



Overview of the 2022 Capital Budget

Presentation to the Finance Committee
Monday, September 13th at 4:30pm

Agenda

1. Highlights of the Executive Capital Budget
2. Process and Timeline Overview
3. Schedule and Format of Agency Briefings

The 2022 Capital Budget and Capital Improvement Plan (CIP)

2022 Capital Budget:

\$355 million

- Appropriates funding for capital projects and programs in 2022
- Common Council adoption of the budget only authorizes funding for 2022

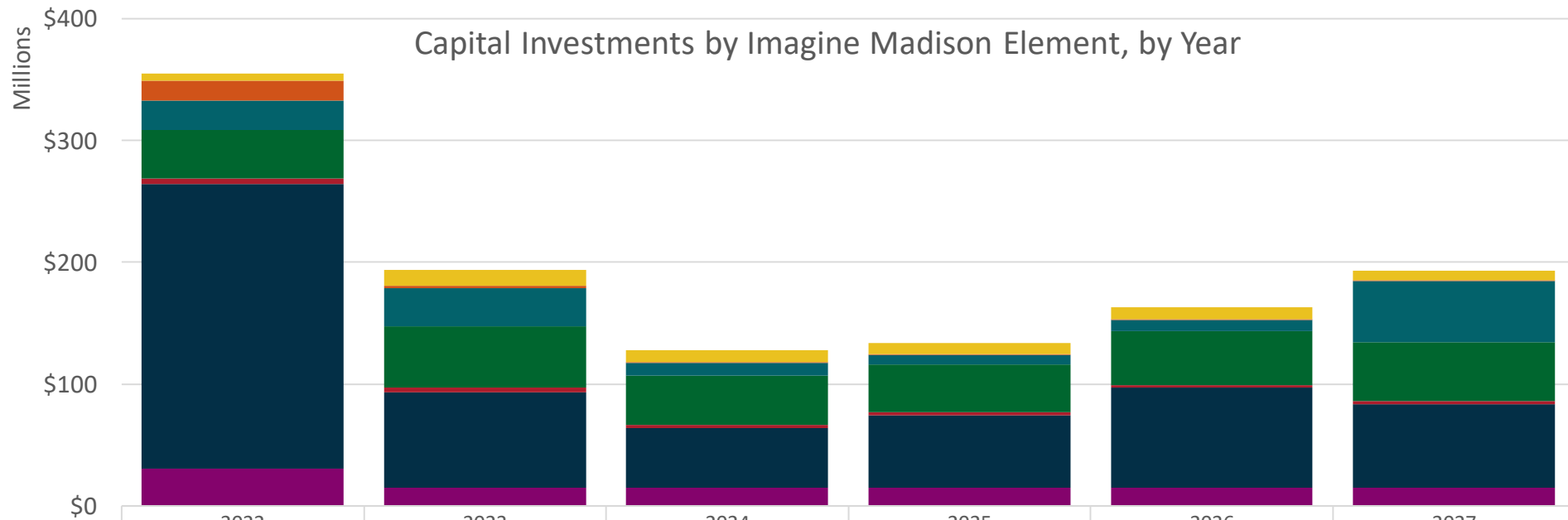
Capital Improvement Plan (CIP):

\$1.16 billion

- 2022 Budget + a 5-year outlook of capital projects and programs
- Reflects the multi-year nature of many capital projects and programs
- 2023-2027 are included as a plan for the future; budget adoption does not appropriate funds beyond 2022

The CIP invests in city priorities.

