

MILWAUKEE'S RENEWAL COMMUNITY
Where Opportunities Abound

COURSE OF ACTION
EXECUTIVE SUMMARY

SIGNATURES AND LETTERS OF SUPPORT

As the nominating government entities and representatives of community organizations, business associations, and partners in economic development, we recognize the importance of having tools available to us as we strive to revitalize Milwaukee's neighborhoods. The tools offered through the Renewal Community program would be a critical component to spur economic development in Milwaukee's most distressed communities.

We sign to demonstrate our commitment to this Course of Action, which outlines our collective past and future economic development strategies and efforts.

30th Street Industrial Corridor
African American Chamber of Greater Milw.
Avenue West Association
Big Step
Community Village, Limited
Friends of Housing Corp.
Harambee Ombudsman Project, Inc.
Helen Bader Foundation
Historic King Drive BID
Housing Resources, Inc.
Hunger Task Force
Journey House
Layton Blvd. West Neighbors
Local Initiatives Support Corp.
Menomonee Valley Partners, Inc.
Metcalfe Park Association
Metropolitan Milwaukee Assoc. of Commerce
Metropolitan Milwaukee Fair Housing Council
Midtown Neighborhood Association
MLK Economic Development Corp.

Neighborhood Improvement Project
New Concept
New Covenant Housing
North Avenue Community Dev. Corp.
Northwest Side Community Dev. Corp.
Private Industry Council
Sixteenth Street Community Health Center
Social Development Commission
The Business Council
The Milwaukee Enterprise Center
The Open Gate
Tri-Corp Housing, Inc.
Urban Economic Development Corp. (UEDA)
UMOS
WAICO/YMCA Central Housing Initiative II
West End Development Corp.
Wisconsin Housing & Economic Dev. Authority
Wisconsin Women's Business Initiative Corp.
YMCA-CDC
YWCA of Greater Milwaukee

INTRODUCTION

Milwaukee's Mayor John O. Norquist, known nationally as a leader in urban redevelopment, believes passionately in the wealth of cities. Like many urban centers, Milwaukee has a broad asset base that allows a vibrant, diverse and exciting community. Where, too often, skeptics see only deterioration and unemployment, Mayor Norquist sees available workers, untapped purchasing power and community resources.

In Milwaukee, government aims to be transparent, a facilitator of private markets and private developments. As a result of extensive customer dialogue and reorganization of City processes and policies, Milwaukee has experienced significant economic development and job creation. And Milwaukee is well positioned to use the tax benefits that accompany a Renewal Community (RC) designation to spur economic development, wealth, and job growth in the City's most distressed communities.

The RC application from City of Milwaukee was prepared with a strong network of partners committed to the redevelopment of the central city and eager to implement the RC strategies.

The initial planning team was comprised of:

- Milwaukee Department of City Development
- Metropolitan Milwaukee Association of Commerce
- Helen Bader Foundation
- Housing Authority of City of Milwaukee
- Urban Economic Development Association of Wisconsin, Inc.
- Local Initiative Support Corporation – Milwaukee office

The Course of Action was developed through a series of steps designed to encourage maximum participation by city, county and state departments; community organizations; business associations; and neighborhood groups. The steps included:

- 1) **Selection of area:** Milwaukee Department of City Development solicited feedback from key intermediaries and stakeholders on the boundaries of the designated area. The area proposed for the city of Milwaukee RC (RC) not only meets, but far exceeds the HUD criteria, as demonstrated in the table below:

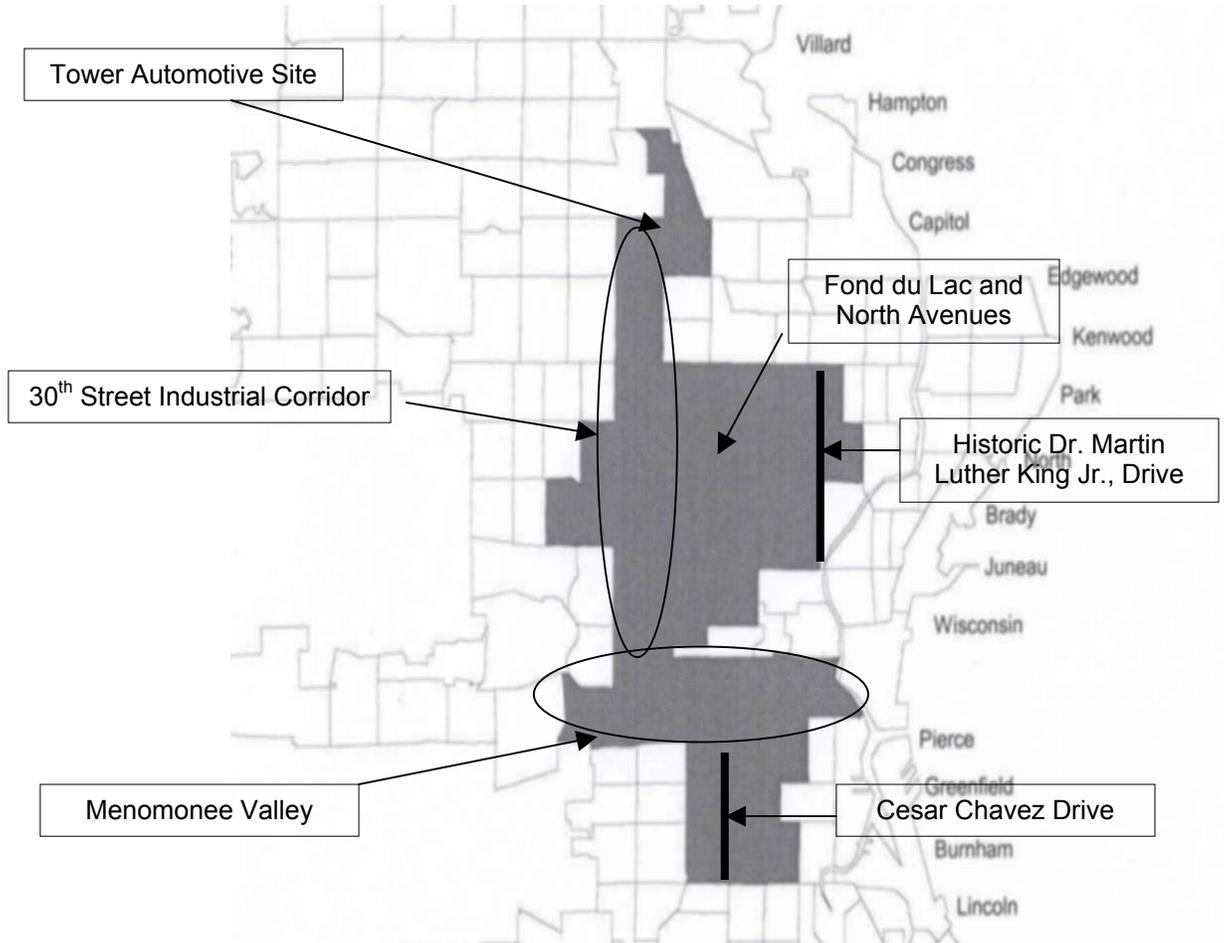
	HUD's minimum	Milwaukee's proposed area (Attachments 1a, 1b)
Low-income household requirement	70%	82.8%
Unemployment rate	9.4%	20.9%
Percentage of people below the poverty line	20%	49.8%

When defining this area, the City, along with our community partners, placed a strong emphasis on identifying an area that would present the most economic development and job creation opportunities for residents of the RC area and the city overall. This was in addition to choosing census tracts that, through the statistical calculations, will be competitive when compared against the proposed areas of other applicants.

The geographical area presented in the application represents a strategic balance between demographic indicators of distress and development/ redevelopment opportunities. We believe that this balance will yield the most benefits to underemployed workers, distressed communities and RC businesses. It is conservatively estimated that, through economic development activities, 3,500 new jobs will be created in this area within the next seven years – jobs with family-supporting wages.

