



**City of Milwaukee**  
**Meeting Minutes**

200 E. Wells Street  
Milwaukee, Wisconsin  
53202

**MILWAUKEE HOUSING TRUST FUND**  
**FINANCING MODELS SUBCOMMITTEE**

*LEO RIES, CHAIR*

*Lucia Murtaugh, Vice-Chair*

*Heather Dummer Combs, Sup. Marina Dimitrijevic, Rocky Marcoux, Robert Shelledy, Mike Soika*

*Staff Assistant, Linda Elmer, (414)-286-2232*

*Fax: 286-3456; E-mail: lelmer@milwaukee.gov*

*File Specialist, Charlotte Rodriguez, 286-8797; E-mail: crodri@milwaukee.gov*

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Monday, April 3, 2006

1:30 PM

Room 301-B, City Hall

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*Members present: Leo Ries, Lucia Murtaugh, Mike Soika, Una Van Duvall - designee for Rocky Marcoux, Kirstan Veleusic - designee for Sup. Marina Dimitrijevic*

*Members excused: Robert Shelledy and Heather Dummer Combs*

*Also present: Ald. Michael McGee - member of the Milwaukee Housing Trust Fund Task Force, Michael Daun - Comptroller's Office, Tom Croasdaile - Dept. of City Development, Nicole Jarvey - Community Faith Conference, Gary Werra - Community Block Grant Administration, Emma Stamps, Jeff Osterman and Marianne Walsh - Legislative Reference Bureau*

*Meeting convened: 1: 34 P.M.*

1. Review and approval of the minutes of the March 13th meeting

*Mr. Soika moved, seconded by Ms. Murtaugh, for approval of the minutes. There were no objections.*

*Mr. Ries would like to have a meeting prior to May 10th in order to finalize recommendations to present to the full Task Force.*

2. Report from the Intergovernmental Relations Division regarding likelihood of legislation dealing with changes to state TIF law and Neighborhood Assistance legislation

*Ms. Jennifer Gonda from Intergovernmental Relations appeared before the Subcommittee. She noted that the current legislative session is wrapping up this month, but a well-thought-out proposal could be considered next session. The Subcommittee needs to decide if it wants the legislation aimed solely at first-class cities or cities in general. She believes that to get legislation in front of the legislature, support needs to be gotten from out-state legislators.*

*Ms. Gonda thought there would be less resistance to the use of retired TIF dollars. She feels that exceptions to TABOR would be very difficult to get passed at the state level. She is optimistic with working with the state as the city has had some success this year. Mr. Ries thought there should be action take at the local level, as well as working at the state level.*

*Ms. Gonda has not heard of anything on-going related to a state housing trust fund. Ms.*

*Walsh confirmed that there is no pending activity at the state level.*

*The best bet would be to have everything ready to go in late November or early December so it can be done as separate legislation or as part of the state budget, but wait until after the November election to begin talking with the governor. The Task Force could utilize the expertise of the Intergovernmental Relations section and the Legislative Reference Bureau to draft the legislation. The city has had the best success with bipartisan legislation.*

*Ms. Gonda thought that the Alliance of Cities or the Greater Milwaukee Association of Realtors would be good places to look for allies for any proposed legislation.*

### 3. Report from Pam Fendt regarding linkage fees

*Ms. Fendt provided members and staff with a copy of the Good Jobs and Livable Neighborhoods Linkage Policy Proposal for the Park East Corridor (Exhibit 1). Ms. Fendt said that for the Park East corridor, the developer could either choose to provide a specified number of affordable housing units or participate in the linkage program. Linkage fees were not seen as a prohibitive cost in comparison to other current city building requirements, such as glass frontage or other requirements. Professor Mark Levine found no evidence that linkage requirements slowed down development. The City of Chicago is proposing a regional linkage requirement, with municipalities paying into it, which becomes the renewable source. This could be used as a possible model for the City of Milwaukee.*

*Ms. Fendt also provided a copy printed from the web site of Policy Link (Exhibit 2) and a page copied from "The Politics of Downtown Development" which contains a quote by Boston Mayor Ray Flynn (Exhibit 3), which she read at the meeting. Ms. Dummer Combs, through e-mail prior to the meeting, provided members and staff with a copy of a memo noting linkage fees in 4 cities (Exhibit 4).*

*Mr. Soika asked that Ms. Fendt do a search of existing linkage fees, where they are, when they were created, how much they generate and the development status of the community (a hot vs. a slow market).*

*Mr. Ries would like to find out if there is a big difference between development costs in the city vs. in the suburbs, and how many square feet are being developed each year. The Department of City Development will research that issue.*

*Ald. McGee would like to get a projection of development in the Park East corridor to get an idea of what development is currently out there, which Ms. Fendt will research. Sup. Dimitrijevic, through her aide, Mr. Veleusic, provided those present with a copy of the resolution creating the Community and Economic Development Fund and adopting the Park East Redevelopment Compact (Exhibit 5), as well as the resolution relating to sale of county land in the Park East area, resulting in the creation of the Milwaukee County Inclusive Housing Fund (Exhibit 6).*

*Ms. Elmer will e-mail out the link of the web address of Policy Link to members ([www.policylink.org/EDTK/Linkage](http://www.policylink.org/EDTK/Linkage)) so they can review it prior to the next meeting, if desired.*

### 4. Report from the Department of City Development regarding City land sales

*Ms. Van Duvall presented a report of city land sales (Exhibit 7). She asked Mr. Croasdaile to speak on how those dollars become part of the city budget and what they are used for. Mr. Croasdaile noted that, through ordinance, these funds must go to the Tax Deficit Fund. All of the lots listed on the sheet were vacant lots at the time of the land sale. Revenue from the sale of parking lots go into the Parking Fund, through ordinance, and he does not have statistics on these lots. Twenty percent of the gross*

*sales on the lots listed goes to the Redevelopment Authority of the City of Milwaukee.*

5. Discussion regarding priority ranking of funding options - short-term vs. long-term

*Funding options with no state legislation required:*

a) *TIF-equivalent general revenue contributions - Mr. Ries feels that this option is the best in terms of being politically achievable. Mr. Soika noted that these funds fluctuate widely from year to year, so this could function as the base with other funds being targeted. Ms. Murtaugh thought that \$5 million annually might be reasonable. Mr. Ries is concerned about the city's delivery system in terms of having developers able to develop at this level. Mr. Soika thought that new players might enter the market if a trust fund were created. Ms. Fendt noted that if the fund were created to fill the gap between the costs by a developer if affordable units are offered and not, most developers would be willing to create affordable units. Mr. Ries wondered if it was realistic to set a goal if the funding source is variable, which it would be using TIF funds as the base. Mr. Daun noted that the Department of City Development recommends TIF districts for closure, with some or none being recommended each year. Mr. Daun noted that the Common Council would have to approve transferring these funds into a housing trust fund as the districts are closed.*

b) *Set aside a portion of the city's annual bonding for the purpose of funding the Housing Trust Fund - Mr. Daun thinks this is a very viable option which would require action by the Common Council as well. Mr. Daun noted that a decision needs to be made if these bonds will generate revenue or if the taxpayer will assume more debt. A general obligation (GO) bond would have the biggest political obstacle because it would increase the tax levy. A GO bond has some timeliness components that the Subcommittee would need to be aware of. Ald. McGee also mentioned the possibility of using the portion of unspent capital improvement bonds. Mr. Daun noted that these funds may not be out there in reality as the city does not actually borrow money until the project begins; the authority might be able to be transferred, but there are no actual dollars out there.*

*Mr. Soika would like to see some studies on the economic benefit of affordable housing (tax base and job creation). Mr. Ries will follow up on this by doing research and speaking with Ms. Sanchez. Mr. Soika suggested this might be a good use of consultant money.*

c) *Some kind of development or "linkage" fee - Ms. Gonda noted that the state is constantly changing legislation related to fees.*

d) *The city's share of the real estate transfer fee - This battle was previously fought between the city and county, with no change in state law. Sup. Dimitrijevic, through Mr. Veleusic, provided a memo to those present related to this issue (Exhibit 8).*

e) *A fee on downtown parking spaces - The Legislative Reference Bureau (LRB) will research how many downtown parking spaces there are and how many city-owned parking spaces exist.*

f) *The addition of a \$1 surcharge to the price of any entertainment event ticket that costs \$30 or more - Ms. Murtaugh does not feel that this has much support and would not be politically viable.*

g) *Proceeds from the sale of city land - Mr. Ries noted that this doesn't really generate a lot of revenue and takes money away from the Department of City Development. Mr. Soika supported using some of these funds in combination with retired TIF funds. This might be a possibility for the Subcommittee to recommend.*

h) *A portion of the city's Potawatomi bingo casino revenues - The LRB will research the likelihood of this amount increasing.*

*Franchise agreement with Time Warner Cable or Midwest Fiber - Ald. McGee suggested that this might be a possible revenue source. Ms. Walsh noted that a pending change in federal legislation might result in the city not receiving any future payments from Time Warner Cable.*

