

2018 Capital Improvement Plan

Executive Budget: Summary



CITY OF MADISON

Paul R. Soglin, Mayor





Office of the Mayor

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2018 Executive Capital Budget Mayor Paul Soglin

Madison is consistently ranked in the top 10 by Forbes, Nerd Wallet, Livability.com and Smart Growth America as one of the best places to live and grow a business. To be successful, we have to continue to protect Madison's unique sense of place, we have to focus on creating places for connection, we need to continuously improve the way the city does business, we have to invest in equity, and we need to be welcoming and fun. This is the formula that has made Madison great. We must continue to implement this formula in a way that is balanced and affordable.

The 2018 Executive Capital Budget and 2019-2023 Capital Improvement Plan [CIP] reflects the continuing need to replace aging infrastructure while investing limited financial resources in affordable housing, economic growth, and services to the City's diverse population. The increasing capital investment needs have been identified in previous capital improvement plans and are coming due over the next five years.

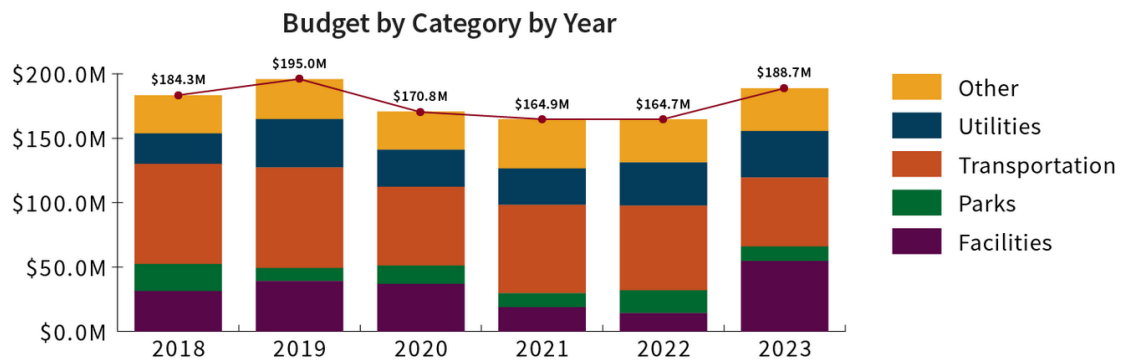
Agency requests for new general obligation borrowing for 2018 totaled over \$89 million, consistent with my goal of limiting the capital budget to already planned amounts. My budget for 2018 includes \$85 million of new general obligation borrowing. This includes over \$3 million to address declining federal funding for transit capital, including buses and facilities. It is clear that cities are "centers of innovation". But we can only be innovative for so long. Cities must provide services even when the state and federal governments refuse to live up to their obligations. We have been and will continue to find ways to deliver those services that matter most to our residents. Nevertheless, providing those services in the face of declining national and state assistance means that local families and businesses must shoulder the burden – through higher property taxes -- to pay a greater share of the cost for ensuring everyone can get to work and school.

Bus rapid transit is an excellent example of the need for state and federal leadership. We know that bus rapid transit works – it can move people to jobs faster and has been implemented successfully in other cities. To get it done in Madison, we need state government to let us create a regional transportation authority to help fund the operating costs and we need the federal government to make a significant capital investment.

We continually strive to make Madison a place where all can live, work, and play. The investments proposed in my capital budget and capital improvement plan will increase the annual funding level for capital projects over the next few years. The executive capital budget includes the following overall amounts for 2018. Additional funding information can be found in the attached tables and graphs.

Budget Overview

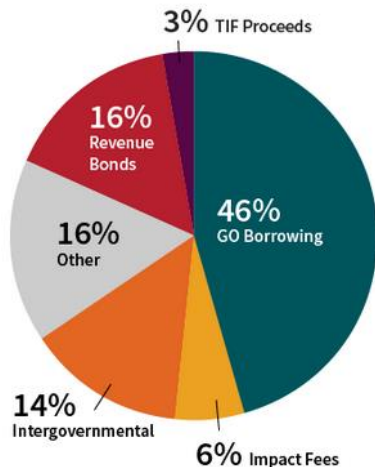
The 2018 Executive Capital Improvement Plan invests \$1.1 billion in 185 capital items over the next 6 years. The timing of major projects, such as construction of a new facility, causes the variability in budget amounts across the CIP. After peaking in 2019, the CIP holds steady at \$165-170m from 2020 to 2022. The CIP continues to grow again in 2023, driven by construction costs for the Streets Far West Facility and a new library in Reindahl Park.



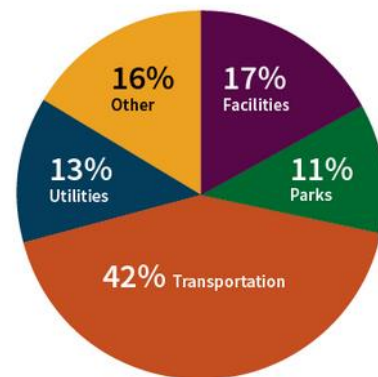
The majority of the CIP is funded through GO borrowing, which is ultimately paid back through the General Fund (primarily funded by property taxes). Much of the debt issued by the City is rapidly repaid over a 10-year period. This practice, along with others, has helped the City to maintain its Aaa bond rating. Capital projects for the Sewer and Water Utilities are funded by revenue bonds paid back by ratepayers in subsequent years.

Transportation projects make up the largest portion of the CIP, this category includes Engineering Major Streets and Bicycle/Pedestrian projects, Metro Transit, and Traffic Engineering. The next largest share of the budget is facility projects, which includes the construction of new facilities and renovation of existing facilities.

