

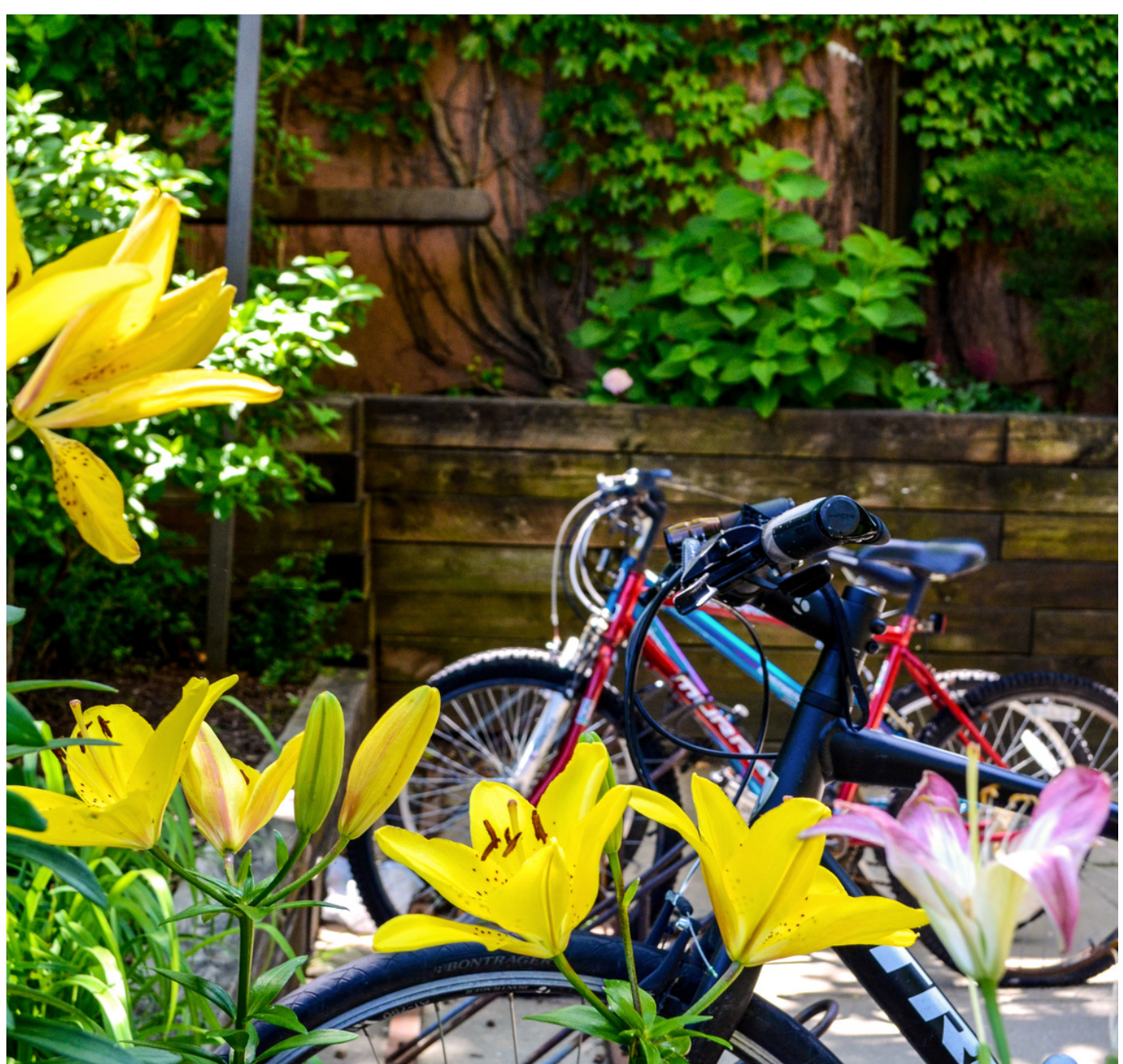
City of Madison



2021

Capital Budget & Capital Improvement Plan

Executive Budget: Executive Summary



Satya Rhodes-Conway
Mayor



Office of the Mayor

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2021 Executive Capital Budget & Capital Improvement Plan

2020 has been an unprecedented year. The devastating impacts of a global pandemic have challenged us all, and the health, social, and economic impacts of it have been felt sharply by too many in our community. As we respond to this public health crisis and the economic fallout from it, we also have a responsibility to advance racial justice and equity in our capital investments with infrastructure that works for all our residents.

The City is working to address these challenges. While we do that work now with our existing budget, we must also look ahead and shape a 2021 budget that reflects our community's urgent needs and priorities next year.

Today, I announce my 2021 Capital Budget and 5-Year Capital Improvement Plan (CIP), which details my funding proposal for buildings, infrastructure, and other capital investments for neighborhoods and businesses. In October, I will announce my 2021 Operating Budget, which will detail my plan for the many services the City provides, including my staffing plan to deliver those services.

In the Capital Budget and CIP, I outline a 5-year plan to increase funding for affordable housing and homeownership to those who need assistance the most, advance equity in business ownership, improve critical transit service to underserved communities, expand our investments in solar energy and solar jobs, among other priorities.

We are only at the beginning of fully understanding how the current economic fallout from COVID-19 will impact the City's budget for the next few years, but we do know that lost revenues will constrain our choices. This is made even more challenging by a federal government that has demonstrated only limited action in helping cities support those in need. My 2021 Executive CIP seeks to stabilize capital spending in 2021 and across the five year CIP. In total, I have reduced the CIP by \$48.8 million compared to what was adopted in the 2020 CIP.

But even in the midst of the challenging circumstances we face, we as a community must double down on finding ways to build the Madison we want to see, not just the Madison we've always had. Some of the ways we are doing this in the Capital Budget include:

- Doubling last year's increase in Affordable Housing Development projects and expanding the ways in which they can be used;
- Stepping up our commitment to the Green Power program increasing access to good jobs and apprenticeship programs for a diverse array of our youth; and
- Staying true to our commitment of making Bus Rapid Transit (BRT) in our community a reality by 2024.

Additional projects are detailed below, and more programs will be outlined in my Operating Budget in October.

Building the 2021 Executive Capital Budget

I approached decisions about funding capital projects in a strategic way to ensure the projects included in my budget are in alignment with our priorities. Each decision point was analyzed through the following lenses:

1. Equity: How will the project impact addressing documented racial disparities in our community?
2. Sustainability: How will the project lessen the effects of climate change?
3. Health: How will the project increase access and choice for health factors?
4. Adaptability: How will the project help Madison prepare for the new normal?

Keeping tradition with the 2020 Capital Budget, I am presenting the 2021 Capital Improvement Plan by the six Citywide Elements identified in Imagine Madison:

- Neighborhoods and Housing
- Economy and Opportunity
- Land Use and Transportation
- Green and Resilient
- Culture and Character
- Effective Government

The highlights of how the 2021 Capital Budget and CIP advances each of these elements are outlined below.

Neighborhoods and Housing

The COVID pandemic has shown us that too many people in our community live on the verge of losing their housing. While we have made great progress on affordable housing by assisting in the construction of over 1,700 new units of housing, including over 1,300 affordable units¹, median rental prices still drastically exceed a reasonable share of income for many Madison families. This is complicated further by the high demand for these units as our community continues to experience a housing shortage and very low vacancy rates for rental units. My budget seeks to reverse these trends by:

- Increasing the City's investment in supporting the development of affordable housing. Under my plan, we will step up the City's annual allocation for affordable housing projects from \$5.5 million annually to \$6.5 million annually by 2023. Starting in 2021, \$2.0 million annually from this funding source will be set aside for developments not associated with tax credit programs to help more types of developments and organizations access these funds.
- Adding \$480,000 over the next six years for lending programs to help rehab our housing stock and to help seniors stay in their homes. The increased funding responds to the uptick in demand we have seen for these programs in 2019 and 2020.
- Continuing and expanding the Land Banking program we began in the 2020 Capital Budget. My budget increases funding for this initiative by \$3 million over the next two years to ensure the City is able to acquire strategic parcels of land to combat gentrification specifically on the South side of Madison to assist displaced residents and stabilize our housing market.

Economy and Opportunity

In March alone, Dane County employers laid off 2,766 workers². In July, Dane County unemployment was 5.9% compared to 2.7% in July 2019³. We are at the beginning of what is a very uncertain time for the labor market locally and globally. These grim statistics, and the uncertainty that lies ahead of us, makes it critically important to ensure we are continuing

¹ Source: City of Madison-Community Development Division

² Source: Wisconsin Department of Workforce Development, 2020 WARN Notices and Updates. Retrieved from <https://dwd.wisconsin.gov/dislocatedworker/warn/>

³ Source: Wisconsin Department of Workforce Development, Local Area Unemployment Statistics. Retrieved from <https://jobcenterofwisconsin.com/wisconsin/pub/laus.htm>

to foster small businesses and family sustaining jobs for our residents, including by lifting communities of color. To do this my capital budget invests in:

- Continuing the Small Business Equity and Recovery program that is currently under consideration by the Common Council. My budget includes \$6.5 million for this new program over the CIP. These funds will be used to promote equity and resiliency during this time of economic recovery. This program will help business owners of color, women, and other underrepresented business owners to start or expand their businesses and invest in equipment to protect workers and visitors from COVID.