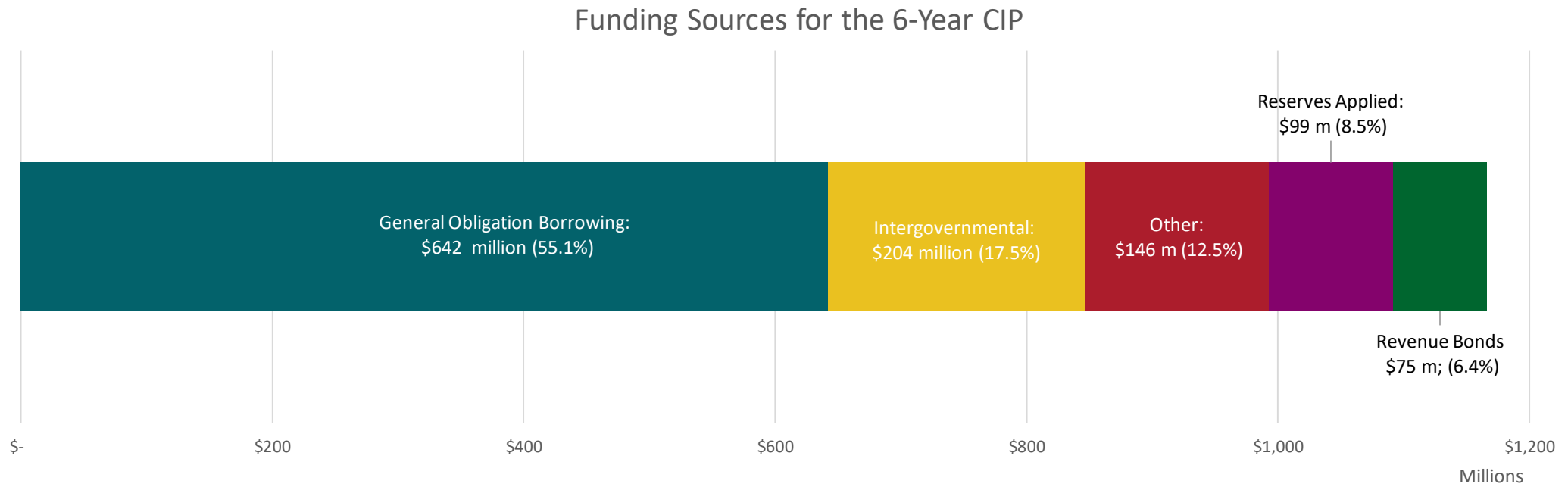
The CIP makes significant investments in infrastructure, affordable housing, transit, and sustainability, to advance goals of Imagine Madison and other strategic plans such as Housing Forward, Metro Forward, and Park master plans.



	2022	2023	2024	2025	2026	2027
Culture and Character	\$6,009,000	\$12,917,000	\$10,319,500	\$9,343,500	\$9,920,000	\$7,755,000
Economy and Opportunity	\$16,670,000	\$2,070,000	\$570,000	\$570,000	\$570,000	\$570,000
Effective Government	\$24,227,989	\$31,210,120	\$10,410,875	\$7,899,875	\$9,063,400	\$50,604,400
Green and Resilient	\$39,751,477	\$50,563,315	\$40,452,868	\$39,155,420	\$44,239,532	\$48,232,476
Healthy and Safety	\$4,228,026	\$3,815,000	\$2,365,000	\$2,384,000	\$2,402,000	\$2,431,000
Land Use and Transportation	\$234,134,570	\$77,949,000	\$48,855,000	\$59,222,000	\$81,869,000	\$68,321,000
Neighborhoods and Housing	\$30,232,000	\$15,007,000	\$15,007,000	\$15,057,000	\$15,057,000	\$15,078,500

The CIP is funded through multiple sources.

- General Obligation (GO) borrowing, which is secured by the City's property tax base, accounts for 55.1% of the CIP.
- Intergovernmental sources, such as federal, state, and county grants and programs, are the next biggest source at 17.5%

