

LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS

COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

APRIL 3, 2008

Item 16, File #071608

File Number 071608 is a resolution directing the City Comptroller to transfer \$250,000 from the Development Fund to a subaccount to fund the Retail Investment Fund.

Background

1. The Development Fund is a Department of City Development-administered capital account that provides financial assistance for development projects that do not qualify for tax incremental district designation. The Fund has been used to support façade-improvement grants and loans, brownfield cleanups, business improvement district activities, new home incentives and neighborhood street improvements.
2. The 2007 and 2008 Adopted Budgets provide \$2.2 million and \$1.8 million, respectively, for the Development Fund.
3. One program funded by the Development Fund is the Department of City Development's Retail Investment Fund, through which the City provides grants to job-creating businesses locating or expanding in various commercial districts in Milwaukee's Central City. The Retail Investment Fund has also been funded by the City's Community Development Block Grant funding allocations.
4. The Department of City Development indicates that demand for funding from the Retail Investment Fund now exceeds the amount of funds available and that additional Block Grant funding is not available at this time.

Discussion

1. This resolution directs the City Comptroller to transfer \$250,000 from the Development Fund parent account to the proper subaccount for the Retail Investment Fund. It further directs the Commissioner of City Development to enter into the contracts and agreements necessary to expend these funds.
2. The last transfer of funds from the Development Fund to the Retail Investment Fund occurred with the Common Council's May 8, 2007, adoption of File Number 070117, which authorized a transfer of \$300,000.
3. Since its inception in 1999, the Retail Investment Fund has provided over \$2.1 million in grants to 88 businesses (58 minority-owned). These grants have leveraged nearly \$29 million in new investment and supported the creation of 564 new jobs.

Fiscal Impact

Since it transfers funds from a parent account to a subaccount, this resolution has no fiscal impact on the City.

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