*The LRB will research current leasing fees, such as leasing of towers, antennas or rooftops. Ms. Walsh noted that a fee might also need to have a reasonable tie-in to affordable housing.*

*Funding options requiring state legislation:*

a) *Increasing the hotel-motel tax - Not politically feasible.*

b) *Establishing an income-tax credit for persons who make contributions to the Housing Trust Fund - Could be part of a larger proposal.*

c) *Using TIF revenues to fund affordable-housing projects outside the individual tax incremental districts (like Minnesota does) - Could be part of a larger proposal.*

*Mr. Daun noted that the customers for these funds might also relate to the potential funding sources and potential coalition sources.*

*Sup. Dimitrijevic's office was asked to look at the what the county is doing and how the city can work with the county. Ms. Gonda recommended having the county intergovernmental relations staff and the city intergovernmental relations staff work together.*

*Mr. Ries and Mr. Osterman will forward their information on the Minnesota TIF fund to Ms. Gonda.*

6. Set next meeting agenda and date

*Mr. Ries would like to zero in on revenue sources at the next meeting.*

*The next meeting is scheduled for April 24th at 1:30 p.m. in Room 301-B.*

*Meeting adjourned: 2:56 P.M.*

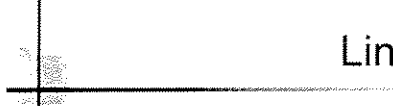
*Linda M. Elmer  
Staff Assistant*



# Good Jobs and Livable Neighborhoods

Linkage Policy Proposal for the  
Park East Corridor

July 2003



## What is a Linkage Policy?

- A linkage program requires developers of new commercial properties to pay fees (usually assessed per square foot of development) to support affordable housing, job training, public transportation, child care, or other designated community benefits.

EXHIBIT

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## Why Use Linkage Strategies?

- Create substantial, dedicated source of revenue for affordable housing and other community needs
  - Boston's linkage program has collected \$50 million since its inception
  - Boston Mayor Thomas Menino says: "Linkage is one of the best tools we have for creating affordable housing in the City." The program was strongly endorsed by the head of the city's redevelopment authority.
- Ensure that housing production keeps pace with commercial growth
- Encourage Smart Growth
- Stimulate economic development in disinvested neighborhoods



## Cities With Linkage Policies

- Boston (1983): \$8.62 per square foot, for housing and job training.
- San Francisco (1981): Ranges from \$9.97 to \$13.95 per square foot.
- Sacramento (1989): Ranges from \$0.27 to \$0.99 per square foot.
- San Diego (1990): Ranges from \$0.60 to \$1.06 per square foot
- Washington, D.C. (proposed): \$3.00 to \$4.00 per square foot

## The Park East Linkage Proposal

- Developers would contribute the following linkage fees, in return for development rights in the Park East Corridor:
  - Offices: \$0.99 square foot
  - Commercial: \$0.75 square foot
- All development under 30,000 square feet would be exempt from linkage fees
- All linkage funds would go into a City-administered "Affordable Housing and Job Training" fund, as in the Boston & Sacramento models

## Will Linkage Fees Discourage Development in the Park East Corridor?

- The fees proposed represent a tiny fraction of developers' costs.
- Typically, a downtown building in Milwaukee costs \$150-180 per square foot to develop.
- ***Thus, the proposed linkage fees represent less than 1% of the average developer's costs.***
- The City plan for the Park East has detailed design requirements that add substantially more to the costs of development than the proposed linkage fee.



## Can the Milwaukee Market Accommodate Linkage fees?

- Opponents in all cities have claimed linkage would destroy growth.
- Yet, in Boston and San Francisco, the greatest redevelopment in either city's history occurred *after* linkage policies were enacted. Growth has continued unabated in San Diego and Sacramento after linkage was adopted.
- The downtown Milwaukee market is robust. According to DCD Commissioner Penman, it is among the most healthy in the country. "We're bucking national trends," the Commissioner said in *Business Week*.



## Issues to Consider

- Payment Schedule: Should developers pay in one lump sum, 50% down, or an extended pay-out schedule (as in Boston)?
- Use of Funds: Should linkage funds be exclusively for affordable housing, or for other vital community needs?
- Should linkage be enacted as a city-wide policy instead of simply in the Park East redevelopment area?





Lifting Up What Works

# Equitable Development Toolkit

BUILDING REGIONAL EQUITY



## Commercial Linkage Strategies

publications equitable development toolkit community health bibliography advocating for change

- WHAT IS IT?
- WHY USE IT?
- HOW TO USE IT
- FINANCING
- KEYS TO SUCCESS
- CHALLENGES
- POLICY
- TOOL IN ACTION
- RESOURCES

**Commercial linkage strategies tie new economic development to the construction and maintenance of affordable housing or other community needs. Most linkage programs do this by requiring developers of new commercial properties to pay fees (usually assessed per square foot of development) to support affordable housing. Some programs give developers the option to actually construct the affordable units. In exchange for compliance, developers receive their building permits. Established by legislation or ordinance, linkage strategies are an important vehicle for ensuring that community benefit is derived from commercial development.**

### A Variation on Linkage Strategies

A regional alternative now under development in Chicago would collect a portion of the growth in commercial and industrial tax base from municipalities with insufficient affordable housing, rather than imposing a fee directly on developers.

In metropolitan areas experiencing growth, commercial development (usually office or retail space) often outpaces affordable housing production. This can create a jobs-housing imbalance, meaning there are not enough places for workers to live in the vicinity of their jobs. A jobs-housing imbalance can drive up prices in the local housing market, forcing some people out. Low-income people and communities of color are often the most acutely affected. A jobs-housing imbalance also leads to long commutes and traffic congestion as workers live farther from jobs, which affects the entire region. Linkage programs seek to correct this imbalance by tying the construction and maintenance of the affordable housing stock to commercial growth.

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This tool was developed in partnership with Jo Patton, of Chicago-based Business and Professional People for the Public Interest (BPI). For more information, visit [BPI's website](#)

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[next page ... \(Why Use It?\)](#)





Lifting Up What Works


**Equitable Development Toolkit**  
 | BUILDING REGIONAL EQUITY



## Commercial Linkage Strategies

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[WHAT IS IT?](#)

CREATE A SUBSTANTIAL, DEDICATED SOURCE OF REVENUE FOR AFFORDABLE HOUSING

[WHY USE IT?](#)

Most linkage programs raise substantial funds, though the specific amount depends on many variables, from the design of the program to the growth of the local commercial sector. Boston's linkage program produced \$45 million between 1986 and 2000. San Francisco raised \$38 million in linkage funds between 1981 and 2000.

[HOW TO USE IT](#)
[FINANCING](#)
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Linkage program revenues are not only sizeable—they are also reliable. Unlike yearly appropriations that require annual, time-consuming campaigns to maintain or increase, linkage programs create a stable source of revenue that allows for better long-term planning.

ENSURE THAT HOUSING PRODUCTION KEEPS PACE WITH COMMERCIAL GROWTH

While new commercial growth brings significant benefits to a locale, it can create pressures on the housing market in a number of ways. New jobs attract new residents, driving up demand and thus housing costs. In addition, a successful commercial development can increase surrounding property values, leading to higher property taxes that both burden current residents and price out many prospective residents. A linkage program can mitigate these effects by generating affordable housing resources in proportion to economic growth.

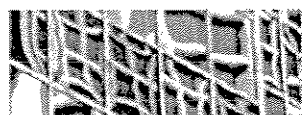
ENCOURAGE SMART GROWTH

Traffic congestion and long commutes have become major problems in many metropolitan areas. They limit job options for residents who cannot afford to live near booming suburban job-growth areas and make recruitment and retention of workers much more difficult and expensive for employers. By providing resources for affordable housing construction specifically in job-growth areas, linkage programs have regional economic, transportation, and land use benefits.

STIMULATE ECONOMIC DEVELOPMENT IN DISINVESTED NEIGHBORHOODS

Improving and increasing the affordable housing stock in a neighborhood can be the first step in turning a neighborhood around economically. Linkage fees can direct resources from a central business district to surrounding neighborhoods to support more equitable development.

[next page ... \(How to Use It\)](#)



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**A** linkage fee program is established by local legislation and administered by city staff. The local agency that issues building permit applications and zoning variances typically collects the fees and ensures that developers are in compliance. Fees are usually directed into a housing trust fund or the general budget.

Once a linkage fee program is in place, it will produce funds for affordable housing and community needs without much further action, though advocates should maintain support for it and monitor the expenditures.

### BUILD A COMMUNITY OF SUPPORT

Getting a linkage program passed usually requires mounting a campaign with a broad base of support. Since a linkage program requires legislation, the mayor and city council will likely be the targets of the campaign. In some cities, it is also important to target city staff, as elected officials rely on them for information and advice. In others, the city staff may not be players. Those who know the politics of a municipality should be able to predict which is the case.

A broad base of partnerships and allies is also critical for building an effective campaign. A linkage campaign should include citizens, sympathetic government officials, planning and development experts, and as many community organizations as possible that represent housing and any other needs the linkage program will address. Sympathetic business people are also an asset. (See [Keys to Success](#).)

