



Legislation Text

File #: 01728, Version: 1

Fiscal Note

The estimated cost of this project is approximately \$8,992,000. Anticipated funding sources are as follows:

State DOT TEA Grant	\$1,000,000
Federal HES	\$675,000
Federal Enhancement	\$888,000
State DOT/FHWA	\$5,825,000
City of Madison	<u>\$604,000</u>
Total Project Costs	\$8,992,000

Authorization for this project must be included in the 2006 Capital Budget, with the \$604,000 City share funded by General Obligation Borrowing. In addition, the City is exposed to a potential loss of up to \$1,000,000 in the event of a contract default.

Title

Authorizing the City to apply for a State Department of Transportation (DOT) Transportation Facilities Economic Assistance (TEA) Grant Application, and authorizing the Mayor and City Clerk to execute a TEA Jobs Guarantee with the State DOT, and to execute a Project Agreement with Mortenson Investment Group (a developer) for a transportation infrastructure project on Todd Drive and West Beltline Frontage Road.

Body

WHEREAS, Mortenson Investment Group (MIG), a Madison Developer, desires to redevelop private property along Todd Drive and the West Beltline Frontage Road and create new employment centers for several existing and new enterprises (the "Project"); and

WHEREAS, Mortenson Investment Group, will renovate and/or create the following new employment centers for prospective enterprises (the Landmark Gate Building, the Sergenian's Building, the Landmark Oaks Building, the M-3 Building, the Inacom Building, and the Landmark Building) along Todd Drive and the West Beltline Frontage Road, and

WHEREAS, certain transportation infrastructure improvements, including road, retaining walls, highway metered and unmetered ramps, sidewalk improvements and related engineering activities will be required to support the Project; and

WHEREAS, the State of Wisconsin Department of Transportation ("DOT"), through its Transportation Facilities Economic Assistance and Development Program ("TEA") is willing to finance a portion of the transportation infrastructure improvements with a grant not to exceed \$1,000,000 ("TEA Grant"), subject to certain conditions; and

WHEREAS, the State of Wisconsin DOT and US DOT through Federal HES monies, Federal Enhancement monies, and State/Federal FHWA Pass-thru monies is willing to finance a portion of the transportation infrastructure improvements with grants not to exceed \$7,388,000; and

WHEREAS, the portion of transportation infrastructure improvements not financed by State DOT and Federal FHWA resources will be paid for by the City (the "local match" or \$604,000); and

WHEREAS, in order to ensure that the TEA grant benefiting MIG and their prospective business tenants is in the public interest and is an effective business development tool, DOT requires that the City enter into a Transportation Economic Assistance Jobs Guarantee Agreement in which the City will be obligated to reimburse DOT for up to the full amount of the TEA Grant if either of the following occurs:

- (a) the guaranteed number of direct jobs associated with the Project from MIG's tenants (Wipfli

Young, Gaming Informatics, and NRS Corporation) do not result within three years of the date the grant agreement between DOT and the City is executed; or

(b) the guaranteed number of direct jobs associated with the Project do not exist seven years after the agreement between DOT and the City is executed; and

WHEREAS, if MIG and their tenants (Wipfli Young, Gaming Informatics, NRS Corporation and others) fail to meet the jobs creation or jobs retention tests set forth above and the City reimburses DOT for the TEA Grant, MIG will be obligated, pursuant to a Project Agreement between the City and MIG, to reimburse the City for up to the full amount of the City's payment to DOT; and

WHEREAS, such obligation of MIG to repay the City will be unsecured.

NOW, THEREFORE, BE IT RESOLVED, that:

1. Approval of TEA Grant Application. The Common Council does hereby approve and endorse the TEA Grant application to DOT for funding of transportation infrastructure improvements to be constructed on Todd Drive and West Beltline Frontage Road. .
2. Approval of Transportation Assistance Jobs Guarantee Agreement. The Common Council does hereby approve of the Transportation Assistance Jobs Guarantee Agreement, and authorizes the Mayor and City Clerk to execute the Agreement, subject to the approval of the City Attorney.
3. Approval of Project Agreement with MIG. The Common Council does hereby approve of the Project Agreement, and authorizes the Mayor and City Clerk to execute the Agreement, subject to the approval of the City Attorney.
4. City Jurisdiction. The DOT and the City shall have joint jurisdictional responsibility for the transportation infrastructure improvements constructed on Todd Drive and West Beltline Frontage Road, and the DOT will oversee and administer such improvements (the project)..
5. General Authorization. The Mayor and City Clerk and the appropriate City staff in accordance with their assigned responsibilities are hereby each authorized to execute, deliver and file such other documents, and to take such other actions as shall be necessary to accomplish the purposes of this Resolution.