



Legislation Text

File #: 62434, Version: 2

**Fiscal Note**

Mall charges are assessed to properties within the Mall/Capitol Concourse District. These charges are assessed to support the additional level of services provided to this high-traffic area, including operation of water fountains, maintenance of flower planters, and frequent trash and snow removal. This charge does not cover any expenses related to emergency public services, such as those services provided during the protests in the summer of 2020. Previously, this work was funded 63% by the City, and 37% by property owners. The 2020 Adopted Operating Budget increased the portion paid by property owners to 50%. With this increase, the property owner share was estimated at a total of \$762,000 in 2020.

The proposed resolution amends the time period upon which mall maintenance charges are assessed. The current billing cycle is September 1 to August 30, and the proposed billing cycle is June 1 to May 31. For 2019-2020, the billing time period would include 9 months from September 1, 2019 to May 31, 2020.

The Parks Division has incurred lower-than-anticipated expenditures in the past year for mall maintenance. This decline is due to certain reductions in service associated with the COVID-19 pandemic, such as not opening the water fountain. Because of these reductions in expenditures, no change is required to the General Fund share of mall maintenance costs in the 2020 Adopted Budget Parks Operating Budget.

The following table shows the 2019 actual mall maintenance charges, as well as the budgeted and projected 2020 charges under the current billing cycle and the proposed 9-month billing cycle. Under the proposed billing cycle, the special charge would decrease 2.4% in 2019-2020, as opposed to the 22.33% increase projected.

	2019	2020		
	Actual	Budgeted (12 m	Projected (12 m	Proposed (9 m
Property Owner Share	\$536,273	\$762,000	\$656,003	\$523,272
City Share	\$898,406	\$762,000	\$656,003	\$523,272
<b>Total Chargeable Expenses</b>	<b>\$1,434,679</b>	<b>\$1,524,000</b>	<b>\$1,312,006</b>	<b>\$1,046,544</b>

~~The proposed resolution amends the time period upon which mall maintenance charges are assessed. The current billing cycle is September 1 to August 30, and the proposed billing cycle is July 1 to June 30. For 2019-2020, the billing time period would include 10 months from September 1, 2019 to June 30, 2020.~~

~~The Parks Division has incurred lower-than-anticipated expenditures in the past year for mall maintenance. This decline is due to certain reductions in service associated with the COVID-19 pandemic, such as not opening the water fountain. Because of these reductions in expenditures, no change is required to the General Fund share of mall maintenance costs in the 2020 Adopted Budget Parks Operating Budget.~~

~~The following table shows the 2019 actual mall maintenance charges, as well as the budgeted and projected 2020 charges under the current billing cycle and the proposed 10-month billing cycle. Under the proposed billing cycle, the special charge would only increase 6.53% in 2019-2020, as opposed to the 22.33% increase projected based on current year expenditures.~~

**Title**

SUBSTITUTE - Amending the apportionment policy for the State Street Mall/Capitol Concourse Special

Charge to approve the schedule of Special Charges for the State Street Mall/Capitol Concourse for 2019/20 Maintenance Charges.

### Body

WHEREAS, the State Street Mall and Capitol Concourse area (the Mall Concourse) serves as the heart of downtown Madison, and is a treasured part of the community. In recognition of the importance of this area, and in the interest of supporting continued economic development downtown and maintaining the quality of life in the area and the City itself, the City has a dedicated maintenance team (Mall Maintenance) that is responsible for providing additional services to this heavily used area, including, but not limited to, daily trash collection, snow removal, sidewalk cleaning, landscaping services, and other general maintenance needs; and,

WHEREAS, on Nov. 26, 1974, the Common Council received and approved the final report of the Citizens Advisory Committee on State Street Mall Capitol Concourse Special Assessments, which report recommended, among other things, that the maintenance costs of the as-yet-to-be-built Mall-Concourse improvements should be shared by the City as a whole and the benefitting properties within the State Street Mall and Capitol Concourse area (the Mall-Concourse),

WHEREAS, Resolution No. 32,274 dated November 29, 1977 and Resolution No. 35,075 dated October 23, 1979, mandated that a portion of the City's annual maintenance costs be specially charged to properties within the Mall-Concourse area; and,

