

Summary Report to the City of Madison Finance Committee

Tax Incremental District (TID) No. 45 (Capitol Square West), City of Madison - Use of ½ Mile Rule (Wilson/Henry St Undergrounding) -

In 2022, the City of Madison amended the project plan and boundary for TID 45 (Capitol Square West). This project plan and boundary amendment included funding for undergrounding infrastructure along Wilson St and making stormwater improvements at Hamilton and Broom Streets. Due to changes to these projects, the City desires to make some of these expenditures within a half mile of TID 45. The proposed changes do not increase the total costs allocated to Public Works Improvements, as identified in the adopted TID 45 project plan. The change will re-allocate \$200,000 from the Undergrounding line item to the Stormwater line item.

City Staff will request the Joint Review Board (JRB) authorize the use of the so called “Half-Mile Rule”, as provided in TIF Statutes, to allow TID 45 to fund this project which is located within a half mile of TID 45.

The City proposes to complete this undergrounding project in 2023. The total cost for this project is \$1,422,000, with the City requesting that the JRB authorize TID 54 to pay for \$1,422,000 of these costs.

TID 45 continues to show positive cash flow. It is paying its outstanding debts.

City Staff estimate that if current conditions continue, TID 45 will have sufficient revenues to pay for this project and all remaining projects costs by 2026, remain open one additional year to fund affordable housing (as allowed under TIF Law), and close in 2027. However, City Staff may identify future project costs that may lead to additional project plan amendments, which could affect this closure estimate.

