

2023 Capital Budget and Capital Improvement Plan (CIP)
Common Council Amendments (Proposed)

	2023 Capital Budget*		
	GO Borrowing	Other Funds	All Funds
Executive Budget	\$ 182,134,774	\$ 186,307,300	\$ 368,442,074
Finance Cmt Adopted Amendments	\$ (1,100,000)	\$ (1,700,000)	\$ (2,800,000)
<u>2023 Finance Cmt Recommended Capital Budget</u>	\$ 181,034,774	\$ 184,607,300	\$ 365,642,074
Common Council Proposed Amendments	\$ 7,018,000	\$ 6,050,000	\$ 13,068,000
<u>2023 Common Council Proposed Capital Budget</u>	\$ 188,052,774	\$ 190,657,300	\$ 378,710,074

Number	Agency	Project	Sponsors	Action	2023 Capital Budget*			2023 CIP**	
					2023 GO	2023 Other	Debt Service	GO Borrowing	Other Funds
1	Community Development Division	River Food Pantry	Alder Myadze; Alder Carter; Alder Currie; Alder Tishler		\$ 1,000,000	\$ -	\$ 117,231	\$ 1,000,000	\$ -
2	Economic Development Division	Land Banking	Alder Carter; Alder Harrington-McKinney; Alder Wehelie; Alder Madison		\$ -	\$ -	\$ -	\$ -	\$ -
3	Economic Development Division	Public Market	Alder Abbas; Alder Vidaver; Alder Wehelie		\$ -	\$ 6,000,000	\$ -	\$ -	\$ 6,000,000
4	Economic Development Division	TID 52 E Washington Stoughton Rd	Alder Abbas; Alder Wehelie		\$ 2,350,000	\$ -	\$ 275,492	\$ 2,350,000	\$ -
5	Economic Development Division	Truman Olson Grocery Development	Alder Carter; Alder Evers		\$ 3,500,000	\$ -	\$ 410,307	\$ 3,500,000	\$ -
6	Parks Division	Park Land Improvements	Alder Wehelie; Alder Abbas		\$ -	\$ -	\$ 26,377	\$ 225,000	\$ -
7	Police Department	Police Squad Vehicles	Alder Carter; Alder Harrington-McKinney		\$ 168,000	\$ -	\$ 19,695	\$ 168,000	\$ -
8	Sewer Utility	Lift Station Rehabilitation and Replacement	Alder Carter; Alder Foster		\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000

2023 Capital Budget Amendments -- Common Council Proposed (11/11/2022)

*2023 Capital Budget: These figures represent the proposed funding to be added to the 2023 Capital Budget

**2023 CIP: These figures represent the full funding proposed to be added to the 2023 CIP (2023-2028)

2023 Capital Budget: Common Council Amendments

Agency:	Community Development Division	Amendment #:	1
Project:	River Food Pantry	Page #:	n/a
Sponsors:	Alder Myadze; Alder Carter; Alder Currie; Alder Tishler	Project #:	n/a
		Action	
		Vote	

Amendment Narrative

Create a new project to fund a \$1 million grant to the River Food Pantry, funded through GO Borrowing.

Amendment Amount

	2023	2024	2025	2026	2027	2028
GO Borrowing	\$1,000,000	\$00	\$00	\$00	\$00	\$00
Other	\$00	\$00	\$00	\$00	\$00	\$00
Total	\$1,000,000	\$00	\$00	\$00	\$00	\$00

Fiscal Impact

Annual Debt Service	\$117,231.00
Taxes on the Average Value Home (TOAH) Impact	\$1.26

Operating Impact

Annual Operating Impact	Debt Service
The operating impact will be debt service to repay the principal and interest of a GO funded grant to River Food Pantry.	

Analysis

The proposed amendment provides a \$1 million grant to the River Food Pantry ("The River"), funded through GO borrowing, for the organization's capital campaign to purchase and develop a facility for pantry operations.

The River currently operates a pantry on the City's north side and is planning to purchase land and develop a new facility to expand operations. A preliminary Sources and Uses statement submitted by The River estimates total project costs at \$6.7 million and requests the City to grant \$1 million toward the capital campaign. The Dane County budget includes \$1.5 million for the project, contingent upon adoption of the budget. As of the submission of this amendment, the project estimates are still preliminary and The River has not yet submitted a bid to acquire the land for the project and has not demonstrated that the remaining funding has been secured.