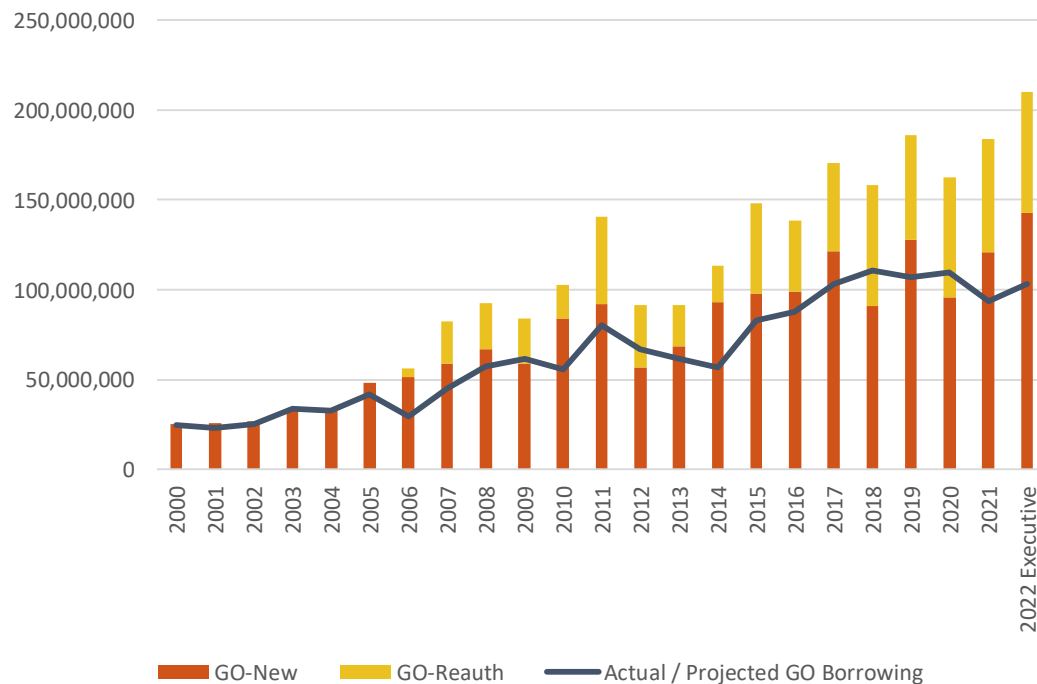


GO borrowing is repaid in the operating budget.

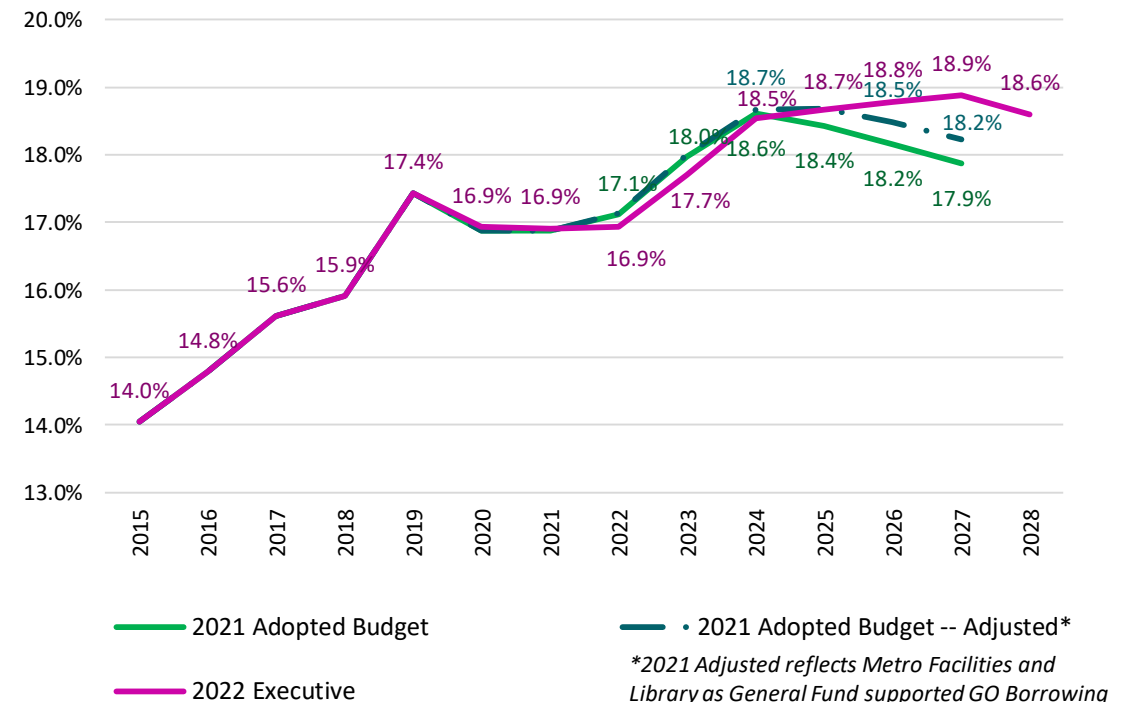
Debt service is the annual repayment of GO borrowing. The ratio of debt service and the general fund budget is an important consideration for determining capital investments.