### DEVELOP A PROPOSAL

One of the most important elements of a linkage campaign is a well-thought-out proposal. A general call for some sort of linkage fee opens the door for opponents to declare that it will result in the death of all commercial development. However, with a specific proposal in hand, advocates can make a coherent argument-with hard data-that outlines the benefits of the policy and the limited impact on developers.

Advocates should, however, be prepared to be flexible about their proposal. A sympathetic mayor may convene a commission to recommend the actual details. Compromises may be necessary in order to retain allies or garner key supporters. Nonetheless, the more research that has gone into the proposal, the better chance it will be winnable.

### CONSIDER PROGRAM DESIGN

The basic concept of all linkage fee programs is the same: developers of new commercial structures contribute-either by fee or through construction-to the

#### The Value of Specifics

Organize around a specific proposal, rather than the idea of a linkage fee. This keeps opponents from getting away with extreme worst case scenarios, and also reduces the discomfort of dealing with the unknown. Hard data and thought-out procedures will make a program easier to pass.

affordable housing stock or to other community needs such as job training, public transportation, or child care. Beyond this basic concept, there are significant variations, shaped by a range of political and economic issues.

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#### Key Considerations for a Linkage Proposal

- Which types of development will pay the fee?
  - How much will each type of development pay?
  - What will the timeline for paying the fee be?
  - What will the funds be used for?
  - Will the fund be restricted to neighborhoods near the growth areas?
  - How much square footage should be exempted from the fee?
- 

**Development Type.** The first step is determining the types of real estate development to which the fee will be applied. Most linkage programs apply to some subset of "commercial" development (in zoning this usually refers to office, retail, and hotel space). Some programs also assess a fee on new industrial development, though usually at a lower rate.

In choosing real estate categories, consider the current and projected economic profile of the city. What sorts of economic development are happening, and at what rates? Are there a lot of zoning variances being requested? (Often local or regional planning departments/agencies have this information.) If office space is projected to boom, for example, but there is an over-saturation of hotel rooms, focusing the fee on new office development might make sense.

#### The Language of Zoning

Since linkage fees are assessed when a developer applies for a permit or variance, the types of development that owe fees have to be described in terms that match the local zoning code.

**Rate.** Virtually all linkage fees are charged per square foot of the new development. While some ordinances have the same fee for all categories of use (retail, office, etc.), others set separate rates. Proponents of a linkage program should relate the proposed fee per square foot to the increased affordable housing need generated by the new commercial development.

To show this relationship, proponents must first determine the number of new affordable units needed. For example, in the Chicago area, the regional planning agency projected that every 100 jobs added to an area already short on affordable housing generates a need for 15 additional affordable housing units within a reasonable commuting distance. A professional planner can help with such calculations.

#### Setting Numbers

To determine the increased affordable housing need first determine the number of new affordable units needed. Then determine the difference in cost between developing the affordable units and developing market rate ones.

Next, proponents need to estimate the cost of financing the "gap" between the cost of constructing a new unit and the affordable sale (or rental) value based on the income of the target population (the workers in need of housing). State affordable housing programs can help with this by sharing the methods they use to determine needed subsidies. In New Jersey, for example, the Council on Affordable Housing set the per unit "gap" cost at \$25,000, based on actual program costs and the average internal subsidy required for affordable units in a mixed-income development.

**Payment Timing.** Another important issue is when in the construction process the developer pays the linkage fee. In some cities, including San Francisco, the fee is due when the new development receives the permit. In Boston, the payment can be spread out over a period of seven years.

**Fee Review.** Many linkage fee ordinances include a provision that allows or

mandates a periodic review of the fees to determine whether an adjustment is needed. Given inflation and changing economic conditions, including a call for regular review of the fee schedule is important.

**Use of Funds.** The core concept of linkage programs is to mitigate the impact of commercial development on housing affordability. But several municipalities have also looked to linkage fees to address other needs, such as childcare and job training.

To determine whether a linkage program should go beyond housing, explore whether a new development might create other needs. Will local residents need job training to get access to the new jobs? Will the new commercial development increase traffic enough to warrant increased investment in public transportation options? How do these compare to the affordable housing needs? Consider political allies and coalition opportunities.

**Beyond Housing**

Although primarily used for housing, linkage fees can also be used for:

- Child care
- Job training
- Public transportation
- Infrastructure
- Other needs created by commercial growth

**Proximity Requirement.** Some municipalities include a proximity requirement in their linkage programs to ensure that the affordable housing built with the funds is in the area affected by the commercial development. For example, in Boston, the housing is supposed to be built within a mile and a half of the commercial development that generated the funds.

**Exemptions.** All linkage programs exempt a certain amount of square footage from their fees, as a way of protecting small businesses. The threshold depends on the priorities and concerns of the program. When Boston established its program, the priority was on addressing the effects of large-scale commercial developments, so it set a high threshold. Developments under 100,000 square feet do not owe a fee at all; for larger developments the fee is levied only on the square footage above 100,000. Cambridge, on the other hand, exempts developments under 30,000 square feet completely, but charges larger developments for all but 2,500 of their square footage.

Linkage Program Variables

Variable	Options	Considerations
Development type	Commercial: retail, office, hotel, etc.	Projected growth in each category of real estate development and in related job creation (ideally including wage levels).
	Institutional	Jobs/affordable housing impact of any projected expansion of local university or hospital.
	Residential (high end)	Very expensive residential developments can create a need to house domestic workers.
	Industrial	As above, should be based on projected growth and job creation.
Rate	Ranges from \$.50 to \$13.00 per sq. ft.	Cost of meeting affordable housing demand generated by new jobs.
Payment timing	Immediately, or phased-in	How soon will the effects of the new commercial construction be felt?
Use of funds	Affordable housing Jobs training Child care	What are the impacts of new commercial development? In addition, consider political allies and coalition opportunities.
Proximity	Neighborhoods closer	Are some neighborhoods being

requirement	to commercial growth	affected disproportionately by commercial growth?
Exemptions	Smaller developments	Balance need for revenue with ability to pay and need for commercial growth.

**Linkage Programs Around the Country**

City (yr. adopted)	Development type	Rate (per sq. ft.)	Exemption	Revenue generated	Unique features
Boston (1987)	Office Retail Hotels Institutions	\$8.62 (\$7.18 to housing, \$1.44 to job training)	100,000 sq. ft.	\$45 million	Extended payment period (7 yrs)
Berkeley (1993)	Office Retail	\$5.00 (\$4.00 to housing, \$1.00 to childcare)	7,500 sq. ft.	\$1.93 million for housing, \$848,000 for childcare	Rate schedule is ceiling with option for reduction
	Other commercial & Industrial	\$2.50 (\$2.00 to housing, \$0.50 to childcare)			
Cambridge (1988)	Commercial Hotel Retail Institutions	\$3.28	2,500 sq. ft. (30,000 sq. ft. threshold)	\$750,000 w/ \$2.5 mil. in pipeline	Option to build affordable units of "equivalent benefit" instead
Sacramento (1989)	Office	\$0.99		\$11 million city, \$15 million county	Provides exemptions to retail for financial hardship
	Hotel	\$0.94			
	Research & Development	\$0.84			
	Commercial	\$0.76			
	Manufacturing	\$0.62			
San Diego (1990)	Office	\$1.06		\$33 million	
	Hotel	\$0.60			
	Research & Development	\$0.75			
	Retail	\$0.60			
	Manufacturing	\$0.60			
	Warehouse	\$0.60			
San Francisco (1981)	Entertainment	\$13.95	25,000 sq. ft.	\$38 million	
	Hotel	\$11.21			
	Office	\$14.96			
	Research & Development	\$9.97			
	Retail	\$13.95			
Seattle (1989)	Commercial	\$20 s.f. for purchase of extra floor area ratio (FAR) or construction of affordable housing		166 housing units & \$5 million	Voluntary program

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[Boston Linkage Program](#)

[Chicago Regional Jobs/Housing Fund Concept](#)

[City and County of Sacramento's Linkage Programs](#)

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### Boston Linkage Program Boston, Massachusetts

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The campaign for a linkage fee in Boston was launched in 1983 with a non-binding ballot resolution promoted by Massachusetts Fair Share, a statewide grassroots organization, and several Boston-based tenants groups. A "neighborhood/community vs. downtown big business interests" tension had been developing as community leaders increasingly felt that Mayor Kevin White had turned his back on Boston's neighborhoods. White, a popular four-term mayor, was stepping down from his position, and mayoral candidates were jockeying for position in a crowded field.

#### Creating Pressure

Community based organizations and tenants groups in Boston used a mayoral race and a referendum to spur a departing mayor into action.

Community based organizations used the referendum and the mayoral race to raise awareness about the growing inequity between the city's downtown area and its neighborhoods. This aggressive campaign also produced significant momentum for a linkage fee program. Over 70 percent of voters supported the concept. The two mayoral candidates who had championed neighborhood issues emerged as the top vote-getters in the September primary. The business-backed candidate, favored to win at least a primary victory, was left in third place.

