

**CITY OF APPLETON 2023 BUDGET
CAPITAL PROJECTS FUNDS**

Industrial Park Land

Business Unit 4280/4281

PROGRAM MISSION

The Industrial Park Land Fund is the clearing house for the City's industrial and business park land sale revenue, acquisition of associated land, and land development costs associated with industrial/business park infrastructures. This fund is utilized for these purposes exclusive of the industrial/business park areas developed and financed with tax incremental financing district(s).

PROGRAM NARRATIVE

Link to City Goals:

Implements Key Strategy # 4: "Continually assess trends affecting the community and proactively respond".

Objectives:

The 2023 budget includes funds for maintenance of the remaining 2.28 acres of land and berm maintenance in the City's Northeast Business Park in addition to the Southpoint Commerce Park. This includes weed cutting, soil testing, environmental reviews, surveys, real estate commissions, title insurance, and other costs associated with selling land. Maintenance costs and rental income associated with the home and land acquired in 2016 at 110 and 210 W Edgewood Drive are also included in this budget. In addition, funds to cover the cost of lighting the two business park identification signs marking the main entrances to the Northeast Business Park and Southpoint Commerce Park are included in this budget. There are currently four parcels sold in the Northeast Business Park that remain undeveloped. Per the covenants, the owners have one year to develop these parcels. The City has first right of refusal on these properties if the current owners wish to sell.

Major changes in Revenue, Expenditures or Programs:

Funds are not included in the 2023 budget for the potential repurchase of lots in the Northeast Business Park and Southpoint Commerce Park that may fall out of compliance with the protective covenants for construction. Since purchases are only made at the direction of the Common Council, if any such parcels become available, a separate action to purchase the parcel(s) will be brought forward in 2023.

Rental income includes leasing the home at 110 W Edgewood, farmland associated with the Edgewood Drive properties, and the farming of Southpoint Commerce Park. Due to site constraints, the lease rate for the 21.25 farmable acres on Edgewood Drive was set at \$66.15 per acre. The farm lease for vacant Southpoint Commerce Park land was updated in 2020 following an RFP process. The revenue account reflects the new lease rate of \$160 per acre and assumes 78.4 acres of leasable land after pending and recent sales in the business park. This lease revenue is payable to the IPLF and is no longer split with TIF District #6 due to its closure in 2023.

Demand for land in Southpoint Commerce Park remains strong. With recent lot sales, and pending lot sales, it is projected only 33 acres of ready-to-build land will be available in 2023. The 2023 Budget, and subsequent years in the five-year CIP plan, include funding for engineering, platting, and permitting in anticipation of the 2024 infrastructure construction for the approximately 80 acres east of Eisenhower Drive and west of Coop Road. This would open the last piece of Southpoint Commerce Park as ready-to-build lots. A potential future TIF District is planned to support the investment in the next phase of Southpoint.

DEPARTMENT BUDGET SUMMARY

Programs		Actual		Budget			% Change *
Unit	Title	2020	2021	Adopted 2022	Amended 2022	2023	
	Program Revenues	\$ 615,418	\$ 1,193,059	\$ 27,441	\$ 27,441	\$ 184,326	571.72%
	Program Expenses	\$ 163,527	\$ 52,473	\$ 150,957	\$ 150,957	\$ 151,857	0.60%
Expenses Comprised Of:							
	Personnel	-	-	-	-	-	N/A
	Purchased Services	31,220	36,125	150,957	150,957	151,857	0.60%
	Capital Expenditures	132,307	16,348	-	-	-	N/A

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PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2020	2021	Adopted 2022	Amended 2022	2023
Revenues					
471000 Interest on Investments	\$ 15,322	\$ (8,320)	\$ 5,000	\$ 5,000	\$ -
500400 Sale of City Property	565,333	915,516	-	-	160,000
501500 Rental of City Property	34,763	35,863	22,441	22,441	24,326
592100 Transfer In - General	-	250,000	-	-	-
Total Revenue	\$ 615,418	\$ 1,193,059	\$ 27,441	\$ 27,441	\$ 184,326
Expenses					
640400 Consulting Services	\$ -	\$ 10,467	\$ 90,000	\$ 90,000	\$ 90,000
641200 Advertising	13,462	9,352	18,000	18,000	18,000
641301 Electric	607	198	975	975	975
641306 Stormwater	6,555	5,313	6,153	6,153	7,053
642500 CEA Expense	197	2,109	-	-	-
659900 Other Contracts/Obligation	10,399	8,686	35,829	35,829	35,829
680100 Land	63,917	-	-	-	-
680903 Sanitary Sewers	68,390	16,348	-	-	-
Total Expense	\$ 163,527	\$ 52,473	\$ 150,957	\$ 150,957	\$ 151,857

DETAILED SUMMARY OF 2023 PROPOSED EXPENDITURES > \$15,000

Consulting Services

Platting and lot grading	\$ 10,000
Engineering for SPCP next phase	60,000
Testing and analysis, title work and due diligence for land sales	20,000
Total	\$ 90,000

Advertising

Marketing	\$ 18,000
Total	\$ 18,000

Other Contracts/Obligations

Maintenance of 110 W Edgewood Real Estate Commissions	\$ 3,000
(4 Acres @ \$40,000)	12,800
Weed cutting/maintenance/debris clean-up at Edgewood, Southpoint & NE Business Parks	20,029
Total	\$ 35,829

**CITY OF APPLETON 2023 BUDGET
INDUSTRIAL PARK LAND**

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT)

	2020 Actual	2021 Actual	2022 Budget	2022 Projected	2023 Budget
Revenues					
Interest Income	\$ 15,322	\$ (8,320)	\$ 5,000	\$ 5,000	\$ -
Other	34,763	35,863	22,441	22,441	24,326
Total Revenues	<u>50,085</u>	<u>27,543</u>	<u>27,441</u>	<u>27,441</u>	<u>24,326</u>
Expenses					
Program Costs	163,527	52,473	150,957	150,957	151,857
Total Expenses	<u>163,527</u>	<u>52,473</u>	<u>150,957</u>	<u>150,957</u>	<u>151,857</u>
Revenues over (under) Expenses	(113,442)	(24,930)	(123,516)	(123,516)	(127,531)
Other Financing Sources (Uses)					
Sale of City Property	565,333	915,516	-	-	160,000
Transfer In - General Fund	-	250,000	-	-	-
Total Other Financing Sources (Uses)	<u>565,333</u>	<u>1,165,516</u>	<u>-</u>	<u>-</u>	<u>160,000</u>
Net Change in Equity	451,891	1,140,586	(123,516)	(123,516)	32,469
Fund Balance - Beginning	602,336	1,054,227	2,194,813	2,194,813	2,071,297
Fund Balance - Ending	<u>\$ 1,054,227</u>	<u>\$ 2,194,813</u>	<u>\$ 2,071,297</u>	<u>\$ 2,071,297</u>	<u>\$ 2,103,766</u>