

Economic Development

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Economic development has long been an important function of the City of Appleton. The community's history as a manufacturing center has brought past business closures and unemployment that have been, and continue to be addressed through the City's actions. These efforts have borne fruit in the form of a vibrant downtown, a continuing successful transition from a manufacturing to an office economy, and the continued health of the manufacturing sector. Looking forward, the City recognizes threats to its economy both from the present recession and from longer-term economic influences.

Economic Development Trends

Several emerging trends will help to shape Appleton's future economy and the economic development programs and policies the City employ to ensure its vitality. This discussion is meant to evaluate long-term trends rather than simply the current economic situation.

Globalization

One of the most important of these trends has been the rising globalization of the economy. Supported by low shipping costs, favorable trade agreements, and advancements in telecommunications, an ever-increasing number of products are flowing freely across national borders. While this has expanded markets for some products, it has also made some Appleton-area industries, such as paper and machinery manufacturing, vulnerable to low-wage foreign competition.

Among those manufacturers who seek to be competitive while maintaining their local production facilities, the prevailing strategy has been to focus on market niches or to attempt to substitute technology for labor in an effort to boost productivity. This presents a challenge for economic development programs. Many of the tools available for business assistance are based on federal and state programs that have job creation requirements as a condition of eligibility. A business that is investing in new production technology may not be creating jobs, and may in fact be eliminating some in order to remain competitive. This can leave local economic development organizations with no assist companies looking to make such investments.

Running counter to globalization, there has been a growing push to "buy local" from both business and consumer groups. Whether aimed at consumers buying locally-made products from locally-owned stores, or businesses purchasing goods and services from local suppliers, the idea is to maintain as much money as possible within the local economy. Ironically, a corollary to this is "buy local, export global". While the concept is not new, there are studies that question its effectiveness. Initial sales increases credited to buy local programs have ebbed quickly after the initial launch.

Manufacturing vs. Services

Primarily because of the well-publicized loss of jobs, there is a general perception that manufacturing has been in a long-term decline in the United States. This is true of some segments of the sector, but not all. Overall, manufacturing output has increased due to productivity gains, even while aggregate manufacturing employment has shrunk. Among those sectors that are declining or threatened, the challenges faced by American manufacturers may be attributed to competition or to structural changes, or both. Printing is a locally-important industry that is to some extent being supplanted by electronic media. Machinery manufacturing has proven to be susceptible to low-cost foreign competition. Paper manufacturing faces both concerns – declining demand along with competition from Asian countries.

Service employment overtook manufacturing and has been seen as the source of future job growth in the United States. Once thought to be secure from foreign competition, services have now begun to be "off-shored" in the same way that manufacturing jobs were twenty years earlier. Supported by advances in telecommunications, jobs in diverse sectors such as data entry, customer service and technical support, and credit intermediation have all seen significant losses to third-party providers in countries with lower wage structures.

Creative Economy

In the 1990's a researcher by the name of Richard Florida put forward the idea that future economic growth would be largely attributed to a "creative class" of people who comprise a knowledge-based, instead of product-based economy. The creative class does include the artists that are frequently mentioned, but it is largely made up of professions such as engineers, designers, writers, programmers, scientists, and others. Other work by Florida has demonstrated that a critical subset of the creative class is that comprised of fine, perform-



ing, and applied artists. His "Bohemian index"—the share of employment in arts occupations—is strongly associated with new firm formation and high-tech specialization in metropolitan areas.

People in these occupations are drawn to a handful of places. The presence of major research facilities is one factor in determining where these places will be, but other considerations include quality of life amenities that may include natural features or offer a vibrant urban lifestyle. The City of Madison is one Wisconsin community often cited as a magnet for the creative class, but the U.S. Department of Agriculture's Economic Research Service has prepared county-level data that show several other Wisconsin places as leading creative class destinations. The following table contains data on county rankings among all of the United States and Wisconsin Counties, for both their share of overall creative class employment and for their share in the arts-related subset.

	Creative Class Rank - US			Creative Class Rank - Wisconsin		
	1990	2000	Change	1990	2000	Change
Outagamie County	567	507	+60	10	7	+3
Winnebago County	632	586	+56	11	13	-2
Calumet County	1,119	783	+336	12	19	-7
	Arts-Related Rank - US			Arts-Related Rank - Wisconsin		
	1990	2000	Change	1990	2000	Change
Outagamie County	487	648	-161	14	21	-7
Winnebago County	263	266	-3	6	4	+2
Calumet County	1,107	784	+323	31	28	+3

*Source: U.S. Department of Agriculture, Economic Research Service, share of total county employment in creative occupations and in arts occupations
US ranking is based on 3,136 counties; Wisconsin ranking is based on 72 counties*

The data in this table indicate that the three counties in which Appleton lies are all among those with the highest levels of creative class employment in the country. Between 1990 and 2000, these counties intensified their concentration of creative employment at a rate faster than the national average. Likewise, all three have concentrations in arts-related employment, although the concentration in Outagamie County appears to be weakening by 2000.

In response to these theories of economic growth, many communities have prepared economic development strategies that attempt to create an environment that is attractive to creative class workers. This usually takes the form of promoting vibrant mixed-use neighborhoods, parks and other recreational facilities, cultural venues, and other urban amenities. These strategies often fail to address other critical elements noted by researchers, such as a diverse population, progressive social environment, and willingness to accept risk in the business environment. Such factors can be difficult to address through economic development policy.

Entrepreneurship

Economic development is increasingly focused on promoting entrepreneurship. According to ***The Future Just Happened***, a study recently issued by the Kauffman Foundation, more than half of the companies on the 2009 Fortune 500 list were launched during a recession or bear market, along with nearly half of the firms on the 2008 Inc. list of America's fastest-growing companies. The report also suggests a broader economic trend, with job creation from startup companies proving to be less volatile and sensitive to downturns when compared to the overall economy.

Several facts may suggest a coming surge in entrepreneurial activity.

- The population is aging, and contrary to popular belief, the highest rates of entrepreneurship are among those people between the ages of 55 and 64. The 20-34 age bracket has the lowest rate of entrepreneurial activity. Business formation rates are also higher among recent immigrants.
- As the economic recession continues and more people are faced with prolonged unemployment, they are increasingly turning to self-employment as an alternative. The annual Kauffman Index of Entrepreneurial Activity has found that the overall pace of entrepreneurial activity did not suffer during 2008, and historical patterns indicate that entrepreneurial activity is largely insensitive to the economic cycle.



- The rise of the internet has provided additional opportunities and reduced the costs of starting a business venture.

Unfortunately, Wisconsin does not appear to be very conducive to entrepreneurship. The Center for Enterprise Development gives Wisconsin a “C” grade for entrepreneurial energy, while the Kauffman Foundation ranks the state third from last.

Common practices adopted to encourage entrepreneurship include facilitating networking and collaboration, improving access to financing, providing training and education, offering supportive services such as incubators and technical assistance, and adopting favorable public policies. Most of the entrepreneurial programs that have been created are focused on a set of targeted industry sectors, such as high technology, manufacturing, or in some cases retail businesses.

The most common entrepreneur, however, is a solo individual often starting a business within their own home. This includes a group of people recently termed “pajama entrepreneurs” or “third bedroom entrepreneurs”, who leverage their expertise to provide design, business and technical consulting, business management, and other services. Other common entrepreneurs may include those in craft manufacturing and skilled trades. A different set of programs may be needed to foster development of this group. The few programs targeting these entrepreneurs focus on helping them get additional work, providing business support services, and providing locations where they can conduct business functions, including amenities such as broadband access, meeting rooms, teleconferencing equipment, and general office equipment.

About one-third of the people who begin the start-up process actually follow through to open a new business. One in five of these will be an employer firm, with an average of 5.6 workers. Access to capital is often the biggest obstacle to entrepreneurship, although the median start-up cost is only around \$15,000.

Urban Sprawl

Urban sprawl receives a great deal of attention for its role in dispersing economic activity and draining the vitality of downtown and neighborhood commercial districts. Within the Appleton metropolitan, the effects of sprawl can be seen along Highway 41, where much of the area’s retail and industrial development has occurred in recent years. Appleton has been able to capture some of this growth to the north and east. To the west, development in the Town of Grand Chute has siphoned potential development from Appleton and has led to regional problems with which Appleton has to deal. One such issue is the current condition of West College Avenue, which is a gateway to Appleton’s downtown. Extensive vacancies and poor aesthetics impact the viability of downtown, even though much of the street is not within the City’s jurisdiction. Dialogue has begun between the City of Appleton and the Town of Grand Chute to jointly review this area and to prepare a plan to address the identified issues.

Changing housing preferences documented in Chapter 5 of this **Comprehensive Plan** point toward a returning interest in housing options within the central portion of cities. This will in turn create a demand for retail and services to support urban population growth. Areas in which this is expected to be seen include the downtown and near north neighborhoods, the Fox River redevelopment sites, and some parts of the City’s commercial corridors.

