



Legislation Text

File #: 30227, **Version:** 1

Fiscal Note

Adoption of this agreement would result in future property tax revenue sharing payments from the Town of Blooming Grove to the City of Madison in exchange for the extension of Madison Water Utility services into the Town to service a new PDQ convenience store and car wash, and future sewer utility revenue sharing payments from the Madison Sewer Utility to the Town in exchange for allowing Madison to service the PDQ development. The amount and timing of these future revenue sharing payments is dependent on future Blooming Grove tax rates, the value and timing of development on the parcel to be served, and the amount of sewer usage by the development, so the exact amount of future payments is not known. However, Madison expects to receive approximately \$1,900 per year during the 5 year period from 2015 through 2019. When received, this revenue would be deposited in the General Fund and would serve to reduce future year property tax levies. The 40% of sewer utility revenue being paid to the Town during this period will provide sufficient remaining revenue to the City of Madison Sewer Utility to cover MMSD charges and the sewer utility portion of the water meter and will result in a payment to the Town Sewerage District in the amount of approximately \$600 per year for five years.

Title

Authorizing the Execution of a Municipal Revenue Sharing Agreement Between the City of Madison and the Town of Blooming Grove.

Body

WHEREAS, pursuant to Wis. Stat. § 66.0307, Blooming Grove and Madison entered into a Cooperative Plan related to boundary lines and other municipal issues between themselves, which Plan was approved on October 3, 2006, by the State of Wisconsin Department of Administration; and,

WHEREAS, Blooming Grove and Madison agreed to cooperate for more efficient delivery of municipal services within the Cooperative Plan Area, and agreed to pursue further cooperative agreements that would qualify each of them for additional shared revenue; and,

WHEREAS, the Cooperative Plan created several "Protected Areas" of lands in Blooming Grove which, although nearly surrounded by Madison at the time of Cooperative Plan negotiations, were protected from early attachment to Madison for political and economic reasons; and,

WHEREAS, PDQ Food Stores, Inc. ("PDQ") owns property in Blooming Grove (the "PDQ Property"), located at 4100-4108 Milwaukee Street, and more particularly described as Clyde A. Gallagher Garden Subdivision, Block 1, Lots 8 & 9, except the north 150 feet thereof, along with Lot 1 of Certified Survey Map No. 11449, Town of Blooming Grove, Dane County, Wisconsin, which property is within Protected Area 6D under the Cooperative Plan; and,

WHEREAS, Blooming Grove and Madison agreed to enter into a revenue sharing agreement regarding the PDQ Property in 2008 in which the Madison would have received a share of property tax revenues from the development of the PDQ Property for five years in exchange for extending water service to the property (see RES-08-00581, Legistar File ID 10076); and,

WHEREAS, due to the economy the development of the PDQ Property was delayed and the original agreement was not executed by the parties; and,

WHEREAS, PDQ now intends to develop the PDQ Property and, because the City has sewer and water service available at this location and because the costs of water meter equipment is shared by both the Madison Water Utility and the Madison Sewer Utility, the parties agree that it is preferable if the Madison Sewer Utility also serves the PDQ Property; and,

WHEREAS, The Town of Blooming Grove Sewer is also available directly adjacent to the property, and

WHEREAS, as an alternative to further common boundary alterations related to the PDQ Property, Madison and Blooming Grove wish to enter into this revenue sharing agreement, authorized pursuant to Wis. Stat. §§ 66.0301 and 66.0305, to allow for the provision of water and sewer services to the PDQ Property and corresponding revenue sharing payments between Madison and Blooming Grove on the terms set forth herein.

NOW THEREFORE, BE IT RESOLVED, that RES-08-00581, Legistar File ID 10076, is hereby rescinded.

BE IT FURTHER RESOLVED, that the City is authorized to extend water and sewer service to the PDQ Property.

BE IT FURTHER RESOLVED, that as a condition of extending this service, Blooming Grove shall pay Madison 30% of its property tax revenue for five (5) years upon completion of the PDQ improvements and the reassessment of the property.

BE IT FURTHER RESOLVED, that as a condition of extending this service, Madison agrees to pay Blooming Grove 40% of its annual sewer utility revenue for five (5) years upon completion of the PDQ improvements.

AND BE IT FINALLY RESOLVED, that the Mayor and the City Clerk are authorized to execute a 10-year revenue sharing agreement with Blooming Grove consistent with the above noted terms in a form approved by the City Attorney.