



**Tom Barrett**  
Mayor, City of Milwaukee

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July 23, 2019

Mr. Ashanti Hamilton  
President  
Milwaukee Common Council  
200 East Wells Street – Room 205  
Milwaukee, WI 53202

Dear President Hamilton:

I remain committed to investing in our neighborhoods and ensuring we create opportunity and equity for all members of our community in need. The Common Council's support for growth and investment in downtown and our neighborhoods is deeply appreciated. The continued investment in our neighborhoods and the opportunities for our residents is a natural connection to the economic engine of our city and state. At the same time, we must be very careful not to let zero-sum calculations slow down potentially catalytic opportunities for our city, regardless of where they exist.

My Administration is proposing an extension to the streetcar route continuing to drive development throughout the city into the neighborhoods. I share your desire for that development to equally spur economic change into all parts of the city and I continue to believe that our decision to finance the streetcar should not displace our ability to fund street improvements and neighborhood development. As responsible stewards of tax dollars we have decided that development projects and the financing mechanism that provides a return on City investment should be the source for creation and expansion of the streetcar. Using tax increment from development projects, which would include the streetcar, keeps vital city funds available for our streets and core services.

**Displacement**

Earlier this year, we introduced a proposal for an Anti-Displacement Tax Fund to offset the tax burden impact for some homeowners who would see an increase in their tax bills as a result of development pressures. My goal is to improve neighborhood development and not destabilize residents from continuing to live in their homes.

The Department of City Development (DCD) forwarded a proposal that will target homeowners likely to experience a significant increase in property taxes over the average citywide values in areas adjacent to the streetcar extension. DCD has also proposed an Anti-Displacement Neighborhood Preference Policy that would expand the availability of affordable and mixed-income housing in neighborhoods at risk of displacement. Coupled with the Tax Fund, the Preference Policy should help protect the interest of those who want to reside in parts of the city that they otherwise wouldn't be able to afford to live in, while benefiting from the economic growth that comes from nearby development projects. MKE United in

partnership with City officials has agreed to work in partnership to secure financing for the Anti-Displacement Tax Fund. To-date, MKE United has raised over \$150,000 toward the initial goal of securing \$300,000 in private funds. The shared commitment will continue toward the overall fundraising goal of \$3 million.

#### **Neighborhood Development**

Since 2018, also in partnership with MKE United, we have been exploring the creation of a private independent development fund to boost investment capacity in neighborhoods throughout Milwaukee. That commitment should be realized by forming a significant Catalytic Neighborhood Investment Fund. We are working with MKE United toward the creation of a fund as a community-based financing mechanism for enterprises that need gap financing for their development projects, but lack the conventional access to capital through financial institutions or market-based approaches. The Fund should better position developers who locate their neighborhood-based projects along commercial corridors to attract additional private investment resulting in project completion and return on investment.

#### **Workforce Training and Business Capacity**

The Department of Administration has earmarked approximately \$200,000 in training funds connected to TID No. 48 that can be utilized for workforce and business capacity around the streetcar extension.

We share a commitment with you and the entire Common Council in finding ways to boost training and employment along with creating more business opportunities for residents. The funds are typically activated by an accompanying Human Resources Agreement that will target the workforce needs of the development, in its construction and, where applicable, the post-construction phases of the project.

I continue to view every dollar spent and every project supported as a strategic mix for growth in population and assets in our City. I hope you will join me in raising these funds and supporting these measures to ensure success for our City and the diverse network of neighborhoods that we call Milwaukee.

I look forward to working with you to deliver on increased generational opportunities for all our residents.

Sincerely,



Tom Barrett  
Mayor