



Legislative Fiscal Bureau

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April 18, 2017

TO: Members
Wisconsin Legislature

FROM: Bob Lang, Director

SUBJECT: Building Commission's Recommendations for the 2017-19 Building Program

The Building Commission's recommendations for the 2017-19 building program have been incorporated into amendment draft LRBb0017/1 and submitted by the Department of Administration to the Joint Committee on Finance for inclusion in the state budget.

A summary of the provisions of the amendment draft is attached. In addition, a summary of the bonding included in the 2017-19 biennial budget and the building program is attached as well.

These summaries have been prepared so that they follow at the end of this office's summary of the Governor's 2017-19 budget recommendations (dated March, 2017). The attached building program summary starts as page 505 and the bond authorization summary is on pages 515 and 516.

BL/sas
Attachment

BUILDING PROGRAM

Budget Change Items

1. 2017-19 ENUMERATED PROJECTS

All Funds	\$759,101,900
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Building Commission: Provide \$759,101,900 from all funding sources of 2017-19 building program financing authority for: (a) specific enumerated projects (\$397,811,300); and (b) all agency projects (\$361,290,600).

Specify that funding for enumerated and all agency projects be drawn from the following sources: (a) \$427,896,200 from new general obligation bonding authority; (b) \$121,602,700 from general obligation bonding authority that is currently authorized; (c) \$11,880,000 of new revenue supported bonding authority; (d) \$58,536,500 from agency operating funds; (e) \$43,672,200 from federal funds; and (f) \$95,514,300 from gifts, grants, and other receipts.

The funding sources for the 2017-19 building program by agency are shown in Table 1. The major agency projects enumerated as part of the 2017-19 state building program, as recommended by the Building Commission, are listed in Table 2.

[LRBb0017/1 Section: 10 (as it relates to (1))]

TABLE 1

**Building Commission Recommended Financing Sources
for the 2017-19 Enumerated Projects**

	<u>New General Obligation Bonds</u>			<u>Revenue Bonds</u>	<u>Existing General Obligation Bonds</u>	<u>Agency Operating Funds</u>	<u>Gifts, Grants, and Other</u>	<u>Federal</u>	<u>Total</u>
	<u>GPR</u>	<u>PR</u>	<u>SEG</u>						
Administration	\$0	\$75,000,000	\$0	\$0	\$4,000,000	\$0	\$0	\$0	\$79,000,000
Building Commission	15,000,000	0	0	0	0	0	72,268,200	0	87,268,200
Corrections	18,851,000	0	0	0	0	0	0	0	18,851,000
Health Services	16,972,000	0	0	0	0	1,000,000	0	0	17,972,000
Military Affairs	10,218,100	0	0	0	0	0	0	20,444,600	30,662,700
Natural Resources	0	0	4,805,800	0	1,681,000	0	1,772,100	0	8,258,900
State Fair Park	0	0	0	0	0	0	7,920,000	0	7,920,000
University of Wisconsin System	73,498,000	0	0	0	49,107,000	3,500,000	2,180,000	0	128,285,000
Veterans Affairs	4,332,600	4,550,700	0	0	3,495,700	418,700	0	5,145,800	17,943,500
Wisconsin Historical Society	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,650,000</u>	<u>0</u>	<u>1,650,000</u>
Subtotal	\$138,871,700	\$79,550,700	\$4,805,800	\$0	\$58,283,700	\$4,918,700	\$85,790,300	\$25,590,400	\$397,811,300
All Agency									
Facilities Maintenance and Repair	\$97,868,000	\$12,500,000	\$1,000,000	\$2,445,000	\$18,708,400	\$29,874,400	\$5,304,900	\$10,466,300	\$178,167,000
Utilities Repair and Renovation	60,000,000	5,500,000	0	2,241,000	20,562,700	19,582,400	3,727,700	2,289,500	113,903,300
Health, Safety and Environmental Protection	20,000,000	4,000,000	0	3,350,000	47,900	800,000	191,400	4,627,000	33,016,300
Energy Conservation	0	0	0	0	20,000,000	0	0	0	20,000,000
Preventative Maintenance Program	800,000	0	0	100,000	0	0	0	0	900,000
Programmatic Remodeling and Renovation	0	0	0	3,569,000	4,000,000	3,361,000	500,000	699,000	12,129,000
Land and Property Acquisition	0	0	0	0	0	0	0	0	0
Capital Equipment and Acquisition	<u>3,000,000</u>	<u>0</u>	<u>0</u>	<u>175,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,175,000</u>
Subtotal	\$181,668,000	\$22,000,000	\$1,000,000	\$11,880,000	\$63,319,000	\$53,617,800	\$9,724,000	\$18,081,800	\$361,290,600
TOTAL	\$320,539,700	\$101,550,700	\$5,805,800	\$11,880,000	\$121,602,700	\$58,536,500	\$95,514,300	\$43,672,200	\$759,101,900