Land Use and Transportation

The pandemic has changed the way residents move throughout our City. In March, following the start of our Stay at Home orders, average traffic counts on the City's arterial roads decreased by 43% compared to 2019 levels⁴. During this time we took action to experiment around ways our roadways can be better shared between motorists, pedestrians, and bicyclists.

Throughout the pandemic we also worked diligently to continue Metro Transit service while taking steps to ensure the City's buses are a safe reliable option and serve all our communities in a more equitable fashion. My budget continues investing in a sustainable transportation infrastructure to support our growing city by:

- Funding the first phase of Bus Rapid Transit with the goal of having the East-West corridor operational by 2024. This \$160 million capital investment leveraging federal and local sources has the potential to reduce ride times by 35%. Implementing BRT will allow us to redesign our existing bus routes. Once this work is complete residents will be better connected to employment hubs, retail centers, and medical services in a way that will no longer require hour-long ride times and carefully planned transfers.
- Allocating \$3.0 million for the Vision Zero program to redesign the City's most dangerous intersections in a way that will reduce traffic and pedestrian crashes.

Green and Resilient

Madison's 100% Renewable Plan set the City on a path to be a leader in reducing its overall carbon footprint. In the years since we have adopted the plan we have made great progress in both reducing the City's energy usage as well as training local residents for green jobs through the Green Power program. My budget seeks to continue accelerating these investments by:

- Increasing funding for Energy & Sustainability Improvements by nearly \$10.0 million across the CIP and sustaining the increased investment through 2026. Energy efficiency and renewable energy are smart investments that result in savings over time. This will allow us to grow our Green Power solar apprenticeship program to create career pathways in solar power while making progress toward the critical goal of reducing our carbon emissions.
- Continuing to invest in flood mitigation projects based on recommendations from watershed studies that have been underway since 2019. My plan seeks to invest \$21.6 million over the next 5 years to ensure our Stormwater network can keep residents safe when large rain events occur.
- Accelerating the investment in LED (light-emitting diode) streetlights with the goal of converting all remaining streetlights to LED by 2023. This \$3.5 million project will be carried out over three years and has the potential to save the City nearly \$400,000 annually in electricity costs once complete.

Culture and Character

COVID-19 has fundamentally shifted the way our community comes together, shifting from congregating in person to seeing each other virtually through web meetings. Through the first half of 2020 community events were down 75% in

⁴ Source: City of Madison-Traffic Engineering Division

Madison⁵. As we wait for the time when it is again safe to see each other in person, we must continue to inclusively invest in the facilities and infrastructure that contribute to the city’s vibrant culture and support our young people. My budget seeks to do this by:

- Continuing funding in the Municipal Art Fund with the goal of supporting two to four Art in Public Places projects annually.
- Investing \$4.8 million to expand the Warner Park Community Center in order to eventually provide our youth with a place to come together in a safe and inclusive environment.

Effective Government

2020 has taught us that City services must be adaptable and nimble to ensure we are able to provide services to our residents in the most challenging of circumstances. My budget makes continued investments to ensure City departments have the technology tools and physical space allowing them to provide services efficiently and effectively. My capital budget invests in:

- Renovating Fire Station 6 on Madison’s South side. The renovated station will make long overdue improvements to ensure the workplace conditions are inclusive for all Fire Department staff. The additional capacity at the station will also ensure we are able to provide fire services to Town of Madison residents following the attachment in fall 2022.
- Renovating the first floor of the City County Building. As the home to the Parks Division, City Clerk, Treasury, and Assessor, this is first stopping point for our residents when coming to interact with their local government. Now, it is more important than ever to ensure these spaces are safe for City staff while continuing to be welcoming to our residents.
- Transitioning to a cloud-based solution for the City’s office suite of programs. This move will ensure our staff are equipped with current tools to do everything from analyze and present data, to communicating with the public and their teams in an efficient way. This approach will allow us to stay current as updated information technology tools are available.

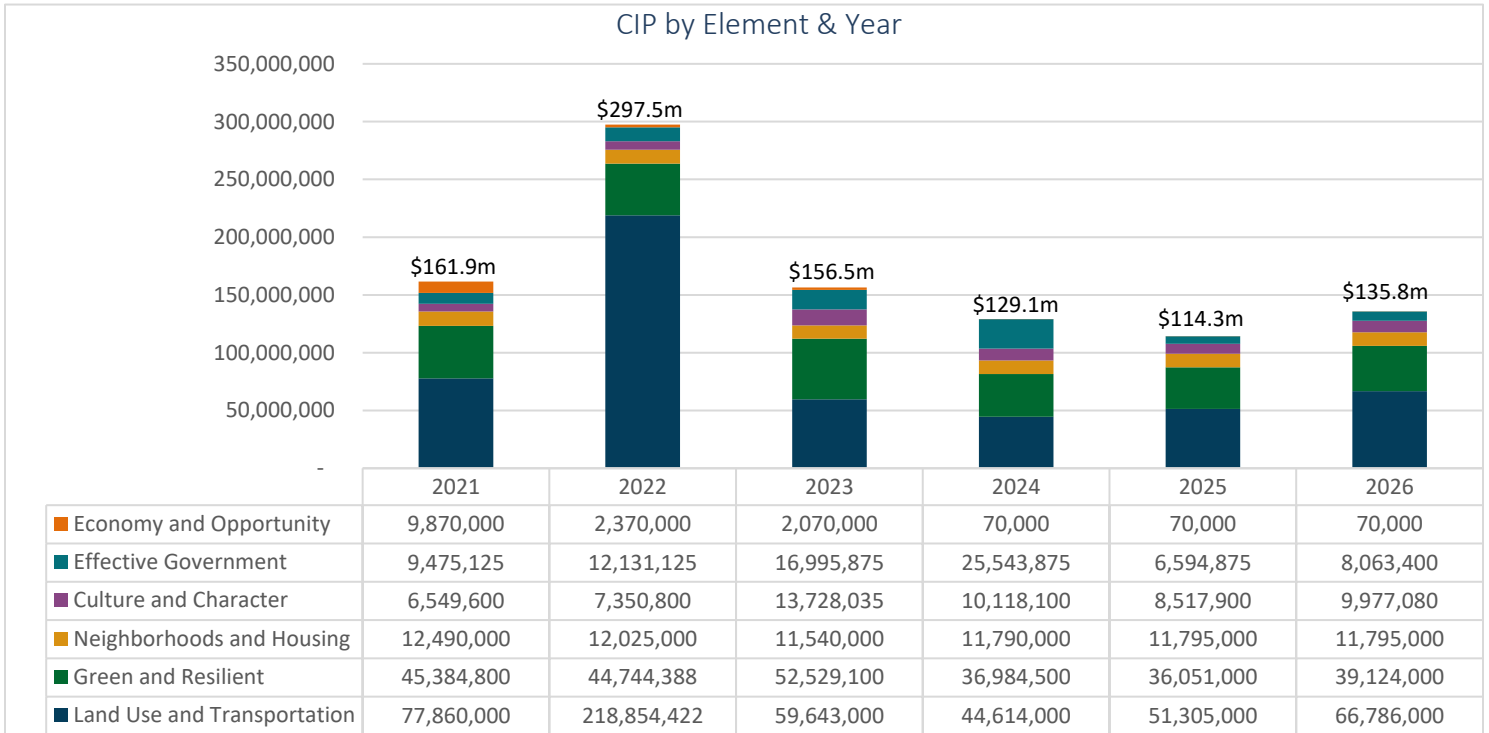
We are confronting unprecedented economic challenges and seeking new approaches that foster racial equity and social justice. These challenges require that we break down barriers and work together in building a better Madison. I look forward to the coming months of continued dialogue regarding the ways in which we can ensure our capital budget invests in a reimagined Madison that is innovative, inclusive, and thriving for all who call it home.

Respectfully Submitted,
Satya Rhodes-Conway, Mayor

⁵ Source: Isthmus, Calendar of Events. Retrieved from <https://isthmus.com/search/event/calendar-of-events/>

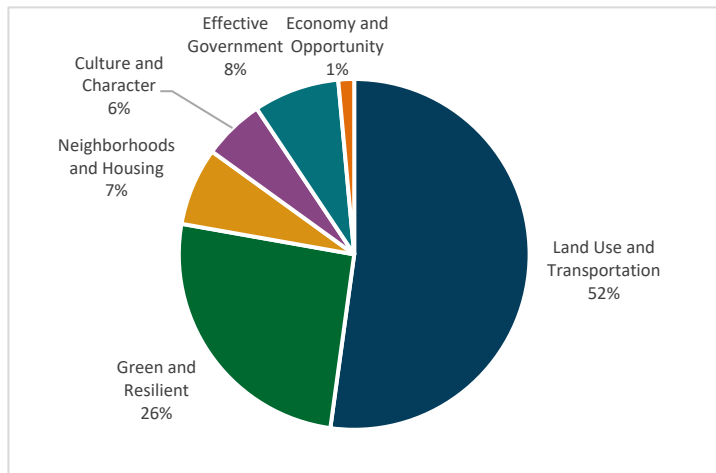
Budget Overview

The 2021 Executive Capital Improvement Plan (CIP) invests \$995 million in 156 capital items over the next 6 years. The timing of major projects, such as construction of a new facility or a major roadway project, contributes to variability in annual budget amounts across the years of the CIP.

