

Economic DevelopmentFunction: **Planning & Development***Budget Overview*

Agency Budget by Fund

	2019 Actual	2020 Adopted	2020 Actual	2021 Adopted	2022 C2C	2022 Request
General	1,692,343	2,006,377	1,667,823	2,178,957	2,213,406	2,213,405
Other Grants	46,994	-	69,194	-	-	-
TOTAL	\$ 1,739,337	\$ 2,006,377	\$ 1,737,018	\$ 2,178,957	\$ 2,213,406	\$ 2,213,405

Agency Budget by Service

	2019 Actual	2020 Adopted	2020 Actual	2021 Adopted	2022 C2C	2022 Request
Office of Business Resources	861,124	891,696	835,400	912,305	869,119	860,091
Office of Real Estate Services	878,213	1,114,681	899,982	1,003,973	1,070,834	1,058,777
Food Policy & Programming	-	-	1,635	262,679	273,453	294,537
TOTAL	\$ 1,739,337	\$ 2,006,377	\$ 1,737,018	\$ 2,178,957	\$ 2,213,406	\$ 2,213,405

Agency Budget by Major-Revenue

	2019 Actual	2020 Adopted	2020 Actual	2021 Adopted	2022 C2C	2022 Request
Transfer In	-	-	(76,858)	-	-	-
TOTAL	\$ -	\$ -	\$ (76,858)	\$ -	\$ -	\$ -

Agency Budget by Major-Expenses

	2019 Actual	2020 Adopted	2020 Actual	2021 Adopted	2022 C2C	2022 Request
Salaries	1,197,073	1,399,314	1,153,156	1,386,396	1,476,502	1,476,501
Benefits	318,434	357,093	335,203	430,876	419,500	419,500
Supplies	10,325	18,842	14,588	12,025	18,025	18,025
Purchased Services	155,600	168,258	248,059	289,056	238,775	238,775
Inter Depart Charges	62,130	62,870	62,870	60,604	60,604	60,604
Inter Depart Billing	(4,224)	-	-	-	-	-
TOTAL	\$ 1,739,337	\$ 2,006,377	\$ 1,813,876	\$ 2,178,957	\$ 2,213,406	\$ 2,213,405



Department of Planning & Community & Economic Development

Economic Development Division

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Office of Business Resources
Office of Real Estate Services

To: Dave Schmiedicke, Finance Director

From: Matthew B. Mikolajewski

Date: July 7, 2021

Subject: 2022 Operating Budget Transmittal Memo

Major Goals

The Economic Development Division includes two offices: Office of Business Resources and Office of Real Estate Services. An additional Food Policy & Programming service is housed within the Office of Business Resources. Our key priorities for 2022 within each of the services include the following:

Office of Business Resources (OBR), including Food Policy & Programming

- Continue to develop and deliver the Small Business Equity and Recovery (SBER) program.
- Support Downtown Madison economic development initiatives, including the new Madison Pop Up Shop Program and Retail Building Improvement Grant Program.
- Utilize existing City economic development programs, including the Healthy Retail Access Program and Cooperative Enterprise Development Fund, to support sustained recovery in the business community.
- Manage the street vending, Streatery, and sidewalk café programs.
- Begin construction of the Madison Public Market.
- Provide timely responses to all business and developer inquiries.

Office of Real Estate Services (ORES)

- Land bank key properties to support equitable and sustainable growth in the City, especially within South Madison.
- Assist Community Development Division with homeless housing projects.
- Complete real estate work related to the BRT project.
- Manage over 500 real estate projects, including property acquisitions, easements, encroachment agreements, and leases.
- Support the sale of City-owned property within the Center for Industry & Commerce and Southeast Madison Business Park.
- Maintain City-owned real estate holdings.

- Implement the City's TIF Program, to likely include underwriting TIF projects and creating new TIF Districts.

COVID Recovery

2022 will see a continuation of COVID business recovery initiatives. Through Federal ARPA funding and existing City funding, the Economic Development Division will implement new programs targeted at assisting neighborhood business districts throughout the community with pandemic recovery. The Division will also continue the "build back to better theme" of the current year by using the Small Business Equity & Recovery (SBER) Program to better assist entrepreneurs that are historically disadvantaged. Finally, the Division is hopeful that 2022 will see the return of more normal business expansion projects critical to the health of our economic base.

2022 Request & Equity

The COVID-19 pandemic has disproportionately impacted small-businesses, particularly those owned by people of color. These businesses had fewer resources than large corporations to quickly respond to consumer demands for contactless services and online purchasing. Additionally, small businesses may not have the expertise or connections to take advantage of federal or state recovery programs. The Small Business Equity and Recovery Program (SBER) has been a major realignment and investment in these historically disadvantaged local businesses and entrepreneurs. This work will continue into 2022.

