

LRB - FISCAL SECTION ANALYSIS

JULY 11, 2001

ITEM 5, FILE 010325

ECONOMIC DEVELOPMENT COMMITTEE

JAMES CARROLL

File #010325 is a resolution of intent to issue Industrial Revenue Development Bonds for the R & B Wagner Inc.

**Background**

1. R & B Wagner, located at 4480 N. 124<sup>th</sup> Street, is a distributor of handrail products and systems. It also fabricates and bends tubes as a contract manufacture.
2. The company is proposing to acquire a 15-acre industrial site with 3 buildings (139,000 square feet) at 106<sup>th</sup> and Brown Deer. R & B Wagner is proposing to update the HVAC and electrical systems in all buildings. Wagner will also install new loading docks and replace the roof in the largest building and renovate approximately 15,000 square feet for office space. In addition, the company is purchasing approximately \$1.5 million of new equipment. The project's costs are shown in the chart below:

Site Acquisition	\$4,800,000
Site Improvement	\$ 100,000
New Construction	\$ 350,000
Remodeling	\$ 400,000
Equipment	\$1,500,000
Furniture & Fixtures	\$ 100,000
Relocation	\$ 350,000
Other	\$ 200,000
<b>Total</b>	<b>\$7,800,000</b>

3. The company currently employees 147 workers. The Company expects to hire 20 additional workers within one year of the project and up to 66 workers within four years.
4. On December 7, 2000, the Common Council adopted Resolution #001078 that set forth the intent of the City of Milwaukee to issue industrial development revenue bonds in an amount not to exceed \$5 million to finance costs related to the acquisition, renovation, expansion and equipping of R & B Wagner's manufacturing facility at 10600 West Brown Deer.

**Discussion**

1. This resolution authorizes the issuance of \$5 million of industrial revenue bonds to finance costs related to the acquisition, renovation, expansion and equipping of R & B Wagner's manufacturing facility at 10600 West Brown Deer.

**Fiscal Impact**

The Department of City Development indicates the City will receive \$25,000 in miscellaneous revenue from the 0.5% industrial revenue bond fee charged by the City.

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