

2023



Legislative Reference Bureau

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# REDEVELOPMENT AUTHORITY

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## 2023 Proposed Plan and Executive Budget Review

Prepared by: Jeff Osterman, Legislative Research Supervisor  
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Version 1.0

# \$7.66 million

Total proposed budget for 2023, an increase of 8.8% from the 2022 Budget of \$7.05 million.

# 24.2%

Increase in withdrawal from RACM General Reserves for 2022 (from \$476,709 in 2022 to \$592,007 in 2023).

# \$1.3 million

Salary contribution to the City for 2023, an increase of about \$64,000 from 2022.

# 63.2%

Percentage of RACM's budget to be funded by grant proceeds in 2023, compared to 61.7% in 2022.

## Relationship of RACM to City

The Redevelopment Authority of the City of Milwaukee (RACM) is an independent corporation created by State Statute in 1958. Its mission is to:

- Eliminate blighting conditions that inhibit neighborhood reinvestment.
- Foster and promote business expansion and job creation.
- Facilitate new business and housing development.

RACM has an annual cooperation agreement with the City for the City to provide:

- Management of financial affairs.
- Land use planning and urban design guidance.
- Real estate acquisition and disposition.
- Relocation assistance for displaced families and businesses.

## Staffing Update

- All RACM positions were moved to City (DCD) budget in 2018.
- 12 City positions are supported by RACM reimbursement in 2023, the same number as in 2022.

## RACM Board

- 7 Board members.
- All members appointed by the Mayor and approved by the Common Council.
- Board members receive no compensation.
- The Board held 10 regular meetings in 2018, 12 in 2019, 10 in 2020 and 11 in 2021.
- Board meetings receive City staff support from DCD and the City Attorney's Office.

## Staffing Costs

- 2023 salary reimbursement to City will total approximately \$1.3 million.
- 2023 reimbursement is up approximately \$64,000 from 2022.
- Fringe benefit calculation rate remains at 46%.
- Fringe benefit costs are up \$20,283 for 2023.

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Number of City (DCD) positions supported by RACM reimbursement.

\$6.1 million

Balance of RACM General Reserves as of December 31, 2021.

12.7%

Increase in Property Services expenditures for 2023, a result of higher insurance premiums and greater grant-funded environmental clean-up expenditures.

\$500,000

Increase in grant expenditures for 2023, a reflection of anticipated expenditures of multi-year grant appropriations.

**RACM Operating Expenditures**

	2022 Budget	2023 Proposed
Property Services	\$4,212,877	\$4,748,481
Professional Services	\$2,322,000	\$2,386,377
Loans and Grants	\$300,000	\$300,000
All Other	\$213,832	\$229,149
Total	\$7,048,709	\$7,664,007

**RACM Revenues by Type/Source**

Revenue Type	2022 Budget	2023 Proposed
RACM General	\$2,698,709	\$2,814,007
Property sales	\$1,000,000	\$1,000,000
Dwelling rent	\$400,000	\$400,000
Non-dwell. rent	\$725,000	\$725,000
RACM reserves	\$476,709	\$592,007
Other	\$97,000	\$97,000
Grants/City	\$4,350,000	\$4,850,000
Total	\$7,048,709	\$7,664,007

**Major RACM Grants**

Category	2022	2023
EPA Grants	\$1,000,000	\$1,000,000
WisDOT TEA	\$1,000,000	\$1,000,000
US Dept. of Comm./EDA	\$1,000,000	\$1,500,000
WEDC Idle Sites Grant	\$500,000	\$500,000
MMSD	\$500,000	\$500,000
WisDNR	\$200,000	\$200,000

**Grant Funds – Major Uses**

- Brownfields (environmental remediation).
- Grand Trunk Wetland restoration (Inner Harbor), including installation of green infrastructure.
- 30th Street Industrial Corridor/Century City redevelopment efforts.