Chapter X: Park Development Resources

Park development resources are continuously needed to build new parks, improve and maintain facilities, and update infrastructure within the system. The Capital Budget is the primary funding mechanism that supports these projects. This section discusses the Capital budget, as well as partnerships that help create some of Madison's popular park facilities.

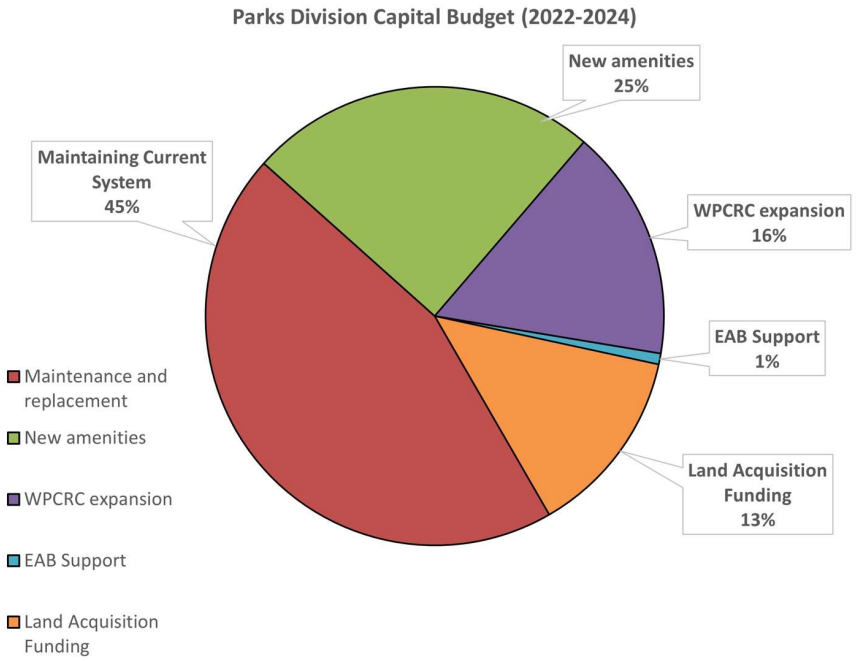
7.I Parks Division Capital Budget

Each year, the Parks Division develops and updates its Capital Budget and corresponding five-year Capital Improvement Program. The Capital Improvement Program (CIP) and budget are based on a review of existing and emerging infrastructure needs, planned development, and resident and aldermanic input. Depending on funding availability and priorities, projects are identified each year to move forward for review and approval as part of the City's Capital Budget process. This annual adjustment reflects changes in available funding and shifting needs, as well as infrastructure improvements identified as part of adopted master plans.

Table 7.1 contains the adopted Parks capital budgets for the period 2018-2024; the Parks Division's Capital Budget increased by approximately 78% during this time period. Much of the growth in the 2023 budget was due to the anticipated Elver Park expansion and new shelter construction projects at Door Creek and Country Grove parks, along with Warner Park Community Recreation Center expansion. Meanwhile, between 2022 and 2024, approximately 45% of the Parks Division's capital budget was used to address some of the deferred maintenance needs and replacement of existing infrastructure in the park system.

Table 7.1: 2018-2024 Adopted Capital Budget Resources

Year	2018	2019	2020	2021	2022	2023	2024
General Obligation Debt	$9,556,000	$7,079,000	$5,607,000	$6,512,300	$4,810,000	$11,194,500	$8,602,000
Park-Land Impact Fees	$809,426	$1,578,664	$4,538,632	$5,219,389	$6,773,526	$4,562,183	$5,435,464
Park-Infrastructure Impact Fees	$613,263	$1,203,523	$2,624,143	$2,722,585	$3,253,097	$2,130,058	$2,575,267
Donations/Contributions	$91,000	$196,000	$25,000	$670.000	$460,000	$1,837,500	$322,000
Grants	$5,000	$10,000	$5,000	$10,000	$10,000	$15,000	$505,000
Other	$367,000	$465,000	$368,000	$125,000	$125,000	$630,000	$1,320,000
Total	$11,441,689	$10,532,186	$13,167,774	$15,259,274	$15,431,622	$20,369,240	$18,759,731



7.2 Funding the Capital Budget

The Parks Capital Budget is funded by multiple sources including general obligation bonds, impact fees, donations/contributions, grants, and other revenues such as special assessments, tax incremental financing (TIF) funds, revenues from leases, etc. The funding make-up varies from year-to-year depending on the types of projects within the Budget and CIP. Each of these funding types are described in further detail within this section.

