

CITY OF MILWAUKEE FISCAL NOTE

A) DATE: January 28, 2008

FILE NUMBER: _____

ORIGINAL FISCAL NOTE SUBSTITUTE

SUBJECT: Resolution authorizing City entry into a settlement agreement with Kilbourn Tower, LLC ("KT") regarding amounts owed under an Agreement for Sale and a Note concerning the parcel at 923 E. Kilbourn Street and a vacated right-turn bypass (the "Property") that the City sold to KT in 2003.

B) SUBMITTED BY name/title/dept./ext.): Gregg C. Hagopian, Assistant City Attorney, ext. 2601

C) CHECK ONE: ADOPTION OF THIS FILE AUTHORIZES EXPENDITURES.
 ADOPTION OF THIS FILE DOES NOT AUTHORIZE EXPENDITURES.
 LIST ANTICIPATED COSTS IN SECTION G BELOW.
 NOT APPLICABLE/NO FISCAL IMPACT.

D) CHARGE TO: DEPARTMENTAL ACCOUNT (DA) CONTINGENT FUND (CF)
 CAPITAL PROJECTS FUND (CPF) SPECIAL PURPOSE ACCOUNTS (SPA)
 PERM. IMPROVEMENT FUNDS (PIF) GRANT & AID ACCOUNTS (G & AA)
 OTHER (SPECIFY)

E) PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REVENUE	SAVINGS
SALARIES/WAGES:					
SUPPLIES:					
MATERIALS:					
NEW EQUIPMENT:					
EQUIPMENT REPAIR:					
OTHER:					
TO TALS					

F) FOR EXPENDITURES AND REVENUES WHICH WILL OCCUR ON AN ANNUAL BASIS OVER SEVERAL YEARS CHECK THE APPROPRIATE BOX BELOW AND THEN LIST EACH ITEM AND DOLLAR AMOUNT SEPARATELY.

<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	

G) LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:

SEE ATTACHMENT

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE

#1050-2006-252:128220

Attachment to Fiscal Note

This file authorizes City entry into a settlement agreement with Kilbourn Tower, LLC (“KT”) so the City may collect the \$950,000 purchase price KT agreed to pay City in 2003 when City sold 923 East Kilbourn and a vacated right turn bypass to KT for KT’s construction of the Kilbourn Tower Condominiums. The \$950,000 would be paid in two parts - \$250,000 upon signing the settlement agreement and \$700,000 by December 28, 2008. Under the settlement agreement, as of January 25, 2008, the City would waive \$282,769.25 of interest income (if calculated at the non-default rate of interest) and \$316,124.80 of interest income (if calculated at the non-default rate of interest until May 4, 2006 and then at the default rate until January 25, 2008).