#### MAYOR WHITE MAKES A MOVE

With the political handwriting on the wall, White moved to establish a linkage fee before his departure. He created a commission that included representatives of business, developers, and community based organizations. The commission recommended a \$5.00 per square foot linkage fee for all new commercial development. In December 1983, White successfully moved a linkage fee ordinance through Boston City Council.

#### LEGAL CHALLENGE

However, as Raymond Flynn took office in 1984, the status of the linkage fee was unclear. Several developers threatened to sue the city, arguing that the fee constituted a new tax, which Massachusetts municipalities are not allowed to create. The Flynn administration decided to collect the linkage fee but hold it in escrow until the legal question could be addressed. The City administration, along with community based organizations, began working for passage of state legislation that would enable the City to implement the linkage fee.

In 1986, the Massachusetts legislature passed the

In 1960, the Massachusetts legislature passed the legislation and the Boston City Council passed a revised ordinance. The new ordinance added a \$1.00 per square foot fee for job training and shortened the pay-in period for developments in the downtown area from 12 to seven years. (Neighborhood developments remained at 12.) The ordinance applies to new commercial developments over 100,000 square feet that require zoning relief. (Almost all of them do.) The funds go to the Neighborhood Housing Trust and the Neighborhood Jobs Trust.

*Between 1986 and 2000, the Boston linkage program has generated more than \$45 million that has been used for the construction of over 5,000 housing units.*

#### MOVING FORWARD

In September 2001, Boston Mayor Thomas Menino signaled his interest in increasing the linkage fee and convened a commission to review the linkage program. The proposal to raise the fee to \$7.18 per square foot for affordable housing and \$1.44 for jobs passed City Council and after an extended political tussle provoked by concerns about the allocation of the linkage fund revenues, the state legislature approved the linkage fee increase in late 2001 and shortened the payment schedule for neighborhood developments to seven years.

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### Chicago Regional Jobs/Housing Fund Concept

Chicago, Illinois

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The Regional Jobs/Housing Fund is a regional alternative to traditional linkage programs, currently under development in the Chicago area. The concept is similar to traditional linkage programs: it links economic growth to a responsibility for the creation of affordable housing. The critical difference is that the Regional Jobs/Housing Fund would not collect fees from the developers, but from the municipalities that permit and benefit from the new development. This avoids legal challenges in states that require a direct link between fees to private landowners and impact.

Because it can be regional in scope, the Regional Jobs/Housing Fund would be able to address the jobs/housing mismatch in economically segregated regions. In fact, the approach will benefit even those municipalities that don't pay into it directly, because it will reduce the concentration of lower income households in areas of the region that have not enjoyed the fruits of rapidly expanding employment.

#### GATHERING THE FUNDS

State legislation would establish a Regional Jobs/Housing Commission with powers to:

- determine "unbalanced" municipalities within the region, based on the ratio of jobs to affordable housing units;
- divert a portion of the increasing tax base from those unbalanced municipalities to the Regional Jobs/Housing Fund;
- oversee the use of these funds for affordable housing (and possibly economic development); and
- hear builder's appeals and override local regulatory actions if they unnecessarily limit the development of affordable housing.

"Unbalanced" municipalities would be defined as those municipalities with a ratio of jobs to affordable housing greater than the regional average. Since there are



of jobs to affordable housing greater than the regional average. Since there are a number of towns in the Chicago region that have a significant number of both affordable housing units and jobs, municipalities with 20 percent or more of their housing stock defined as affordable would be exempted, even if their jobs/affordable housing ratio is greater than the regional average. Once a municipality is determined "unbalanced," it would be taxed on a portion of the growth in its commercial and industrial tax base.

#### USING THE FUNDS

There are two options on the table for how the Fund would disburse the money. One option is for it to support only affordable housing programs-including acquiring land, subsidizing private developments that provide affordable housing, financing bonds, and supporting local government housing initiatives-within a reasonable commuting distance of the job center in question. This option would always retain local revenues in the area from which they were derived.

In another variation the Fund would support either housing as in the first option or economic development projects in communities with jobs/housing ratios that are unbalanced in the opposite direction: an abundance of affordable housing but few jobs.

Business and Professional People for the Public Interest is working with Leadership Council for Metropolitan Open Communities and other organizations in the Chicago region to launch a public debate on the Regional Jobs/Housing Fund and its potential for creating affordable housing in exclusionary suburban communities.

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#### City and County of Sacramento's Linkage Programs Sacramento, California

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**I**n the 1970s and '80s, the Sacramento region experienced a tremendous increase in population, driven by the rapid growth of high-tech industries, and this resulted in an acute shortage of affordable housing. In 1988, to address this problem, the Sacramento Housing and Redevelopment Authority (a joint powers authority governed by the county and city of Sacramento) spurred the formation of the Sacramento City/County Housing Finance Task Force, which included realtors, builders, housing advocates, religious leaders, and representatives from the Chamber of Commerce and League of Women Voters.

The real estate consulting firm Keyser Marston Associates gave the Task Force a

study from the previous year, which quantified the relationship between types of commercial development, low-wage jobs, low-income housing needs, and the subsidy cost of providing new affordable housing. Informed by this study, the Task Force concluded that non-residential development was a "major factor in attracting new employees to the region" and "creates a need for additional housing in the city." It also recognized that addressing the affordable housing crisis required action by both the city and the county. Thus the Task Force recommended creating a city and county housing trust fund to be funded by a linkage fee on new commercial development.

#### WINNING THE ORDINANCE

The effort to win adoption of the Housing Trust Fund Ordinance brought together the Rural California Housing Corporation, Legal Services of Northern California, diverse homeless and housing advocates, and the Sacramento Housing and Redevelopment Agency. In fact, according to several housing advocates, the Redevelopment Authority was both catalyst and central partner in promoting the Housing Trust Fund Ordinance. (The organizing for the trust fund/linkage fee also gave birth to the coalition that later became the Sacramento Housing Alliance, an independent nonprofit advocacy group that advocates for affordable housing and the rights of the homeless.)

#### The Power of Numbers

The Sacramento linkage program survived a court challenge because it was based on a study that quantified the relationship between commercial development, low-wage jobs, and the need for affordable housing.

To reduce opposition and potential impact on commercial development, the proposed fees were set well below what advocates believed was justified by the consultants' analysis. According to one observer, however, support for the linkage fee only really jelled when the realtors decided that a linkage fee was preferable to the real estate transfer fee also being considered by the Task Force.

The Housing Trust Fund Ordinance was passed by the Sacramento City Council in Spring 1989, but soon after was challenged by the Commercial Builders of Northern California. The builders claimed that their constitutional rights were being violated and that a connection (or "nexus") did not exist between the creation of new commercial development and the need for affordable housing.

Federal Judge Edward J. Garcia rejected their argument and his ruling was upheld by the U.S. 9th Circuit Court of Appeals. Writing the majority opinion, Appeals Court Judge Mary Schroeder said that the ordinance "was enacted after a careful study revealed the amount of low-income housing that would be necessary as a direct result of the influx of workers that would be associated with the new non-residential development." Clearly, the Keyser Martson Associates study was critical to the legal defense of the ordinance.

The County of Sacramento established a linkage fee program in 1990 that is similar to the city's.

#### HOW IT WORKS

According to the city, the Housing Trust Fund Ordinance serves two purposes: 1) to assure that non-residential development helps address the low-income housing needs associated with job growth and 2) to stimulate housing developments within designated infill areas, reducing commute distances and improving air quality. The Ordinance establishes a housing linkage fee per square foot for non-residential construction and (unlike many linkage programs) also applies to additions and interior remodels that result in a shift from one type of commercial development to another. Current per square foot fees are:

Warehouse - \$ 27; Warehouse/Office (warehouse buildings with less than 25

warehouse - \$.27; warehouse/office (warehouse buildings with less than 25 percent space used for office) - \$.36; Manufacturing - \$.62; Commercial - \$.79; Research & Development - \$.84; Hotel - \$.94; and Office - \$.99.

A separate fund and rate schedule, with fees ranging from \$.44 to \$1.08 per square foot, were established for the North Natomas section of the city because it was undeveloped at the time. The two funds have since been merged and North Natomas will be shifting to the fee schedule of the rest of the city.

Sacramento's linkage programs also provide an alternative to full fee payment. Termed the "Build Option," it allows a commercial developer to construct housing within designated infill areas and then pay only a portion of the full fee amount.

RESULTS

The linkage fee has some weaknesses too. Revenue fluctuates substantially with the fluctuations of the commercial development market. And the Trust Fund can only fund new construction, not rehabilitation of existing units.

As of December 2001, the Sacramento city linkage fee had raised \$11.8 million for the Sacramento Housing Trust fund and the county fee had raised \$15.2 million.

Nonetheless, the linkage fee programs are doing what they set out to do. These local, dedicated sources have directly and indirectly (through leveraging) generated significant resources for the development of affordable housing in the Sacramento region.

As of June 2001, the Trust Fund had committed funds for 1,053 units of very low- to moderate-income housing at the city level and 1,244 units at the county level.

