



Legislation Text

File #: 20237, **Version:** 1

Fiscal Note

Adoption of this resolution would authorize attachment of land from the Town of Madison and allow for the development of a proposed hotel located within the newly expanded City boundary. Under the terms of the attachment agreement, the City would provide all municipal services to the development and would be required to pay one half of all future property tax and room tax revenues generated from the development to the Town of Madison until the Town ceases to exist. Given the relatively small geographic area and commercial nature of the site, the additional expenses incurred to provide City services are not expected to be significant. The potential revenue increase to the City and the Town could be substantial, however, if the proposed development occurs.

In the most recent year, local property taxes collected from parcels within the development site by the City totaled about \$11,000, while the Town collected about \$7,000 from that portion of the site currently located in the Town. If no development occurs, roughly the same total amount of local property tax (\$18,000) would be collected by the City, with half of that amount (\$9,000) paid to the Town as a revenue sharing payment pursuant to the agreement.

If, on the other hand, the site develops as successfully as has been proposed, the local property taxes generated from that development could be in the range of \$100,000 to \$150,000 per year, with additional room taxes of \$350,000 to \$450,000 generated by the hotel. In this scenario, the total annual tax revenue generated from the site (\$450,000 - \$600,000) would be shared equally between the City and the Town.

Title

Authorizing the Mayor and City Clerk to enter into an Early Attachment and Revenue Sharing Agreement with the Town of Madison to facilitate the attachment and future development of four parcels located in the Town at 2155-2165 Rimrock Road and 250 West Beltline Highway.

Body

WHEREAS, the City of Madison (hereinafter referred to as the "City"), the Town of Madison (the "Town") and the City of Fitchburg entered into a Cooperative Plan approved by the State of Wisconsin Department of Administration pursuant to Wis. Stat. § 66.0307 on October 10, 2003; and,

WHEREAS, the City and Town agreed that no attachments or annexations of Town lands would occur to the City prior to final attachment at the end of the protected period on October 31, 2022, or such earlier time when the Town ceases to exist as a separate entity, except as expressly provided in said Cooperative Plan; and,

WHEREAS Sections 8.A.1 of said Cooperative Plan allows a property owner in the Town to petition the City for early attachment following approval by the Town Board; and,

WHEREAS, the owners of four parcels in the Town wish to attach their property to the City for the purposes of joining them with two parcels already in the City for the purposes of constructing a hotel and conference center (hereinafter referred to as the "Development"); and,

WHEREAS, to efficiently provide municipal services to and effectively regulate the Development, the City and Town agree that the Development should occur entirely within one jurisdiction, the City; and,

WHEREAS, in return for allowing early attachment of the four parcels to the City to allow for the Development to proceed, the City and Town agree that municipal revenue sharing of the local share of real and personal

property tax revenue and room tax revenue from the Development is appropriate; and

WHEREAS, pursuant to Wis. Stat. § 66.0301, Wisconsin municipalities are authorized to enter into intergovernmental agreements,

NOW THEREFORE BE IT RESOLVED the Mayor and City Clerk are hereby authorized to enter into the attached Early Attachment and Revenue Sharing Agreement (the "Agreement") with the Town of Madison to facilitate the attachment and future development of the following four parcels: 2155 Rimrock Road, Tax Parcel ID 032-0709-362-8310-0; 2165 Rimrock Road, Tax Parcel IDs 032-0709-362-8300-2 and 032-0709-362-8320-8, and; 250 West Beltline Highway, Tax Parcel ID 032-0709-362-8340-4; and,

BE IT FURTHER RESOLVED that upon attachment of the four Town parcels to the City, and during the Protected Period, the City agrees to make payments to the Town according to the provisions set forth in the Agreement, provided however that if construction of the proposed hotel Development does not commence within twelve (12) months of attachment of the four Town parcels to the City, the City shall either detach said parcels back to the Town or make payments to the Town pursuant to the provisions of the Agreement.