

LRB-FISCAL REVIEW SECTION ANALYSIS

JULY 3, 2003 AGENDA

ITEM 4, FILE 030326

PUBLIC SAFETY COMMITTEE

JAMES CARROLL

File #030326 is a resolution authorizing the Milwaukee County War Memorial, Inc., which owns the Marcus Center for the Performing Arts parking structure, to expend up to \$150,000 of its share of a capital improvement reserve fund for the purpose of financing a feasibility study to redevelop the site of the current PAC parking structure located on City-owned land 130 E. State Street.

Background

1. In February of 1969, Milwaukee County War Memorial, Inc. entered into a land lease agreement with the City of Milwaukee whereby a parking structure was constructed on City owned land. Under the agreement, Milwaukee County War Memorial, Inc. makes a lease payment of \$1 a year until the year 2019, when the agreement expires and the title of the parking structure transfers to the City. The original agreement provided that excess revenues generated by the parking structure be divided equally between the City and Milwaukee County War Memorial, Inc.
2. On June 25, 1985, an amendment to the agreement established a Capital Improvements Program. Under the amendment, all excess revenues are to be held in separate accounts (Milwaukee County War Memorial, Inc. and City of Milwaukee accounts) in the parking structure's capital improvement reserve fund. These funds are to be used for future improvements and renovations to the parking structure. Any other use of the funds must have the approval of the Common Council
3. At the end of 2002, the City and Milwaukee County War Memorial, Inc. each had \$1,056,795 in their separate accounts.
4. According to the November 22, 2002 *Milwaukee Journal Sentinel*, Irgens Development Partners LLC is exploring a possible development project that would demolish the parking structure and build offices, housing retail space and a new parking structure. The development could result in property tax revenue for the City.

Discussion

1. The resolution authorizes the expenditure of up to \$150,000 from the Milwaukee County War Memorial, Inc. share of the parking structure's reserve fund to finance a feasibility study relating to the redevelopment of the current site of Marcus Center for the Performing Arts parking structure.
2. The table on page 2 shows items that are proposed to be included in the feasibility study and their estimated costs.

ITEM	ESTIMATED COST
Architectural Design	\$42,500
Legal	\$32,500
Survey	\$ 3,750
Geotechnical	\$15,000
Environmental	\$ 1,000
Traffic	\$ 1,750
Miscellaneous	\$ 3,000
TOTAL	\$99,500

3. The resolution only authorizes expenditures for a feasibility study of the redevelopment of the current Marcus Center for the Performing Center Arts' parking structure site. Any redevelopment of the site would require additional Common Council action.

Fiscal Impact

The resolution authorizes the expenditure of \$150,000 of the Milwaukee County War Memorial's Inc. portion of the capital reserve fund. The resolution has no fiscal impact on the City's portion of the capital reserve fund.

cc: Marianne Walsh
W. Martin Morics
Mike Daun
Dorinda Floyd
Michal Dawson
James Scherer
Jean Laskowski

Prepared by: James Carroll, X8679
LRB-Fiscal Review
July 1, 2003