Debt service as a share of the operating budget has increased from less than 12% in 2011 to 17% in 2021.

Adopted Capital Budgets: 2000 to 2021
2022 Executive Capital Budget



Debt Service Share of General Fund Budget



2022 Capital Budget includes \$9.75 million in local American Rescue Plan Act (ARPA) funds

Of the City's \$47.2 million from the State and Local Recovery Funds (SLFRF) component of ARPA, \$9.75 are allocated in the 2022 capital budget for affordable housing, homelessness services, economic development, and sustainability.

Agency	Description	Amount
COMMUNITY DEVELOPMENT	Hotels Converted to Housing	\$2,500,000
COMMUNITY DEVELOPMENT	Salvation Army Darbo Site	\$2,500,000
COMMUNITY DEVELOPMENT	Youth Centered Housing Project	\$2,000,000
COMMUNITY DEVELOPMENT	Homeownership Support/Rehabilitation Program (Consumer Lending)	\$500,000
ECONOMIC DEVELOPMENT	Small Business Equity & Recovery (SBER) Program	\$2,000,000
MAYOR'S OFFICE SUSTAINABILITY	Naturally Occurring Affordable Housing (NOAH) Energy Efficiency Program	\$250,000

CIP includes \$3.3 million for the Town of Madison attachment

The 2022 Capital Budget includes funding for Streets to provide refuse and recycling collection to the town and for the Clerk's office to purchase voting equipment for additional polling locations.

The South Madison TID is a new program in 2022; the TID will fund affordable housing, land banking, and other community and economic development initiatives starting in 2023.

Agency	Description	Amount
COMMUNITY DEVELOPMENT	Affordable Housing Developer Loans with South Madison TID	1,500,000
ECONOMIC DEVELOPMENT	Land banking, other loans, and grants with South Madison TID	1,300,000
STREETS	Equipment to support Streets services such as refuse and recycling collection, including toolcat and rearloaders	310,000
STREETS	Recycling and refuse carts for Town residents	100,000
CLERK*	Additional voting equipment for five polling locations	100,000

*Included in Information Technology capital budget

Tax Increment Financing (TIF)

- Tax Increment Financing (TIF) is a financing tool utilized by the City of Madison to fund public infrastructure, promote development opportunities, and expand future tax base by providing public financial assistance to private developments in a tax increment district (TID).
- In 2021, the Common Council approved resolutions dissolving TIDs #25 and #35 and authorizing one additional year of incremental revenues (i.e., taxes levied in 2022 and collected in 2023) for affordable housing.
- Executive Budget includes TIF cash flow statements for informational purposes; this is not intended to serve as a budget.

2022 Highlights: Key TIF-funded projects in the 2022 Capital Budget include:

- Blair Street Quiet Zone (TID #36 – Capital Gateway Corridor)
- Old Middleton Underpass (TID #41 – University/Whitney)
- Cannonball Path (TID #42 – Wingra)
- Village on Park Redevelopment (TID #42 – Wingra)
- Economic development loans (TID #46 – Research Park)
- Bus Rapid Transit (TID #46 – Research Park)
- Economic development loans (TID #49 – Femrite Drive)
- Blight studies (TID #5X – South Madison)
- Improvement grants, marketing, and planning studies (TID #5X – State Street)

Where to find the Capital Budget

The executive capital budget and executive summary were published [online](https://www.cityofmadison.com/finance/budget/2022/capital) (www.cityofmadison.com/finance/budget/2022/capital) on 8/31/21.