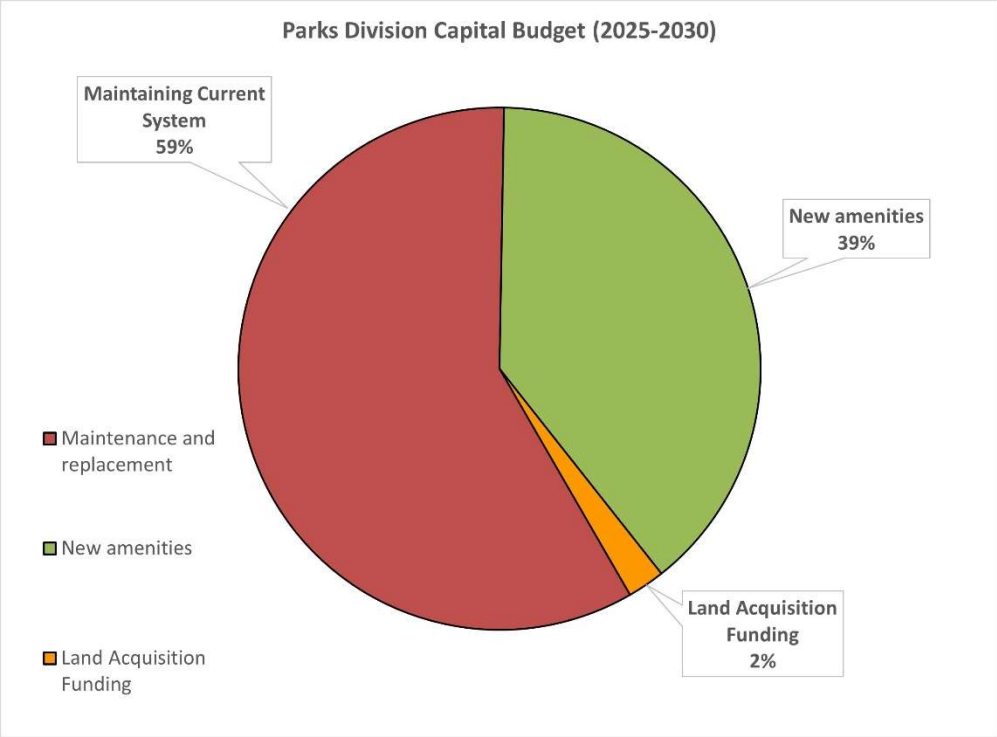
General Obligation Bonds

A major source of funding for Capital improvement projects is general obligation (GO) borrowing, which is debt borrowed by the City through 10-year bonds and paid back using property tax levy shown as debt service as part of the overall Operating Budget. GO Borrowing funded between 31% and 83% of the 2018-2024 budget. In 2024, approximately 46% of the adopted Capital Budget is funded through GO Bonds, which is in line with previous years.

In an effort to manage debt service and the overall Operating budget within defined property tax levy limits, minimal increases in GO Borrowing are anticipated between 2025-2030. The Capital Improvement Program (CIP) shown in Table 7.2 is a plan of future expenditures for Parks capital needs. The CIP is subject to annual appropriation as part of the City's Capital Budget process. The significant fluctuations in the 2026 CIP can be attributed to large anticipated projects, including Brittingham beach house replacement and implementation of the LakeWay master plan. According to the 2025 Adopted Capital Improvement Program, the Parks Division anticipates spending 59% of capital resources on deferred maintenance and replacement of existing facilities.

