



Tom Barrett
Mayor, City of Milwaukee

April 24, 2009

The Honorable Gwen Moore
U. S. House of Representatives
1239 Longworth House Office Building
Washington, DC 20515


Dear Congresswoman Moore:

Thank you for joining me in sponsoring town hall meetings earlier this week on the American Recovery and Reinvestment Act (ARRA). I sincerely appreciate everything you are doing to provide information on the federal stimulus law and ensure that Milwaukee residents and businesses receive substantial and direct benefits from these funds. We owe a tremendous debt of gratitude to you and Senators Herb Kohl and Russ Feingold for advancing this important legislation through Congress and for the unprecedented opportunities it provides for Milwaukee and cities across the nation.

I also want to share my continued serious concerns about ARRA funds administered by the U. S. Department of Transportation Federal Highway Administration (FHA) and passed down to states. The federal stimulus law explicitly states that "economically distressed areas" should be given preference for the distribution of stimulus money. However, the intent of this new law is not being fully met.

As you are well aware, the City of Milwaukee did not receive any funding for local roads and bridges in the first round of stimulus funding for Wisconsin. In fact, very little of this money went to low-income areas in Wisconsin that have deteriorating roads and bridges in dire need of investment. As you know, this money was primarily used to expand Interstate 94 from the Mitchell Interchange to the Illinois border and for other state highway projects.

The City, however, continues to work hard to secure stimulus money for local roads and bridges set aside in the second round for the Milwaukee Urbanized Area, which includes the City of Milwaukee and portions of Milwaukee, Washington, and Ozaukee Counties. The final decision on how these funds will be allocated by the State of Wisconsin is still pending. As you know, \$38.7 million is available for local roads and bridges and another \$15 million is available for transportation enhancements such as streetscape projects. The City of Milwaukee formally submitted its application to the State of Wisconsin on April 8, 2009 for projects totaling approximately \$80 million.

Unfortunately, the FHA has not provided any formal guidance on the definition of "economically distressed areas," to ensure that states select projects to receive this money in low-income areas. I am also very concerned about Geo-spatial data and maps I have reviewed prepared by the FHA describing Milwaukee as a "Non-Economically Distressed Area." The FHA lumps the City of Milwaukee with its wealthier suburbs in the surrounding area, skewing the data in a manner that inaccurately depicts our real economic situation and the hardships we are facing.

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Moreover, the City is much larger than the size of all of the surrounding suburbs combined. Approximately 602,782 of Milwaukee County's 951,252 residents live in the City of Milwaukee.

The City clearly fits the definition of an "economically distressed area" as defined by section 301 of the Public Works and Economic Development Act, as amended (42 U.S.C. 3161). The law defines "economically distressed areas" as areas with per capita incomes of 80 percent or less than the national average or with unemployment rates 1 percent higher than the national average for the most recent 24-month period.

The City of Milwaukee is the 22nd largest City in the United States and has a poverty rate of 25.2%, the 8th highest in the nation. The median income in Milwaukee is \$39,125, which is substantially lower than the national median income of \$50,740. Milwaukee's unemployment rate is 11% compared to 9.4% in Milwaukee County and 7.9% in Waukesha County. The City's unemployment rate has typically been about 2 percentage points higher than the metropolitan area rate. During the period 1994 and 2005, Milwaukee ranked 46th among the fifty largest cities in job growth.

Despite our economic challenges, Milwaukee plays a critical role in Wisconsin's economic vitality. The City comprises approximately 11% of the state population, 12% of state employment and 9% of state business units. Approximately, 130,000 people commute into the city to work every day. Approximately 76% of all Wisconsin manufacturing shipments pass through the city.

The federal stimulus law provided a unique opportunity to accelerate the repair and maintenance of local roads and bridges while injecting funds into economic recovery. There are many projects in Milwaukee that can be put under construction quickly if stimulus funds are allocated. These projects provide an immediate boost to the economy in terms of job creation for local residents and purchasing and procurement opportunities for businesses, while yielding lasting value in terms of preserving our roads and bridges. Moreover, the City has a proven track record of employing local residents on these kinds of projects who live in neighborhoods most severely impacted by the economic downturn.

I request your help in seeking formal guidance from the FHA to States to ensure that Milwaukee and other low-income areas receive fair consideration for ARRA funds. It would be a travesty if the City of Milwaukee and other low-income areas are once again overlooked or undervalued due to the lack of federal guidance on the intent of the federal stimulus law. Not only do we deserve these funds, we have a right to them as intended by the law.

Thank you for your consideration.

Sincerely,



Mayor Tom Barrett

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Copy to: Senator Herb Kohl
 Senator Russ Feingold