[next page... \(Resources\)](#)

PolicyLink

Lifting Up What Works

Equitable Development Toolkit

BUILDING REGIONAL EQUITY



## Commercial Linkage Strategies

support us

WHAT IS IT?

WHY USE IT?

HOW TO USE IT

FINANCING

KEYS TO SUCCESS

CHALLENGES

POLICY

TOOL IN ACTION

RESOURCES

## ECONOMIC DEVELOPMENT CONCERNS

No matter how compelling the case for a linkage program may be, someone - often commercial developers, public officials, or business leaders - will raise the concern that such a fee will discourage or halt needed economic development. A good counter argument is that the fee is relatively modest compared to the developers' budgets and that linkage fees have not halted commercial development elsewhere. It is critical to have specific numbers regarding the benefits of the fee and the limited impact on the developers' bottom line. It is also worthwhile to point out that builders benefit from the public investment in infrastructure (transportation, sewage, etc.), so it is not unreasonable to expect them to mitigate negative public impacts of their activity.

## PRIVATE PROPERTY

The Fifth Amendment to the Constitution states that private property may not be taken for public use without just compensation. What constitutes a "taking," however, is the subject of much debate. Some developers argue that linkage programs are "takings" that require government compensation.

The answer is not simple. Linkage programs are a kind of "exaction," a requirement to transfer land or money to a municipality as a condition of approval for development. Some exactions are considered takings, and some are not, and the Supreme Court has articulated a two-step test to make the distinction. If a government wants to make an exaction without compensating a private landowner, it must pass both steps.

First, the government must show that a connection ("nexus") exists between what the landowner wants to do and a legitimate state interest. For example, in *Nollan v. California Coastal Commission*, the California Coastal Commission wanted to require a property owner to give public access to the property's beachfront in order to get permission to rebuild a house on the property. But the Court ruled that the building of the house was not directly connected to the public interest of beachfront access, and held that the Coastal Commission could not make that requirement without compensation.

Second, what the state requires of the private landowner must itself be related "in nature and extent" to the impact of the proposed development. So a linkage program must be designed to handle the housing needs created by the new development, not a pre-existing housing crisis as well, according to the decision in the case of - *Dolan v. City of Tigard*.

## Avoiding Takings Trouble

For a linkage program to avoid being considered a "taking," for which landowners would have to be compensated, it must meet these two criteria:

- 1) The goal of the program, must be a "legitimate state interest" that is related to the reason a landowner is charged a fee (new development/permit).
- 2) The amount of the fee must be proportional to the effects of the new development.

In developing a linkage program, advocates should be aware of the Nollan/Dolan cases and be prepared to demonstrate that the linkage fee is connected to the impacts of proposed development and that it is proportional to the nature and extent of the impacts.

#### TAXING AUTHORITY

Another potential legal issue is whether local government has the power to levy taxes. Linkage fee programs are established by local municipal governments. Depending on state law regarding local governments' power to tax, state-enabling legislation may be necessary before an approved linkage program can go into effect.

[next page... \(Policy\)](#)

PolicyLink

Lifting Up What Works

Equitable Development Toolkit  
BUILDING REGIONAL EQUITY



## Commercial Linkage Strategies

publications

equitable development toolkit

community health bibliography

advocating for change

WHAT IS IT?

WHY USE IT?

HOW TO USE IT

FINANCING

KEYS TO SUCCESS

CHALLENGES

POLICY

TOOL IN ACTION

RESOURCES

### ORGANIZATIONS

#### **Business and Professional People for the Public Interest (BPI)**

Public interest law and policy center working on a range of affordable housing issues and developing the Regional Jobs/Housing Fund concept.

25 E. Washington, Suite 1515

Chicago, IL 60602

312-641-5570

[www.bpichicago.org](http://www.bpichicago.org)

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#### **Boston Redevelopment Authority (BRA)**

Administers Boston's linkage fee program and produced *Survey of Linkage Programs in Other U.S. Cities*, May 2001.

One City Hall Square

Boston, MA 02201

617-722-4300

[www.cityofboston.com/bra/](http://www.cityofboston.com/bra/)

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#### **Citizens' Housing and Planning Association (CHAPA)**

Non-profit umbrella organization for affordable housing and community development activities throughout Massachusetts.

18 Tremont St., Suite 401

Boston, MA 02108

617-742-0820

[www.chapa.org](http://www.chapa.org)

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#### **Massachusetts Affordable Housing Alliance (MAHA)**

Statewide nonprofit coalition that works to increase public and private investment in affordable housing.

1803 Dorchester Ave.

Dorchester, MA 02124

[www.mahahome.org](http://www.mahahome.org)



# BUSINESS AND PROFESSIONAL PEOPLE FOR THE PUBLIC INTEREST

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## ON THE BURNER



**BPI Releases -  
A Community Guide to  
Creating Affordable  
Housing**

**BPI Releases -  
Creating Balanced  
Communities: Lessons in  
Affordability from Five  
Affluent Boston Suburbs**

**BPI Releases -  
Success in Affordable  
Housing: The Metro  
Denver Experience**

**Information on the  
Affordable Housing  
Planning and Appeal Act**

**Inclusionary Housing: A  
Policy that Works for the  
City that Works**

**Eliminating Barriers:  
Letting the Market Help  
Meet Illinois Housing  
Needs**

Business and Professional People for the Public Interest (BPI), one of the nation's foremost public interest law and policy centers, has been at the front lines of Chicago's most pressing social justice issues for 35 years. Dedicated to equal justice and to enhancing the quality and equity of life for all people living in the Chicago region, BPI's staff of lawyers and policy specialists uses a variety of approaches, including litigation, research, advocacy, community organizing, and collaboration.

BPI's policy agenda focuses on transforming segregated public housing, revitalizing economically disadvantaged communities, improving public education, and increasing the supply of affordable housing.

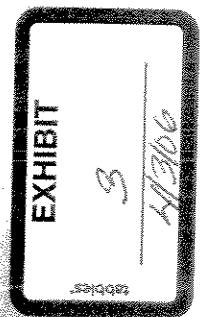
We invite you to learn more about BPI, our mission, and our work. Make the public interest your interest!

[Public Education](#) | [Public Housing Transformation](#) | [Regional Affordable Housing](#)  
[About BPI](#) | [BPI News](#) | [Jobs, Fellowships & Internships](#) | [Support BPI](#) | [Contact Us](#)

Some cities did follow the San Francisco model. Boston's experience in the politics of downtown development deserves special attention if for no other reason than to demonstrate that what happened in San Francisco was not a unique aberration. The grassroots campaign waged by community-based activists against Boston's downtown growth coalition has been described elsewhere.<sup>8</sup> For the purposes of this book, it is enough to say that that grassroots movement was, as in San Francisco, counterhegemonic. Activists sought to subvert the prevailing privatist political culture by advocating a progressive agenda centered around popular control over decision making and a more equitable distribution of the costs and benefits of downtown development. The influence of grassroots activism was apparent in 1983 when the top two candidates to emerge from the Democratic primary election for mayor, Ray Flynn and Mel King, both strongly endorsed the progressive development agenda; the candidate favored by the growth coalition finished well behind.

Flynn was later elected mayor and remained an unswerving supporter of citizen participation and equitable growth through the duration of his administration. He often made his commitment to linkage very clear: "We have a city that is growing and thriving, but . . . there are a number of people who are not benefiting from that economic growth. . . . We want to see that it's shared with the people in the neighborhoods. Linkage has strong political support. The only people who are opposed to it are a very few greedy developers."<sup>9</sup> By the end of the 1980s, the city had extracted \$76 million through its housing linkage program and produced twenty-nine hundred units of low- and moderate-income housing. The city had also worked to promote equitable growth by steering commercial office development into less-privileged neighborhoods and by encouraging industrial development as a way of increasing skilled manufacturing jobs for blue-collar residents.<sup>10</sup>

The Flynn administration, moreover, consistently promoted citizen participation in the planning process. One scholarly report observed: "Community groups, acting through local neighborhood councils or other officially recognized citizen advisory groups, have been involved directly in the review of major development projects. Although these groups rarely have enough power to stop a project, they have been able to influence the scale and density of most developments and have succeeded in negotiating additional contributions from developers. In addition to the mandatory linkage fees, community groups have insisted on . . . supplementary affordable housing, jobs or financial contributions for other community services." And the city's planning director during most of the 1980s, Stephen Coyle, whom the *Boston Globe* called "perhaps the most influential figure in city government after Mayor Flynn," believed that the administration's efforts to promote citizen participation was its most valuable accomplishment:





**Linda Elmer - linkage fee examples**

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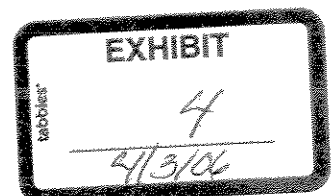
**From:** Heather Dummer Combs <heatherifc@sbcglobal.net>  
**To:** Linda Elmer <lerner@milwaukee.gov>, Leo Ries <lries@lisc.org>  
**Date:** 4/3/2006 10:44 AM  
**Subject:** linkage fee examples

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Leo and Linda,

Although I am not going to be at this afternoon's meeting, I wanted to turn in my 'homework' assignment. I did a quick search for cities that use linkage fees. Attached is a brief document on the cities which I could find info. I'll continue to see what else I can dig up on cities more 'like us'. Hope this is helpful for today's discussion! If you need anything else from me today, I'll be in the office until 11:45.

