



Legislation Text

File #: 24643, **Version:** 1

Fiscal Note

The 2011 adopted capital budget of the Planning and Community and Economic Development Department (PCED) includes authorized funding of \$75,000 for marketing (Project No. 6, "TID 39 - Stoughton Road," Account No. 823901), of which an estimated \$65,500 remains available to support the reallocation of \$59,000 for project costs. No additional appropriation is required.

Title

Amending Project No. 6 of the 2011 Department of Planning & Community & Economic Development Capital Budget to authorize \$59,000 to be redirected to reimburse Madison Development Corporation for BioLink project costs.

Body

WHEREAS, the City of Madison and Madison Development Corporation ("MDC") were successfully awarded a grant of approximately \$4.5 million from the U.S. Economic Development Administration ("EDA") for the construction of the BioLink facility within the BioAg Gateway; and,

WHEREAS, MDC expended approximately \$159,000 to date on architectural costs, surveying, soil testing, construction cost estimating, tenant cultivation, etc. ("BioLink project costs"); and,

WHEREAS, \$100,000 of the \$159,000 is being funded through a loan from the Wisconsin Economic Development Corporation (formerly WI Dept. of Commerce) and \$59,000 has been self-funded by MDC; and,

WHEREAS, MDC completed this work under the assumption that it would be reimbursed through the EDA grant upon construction of BioLink; and,

WHEREAS, through the architectural and construction cost estimating work, MDC identified that construction costs for BioLink would exceed the estimates outlined within the original project budget; and,

WHEREAS, MDC has suspended work on the project until such time as an additional funding source to cover this construction gap can be identified; and,

WHEREAS, the EDA will support an extension of the construction start deadline to provide the City and MDC with more time to explore options for closing this construction funding gap; and,

WHEREAS, given the uncertainty of whether or not the project will proceed, it is uncertain if MDC will be reimbursed through EDA funding for the work that it has completed; and,

WHEREAS, the 2011 Capital Budget includes \$75,000 for marketing efforts within the BioAg Gateway; and,

WHEREAS, approximately \$9,500 of this \$75,000 has been spent or committed to date, leaving a balance of approximately \$65,500; and,

WHEREAS, MDC has requested the City to consider a reimbursement for the \$59,000 of BioLink project costs self-funded by MDC.

NOW THEREFORE BE IT RESOLVED that Project No. 6 of the 2011 Department of Planning & Community & Economic Development Capital Budget be amended to authorize \$59,000 of the \$75,000 authorized for

marketing efforts to be redirected to reimburse Madison Development Corporation for BioLink project costs; and,

BE IT FINALLY RESOLVED that the Mayor and City Clerk are authorized to execute, deliver, accept and record any and all documents and take such other actions as shall be necessary or desirable to accomplish the purpose of this resolution in a form approved by the City Attorney.