



**Michael J. Murphy**  
*City of Milwaukee Common Council*

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August 26, 2014

Rocky Marcoux  
Commissioner  
Milwaukee Department of City Development  
809 N. Broadway  
Milwaukee, WI 53202

Dear Commissioner Marcoux,

Thank you for the following up on our letter dated August 6, 2014 related to concerns pertaining to “Growing Prosperity” (GP). In your letter you summarized the issues raised into three points: providing more robust metrics, including work plans in the document, and a concern that plan strategies do not address inequality. We will review your comments related to these topics in turn. In addition to the three above, however, mechanism for accountability and overarching city-wide outcomes should be articulated.

**Inequality & Economic Development**

Inequality—racial, economic, legal or political—has a tremendous social cost, one that is complex and affects a number of disciplines including public safety, education, economic mobility, and health outcomes. This point is emphasized in many of the sources you consulted in preparing “Growing Prosperity.” Indeed, as previously noted, your document describes the extent of the city’s racial and economic disparities. Quotes in the report helped illustrate this.

Where our opinions differ, however, is not in the extent of resources consulted to formulate the report, but rather in the city’s overall, comprehensive response to this blight on our community. How we fare in comparison to other conventional economic development plans is not at issue. Indeed, our plan necessarily must go beyond the conventional as we face exceptional challenges ranging from being, 1.] one of the worst scoring states for African American children’s life chances, while simultaneously scoring in the highest for white children’s life chances according to the Casey Foundation, 2.] ranked as the most segregated M.S.A. for the poor (Milwaukee-Waukesha-West Allis) by The Atlantic’s City Lab, 3.] the only state where the life expectancy gap between African American and whites grew, 4.] being the metro that has witnessed the most “precipitous erosion in the labor market for black males over the past 40 years,” with only 52.7% of African American men of prime working age being employed in comparison to 85.1% of white non-Hispanic men, in 2010.<sup>1</sup> 5.] ranked as one of the top cities where inequality deepened between 2007-2012, with households

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<sup>1</sup> [http://www4.uwm.edu/ced/publications/black-employment\\_2012.pdf](http://www4.uwm.edu/ced/publications/black-employment_2012.pdf)

with income in the bottom 20<sup>th</sup> percentile seeing a decrease of \$3,481 while households in the 95<sup>th</sup> percentile saw an increase of \$237 in their household income.

As reported in the JS last year, “The metropolitan region as a whole – Milwaukee, Waukesha, Ozaukee and Washington counties – ranks in the upper half of large metropolitan areas in per capita income. But beneath that level of relative prosperity lie entrenched poverty in much of Milwaukee and wide gaps in economic well-being between city and suburbs, black and white. In almost no large metropolitan area is there a greater difference in black and white income.”

These statistics and many more (especially incarceration rates) tell an unfortunate story—one we know to be true. Certain residents are being left behind. As sources noted, high inequality has negative impacts on economic growth, i.e. research shows equity and growth go hand in hand. Growing prosperity, as such, will translate into different things depending on which population is being targeted.

With all of this said, both GP and the resources consulted point to a number of significant factors that if addressed, could contribute to both economic growth on the one hand and economic equity and social mobility on the other. These were nicely summarized in your introduction to Ch.5. However, although the challenges have been explicitly stated and some strategies proposed, the document lacks a cohesive Milwaukee plan that aims to shift the current trajectory of concentrated poverty and inequality.

The statistics point to an underlying reality: a different “Milwaukee” exists depending on who you speak to and where in the city they are located. While no silver bullet exists to eliminate entrenched poverty, we can articulate a vision that merges divergent paths of opportunity. Taking these into consideration, *what are some achievable overarching outcomes that the city can hope to realize; what is the end point we are aspiring to achieve as it relates to alleviating inequality?* Over the next 5, 10 years *which* disparities are we targeting, *how* do we intend to make a measureable impact, and how do our strategies connect to the overall targets?

For instance, you called attention to various strategies that promote greater equity but it is unclear how they, i.) interact/relate with one another, ii.) how some of them are related to the promotion of equity, and iii.) how they connect to a broader vision of curtailing inequity. Below is one example:

#### **Actions that improve access to jobs within the region for residents of the central city**

- a. 4.2.1 – Regularly communicate with M7 and key driver industries and industry organizations to learn more about their location needs, and keep suitable Milwaukee expansion sites on the radar.
- b. 4.2.2 – Create a food innovation district or corridor
  - *How/Why do these strategies impact inequality?*
  - *Is 4.2.1 not already occurring?*
  - *Do jobs in the food industry intersect with efforts to target workforce development? Is it connected to a comprehensive workforce pipeline?*
  - *Would a food innovation district offer mobility of workforce?*
  - *Is the plan to create a food innovation district or corridor in the inner city?*
  - *How are these related to the formation of neighborhood-based businesses or building paths of opportunities for Milwaukee’s youth, etc.?*

In summary, our city faces exceptional challenges related to socioeconomic disparities, social cohesion and geographic dislocation. As representatives of the city, we are expected to find solutions that have a material, lasting impact. “Improving communication between City agencies and the intermediaries who provide service and technical assistance to local businesses,” or “Establish[ing] an Equality of Opportunity Blueprint,” while useful ideas that we should pursue even outside of this plan, they don’t translate as innovative attempts to

alleviate the sharp disparities that exist. We need a plan that in this respect goes further in articulating a cohesive vision with a clearly defined trajectory to meet a clearly defined endpoint/outcome(s).

