



City of Madison Master

City of Madison
Madison, WI 53703
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File Type: Resolution

Status: Items Referred

Version: 1

Reference:

Controlling Body: BOARD OF ESTIMATES

Lead Referral: BOARD OF ESTIMATES

File Created Date : 01/29/2008

File Name: 8071 Villager Fund grant and land transfer

Final Action:

Title: Authorizing a grant to the Community Development Authority for the design and development of a new Atrium at The Villager and the acquisition and clearance of a gas station located at 2342 South Park Street and the transfer of City-owned real estate located at 809-825 Ridgewood Way to the CDA to be used in the redevelopment of The Villager.

Notes:

CC Agenda Date: 02/05/2008

Sponsors: David J. Cieslewicz and Tim Bruer

Enactment Date:

Attachments: Villager Mall 4

Enactment Number:

Author: Donald S. Marx, Real Estate Manager

Hearing Date:

Entered by: nprusaitis@cityofmadison.com

Published Date:

Approval History

Version	Date	Approver	Action
1	01/30/2008	Daniel Bohrod	Approve

History of Legislative File

Ver- sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Community and Economic Development Unit	01/29/2008	Referred for Introduction				
	Action Text:		This Resolution was Referred for Introduction				
	Notes:		Board of Estimates				
1	COMMON COUNCIL	02/05/2008	Refer	BOARD OF ESTIMATES			
	Action Text:		This Resolution was Refer to the BOARD OF ESTIMATES				
	Notes:						
1	BOARD OF ESTIMATES	02/18/2008					

Text of Legislative File 09018

Fiscal Note

Approval of this Resolution will authorize the granting from the City to the CDA the remaining amounts of authorized City General Obligation borrowing included in the PCED 2008 adopted capital budget Project No. 29, "Villager Redevelopment," Account #810578, and Project No. 35, "New TID - Villager," Account #823801. Such amounts are \$3,888,000 from Project No. 29 and \$1,000,000 from Project No. 35. (It should be noted that Project No. 29 includes an additional \$300,000 to be derived from Private Contributions, and Project No. 35 includes \$400,000 of proceeds to be derived from Land Sales. While the City proposes to grant to the CDA the proceeds supported with City General Obligation borrowing as noted, the funding derived from non-City sources will not transfer; rather, the collection, application and administration of this funding will be borne by the CDA.) As such, the 2008 PCED adopted capital budget will be amended as follows:

Project No. 29 - Villager Redevelopment (Account #810578):

- CD21-58015-810578 (\$788,000) Consulting/Study Fees
- CD21-58201-810578 (\$75,000) Gen'l Land/Water Improvements
- CD21-58401-810578 (\$3,325,000) Gen'l Buidling Improvements
- CD21-57456-810578 (\$3,888,000) Transfer out to CDA
- CD21-78540-810578 (\$300,000) Private Contributions

Project No. 35 - New TID - Villager (Account #823801):

- CT38-58201-823801 (\$1,400,000) Gen'l Land/Water Improvements
- CT38-57456-823801 (\$1,000,000) Transfer out to CDA
- CT38-78320-823801 (\$400,000) Land Sales

In addition, the Resolution will authorize the transfer from the City to the CDA of a real estate parcel located at 809-825 Ridgewood Way. The parcel has not been appraised.

Title

Authorizing a grant to the Community Development Authority for the design and development of a new Atrium at The Villager and the acquisition and clearance of a gas station located at 2342 South Park Street and the transfer of City-owned real estate located at 809-825 Ridgewood Way to the CDA to be used in the redevelopment of The Villager.

Body

PREAMBLE

As part of a broad community effort to stabilize and revitalize the South Park Street Corridor, the City and the Community Development Authority (CDA) created a Redevelopment Plan (the "Plan") for The Villager Redevelopment District that was adopted by the Common Council on March 30, 2004 (Substitute Resolution 61396). The intent of the Plan was to advance an overall redevelopment strategy for the former Villager Shopping Center ("The Villager") that would build upon the community-serving strengths of The Villager. The adoption of the Plan enables the CDA to use its statutory powers to acquire, stabilize, and revitalize The Villager and make it one of the primary community focal points in South Madison.