This area is an area of great distress. In this proposed area, residents had an average income of \$16,554 in 1989 with an estimated average income in 1996 at \$20,097. In 1990, only 5.8% of persons 25 and older had a college degree and persons living below the poverty rate totaled almost 50%. The released numbers of the 2000 census show some signs of progress in this area. For instance, since 1990 the owner-occupancy rate increased by 1,000, or 2%.

When surveying City of Milwaukee departments and speaking with community partners in the field, we felt it necessary to encompass six sections of the city with great job creation and economic development potential. The six anchor development sites of the RC area are:



- **30th Street Industrial Corridor** – This corridor is a large, industrially-zoned area that spans the western edge of the RC area. Members of the 30th Street Industrial Corridor Corporation include Eaton Corporation, Harley-Davidson, Master Lock and Miller Brewing. The Corridor is skirted by several neighborhoods with approximately 80,000 residents whom live primarily in Milwaukee’s central city. The potential here is high for job creation targeted at employing residents of Milwaukee’s distressed communities.
- **Cesar Chavez Drive** – This street serves as the main commercial corridor for the South Side of Milwaukee, an area with a high concentration of Hispanic residents and businesses. The 16th Street Health Clinic, one of the Course of Action signators, works closely with residents and business owners on this commercial arterial. The strength of this street is critical to the health of the surrounding neighborhood. An RC designation would provide opportunities for entrepreneurs to bring new goods and services to this community.

- Dr. Martin Luther King Jr, Drive. This business and commercial district is located immediately north of Milwaukee's downtown, has undergone a major transformation. Historically, this street has been the commercial hub of Milwaukee's African American community. In recent years, over \$51 million in new housing and commercial development has occurred, with an additional \$110 planned for the near future. Several national and well-known local retailers as well as Schlitz Office Park, Aurora Medical Center and America's Black Holocaust Museum now anchor the district.
- Fond du Lac and North Avenues - This intersection stands at the center of a neighborhood undergoing a major comprehensive planning effort. It is the hub of development activity in the area. A major new retail development of 167,000 SF has been proposed here and site assembly is underway. Other activity in this area includes the expansion of Columbia S&L, a new Burger King, a new Drive-Thru for Legacy Bank, the development of the Fondy Food Center at the Farmer's market, possible expansion of Lena's Foods, and substantial reinvestment in the former Sears building. A well-organized effort to introduce public art into the commercial corridor is also underway and partially funded with WisDOT support. The Fond du Lac Avenue corridor extending roughly a mile to the northwest from this intersection constitutes one of the city's primary neighborhood commercial redevelopment targets. Businesses (large and small), vacant lots and vacant buildings are all candidates for redevelopment. A recent survey generated development plans in excess of \$8 million within this area, exclusive of the new big box retailer which is projected at \$17 million.
- The Menomonee Valley – Formerly the heart of Milwaukee's industry, the Valley represents the city's greatest opportunity to create industrial, family-supporting jobs – and the demand for industrial space is high. Average demand for industrial acreage in the City is projected at 70.5 acres. If the city is unable to accommodate new employers, they will have to locate in the suburbs, far from workers who need jobs. As of 1999, available and planned industrial park land within the city of Milwaukee was only 240 acres - just three years' demand. There are 260 acres of vacant and underutilized industrial property in the Menomonee Valley. Current analysis indicates that the full redevelopment of the Valley will yield as much as 3 million square feet of development with up to 5,000 family-supporting jobs. The RC incentives could leverage millions of dollars of investment and jobs in this area. (Attachment 3)
- Tower Automotive - Tower Automotive, Inc. manufactures truck and auto frames from a complex of 3.1 million square feet located on 148 acres. Employment at this facility has declined from 5800 fifteen years ago, to 2100 today. Tower is presently in the process of selling the complex, with plans to lease-back up to 1.8 million square feet for up to ten years. This leaves 1.3 million square feet immediately vacant and available for new business, with additional space becoming available as Tower phases out some operations. Redeveloping this complex is crucial to the central city's economy. The site lends itself to a multitude of opportunities. The University of Wisconsin - Milwaukee's School of Engineering is seriously considering relocating to this site, creating a unique synergy between the academic community and the

applied manufacturing activities at Tower. In addition to other manufacturing, and distribution businesses at the site, we envision "mom friendly" back-office operations supporting our growing financial services sector, and retail stores. RC incentives would be key to the successful redevelopment of project.

