

2021



Legislative Reference Bureau

[www.milwaukee.gov/lrb](http://www.milwaukee.gov/lrb)



# REDEVELOPMENT AUTHORITY

---

## 2021 Proposed Plan and Executive Budget Review

Prepared by: Jeff Osterman, Legislative Research Supervisor  
Budget Hearing: 1:30 pm on Tuesday, October 13, 2020

Version 1.0

**\$7.17 million**

Total proposed budget for 2021, an increase of 7.6% from the 2020 Budget of \$6.66 million.

**12.2%**

Increase in withdrawal from RACM General Reserves for 2021 (from \$434,205 in 2020 to \$487,318 in 2021).

**\$550,000**

Change in grant funding as a RACM revenue source, from 2020 to 2021, an increase of 14.5%.

**60.7%**

Percentage of RACM's budget to be funded by grant proceeds in 2021, compared to 57.0% in 2020.

**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:

- Management of financial affairs.
- Land use planning and urban design guidance.
- Real estate acquisition and disposition.
- Relocation assistance for displaced families and businesses.

**Staffing Update**

- All RACM positions moved to City (DCD) budget in 2018.
- 12 City positions supported by RACM reimbursement in 2021, one more than in 2020 (new DCD position of Real Estate Compliance Liaison Officer will be funded by RACM).

**RACM Board**

- 7 Board members.
- All members appointed by the Mayor and approved by the Common Council.
- Board members receive no compensation.
- The Board held 11 regular meetings each in 2016 and 2017, 10 regular meetings in 2018 and 12 in 2019.
- Board meetings receive City staff support from DCD and the City Attorney's Office.

**Staffing Costs**

- 2021 salary reimbursement to City will total approximately \$1.3 million.
- 2021 reimbursement is approximately 24% more than 2020.
- Increase stems from both a higher fringe benefit calculation rate (46%, vs. 40% for 2020) and the addition of one City position supported by RACM reimbursement.

**-\$100,000**

Projected decrease in revenue from dwelling rent (-16.7% from 2020), a reflection of the shrinking inventory of City-owned *in rem* properties.

**\$5.01 million**

Balance of RACM General Reserves as of 12/31/2019.

**\$28,000**

CDBG funding remaining, to be expended for environmental purposes.

**\$1,000,000**

Anticipated WisDOT Transportation Economic Assistance (TEA) grant funding, to be used to construct a rail spur to serve new Komatsu facility.

**RACM Operating Expenditures**

	2020 Budget	2021 Proposed
Property Services	\$3,979,403	\$4,318,579
Professional Services	\$2,193,842	\$2,341,146
Loans and Grants	\$300,000	\$300,000
All Other	\$187,460	\$204,593
<b>Total</b>	<b>\$6,661,205</b>	<b>\$7,164,318</b>

**Major RACM Grants**

Category	2020	2021
EPA Grants	\$1,000,000	\$1,000,000
WisDOT TEA	\$1,000,000	\$1,000,000
US Dept. of Comm./EDA	\$750,000	\$1,000,000
WEDC Idle Sites Grant	\$500,000	\$500,000
MMSD	\$500,000	\$500,000
WisDNR	\$0	\$200,000

**RACM Revenues by Type/Source**

Revenue Type	2020 Budget	2021 Proposed
RACM General	\$2,861,205	\$2,814,318
Property sales	\$1,000,000	\$1,000,000
Dwelling rent	\$600,000	\$500,000
Non-dwell. rent	\$725,000	\$725,000
RACM reserves	\$434,205	\$487,318
Other	\$102,000	\$102,000
Grants/City	\$3,800,000	\$4,350,000
<b>Total</b>	<b>\$6,661,205</b>	<b>\$7,164,318</b>

**Grant Funds – Major Uses**

- Brownfields (environmental remediation).
- Grand Trunk Wetland restoration (Inner Harbor), including installation of green infrastructure.
- 30<sup>th</sup> Street Industrial Corridor/Century City redevelopment efforts.
- Rail infrastructure improvements to serve new Komatsu manufacturing facility.