TABLE 2**State Agency 2017-19 Enumerated Major Projects
Total Project Authority (All Funding Sources)**

	<u>Bldg. Comm.</u>
Administration	
Southeast Wisconsin Law Enforcement Facility -- Milwaukee	\$75,000,000
State Office Building Replacement -- Land Only -- Milwaukee	<u>4,000,000</u>
Total	\$79,000,000
Building Commission	
La Crosse Center	\$47,000,000
St. Ann Center for Intergenerational Care, Inc.; Bucyrus Campus	25,268,200
Brown County STEM Innovation Center	<u>15,000,000</u>
Total	\$87,268,200
Corrections	
Fox Lake Correctional Institution -- Drinking Water System Improvements	\$3,000,000
Waupun Correctional Institution -- Behavior Housing Unit Life Safety Improvements	6,981,000
Wisconsin Secure Program Facility -- New Inmate Programs Building -- Boscobel	<u>8,870,000</u>
Total	\$18,851,000
Health Services	
Mendota Mental Health Institute -- Lorenz Hall West Secure Treatment Units -- Madison	\$17,972,000
Military Affairs	
National Guard Readiness Center Addition and Renovation -- Appleton	\$24,170,900
National Guard Readiness Center Renovation Phase II -- Milwaukee	<u>6,491,800</u>
Total	\$30,662,700
Natural Resources	
High Cliff State Park -- Family Campground Expansion -- Harrison	\$841,700
Peninsula State Park -- South Nicolet Bay Campground Toilet/Shower Building Replacement	839,300
Peninsula State Park -- Eagle Tower Reconstruction	1,772,100
Science Operations Center -- Purchase and Chronic Wasting Disease Processing Center Addition	<u>4,805,800</u>
Total	\$8,258,900
State Fair Park	
Cream Puff Pavilion -- West Allis	\$6,000,000
Dairy Education Center -- West Allis	<u>1,920,000</u>
Total	\$7,920,000
Wisconsin Historical Society	
Old World Wisconsin -- Old Brewery and Biergarten -- Eagle	\$1,650,000
University of Wisconsin System	
Extension -- Lowell Hall Floors 2-4 Renovation	\$4,005,000
Milwaukee -- Northwest Quadrant Renovation	52,180,000
Milwaukee -- Sandburg Hall Renovation -- Phase I	33,500,000
System -- Classroom Renovations/Instructional Technology Improvements	10,000,000
Whitewater -- Utility Corridor Improvements/Chiller Plant Upgrade	<u>28,600,000</u>
Total	\$128,285,000

	<u>Bldg. Comm.</u>
Veterans Affairs	
Wisconsin Veterans Home at King -- Electrical Substation Replacement	\$2,996,000
Wisconsin Veterans Home at King -- Water Improvements	2,382,000
Wisconsin Veterans Home at King -- Food Service System Upgrades	7,001,000
Central Wisconsin Veterans Memorial Cemetery at King -- Crypts, Irrigation, and Flag Plaza	1,833,500
Southern Wisconsin Veterans Memorial Cemetery at Union Grove -- Headstone Alignment	<u>3,731,000</u>
Total	\$17,943,500
All Agency	
Facility Maintenance and Repair	\$178,167,000
Utility Repair and Renovation	113,903,300
Health, Safety and Environmental Protection	33,016,300
Energy Conservation	20,000,000
Preventive Maintenance	900,000
Programmatic Remodeling and Renovation	12,129,000
Capital Equipment Acquisition	<u>3,175,000</u>
Total	\$361,290,600
GRAND TOTAL	\$759,101,900

2. BONDING AUTHORIZATIONS IN BUILDING PROGRAM

BR	\$449,878,200
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Building Commission: Provide \$449,878,200 of new general obligation bonding authority for 2017-19 building program projects, as shown in the following table.

