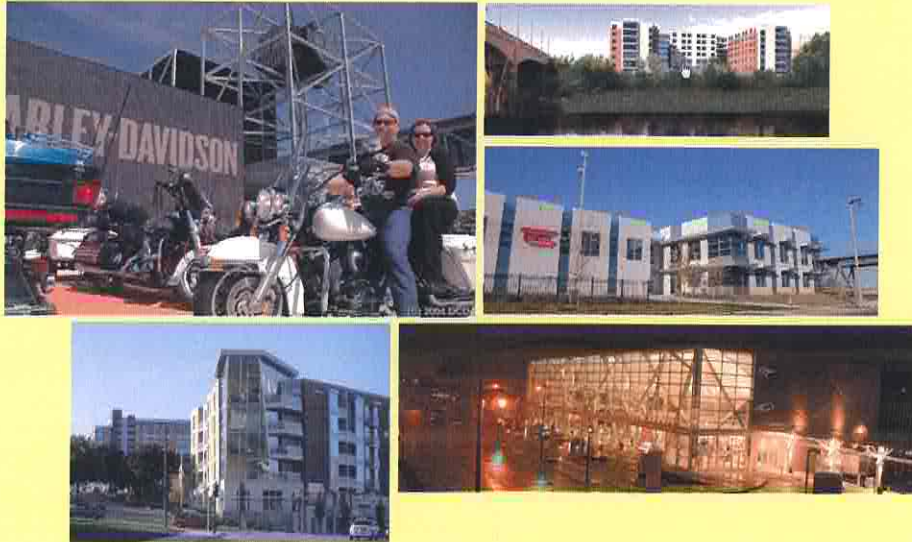




## Department of City Development

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## Major development projects completed



Several major development projects have been completed since we appeared before the Finance and Personnel committee at last year's budget hearing.

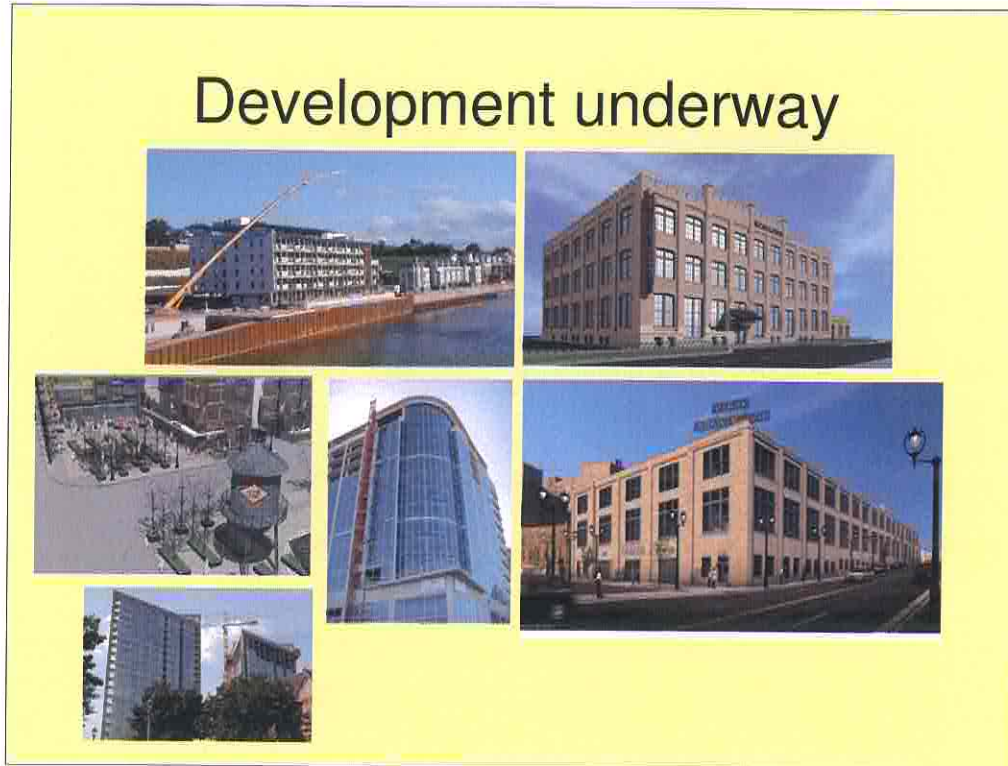
The multi-modal station opened in November... creating an impressive new gateway to Milwaukee for people who arrive by bus or train.