Financial Markets

Tightened lending practices are likely to be a lasting outcome of the economic recession. This affects both business and consumer credit, as well as financing for development projects. Businesses have been impacted by reductions in lines of credit and an inability to borrow adequate funds to meet their expansion needs. Consumers are unable to borrow to fund major purchases, contributing to a drop in sales. Developers have been unable to secure the funds they need to invest in new construction or rehabilitation projects.

Over the last several years there was often a lack of interest in governmental loan programs due to easy credit and low interest rates that did not make government loans all that advantageous. In coming years, loans and other financial incentives may play a more important role in spurring business and real estate development. Appleton has more resources than some of its neighbors, and can use them to steer activity to desired locations within the community.

Agriculture

Several emerging trends are suggesting possibilities for agriculture and food processing in the Appleton area. Interest in new products and growing concerns about food quality are expanding the demand for specialty foods, organically-grown foods, and food that is produced locally. Appleton is situated in close proximity to



major population centers in Milwaukee, Chicago, and Minneapolis, which can be a large market for local foods. Additionally, Wisconsin has the second-highest organic acreage among the states, and grows a large quantity of many organic crops. Specialty products like ginger or goat meat are often produced for ethnic populations as well as the general marketplace.

Community Assessment

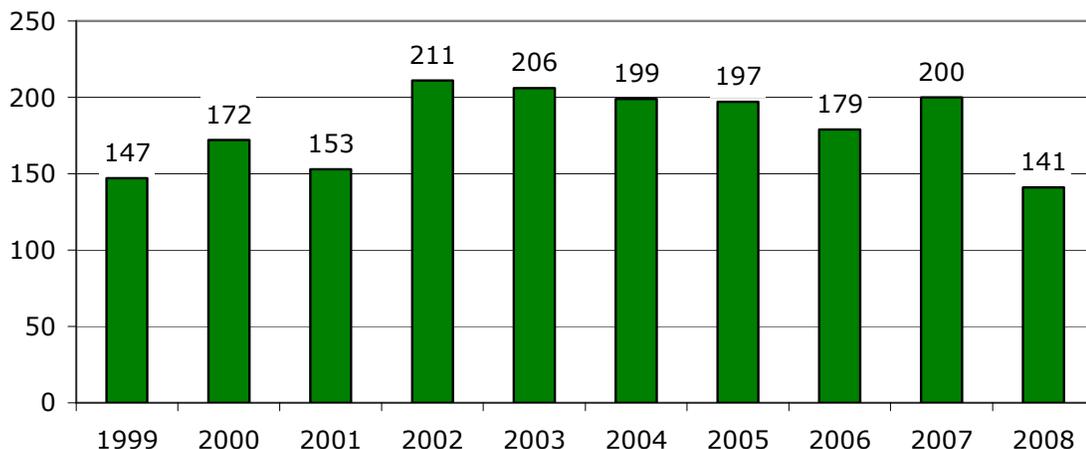
Appleton is faced with a number of challenges and opportunities for economic development. While some of these may be short-term concerns related to the current economy, others are a result of longer-term issues that the City may need to address. The information within this section of the **Comprehensive Plan** is intended to identify current conditions, trends, and future prospects related to economic development, and specifically with regard to business district vitality, business attraction and retention, and redevelopment. Other elements of the **Comprehensive Plan**, specifically the plans for the downtown, South Oneida Street, Richmond Street, Wisconsin Avenue, and the Fox River Corridor provide greater detail and direction for those areas.

Market Assessment

This section of the Economic Development Chapter is intended to document current market conditions and trends related to retail, office, and industrial land markets within the Appleton area. Due to data availability as well as the nature of these markets (which make municipal boundaries irrelevant) a regional picture is presented. Similarly, individual sub-areas of the city may have conditions that are different than the market as a whole. Where apparent, some of these are mentioned in the discussion. More detailed analysis of specific market conditions is provided in the corridor studies for South Oneida Street, Richmond Street, and Wisconsin Avenue.

Overall, these markets have shown some sign of slowing. Data on commercial building permits shows a peak in 2002, followed by relatively even issuances through 2007, and a drop in 2008 to about three-quarters of the average number of permits issued. Although this was the lowest number of permits issued in the last decade, the dollar value of commercial construction was higher in 2008 than it was in 2006 or 2007. Time Warner's building comprises about 20 percent of the 2008 total.

Commercial Building Permits Issued by Year



Source: City of Appleton

According to a survey by the Fox Cities Chamber of Commerce, only 48 percent of member businesses saw a sales increase in 2008, with only a third realizing a growth in profitability. Thirteen percent of survey respondents rated the local economy as "good", which is still better than the two percent that rated the national



economy as “good”. The Chamber notes that local businesses are expecting significant declines in employment, sales, and profits in 2009. Fifteen percent of businesses are planning a capital expansion in 2009.

Looking forward beyond the next year or two, the pace of growth and development will largely be tied to the severity of the recession and the extent to which businesses and property markets are impacted.

Industrial Market Assessment

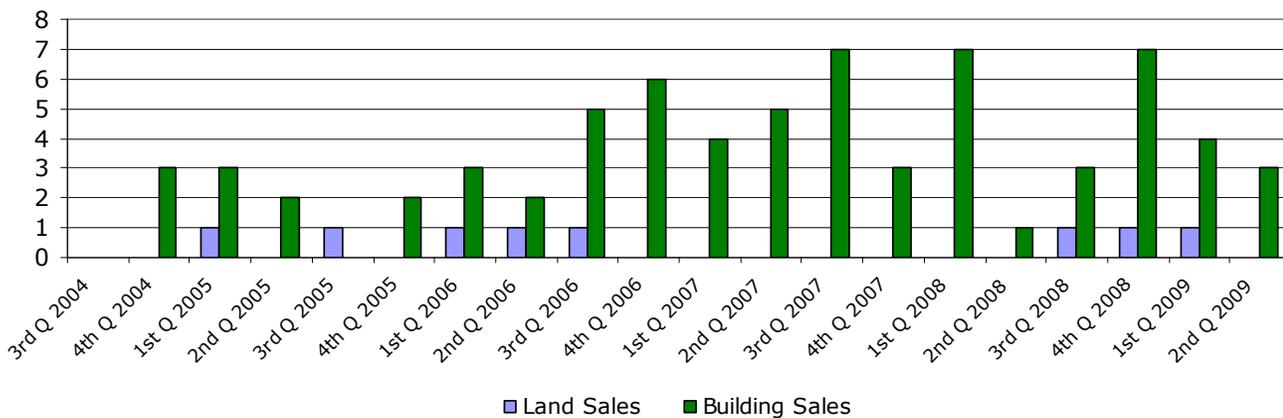
The State of Wisconsin, in its **Economic Outlook** for February of 2009, anticipates a decline in manufacturing activity within the Appleton market and the loss of about nine percent of the area’s manufacturing jobs. Until recently there has been little change in the overall vacancy rate for industrial space, which has fluctuated around ten percent since 2006. The closure of New Page’s facility in Kimberly and other smaller spaces coming available as the economy worsens are likely to send vacancies upwards.

There are currently 43 industrial properties listed for sale and 61 industrial properties available to lease within the City of Appleton¹. These numbers may include properties outside of Appleton but listed with an Appleton address. Lease rates are currently clustered in a range from \$2.40 to \$5.00 per square foot, with some flex space as high as \$7.50 per square foot. Grubb & Ellis estimates the asking rent in the Appleton market to be \$3.05 for warehouse/distribution space and \$5.27 for R&D/flex space. This is favorable compared to national figures that average \$5.57 per square foot, and Milwaukee’s averages of \$3.75 and \$5.65.

Pricing on properties for sale varies considerably from a low of \$14 per square foot to a high of \$200 per square foot, depending on variables such as location, acreage, building age and condition, office space, and other considerations. Most industrial buildings are listed in a range from about \$40 to \$70 per square foot.

During the last five years (from the 3rd quarter of 2004 through the second quarter of 2009) there were eight industrial land sales recorded in Outagamie, Calumet, and Winnebago Counties. This total does not include commercial land that may be developed for industrial or flex buildings. During the same period, 70 industrial buildings sold. One industrial lot and 19 of the industrial buildings were located within Appleton.

Industrial Land and Building Sales in Outagamie, Calumet, and Winnebago Counties



Source: LoopNet

While there appears to be some slowing of transaction activity, vacancies have been holding steady and lease rates do not appear to be trending downward. This is in contrast to the national market, where vacancies have steadily risen since the third quarter of 2007. Vacancies are now at 9.5 percent, which is identical to the Appleton market. By type, the vacancy rate has been highest for warehouse/distribution space.

