



Legislation Text

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Fiscal Note

The City has received notice of a Federal HUD EDI funds award of \$300,000 which the City had intended to apply toward a streetcar study, but a new administrative interpretation of the fund source regulations suggests that only 20% of the \$300,000 can be applied to administrative costs, including a study, with the remaining funds to be applied to project development. The Council has approved General Obligation borrowing of \$300,000 in 2005 for construction of a Wexford Neighborhood Center (P&D Capital Budget, project #45, "Neighborhood-Focus Improvement," page 297) which would be an eligible use of the newly approved EDI funds. This resolution would amend the 2005 Adopted Capital Budget to transfer the \$300,000 of G.O. borrowing from Project 45 of the P&D Capital Budget to a new Streetcar Study project and to allow the provision of the newly awarded \$300,000 of EDI funds to be applied instead to the Wexford Neighborhood Center project. There will be no net impact on the General Fund budget as a result of these amendments.

Title

Amending the Capital Budget to use \$300,000 of new Federal EDI funds for the Wexford Neighborhood Center Project (project 45 in the Planning and Development 2005 Capital Budget) and to create a new project 46, "Streetcar Study" in the P&D 2005 Adopted Capital Budget and transferring \$300,000 of budgeted General Obligation from the Wexford project to the Streetcar Study project.

Body

WHEREAS, the City Council approved the provision of \$300,000 in the 2005 Capital Budget to the Wexford Neighborhood Center (project 45 of the P&D Capital budget) for construction of a new building; and

WHEREAS, Congress approved a 2005 EDI grant to the City of Madison for a streetcar study that would be helpful to the City Streetcar Study Committee in developing recommendations for a future streetcar system in the City; and

WHEREAS, HUD has applied new interpretations to the use of EDI funds that would limit the maximum percentage of EDI funds that could be used for a study, but a switch between the two sources would permit the two projects to proceed without additional total costs to the city;

NOW, THEREFORE, BE IT RESOLVED, that the Common Council amends the City's 2005 Capital Budget to apply the EDI funds to the construction of the Wexford Center, to create a new project 46, "Streetcar Study," in the P & D 2005 Capital Budget, and to transfer the general borrowing funds of \$300,000 (previously approved for the Wexford Center) to the Streetcar study as recommended by the Streetcar Study Committee; and

BE IT FURTHER RESOLVED, that the Common Council authorizes the Mayor and the City Clerk to enter into a loan agreement with the Wexford Neighborhood Center for the following project:

\$300,000 in Federal HUD Economic Development Funds for construction and related costs for a new Wexford Neighborhood Center.

Note: The City would provide the funds to Wexford as a standard CDBG contingent grant with repayment due on sale or transfer.