Where the \$ Comes From



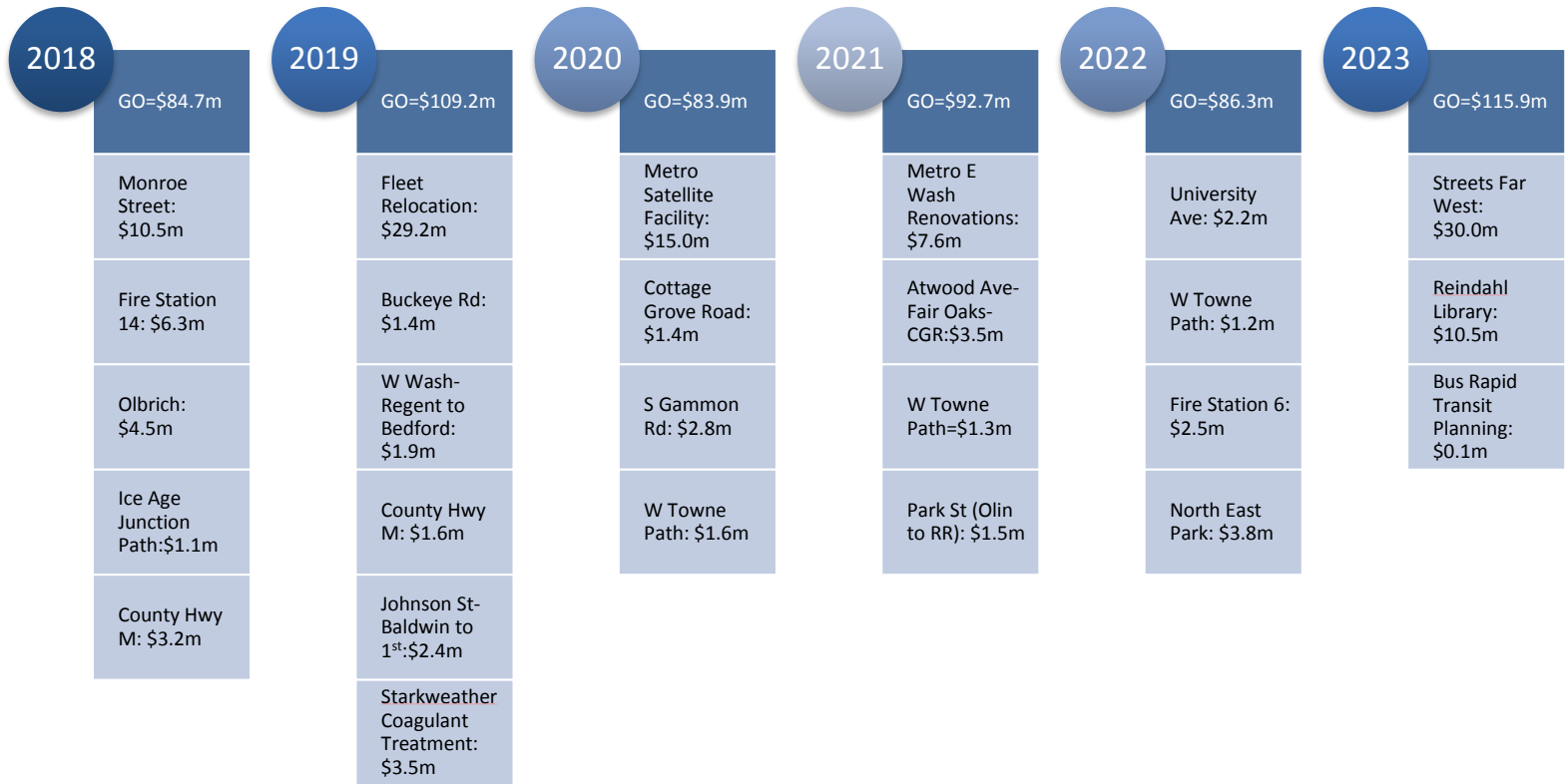
How the \$ is Spent



Timing of Projects

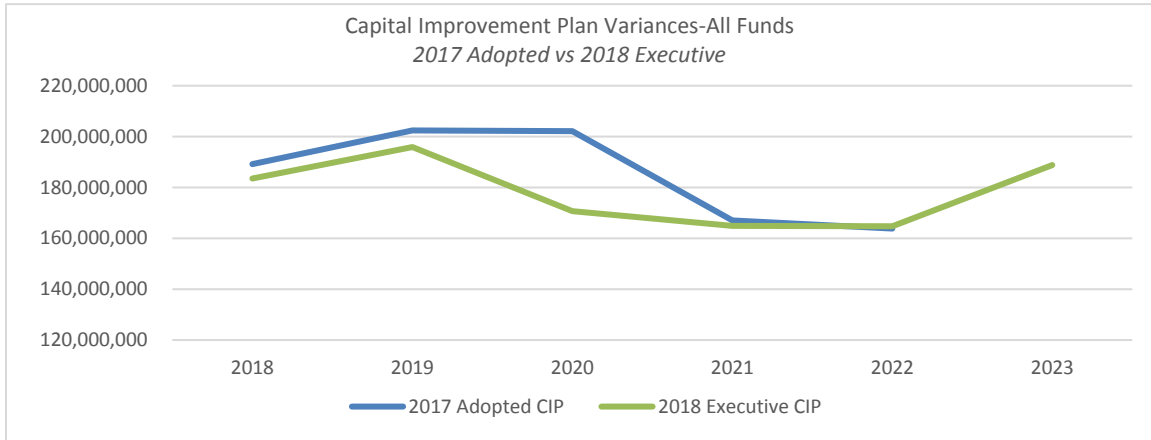
The 2018 Executive CIP seeks to strike a balance between continued investment keeping pace with Madison’s growing population, and affordability of future debt service along with the operating costs associated with new facilities. With that goal in mind, the Executive Budget seeks to stagger projects throughout this CIP. This practice seeks to limit growth in annual debt service while ensuring capital projects are completed within the desired timeline.

Major Projects by Year (GO Funded Projects Only)

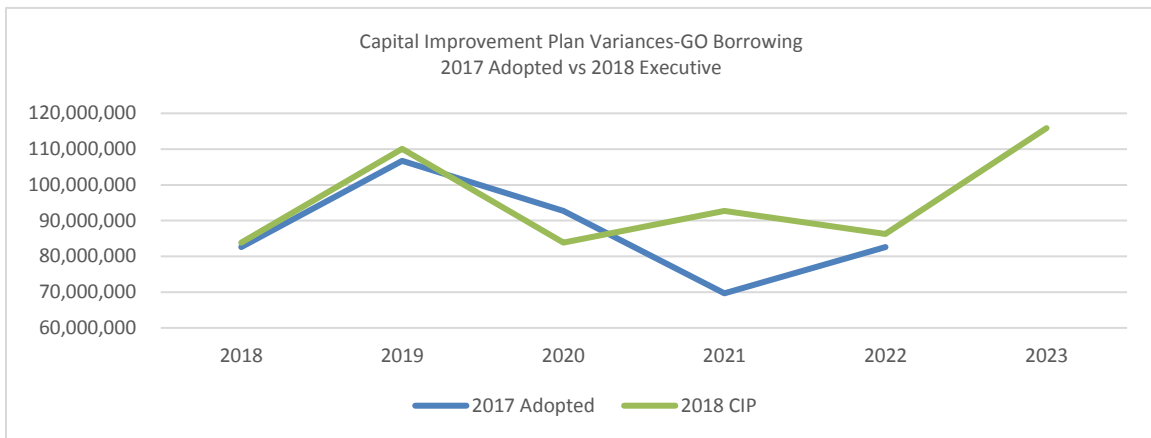


Variations from 2017

The 2018 Executive CIP is \$4.8m less than the 2017 Adopted CIP; the primary driver of the variation is changes in assumptions regarding federal funding for Metro Transit projects. The 2018 Executive CIP shifts funding for the construction of a Metro Satellite facility from 2018 to 2020 and defers the first phase of Bus Rapid Transit to 2023.



