



# 2022

## Executive Budget

Capital Budget &  
Capital Improvement Plan



Satya Rhodes-Conway  
Mayor

# Executive Summary

## Capital Budget & Capital Improvement Plan

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### Introduction

Mayor’s Message.....	1
Capital Budget Overview .....	3
Funding the Capital Improvement Plan .....	4

### Projects by Element

Culture and Character.....	5
Economy & Opportunity.....	5
Effective Government.....	6
Green & Resilient.....	6
Health & Safety.....	7
Land Use & Transportation.....	7
Neighborhoods & Housing.....	8
More Information .....	8



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## 2022 Executive Capital Budget & Capital Improvement Plan

A year ago in this message, I noted that our city was facing unprecedented challenges. A year later, this continues to be true. COVID remains with us, and although we have made great progress with vaccination levels in Dane County, we face ongoing challenges with the impacts of the virus on those who are not yet vaccinated, especially our kids. Our economy is recovering, but many of our residents continue to be disproportionately affected by the impacts of the pandemic on their work, their housing and their economic security. The City is working to support residents and businesses that are struggling and address the underlying inequities in our community. The programs and projects that we fund as a City are a core way in which we do that.

Today, I announce my 2022 Executive Capital Budget and 5-Year Capital Improvement Plan (CIP), which details my funding proposal for buildings, infrastructure, and other capital investments for our community. My 2022 Executive Operating Budget will be released in October and will include additional services and programs.

In this Capital Budget, I propose to increase funding for affordable housing and homeownership assistance to those who need it most; to expand the opportunity to own and grow a business; to improve critical transit service to underserved communities; and to expand our investments in sustainability. The ongoing response to the pandemic has reinforced for all of us the importance of resilience and sustainability, and my 2022 Executive Capital Budget seeks to focus our capital investments on those priorities in 2022 and across the five year CIP.

Housing remains a critical priority for our community, and I propose in this budget to increase affordable housing and homeownership to those who need assistance the most through nearly \$20 million for consumer lending programs (\$4.7 million more than in the 2021 CIP), and \$42 million (\$3.5 million more than in the 2021 CIP) to increase the supply of affordable housing. This CIP also begins planning for the redevelopment of aging public housing, including Truax Apartments, Theresa Terrace, and the Triangle, which serve some of our most vulnerable residents.

To support our neighborhoods and businesses, I propose to grow the Small Business Equity and Recovery program, including the Commercial Building Ownership program, by \$500,000 per year in future years to further support women, people of color, and other underrepresented entrepreneurs to start or grow their businesses and invest in economic recovery. This budget increase the Healthy Retail Access Program by \$500,000 compared to the 2021 CIP. I am also proposing a new program to support smaller capital projects proposed by non-profit community partners to help specific neighborhoods or populations.

To seize the opportunity provided by the federal government, this budget includes \$120,000 to help plan for train service to Madison under the Amtrak Connect US plan. To move us toward a more sustainable Madison, I am expanding community sustainability programming, including increasing funding for the MadiSUN solar program, investing in energy efficiency, renewable energy, and water conservation in naturally-occurring affordable housing, and establishing a community sustainability grant program. And we are investing in numerous improvements to City parks, beach, and shoreline improvements to enhance equitable access to our waterfront. The budget also continues a series of watershed studies to help us target stormwater management investments to reduce flooding risks as our climate gets wetter.

The CIP includes infrastructure investments to renew parts of our aging systems and keep up with a changing climate and a growing city. This budget begins to, for the first time, extend services to the Town of Madison, who will become residents of the City on October 31, 2022. I am including investments in affordable housing, land banking, and public safety infrastructure to serve our new residents. In order to fund these significant investments, the 2022 CIP includes approximately \$55 million more in planned general obligation borrowing compared with the 2021 adopted budget.

Additionally, the CIP includes the reconstruction of University and Atwood Avenues and the John Nolen Drive bridges which connect southwest neighborhoods to downtown, as well as a long-planned public works facility to better serve the increase in streets and other infrastructure on Madison's west side. This budget also continues our commitment to constructing a bus rapid transit system in Madison, which will improve commute times and reduce congestion, including \$4 million in 2023 to plan for the North-South bus rapid transit (BRT) line in addition to the East-West BRT line that will soon be under construction. And to ensure motorist, pedestrian and bicyclist safety, I am investing in our new Safe Streets Madison and Twenty is Plenty programs to build on our Vision Zero initiative.