We will also continue existing programs in place before COVID-19 that already had an equity focus, including the Business Cooperative Enterprise Program and Healthy Retail Access Program. We will also examine other existing City business development initiatives, such as our Tax Increment Finance (TIF) program, to identify new opportunities to provide improved family-supporting employment opportunities within communities of color.

2022 Request & Sustainability

The Madison region has thousands of acres of farmland and open space available for development. Even if development slowed or stopped within the City of Madison, there is more than enough space to accommodate growing businesses and residential development within the suburban communities that surround us. This development in outlying areas may; however, increase use of single-occupancy vehicles, have detrimental impacts on the region's stormwater management system, and generally increase the carbon footprint of the region's residents and employees. This runs contrary to the environmental sustainability goals of the City.

Economic Development Division staff spend almost all of their time supporting the creation, retention, and expansion of businesses within the City of Madison, completing the real estate work needed to support private residential and commercial development, and managing real estate activities needed for public infrastructure projects that in turn support private development within the community. The overarching goal of these efforts is to insure that as much of our region's development occurs within the City of Madison itself. We provide the best alternatives to single-occupancy vehicle use, we have some of the strongest stormwater standards in the region, and we provide some of the densest housing and employment spaces available. The City's sustainability goals are best served by promoting quality development within the central City of our region and our EDD staff help to facilitate that growth every day.

Major Changes in 2022 Operating Request

Our base 2022 operating request is nearly identical to our adopted 2021 Operating Budget.

Summary of Reductions

We propose to meet a 5% Operating Budget reduction (approximately \$110,000) through the following cuts, listed in priority from most acceptable to least acceptable:

1. Automatically bill 10% of the Economic Development Division Director's salary to the City's TIF Districts. I already spend about 10% of my time on TIF-related work; these is a relatively easy change to make. A Position Allocation Change Worksheet is included.
2. Reduce the Madison Food Policy Council budget by \$7,000. The Madison Food Policy Council has historically only used about \$3,000 of its \$10,000 budget; this would place the budget within alignment to what is generally spent.
3. Reduce the annual MadREP budget by \$10,000 to an annual contribution of \$20,000. This is in alignment with what had been the City's level of support for MadREP up until a few years ago. Given our need to reduce our own budget, this seemed like an appropriate cut.
4. Continue to hold-open the vacant Real Estate Specialist position that was already held open in 2021. This appears last on the list because it is the most impactful. The Office of Real Estate Services is facing a growing number of requests for significant projects, along with day-to-day work. The amount of work that the Office can complete will continue to be limited by the number of staff; holding open this position for another year will mean that we will need to delay or turn away some work.

Optional Supplemental Request

For our supplemental request, we propose splitting the existing Office of Real Estate Services (ORES) into two offices: Real Estate Services and Real Estate Development. Funding would be used to create a new Manager position to manage the second office. Existing ORES staff would be split between the two offices. Annual salary and benefits for this new manager would start at approximately \$112,000. A portion of this could be billed to capital projects and TIDs, with the balance supported by the General Fund.

Policy makers continue to place growing demands on the Office of Real Estate Services to complete City-led real estate development projects. As it stands today, ORES is a large office with two distinct sets of programs/projects: real estate development and real estate acquisition/management. It will become increasingly difficult for a single manager to manage the growing number of time sensitive projects, alongside the need to manage the Office's staff.

*c.c. Deputy Mayors
Budget & Program Evaluation Staff
Saran Ouk, Office of Business Resources Manager
Andrea Freedman, EDD Accounting Technician*

2022 Operating Budget

Service Budget Proposal

IDENTIFYING INFORMATION

SELECT YOUR AGENCY:

Economic Development Division

SELECT YOUR AGENCY'S SERVICE:

Food Policy & Programming

SERVICE NUMBER:

634

SERVICE DESCRIPTION:

This service oversees food policy and programming for the City, including the Summer Meals program, Community Gardens Partnership, the Madison Food Policy Council, MadMarket, and the SEED Grants. The goal of the service is to improve food access and the food system in the City.

Part 1: Base Budget Proposal

BUDGET INFORMATION

	2019 Actual	2020 Adopted	2020 Actual	2021 Adopted	2022 C2C	2022 Request
<i>Budget by Fund</i>						
General-Net	\$0	\$0	\$1,635	\$262,679	\$273,453	\$294,537
Other-Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total</i>	\$0	\$0	\$1,635	\$262,679	\$273,453	\$294,537
<i>Budget by Major</i>						
Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Personnel	\$0	\$0	\$1,570	\$115,179	\$119,953	\$141,037
Non-Personnel	\$0	\$0	\$66	\$147,500	\$153,500	\$153,500
Agency Billings	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total</i>	\$0	\$0	\$1,636	\$262,679	\$273,453	\$294,537
FTEs		0.00		1.00	1.00	1.23

PRIORITY

Citywide Element Healthy and Safe

Describe how this service advances the Citywide Element:

Food plays a central role in the health of Madison's residents. Unfortunately, many residents lack access to nutritious food options. The programs housed within this service attempt to reduce these barriers.

