

**From:** [Alex Saloutos](#)  
**To:** [All Alders](#)  
**Cc:** [Schmiedicke, David](#); [Haas, Michael R](#)  
**Subject:** Public Comment on Agenda Item 30, January 27, 2026, LakeWay Cost Sharing Agreement (Legistar 91378)  
**Date:** Tuesday, January 27, 2026 6:20:01 PM  
**Attachments:** [260127\\_LEGISTAR91378\\_MEMORANDUM\\_LAKEWAYPROJECTPHASE1.pdf](#)

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Dear Council President Vidaver and Members of the Common Council,

Please find attached my comments on Agenda Item 30, the proposed Cost Sharing Agreement with Dane County for the Madison LakeWay Community Causeway Improvements.

The agreement states the project cost is \$12 million, but the recently approved 2026 Capital Budget authorizes only \$10 million. Additionally, the agreement places unlimited liability on the City for fundraising shortfalls and cost overruns, with no corresponding obligation on the County. When the County committed \$2 million in the 2025 Capital Budget, that represented one-third of the \$6 million project cost. The County's contribution should reflect a comparable share. I respectfully request that the Council amend the agreement to reflect the authorized budget amount, require the County to pay a proportionate share, and limit the City's financial exposure before approval.

Thank you for your consideration.

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A handwritten signature in black ink, appearing to be the letter 'A' with a horizontal stroke extending to the right.

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# M E M O R A N D U M

**Date:** January 27, 2026

**To:** Common Council

**CC:** Michael Haas  
David Schmiedicke

**From:** Alex Saloutos

**RE:** **Madison LakeWay Cost Sharing Agreement with Dane County, Legistar ID No. 91378**

I am writing to provide comments on the proposed Cost Sharing Agreement with Dane County for the Madison LakeWay Community Causeway Improvements (Legistar ID No. [91378](#)), which is Agenda Item 30 on tonight's Common Council agenda. These comments reflect the discussion at the Finance Committee meeting on January 20, 2026, at which the Committee unanimously recommended approval of the agreement.<sup>1</sup>

## SUMMARY

I respectfully request that, before approving this agreement, the Common Council amend it to be consistent with the 2026 Capital Budget and to state that the project cost is \$10 million, not \$12 million.

The Council recently approved the 2026 Capital Budget, which authorizes \$10 million for this project.<sup>2</sup> Now, the Council is being asked to approve an agreement that states the project cost is \$12 million<sup>3</sup> — a 20% increase — with no explanation, no amended budget, and a fiscal note that claims “no additional appropriation is required.”<sup>4</sup> Whether this \$2 million discrepancy is an error or an intentional budget expansion without Council authorization, the remedy is the same: the agreement should be amended to reflect the \$10 million project cost the Council actually approved.

In addition, the Council should consider: (1) amending the agreement so that the County pays one-third of the project costs, consistent with the cost-sharing ratio established in the 2025 Capital

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<sup>1</sup> Finance Committee Meeting, January 20, 2026. Video available at:

<https://media.cityofmadison.com/mediasite/Showcase/madison-city-channel/Presentation/57e2ea7c74474754b1a3666400726acb1d>. Agenda item 6 begins at 0:10:11.

<sup>2</sup> 2026 Adopted Capital Budget, Madison LakeWay Improvements: “Project budget increased by \$4.0 million in Private Contributions (\$3.0 million) and Impact Fees (\$2.5 million), offset by a decrease in TIF Increment (\$1.5 million). This reflects a 66.7% increase compared to the 2025 Adopted CIP.” Available at <https://www.cityofmadison.com/finance/documents/2026/capital/2026CapEx-Parks.pdf>.

<sup>3</sup> Cost Sharing Agreement for the Construction of the Madison LakeWay Community Causeway Improvements, Section 6. Legistar ID No. 91378. Available at <https://madison.legistar.com/View.ashx?M=F&ID=15057368&GUID=C4482005-EBFA-425F-B53C-A3045B0C640D>.