Thanks,  
Heather



## **Cities with Housing Trust Funds that have Linkage Impact Fees**

Linkage impact fees are a means for local governments to collect monies to help produce affordable housing. These fees, collected from nonresidential and sometimes market-rate residential development, are placed in a trust fund for others to use in developing homes for lower-income households. Linkage impact fees are a recognition that the low-wage workers employed in the nonresidential development and serving the residents of the upper-end residential homes need adequate housing that they can afford within the community. It is an acknowledgment by the municipality that affordable housing is an essential basic need for a healthy community.

### **Boston**

Boston's linkage program requires that developers of large-scale commercial, retail, hotel, or institutional structures (over 100,000 square feet) seeking zoning relief pay an exaction to construct affordable housing off-site. These fees are paid on a 7-year schedule, usually beginning at issuance of a building permit. However, developments have the option of "cashing out" their entire linkage fee obligation at a discount rate. Current fees are:

- \$7.18 per square foot for affordable housing
- \$1.44 per square foot for jobs

### **Sacramento**

Both the City and the County of Sacramento have linkage fee programs that support affordable housing development. The city's linkage fee program assesses square footage fees on non-residential construction such as offices, business parks, hotels, warehouses and shopping centers, and also additions and interior remodels that result in a shift from one type of commercial development to another. There is also a "build option" that allows a commercial developer to construct housing with designated infill areas and then pay only a portion of the full fee amount. Fee levels adjust automatically on an annual basis across all categories using a construction cost index. Current per square foot fees are:

- \$1.79 per square foot for office
- \$1.70 per square foot for hotel
- \$1.43 per square foot for retail/commercial
- \$0.49 per square foot for warehousing
- \$1.12 per square foot for manufacturing/industrial
- \$1.52 per square foot for research and development

### **San Diego**

Fees are assessed on commercial or industrial developments. Whether you're building a 20-story hotel or enlarging a five-person laboratory, you are subject to housing impact fees, which are charged for all new commercial or industrial construction, additions, or

interior remodeling that changes a structure's use. Fees are paid when applying for building permit. The current fee schedule is:

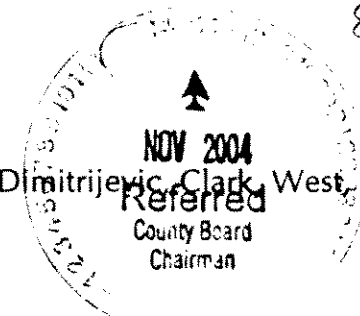
- \$1.06 per square foot for office and comparable uses
- 80 cents per square foot for research and development space
- 64 cents per square foot for hotels, retail and manufacturing
- 27 cents per square foot for warehouses

**San Francisco**

San Francisco's program requires new or expanded commercial office space (over 25,000 square feet) throughout the city to contribute a fee based on square footage. This fee is to be paid on issuance of building permit. The current fee is:

- \$7.05 per square foot

ED



By Supervisors Johnson, Coggs-Jones, Broderick, Dimitrijevic, Clark, West, White, Holloway, Weishan, Quindel, DeBruin

DEC 16 2004  
Adopted  
15-4

DEC 16 2004

A RESOLUTION FILE NO. 04-492

To create the Community and Economic Development (CED) Fund and adopt the Park East Redevelopment Compact (PERC) in order to provide additional sustainable community benefits for the development of the County Park East land.

WHEREAS, Milwaukee County will seek the sale of significant real estate assets, including approximately 16 acres of land in the Park East freeway corridor and these lands represent tremendous assets held in trust by Milwaukee County for the benefit of the citizens of this County. This revenue has been used in various ways, but often it has been used to offset basic operating expense or tax levy; and

WHEREAS, while offsetting tax levy to fund operating expense is a tool that is sometimes necessary, such major sales should provide a longer-term and sustainable benefit to the community. True stewardship of these major public resources requires that their sale provide a benefit for the citizens; and

WHEREAS, the redevelopment of the Park East land, by itself, using private development, will not take advantage of unique opportunities to provide sustainable community benefits especially to those in most need of jobs; and

WHEREAS, adoption of the Park East Redevelopment Compact (PERC), as provided in this resolution, will provide the best opportunity to provide increased jobs and tax base not only on this land, but also for the entire community; and

WHEREAS, this resolution also provides for the creation of a Community and Economic Development (CED) Fund. The CED (pronounced 'seed') Fund would be comprised of a series of programs designed to address 'gap' needs in the marketplace and it is not intended to reproduce resources that are available either in the commercial marketplace or through other public resources; and

WHEREAS, the CED Fund recognizes that there are areas where the market does not make available the resources required for sustainable development and by providing those resources, the Fund seeks to be a catalyst that will enable businesses to develop and grow, communities to prosper, and the lives of all of our citizens to be enriched; and

WHEREAS, this Fund would be endowed with all net revenue generated by the sale of land in the Park East Corridor and be used to carry out this resolution for the Park East Redevelopment Compact (PERC); and



APPROVED AS TO FORM

CORPORATION COUNSEL

39 WHEREAS, in the future, with the exception of revenue allocated to other  
40 purposes by statute, ordinance, resolution, or budget action, revenue produced by the  
41 sale of real estate assets (except park land sales) may be allocated to the CED Fund by the  
42 County Board at the time of each sale; and

43 The following are some possible uses of the CED Fund:

- 44
- 45 • <sup>WBE</sup> Minority Business Working Capital
  - 46 • Small & Minority Business Contract Financing
  - 47 • Housing Development
  - 48 • Neighborhood Business Development
  - 49 • Economic Development
  - 50 • Environmental Mitigation/Brownfields
  - 51 • Carry out Park East Redevelopment Compact (PERC); now therefore,

52  
53 BE IT RESOLVED that this resolution adopts the principle and creation of the  
54 Community Economic Development (CED) Fund and adopts the Park East  
55 Redevelopment Compact (PERC) with the specifics of the policies and procedures to  
56 implement this resolution to be adopted separately by the County Board; and

57 BE IT FURTHER RESOLVED, that the following Park East Redevelopment Compact  
58 (PERC) establishes the policies for the sale of the County's Park East land to achieve the  
59 goal of providing additional sustainable community benefits for the development of this  
60 land:

- 61 1. Competitive Development Agreements  
62 Each parcel of Park East land will be sold through a competitive Request for Proposals  
63 (RFP) which shall be reviewed and approved by the County Board. Milwaukee  
64 County should not just sell the land for the highest price offered but rather should  
65 seek development proposals which will provide the greatest future benefit in jobs, tax  
66 base and image for the community, as well as, a fair price. The policies to carry out  
67 the PERC will be contained in the RFP and the final legal requirements will be  
68 included in each development contract. These contracts will be for 27 years or until  
69 the Tax Incremental District (TID) is terminated. (A parcel may be all or part of one or  
70 more blocks as contained in the each RFP.)
- 71
- 72 2. Cooperation with Existing Organizations  
73 Milwaukee County will cooperate with and use existing governmental and private  
74 organizations, programs and funding sources whenever possible to carry out these  
75 PERC policies.
- 76
- 77 3. Community and Economic Development Fund (CED)  
78 The County CED fund may be used to carry out these PERC policies whenever other  
79 funding is not available. The CED fund is described in other parts of this resolution.  
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4. Disadvantaged Business Enterprise (DBE)  
Milwaukee County will include their current DBE policies, as they apply to county construction contracts, in all RFP's and development contracts. The Office of Community Business Development Partners shall assist in administering this provision.
  
5. Enhanced Apprenticeship and Training  
All RFP's and development contracts shall contain additional apprenticeship and training requirements, using existing agencies whenever possible. Participation in County sponsored training shall meet county established income and residency requirements.
  
6. Local Employment and Coordination  
Milwaukee County will hire one or more non-profit community economic development agencies to assist in coordinating the DBE, training and local employment requirements. All employment vacancies for developers, contractors, trainees, owners and tenants, who will work on the County Park East land, will be required to be provided to the County and the County's designated coordinating agencies, so that they may assist local applicants to apply for these vacancies. This requirement will end with the TID.  
  
Milwaukee County and many in the community have as a goal that the workforce on the Park East property reflect the racial diversity of Milwaukee County. The Milwaukee County Board and the community asks and expects businesses and contractors to make a good faith effort to employ racial minorities consistent with their numbers in the County's workforce. (The 2000 county census population (over age 18) was 68.7% White, 20.4% Black, 7.2% Hispanic and 3.7% other). Reports will be required to determine whether this goal is being achieved.
  
7. Prevailing Wages and Employment Data  
All RFP's and development agreements will require the payment of prevailing wages for construction employees as is now required for most public works projects. Developers, owners and tenants will be required to provide an annual report to Milwaukee County with the number of non-construction full and part time employees working on the Park East project. Milwaukee County will develop the required report which will include the wage ranges and whether employees have health or retirement benefits. This report will be designed to help measure the job impact of the PERC. This requirement will end with the TID.
  