Given the pace of industrial development over the last several years, Appleton has a reasonable supply of industrial land in the Northeast Business Park and Southpoint Commerce Park to accommodate its future needs over the next decade or more. Added to the available supply of land, there are several industrial buildings on the market, and this supply is expected to remain constant over the near term. With much of Appleton’s

¹ LoopNet, July 2009



growth originating from small establishments (under 10 employees) a majority of the required space can be expected to be in small or multi-tenant flex buildings. In addition to the business parks, these may be available within the city's neighborhood business districts.

Demand for large industrial spaces is likely to be limited, and these spaces may be subdivided to make them more marketable. Lastly, several of the older industrial properties within the City are located in areas that may be targeted for redevelopment. Examples of this include the industrial flats on the Fox River, or the Pierce Manufacturing site which was recently designated as a redevelopment district. These properties can be expected to be subtracted from the City's industrial space inventory as they are put to new uses.

Office Market Assessment

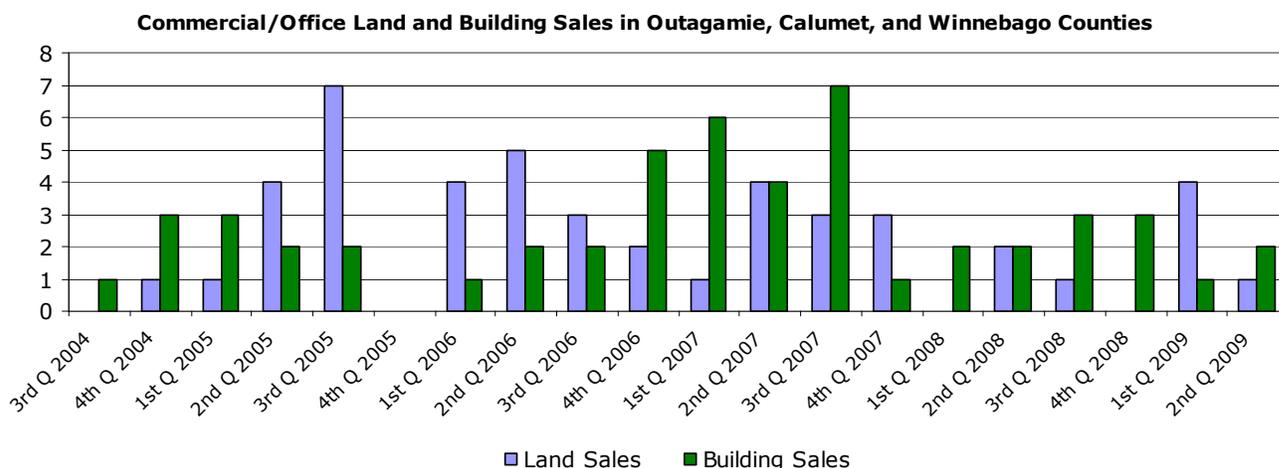
The office vacancy rate in the Appleton/Oshkosh market area was 12.4 percent in the first quarter of 2009, having fallen to about that level in 2008 after a high of about 25 percent in 2005. Appleton's downtown, comprising about one-fifth of the total office space available, had a vacancy rate of 12.5 percent. The highest vacancies were found to the east (17.6 percent) and in outlying areas (20.0 percent). This is likely due to recent speculative construction that has been delivered vacant. Recent office space construction has tended to be located in the suburban parts of the metropolitan area. Within Appleton, this has included the Northeast Business Park and the Southwest Commerce Park, where several new office buildings were completed in recent years, including the new offices of Time Warner, which consolidate several smaller office locations in the area. So far into 2009, net absorption has been highest in the outlying areas, which also have the lowest lease costs.

Based on these statistics, the Appleton market is performing relatively well. The national average office vacancy rate is 15.6 percent, and a growing number of distressed properties are coming on the market. For comparison, the Milwaukee market is averaging a 16.7 percent vacancy with 20.7 percent in the downtown.

Appleton's lease rates average \$15.72 for class A space, and have been trending downward². Class B space is leasing for an average of \$10.91 per square foot. Both class A and B space in the downtown commanded the highest lease rates in the market, at \$17.41 and \$12.06. These areas make up about a third of the market.

All of these lease rates are considerably lower than the national average of \$27.61 per square foot. This is about a two percent decline from the previous quarter. Milwaukee lease rates are closer to Appleton's, at \$17.84 for class A space and \$16.41 for class B space.

As of July 2009 there were 84 office properties listed for lease in the Appleton market. These included a variety of building types, from downtown storefronts multi-level buildings to neighborhood commercial space to new buildings in the City's business parks. Office properties listed for sale included 47 buildings, a majority of which are small to mid-sized properties located in the City's neighborhood commercial districts. There is some overlap in these numbers as properties may be listed both for sale and for lease.



Source: LoopNet

² Grubb & Ellis



Sales within the last five years have not shown any readily discernable patterns, although there does seem to be a slowdown in the sale of vacant commercial land beginning in 2008. Office/commercial building sales are continuing in 2008 and 2009. While not at the same pace as in 2007, the number of sales is not much different than in 2004 to 2006.

Office uses may be developed within several places in the community. The downtown has been the traditional location for these uses, and the Downtown Plan supports further office development with a focus on redevelopment areas north of College Avenue. Newer development is occurring in the City's business parks on the northeastern and southeastern edges of the community. Neighborhood business districts will also receive a share of office uses, although these tend to be comprised of smaller service uses marketing to the neighborhood. One exception to this may be the offices of health care practitioners that are clustered around the hospitals.

Retail

According to the 2007 Consumer Expenditure Survey, the average household in a metropolitan area of the size of Appleton spent \$47,451 on all goods and services. Excluding certain expenses related to housing, utilities, and other items, the typical household spent something like \$26,133 on the kinds of goods and services normally found in commercial areas. Using an estimate of 28,952 households in Appleton, the total annual retail and service expenditures of City residents would equal \$756,602,616.

Appleton's daytime population is larger than the population living in the city³. On any given work day there are about 26,000 people commuting into the city from surrounding communities. These workers will contribute to the City's market potential as they spend at restaurants, retailers, and service providers over the lunch hour and on their trip to and from work. Additionally, residents of the surrounding communities frequently make purchases inside the City of Appleton. This will also increase sales.

The University of Wisconsin – Extension has developed a calculator to estimate the sales potential within a defined area, and to estimate the square feet of retail space that can be supported by the estimated sales. Using the 2007 data (the most current), the calculator provides an estimated retail sales potential of \$494,342,738. This would support approximately 1,654,506 square feet of retail space within the City, assuming that all sales were captured in the City and no outside money flowed in. While this tool is useful for identifying the need for square footage of retail space by category, it is not inclusive of all retail and service activity.

As noted above, the aggregate retail and service expenditures of Appleton residents is approximately \$756,602,616. If \$494,342,738 of this amount is spent on retail goods, then approximately \$262,259,878 is spent on services. Using an average of \$250 per square foot, the service component of consumer expenditures would support 1,049,039 square feet of space, resulting in a total need of 2,703,545 square feet of commercial space.

It is possible to derive an estimate of the need for retail space using alternate methodologies. One common approach is to divide the market potential by the average sales per square foot. ***Dollars and Sense of Shopping Centers*** estimates the average sales in neighborhood centers (which would include both services and retail) at \$319 per square foot. Dividing the market potential of \$756,602,616 by \$319 yields a need for 2,371,795 square feet.

As of January 1, 2008, Appleton's assessment records identify a total of 1,044 commercial properties within the City limits. These properties have an aggregate floor area of 12,110,042 square feet. Office, some light industrial, and other uses are included in this number, in addition to retail and services. The 334 properties identified as having a retail use (NAICS 44 or 45) comprise a total area of 4,500,321 square feet.

The fact that there is considerably more retail space than estimated may be attributable to any number of reasons. The first of these is the potential that Appleton attracts shoppers from outside of the community, as would be expected, given that it is the center of a much larger metropolitan area. This possibility, however, is at odds with the fact that many of the region's largest commercial anchors (the Fox Valley Mall, discount and other big box stores) are located in outlying communities.

A second possibility is that the average sales per square feet in Appleton are lower than the estimates found in ***Dollars and Sense of Shopping Centers***. This is a likely scenario, as the estimates are based on a sample that may not reflect the kinds of commercial properties commonly found in Appleton. The average commercial building in Appleton was constructed in 1969 and is likely to be a single-use structure within an urban

³ U.S. Bureau of the Census, 2000



neighborhood. Centers included in the ***Dollars and Sense of Shopping Centers*** analysis are more likely to be commercial strips anchored by a grocery store or similar large user.

A final consideration is that there may be too large a supply of retail/commercial space within the community. This possibility is supported by the recent construction of substantial new commercial space along Highways 41 and 441, particularly within of Grand Chute and Menasha. If this is the case, it can be expected that there will be an increase in vacancies as businesses leave and less competitive space fails to attract new tenants.