The City's Community Development Division (CDD) has not historically awarded grants to community based organizations for capital projects. Instead, financing support has been issued in the form of 0%, long-term deferred loans. Prior to 2022, these loans were funded from the City's share of federal Community Development Block Grant (CDBG) funds (\$500,000/ year). The 2022 adopted budget expanded funding for non-profits by adding \$1 million in GO borrowing for community facility improvements. CDD recently launched the application process for the Community Facilities Loan (CFL) program, which combines the CDBG funds and local funds. The program would provide 0%, long-term deferred loans to community organizations through an application process. The maximum loan would be 20% of the project cost, not to exceed \$400,000. If adopted, the amendment would bypass existing funding processes by issuing a non-competitive, GO funded grant.

2023 Capital Budget: Common Council Amendments

Agency:	Economic Development Division	Amendment #:	2
Project:	Land Banking	Page #:	38
Sponsors:	Alder Carter; Alder Harrington-McKinney; Alder Wehelie; Alder Madison	Project #:	12640
		Action	
		Vote	

Amendment Narrative

Use \$300k of the \$1m within Economic Development's Land Banking capital program in 2023 to support graduates of the Associates in Commercial Real Estate (ACRE) program with pre-development costs. Economic Development in cooperation with the Department of Civil Rights will develop program guidelines to award these funds.

Amendment Amount

	2023	2024	2025	2026	2027	2028
GO Borrowing	\$00	\$00	\$00	\$00	\$00	\$00
Other	\$00	\$00	\$00	\$00	\$00	\$00
Total	\$00	\$00	\$00	\$00	\$00	\$00

Fiscal Impact

Annual Debt Service	\$00.00
Taxes on the Average Value Home (TOAH) Impact	\$0.00

Operating Impact

Annual Operating Impact	Minimal
Staff time will be required to administer these funds and to develop guidelines around the ACRE support. It is anticipated that this work will be performed with existing operating budget appropriations.	

Analysis

Legistar file 73632 enacted October 17, 2022 authorized a contract to support the ACRE program at a cost of \$200k over three years. That contract is funded from operating revenues through voluntary agreements with contractors who have failed to meet affirmative action plan requirements. This proposed amendment would utilize \$300k of the \$1m included in Economic Development's Land Banking capital program in 2023 to support graduates of the ACRE program. This support will be used by ACRE graduates to fund pre-development costs. Economic Development and the Department of Civil Rights will work in 2023 to establish guidelines to award these funds.

2023 Capital Budget: Common Council Amendments

Agency:	Economic Development Division	Amendment #:	3
Project:	Public Market	Page #:	N/A
Sponsors:	Alder Abbas; Alder Vidaver; Alder Wehelie	Project #:	10069
		Action	
		Vote	

Amendment Narrative

Add \$6m in TID proceeds from TID 36 to the Public Market capital project within the Economic Development Division. This \$6m of additional City support should be considered a maximum. City staff are directed to continue seeking new sources of funding, as well as reviewing options to cut project costs, all in an attempt to reduce this \$6m of additional City support. This amendment also supports \$1.5m from Dane County pending adoption in the County's 2023 budget. Support from the County will require that the County take ownership of a portion of the Public Market real estate.

Amendment Amount

	2023	2024	2025	2026	2027	2028
GO Borrowing	\$00	\$00	\$00	\$00	\$00	\$00
Other	\$6,000,000	\$00	\$00	\$00	\$00	\$00
Total	\$6,000,000	\$00	\$00	\$00	\$00	\$00

Fiscal Impact

Annual Debt Service	\$00.00
Taxes on the Average Value Home (TOAH) Impact	\$0.00

Operating Impact

Annual Operating Impact	0
-------------------------	---

It is anticipated that the City will lease the building and site to the Madison Public Market Foundation for a nominal fee. The Foundation will be responsible for the day-to-day operations and management of the building without any operating support from the City. A future Operating Agreement will need to be established and approved by Council. The City, as the owner of the building, will be responsible for major building infrastructure.