2022 Capital Budget

Agency Request: Proposals submitted by agencies; includes detailed responses to racial equity and social justice questions

Executive Budget

Agency Requests

Executive Budget

[FULL EXECUTIVE CAPITAL BUDGET PDF](#)

Executive Summary: Summarizes big picture approach and investments by element

[Executive Budget: Summary PDF](#)

[Capital Budget Carryforward Appropriation Report XLSX](#)

Introduction & Summaries

[Capital Policy PDF](#)

[Capital Budget Summaries PDF](#)

[Horizon List PDF](#)

[Glossary PDF](#)

Horizon List: Includes projects that meet a clear community purpose but are not fully planned to the level of being included in the CIP

Agency Capital Budgets

[CDA Redevelopment PDF](#)

[Community Development Division PDF](#)

[Economic Development Division PDF](#)

[Engineering - Bicycle and Pedestrian PDF](#)

[Engineering - Facilities Management PDF](#)

Agency Budgets: Details funding for specific projects and programs. Each agency page will include a narrative description of major changes, tables and graphs showing funding by source over the CIP period, and narrative description of projects.

Detailed Timeline for 2022 Budget Hearings

Capital

Operating

1.	Mayor Introduces Executive Budget	<ul style="list-style-type: none"> • August 31, 2021 	<ul style="list-style-type: none"> • October 5, 2021
2.	Finance Committee (FC) Hearings	<i>Agencies present budget; alders have opportunity to ask questions</i>	
		<ul style="list-style-type: none"> • September 13 & 14 	<ul style="list-style-type: none"> • October 11 & 12
3.	FC Amendment Week	<i>Alders submit requests to budget analysts; analysts review and publish amendments</i>	
		<ul style="list-style-type: none"> • September 20 – 22 • Alders submit by Weds., Sept. 22 at 12pm • Analysts publish by Fri., Sept 24 at 12pm 	<ul style="list-style-type: none"> • October 18 – 22 • Alders submit by Weds., Oct. 20 at 12pm • Analysts publish by Fri., Oct 22 at 12pm
4.	FC Vote on Amendments	<i>Amendments are taken up in the order presented; can sometimes be taken out of order</i>	
		<ul style="list-style-type: none"> • September 27 	<ul style="list-style-type: none"> • October 25
5.	City Council Amendments	<i>City Council has the opportunity to propose amendments to capital and operating budgets</i>	
		<ul style="list-style-type: none"> • November 1 – 5 • Alders submit by Weds., Nov. 3 at 12pm • Analysts publish by Fri., Nov 5 at 12pm 	
6.	City Council Adoption	Three CC meetings to vote on amendments and adopt budget	
		<ul style="list-style-type: none"> • November 9, 10 & 11 	

Agency Briefing Schedule

Monday, September 13th		Tuesday, September 14th	
<u>AGENCY</u>	Pg #	<u>AGENCY</u>	Pg #
Public Safety		Public Safety	
Fire Department	79	Police	135
Public Spaces		Engineering	
Library	99	Engineering-Bicycle & Ped Projects	46
Monona Terrace	112	Engineering-Facilities	53
Administration		Engineering-Major Streets	60
Finance	75	Engineering-Other Projects	70
Henry Vilas Zoo	87	Sewer Utility	139
Information Technology	91	Stormwater Utility	146
Mayor's Office	104	Transportation	
PCED		Parking Utility	116
CDA Redevelopment	28	Traffic Engineering	155
Planning	131	Transportation	161
Community Development	32	Metro	108
Economic Development	38	Public Works	
		Fleet Services	83
		Streets Division	150
		Water Utility	166
		Parks Division	120

Agency Briefing Format

- Agencies will present 1-3 slides with highlights from their capital budget, including major changes from the prior year CIP
- Presentation will be approximately 5 minutes, followed by questions from the Finance Committee
- After the briefings, alders can submit amendments to the budget team
 - 8/24/21 CCEC [presentation](#) and [slides](#) with a detailed overview of the budget hearings and amendment process (timestamp: 2hr 06min)
 - Budget staff and agency portfolios are included in the [Budget Employeeenet page](#).