

Meeting Minutes
Economic Development Committee
Tuesday – February 22, 2011 - 4:30 p.m. - City Council Chambers

Members present: Morack, O’Connell, Romberg, and Dyreson. Excused: Tate, Steinhorst, and Schirpke

Also present: Hager, Karen Harkness, and Jim Van Dyke.

1. The meeting was called to order by Chairman Morack at 4:30 p.m. O’Connell/Romberg to adopt the agenda. Carried 4-0.

2. Chairman Morack introduced Karen Harkness, Director of Community Development for the City of Appleton and Jim Van Dyke, Economic Development Specialist for the City of Appleton. Karen and Jim talked at length about the various Fox River front developments that the City of Appleton is involved with, most of which are private/public partnerships. One site is owned by the City. The sites that have been completed include the following; the Atlas Mill area/Fratello’s & Vulcan Heritage Park, and the Valmet Site/Trolley Square property. Future redevelopment projects include the following; former Kaukauna Utilities property/RiverHeath, the Foremost Dairy Site, and the Industrial Flats Area between Olde Oneida to Lawe Street. Karen observed that it is very important to plan your future and gain public input and support for the redevelopment projects. The Atlas Mill area originally had no specific plan for its future. It was fate that drew Fratellos to the property. The City had originally issued a Request for Proposals or RFP, and did not get any response. The developers of Fratellos were at one time looking at another location in the City and virtually by accident were drawn to the Atlas Mill property. The developers of Fratellos were able to work out an agreement with the City that included the City building parking and utilities to serve the development and the City also gaining a great parcel of river front property for park development. The development of the Valmet Site went out for Request for Proposals and three were received. After a careful review process was followed by the Appleton Redevelopment Authority, a developer was selected and Trolley Square project was built. Karen and Jim said that they prefer to distribute the RFPs more locally and regionally. You want to develop good relationships with the local and regional development community. Given the status of the national economy, you would most likely have to cast a wider net with the distribution of a RFP today. The RiverHeath site is the location of the former Kaukauna Utilities. This property is privately owned. There are a lot of stakeholders here including the public wanting to maintain access to the river, and Lawrence University and Tallulah Park. They expect a concept plan to be developed for the property that will be taken out to the neighborhood for their input and buy-in. This location is also a very viable property for extension of the local trail system utilizing a former railroad trestle. Karen noted that there are three important matters to keep in mind when redeveloping property. The first of which is be patient. These projects typically take years to accomplish. The public has to be involved to address community concerns and hopefully develop “buy-in” for the project. Finally, each project needs to involve a private/public partnership in order to be successful. A general discussion regarding the utilization of Tax Increment Financing followed. In the past the City relied on developer finance TIFs where the developer is paid back thru the TIF

only to the extent that new taxable value is established on the project property. This is more of a “self-help” type of TIF. The developer takes on more of the risk. This form of financing is likely not to work now given the status of the economy. They are looking at more of a hybrid type of TIF where the developer and the city share the risk. Karen noted that given the economic conditions today, if you want to see development you need to help the developer succeed, this in turn makes the community successful. When asked about the status of the City of Appleton’s industrial park developments, Karen noted that it has been very slow for the past two years. They have not sold 1 acre. This is the first time this has happened in 34 years. They typically average about 15 acres a year in sales. They typically work with realtors to market and sell their industrial park land. They offer a reasonable commission and typically ask \$40-\$45,000 an acre which is a partially subsidized price as it typically costs them \$55-\$65,000 and acre to develop. Every six months they do a market analysis to determine their price. They try and keep their asking price right in the middle of what the analysis calls for. Their best advertisement is using the various sources on the Internet such as loop net, and zoom prospector. There is no need in their opinion to market nationally. They noted that vacancies that had been created in existing industrial buildings by the recession are starting to fill up. This is a good sign for the local economy. The Committee thanked Karen and Jim for sharing their experiences and wished them much luck with their development opportunities in Appleton.

3. The Committee reviewed Kent’s monthly economic development report for February. The Committee then considered Chairman Morack’s observations regarding his telephone conversation with a leader of one of Appleton’s “Angel Investors” organizations. Given the complexities of forming such an organization, and considering the limited results that they have been able to achieve, it was the consensus of the Committee not to pursue development of such an organization locally. It was noted however, that it is typically beneficial for a group of individual developers and investors to establish an investment group to spread the risk among each of the participants for a particular project. This still remains a viable option.
4. The billboard design competition will run during the second semester at the school district with presentations scheduled for May. The Committee discussed the possibilities for placement of additional advertising billboards and will review the regulations governing them at the next meeting.
5. The Committee reviewed the Northeast Wisconsin Business Plan Contest materials as well as the Wisconsin Governor’s Business Plan Contest material. The Committee originally considered offering such a business plan contest locally, but given the regional contests already in place, it was decided to promote participating in these existing plans rather than try and create our own plan.
6. The Committee had previously reviewed a CD prepared to market the City of Waupaca. It was agreed to ask the Director of the New London Access Channel, Dick Johnson to visit the Committee and discuss the possibility of having our local cable TV channel produce a similar CD for New London.

7. The speaker for the March 29th meeting will be Ed Wendland to talk about his work experiences assisting the City in developing our economy over the past few years.
8. A motion was made to adjourn by O'Connell and seconded by Dyreson. The motion passed unanimously. The meeting adjourned at 6:20 pm.

Kent Hager
City Administrator