This budget will improve the sustainability of government services by investing \$16.5 million to acquire electric public works vehicles and buses and \$2.25 million to convert all city-owned streetlights to LEDs. It also continues investments in renewable energy and energy efficiency of City facilities, including continuing our Green Power solar trainee program.

One notable difference from a year ago is that we have a new President and Congress that are focused on helping cities. The American Rescue Plan Act, for the first time in decades, allocated general financial support directly to all cities. Madison is receiving over \$47 million to help address the economic and community effects of the pandemic, address shortfalls in city revenues, and help us build back better. Under a plan approved last month by the Common Council, \$22.8 million will be used to address five priority areas: Violence Prevention and Youth Engagement (\$2.6 million); Homelessness Support (\$8.6 million); Affordable Housing (\$6.7 million); Emerging Needs, including assisting undocumented residents, those with basic needs, and seniors (\$1 million); and Economic Development (\$3.9 million). The 2022 Executive Capital Budget includes \$9.75 million for specific projects from the priorities outlined in this plan, including converting a hotel to housing, youth-centered housing, and energy efficiency improvements to naturally occurring affordable housing.

## Building the 2022 Executive Capital Budget

I approached decisions about funding capital projects in a strategic way to ensure the projects included in my budget are in alignment with our priorities. Not every project could be funded -- I have reduced total borrowing in the CIP by \$20 million compared to agency requests. In order to prioritize investments, I asked an inter-disciplinary team to analyze each project and program through the following lenses:

1. Equity: How will the project affect residents who are Black, Indigenous or People of Color (BIPOC), lower income, or otherwise marginalized communities?
2. Sustainability: How will the project foster resilience and reduce the impact of climate change?
3. Long Range Planning: How will the proposal advance a specific city-wide strategic initiative, such as Housing Forward and Climate Forward?
4. Health and Safety: How will the project improve health and safety outcomes for our residents?
5. Fiscal Impacts: How does the project leverage external funding sources?
6. Feasibility and Timing: How realistic is the project timeline?

The result is a budget that reflects the needs of our community and balances them with the resources available to us. We continue to be reminded that our world is dramatically influenced by our actions and how we treat one another. Building back better from the pandemic means we must address racial equity and social justice – through sustainable ways of living and working, through housing options that are affordable for everyone, and through strategies to foster equitable business development. This budget makes investments to advance those goals. In this way, we realize the Madison we imagine – a city that is innovative, inclusive and thriving.

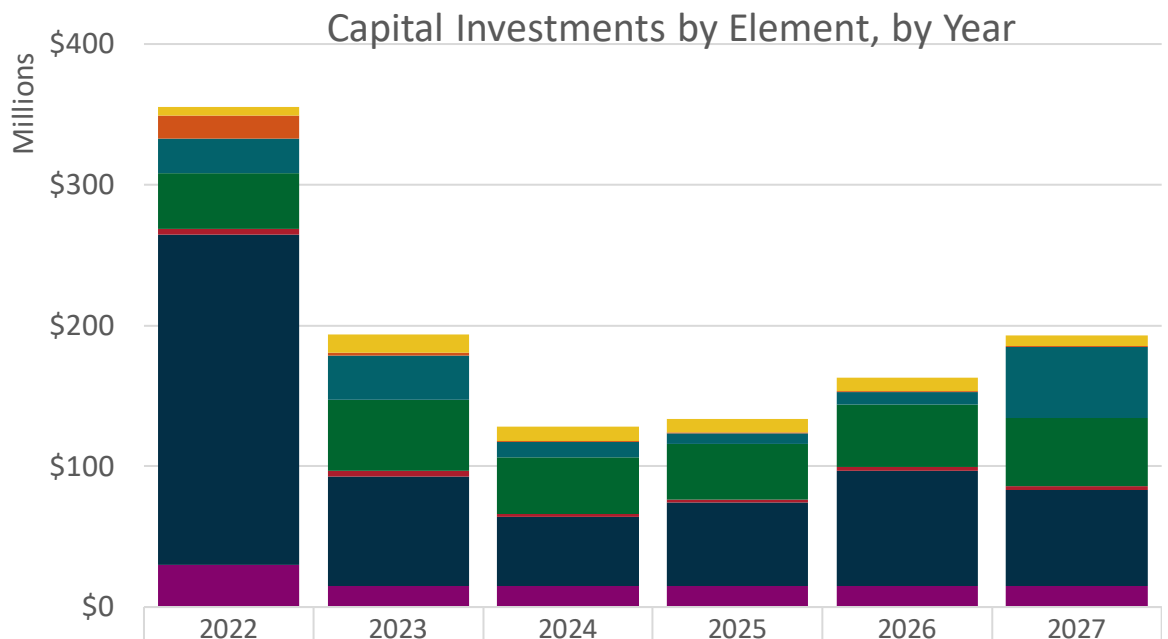
Respectfully Submitted,  
Satya Rhodes-Conway, Mayor

