



2011

Growth Report



Community & Economic
Development Department
City of Appleton
March 14, 2012

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INTRODUCTION

Each year the Community and Economic Development Department prepares an Annual Growth Report (Report). The purpose of the Report is to analyze growth figures over a period of ten years to determine if Appleton is capturing its historically proportionate share of growth. The Report looks at Appleton's building permit activity and equalized valuation and compares them with the Fox Cities region. This year's Report will compare the City of Appleton to other competitor cities in the State of Wisconsin and throughout the United States that we compete with for jobs and economic development. Other areas addressed include: success in target growth areas, prospects for growth, barriers that need to be overcome to continue growth, and a synopsis of the marketing efforts taken to promote growth.

The City of Appleton like most cities continues to see a decline in the amount of economic development activity. The employment base in Appleton and the Fox Cities remains competitive and stable. The biggest sector of decline for the City of Appleton is the number of commercial permits. The total number of permits hit a ten year low of 126 and contributed only \$15 million (which is also a ten year low) to the total construction value in 2011.

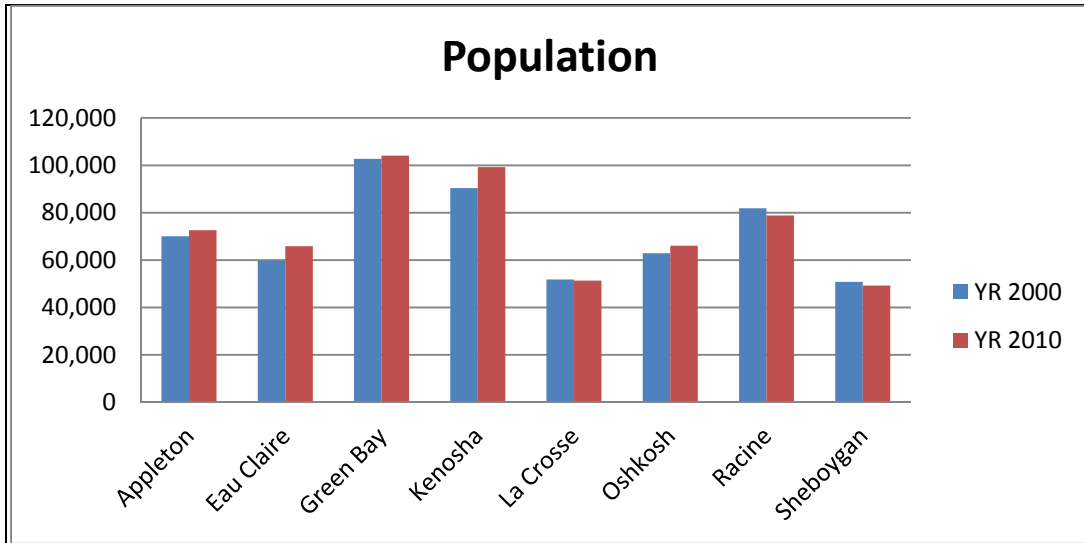
The City of Appleton's unemployment rate continues to decline from its annual average last year of 10% down to 8.8% in 2011. A positive sector of economic development for the city was the average price of a new home increased to around \$300,000 up from last year's increase over the previous year.

The City of Appleton's Tax Increment Districts (TID) remain in fluctuation with some continuing to produce steady positive increment, while others are still need to be stabilized from loss of value and reassessment of properties. TID #3, was created January 1993 in downtown to stimulate commercial development, expand the tax base, increase employment and reduce blight. On July 20, 2011, the Appleton Common Council approved an Amendment to the Project Plan for TID #4 declaring the district distressed under State Statues 66.1105 (4e) thus extending the life by ten years providing a longer period of time over which to recover project costs.

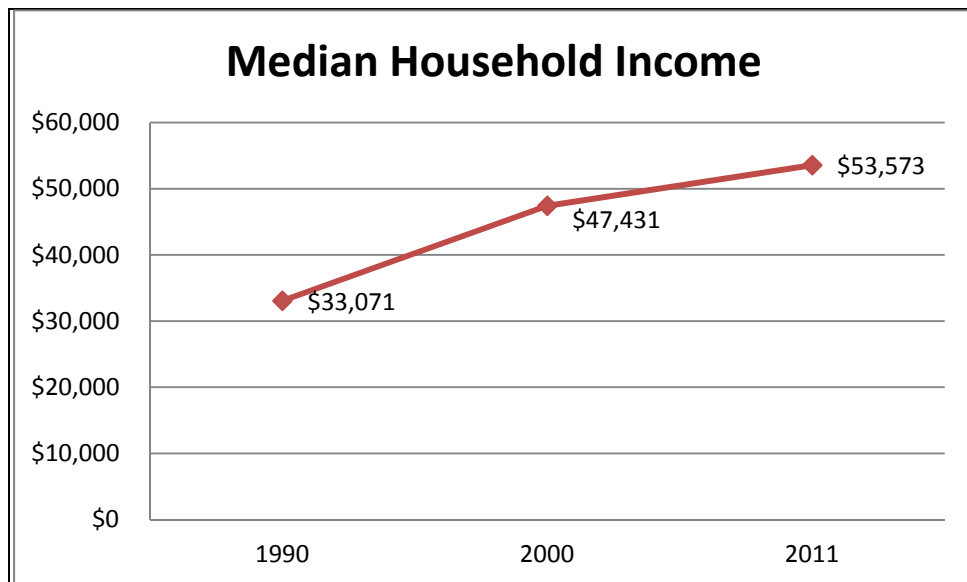
Appleton has seen tremendous development activity along its waterfront areas. New construction projects are underway at RiverHeath, Eagle Flats, and the former Foremost Farms site, with all developments either opening or starting new phases in 2012.

DEMOGRAPHICS

The City of Appleton has experienced population changes in the last three censuses. The City saw about a 1.7% increase in population in 2010 from that of the 2000 census. This number is within the average of other midsize cities in the State of Wisconsin.



The median household income within the City of Appleton continues to increase, which is a great asset when corporations and retailers are looking to locate in the City. The chart below gives a 20 year historical trend of the increase in median household income in the City. The 2010 Census showed that the median household income in Appleton was \$51,275.



As with many cities, Appleton is starting to see an increase in its aging population and there are select geographic neighborhoods that we can pinpoint to start analyzing for future neighborhood development. If you refer to the map on the next page, you will see clusters of 29, 30, 57, and 65. These are Tapestry segments that make up a Life Mode called “Senior Styles”. These areas of the City are within close proximity to primary and secondary schools, and it is imperative that we continue to provide the adequate housing styles for all populations including young families with school age children as well as seniors who lived in a neighborhood for generations and want to remain there. This is merely one example of the demographics that the Community and Economic Development Department will continue to monitor.

The following page shows a map of the Dominant Tapestry Segmentation type for the Appleton Area. Tapestry segmentation provides an accurate, detailed description of America’s neighborhoods. U.S. residential areas are divided into 65 segments based on demographic variables such as age, income, home value, occupation, household type, education and other consumer behavior characteristics. Segmentation systems operate on the theory that people with similar tastes, lifestyles, and behaviors seek others with the same tastes (hence the phrase, “like seeks like”). These behaviors can be measured, predicted and targeted.

Life Mode Summary Group Segment Codes

Appleton codes in red text

L1 High Society 01, **02**, 03, **04**, 05, 06, 07

Affluent well educated married-couple homeowners

L2 Upscale Avenues 09, 10, 11, **13**, 16, **17**,

18 - *Prosperous, married-couple homeowners in different housing*

L3 Metropolis 20, **22**, 45, 51, 54, 62

City dwellers in older homes

L4 Solo Acts 08, 23, 27, **36**, **39**

Urban young singles on the move

L5 Senior Styles 14, **15**, **29**, **30**, 43, 49, 50,

57, **65** - *Senior lifestyles by income age and housing type*

L6 Scholars and Patriots 40, 55, 63

College and military environments

L7 High Hopes **28**, **48** - *Young households striving for the “American Dream”*

L8 Global Roots 35, 38, 44, 47, 52, 58, 60, 61 - *Ethnic and culturally diverse families*

L9 Family Portrait **12**, **19**, 21, 59, 64

Youth, family life and children

L10 Traditional Living **24**, **32**, **33**, 34

Middle aged, middle income, Middle America

L11 Factories and Farms 25, 37, **42**, 53, 56

Hardworking families in small communities settled near jobs

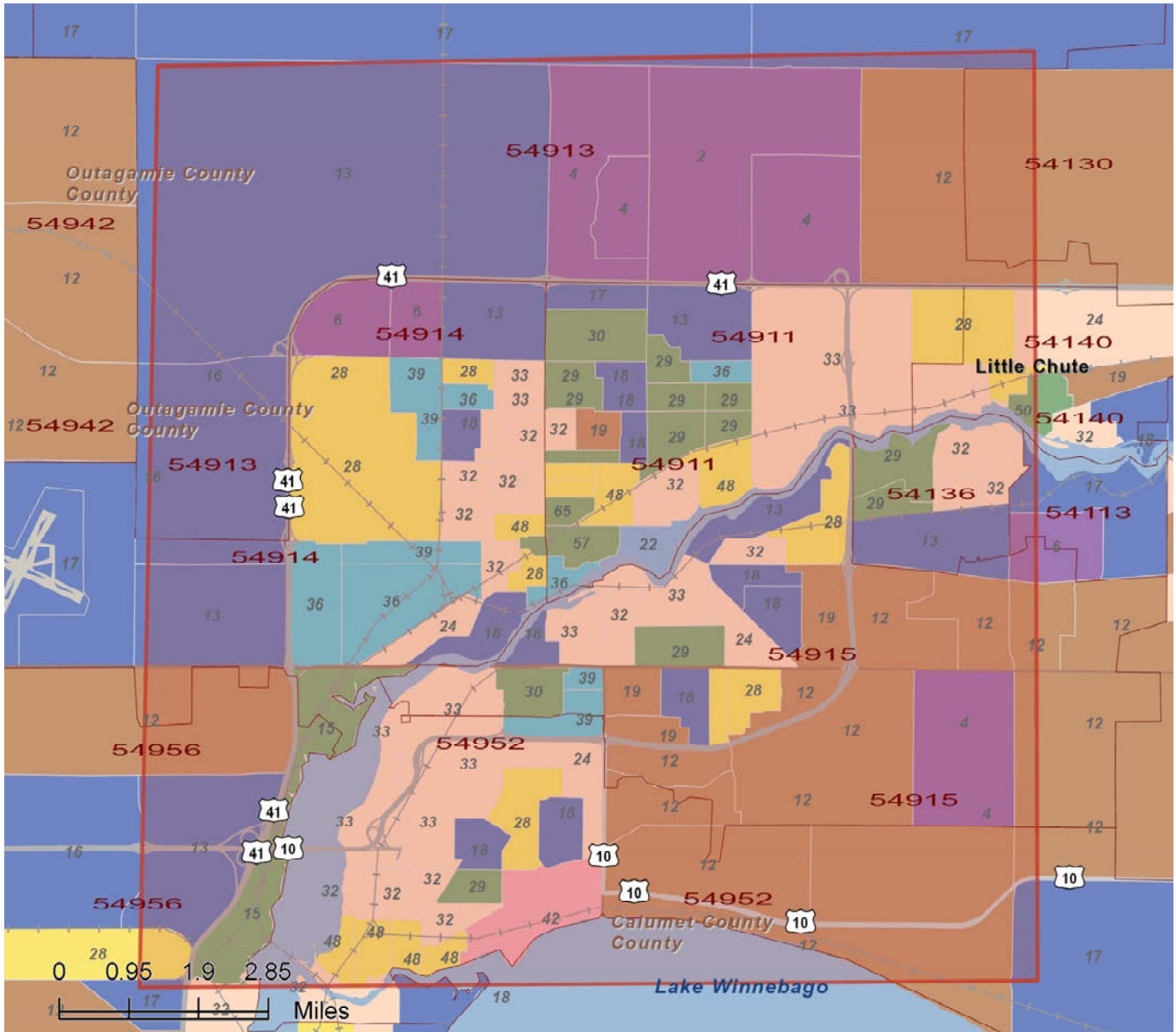
L12 American Quilt 26, 31, 41, 46

Households in small towns and rural area

A more in depth explanation of Tapestry Segmentation can be found at:

<http://www.esri.com/library/brochures/pdfs/tapestry-segmentation.pdf>

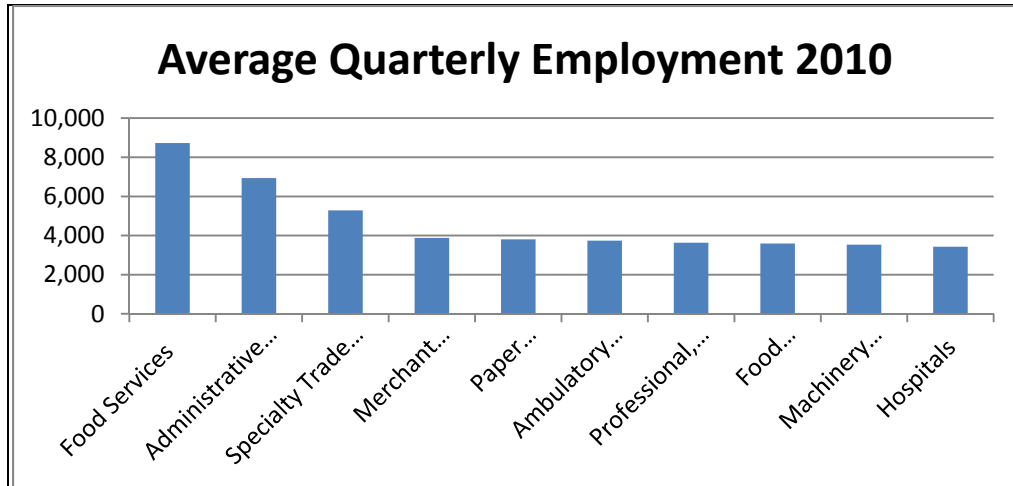
DOMINANT TAPESTRY SITE MAP – APPLETON AREA



Tapestry LifeMode

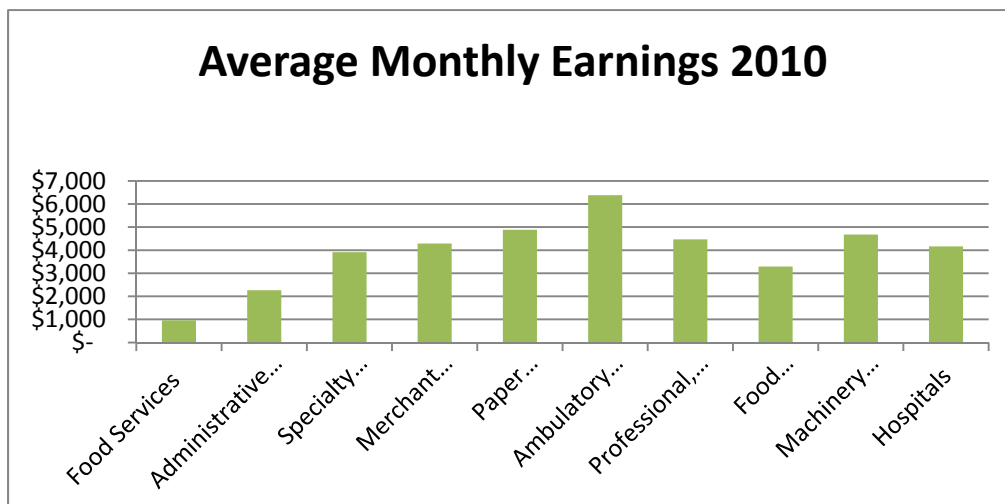
- | | |
|---|--|
| <ul style="list-style-type: none"> ■ L1 High Society: Affluent, well-educated, married-couple homeowners ■ L2 Upscale Avenues: Prosperous, married-couple homeowners in different housing ■ L3 Metropolis: City dwellers in older homes reflecting the diversity of urban culture ■ L4 Solo Acts: Urban young singles on the move ■ L5 Senior Styles: Senior lifestyles by income, age, and housing type ■ L6 Scholars and Patriots: College, military environments | <ul style="list-style-type: none"> ■ L7 High Hopes: Young households striving for the "American Dream" ■ L8 Global Roots: Ethnic and culturally diverse families ■ L9 Family Portrait: Youth, family life, and children ■ L10 Traditional Living: Middle-aged, middle income—Middle America ■ L11 Factories and Farms: Hardworking families in small communities, settled near jobs ■ L12 American Quilt: Households in small towns and rural areas |
|---|--|

The City of Appleton and the Appleton MSA has a well established labor force and is known internationally for its industry clusters of food processing, paper industry and manufacturing. The chart below shows the average quarterly employment by industry within the Appleton MSA for the year 2010. As you can see, food services (restaurants, fast foods, and banquets) has the highest quarterly employment followed by administrative services (call centers, receptionist, etc), with hospitals and food manufacturing at the lowest end of the spectrum.



Source: U.S. Census Bureau, Local Employment Dynamics

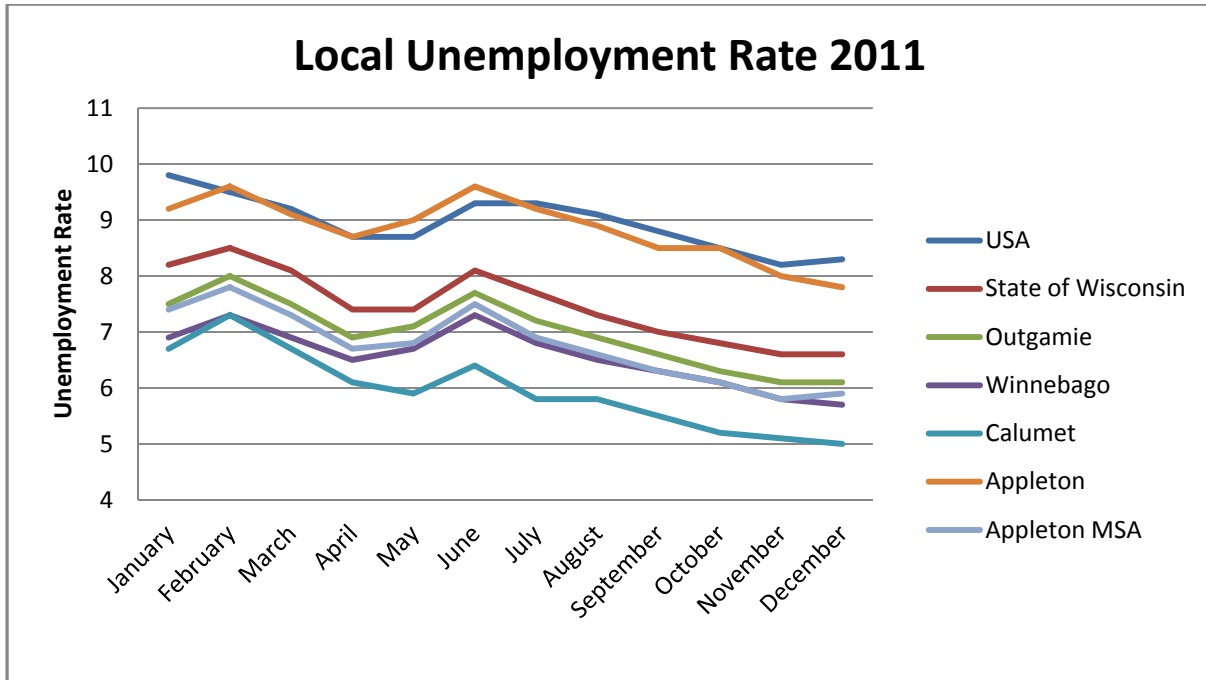
It's important to take into account the average monthly wages that the leading employment sectors in the Appleton MSA produce. Looking at the previous chart regarding the quarterly employment sectors we see that the sectors with the highest employment numbers have the lowest average monthly earnings; food services at \$1,000 and administrative services at \$2,000. Looking at the stable and emerging industry clusters (food manufacturing, hospitals, and paper) here in our MSA, you can see the average monthly income is higher ranging, from \$3,400-\$5,000 dollars. It's important we continue to invest in the necessary infrastructure and educational systems to continue the growth of these industries to keep the income levels up in our community.



Source: U.S. Census Bureau, Local Employment Dynamics

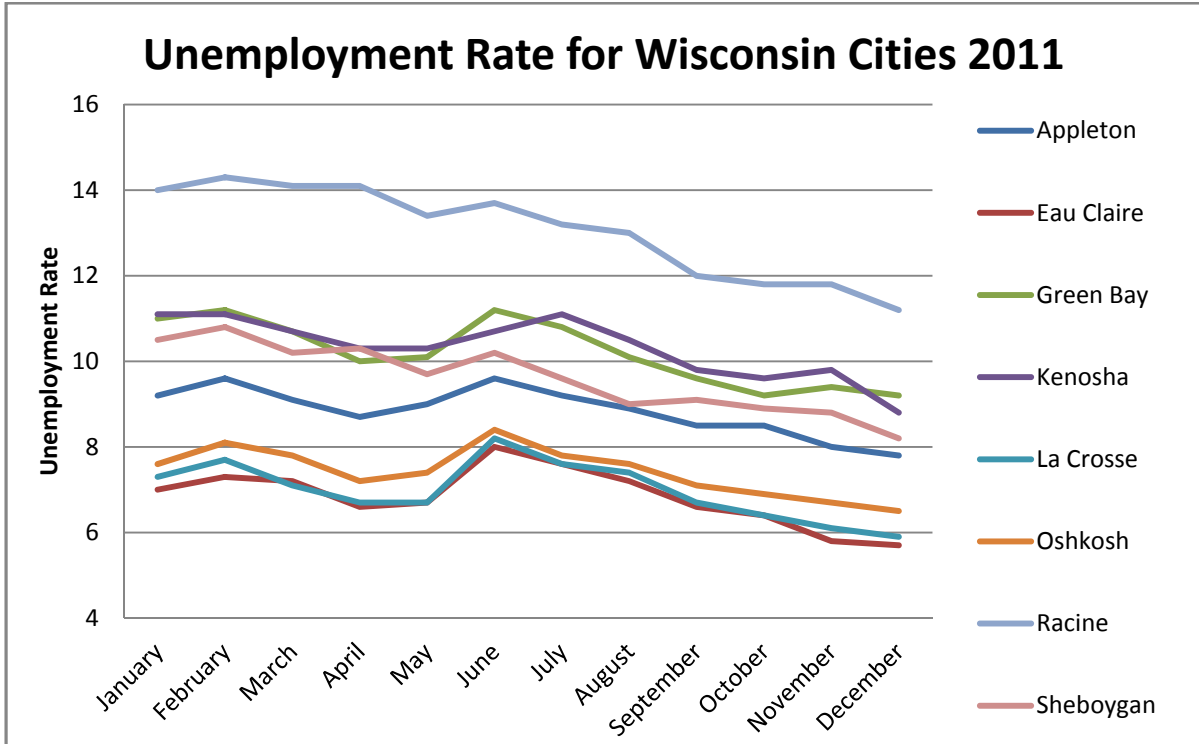
UNEMPLOYMENT

The City of Appleton has experienced a steady decline in its unemployment rate. The City started off 2011 at 9.2% unemployment and concluded the year at 7.8%. The average 2011 unemployment rate for Appleton was 8.8%. This is down considerably from the average rate of 10.1% in 2010. Included in the chart are the comparable unemployment rates for the United States, the State of Wisconsin, Appleton MSA, and the counties of Winnebago, Outagamie, and Calumet. It's important to note the unemployment rate for the City of Appleton consists of persons who file an unemployment claim and live within the corporate City limits of Appleton.



Source: State of Wisconsin Department of Workforce Development

The chart below shows the unemployment rate of the medium size cities in the State of Wisconsin we are competing with for economic development. The cities of Eau Claire and La Crosse led the way with the lowest unemployment rates of 5.7% and 5.9% while the City of Racine had the highest unemployment rate with 11.2%. The City of Appleton was included in the top half, ending the year with an unemployment rate of 7.8%.