ACTIVITIES PERFORMED BY THIS SERVICE

Activity	% of Effort	Description
Food Policy & Programming	100	Position manages several food related projects and programs.

Insert item

SERVICE BUDGET CHANGES

Service Impact

What is the proposed change to the service's budget from cost to continue to agency request?

0

What are the service level impacts of the proposed funding changes?

No changes are proposed in the 2022 budget request.

Personnel-Permanent Positions

Are you proposing an allocation change to the FTEs for this service? No

Type	Fund	Amount	Description
Perm Wages	<input type="text"/>	<input type="text"/>	<input type="text"/>
Benefits	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total		\$0	

Explain the assumptions behind the allocation change.

What is the justification behind the allocation change?

Personnel-Other Personnel Spending

Are you requesting additional personnel spending for non-annualized pay?

Type	Fund	Amount	Description
Overtime	<input type="text"/>	<input type="text"/>	<input type="text"/>
Premium Pay	<input type="text"/>	<input type="text"/>	<input type="text"/>
Hourly	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total		\$0	

Explain the assumptions behind the requested funding.

What is the justification behind the increased funding?

Revenue

Are you proposing a change to the service's budgeted revenue?

Are you proposing an increase or a decrease to the budgeted revenue?

Fund	Major	Amount	Description
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Insert item

Explain the assumptions behind the change to budgeted revenue.

What is the justification behind the proposed change?

Non-Personnel

Are you requesting additional non-personnel funding for this service?

Fund	Major	Amount	Description
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Insert item

Explain the assumptions behind the requested funding.

What is the justification behind the increased funding?

Part 2: Racial Equity and Social Justice

We are continuing our efforts to articulate and prioritize racial equity and social justice in the City's budget and operations. Please respond to the

following questions and incorporate these responses into your budget narrative to ensure racial equity is included in decision-making.

1. Describe how Black, Indigenous, and People of Color (BIPOC), people living with lower incomes, and people who are otherwise marginalized (because of gender, age, home language, etc.) would be affected by the proposed budget or budget change(s)? Please consider the following to answer this question:

Please see answers below.

- a. Describe who directly benefits, who indirectly benefits, and who does not benefit from the proposed budget or budget change from 2021. Are there any opportunities in this budget to address gaps, remove barriers, or more equitably distribute services? Low income households generally have reduced access to quality food options and the marginalized populations noted above have a greater likelihood of being low income within the Madison community. The programs housed under this service directly attempt to address the gaps, barriers, and distribution of healthy food options within the community.
- b. What information or data do you have about how this service is accessed by or affects BIPOC populations, people living with lower incomes, and people who are otherwise marginalized (because of disability, age, gender, etc.)? Have you asked for their perspectives directly and, if so, how have you incorporated their feedback? Some data is available regarding the use of these funds. Yes, feedback is provided and incorporated into program designs.
- c. List any community partners and other City agencies who are affected by, care about, or already working on issues related to this service. Have you asked for their perspectives directly and, if so, how have you incorporated their feedback? The Madison Food Policy Council, Public Health, MMSD, REAP, and Rooted are a few of the organizations that we work with. Their feedback is regularly requested and incorporated into program guidelines.
- d. Does the proposed budget, or budget change from 2021, potentially harm specific populations or communities? Consider that not changing a budget item might also be considered an "action" and could affect populations differently. The need for better food access is greater than what these programs are able to support. While this budget does not directly harm the individuals noted above; it should be recognized that it does not entirely solve the problems that exist in the community.
- e. How will you continue to communicate with your stakeholders (from 1b and 1c above) in this process? Continued phone calls, emails, and meetings.

2. Is the proposed budget or budget change related to a recommendation from any of the City's teams or initiatives that connect community need with opportunities to advance racial equity, inclusion, and social justice (e.g., NRTs, RESJI, LCET, MAC, WIC, Equitable Workforce Plans)?

Yes No

If so, please identify the respective group and recommendation.

Part 3: Proposed Budget Reduction

What is 5% of the agency's net budget? \$110,670.3

What is the proposed reduction to this service's budget? \$7,000

Explain how you would change the activities and the level of service as a result of implementing the funding decrease to this service. List changes by service activity identified above. Add a separate line for each reduction.