In December of 2004, the Community Development Authority completed the acquisition of The Villager. The CDA did not have the authority to acquire the portion of The Villager parking lot (the "Real Estate") located at 809-825 Ridgewood (as shown on the attached exhibit) that was located outside of City boundaries. The City acquired the Real Estate for the overall redevelopment of The Villager. In addition, the development plan for The Villager (adopted by the CDA in December 2005 and the City in 2006 (Resolution RES-06-0011, Legislative File ID No. 02353, adopted February 7, 2006)) called for the acquisition of the Citgo Gas Station located at 2200 S. Park Street and the Mobil Gas Station located at 2342 S. Park Street.

The adopted 2008 City budget authorized funding (Project No. 29) in the amount of \$5,413,000 for the design and development of a new Atrium at The Villager. This amount is for land acquisition and clearance (\$1.75 million), site improvements for development (\$913,000), and Atrium capital improvements (\$3.325

million) to improve leasing and to support growth of users presently in Atrium space. A resolution granting the CDA \$1.1 million of the funds authorized in Project No. 29 for land acquisition and clearance was adopted by the Common Council on January 22, 2008 to provide funding for the acquisition and clearance of the Citgo Gas Station. A resolution granting the CDA \$125,000 from Project No. 29 to increase the contract amount and extend the term of the contract with Community Forward Investments, Inc. to provide additional project management services for the CDA's redevelopment of The Villager is scheduled to be adopted by the Common Council on February 5, 2008. The adoption of this resolution would grant the remaining funds in Project No. 29 to the CDA for the other uses described in this paragraph (note that the remaining General Obligation borrowing is \$3,888,000; the \$300,000 of funding proceeds from Private Contributions will not be transferred as such funding has not been realized by the City; the CDA will administer this portion of the project funding as appropriate).

The adopted 2008 City Budget also authorized funding (Project No. 35) in the amount of \$1,400,000 (\$1,000,000 from City General Obligation borrowing; \$400,000 to be derived from land sale proceeds) funding for the acquisition and relocation of the owner of the Mobil gas station as part of the redevelopment of The Villager. The adoption of this resolution would grant the \$1,000,000 of General Obligation funds to the CDA for the uses described in this paragraph contingent upon the creation of a Tax Incremental Finance District (note that the remaining \$400,000 in proceeds from land sales will not be transferred as such proceeds have not been realized by the City; rather, the CDA will administer this portion of the project funding as appropriate).

In addition the adoption of this resolution would authorize the conveyance of the Real Estate from the City to the CDA for the redevelopment of The Villager.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council approves and authorizes a grant to the Community Development Authority ("CDA") of the balance of the funds authorized in the adopted 2008 City budget in Project No. 29 in the amount of \$3,888,000 for site improvements for development and Atrium capital improvements to improve leasing and support growth of users presently in Atrium space, said funds shall be transferred to the CDA at such time as project expenses are incurred.

BE IT FURTHER RESOLVED, that the Common Council approves and authorizes a grant to the CDA of \$1,000,000 authorized in the 2008 City budget (Project No. 35) for the acquisition and relocation of the owner of the Mobil Gas Station located at 2342 South Park Street, said grant shall be contingent upon the creation of a Tax Incremental Finance District (the "TID") to finance repayment of any associated acquisition or relocation costs.

BE IT STILL FURTHER RESOLVED that all proceeds resulting from the future sale of the Mobil Gas Station property by the CDA shall be returned to the TID.

BE IT STILL FURTHER that the Common Council authorizes the conveyance of its property located at 809-825 Ridgewood (the "Real Estate"), as shown and legally described on the attached exhibit, by quit claim deed to the CDA for the redevelopment of The Villager.

BE IT STILL FURTHER RESOLVED that the Mayor and Clerk are hereby authorized to execute, deliver and record such documents and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution.

BE IT STILL FURTHER RESOLVED that the comptroller is authorized to internally borrow to finance these project costs.