8. Affordable Housing  
Milwaukee County will sponsor the construction of new affordable housing of not less than 20% of the total housing units built on the County's Park East lands but they may be built on other infill sites in the city of Milwaukee. The County, in each RFP for any

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given parcel, may require a different percentage of affordable housing or have no requirement at all. The County may use funds from existing housing programs along with County funds to meet this requirement.

9. Green Space and Green Design  
Milwaukee County will require that green space and green design be specifically included in all proposals submitted in response to an RFP. The County will consider this information when evaluating and selecting a final developer for each parcel.

10. Community Advisory Committee and Administration  
A Community Advisory Committee will be appointed by the Chairman of the County Board, after the adoption of the PERC, which shall advise the County Board on implementing the PERC policies. This committee shall continue until the Tax Incremental District is completed for the PERC area. The Director of Economic and Community Development shall assist this committee in preparing an annual report to the County Board on the effects of the PERC policies. The Director of Economic and Community Development shall administer the PERC agreements with the primary goal to achieve the desired community benefits.

BE IT FURTHER RESOLVED, that Milwaukee County should seek the input of business and community leaders to assist in carrying out the PERC and CED Fund policies.

10/28/04  
I:\My Documents\PARK EAST REDEVELOPMENT\Resolution.doc  
GB/d

**MILWAUKEE COUNTY FISCAL NOTE FORM**

**DATE:** 11/09/04

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** A resolution to create the Community and Economic Development (CED) Fund and adopt the Park East Redevelopment Compact (PERC) in order to provide additional sustainable community benefits for the development of the County Park East land.

**FISCAL EFFECT:**

- |  |  |
|--|--|
| <input checked="" 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 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 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	0	0
	Revenue	0	0
	Net Cost	0	0
<b>Capital Improvement Budget</b>	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0



## 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 will provide for the creation of a Community Economic Development (CED) Fund and the adoption of the Park East Redevelopment Compact (PERC) to help guide the sale and future development of approximately 16 acres of County land in the Park East corridor in the City of Milwaukee.

This resolution does not make any appropriations or obligate any future revenue.

Department/Prepared By Steve Cady, Fiscal and Budget Analyst, County Board

Authorized Signature



Did DAS-Fiscal Staff Review?

Yes

No

<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 assumption shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

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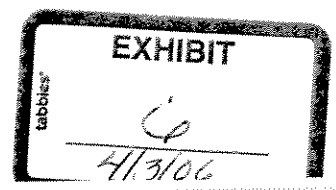
(ITEM 2) Reference file established by the County Board Chairman, relative to Sales of Surplus Lands, by recommending adoption of the following:

**A RESOLUTION**

WHEREAS, Block 2 is the second most easterly parcel within the former Park East Freeway Corridor located between North Jefferson Street on the east and approximately North 8<sup>th</sup> Street on the west. Block 2 along with other parcels within the corridor, comprising approximately sixteen (16) acres, was purchased for freeway purposes using County, Federal Highway Administration (FHWA) and State funds. Although title to the 16-acres is vested in Milwaukee County, jurisdiction of these lands are under the State of Wisconsin, Department of Transportation (WDOT) as an active freeway corridor; and

WHEREAS, in February 2002, the WDOT, Milwaukee County and the City of Milwaukee entered into the Park Freeway Land Disposition Plan and Agreement (Agreement). The Agreement defines the rights and responsibilities of each party regarding the sale of the Park East Freeway lands no longer needed for transportation purposes. The Agreement states that the intent is to market the former freeway lands to multiple developers to facilitate interest and diversity to the urban fabric. Pursuant to the Agreement, sale proceeds from these lands, based on the appraised value approved by the State, shall be divided between the State, the County and the FHWA based on their respective percentage financial participation when these lands were originally purchased. Reimbursement to the State and FHWA shall occur at the time each land area is sold. Per the Agreement, the FHWA share of the sale proceeds will be deposited in the WDOT Fund as individual parcels are sold and will be used to fund only transportation projects that are eligible under Title 23, in Milwaukee County. The State will release any interest it may have in the lands prior to closing; and

WHEREAS, on Thursday, May 5, 2005, the Request For Proposals (RFP) was released for the sale and development of Block 2. Block 2, identified as Block 22 in the City of Milwaukee Park East Redevelopment Plan (Redevelopment Plan), is located between North Broadway, North Milwaukee and North Water Streets and East Ogden Avenue. In the Redevelopment Plan Block 2 is divided by a north/south alley. The western half, with major frontage on North Broadway and North Water Streets, is identified as Lot 1 and the eastern half, with major frontage on North Milwaukee Street is identified as Lot 2. Lots 1 & 2 each comprise approximately .91 and 1.23 acres respectfully for a total of 2.14 acres. The alley that separates Lots 1 & 2 is approximately .15 acres. The RFP for Block 2 permits a purchaser/developer to purchase Lot 1 or Lot 2 separately or Lot 1 and Lot 2 combined. The RFP further permits a buyer to purchase the alley area in addition to Lots 1 and/or 2, if approved by the City. Therefore, a development parcel of as little as .91 acres or as large as 2.29 acres can be purchased and developed. The following minimum



43 purchase prices for Lots 1 or 2 and Lots 1 & 2 combined were established using the  
44 appraised values reviewed and approved by the State.

45		
46	Lot 1:	\$1,308,000 (\$32.95/sq ft)
47	Lot 2:	\$1,741,000 (\$32.60/sq ft)
48	Lots 1 & 2:	\$2,827,000 (\$30.60/sq ft)
49	Lots 1 & 2 (incl. alley):	\$3,025,888 (\$30.60/sq.ft.); and

50  
51 WHEREAS, the RFP requested and looked for in each proposal submitted, the  
52 required items such as, the timely submittal of the proposal, minimum purchase price, and  
53 the mandatory components of the Park East Redevelopment Compact (PERC), including the  
54 professional service and construction DBE utilization and the prevailing wage and  
55 employment data commitment. Additionally, the RFP requested in each proposal  
56 submitted, items such as, the project description (Lot 1 or 2 separately or Lot 1 and Lot 2  
57 combined), aesthetics, design mix, neighborhood and architectural compatibility,  
58 compliance with the City Redevelopment Plan), project value and tax base, site plan,  
59 project schedule, and the qualifications and capability (including financial) of the  
60 purchaser/developer to complete the project as proposed; and

61  
62 WHEREAS, the RFP pointed out that the adjacent Block 3 (indicated as Block 18 in  
63 the City's Redevelopment Plan) is a triangular shaped block and is depicted in the  
64 Redevelopment Plan as a public open/green space, with consideration given to limited  
65 improvements. Therefore the RFP recognized that a proposer for Block 2 may see a benefit  
66 in improving and maintaining Block 3 as open/green space to enhance their proposed  
67 development. The RFP requested but did not require the proposer to detail any such  
68 interest in their proposal; and

69  
70 WHEREAS, notice of the RFP was mailed to more than 450 builders, developers,  
71 contractors and building trade organizations. The RFP notice was run in various  
72 publications including the Business Journal, Daily Reporter, Milwaukee Journal/Sentinel,  
73 Milwaukee Community Journal, and the Milwaukee Times. The RFP was available in  
74 paper and electronic disc format and was posted on the growmilwaukeecounty.com  
75 website. A pre-submittal informational meeting was conducted giving interested parties an  
76 opportunity to ask questions or obtain clarification and/or amplification from County and  
77 City staff regarding the County's RFP process and/or the City's Redevelopment Plan prior to  
78 submitting a proposal; and

79  
80 WHEREAS, upon acceptance of a proposal by the Milwaukee County Board of  
81 Supervisors and the County Executive, the selected purchaser/developer, for a \$50,000  
82 nonrefundable option fee, will be granted a nine (9) month option to purchase to satisfy or  
83 obtain any and all purchase and development requirements, approvals or licenses/permits  
84 from the City of Milwaukee and/or other regulatory agencies. A three (3) month option  
85 extension is available for an additional \$15,000 option fee. Within thirty (30) days of the  
86 purchaser/developer exercising the option, closing shall occur. Closing is contingent on

87 City approval of the project's construction plans, demonstrating the project financing is in  
88 place and possessing a building permit; and

89  
90 WHEREAS, two (2) proposals were received by the 4:00 p.m., July 29, 2005  
91 deadline. One proposal, in the amount of \$3,514,000, was submitted by Ryan Companies,  
92 RSC and Associates, with Legat & Barrientos Architects for a mixed-use project, comprising  
93 175 condominium units, and 184,800 square feet of retail space on Lots 1 & 2, including  
94 the alley area. The other proposal, in the amount of \$1,377,000 was submitted by Full  
95 Spectrum of NY, Inc., Schultz Development, 3<sup>rd</sup> Coast Design, and Canyon Johnson for a  
96 mixed-use project, comprising 375 residential units and 42,000 square feet of retail on Lots  
97 1 and 2, including the alley area as well as developing Block 3 as a public open/green  
98 space. Full Spectrum, et.al. further proposes donating the developed open/green space to  
99 the City and retaining an easement for underground wells serving the geo-thermal system  
100 of their development. A detailed comparison of the two proposals is included and made  
101 part of this file; and