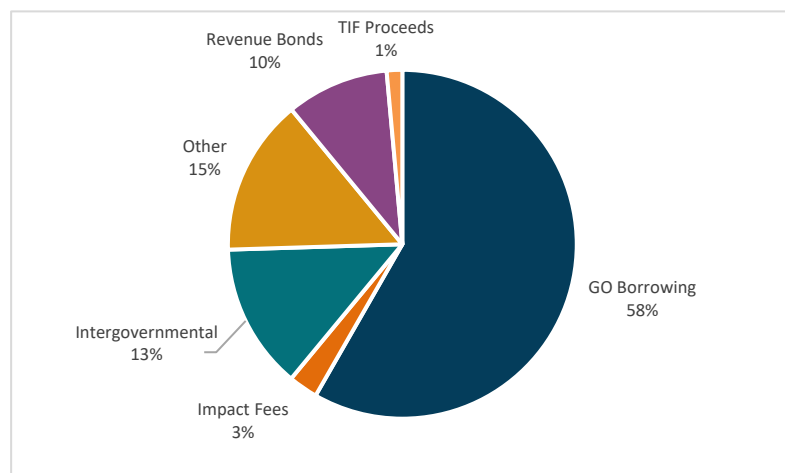


The majority of the CIP is funded through GO Borrowing, which is ultimately paid for through the General Fund (primarily funded by property taxes). Much of the debt issued by the City is rapidly repaid over a 10-year period. This practice, along with others, has helped the City to maintain its Aaa bond rating. Capital projects for the Sewer and Water Utilities are funded by revenue bonds paid back by ratepayers in subsequent years. Land Use and Transportation projects make up the largest portion of the CIP (52%). This category includes Engineering Major Streets and Bicycle/Pedestrian projects, Metro Transit, and Traffic Engineering.

CIP by Citywide Element



CIP by Funding Source

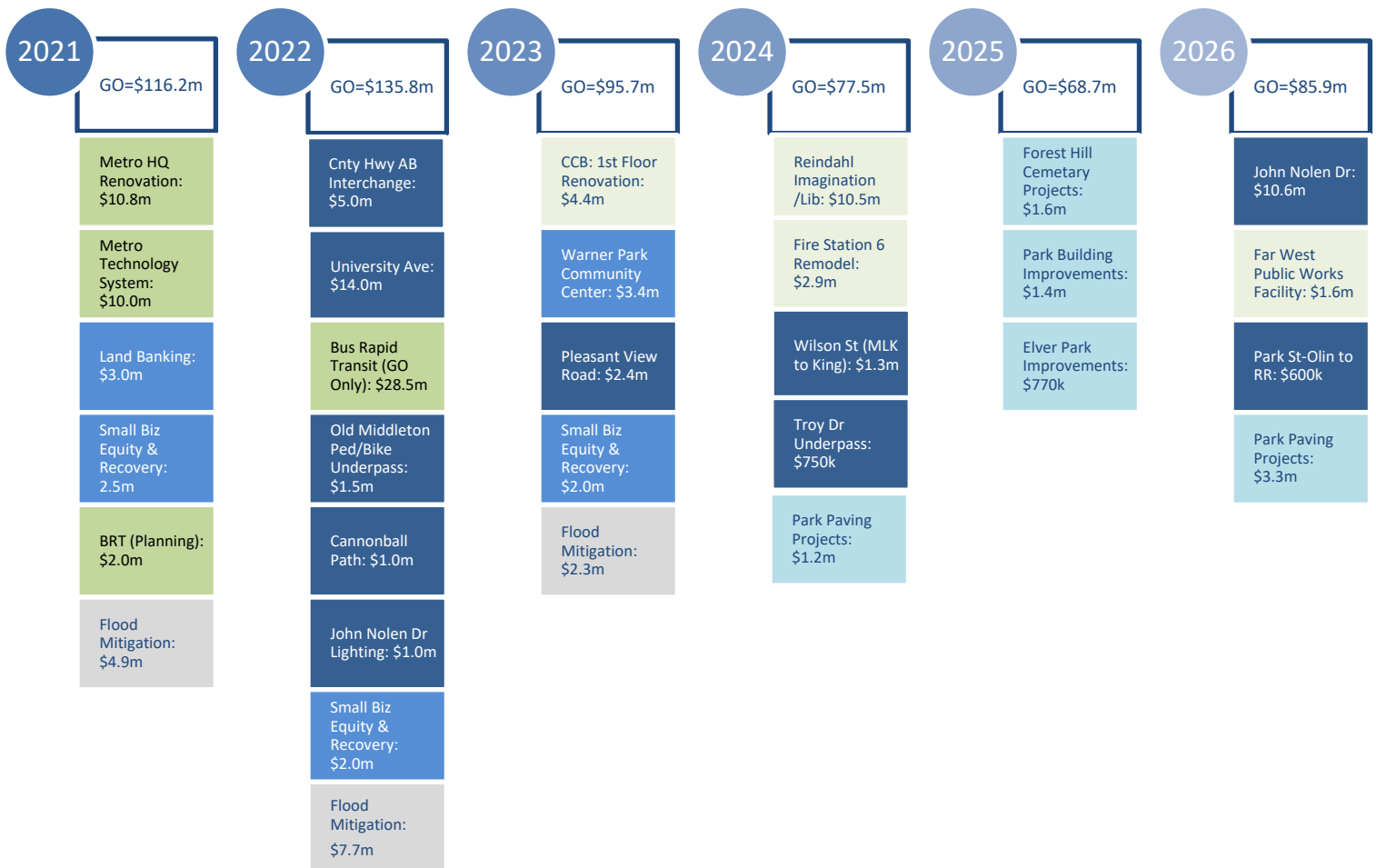


Timing of Projects

The 2021 Executive CIP sought to authorize no more than \$100 million in new GO Borrowing in any given year. This was accomplished by staggering the timing of major projects. This practice seeks to ensure future year debt service and operating costs associated with projects is sustainable in the operating budget.

MAJOR PROJECTS: 2021 CAPITAL IMPROVEMENT PLAN

GO-Funded Projects



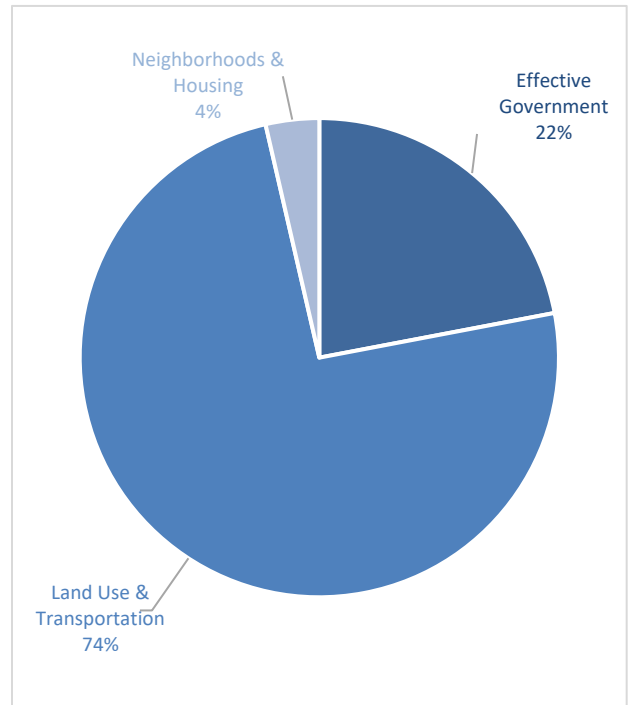
Horizon List

The Horizon List includes projects that meet a clear community purpose but are not yet fully planned to the level to be considered and funded within the fiscal capacity of the 2021 CIP. Planning efforts around these projects should continue in 2021 seeking to address the identified outstanding issues. The 2021 capital budget also includes a central allocation of funding that can be used to support costs associated with analyzing these projects where necessary.

With more complete information, these projects can be proposed in a future CIP planning process. Taking this action is intended to ensure the Capital Budget & CIP are built using project budgets and timelines that are consistent with the scope and overall goal of capital projects.

The pie chart shows the Horizon List Projects organized by Citywide Element, and the following table contains all projects included in the Horizon List for the 2021 Capital Budget and the estimated budget for these items. More information regarding these projects can be found on page 16 of the Executive Capital Budget.

