



Legislation Text

File #: 73496, Version: 1

Fiscal Note

This resolution authorizes an agreement with the City of Fitchburg regarding apportionment of the Town of Madison's assets and liabilities upon final attachment of the Town on October 31, 2022. The agreement also calls for the payment of \$607,500 to Fitchburg for Fitchburg to not exercise its option to acquire the Town Hall property. This amount equates to Fitchburg's 25% share of the value of the property (\$2,430,000). Because the rear portion of the property contains a Town park, which would no longer be in service if Fitchburg took ownership, these funds will be paid for from the Park-Land Impact Fee Fund since they will be used to acquire park land. The property will eventually be subdivided to clearly delineate the park portion of the property. Future sales of all or a portion of this property within five years may require a payment to Fitchburg of 25% of the increase in the value of the property. Any such payment will be addressed at the time of any such sale. This resolution amends the 2022 Adopted Parks Division Capital Budget to appropriate \$607,500 from park impact fees to the Land Acquisition program to fund the acquisition of the Town Hall property.

It is unknown at this time the final amount of assets and liabilities of the town. This amount will be determined through the Town's final audit, which will be available in the spring of 2023. At that time, the two cities will use the provisions of this agreement to divide the assets and liabilities of the town. Assets include both physical assets (e.g., improvements, equipment), most of which will be divided based on location, as well as liquid assets (e.g., remaining cash balances) which will be divided based on the 75% to Madison / 25% to Fitchburg provision in the agreement, or physical location (e.g., the town's tax increment district is in the area that will be attached to Fitchburg). Liabilities (e.g., outstanding debt) will be divided in a similar manner.

Title

Approving an agreement with the City of Fitchburg to address apportionment of the Town of Madison's assets and liabilities upon final attachment of the Town on October 31, 2022 and to allow the City to acquire title to the Town Hall property, and Amending the Parks Division Capital Budget to include funding for the acquisition.

Body

WHEREAS, on October 10, 2003, the City of Madison (the "City"), the City of Fitchburg ("Fitchburg") and the Town of Madison (the "Town") entered into a Cooperative Plan (the "Cooperative Plan") under which the Town will cease to exist on October 31, 2022 ("Final Attachment") and Town territory, and all Town assets and liabilities, will be divided between the two Cities; and,

WHEREAS, under Section 15 of the Cooperative Plan, the parties to the Cooperative Plan agreed to the following terms regarding the ultimate division of the Town's assets and liabilities, and the disposition of the Town Hall property:

Town assets and liabilities shall be divided between [Madison and Fitchburg] at the end of the Protected Period as they mutually agree....Notwithstanding the foregoing, [Madison and Fitchburg] agree that the division of assets and liabilities shall, upon Fitchburg's election, assign to Fitchburg ownership of the current Town Hall property and all assets integral to fire protection and EMS operations.

WHEREAS, as Final Attachment approaches, it is necessary for Madison and Fitchburg to come to an agreement regarding the treatment of the Town's assets and liabilities at Final Attachment; and,

WHEREAS, in discussions with Fitchburg, it was determined that an apportionment share of 75% to the City and 25% to Fitchburg is fair and appropriate. This proportion is based upon a combination of assessed value (72.4% to the City, 27.6% to Fitchburg), population (77.71% to the City, 22.29% to Fitchburg) and land (74% to the City, 26% to Fitchburg); and,

WHEREAS, the Town Hall property is a 3.99 acre site located at 2120 Fish Hatchery Road in what will be the City. The portion of the property facing Fish Hatchery Road contains the Town Hall building, which includes the Town fire and police stations, four outbuildings, and paved parking. The Town Hall portion of the property is well positioned to serve the immediate and near term space needs of various City departments. The rear portion of the property is the Town's Fraust Park facility, which includes open space, playground equipment, a shelter, and a shared restroom facility. Fraust Park is necessary open space for the residents in the Lake Forest neighborhood, located between Martin Street and Carver Street, to the immediate north of the Town Hall property; and,

WHEREAS, if Fitchburg exercises its option to acquire the Town Hall property, which sits roughly 2200 feet north of the future Fitchburg boundary, it will have no interest in maintaining operations of Fraust Park or using the Town Hall facility for municipal operations. Rather, it is expected that the property would eventually be made available for redevelopment consistent with the City's comprehensive plan, which calls for neighborhood mixed use (2-4 stories and up to 70 units per acre) on the Town Hall facility portion of the property, and medium residential use (2-5 story building and 20-90 units per acre) on the Fraust Park portion of the property; and,

WHEREAS, to ensure the continued operation of this needed park open space, and to meet the City's short and near term space needs, it is necessary for the City to secure the rights to the Town Hall property (the Town Hall and Fraust Park portions) upon Final Attachment; and,

WHEREAS, Fitchburg has indicated that it would agree not to exercise its option to acquire the Town Hall property and allow the City to take immediate ownership of the property, if the City compensates it, prior to Final Attachment, for its 25% share in the property (\$607,500), and the City agrees that, should the City sell all or part of the parcel in the following five years, the City will share 25% of any increase in the value of the property.

NOW, THEREFORE, BE IT RESOLVED, that the Mayor and City Clerk are authorized to execute an intergovernmental agreement with the City of Fitchburg, pursuant to Wis. Stat. § 66.0301(2) and as provided for under Section 15 of the Cooperative Plan, to fairly and equitably apportion the Town of Madison's assets and liabilities, wind down the Town's business, and ensure that the City obtains title to the Town Hall property, including Fraust Park, in a format approved by the City Attorney and on terms consistent with the Town of Madison Assets and Liabilities Apportionment Agreement attached hereto.

BE IT FURTHER RESOLVED, that, due to the complexities involved with the wind down process, and the likelihood of unanticipated issues and challenges arising, the City's Finance Director is authorized to act on the City's behalf, as provided for by the Agreement.

BE IT FURTHER RESOLVED, that the payment of 25% of the value of the Town Hall property to Fitchburg prior to Final Attachment is appropriate and necessary in order to secure the Fraust Park property and to meet the park and open space needs of the City's future Lake Forest residents. Accordingly, this payment is in the City's best interests and it is appropriate to use park-land impact fee funds for this acquisition. A map showing the potential future Fraust Park property is attached to this resolution and incorporated herein by reference.

BE IT FINALLY RESOLVED, the 2022 Adopted Parks Division Capital Budget be amended to appropriate \$607,500 from park impact fees to the Land Acquisition program to fund the acquisition of the Town Hall property.