GO Borrowing in 2018 is \$2.1m higher than what was anticipated in 2017 Adopted Capital Improvement Plan. Key changes from last year's plan include: increasing the project scope of Fire Station 14 (+\$1.25m), shifting the final portion of the MMB construction from 2019 to 2018 (+\$1.3m), and providing funding for planning efforts for the Reindahl Library (+\$0.5m). These increases are offset by funding the construction of the Public Market through the City's share of closing TIF districts and premium from the City's borrowing (-\$3.2m).



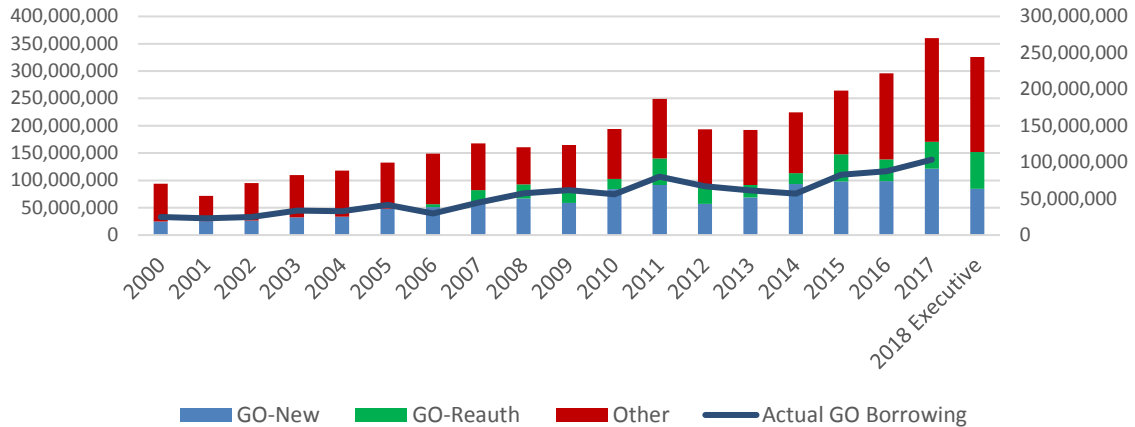
The 2018 Executive CIP adds funding for the planning and construction of a new library location in Reindahl Park and a Streets Facility to provide service to the far west side. Planning for both of these projects will begin in 2021; construction is anticipated to begin in 2023. The Executive CIP also includes funding for three studies to examine the future space needs for Police and Fire.

- Police Property & Evidence Complex: \$100k in 2020
- North Police Station: \$100k in 2020
- Fire Station 10 Study: \$100k in 2023

Reauthorizations

The 2018 Executive Budget authorizes \$184.3 million in new appropriation for the upcoming year. As illustrated in the chart below projects the 2018 Capital Budget declines by 24% compared to the 2017 Adopted Budget; however, many reauthorized projects will carry forward into 2017 driving up the total appropriation authorized in 2018.

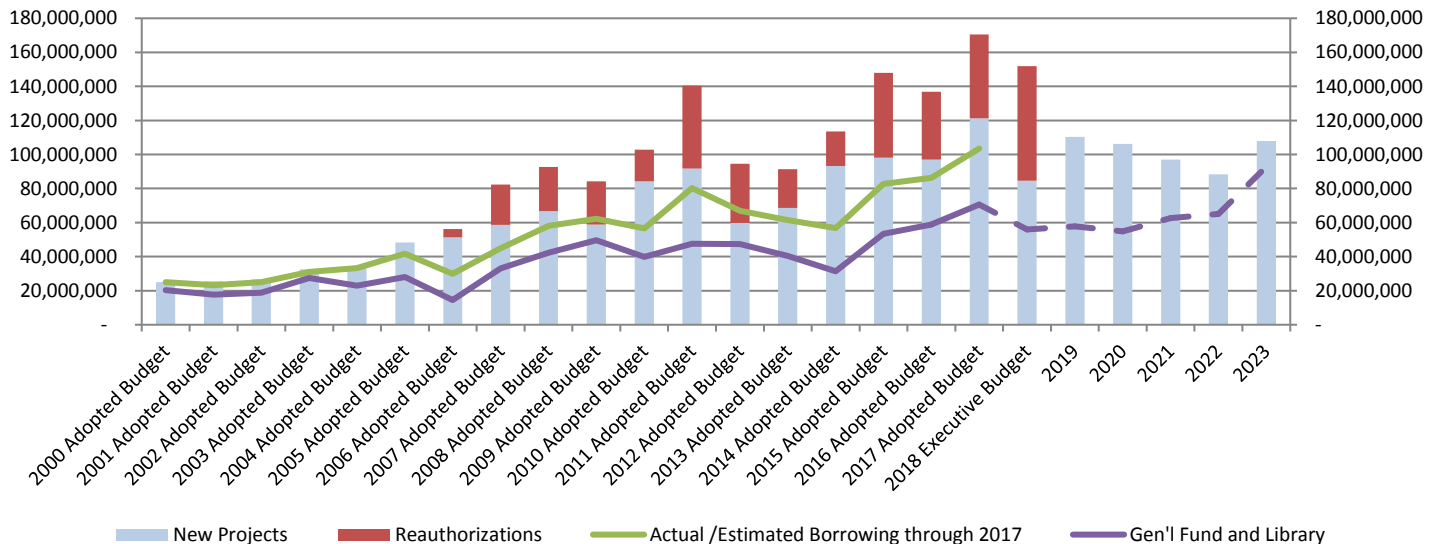
Adopted Capital Budgets and the 2018 Executive Capital Budget