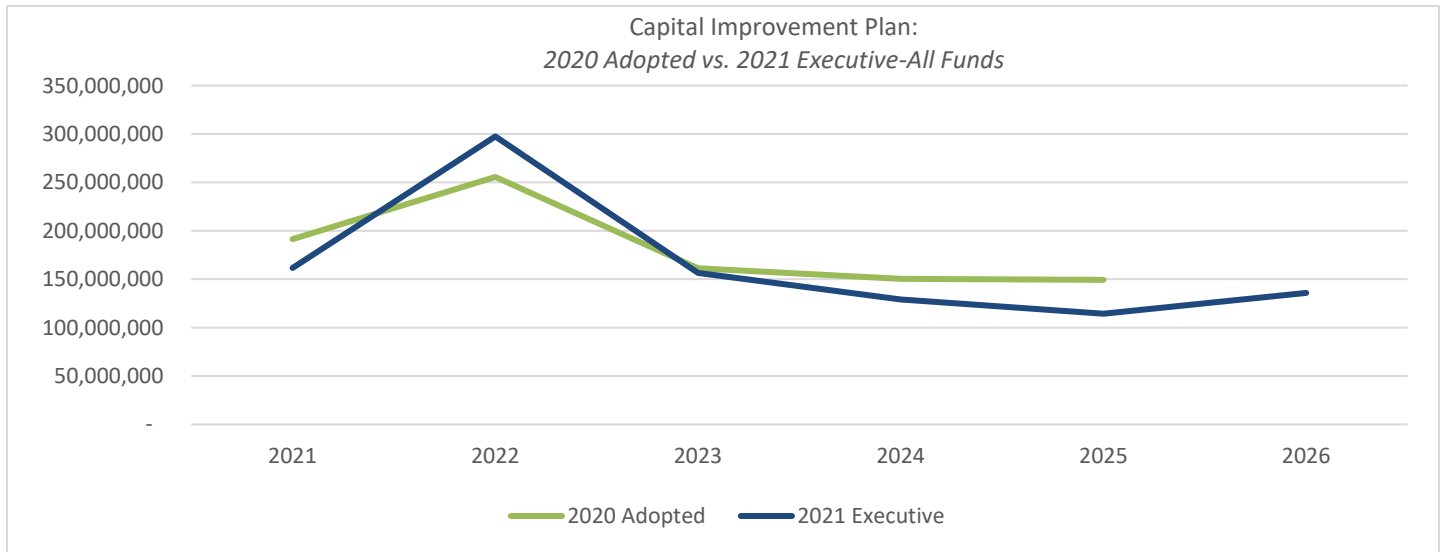
Horizon List Project Categories by GO Budget



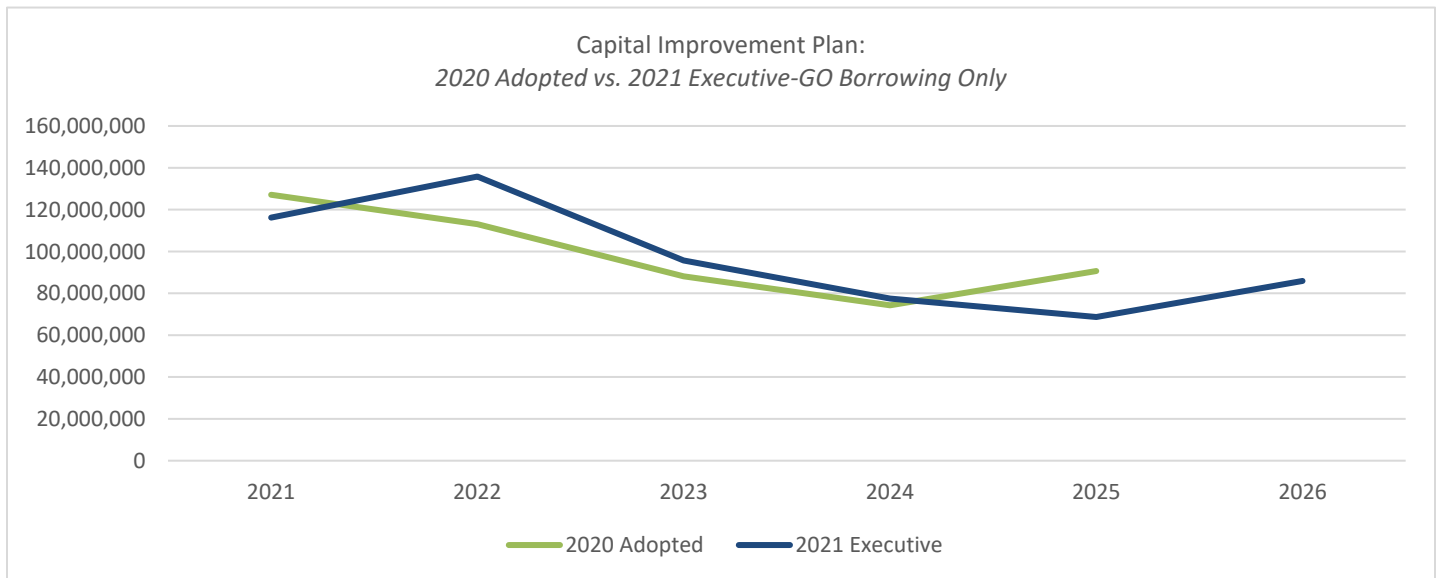
| CAPITAL ITEM | CITYWIDE ELEMENT | ESTIMATED BUDGET | |
|--|---------------------------|----------------------|-------------|
| | | GO BORROWING | OTHER FUNDS |
| CDD-Men's Shelter | Neighborhoods & Housing | Unknown at this time | |
| Eng: Bike/Ped-Autumn Ridge Path | Land Use & Transportation | 1,610,000 | - |
| Eng: Bike/Ped-West Towne Path-Phase 2 | Land Use & Transportation | 1,400,000 | - |
| Eng: Facilities-CCB 4 th & 5 th Floor Renovation | Effective Government | 9,150,000 | - |
| Eng: Major Streets-Atwood Avenue | Effective Government | 4,464,000 | 1,449,000 |
| Parking-Lake Street Garage Replacement | Land Use & Transportation | - | 22,000,000 |
| Parks-Brittingham Beach House Renovation | Neighborhoods & Housing | 400,000 | 800,000 |
| Parks-New Off-Leash Dog Park | Neighborhoods & Housing | 300,000 | - |
| Parks-Vilas Park Master Plan Implementation | Neighborhoods & Housing | Unknown at this time | |

Variations from 2020

The proposed 2021 Capital Budget is \$48.8 million less than what was anticipated in the 2020 Adopted CIP. A number of projects previously planned for 2021 have been deferred to 2022; these projects include: Metro Satellite Facility (now included in the overall BRT budget), and University Avenue Reconstruction. The Executive Budget also adds funding for new projects that were not included in the 2020 CIP; these projects include: County Highway AB Interchange, Small Business Equity and Recovery Program, and Streetlight LED Conversion.



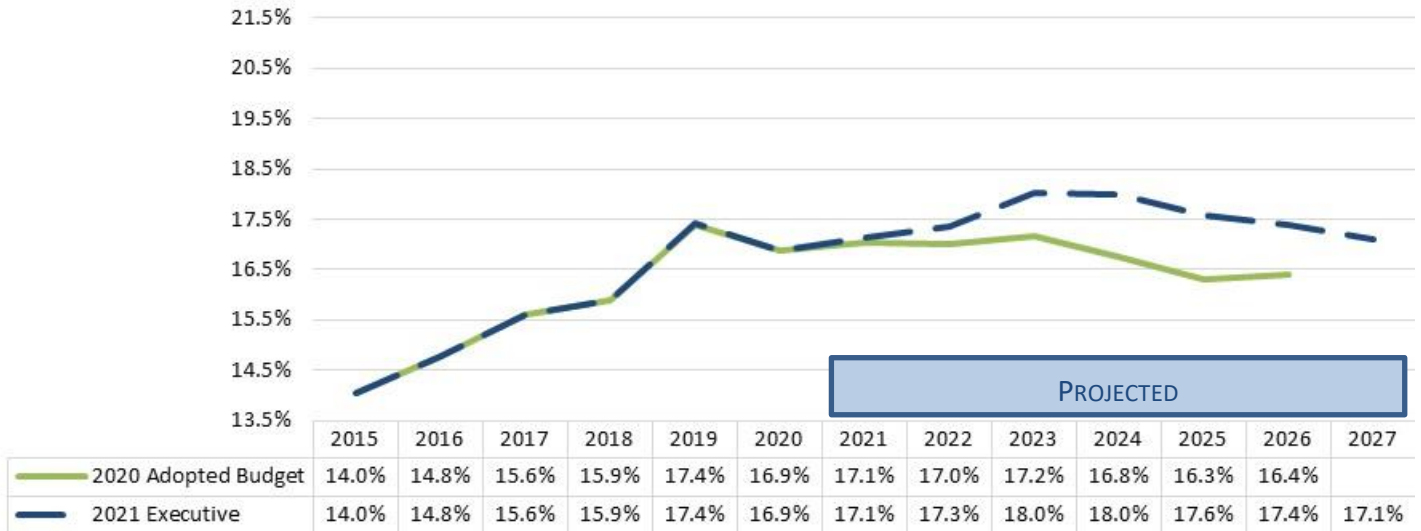
GO Borrowing in the Executive CIP is \$809,000 higher than what was anticipated in 2020 Adopted Capital Improvement Plan. After peaking in 2022, GO Borrowing trends downward from 2023 through 2025 before starting to increase again in 2026.