Sales Potential and Retail Space Supported by the City of Appleton, 2007		
Type of Retail Store	Estimated Sales	Space Supported (Sq. Ft.)
Automotive Parts/Accessories/Tires Stores	\$11,664,249	72,988
Furniture Stores	\$14,297,781	66,717
Floor Covering Stores	\$4,710,830	16,737
Other Home Furnishing Stores	\$12,238,334	53,177
Appliance, Television, and Other Electronics Stores	\$23,372,472	63,822
Computer and Software Stores	\$5,156,262	10,416
Camera and Photographic Supplies Stores	\$1,334,914	3,360
Building Material and Supplies Dealers	\$56,364,394	246,747
Lawn and Garden Equipment and Supplies Stores	\$10,046,753	43,982
Grocery Stores	\$129,992,790	367,679
Baked Goods Stores	\$348,722	1,037
Confectionery and Nut Stores	\$335,489	1,048
Beer, Wine, and Liquor Stores	\$7,595,774	28,569
Pharmacies and drug stores	\$45,719,449	129,728
Cosmetics, Beauty Supplies, and Perfume Stores	\$5,711,833	17,234
Optical Goods Stores	\$2,087,143	5,902
Other Health and Personal Care Stores	\$2,769,834	7,834
Gasoline Stations with Convenience Stores	\$45,873,665	37,546
Men's Clothing Stores	\$7,907,727	34,522
Women's Clothing Stores	\$19,146,768	68,111
Children's and Infants' Clothing Stores	\$6,519,729	21,434
Family Clothing Stores	\$15,270,168	55,561
Clothing Accessories Stores	\$684,864	2,739
Other Clothing Stores	\$2,198,419	8,794
Shoe Stores	\$8,233,887	37,819
Jewelry Stores	\$7,569,587	13,177
Luggage and Leather Goods Stores	\$631,186	1,658
Sporting Goods Stores	\$8,480,230	38,872
Hobby, Toy, and Game Stores	\$8,093,189	33,004
Sewing, Needlework, and Piece Goods Stores	\$1,522,448	16,547
Musical Instrument and Supplies Stores	\$1,214,018	6,335
Book Stores and News Dealers	\$4,414,277	27,212
Prerecorded Tape, Compact Disc, and Record Stores	\$3,704,804	16,829
Florists	\$1,622,529	7,099
Office Supplies and Stationery Stores	\$7,260,325	29,634
Gift, Novelty, and Souvenir Stores	\$3,841,869	20,123
Used Merchandise Stores	\$1,916,008	19,160
Pet and Pet Supplies Stores	\$3,418,541	18,068
Art Dealers	\$1,071,476	3,286
TOTAL (Retail)	\$494,342,738	1,654,506

Source: Place Dynamics, U.S. Census Bureau Quarterly Census of Employment and Wages

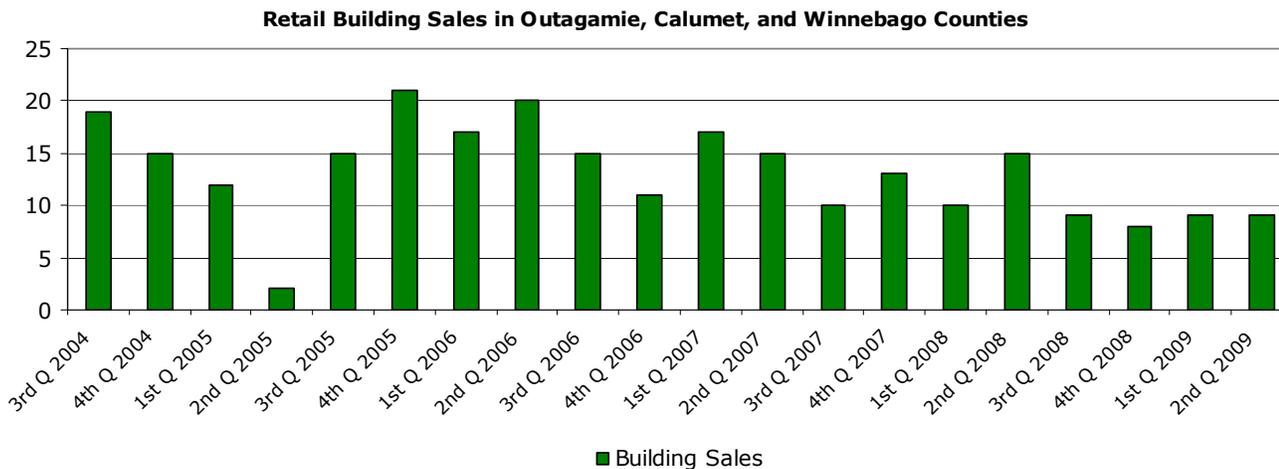
Current retail vacancy data for the Appleton market is not available. The most recent estimate, published in *Heartland Real Estate Business*, was twelve percent in June of 2008. Since that time a number of retailers have closed or moved, leaving large vacant spaces along College Avenue and near the Fox River Mall. In re-



cent years many retailers have been attracted to the area around the mall, which has the second-highest sales volume of all regional malls in the state.

There are currently 66 retail properties listed for sale and 89 for lease within Appleton and the immediate area (having an Appleton address). Rents generally fall in a range from \$7 to \$14 per square foot, with the size of lease spaces starting around 1,000 square feet and extending up to 44,000 square feet.

The five-year trend for retail sales has shown a decline in transactions since 2007. This should be expected given the national trends in retail sales, which have been declining for part of that time.



Source: LoopNet

Sites for retail development can be found within most of the City’s commercial districts. In the case of established areas, this would include redevelopment sites. A concern, however, is that there is already an imbalance between the market demand and the space available, where the supply of space outstrips market demand, particularly within certain commercial areas. At least within the South Oneida Street, Richmond Street, and Wisconsin Avenue corridors, redevelopment may at times have a goal of reducing the amount of commercial space available. A similar strategy may be employed in other areas when warranted.

Opportunities for new commercial development are anticipated to be found principally on the north side as it continues to grow, along Highway 441 at College Avenue and Calumet Street, and in the downtown area, including the industrial flats on the Fox River.

Industry Analysis

The Issues and Opportunities Element (Chapter 4) of the **Comprehensive Plan** includes data related to the composition of Appleton’s economy. In 2005 there were more than twice as many jobs in services (84,100) than there were in goods producing industries (32,700). Most of the growth in the number of jobs between 2000 and 2005 was also within the service sector. Of particular note, Appleton has a strong and growing specialization in professional, scientific, and technical jobs. Its growth rate (44.3 percent) was exceeded only by state government (50 percent) and information (90.9 percent). Manufacturing lost jobs during this period.

Dun & Bradstreet’s National Establishments Time Series (NETS) database allows year-to-year comparisons of firms including non-employers (sole proprietors). Data is available from 2007 extending back to 1993, including a break-down of establishments by size class and whether the firm is non-commercial (i.e., education or government), non-resident (headquartered out-of-state), or resident (headquartered in the state).

Since 1993 there has been growth in nearly every establishment type and size class within the Appleton MSA. This is true of both employment and establishments. The greatest numerical growth in establishments and employment can be attributed to resident firms, or those headquartered within Wisconsin.



Changes examined by establishment size are less clear. An overwhelming proportion of the change in the number of establishments has been in firms with fewer than 10 employees, and all of the growth has been in establishments employing under 100 employees. In fact, there was no change in the number of establishment between 100 and 499 employees, and one fewer establishment employing more than 500 workers. On the other hand, most of the growth in overall employment can be attributed to establishments employing between 10 and 99 employees, and establishments employing more than 500 people.

	Establishments			Employment		
	1993	2007	Change	1993	2007	Change
Non-commercial	483	687	204	13,148	15,327	2,179
Non-resident	564	719	155	24,252	27,823	3,571
Resident	7,008	9,813	2,805	68,807	86,543	17,736
Total	8,055	11,219	3,164	106,207	129,693	23,486
1 to 9 employees	5,810	8,259	2,449	17,084	20,566	3,482
10 to 99 employees	1,106	1,455	349	26,643	35,507	8,864
100 to 499 employees	81	81	0	14,224	16,077	1,853
500+ employees	11	10	1	10,856	17,393	6,537

Source: Dun & Bradstreet National Establishment Time Series Database

A somewhat different economic picture can be seen when looking at only the last five years. During this period there was a decline in the number of non-commercial and non-resident establishments within the metropolitan area, and a corresponding decline in employment. All of the net growth in both establishments and employment can be attributed to resident establishments. As in the previous 15-year period, employment growth was strongest in establishments with 10 to 99 employees, and those over 500 employees.