Table 7.2: 2025 Adopted Capital Budget and 2025-2030 Capital Improvement Program

Source	2025	2026	2027	2028	2029	2030
General Obligation Debt	$6,420,000	$6,480,000	$7,305,000	$7,900,000	$5,850,000	$7,110,000
Other	$9,055,000	$11,605,000	$4,970,000	$4,215,000	$5,375,000	$3,735,000
Total	$15,475,000	$18,085,000	$12,275,000	$12,115,000	$11,225,000	$10,845,000



PARK IMPACT FEE PROGRAM

The Parks Division administers the Park Impact Fee program throughout the city as part of the development approval process. Wisconsin State Statute Section 66.0617 permits local governments to enact ordinances requiring developers to provide land (or fees in lieu of) and impact fees for the development of public parks. The City of Madison codified these developer obligations in Chapter 16: General Planning and Chapter 20: Impact Fee Ordinance. The Impact Fee Program, as currently administered, is based off a 2016 Needs Assessment and includes parkland dedication or impact fee in lieu of dedication requirements, infrastructure impact fees for new residential units built within the city. Impact fee funding identified in the Capital Budget varies and is contingent upon fees received and anticipated projects. Impact Fee funding accounted for approximately 16% to 68% of the annual Capital Budget during the 2018-2024 timeframe to support the development of new parks and amenities.

2016 Needs Assessment

A Public Facility Needs Assessment completed in 2016 is the basis for the current parkland dedication requirements, park impact fee in lieu of dedication and park infrastructure impact fees. Recommendations from the Needs Assessment were enacted on November 1, 2016 through Legislative File 43500, amending the relevant sections of the Madison General Ordinances. Implementation of this impact fees program began on January 1, 2017 and was implemented over a three-year period (80% in 2017, 90% in 2018, and 100% in 2019 and beyond), and includes annual adjustments for inflation. The 2017 impact fee ordinance added a category for large multifamily units (four bedrooms or more) and updated the requirement for age-restricted units and group living quarters reflective of housing development trends. The current impact fee ordinance also provides exemptions for low-cost housing and updated requirements for accessory dwelling units, which became permissible with enactment of the new Zoning Code in 2013. One of the most significant changes as a result of the needs assessment was the move from 11 Impact Fee Districts to Five Impact Fee Districts, currently North, East, Central West and City-wide districts.

An update to the Needs Assessment is anticipated by 2026. The Needs Assessment will be prepared using data gathered from around the nation and within Wisconsin, along with the information presented in this update (2025-2030) to the City's Park and Open Space Plan, and the City's existing park inventory.

Parkland Dedication

Parkland dedication is the requirement in the Madison General Ordinance that mandates developers of residential properties dedicate a specific amount of land area for public parks as part of the plan approval process. The parkland dedication requirements provided in the 2017 ordinance ensured that new residential development provided parkland at the level of service of 10+ acres/1,000 residents. The Capital Budget does not account for parkland dedication, but does typically include funding for development of facilities in new parks that were created through parkland dedication. Parkland dedication requirements by unit type are shown in Table 7.3.

Table 7.3: Parkland Dedication Analysis[13]

Unit Type	Current Dedication Required (sf)	Current Park Ac./1,000 Residents
Single Family Dwelling Unit (Detached)	1,081	10.13
Duplex Unit	2,162	20.26
Multi Family Dwelling Unit (fewer than 4 bedrooms) and Accessory Dwelling Unit (ADU)	734	10.40
Multi Family Dwelling Unit (4 bedrooms or more)	1,424	9.85
Age Restricted Multifamily	573	10.12
Group Living Quarters	410	10.12

13 Based on analysis of 100 proposed units of each dwelling type.

Impact Fees Used for Acquisition of Park Land

In situations where the City of Madison determines it is not feasible or desirable to acquire additional parkland through parkland dedication, developers are required to pay a monetary amount (Park-Land Impact Fee) in lieu of land dedication. The Park-Land Impact Fee ensures that when a development does not dedicate parkland within its property, the developer provides funding to the City to independently purchase parkland. The fee in lieu of amount of land dedication required is based on a formula relating the parkland area to the number of proposed dwelling units. This requirement assures that the City has funding to purchase parkland outside of the property tax levy to meet park demand, which is critical to maintaining the existing service level of 10+ acres/1,000 residents.