Activity	\$Amount	Description
Food Policy & Programming	7,000	Reduce Madison Food Policy Council support from \$10K to \$3K.
<input type="checkbox"/> Insert item		
Total	\$7,000	

Explain the changes by major expenditure category that your agency would implement as a result of the funding decrease to this service.

Name	\$ Amount	Description
Personnel	\$0	
Non-Personnel	\$7,000	

		Reduce Madison Food Policy Council support from \$10K to \$3K.
Agency Billings	\$0	
Total	\$7,000	

Is the City mandated to perform the activities of this service? If so, explain the mandate and mandated service level. If not, are there other local organizations also involved in performing these activities.

The City is not mandated to provide the Madison Food Policy Council with its own budget.

Has this reduction been proposed in prior years?

No ▼

Does the proposed reduction result in eliminating permanent positions?

No ▼

If yes, what is the decrease
in FTEs:

Does the proposed reduction impact other agencies (i.e. Fleet Services)?

No ▼

If yes, which agencies:

Describe why the proposed reduction was chosen.

The Madison Food Policy Council has historically only used about \$3,000 of its budget to compensate community gardens for City fees. Given that this budget has not been fully utilized in recent years, and given that most City committees do not have their own budget, we are proposing this cut as part of our 5% reduction.

Explain the impacts of the proposed reduction on the end user of the service. Summarize these impacts in the context of the questions asked in Part 2 of this form. How can impacts of this reduction be mitigated?

The \$3,000 remaining in the budget will still be used by community gardeners, suggesting minimal impacts on the end user.

Section 4: Optional Supplemental Request

NOTE: Agencies may submit one supplemental request in their 2022 budget request. Please include the request in the most relevant service. If multiple supplemental requests are submitted, agencies will be required to choose one to be presented for consideration for the Executive Budget. Requests should only be submitted if agencies identify a critical need. Agencies should first consider reallocating base resources within and among services before proposing budget increases. Agencies should not include Town of Madison requests in this section.

What is the proposed funding increase? Explain how you would change the activities and the level of service as a result of implementing the funding increase to this service. List changes by service activity identified above.

Activity	\$Amount	Description

Insert item

Total	0	
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Explain the changes by major expenditure category that your agency would implement as a result of the funding increase to this service.

Name	\$Amount	Description
Personnel		
Non-Personnel		
Agency Billings		
Total	0	

How will this increase be funded (e.g., General Fund, Library Fund, Capital Fund, Enterprise Fund, Grant Fund, etc.)? Please list the most applicable funding source(s). Follow up with your budget analyst if you are uncertain.

What are the implications of this service increase over the next five years? Identify if this increase is ongoing and if additional increases to funding or personnel would be needed to support this increase.

Does the proposed increase affect workload for any administrative or internal service agencies (e.g., IT, Finance, HR, Fleet)?

 

If yes, which agencies?

Describe why the proposed increase is critical.

2022 Operating Budget

Service Budget Proposal

IDENTIFYING INFORMATION

SELECT YOUR AGENCY:

Economic Development Division ▼

SELECT YOUR AGENCY'S SERVICE:

Office of Business Resources ▼

SERVICE NUMBER:

632

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. This service also 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. The goal of this service is to be a point of contact for all businesses, assist in economic development programs and initiatives, and to grow the local economy.

Part 1: Base Budget Proposal

BUDGET INFORMATION

	2019 Actual	2020 Adopted	2020 Actual	2021 Adopted	2022 C2C	2022 Request
<i>Budget by Fund</i>						
General-Net	\$814,130	\$891,696	\$766,206	\$912,305	\$869,119	\$860,091
Other-Expenditures	\$46,994	\$0	\$69,194	\$0	\$0	
Total	\$861,124	\$891,696	\$835,400	\$912,305	\$869,119	\$860,091
<i>Budget by Major</i>						
Revenue	\$0	\$0	(\$108)	\$0	\$0	
Personnel	\$708,492	\$726,600	\$590,510	\$767,366	\$774,245	\$765,217
Non-Personnel	\$128,258	\$140,722	\$220,625	\$120,565	\$70,500	\$70,500
Agency Billings	\$24,374	\$24,374	\$24,374	\$24,374	\$24,374	\$24,374
Total	\$861,124	\$891,696	\$835,401	\$912,305	\$869,119	\$860,091
FTEs		7.10		6.80	6.80	6.72

PRIORITY

Citywide Element Economy and Opportunity ▼

Describe how this service advances the Citywide Element:

The Economy and Opportunity Element of the Comprehensive Plan includes strategies such as: supporting small business and entrepreneurship, retaining and attracting employers, and supporting jobs that pay a family-supporting living wage. These strategies are core to the work of the Office of Business Resources.

