

## LRB – RESEARCH AND ANALYSIS

JANUARY 12, 2012

ITEM 6, FILE #111213

FINANCE & PERSONNEL COMMITTEE

JIM CARROLL

File #111213 is an ordinance relating to the alley reconstruction recovery ratio.

### **Background & Discussion**

1. In 2011, the alley reconstruction recovery ratio was reduced from 60% to 30% for alley reconstruction projects approved by the Common Council after January 1, 2012.
2. The 11 alley projects listed below were approved by Common Council in 2011. However, the reconstruction of these alleys will not take place until 2012. Currently, the assessment for these alleys will be based on a recovery ratio of 60%. This ordinance reduces the alley reconstruction recovery ratio from 60% to 30% for those alley reconstruction projects approved in 2011, but whose reconstruction will not take place until 2012.

Aldermanic District	Alley Location
3	E. Bradford Ave., N. Downer Ave., N. Stowell Ave., and E. Webster Pl
3	N. Cramer St., E. Hampshire St., E. Hartford Ave., and N. Oakland Ave.
5	W. Appleton Ave., W. Congress St., W. Ruby Ave., and N. 80 <sup>th</sup> St.
5	W. Burleigh St., W. Chambers St., N. 85 <sup>th</sup> St., and N. 86 <sup>th</sup> St.
5	W. Capitol Dr., W. Melvina St., N. 80th St., and N. 81st St
8	W. Branting Ln., W. Greenfield Ave., S. 35th St., and S. 36th St.
8	W. Dakota St., W. Montana St., S. 49th St., and S. 50th St.
8	W. Greenfield Ave., W. Scott St., S. 28th St., and S. 29th St.
10	W. Auer Ave., W. Concordia Ave., N. 53rd St., and N. 54th St.
14	S. Austin St., S. Brisbane Ave., E. Euclid Ave., and E. Oklahoma Ave.
14	S. Ellen St., S. Kinnickinnic Ave., E. Morgan Ave., and E. Vollmer Ave.

3. The 2012 Budget provides \$3 million in new funding for alley reconstruction projects. DPW estimates that the 2012 Budget will provide funding for the reconstruction of approximately 30 alleys that are approved in 2012, at the lower alley recovery ratio of 30%.

### **Fiscal Impact**

1. If this ordinance is adopted, there will be a funding shortfall of approximately \$200,000 for the approximately 30 2012 alley reconstruction projects and the 11 alley reconstruction projects approved in 2011, but whose reconstruction will not take place until 2012.

2. Without any additional funding, DPW will have to transfer 2012 non-assessable funds to partially offset the \$200,000 shortfall. Depending on how many alleys are deleted from the 2012 alley program during the hearing process and the actual reconstruction costs (which are determined when the alley reconstruction bids are received), DPW may not have sufficient funding to reconstruct all the alley reconstruction projects planned for 2012. DPW estimates that the funding shortfall could result in 2 to 4 alleys being deleted from the 2012 alley reconstruction program.
3. In order to fully-fund the 30 alley projects scheduled for 2012 and the 11 alley reconstruction projects approved in 2011, the Common Council would have to approve a resolution authorizing \$200,000 in contingent borrowing.

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