	Establishments			Employment		
	2003	2007	Change	2003	2007	Change
Non-commercial	742	687	-55	16,619	15,327	-1,292
Non-resident	821	719	-102	31,824	27,823	-4,001
Resident	9,084	9,813	729	83,937	86,543	2,606
Total	10,647	11,219	572	132,380	129,693	-2,687
1 to 9 employees	7,569	8,259	690	19,858	20,566	708
10 to 99 employees	1,410	1,455	45	33,722	35,507	1,785
100 to 499 employees	97	89	-8	17,474	16,077	-1,397
500+ employees	8	10	2	12,883	14,393	1,510

Source: Dun & Bradstreet National Establishment Time Series Database

The NETS data also contains data on establishment openings, closures, and migration in or out of the area. Over the last 15 years the net number of establishments added through openings and closures, and though migration, has been generally positive. In the last five years, however, more non-commercial and non-resident establishments have closed than have opened, although there was a net increase of five non-resident establishments due to migration. This was offset by an identical number of resident establishments moving out of the metropolitan area.

Shift-share analysis is a technique for measuring components of change in the local economy. The value in this analysis is that it breaks out the portions of change that can be attributed to overall economic growth or decline at the national level, growth or decline attributable to change within the industry, and that portion of change that is the result of regional competitive advantage.



Shift-Share Analysis for Major Industry Classes, 1993 to 2007

Sector	Growth Attributed to...		
	National Growth	Industrial Mix	Competitive Share
Natural Resources and Mining	23.8	-15.4	75.5
Information	23.8	-11.5	48.6
Professional and Business Services	23.8	30.8	45.2
Public Administration	23.8	-11.0	26.3
Financial Activities	23.8	-2.0	16.9
Education and Health Services	23.8	12.7	13.7
Manufacturing	23.8	-41.3	8.4
Trade, Transportation, and Utilities	23.8	-5.4	3.8
Other Services	23.8	1.6	0.8
Leisure and Hospitality	23.8	14.2	-6.0
Construction	23.8	35.9	-20.8

Source: Place Dynamics, U.S. Census Bureau Quarterly Census of Employment and Wages

The shift-share technique was also used to examine change within a more recent period, from 2003 to 2007. Differences between the two periods may indicate a strengthening or weakening of the regional advantage enjoyed in Appleton. As the table demonstrates, the competitive advantage enjoyed for many industries in Appleton over the long term has eroded in the current recession. Although the analysis does not offer any insight into the factors that contribute to a local advantage for a particular industry, or why it may currently be weaker, some possible conclusions are:

- The relative strength of regional markets served by Appleton establishments. If customers in the state or region are cutting back, then it will impact Appleton businesses that supply them.
- Internal or external changes in the industry's locational criteria that favor or discourage investment.
- The particular mix of industry sub-sectors in the local economy.

Shift-Share Analysis for Major Industry Classes, 2003 to 2007

Sector	Growth Attributed to...		
	National Growth	Industrial Mix	Competitive Share
Public Administration	5.9	-3.7	11.2
Manufacturing	5.9	-10.4	7.1
Natural Resources and Mining	5.9	4.3	5.5
Information	5.9	-10.4	2.7
Other Services	5.9	-1.7	2.4
Financial Activities	5.9	-2.0	2.2
Education and Health Services	5.9	2.1	1.8
Trade, Transportation, and Utilities	5.9	-1.2	-1.7
Leisure and Hospitality	5.9	3.7	-2.4
Professional and Business Services	5.9	6.6	-3.3
Construction	5.9	7.0	-11.2

Source: Place Dynamics, U.S. Census Bureau Quarterly Census of Employment and Wages

The North American Industrial Classification System (NAICS) is used to describe subsets of industries. Data is grouped in a hierarchy from a two-digit code that describes super-sectors to the level of an eight-digit code



for very specific industry descriptions. Unfortunately, data is withheld when there are very few firms of any class within a study area. For that reason, the three-digit NAICS description is often the most detailed level for which data is available for most industries. Even at this level, data is withheld for important local industries such as paper manufacturing and professional and technical services.

The following table organizes reported industries based on changes in employment and regional concentration of the industry. Several industries are listed in the lower left quadrant, where employment and industry concentration are both in decline. These industries are declining faster than the national average. In the lower right, industries with increasing employment but a decreasing concentration are growing more slowly than the national average. Industries in the upper left quadrant (of which there are none) may be those that are declining at a pace that is slower than in the nation as a whole. Lastly, those in the upper right quadrant are expanding at a faster pace. This last set of industries is often the source for industries to target for recruitment. However, it is important to remember that this analysis included data for only 40 of 93 industries at the three-digit NAICS level. Some of those for which data is not available may be viable targets, as may be sub-sectors of the other industries listed here.

Employment Growth and Local Concentration in Industries in the Appleton MSA	
None identified	Animal production (112) Heavy and civil engineering construction (237) Wood product manufacturing (321) Printing and related support activities (323) Primary metal manufacturing (331) Fabricated metal product manufacturing (332) Electrical equipment manufacturing (335) Transportation equipment manufacturing (336) Electronic markets and agents and brokers (425) Electronics and appliance stores (443) Building material and garden supply stores (444) Gasoline stations (447) Broadcasting, except internet (515) Credit intermediation and related activities (522) Accommodation (721) Food services and drinking places (722) Repair and maintenance (811) Personal and laundry services (812) Membership associations and organizations (813)
<i>Decreasing employment and increasing concentration</i>	<i>Increasing employment and concentration</i>
<i>Decreasing employment and concentration</i>	<i>Increasing employment decreasing concentration</i>
Construction of buildings (236) Food manufacturing (311) Textile mill products (314) Machinery manufacturing (333) Merchant wholesalers, durable goods (423) Merchant wholesalers, nondurable goods (424) Motor vehicle and parts dealers (441) Furniture and home furnishings stores (442) Food and beverage stores (445) Miscellaneous store retailers (453) Air transportation (481) Truck transportation (484) Couriers and messengers (492) Telecommunications (517)	Mining, except oil and gas (212) Specialty trade contractors (238) Warehousing and storage (493) Insurance carriers and related activities (524) Real estate (531) Nursing and residential care facilities (623) Private Households (814)
<i>Source: Place Dynamics, U.S. Census Bureau Quarterly Census of Employment and Wages</i>	

A study of the northeastern Wisconsin region, prepared for NEWREP, has identified a series of industries that may be suitable for targeting. These include:



- biorefining/paper products
- printing and publishing
- insurance products
- production technology
- nutraceuticals
- machine tool design
- health care
- biomass/agriculture/food processing
- maritime vessels and equipment
- tourism
- specialty crops
- automated manufacturing technology
- education and workforce training services
- new economy building block created products

In general, Appleton will benefit from a diverse set of target industries that recognize continuing changes in the economy and the talents of the existing work force. The following are some potential targets.

Manufacturing

Manufacturing has been the core of Appleton’s economy, despite the fact that it no longer offers the most jobs. Appleton continues to exhibit strength in high technology and highly-skilled manufacturing sectors such as machinery manufacturing, primary metal manufacturing, fabricated metal product manufacturing, and electrical equipment manufacturing.

Retail

While not typically a target for business attraction, there are several reasons why Appleton may want to pursue retail, especially within certain parts of the community. From the late 1980’s onward, the primary focus for retail development was in the Town of Grand Chute. Following the opening of the Fox River Mall, several other large commercial centers were developed in that vicinity. Now a significant number of those storefronts are empty. Nationally, there are thousands more stores closing than there are opening. With a smaller pool of prospective tenants, the owners of vacant space should be expected to target Appleton businesses to get them to move into their buildings.

Appleton has vacancies of its own, as well as underutilized space on corridors such as Wisconsin Avenue. In addition, the City is hoping to spur mixed use development at the edges of downtown and in the Fox River valley. Redevelopment will not occur without tenants to fill the new space.

Professional, Scientific, and Technical Services

Included within this industry grouping are several of the creative class professions. Across the board, however, the concentration in employment within these sectors is below national average. One reason for this may be a tendency to serve a primarily local market, instead of seeking customers across a broader region. The promising news is that these concentrations are increasing. Some of the potential targets include architectural and engineering services, specialized design services, computer systems design and related services, management and technical consulting services, and scientific research and development services.

Financial and Insurance Activities

While most sectors of Appleton’s finance and insurance industry grew between 2003 and 2007, the opportunities for business attraction are in those sub-sectors that serve outside markets. Two of these are activities related to credit intermediation (NAICS 5223) and insurance carriers (NAICS 5241), both of which have exhibited strong growth.



Health Care and Related Services

The health care industry has been growing steadily and its growth is expected to continue as the population ages. Appleton is home to two outstanding hospitals along with numerous other clinics and the offices of health care professionals. In addition, the City has a number of private residential facilities for elderly and other special needs residents. Additional opportunities for the City to explore may include medical records and billing functions.

Redevelopment Opportunities

The City of Appleton has identified several sites in which it would like to encourage redevelopment. For the most part, Appleton's approach to redevelopment has consisted of a combination of reacting to redevelopment proposals from the private sector, and establishing a policy framework to facilitate redevelopment. This latter approach may include designation of neighborhood redevelopment areas or creation of tax incremental financing districts. There are few instances in which the City has taken a proactive approach to conduct land assembly or land banking for future redevelopment.

These include brownfield sites located throughout the community. Brownfield sites may include industrial contamination or be related to leaking underground storage tanks. Known sites are depicted on the following page.

