

Milwaukee wants DCD to spend more on facade, street improvements

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A Milwaukee agency is taking heat for failing to spend anywhere near as much money as it has had the authority to borrow to help businesses pay for facade and street improvements.

From 2011 through 2014, the Department of City Development has had authority to borrow \$4 million for those projects but has spent only \$358,583. The city approved the borrowing authority for three DCD accounts, said Kathleen Brengosz, the fiscal planning specialist for the city who calculated a carryover update on the accounts for the Common Council's Capital Improvements Committee. Borrowing authority can be carried over from one year to the next three times before expiring.

Technically, the city never had the \$4 million, Brengosz said. When borrowing authority is granted, a department can spend other cash and ask the city comptroller for a reimbursement through the borrowing. The comptroller borrows money through bonding multiple times a year to replenish many accounts, Brengosz said, so the city does not borrow money it will not spend.

But Alderman Robert Bauman, a member of the improvements committee and one of six aldermen who signed a letter requesting the DCD account for its outreach efforts, said that money should be spent. Failure to do so, he said, means the DCD is not doing enough to attract business owners to apply for the money.

Bauman said Brengosz's calculations of how much borrowing authority has been carried over in those accounts reveal a "fundamental breakdown" within the DCD.

"That kind of tells the story in black and white," he said.

Martha Brown, DCD's deputy commissioner, said she agrees.

"We have some high balances in some of those resources," she said. "That tells me we're not being as active as we could be in that outreach."

The Neighborhood Commercial District Street Improvement Fund is an account used to make grants to Business Improvement Districts to pay for streetscape projects, which include adding benches, lighting and planters, among other things. From 2011 through 2014, Brengosz said, the city budgeted \$1.75 million in borrowing authority for those grants, but spent only \$159,462.

Another account, the Business Improvement Fund, provides loans complementing grants from the street improvement account. From 2011 through 2014, Brengosz said, the city budgeted \$1 million in borrowing authority but did not spend any money.

Brown said the department is trying to solve the problems, but budget sheets do not tell the full story. She said, for instance, that some money is set aside, such as for a project proposed by the Avenues West Business Improvement District, though she added she is not sure how much money is set aside in such a way in the three accounts.

A third account, the DCD's facade program, has had \$1.25 million in borrowing authority from 2012, when the account was created, through 2014, Brengosz said. The department has spent only \$199,121 of that money.

But the DCD has other sources of money, and spends that money, for facade projects, Brengosz said. The city, for example, has a facade development fund that will expire at the end of 2014.

The DCD has struggled to spend the money, Brown said, partially because it lacks money in a different budget. The DCD in 2009 had six full-time employees dedicated to marketing commercial districts and overseeing assistance programs, she said, but now has only two.

She said the department is exploring reassigning tasks to free up time for more outreach, and it is considering hiring in 2015.

Another part of the problem, Brown said, stems from the department's part-time employees, University of Wisconsin-Milwaukee students who help run the facade grant program. They often do not have enough time to return phone calls from business owners, she said.

Brown said the DCD about six months ago started working on solving the problems after department leaders realized how much borrowing authority was being carried over.

"We're not getting enough money onto the street," she said.