2017-19 Building Program Bonding Authorizations

<u>Purpose</u>	<u>Bldg. Comm.</u>
Administration -- Energy Conservation Projects	\$20,000,000
Building Commission	
Other Public Purposes (All Agency Projects)	185,168,000
Housing State Agencies	97,000,000
La Crosse Center	5,000,000
St. Ann Center for Intergenerational Care, Inc.; Bucyrus Campus	5,000,000
Brown County Innovation Center	5,000,000
Corrections -- Correctional Facilities	37,333,000
Health Services -- Mental Health Facilities	16,972,000
Military Affairs -- Armories and Military Facilities	10,218,100
Natural Resources -- SEG Revenue Supported Facilities	5,805,800
University of Wisconsin System	
Academic Facilities	73,498,000
Self-Amortizing Facilities	-23,495,700
Veterans Affairs	
Veterans Facilities	4,332,600
Self-amortizing Facilities	<u>8,046,400</u>
GRAND TOTAL	\$449,878,200

[LRBb0017/1 Sections: 3 thru 8 (as it relates to 485p thru 496d) and 9 (as it relates to 514d)]

3. MODIFICATIONS TO PRIOR BUILDING PROGRAMS

Building Commission: Modify prior building programs as follows:

a. 2013-15 Building Program

(1) Under projects financed by GPR-supported bonding, increase the amount for the Green Bay Correctional Institution -- north and south cell halls improvements project from \$3,750,000 to \$22,232,000. This increase in bonding under Corrections is shown in Item #2.

(2) Under projects financed by PR-supported bonding, delete the Platteville residence hall and dining facility and its enumeration for \$29,287,000 as well as the Whitewater indoor tennis building and its enumeration for \$3,500,000.

b. 2015-17 Building Program

(1) Under projects financed by existing GPR-supported bonding, increase the amount for the Willow River State Park -- Little Falls Dam repair or replacement -- Hudson project from \$3,041,700 to \$6,541,700. This increase in bonding is shown in Item #2. Similarly, for that same project, increase existing stewardship bonding from \$5,000,000 to \$12,500,000. This provision allocates additional unused stewardship bonding authority from prior years to partially fund the Willow River State Park -- Little Falls Dam repair replacement -- Hudson project.

[LFBb0017/1 Section: 9 (as it relates to 514c) and 10 (as it relates to (4) thru (6))]

4. PLANNING FOR NATIONAL GUARD READINESS CENTERS

Building Commission: Require the Building Commission to allocate \$627,800 of building trust funds, matched by \$1,883,900 of federal funds, to develop preliminary plans and specifications for the construction of National Guard readiness centers in Black River Falls, Viroqua, Wausau, and Wisconsin Rapids.

[LFBb0017/1 Section: 10 (as it relates to (10))]

5. PLANNING CONCERNING CORRECTIONAL FACILITIES

Building Commission: Require the Building Commission to allocate \$600,000 from the building trust fund for a comprehensive, long-range master plan concerning Department of Corrections facilities that the Department of Administration would conduct.

[LFBb0017/1 Section: 10 (as it relates to (11))]

6. LA CROSSE CENTER

Building Commission: Enumerate a \$47,000,000 multi-use convention center in the City of La Crosse under the 2017-19 state building program. Authorize the Building Commission to provide \$5,000,000 of GPR-supported bonding to assist the City of La Crosse in the remodeling

and expansion of the La Crosse Center. The fiscal effect is shown in the totals under Items #1 and #2.

Require that the state funding commitment be in the form of a grant to the City of La Crosse. Specify that before approving any state funding commitment for the remodeling and expansion of the center, the Building Commission would be required to make a determination that the City of La Crosse has secured additional funding for the project of at least \$42,000,000 from nonstate revenue sources. Require that if the Building Commission makes a grant for the remodeling and expansion of the center, the state would retain an ownership interest in the facility equal to the amount of the state's grant if for any reason the space that is remodeled and expanded with funds from the grant is not used for meetings and conventions or sports and entertainment.

Specify that the Legislature finds and determines that the meetings and conventions and the sports and entertainment industries are of vital importance in creating jobs and contributing to state economic development and tourism and are statewide responsibilities of statewide dimension. Further specify that it is in the public interest, and it is the public policy of this state, to assist the City of La Crosse in the remodeling and expansion of the La Crosse Center.

