

Reply to Common Council File No. 110820
From DOA-Budget and Management Division

October 21, 2011

Ref: 11024

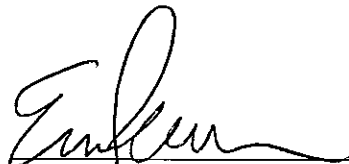
Common Council File No. 110820 is a resolution authorizing up to \$659,000 of contingent borrowing for the Villard Square Library capital project.

The Common Council authorized the Villard Square Library project in resolutions 081371, 090214, and 091666. These resolutions authorized an agreement between the Redevelopment Authority of the City of Milwaukee and the Milwaukee Public Library that will provide New Market Tax Credits for the Library project. The Library anticipated receiving \$659,000 in New Market Tax Credits to help defray the cost of acquiring and developing the Villard Square Library capital project.

The Library anticipated receiving New Market Tax Credits earlier in 2011 as part of the funding needed to complete construction of the Villard Square Library. A delay in receipt of the Tax Credits requires provision of contingent borrowing authority to the Library so that the project can be completed. Once the Tax Credits are received, they will offset the costs of contingent borrowing. The contingent borrowing authority is necessary to enable the Library to complete construction of the Villard Square Library project.

This resolution authorizes \$659,000 in Contingent Borrowing authority that will increase the capital account LB145090100 to allow the Library to expend these funds to complete construction of the Villard Square Library project. When the New Market Tax Credit funding is received, these funds will be deposited as revenues in the Debt Service fund to offset capital or borrowing costs.

**RECOMMENDATION: ADOPT COMMON COUNCIL FILE NUMBER
110820**



Eric C. Pearson
Budget and Policy Manager

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