

LRB – RESEARCH AND ANALYSIS

JULY 10, 2006 AGENDA

ITEM 17, FILE 060281

FINANCE & PERSONNEL COMMITTEE

JAMES CARROLL

File #060281 is a resolution authorizing the Commissioners of the Public Debt to market general obligation promissory notes under section 67.12(12), Wisconsin Statutes, of Contingent Borrowing Authority in the amount of \$1,000,000 for Development Fund purposes.

Background

1. On May 9, 2006, the Common Council approved a \$1.5 million settlement (File # 051694) with the federal government to ensure that the downtown riverwalk is accessible to people with disabilities. Under the terms of the \$1.5 settlement the city will provide \$1,170,000 and Business Improvement District No. 15 will provide \$330,000 for elevator lifts, ramps and other modifications improve accessibility to the riverwalk .

Discussion

1. This resolution authorizes the issuance and sale of \$1,000,000 general obligation promissory notes for paying the City's portion of the settlement agreement with the federal government relating to a complaint filed under the American with Disabilities Act.
2. Contingent Borrowing authority will be used to fund the Development Fund expenditure.

Fiscal Impact

The Comptroller's Office estimates this issuance will have annual debt service expenditures of \$150,000 for 10 years. The estimate is based on an issuance of \$1 million, with 10-year level debt payments, at an interest rate of 5%. (The actual interest rate will depend upon market conditions at the time of issuance).

Cc: Marianne Walsh
Craig Kammholz
Mark Nicolini
W. Martin Morics
Mike Daun
Richard Li

Prepared by:
Jim Carroll, X8679
LRB Fiscal Review
June 30, 2006