
FOR IMMEDIATE RELEASE



FOR INFORMATION CALL

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City's TID Districts Could Provide Millions for Local Street Work, Create Jobs

*Innovative Plan Would Leverage TIF Funds With Little to No Impact on Tax Levy;
News Conference Monday Morning at City Hall*

A proposal to use millions from city tax incremental districts to fund badly needed street reconstruction projects is being described as an ingenious way of paying for infrastructure work while also providing valuable training and job opportunities for city residents.

Alderman Jim Bohl, the author of the TID funding for roads idea, said the plan could free up tens of millions of dollars for street reconstruction and maintenance work by amending project plans for some or all of the city's 48 active tax incremental districts (TIDs) to increase the project costs for each district by the equivalent of approximately one year's worth of the district's incremental tax revenue. He said the additional project cost would then be used to fund street reconstruction work within one half mile of a TID boundary, but not within the TID itself.

"Funding sorely needed infrastructure work using TID dollars will have little or no impact on our already overburdened tax levy, while allowing us to also provide valuable jobs and training for city residents who will be hired on to good jobs that pay prevailing wages," Alderman Bohl said. "This plan is a win-win for the city of Milwaukee."

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TID Funds To Fix Streets/ADD ONE

A news conference on the proposal is set for 10:30 a.m. Monday, March 30, 2009, in the first floor rotunda at City Hall, 200 E. Wells St.

According to the city's Legislative Reference Bureau, the estimated aggregate annual tax increment for the 48 city TIDs (May 2008) is \$30.27 million.

The plan comes after the recent passage of Wisconsin Senate Bill 223, which specifically allows cities to use TID funds for infrastructure improvements within a one-half mile radius of the TID district's boundaries. According to Alderman Bohl, who has met regularly with Common Council President Hines and department heads to craft the strategy, the city Department of Public Works has already identified more than \$15 million in street work that meets the TID boundary criterion.

"It's important that the City of Milwaukee do what it can do to produce high-quality jobs for residents in a fiscally responsible manner – we can't just wait for federal stimulus dollars," said President Hines. "By converting portions of our TID funding to public works projects, we have the potential to exponentially increase job opportunities right here in Milwaukee. There is currently a long waiting list of qualified workers, many of them minorities, who need to be put on projects – building up our local infrastructure is the best way to put them to work."

Alderman Bob Donovan, a supporter of the plan, said it is especially important in view of the fact that no federal stimulus money will be going to pay for local streets and roads. "The sad reality is that there will be no stimulus money available, and no knight in shining armor will be riding to City Hall with a bag filled with thirty or sixty million dollars," he said.

"The reality is that our roads are in pathetic shape and steps must be taken here and now. We can't continue to just sit here and wish that something would happen – we must act," Alderman Donovan said.

Alderman Robert J. Bauman, who chairs the Common Council's Public Works Committee, said a December 2008 City Comptroller audit report on residential street maintenance in Milwaukee reported that city budgets have underfunded local street replacement and reconstruction for at least two decades, and that 214 miles of local streets (21%) are in poor condition.

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TID Funds To Fix Streets/ADD TWO

To catch up on street maintenance, the audit suggested the city would need to appropriate approximately \$25.5 million per year to achieve a 1:1 ratio of service life to replacement cycle. For perspective, funding in recent years has been in the \$6-\$7 million range with the city riding a budget cycle blip from the state in its most recent budget allocation – a little over \$9 million for local road reconstruction, he said.

“The way we pay for local streets is badly flawed because of poor funding priorities on the state and federal levels, and it’s abundantly clear that a much larger infusion is needed, and this proposal gives us a measure of control and a valuable revenue source,” Alderman Bauman said. “For every dollar used in the half-mile radius of a TID, that is one more dollar we can use to leverage our general multi-year paving program citywide (in non-TID areas),” he said.

Alderman Willie C. Wade is also supportive of Alderman Bohl’s proposal: “This will give us the chance to fix our infrastructure and train and employ our citizens at the same time at a reasonable cost to the taxpayers,” he said.

“During these difficult times, that sounds pretty good to me,” Alderman Wade said.

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