



Department of Transportation

Thomas Lynch, PE, PTOE, PTP, AICP, Director of Transportation

Madison Municipal Building
215 Martin Luther King Jr Blvd
Suite 109
P.O. Box 2986
Madison, Wisconsin 53701-2986
Phone: (608) 266-4761
Fax: (608) 267-1158

Date: May 14, 2021

Re: Legistar 65314 – Use of Brayton Lot and Junction Road Parcel for BRT

The BRT project requires a contribution from the sponsoring entity (the City) that equals a certain percentage of the overall project budget (called local match). In previous budgets, that contribution was previously assumed to be cash from capital debt. The Federal Transit Administration (FTA) does allow for in-kind contributions, like land, to be contributed to the project in lieu of cash and the value to be counted towards a local match.

The BRT project is planned to use one city owned parcel *permanently*, at 432 S Junction Rd as an end of line location that could accommodate charging facilities, restrooms, and a possible park and ride lot.

The BRT project is also planned to use one city owned parcel *temporarily*, at 1 S Butler St (commonly referred to as the Brayton Lot) as a central location to stage construction equipment and materials. The FTA has a special program that allows a project to acquire land for a temporary construction use, and then redevelop that land after construction into a land use that supports transit ridership, called Joint Development. Because the City already owns the lot - managed by the Parking Division, it can be contributed to the project in lieu of cash or GO borrowing, for a portion of the local match. Therefore the value of the Brayton lot replaces what would otherwise be GO Borrowing for the BRT project. The City's Parking Division has an agreement with the State of Wisconsin to store up to 30 van pool vehicles in the downtown area. With this contribution, the City will either preserve a portion of the Brayton lot for van pool parking or provide an alternate location in a downtown public parking facility as per the agreement.

After construction is complete, a developer would be solicited to redevelop the Brayton lot into a use that would support additional transit ridership, like mixed-use multifamily housing. The proceeds from that developer's purchase of the land would then subsidize the operating budget of Metro to operate the BRT line. The FTA reduces the required proceeds if the use includes affordable housing. The City has long felt that the highest and best use of the Brayton lot is more than surface parking.

The contribution of the Junction Road parcel and a portion/all of the Brayton lot *reduces* the City's debt needed to support the BRT project by approximately \$10 million, while also creating a future revenue stream for Metro that can be used to address the structural deficit that is resulting from stagnant state revenues for transit. It is anticipated that the property tax revenue and/or leasing revenue from the Brayton lot joint development will be comparable or exceed current parking revenues generated by the Parking Division.

This resolution is requesting that both parcels be committed to be used for the project, so that future capital budgets can reflect the value of it being counted towards local match.