In the Park East, two housing developments are now occupied: the Flat Iron, and Convent Hill.

Students moved into UW-Milwaukee's new RiverView dormitory at the beginning of 2008.

And in the Menomonee Valley, Taylor Dynamometer and the Harley Davidson museum have opened for business.

## Development underway



A great deal of major development is underway.

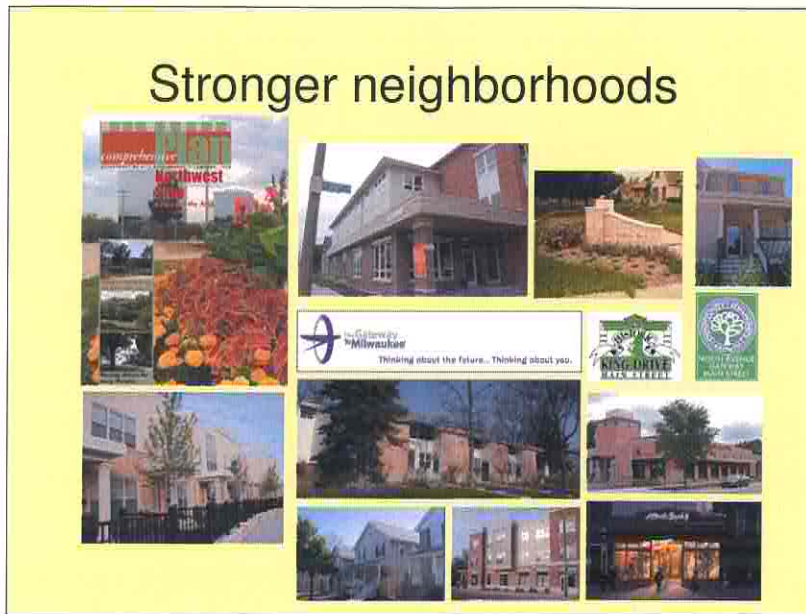
In the Park East, the first phase of the North End development broke ground earlier this year, and the Staybridge Suites hotel is nearing completion.

Across the river, in the Beerline neighborhood, The Edge condominium development is under construction.

The two towers of Park Lafayette are changing the skyline of the east side.

And at the former Pabst Brewery, several projects are underway. The Boiler House office building will be occupied by the end of the year... and the Blue Ribbon Lofts apartments will be ready for tenants early next year.

## Stronger neighborhoods



DCD was at the forefront of activities that strengthen Milwaukee neighborhoods.

Our staff continued to engage stakeholders in the development of area plans. The northwest side area plan was approved by the Common Council this year, and the northeast and southeast area plans will be brought to Council for approval by year's end. Planning activity also is underway in the near south, southwest, west and near north neighborhoods.

Property sold by our real estate division was redeveloped for residential use. The Teutonia Gardens, Prince Hall and Metcalfe Park projects were completed. Several new homes were under construction in Bronzeville. And United House, Milwaukee's first new supportive housing development for individuals with mental illness, opened its doors in August.

At the Woodlands, on the northwest side, we formed a partnership with Habitat for Humanity to sell and renovate condo units to low-income families.

The new Healthy Neighborhoods collaboration with the Milwaukee Foundation was active in 7 neighborhoods. It complements the department's targeted investment neighborhood program, which operated in a dozen areas this year.

Our Neighborhood and Business Development team worked to improve local business opportunities. We added Main Street Districts along Historic King Drive and West North Avenue in 2008. And we provided support to 29 Business Improvement Districts and the City's first Neighborhood Improvement District. The team also worked to develop streetscape enhancement projects along Cesar Chavez Drive... along the Kinnickinnic River... and in the Riverworks and Bronzeville neighborhoods. The City will invest about 2-point-5 million dollars in those projects next year.



## Workforce/business investment



DCD supported private investment to grow jobs in Milwaukee.

2008 saw the completion of the Stadium Business Park, a former brownfield site, that is now home to 450 jobs.