Debt Service Projection

Debt service in 2021 is projected to represent 17.1% of General Fund expenditures. Based on the Executive Budget, debt service in 2021 will be consistent with what was assumed in the 2020 Adopted CIP.

Debt Service as a Share of General Fund

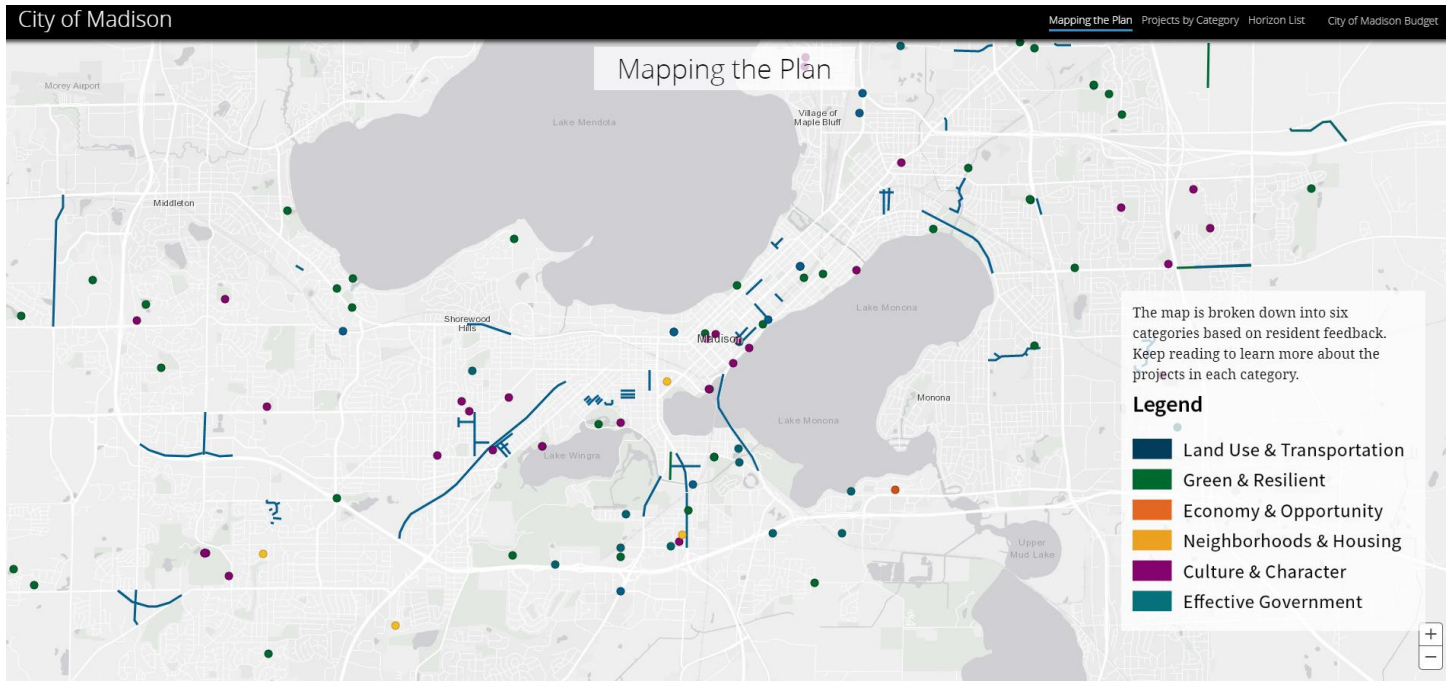


Debt Service Assumptions

- 40% to 50% of authorized borrowing carries forward each year
- 20 year borrowing for major projects
- General Fund operating budget grows 3% each year
- Interest on borrowed funds varies from 3% to 3.5%
- \$4 million of premium applied each year to reduce debt service

Mapping the Capital Improvement Plan

Capital investment is happening throughout Madison. All projects with a geospatial component have once again been mapped providing a tool to see where capital projects will be taking place over the next six years. To access the full map visit www.cityofmadison.com/budget. This year the underlying data for the Capital Storymap is available on the City's Open Data portal.

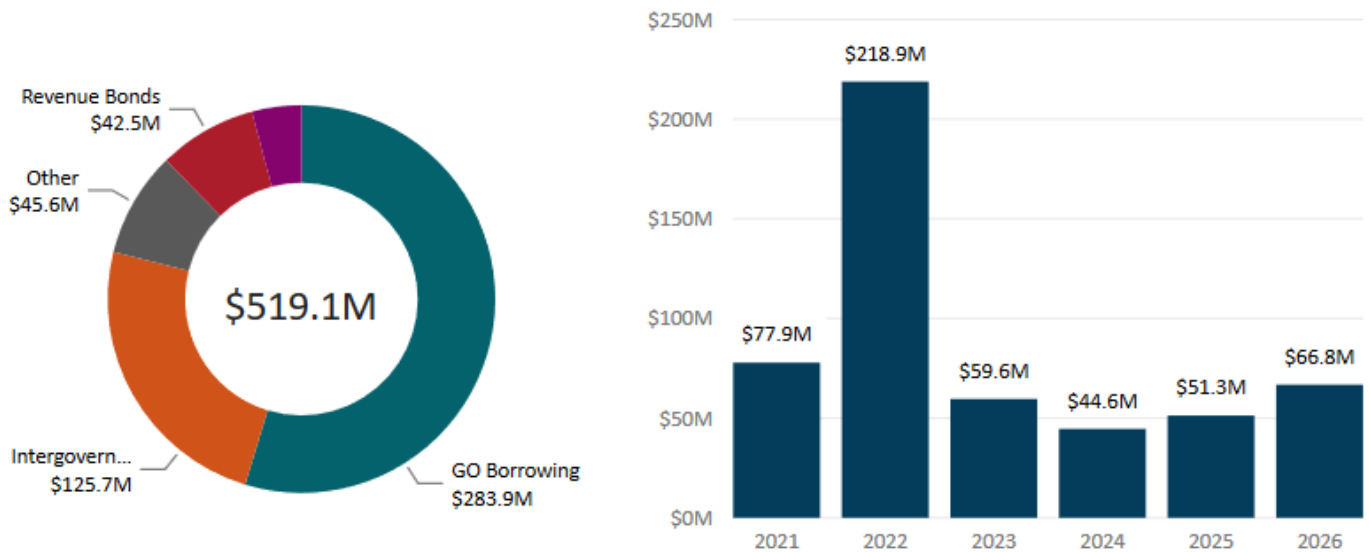


Projects included in the capital map are grouped into categories that align with six of the citywide elements: Land Use & Transportation, Green & Resilient, Economy & Opportunity, Neighborhoods & Housing, Culture & Character, and Effective Government.

Some items in the capital plan can't be visualized on a map. The 2021 Capital Budget and CIP includes funding for 156 projects, 84 of which are included on the Capital Improvement Plan map. Budget items that do not appear on this map include buses, equipment, technology, and planning efforts.

