



## Legislation Text

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**File #: 031042, Version: 1**

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031042

SUBSTITUTE 1

030351, 030974

ALD. DONOVAN AND MURPHY

Substitute resolution authorizing the application and acceptance of a \$10,000,000 loan guarantee under the City of Milwaukee's amended 2004 Consolidated Community Development Entitlement Program pursuant to Section 108 of Title I of the Housing and Community Development Act and the acceptance and funding of a \$2,000,000 Brownfields and Economic Development Initiative Grant ("BEDI") from the U.S. Department of Housing and Urban Development.

This substitute resolution authorizes the City of Milwaukee, through its Community Development Block Grant Office and the Department of City Development, to apply for and accept a U.S. Department of Housing and Urban Development Section 108 loan guarantee of \$10,000,000. The loan will be paid back through Redevelopment Authority revenue bonds or general obligation bonds issued for Tax Incremental District No. 53 (Menomonee Valley). This substitute resolution also authorizes the acceptance and funding of a U.S. Department of Housing and Urban Development BEDI grant for remediation and redevelopment projects in the Menomonee Valley. The amount of the grant is \$2,000,000 with no Local Match required. The grant will be for remediation and redevelopment projects in TID No. 53.

Whereas, Common Council File No. 030351, adopted on July 15, 2003, authorized application for a \$2,000,000 BEDI grant from the U.S. Department of Housing and Urban Development ("HUD") for the purpose of funding environmental remediation in the Menomonee Valley and in particular on the former CMC Shops site which has subsequently been acquired by the Redevelopment Authority of the City of Milwaukee ("Redevelopment Authority"); and

Whereas, The BEDI grant was awarded to the City of Milwaukee ("City") as Grant No. B-03-BD-55-0040 and that grant program requires the grantee to subsequently apply for and receive a corresponding HUD Section 108 loan as a companion to its BEDI award before such grant may be used; and

Whereas, Pursuant to Common Council File No. 030974, the City intends to establish Tax Incremental District No. 53 ("TID No. 53") for the purposes of redeveloping the CMC Shops site and creating a business park of approximately 65 acres, along with recreational facilities in TID No. 53; and

Whereas, The Project Plan ("Plan") for TID No. 53 provides for funding in the approximate amount of \$16,000,000 for the purposes of implementing the Plan, such funding to be provided through the issuance of Redevelopment Authority revenue bonds backed by the moral obligation of the City, or through the issuance of general obligation bonds, authority for which is provided in Account Nos. TD000300000 and TD000400000 of the 2003 and 2004 Capital Budgets, respectively; and

Whereas, This file will authorize an amendment to the City's 2004 Consolidated Community Development Entitlement Program under Section 108 of Title I of the Housing and Community Development Act for the purpose of applying for a \$10,000,000 loan under Section 108 (the "108 Loan"), thus permitting the City to receive the BEDI grant funds, with the 108 Loan to be ultimately repaid from the borrowing authority authorized for TID No. 53; and

Whereas, It has been determined that the benefits to the City from the 108 Loan appear to

exceed the City's share of costs and other obligations to be incurred for this borrowing; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the Community Development Block Grant Administration is authorized to submit to HUD an amended 2004 final statement of community development objectives and projected use of funds for the 108 Loan available under Title I of the Housing and Community Development Act of 1974 (as amended); and, be it

Further Resolved, That:

The Mayor or the Mayor's designee is designated as authorized representative of the City in connection with all matters relating to the City's 2004 Community Development Program, including the 108 Loan.

The City assures and certifies that it will comply with the regulations, policies, guidelines and requirements with respect to the acceptance and use of Federal Community Development Block Grant funds under Section 108.

The appropriate City Officials are authorized and directed to apply for and accept the 108 Loan funds in the amount of \$10,000,000 without further Common Council approval, unless: the purpose of such 108 Loan is significantly changed; or, the amount of Out-of-Pocket City Share increases from that specified herein; or, the ratio of the Out-of-Pocket City Share to Grantor Share increases from that specified above.

The City Comptroller is directed to reserve within the project/grant parent of the 2004 Special Revenue - Grant in Aid Projects, in the following amounts for the 108 Loan and the BEDI Grant:

Project/Grant: GR0000400000

Fund: 0150

Department ID: 9990

Program: 0001

Budget Period: 0000

Class: R999

Account: 000600

Project: Grantor's Share

Amount: \$10,000,000

and

Project/Grant: GR0000400000

Fund: 0150

Department ID: 9990

Program: 0001

Budget Period: 0000

Class: R999

Account: 000600

Project: Grantor's Share

Amount: \$2,000,000

Upon execution of the Loan and Grant Agreements, the City Comptroller is authorized and directed to:

Create within the Special Revenue Fund - Community Development Block Grant, the necessary project/grants for the 108 Loan and the BEDI Grant. Budget against these project/grants, consistent with the City accounting policies, the amounts required under the Loan and Grant Agreements - but not to exceed a 10 percent increase in the amounts reserved for the Grantor's Share and In-Kind City Share.

Budget from the 2004 project/grant parent of the Special Revenue - Grant in Aid Projects the amounts for additional Program Income in accordance with File No. 74-92-5v, adopted April 10, 1979.

Appropriate and charge central service costs in accordance with an approved cost allocation plan as required under OMB Circular A-87.

The loan funds received pursuant to the 108 Loan are deposited in accordance with the applicable Federal Guidelines and procedures established by the City Comptroller.

The Director of the Community Block Grant Administration is authorized and directed to enter into the contracts and agreements with the Redevelopment Authority required in the projects detailed in the amended 2004 consolidated community development entitlement program statement under the particular categories, in accordance with City Procedures and Grant Guidelines.

The Redevelopment Authority is authorized to enter into any and all loan agreements with HUD that are necessary to accept the 108 Loan funds directly from HUD.

The Redevelopment Authority is required to ensure submittal of all required and appropriate budget and activity reports in amounts and according to any conditions approved in conformance with File No. 74-92-5v to the Community Block Grant Administration and the City Comptroller for their review and approval.

Interest and principal payments due to HUD shall be made by the Redevelopment Authority from tax incremental revenue received from TID No. 53 and from the proceeds of revenue bonds and/or general obligation bonds issued for TID No. 53 or, as applicable, BEDI grant funds.

Except as modified by this resolution, the guidelines for handling the Community Development Block Grant Program set forth in Common Council File Nos. 74-92-5v and 030811 are fully applicable to the 2004 CDBG program.

To insure the repayment of the 108 Loan, the City Comptroller is authorized and directed to encumber \$10,000,000 of Tax Incremental District General Obligation borrowing authority for this purpose in Account Nos. TD0003000000 and TD0004000000.

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11/17/03