- 2) **Public input and community involvement.** Public notice of the opportunity for input was posted as required. (Attachments 4a, 4b, 4c / 17 – Letters of Support) In addition to a formal public notice, the City and partners took the following steps to solicit participation, ideas, and involvement:
 - A mailing to over 150 groups invited ideas, support and participation. Milwaukee Department of City Development and its Partners created a combined list of potential partners from past and current collaborative ventures. These partners included business associations, business improvement districts, neighborhoods associations and councils, community development corporations, and other community-based organizations. A memorandum was sent jointly from the initiating partners encouraged organizations to provide these feedback, thoughts, concerns and suggestions for the RC application.
 - On September 28, more than 50 participating groups were involved in a large group planning activities to explain the program and its benefits, and identify significant activities toward the RC purpose and plan. Input was structured around the six strategies and consensus of the community was to address all six areas as critical to the success of the RC process.
 - The Common Council adopted a resolution stating the City's support of the RC application and the RC program.
 - In early September and October, hundreds of interviews were conducted with potential partners in the RC process to invite participation and to assess the level of interest and commitment to the program. Letters of support and signatories to a general letter of support were solicited over the application preparation period. Thousands of pages of documentation were received from community groups, City departments and other public agencies and distilled to present the best of successful work in renewal efforts.
- 3) **Development of the Course of Action.** The strategies and action steps in the Course of Action were developed as a natural progression of existing and planned initiatives in Milwaukee as well as the new possibility to offer the RC tax incentives to local businesses. This provided the forum for the creation of a collaborative structure that will offer other local governmental units reduced fee and processing incentives and support programs for employee and neighborhood development. The format of the Course of Action is intended to highlight the contributions of the agencies and organizations that have committed to the RC process.
- 4) **Designing a Renewal Community Structure.** If nominated, the City of Milwaukee and its partners will create a structure that fosters partnerships to manage the RC collaborations and the Tax Incentive Utilization Plan (TIUP).

Milwaukee Department of City Development will act as the Coordinating Responsible Authority (CoRA) and convene a broad Coordinating Council of partners from the State and local government, business associations, and community organizations.

The core members of the RC Coordinating Council (RCCC) will be:

- Milwaukee Department of City Development (DCD)
- Metropolitan Milwaukee Association of Commerce (MMAC)
- Urban Economic Development Association of Wisconsin, Inc. (UEDA)
- Local Initiatives Support Corporation (LISC)
- Helen Bader Foundation (HBF)
- Wisconsin Department of Commerce (COMMERCE)
- Housing Authority of City of Milwaukee (HACM)
- Redevelopment Authority of City of Milwaukee (RACM)

The RCCC will meet monthly to review the TIUP plans and support DCD in its role as the CoRA. DCD will function as the central point of contact and take on the responsibility and authority to carry out the programs detailed in the Course of Action. The CoRA and the RCCC will promote RC benefits to businesses and make the periodic reports to HUD. The DCD and RCCC will work with several other major initiatives referenced in the Course of Action:

- Milwaukee Public Schools Neighborhood Schools Initiative
- Harvard University's Initiative for a Competitive Inner City
- Annie E. Casey Foundation's Making Connections

In addition, DCD and RCCC will serve as the liaison among the major City of Milwaukee initiatives described in the Course of Action including the One-Stop Permit Center (the Development Center), revision of zoning ordinances and property assessment policies, Housing Authority anti-crime and self-sufficiency initiatives, Mayor's Commission on Crime recommendations, Harvard's Initiatives for a Competitive Inner City business plan for the central city and others.