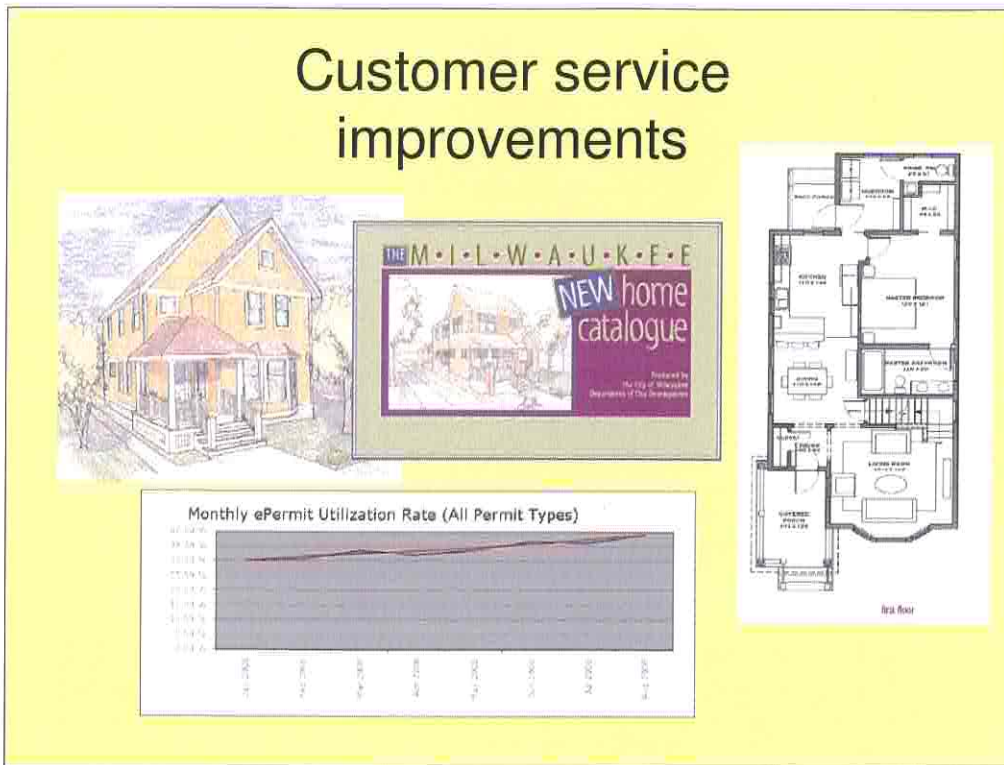
The ribbon was cut on the first phase of improvements to the Direct Supply campus, where employment is growing rapidly. Mortara Instruments expanded its facilities with city assistance, and Kohl's Department Stores moved into a new advertising photo studio built on land purchased from the city.

In the Menomonee Valley, Derse Company and Charter Wire both broke ground this year for new facilities at the Menomonee Valley Industrial Center. We also would note that construction of Stormwater Park has really taken off this year. We were extremely pleased that the park's retention system performed extremely well during the record rainfall in June.

D-R-S, a defense contractor in the 30<sup>th</sup> Street Corridor, began to right-size its facility in the 30<sup>th</sup> Street Industrial Corridor. Medovations began converting this brownfield property into a new high-tech headquarters.

The Milwaukee Economic Development Corporation has provided loans for 74 projects so far this year. Fifty-seven percent of those projects involved minority-owned businesses, and 29 percent involved women-owned companies.

## Customer service improvements



DCD made some key customer service improvements in the last year.

To complement the new property sales ordinance passed by the Council last year, we created "The Milwaukee New Home Catalogue." The catalogue contains pre-approved designs and floor plans for new homes built on vacant lots purchased from the City. It also provides guidance on making new homes accessible.

The e-permitting system was expanded to add heating, ventilating and air conditioning permits. We're now issuing nearly 40% of all Development Center permits over the Internet, and have reduced staffing as a result.

We also have reorganized our finance and administration division. This process started last year when the budget included several new positions. The reorganization was fully implemented in 2008, with the result that audits for the Redevelopment Authority and Neighborhood Improvement Development Corporation were delivered much earlier than in previous years. We're happy to report these audits included no findings.

We understand that earlier this week there were questions about the completion of the Housing Authority's audit. While the Department of City Development no longer oversees the Housing Authority's administrative activities, we have asked Mr. Rick Koffarnus of the Housing Authority staff to be present today. He will be happy to answer any questions you might have about this matter.

