

LRB – FISCAL REVIEW SECTION ANALYSIS

JANUARY 14, 2002 AGENDA

ITEM 15, FILE 011181

ECONOMIC DEVELOPMENT COMMITTEE

Emma J. Stamps

File 011181 is a resolution authorizing the issuance of Industrial Development Revenue Bonds (Aero Milwaukee, LLC Project). (DCD).

Background and Discussion

1. On November 8, 2000, Council passed Resolution 001079, a resolution of intent to issue Industrial Development Revenue Bonds (hereinafter referred to as “the Bonds”) for the Aero Milwaukee, LLC Project in an amount not to exceed \$17,000,000.
2. The bonds will be used to finance costs related to the acquisition, rehabilitation, remodeling and expansion of the air cargo facilities located at 201 West Cargo Way, General Mitchell International Airport, in the City of Milwaukee, including site acquisition and improvement and the funding of interest during construction; waive the public bidding requirement for construction work on the facilities; and authorize a public hearing on the bonds.
3. The bond issue will be at least \$13,000,000 but not to exceed \$17,000,000.
4. The bond issue is part of a \$90 million issue related to cargo facilities at nine other airports, including Syracuse, Houston, Philadelphia, Dallas, New Orleans, Norfolk, Kansas City, Fort Meyers and Pensacola.
5. The Revenue Agreement requires the Aero Milwaukee, LLC to provide the City with revenues sufficient to pay, when due, the principal of, premium, if any, and interest on the Bonds.
6. Aero Milwaukee, LLC Project financing will not use bond proceeds to pay attorney fees.
7. Aero Milwaukee, and not the City, is responsible for finding a purchaser or purchasers for all of the bonds.
8. The company has represented that it expects
 - the Project to create 18 jobs and maintain 18 jobs at the Project Site and
 - would neither create, maintain nor eliminate any jobs elsewhere in the State of Wisconsin; and

If the Common Council approves this file, the City will earn revenue from the bond issuance equal to 0.5% on the principal.

Fiscal Impact

The City will not expend any public funds for this Project nor will the project in any way effect the general City bond rating.

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LRB-Fiscal Review
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