Source: State of Wisconsin Department of Workforce Development

COST OF LIVING

The City of Appleton has a cost of living index of 95. The cost of living index is a number used as the total of all living expense categories. The categories used to determine the index include housing, food and groceries, transportation, utilities, health care, and miscellaneous expenses such as clothing, services and entertainment. The definition of these variables that are evaluated for each index is included below. The national average for cost of living index is 100. The City of Appleton has an overall index of 95. The first chart below compares the City Appleton to the other midsize cities in Wisconsin, the second chart below compares Appleton to competitor cities throughout the United States.

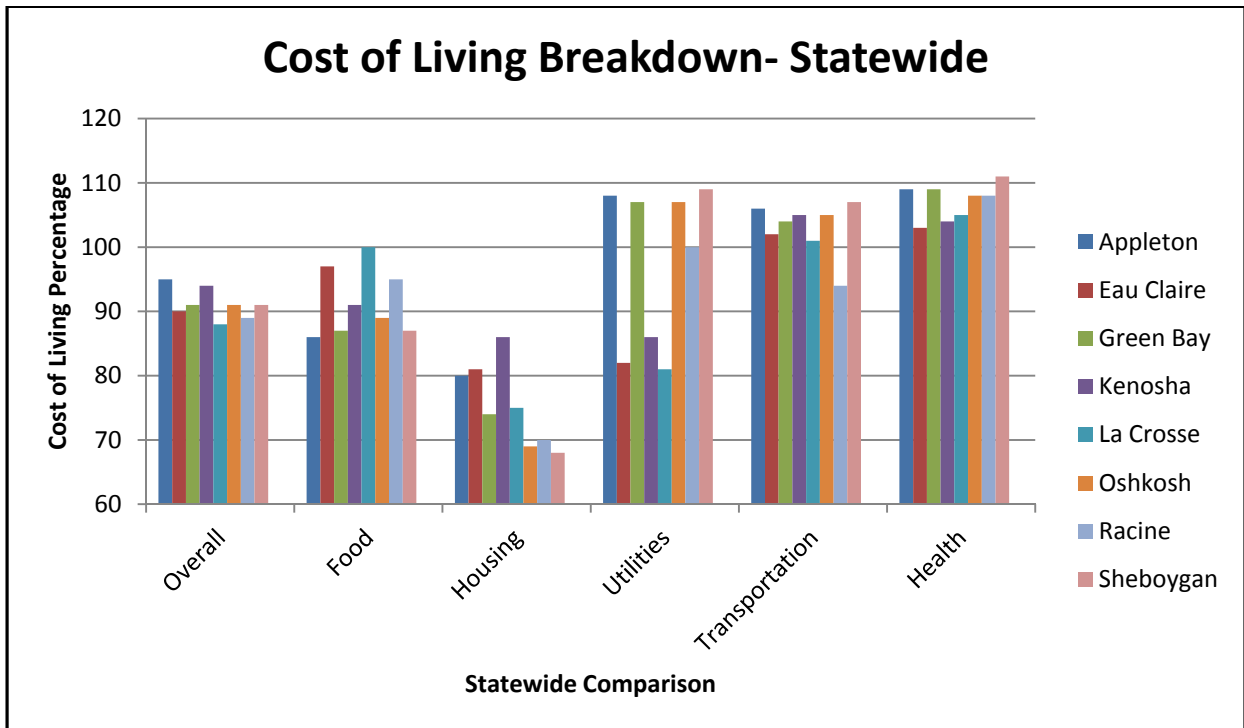
Food: The average cost of food and groceries not including restaurants.

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

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

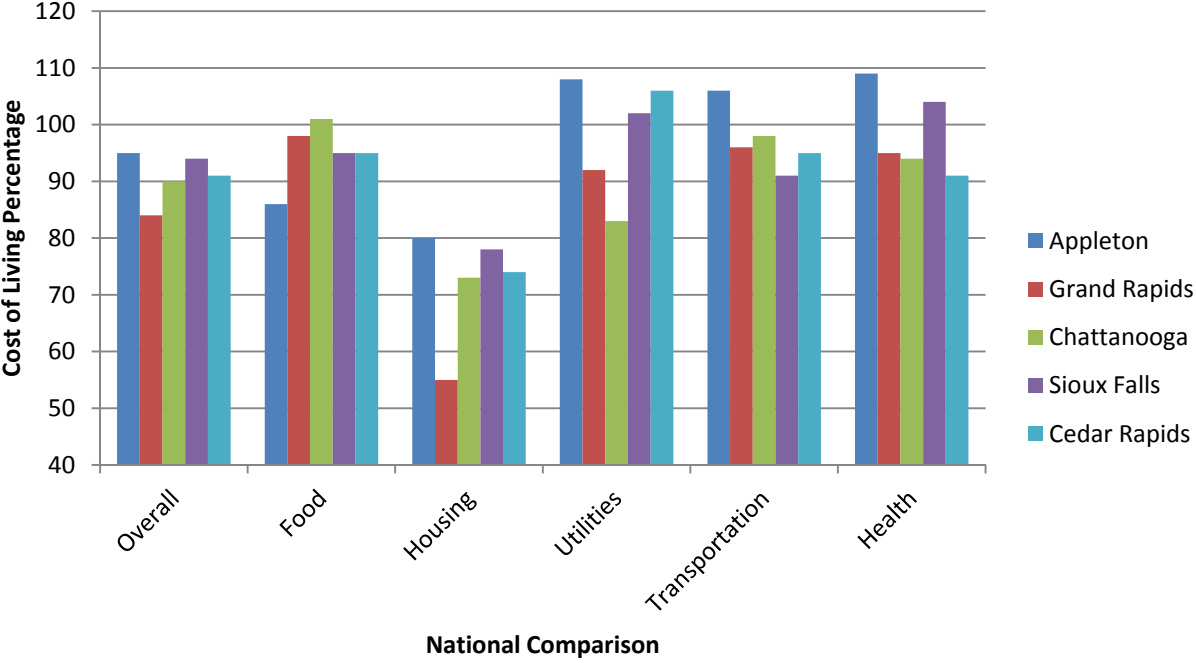
Transportation: The average cost of gasoline, car insurance and maintenance expenses, and mass transit expenses for the area. (Cost of the vehicle and vehicle registration and licensing taxes not included.)

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



Source: www.bestplaces.net

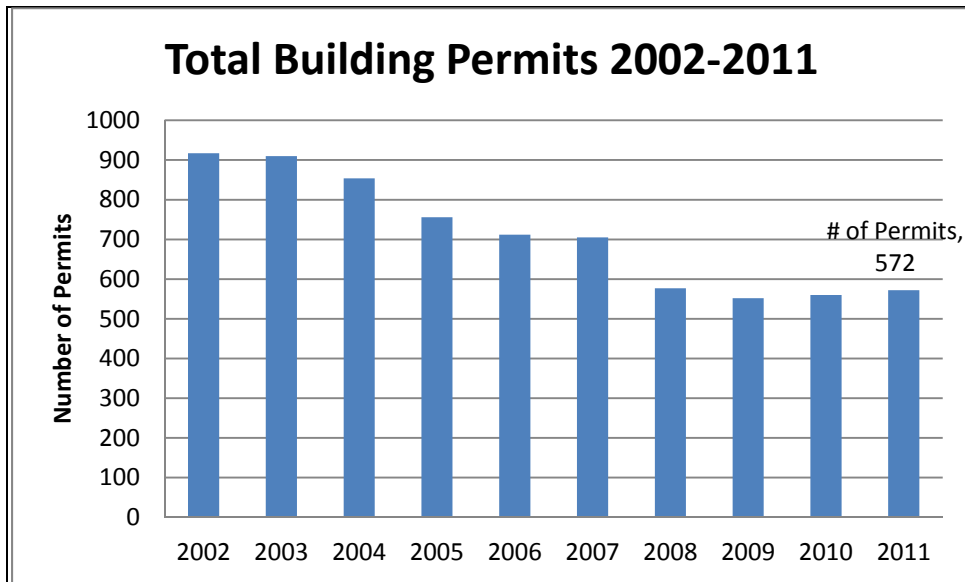
Cost of Living Breakdown - Nationwide



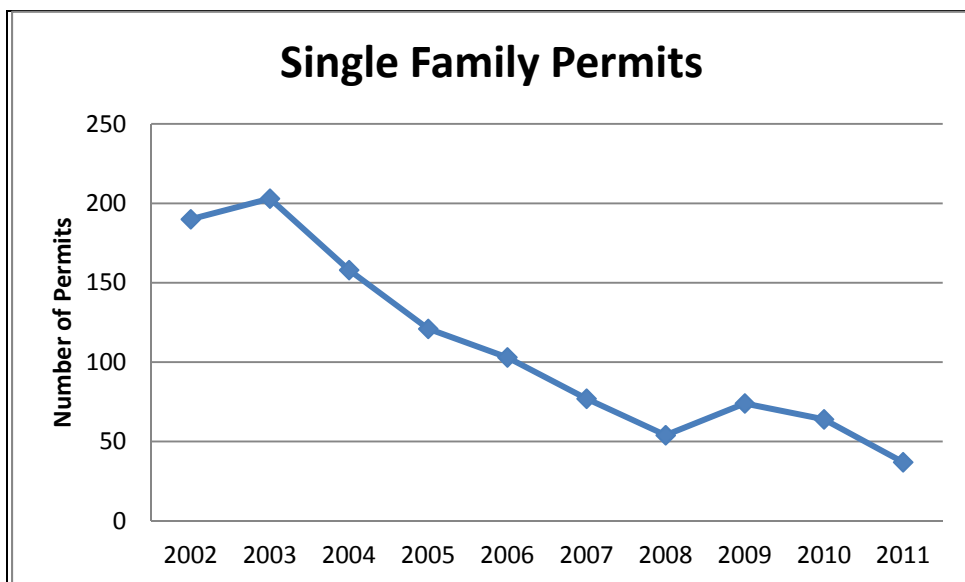
Source: www.bestplaces.net

BUILDING PERMIT ACTIVITY

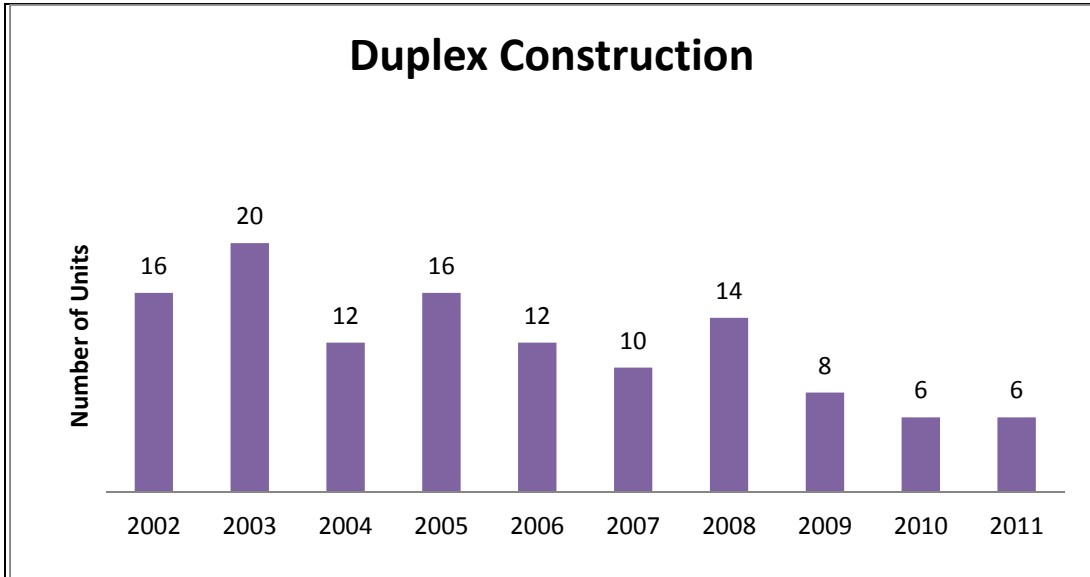
The City of Appleton's building permit activity over the last ten years is shown below. The yearly total number of permits issued for the last ten years ranged from a low of 552 permits in 2009 to a high of 917 permits in 2002. The ten-year average was 712 permits a year. The 572 permits issued in 2011 was slightly higher than the 560 permits issued in 2010, but 140 permits lower than the 10-year high. This lower than average trend for the last three years can primarily be attributed to sizeable declines in the additions/alterations and commercial and industrial permit sectors due to the down turn in the economy.



