



Legislation Text

File #: 54274, **Version:** 1

Fiscal Note

The proposed resolution authorizes the transfer of \$646,603.33 from the General Land Acquisition Fund to the Special Assessment Fund to pay down the Center for Industry and Commerce (CIC) Special Assessments balance of \$2,893,752.68. The \$646,603.33 are proceeds from the sale of property in the Interstate Commerce Park that were deposited into the General Land Acquisition Fund. The General Land Acquisition Fund has sufficient fund balance, approximately \$1.7 million, to cover the proposed transfer and any budgeted capital expenses for 2019. No additional City appropriation is required.

Title

Authorizing the transfer of funds received from the sale of Lots 1-4, 7-10, and 15 in the Interstate Commerce Park from the Land Acquisition Fund to the Special Assessment Fund.

Body

On September 21, 2004, the City of Madison adopted Substitute Resolution #61854 (ID #36716) accepting the Offers to Sell from Gregory A. Rice and John R. Brigham and Rice Associates and Brigham Woods Corporation and Barbara J. Hoel ("Rice / Brigham") for approximately 59 acres of land and authorizing the execution of an Agreement of Purchase and Undertake Development between the City of Madison and Rice / Brigham for the development of an industrial park (the "Interstate Commerce Park" or "ICP") (the "Agreement"). The Agreement authorized the City to acquire the ICP from Rice / Brigham following the annexation of the ICP into the City. The City would then hold the ICP, and sell the ICP back to Rice / Brigham in phases at a base price to be annually escalated at a fixed percentage according to a purchase price schedule. The Agreement required Rice / Brigham to plat the ICP for an industrial park and amend the zoning map. The Agreement required the City to construct public improvements, including roads, water and sanitary to each phase of the ICP, and then specially-assess the cost of these improvements against the ICP. These special assessments would then be collected by the City when lots were sold or developed.

On August 7, 2007 the City of Madison adopted Resolution RES-07-00782 (Legistar #06937) authorizing the execution of a First Amendment to the Agreement to Purchase and Undertake Development of the Interstate Commerce Park (the "First Amendment"). The First Amendment modified the minimum phase purchase requirement of five (5) acres in the Agreement, allowing Rice / Brigham to purchase lots served by public improvements to not be subject to this same minimum phase purchase requirement.

On September 5, 2014, the City of Madison adopted Resolution RES-14-00629 (Legistar #35033) authorizing the execution of a Second Amendment to the Agreement to Purchase and Undertake Development of the Interstate Commerce Park. The Second Amendment did the following:

- The term of the Agreement was extended three (3) years and expire on July 31, 2019.
- The base price for the remaining acreage to be purchased from the City by Rice / Brigham was reset to \$40,000 per gross acre. The base price would then escalate 3% on August 1, 2015, and on August 1st of each subsequent year throughout the term of the Agreement. (NOTE: The resolution includes a Purchase Price Schedule in Exhibit D).
- Rice / Brigham would be required to purchase all remaining gross acres by July 31, 2019.

On January 23, 2015, the City of Madison adopted Resolution RES-15-00057 (Legistar #36673) Amending RES-14-00629. RES-15-00057 amended RES-14-00629 to extend the ten (10) year Deferral Period for the Interstate Commerce Park - Phase 1 Assessment District, 2005 (the "District") for an additional eight (8) years,

as permitted in Madison General Ordinance 4.081(2)(a). The adoption of this resolution extended the life of the District to 2024.

The City of Madison sold Lots 1-4, 7-10, and 15 (the "Property") to Rice / Brigham on Dec 19, 2018 (the "Sale"). The net proceeds from this Sale totaled \$646,603.33.00 (the "Proceeds"), and were deposited in the Land Acquisition Fund.

The City owns 17 lots (the "City CIC Lots") within the adjacent Center for Industry and Commerce (the "CIC"), and has outstanding preliminary special assessments due to the installation of infrastructure per the public works project no. 11464 contract no. 7843. The City CIC Lots have an outstanding preliminary special assessment balance due to the City of Madison in the amount of \$2,893,752.68 (the "CIC Special Assessments").

The City would like to transfer the Proceeds from the Sale of the ICP Property that were deposited in the Land Acquisition Fund (\$646,603.33) to pay down the CIC Special Assessments on the City CIC Lots.

NOW THEREFORE BE IT RESOLVED, that the City of Madison Common Council does hereby authorize the transfer of the Proceeds of \$646,603.33 from the Land Acquisition Fund to the Special Assessment Fund to pay down the CIC Special Assessments balance of \$2,893,752.68, and;

BE IT FURTHER RESOLVED, that the Mayor and City Clerk are hereby authorized to sign any and all documents needed to effectuate this transfer.