# Department of City Development

## 2009 Initiatives

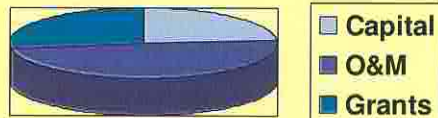
Now, I'd like to highlight several major initiatives on the horizon for 2009.



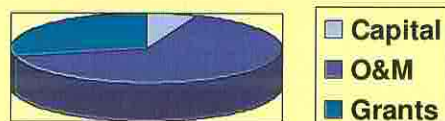
# Budget changes

- Personnel costs
  - Decrease reliance on capital funding
- Position reductions
  - 27 fewer positions
    - 10 DCD
    - 17 public housing
- 3 layoffs
  - Reduced activity
  - Increased efficiency

2008 personnel costs



2009 personnel costs



We have taken a major step to stabilize funding for personnel costs, by reducing the amount of capital funding used for this purpose. In 2008, one-quarter of the department's personnel costs were paid with capital funds, such as tax incremental financing. In our 2009 proposed budget, only 6 percent of personnel costs is paid with capital funds.

This change comes at a time when the private development activity that spurs the City's capital investment has slowed in response to the current economic climate and credit crunch.

Our 2009 budget has 27 fewer positions than in 2008. Ten jobs were cut in the economic development and planning areas of the department. 17 positions were cut in public housing.

The cuts will result in three layoffs. In each case, layoffs are an appropriate response to either reduced development activity or increased efficiency in operations.



## Foreclosure Mitigation



- \$9.2 million federal funds
- Acquire
- Renovate
- Demolish
- Finance
- Vacant land strategies
- Milwaukee Foreclosure Partnership Initiative
- Council's Special Joint Committee

We are all aware that the national economic slowdown has its roots in high rates of mortgage foreclosure. Earlier this month, the federal government announced that Milwaukee will receive 9-point-2 million dollars to help address the impact of foreclosure and sub-prime lending in our neighborhoods. Funds may be used to acquire, renovate and demolish foreclosed and abandoned homes. Funds also may be used to provide financing, and implement re-use strategies for vacant land.

DCD staff will work with Mayor Barrett's Milwaukee Foreclosure Partnership Initiative and the Common Council's Special Joint Committee on Redevelopment of Abandoned and Foreclosed Homes to formulate and implement effective strategies for this activity.

## Foreclosure grant administration

- 10% cap on administrative expenses (\$920,000)
- Tight timetable
  - 18 months to obligate funds/4 years to complete spending
- Priority staff activities
  - Staff support for committees
  - Planning and program design
  - Ongoing data collection and analysis
  - Real estate acquisition and disposition
  - Property management
  - Structure acquisition and rehab loans
  - Negotiating with private parties
    - Lenders (property sale)
    - Developers (property acquisition and rehab)
  - Demolition contracting
  - Environmental reviews
  - Grant monitoring and reporting to HUD

We are aware that various parties are hoping to capture a portion of the administrative funds available within the foreclosure grant. I would point out that only 10% of the grant can be used for administrative activities. I also would note that the entire 9-point-2 million dollars of funding must be obligated within 18 months.

The exact shape of Milwaukee's approach is still being developed. But we can anticipate that our plan will require the types of staff activities listed on the screen. We believe that the tight budget and timetable will require us to focus administrative resources on these priorities.

## Riverwalk Access Improvements



- Improve 9 segments
- Ramps and lifts

In 2006, to settle a complaint regarding accessibility of the downtown riverwalk system, the City and the Riverwalk Business Improvement District entered into an agreement with the U.S. Department of Justice. That agreement calls for installation of ramps and lifts to improve wheelchair access to 9 riverwalk segments. Our 2009 capital budget request includes funding to accomplish a significant portion of the required work.

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



While negotiations to purchase the former Tower Automotive property are ongoing, the department continues to plan and implement improvements within the 30<sup>th</sup> Street Industrial Corridor.

Next year, progress will be highly visible as streetscaping is installed along West Capitol Drive.

We'll soon be coming to the Council with a request for tax incremental financing to support the development of 54 units of affordable housing by Bishop's Creek Community Development Corporation at the former Kaiser Tannery site.

We have entered into a partnership with Common Bond for environmental remediation and housing development at the highly-polluted former Esser Paint factory. We also expect to expand a very successful corridor workforce solutions program, which provides grants to corridor companies that create jobs.



