



Legislation Text

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Fiscal Note

Adoption of this agreement would result in future revenue sharing payments from Fitchburg to Madison in exchange for the extension of Madison Water Utility services into the City of Fitchburg. The amount and timing of these future payments is dependent on future Fitchburg tax rates and the value and timing of development on the parcels to be served, so the exact amount of future payments cannot be determined. In general terms, however, Madison expects to receive approximately \$5,000 per year for 7 years, beginning in 2009, based on development that has already occurred in 2007 (the Tri-North property). Additional payments totaling an estimated \$37,000 per year for 7 years are expected based on projected future development on 5 additional parcels, possibly beginning in 2010 or 2011. Finally, another 10 year series of payments would begin in the year following the extension of water service to 2 remaining parcels which are already developed. The associated annual revenue sharing is estimated at \$2,000. When received, all of these revenue sharing payments would be deposited in the General Fund and would serve to reduce future year property 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, described in Exhibit “A” (“the Rolfsmeyer Water District”) 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 Rolfsmeyer Water District lands 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 Rolfsmeyer Water District lands; 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 or redevelopment of the Rolfsmeyer Water District lands 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 Rolfsmeyer Water District lands in the following manner:
 - (a) Fitchburg agrees to make revenue sharing payments to Madison related to improvements made to the “Tri-North Property”, located within the Rolfsmeyer Water District, described on Exhibit “A” attached hereto and incorporated herein, pursuant to that certain Municipal Revenue Sharing Agreement

Between the City of Fitchburg and the City of Madison, with an effective date of May 17, 2007.

- (b) Fitchburg agrees to make additional annual revenue sharing payments to Madison not to exceed fifty percent (50%) of the Fitchburg local share of general property taxes related to the future development or redevelopment improvements to the parcels other than the Tri-North Property within the Rolfsmeyer Water District.
 - (c) Except as provided below in subs. (d) and (e), such annual payments shall commence in the first full tax year following the completion and occupation of the future improvements to the lands proposed for subdivision into five (5) new parcels in 2008, such subdivision to be comprised of current Parcel Nos. 225-0609-0218-570, 225-0609-0218-555, 225-0609-0218-540, 225-0609-0218-530, 225-0609-0218-551, 225-0609-0218-560, 225-0609-0218-955, and 225-0609-0218-825. Payments relating to improvements on each of the new subdivision parcels shall continue for seven (7) years following said completion and occupation of the improvements. There shall be seven annual payments for each developed or redeveloped parcel; however, the total number and total amount of such additional revenue sharing payments shall depend upon the timing of completion and value of improvements made upon each such parcel. Fitchburg anticipates that the proposed five new parcels will fully develop within the next three to five years.
 - (d) At this time it is expected that water service will not be extended to serve the lands consisting of current Parcel Nos. 225-0609-0218-785 and 225-0609-0218-680. In the event that either or both said parcels are further subdivided and/or redeveloped and water service is extended to serve the improvements thereon at any time during the term of this Agreement, the parties hereto agree that payments under an equivalent revenue sharing formula as set forth in the foregoing subs. (b) and (c) shall be implemented for each of these two parcels by appropriate written amendment to this Agreement at that time, including an extension of the term, as may be necessary.
 - (e) Water service is to be extended to serve the existing residential and commercial improvements on current Parcel Nos. 225-0609-0218-520 and 225-0609-0218-930, respectively, at the same time water service is to be extended to serve the five new subdivision parcels as provided in sub (c) above. It is unknown whether or when these lands will be redeveloped during the term of this Agreement. Therefore, commencing the calendar year following extension of water service to these two parcels, Fitchburg agrees to make ten annual revenue sharing payments to Madison, each consisting of an amount equal to fifty percent (50%) of the Fitchburg local share of general property taxes related to the total value of land and improvements on these two parcels.
 - (f) Payments shall be made to Madison on the first day of August in each year payments are to be made under this Agreement.
2. Term. The term of this Agreement shall be for at least ten (10) years, but not longer than thirty-one (31) 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 thirty-first Contract Year or after payment of all payments required under section 1 above, whichever occurs first, this Agreement shall automatically terminate.
 3. Water Supply. Madison agrees to supply the Rolfsmeyer Water District lands, in perpetuity, with water utility service. The Rolfsmeyer Water District parcels shall be treated as customers of Madison Water Utility, subject to all applicable Madison Water Utility ordinances and rules, including, but not limited to, prior to connection payment of actual costs of connection and inspection of water main, to be constructed by the developer, at the developer's sole expense, in accordance with plans and under the supervision of the Madison Water Utility. Fitchburg shall levy as a tax upon the Rolfsmeyer Water District 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 outside of the Rolfsmeyer Water District lands 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.