The 2018 Executive CIP reauthorizes \$141.7m for projects that will carry forward from 2017; of this amount \$67.3m (47%) is GO Borrowing. The size of the reauthorization is driven by a number of large projects that are underway but are not yet completed; these projects include:

- Madison Municipal Building Renovation: \$9.0m
- Capitol East Parking Garage: \$5.0m
- Pinney Library: \$8.0m
- Midtown Police Station: \$4.1m
- Garver Feed Mill: \$1.1m

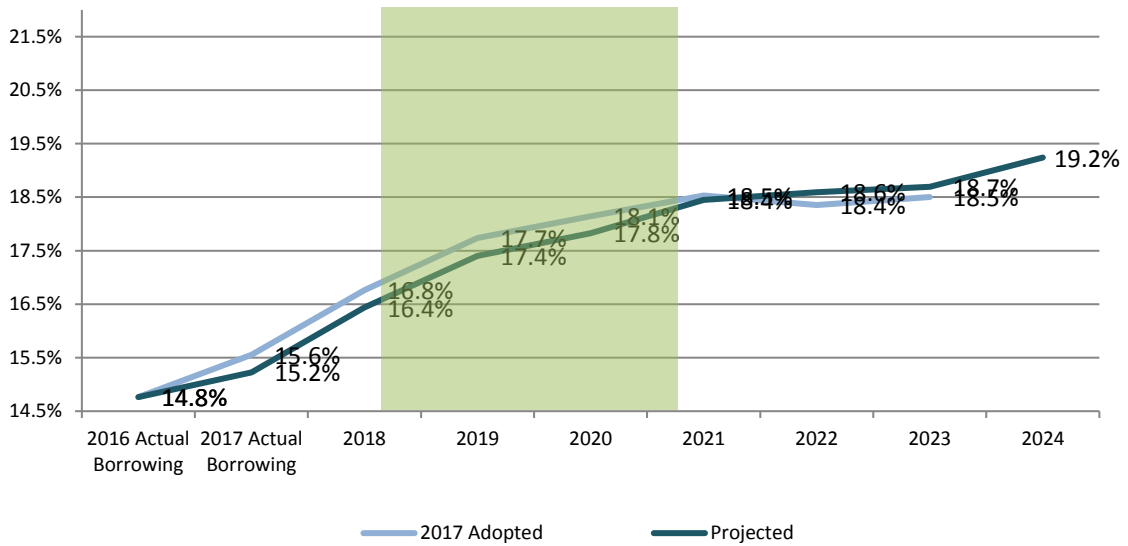
The 2018 reauthorization amount is consistent with prior year trends as the size of Madison’s capital budget has grown. The chart below shows the reauthorization trends dating back to 2000.



Debt Service Projections

In 2018 debt service will be 16.4% of the total General Fund budget, an 8% increase from 2017. Based on anticipated projects debt service will reach 19.2% of the total General Fund in 2024.

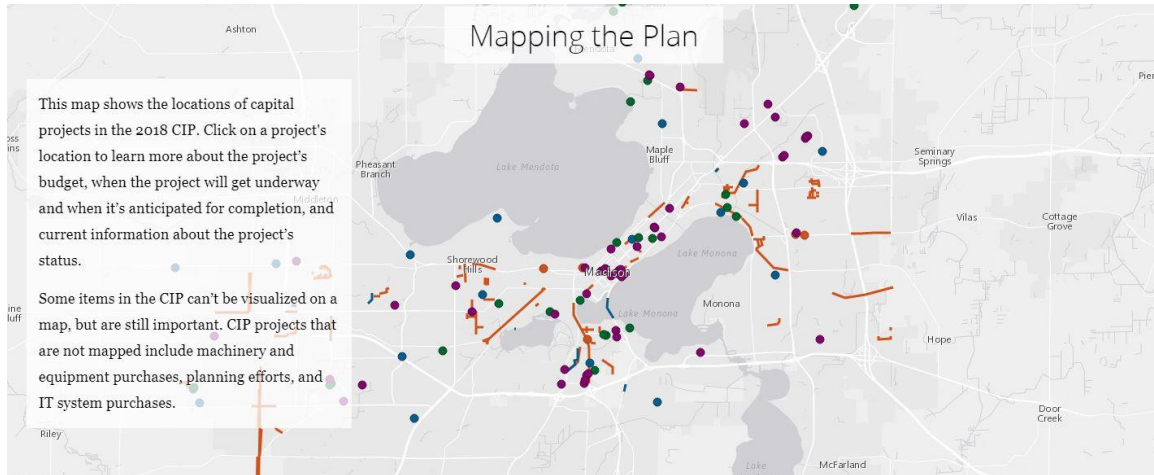
Debt Service Share of General Fund Expenditures



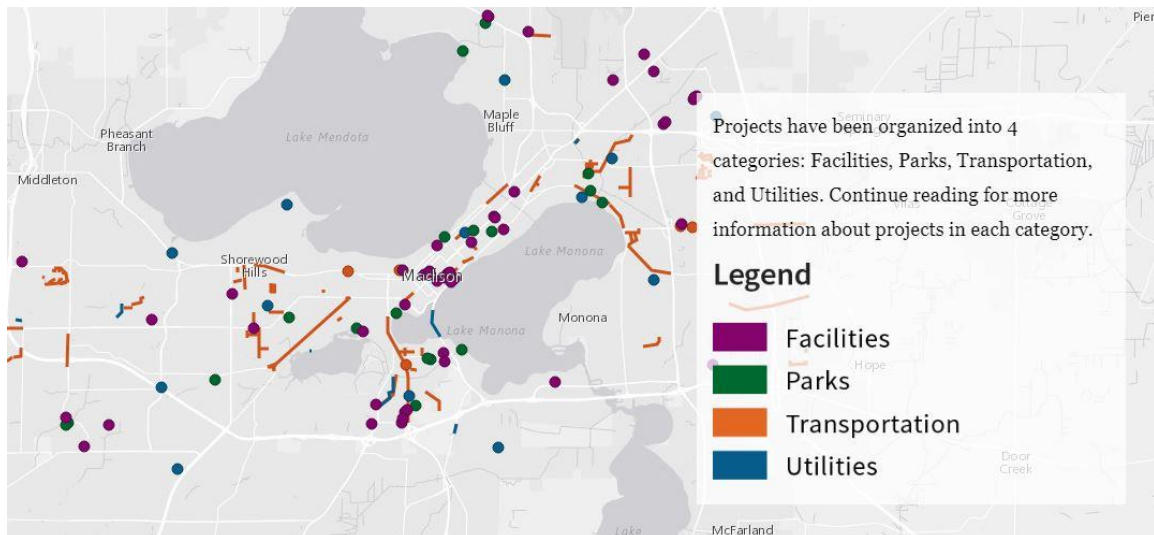
Key Assumptions: 33% of each CIP year reauthorized to subsequent year; total budget increases 3% per year; 20 year borrowing equivalent to MMB remodel.

