

c: J. Hawkins
M. Soika
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Department of City Development

Housing Authority
Redevelopment Authority
City Plan Commission
Historic Preservation Commission

Julie A. Penman
Commissioner

Michal A. Dawson
Deputy Commissioner

May 17, 2002

Ald. Don Richards, Chair
Ald. Angel Sanchez, Vice-Chair
Ald. Marlene Johnson-Odom
Ald. Paul Henningsen
Ald. Michael Murphy
Ald. Willie Hines

Dear Community Development Committee:

Recently, Howard Snyder of the North West Side Community Development Corporation (NWSCDC) submitted a proposal to dedicate \$50,000 of LID funds for a series of planning steps for the Tower Automotive site. At that time he was directed to discuss his proposal with DCD. After thorough review and discussions with Mr. Snyder, we have concluded that it would be premature to administer large impact development (LID) funds for a planning study. **Thus, DCD will not support nor recommend redirecting LID funds to the NWSCDC for this purpose.**

As you may recall, the NWSCDC submitted a proposal to redirect a LID grant originally targeted for the former Pressed Steel Tank Co. project to a planning study for the Tower Automotive property. On February 5, 2002, Mr. Snyder asked the Community Development Committee to redirect \$125,000 in LID funds for the study. At that meeting, the Committee held the item and instructed Mr. Snyder to present DCD with a detailed plan and to seek our support for a planning study.

Attached is a copy of the draft proposal from the NWSCDC for your reference. Our comments are as follows:

1. Proposal: NWSCDC will convene a committee to propose a blueprint for development of the Tower Automotive property.

Considerations: Any redevelopment of this property will ultimately be a private transaction between Tower Automotive and a prospective buyer. To engage the neighborhood prior to a proposal from a committed developer may give area residents, businesses and community leaders a false sense of development oversight and might hamper investor interest in the property. When a buyer is identified, DCD will encourage that entity to work with the neighborhood to propose a development plan that is in line with the goals and objectives of the community.

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2. Proposal: CDC/30th Street ICC will develop the necessary market data for the development of the property in cooperation with the Initiative for Competitive Inner Cities (ICIC).

Considerations: The partners involved with the ICIC just completed a study to identify business clusters conducive for long-term growth in our central city neighborhoods. Four clusters have been identified: financial services, health services, construction and metal manufacturing. Additional steps in this study process need to be completed before site-specific research is conducted.

3. Proposal: Market Renewal Community (RC) tax credits in the northern boundary of the RC area.

Considerations: The RC designation spans 53 census tracks and touches several community and economic development organizations. DCD staff is currently working with our partners to develop a comprehensive marketing strategy for the entire RC area. The credits offered under these program are another tool that can be used by all our non-profit partners to use to attract and facilitate economic development activities. Since this program will be marketed by all our partners, it would be inappropriate to provide funds directly to just one of these organizations.

4. Proposal: Create a Community Development Entity (CDE) to market and use the New Markets Tax Credits (NMTC).

Considerations: While we fully encourage the NWSCDC to become a CDE (a step required prior to a federal allocation of any NMTC), the regulations for submitting applications and what projects would qualify for the tax credits, as well as the program start date, are still being written and reviewed at the federal level. When this program is operational, DCD will conduct meetings with our non-profits partners to update them on the program.

I hope this information is useful to you. If you have any questions, please feel free to contact me at ext. 5800.

Sincerely,



Julie A. Penman
Commissioner

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A deal between Tower Automotive and a prospective developer in Chicago may be imminent, or may not happen at all. Given the uncertainty of the real estate transaction we propose the following:

- (1) The CDC and the 30th Street ICC will convene a committee made up of community, business, church, public officials and RE leaders that will help us and the City of Milwaukee to propose a blueprint for development at the Tower site.
- (2) The CDC/ICC and the community planning team will work with the Institute for a Competitive Inner City and their Milwaukee allies, to develop the data necessary to implement a plan.
- (3) The CDC/ICC will work cooperatively with the Department of City Development to market the northern end of the RC community; work with the business community in the target area to take advantage of this new strategy.
- (4) The CDC will create a Community Development Entity (CDE) to market and use New Markets Tax Credits (NMTC) in a deal with whoever develops the property to insure community involvement and participation in whatever succeeds Tower Automotive; that takes into account best practices, highest and best land use, community and political sensitivities, brings non-profit assets and resources to any RE deal.