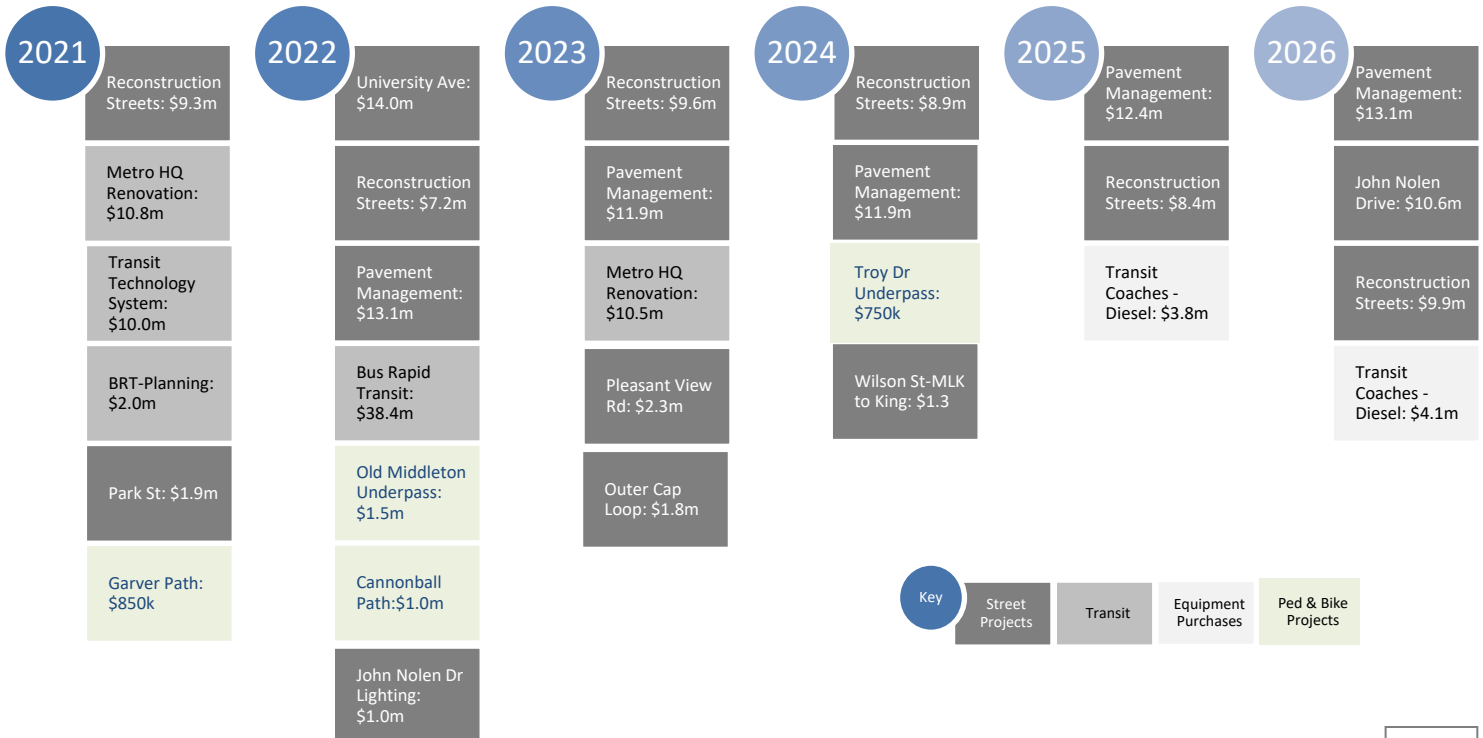
Land Use & Transportation

Land Use & Transportation projects represent the largest share of spending on any Element in the Capital Improvement Plan (52% of the total CIP). Over the course of the CIP, \$519.1 million will be invested in the implementation of Bus Rapid Transit along with maintaining and enhancing the City’s network of streets and bike paths. These projects are primarily funded by GO Borrowing, which is repaid in the operating budget through property taxes.



The following chart aligns with the chart on page 5, but specifically identifies major Land Use & Transportation projects planned during the 2021 CIP. As with the chart on page 5, it represents GO Borrowing cost of the projects.

Major Land Use & Transportation Projects by Year



Land Use & Transportation Projects by Imagine Madison Strategy

Improve transit service, especially to peripheral employment and residential locations, with a focus on reducing the travel time for transit-dependent populations

- Facilities Repair and Improvement
- Transit Coaches - Diesel

Implement bus rapid transit to improve travel times, enhance reliability, and increase ridership

- Bus Rapid Transit

Ensure that new development occurs in locations that can be efficiently served to minimize costs on the community as a whole

- General Land Acquisition Fund

Implement new technologies to more efficiently use existing transportation infrastructure

- Traffic Signal Installation
- Transit System Upgrades
- Transit Technology System
- Vision Zero

Expand and improve the city's pedestrian and bicycle networks to enable safe and convenient active transportation.

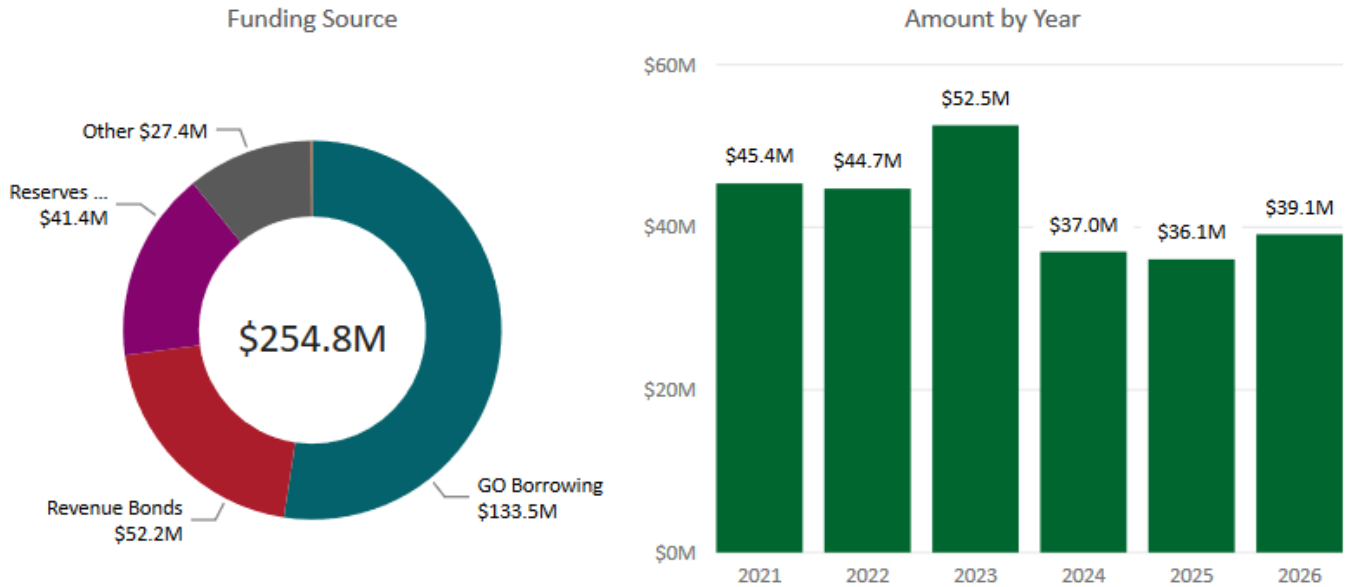
- Bike Path Expansions including: Cannonball Path, Garver Path, Main Street Improvements, Old Middleton Underpass, Troy Drive Underpass, and West Towne Path - Phase 3
- Bikeways Program
- Complete Streets
- John Nolen Drive
- Neighborhood Traffic Management & Pedestrian Improvements

Concentrate the highest intensity development along transit corridors, downtown, and at Activity Centers.

- TID 36 Capitol Gateway Corridor
- TID 42 Wingra

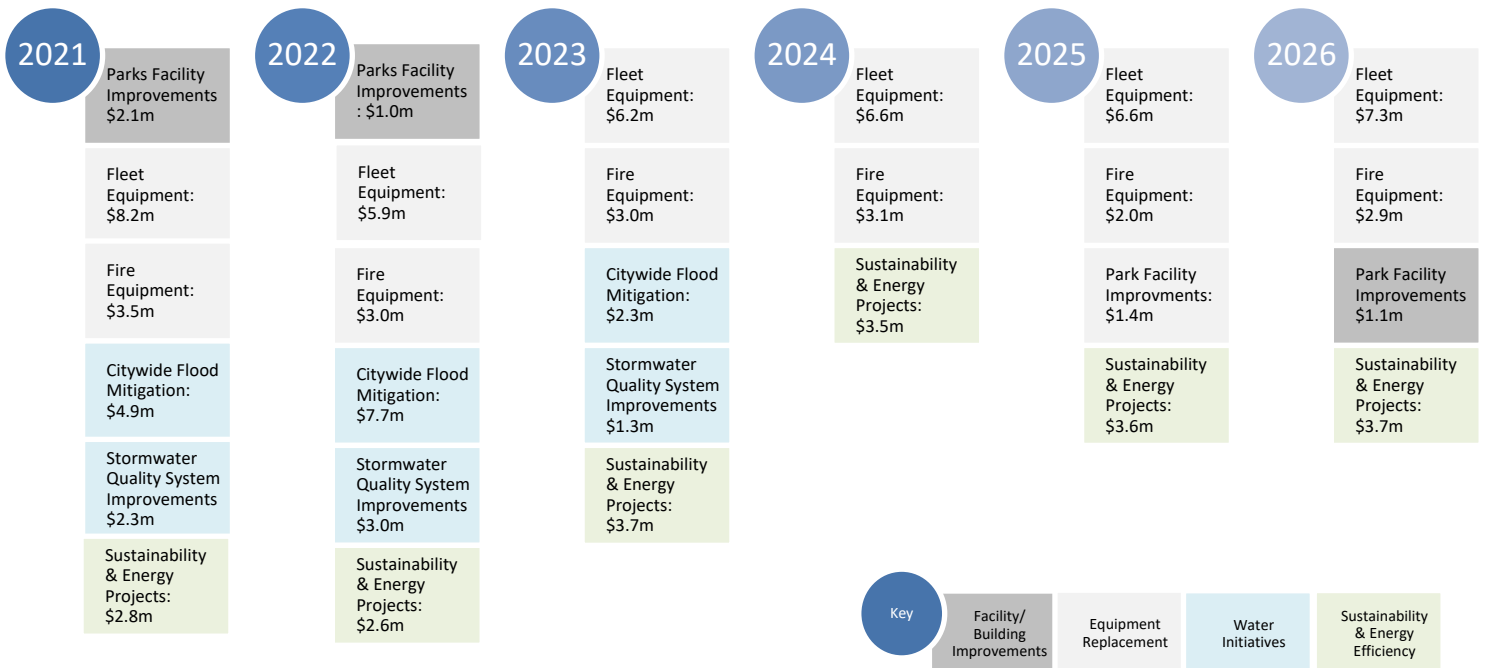
Green & Resilient

Over the next six years the CIP invests \$254.8 million in Green & Resilient projects and programs, which represents 26% of the CIP. This is the second largest element in the CIP. These capital investments are aimed at preserving natural features, as well as offering spaces for recreation and bringing residents together. In addition to GO Borrowing, these projects receive funding from revenue bonds and repaid by ratepayers.