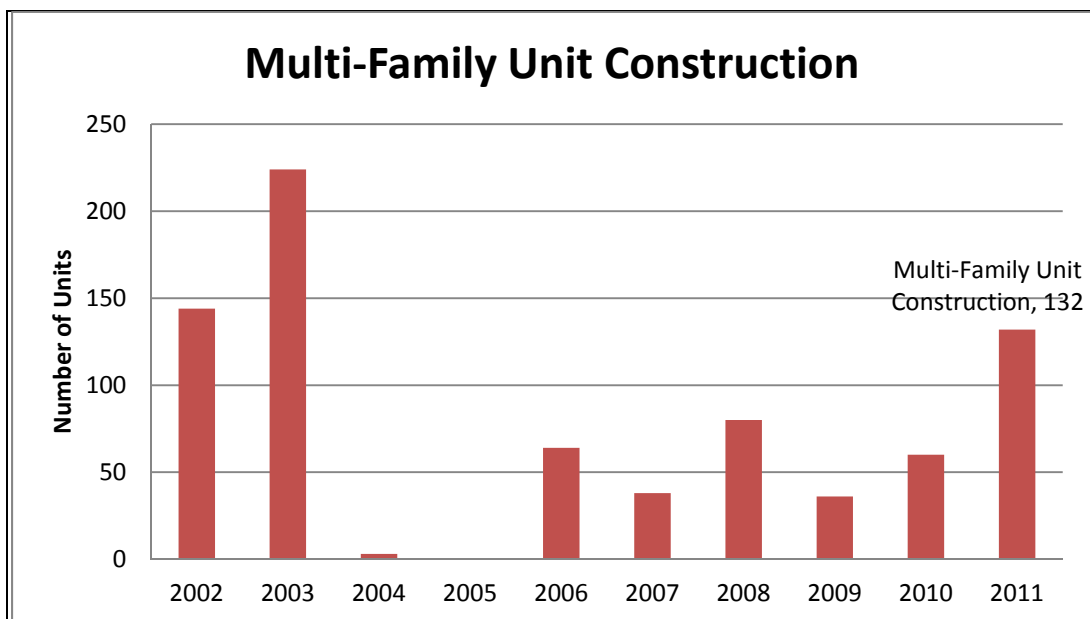
The number of single-family housing units constructed annually had decreased steadily for six years in a row, declining from 203 units in 2003 to 54 units in 2008. This trend saw a reversal in 2009, when the number of single family units increased from 54 in 2008 to 74 in 2009. However, we are starting to see the start of another declining trend with a drop again to 64 in 2010 and further decline to 37 in 2011.



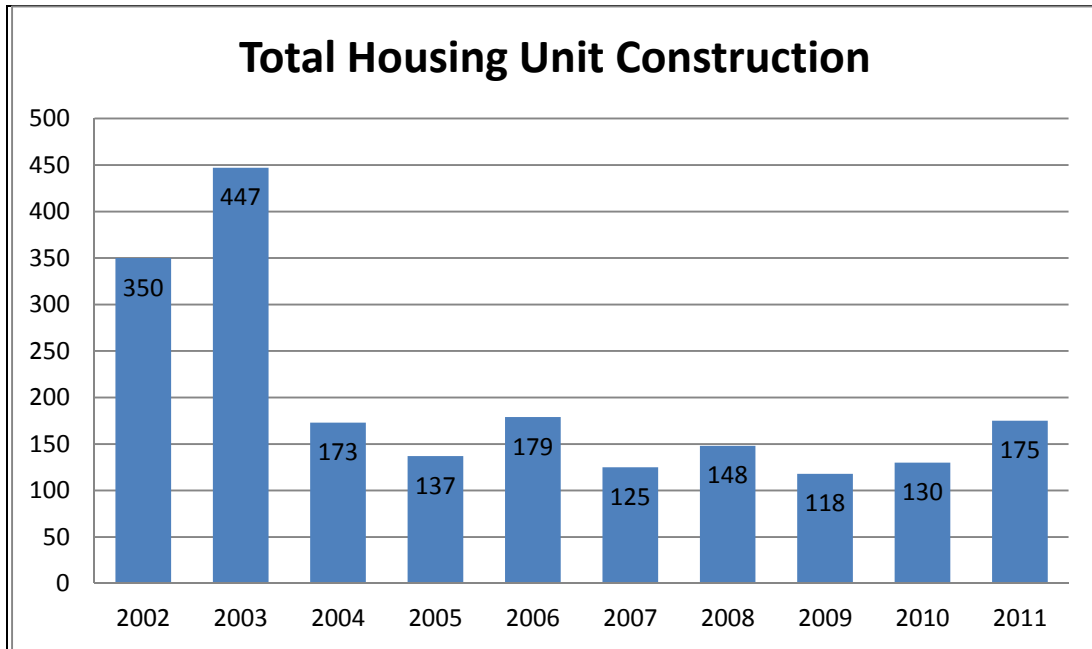
The construction of duplex units within the City of Appleton has remained stagnant for the past two years. The construction of duplex units ranged from a low of six units in 2010 and 2011 to a high of 20 units in 2003. The ten-year average was ten duplex units per year.



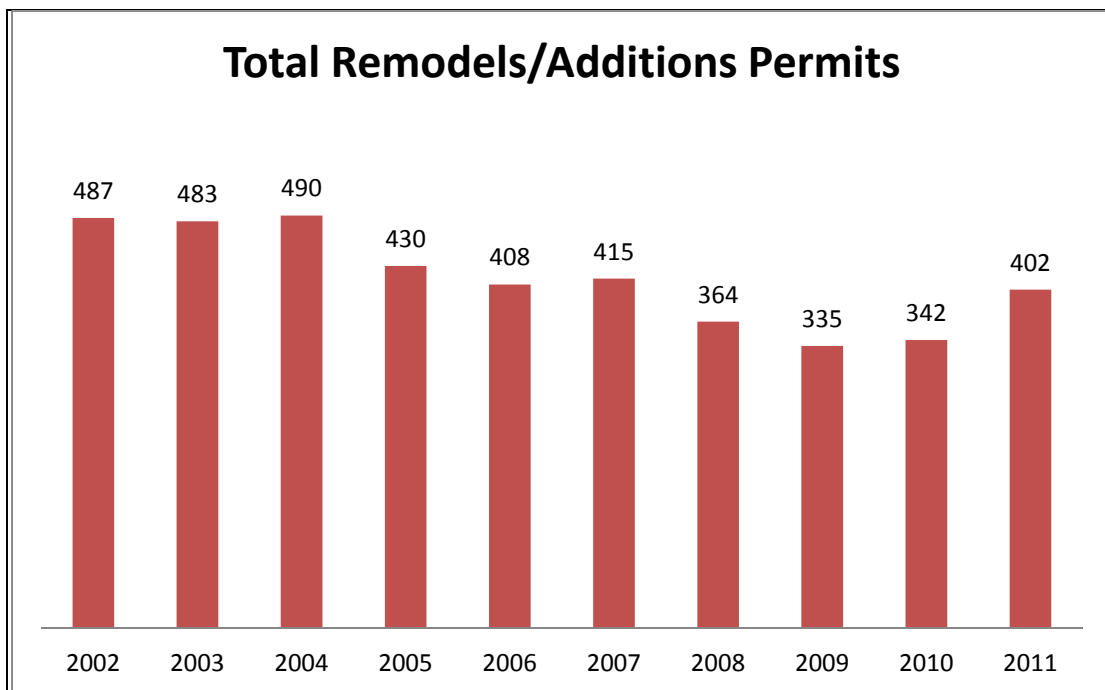
From 2002 to 2003 Appleton saw the construction of 368 multi-family units. In 2003, Appleton, with 224 multi-family units, led the way in the construction of multi-family housing, having constructed more units than all the other communities in the Fox Cities combined. During the years 2004-2010 only 281 multi-family units were built. Historically, as the vacancy rate for multi-family declines, Appleton has seen an increase in production, and as the vacancy rate increases, the production of multi-family units drops. Also contributing to the decline in recent years is a lack of multi-family building sites. In 2011, the City saw a 120% increase in the number of multi-family units built from 2010.



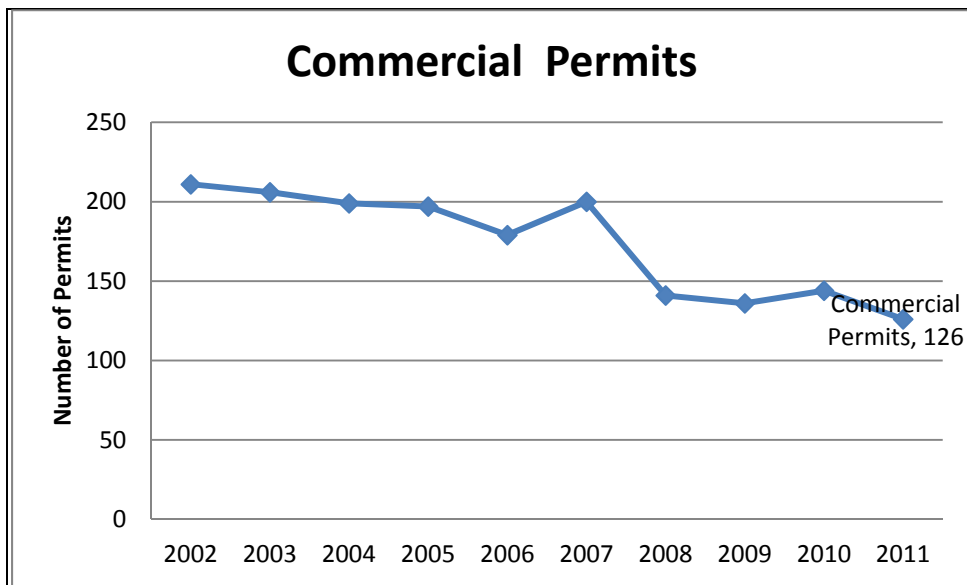
Total housing unit construction in Appleton for the last ten years ranged from a low of 118 units in 2009 to a high of 447 units in 2003. The ten-year average was 198 units.



In 2004, there were 490 permits issued for additions and alterations. Since then, the number of remodeling permits issued has been in a downward trend, with only 342 permits issued in 2010. The slowdown in the economy and the housing market has contributed to this decline. However, as the housing market starts to recover, we see an upward trend occurring, starting from a decade low of 335 in 2009 and continuing with a 60 permit increase from 2010 to 2011.



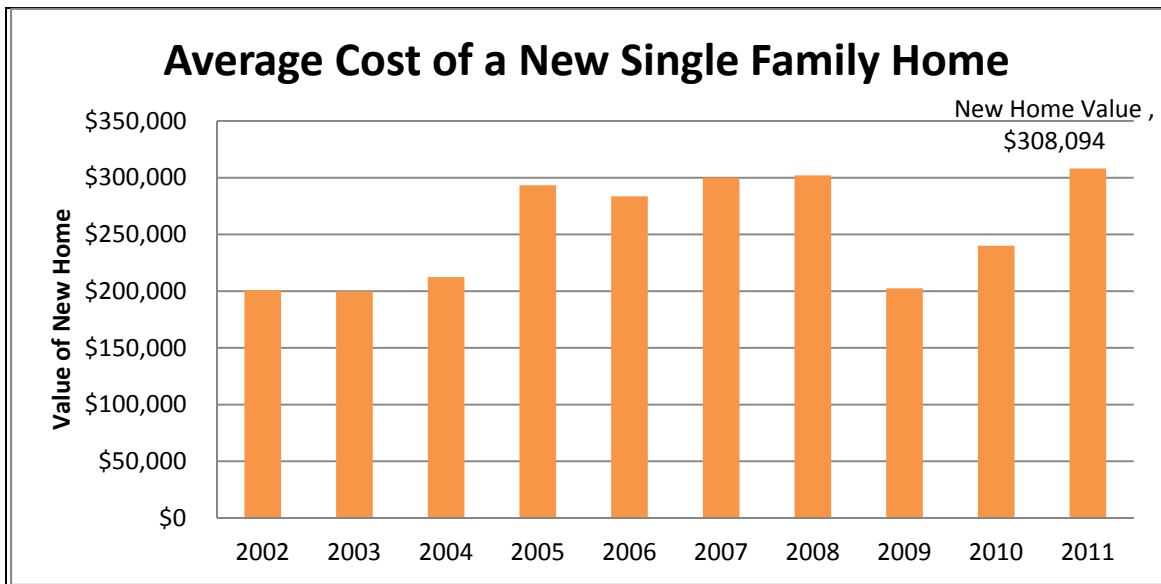
There were 126 commercial building permits issued in the City of Appleton in 2011, the lowest in the last ten years. This is a decrease of 18 permits from the number issued in 2010, and 48 permits lower than the ten year average of 174 commercial permits.