# Capital Budget Overview

The City of Madison’s Capital Improvement Plan (CIP) is a planning and financial document that details investments which provide lasting improvements in the City’s infrastructure, assets, and services. A **capital project** is a large-scale, time limited program with a defined start and end date, such as building a new facility or affordable housing development, reconstructing a major road, or building new bicycle infrastructure. A **capital program** is a large-scale, continuing work plan, including maintaining safe sidewalks and streets, investing in transit system upgrades and a green fleet, and land banking.

The Capital Budget appropriates funding for capital projects and programs that comprise the first year of the CIP, with the remaining five years included as a plan for the future. In total, the 2022 Executive CIP invests \$1.16 billion in 164 projects and programs between 2022 and 2027, with \$355 million scheduled for 2022. These amounts include funding from a variety of sources (see page 4 for more information).

The graph below shows the total investments in the executive CIP by year. The timing of major projects, such as construction of a new facility or a major roadway project, contributes to variability in annual budget amounts across the years of the CIP. In addition to showing investments by year, the graph shows investments by **element**, or major topic area that influences the quality of life in the City, as defined in [Imagine Madison](#), the City’s Comprehensive Plan adopted in 2018. Land Use and Transportation, which include major infrastructure and transit projects, including development of a bus rapid transit system, account for almost half (49%) of all capital investments. Green and Resilient, which includes investments in energy efficiency, sewer and stormwater systems, and urban forestry, account for 22% of the CIP. Pages 5-8 provide additional details on investments by element

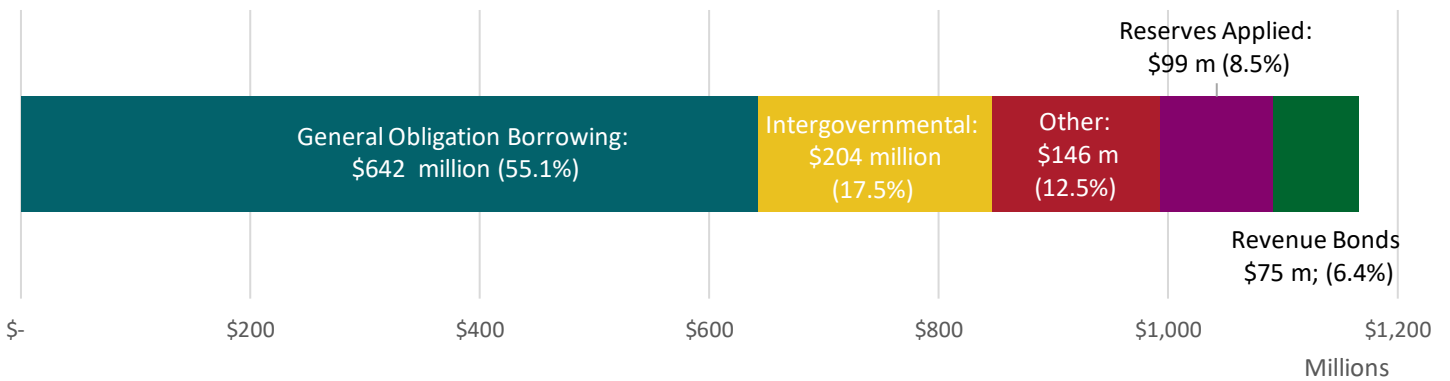


	2022	2023	2024	2025	2026	2027
Culture and Character	\$6,009,000	\$12,917,000	\$10,319,500	\$9,343,500	\$9,920,000	\$7,755,000
Economy and Opportunity	\$16,670,000	\$2,070,000	\$570,000	\$570,000	\$570,000	\$570,000
Effective Government	\$24,227,989	\$31,210,120	\$10,410,875	\$7,899,875	\$9,063,400	\$50,604,400
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

