

CITY OF MADISON

2018 OPERATING BUDGET

Agency Request

Agency: 63 - ECONOMIC DEVELOPMENT

Budget by Service (All Funds)

	2017 Budget	2018 Request	Change
Revenue			
OFFICE OF REAL ESTATE SERVICES	(128,550)	(407,013)	(278,463)
Total Revenue	(128,550)	(407,013)	(278,463)
Expense			
OFFICE OF BUSINESS RESOURCES	688,461	686,223	(2,238)
OFFICE OF REAL ESTATE SERVICES	891,203	1,147,046	255,843
Total Expense	1,579,664	1,833,269	253,605
Net GF Budget	\$ 1,451,114	\$ 1,426,256	\$ (24,858)

Fund: 1100 - GENERAL

	2017 Budget	2018 Request	Change
Revenue			
Expense			
SALARIES	977,720	1,012,466	34,746
BENEFITS	278,426	260,456	(17,970)
SUPPLIES	17,900	10,500	(7,400)
PURCHASED SERVICES	68,700	76,100	7,400
INTER DEPART CHARGES	66,734	66,734	-
Total Expense	1,409,480	1,426,256	16,776
Net GF Budget	\$ 1,409,480	\$ 1,426,256	\$ 16,776

Fund: 1230 - LOANS

	2017 Budget	2018 Request	Change
Revenue			
CHARGES FOR SERVICES	(129,638)	(367,000)	(237,362)
INVEST OTHER CONTRIB	1,087	(40,013)	(41,100)
Total Revenue	(128,550)	(407,013)	(278,463)
Expense			
SALARIES	8,434	12,013	3,579
PURCHASED SERVICES	161,750	395,000	233,250
Total Expense	170,184	407,013	236,829
Net GF Budget	\$ 41,634	\$ -	\$ (41,634)

Position Summary by FTE

	2017 Budget	2018 Request	Change
ST VENDING MONITOR	0.50	0.50	-
STR VENDING COORD	1.00	1.00	-
PROGRAM ASST 2 - CG17	1.00	1.00	-
COM DEV PROJ MGR	1.00	1.00	-
ECON DEV SPEC	1.00	1.00	-
PLANNER-PRINCIPAL	1.00	1.00	-
REAL ESTATE AGENT 2	2.00	2.00	-
REAL ESTATE AGENT 3	3.00	3.00	-
REAL ESTATE AGENT 4	1.00	1.00	-
REAL ESTATE DEV SPEC	1.00	1.00	-
REAL ESTATE SUPERV	1.00	1.00	-
BUSINESS DEV SPEC 2	1.00	1.00	-
BUSINESS DEV SPEC 4	1.00	1.00	-
CLERK-TYP 2 - PT	0.60	0.60	-
ECON DEV DIV DIR	1.00	1.00	-
TOTAL	17.10	17.10	-



Department of Planning & Community & Economic Development

Economic Development Division

Matthew B. Mikolajewski, Director

P.O. Box 2983
Madison, Wisconsin 53701-2983
Phone: (608) 266-4222
Fax: (608) 261-6126
www.cityofmadison.com

Office of Business Resources
Office of Real Estate Services

To: Dave Schmiedicke, Finance Director

From: Matthew B. Mikolajewski

Date: July 12, 2017

Subject: 2018 Economic Development Division Operating Budget Transmittal Memo

The Economic Development Division (EDD) 2018 Operating Budget Base was calculated at \$1,426,256. We are submitting an Operating Budget proposal that meets this target. EDD staffing is proposed to remain consistent with 2017.

Our *Supplies* and *Purchased Services* total budget proposals remain effectively unchanged. Within these categories, we propose to reallocate some funds to better reflect current needs. This in turn will also allow us to have some funding available to sponsor at least one “Business Walk” in 2018 to continue the success of the last two “Business Walks.” We will also have some additional funding available to complete necessary real estate work, such as appraisals and blight studies, in advance of City economic development projects.

Our key priorities for 2018 include the following:

Office of Real Estate Services (ORES)

- Timely and accurate management of over 400 real estate projects, including property acquisitions, easements, encroachment agreements, and leases
- The sale of City-owned property within the Center for Industry & Commerce and the BioAg Gateway
- Maintenance of City-owned real estate holdings
- Successful implementation of the 2018 TIF Work Plan (to be completed later this year), to likely include underwriting TIF projects and the implementation of new TIF Districts
- Work to facilitate the reuse/redevelopment of the former Oscar Mayer facility, including completion of a Special Area Plan

Office of Business Resources (OBR)

- Providing an initial response to all business and developer inquiries within 24-hours; with needed follow-up in a timely manner
- Completing more proactive business retention and expansion visits in 2018 than were completed in 2017, including at least one “Business Walk”
- Successful management of City economic development programs, to include the Healthy Retail Access Program, Cooperative Enterprise Development Fund, and Entrepreneurship & Small Business Development Resource Fund
- Starting construction of the Madison Public Market
- Continued work on Priority 1 projects outlined in the *Connect Madison* economic strategy
- Work to facilitate the reuse/redevelopment of the former Oscar Mayer facility, including completion of a Special Area Plan
- Successful management of the street vending and sidewalk café programs

2018 Operating Budget: Service Proposals

SERVICE IDENTIFYING INFORMATION

SELECT YOUR AGENCY:

Economic Development Division

SELECT YOUR AGENCY'S SERVICE:

Office of Business Resources

SERVICE DESCRIPTION:

This service helps businesses locate, open, or expand within the City of Madison by directing businesses toward financial and technical assistance programs available through the City and other sources, guides businesses through City permitting and approval processes, facilitates appropriate space for business development through participation in City land use planning efforts, and maintains and provides demographic/community information to businesses.

