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Department of Public Works City Engineering Division

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August 23, 2013

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Welton Enterprises, Inc. 702 N. Blackhawk Avenue, Suite 109 Madison, WI 53705

RE: 9414 Silicon Prairie Parkway - Rezoning

This memo is to serve as supplemental information for the comments to the Plan Commission for the project located at 9414 Silicon Prairie Parkway.

The City is requiring the construction of a public street adjacent to the west and north boundary of the proposed multi-family lot (Lot 1 of the proposed CSM). MGO 16.23(3)(a)2.c addresses the required improvements for subdivisions, including the dedication of proposed public way, which conforms to the master plan or official map. The dedication of the street as required in the City's conditions of approval to the Plan Commission complies with the MGO requirement.

The MGO also requires a Contract for Public Improvement that include surety to guaranty the work is completed. Typically developers of new subdivisions enter into these contracts with the City and they construct the public improvements. After the construction is complete and accepted, the City will take over the ownership of the new infrastructure. The City will deed restrict parcels from sale or transfer at the time of the subdivision recording, per MGO 16.23(9)(c), until the public facilities are in place or until there is adequate assurances that the public facilities will be constructed so it does not turn into a liability for the prospective buyer. An improved parcel would mean there are public facilities adjacent to and serving the parcel. These public facilities include street, sidewalk, curb, gutter, pavement and public sanitary sewer, storm sewer, stormwater management facilities, water main, and lighting. The City policies are in place to protect both the City and the prospective buyers of the properties in new subdivisions. In this instance, Mr. McKenzie is buying an improved parcel from Mr. Welton (the Developer).

Although typically the Developer is required to construct streets and infrastructure to serve the development, in some cases the City has agreed to do the public works construction and assess the improvements where the development has employment uses that abut the proposed street, in conformance with MGO 16.23(9)6. In this case, Lot 1 of the proposed CSM is a multi-family lot located on one side of the proposed street and Outlot 1 is a proposed employment use lot located on the other side of the street. City Engineering has agreed to extend the policy and to offer Mr. Welton the option of an assessable street improvement project for this proposed street that would construct the public infrastructure to serve the lots. The City would work with Mr. Welton on the design of the street and infrastructure and would then let and construct the improvements. The assessments would be levied to each adjacent lot to be paid over eight years at the current year's interest rate, which is 3% for 2013. The assessments would be put in place prior to the sale of the property. This has been offered in other situations in the past, which has been advantageous enough to allow for the developments to proceed. In this instance, the assessments would be required to pay

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off any outstanding assessments at the time of the sale of the property to Mr. McKenzie. Although the actual assessment amount would not be calculated until the design is complete, it is estimated that the assessment for the public infrastructure required for the development would be in the neighborhood of \$900,000-\$980,000.

If you have any questions on this matter, please feel free to contact Janet Dailey of my staff at 261-9688 or myself at 266-4090.

Sincerely,

Robert F. Phillips, P.E., City Engineer

RFP:jd

cc: Mayor Soglin
Common Council
Steve Cover, Planning
Tim Parks, Planning
David Dryer, Traffic Engineering
John McKenzie