# Funding the Capital Improvement Plan

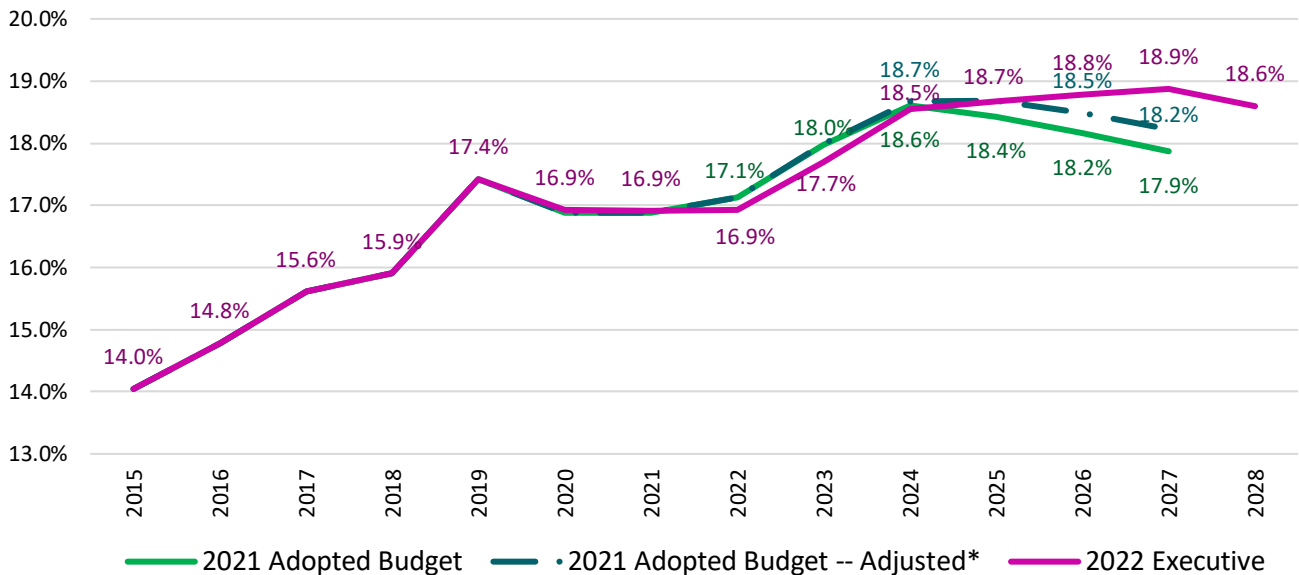
The majority of the CIP is funded through **General Obligation (GO) Borrowing**, a type of municipal borrowing that is secured by the City’s property tax base. The 2022 Executive CIP includes \$642 million in GO borrowing over the next six years, with \$482 million of GO borrowing repaid by the General Fund. The remaining GO borrowing is funded by other sources such as enterprise funds for utilities and Metro Transit. The second largest source of funding is intergovernmental sources, such as federal, state, and county grants and programs. For example, the East-West Bus Rapid Transit project includes \$115.8 million in federal sources. Other sources include proceeds from Tax Increment Financing, Impact Fees, and other revenues; applying City reserves, and revenue bonds for Sewer and Water that are paid back by ratepayers in subsequent years.

Funding Sources for the 6-Year CIP



One important consideration for the capital budget is the ratio between debt service, which is the annual repayment of GO borrowing, and the total general fund budget. 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 from Moody’s Investors Service, which ensures the lowest possible interest costs. Debt service as a share of the operating budget has increased from less than 12% in 2011 to 17% in 2021.

Debt Service Share of General Fund Budget

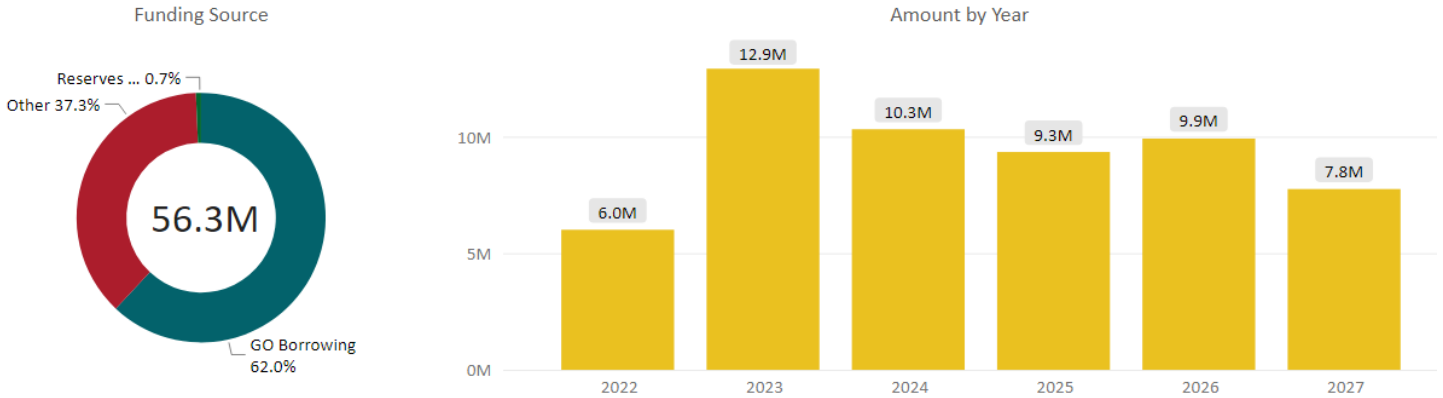


\*2021 Adjusted reflects Metro Facilities and Library as General Fund supported GO Borrowing

