

## LRB – FISCAL REVIEW SECTION ANALYSIS

**JUNE 7, 2005 AGENDA  
COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE**

**ITEM 8, FILE 050196  
Emma J. Stamps**

File No. 050196 is a resolution authorizing expenditures from the Development Fund for public improvement modifications in connection with the Bucyrus International, Inc. project at the Chase Avenue Commerce Center, 3073 S. Chase Ave. (DCD)

### **Background**

1. Bucyrus International, headquartered in South Milwaukee since 1893, manufactures large-scale excavation equipment used in surface mining.
2. Bucyrus' customers are primarily large companies and quasi-governmental agencies operating in South American and Australia, Canada, China, India, South Africa, and the United States.
3. The company offered to expand its business into Milwaukee by leasing the Metso Minerals site located at 3073 S. Chase Avenue to train 50 welders and create 80-100 jobs.
4. Bucyrus' expansion offer is conditioned upon receiving financial assistance to cover the job training expenses estimated at \$600,000, of which \$300,000 will be provided by the State.
5. On February 1, 2005, the Common Council authorized a \$150,000, 8-year, 5% *forgiveable* loan to Bucyrus to offset the total job training costs using funds from the 2005 Development Fund Capital account (Resolution No. 041305).

### **Discussion**

1. Bucyrus plans to widen the center median at the project site to improve conditions for traffic flowing to and from its facility. Additional city assistance has been requested.
2. File 050196 authorizes a \$35,000 grant to the Bucyrus International Inc., to expand the center median at 3073 S. Chase Avenue in the 14<sup>th</sup> aldermanic district.
3. A cost estimate prepared by Graef Anhalt Schloemer (on file) lists the total cost of modifying the median at \$35,430. The project involves infrastructure work, including: permitting, designing, exactions, grading, curb and gutter replacements, moving light poles.

### **Fiscal Impact**

1. The fiscal impact of adopting File 050196 is a \$35,000 grant transfer from the Development Fund Capital account to the Bucyrus project account number UR03397300.
2. If adopted, total city assistance increases from \$150,000 to \$185,000.
3. The DCD reports a Development Fund balance totaling \$2,002,947; estimated project demands totaling \$2,452,947; and a \$450,000 need to completely fund demand (per DCD spreadsheet dated 5/31/2005).

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