

Testimony by MMAC President Tim Sheehy before the City Zoning and Development Committee on February 3, 2004.

Milwaukee and Harley Davidson Motor Company: The Valley investment is the road to follow and the return will mean jobs, visibility, and new revenues for the City of Milwaukee.

As we have stated before this mixed use project by Harley Davidson Motor Company comes with a side car full of benefits. This is the only site in the city of Milwaukee that will meet the needs for a \$95 million dollar expansion with up to 230,000 square feet of space that will generate 500 jobs.

This investment comes from arguably Milwaukee's most visible headquartered company with a world wide presence, and our largest manufacturing employer in the city.

Does it come with strings attached? Yes. We must put 20 acres of Valley property up for sale, and possibly spend another \$20+million to prepare the site and move DPW from the Traser Yards.

What kind of a return on this investment is there for the city and its residents?

1. We estimate the total annual spending related to the museum at \$31,515,400 dollars. This level of spending would generate \$17,806,200 a year in resident income (wages, salaries, and proprietors income). The state, city, and county would realize \$4,956,738 in annual tax revenue.

(Using an economic multiplier commonly applied to these expenditures the direct and indirect impact would be \$35 million in resident income and \$9.9 million in state and local taxes)

2. Phase III would add significantly to the above numbers by generating an additional payroll of \$25 million, which in turn generates an additional \$3,289,500 dollars per year. (Again adding the common multiplier generates a direct and indirect economic benefit of \$51 million and \$6.5 million in tax revenue). Think about the Harley supplier example to explain the multiplier impact.

3. The positive impact on the thousands of jobs here today and the families those jobs support as Harley grows from its added exposure, Milwaukee gains from this international exposure, and people see the tangible value of the Menomonee Valley.

The only caution here is the failure to act to capture this investment for Milwaukee. The city has long planned to move the DPW from the Tracer Yards to develop the valley. We have made a significant investment in a signature entrance to the valley in the 6th street Bridge, now we have a reason to make this move, and capture a real return for years to come.

The time is ripe for this catalytic investment in our future.

Tim Sheehy
President

MENOMONEE VALLEY BUSINESS ASSOCIATION

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January 19, 2004

VIA E-MAIL: marvinpratt@milwaukee.gov
AND U.S. MAIL

The Hon. Marvin Pratt
Acting Mayor
Room 201 - City Hall
200 East Wells
Milwaukee, WI 53202

Dear Mr. Pratt:

The purpose of this letter is to communicate to you, as the Mayor for the City of Milwaukee, comments made by members of the Menomonee Valley Business Association ("MVBA") during our latest meeting on January 15, 2004, which relate to the recent proposal by Harley-Davidson, Inc. ("HD") to purchase all four corners of the intersection at 6th and Canal Streets for a museum and restaurant complex. The comments from the MVBA members were focused primarily on the following:

- A desire to obtain more complete information regarding HD's proposed site plan for all four corners of the intersection and the uses proposed by HD at each corner.
- Concern about the timing of HD's proposal given the political uncertainty within City Hall and a general fear that the proposal could be pushed through the municipal approval process without the normal City due diligence, hearings and opportunity for public input.
- Concern that the parking lots proposed to be located on the west side of 6th Street do not represent the "highest and best use" of that land.
- Concern that the proposal is inconsistent with the "land use plan" of the Valley, a plan in which the City, Valley businesses and Menomonee Valley Partners, Inc. have invested a substantial amount of resources over the last several years.
- Desire to create a forum, prior to the date the Common Council considers the HD proposal, wherein Harley would present its proposal and answer questions from MVBA members.

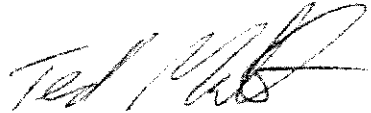
The Hon. Marvin Pratt

January 19, 2004

Page 2

Although many of the comments from the MVBA members were stated as concerns or requests for additional information, there was enthusiasm that the 6th and Canal Street intersection was being chosen as a preferred site by HD. As the acting Mayor of Milwaukee, we hope you will do everything in your power to ensure a fair and open public process for the City and the public to consider and discuss the subject proposal by Harley-Davidson, Inc.

Very truly yours,



Ted Matkom
Chairman, Menomonee Valley Business Association

cc: Lillith Fowler, Executive Director of Menomonee Valley Business Association (via e-mail)
Menomonee Valley Partners, Inc. Board of Directors (via e-mail)
MVBA Members (via e-mail)