# Projects by Element

## Culture & Character

The 2022 CIP includes \$56.3 million to support the City’s Culture & Character. Projects funded under this Element include support for parks, playground accessibility, and the City’s Library collection. These projects are primarily funded by borrowing from the City’s General Fund.

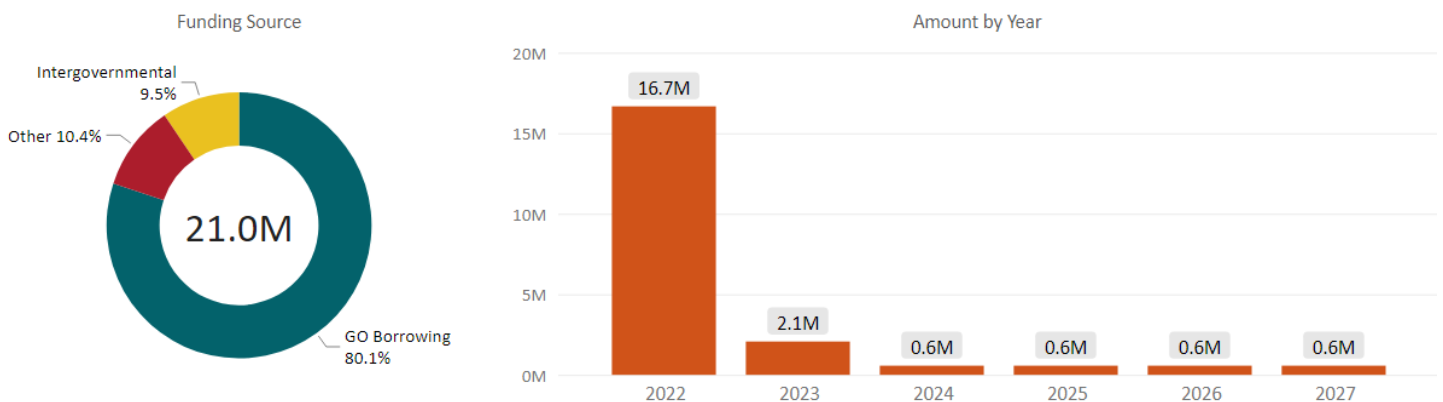


### Project & Program Highlights (GO Borrowing)

- 2022-27: Park Land Improvements (\$13.6m)
- 2022-27: Building Improvements (\$6.3m)
- 2022-27: Playground / Accessibility Improvements (\$4.1m)
- 2023: Warner Park Community Center (\$3.4m)
- 2025: Forest Hill Cemetery Projects (\$1.6m)
- 2026: Lake Monona Waterfront Improvements (\$500k)

## Economy & Opportunity

The 2022 Executive CIP includes \$21.0 million for projects to support Madison’s economy and opportunities for residents. Projects funded under in this element support community spaces geared at increasing business opportunities. The primary funding source for these projects is revenues from Tax Increment Financing (TIF) districts in the City. The City’s operating budget includes many other initiatives on an ongoing basis aimed at advancing these strategies.



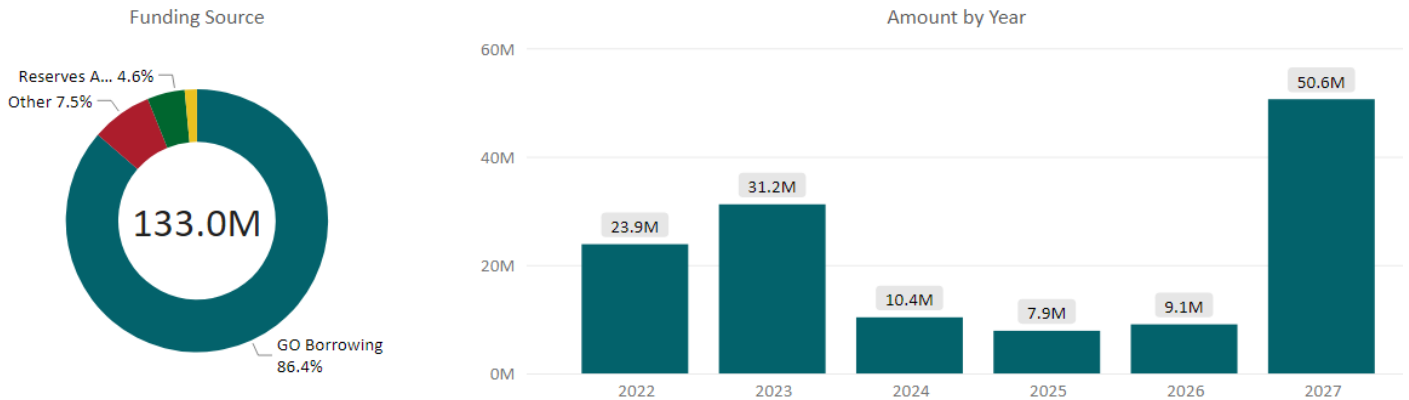
### Project & Program Highlights (GO Borrowing)

- 2022: Village on Park Redevelopment (\$6.2m); Tax Increment District (TID) 46 Research Park (\$4m); TID 49 Femrite Drive (\$2.1m); Co-operative Enterprise Development (\$300k)
- 2023-27: Small Business Equity and Recovery (\$4m)

# Projects by Element

## Effective Government

The 2022 CIP includes \$133.0 million for investment in Effective Government. These projects are primarily funded by GO Borrowing. Projects included in this category are improvements to City facilities and investments in equipment and IT systems.

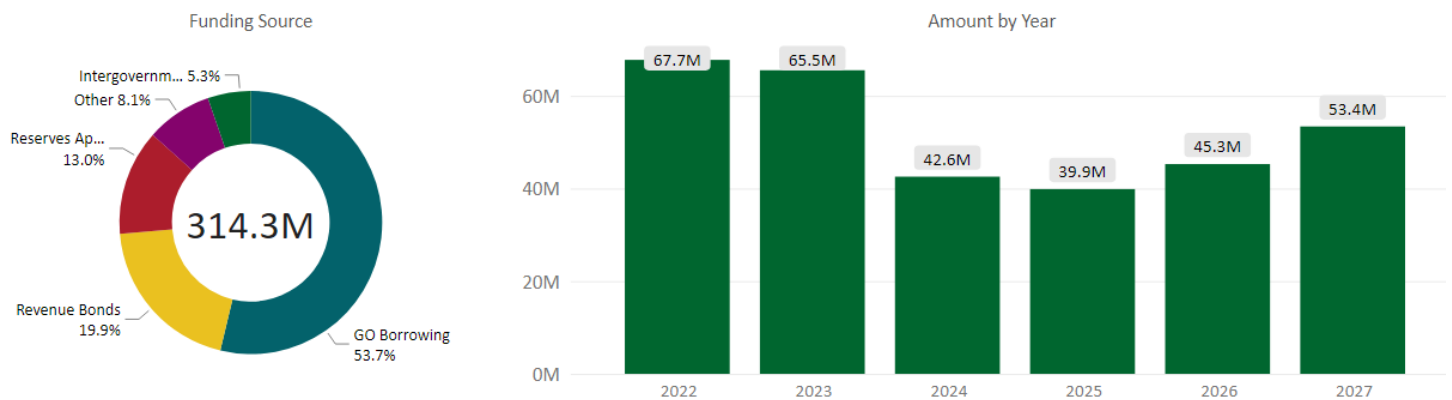


### Project & Program Highlights (GO Borrowing)

- 2022-27: Citywide Flood Mitigation (\$7.7m)
- 2022: Fire Station 6 Remodel (\$4.0m)
- 2023: Reindahl Imagination Center and Library (\$10.5m); City County Building Office Remodels (\$4.7m)
- 2027: Far West Public Works Facility (\$41.5m)

## Green & Resilient

Over the next six years the CIP invests \$314.3 million in Green & Resilient projects and programs, which represents 26.0% of the CIP. This is the second largest element in the CIP. These capital investments are aimed at preserving natural features, as well as offering spaces for recreation and bringing residents together. In addition to GO Borrowing, these projects receive funding from revenue bonds and repaid by ratepayers.



