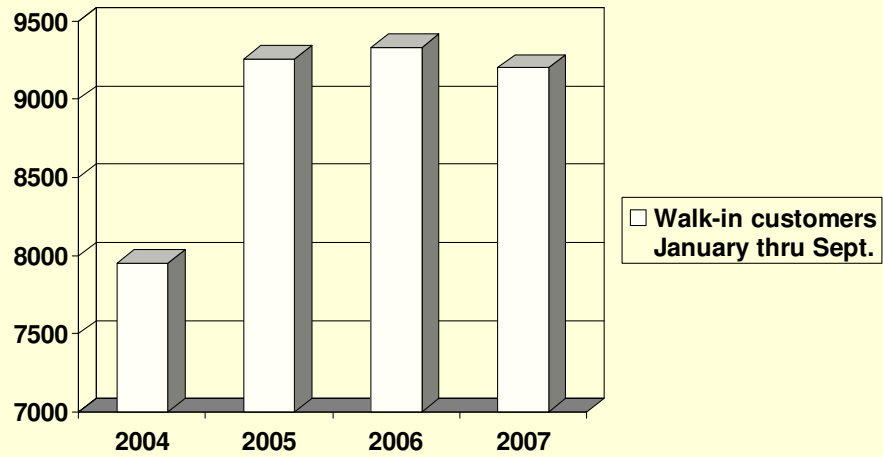




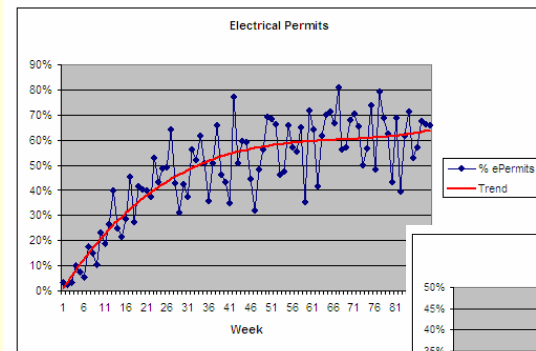
Thank you for giving us the opportunity to appear today to respond to your questions about the Department of City Development's 2008 budget. We would like to first review 2007 activities, and highlight several specific items from our budget proposal.

# Development Center



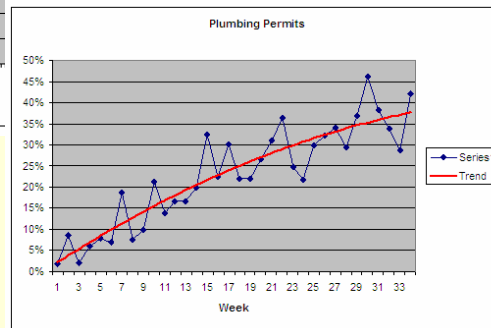
Most people who walk through the door of the Department of City Development are here to get a permit. Our Development Center staff issues about 45,000 permits a year. So far in 2007, they've served more than 9-thousand walk-in customers.

# E-permits project



Electrical permits: 65%

Plumbing permits: 35%



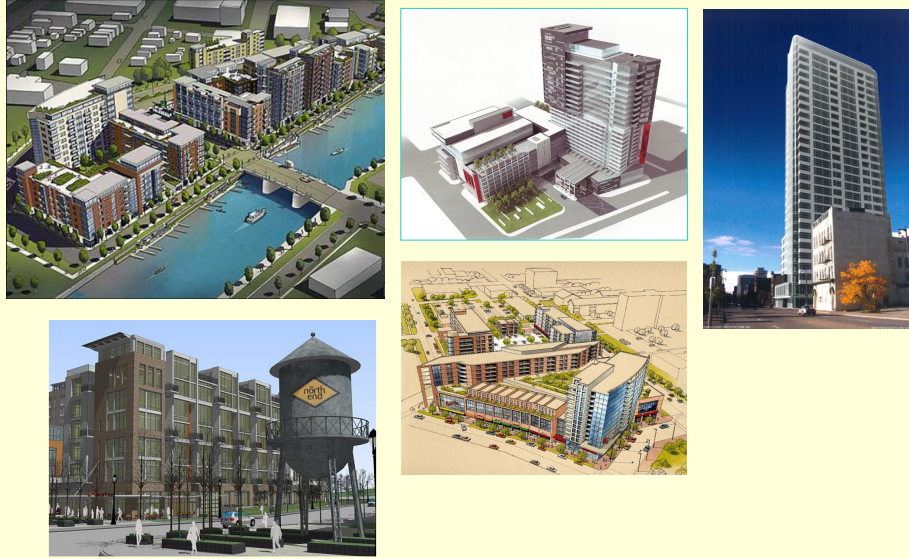
The number of walk-in customers is down slightly this year, and the Development Center's e-permits project may be the reason. As of September, 65 percent of all electrical permits and 35 percent of all plumbing permits were issued over the internet. This system has dramatically improved customer service for these permit applicants. We're now working to expand the e-permit system to heating, ventilating and air conditioning permits.