Analysis

Per a memo from the Economic Development Division discussed at the September 12, 2022 Finance Committee meeting, inflationary cost increases and the departure of federal funds have created a funding gap for the Public Market project of \$5,208,272. This amendment intends to fund this gap and adds \$6,000,000 of proceeds from TID 36. This amendment also supports \$1.5m from Dane County pending adoption in the County's 2023 budget. Additional amounts included above the estimated \$5,208,272 gap are intended to address potential cost overruns and additional inflationary increases. Use of County funding will require a division of real estate at the Public Market with the County taking partial ownership of the property until the County has repaid its borrowing (likely 10 years). A purchase and sale agreement would be negotiated by staff and brought to Council for approval in early 2023.

2023 Capital Budget: Common Council Amendments

Agency:	Economic Development Division	Amendment #:	4
Project:	TID 52 E Washington Stoughton Rd	Page #:	N/A
Sponsors:	Alder Abbas; Alder Wehelie	Project #:	14416
		Action	
		Vote	

Amendment Narrative

Create a new capital program, TID 52 E Washington Stoughton Rd, within Economic Development's budget and appropriate \$2,350,000 in TIF supported borrowing in 2023 to provide a TIF Loan for a development within the district.

Amendment Amount

	2023	2024	2025	2026	2027	2028
GO Borrowing	\$2,350,000	\$00	\$00	\$00	\$00	\$00
Other	\$00	\$00	\$00	\$00	\$00	\$00
Total	\$2,350,000	\$00	\$00	\$00	\$00	\$00

Fiscal Impact

Annual Debt Service	\$275,492.00
Taxes on the Average Value Home (TOAH) Impact	\$0.00

Operating Impact

Annual Operating Impact	\$0
No significant operating impacts are anticipated with the TIF loan.	

Analysis

This amendment creates a new capital program within Economic Development for a proposed TID 52 E Washington and Stoughton Rd. Additionally, the amendment appropriates \$2,350,000 in 2023 TIF supported borrowing to provide a loan within the district. The loan will support development within the district that includes 245 units of affordable housing, 282 parking stalls, and 4,000 square feet of commercial space. A resolution authorizing the loan, File #74372, is scheduled for final action by the Council on December 6, 2022 and is contingent upon the funds provided by this amendment to the 2023 capital budget.

2023 Capital Budget: Common Council Amendments

Agency:	Economic Development Division	Amendment #:	5
Project:	Truman Olson Grocery Development	Page #:	N/A
Sponsors:	Alder Carter; Alder Evers	Project #:	13850
		Action	
		Vote	

Amendment Narrative

Add \$3.5m in General Fund supported GO borrowing to the Truman Olson Grocery Store capital project within the Economic Development Division to assist the build out and completion of the project. Funding will be used for improvements to the loading dock and entry areas as well as build out of the grocery store itself (coolers, shelving, interior improvements). Debt service payments will be recovered through lease payments.

Amendment Amount

	2023	2024	2025	2026	2027	2028
GO Borrowing	\$3,500,000	\$00	\$00	\$00	\$00	\$00
Other	\$00	\$00	\$00	\$00	\$00	\$00
Total	\$3,500,000	\$00	\$00	\$00	\$00	\$00

Fiscal Impact

Annual Debt Service	\$410,307.00
Taxes on the Average Value Home (TOAH) Impact	\$4.40

Operating Impact

Annual Operating Impact	Lease revenues estimated at \$280,000 to \$320,000
Lease revenues from the grocery are estimated to be between \$280,000 to \$320,000 annually. These revenues will be deposited in the General Fund. The lease will be a triple net lease and the grocer will pay all the expenses of the property.	

Analysis

Legistar File 66789 appropriated \$4.7m of General Fund GO Borrowing within Economic Development's capital budget to purchase space at the Truman Olson development with the intent to secure a long-term grocery for South Madison residents. This amendment provides an additional \$3.5m in General Fund GO borrowing for improvements at the space including updates to the loading dock and entry areas as well as build out of the grocery store itself (coolers, shelving, interior improvement). The City will enter into a lease with a grocer that will operate the grocery store. Staff estimates that the lease payments will be sufficient to recover the \$3.5m in approximately 15 years. Finance will set up a loan repayment schedule detailing lease payments received equal to the amount of debt issued for the build out plus interest. Borrowing is dependent on securing a leasee and staff anticipate that the lease with the grocer will be finalized before year-end 2022.

2023 Capital Budget: Common Council Amendments

Agency:	Parks Division	Amendment #:	6
Project:	Park Land Improvements	Page #:	129
Sponsors:	Alder Wehelie; Alder Abbas	Project #:	17421
		Action	
		Vote	

Amendment Narrative

Add \$225,000 in GF GO Borrowing to the Park Land Improvements Program in 2025 to construct a culvert crossing and paved path in Manchester Park.