### Project & Program Highlights (GO Borrowing)

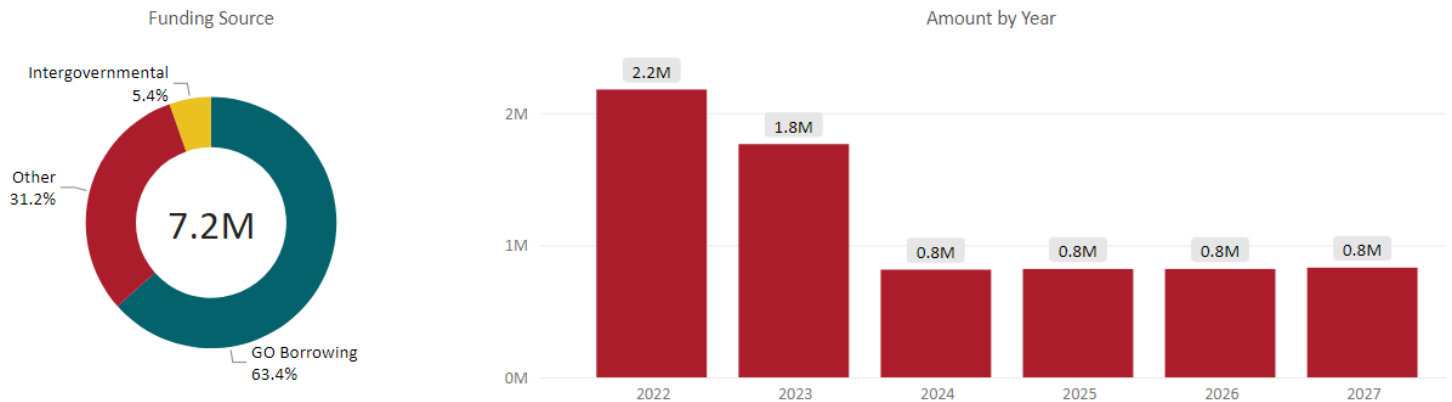
- 2022-27: Electric Heavy Trucks and Infrastructure (\$7.4m); Fleet Equipment Replacement (\$43.1m)
- 2022-27: Park Facility Improvements (\$9.7m)
- 2022-27: Stormwater Quality System Improvements (\$7.7m)
- 2022-27: Sustainability Improvements (\$4.9m)



# Projects by Element

## Health & Safety

The 2022 CIP includes \$7.2 million to support the City’s Health & Safety. Projects funded under this Element include support for the City’s Public Safety Radio System, additional street lighting, and projects aimed at ensuring the safety of our City’s streets for drivers, bicyclists, and pedestrians.



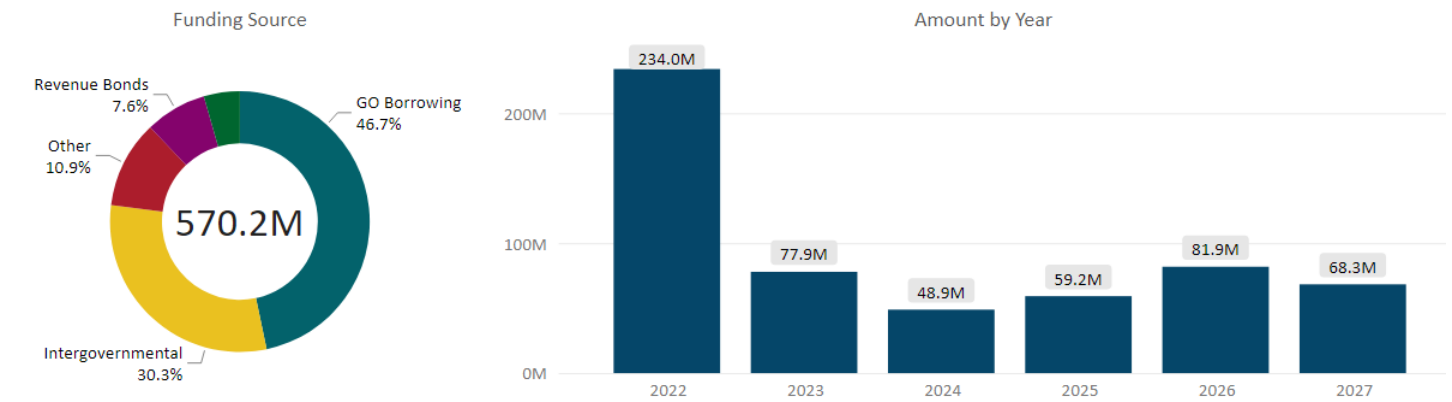
**Project & Program Highlights (GO Borrowing)**

- 2022-27: Safe Streets Madison (\$10.4m)

*Safe Streets Madison consolidates several existing capital programs from Engineering and Traffic Engineering, following recommendations from a joint subcommittee of the Transportation Commission and the Transportation Policy and Planning Board. This program includes neighborhood traffic management and pedestrian improvements, Safe Routes to School, bike and pedestrian enhancements, and Vision Zero implementation.*

## Land Use & Transportation

Land Use & Transportation projects represent the largest share of spending on any Element in the Capital Improvement Plan (47.2% of the total CIP). Over the course of the CIP, \$570.2 million will be invested in the implementation of Bus Rapid Transit along with maintaining and enhancing the City’s network of streets and bike paths. These projects are primarily funded by GO Borrowing, which is repaid in the operating budget through property taxes.



