

Reply to Common Council File No. 150482  
From DOA-Budget and Management Division

September 14, 2015

Ref: 15031

Common Council File 150482 contains a resolution to provide contingent borrowing authority of \$8 million for Tax Incremental District (TID) 84 (West McKinley and West Juneau) in the form of a developer financed TID for the purpose of financing the parking structure as part of the new Bucks Arena.

A developer will finance the bonds and the proceeds from the borrowing will be used to pay a portion of the cost of the new Bucks Arena parking structure. Incremental revenue from TID 84 will first be used to retire the \$12 million in debt used to cover a portion of the cost of the plaza. After that debt is retired, the incremental revenue will be used to retire the developer financed debt.

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 150482 AUTHORIZING \$8 MILLION IN CONTINGENT BORROWING AUTHORITY FOR TAX INCREMENTAL DISTRICT 84 (WEST MCKIMLEY AND WEST JUNEAU) IN THE FORM OF DEVELOPER FINANCED TID FOR THE PURPOSE OF FINANCING A PLAZA ASSOCIATED WITH THE NEW BUCKS ARENA.**



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ARENA: TID 84 developer sr.doc