<sup>4</sup> Fiscal Note, Legistar ID No. 91378: “The proposed resolution authorizes the Mayor and City Clerk to enter into a cost sharing agreement with Dane County establishing the County’s contribution of \$2.0 million towards the construction of the Madison LakeWay. The funding source was recognized and authorized in the Parks Division’s 2025 Adopted Capital Budget (Munis #17362). No additional appropriation is required.” Available at <https://madison.legistar.com/LegislationDetail.aspx?ID=7795276&GUID=EE53F6CD-A9EE-43DF-BB77-E89F4F445CE9>, and <https://www.cityofmadison.com/finance/documents/budget/2025/Adopt2025-AdoptedBudgetBook.pdf>.

Budget;<sup>5</sup> (2) amending the agreement to include a termination clause allowing the City to withdraw before bid acceptance if costs exceed the budgeted amount; (3) amending the agreement to cap the City's total financial obligation at \$7 million and require the County to share proportionally in any cost overruns beyond the estimated \$12 million; or (4) directing staff to clarify in writing that this agreement does not obligate the City to complete a \$12 million project without further Council approval, and that the County shares in any obligation to complete the project.

### ISSUES REQUIRING COUNCIL ATTENTION

The following sections provide additional detail on the issues identified in the Summary.

#### 1. The Agreement States \$12 Million; the 2026 Capital Budget Authorizes \$10 Million

Section 6 of the Cost Sharing Agreement states: "The County shall contribute \$2,000,000 towards the estimated \$12,000,000 costs of the Project."<sup>6</sup>

The 2026 Capital Budget, which the Council recently approved, authorizes \$10 million for the Madison LakeWay Improvements.<sup>7</sup> The agreement thus contemplates a project that exceeds the Council's authorized budget by \$2 million, a 20% increase.

At the Finance Committee meeting, staff attempted to explain this discrepancy as follows: "We had \$10 million currently in the capital budget identified through the Geo funding through TID 53, with private contributions, with impact fees that brings us to \$10 million. And then this \$2,000,000 brings us to a \$12 million project."<sup>8</sup>

This explanation does not hold up. When the County committed \$2 million in the 2025 Capital Budget, the project cost was \$6 million. The current authorized project cost in the 2026 Capital Budget is \$10 million, not \$12 million. The \$10 million is not a base figure to which the County's \$2 million is added; it is the total project authorization. Staff's explanation to the Finance Committee was inconsistent with the Capital Budget the Council approved.

#### 2. The Fiscal Note Does Not Disclose the \$2 Million Budget Discrepancy

The fiscal note accompanying this legislation states: "The proposed resolution authorizes the Mayor and City Clerk to enter into a cost sharing agreement with Dane County establishing the County's contribution of \$2.0 million towards the construction of the Madison LakeWay. The funding source

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<sup>5</sup> In the 2025 Capital Budget, the County's \$2 million contribution represented 33.3% of the \$6 million project cost (\$2M ÷ \$6M = 33.3%). Available at <https://www.cityofmadison.com/finance/documents/budget/2025/Adopt2025-AdoptedBudgetBook.pdf>.

<sup>6</sup> Cost Sharing Agreement for the Construction of the Madison LakeWay Community Causeway Improvements, Section 6. Legistar ID No. 91378. Available at <https://madison.legistar.com/View.ashx?M=F&ID=15057368&GUID=C4482005-EBFA-425F-B53C-A3045B0C640D>.

<sup>7</sup> 2026 Adopted Capital Budget, Madison LakeWay Improvements: "Project budget increased by \$4.0 million in Private Contributions (\$3.0 million) and Impact Fees (\$2.5 million), offset by a decrease in TIF Increment (\$1.5 million). This reflects a 66.7% increase compared to the 2025 Adopted CIP." Available at <https://www.cityofmadison.com/finance/documents/2026/capital/2026CapEx-Parks.pdf>.

