

2025



Legislative Reference Bureau

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REDEVELOPMENT AUTHORITY



2025 Proposed Plan and Executive Budget Review

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Budget Hearing: 11:00 am on Monday, October 14, 2024

\$5.62 million

Total proposed budget for 2025, a decrease of 12.4% from 2024 Budget of \$6.41 million.

-65.1%

Decrease in withdrawal from RACM General Reserves for 2025 (from \$1,072,00 in 2024 to \$374,000 for 2025).

\$684,000

Salary and fringe benefit contribution to the City for 2025.

62.7%

Percentage of RACM's budget to be funded by grant proceeds in 2025, compared to 55.0% in 2024.

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:

- Financial management.
- Land use planning and urban design.
- Real estate acquisition and disposition.
- Relocation assistance for displaced families and businesses.

Staffing Update

- All RACM positions moved to City (DCD) budget in 2018.
- 4 City positions to be supported by RACM reimbursement in 2025, compared to 12 positions in 2024.

RACM Board

- 7 Board members.
- All members appointed by the Mayor and approved by the Common Council.
- Board members receive no compensation.
- Board meetings receive staff support from DCD and the City Attorney's Office.
- The Board held 10 regular meetings in 2020, 11 in 2021, 10 in 2022 and 10 in 2023.

Staffing Costs

- 2025 salary and fringe benefit reimbursement to the City will total approximately \$900,000.
- 2025 salary reimbursement is down \$708,000 from 2024.
- Fringe benefit calculation rate down 1% to 45%.

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Number of City (DCD) positions supported by RACM reimbursement.

\$6.0 million

Balance of RACM General Reserves as of December 31, 2023 (2022 end-of-year balance was \$5.9 million).

-50.0%

Decrease in Dwelling Rent revenues for 2025, from \$400,000 to \$200,000.

-\$705,400

Reduction in Professional Services expenditures for 2025, largely a reflection of reduced City salary reimbursement.

RACM Operating Expenditures

	2024 Budget	2025 Proposed
Property Services	\$3,444,500	\$3,344,500
Professional Services	\$2,433,000	\$1,727,600
Loans and Grants	\$300,000	\$300,000
All Other	\$236,500	\$245,900
Total	\$6,414,000	\$5,618,000

Major RACM Grants

	2024	2025
EPA Grants	\$1,500,000	\$1,500,000
US EDA	\$1,000,000	\$1,000,000
WEDC Idle Sites Grant	\$500,000	\$500,000
MMSD	\$250,000	\$250,000
Wis. DNR	\$100,000	\$100,000

Grant Funds – Major Uses

- Brownfields (environmental remediation).
- Grand Trunk Westland restoration (Inner Harbor), including installation of green infrastructure.
- 30th Street Industrial Corridor/Century City redevelopment efforts.

Major RACM Revenue Types/Sources

	2024 Budget	2025 Proposed
Grants	\$3,525,000	\$3,525,000
Prop. Sales	\$750,000	\$750,000
Non-dwell Rent	\$570,000	\$672,000
RACM reserves	\$1,072,000	\$374,000
Dwell Rent	\$400,000	\$200,000
ALL REVENUES	\$6,414,000	\$5,618,000