Park-Land Impact Fees have been a reliable source of park acquisition funding between 2018 and 2024. Table 7.4 outlines the annual Park-Land Impact Fees collected from 2018 through 2024

Table 7.4: 2018-2024 Collected Park-Land Fees

	2018	2019	2020	2021	2022	2023	2024
Park-Land Impact Fees	$809,426	$1,578,664	$4,538,632	$5,219,389	$6,773,526	$4,562,183	$5,435,464

Since 2018, parkland dedications and/or Park-Land Impact Fees have resulted in the following park acquisitions or park expansions:

Acacia Ridge Park
Apple Ridge Park
Brittingham Park
Canter Park
Cherokee Marsh-North Unit
Country Grove Park
Eagle Trace Park
Elver Park
Hartmeyer-Roth Park
Hill Creek Park
Midtown Commons Park
Moraine Woods Conservation Park
OB Sherry Park
Old Timber Park (FKA Birchwood Point South Park)
Olin Park
Sunshine Ridge Park (FKA Acer Park)
Tilton Park
Whitetail Ridge Park
Zeier Park

The Park-Land Impact Fee is determined based on the city-wide average assessed value of the certified tax roll and it does not account for the higher cost of land in the downtown and other rapidly developing urban areas. As Madison continues to grow, additional parkland will be required to meet community needs. The city is already experiencing increased park demands with new residential infill development in the downtown area and East Washington Avenue corridor. Increasing density and infill development are identified in both the Downtown Plan and the Imagine Madison Comprehensive Plan. As Madison plans for the future, it is important to note that the cost for parkland to meet these needs will be more expensive than the cost of land on the periphery of the City and will disproportionately consume the land acquisition budget compared to properties in other areas of the City.

Impact Fees Used for Park Infrastructure

Park-Infrastructure Impact Fees provide a significant source of funding for construction of park facilities and amenities in the Capital Budget. The Madison General Ordinance Chapter 20 – Impact Fee Ordinance requires developers to pay a Park-Infrastructure Impact Fee to offset costs necessary to develop parkland to accommodate new residential development. This fee funds park development at a comparable level to existing park facilities and is based on the number of units and type of housing developed. The Park-Infrastructure Impact fee schedule was updated in 2017 and is adjusted annually for inflation. Table 7.5 identifies Park-Infrastructure Fees collected from 2018-2024. The yearly variations reflect the differing number and type of new residential development projects that are constructed each year.

Table 7.5: 2018-2024 Collected Park-Infrastructure Fees

	2018	2019	2020	2021	2022	2023	2024
Park-Infrastructure Impact Fees	$108,927	$240,704	$524,828	$901,505	$293,631	$426,012	$2,575,267

Infrastructure Impact fees must be spent in the district from which they are acquired: Prior to the ordinance amendments implemented in 2017, and based upon development patterns within the City, this resulted in some districts receiving significantly higher levels of impact fees than others. The 2017 ordinance reduced the previous 11 benefit districts to four districts to create a more equitable distribution of impact fee funding as well as creating a City-wide benefit district wherein, 20% of all Park-Infrastructure Impact Fees are placed to be used throughout the city. The end result of these changes to the benefit districts has created a more equitable distribution of impact fee utilization throughout the city.

The City's Annual Capital Budget includes statements regarding each impact fee district, including fees collected and expenditures. This information is available at: https://www.cityofmadison.com/budget/documents/. In addition, the Parks Division prepares an annual Impact Fee report that is available at: https://www.cityofmadison.com/parks/about/impactFees.cfm

While park impact fees help to offset park development costs, they typically do not fund the entire park development. For example, using the City's standard of 10+ acres/1,000 residents, a new 10-acre neighborhood park for 1,000 residents would require a payment of between $530,000 and $640,000 in Park-Infrastructure Impact Fees; however, compared to the cost to develop a 10-acre neighborhood park, the impact fees collected may only offset the park development costs by an average of 30-50% depending on the type of housing development. Appendix Table 6 describes general costs associated with the development of various sizes of parks.

Impact fees provide a much smaller fraction of park development funding when looking at improvements in community parks or historic parks. Community parks often provide specialized amenities such as splash pads, skate parks, and boat launches. These facilities are more costly to both construct and operate compared to mini and neighborhood parks. The City of Madison has 61 parks that have features or the park itself is on the National Register of Historic Places and 20 parks with facilities that are designated City Landmarks (see Appendix F - Historic Resources). Parks with historic resources must meet strict local and national guidelines for improvements to historic structures, typically costing more than improvements to similar non-historic facilities.