<sup>8</sup> Finance Committee Meeting, January 20, 2026. Staff statement: "We had \$10 million currently in the capital budget identified through the Geo funding through TID 53, with private contributions, with impact fees that brings us to \$10 million. And then this \$2,000,000 brings us to a \$12 million project." Video available at: <https://media.cityofmadison.com/mediasite/Showcase/madison-city-channel/Presentation/57e2ea7c74474754b1a3666400726acb1d>. Agenda item 6 begins at 0:10:11.

was recognized and authorized in the Parks Division's 2025 Adopted Capital Budget (Munis #17362). No additional appropriation is required."<sup>9</sup>

The fiscal note's claim that "no additional appropriation is required" is only accurate if the project stays at \$10 million. The fiscal note does not disclose that this agreement contemplates a \$12 million project, while the 2026 Capital Budget authorizes only \$10 million. The fiscal note should either identify the source of the additional \$2 million and explain how the City will fund a project that exceeds its capital budget authorization, or the agreement should be amended to reflect the \$10 million authorization.

### 3. The Project Cost Has Doubled, But the County's Contribution Remains Fixed

The cost trajectory of this project is substantial:

- 2025 Capital Budget: \$6 million total project cost, with \$2 million from Dane County (33% county share)<sup>10</sup>
- 2026 Capital Budget: \$10 million total project cost<sup>11</sup>
- This Agreement: \$12 million total project cost, with \$2 million from Dane County (16.7% county share)<sup>12</sup>

The project cost has doubled from \$6 million to \$12 million, yet the County's contribution remains fixed at \$2 million. When the County committed \$2 million in the 2025 Capital Budget, that represented one-third of the project cost. Now, \$2 million represents only one-sixth of the project cost (approximately 16.7%).

If the County's contribution were proportional to the original cost-sharing ratio, the County would contribute \$4 million (one-third of \$12 million), not \$2 million. Alternatively, if the agreement is amended to reflect a \$10 million project, the County's \$2 million would represent 20% of the project cost, still less than the original one-third share, but closer to a reasonable contribution.

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<sup>9</sup> Fiscal Note, Legistar ID No. 91378: "The proposed resolution authorizes the Mayor and City Clerk to enter into a cost sharing agreement with Dane County establishing the County's contribution of \$2.0 million towards the construction of the Madison LakeWay. The funding source was recognized and authorized in the Parks Division's 2025 Adopted Capital Budget (Munis #17362). No additional appropriation is required." Available at : <https://madison.legistar.com/LegislationDetail.aspx?ID=7795276&GUID=EE53F6CD-A9EE-43DF-BB77-E89F4F445CE9>.

<sup>10</sup> 2025 Adopted Capital Budget, Madison LakeWay Improvements: "Common Council Amendment #1 added \$2.0 million in County Sources in 2025." The five-year capital plan included \$6 million for LakeWay improvements in 2026. Available at <https://www.cityofmadison.com/media/190956>.

<sup>11</sup> 2026 Adopted Capital Budget, Madison LakeWay Improvements: "Project budget increased by \$4.0 million in Private Contributions (\$3.0 million) and Impact Fees (\$2.5 million), offset by a decrease in TIF Increment (\$1.5 million). This reflects a 66.7% increase compared to the 2025 Adopted CIP." Available at <https://www.cityofmadison.com/finance/documents/2026/capital/2026CapEx-Parks.pdf>.

<sup>12</sup> Cost Sharing Agreement for the Construction of the Madison LakeWay Community Causeway Improvements, Section 6. Legistar ID No. 91378. Available at <https://madison.legistar.com/View.ashx?M=F&ID=15057368&GUID=C4482005-EBFA-425F-B53C-A3045B0C640D>.

