

## **Summary Report to the City of Madison Finance Committee**

### **Tax Incremental District (TID) No. 35 (Todd Drive), City of Madison - Use of 1/2 Mile Rule (Street Light Installation) -**

The City of Madison proposes to fund the installation of streetlights in the Todd Drive area of the City (see attached map). The funding of this project will allow the installation of streetlights on the streets highlighted in blue shown on the attached map. The cost for this project is \$350,000. 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 #35 to fund this project which is located within 1/2 mile of TID #35.

TID #35 continues to show positive cash flow. TID #35 is paying its outstanding debts and is also in the process donating \$4.7 million of positive tax increments to TID #38, as allowed under State Statute. The City of Madison Common Council and the Joint Review Board will consider approval of these expenditures at a future date.

City Staff estimate that if current conditions continue, TID #35 will have sufficient revenues to pay for this project and all remaining project costs by 2021, remain open one additional year to fund affordable housing (as allowed under TIF Law), and close in 2022. However, there is at least one additional anticipated project that may request TIF assistance in the near future, which could impact this closure estimate.