Mapping the Capital Plan

Capital investment is happening throughout Madison, all projects with a geospatial component have been mapped. Mapping the CIP allows us to visually see where investment is slated to take place; once mapped we incorporate additional data to ensure investment is happening in a manner that is consistent with Madison’s projected growth and demand for service. To access the full map visit www.cityofmadison.com/budget.

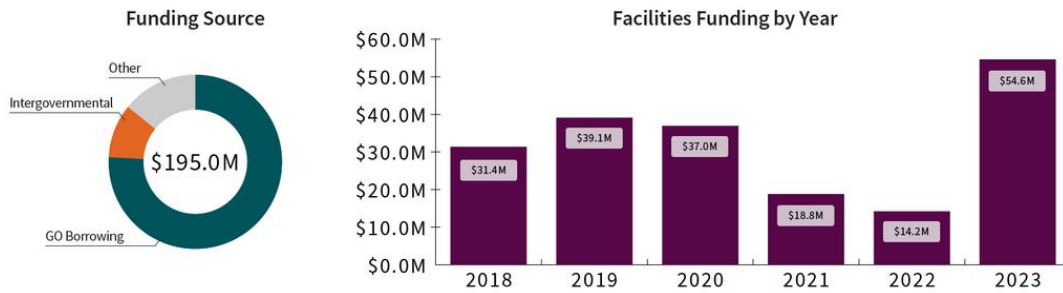


Projects included in the capital map are grouped into four categories: Facilities, Parks, Transportation, and Utilities. The 'Other' category represents those projects that cannot be mapped; these items include: machinery and equipment purchases, IT infrastructure, and planning efforts.



Facilities

Over the six years, \$195.0 million will be invested in the construction of new facilities and the renovation of existing facilities. These projects are primarily funded by GO Borrowing, which is repaid in the operating budget through property taxes. These facilities house a variety of city functions ranging from public safety services,



Key Facility Projects



Madison Public Market

- Budget=\$14.0m
- Timeline: Design Completion in 2018; Construction start in 2019
- Construction a new facility to serve as a hub for local food, community space, and job creation



Madison Municipal Building

- Budget=\$30.2m
- Timeline: Construction underway; anticipated completion in 2018
- Full renovation with the goal of improving the energy efficiency of the building & reconfiguring the footprint to provide additional civic space & improved space for services provided out of the facility



Midtown Police Station

- Total Budget=\$9.9m
- Timeline: Construction underway; Completed in 2018
- Construction of a new Police station on Madison's near west side



Fire Station 14

- Budget=\$6.8m
- Timeline: Design underway; Construction in 2018
- Construction of a new fire station on Madison's southeast side



Pinney Library

- Budget=\$9.0m
- Timeline: Design underway; Construction in 2018
- Construction of a new location for the Pinney Branch Library on Madison's east side

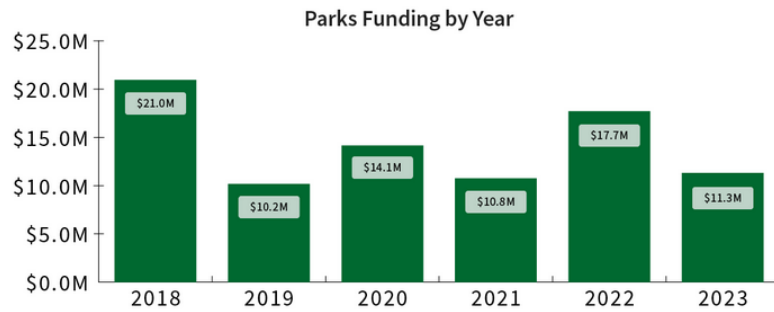
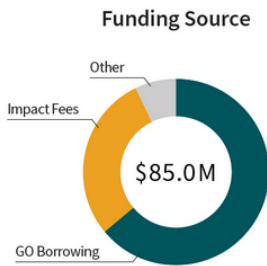


Metro Satellite Facility & Fleet Garage

- Budget=Fleet Garage (\$32.3m); Metro Garage (\$30.0m)
- Timeline: This project will be completed in 2 phases: construction of the Fleet facility followed by construction of the Metro Satellite Facility
- Fleet Garage: Design completion in 2018; Construction in 2019
- Metro Satellite Facility: Construction in 2020

Parks

Over the next six years the CIP invests \$85.0 million in Madison’s park system, which represents 11% of the CIP. Parks capital projects receive funding from Impact Fees paid by developers to support creation and maintenance of parks.



Key Projects

Olbrich Botanical Complex & Garver Feed Mill

- Budget = \$13.4m
- Timeline: Planning Underway; Construction anticipated to begin in 2018
- Expansion of the Olbrich Botanical Complex & rehabilitation of the Garver Feed Mill site in conjunction with redevelopment efforts

Elver Park Improvements

- Budget = \$2.39m
- Timeline: Elver Park has 2018 funding for an all-inclusive playground. Funding in 2022 and 2023 is to repave parking lots and paths for the ballfield complex.

Vilas Park Improvements

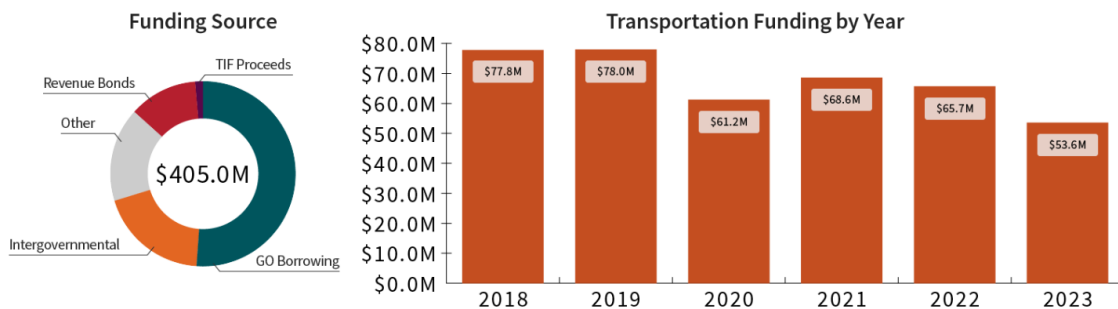
- Budget = \$3.1m
- Timeline: Design and construction of a new shelter is anticipated for 2021 and 2022; improvements to existing roadways are anticipated for 2023.