#### 4. Staff's Representation That the City's Obligation "Will Never Change" Is Not Reflected in the Agreement

Alder Vidaver asked a direct question: "So, I guess the point is that the city's amount will never change from the \$7 million that's allocated in this proposal is that am I reading that correctly?" Staff responded: "Not without council approval, correct."<sup>13</sup>

This assurance is not reflected in the agreement. To the contrary, Section 6 states: "The City anticipates an additional \$3,000,000 of Project costs to be paid for by private fundraising, with any shortages in private fundraising, or additional capital costs beyond those estimated, being solely the responsibility of the City."<sup>14</sup>

The agreement places unlimited financial liability on the City for both fundraising shortfalls and cost overruns. If staff's representation to the Finance Committee is correct — that the City's share cannot exceed \$7 million without Council approval — that limitation should be stated in the agreement.

#### 5. There Is No Evidence That LakeWay Partners Has Raised Any Private Funds

The agreement assumes \$3 million in private fundraising. At the Finance Committee meeting, staff stated: "The Madison LakeWay Partners have committed to raise \$3,000,000 by August of this year."<sup>15</sup>

However, there is no evidence in the public record that LakeWay Partners has raised any funds toward this goal.<sup>16</sup> LakeWay Partners hired its first executive director in late 2024 and was expected to begin its capital campaign shortly thereafter. Since then, there has been no public reporting on the campaign's progress. The Council is being asked to approve an agreement that assumes \$3 million in private fundraising without any documentation of the current fundraising status or progress toward that goal.

Staff acknowledged this uncertainty: "[I]f they aren't able to reach that goal; we're going to have to scaled back our scope of the project."<sup>17</sup> Staff also stated: "I do not believe that this contract with the

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<sup>13</sup> Finance Committee Meeting, January 20, 2026. Alder Vidaver: "So, I guess the point is that the city's amount will never change from the \$7 million that's allocated in this proposal is that am I reading that correctly?" Staff: "Not without council approval, correct." Video available at: <https://media.cityofmadison.com/mediasite/Showcase/madison-city-channel/Presentation/57e2ea7c74474754b1a3666400726acb1d>. Agenda item 6 begins at 0:10:11.

<sup>14</sup> Cost Sharing Agreement, Section 6: "The City anticipates an additional \$3,000,000 of Project costs to be paid for by private fundraising, with any shortages in private fundraising, or additional capital costs beyond those estimated, being solely the responsibility of the City." Legistar ID No. 91378. Available at <https://madison.legistar.com/View.ashx?M=F&ID=15057368&GUID=C4482005-EBFA-425F-B53C-A3045B0C640D>.

<sup>15</sup> Finance Committee Meeting, January 20, 2026. Staff statement: "The Madison LakeWay Partners have committed to raise \$3,000,000 by August of this year." Video available at: <https://media.cityofmadison.com/mediasite/Showcase/madison-city-channel/Presentation/57e2ea7c74474754b1a3666400726acb1d>. Agenda item 6 begins at 0:10:11.

<sup>16</sup> A review of Legistar, Madison LakeWay Partners' website (<https://madisonlakeway.org>), and local media coverage reveals no public reporting on the status of the \$3 million private fundraising campaign. LakeWay Partners hired its first executive director in late 2024 and was expected to begin its capital campaign shortly thereafter.

<sup>17</sup> Finance Committee Meeting, January 20, 2026. Staff statement: "[I]f they aren't able to reach that goal we're going to have to scaled back our scope of the project to be quite frank." Video available at: <https://media.cityofmadison.com/mediasite/Showcase/madison-city-channel/Presentation/57e2ea7c74474754b1a3666400726acb1d>. Agenda item 6 begins at 0:10:11.

county to receive the \$2,000,000 obligates us to get to a \$12 million project. Um, but, again, that's really a question for the attorney's office."<sup>18</sup>

If staff is correct that the City can scale back the project without breaching the agreement, that flexibility should be explicitly stated in the contract. As currently drafted, the agreement does not contain a termination clause or any provision allowing the City to reduce the project scope.