Fox River Sites

Former industrial sites along the Fox River have been a priority for redevelopment including both public and private reuse. Tax Incremental Financing District #8 includes the Foremost Dairy site and the M & I Drilling site, both of which have redevelopment proposals in place. Other potential redevelopment sites include current and former manufacturing properties on the industrial flats. These opportunities are further documented in the **Fox River Corridor Plan**.

Downtown Sites

The area immediately north of downtown contains several vacant or under-developed properties that have been identified for potential redevelopment. This area is roughly bounded by Washington Street, Morrison Street, North Street, and State Street. Mixed residential and commercial uses are appropriate for this area.

The south end of Morrison Street has also been identified as suitable for redevelopment, not because of the conditions of the buildings in the area, but because of the potential views the site offers. Both of these sites are further discussed in the **Downtown Plan**, including recommendations related to design and density.

College Avenue

A large number of commercial vacancies are found along College Avenue from Badger Avenue west to Highway 41. Given the number of affected properties and the size of some of the parcels involved, as well as the weak demand for commercial space, it may be advisable to consider alternative uses along parts of the corridor. This area includes land within the Town of Grand Chute as well as the City of Appleton, and may provide an opportunity for the two communities to collaborate on redevelopment approaches.

Commercial Corridors

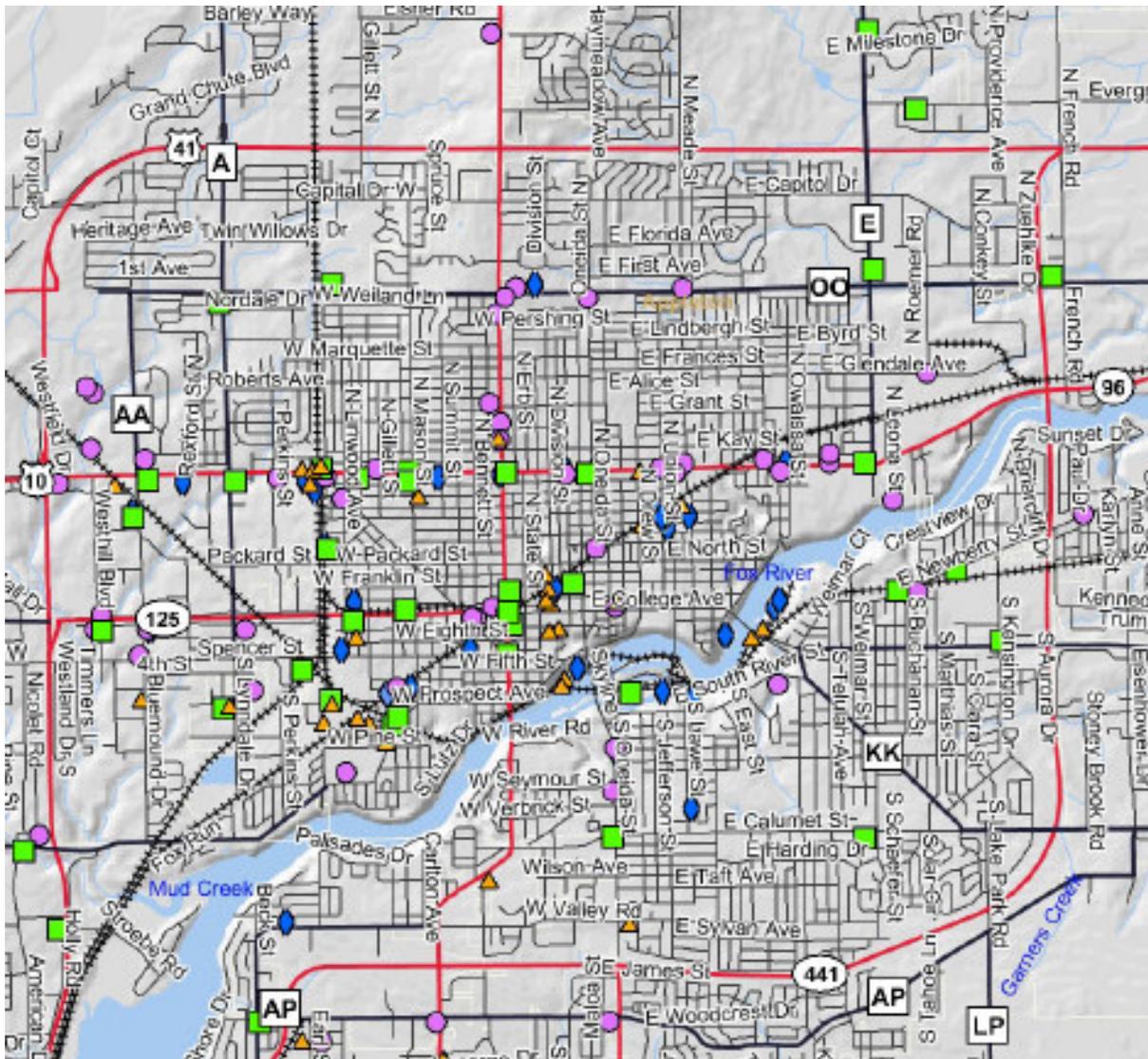
Appleton has identified three commercial corridors for further study in the **Comprehensive Plan**. Detailed recommendations for South Oneida Street, Wisconsin Avenue, and Richmond Street are found in their respective chapters of the plan.

Land and Buildings

Appleton has several planned business or industrial parks along with other parts of the community in which office, retail, and industrial uses are concentrated. Over time there has been a transition in the location of industry within the city. The Fox River valley was the original location of most industries from the mid-1800's onward due to the availability of water power. Office and commerce clustered in the downtown. As electricity replaced water power industry began to move inland to locations where larger sites, highway access, or other amenities could be found. The center of retail trade shifted to the Fox River Mall after it opened in 1984. More recently, most new office construction has occurred on the north side, along Highway 41.



Known Environmentally Contaminated Sites



Source: Wisconsin Department of Natural Resources

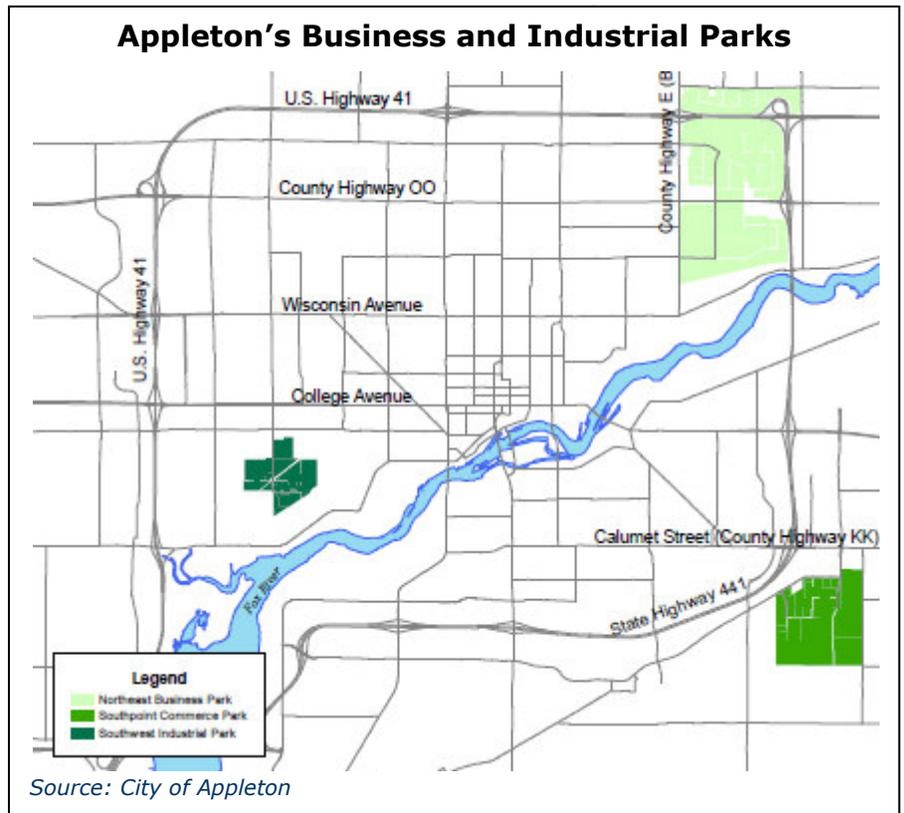
Key: purple/circle = groundwater contamination only; orange/triangle = soil contamination only; green/square = soil and groundwater contamination; blue/diamond = ongoing cleanup

Industrial Parks

Appleton's three business parks are identified on the map below. All three offer lots for development along with existing buildings that can be purchased or leased. As of June of 2009 this space included:

- Southwest Industrial Park (1969):
 - seven buildings available for sale and/or lease, ranging in size from 6,000 square feet to 270,489 square feet in size, zoned M-2 general industrial.
 - two lots for sale, both 1.87 acres, zoned M-2 general industrial

- one 1.86 acre lot for lease for outdoor storage, zoned M-2 general industrial
- Southpoint Commerce Park (1995):
 - 30 industrial use lots currently available for sale, ranging from 1.44 to 14.6 acres, priced at \$40,000 per acre
 - two office lots available for sale, 3.26 to 3.6 acres, at \$45,000 per acre
 - the commerce park has significant land area available for future expansion phases
- Northeast Business Park (1977):
 - space available to lease in 16 buildings, ranging in size from 1,200 square feet to 105,000 square feet, zoned M-1 industrial park
 - space available to lease in four buildings, ranging in size from 2,835 square feet to 19,000 square feet, zoned C-2 general commercial
 - 13 lots listed for sale from one acre to eight acres, zoned M-1 industrial park
 - four lots listed for sale from 1.1 acre to 6.4 acres, zoned C-2 general commercial
 - two properties listed as build to suit or build to lease opportunities.



