# Legislation Text

**File #:** 53801, **Version:** 1

## Fiscal Note

The proposed resolution authorizes amending the 2018 Adopted Budget to fund the installation of an electric distribution system in The Center for Industry & Commerce (CIC). The 2018 General Land Acquisition Fund budget will be amended to authorize a $147,827 payment to Madison Gas & Electric (MG&E) for the installation of an electric distribution system within the CIC. The City of Madison is the developer of the CIC and as is customary for a developer MG&E will charge the City of Madison to install the electric distribution system, hold the funds in an escrow account for five (5) years, and then reimburse the City on a pro-rata basis when new owners/users of the remaining City-owned lots establish service with MG&E. The 2018 Adopted Budget includes an unassigned fund balance of approximately $716,000 in the General Land Acquisition Fund. No additional City appropriation is required for the $147,827 payment to MG&E.

## Title

Authorizing a 2018 budget amendment to fund the installation of an electric distribution system in The Center for Industry & Commerce from the General Land Acquisition Fund; and, authorizing further action as required to complete the transaction with Madison Gas and Electric.

## Body

WHEREAS, the City owns industrial lots within The Center for Industry & Commerce (the “CIC”), and is marketing these lots for sale to private businesses; and,

WHEREAS, the City agreed to construct Ronald Regan Avenue and John Wall Drive (“Infrastructure”) per the Purchase and Sale Agreement approved by Resolution Enactment No. RES 16-00714, File I.D. No. 44296, adopted by the Common Council on September 20, 2016 and the Amended Resolution Enactment No. RES-16-00881, File I.D. No. 45292, adopted by the Common Council on December 6, 2016; and,

WHEREAS, the constructed Ronald Regan Avenue and John Wall Drive will improve the marketability of several of the remaining sites available for sale within CIC; and,

WHEREAS, the City entered into a Public Works Contract No. 7843 (the “PWC”) to build the Infrastructure, with special assessments used to pay for the Infrastructure; and,

WHEREAS, it is customary for the electric distribution system installed as part of an Infrastructure project to be paid for by the “private developer”, but in this case, the City is acting as the developer, and is therefore unable to use special assessments for these improvements; and,

WHEREAS, as is customary for a developer, Madison Gas & Electric (“MG&E”) will charge the City of Madison $147,827 to install the electric distribution system, hold the funds in an escrow account for five (5) years, and then reimburse the City on a pro-rata basis when new owners/users of the remaining City-owned lots establish service with MG&E; and,

WHEREAS, it is anticipated that the City will likely be reimbursed approximately $50,000 in the first two years based on current new users establishing service with MG&E, with the possibility that the City will be reimbursed for a significant portion of the remaining balance during the remainder of the five (5) year period; and,

WHEREAS, the General Land Acquisition Fund has a balance of funds available to pay $147,827, and can

serve as an account to receive the reimbursements received back from MG&E over the next five (5) years.

NOW, THEREFORE, BE IT RESOLVED that the 2018 General Land Acquisition Fund budget is amended to authorize a $147,827 payment to Madison Gas & Electric for the installation of an electric distribution system within the Center for Industry & Commerce; and,

BE IT FURTHER RESOLVED that the City is authorized to enter into an agreement with MG&E for the installation of this electric distribution system; and,

BE IT FURTHER RESOLVED that future reimbursements by MG&E for this work shall be credited back to the General Land Acquisition Fund; and,

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



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