

Summary Report to the City of Madison Finance Committee

Tax Incremental District (TID) No. 41 (University Whitney), City of Madison - Use of ½ Mile Rule (Street Reconstruction) -

In 2020 and 2021, the City of Madison proposes to fund the reconstruction of both Craig Ave and Old Middleton Rd, along with rebuilding the Craig Ave / Old Middleton Rd Underpass. The funding of these projects will allow for street and pedestrian safety improvements shown on the attached map. The total cost for these projects is \$3,930,000, with the City requesting that the Joint Review Board authorize TID #41 to pay for \$3,620,000.

City Staff will request the Joint Review Board authorize the use of the so called “1/2 Mile Rule” authorized in TIF Statute to allow TID #41 to fund this project which is located within ½ mile of TID #41.

TID #41 continues to show positive cash flow. It is paying its outstanding debts and is also in the process donating \$895,000 of positive tax increments to TID #38, as allowed under State Statute and under consideration by the City of Madison Common Council and the Joint Review Board.

City Staff estimate that if current conditions continue, TID #41 will have sufficient revenues to pay for this project and all remaining project costs by 2024, remain open one additional year to fund affordable housing (as allowed under TIF Law), and close in 2025. However, City Staff may identify future project costs that may lead to additional project plan amendments, which could affect this closure estimate.

