

CITY OF MILWAUKEE FISCAL NOTE

A) **DATE** July 17, 2007

FILE NUMBER: 070560

Original Fiscal Note Substitute

SUBJECT: A substitute resolution authorizing the Department of Public Works to enter into multi-year lease agreements for parking spaces in City-owned parking structures.

B) **SUBMITTED BY (Name/title/dept./ext.):** Dorinda Floyd/DPW Administrative Services Director/ DPW-Administration/ x 5582

C) **CHECK ONE:** ADOPTION OF THIS FILE AUTHORIZES EXPENDITURES
 ADOPTION OF THIS FILE DOES NOT AUTHORIZE EXPENDITURES; FURTHER COMMON COUNCIL ACTION NEEDED. LIST ANTICIPATED COSTS IN SECTION G BELOW.
 NOT APPLICABLE/NO FISCAL IMPACT.

D) **CHARGE TO:** DEPARTMENT ACCOUNT (DA) CONTINGENT FUND (CF)
 CAPITAL PROJECTS FUND (CPF) SPECIAL PURPOSE ACCOUNTS (SPA)
 PERM. IMPROVEMENT FUNDS (PIF) GRANT & AID ACCOUNTS (G & AA)
 OTHER (SPECIFY) PARKING FUND

E) PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REVENUE	SAVINGS
SALARIES/WAGES:					
SUPPLIES:					
MATERIALS:					
NEW EQUIPMENT:					
EQUIPMENT REPAIR:					
OTHER:	Revenue from lease agreements			Unknown	
	Financing costs to defease or convert tax-exempt debt or to issue taxable debt		Unknown		
TOTALS					

F) FOR EXPENDITURES AND REVENUES WHICH WILL OCCUR ON AN **ANNUAL** BASIS OVER SEVERAL YEARS CHECK THE APPROPRIATE BOX BELOW AND THEN LIST EACH ITEM AND DOLLAR AMOUNT **SEPARATELY**.

<input checked="" type="checkbox"/> 1-3 YEARS	<input checked="" type="checkbox"/> 3-5 YEARS	Revenue from lease agreements is unknown.
<input checked="" type="checkbox"/> 1-3 YEARS	<input checked="" type="checkbox"/> 3-5 YEARS	Expenditures associated with debt service are unknown.
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	

G) **LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:** If the City intends to lease city-owned parking structures for private purposes, in order not to violate the bond covenants, the City may need to convert existing tax-exempt debt to taxable debt, defease the debt or issue new taxable debt. There may be increased financing costs depending upon the amount of debt converted or issued and the interest rate charged. DPW will work with the Comptroller's Office to pursue the least cost financing option.

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE: The resolution allow s DPW to negotiate the terms of a lease agreement and submit the negotiated lease to the Common Council for approval. The terms of the lease could include the length of the lease, the rates charged to the lessee, cost recovery of any financing costs, the number of spaces leased and specific access requirements (i.e. daily, monthly, reserved, 24-hour, hotel, valet, etc.). In addition, DPW w ill determine the number of spaces that are available to be leased.