Warner Park Community Center

- Budget = \$1.45m
- Timeline: Design in 2019; construction in 2020
- A study is currently underway to finalize the scope of the project

Transportation

The 2018 Executive CIP includes \$405.0 million for transportation related projects; these projects represent the largest portion of the CIP. These projects involve several departments including: Engineering Major Streets and Bicycle/Pedestrian Projects, Metro Transit, and Traffic Engineering. Projects in this category range from constructing and maintaining roadways and bike paths to future planning efforts around bus rapid transit. In addition to GO Borrowing, projects in this category receive state and federal grants, special assessments, and utility funding.

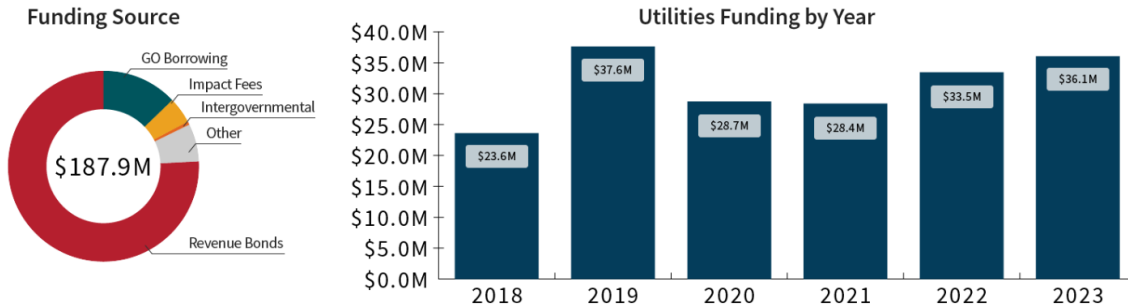


Key Projects

Monroe Street	<ul style="list-style-type: none"> • Budget=\$14.9m • Timeline: Construction in 2018 • Reconstruction from Leonard Street to Regent Street and resurfacing from Odana Road to Leonard Street to improve pavement quality, bus service, bike usability, and pedestrian safety.
Bike Paths	<ul style="list-style-type: none"> • Budget=\$13.9m • Timeline: Path route construction throughout 2018-2022 • Several bike paths will be expanded to improve biking infrastructure. Projects include: Ice Age Junction Path, West Towne Path, Cannonball Path, Goodman Path, and the Capital City Trail.
County Highway M	<ul style="list-style-type: none"> • Budget=\$43.8m • Timeline: Construction in 2018 and 2019 • Reconstruction from Prairie Hill Road to Cross Country Road to improve road safety and enhance bicycle and pedestrian infrastructure.
Buckeye Road	<ul style="list-style-type: none"> • Budget=\$4.8m • Timeline: Construction in 2019 • Reconstruction from Monona Drive to Stoughton Road to improve pavement quality and pedestrian usability.
Bus Rapid Transit	<ul style="list-style-type: none"> • Budget=\$3.3m • Timeline: Project planning in 2023 • Bus Rapid Transit (BRT) will increase the capacity of the existing Metro system while reducing ride times

Utilities

The 2018 CIP includes \$195.0 million for construction and investment in Madison’s utility infrastructure. These projects are primarily funded by revenue bonds and repaid by ratepayers. Projects included in this category include: Stormwater, Sewer, and Water.



Key Projects

<p>Starkweather Coagulant Treatment</p>	<ul style="list-style-type: none"> •Budget=\$6.0m •Timeline: Planning in 2018; construction in 2019 and 2020 •Improves the quality of Madison's lakes and streams by dissolving phosphorous from diverted runoff.
<p>Citywide Flood Mitigation</p>	<ul style="list-style-type: none"> •Budget=\$7.6m •Timeline: Continuing program; Projects planned in 2018 include Hidden Hill at Hawk's Landing and Celia Court. •The program improves the storm water network to reduce flooding and protect from property damage.
<p>Unit Well 12 Conversion</p>	<ul style="list-style-type: none"> •Budget=\$4.8m •Timeline: Construction of first phase in 2018; construction of second phase in 2023. •Rebuild of the existing well to expand pumping service capacity and improve service reliability.
<p>Booster Pump Station 109</p>	<ul style="list-style-type: none"> •Budget=\$3.4m •Timeline: Planning in 2019; construction in 2020 •Construction of a new pump station at Spaanem Avenue to improve system reliability and operational flexibility on Madison's east side.
<p>Booster Pump Station 129</p>	<ul style="list-style-type: none"> •Budget=\$5.6m •Timeline: Construction in 2019 •Reconstruction of the existing facility and mechanical upgrades to improve the water supply on Madison's northeast side.

Equity Analysis

When building their requests, agencies were asked to identify capital budget items that could be analyzed by the City's equity tools. The list below are the projects identified by agencies.

CDA Redevelopment

- Triangle Redevelopment
- Theresa Terrace Public Housing Redevelopment

Community Development Division

- Bridge Lake Point Neighborhood Center
- Impact of Affordable Housing Fund

Economic Development Division

- Property Holding Costs
- Healthy Retail Access Program
- Cooperative Enterprise Development Fund
- Entrepreneurship & Small Business Development Resource Fund
- TID # 36 – Plan Implementation Consultant Expenses

Engineering-Bicycle & Pedestrian Projects

- Safe Routes Grant
- Pedestrian / Bike Enhancements

Engineering-Facilities

- Sustainability Fund
- Parks Improvements

Engineering-Major Streets

- Darbo Webb Connection
- E Johnson St
- Neighborhood Traffic Management & Pedestrian Improvements

Engineering-Other Projects

- Right of Way Landscaping & Trees

Fire Department

- Fire Station 6
- Fire Station 10

Fleet Services

- Fire Maintenance, Fleet Service, and Radio Shop Relocation

Information Technology

- Tax System Replacement

Library

- Reindahl Park Library

Metro Transit

- Transit Coaches:
- Facilities and Improvements:
- Bus Rapid Transit (BRT):