DOLLAR VALUE OF PERMITS

While the number of single-family units constructed in Appleton steadily declined over the six year period from 2003 to 2008, dropping from 203 units in 2003 to 54 units in 2008, the dollar value of the new homes being constructed rose dramatically. During the same six year time period, the average dollar value of a single-family home increased by 51% from \$199,862 in 2003 to \$302,136 in 2008.

In 2009, there was a drastic decrease in the average value of single family housing, decreasing by nearly \$100,000 per unit from \$302,136 in 2008 to \$202,539 in 2009. The trend is now toward the construction of smaller units. In 2010, the average cost for new single family construction started an upward trend reaching \$240,068 and increasing to \$308,094 in 2011.

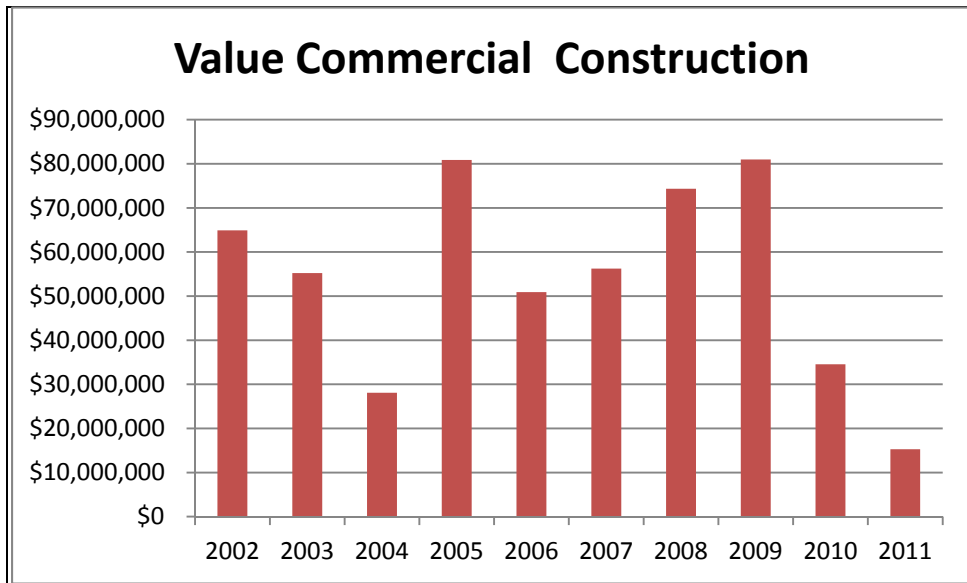


In 2002, the City of Appleton saw the start of a slowdown in the commercial and industrial sector that continued through 2004, shown in the table on the following page. The dollar value of commercial and industrial construction decreased from \$64.9 million in 2002, to \$28.1 million in 2004. In 2005, there was a dramatic turn-around in the amount of commercial and industrial construction. The dollar value of commercial and industrial construction was just under \$81 million, nearly 3.5 times that of 2004. Some of the major projects in 2005 included: Orthopedic and Sports Institute of the Fox Valley, AmericInn, Airgas, CMD Corporation, C3 Corporation, Employee Resource Office Building, Best Buy, Office Max, and additions to St. Elizabeth Hospital and Curwood, Inc.

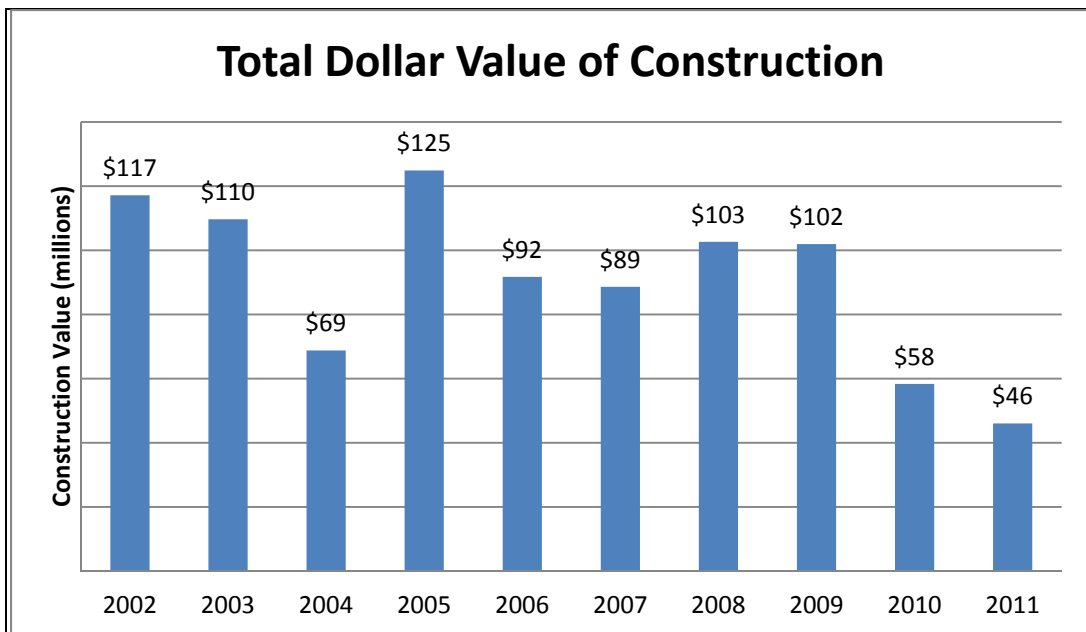
After a couple of years with commercial construction in the \$50 million range, Appleton saw \$74.3 million in new commercial construction in 2008. Major projects included: Time Warner, Encircle Health, Appleton Police Department expansion, new northside YMCA facility, WE Energies and Flair Flexible Packaging.

In 2009, Appleton had \$80.99 million in commercial construction. This compared to the ten year average of \$54 million. Major projects included: Appleton Medical Center bed tower (\$53 million), new Copps Grocery Store (\$4.6 million), Foremost Farms expansion (\$4 million), St. Elizabeth Heart Pavilion (\$3.9 million) and Boys and Girls club expansion (\$3 million).

Without any major commercial projects to lead the way, Appleton saw only \$15 million in construction in 2011, the lowest in ten years.

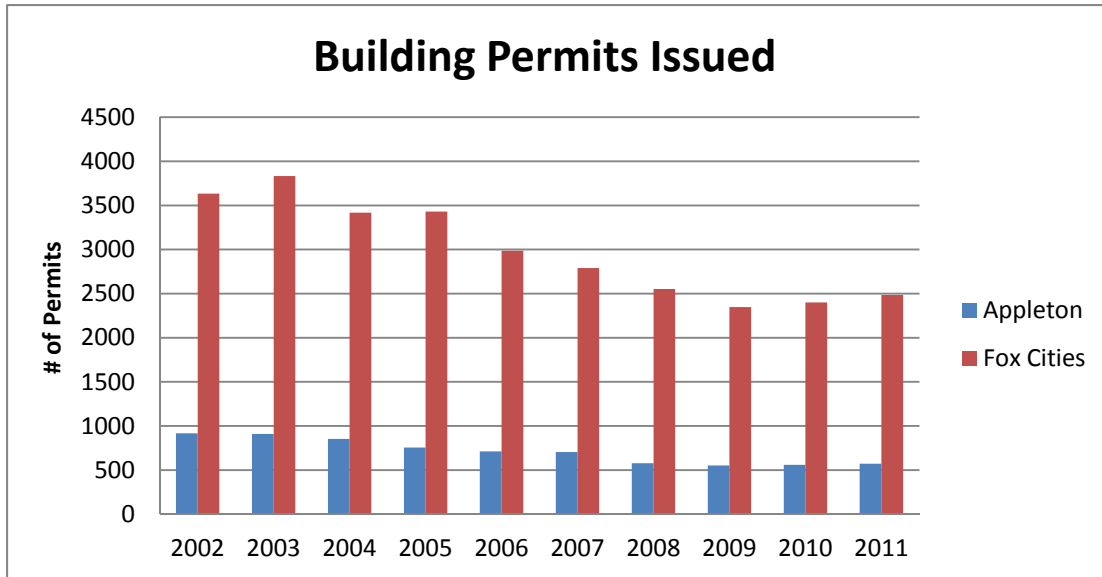


Appleton’s total dollar value of construction in 2011 was \$46,054,424, the lowest in the last ten years and down considerably from \$101,957,386 in 2009. The total dollar value of all construction in the City of Appleton between 2002 and 2011 ranged from a low of \$46 million in 2011 to a record high of \$124.8 million in 2005. The ten-year average was \$91 million.



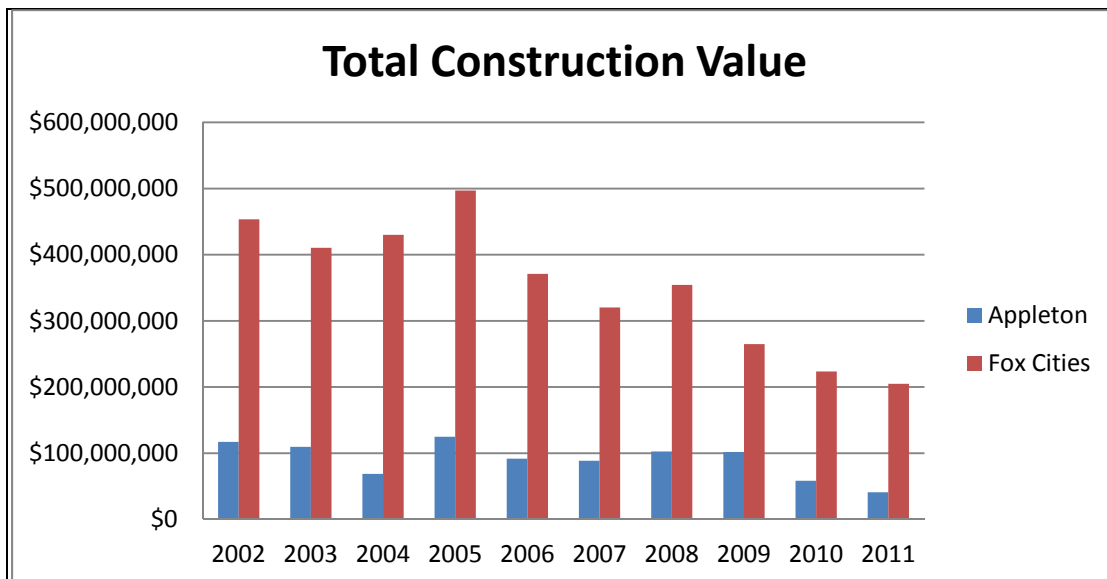
FOX CITIES REGION

In an effort to compare Appleton to the Fox Cities region, data was collected from 13 municipalities surrounding Appleton and comprising the Fox Cities. These are the Cities of Kaukauna, Menasha, and Neenah; Villages of Combined Locks, Kimberly, Hortonville, and Little Chute; and Towns of Buchanan, Grand Chute, Greenville, Vandenbroek, Menasha and Harrison.



The total dollar value of construction in the Fox Cities followed a downward trend for the third year in a row. The total dollar value of construction in the Fox Cities decreased from a five year high of \$345.4 million to \$204 million this year. In 2011, the \$204 million in total dollar value of construction was \$149 million below the ten year average of \$353 million.

The City of Appleton comprised \$40 million or 25% of the total dollars spent on construction in the Fox Cities in 2011.