ACTIVITIES PERFORMED BY THIS SERVICE

Activity	% of Effort	Description
Economic Development Assistance (6321)	80	Direct work with entrepreneurs and businesses interested in investing in Madison, as well as managing economic development programs and projects.
Vending (6320)	20	Management of the City's Street Vending and Sidewalk Cafe Programs.

Insert item

SERVICE BUDGET CHANGES

Service Impact

What is the proposed change to the service's budget from cost to continue to agency request? 0

What are the service level impacts of the proposed funding changes?

The overall Economic Development Division budget remains consistent with the cost to continue.

Personnel-Permanent Positions

Are you proposing an allocation change to the FTEs for this service?

Type	Fund	Amount	Description
Perm Wages	<input type="text"/>	<input type="text"/>	<input type="text"/>
Benefits	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total		<input type="text" value="\$0"/>	

Explain the assumptions behind the allocation change.

What is the justification behind the allocation change?

Personnel-Other Personnel Spending

Are you requesting additional personnel spending for non-annualized pay?

Type	Fund	Amount	Description
Overtime	<input type="text"/>	<input type="text"/>	<input type="text"/>
Premium Pay	<input type="text"/>	<input type="text"/>	<input type="text"/>
Hourly	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total		<input type="text" value="\$0"/>	

Explain the assumptions behind the requested funding.

What is the justification behind the increased funding?

Revenue

Are you proposing a change to the service's budgeted revenue?

Are you proposing an increase or a decrease to the budgeted revenue?

Fund	Major	Amount	Description
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Insert item

Explain the assumptions behind the change to budgeted revenue.

What is the justification behind the proposed change?

Non-Personnel

Are you requesting additional non-personnel funding for this service?

Fund	Major	Amount	Description
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Insert item

Explain the assumptions behind the requested funding.

What is the justification behind the increased funding?

Part 2: Racial Equity and Social Justice

We are continuing our efforts to articulate and prioritize racial equity and social justice in the City's budget and operations. Please respond to the following questions and incorporate these responses into your budget narrative to ensure racial equity is included in decision-making.

1. Describe how Black, Indigenous, and People of Color (BIPOC), people living with lower incomes, and people who are otherwise marginalized (because of gender, age, home language, etc.) would be affected by the proposed budget or budget change(s)? Please consider the following to answer this question:

Please see answers below.

a. Describe who directly benefits, who indirectly benefits, and who does not benefit from the proposed budget or budget change from 2021. Are there any opportunities in this budget to address gaps, remove barriers, or more equitably distribute services?

The work of the Office is split between assisting new entrepreneurs and established businesses. Many of the entrepreneurs served by the Office are the historically marginalized individuals noted above; these individuals directly benefit from the work of this Office. Further, the established businesses that this Office works with often employ these individuals; once again providing a direct benefit. Through the SBER program (Capital Budget) and ARPA funding, we are experimenting with different ways to address these gaps, remove barriers, and better distribute services.

b. What information or data do you have about how this service is accessed by or affects BIPOC populations, people living with lower incomes, and people who are otherwise marginalized (because of disability, age, gender, etc.)? Have you asked for their perspectives directly and, if so, how have you incorporated their feedback?

We maintain some data about who the Office works with to the extent that individuals want to provide us with this data and that it is appropriate to request the information. We do ask for, and incorporate, feedback into our work.

c. List any community partners and other City agencies who are affected by, care about, or already working on issues related to this service. Have you asked for their perspectives directly and, if so, how have you incorporated their feedback?

We ask community partners and other agencies for their perspectives and we incorporate that feedback into our work. Internally, this includes the Business Assistance Team, EDC, and VOC. Externally, it includes the Black Chamber, Latino Chamber, Greater Madison Chamber, DMI, Downtown BID, and neighborhood business district organizations to name a few.

d. Does the proposed budget, or budget change from 2021, potentially harm specific populations or communities? Consider that not changing a budget item might also be considered an "action" and could affect populations differently.

It does not.

e. How will you continue to communicate with your stakeholders (from 1b and 1c above) in this process?

Ongoing phone calls, emails, and meetings; with more in-person opportunities post-COVID.

2. Is the proposed budget or budget change related to a recommendation from any of the City's teams or initiatives that connect community need with opportunities to advance racial equity, inclusion, and social justice (e.g., NRTs, RESJI, LCET, MAC, WIC, Equitable Workforce Plans)?

Yes No

If so, please identify the respective group and recommendation.

Part 3: Proposed Budget Reduction

What is 5% of the agency's net budget?

\$110,670.3

What is the proposed reduction to this service's budget?

\$10,000

Explain how you would change the activities and the level of service as a result of implementing the funding decrease to this service. List changes by service activity identified above. Add a separate line for each reduction.

Activity	\$Amount	Description
Economic Development Assistance (6321)	10,000	Reduce MadREP contribution from \$30K to \$20K in 2022 to align with EDDs original commitment to MadRep.