#### 6. What the Council Is Actually Being Asked to Approve

The resolution authorizes the Mayor and City Clerk "to sign an agreement with Dane County" that is "consistent with the Agreement attached hereto." The attached agreement:

- States the project cost is \$12 million (not the \$10 million authorized in the 2026 Capital Budget)
- Obligates the City to cover all fundraising shortfalls (up to \$3 million)
- Obligates the City to cover all cost overruns with no cap
- Contains no termination clause
- Contains no provision requiring Council approval for costs exceeding the budgeted amount
- Commits the City to maintain the improvements for a minimum of 20 years<sup>19</sup>

#### **REQUESTED ACTION**

I respectfully request that the Common Council take the following action:

1. Amend the agreement to state the project cost is \$10 million, consistent with the 2026 Capital Budget. The Council authorized \$10 million; the agreement should reflect that amount. This also ensures that the fiscal note's statement that "no additional appropriation is required" remains accurate.
2. Amend the agreement to have the County contribute one-third of the total project cost, consistent with the cost-sharing ratio established in the 2025 Capital Budget. If the project cost is \$12 million, the County's share should be \$4 million.
3. Amend the agreement to include a termination clause allowing the City to withdraw before bid acceptance if bids exceed the amount authorized by the Council in the Capital Budget. Or, amend the agreement to cap the City's total financial obligation at \$7 million, consistent with staff's representation to the Finance Committee.

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<sup>18</sup> Finance Committee Meeting, January 20, 2026. Staff statement: "I do not believe that this contract with the county to receive the \$2,000,000 obligates us to get to a \$12 million project. Um, but, again, that's really a question for the attorney's office." Video available at: <https://media.cityofmadison.com/mediasite/Showcase/madison-city-channel/Presentation/57e2ea7c74474754b1a3666400726acb1d>. Agenda item 6 begins at 0:10:11.

<sup>19</sup> Resolution, Legistar ID No. 91378: "BE IT FURTHER RESOLVED that the City shall implement and maintain the Community Causeway Improvements as a public park facility for a minimum project life of 20 years." Available at <https://madison.legistar.com/LegislationDetail.aspx?ID=7795276&GUID=EE53F6CD-A9EE-43DF-BB77-E89F4F445CE9>.

4. Add language requiring that any costs exceeding the amounts authorized in the Capital Budget must receive separate Council approval before the City is obligated.
5. Request documentation from LakeWay Partners on the current status of private fundraising efforts before approving an agreement that assumes \$3 million in private contributions.
6. In lieu of adding language that limits the City's liabilities in the agreement, direct the City Attorney's office to provide a written opinion confirming that the agreement does not obligate the City to complete a \$12 million project without further Council approval, that the City may scale back the project scope if fundraising falls short or bids exceed budget, and that doing so creates no obligation to the County.

### **SUGGESTED CONTRACT LANGUAGE**

If the Council adopts the primary recommendation, Section 6 of the agreement should be amended to replace "\$12,000,000" with "\$10,000,000" and to adjust the City of Madison contribution from "\$7,000,000" to "\$5,000,000."

Additionally, the following language could be added to Section 6 to protect the City's interests:

*Notwithstanding any other provision of this Agreement, the City's obligation to proceed with the Project is contingent upon:*

*(a) receipt of bids that do not exceed the total project cost authorized in the City's adopted Capital Budget; and*

*(b) confirmation of private fundraising commitments sufficient to proceed without increasing the City's share beyond the amount authorized in the Capital Budget.*

*The City may terminate this Agreement without penalty prior to the acceptance of construction bids if, in the City's sole discretion, project costs exceed acceptable levels or required fundraising has not materialized.*

### **CONCLUSION**

I support the Madison LakeWay project. This memorandum is not a critique of the project itself, but of the contract and the financial issues it raises. The agreement, as drafted, creates open-ended financial obligations that are not reflected in the Capital Budget, not disclosed in the fiscal note, and inconsistent with staff's representations to the Finance Committee.

The Council authorized a \$10 million project, but this agreement is for a \$12 million project; whether that discrepancy is an error or an intentional expansion, it should be corrected. The Council should not approve an agreement that exceeds its own budget authorization by 20% without explanation or an amended appropriation.

Thank you for your consideration of these comments.