SUMMARY OF GOALS, STRATEGIES AND MEASUREMENT

This Course of Action was written to be easily understood and to quickly identify key elements. Each section is broken down as follows:

- Goal* - The overarching statement the plans and objectives of public, private, and non-profit partners in Milwaukee's RC area.
- Goal Synopsis* - A summary of the rationale, background and critical elements the led to the goal and its strategies.
- Strategies* – Serve as an explanation of the methods Milwaukee has and will use to reach RC goals.
- Action Steps – Outline the work conducted by public, private and non-profit partners over the past eight years and future work planned through 2010.
- Measurement of Goal* – States some measurable deliverables and quantitative outcomes that the partners wish to achieve.

**Items included in this executive summary.*

Goal One

Reduce tax burden for residents and businesses located in the RC.

Goal Synopsis

Over the past decade, State and City fiscal policy changes and economic development efforts have significantly lessened the tax burden for Milwaukee residents and businesses. For eleven consecutive years, property tax rate reductions in the city of Milwaukee have left approximately \$278 million in the local private sector economy, resulting in retention of over 3,600 additional jobs. And between 1987-1993, State of Wisconsin taxes declined by \$1 billion. Corporate taxes in Wisconsin are among the lowest in the nation. A Federal Reserve Bank of Boston study concluded that Wisconsin has the second- lowest business tax burden in the nation. Even with necessary property tax increases within Milwaukee in the last two years, property tax levy levels remain well below 1988 levels (Attachments 5a, 5b, 6c).

Remediation efforts have returned 320,000 square feet of vacant land back into productive use. The current annual average demand for industrial acreage in the City is projected at 70.5 acres. If the City is unable to accommodate new employers, they will have to locate in the suburbs, far from workers who need jobs. As of 1999, available and planned industrial park land within the City of Milwaukee was only 240 acres – just three years' demand.

These results are due, in large part, to the work of the City of Milwaukee and State of Wisconsin, in partnership with non-profit organizations, private businesses, developers, among others. Several economic development and fiscal management policies have led and will lead to a higher degree of financial health throughout the city. From Milwaukee's downtown to central city communities, residents have increased incomes, properties have been brought back to productive use, jobs have been created and commercial districts that once stood vacant are alive with activity.

Strategies to Achieve the Goal

1. Implement sound fiscal management strategies that decrease cost without decreasing the level of service
2. Support, facilitate and undertake economic development projects that increase property values, such as commercial and residential revitalization and business expansion and recruitment
3. Increase tax base by building up underdeveloped and vacant parcels throughout the city
4. Support and administer tax incentive programs that benefit businesses and residents

Measurement of Goal

The ultimate goal of RC program is the economic stimulus through tax incentives for business development and job creation. An ideal tax rate would be equal to or less than the current rate.

1. Maintain current City of Milwaukee tax rate unless services are increased.

2. Average equalized property values will increase by an average of 2% per year for the 7 years of the designation.
3. Increase the tax base of the RC area by an average of 5% per year for the 7 years of the designation.
4. Certify Development Zone tax credits in the RC for an average of \$250,000 per year for the 7 years of the designation.

Goal Two

Expand the network of local services available to RC residents in conjunction with Wisconsin Works (welfare reform program) and other workforce development, affordable housing and financial education initiatives to develop self-sufficient individuals and families.

Goal Synopsis

Milwaukee has proven its commitment for helping residents become self-sufficient. This strategy calls for involvement and commitment activities by private businesses, organizations, and community groups, particularly in the RC. It includes offering a wide variety of services in improving local services such as employment and training activities, supportive services, and instilling pride in the residents and enabling them to improve their economic circumstances.

Wisconsin was one of the initial states to adopt a sweeping welfare system reform. Nonprofit and business partners serving an average monthly caseload of 8,000 clients manage the program. Wisconsin's welfare reform program is known as Wisconsin Works or "W-2." The program exhibits a "work first" approach, emphasizing placement in unsubsidized employment or community service jobs to promote self-sufficiency and reduction of welfare rolls. (Attachment 9)

City of Milwaukee departments and community groups and local businesses have embraced the support services necessary for the success of W-2. Recent efforts have taken the process to the next level of development through financial education and homeownership initiatives.

