



## Legislation Text

**File #:** 12613, **Version:** 1

### Title

Amending the 2008 Capital Budget of Engineering-Other to Increase the Budget Authority of Bikeways (Project 7) by \$631,000.

### Body

#### PREAMBLE:

The City of Madison entered into an agreement with the Wisconsin Department of Transportation (DOT) to construct Phase 4 of the Southwest Bike/Pedestrian Path in 2005. DOT was the lead entity and therefore managed the project's design and construction. The construction agreement provided \$1,230,964 in federal funds with the City responsible for all costs above this amount. By the time the project was completed in late 2006, significant cost overruns of approximately \$600,000 had occurred. City Engineering has corresponded several times with DOT since then to resolve these overruns and to determine who should be responsible for them. It is the opinion of City Engineering that \$380,000 should be the City's responsibility.

Since approximately 60% of the path falls within the boundaries of TID#26, that portion of the total project cost can be reimbursed as an eligible TIF cost. The full City share, assuming 100% of the cost overrun, totals approximately \$1.58 million. This means that, at most, approximately \$948,000 would be the TID's share of the cost. Since, at most, only approximately \$631,000 is being requested by the State for this project, TID funds will be used for the City's remaining share. \$380,000 will be paid at this time, and, since the TID is closing at the end of 2008, the remaining \$251,000 will be escrowed until this matter is resolved. The Office of the City Attorney has confirmed that this is allowable under TIF law. If a settlement is reached for a lower amount, any excess will be returned to the appropriate jurisdictions, as with any other excess TIF increment.

The following is a summary of the total costs (City share) and funding to date:

Real Estate Costs	\$29,237
DOT Design Contract	\$65,215
DOT Construction Contract	\$1,456,648 (incl \$631,000 not yet paid)
Signage & Lighting (TE)	\$12,666
Miscellaneous	\$17,179
<b>Total Costs</b>	<b>\$1,580,945</b>
TID 26 Funding to Date	\$50,000
GO Proceeds to Date	\$900,299
<b>Remaining due to DOT</b>	<b>\$630,646</b>

NOW, THEREFORE BE IT RESOLVED that the 2008 Engineering-Other Capital Budget be amended to increase the budget authority in Bikeways (Project 7) by \$631,000; and

BE IT FURTHER RESOLVED that City Engineering is authorized to disperse \$380,000 to DOT as payment for the City's share of the additional costs for the Southwest Path Phase 4; and

BE IT FINALLY RESOLVED that the remaining \$251,000 of TIF funds be escrowed until a settlement is reached with DOT.

**Fiscal Note**

This Resolution creates additional budget authority, funded by TID 26, of \$631,000 in the Bikeways capital project (810375).

The budget amendment needed is as follows:

CS53-58240-810375	\$631,000	(Bike Trails)
CS53-79448-810375	(\$631,000)	(Transfer In From TIFs)

No additional GO Borrowing is required.

There is also no anticipated impact upon the tax levy or cost controls.