

LRB – FISCAL REVIEW SECTION ANALYSIS

MAY 16, 2005 AGENDA

ITEM 12, FILE 050108

ZONING, NEIGHBORHOODS & DEVELOPMENT COMMITTEE

JAMES CARROLL

File #050108 is a resolution approving a cooperation agreement between the City of Milwaukee and the Redevelopment Authority regarding financing of a major City capital project.

BACKGROUND & DISCUSSION

1. The Department of Public Work is currently reviewing bids for the renovation of City Hall.
2. If DPW accepts a bid, this cooperation agreement provides the City financing with the option of using RACM borrowing authority to provide for the financing of the project.
3. Under the cooperation agreement, RACM declares City Hall blighted due to existing conditions.
4. Blighted designation allows the Redevelopment Authority to use its borrowing authority for the City Hall renovation project.
5. Utilizing RACM allows the City to establish a contract at the existing bid amount without having an impact on its current general obligation borrowing authority. The agreement allows the city to spread out disbursements over several capital budgets.
6. The agreement does not include the financial terms of the borrowing (e.g., amount, length of time, etc). Under the agreement (#6), the City will provide staff assistance to RACM to identify the most efficient and cost effective manner in which to finance the project. It is anticipated that resolutions approving the financial terms will be submitted to RACM and the Common Council for their approval at a later date.

FISCAL IMPACT

This resolution has no fiscal impact.

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