SERVICE GOALS

What community need does the service address?

New and existing businesses are a critically important part of the Madison community. They provide jobs and support the growth of the City's tax base. Businesses (large and small) often need a point of contact within City government to answer questions about permitting, space, financing, and other assistance. OBR fills this role. Further, the City can be an important partner in growing the local economy through projects, programs, and policy. OBR is often the lead and support staff for the City's economic development initiatives.

Who are the recipients of the service?

Primary customers are business owners, developers and property owners. City residents also benefit from OBR work through the support of private-sector jobs and vibrant commercial districts.

What outcomes will be produced at the proposed funding level?

At the proposed funding level, OBR staff will be able to achieve the following outcomes:

- At least 20 entrepreneurs receiving support from OBR staff open a new business in the City of Madison in 2018
- At least 40 existing businesses receiving support from OBR staff remain/expand within the City of Madison in 2018
- Work on all Priority 1 Projects outlined in the Connect Madison economic strategy will be underway
- The Public Market will be under construction
- Reuse/redevelopment of the former Oscar Mayer facility will be underway following completion of the reuse plan
- The number of food carts and sidewalk cafes licensed will be similar to or slightly above 2017 levels

What strategies are planned for 2018 to advance the stated outcomes?

To achieve the outcomes noted above, OBR staff will do the following:

- Provide an initial response to all business and developer inquiries within 24-hours; with needed follow-up in a timely manner
- Complete more proactive business retention and expansion visits in 2018 than were completed in 2017
- Actively manage City programs, to include the Healthy Retail Access Program, Cooperative Enterprise Development Fund, and Entrepreneurship & Small Business Development Resource Fund
- Actively manage City projects, to include meeting progress goals for Madison Public Market construction, work on Priority 1 projects outlined in the *Connect Madison* economic strategy, and timely completion of the former Oscar Mayer property reuse plan
- License and manage food carts and sidewalk cafés

2018 Operating Budget: Service Proposals

SERVICE IDENTIFYING INFORMATION

SELECT YOUR AGENCY:

Economic Development Division

SELECT YOUR AGENCY'S SERVICE:

Office of Real Estate

SERVICE DESCRIPTION:

This service acquires all real estate needed by City agencies for expansion of their programs (e.g., street rights-of-way and park land), expedites the implementation of redevelopment activities, administers the City's Tax Increment Financing and Capital Revolving Loan Fund programs and analysis, provides relocation assistance to protect any persons displaced by City acquisitions, leases and manages City buildings and land held for future projects to citizens through leases and permits, inventories City lands and sells surplus properties in concert with neighborhood sale criteria committees, and investigates, evaluates, and protects the title to City lands through numerous permitting, appraisal, and authorization procedures.

SERVICE GOALS

What community need does the service address?

Private development, public facilities, and public infrastructure are critically important part of the Madison community. They provide locations for jobs, housing, amenities within our community, and an opportunity to connect people to each. Further, they help to support the growth of the City's tax base. Many public and private projects cannot proceed unless necessary real estate work is completed by the City. ORES fills this role. In addition, some development projects require an investment of Tax Increment Finance (TIF) to proceed, and ORES provides this service.

Who are the recipients of the service?

Primary customers are other City agencies, residents, business owners, developers, and property owners.

What outcomes will be produced at the proposed funding level?

At the proposed funding level, ORES staff will be able to achieve the following outcomes:

- All real estate work required for public facility and public infrastructure projects enumerated in the City Budget will be completed on time
- All real estate work required for private development projects will be completed on time
- Continued sale of property within the Center for Industry & Commerce and BioAg Gateway
- Maintenance of all City-owned property in accordance with Madison General Ordinance requirements
- Growth of tax base and employment opportunities through successful investment of Tax Increment Finance (TIF) in business retention/expansion projects and new development projects
- Reuse/redevelopment of the former Oscar Mayer facility will be underway following completion of the reuse plan

What strategies are planned for 2018 to advance the stated outcomes?

To achieve the outcomes noted above, ORES staff will do the following:

- Timely and accurate management of over 400 real estate projects, including property acquisitions, easements, encroachment agreements, and leases
- Active marketing of the sale of City-owned property within the Center for Industry & Commerce and the BioAg Gateway
- Monitoring maintenance of City-owned real estate holdings
- Implementation of the 2018 TIF Work Plan (to be completed later this year), to likely include underwriting TIF projects and the implementation of new TIF Districts
- Participation in the timely completion of a reuse plan for the former Oscar Mayer property