

Dear Members of the Common Council and Mayor Barrett,

In the past 4 years employment in Milwaukee has decreased by more than 5,000 jobs. The good news is that we know that government, whether the federal government through recovery funding, or local government, through their investments, can take action to spur job creation.

TIF Districts are an investment of taxpayer dollars allocated to stimulate private economic development projects. TIF allows a project that wouldn't happen "but for" the city financial assistance to proceed. The primary goal of this investment is to increase the local tax base and eventually increase the tax revenue to the municipality after the TIF is paid off.

But the more immediate benefit of TIF is the job creation effects.

Requiring contractors to hire local residents is a fair expectation when significant local dollars are invested in a project. Expanding the definition of targeted residents to the full City boundaries should erase any opposition to this standard. There are hundreds of unemployed experienced construction workers that need jobs, and even more candidates for apprenticeships that have passed tests and are only waiting to be hired to begin their construction careers. The Laborers alone have 450 people in these two categories.

**The MORE Ordinance seeks to maximize the positive outcomes of City financial support for development projects, not drive development away.** We may need to be more proactive in using TIF to jumpstart our Milwaukee development and construction market in 2009 to achieve our shared goals for the city. Milwaukee's market was in need of stimulation even before this current nationwide downturn.

MORE's impact comes from the combination of hiring, contracting, and wage standards. For Common Council action to mean the most it can mean to Milwaukee workers, the policies need to be mutually reinforcing.

TIF investments without the hiring standard would prevent this ordinance from addressing the job crisis.

TIF investments without the prevailing wage standard would weaken the position of workers in the local labor market, destabilize the apprenticeship training system, undercut gains in minority employment in the construction trades, and decrease state tax revenues.

In an opinion piece in the Journal Sentinel, Howard Snyder referred to community benefits as a "high concept organizing project" that hadn't gained traction. Based on our work over the past year I have to respectfully disagree with that characterization. In our hundreds of conversations with Milwaukee voters, the vast majority strongly support the idea of hiring, contracting and wage standards on projects that receive public funds. They agree this is an appropriate role for government to play in the marketplace. Using a voter database we called likely voters in key districts. Here are our results:

**580 of 860 voters (67%) we contacted over three nights of phonebanking support the ordinance**

In face-to-face conversations we explained the ordinance and elicited more than 400 support postcards from Milwaukee voters over the past year. In addition to these hundreds of contacts we have had with individual residents, we have collected formal endorsements of the ordinance from the following organizations — the Milwaukee Building and Construction Trades Council, the NAACP of Milwaukee, the Milwaukee County Labor Council, 9to5 National Association of Working Women, Laborers Local 113, Spotted Eagle, Inc., Tikkun Ha’Ir of Milwaukee, SEIU Local 150, the Wisconsin Black Chamber of Commerce, Unite Here Midwest Regional Board, the International Brotherhood of Electrical Workers Local 494, the African American Chamber of Commerce, the International Union of Painters and Allied Trades, District Council 7 in addition to MICAH and the Good Jobs and Livable Neighborhoods Coalition.

Much of the attention in the discussion of the MORE ordinance has focused on the prevailing wage standard. **It is important to note that multiple reputable studies have found there is no statistical evidence of impact on total project costs.** We have posted a number of studies and fact sheets on our website ([www.gjln.org](http://www.gjln.org)) as a resource. I hope you will look at the prevailing wage fact sheet because I think you will be surprised at how low some of the rates actually are. I would like to reiterate that the rate is based on an annual survey of **private** construction projects on a county-by-county basis. The survey measures the private market for wage-setting in the public arena.

According to developer testimony, most TIF projects are paying prevailing wages to 75% of the workers already. The change the ordinance will bring will be the difference between the wage rate that contractors are paying for those trades now and the prevailing wage standard for on 25% of the work, usually the finishing trades. Labor costs are generally 50% of total project costs. It is hard to see how a slight increase in a roughly 13% portion of the expenses in the total project budget is as big a factor in the likelihood of future development opportunities as has been claimed.

One last point on prevailing wage. It is acknowledged by legislators on both sides of the aisle in Madison that the proposal in Governor Doyle’s budget to apply prevailing wage standards to TIFs statewide is probably going to pass. This state context, coupled with the fact that President Obama placed a prevailing wage standard in the **American Recovery and Reinvestment Act** for projects that are “funded directly by or assisted in whole or in part” creates a larger paradigm for considering the Milwaukee proposal.

By passing the MORE Ordinance Milwaukee would be aligning itself with standards of other larger units of government and making a stand to restore the rewards of work to regular people.

On behalf of the staff, Board of Directors, and the members of the GJLN Coalition, we request your support of the MORE Ordinance.

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