The following chart aligns with the chart on page 4, but specifically identifies the year that major Green & Resilient Projects will be completed. This chart shows the GO Borrowing cost of the included projects.

Major Green & Resilient Projects by Year



Green & Resilient Projects by Imagine Madison Strategy

Acquire parkland and upgrade park facilities to accomodate more diverse activities and gatherings.

- Disc Golf Improvements
- Elver Park Improvements
- Land Acquisition
- McPike Park (Central Park) Improvements
- Parks Facility Improvements
- Vilas Park Improvements

Develop a healthy and diverse urban tree canopy.

- Emerald Ash Borer Mitigation
- Street Tree Program
- Urban Tree initiatives

Improve and preserve urban biodiversity through an interconnected greenway and habitat system.

- Conservation Park Improvements
- Right of Way Landscaping & Trees

Improve lake and stream water quality

- Stormwater Quality System Improvements
- Street Cleaning Equipment
- Waste Oil Collection Sites

Improve public access to the lakes.

- Beach and Shoreline Improvements
- James Madison Park Improvements

Increase the use and accessibility of energy efficiency upgrades and renewable energy.

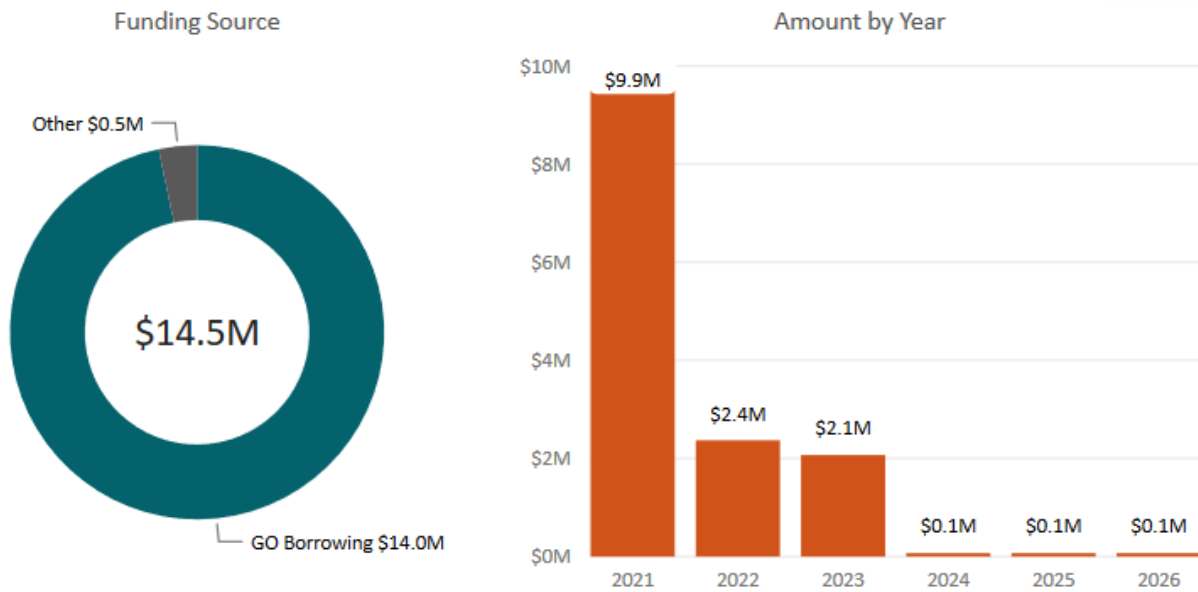
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| <ul style="list-style-type: none"> • Citywide LED Conversion • Citywide Pumping Stations-Emergency Power Stationary Generators • Energy Improvements • Engineering Service Building Improvements • Equipment and Vehicle Replacement • Fire Building Improvements • Fleet Equipment Replacement | <ul style="list-style-type: none"> • Light Bar Replacement Project • Neighborhood Library LED Upgrade • Park Facility Improvements • Streets Facility Improvements • Sustainability Improvements • Water Utility Vehicles & Equipment. |
|--|--|

Protect Madison's water supply and infrastructure to provide safe clean drinking water.

- | | |
|--|--|
| <ul style="list-style-type: none"> • Booster Pump Station #213 Lakeview Reconstruction • Chlorinators & Florinators Program • Sewer Reconstruction • Trenchless Sewer Rehabilitation • Unit Well #15 • Unit Well #8 Reconstruction • Unit Well 12 Conversion to a Two Zone Well • Unit Well Rehab Program • UW#23 Abandonment | <ul style="list-style-type: none"> • Water Mains New • Water Mains Replacement, Rehabilitation, and Improvement • Water Meter and Fixed Network Program • Water Utility Facility Improvements • Water Valve Cut-In Program • Well 14 Mitigation • Well 19 Iron and Manganese Filter |
|--|--|

Economy & Opportunity

The 2021 Executive CIP includes \$14.5 million for projects to support Madison’s economy and opportunities for residents. Although this element represents the smallest portion of spending in the CIP, many efforts supporting growth in Madison’s economy is interconnected with projects shown in other element –specifically Land Use & Transportation. Projects funded under in this element support community spaces geared at increasing business opportunities. The primary funding source for these projects is revenues from TIF districts in the City. The City’s operating budget includes many other initiatives on an ongoing basis aimed at advancing these strategies.



Economy & Opportunity Projects by Strategy

Ensure an adequate supply of sites for a wide variety of employers to operate and grow.

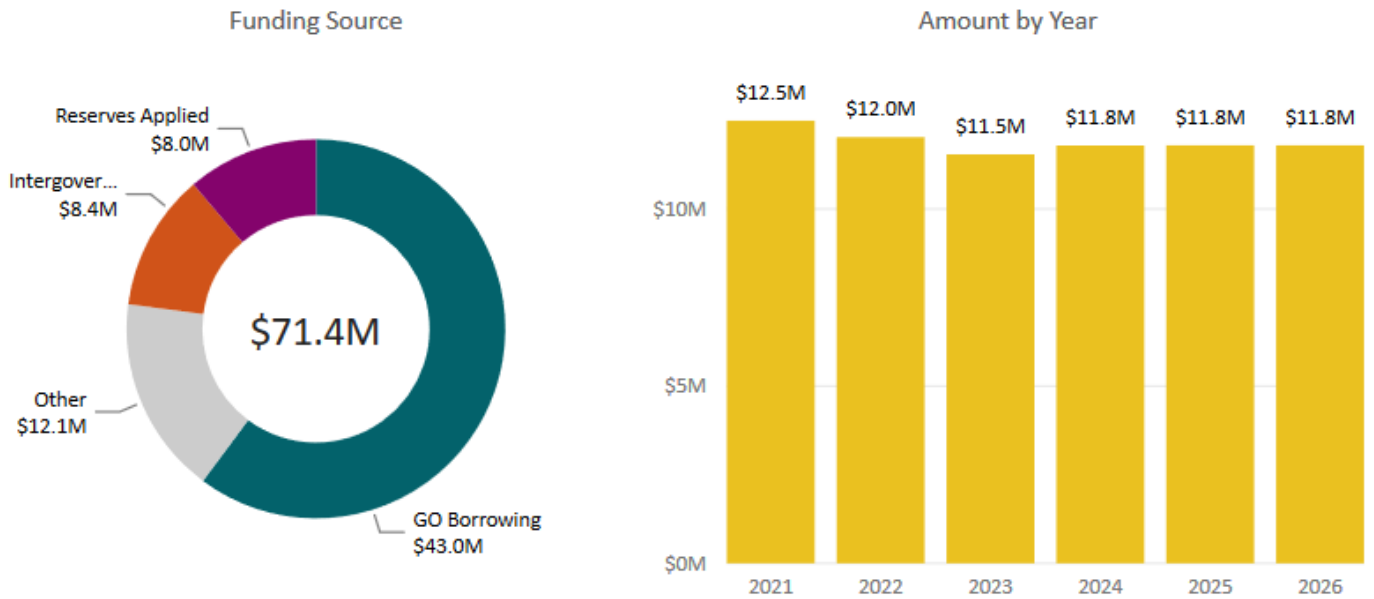
- Center for Industry and Commerce
- TID 39 Stoughton Road

Support small businesses and cultivate entrepreneurship, especially businesses owned by underrepresented groups.