Strategies to Achieve the Goal

1. Coordinate and implement innovative strategies that move families from the cycle of dependency on public assistance to employment for families in the RC area and throughout the City of Milwaukee.
2. Develop and operate employment-training and other programs, such as homeownership assistance programs, to help residents become self-sufficient.
3. Develop and implement strategies for residents and their children to become involved in community activities and offer after school programs.
4. Implement family and youth support services to protect families while promoting self-sufficiency. Programs include: counseling, parenting support, childcare, among others.

5. Create and implement financial literacy and education programs to support self-sufficiency for families in the RC area in asset building and wealth development.

Measurement of Goal

The ultimate goal of the RC program is the economic stimulus through tax incentives for business development and job creation. An ideal unemployment rate would be equal to or less than the national average.

1. Reduce unemployment (currently a rate of 20%) in RC area by an average of 1.5% per year for the 7 years of the designation.
2. Increase home ownership in RC area by an average of 2% per year for the next 7 years of the designation.
3. Increase involvement in community activities and after-school programs by an average of 5% per year for the next 7 years of the designation.
4. Map family and youth support resources and assets available in RC area by 2003 and distribute information through neighborhood groups and public agencies.
5. Implement Milwaukee Asset Builders Coalition financial education program, beginning in 2002.

Goal Three

Reduce crime in the RC area through Mayor's Commission recommendations of reporting programs, youth diversion activities, façade development and resident leadership.

Goal Synopsis

Milwaukee has proven its commitment to a strategic and unified campaign in order to reduce crime. In the proposed RC area, crime has dropped dramatically from 13,300 "RC indexed" incidents per 100,000 in 1990 to 10,000 incidents per 100,000.

In his inaugural speech, Mayor John O. Norquist set forth the goal of reducing crime by 50%. To accomplish this a new partnership must be undertaken, one that involves all levels of the community. Recent initiatives have involved numerous departments and agencies all working together with the common goal of crime reduction. This has become the rule rather than the exception in the City. As many public figures realize that working together for the common good has to take priority over politics, Milwaukee is becoming a model of collaboration and an example for other cities.

Strategies to Achieve the Goal

1. Follow guidelines in the Mayor's Commission on Crime.
2. Organize and assist in the formation and operation of block clubs, resident meetings, and neighborhood patrols.

3. Develop community leaders as a means of creating neighborhood ownership and active resident participation in crime reduction and prevention.
4. Provide residents with anonymous police reporting options to increase resident involvement.
5. Improve the physical conditions of neighborhoods.
6. Implement proactive public safety and crime prevention strategies in joint efforts of community organizations, residents, youth-serving agencies, law enforcement agencies, City and State departments, among others.

Measurement of Goal

The ultimate goal of RC program is the economic stimulus through tax incentives for business development and job creation. In many cases, the crime rate is an indicator of resident investment and likelihood of business investment. An ideal rate would be equal to or less than the national average.

1. Reduce indexed crime rate by an average of 3% per year for the 7 years of the designation.
2. Increase block clubs, block watches and neighborhood patrols by 100% by the end of the RC designation.
3. Double the number of community/neighborhood leaders of crime reduction programs.
4. All neighborhood associations will offer anonymous police reporting options to residents by 2004.
5. Increase façade grants by an average of 10% per year for the 7 years of the designation.
6. Increase by at least 50% the neighborhood community groups who will participate in the use of automated data systems through COMPASS or other City data programs.

Goal Four

Create and implement public policies and procedures that reduce government requirements, streamline development and foster a cost-effective and predictable development environment.

Goal synopsis

Over the past several years, the City of Milwaukee has overhauled its city-to-business process to address the needs of businesses. A one-stop permit shop has been a major success, with customer satisfaction ratings at a very high level. A case management system has ensured that businesses receive a more thorough spectrum of services available.

