



Legislation Text

File #: 15063, **Version:** 1

Fiscal Note

The staff and process cost to amend the TID #39 Project Plan and boundary does not require additional borrowing as the cost is eligible to be paid through tax increments generated by TID #39. The amendment would enable the City of Madison to recover the cost of general obligation borrowing in the amount of \$1,720,000 for improvements to Femrite Drive authorized as Project Number 23 in the 2009 Engineering - Major Streets Capital Budget. It is anticipated that funds will be required when work commences for the project in 2010. It is expected that tax increments generated by growth in the district will be sufficient to repay the indebtedness without requiring support from the General Fund.

Title

Authorizing staff to amend the Project Plan and Boundary to TID #39 (Stoughton Road) and authorizing staff to request an extra-territorial expenditure from the TIF Joint Review Board upon Common Council adoption of a Project Plan and Boundary and Amendment to TID #39.

Body

WHEREAS, by RES 08-00817, the Common Council of the City of Madison created TID #39 (Stoughton Road) on September 2, 2008; and

WHEREAS Project Number 23 of the 2009 Engineering - Major Streets Capital Budget incorrectly references the repayment source of \$1,720,000 of borrowed funds being Tax Incremental District (TID) #39 to make improvements to Femrite Drive east of Marsh Road to Interstate 39/90 ("Project"); and

WHEREAS, the Project is not located within the adopted boundary of TID #39; and

WHEREAS, the Common Council was unaware that the Project was not located within the TID#39 boundary when it adopted the 2009 Capital Budget, thus requiring corrective action prior making an expenditure of funds; and

WHEREAS, by Wis. Stats. 66.1105 ("TIF Law") expenditures must be made within a TID boundary; and

WHEREAS, TIF Law allows four (4) boundary amendments to an industrial TID within its 20-year lifetime to include project costs that are at the time required outside the TID boundary; and

WHEREAS, TIF Law also allows a City to may make an expenditure within one half-mile of a TID boundary with the authorization of the TIF Joint Review Board of overlying tax jurisdictions ("half-mile rule"); and

WHEREAS the distance between the eastern boundary of TID#39 and the western right-of-way boundary of Interstate 39/90 is approximately 2,900 feet, which is greater than a half-mile from the TID boundary and therefore the half-mile rule is impracticable as the sole corrective measure; and

WHEREAS, TIF Law also requires that only whole units of property be included within a TID boundary and prohibits inclusion of wetlands within the boundary; and

WHEREAS, significant wetlands, as identified by the Wisconsin Department of Natural Resources, are located upon whole units of property on the north and south sides of Femrite Drive, approximately 1,000 feet west of the western right-of-way boundary of Interstate 39/90 ("wetlands intersection"), such that inclusion of Femrite Drive east of that point is also impracticable as the sole corrective measure (See Attached Map); and

WHEREAS, staff estimates that there is sufficient time for the Common Council to amend the boundary and project plan of TID #39, effective to January 1, 2009, prior to the statutory September 30 deadline from the current boundary line east to the wetlands intersection (See Attached Timeline); and

WHEREAS, staff finds it practicable to request authorization of a half-mile rule expenditure from the TIF Joint Review Board of overlying tax jurisdictions for Femrite Drive expenditures east of the wetlands intersection and concluding at the western right-of-way boundary of Interstate 39/90; and

WHEREAS, Engineering estimates that said Project may not commence until 2010; and

WHEREAS, the proposed Project Plan and Boundary amendment would implement said Project in a timely manner by providing repayment through tax increments, rather than the General Fund, at such time when funds from general obligation borrowing are made available to pay for the cost of the expenditure.

BE IT THEREFORE RESOLVED that staff is authorized to amend the Project Plan and Boundary of TID #39 (Stoughton Road) to include the estimated cost of said project.

BE IT FURTHER RESOLVED upon Common Council adoption of a Project Plan and Boundary Amendment to TID 39, that staff be authorized to request the TIF Joint Review Board of overlying tax jurisdictions for authorization of an extra-territorial expenditure allowable under TIF Law within a half-mile of the TID boundary ("half-mile rule").