## Park East development



We've been especially pleased to see permits issued for projects in the Park East corridor. The Manpower International headquarters opened in September, bringing about 1000 new employees to downtown. Two residential developments – Convent Hill, shown on the upper right, and The Flat Iron – will open before the end of the year.

## Park East – new projects



We'll see more progress in the redevelopment of the Park East in 2008. Demolition is currently underway at the old Pfister and Vogel tannery, clearing the way for construction of The North End. This mixed use development will bring nearly 500 more residential units to the riverfront.

We're also looking forward to the construction of Park East Square by R-S-C of Chicago. That project includes two hotels and condominiums, on the north end of the Park East.

Development also has been proposed on both sides of the street at Juneau and Old World Third.

## Downtown market study

*“Demographic projections over the coming years appear favorable for continued growth in the size of the overall Downtown market.”*

*“...condos are likely to remain a vital component of redevelopment activity in the Downtown area, particularly for cleared new-construction sites such as much of the land in the Park East.”*



At Mayor Barrett’s request, we commissioned a study of the downtown market earlier this year to provide guidance in handling requests for public investment in the Park East redevelopment and elsewhere in the downtown. That study was done by S.B. Friedman and Associates.

It confirmed that Milwaukee’s condominium market is likely to remain robust. The study noted that demand is not growing as rapidly for hotel and office space, and urged caution in decisions to invest in such projects unless those projects increase demand.

# The Brewery



On the north edge of the Park East, Towne Realty has spent 2007 preparing the former Pabst Brewery for redevelopment. The site has seen quite a bit of demolition work – the shot on the lower right shows tanks that have been pulled out of a building. There are several structures that contain numerous tanks like this.

# Pabst Brewery



## Milwaukee International Trade Center 美獲機國際貿易中心



Towne has also started selling off individual buildings for re-use. Thus far, buildings have been sold for development of housing, office and retail space. The owner is working with a Chicago developer to convert a building in the complex to the Milwaukee International Trade Center.



## Menomonee Valley development



Industrial employers are showing strong enthusiasm for the Menomonee Valley. Badger Railing opened its doors in the Menomonee Valley Industrial Center this year, and new facilities for both Caleffi and Taylor Dynamometer are under construction. And today, the Redevelopment Authority is considering an offer to purchase that would allow The Derse Company to move to Milwaukee.

The Hank Aaron State Trail adds to the appeal of the business park... and it's becoming a popular destination for walkers and bikers.

# Harley Davidson Museum



Construction continues on the Harley-Davidson museum. The museum will open its doors in time for Harley's 105<sup>th</sup> anniversary in August 2008.

# Neighborhood development



Neighborhood-scale redevelopment involves smaller buildings than a new factory or museum, but the impact can be just as great if resources are focused. That has been DCD's approach for a number of years.

In 2007, we concentrated on the creation of several new central city subdivisions, including Walnut Circle and "The Legacy." Our staff worked with community partners to market home improvement loans and grants to home owners in 10 targeted investment neighborhoods. A grant from the Milwaukee Foundation that provided small stipends to TIN coordinators in neighborhood organizations made our TINs more effective.

Our 2008 budget request seeks 100-thousand dollars to extend our partnership with the Milwaukee Foundation in a "healthy neighborhoods" initiative.

# Public housing



Milwaukee's Housing Authority is a key player in neighborhood revitalization efforts.

The familiar towers of the Highland Park housing development were demolished this year, making room for a new neighborhood of single-family homes.

