

LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS

COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

APRIL 3, 2008

Item 17, File #071618

File Number 071618 is a resolution approving the Term Sheet for the Human Resource Development Program, Phase 1, associated with The North End, a mixed-use development being undertaken by a private developer on property located on North Water Street in Tax Incremental District No. 48 (Park East).

Background

1. Common Council File Number 011182, adopted March 5, 2002, created Tax Incremental District No. 48 (Park East), a redevelopment area encompassing the corridor of the former Park East Freeway and generally bounded by Juneau Avenue on the south, N. 8th Street on the west, N. Broadway and Milwaukee and Jefferson streets on the east and W. McKinley Avenue on the north. Common Council File Number 041514, adopted May 3, 2005, amended the boundaries of TID No. 48 and restated its project plan.
2. On December 12, 2006, the Common Council adopted File Number 061021, a resolution approving the terms of a development agreement between the City and USL Land LLC (“developer”) for the construction of a riverwalk and other public infrastructure improvements at USL Land LLC’s project, The North End, a \$175-million, mixed-use development on the site of the former Pfister & Vogel/US Leather Tannery on N. Water Street in TID No. 48.
3. The term sheet approved by File Number 061021 specifies that the City will make available \$500,000 in tax incremental financing revenue to fund a job training program to be administered by the City.

Discussion

1. This resolution approves the term sheet for a supplemental development agreement between the City and the developer for the Human Resource Development Program, Phase I, that is to occur in conjunction with development of The North End. It also authorizes the expenditure of up to \$250,000 in tax incremental revenues from TID No. 48 to pay for the costs of the Human Resource Development Program, Phase I.
2. The term sheet indicates that the purpose of the Human Resource Development Program, Phase I, is to build the business capacity of emerging business enterprise (“EBE”) firms within the city of Milwaukee. The Program’s support for development of EBE businesses will include, but not be limited to, providing organizational memberships, student interns and funding for hardware or software necessary to implement the business plans of EBE firms.

3. The specifics of the Human Resource Development Program, Phase I, have been developed by USL Land LLC in conjunction with the Department of City Development, the Department of Administration, Alderman Joe Davis, the Mayor's Office, the Hispanic Chamber of Commerce and the African American Chamber of Commerce.
4. The term sheet provides for the developer to conduct the Human Resource Development Program, Phase I, by hiring Cross Management Service, Inc. and the Milwaukee Urban Entrepreneur Partnership to carry out the Program. The City will disburse funds to the developer only after all of the following occur:
 - The final program and budget for the Human Resource Development Program, Phase I, are approved in writing by the Commissioner of City Development.
 - The Commissioner of City Development approves all contracts to be entered into by the developer to undertake the Program.
 - The developer certifies in writing that the work for which the developer is requesting reimbursement has been completed in accordance with the Commissioner-approved contracts and budget, and substantiates all Program costs on appropriate forms.
5. The term sheet calls for the City's Department of Administration to provide assistance in the establishment of the Human Resource Development Program, Phase I, and oversight of the Program once it is established.
6. The specifics of the Phase 2 of the Human Resource Development Program have not yet been fully developed. However, it appears that Phase 2 will focus on job training, rather than business capacity development.

Fiscal Impact

The fiscal note for this file indicates that it will have no fiscal impact. However, the resolution authorizes the expenditure of up to \$250,000 in tax incremental revenues from TID No. 48 to fund the Human Resource Development Program, Phase 1, for The North End.

Prepared by: Jeff Osterman, X2262
LRB-Research & Analysis Section
March 31, 2008

c: Rocky Marcoux
Martha Brown
Allison Rozek
Joe'Mar Hooper
Marianne Walsh