Specify that the Building Commission may not make a grant to the City of La Crosse for the remodeling and expansion of the La Crosse Center unless the Department of Administration (DOA) has reviewed and approved plans for the project, although DOA may not supervise any services or work or let any contracts for the project. Further specify that contracts for the project would not require approval of the DOA Secretary or the Governor.

Create a GPR sum sufficient appropriation to fund the debt service payments and any payments on an agreement or ancillary arrangement associated with the bonding authorized for the project. Provide that these payments could be made through the bond security redemption fund appropriation.

[LRBb0017/1 Sections: 1 (as it relates to 8e), 2, 7(as it relates to 495k), 8 (as it relates to 496h), and 10 (as it relates to (7))]

7. ST. ANN CENTER FOR INTERGENERATIONAL CARE; BUCYRUS CAMPUS

Building Commission: Enumerate a \$25,268,200 project for completion of the St. Ann Center for Intergenerational Care, Inc. Bucyrus Campus in the City of Milwaukee under the 2017-19 state building program. Authorize the Building Commission to provide \$5,000,000 in GPR-supported bonding to assist in the completion of the Bucyrus Campus. The fiscal effect is shown in the totals under Items #1 and #2.

Require that the state funding commitment be in the form of a grant to the St. Ann Center for Intergenerational Care, Inc. Specify that before approving any state funding commitment for the completion of the Bucyrus Campus, the Building Commission would be required to make a determination that St. Ann Center for Intergenerational Care has secured additional funding for the project of at least \$20,268,200 from nonstate revenue sources. Require that if the Building Commission makes a grant for completion of the Bucyrus Campus, the state would retain an

ownership interest in the Bucyrus Campus equal to the amount of the state's grant if for any reason the facility is not used for the provision of intergenerational care.

Specify that the Legislature finds and determines that the improvement of the health and well-being of residents of all ages of this state and the promotion of community and economic development are statewide responsibilities of statewide dimension. The Legislature also finds and determines that the St. Ann Center for Intergenerational Care, Inc. provides vital intergenerational care at its Bucyrus Campus in the City of Milwaukee, including services for individuals suffering from Alzheimer's disease and dementia, services for individuals with mental and physical disabilities, services for minority and economically disadvantaged children and their families, and services that encourage entrepreneurship and business development. Further specify that it is in the public interest, and it is the public policy of this state, to assist the St. Ann Center for Intergenerational Care, Inc. in the completion of its Bucyrus Campus.

Specify that the Building Commission may not make a grant to the St. Ann Center for Intergenerational Care for completion of the Bucyrus Campus unless DOA has reviewed and approved plans for the project, although DOA may not supervise any services or work or let any contracts for the project. Further specify that the contracts for project would not require approval of the DOA Secretary or the Governor.

Create a GPR sum sufficient appropriation to fund the debt service payments and any payments on an agreement or ancillary arrangement associated with the bonding authorized for the project. Provide that these payments could be made through the bond security redemption fund appropriation.

[LRBb0017/1 Sections: 1 (as it relates to 8g), 2, 7 (as it relates to 495p), 8 (as it relates to 496p), and 10 (as it relates to (8))]

8. BROWN COUNTY INNOVATION CENTER

Building Commission: Enumerate a \$15,000,000 innovation center in Brown County under the 2017-19 state building program. Authorize the Building Commission to provide \$5,000,000 in GPR-supported bonding to assist Brown County in the construction of a science, technology, engineering, and mathematics innovation center in the Brown County Research and Innovation Park. The fiscal effect is shown in the totals under Items #1 and #2.

Require that the state funding commitment be in the form of a grant to Brown County. Specify that before approving any state funding commitment for the construction of the innovation center, the Building Commission would be required to make a determination that Brown County has secured additional funding for the project of at least \$10,000,000 from nonstate revenue sources. Require that if the Building Commission makes a grant for the construction of the center, the state would retain an ownership interest in the center equal to the amount of the state's grant if for any reason the center is not used as a science, technology, engineering, and mathematics innovation center.

Specify that the Legislature finds and determines that meeting manufacturing workforce needs and supporting innovation and entrepreneurship in the manufacturing industry in this state

are of vital importance in expanding the state manufacturing industry, creating jobs, and improving the municipal, regional, and state economies and are statewide responsibilities of statewide dimension. Further specify that it is in the public interest, and it is the public policy of this state, to assist Brown County in the construction of a science, technology, engineering, and mathematics innovation center in the Brown County Research and Innovation Park.