Cherry Court housing development for the elderly and disabled opened its doors in April. The building design incorporates sustainable features like a green roof... and flooring made from renewable and recycled resources.

The new Convent Hill development will provide subsidized housing for low income residents in the Park East corridor when it opens later this year.

## Supportive housing



Because of work that happened in 2007, we anticipate more projects like this one: United House. It's being developed by United Christian Church and Cardinal Capital Group on land purchased from the City. United House is significant because it's designed as supportive housing for individuals at risk of homelessness because of mental illness or other problems.

Late last year, Mayor Barrett and County Executive Scott Walker appointed a joint City-County "action team" to recommend strategies to get more supportive housing built in Milwaukee. Last month, the Council approved creation of a permanent City-County Supportive Housing Commission to carry out these recommendations.

Our 2008 budget request includes 75-thousand dollars to support the work of the supportive housing commission and the Milwaukee Continuum of Care. The Continuum is a consortium of social service agencies that distributes about 10-million dollars in federal funds annually to serve the housing needs of people who are at risk of homelessness. The City, County and Consortium are working with two more supportive housing developers who expect to begin projects in 2008.

# City property sales



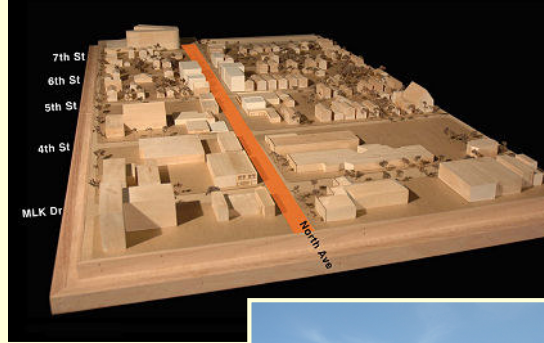
The screenshot displays the City of Milwaukee Department of City Development (DCD) Real Estate Office website. It features a navigation menu with links for Projects, Business Toolbox, Planning/Permits, City Real Estate, Housing Resources, Boards/Commissions, About Us, and Search. The main heading is "City of Milwaukee - DCD Real Estate Office" with a sub-heading "Vacant Lot for Single-Family Development". A "Listing Details" tab is active, and a "Aerial View" link is visible. The listing is for "1432 North 29th Street" with DCD Site #: 365-08-04. The lot size is 4500 Sq. Ft. with dimensions of 37.5 x 120'. The neighborhood is Walnut Hill, Ald. District 4 (Robert Bauman). A special note states: "City to provide Certified Survey Map. Subsurface conditions are unknown and likely contain old building foundation." The page includes a photo of a house, a map of the neighborhood showing the lot location, and a detailed lot diagram with street names W. CHERRY, W. VLIET, N. 29TH, and N. 28TH.

City-owned vacant land is a critical neighborhood development asset. Of the 156 single-family homes that received building permits so far this year, nearly one-quarter will be constructed on vacant land purchased from DCD's real estate office. Our real estate staff also assembled 100 vacant lots for new central city subdivisions that will result in 13-million dollars worth of investment.

In partnership with the Common Council, DCD has overhauled property sales procedures, following the adoption of a new property sales ordinance earlier this year.

- A new interactive web site allows customers to search the buildable lot inventory. The site also contains clear design standards and tips on green construction.
- We're developing pre-approved house designs with a "City House Catalog" and Certified Model program.
- And revised procedures mean that sales are happening faster.

# Bronzeville



A New Homes Initiative was added to the Bronzeville redevelopment project this year. The Initiative is selling 23 City lots for one dollar for new home construction. Also announced this year: a sports and entertainment complex at 7<sup>th</sup> and North Avenue... a renovation of the Northtown Mall at King and North... and a 50-unit apartment building on King Drive.

Neighborhood artists, residents, and business people took part in a series of six Bronzeville visioning meetings this summer. These sessions will influence decisions about streetscape design, public art, green space, and business recruitment plans.

Business people learned about opportunities during "Bronzeville Business Builders" workshops, co-sponsored by the City and the Milwaukee Urban League.

## Commercial development



DCD's neighborhood business development team supported development in 68 neighborhood commercial districts this year. Four have Main Street designation, and 29 have created Business Improvement Districts.