These business and industrial parks have all been developed recently and are fully served by municipal water and sewer services. Access is good, particularly to the Southpoint Commerce Park and Northeast Business Park, which are located near Highway 441 and Highway 41, respectively.

Competitive locations within the region are generally comparable in terms of infrastructure, rail and highway access, and other features. The exception to this is the Airport Industrial Park at Outagamie County Regional Airport. The park has 53 acres available, fully developed with water, sewer, electric, natural gas, and telecommunications infrastructure. It is adjacent to a taxiway and runway.

Central Business District (Downtown)

Appleton's central business district contains approximately 1.45 million square feet of commercial space⁴. This space commands the highest rents in the metropolitan area, and enjoys one of the lowest vacancy rates, attesting to the desirability of the district as a place to conduct business. This commercial space is mostly located along either side of College Avenue and south to Lawrence Street. North of College Avenue the pattern of development becomes more fragmented, with smaller buildings and large areas of parking. These sites present excellent redevelopment opportunities further discussed in the **Downtown Plan**.

The downtown is attractive for many reasons. It is the center of government, has a great number of restaurants and cultural venues, is adjacent to Lawrence University, is served by public transit, and houses a diverse

⁴ Grubb & Ellis

set of businesses. Downtown is also a mixed-use neighborhood with housing, retail and services, and employment all in close proximity. It features good urban design and has a vibrant street life. Challenges for downtown include the availability and cost of providing parking, constraints posed by the existing building stock, areas in need of redevelopment, and negative perceptions associated with bars, homelessness, and the concentration of social services in the area.

Neighborhood Commercial Districts

Neighborhood commercial uses tend to be found lining the arterial corridors, including Northland Avenue, Wisconsin Avenue, College Avenue, Calumet Street, Richmond Street, Ballard Road, and South Oneida Street. Many of the properties bordering these streets were platted decades ago, with small lots lacking adequate frontage, depth, and area to redevelop without assembly of multiple lots. Building and site conditions vary from aging commercial structures to more recently-developed, modern buildings. Some commercially-zoned lots have remained in single family residential use.

Strengths, Weaknesses, Opportunities, and Threats

The following is a brief list of strengths, weaknesses, opportunities, and threats identified for Appleton. These may help to frame economic development policies and programs for the City to adopt.

Strengths

- Downtown Appleton remains the political, social, cultural, and economic hub of its metropolitan area. Its efforts at revitalization have been largely successful.
- The region offers a quality of life that is very conducive to raising a family. Good housing is affordable, schools are excellent, the community is safe, and it offers many family-oriented amenities.
- Appleton has well-developed infrastructure. Its water treatment and wastewater treatment plants have the capacity to accommodate new growth.
- The City has a strong base of employers in diverse sectors. Its locally-owned businesses have been the source of much of the metropolitan area's employment growth in recent years.

Weaknesses

- Like most of Wisconsin, the Appleton area is experiencing a "brain drain" of college-educated young people. The same quality of life that appeals to families may not offer what these individuals prefer. Additionally, the area may not offer the job prospects found in cities like Chicago and Minneapolis.
- A report prepared for NEWREP notes concerns about parochialism in the region, where businesses, organizations, communities, and individuals tend not to look beyond the immediate region for ideas and opportunities. This may be reflected in areas such as trade. For example, while Wisconsin is a leading producer of manufacturing machinery, only 25 percent of it is exported. This compares to 40 percent nationally.
- An aging work force, particularly in skilled manufacturing, may threaten the competitiveness of the region.
- Expansion on the City's north side will require investment in considerable new infrastructure for roads, water supply, and wastewater collection, as well as investments in services such as police and fire protection, and parks.
- Like most of Wisconsin, Appleton does not have a strong entrepreneurial culture.

Opportunities

- Residential growth on the city's north side will create a need for additional commercial activity. This may occur at the intersection of French Road and Edgewood Drive.
- Growing cooperation among area communities may help in tackling issues that cross municipal borders, such as conditions on College Avenue.
- There is a sizable component of creative class residents in the Appleton area. Future economic activity may be closely linked to this demographic.



- The Appleton region continues to have a strong agricultural sector. Growing interest in specialty, organic, and locally-grown foods may be an opportunity for growth in food product manufacturing.
- Redevelopment sites along the Fox River and in the downtown area present an opportunity to create vibrant mixed-use centers that will draw residents and visitors back to the city center.

Threats

- Urban sprawl in the metropolitan area is spreading the population base, creating rival commercial centers, and sapping economic activity from the central city.
- The city's manufacturing base is threatened by changes in demand and competition from overseas. Traditionally important industries such as paper manufacturing are undergoing a major restructuring that has led to the closure of plants throughout the United States and Canada, including some in Wisconsin.
- Aging neighborhoods can begin to show signs of deterioration. This is a general threat for cities such as Appleton. Declines in the housing market may exacerbate the problem.

Economic Development Programs and Partnerships

Appleton works collaboratively with organizations in the City and region that help to promote economic development. The following is a listing and brief description of some of these organizations.

Economic Development Partnerships

The City of Appleton works in partnerships with many local, regional, and state organizations to promote economic development. The following are some of the City's strategic partners.

- **Appleton Downtown, Inc.**
Appleton Downtown, Inc. (ADI) is a not-for-profit community coalition dedicated to an economically strong, safe, attractive, and exciting downtown. ADI works with the City of Appleton to recruit new businesses and retain existing businesses in the downtown. The organization conducts programming (such as the farmers markets and downtown concerts) conducts marketing, and provides on-on-one assistance to business. It maintains an economic development committee to administer its façade grant program, recruit new businesses, conduct business retention efforts, and address issues affecting the economic growth and stability of the downtown.
- **Calumet County**
Calumet County seeks to maintain a thriving economic environment through collaboration and partnerships with communities and other economic development and tourism organizations in the county. The county economic development program helps assists existing businesses and new businesses through low interest loans, grants, technical assistance, workforce training, and any other type of assistance needed.
- **Forward Wisconsin**
Forward Wisconsin was established in 1984 to market economic development opportunities in Wisconsin to out-of-state businesses. It works closely with partners in local communities to carry out marketing initiatives targeting specific industries and general business recruitment from neighboring states. State funding for Forward Wisconsin has been declining for several years. The future of the organization is in doubt.
- **Fox Cities Chamber of Commerce**
The Chamber represents the cities of Appleton, Kaukauna, Menasha and Neenah; the towns of Buchanan, Clayton, Grand Chute, Greenville, Harrison, Kaukauna, Menasha, Neenah and Vandenbroek, and the villages of Combined Locks, Hortonville, Kimberly, Little Chute and Sherwood. The Fox Cities Chamber plays a leadership role in regional economic development efforts in Northeastern Wisconsin, through partnerships with organizations including the Northeast Wisconsin Chamber Coalition, the Fox Cities Economic Development Partnership, Northeast Wisconsin Economic Development Partnership, Northeast Wisconsin Educational Resource Alliance, area Workforce Development Boards and area units of government to fa-



shion an effective strategy. The Chamber is currently engaged in a study to determine the potential for a regional business park.

- **Fox Cities Convention and Visitors Bureau**

The Fox Cities Convention & Visitors Bureau is an economic development organization that seeks to boost tourism and visitation to the area through sales, marketing and destination development. In addition to its media and event promotional efforts, the CVB is a partner in developing local resources such as the potential convention center. The organization is funded primarily by hotel room tax collected by its 18 supporting municipalities.

- **Fox Cities Economic Development Partnership**

Fox Cities Economic Development Partnership is a business attraction organization comprised of regional municipalities, organizations, and utilities interested in promoting the economic growth of the Fox Cities. Its mission is to foster economic development by creating and implementing marketing programs that promote the area as an attractive place for business and industry. The organization's overall goal is to coordinate and implement economic development activities in an effort to attract, create, and retain business and industry in the Fox Cities region.

