

Reply to Common Council File No. 150481  
From DOA-Budget and Management Division

September 14, 2015

Ref: 15031

Common Council File 150481 contains a resolution to provide contingent borrowing authority of \$12 million for Tax Incremental District (TID) 84 (West McKinley and West Juneau) for the purpose of financing the plaza as part of the new Bucks Arena.

Based on a financial analysis of the TID by SB Freedman, the TID is expected to generate increments which will allow the \$12 million in borrowing to be paid back in 17 years. The analysis conservatively estimates the incremental revenue by assuming that only the develop projects proposed for the area will be competed.

This resolution will provide the borrowing authority for general obligation bonds. It is possible that the Redevelopment Authority of the City of Milwaukee (RACM) borrowing authority instead. There will be discussions held with Bond Counsel and the Financial Advisor to determine which route is more advantageous. We ask that this resolution be adopted so both options are available.

**RECOMMENDATION: ADOPT RESOLUTION 150481 AUTHORIZING \$12 MILLION IN CONTINGENT BORROWING AUTHORITY FOR TAX INCREMENTAL DISTRICT 84 (WEST MCKIMLEY AND WEST JUNEAU) FOR THE PURPOSE OF FINANCING A PLAZA ASSOCIATED WITH THE NEW BUCKS ARENA.**



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