

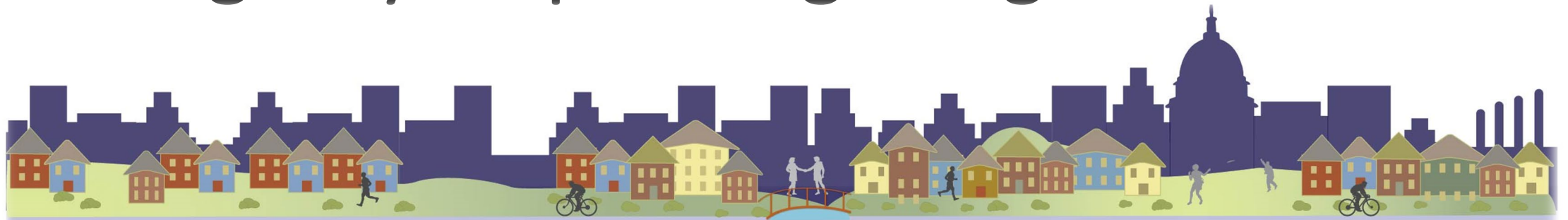
OUR CITY OF MADISON



Economic Development Division Budget Overview

Matt Mikolajewski, Economic Development Director

Our Agency's Operating Budget Overview



People - Places - Possibilities

CITY OF MADISON

ECONOMIC DEVELOPMENT DIVISION'S Operating Budget

As of January 2023, the Economic Development Division maintains a \$2,324,802 operating budget across three budgeted services:

Service	Operating Budget
FOOD POLICY & PROGRAMMING	\$330,234
OFFICE OF BUSINESS RESOURCES	\$961,152
OFFICE OF REAL ESTATE SERVICES	\$1,033,416
TOTAL	\$2,324,802

FOOD POLICY & PROGRAMMING

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Health &
Safety

2023 Total Operating Budget

\$330,234

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.

OFFICE OF BUSINESS RESOURCES

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2023 Total Operating Budget

\$961,152

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 grow the local economy.

OFFICE OF REAL ESTATE SERVICES

2023 Total Operating Budget

\$1,033,416

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.

Operating Budget by Fund

EDD is a general fund agency. This means our operations are primarily funded by City levy.

Fund	2023 Adopted Budget
General Fund	\$2,324,802
TOTAL	\$2,324,802

Our Agency's Capital Budget Overview



People - Places - Possibilities

CITY OF MADISON

ECONOMIC DEVELOPMENT DIVISION'S Capital Budget

Economic Development Division

Capital Improvement Plan

Project Summary: Adopted

	2023
ACRE Program	300,000
Center for Industry and Commerce	40,000
General Land Acquisition Fund	60,000
Healthy Retail Access Program	250,000
Land Banking	1,000,000
Public Market	4,500,000
Small Business Equity and Recovery	2,000,000
TID 36 Capitol Gateway Corridor	100,000
TID 39 Stoughton Road	30,000
TID 42 Wingra	100,000
TID 50 State Street	800,000
TID 51 South Madison	3,000,000
TID 52 E Washington Stoughton Rd	2,350,000
Truman Olson Grocery Development	3,500,000
	<hr/>
	\$ 18,030,000

ACRE PROGRAM

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2023 Project Capital Budget

\$300,000

Project	ACRE Program	Project #	13837
Citywide Element	Economy and Opportunity	Project Type	Project

Project Description

This project supports graduates of the Associates in Commercial Real Estate (ACRE) program with pre-development costs. Economic Development, in cooperation with the Department of Civil Rights, will develop program guidelines to award funds subject to Council approval. Funding in 2023 was added via Common Council amendment #2 - SUB.

Project Budget by Funding Source

	2023	2024	2025	2026	2027	2028
GF GO Borrowing	300,000	-	-	-	-	-
TOTAL	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -

CENTER FOR INDUSTRY & COMMERCE

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2023 Program Capital Budget

\$40,000

Project **Center for Industry and Commerce**
Citywide Element **Economy and Opportunity**

Project # **63022**
Project Type **Program**

Project Description

This program funds the annual holding, maintenance, and marketing costs for the Center for Industry and Commerce (CIC). The goal of the program is to attract and retain companies within the City of Madison and to increase the tax base of the CIC and the City. Planned projects for 2023 include property maintenance and marketing of parcels owned by the City.

Project Budget by Funding Source

	2023	2024	2025	2026	2027	2028
GF GO Borrowing	40,000	40,000	40,000	40,000	40,000	40,000
TOTAL	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000

GENERAL LAND ACQUISITION FUND



2023 Program Capital Budget
\$60,000

Project **General Land Acquisition Fund** Project # **63060**
 Citywide Element **Land Use and Transportation** Project Type **Program**

Project Description

This program funds land purchases for future municipal purposes. Purchases from the fund can only be completed to the extent that funds are available and specific Common Council approval is obtained. The primary revenue source for the fund is from the sale of surplus property and sites within City-owned business parks. Funding in 2023 is for property holding costs for parcels currently owned by the City.

