

**CITY OF APPLETON 2022 BUDGET
CAPITAL PROJECTS FUNDS**

NOTES

Lined area for notes.

**CITY OF APPLETON 2022 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 2022 budget includes funds for maintenance of the remaining 4 acres of land and berm maintenance in the City's Northeast Business Park in addition to the portion of Southpoint Commerce Park that is outside of TIF District #6. 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 6 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 2022 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 2022.

Rental income includes leasing the home at 110 W. Edgewood, farmland associated with the Edgewood Drive properties, and the portion of Southpoint Commerce Park outside of TIF #6. Due to site constraints, the lease rate for the 21.25 farmable acres on Edgewood Drive was set at \$63 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 75.8 acres of leasable land after pending and recent sales in the business park. 80% of the lease revenue is payable to the IPLF and 20% is in TIF #6.

Demand for land in Southpoint Commerce Park remains strong. With recent lot sales, and pending lot sales, it's projected only 64 acres of ready-to-build land will be available in 2022. The 2022 budget, and subsequent years in the 5-year CIP plan, include funding for engineering, platting, permitting, and 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	2019	2020	Adopted 2021	Amended 2021	2022	
	Program Revenues	\$ 170,022	\$ 615,418	\$ 41,217	\$ 41,217	\$ 27,441	-33.42%
	Program Expenses	\$ 138,973	\$ 163,527	\$ 296,102	\$ 1,095,444	\$ 150,957	-49.02%
Expenses Comprised Of:						200,000	
	Personnel	-	-	-	-	-	N/A
	Purchased Services	35,639	31,220	79,754	79,754	115,128	44.35%
	Capital Expenditures	103,334	132,307	216,348	1,015,690	235,829	9.00%

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PROGRAM BUDGET SUMMARY

Description	Actual		Budget		
	2019	2020	Adopted 2021	Amended 2021	2022
Revenues					
471000 Interest on Investments	\$ 20,127	\$ 15,322	\$ 15,000	\$ 15,000	\$ 5,000
500400 Sale of City Property	105,364	565,333	-	-	-
501500 Rental of City Property	44,531	34,763	26,217	26,217	22,441
591000 Proceeds of Long-term Debt	-	-	-	-	-
Total Revenue	\$ 170,022	\$ 615,418	\$ 41,217	\$ 41,217	\$ 27,441
Expenses					
640400 Consulting Services	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ 90,000
641200 Advertising	17,173	13,462	18,000	18,000	18,000
641301 Electric	330	607	975	975	975
641306 Stormwater	4,939	6,555	4,979	4,979	6,153
642500 CEA Expense	-	197	-	-	-
659900 Other Contracts/Obligation	13,197	10,399	35,800	35,800	35,829
680100 Land	53,136	63,917	200,000	999,342	-
680903 Sanitary Sewers	50,198	68,390	16,348	16,348	-
Total Expense	\$ 138,973	\$ 163,527	\$ 296,102	\$ 1,095,444	\$ 150,957

DETAILED SUMMARY OF 2022 PROPOSED EXPENDITURES > \$15,000

Consulting Services

Platting and lot grading	\$ 10,000
Engineering for SPCP next phase	70,000
Testing and analysis, title work and due diligence for land sales	10,000
	<u>\$ 90,000</u>

Advertising

Marketing	\$ 18,000
	<u>\$ 18,000</u>

Other Contracts/Obligations

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

CITY OF APPLETON 2022 BUDGET
INDUSTRIAL PARK LAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (DEFICIT)

	2019 Actual	2020 Actual	2021 Budget	2021 Projected	2022 Budget
Revenues					
Interest Income	\$ 20,127	\$ 15,322	\$ 15,000	\$ 5,000	\$ 5,000
Other	44,531	34,763	26,217	30,000	22,441
Total Revenues	<u>64,658</u>	<u>50,085</u>	<u>41,217</u>	<u>35,000</u>	<u>27,441</u>
Expenses					
Program Costs	138,973	163,527	296,102	148,102	150,957
Total Expenses	<u>138,973</u>	<u>163,527</u>	<u>296,102</u>	<u>148,102</u>	<u>150,957</u>
Revenues over (under)					
Expenses	(74,315)	(113,442)	(254,885)	(113,102)	(123,516)
Other Financing Sources (Uses)					
Sale of City Property	105,364	565,333	-	-	-
Transfer In - General Fund	-	-	-	250,000	-
Total Other Financing Sources (Uses)	<u>105,364</u>	<u>565,333</u>	<u>-</u>	<u>250,000</u>	<u>-</u>
Net Change in Equity	31,049	451,891	(254,885)	136,898	(123,516)
Fund Balance - Beginning	<u>571,287</u>	<u>602,336</u>	<u>1,054,227</u>	<u>1,054,227</u>	<u>1,191,125</u>
Fund Balance - Ending	<u>\$ 602,336</u>	<u>\$ 1,054,227</u>	<u>\$ 799,342</u>	<u>\$ 1,191,125</u>	<u>\$ 1,067,609</u>