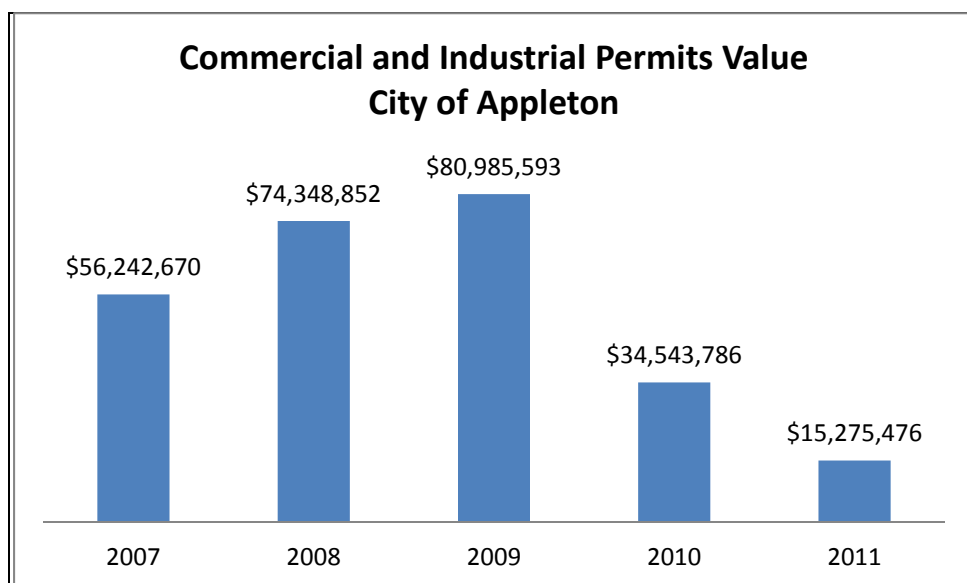
COMMERCIAL & INDUSTRIAL SECTORS

The promotion of commercial and industrial development remains one of the City of Appleton's top priorities. This has been accomplished through the creation of several TIF Districts, which have allowed the City to install the infrastructure needed to stimulate development by maintaining an adequate supply of industrial park land and through an active marketing program which targets "decision makers" of the business community. This strategy has worked fairly well for the City. Over the last five years, Appleton has accounted for 35.8% of all the commercial and industrial growth in the Fox Cities.

The dollar value for commercial and industrial development in Appleton ranged from a low of \$15.2 million in 2011 to a high of \$81 million in 2009. In 2011, Appleton's \$15.2 million in commercial and industrial development was \$37 million less than its five-year average of \$52 million.

In 2009, the best year in the past five years, Appleton had a good year with respect to commercial and industrial development despite the slowdown, thanks to a number of big projects including: Appleton Medical Center Bed Tower (\$53 million), new Copps Grocery Store (\$4.6 million), Foremost Farms expansion (\$4 million), St. Elizabeth Heart Pavilion (\$3.9 million) and Boys and Girls club expansion (\$3 million).

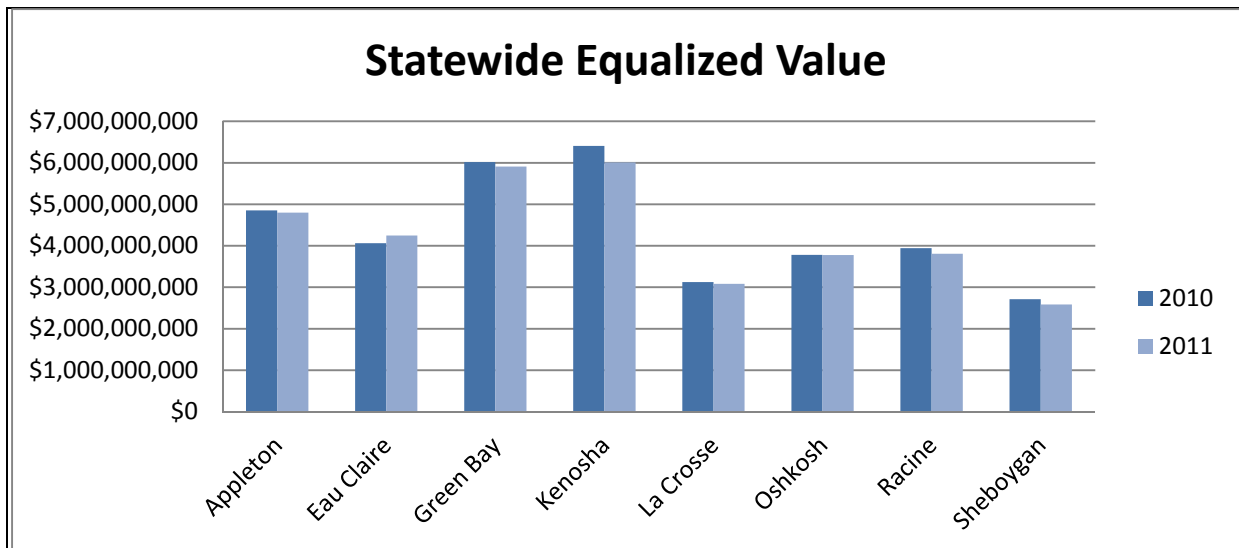
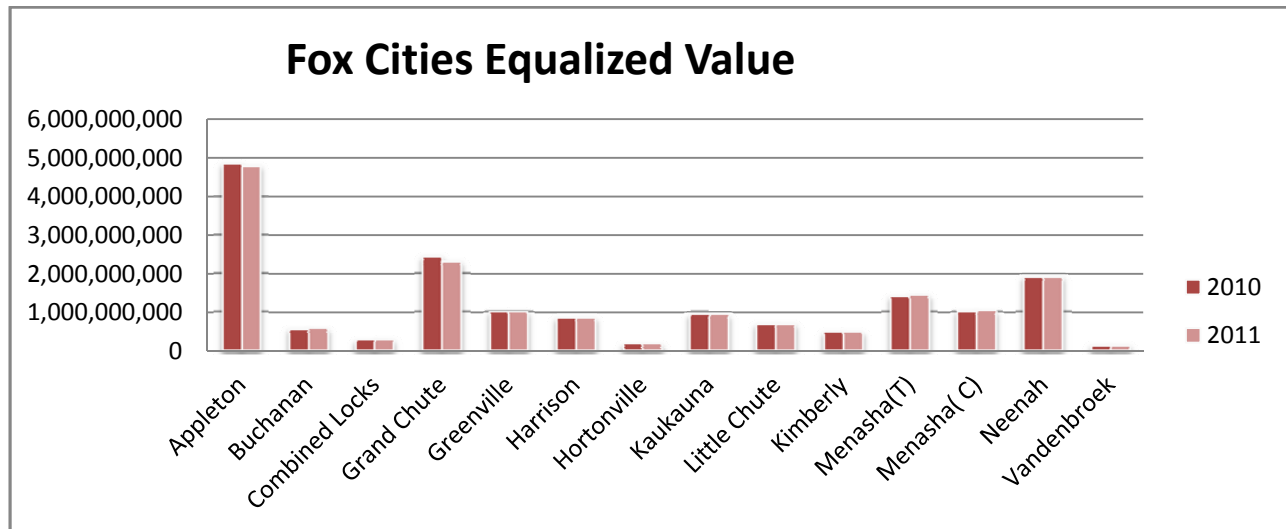
In 2011, Appleton saw \$15 million in commercial and industrial development, the lowest in ten years. Significant projects included the construction of a new utility building on WE Energies Lynndale Drive property and the opening of Timbercrest Dental Center on the north side of the City. A to Z Machine also completed a substantial expansion to their building on Winslow Avenue. The majority of development consisted of interior renovations. The following chart shows permit values for the City of Appleton from 2007-2011.



EQUALIZED VALUE

The change in total equalized value is another important measurement of economic growth within a community. Appleton's equalized value has grown from approximately \$3.26 billion in 2001 to \$4.7 billion in 2011. The equalized value for the City dropped slightly from last year's high of \$4,851,596,300 to \$4,797,103,500 or a decrease of 1.1% due to economic adjustments as determined by the WI Dept. of Revenue. This compares favorable to the state as a whole. Wisconsin's total statewide equalized value decreased 1.8% from 2010. The Town of Grand Chute saw its equalized value decrease from \$2,443,601,900 to \$2,314,203,800 or a reduction of 5%.

Appleton continues to lead in the percentage share of equalized value within the Fox Cities with 29% of the total value. The good news is that the Fox Cities has not experienced the major decreases in property values as other parts of the country. The following charts compare the Fox Cities and other midsize competitor cities in the State of Wisconsin.



TAX INCREMENTAL DISTRICT

An important aspect of Appleton's increased valuation is the effect of Tax Incremental Districts (TID) and Appleton Redevelopment Project Areas (ARP). The table below shows the value increase/decrease of Tax Incremental Districts since creation, change during the past year and an average annualized percentage change.

Tax Incremental District Performance

- TID #2 TID #2 saw an increase of \$358,600 in equalized valuation.
- TID #3 Equalized valuations in TID #3 decreased by \$3,004,100 due mainly to a revaluation of the central business district. The value of TID #3 has decreased by \$18.4 million in the past two years.
- TID #5 Equalized valuations decreased in TID #5 by \$1,060,500 in part due to a WI Stat. 70.57 correction of the prior year's equalized value by the Dept. of Revenue
- TID #6 Equalized valuations increased in TID #6 by \$929,600 due to the construction of Rasmussen College.
- TID #7 In 2008, TID #7 saw an increase in equalized valuation of \$10,201,000 largely due to the development at the Valley Fair Mall site including a new Copps Grocery.
- TID #8 In 2010, the equalized value of TID #8 decreased by \$29,200.

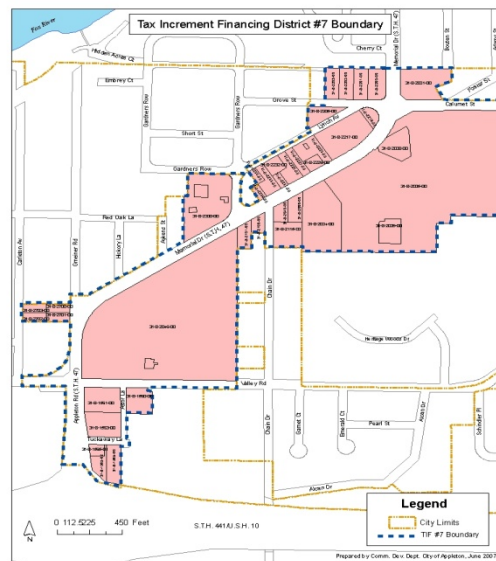
Tax Incremental District Valuations							
TID#	Inception	Base Value	2009 Values	2010Values	2011Values	Total Increment	2010-2011 Increment
TID2	1991	\$4,050,900	\$17,157,900	\$18,025,200	\$18,383,800	\$14,332,900	\$358,600
TID3	1993	\$18,940,800	\$79,015,800	\$63,570,000	\$60,565,900	\$41,625,100	-\$3,004,100
TID5	1999	\$4,669,500	\$13,912,200	\$13,649,100	\$12,588,600	\$7,919,100	-\$1,060,500
TID6	2000	\$12,141,600	\$100,737,100	\$98,970,400	\$99,900,000	\$87,758,400	\$929,600
TID7	2007	\$25,657,000	\$27,485,700	\$27,315,500	\$37,516,500	\$11,859,500	\$10,201,000
TID8	2009	\$2,693,100	\$2,693,100	\$3,648,100	\$3,618,900	\$925,800	-\$29,200
Total		\$68,152,900	\$241,001,800	\$225,178,300	\$232,573,700	\$164,420,800	\$7,395,400
*Note TID #6 Base and 2009 Value adjusted to include amended area.							
			2009 City Value	2010 City Value	2011 City Value		Change in Value 2010-2011
City			\$4,789,062,900	\$4,851,596,300	\$4,797,103,500		(\$54,492,800)

South Memorial Drive Corridor TIF District #7

The City of Appleton received approval for the creation of Tax Increment Financing District #7 (TIF District) in September of 2007 to support the rehabilitation of properties and elimination of blighted conditions in the urban corridor of Memorial Drive from Calumet Street to State Highway 441. The map illustrates the specific TIF District boundaries.