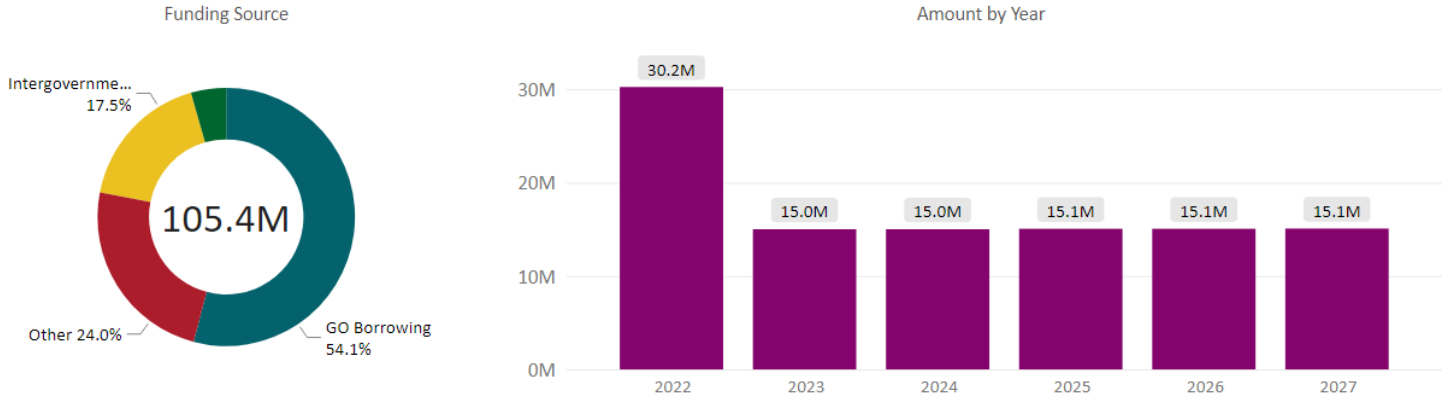
**Project & Program Highlights (GO Borrowing)**

- 2022-27: Pavement Management Program (\$75m); Street Reconstruction (\$54.1m); Sidewalk Repair (\$14.5m); Transit System Upgrades (\$8.1m); Bikeways program (\$5.7m)
- 2022: University Ave, Shorewood to University Bay (\$14.0m)
- 2022-23: East-West Bus Rapid Transit (BRT) (\$16.0m); North-South BRT (\$4.0m)
- 2026-27: John Nolen Drive (\$23.2m)

# Projects by Element

## Neighborhoods & Housing

The 2022 CIP includes \$105.4 million for construction and investment in Madison’s Neighborhoods & Housing. These projects funded by numerous sources including GO Borrowing, TIF proceeds, and revenue bonds. Projects included in this category support the goal of the City to have a full range of quality and affordable housing opportunities for residents.



### Project & Program Highlights (GO Borrowing)

- 2022-27: Affordable Housing Development Projects (\$35.1m)
- 2022-27: Affordable Housing Consumer Lending (\$7.0m)
- 2022-27: Land Banking (\$9.6m)
- 2022: Community Facilities Improvements (\$1.0m)  
*New program in 2022 to support smaller capital projects proposed by non-profits community partners to meet facility needs that serve or benefit specific neighborhoods or populations.*

## MORE INFORMATION

The full Executive Capital Budget and CIP are available online at <https://www.cityofmadison.com/finance/budget>.

The 2022 budget page will be updated regularly to show each phase of the budget. Currently, you can find detailed proposals submitted by each agency and a copy of the Executive Budget. In addition, you can find a link to the Story Map, which geographically displays capital projects throughout the City. All projects with a geospatial component will be included in this map, and the underlying data will be available on the [Open Data portal](#).

In September, the website will be updated with Capital Budget amendments from the Finance Committee. In October, the website will be updated with the Executive Operating Budget and Operating Budget Amendments. The final adopted budget will be published in November.