Project Budget by Funding Source

	2023	2024	2025	2026	2027	2028
Reserves Applied	60,000	60,000	60,000	60,000	60,000	60,000
TOTAL	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000

HEALTHY RETAIL ACCESS PROGRAM

2023 Program Capital Budget

\$250,000

Project **Healthy Retail Access Program** Project # **63009**
Citywide Element **Health and Safety** Project Type **Program**

Project Description

This program provides grant opportunities for projects that aim to improve access to affordable, healthy, and culturally appropriate food within areas of focus, as identified in the Food Access Improvement Map. The goal of the program is to ensure increased access to healthy food. Planned projects for 2023 include (1) capital and infrastructure grants that proliferate healthy food access, with priority given to food retail establishments, (2) technical assistance for entities that want to increase healthy food access, with priority given to assisting food retail establishments, (3) data collection initiatives focused on discerning the needs and desires of business owners and community residents, which will aid city staff in efficient and targeted program outreach, and (4) evaluation of both programmatic structure and individual program grants.

Project Budget by Funding Source

	2023	2024	2025	2026	2027	2028
GF GO Borrowing	250,000	250,000	250,000	250,000	250,000	250,000
TOTAL	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000

LAND BANKING



2023 Program Capital Budget
 \$1,000,000

Project **Land Banking** Project # **12640**
 Citywide Element **Neighborhoods and Housing** Project Type **Program**

Project Description

This program is for the acquisition of land and buildings that could be used for future economic development, affordable housing projects, and other City uses in accordance with the City’s Land Banking Fund Policy. The goal of this program is to acquire strategic properties for future purposes that might include: assisting displaced businesses, reducing blight, stabilizing housing markets, improving the quality of life for residents and neighborhoods, and preserving land for City purposes. Projects planned for 2023 include the acquisition of new property, property maintenance and management of newly acquired and previously acquired properties through this program, and predevelopment costs associated with future redevelopment of acquired properties.

Project Budget by Funding Source

	2023	2024	2025	2026	2027	2028
GF GO Borrowing	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
TOTAL	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000

PUBLIC MARKET



2023 Project Capital Budget
 \$4,500,000

Project **Public Market** Project # **10069**
 Citywide Element **Economy and Opportunity** Project Type **Project**

Project Description

This project provides funding for costs associated with the land acquisition, planning, design, site preparation, and construction of the Madison Public Market at First Street. The goal of the project is to: create opportunities for diverse entrepreneurs to start and grow food-based businesses and other enterprises, to strengthen Madison’s food economy, to promote local food, and to create a welcoming and inclusive public gathering space for the community. Common Council amendment #3 – SUB adds \$4.5 million in TID 36 proceeds and supports utilizing \$1.5 million from Dane County to address a \$5.2 million funding gap for the project. The Common Council amendment also directs staff to continue seeking new sources of funding, as well as reviewing options to cut project costs in an attempt to reduce the \$4.5 million of additional City support.

Project Budget by Funding Source

	2023	2024	2025	2026	2027	2028
TIF Increment	4,500,000	-	-	-	-	-
TOTAL	\$ 4,500,000	\$ -	\$ -	\$ -	\$ -	\$ -

SMALL BUSINESS EQUITY & RECOVERY



2023 Program Capital Budget
 \$2,000,000

Project **Small Business Equity and Recovery** Project # **13072**
 Citywide Element **Economy and Opportunity** Project Type **Program**

Project Description

This program combines several programs and initiatives aimed at supporting small business development, with a particular emphasis on businesses owned by historically underrepresented entrepreneurs. The goal of this program is to build back to a better post-COVID-19 economy with greater access to financial support to small business owners, especially those who are historically underrepresented. Projects planned in 2023 include the following existing and new programs and initiatives: Façade Grant Program, Commercial Ownership Assistance Program, Building Improvement Grant Program, Madison Pop Up Shop Program, BusinessReady Program, entrepreneur of color organization support, Kiva Madison, entrepreneur of color survey/census, entrepreneur of color directory/purchasing program, and similar programs and initiatives approved by the Common Council.