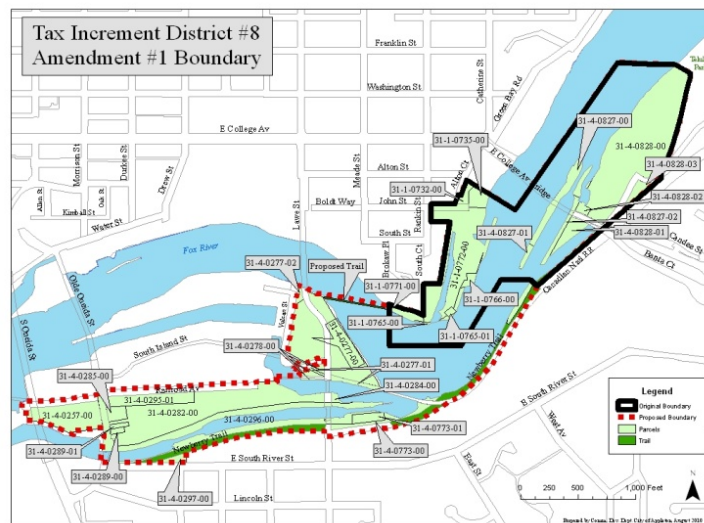
The Project Plan for this TIF District identifies several key areas for City investments over the 27-year life of the District; most notable are municipal infrastructure improvements and development incentives.

The development incentives will be targeted at property owners, lessees and developers for the purpose of sharing costs to encourage the desired kind of improvements in the urban corridor. The City, in return, recaptures its investment in this District through increased property tax payments. A business revitalization program was established in 2011 for the District to provide financial support to the businesses completing exterior improvements to their properties.



TIF District Amendment Approved Along River Corridor

On December 15, 2010, the Appleton City Council approved an amendment to the City's Tax Incremental District No. 8 to add additional land to the District to accommodate the Eagle Flats project. The original district was created to assist the redevelopment of the river corridor in an area that lies just north and south of the College Avenue Bridge and west of Telulah Park. This area is primarily characterized by the large, vacant and blighted industrial properties formerly known as Foremost Dairy and M & I Drilling Fluids (RiverHeath).



The land being added by the amendment includes the former Riverside Paper property located along the south side of the Fox River stretching from Lawe Street to Olde Oneida Street.

EAGLE FLATS

The demolition of the building that housed the old Riverside Paper Corporation was completed in 2011. Construction started in spring on two residential apartment buildings including a 70 unit elderly housing project and 54 unit work force housing project. The apartments were awarded more than \$16 million in WHEDA tax credits in June of 2010.

Future development in Phase I will include another residential complex, along with two commercial projects that will provide 16,000 square feet of office and retail space. Additional buildings and riverfront amenities are being planned for Phase II of the Eagle Flats development.



Ground breaking and site preparation



Eagle Flats under construction

RIVERHEATH DEVELOPMENT

Tanesay Development broke ground on a mixed-use project for this redevelopment site. Tanesay completed demolition of vacant buildings on the site and started construction on the townhomes portion of the development. The site is a vacant brownfield on the east side of the river between Telulah Park and College Avenue. The project will be focused on residential, with some commercial space and public access to the river.



Nearly completed townhome unit



Townhome unit under construction

FORMER FOREMOST DAIRY SITE

The City took title to the former Foremost Farms USA property located at 935 E. John Street in July of 2011. The site will be remediated, the building will be demolished and the raceway abandoned to provide a site ready for development. The City rezoned this property on April 13, 2010 to R-3. The City will issue a redevelopment Request for Proposals.



Exterior photo of property



Exterior photo of property

Appleton Redevelopment Project #18:

OLD WATER TREATMENT PLANT SITE

The razing of the former water plant to make way for a future park took place in 2011. The City is also planning to repurchase the WE Energies site, which lies immediately east of the former water plant. This property, which has undergone extensive remediation, will be added to the park development once the clean up and testing has been completed by WE Energies.

BUSINESS DEVELOPMENT

The slowdown in the economy hasn't stopped the City from experiencing a net gain in new businesses over the last three years. During 2011, 153 new businesses opened in the city, while 123 closed for a net gain of 30.

New businesses that opened in the City of Appleton:

A Gluten Free Zone LLC	El Jariepo Mexican Restaurant	Mosquito Creek LLC
A Journey Towards Wellness LLC	Elite Nutrition Appleton LLC	Moss Innovations LLC
Abbott Family Chiropractic SC	Empower Yoga LLC	Mystical Earth Gallery
Advanced Pain Management	Event Production Systems	Natural Tresses LLC
Agile Networking Solutions LLC	Exit Elite Realty	Naturally Balanced Body LLC
All Things Jerky LLC	Expresstax	Network Health Plan
Alternatives Holistic Health	Farmers Insurance Group	Neurology Associates LLC
Appleton Community Midwives	Foot Reflexology	Neuroscience Equipment LLC
Appleton Deck Renewal LLC	Fox Valley Firearms LLC	New Possibilities Integration
Appleton Fitness For Life Inc	Fox Valley Reproductive	Nicolet National Bank
Appleton Solar LLC	Gallagher & Company, Arthur J	Nja Investments LLC
Arcadia Home Care and Staffing	Go For John Photography	North American Hydro
Asset Recovery International	Going To Pieces Quilt	Northfield Block Co
Associated Bank	Gold'S Gym	Pak/Teem Inc
Avastone Technology LLC	Gypsum Supply Co	Papa Johns - Northern Bay LLC
Baka Enterprises	Happy Bellies Bake Shop	Pinnacle Title Services Inc
Bangkok Oriental Food	Healing Way Homeopathy LLC	Priebe Law Office LLC
Basil Cafe	Healthy Solutions Chiropractic	Priebe Tax & Accounting LLC
Beduhn Properties LLC	Hir Massage Therapy LLC	Principal Life Insurance Co
Betta Boutique LLC, The	Hog Pen Cycle Parts & Powder	Progressive Casualty Insurance
Blue Avenue Travel LLC	Ice Cream Man	Rasmussen College Inc
Bodyease Therapeutic Massage	Idea Outpost LLC	Reflexology Foot Spa And Well-
Branding Apparel	Integrative Healthcare Solutions	Rejuvenesence Medispa LLC
Bronze Co	J&S Jacks Motorcyle Jacks	Remus, Gerhardt Plastering
Bumble Puppy Sales LLC	Edward Jones & Co LP	Renaissance Design & Consult-
Bumblebead Studio	Joyeriy Arreglos Mizuky	Revolution Healing And Martial
Chavlovich Photography	Kensington Grille	Revolution Raceway
China Garden	KP Jewelers LLC	Richmond Resale LLC
Chino's PC	Kwik Trip Inc #685	Right Choice
Chrysalis Body Works, The	L A Duesterbeck & Associates	Risk Management Services Inc
Coenen Mechanical LLC	Ladybugs & Ladybugs Bistro	Rma Architects Inc
Combined Insurance Co of Amer	Landfill Reduction & Recycling	Salt & Honey LLC
Community Living Solutions LLC	Larson Insurance Agency	Saris Counseling LLC
Compass Sales & Marketing Inc	Latino Express	Shopko Radioshack Mobile
Compmark Industrial Supply	Lebakkens Rent To Own	SillyToast LLC
Creatively Yours	Lessons By Laura	Specialty Care Products LLC
Cypress Homes Inc	Library Of The Book	Stevi B'S
Dalla Terra Pasta LLC	LPL Financial	Subway
Dar'S Clock Service LLC	Man Cave Headquarters	Suga Shack
Daviesrussell LLC	Mares Financial Solutions Inc	Target Mobile Kiosk
Designed Wedding Photography	Mattress Firm	Tennie'S Jewelry Inc
Directbuy	MCG'S Burgers And Beer	Therapeutic Balance LLC
Dog House Grooming Spa	Mill Creek Blues Cafe Inc	Thiel, Kim Photography
Edward Klug Investments LLC	Matthew Misco Insurance Co	Time On Our Hands Craft Store

New businesses (cont)

Time Warner Cable Media Inc
Tj'S Japanese Steakhouse Inc
Toellner Insurance Agency
Triumph Engineering LLC
US Bank National Association

US Oil Auto Force
Vintage Barn Lights LLC
Vintage Garden LLC
Voith Meri Enviromental
Walter Avenue Mercantile LLC
Whole Family Health LLC
Winnebagoland Security Service

Wisconsin Motors Sales And
Service
Your Guest Chef
Zen Salon
Zimmer Us Inc

Businesses that closed or moved out of the City of Appleton:

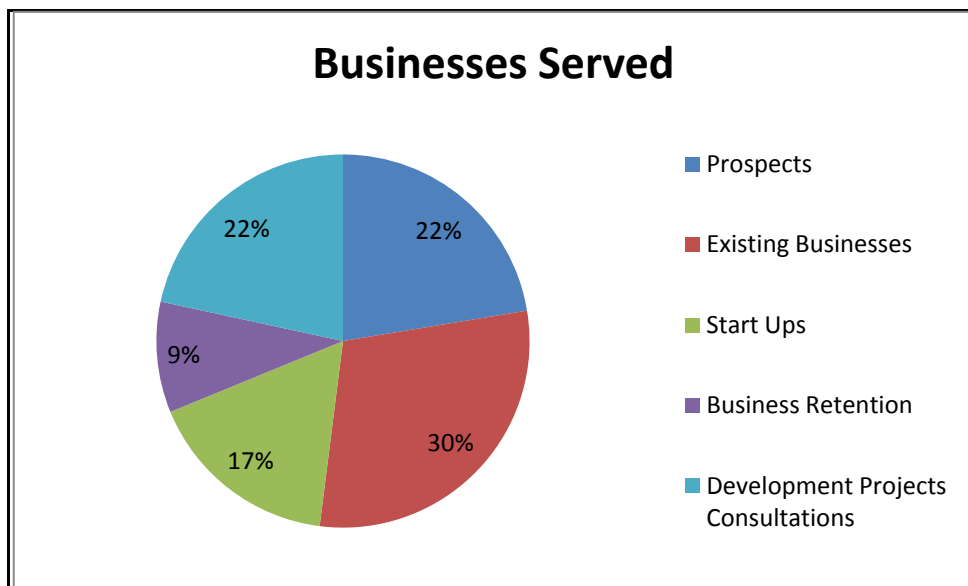
A Tension Deficit Massage
Therapy
A&W Driv-In
Adp Commercial Leasing LLC
Advance America #657
Allstate Insurance Company
Ament Real Estate Inc
America's Mattress Of The Fox
Valley
Ameritech Advanced Data
Amerititle Inc
Ann Morrissey Interior Design
Appleton Plumbing Inc
Appleton Safety Consulting &
Armor Insurance Services LLC
Aromatic Oasis
Autocomm Inc
Avenue Hair Design
Badger Used Tires
Bay Title & Abstract Inc
Bead Garden LLC, The
Bear Spot Tattoo
Binzak Dds, Daniel
Blossom Loft Flowers
Budget Fox Valley Appliance
B2 Computing LLC
Cain & Able
Capital Equipment & Handling
Cinder's Charcoal Grill (WisAv)
Clean Cut Maintenance LLC
Complete Picture Framing
Computer Repair Center LLC
Curves For Women
Diver's Realm Inc
Downtown Designs LLC
Doyle Exteriors
Ehco Service Center LLC
Executive Cuts
Fat Cat Designs Studio
Flo Tv Inc
Fox Valley Gastroenterology Sc
Full Throttle Nutrition