The City initiated State legislation to speed up the transfer of tax delinquent properties for redevelopment by private firms and has invested brownfields clean up to prepare for development. In fact, since 1990, the City has invested \$5.8 million in brownfield

redevelopment projects that resulted in private investment of more than \$273 million (a ratio of 46:1) and 1,877 jobs.

In addition, high-density building has always been encouraged in Milwaukee's urban neighborhoods. The City does grant permission to develop a property at a higher density than otherwise permitted. In the RC area, the average allowable density is 36 residential units per acre based on Milwaukee's. In the new zoning code, the City has taken additional steps to protect high density by creating a Neighborhood Conservation Overlay District.

The goal of the RC is to further streamline these processes and provide easy access to government information and personnel for zoning, brownfield clean up and other permitting needs.

Strategies to Achieve the Goal

1. Develop and operate one-stop permitting center to ensure processes, reviews and approvals are efficient, consistent and user-friendly for property owners, developers and contractors.
2. Conduct and implement zoning policies that are customer friendly, expedite development, and allow for incentive zoning, variances and exceptions.
3. Develop and administer voluntary environmental compliance programs and other incentive program to ease the development of contaminated sites

Measurement of Goal

The ultimate goal of the RC program is the economic stimulus through tax incentives for business development and job creation. The reduction of local government requirements and processes encourages business retention and expansion.

1. Customer surveys will indicate an increase in highest satisfaction rating of an average of 2% per year for the 7 years of the designation.
2. Hear and decide 75% of all Board of Zoning Appeals cases within eight weeks by 2003.
3. At least ten real estate owners per year will "opt in" on the Area-wide Groundwater Management Plan."

Goal Five

Strengthen the infrastructure in Milwaukee to provide business assistance, financing and support for job creation in the RC area.

Goal Synopsis

Milwaukee's public, non-profit and private entities have strong track records of business assistance and job creation. In 2000, the City of Milwaukee and various partners assisted 207 companies who created or retained 7,166 jobs and invested a total of \$284 million in Milwaukee.

RC goals and activities will provide additional incentives for City and community partners to achieve comparable results in the target area. Several recently selected initiatives will provide the base of activity for these business revitalization efforts.

Strategies to Achieve the Goal

1. Coordinate and enhance business assistance and financing programs for companies in the RC area and throughout the City of Milwaukee.
2. Uncover and promote the assets of neighborhoods through labor availability study, resource and asset mapping and purchasing power of residents, organizations and businesses in the RC area.
3. Develop coordinated employment training opportunities with businesses in the RC area and surrounding area that will employ RC area residents.
4. Approach comprehensive planning collaboratively with participation from community organizations and the non-profit, private and public sectors.
5. Utilize the Harvard University Initiative for a Competitive Inner City (ICIC) process to identify Milwaukee industry clusters and create a business development plan for the central city of Milwaukee, particularly in the RC area that build on existing assets.

Measurement of Goal

The ultimate goal of the RC program is business development and job creation through the economic stimulus of tax incentives. An ideal number of new businesses and new jobs would bring the RC area comparable to all business and residential areas of Milwaukee.

1. Increase number of businesses in the RC area by an average of 50 new businesses per year for the 7 years of the designation.
2. Increase number of jobs in the RC area by an average of 500 new jobs created per year for the 7 years of the designation.
3. Convene the council of business assistance and financing providers at least bi-monthly for the period of the RC designation to coordinate and collaborate on services and service delivery and marketing of services.
4. Publish a labor analysis of the RC area by 2003.
5. Publish the final Initiative for a Competitive Inner City (ICIC) business plan for Milwaukee's central city by 2003. Establish the implementation body by June 2004.

Goal Six

Donate or sell surplus properties, such as land, homes, or commercial or industrial structures, at or below fair market value to spur development in the RC.

Goal synopsis

Spur economic development through assistance with land acquisition for redevelopment opportunities for businesses.

Strategy to Achieve the Goal

1. Acquire and convey public land for redevelopment by public and nonprofit groups and businesses in Milwaukee.

Measurement of Goal

1. Sell at least 30% of available properties at or below market rates annually.