The Park Impact Fee ordinance has a provision that allows developers to construct park improvements on parkland dedicated through a subdivision plat rather than pay park-infrastructure fees. This process requires an approved developer's agreement (approved by City staff, Board of Public Works and the Common Council) to construct park amenities identified in the adopted master plan and constructed to City standards. This process allows developers defer payment of impact fees under a formal agreement to instead use those funds to expedite parkland development by constructing the park along with the subdivision development, rather than having the City develop the park through the Capital Budget process. Since the 2018- 2023 Park and Open Space Plan, the City has entered into development agreements for construction of Thousand Oaks and Old Timber Parks. Thousand Oaks Park opened in 2018 and Old Timber Park was completed in 2024.

As Madison plans for the next five years, accommodating Madison's rapid growth will be an important aspect of parkland development. Madison is growing both in development of single family homes on the periphery of the City, but also in the number of new multifamily residential complexes in the City's existing urban areas. Parkland on the periphery will likely be acquired through parkland dedication identified in neighborhood development plans. However, as the city continues to increase the density of existing developed areas, it may rely more heavily on acquisition and development of developed sites for parkland as opposed to agriculture land. Park development to convert an existing developed property to parkland (especially in the downtown area) will incur significant costs including acquisition, demolition, and potential site remediation. As can be seen in Appendix D, Exhibit G: DNR Inventory of Contaminated Properties, properties in developed areas may have contamination issues. Depending on the proposed construction and existing contamination, remediation of the site can cost anywhere from several thousand to several hundreds of thousands of dollars per acre.

DONATIONS AND PARTNERSHIPS

Over the past several years Madison Parks has been successful with creative place-making initiatives, many of these place-making projects would not have been possible without public-private partnerships. These partnerships aid in repairs to aging infrastructure. Entities that enter into agreements/contracts with Parks for these type of uses are held to high standards and specified goals, operations, and reporting procedures. Several of the City's most popular destinations are enhanced by these partnerships including Olbrich Botanical Society, Warner Park Community Recreation Center; Mallards Stadium; boat rentals at Wingra, Olbrich, Marshall, and Brittingham Parks; the Biergarten at Olbrich Park; Garver Feed Mill and athletics and events at Breese Stevens Field. Several of these groups are required to invest their own funding into improving existing park facilities specific for their needs including expediting upgrades to electrical and plumbing systems, bathroom fixtures, painting, and landscaping, which prolongs the life of these facilities with fewer investments from the City. In 2018, Olbrich Botanical Society committed $6,000,000 in matching funding for the Frautschi Family Learning Center and production greenhouse project, which was completed and opened in 2021. A new partnership has been formed with the Madison LakeWay Partners, who will lead fundraising efforts to implement and operate the Madison LakeWay project in partnership with the city.

Madison Parks Foundation

The Madison Parks Foundation (MPF) plays a significant role in securing donations for Madison Parks. The Madison Parks Foundation is a private non-profit 501(c)3 organization founded in 2003 as the non-profit partner of Madison Parks. The intended purpose of the MPF is to acquire financial resources via private donations, grants and other contributions to make park improvements. The resources of the MPF are not intended to replace or substitute for tax revenues generated for the annual ongoing maintenance activities of the Madison Parks Division. The Madison Parks Foundation has been instrumental in fund-raising and providing neighborhood resources for significant park projects such as inclusive playgrounds at Brittingham, Elver, Rennebohm and Warner Parks, standard playground improvements at Doncaster, Lake Edge, McGinnis, Sunset, Baxter and Westmorland Park along with the Olbrich Nature Play area, among others. Other capital improvement projects made possible through this partnership include ongoing pickleball improvements at Garner Park, installation of accessible fishing pier at Vilas Park, accessibility improvements at Bernie's Beach and Vilas Park Beach, as well as partial funding of the bike skills pump track at Aldo Leopold Park and oversight of construction of improvements at Lake Front Porch. In addition, partnership with the Madison Parks Foundation and private donors made The Glen Golf Park renovation possible, resulting in over $1,065,000 in public improvements to the facilities. The Foundation continues to offer donor memorial benches, picnic tables, memorial tree requests, and other donation naming opportunities within the parks.

