

Village Board Summary and Recommendation Sheet

Meeting Date: September 1, 2026

Item: Update Regarding Buc-ees and the Proposed I-90/94/39 and CTH V Interchange Project

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Summary of Issue

Buc-ees first proposed a store in DeForest in 2023. Buc-ees then received a conditional use permit from the Village, which required that they improve off-site highways, intersections, and interchange ramps in accord with the recommendations of the traffic impact analysis ("TIA") or as otherwise required by the Wisconsin Department of Transportation ("WisDOT") and Dane County. As part of that process, the preliminary traffic impact analysis determined that the interchange would need to be redesigned to a Diverging Diamond Interchange ("Interchange Project") to accommodate the amount of traffic from the project and projected growth of the immediate area which includes commercial, residential, and industrial development as shared by the Village.

Currently, the Village is working through final TIA comments and initial improvements design review with the Dane County Highway Dept and WisDOT. We have received preliminary review but are still working through final questions and design requirements to also consider traffic impacts related to Amazon's project. We expect to have answers within the upcoming weeks.

The current estimate for the Interchange Project, which includes the bridgework, ramps and immediate area of the bridge is approximately \$17,100,000. This estimate is expected to change as the total project scope and design may change to include the intersection at CTH I, per requirement of the WisDOT. These costs are separate from the site development and local road improvement costs which the developer will be responsible for. Upon learning about the necessary improvements and costs, both the Developer and the Village decided to pause to explore funding options for the Interchange Project. Through continuing discussions with WisDOT, staff have learned the following:

- 1) Since the Interchange Project involves the interstate, WisDOT is requiring that the project be let through the state process and managed by WisDOT. This includes the state permitting process which requires stringent design review, environment review, real estate parameters, etc. Since the Village will remain the owner of the project, WisDOT will also require a State/Municipal Agreement ("SMA") for costs and responsibilities. The state will provide the Village with a draft SMA for review. The TIA results will require that the original project scope, which previously only included the interchange at I 90/94/39, be expanded to include the intersection at CTH -V and CTH -I. Therefore, we expect the project cost to increase from the previous estimated amount of \$17,100,000 which only included the immediate interchange.
- 2) The improvements along CTH-V will impact three driveways. The driveways are located at the Pink Elephant, McDonalds/AllStop, and Culvers. The exhibit is attached. The driveways at Culvers and the Pink Elephant are proposed for hard closures and the one at McDonalds/AllStop is proposed as a right in only with turn lane (this is not represented on the exhibit but was agreed upon following TIA comments). Village staff have notified the Town of Vienna and impacted businesses. WisDOT are requiring access restrictions due to potential safety impact and has the right to close the accesses. All locations do have secondary access to connecting streets. A copy of the **conceptual** interchange plan is attached. Note that this is subject to change as it is refined through engineering and final comments from WisDOT and Dane County.

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Financial Analysis

Over the last two years, the Village has worked to secure funding for this project. To date, that amount is approximately \$15,417,500. The funding sources are as follows:

Buc-ees Prior Commitment	\$ 8,100,000.00
WI LRIP Grant	4,000,000.00
WI DOT Credit	900,000.00
DeForest TID No. 9	1,897,500.00
Other Developer Contribution	520,000.00
	\$ 15,417,500.00

Since there is still a funding gap of approximately \$1,682,500.00, the Village is requiring that Buc-ees pay for the remaining amount including any additional costs before moving forward in this process. The draft development agreement, which includes this requirement and has been sent over to Buc-ees for their review, will protect the Village's obligations in the SMA. The Village will not sign the SMA without first having coverage from the development agreement.

Requested Village Board Focus: DISCUSSION ONLY

Anticipated Next Steps

We await final responses from Dane County and WisDOT. Following final comments and acceptance of the TIA, Buc-ees will then prepare 30% plans and a design.

The Village is also negotiating two separate agreements. The first agreement is the SMA with WisDOT. This agreement explains the obligations between the Village and WisDOT. As stated earlier, while this remains a Village owner project, WisDOT will lead and manage the construction. The Village will remain responsible for costs, design, and permitting.

The Village is also negotiating a development agreement with Buc-ees. This agreement explains the obligations between the Village and Buc-ees, which include financial obligations beyond the funding that has been committed to the Village and other costs incurred as result of the project. This agreement relays the Village's risk and liabilities to Buc-ees.

Separate from the interchange project, Buc-ees will need to resubmit a CUP application since their CUP from 2023 is now expired. This is a local process and is not part of the WisDOT process. As part of the local process, Buc-ee's will need to provide a site plan for on site improvements and local road improvements to CTH-I (north of Exxon driveway) to satisfy the requirements of the TIA. There will be a separate development agreement with Buc-ees for these improvements as it does not include oversight and financing by the state. The CUP will require a public hearing.

Future public meetings to be determined based on when filings are submitted.

Input From Others:

Input received from the Village Board in previous meetings and closed session negotiations. Input also received from various impacted department such as Public Services, Community Development, Police, Fire & EMS, and Finance. Village is also continuing discussion with WisDOT, Dane County Highway Department, Town of Vienna and have reached out to the businesses that have access impacts.