

2019



Legislative Reference Bureau

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REDEVELOPMENT AUTHORITY

2019 Proposed Plan and Executive Budget Review

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Version 1.0

\$6.32 million

Total proposed budget for 2019, an increase of 8.7% from the 2018 Budget of \$5.81 million.

-36.5%

Decrease in withdrawal from RACM General Reserves for 2019 (from \$443,297 in 2018 to \$281,500 in 2019).

\$265,000

Change in grant funding as a RACM revenue source, 2018 to 2019, an increase of 9.0%.

50.7%

Percentage of RACM's budget to be funded by grant proceeds in 2019, similar to the 50.5% in 2018.

Relationship of RACM to City

The Redevelopment Authority of the City of Milwaukee (RACM) is an independent corporation created by State Statute in 1958. Its mission is to:

- Eliminate blighting conditions that inhibit neighborhood reinvestment.
- Foster and promote business expansion and job creation.
- Facilitate new business and housing development.

RACM has an annual cooperation agreement with the City for the City to provide:

- Management of financial affairs.
- Land use planning and urban design guidance.
- Real estate acquisition and disposition.
- Relocation assistance for displaced families and businesses.

RACM Board

- 7 Board members.
- All members appointed by the Mayor and approved by the Common Council.
- Board members receive no compensation.
- The Board held 12 regular meetings in 2015 and 11 regular meetings each in 2016 and 2017.
- Board meetings receive City staff support from DCD and the City Attorney's Office.

Staffing Update

- All RACM positions moved to City (DCD) budget in 2018.
- 12 City positions supported by RACM reimbursement in 2019, one less than in 2018 (no actual positions eliminated – just an accounting correction).

Staffing Costs

- 2019 salary reimbursement to City will total \$1.2 million.
- 2019 reimbursement is \$90,000 (8.1%) more than 2018.

\$200,000

Projected increase in revenue from property sales (+20% from 2018), a reflection of more *in rem* properties being sold.

200.0%

Increase in RACM's Utilities line item, from \$20,000 in 2018 to \$60,000 for 2019 (mainly to cover storm water management fees for former Northridge Boston Store bldg.).

\$28,000

CDBG funding remaining, to be expended for environmental purposes.

-20.0%

Anticipated decrease in dwelling rent revenues, 2018-2019, as the City's inventory of *in rem* properties is gradually reduced through increased property sales.

RACM Operating Expenditures

| | 2018 Budget | 2019 Proposed |
|-----------------------|--------------------|--------------------|
| Property Services | \$3,085,400 | \$3,556,500 |
| Professional Services | \$2,182,843 | \$2,275,000 |
| Loans and Grants | \$300,000 | \$300,000 |
| All Other | \$245,054 | \$185,000 |
| Total | \$5,813,297 | \$6,316,500 |

Major RACM Grants

| Category | 2018 | 2019 |
|-----------------------|-------------|-------------|
| EPA Grants | \$1,050,000 | \$1,500,000 |
| WEDC Idle Sites Grant | \$700,000 | \$650,000 |
| Revolving Loan Fund | \$500,000 | \$500,000 |
| US Dept. of Comm./EPA | \$300,000 | \$400,000 |
| WI Dept. of Nat. Res. | \$250,000 | \$100,000 |
| Fund for Lake Mich. | \$30,000 | \$50,000 |
| Wis. CMAQ | \$100,000 | \$0 |

RACM Revenues by Type/Source

| Revenue Type | 2018 Budget | 2019 Proposed |
|-----------------|--------------------|--------------------|
| RACM General | \$2,878,297 | \$3,116,500 |
| Property sales | \$1,000,000 | \$1,200,000 |
| Dwelling rent | \$1,000,000 | \$800,000 |
| Non-dwell. rent | \$325,000 | \$725,000 |
| RACM reserves | \$443,297 | \$281,500 |
| Other | \$110,000 | \$110,000 |
| Grants/City | \$2,935,000 | \$3,200,000 |
| Total | \$5,813,297 | \$6,316,500 |

Grant Funds – Major Uses

- Brownfields (environmental remediation)
- Grand Trunk Wetland restoration
- 30th Street Industrial Corridor/Century City redevelopment efforts