- Cooperative Enterprise Development
- Small Business Equity and Recovery

Neighborhoods & Housing

The 2021 CIP includes \$71.4 million for construction and investment in Madison’s Neighborhoods & Housing. These projects funded by numerous sources including GO Borrowing, TIF proceeds, and revenue bonds. Projects included in this category support the goal of the City to have a full range of quality and affordable housing opportunities for residents.



Neighborhoods & Housing Projects by Imagine Madison Strategy

Create complete neighborhoods across the city where residents have access to transportation options and resources needed for daily living.

- Land Banking
- Street Light Installation
- Water Hydrants Program

Ensure access to food that is affordable, nutritious, and culturally-specific.

- Healthy Retail Access Program

Increase the amount of available housing.

- Mosaic Ridge Construction Financing

Integrate lower priced housing, including subsidized housing, into complete neighborhoods.

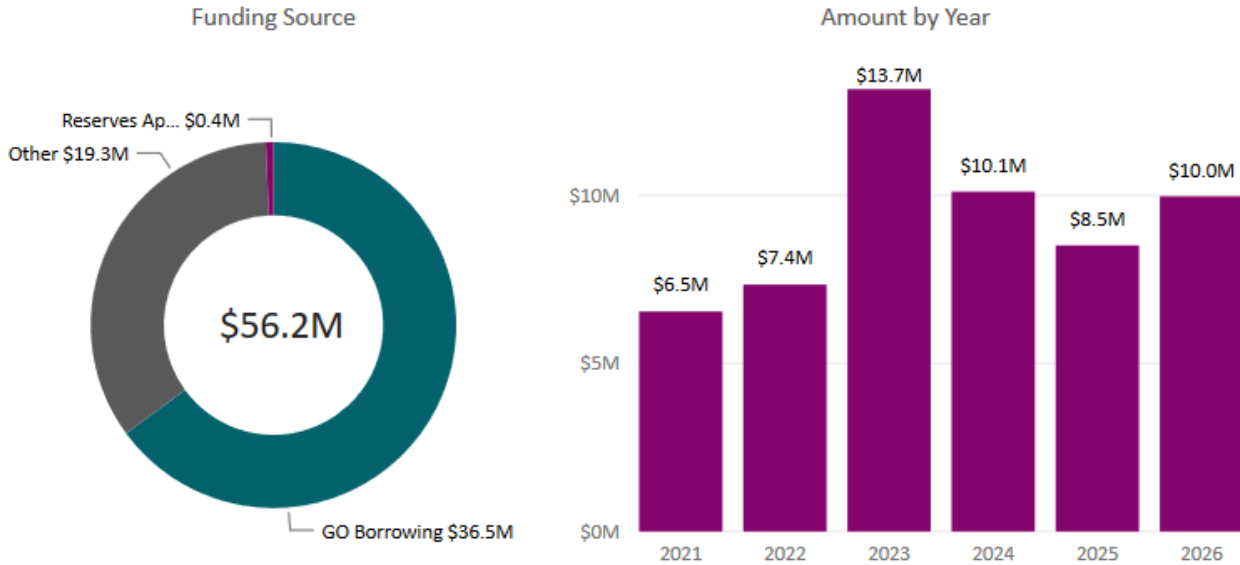
- Affordable Housing-Development Projects

Support the rehabilitation of existing housing stock, particularly for first-time homebuyers and people living with lower incomes.

- Affordable Housing-Consumer Lending
- Public Housing Redevelopment

Culture & Character

The 2021 CIP includes \$56.2 million to support the City’s Culture & Character. Projects funded under this Element include support for parks, playground accessibility, and the City’s Library collection. These projects are primarily funded by borrowing from the City’s General Fund.



Culture & Character Projects by Imagine Madison Strategy

Acquire parkland and upgrade park facilities to accommodate more diverse activities and gatherings

- Park Facility Improvements

Create safe and affirming community spaces that bring people together and provide social outlets for underrepresented groups.

- | | |
|--|--|
| <ul style="list-style-type: none"> • Athletic Field Improvements • Central Library Improvements • Dog Park Improvements • Henry Vilas Zoo • Law Park Improvements • Library Major Repairs/Replacements | <ul style="list-style-type: none"> • Library Collection • Playground/Accessibility Improvements • Police Building Improvements • Senior Center Building Improvements • Warner Park Community Center |
|--|--|

Create vibrant and inviting places through creative architecture and urban design.

- Building and Building Improvements
- Machinery and Other Equipment
- Park Land Improvements

Integrate public art throughout the city.

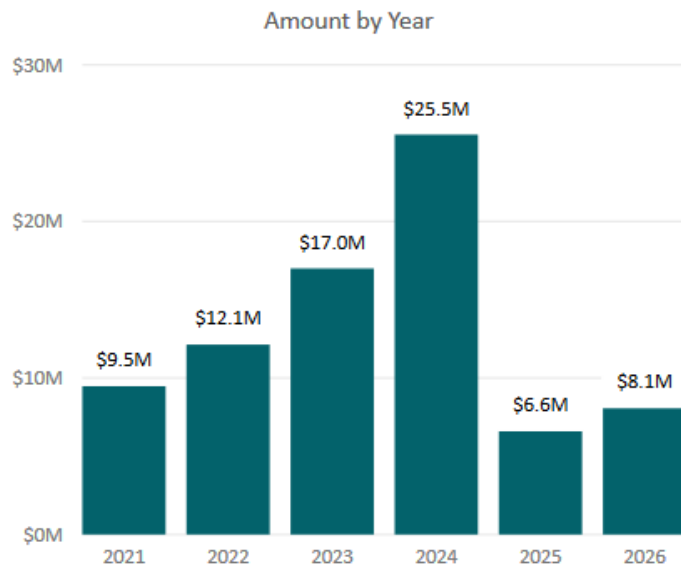
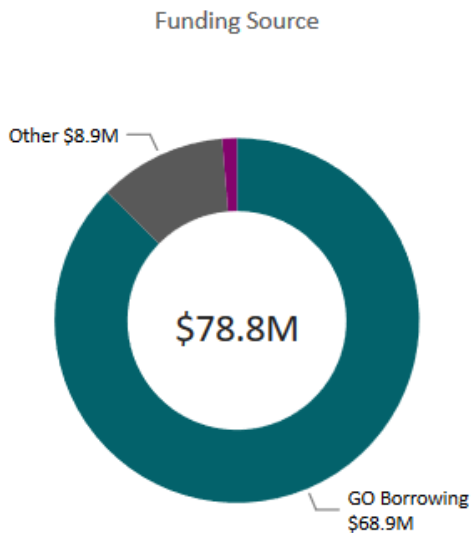
- Municipal Art Fund

Preserve historic and special places that tell the story of Madison and reflect racially and ethnically diverse cultures and histories.

- Forest Hill Cemetery Improvements

Effective Government

The 2021 CIP includes \$78.8 million for construction and investment in Effective Government. These projects are primarily funded by GO Borrowing. Projects included in this category are improvements to City facilities and investments in equipment and IT systems.



Effective Government Projects by Imagine Madison Strategy

Co-locate community facilities to provide a high level of service to all neighborhoods.

- CCB Improvements
- Fire Station 6 Remodel

Ensure all neighborhoods are clean and safe through the provision of quality non-emergency services.

- Enterprise Business Solutions
- Park Equipment
- Salt Storage Barn
- Sewer Access Improvements
- Streets Equipment
- Streets Yard Improvements
- Traffic Safety Infrastructure
- Transfer Station Tipping Floor

Ensure that new development occurs in locations that can be efficiently served to minimize costs on the community as a whole.

- Aerial Photo / Orthophotos
- Sewer Impact Fee Districts

Ensure that the City of Madison government is transparent and accountable.

- Capital Budget Administration
- Horizon List Planning
- Microsoft 365
- Network and Operations Infrastructure
- Security, Risk, and Compliance (formally Network Security)
- Workstation Equipment Lifecycle Management

Improve accessibility to government agencies and services

- CCB 1st Floor Remodel
- Communications Equipment
- Database Infrastructure
- Digital Accessibility and Engagement
- Far West Facility
- Fiber and Wireless Network
- Fire Equipment
- Police Technology and Equipment
- Property Assessment System
- Technology Upgrades
- Warning Sirens

Pursue regional solutions to regional issues.

- CTH AB Interchange



City of Madison
Finance Department
210 Martin Luther King Jr Blvd
Madison WI