Insert item

Total	\$10,000	
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Explain the changes by major expenditure category that your agency would implement as a result of the funding decrease to this service.

Name	\$ Amount	Description
Personnel	\$0	
Non-Personnel	\$10,000	The MadREP contribution has been reduced from \$50K to \$30K in 2021 and to \$20K in 2022 to better align with the City's original commitment to the organization.
Agency Billings		
Total	\$10,000	

Is the City mandated to perform the activities of this service? If so, explain the mandate and mandated service level. If not, are there other local organizations also involved in performing these activities.

While not mandated, the City has made contributions to MadREP for many years and MadREP remains an important economic development partner of the City.

Has this reduction been proposed in prior years? No

Does the proposed reduction result in eliminating permanent positions? No

If yes, what is the decrease in FTEs:

Does the proposed reduction impact other agencies (i.e. Fleet Services)? No

If yes, which agencies:

Describe why the proposed reduction was chosen.

The City had historically funded MadREP at \$17,000 per year and given that our contribution is a large portion of the OBR non-personnel budget authority, it seemed appropriate to include in our 5% reduction scenario.

Explain the impacts of the proposed reduction on the end user of the service. Summarize these impacts in the context of the questions asked in Part 2 of this form. How can impacts of this reduction be mitigated?

Section 4: Optional Supplemental Request

NOTE: Agencies may submit one supplemental request in their 2022 budget request. Please include the request in the most relevant service. If multiple supplemental requests are submitted, agencies will be required to choose one to be presented for consideration for the Executive Budget. Requests should only be submitted if agencies identify a critical need. Agencies should first consider reallocating base resources within and among services before proposing budget increases. Agencies should not include Town of Madison requests in this section.

What is the proposed funding increase? Explain how you would change the activities and the level of service as a result of implementing the funding increase to this service. List changes by service activity identified above.

Activity	\$Amount	Description
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Activity	\$Amount	Description

Insert item

Total	0	
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Explain the changes by major expenditure category that your agency would implement as a result of the funding increase to this service.

Name	\$Amount	Description
Personnel		
Non-Personnel		
Agency Billings		
Total	0	

How will this increase be funded (e.g., General Fund, Library Fund, Capital Fund, Enterprise Fund, Grant Fund, etc.)? Please list the most applicable funding source(s). Follow up with your budget analyst if you are uncertain.

What are the implications of this service increase over the next five years? Identify if this increase is ongoing and if additional increases to funding or personnel would be needed to support this increase.

Does the proposed increase affect workload for any administrative or internal service agencies (e.g., IT, Finance, HR, Fleet)?

If yes, which agencies?

Describe why the proposed increase is critical.

2022 Operating Budget

Service Budget Proposal

IDENTIFYING INFORMATION

SELECT YOUR AGENCY:

Economic Development Division

SELECT YOUR AGENCY'S SERVICE:

Office of Real Estate Services

SERVICE NUMBER:

633

SERVICE DESCRIPTION:

This service acquires all real estate needed by City agencies, including real estate for road construction projects. This service also leases property needed for City services, provides relocation assistance to individuals and businesses displaced by acquisitions, manages private use of public property (often street right of way) through leases, easements, and encroachment agreements, maintains and sells property within City business parks, manages and sells surplus City property, and administers the City's Tax Increment Financing (TIF) program. The goals of this service are transparent and efficient acquisition and management of property for City purposes, maximizing return on investment of public dollars (e.g., tax base, jobs, and infrastructure), and balancing the needs and wants of businesses, developers, residents, and policy makers.

Part 1: Base Budget Proposal

BUDGET INFORMATION

	2019 Actual	2020 Adopted	2020 Actual	2021 Adopted	2022 C2C	2022 Request
<i>Budget by Fund</i>						
General-Net	\$878,213	\$1,114,681	\$899,982	\$1,003,973	\$1,070,834	\$1,058,777
Other-Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
<i>Total</i>	<i>\$878,213</i>	<i>\$1,114,681</i>	<i>\$899,982</i>	<i>\$1,003,973</i>	<i>\$1,070,834</i>	<i>\$1,058,777</i>
<i>Budget by Major</i>						
Revenue	\$0	\$0	(\$76,750)	\$0	\$0	\$0
Personnel	\$807,015	\$1,029,807	\$896,280	\$934,727	\$1,001,804	\$989,747
Non-Personnel	\$37,667	\$46,378	\$41,957	\$33,016	\$32,800	\$32,800
Agency Billings	\$33,532	\$38,496	\$38,496	\$36,230	\$36,230	\$36,230
<i>Total</i>	<i>\$878,214</i>	<i>\$1,114,681</i>	<i>\$899,983</i>	<i>\$1,003,973</i>	<i>\$1,070,834</i>	<i>\$1,058,777</i>
FTEs		9.88		9.48	9.65	9.50

PRIORITY

Citywide Element

Economy and Opportunity

Describe how this service advances the Citywide Element:

The Economy and Opportunity Element of the Comprehensive Plan includes strategies such as: supporting small businesses and entrepreneurship, retaining and attracting employers, and insuring an adequate supply of sites for a wide variety of employers to operate and grow. These strategies are core to the work of the Office of Real Estate Services.

