



# MEMORANDUM

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“...meeting community needs...enhancing quality of life.”

TO: Community & Economic Development Committee (CEDC)  
FROM: Monica Klaeser, Deputy Director  
DATE: June 17, 2015  
RE: Approval of next phase for Southpoint Commerce Park (final phase for TIF District #6): Vantage Drive construction from Lakeland Drive to Eisenhower Drive

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Southpoint Commerce Park is located on the southeast side of the City and is bound by Plank Road, Eisenhower Drive and Midway Road. It provides continued growth opportunities for Appleton's business and industrial markets, especially with the Northeast Business Park having only four City lots available for sale. In total, Southpoint Commerce Park (Southpoint) offers up to 359 acres among lots of varying sizes to support growth of industry for many years to come.

The creation and development of Southpoint has been supported with Tax Increment Financing District #6 (TIF #6) and the Industrial Park Land Fund (IPLF). Approximately half of Southpoint is located in TIF #6 therefore both funding sources (TIF #6 and IPLF) are used to support improvements. See attached map for Southpoint layout as well as the boundary of TIF #6.

As noted in the 2015 Budget Southpoint Commerce Park CIP, the first half of the Park [Southpoint] will be developed using the Tax Incremental District #6 (TIF #6) created in 2000. Eligible expenditures may be made in TIF #6 until February 14, 2018. The maximum life of TIF #6 is February 14, 2023.

The expenditure period deadline of February 2018 leaves the City with only two remaining construction seasons (2016 and 2017) to make improvements using TIF #6. From 2018 – 2023 the TIF will only be taking in revenues based on the increment generated in TIF #6. TIF #6 has a base value of \$12,141,600 (as amended) and, as of 2015, has a total assessed value of \$101,520,300, which provides an increment of \$89,378,700.

Staff has reviewed the 5-year Capital Improvement Program and the phasing schedule planned for Southpoint, in addition to the lot inventory and industrial needs. Appleton has ample inventory of small to mid-sized lots to meet the needs of businesses and industries. The ability to maintain numerous large lots for flexibility in meeting business and industry needs is a priority. Based on this analysis and looking at our financial timelines, Staff reviewed the next phase for Southpoint with the Mayor and an interdepartmental team to establish priorities for 2016 and 2017 construction.

Staff is recommending, with approval of the Mayor, to extend only Vantage Drive from Lakeland Drive to Eisenhower Drive as the next phase for Southpoint and the final phase that would be paid for by TIF #6. This would include utility infrastructure work in 2016 and paving work in 2017.

By maintaining the land south of Vantage Drive and west of Eisenhower Drive in a larger parcel that is ready to build with adjacent infrastructure, in addition to our ample supply of small to mid-sized lots, we position the City to respond quickly to meet industry needs. See the attached map for details.

The priorities for concrete construction/reconstruction are also highlighted on the attached map and will be incorporated in the 2016 budget and corresponding 5-year CIP Plan subject to funding availability and budget approval.

Subsequent phases of Southpoint will be monitored by staff and reviewed with CEDC and Council when and if demand changes to warrant additional investment. A potential scenario could include the creation of a new TIF District to cover the expansion of infrastructure in Southpoint upon the closure of TIF #6. The ability to overlay a new TIF District that would absorb a portion of the current TIF #6 could be considered if/when a significant development project would be available to the City to warrant investment prior to the closure of TIF #6. These are hypothetical scenarios that staff will continue to monitor over time to provide the most appropriate recommendation to CEDC and Council.

I will also be presenting an overview of Appleton's TIF Districts at our June 24, 2015 CEDC meeting for additional background material on all of Appleton's current TIF Districts.

**Staff Recommendation:**

The installation of infrastructure and paving of Vantage Drive from Lakeland Drive to Eisenhower Drive as the next phase (and final phase for TIF District #6) in Southpoint Commerce Park **BE APPROVED.**