

LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS

COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

FEBRUARY 23, 2009

Item 11, File #081443

File Number 081443 is a resolution approving the 14th Amendment to the Riverwalk Development Agreement for Business Improvement District No. 15. This Amendment increases the budget for this project based on changes to the overall project scope and design.

Background

1. On March 31, 1994, the Common Council adopted File Number 931824, a resolution that approved the creation of Business Improvement District No. 15 (“BID 15”) and also approved the BID’s initial operating plan. This operating plan established a development scheme and funding mechanism for the construction of a series of riverwalks and related amenities along the Milwaukee River in Downtown Milwaukee.
2. The City and the BID entered into a Riverwalk Development Agreement, dated May 23, 1994, to construct the Riverwalk system consistent with the framework established in the initial operating plan. This Riverwalk Development Agreement has been subsequently amended 13 times to reflect changes in project scope and funding.
3. In 2006, the City, BID 15 and the U.S. Department of Justice executed an agreement that requires the City, in conjunction with the BID, to improve 9 segments of the Riverwalk to be fully ADA-accessible within 3 years (i.e, by July, 2009).
4. The 13th Amendment to the BID 15 Riverwalk Development Agreement established a budget of \$1.5 million for the ADA accessibility improvements.

Discussion

1. Since the 2006 ADA accessibility agreement was reached, the project scope has been revised and the estimated total cost increased accordingly. Installation costs for the accessibility improvements are much higher than initially estimated. In addition, the project now calls for greater use of ramps, rather than wheelchair lifts. As a result of these changes, the current project budget indicates a total cost of up to \$4,797,473.
2. BID 15 has agreed to contribute 22% of the cost of making the Riverwalk accessibility improvements, the same share it pays for the standard Rivewalk development program. However, for one of the 9 segments receiving accessibility improvements (the Mason Street landing), all costs will be paid by the City, as this is City-owned property.
3. The adopted 2009 City Budget provides \$724,000 in a new ADA Riverwalk Construction capital account for the City’s share of the costs of this project. This funding supplements the \$1.5 million that had been previously earmarked in the Department of City Development’s Development Fund capital account for ADA Rivewalk improvements.

4. This resolution directs the proper City officials to execute the 14th Amendment to the Riverwalk Development Agreement for BID 15. The Amendment increases the project budget by \$3,297,473 to \$4,797,473.
5. This resolution also directs the City Comptroller to transfer the \$724,000 provided in the 2009 capital budget to the appropriate account to make it available for payment of the City's share of accessibility improvements to be constructed in 2009.
6. Accessibility improvements on the first of the 9 segments -- at the Iroquois boat landing site -- were completed in August, 2008. Work on the Mason Street segment is nearing completion. Accessibility improvements adjacent to Usinger's, Rock Bottom Brewery and the Steinmeyer Building are expected to be completed later this year.
7. Although the Department of Justice initially required that these Riverwalk accessibility improvements be completed by July, 2009, DCD has indicated that it has been discussing a possible extension with the Department of Justice. DCD reports that the Department of Justice is likely to be supportive of an extension because it looks favorably upon the higher-quality improvements that are now part of the project scope and because the City has demonstrated real progress in constructing the improvements.

Fiscal Impact

1. This resolution will authorize the expenditure of \$724,000 from the Department of City Development's ADA Riverwalk Construction capital account for accessibility improvements on various Riverwalk segments in 2009.
2. The estimated total cost of this project is \$4,797,473. These costs will be paid as follows:

City (Development Fund)	\$1,500,000
City (2009 special capital account)	\$724,000
BID 15 (22% of costs; 8 of 9 segments)	\$910,714
<u>City (source(s) yet to be determined)</u>	<u>\$1,662,759</u>
TOTAL	\$4,797,473

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