

Summary Report to the City of Madison Joint Review Board

Tax Incremental District (TID) No. 45 (Capitol Square West), City of Madison - Use of ½ Mile Rule (Capitol Square Reconstruction) -

The City of Madison 2017 Capital Budget proposes to fund the reconstruction of the southern / eastern portion of the Capitol Square (see attached map) through a combination of funds from TID #25 and TID #45. Those areas located in TID #25 will be paid for from TID #25. Those areas in TID #45 and within ½ Mile of TID #45 will be paid for by TID #45. The total cost for the proposed reconstruction is \$1,271,250. The portion of this total that is proposed to be paid for by TID #45 is \$635,625.

The City of Madison is requesting that the Joint Review Board authorize the use of the “1/2 Mile Rule” to allow TID #45 to fund the \$635,625 of project cost located within ½ Mile of TID #45.

In 2016, TID #45 had a negative incremental value due to the demolition of the ULI parking ramp. Given the progress on the redevelopment of the ULI / Anchor Bank (Old National Bank) site, 2017 will most likely see TID #45 generate positive incremental value. All other factors remaining constant, as this project and others move ahead, TID #45 will see a positive incremental value.

Under current conditions, City Staff estimates that TID #45 will have sufficient revenues to pay for this project and all remaining project costs by 2026, remain open one year to fund affordable housing (as allowed under TIF Law), and close in 2027. However, there is the possibility that additional projects that Staff is not aware of may come forward and alter the estimated closure date.