Specify that the Building Commission may not make a grant to Brown County for the construction of a science, technology, engineering, and mathematics innovation center unless DOA has reviewed and approved plans for the project, although DOA may not supervise any services or work or let any contracts for the project. Further specify that contracts for the project would not require approval of the DOA Secretary or the Governor.

Create a GPR sum sufficient appropriation to fund the debt service payments and any payments on an agreement or ancillary arrangement associated with the bonding authorized for the project. Provide that these payments could be made through the bond security redemption fund appropriation.

[LRBb0017/1 Sections: 1 (as it relates to 8i), 2, 7 (as it relates to 495s), 8 (as it relates to 496t), and 10 (as it relates to (9))]

9. WARREN KNOWLES-GAYLORD NELSON STEWARDSHIP 2000 SUBPROGRAM UNOBLIGATED BONDING AUTHORITY

Building Commission: Specify that "unobligated amount" includes the amount by which annual bonding authority in 2014-15 and 2015-16 exceeded the amounts that the Department of Natural Resources obligated in those fiscal years from the Warren Knowles-Gaylord Nelson Stewardship 2000 bonding appropriation for the land acquisition, property development and local assistance, and recreational boating aids subprograms. Further specify that this definition excludes the amount by which annual bonding authority in 2014-15 and 2015-16 exceeded the amounts obligated in those fiscal years to provide grants awarded to nonprofit conservation organizations as part of the land acquisition subprogram. Under this provision, stewardship bonding authority for the Willow River State Park -- Little Falls Dam repair or replacement -- Hudson project is increased by \$7,500,000.

[LRBb0017/1 Section: 9 (as it relates to 514c)]

10. STATEMENT OF BUILDING PROGRAM CONTINUATION

Building Commission: Continue the building and financing authority enumerated under previous building programs into the 2017-19 biennium. Each building program is approved only for the current biennium; this provision would continue past state building programs into the 2017-19 biennium.

[LRBb0017/1 Section: 10 (as it relates to (2))]

11. PROJECT LOANS

Building Commission: Authorize the Building Commission, during the 2017-19 biennium, to make loans from general fund-supported borrowing or the building trust fund to state agencies for any 2017-19 building program projects funded from non-GPR sources.

[LRBb0017/1 Section: 10 (as it relates to (3))]

BONDING AUTHORIZATION

<u>Purpose</u>	<u>Governor/ Bldg. Comm.</u>
Administration	
Energy Conservation Projects	\$20,000,000
Agriculture, Trade and Consumer Protection	
Soil and Water	7,000,000
Building Commission	
Other Public Purposes (All Agency Projects)	185,168,000
Housing State Agencies	97,000,000
La Crosse Center	5,000,000
St. Ann Center for Intergenerational Care, Inc.; Bucyrus Campus	5,000,000
Brown County Innovation Center	5,000,000
Corrections	
Correctional Facilities	37,333,000
Environmental Improvement Fund	
Clean Water Fund	-40,460,000
Safe Drinking Water Loan Program	5,800,000
Health Services	
Mental Health Facilities	16,972,000
Military Affairs	
Armories and Military Facilities	10,218,100
Natural Resources	
Dam Safety Projects	4,000,000
Nonpoint Source	5,900,000
Urban Nonpoint Source Cost Sharing	3,000,000
SEG Revenue Supported Facilities	5,805,800
Transportation	
Freight Rail	12,000,000
State Highway Rehabilitation	308,738,300
Harbor Assistance	14,100,000
University of Wisconsin System	
Academic Facilities	73,498,000
Self-Amortizing Facilities	-23,495,700

<u>Purpose</u>	<u>Governor/ Bldg. Comm.</u>
Veterans Affairs	
Veterans Facilities	\$4,332,600
Self-Amortizing Facilities	8,046,400
Self-Amortizing Mortgage Loans	<u>-273,300,000</u>
GRAND TOTAL	\$496,656,500*
 Revenue Obligation Bonding	
Transportation	
Transportation Facilities, Major Highway Projects and Southeast Wisconsin Megaprojects	\$165,161,700
GRAND TOTAL General and Revenue Obligation Bonds	\$661,818,200

*Excludes \$1,500,000,000 of economic refunding bonds that would be authorized in the bill.