**Gov Agency:** Administration—State Facilities Management—Madison Parking Costs

### **Recommendations:**

Paper No. 147 Alternative 2

**Comments:** DOA needs an increase for maintenance costs associated with state operated parking facilities in Madison. Alt. 2 provides the funding but at a reduced level to reflect Secretary Brandherm's intention to sell the State's interest in the Block 89 property.

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Joint Committee on Finance

Paper #147

# State Facilities Management - Madison Parking Costs (DOA -- Agency Services)

[LFB 1999-01 Budget Summary: Page 63, #6]

#### **CURRENT LAW**

The Division of Building and Police Services operates multiple parking facilities in Madison. This program pays the maintenance and operation costs of these facilities. Adjusted base funding is \$587,900 PR and funding is provided from charges assessed state employes for parking in state-owned parking spaces in Madison.

#### **GOVERNOR**

Provide \$158,000 PR in 1999-00 and \$778,000 PR in 2000-01 for anticipated increased maintenance costs associated with state-operated parking facilities in Madison. The second year funding increase is primarily associated with the addition of state-operated parking spaces in the Block 89 project. Of the second year increased funding, \$612,000 is placed in unallotted reserve and is subject to release by the State Budget Office.

#### DISCUSSION POINTS

- 1. The parking program operated by the Division of Building and Police services covers the cost of contractual services for the Monona Terrace parking, maintenance and utility costs associated with other Madison state parking and other expenses.
- 2. Beginning in 1998-99, the state has incurred costs associated with 164 parking spaces in the Block 89 project located at the corner of East Main and Pinckney streets in downtown Madison. The State purchased the lot in 1997 for possible future space needs. In the interim, the State sold the subterranean rights to the City of Madison, which subsequently built a 757-space

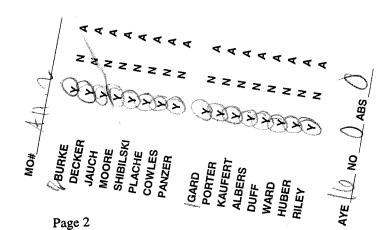
underground parking facility. As part of the sales agreement, the state reserved the use of 164 parking spaces and agreed to make future payments to the City Community Development Authority for the construction of those spaces. In addition, the state is required to pay an annual management fee

- \$778,000 PR in 2000-01 for anticipated increased maintenance costs associated with state-operated parking facilities in Madison. Of the amount requested, a total of \$690,000 PR is associated with parking space in the Block 89 project (\$39,000 annually for parking management and an \$612,000 in the second year for the scheduled payment to the City Community Development Authority). That second year increased funding of \$612,000 is placed in unallotted reserve, subject to release by the State Budget Office.
- 4. Since the Governor's Budget was released in February, the Secretary of the Building Commission has indicated that the State intends to sell its interest in Block 89. According to DOA Budget Office, if the state sells the property, the \$612,000 PR payment in 2000-01 would no longer be necessary. In addition, if the property is sold, DOA has indicated it would not retain the parking spaces and the \$39,000 PR included in the Governor's recommendation for the state's share of managing the lot would also be unnecessary. Given the state's intention to sell ownership of the Block 89 parcel imminently and relinquish the parking spaces, the Committee could eliminate the funding for both the \$612,000 payment in 2000-01 and the \$39,000 annually in management costs. If the funding is eliminated and for some unexpected reason the intended sale does not occur, DOA could request supplemental spending authority under s. 16.515.

## **ALTERNATIVES**

- 1. Approve the Governor's recommendation.
- 2. Modify the Governor's recommendation by deleting \$39,000 PR in 1999-00 and \$651,000 PR in 2000-01 to reflect the elimination of the parking operation funding associated with the Block 89 property.

Alternative 2	PR
1999-01 FUNDING (Change to Bill)	- \$690,000



Administration -- Agency Services (Paper #147)