Amendment Amount

	2023	2024	2025	2026	2027	2028
GO Borrowing	\$00	\$00	\$225,000	\$00	\$00	\$00
Other	\$00	\$00	\$00	\$00	\$00	\$00
Total	\$00	\$00	\$225,000	\$00	\$00	\$00

Fiscal Impact

Annual Debt Service	\$26,377.00
Taxes on the Average Value Home (TOAH) Impact	\$0.28

Operating Impact

Annual Operating Impact	Debt Service
The operating impact will be the cost of debt service.	

Analysis

The 2023 executive capital budget includes \$22,175,000 in the Park Land Improvements CIP, including \$15,178,000 in GF GO Borrowing. The proposed amendment adds \$225,000 in GF GO Borrowing in 2025 for the construction of a culvert crossing and paved path at Manchester Park. The improvements are included in the adopted Manchester Park Master Plan. The new path will extend an existing sidewalk into the park to increase connectivity and accessibility for residents in the surrounding area.

2023 Capital Budget: Common Council Amendments

Agency:	Police Department	Amendment #:	7
Project:	Police Squad Vehicles	Page #:	145
Sponsors:	Alder Carter; Alder Harrington-McKinney	Project #:	NEW
		Action	
		Vote	

Amendment Narrative

Add \$168,000 in GF GO Borrowing in 2023 for three Police unmarked squad cars.

Amendment Amount

	2023	2024	2025	2026	2027	2028
GO Borrowing	\$168,000	\$00	\$00	\$00	\$00	\$00
Other	\$00	\$00	\$00	\$00	\$00	\$00
Total	\$168,000	\$00	\$00	\$00	\$00	\$00

Fiscal Impact

Annual Debt Service	\$19,695.00
Taxes on the Average Value Home (TOAH) Impact	\$0.21

Operating Impact

Annual Operating Impact	\$17,600
-------------------------	----------

The vehicles will be put in service in 2024 when the officers are scheduled to start in the field. Annual operating costs are estimated to be \$17,600 for fleet charges and will be absorbed within the fleet rate.

Analysis

The 2023 executive budget includes funding for six additional police officer positions which will start in the 2023 Preservice Academy. The positions are funded by a Community Oriented Policing Services (COPS) 2021 Cops Hiring Program grant. The proposed amendment adds \$168,000 in GF GO Borrowing for three unmarked Police squad vehicles and related equipment (\$56,000 each) for these positions. The vehicles won't be needed until 2024, but given current supply chain issues with vehicles, the Department would like to be able to order them early in 2023, anticipating delivery close to the time the officers are scheduled to start in the field.

2023 Capital Budget: Common Council Amendments

Agency:	Sewer Utility	Amendment #:	8
Project:	Lift Station Rehabilitation and Replacement	Page #:	156
Sponsors:	Alder Carter; Alder Foster	Project #:	10268
		Action	
		Vote	

Amendment Narrative

Increase Lift Station Rehabilitation & Replacement project by \$50,000 in 2023.

Amendment Amount

	2023	2024	2025	2026	2027	2028
GO Borrowing	\$00	\$00	\$00	\$00	\$00	\$00
Other	\$50,000	\$00	\$00	\$00	\$00	\$00
Total	\$50,000	\$00	\$00	\$00	\$00	\$00

Fiscal Impact

Annual Debt Service	\$00.00
Taxes on the Average Value Home (TOAH) Impact	\$0.00

Operating Impact

Annual Operating Impact	\$0
-------------------------	-----

The amendment is not anticipated to have a significant operating impact. Future operations and maintenance costs for the Badger Lane Lift Station will be absorbed in the Sewer Utility's budget.

Analysis

The proposed amendment increases the budget for Lift Station Rehabilitation & Replacement by \$50,000 in 2023. This increase is associated with the City taking ownership of the Badger Lane Lift Station from the Town of Madison, per the final attachment agreement. The Common Council adopted a resolution authorizing an intergovernmental agreement with the City of Fitchburg related to the ownership, operations, and maintenance of this lift station (RES-22-00729). The funding sources for the budget amendment will include \$40,000 paid by the City of Fitchburg and \$10,000 from Sewer Utility Reserves.