcels
- Park Boundary
- City Limits