

2024



Legislative Reference Bureau

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REDEVELOPMENT AUTHORITY

2024 Proposed Plan and Executive Budget Review

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Budget Hearing: 11:00 am on Thursday, October 12, 2023

\$6.41 million

Total proposed budget for 2024, a decrease of 16.3% from 2023 Budget of \$7.66 million.

81.1%

Increase in withdrawal from RACM General Reserves for 2024 (from \$592,007 in 2023 to \$1,072,000 for 2024).

\$1.4 million

Salary and fringe benefit contribution to the City for 2024.

55.0%

Percentage of RACM’s budget to be funded by grant proceeds in 2024, compared to 63.2% in 2023.

Relationship of RACM to City

The Redevelopment Authority of the City of Milwaukee (RACM) is an independent corporation created by State Statue 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:

- Financial management.
- Land use planning and urban design.
- Real estate acquisition and disposition.
- Relocation assistance for displaced families and businesses.

Staffing Update

- All RACM positions moved to City (DCD) budget in 2018.
- 12 City positions supported by RACM reimbursement in 2024, the same number as in 2023.

RACM Board

- 7 Board members.
- All members appointed by the Mayor and approved by the Common Council.
- Board members receive no compensation.
- Board meetings receive staff support from DCD and the City Attorney’s Office.
- The Board held 12 regular meetings in 2019, 10 in 2020, 11 in 2021 and 10 in 2022.

Staffing Costs

- 2024 salary and fringe benefit reimbursement to the City will total approximately \$1.4 million.
- 2024 salary reimbursement is up approximately \$61,000 from 2023..
- Fringe benefit calculation rate remains at 46%.
- Fringe benefit costs are up \$19,390 for 2024.

12

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

\$5.9 million

Balance of RACM General Reserves as of December 31, 2022 (2021 end-of-year balance was \$6.1 million).

-27.5%

Decrease in Property Services expenditures for 2024, due to an anticipated decline in grant funding available.

-\$1,325,000

Reduction in grant funding for 2024, based on anticipated expenditures of remaining balances of multi-year grant appropriations.

RACM Operating Expenditures

	2023 Budget	2024 Proposed
Property Services	\$4,748,481	\$3,444,500
Professional Services	\$2,386,377	\$2,433,000
Loans and Grants	\$300,000	\$300,000
All Other	\$229,149	\$236,500
Total	\$7,664,007	\$6,414,000

Grant Funds – Major Uses

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

Major RACM Grants

	2023	2024
EPA Grants	\$1,000,000	\$1,500,000
US EDA	\$1,500,000	\$1,000,000
WEDC Idle Sites Grant	\$500,000	\$500,000
MMSD	\$500,000	\$250,000
WisDOT	\$1,000,000	\$0

Major RACM Revenue Types/Sources

	2023 Budget	2024 Proposed
Grants	\$4,850,000	\$3,525,000
Prop. Sales	\$1,000,000	\$750,000
Non-dwell Rent	\$725,000	\$570,000
RACM reserves	\$592,007	\$1,072,000
Dwell Rent	\$400,000	\$400,000
ALL REVS.	\$7,664,007	\$6,414,000