

LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS

COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

SEPTEMBER 20, 2007

Item 10, File #070716

File Number 070716 is a resolution authorizing an expenditure and approving a Public Improvement Development and Maintenance Agreement for Business Improvement District No. 38 (Cesar E. Chavez Drive).

Background

1. On November 15, 2005, the Common Council adopted File Number 050707, a resolution creating Business Improvement District No. 38 (Cesar E. Chavez Drive) and approving this District's first-year operating plan.
2. The first-year operating plan for BID No. 38 calls for the BID board to enter into an agreement with the City for the financing, installation and maintenance of a mutually-acceptable streetscape improvement project along Cesar E. Chavez Drive between National and Greenfield avenues.

Discussion

1. The BID No. 38 board and City departments have developed a term sheet for the Public Improvement Development and Maintenance Agreement for the BID No. 38 streetscaping project. This agreement calls for the BID, as the developer, to undertake a streetscaping project consisting of enhanced Milwaukee-style and harp lighting, decorative crosswalk and bump-out colored pavement, street furniture, trash receptacles, commercial district gateway improvements and extensive landscaping.
2. The agreed-upon improvements will be funded with a \$200,000 loan from the Department of City Development's Business Improvement Districts capital account and a \$200,000 matching grant from the Department's Neighborhood Commercial District Street Improvement Fund (capital account).
3. The BID board will repay the \$200,000 loan, plus interest, over a 20-year period through its BID assessments.
4. City forces will perform the paving and streetlighting components of the project. The BID board will be responsible for other improvements, such as street furniture and gateway signage, but will be reimbursed for the costs of those improvement from the project accounts.

Fiscal Impact

1. This resolution will transfer \$200,000 from the DCD Business Improvement Districts capital account and \$200,000 from the DCD Neighborhood Commercial District Street Improvement Fund to the appropriate project accounts to fund the \$400,000 streetscaping project set forth in BID No. 38's first-year operating plan.
2. The City will recover the loan portion of these funds (\$200,000 plus interest) through annual assessments paid by property owners within BID No. 38.

Prepared by: Jeff Osterman, X2262
LRB-Research & Analysis Section
September 18, 2007

cc: Rocky Marcoux
Rhonda Manuel
Tom Croasdaile
Marianne Walsh