

## LRB – FISCAL REVIEW SECTION ANALYSIS

OCTOBER 29, 2001 AGENDA

ITEM 6, FILE 010824

ECONOMIC DEVELOPMENT COMMITTEE

Emma J. Stamps

File 010824 is a resolution relating to the issuance of Industrial Development Revenue Bonds (Waste Management of Wisconsin, Inc. Project). (DCD)

### **Background and Discussion**

1. This resolution authorizes the issuance of tax-exempt industrial revenue bonds to finance costs related to the acquisition, construction and equipping of landfill sites and other waste disposal facilities within the City of Milwaukee and at several other locations throughout the State of Wisconsin by Waste Management of Wisconsin, Incorporated. The bond issuance will be at least \$105,168,000 but not to exceed \$115 million.
2. State provisions related to industrial development revenue bonds (s. 66.1103, Wis. Stats.) permit the issuance of revenue bonds by a sponsoring municipality in which proceeds are used beyond the boundaries of the municipality.
3. The Goodwill Industrial Revenue Bond issue approved by the Common Council in July, 1999 financed costs for activities in Milwaukee, Racine, Kenosha and Waukesha counties.
4. Waste Management employs 1,437 people in Wisconsin. Approximately 26% or 378 employees are minorities. The company expects to add 20 professional and operator positions, earning wages between \$16 to \$21 per hour, within one year of project completion.
5. The company proposes replacing its existing fleet of collection vehicles with vehicles that burn cleaner fuel and produce fewer air emissions through a major upgrade of its statewide operations, including:
  - Purchasing new collection vehicles, solid waste disposal containers and related equipment
  - Acquiring solid waste disposal, sorting and processing equipment for placement near various hauling and transfer stations
  - Certain landfill improvements plus upgrades to the leachate and methane gas collection systems
  - Site acquisitions, remodeling, paving and other activities
6. State statute provides for empowering governing bodies (the City) to waive the requirement of competitive bidding for certain construction contracts with regard to the construction of projects financed under Section 66.1103, Wisconsin Statutes.
7. Pursuant to the Revenue Agreement, Waste Management must provide statistics related to the net number of jobs eliminated, created or maintained on project sites and

elsewhere in the State as a result of the Project. These statistics are due within 12 months after the Project is completed or 2 years after the bond issue, whichever is sooner.

8. This resolution further authorizes the City to waive the public bidding requirement for construction work on the facility in addition to authorizing a public hearing on the Bonds.
9. Prior to the Bond issuance, the electors of the City shall have been given the opportunity to petition for a referendum on the matter of the Bond issue as required by Section 66.1103. A subsequent resolution will be required.
10. If the Common Council approves this file, the City will earn revenue from the bond issuance equal to 0.5% on the principal.
11. The project's costs are shown in the chart below:

<b>3-Year Capital Expenditure Program Title</b>	<b>Allocation</b>
Deer Tract Park – Jefferson County District #1704	\$ 1,100,000
Madison Prairie RDF – Dane County District #2349	\$ 500,000
Madison Wisconsin – Dane County District #2280	\$ 710,000
Metro RDF (City of Franklin) – Milwaukee County District #2742	\$ 570,000
<b>*Milwaukee Wisconsin (Milwaukee, Franklin, Menomonee Falls, Shorewood and Wauwatosa) – Waukesha County District #2275</b>	<b>\$ 21,460,000</b>
Northeast Wisconsin – Brown County District #1796	\$ 540,000
Northern Wisconsin – Chippewa County District #2243	\$ 217,000
Orchard Ridge RDF – Waukesha County District #2286	\$ 905,000
Pheasant Run RDF – Kenosha County District #2290	\$ 15,020,000
Ridgeview RDF – Manitowoc County District #2289	\$ 900,000
Timberline Trail RDF – Rusk County District #2274	\$ 900,000
Tri-County – Fond du Lac County District #2321	\$ 1,110,000
Valley Trail RDF – Green Lake County District #2293	\$ 900,000
Wisconsin-Southwest – Jackson, LaCrosse & Buffalo Counties District #2343	\$ 2,412,600
<b>Total</b>	<b>\$105,167,935</b>

*\*The City of Milwaukee allocation provides for purchasing trucks*

**Fiscal Impact**

This initial resolution has no fiscal impact.

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 LRB-Fiscal Review  
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