

CITY OF MILWAUKEE FISCAL NOTE

A) **DATE** October 23, 2007

FILE NUMBER: 070979

Original Fiscal Note Substitute

SUBJECT: Resolution authorizing the Department of Public Works to enter into a multi-year agreement with Fourth and Highland, LLC to lease parking spaces in the City-owned 4th and Highland parking structure.

B) **SUBMITTED BY (Name/title/dept./ext.):** Dorinda Floyd/Administrative Services Director/DPW/x5582

C) **CHECK ONE:** ADOPTION OF THIS FILE AUTHORIZES EXPENDITURES
 ADOPTION OF THIS FILE DOES NOT AUTHORIZE EXPENDITURES; FURTHER COMMON COUNCIL ACTION NEEDED. LIST ANTICIPATED COSTS IN SECTION G BELOW.
 NOT APPLICABLE/NO FISCAL IMPACT.

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

E) PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REVENUE	SAVINGS
SALARIES/WAGES:					
SUPPLIES:					
MATERIALS:					
NEW EQUIPMENT:					
EQUIPMENT REPAIR:					
OTHER:	4 th and Highland Revenues (from 11/07-3/12)	0450-6610-009400		\$1,143,425 + \$491,400 (hotel occupancy at 50%)	
	Debt Service (Refinance cost w/ other debt to 2020)	0450-6610-R661-006300	\$5,500/yr		
TOTALS					

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 checked="" type="checkbox"/> 3-5 YEARS	4 th and Highland Parking Revenues
<input type="checkbox"/> 1-3 YEARS	<input checked="" type="checkbox"/> 3-5 YEARS	Debt service costs to refinance existing debt
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	

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

H) **COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:** From 11/07 to 3/12, it is estimated that \$1,143,425 in parking revenues will be generated from the lease agreement, not including the hotel spaces. During this time the parking rates will be fixed at 2008 rates until 4/2012 after which time the parking spaces will be charged at the market rate. Depending on the market rate, the lease is estimated to generate \$500,000/yr. The rates are fixed until 4/2012 to reflect the construction and startup phase of the project. In addition, depending upon the use of the hotel

spaces, revenue may range from \$245,700 (25% occupied) to \$985,500 (100% occupied) over the same period of time. The hotel spaces are charged a rate that reflects the average self-parking rate charged at comparable hotels. There is \$750,000 in outstanding tax-exempt debt related to this structure. The cost to refinance this debt with other debt is estimated to total \$5,500/yr to 2020 (est. provided by the Comptroller's Office).

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE