

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** January 13, 2014

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** A resolution authorizing and directing the Office of the Corporation Counsel to coordinate with outside counsel on the filing of an action for a declaration of rights in property to obtain a judgment determining the extent of the County's title and rights to the downtown Transit Center property

**FISCAL EFFECT:**

- |   |  |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact   | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required   | <input type="checkbox"/> Decrease Capital Expenditures |
| <input checked="" type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues     |
| <input type="checkbox"/> Absorbed Within Agency's Budget  | <input type="checkbox"/> Decrease Capital Revenues     |
| <input checked="" type="checkbox"/> Not Absorbed Within Agency's Budget   |  |
| <input type="checkbox"/> Decrease Operating Expenditures  | <input type="checkbox"/> Use of contingent funds       |
| <input type="checkbox"/> Increase Operating Revenues  |  |
| <input type="checkbox"/> Decrease Operating Revenues  |  |

*Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.*

	<b>Expenditure or Revenue Category</b>	<b>Current Year</b>	<b>Subsequent Year</b>
<b>Operating Budget</b>	Expenditure		
	Revenue		
	Net Cost	See narrative	See narrative
<b>Capital Improvement Budget</b>	Expenditure		
	Revenue		
	Net Cost		

## DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.<sup>1</sup> If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

Approval of this resolution authorizes and directs the Office of Corporation Counsel to arrange for the filing of an action under Chapter 841, Wis. Stats. for a declaration of rights in property to obtain a judgment determining the extent of the County's title and rights to the downtown Transit Center property, with such action to be filed no later than March 15, 2014.

Milwaukee County has previously retained the law firm of Reinhart Boerner Van Deuren S.C. for legal services related to the Downtown Transit Center. (File No. 13-152, adopted February 7, 2013) Currently, a total of \$140,000 has been authorized for this contract from Org. Unit 1961 – Litigation Reserve to represent Milwaukee County in litigation to declare rights in the Transit Center property.

The Office of Corporation Counsel reports that a contract amendment to increase the authorized funds with Reinhart Boerner Van Deuren is expected to be submitted this month to the Committee on Finance, Personnel and Audit under the "passive review" process. This contract amendment is anticipated to be approximately \$50,000. These funds would be allocated from the 2014 Org. Unit 1961 – Litigation Reserve. If the amended contract is accepted by the Board, the amendment would provide enough monies to begin the legal action contemplated in this resolution.

According to the Office of the Corporation Counsel, the total cost to fully litigate this matter cannot be estimated at this time. As the litigation continues, additional funds will be

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<sup>1</sup> If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

<sup>2</sup> Community Business Development Partners' review is required on all professional service and public work construction contracts.

necessary beyond the amount that will be contained in the contract amendment that is being submitted this cycle.

Department/Prepared By Steve Cady, Director of Research Services, Office of the Comptroller

Authorized Signature 

Did DAS-Fiscal Staff Review?  Yes  No

Did CDBP Review?<sup>2</sup>  Yes  No  Not Required