## Job Corps Construction



- Design by Continuum Architects, Milwaukee
- Construction begins March 2009
- Completion 2010
- Local contractor involvement



The much-anticipated Milwaukee Job Corps campus will take shape throughout 2009. The US Dept of Labor has selected a Milwaukee architectural firm, Continuum Architects, to design the campus on land purchased from the Redevelopment Authority at 60<sup>th</sup> and Green Tree.

Groundbreaking is planned for March 2009, with completion in 2010.

Efforts are now underway to make sure that local firms have the opportunity to bid on construction contracts.

## “Airport City”

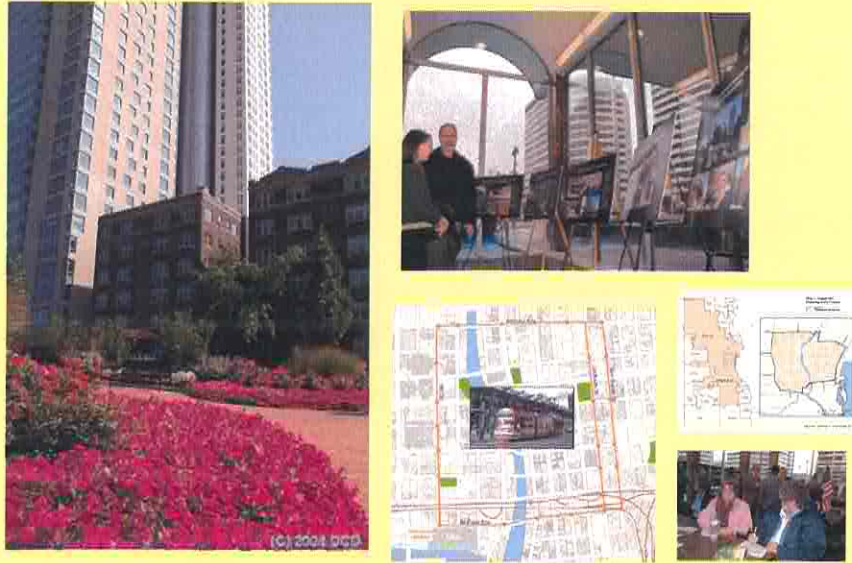


The southeast side plan, which will come to the Council for approval in a few weeks, envisions development of an “Airport City” near Mitchell International. We expect to work closely with the Airport Gateway Business Improvement District and other stakeholders to advance the Airport City development strategy in 2009.

This concept includes a variety of aviation-linked businesses and complimentary uses such as hospitality, office, retail, conference and exhibition space, logistics, a free trade zone, and facilities to process time-sensitive goods.

The redevelopment plan for the former 440<sup>th</sup> Air Force Reserve Base complements the Airport City vision. The Local Redevelopment Authority for the base has submitted that plan to Washington, and we are awaiting federal approval. We appreciate the ongoing cooperation with Milwaukee County on this effort.

## Downtown plan update



An update of the 1999 downtown plan will be completed in 2009. The update work started this year, and uses a variety of strategies to garner both stakeholder input and expert opinion about the projects and policies that will ensure a healthy, vibrant downtown neighborhood. The plan will look at physical development... transportation and parking... strategies to improve the housing, retail and office markets... and tourism opportunities.



# Economic development initiatives



Finally, we anticipate progress next year on two regional economic development initiatives that present significant potential for Milwaukee.

The BizStarts Milwaukee program was unveiled a couple of weeks ago. BizStarts is a comprehensive effort to connect entrepreneurs with resources to help them envision, establish, fund and launch successful companies in Milwaukee and the region. BizStarts has established an impressive resource center for entrepreneurs, maintains an extensive calendar of training for entrepreneurs, and is setting up networking opportunities for start-up companies. The Milwaukee Economic Development Corporation is a sponsor and active partner in this effort.

The M7 Water Council was formed last year to establish the Milwaukee Region as the global water capital. The Council advances water-related industry, research and business opportunities by connecting local companies, educational institutions, and research teams. The development of a new “fresh water” campus at the University of Wisconsin-Milwaukee will support the growth of this promising industry sector, as water becomes “the petroleum of the 21<sup>st</sup> century.”

This ends our formal presentation; we are happy to answer your questions.