

***LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS***

**COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE**

**SEPTEMBER 20, 2007**

**Item 9, File #070714**

File Number 070714 is a resolution authorizing an expenditure and approving a Public Improvement Development and Maintenance Agreement for Business Improvement District No. 35 (Kinnickinnic River).

**Background**

1. On November 3, 2004, the Common Council adopted File Number 040877, a resolution creating Business Improvement District No. 35 (Kinnickinnic River) and approving this District's first-year operating plan.
2. The first-year operating plan for BID No. 35 calls for the BID board to enter into an agreement with the City for the financing, installation and maintenance of a mutually-acceptable streetscaping project along the Kinnickinnic River between Kinnickinnic Avenue and Becher Street.
3. Unlike most business improvement districts, BID No. 35 is focused on a waterway, rather than one or more streets. Thus, this "streetscaping" project entails improvements to the Kinnickinnic River, rather than Kinnickinnic Avenue or other streets in the area.

**Discussion**

1. The BID No. 35 board and City departments have developed a term sheet for the Public Improvement Development and Maintenance Agreement for the BID No. 35 "streetscaping" project. This agreement calls for the BID, as the developer, to undertake a project to remediate and restore the riverfront along the Kinnickinnic River between Kinnickinnic Avenue and Becher Street. Specifically, the project will involve the mechanical dredging of approximately 170,000 cubic yards of PCB mass from this river segment, as well as the disposal of the dredged sediment.
2. The agreed-upon improvements will be funded with a \$250,000 loan from the Department of City Development's Business Improvement Districts capital account and a \$250,000 matching grant from the Department's Neighborhood Commercial District Street Improvement Fund (capital account).
3. The BID board will repay the \$250,000 loan, plus interest, over a 20-year period through its BID assessments.

**Fiscal Impact**

1. This resolution will transfer \$250,000 from the DCD Business Improvement Districts capital account and \$250,000 from the DCD Neighborhood Commercial District Street Improvement Fund to the appropriate project accounts to fund the \$500,000 riverfront remediation and restoration project set forth in BID No. 35's first-year operating plan.
2. The City will recover the loan portion of these funds (\$250,000 plus interest) through annual assessments paid by property owners within BID No. 35.

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