ACTIVITIES PERFORMED BY THIS SERVICE

Activity	% of Effort	Description
Acquisitions/Disposals	100	This activity includes all real estate functions of the City as well as management of Tax Increment Finance (TIF).

Insert item

SERVICE BUDGET CHANGES

Service Impact

What is the proposed change to the service's budget from cost to continue to agency request?

0

What are the service level impacts of the proposed funding changes?

The overall Economic Development Division budget remains consistent with the cost to continue.

Personnel-Permanent Positions

Are you proposing an allocation change to the FTEs for this service?

Type	Fund	Amount	Description
Perm Wages	<input type="text"/>	<input type="text"/>	<input type="text"/>
Benefits	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total		\$0	

Explain the assumptions behind the allocation change.

What is the justification behind the allocation change?

Personnel-Other Personnel Spending

Are you requesting additional personnel spending for non-annualized pay?

Type	Fund	Amount	Description
Overtime	<input type="text"/>	<input type="text"/>	<input type="text"/>
Premium Pay	<input type="text"/>	<input type="text"/>	<input type="text"/>
Hourly	<input type="text"/>	<input type="text"/>	<input type="text"/>
Total		\$0	

Explain the assumptions behind the requested funding.

What is the justification behind the increased funding?

Revenue

Are you proposing a change to the service's budgeted revenue?

Are you proposing an increase or a decrease to the budgeted revenue?

Fund	Major	Amount	Description
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Insert item

Explain the assumptions behind the change to budgeted revenue.

What is the justification behind the proposed change?

Non-Personnel

Are you requesting additional non-personnel funding for this service?

Fund	Major	Amount	Description
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Insert item

Explain the assumptions behind the requested funding.

What is the justification behind the increased funding?

Part 2: Racial Equity and Social Justice

We are continuing our efforts to articulate and prioritize racial equity and social justice in the City's budget and operations. Please respond to the following questions and incorporate these responses into your budget narrative to ensure racial equity is included in decision-making.

1. Describe how Black, Indigenous, and People of Color (BIPOC), people living with lower incomes, and people who are otherwise marginalized (because of gender, age, home language, etc.) would be affected by the proposed budget or budget change(s)? Please consider the following to answer this question:

Please see answers to questions below.

- a. Describe who directly benefits, who indirectly benefits, and who does not benefit from the proposed budget or budget change from 2021. Are there any opportunities in this budget to address gaps, remove barriers, or more equitably distribute services? The majority of the work completed by this Office is necessary to complete public infrastructure projects, provide public services (such as library leases), or to support private development. Who benefits vs. does not benefit depends on the project; however, many of the infrastructure and public service projects can address gaps, remove barriers, and more equitably distribute services.
- b. What information or data do you have about how this service is accessed by or affects BIPOC populations, people living with lower incomes, and people who are otherwise marginalized (because of disability, age, gender, etc.)? Have you asked for their perspectives directly and, if so, how have you incorporated their feedback? This Office is generally a service agency; supporting other City agencies or private development projects. As such, this Office will generally not maintain data regarding people that are impacted by its work.
- c. List any community partners and other City agencies who are affected by, care about, or already working on issues related to this service. Have you asked for their perspectives directly and, if so, how have you incorporated their feedback? Almost all City agencies occasionally rely on the work of this Office. Community partners include private developers, businesses, neighborhood associations, and utility companies. We do ask for and incorporate feedback received.
- d. Does the proposed budget, or budget change from 2021, potentially harm specific populations or communities? Consider that not changing a budget item might also be considered an "action" and could affect populations differently. It does not.
- e. How will you continue to communicate with your stakeholders (from 1b and 1c above) in this process? We are in regular communication with the stakeholders noted above via phone calls, email, and meetings; we will continue this communication.

2. Is the proposed budget or budget change related to a recommendation from any of the City's teams or initiatives that connect community need with opportunities to advance racial equity, inclusion, and social justice (e.g., NRTs, RESJI, LCET, MAC, WIC, Equitable Workforce Plans)?

Yes No

If so, please identify the respective group and recommendation.

Part 3: Proposed Budget Reduction

What is 5% of the agency's net budget?

\$110,670.3

What is the proposed reduction to this service's budget?