Fun-Day Inc
Furniture Deals & Steals Inc
Gabbanelli'S Salon LLC
Graphics DNA LLC
Great Lakes Auto
Green Thrift LLC
William J Grogan Attorney
Guyson Corporation
Hot Water Products Inc
Integrative Massage &
Bodywork LLC
Jackson Hewitt Inc
Rob Jenkel Architect Service
K-Tech Kleening Systems Inc
Kellogg Sales Company
Kendall Mcminimy
Photography
Kinder-Care Learning Centers
Kitz & Pfeil Inc
Krystal Clear Window
Laundromat
Lolitas Comida Mexicana
Map Solutions LLC
Massage Therapy
Meulemans Roofing & Siding
Mi Pueblo LLC
Mid-Valley Pallet LLC
Miller Construction Services
Morton Drug Co Inc
My Strategy Consultants LLC
Neal Diabetic Foot And Ankle
New Resource Group LLC
Jeff Nooyen Photography
Norge Village
North Shore Bank
Nyte Ridin Kuhztuhmz
Oslo's Scandinavian-American
Pancho Lin Auto Service
PBJ Holdings LLC
Perma-Way Waterproofing LLC
Principal Life Insurance
Private Wealth Management

Promotions Plus
Pulp & Paper Manufacturers
QPS Employment Group
Rick's Quality Carpentry
Riverside Gentle Yoga
Roger's Barber Shop
Romenesko Jr, Dds, Richard L
Rouse & Associates
Schmitke Enterprises LLC,
Sears Driving School
Selleck Mortgage Group Inc
Shear Perfection
Sherwin-Williams Co
Shhh Fashion
Signature Coatings LLC
Social Cocktail Lounge
The Sports Café
Stone Cottage Music
Summer Illusions
Tax Masters
Telulah Consulting LLC
The Ugly Mug
TL Taxi LLC
Too Little For Me And
The Ladies Room
Traci's Montessori Child Care
Tri Cities Auto Repair
Trilogy Leasing Co LLC
Underpar Discgolf
United Healthcare Services Inc
Valley Surveying Instruments
Vorpal's LLC
Wacpc Inc
Wei Yong Martial Arts Assn
Weight Watchers
WM Design Inc
XI Advertising Sales
Yamaha Motor Corporation
Yoga Bella LLC
1-Derful Roofing & Restoration
1St RateRoofing/Siding/Reno
1910 Sausage Company

The City of Appleton continues to reach out to the business community to address needs of concern, offer assistance for start ups, expansion plans, or if a developer is looking to propose a development within the City. The Community & Economic Development Department (CEDD) met with 125 businesses in 2011.

The chart below is a breakdown of the services provided to the business community in 2011. Business prospects are the businesses that the CEDD met with to recruit or expand within the City of Appleton. Existing businesses are the businesses that had concerns or issues pertaining to the general business climate or governmental regulations (zoning, permitting, tax credits) that the CEDD met with to address. Start ups are businesses that the CEDD met with to offer supplemental services such as business plan, financing or location analysis assistance. Business retention includes businesses that the CEDD purposely targets to keep a pulse on the economic climate of the City of Appleton. Finally, Development Projects Consultations include meetings with developers looking to develop or redevelop projects within the City. During these meetings the CEDD will provide location analysis, financial analysis, design review and tenant recruitment assistance.



HOUSING REHABILITATION PROJECTS

The City of Appleton operates two programs to help property owners maintain residential properties. The Homeowner Rehabilitation Loan Program provides financial and related technical assistance for low-to moderate-income homeowners in the City of Appleton for the rehabilitation of their property. In order to qualify, the property must be owner occupied as well as meet income, equity and asset requirements.

The Rental Rehabilitation Loan Program provides financial and related technical assistance to property owners who rent the units in a property located in the City of Appleton. In order to qualify, income and rent limits apply to the tenants/units and continue for the first five years of the loan. In addition, there must be enough equity in the property to cover the lien.

For both programs, financial assistance is provided in the form of a 0% interest, deferred payment loan. The City places a lien on the property for the amount being spent on the rehabilitation, and the owner pays the loan back when the property is sold or vacated. This allows the City to assist property owners with maintaining and/or increasing their property values. When loans are repaid, the City recycles those funds into future properties.

Priority is given to the following improvements: Lead-based paint hazards, roofing, foundation, electrical, plumbing, heating, windows, doors, insulation, interior walls/ceilings, private sidewalk, driveway, porches, siding, exterior trim, etc. The City does not provide funding for purchasing properties, additions to properties, cosmetic and/or luxury items.

The City rehabilitated 30 housing units in 2011 and spent nearly \$475,000 on home improvement loans. The goal for 2012 is to rehabilitate an additional 30 housing units.

NEIGHBORHOOD REVITALIZATION PROGRAM

In 2011, the Neighborhood Revitalization Program (NRP) went through a transition period due to reduction in Community Development Block Grant (CDBG) funding. The City of Appleton is still committed to improving the quality of life for its residents, and still continues to conduct small improvement projects in the Arbutus Park neighborhood and is preparing to work closely with neighborhood groups. Future NRP plans will be forthcoming in 2012.

PROSPECTS FOR GROWTH

1. Northside

- A. The City of Appleton has 15 acres of industrial land available in the Northeast Business Park for future development.
- B. Several large new office buildings were completed north of U.S. 41 in the office section of the Northeast Business Park. Land is still available for two additional large office developments and several small office projects.
- C. The first phases of the Villas at Apple Creek Center consisting of 60 units and a clubhouse were completed in 2010. An additional 12 units are in the process of being constructed as part of Phase II in 2011. When fully developed, the residential condominium project located on the northeast corner of Ballard Road and Evergreen Drive will add 152 single-family units.
- D. Future phases of Glacier Ridge will add an additional 500 residential lots to the north side.

2. Southside

- A. State Highway 441 continues to be a magnet for commercial development.
- B. The City currently has 100+ acres of fully improved land available for development in Southpoint Commerce Park.
- C. The creation of Tax Increment Financing District #7 (TIF District) will help support the rehabilitation of properties and elimination of blighted conditions in the urban corridor of Memorial Drive from Calumet Street to State Highway 441.

BARRIERS TO GROWTH

1. Northside

- A. Several significant road improvements are needed. Apple Creek Road, Edgewood Drive (east of Ballard Road), French Road and Broadway Drive all require widening, including the acquisition of a new right-of-way.
- B. Stormwater management is a critical and costly piece of the development picture on the northside. New development is responsible for providing for its own stormwater management.
- C. Regulatory floodplains are known to exist on the northside.
- D. The area will need additional police, fire, school and recreational areas.

2. Southside

- A. The area will need additional police, fire, school and recreational areas as property develops.

MARKETING

1. 2011 Appleton Marketing Efforts

- A. **Print Media:** The City of Appleton's print advertisements in 2011 were targeted at regional business leaders to educate them on the opportunities in Southpoint Commerce Park. The Southpoint Commerce Park advertisement was adjusted and updated several times over the course of 2011 to fit a variety of media placements in Insight on Business and the New North Annual Report to the community. The focus of the advertisement is to introduce and reinforce this choice business location in the region.
- B. **Relationship Marketing:** New in 2011 were two sponsorship opportunities for the City of Appleton to build its name recognition among northeast Wisconsin businesses and developers, as well as create additional opportunities for staff to have 'face time' with key business and development leaders to discuss the benefits of doing business in Appleton. These three opportunities included participation in at the InDevelopment Conference in January 2011, the International Council of Shopping Centers event in September 2011 and commitment to the first annual Manufacturing First Conference, which was held in November 2011.
- C. **Internet Media:** In 2011, online advertising initiatives continued to play an important role for the marketing program. The City's premium membership with LoopNet and CoStar was the core component of the online focus along with videos of Northeast Business Park and Southpoint Commerce Park.
- D. **Changes to the Community Development website in 2011** were focused on providing timely information regarding the comprehensive plan process, advertising the availability of award nominations for the Neighborhood Revitalization Program and the Historic Preservation Commission and the application period for the Homeowner Rehabilitation Program. The website continues to be an important tool for providing information on business resources, development processes and applications, available buildings and properties, neighborhood and housing programs and development opportunities. The website provides the information in an instant access format that meets the needs of the commercial real estate and development community regardless of whether City Hall is open. The current news portion of the site is used frequently to feature new development or development related news in Appleton.

2. The Fox Cities Economic Development Partnership

The Fox Cities Economic Development Partnership (FCEDP) is a business attraction and retention organization comprised of municipalities and organizations interested in the economic growth of the Fox Cities. In addition to fostering economic development by creating and implementing marketing programs that promote the area as an attractive location for business and industry, the FCEDP conducts retention activities to ensure the continued viability of existing business.

During the past year, the FCEDP was involved in numerous economic development initiatives including the following:

- A. As a member of the Northeast Wisconsin Regional Economic Partnership (NEWREP), the FCEDP provides assistance to the organization with representation on NEWREP's Board of Directors and participation on the marketing committee. NEWREP was created to administer a technology zone that was created by the Wisconsin Department of Commerce in 2002. Although the technology zone is no longer in existence, NEWREP is active in other economic development activities such as conducting the annual Northeast Wisconsin Business Plan contest, staging international trade missions, coordinating a regional business retention program (Executive Pulse) and acting as a support network for New North initiatives.
- B. During 2011, the FCEDP continued its support of the Northeast Wisconsin International Trade Group (formerly the Highway 41 International Trade Group) to encourage foreign trade by Fox Cities' companies. In addition to holding an annual International Trade Conference in conjunction with Congressmen Reid Ribble and Tom Petri, the consortium scheduled a series of workshops and seminars on salient international issues and provided technical assistance to 33 local businesses in the Fox Cities Area.
- C. As part of a regional effort, the FCEDP provided assistance to NEW NORTH, an 18-county economic development corporation created to promote northeast and east central Wisconsin in locating business and encourage business formation.

The City of Appleton partnered with the Fox Cities Chamber of Commerce to hire Garner Economics to lead the effort on an Economic Development Strategic Plan. This 16 week study took a deep look into our local economy through an Economic and Competitive Analysis, Labor Analysis, Assets and Challenges Assessment (SWOT), and a Competitive Assessment of the Fox Cities area to other competitive locations, followed by business target identification for our community, meaning what are the best types of businesses that will fit well here. This study had numerous recommendations, including these top priorities:

- A full assessment of the region by focus groups, surveys and individual meetings, using the 74 most common indicators used by site selectors to gauge our competitiveness.

- A benchmark analysis of our region to the state, the nation and the two benchmark communities of Chattanooga, TN and Sioux Falls, SD
- Identification of four targeted industry clusters for this region based on potential growth in those clusters, proven track record with these industries, and demand for these clusters in a global marketplace
- Recommendations for the region in the areas of organizational, product marketing and product improvement.

These recommendations now serve as the platform for the formation of a regional Economic Development Alliance. The Economic Development Alliance will assist in recruitment of new industries to the area, expansion of our existing industries, and development of entrepreneurial activity.

3. Future Marketing Efforts

- A. The Community & Economic Development Department introduced a new social media tool in 2011 with its own Facebook page. The new social media format will have added features that will include alerts and announcements and the possibility of online submission of feedback.
- B. The benefits of additional sponsorship opportunities for targeted audiences will continue to be evaluated in 2012 for future marketing opportunities.
- C. Staff will partner with Locate in Wisconsin, LoopNet, and CoStar to improve upon this economical way to reach the commercial real estate and development community.

4. Marketing Programs

- A. Business Retention Program - Assisting in the retention and expansion of local industries is a top priority in the City of Appleton because nine out of ten jobs created in the City are created by existing businesses expanding their operations or by local entrepreneurs starting businesses. In 2011, the staff met with 125 businesses to resolve issues, help with retention, and assist with expansion plans.
- B. Business Recruitment Program - In 2011, the City advertised vacant land and properties in Insight magazine. In 2012, the City will focus on partnering with the Fox Cities Chamber on the Economic Development Alliance.

5. Marketing Efforts ~ Vacant Buildings and New Construction

The Community & Economic Development staff was actively involved in marketing vacant commercial and industrial properties throughout 2011. The areas of focus included.

- Southpoint Commerce Park
- Northeast Business Park
- Downtown Appleton

- West College Avenue
- Wisconsin Avenue

Southpoint Commerce Park is the City's newest industrial park. It is located on the southeast side of the City in one of the fastest growing areas of the Fox Cities along the Calumet Street/County KK and Hwy 441 Corridor. The City presently has 100+ shovel-ready acres available for development. Lots range in size from 1.3 to 14.6 acres and are priced from \$40,000 to \$45,000 per acre. Included in the price are all utilities and regional stormwater detention, eliminating the need for costly on-site detention. If the need should arise, the City has the ability to put together a 40-60 acre site for a large development.