



## Legislation Text

File #: 06012, Version: 1

### Fiscal Note

Adoption of this agreement would result in annual revenue sharing payments from Fitchburg to Madison estimated at \$4,500 to \$5,000 per year for a period of seven years, beginning in 2009. When received, these revenue sharing payments would be deposited in the General Fund and would serve to reduce future year tax levies.

### Title

Authorizing execution of a Municipal Revenue Sharing Agreement Between the City of Fitchburg and the City of Madison.

### Body

WHEREAS, pursuant to Wis. Stat. § 66.0307, Fitchburg, Madison and the Town of Madison ("the Town") entered into a Cooperative Plan related to boundary lines between themselves ("Boundary Agreement") which was approved by the State Department of Administration; and

WHEREAS, certain existing irregularities in the boundaries were not able to be resolved by the Boundary Agreement due to economic, legal and political reasons; and

WHEREAS, the parties to the Boundary Agreement agreed to cooperate to determine the most efficient means for extension of services to new customers; and

WHEREAS, the parties to the Boundary Agreement agreed to pursue further cooperative agreements that would qualify each of them for additional shared revenue; and

WHEREAS, the Boundary Agreement created an area of lands in Fitchburg, including the subject property as described in Exhibit "A" ("the Tri-North Property") attached hereto and made a part hereof which, although nearly surrounded by Madison at the time of Boundary Agreement negotiations, were not surrendered by Fitchburg for political and economic reasons; and

WHEREAS, extending Fitchburg water utility services to the Tri-North Property would be difficult and costly due to its isolation; and

WHEREAS, to avoid such difficulty and cost, Fitchburg wishes to have Madison provide water utility service to the Tri-North Property; and

WHEREAS, as an alternative to further common boundary alterations, Madison wishes to be compensated for providing the necessary water utility infrastructure and service to permit full development of the Tri-North Property which is the subject of this Agreement; and

WHEREAS, pursuant to Wis. Stats. §§ 66.0301 and 66.0305, Wisconsin municipalities are authorized to enter into intergovernmental revenue sharing agreements; and

WHEREAS, it is in the best interests of Fitchburg and Madison to enter into this Revenue Sharing Agreement with terms and conditions as follows:

1. Revenue Sharing Formula. Fitchburg and Madison agree to share property tax revenues on the Tri-North Property in the following manner:
  - (a) Fitchburg agrees to make annual payments to Madison of fifty percent (50%) of the Fitchburg local share of general property taxes related to the improvements to the Tri-North Property only.
  - (b) Such annual payments shall commence in the first full tax year following the completion and occupation of the said Tri-North improvements on the above described land and continue for seven (7) years. A total of seven payments shall be made. Fitchburg expects the Tri-North improvements to be completed and occupied sometime during 2007.
  - (c) Payments shall be made to Madison on the first day of August in each of the seven years payments are to be made under this Agreement.
2. Term. The term of this Agreement shall be for ten (10) years (the "Term"), commencing as of the effective date of this Agreement. Each year of the Term, as measured from the effective date of this Agreement, is a "Contract Year." On the passing of the effective date of this Agreement in the tenth Contract year, this Agreement shall automatically terminate.
3. Water Supply. Madison agrees to supply the Tri-North Property, in perpetuity, with water utility service. The Tri-North Property shall be treated as a customer of Madison Water Utility, subject to all applicable Madison Water Utility ordinances and rules, including, but not limited to, prior to connection payment of \$16,348.79 of outstanding costs for water main installation, as well as actual costs of connection. Fitchburg shall levy as a tax

upon the Tri-North Property parcel(s) for which Madison Water Utility service was given any delinquent Madison Water Utility bills and penalty for collection pursuant to Sec. 66.0809, Wis. Stats., and shall pay all such revenues collected directly to the Madison Water Utility. The Madison Water Utility shall have no obligation to serve or supply other Fitchburg lands in the area of the Tri-North Property with public water utility service.

4. No Third Party Beneficiary. This Agreement is intended to be solely between Fitchburg and Madison. Nothing in this Agreement accords any third party any legal or equitable rights whatsoever which may be enforced by any nonparty to this Agreement.
5. Amendment. This agreement may be amended only by the written agreement of both of the parties hereto.
6. Enforcement. This Agreement shall be governed by the laws of the State of Wisconsin. Any act by either party in violation of this Agreement shall be remedied by the courts of the State of Wisconsin. This Agreement is intended to provide both parties with the right and standing to seek any available legal or equitable remedy to enforce or seek damages for the breach of this Agreement.
7. Binding Effect. The parties have entered into this Agreement under the authority of Wis. Stats. §§ 66.0301 and 66.0305. The parties agree that this Agreement shall be binding upon all parties, as well as their respective heirs, successors and assigns.
8. Entire Agreement. This Agreement represents the entire integrated agreement between the parties with regards to revenue sharing and supersedes all prior negotiations, representations or agreements, either written or oral dealing with revenue sharing in the above described lands.
9. Severability. In the event that any portion of this Agreement is invalidated or held unenforceable by a court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.
10. Non-discrimination. In the performance of the obligations under this Agreement, the Parties agree not to discriminate against any employee or applicant because of race, religion, marital status, age, color, sex, handicap, national origin, ancestry, income level, source of income, arrest record, conviction record, less than honorable discharge, physical appearance, sexual orientation, political beliefs, or student status. The Parties further agree not to discriminate against any subcontractor or person who offers to subcontract under this Agreement because of race, religion, color, age, disability, sex, or national origin.

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Clerk are hereby authorized to execute a Municipal Revenue Sharing Agreement Between the City of Fitchburg and the City of Madison containing the foregoing terms and conditions in a form approved by the City Attorney.