We have worked with them on delivery of façade grants, retail investment fund grants, and streetscape improvements. One new BID, organizing businesses along Downer Avenue, has been created for 2008, and we're aware of four other areas working to develop BIDs.

The Main Street districts receive the greatest degree of staff assistance. Thus far this year, the four districts have assisted in the creation of 12 new businesses and the renovation of nearly 40 commercial properties. We expect that the Main Street Partners Board will designate two new districts for 2008.

Thus far in 2007, we've made 60 façade grants and three Retail Investment Fund awards. These grants will leverage nearly 5-million dollars in private investment.



## 440<sup>th</sup> Air Base



Our work to plan the future of the old 440<sup>th</sup> Air Force Reserve Base was a major focus of 2007, and will continue next year. The 440<sup>th</sup> occupied about 100 acres. DCD and DPW both sit on the Local Redevelopment Authority for the property.

The L-R-A wants redevelopment of the property to enhance opportunities for business growth and development. This year, the L-R-A drafted a land use plan. The draft plan recommends four re-use alternatives. All envision using a portion of the property for airport expansion, and recommend a focus on various aviation uses for the remaining land.

The plan also needs to cover intermediate uses of the property, because it will be some years before Mitchell International builds another runway.

## 30<sup>th</sup> Street Corridor



The 30<sup>th</sup> Street industrial corridor is a five-mile stretch of Milwaukee's north side that represents considerable challenge and opportunity for the City of Milwaukee. This year, we redoubled our efforts to facilitate redevelopment of industrial, commercial and residential property in the corridor. We are working with many partners on this effort, including employers and the 30<sup>th</sup> Street industrial Corridor Corporation.

DCD has formed a three-person staff team to oversee redevelopment activity. We are currently providing assistance to five business improvement districts in the corridor...focusing home rehabilitation assistance to three targeted investment neighborhoods... and facilitating streetscape work.

We are engaged with several of the largest companies in the corridor on business retention strategies.

We are working with partners including the Milwaukee Urban League, Gorman and Company, Bishop's Creek Community Development Corporation and Common Bond on housing development projects within the corridor.

We have engaged S.B. Friedman to evaluate catalytic commercial development sites, and we are using 750-thousand dollars in environmental assessment and remediation grants from the State Department of commerce to address brownfield properties in the Corridor.

# Tower Automotive property



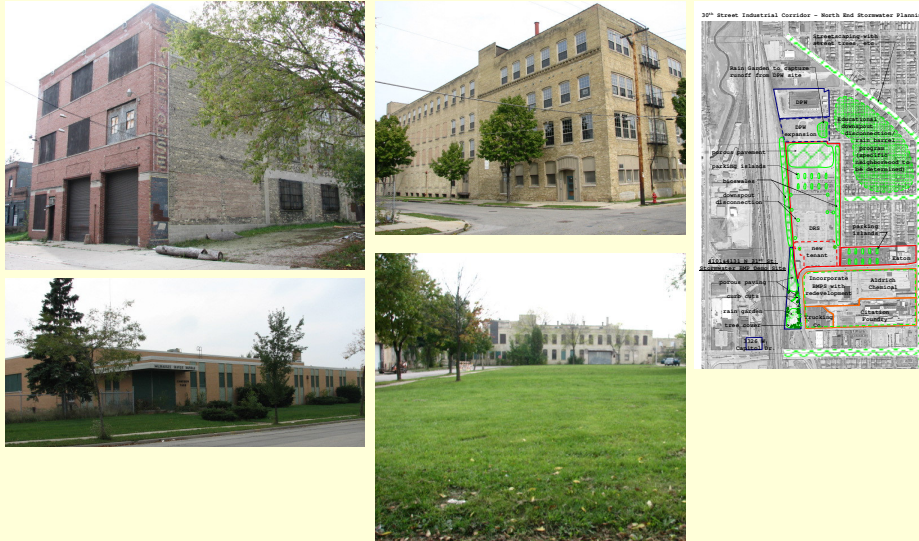
The corridor's most visible development challenge – and opportunity – is the former Tower Automotive plant at 27<sup>th</sup> and Capitol. The property is largely vacant, and we are seeking to purchase it for redevelopment. This effort, like the work we have done in the Menomonee Valley, will require local, state and federal resources. It also will require patience – like the Valley, this is likely a ten-year project.