102  
103 WHEREAS, a review panel based on their experience in real estate, urban planning,  
104 architecture, finance and minority/community business evaluated the two proposals. Both  
105 proposals include experienced, well-qualified professionals, which presented a  
106 development that responded differently to the terms, conditions, and requirements of the  
107 RFP; and

108  
109 WHEREAS, after reviewing the submitted proposals, participating in an interview of  
110 the two purchaser/development teams, reviewing the responses and revisions to their  
111 proposals after the interviews, the review panel participants individually scored the  
112 proposals based on the Conditions/Requirements/Instructions section and the Evaluation  
113 and Selection criteria contained in the RFP. The review panel with an aggregate score of  
114 468.0 to 449.0 (average score of 78.0 of 100 points) recommended the proposal from Ryan  
115 Companies, RSC and Associates, with Legat & Barrientos, Architects; now, therefore,

116  
117 BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby accepts the  
118 proposal from Ryan Companies, RSC and Associates, with Legat & Barrientos, Architects, in  
119 the amount of \$3,514,000 and authorizes the Director of Economic and Community  
120 Development to grant them the above-described initial nine (9) month option subject to the  
121 terms and conditions of the RFP, after Corporation Counsel approval, and further approval  
122 for the County Executive and County Clerk to convey by Warranty Deed Lots 1 & 2 of the  
123 subject Block 2, inclusive of the bisecting alley area pursuant to the terms and conditions  
124 of the option and RFP should the option be exercised; and

125  
126 BE IT FURTHER RESOLVED, that the County Executive and the County Clerk and/or  
127 other appropriate County officials be hereby authorized to execute, after Corporation  
128 Counsel approval, any and all instruments, rights of entry and documents that are called  
129 out in the RFP and required to implement the intent of this resolution; and

130

131 BE IT FURTHER RESOLVED, that \$1 million of the net proceeds from this sale be  
132 placed in a new account to be named the Milwaukee County Inclusive Housing Fund and  
133 to be used to carry out the housing provisions of the Park East Redevelopment Compact  
134 (PERC).

## MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: September 27, 2005

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** From the Director of Economic and Community Development, reporting on the results of issuing a Request For Proposals for the sale and development of Block 2, East of the Milwaukee River, in the Park East Corridor, located between North Broadway, North Milwaukee and North Water Streets and East Ogden Avenue in the City of Milwaukee.

**FISCAL EFFECT:**

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

*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.*

	Expenditure or Revenue Category	Current Year	Subsequent Year
<b>Operating Budget</b>	Expenditure		1,475,880
	Revenue		3,514,000
	Net Cost		-2,038,120
<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.

Pursuant to Agreement between the County, the City of Milwaukee and WDOT, adopted by the County Board in 2002, the sale proceeds from the sale of former Park East Freeway lands shall be divided between the County, the State and FHWA based on their respective percentage financial participation when the lands were originally purchased for freeway purposes. For the \$3,514,000 gross sale proceeds for Lots 1 & 2 of Block 2, inclusive of the alley area bisecting the two lots, the percentage reimbursement for the County is 58% (\$2,038,120), the State 3.6% (\$126,504) and the FHWA 38.4% (\$1,349,376). These figures are approximate, as sales expenses will reduce the \$3,514,000 gross sale proceeds amount before the percentage reimbursement amounts between the County, the State and FHWA are computed.

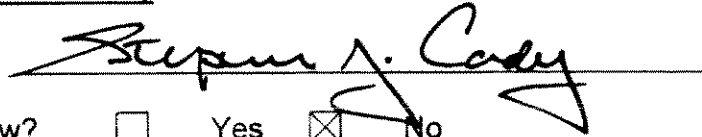
This resolution allocates \$1 million of the County's net proceeds to a new account to be named the Milwaukee County Inclusive Housing Fund, to be used to carry out the housing provisions of the Park East Redevelopment Compact (PERC). The remainder of the net County proceeds (\$1,038,000) would be allocated to the Community and Economic Development (CED) Fund, based on the policy adopted in File No. 04-492 on December 16, 2004. These funds will carry forward to the subsequent year and not lapse at the end of the year, unless otherwise directed by the County Board.

For the purpose of this fiscal note, it is anticipated that the County will receive the proceeds of this transaction sometime in 2006. It is possible, however, that sale proceeds received prior to April 1, 2006 could be booked to the 2005 fiscal year.

<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.

Department/Prepared By DAS-Economic and Community Development/Craig Dillmann as modified by County Board/Steve Cady

Authorized Signature

A handwritten signature in black ink, appearing to read "Stephen J. Cady", is written over a horizontal line. The signature is stylized and cursive.

Did DAS-Fiscal Staff Review?

Yes

No



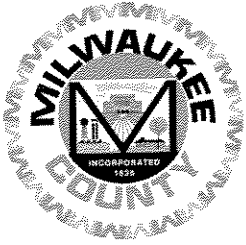
**City-Owned Buildable Vacant Lot Sales**

Year	No. of Lots Sold	No. of Lots Sold to CBOs	Total Sales Price	Total Estimated Construction Costs
2001	68	42	290,093.00	Not Tracked
2002	67	44	266,305.00	Not Tracked
2003	164	136	165,238.00	Not Tracked
2004	115	80	344,108.00	15,063,732.00
2005	112	75	340,946.00	18,983,217.97

**City-Owned Adjoining Owner Vacant Lot Sales**

Year	No. of Lots Sold	Total Sales Price
2001	108	11,063.00
2002	75	6,474.50
2003	160	14,768.00
2004	77	18,416.00
2005	33	16,101.00

EXHIBIT  
 7  
 4/3/06



Marina Dimitrijevic  
*Milwaukee County*  
4th District Supervisor

## Memorandum

**To:** City of Milwaukee Housing Trust Fund Committee Members and Staff  
**From:** Milwaukee County Supervisor Marina Dimitrijevic  
**Date:** 3/31/2006  
**Re:** Real Estate Transfer Fee

A memo dated March 24, 2006, from Jeff Osterman, Legislative Reference Bureau, to Milwaukee Housing Trust Fund Task Force members summarizes discussion of the financing subcommittee who identified potential funding sources for the City of Milwaukee Housing Trust Fund. Under, "*Funding Options With No State Legislation Required*," Item 4, refers to "*The City's Share of the Real Estate Transfer Fee*." This memo mischaracterizes the Real Estate Transfer Fee (RETF), as the City of Milwaukee does not share in the RETF. RETF is a tax imposed by the State of Wisconsin collected by counties, which the Department of Revenue shares with all 72 counties for administering real estate transfers. Furthermore, a change in state legislation would be required to dedicate a portion of the RETF to the City of Milwaukee and/or for housing purposes.

### Milwaukee County Register of Deeds Office

The Milwaukee County Register of Deeds office performs the work associated with all real estate transfers within the entire county: all 19 of its municipalities. As prescribed by Wisconsin State Statutes, the State of Wisconsin allows Milwaukee County to retain 20% of all the RETF revenue generated within its borders. The 2006 Milwaukee County Adopted Budget anticipates receipt of \$2,830,000 in RETF revenue in 2006. It has been estimated that approximately ½ of the RETF revenue collected by Milwaukee County is generated by transfers within the City of Milwaukee.

### Wisconsin State Statutes

Wisconsin State Statutes prescribe the rate for the state-imposed RETF. The following state statutes govern RETF rates and the division of revenue generated in all 72 counties.

### Rate

77.22 Imposition of real estate transfer fee.

77.22(1)

(1) There is imposed on the grantor of real estate a real estate transfer fee at the rate of 30 cents for each \$100 of value or fraction thereof on every conveyance not exempted or excluded under this subchapter.



Increasing the rate statewide, or solely within one municipality, would require enactment of state legislation, which necessitates approval by a majority of the Wisconsin State Legislature and the signature of the Governor.

Legislative attempts to increase the RETF would likely face stiff opposition from the Wisconsin Realtors Association. Counties would most likely only support an increase in the RETF fee if it were statewide and directed back to finance county administered programs, such as state-mandated, but underfunded, courts and human services.

#### **Division**

**77.24 Division of fee.** Twenty percent of all fees collected under this subchapter shall be retained by the county and the balance shall be transmitted to the state. Remittances shall be made monthly by the county treasurers to the department of revenue by the 15th day of the month following the close of the month in which the fee was collected. The remittance to the department shall be accompanied by the returns executed under s. 77.22.

Changing the intended recipient of RETF revenue would require a state law change. Again, such a change would require the approval of a majority of the Wisconsin State Legislature and the signature of the Governor. In response to Mayor Tom Barrett's attempts to purloin Milwaukee County RETF revenue during the 2005-07 state budget process, all 72 counties adopted, at their annual Wisconsin Counties Association conference, a resolution, "*opposing the shifting of RETF revenue from counties to any other entity.*"