### **Robust Metrics**

We are pleased to learn that Chapter 8, and presumably, section 8.4 “A Baseline & Metrics” will be redrafted. Thank you for already incorporating some suggestions made at the Steering and Rules Committee meeting. We look forward to a more detailed description of the evaluation process and inclusion of disaggregated data, particularly as it relates to race, gender and location. As Paul Brophy noted in his opinion piece in the JS, while we may be optimistic about the region’s future, the true challenge is in seeing the plan through and in “using good metrics to measure progress.”

Some additional notes on metrics follow:

- **Business start-ups:** Tracking business data helps inform us of both job formation and job retention. As such, in addition to reporting business start-ups, city closures too should be reported to determine net results. It may be informative too to track the employment sector where businesses are forming as this will help the City identify trends/changes in the local business market, thus informing us where future investments should be made.

Moreover, total business licenses granted and commercial permits issued in the city may give a good picture not just of startups, but of the overall business climate in the city over time. A good example of this can be found on Seattle’s website:

<http://www.seattle.gov/economicDevelopment/indicators/newBusinessGrowth.htm>

- **Percent of workforce employed in manufacturing or “family-supporting” jobs & percent of workforce employed in key driver industry clusters:** The document details why we would ideally like to see an increase of employment opportunities in these sectors overtime. Should we not also track industry sectors outside of the targets in order to comprehensively understand where Milwaukee is growing?
- **Acres of developable industrial land available; remediated/redeveloped:** This is a good indicator of work to be completed by the city to increase available land. In addition to this, we should report vacancy rates (of land and property) over time and by business district. Some examples of this can be found at:

<http://www.redwoodcity.org/business/dash/vacancy.aspx>

<http://www.fostercity.org/projectsandinitiatives/Commercial-Vacancy-and-Rental.cfm>

[http://www.cityofsancarlos.org/depts/ed/eid/vacancy\\_rate.asp](http://www.cityofsancarlos.org/depts/ed/eid/vacancy_rate.asp)

- **Additional metrics perceived as determinants of local economic development:** In reviewing economic development dashboards for other cities across the U.S., the indicator below reappeared on many sites.

Sales tax by business district and by sector

<http://www.fostercity.org/projectsandinitiatives/Sales-Tax-Economic-Segment.cfm>

<http://www.redwoodcity.org/business/dash/salestaxbysegment.aspx>

<http://www.seattle.gov/economicDevelopment/indicators/businessIncome.htm>

## Work Plans

The example work plan you provided for Strategy 6.2 was a great illustration of what is required to put the overarching plan into action. Its inclusion of resources required, implementation steps with specific time frames and specified desired outcomes was an important and necessary addition. Again, where possible, strategies should be connected to the asset clusters being advanced as well as the city tools that will be leveraged. Additionally, some concerns have been raised that work plans should provide some specificity of target areas, e.g. districts, zip codes, BIDS, neighborhoods, industries, corridors, etc...


As to your concern on completion of work plans, your points are well taken that many must be developed in collaboration with partners outside of the city. It was not previously clear that formalized work plans, as the example you provided, were to be developed. While members of the committee deliberate whether to,


1. Adopt the plan in September, directing the department to complete work plans for the agenda items by mid-October, or
2. Delay action on the plan until the October 23<sup>rd</sup> S&R Committee meeting to append work plans to the document prior to adoption,


it would be useful to see a few examples of what they can expect. To that end, would you please provide an example work plan for each of the focus areas for the September 11<sup>th</sup> S&R?

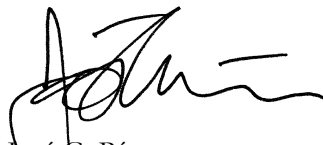
Again, thank you for the work that's been put into making this report collaborative. The final outcome is sure to be exceptional.


Sincerely,

  
Michael J. Murphy  
President, Common Council  
Alderman, 10<sup>th</sup> District

  
Robert Bauman  
Alderman, 4<sup>th</sup> District

  
Jim Bohl  
Alderman, 5<sup>th</sup> District

  
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Nik Kovac  
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Cc: Mayor Tom Barrett  
Martha Brown

Paul Brophy  
Council Members  
Vanessa Koster