Our 2008 capital budget request includes three-million dollars that will be part of a three-year, 10-million dollar City commitment to this property. We also will seek authorization for a tax incremental district to supplement the capital spending and state and federal environmental grants. We believe the total pricetag for this project will be 38-million dollars. This includes purchase of the property... demolition of 2 million square feet of buildings... environmental remediation and asbestos removal... and new infrastructure.

We are confident that, over time, this investment will be repaid in job creation, job retention, and improvement in the quality of life in the neighborhoods surrounding the Tower plant. The first step will be the completion of a comprehensive re-use plan for the property. That plan will develop estimates of absorption, buildout and job impact, and it will be used to make decisions regarding questions of phasing, design, and land disposition policies.

The Tower property is a barometer for businesses and residents of the 30<sup>th</sup> street corridor. Both employers and residents consistently connect the revitalization of this property to their perception of neighborhood quality. A decision to acquire and redevelop Tower now will send an immediate signal that City government has a clear commitment to revitalize this area.

# Catalytic corridor projects



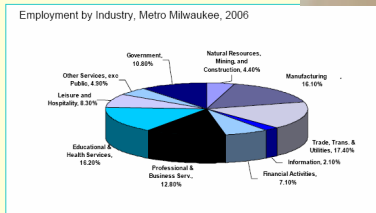
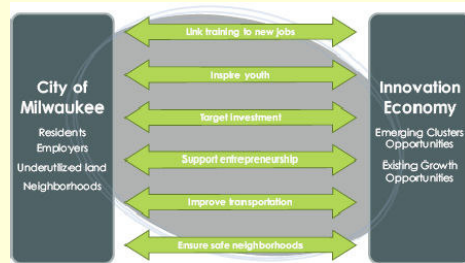
Many smaller-scale projects also will serve to catalyze the redevelopment of the 30<sup>th</sup> Street corridor.

Numerous empty industrial buildings are available for adaptive re-use as mixed-income housing units. Tracts of vacant land could become sites for single-family in-fill residential development. The City's vacant Cameron Yards facility is an asset that can become the home of a new employer.

Infrastructure projects also have the power to spur development. We're looking at how shared stormwater management facilities could be constructed to serve a cluster of industry at the north end of the corridor. This project has the potential to "green" areas of the corridor, improving the image of the corridor for businesses that need to attract talent and for the residential neighborhoods nearby.

We believe it's important to devote resources to projects like these, to bring visible change to the corridor in a relatively short period of time.

# Comprehensive planning



Planning is the foundation of all high-quality redevelopment efforts... and DCD's planning staff has been extremely busy this year. We are leading citizen-based area planning activities in seven areas of the city: the near south, near north, northeast, northwest, southeast, southwest, and west side neighborhoods. When these plans are complete, every square mile of the city of Milwaukee will have a stakeholder-driven land use plan.

Staff also has started work on the Smart Growth Comprehensive Plan. A framework for a new economic development segment of that policy plan was unveiled in July. Our budget request includes a new planning position to perform the statistical and data analysis work required to support neighborhood and policy planning activities.

# Downtown plan update



DCD's budget request also includes funds to update the downtown land use plan, written about 10 years ago and approved in 1999. Many of the catalytic projects recommended by that plan are complete or underway – including the renovation of the Amtrak station, the redevelopment of the Pabst Brewery and Park East corridors... the improvement of connections to the Lakefront... and the Milwaukee Public Market.

Other projects remain on the drawing board, like the re-invention of MacArthur Square, redevelopment of 4<sup>th</sup> and Wisconsin, and improved transit. The updated plan will set the stage for the next decade of downtown development.

## Youth jobs



This year, DCD ran three jobs programs involving 12-hundred youth.

About 240 teens were employed in City government internships. Those jobs were split nearly 50-50 between field and office settings.

Some 460 teens worked at non-profit and faith-based agencies. And private employers hired about 550 young people.

The teens who participate in Milwaukee's summer youth employment programs remind us that building for the future is our most important work. We appreciate our continuing partnership with the Common Council to accomplish that mutual goal.