\$94,270

Explain how you would change the activities and the level of service as a result of implementing the funding decrease to this service. List changes by service activity identified above. Add a separate line for each reduction.

Activity	\$Amount	Description
Acquisitions / Disposals	80,770	Hold open the currently vacant Real Estate Specialist position for all of 2022.
		\$62,841 billed to gen fund + \$17,929 benefits (does not include portion of salary billed to capital budget)

Activity	\$Amount	Description
Acquisitions / Disposals	13,500	The Director spends approximately 10% of his time each week working on TID related projects and with TID staff. By allocating time to the TIDs, rather than direct billing we can be more consistent with this expenditure .
Total		\$94,270

Explain the changes by major expenditure category that your agency would implement as a result of the funding decrease to this service.

Name	\$ Amount	Description
Personnel	\$94,270	Hold open Real Estate Specialist 3 position (0695, Job Class H340 ORG/OBJ 63330-51110-00000, allocation 63XXX) for all of 2022. Bill 10% of Director's time to TIDs.
Non-Personnel		
Agency Billings	\$0	
Total	\$94,270	

Is the City mandated to perform the activities of this service? If so, explain the mandate and mandated service level. If not, are there other local organizations also involved in performing these activities.

The City is not mandated to fill the vacant Real Estate Specialist position or provide training to employees at the current budgeted rate; however, both reduction proposals could negatively impact efficiencies and the ability to retain employees over time.

Has this reduction been proposed in prior years?

Yes ▼

Does the proposed reduction result in eliminating permanent positions?

No ▼

If yes, what is the decrease in FTEs:

Does the proposed reduction impact other agencies (i.e. Fleet Services)?

Yes ▼

If yes, which agencies:

The ability for timely response to partner agencies (nearly all city agencies) as well as external customers will be dimi

Describe why the proposed reduction was chosen.

With a relatively small non-personnel budget, and with a desire to not lay-off existing staff, holding open this vacant position is the only opportunity to meet a 5% reduction. Billing a portion of the Director's salary to TIDs will have no service impacts.

Explain the impacts of the proposed reduction on the end user of the service. Summarize these impacts in the context of the questions asked in Part 2 of this form. How can impacts of this reduction be mitigated?

Keeping open the vacant Real Estate Specialist position will likely reduce the efficiency of the Office's work, which could negatively impact end users by delaying the completion of work. Billing a portion of the Director's salary to TIDs will have no service impact.

Section 4: Optional Supplemental Request

NOTE: Agencies may submit one supplemental request in their 2022 budget request. Please include the request in the most relevant service. If multiple supplemental requests are submitted, agencies will be required to choose one to be presented for consideration for the Executive Budget. Requests should only be submitted if agencies identify a critical need. Agencies should first consider reallocating base resources within and among services before proposing budget increases. Agencies should not include Town of Madison requests in this section.

What is the proposed funding increase? Explain how you would change the activities and the level of service as a result of implementing the funding increase to this service. List changes by service activity identified above.

Activity	\$Amount	Description
Creating a second real estate manager position.	122664	This proposal would split the existing Office of Real Estate Services (ORES) into two offices: Real Estate Services and Real Estate Development. Funding would be used to create a new Manager position to manage the second office. Existing ORES staff would be split between the two offices.
Total		

122,664

Explain the changes by major expenditure category that your agency would implement as a result of the funding increase to this service.

Name	\$Amount	Description
Personnel	112,664	Creating a second real estate manager position.
Non-Personnel	10,000	Convert conference room to office; furniture & equipment, misc.
Agency Billings		
Total	122,664	

How will this increase be funded (e.g., General Fund, Library Fund, Capital Fund, Enterprise Fund, Grant Fund, etc.)? Please list the most applicable funding source(s). Follow up with your budget analyst if you are uncertain.

A large portion of this position could be funded by billing to TIDs and/or capital projects. The balance would need to be funded via the General Fund.

What are the implications of this service increase over the next five years? Identify if this increase is ongoing and if additional increases to funding or personnel would be needed to support this increase.

The salary and benefits increase would be ongoing. The \$10,000 of Non-Personnel costs would be in a single year. With the exception of a modest increase for office supplies, training/travel, etc., there would not be a need for other increases in funding to support this new position.

Does the proposed increase affect workload for any administrative or internal service agencies (e.g., IT, Finance, HR, Fleet)?

If yes, which agencies?

Describe why the proposed increase is critical.

Policy makers continue to place growing demands on the Office of Real Estate Services to complete City-led real estate development projects. As it stands today, ORES is a large office with two distinct sets of programs/projects: real estate development and real estate acquisition/management. It will become increasingly difficult for a single manager to manage the growing number of time sensitive projects, alongside the need to manage the Office's staff.

Submit