File No. 12-985

(ITEM ) From the Comptroller and the Director of Economic Development, requesting authorization to enter into a trust agreement with the Milwaukee Economic Development Corporation (MEDC) and to enter into negotiations to develop an administrative agreement for the Milwaukee County Economic Development Fund, by recommending adoption of the following:

**AN AMENDED RESOLUTION**

WHEREAS, the 2012 Adopted Capital Improvements Budget included Project WO624 Workforce and Economic Development Fund; and

WHEREAS, the project included language that allocated $1,000,000 of future land sale revenue for the creation of an Economic Development Fund; and

WHEREAS, the land sale revenue for the Economic Development Fund was to be realized subsequent to $400,000 being realized in the Department of Administrative Services - Economic Development (DAS-ED) operating budget and $1,000,000 being realized for the Workforce Development Fund; and

WHEREAS, these amounts excluded the federal share of the proceeds related to the Milwaukee School of Engineering (MSOE) land sale that were to be placed in the Debt Service Budget; and

WHEREAS, as of November 19, 2012, excluding the federal share of the MSOE land sale proceeds, there is approximately $2.7 million recorded in land sale revenue in the DAS-ED Budget; and

WHEREAS, this achieves the 2012 budgeted land sale revenue in the DAS-ED operating budget and allows for full funding of the Workforce Development and the Economic Development Funds; and

WHEREAS, subsequent to the adoption of the 2012 Capital Improvements Budget, the Comptroller’s Office determined that the Workforce Development Fund and the Economic Development Fund should not have been included in the capital budget, but should have been included in the operating budget; and

WHEREAS, it is anticipated that the funds will not be able to be spent before the end of 2012; and

WHEREAS, State Statute 59.60(11) prohibits the carryover of unexpended operating appropriations from the current budget year into the subsequent budget year; and

WHEREAS, a solution to this problem is the creation of a trust agreement with an outside agency that would allow for the carryover of unexpended funds from year to year; and

WHEREAS, a workgroup consisting of the Comptroller’s Office, DAS-ED, DAS-Fiscal Affairs and Corporation Counsel met to determine how the funds for the Economic Development Fund could be carried over so that the funds were not lapsed at the end of the year; and

WHEREAS, the workgroup researched and met with economic development agencies to determine the best course of action for Milwaukee County’s Economic Development Fund; and

WHEREAS, these agencies included the Racine County Economic Development Corporation (RCEDC), Waukesha County Economic Development Corporation (WCEDC), and the Milwaukee Economic Development Corporation (MEDC); and

WHEREAS, due to the fact that Milwaukee County has limited staffing resources dedicated to economic development, the workgroup concluded that the County should seek external administrative and operating support from a 3rd party agency; and

WHEREAS, this is the model that Waukesha County has used with the RCEDC; and

WHEREAS, after meeting with the agencies and discussing how they administer and operate their economic development programs, the workgroup concluded that the County should seek permission to enter into a trust agreement with MEDC, as well as an administrative agreement with MEDC for the operation of the Milwaukee County Economic Development Fund; and

WHEREAS, the trust agreement will function as a mechanism wherein the budgeted $1,000,000 for the Economic Development Fund will be transferred to MEDC and held in trust on the County’s behalf; and

WHEREAS, the fund will not be able to be used by MEDC until the County approves an administrative agreement that outlines the policies and procedures for the fund; and

WHEREAS, the policies and procedures for the fund will be developed by a County workgroup; and

WHEREAS, a separate resolution will be submitted to the Economic and Community Development Committee for the approval of a negotiated administrative agreement which will include policies and procedures for the fund; now therefore,

BE IT RESOLVED, that the Department of Administrative Services – Economic Development division shall enter into a trust agreement with Milwaukee Economic Development Corporation (MEDC) for purposes of carrying over this $1,000,000 for the Milwaukee County Economic Development Fund; and

BE IT FURTHER RESOLVED, that the Department of Administrative Services – Fiscal Affairs is directed to process an administrative appropriation transfer to realign expenditures and revenues to effectuate the creation of the trust agreement; and

BE IT FURTHER RESOLVED, that the Department of Administrative Services – Economic Development division shall enter into negotiations to develop an administrative agreement for the use of this Milwaukee County Economic Development Fund; and

BE IT FURTHER RESOLVED, that the Department of Administrative Services – Economic Development division shall submit for approval an administrative agreement which will include policies and procedures for the Milwaukee County Economic Development Fund to the Economic and Community Development Committee; and

BE IT FURTHER RESOLVED, that if an appropriate agreement between Milwaukee County and the Milwaukee Economic Development Corporation is not reached before April 1, 2013, $1,000,000 for the Milwaukee Economic Development Fund is to be returned to Milwaukee County.

jmj

11/30/12

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