WHEREAS, Resolution No. 35,075 dated October 23, 1979, mandated that a portion of the City's annual maintenance costs be specially charged to properties within the State Street Mall/Capitol Concourse District; and,

WHEREAS, Resolution No. 37,401 dated September 29, 1981, adopted a policy for calculating such special charges as current services rendered at the conclusion of the service year, pursuant to Section 66.0627, Wisconsin Statutes; and,

WHEREAS, since 1982, a portion of these extra costs incurred by the City to maintain the Mall Concourse area have been recovered by imposing special charges against the properties within the Mall Concourse area served by the City's Mall Concourse program. The costs are recovered on an annual basis based upon the actual services provided in the preceding period; and,

WHEREAS, Resolution No. RES-08-00931 dated October 10, 2008, adopted a policy for determining such charges based upon a combination of parcel square footage and effective service frontage length; and,

WHEREAS, the 2015 Adopted Operating Budget Resolution included an expansion of the State Street Mall / Capitol Concourse service area; and,

WHEREAS, the 2019 Adopted Operating Budget Resolution included the addition of services of the 1) Mall Concourse Flower Planter Program and 2) Mall Concourse Fountains and Amenity Improvements, which is an increase to the expenses funded by the special charges; and,

WHEREAS, the size and scope of the Mall Maintenance Area and corresponding of administration of the special charge process has grown significantly over the years; and,

WHEREAS, the administrative burden of the special charge process has increased significantly over the decades on with a multitude of incremental changes creating inefficiencies and lack of clarity; and,

WHEREAS, simplifying the process and policy regarding the billing to a 50% City and 50% Property Owner

will establish a transparent and understandable process to apportion special charges to the benefiting properties; and,

WHEREAS, the 2020 Adopted Operating Budget included a modification to the cost share between the City and property owner from an 63% City /37% Property Owner effective 2019 to 50% Property Owner/50% City in 2020; and,

WHEREAS, this resolution authorizes a modification to the timeframe of charges captured from September 1, 2019 to August 4 ~~31~~, 2020 to only include charges from September 1, 2019 to ~~June 30~~ May 31, 2020 modifying the timeframe of charges going forward to accommodate a ~~July~~ June 1 to ~~June 30~~ May 31 timeframe for 2021 billings; and,

WHEREAS, the modification in timeframe will allow for adequate time to appropriately compute special charges and to engage with stakeholders on the matter to better inform subsequent year budget decisions that impact chargeable amounts; and,

WHEREAS, modification of the billing cycle will provide significant process improvements and increase the effectiveness of the Parks Division in management of the special charges; and,

WHEREAS, the 2019/2020 special charges apportioned through this resolution do not include costs attributable to emergency services related to riots and public property damage; and,

WHEREAS, the City Attorney has determined that the provisions of Wisconsin Statute 66.0627 shall be followed in the imposition of special charges for said maintenance costs.

NOW, THEREFORE, BE IT RESOLVED that the Mall Maintenance Special Charge apportionment policy is hereby amended to apportion eligible service costs 50% to the property owners and 50% to the City as a whole; and,

BE IT FURHTER RESOLVED that the apportionment to individual properties will remain a combination of parcel square footage and effective service frontage length; and,

BE IT FURTHER RESOLVED that this apportionment policy will take effect with the 2019/2020 special charges and the billing cycle for the 2019/2020 special charges will be from September 1, 2019 through ~~June 30~~ May 31, 2020; and,

BE IT FURTHER RESOLVED that future billing cycles will be on a ~~July~~ June 1<sup>st</sup> to May 31<sup>st</sup> annual basis; and,

BE IT FURTHER RESOLVED that the 2019/2020 Special Charges for the State Street Mall and Capitol Concourse provided in Schedule A are hereby adopted in accordance with Sections 4.09(13) of the Madison General Ordinances and Wis. Stat. Sec. 66.0627; and,

BE IT FURTHER RESOLVED that such Special Charges shall not be payable in installments and shall be paid in full by January 31, 2021; and,

BE IT FINALLY RESOLVED that these Special Charges shall represent an exercise of the police power of the City of Madison.