Project Budget by Funding Source

	2023	2024	2025	2026	2027	2028
GF GO Borrowing	2,000,000	500,000	500,000	500,000	500,000	500,000
TOTAL	\$ 2,000,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000

TID 36 CAPITOL GATEWAY CORRIDOR



2023 Program Capital Budget
\$100,000

Project **TID 36 Capitol Gateway Corridor** Project # **99002**
 Citywide Element **Land Use and Transportation** Project Type **Program**

Project Description

This program supports projects within TID 36, created in 2005. The district is located in downtown Madison and includes the area generally bounded by First Street, Dayton Street, and Blount and East Wilson Streets. The goal of this program is to attract employers and residents to the Capitol East District and grow the City’s tax base. Progress is measured by the number of residential units available, the number of businesses in the district, the total size of retail and office space available, and the growth of the district’s tax base. The estimated incremental value of the district is \$489 million. Projects planned for 2023 include continued implementation of the Capitol Gateway Corridor BUILD Plan through a study to identify and prioritize future public projects in the District.

Project Budget by Funding Source

	2023	2024	2025	2026	2027	2028
TIF Increment	100,000	100,000	100,000	100,000	100,000	100,000
TOTAL	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000

TID 39 STOUGHTON ROAD

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2023 Program Capital Budget

\$30,000

Project	TID 39 Stoughton Road	Project #	99004
Citywide Element	Economy and Opportunity	Project Type	Program

Project Description

This program supports projects within TID 39, created in 2008. The district is located within an area generally bounded by South Stoughton Road, Cottage Grove Road, Interstate 39/90 and the property line between Voges Road and the Beltline. The goal of the program is to attract and retain employers within the district and grow its tax base. Progress is measured by the sale and development of city-owned property, the number of businesses located within the district, and the district's total tax base. The estimated incremental value of the district is \$175 million. Funding in 2023 is for property maintenance and marketing of City-owned parcels.

Project Budget by Funding Source

	2023	2024	2025	2026	2027	2028
TIF Increment	30,000	30,000	30,000	30,000	30,000	30,000
TOTAL	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000

TID 42 WINGRA

2023 Program Capital Budget
\$100,000

Project **TID 42 Wingra** Project # **99005**
Citywide Element **Land Use and Transportation** Project Type **Program**

Project Description

This program supports projects within TID 42, created in 2012. The district is located on Madison’s south side with the general boundaries of South Park Street, West Wingra Drive, and Fish Hatchery Road. The goal of the program is to develop residential and commercial space in accordance with the Wingra BUILD Plan. Progress is measured by implementation of the Wingra BUILD Plan, the number of residential units constructed, the amount of commercial space constructed, and the district’s total tax base. The estimated incremental value of the district is \$118 million. Funding in 2023 is for property maintenance, management, and pre-development costs for City-owned property within the boundaries of TID 42 and within one-half mile of TID 42.

Project Budget by Funding Source

	2023	2024	2025	2026	2027	2028
TIF Increment	100,000	100,000	100,000	100,000	100,000	100,000
TOTAL	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000

TID 50 STATE STREET



2023 Program Capital Budget
 \$800,000

Project **TID 50 State Street** Project # **99012**
 Citywide Element **Land Use and Transportation** Project Type **Program**

Project Description

This program funds private development loans, public infrastructure, streetscape improvements, business retention and recruitment efforts, marketing programs, affordable housing, planning and market studies, and related economic development initiatives. The goal of this project is to support a diverse and thriving State Street neighborhood where all Madisonians and visitors feel welcome, grow a stable retail district, enhance residential and living-wage employment options, and increase the tax base. Funding in 2023 is for Building Improvement Grants, Facade Grants, Madison Pop Up Shop Program, BusinessReady Program, Commercial Ownership Assistance Program, furniture and fixture repair/upgrades, marketing efforts, planning and market studies, and related economic development initiatives.

Project Budget by Funding Source

	2023	2024	2025	2026	2027	2028
Non-GF GO Borrowing	800,000	600,000	600,000	600,000	600,000	600,000
TOTAL	\$ 800,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000	\$ 600,000

AGENCY Additional Budget Resources



People - Places - Possibilities

CITY OF MADISON

Upcoming Budget Concerns

The following budget concerns are important for Alders to be aware of:

- Many of our current small business financial support programs were started using Federal funding, such as ARPA. Moving forward, we will need to find new sources of funding if we desire to maintain these programs.
- We don't have a large staff relative to the programs and projects that we manage. A desire for new projects and programs will need to be weighed against staff capacity to complete existing initiatives.
- EDD staff have skills very transferable to the private and non-profit sectors. Salary increases will be needed over time to remain competitive and retain our employees.

ECONOMIC DEVELOPMENT DIVISION'S Budget Resources

- 2023 Adopted Capital Budget:
<https://www.cityofmadison.com/finance/documents/budget/2023/capital/adopted/EDD.pdf>
- 2023 Adopted Operating Budget:
<https://www.cityofmadison.com/finance/documents/budget/2023/operating/adopted/EDD.pdf>

OUR CITY OF MADISON



Stay Connected!

Matt Mikolajewski, Economic Development Director

mmikolajewski@cityofmadison.com

608-267-8737

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