South 5th Street Project Funding and Scheduling Summary
Prepared by Department of City Development
June 30, 2015

Background:

South 5th Street between Virginia Street and Scott Street is scheduled to be repaved with new sidewalks, curb and gutter replacement during 2016. On June 22, 2015, the Department of City Development, Department of Public Works, and Ald. Jose Perez hosted a public meeting to present a number of street repaving and reconstruction options to area residents, businesses, and property owners. A handout with four street options, a copy of the presentation, and the Walker's Point Parking Study are available at: http://city.milwaukee.gov/AreaPlans/NearSouth. A number of questions were raised at the meeting on the 22nd regarding the funding and schedule for the proposed project. This document attempts to provide additional clarity on those items.

Funding:

How will the proposed 5th Street construction project be paid for?

Funds have been set aside in the general City paving program budget to pay for the basic curb and gutter replacement project and street repaving. In June of 2015, the Common Council approved an amendment to the Florida Yards Tax Incremental Financing District (TID) #20 to provide $450,000 that can also go towards the baseline paving cost. This TID was established in 1993 to fund public improvements and environmental remediation at the Florida Yards Industrial Park. Following general City policy, expiring TIDs may be extended by one year to pay for the costs of any scheduled road construction projects within ½-mile of the TID boundary.

Additionally, in March of 2015, the Common Council approved the creation of a new TID boundary for the area that includes the 5th Street construction project. The Department of City Development and Alderman Perez are currently working to develop a project plan that would determine how funds made available through this TID would be used. It is anticipated this project plan will be presented to the Common Council for approval in September of 2015 and will include funds to pay for any costs associated with the 5th Street construction project that aren't paid for by the City funding already allocated for this project. Total estimated costs of the project range from $1.5 to $2+ million.

Will property owners be charged or assessed for the costs of the 5th Street construction project?

It is not anticipated that area property owners will be directly charged or assessed for the 5th Street construction project. The proposed funding sources for the project are discussed above. If costs for the 5th Street project are not included in the proposed new TID and the project includes sidewalk replacement, property owners would be assessed over a period of six years for the costs of the sidewalk replacement in front of their properties. This is the standard

process for funding sidewalk replacement. A benefit to area property owners of moving forward with a full street reconstruction at this time is that the costs of sidewalk widening can be paid for through the TID instead of an assessment to individual property owners.

What is a Tax Incremental District (TID)?

A TID is a financing tool that allows the City to borrow funds to make public improvements, infrastructure investments, and provide development incentives in a specific geographic area. Those funds are paid back by the City over a period of time by capturing property tax revenues from newly developed property in the area and other increases in area property values. After the costs of the TID funded projects are paid off, the TID is closed. Property owners within the TID are not assessed any additional charges because their property is located inside the TID. They will continue to pay property taxes based on the assessed value of their property as determined annually by the City Assessor's Office

Currently, the Department of City Development and Ald. Perez are working to develop a project plan to guide the investment of funds through the 6th and National TID (boundary map attached) which can include supporting the 5th Street reconstruction project. Ald. Perez will host a community meeting in July of 2015 to discuss the proposed TID.

What is a Business Improvement District (BID)?

A BID is an entity that is created by commercial property owners within a defined geographic boundary in which property owners agree to pay an annual assessment in addition to their property taxes that can be used to fund BID-directed activities to improve and strengthen the defined area. These activities generally include, but are not limited to, marketing, street beautification, cleaning, graffiti removal, security or other services that the businesses deem important to the continued development of their focus area. BID boards have a majority of members who are either property owners or business occupants within the BID boundary who oversee the budgeted use of BID assessments. The assessments are collected by the City of Milwaukee each year as part of property tax collection and the annual BID operating plan and confirmation of new BID board members both require the approval of the Common Council.

There is currently no BID in the 5th Street project area. Importantly, all four options presented at the June 22 meeting can move forward whether or not a BID is created. The process to establish a BID generally takes 9-12 months. If a BID were created during 2016, it could include funds in its first year (2017) operating plan for items that enhance the streetscape that may require ongoing BID maintenance such as planters, street furniture, banners, and hanging baskets.

Scheduling

When does a road construction option need to be selected?

An option needs to be selected by late July of 2015 in order for cost estimates to be developed to be included in the TID project plan that will move forward in September of 2015 and engineering work to begin that will allow the construction to occur during 2016. If an option

is not selected by late July of 2015, the funds allocated for the basic curb and gutter replacement will not be "lost." However, it would be unlikely that construction would occur in 2016 and could make it more difficult to include funding for the project in the proposed TID.

When will the TID be approved?

It is anticipated that a project plan for the TID will be presented to the Common Council in September of 2015. This plan will spell out the types of projects that could receive support under the TID, including the 5th Street construction project. The Department of City Development and Alderman Jose Perez are currently working to prepare the project plan for the TID.

When will road construction occur?

If a final decision on a reconstruction option is reached by the end of July 2015 and the TID is approved as expected during 2015, construction could occur during 2016. The construction period could be as long as 2-4 months depending on the option selected.   "Option 1" involves only minimal sidewalk widening and would include basic repaving and curb and gutter replacement. The other three options presented at the June 22 meeting all involve more significant sidewalk widening and would require a full street reconstruction. This would result in a longer construction period. DPW would work with area businesses to determine the best month to begin construction.   DPW will also work with area businesses through the Support for Business program to mitigate the impacts of the construction process.

Key Dates

TID Approval
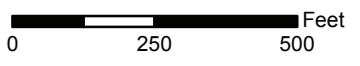TID project plan developed: July 2015
TID presented to Common Council: September 2015
TID approved by Common Council: September 2015
Funding available under TID: Late 2015

Road Construction
Final construction option selected: End of July 2015
Design and Engineering: Winter 2015
Construction Begins: Summer 2015
Construction period: Two – Four Months

> **Please submit any questions on this project or input on your preferred construction option to NearSouthSidePlan@Milwaukee.gov. Please provide any feedback on your preferred construction option by Friday, July 24, 2015 so it may be considered in developing a final recommendation.**

Proposed TID
6th and National

N
W   E
S

Feet
0   250   500

Street labels: W VIRGINIA ST, W BRUCE ST, W PIERCE ST, W NATIONAL AV, W WALKER ST, W MINERAL ST, W WASHINGTON ST, S 9TH ST, S 8TH ST, S 7TH ST, S 6TH ST, S 5TH ST, S 4TH ST, S 3RD ST, I-43, I-94

Legend

☐ Proposed TID Boundary

- ☐ Single Family
- ☐ Duplex
- ☐ Multi-Family
- ☐ Condominiums
- ☐ Commercial
- ☐ Mixed Commercial and Residential
- ☐ Manufacturing, Construction, and Warehouse
- ☐ Transportation, Communications, and Utilities
- ☐ Agriculture and Fishing
- ☐ Public and Quasi-Public Buildings
- ☐ Public and Quasi-Public Open Space
- ☐ Vacant Land