Monona Terrace

- Common Area Upgrades
- Equipment Needs

Parking Utility

- Garage Lighting Replacement Project

Parks Division

- Elver Park All-Inclusive Playground
- Warner Park Community Recreation Center Expansion
- Public Drinking Fountains (Bubblers)
- Vilas Park Improvements
- Reindahl Park Improvements

Planning Division

- Municipal Art Fund – Conservation of Existing Art

Police Department

- In Car Video Storage
- Investigative Computer Hardware and Software

Public Health

- Office Remodel

Sewer Utility

- Citywide Pumping Stations

Stormwater Utility

- Citywide Flood Mitigation

Streets Division

- Emerald Ash Borer Mitigation

Traffic Engineering

- Traffic Signal Installation
- Street Light Installation

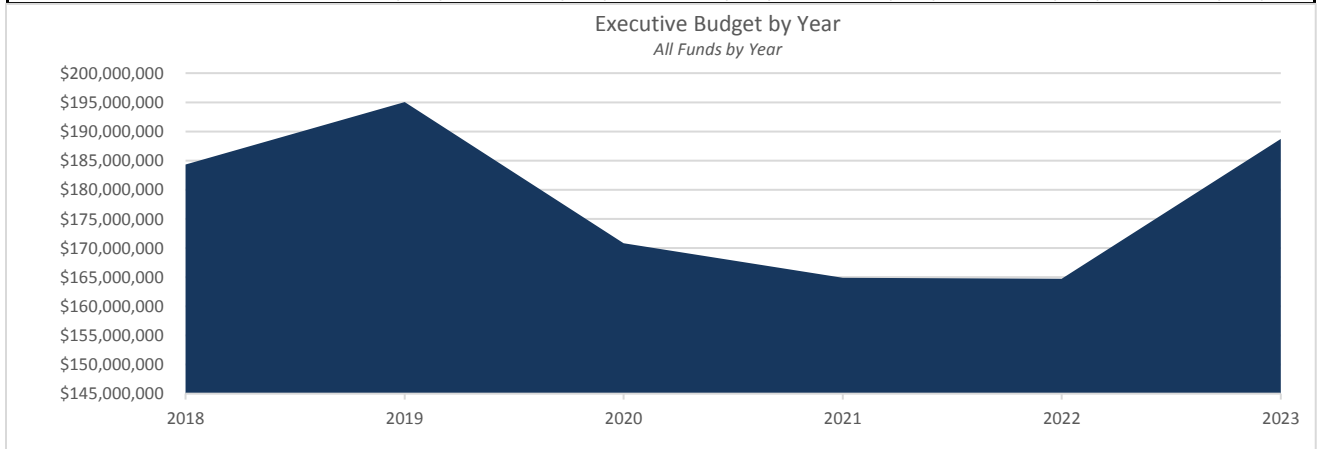
Water Utility

- Iron and Manganese Filter at Wells
- Voc Air Stripper at Wells
- Water Mains – Pipe lining

Budget Summaries

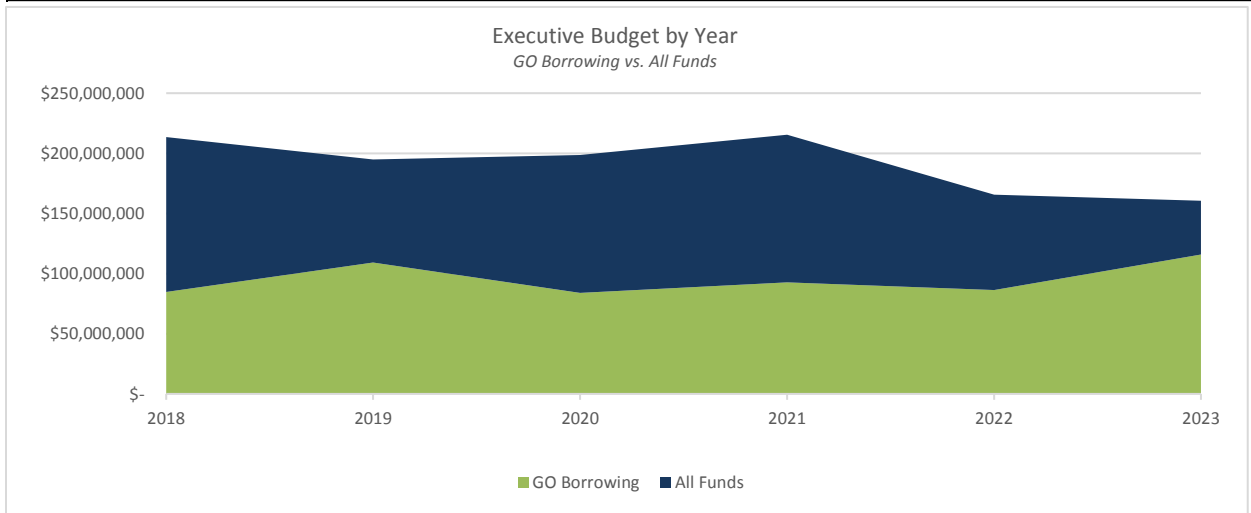
CIP by Agency: All Funds

	2018	2019	2020	2021	2022	2023
CDA Redevelopment	895,000	650,000	250,000	-	-	200,000
Community Development Division	6,500,000	5,000,000	4,500,000	4,500,000	4,500,000	4,500,000
Economic Development Division	13,230,000	1,160,000	1,130,000	1,160,000	530,000	560,000
Engineering - Bicycle and Pedest	6,796,000	4,599,000	8,038,000	6,378,000	8,353,000	4,547,000
Engineering - Facilities Manager	5,020,000	5,875,000	3,470,000	5,455,000	3,790,000	3,270,000
Engineering - Major Streets	69,493,000	71,836,400	51,636,000	60,662,000	55,771,400	44,152,600
Engineering - Other Projects	1,865,700	1,880,500	2,231,405	2,013,645	2,540,313	2,362,500
Fire Department	7,352,500	770,000	1,070,000	1,770,000	4,205,000	2,275,000
Fleet Service	8,552,710	38,063,030	7,300,000	12,065,030	11,550,000	10,880,000
Henry Vilas Zoo	75,000	75,000	75,000	75,000	75,000	75,000
Information Technology	3,156,000	3,570,000	3,475,000	3,475,000	3,475,000	3,475,000
Library	630,000	130,000	140,000	1,250,000	1,650,000	15,150,000
Metro Transit	8,556,087	7,304,759	37,622,754	19,071,202	8,818,750	11,507,698
Monona Terrace	758,000	890,000	1,020,000	885,000	935,000	4,625,000
Parking Utility	1,489,700	1,681,500	271,500	216,500	55,000	10,000
Parks Division	20,958,000	10,165,000	14,146,750	10,758,000	17,706,000	11,310,000
Planning Division	100,000	100,000	100,000	100,000	450,000	100,000
Police Department	378,800	531,800	778,900	411,300	416,600	420,535
Public Health	1,434,328	-	179,000	-	-	-
Sewer Utility	1,769,500	5,106,500	3,297,500	2,297,500	6,827,500	2,627,500
Stormwater Utility	4,100,000	11,605,000	3,245,000	3,245,000	3,662,000	7,735,000
Streets Division	1,942,300	1,578,600	3,070,700	4,660,700	4,848,700	31,648,700
Traffic Engineering	1,541,000	1,546,000	1,566,000	1,586,000	1,596,000	1,596,000
Water Utility	17,733,000	20,919,000	22,187,000	22,846,000	22,985,000	25,714,000
TOTAL	\$ 184,326,625	\$ 195,037,089	\$ 170,800,509	\$ 164,880,877	\$ 164,740,263	\$ 188,741,533