- **The New North**

The New North is a regional partnership made up of private and public sector partners from 18 counties in northeastern Wisconsin. It is established as a non-profit corporation with a mission to "harness and promote the region's resources, talents, and creativity for the purpose of sustaining and growing our regional economy." The New North accomplishes this by fostering regional collaboration, focusing on targeted growth opportunities, supporting an entrepreneurial climate, encouraging educational attainment, encouraging and embracing diverse talents, and promoting the regional brand.

- **Northeast Wisconsin Regional Economic Partnership**

NEWREP was originally created to administer the technology zone tax credit program for the New North region, although its members have pursued other initiatives having a regional impact. Founded in 2002, the organization is comprised of representatives from 16 counties and the Menomonee Tribe. This group provides hands-on support and programming for existing and prospective New North businesses. NEWREP's focus is on businesses engaged in research and the development of advanced products, along with businesses that use advanced technology in their production, operations, or manufacturing process.

- **Northside Business Association**

The Appleton Northside Business Association is dedicated to improving business conditions on Appleton's north side. This is accomplished through regular meetings, networking opportunities, participation in community improvement efforts, and government affairs.

- **Outagamie County**

Outagamie County's economic development efforts are coordinated through the Planning Department. The County participates in regional efforts to promote the economic opportunities in the Fox Cities, and through the Greater Outagamie County Economic Development Corporation (GOCEDC), which covers the remainder of Outagamie County located outside the Fox Cities area. The Greater Outagamie County Economic Development Corporation (GOCEDC) was formed in May 1997 by communities and organizations interested in the economic development of the smaller communities that lie outside the urbanized Fox Cities region.

- **Service Corps of Retired Executives**

As "counselors to America's small business", the Service Corps of Retired Executives is a nonprofit association dedicated to entrepreneur education and the formation, growth and success of small businesses. SCORE members serve as counselors, advisors, and mentors to aspiring entrepreneurs and current business owners, providing free counseling and low-cost workshops within the Fox Cities. Working and retired executives and business owners donate their time and expertise as business counselors. Services are available to anyone looking to start a business or a current business owner looking for some new ideas and support. Assistance provided includes help with developing a business plan, marketing ideas, financial resources, and professional contacts.



- The Venture Center

Located at the Fox Valley Technical College, the Venture Center seeks to link education, businesses, and economic developers to foster business start-up and growth. The center provides a number of programs directed to entrepreneurial training, business education, and corporate innovation.

- Winnebago County

Winnebago County promotes economic development through the Winnebago County Industrial Development Board, which is a function of the Planning Department. The Industrial Development Board conducts promotional and marketing efforts and administers the county's business incentive programs.

- Wisconsin Department of Commerce

The Wisconsin Department of Commerce plays multiple roles in promoting the economic development of the state and individual communities. Commerce's area development managers are a resource for assistance and access to a wide variety of state programs to aid in business and community development. Commerce administers multiple financial and technical assistance programs available to local communities, often on a competitive basis.

Local Economic Development Programs

In addition to the following local economic development programs, the State of Wisconsin and other organizations may offer a wide variety of assistance programs for businesses.

- Business Counseling

Calumet County offers free one-on-one business counseling sessions for new and existing business owners in the county, through the University of Wisconsin Extension. Participants may receive advice on business planning, financing, marketing and other business issues.

- Calumet County Revolving Loan Fund

The revolving loan program is intended to create jobs within the county. Business owners may apply to receive generally small loans at a four-percent interest rates.

- Downtown Façade Grant (Appleton Downtown, Inc.)

Appleton Downtown, Inc. provides grants up to \$5,000 to properties located within the business improvement district (BID) boundaries. Grants must be used for projects to rehabilitate the façades of buildings.

- E-SEED Program

E-Seed is a 15 week entrepreneurial training program to assist start up and early-stage entrepreneurs in accounting, legal, marketing and management issues. Both start-up and growing businesses benefit from the hands-on, interactive sessions that provide practical tools to prepare a useful business plan that can be applied immediately to business ventures. Offered through Fox Valley Technical College, there is a fee for the program, however, applicants may be eligible for a grant from the Wisconsin Department of Commerce.

- Industrial Revenue Bonds / Redevelopment Revenue Bonds

Appleton may issue bonds to provide funding for some projects. Wisconsin's Industrial Revenue Bond (IRB) program grants the bonding authority up to \$10 million to municipalities to issue the bonds on behalf of a business. The bonds are sold by the municipality, which in turn, lends the proceeds of the sale to the business. The facilities and equipment are pledged as collateral for the loan. A similar approach is taken for redevelopment bonds.

- Neighborhood Revitalization Program Business Grants

Appleton's Neighborhood Revitalization Program (NRP) is a façade grant program available to businesses within the NRP's targeted neighborhoods. Started in 1998, the program has provided assistance to 49 businesses in the community.

- Tax Incremental Financing



Appleton currently has eight tax incremental financing districts located within various parts of the community. A tax incremental financing district (TID) is a program to provide funding for specific economic development purposes within the district. Private investment within the TID leads to higher property values, and hence to additional tax revenues. These additional tax revenues are earmarked to fund public improvements that encourage new investment to occur.

- Technology Tax Credit Program (Northeast Wisconsin Regional Economic Partnership)

The NEWREP administers a statewide technology tax credit program for northeastern Wisconsin, including Appleton. High technology businesses, defined as those engaged in the activities of research, development, or manufacture of advanced products or materials for use in factory automation, biotechnology, chemicals, computer hardware, computer software, defense, energy, environmental, manufacturing equipment, medical pharmaceuticals, photonics, subassemblies and components, test and measurement, telecommunications, and transportation, or a business that is identified by NEWREP as part of a target cluster and is a knowledge-based business or a business that utilizes advanced technology production processes, systems, or equipment, are eligible for a tax credit to be applied against state income taxes. Businesses may receive up to a \$250,000 allocation to invest in buildings, equipment, research and development, and/or human capital.

- Winnebago County Revolving Loan Program

This program provides financing to local units of government in the County that have business or industrial development projects that provide quality job opportunities and increases the tax base of the county. Funds can be used by local units of government to finance infrastructure improvements within their industrial parks, construct speculative buildings, purchase real estate, and to financially assist businesses and industries that wish to expand or relocate within the County.

Objectives and Policies

The overall goal for economic development stated in Chapter 4 is that "Appleton will pursue economic development that brings good jobs to the area and supports the vitality of its industrial areas, downtown, and neighborhood business districts. This will be accomplished through the following objectives and policies.

9.1. OBJECTIVE: Grow Appleton's business community through recruitment, expansion, and retention programs that ensure a diverse business mix and jobs that pay well.

- 9.1.1. Prepare and implement a business recruitment program that targets suitable businesses in manufacturing, business and professional services, retail, and other industries.
- 9.1.2. Work with the existing business community to help identify and tap opportunities for expansion.
- 9.1.3. Implement business retention program including regular business visits and monitoring of business conditions within key industry groups.
- 9.1.4. Evaluate the effectiveness of state, regional, and local incentive programs in meeting the financial and technical assistance needs of businesses, and create or revise programs accordingly.

9.2. OBJECTIVE: Create the resources and culture in which entrepreneurial development is encouraged.

- 9.2.1. Develop a program for entrepreneurial development comprised of networking, financial assistance, training, and supportive services for all types of entrepreneurs.

9.3. OBJECTIVE: Ensure the continued vitality of downtown and the City's neighborhood commercial districts.

- 9.3.1. Implement the recommendations found in the Downtown Plan.
- 9.3.2. Implement the recommendations adopted in the corridor plans for South Oneida Street, Richmond Street, and Wisconsin Avenue.
- 9.3.3. Monitor business activity and physical conditions within Appleton's business district on a regular basis to provide early identification of issues that may need to be addressed.



9.4. OBJECTIVE: Encourage new development and redevelopment activities that create vital and attractive neighborhoods and business districts.

- 9.4.1. Ensure a continued adequate supply of industrial and commercial land to sustain new business development.
- 9.4.2. Proactively acquire property targeted for redevelopment and develop a land bank to assist in property assembly.
- 9.4.3. Ensure quality development by requiring that all new construction meets or exceeds the minimum design criteria determined appropriate for the area in which the site/building is located.

9.5. OBJECTIVE: Create a community environment that is conducive to attracting and retaining the creative class.

- 9.5.1. Continue the City's efforts to expand and improve its amenities such as parks and recreation, the Performing Arts Center, and other cultural or civic offerings.
- 9.5.2. Encourage the creation of vibrant mixed-use urban areas in the downtown and on along the Fox River that is both walkable and bicycle-friendly.

9.6. OBJECTIVE: Work collaboratively with other municipalities, organizations, and private entities to advance the economic development of the entire region.

- 9.6.1. Continue the City's involvement and support for regional economic development organizations such as NEWREP and the New North.
- 9.6.2. collaborate with neighboring communities on economic development issues that cross jurisdictional boundaries, such as commercial vacancies along College Avenue.