Voluntary contributions are increasingly used to fund park development projects. Many of the City's largest park projects include significant levels of private contributions. Table 7.6 identifies the total capital donations and contributions received from 2018 through 2024. Parks staff and the Madison Parks Foundation work together with neighborhood associations and other groups to approve projects and identify potential private fund-raising sources and goals. The Parks Division can leverage these funds with existing City resources to move projects forward more quickly.

Table 7.6: 2018-2024 Collected Donations/Contributions

Category	2018	2019	2020	2021	2022	2023	2024
Donations/Contributions	$46,553	$3,795,720.85	$0.00	$2,500	$2,893,635	$143,538	$759,122

GRANTS

Grants vary from year to year, depending on funding availability from the grantor and whether or not the grant application is awarded. Significant grant awards that Madison Parks received for capital improvements between 2018-2024 include:

2018	$26,895	State of Wisconsin for Central Park Skate Park;
2020	$13,000	US Department of the Interior, Fish and Wildlife Service for invasive species control and native seeding at Owen Conservation Park
2021	$125,000	Dane County Parks' PARC and Ride Grant for the Aldo Leopold Park Paved Pump Track Project
2022	$1,500	Dane County Land & Water Resources Department for prescribed burn crew tools and PPE
2024	$62,500 $25,000	Dane County Parks' PARC and Ride Grant for the Aldo Leopold Park Shred to School Project State of WI Vibrant Spaces Grant for Crowley Station

TAX INCREMENTAL FINANCING

Tax Incremental Financing (TIF) is a governmental finance tool that the City of Madison uses to provide funds to construct public infrastructure, promote development opportunities and expand the future tax base. TIF funding is captured as blighted areas within Tax Improvement Districts are redeveloped in accordance with approved TID plans. Historically the use of TIF funding within the Parks Division's Capital Budget has been very limited and primarily funded Forestry work related to street trees, until 2024 when $735,000 in TIF funding was included for south Madison improvements. The 2025-2030 Capital Improvement Plan includes $6,660,000 in TIF Funding for projects within multiple TID plan areas, including funding for improvements within Town of Madison Park improvements, Penn, Bowman, Cypress and Olin Parks using funding from TID 51, as well as funding to make infrastructure improvements at Breese Stevens Stadium. Additional information regarding the City's TIF program is available at: https://www.cityofmadison.com/dpced/economicdevelopment/tax-incremental-financing/415/

SPECIAL ASSESSMENT FUNDING

Prior to the Forestry Section moving to the Streets Division, special assessments generally accounted for between $125,000 and $630,000 in the Capital Budget and include funding for street trees in newly developed areas. This funding is no longer relevant or available within the Parks Division Capital Budget.

7.3 Conclusion

The City of Madison is lagging behind peer systems across the country as reported in the 2024 Trust For Public Land ParkScore Report. According to these metrics, Madison is investing approximately $112 per resident annually for both operational and capital resources, when a system of this size and complexity should be closer to $249 per resident annually. The 2024 ParkScore Report is available at: **https://parkserve.tpl.org/downloads/pdfs/Madison_WI.pdf**

The primary funding sources of the Capital Budget are levy support through property taxes and impact fees. These two sources are not sufficient to address the need for new facilities and also address deferred maintenance of the large and aging park system. Both of these sources are reliant on a healthy real estate and development economy. Over the last several years, Madison's population has continued to grow rapidly and the real estate market has continued to be strong. , Ongoing concerns with the tax levy limits, as they pertain to debt service, have proven to create significant challenges to the availability of GO Borrowing support for these improvements. Impact Fee funding from new residential development has continued to generate funding for infrastructure and land acquisitions; however, as witnessed in 2022-2023 when collected park infrastructure fees fell briefly, it is important to recognize that this revenue source is directly dependent on a healthy economy. In addition, the effectiveness of the Impact Fee program and any pertinent adjustments must be evaluated through a new Needs Assessment to ensure the needs of both the growing and existing park system are met. The level of service requirement for parkland dedication is amongst the items that are subject to change with an updated Needs Assessment. It is critical that the Parks Division pursue alternative funding sources for capital improvement needs, by thoroughly investigating resources such as grants, donations, changing user fee structures, and reviewing any other potential funding sources that could supplement levy and impact fee funding. Other forms of income and partnerships are critical to helping to protect the future of the City's park system.

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