


FW: Finance Committee- IJCC Request Follow Up
From Joseph Lamers <Joseph.Lamers@milwaukeecountywi.gov>

Date Thu 10/16/2025 6:51 PM

To Allyson Smith <Allyson.Smith@milwaukeecountywi.gov>

1 attachment (75 KB)

Copy of Finance-Budget Cmte Hearing_Referral Log Item 13_b.xlsm;

FYI



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From: Joseph Lamers

Sent: Thursday, October 16, 2025 1:33 PM

To: Willie Johnson <Willie.Johnson@milwaukeecountywi.gov>

Cc: MaryJo Meyers <MaryJo.Meyers@milwaukeecountywi.gov>; Aaron Hertzberg <Aaron.Hertzberg@milwaukeecountywi.gov>; Vincent Masterson <Vincent.Masterson@milwaukeecountywi.gov>; Jeremy Lucas <Jeremy.Lucas@milwaukeecountywi.gov>; Kyle Ashley <Kyle.Ashley@milwaukeecountywi.gov>

Subject: Finance Committee- IJCC Request Follow Up

Supervisor Johnson, Jr. (and Finance Committee members via BCC):

At yesterday's finance committee meeting there was a question asked about the debt service and property tax impacts of any changes in the property tax allocation for the Investing in Justice: Courthouse Complex project (property tax allocations made possible by the Expressway Patrol allocation). There was a request for a formula or spreadsheet which shows the impact of variable amounts of changes. The attached spreadsheet provides this information.

In the attached excel document, on the summary chart, you can enter any amount into cell F1. The summary chart will then be updated to share the debt service and property tax impacts of any given allocation, over the 20-year debt period.

	A	B	C	D	E	F	G	H	I	J
1	Enter Annual Freed-Up Tax Levy (via State Xpressway REV) applied to offset annual IJCC Debt Service:					\$ 17,000,000				
2										
3										
4							EST Property Taxpayer Impacts			
							\$150,000 Home		\$300,000 Home	
5										
7										
9										
10										
11										
12										

Scenario Description	Total Estimated Principal & Interest	Offset (Direct Levy from Reallocated Expressway Aids)	EST Net Total Debt Service (passed on to Property Owners)	EST Total	EST Annual Median	EST Total
Scenario A: 100% Milwaukee County Debt Service Financing	745,677,400	0	745,677,400	825.87	40.66	1,651.74
Scenario B: Offset - Direct Levy Expressway Policing Aids Increase	745,677,400	(357,000,000)	388,677,400	434.62	20.42	869.25
<i>Reduced Debt & Taxpayer Impact</i>			357,000,000	391	20	782
<i>% Reduction</i>			48%	47%	50%	47%

There is also a "scenario analysis" tab that shows the impact of changing the annual allocation in increments of \$1 million, from \$19M and downward. What this shows is that each time the allocation is reduced by \$1M, the cost passed on to property taxpayers is increased by \$21 million over the life of the debt. This is assuming allocation changes are baselined into the future. Regarding homeowner impact, for example, reducing the annual allocation by \$1 million would increase the property tax contribution by \$46 for a \$300k homeowner. But this is just an example and the attached spreadsheet provides estimates any variable amounts.

Important notes are included in the document. These amounts all estimates based a set of assumptions on 20-year debt repayment scenario, current interest rate estimates, and current project cost estimates. These estimates will change as planning and design is completed on the project, and based on actual debt issuances, and other factors. Additional notes included in the spreadsheet on assumptions in these estimates.

I also want to reiterate some of what the County Executive shared in his Recommended Budget testimony and what was discussed at Finance Committee yesterday. The current expectation is that the Expressway Patrol allocation will be baselined on an ongoing basis into the future. This is subject to future state budget allocations. The legislative intent of the expressway patrol allocation was to help the county finance the courthouse project, while also reducing the impact on Milwaukee County property taxpayers. To help retain the state funding into the future, we are recommending that these dollars be directed towards this intended purpose. If the funds are not retained in the future then that full cost amount is passed onto the property taxpayer.

Please let me know if questions.

 Thank you
 Joe



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Enter Annual Freed-Up Tax Levy (via State Xpressway REV) applied to offset annual IJCC Debt Service: \$ 17,000,000

				EST Property Taxpayer Impacts			
				\$150,000 Home		\$300,000 Home	
Scenario Description	Total Estimated Principal & Interest	Offset (Direct Levy from Reallocated Expressway Aids)	EST Net Total Debt Service (passed on to Property Owners)	EST Total	EST Annual Median	EST Total	EST Annual Median
Scenario A: 100% Milwaukee County Debt Service Financing	745,677,400	0	745,677,400	825.87	40.66	1,651.74	81.31
Scenario B: Offset - Direct Levy Expressway Policing Aids Increase	745,677,400	(357,000,000)	388,677,400	434.62	20.42	869.25	40.84
Reduced Debt & Taxpayer Impact			357,000,000	391	20	782	40
% Reduction			48%	47%	50%	47%	50%

NOTES (as of 10-15-25):

1) Calculations are ESTIMATES only and are based on the following project cost and funding assumptions

a.) Total project costs of \$489.7M

i.) Assumed Bond eligible project costs of \$451.1M

~Single bond issue of \$451.1M based on one CMAR contract

~20 Year debt schedule

ii.) Cash funding of \$38.6M

~\$15.3M Adopted in previous capital budgets

~\$7.5M in 2025 from new State Expressway revenue to the Sheriff's Office that frees up tax levy applied towards the IJCC capital project

~\$15.8M 2026 CEX REC Capital Budget

b.) State Expressway revenue frees-up tax levy that is used to OFFSET the annual debt service payments over a 20-year period, resulting in a direct offset to Milwaukee County property owners. Assumes the State re-authorizes the \$20M Expressway revenue in subsequent biennial budgets.

2) ESTIMATES presented in this file represent a financial SNAPSHOT based on ASSUMPTIONS and available information as of 10/15/2025. This includes the bond interest rate, equalized property values, property growth rate, any changes in the desired use of State Expressway revenue.

	Bond*	Cash	Total
Estimated Project Cost (5 Year Capital Plan)	451,092,452	38,630,000	489,722,452
Estimated Interest Cost on \$451M Bonds	294,584,948		
Total Debt Service (Principal + Interest)	745,677,400		

*Bond issue figures are different from September Committee reports as new State Expressway funding of \$7.5M (for 2025) and the 2026 REQ estimated cash funding of \$11.1M was increased to \$15.8M in the 2026 CEX REC Budget, reducing the need for bond funding with cash.