

Summary Report to the City of Madison Board of Estimates

Tax Incremental District (TID) No. 32 (Upper State St), City of Madison - Use of 1/2 Mile Rule -

The City of Madison has included various costs in its 2017 Capital Budget to fund infrastructure and other projects within 1/2 mile of TID #32. These projects include:

Includes 2017 amounts as follows:	
IT: Downtown Security Cameras	282,950
Parks: Street Tree Replacements and Tree Guards	37,500
PCED: State Street Retail Grant and Small Cap TIF	440,000
PCED: Langdon St. & Mansion Hill Historic Studies	50,000
PCED: State St. Banner Replacement	5,000
PCED: 700/800 Block Furniture and Downtown Terrace Streetscape Items	147,000
Engineering - Bicycle and Pedestrian	200,000
Engineering Major Streets: Pavement Management	1,270,000
Engineering Major Streets: Reconstruct Streets	4,480,000
Traffic Engineering: Pedestrian Counters	90,000
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	\$ 7,002,450

In addition, the City is seeking a small expansion of the existing 1/2 Mile Rule for the Retail Grant Program. Funding this program through TID #32 through the use of the 1/2 Mile Rule was previously approved by the Joint Review Board. The expansion of this program area does not require any additional expenditures, it simply expands the area that the program covers.

In 2014, the Joint Review Board (JRB) authorized the expenditure of up to \$1,522,000 on the 800 and 900 blocks of Johnson St for the undergrounding of utilities. These costs have already been approved by the JRB and are not included in the table provided above.

The City will request the JRB to review these proposed expenditures and approve them as provided for by TIF law. As of Dec 31, 2016, TID #32 has expended approximately \$27.4 million. The adopted project plan authorizes up to \$39,251,000 of total expenditures. After the proposed additional \$7 million in expenditures, TID #32 will have spent approximately \$35.9 million in total expenditures.

TID #32 continues to show positive cash flow. City Staff estimate that if current conditions continue, TID #32 will have sufficient revenues to pay for this project and all remaining project costs by 2017, remain open one additional year to fund affordable housing (as allowed under TIF Law), and close in 2018.