CIP by Agency: GO Borrowing

	2018	2019	2020	2021	2022	2023
CDA Redevelopment	270,000	150,000	250,000	-	-	200,000
Community Development Division	-	-	-	1,530,000	2,250,000	3,229,000
Economic Development Division	900,000	630,000	600,000	630,000	-	30,000
Engineering - Bicycle and Pedestrian	4,299,000	3,704,000	5,471,000	4,527,000	5,487,000	3,459,000
Engineering - Facilities Management	5,000,000	5,855,000	3,450,000	5,435,000	3,770,000	3,250,000
Engineering - Major Streets	33,781,000	34,338,580	27,387,500	30,325,000	26,420,200	24,522,240
Engineering - Other Projects	230,000	155,000	210,000	172,240	263,000	175,000
Fire Department	7,352,500	770,000	1,070,000	1,770,000	4,205,000	2,275,000
Fleet Service	7,151,300	38,063,030	7,300,000	12,065,030	11,550,000	10,880,000
Henry Vilas Zoo	75,000	75,000	75,000	75,000	75,000	75,000
Information Technology	3,156,000	3,570,000	3,475,000	3,475,000	3,475,000	3,475,000
Library	630,000	130,000	140,000	750,000	1,650,000	10,650,000
Metro Transit	5,146,782	3,653,852	19,467,327	15,821,114	5,728,669	5,333,492
Monona Terrace	200,000	-	-	-	-	-
Parks Division	9,221,000	6,414,000	8,625,750	8,370,000	12,558,750	9,108,750
Planning Division	100,000	100,000	100,000	100,000	450,000	100,000
Police Department	378,800	531,800	778,900	411,300	416,600	420,535
Public Health	1,434,328	-	-	-	-	-
Stormwater Utility	2,800,000	8,940,000	1,900,000	2,000,000	2,500,000	6,400,000
Streets Division	1,942,300	1,578,600	3,070,700	4,660,700	4,848,700	31,648,700
Traffic Engineering	610,000	585,000	605,000	625,000	635,000	635,000
TOTAL	\$ 84,678,010	\$ 109,243,862	\$ 83,976,177	\$ 92,742,384	\$ 86,282,919	\$ 115,866,717



CIP by Agency: Reauthorization vs New Projects

	Reauth		2018 New Projects		2018 Executive		
	GO Borrowing	Total	GO Borrowing	Total	GO Borrowing	Other	Total
CDA Redevelopment	1,080,794	1,080,794	270,000	895,000	1,350,794	625,000	1,975,794
CDD	9,143,794	9,143,794	-	6,500,000	9,143,794	6,500,000	15,643,794
EDD	1,200,000	1,200,000	900,000	13,230,000	2,100,000	12,330,000	14,430,000
Engineering – Bike & Ped	3,582,600	4,297,600	4,299,000	6,796,000	7,881,600	3,212,000	11,093,600
Engineering – Facilities Mgt	14,189,966	14,189,966	5,000,000	5,020,000	19,189,966	20,000	19,209,966
Engineering - Major Streets	2,874,929	16,770,560	33,781,000	69,493,000	36,655,929	49,607,631	86,263,560
Engineering - Other Projects	38,000	328,000	230,000	1,865,700	268,000	1,925,700	2,193,700
Fire Department	1,127,000	1,127,000	7,352,500	7,352,500	8,479,500	-	8,479,500
Fleet Service	880,161	880,161	7,151,300	8,552,710	8,031,461	1,401,410	9,432,871
Henry Vilas Zoo	100,000	100,000	75,000	75,000	175,000	-	175,000
Information Technology	2,734,255	3,065,334	3,156,000	3,156,000	5,890,255	331,079	6,221,334
Library	8,920,000	11,420,000	630,000	630,000	9,550,000	2,500,000	12,050,000
Metro Transit	397,980	2,133,900	5,146,782	8,556,087	5,544,762	5,145,225	10,689,987
Monona Terrace	-	-	200,000	758,000	200,000	558,000	758,000
Parking Utility	5,000,000	51,043,752	-	1,489,700	5,000,000	47,533,452	52,533,452
Parks Division	4,900,925	9,243,541	9,221,000	20,958,000	14,121,925	16,079,616	30,201,541
Planning Division	170,000	460,000	100,000	100,000	270,000	290,000	560,000
Police Department	4,210,000	4,210,000	378,800	378,800	4,588,800	-	4,588,800
Public Health	1,200,000	1,200,000	1,434,328	1,434,328	2,634,328	-	2,634,328
Sewer Utility	-	867,755	-	1,769,500	-	2,637,255	2,637,255
Stormwater Utility	3,355,628	6,206,707	2,800,000	4,100,000	6,155,628	4,151,079	10,306,707
Streets Division	1,416,500	1,416,500	1,942,300	1,942,300	3,358,800	-	3,358,800
Traffic Engineering	750,654	750,654	610,000	1,541,000	1,360,654	931,000	2,291,654
Water Utility	-	605,000	-	17,733,000	-	18,338,000	18,338,000
TOTAL	\$67,273,187	\$141,741,018	\$84,678,010	\$184,326,625	\$151,951,197	\$174,116,447	\$326,067,643



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