

LRB - FISCAL SECTION ANALYSIS

**JUNE 18, 2003 AGENDA
FINANCE AND PERSONNEL COMMITTEE**

**ITEM 9, FILE 030289
EMMA J. STAMPS**

File #030289 is a resolution related to expenditure of funds to be reimbursed by greater than anticipated revenue. (DCD)

Background

1. Tax Incremental District 41 (Time-Warner Riverwalk Extension formerly known as the Harley Riverwalk Project) was authorized September 22, 2000 by Council Resolution 000428 to assist in the redevelopment of the Commerce Street Power Plant and adjacent former rail yards in the area generally bounded by West McKinley Avenue, North Dr. Martin Luther King, Jr. Drive, West Galena Street and the Milwaukee River.
2. TID No. 41 is a developer financed project as opposed to an institution financed project.
3. Pursuant to Council Resolution 000428, the City of Milwaukee granted the Redevelopment Authority (RACM) a \$7,150,000 grant to assist the developer, Kilbourn Canal, LLC.
4. Resolution 000428 authorized the Comptroller to create account 0336-1910-TD04180000 to receive appropriate tax increment collections equal to the total required to repay the private sector in such amounts set forth in the Plan.
5. RACM subsequently provided the funds to the Milwaukee Economic Development Corporation (MEDC) which in turn provided \$7,150,000 loan to the project.
6. Resolution 000689 authorized a development plan for areas of TID No. 41 bounded by North Dr. Martin Luther King, Jr. Drive, Vliet Street, West Cherry Street, and the Milwaukee River.

Discussion

1. The Budget Office stated that in 2003, the amount of TID #41's tax increment to be applied to financing principal and interest was \$402,339 when only \$111,528 of developer revenue appropriation authority remained in the budget account.
2. There is no standing appropriation authority to pay the remaining \$290,811 to the developer.
3. This file provides the appropriation authority sought to pay the developer, Kilbourn Canal LLC. \$290,811.
4. The Comptroller has certified greater-than-anticipated revenue of \$290,811 for TID #41.

Fiscal Impact

This file authorizes an additional \$290,811 expenditure for the purpose of making excess TID revenue payments to developer Kilbourn Canal LLC.

TID No. 41 principal and interest balances is forthcoming from the Dept. of City Development.

If the file is not approve, the excess tax increment will go into the City tax stabilization fund.

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LRB-Fiscal Review
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