



City of Milwaukee

City Hall
200 East Wells Street
Milwaukee, WI 53202

Meeting Agenda COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

ALD. JOE DAVIS, SR., CHAIR

Ald. T. Anthony Zielinski, Vice-Chair

Ald. James Witkowiak, Ald. Willie Wade, Ald. Terry Witkowski

Staff Assistant, Chris Lee, 286-2232

Fax: 286-3456, clee@milwaukee.gov

**Legislative Liaison, Amy Hefter, 286-2290,
ahefte@milwaukee.gov**

Monday, November 21, 2011

9:00 AM

Room 301-B, City Hall

1. [110640](#) Appointment of Denise Cunningham to the Business Improvement District Board #28 (North Avenue Gateway) by the Mayor. (7th Aldermanic District)
Sponsors: THE CHAIR

2. [110361](#) Resolution appropriating \$100,000 from the Development Fund for a Building Restoration Grant to TMB Development Corp. for the Iron Block building, in the 4th Aldermanic District.
Sponsors: Ald. Bauman

--- May be placed on file as no longer necessary.

3. [110908](#) Resolution to review and approve modifications to the contract used by the Community Development Grants Administration for 2012 community development activity and to authorize execution of contracts and subcontracts by City departments.
Sponsors: THE CHAIR

4. [110572](#) Substitute resolution relative to the acceptance and funding of a United States Department of Labor Green Jobs Innovation Funds Grant.
Sponsors: THE CHAIR

5. [110915](#) Resolution authorizing the transfer of the 2012 Community Development Block Grant and 2012 HOME funding for Neighborhood Improvement Project activities from the YMCA-Community Development Corp. to the Community First Inc. organization.
Sponsors: THE CHAIR

6. [110921](#) Communication from the Office of Environmental Sustainability on the City's Sustainability Accomplishments.
Sponsors: THE CHAIR

7. [110964](#) Communication relating to the final report of the Milwaukee Image and Perception Task Force.
Sponsors: THE CHAIR

8. [110975](#) Communication from the Public Policy Forum relating to the report, "Assembling the Parts".

Sponsors: THE CHAIR

This meeting will be webcast live at www.milwaukee.gov/channel25.

Common Council members who are not members of this committee may attend this meeting to participate or to gather information. This meeting may constitute a meeting of the Common Council or any of its standing committees although no formal action will be taken at this meeting.

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Legislation Details (With Text)

File #: 110640 **Version:** 0

Type: Appointment **Status:** In Committee

File created: 9/1/2011 **In control:** COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Appointment of Denise Cunningham to the Business Improvement District Board #28 (North Avenue Gateway) by the Mayor. (7th Aldermanic District)

Sponsors: THE CHAIR

Indexes: APPOINTMENTS, BUSINESS IMPROVEMENT DISTRICT 28

Attachments: Appointment Letter, Resume, Hearing Notice List

Date	Ver.	Action By	Action	Result	Tally
9/1/2011	0	COMMON COUNCIL	ASSIGNED TO		
9/9/2011	0	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
9/9/2011	0	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
9/9/2011	0	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
9/12/2011	0	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE	HELD TO CALL OF THE CHAIR	Pass	5:0

Number

110640

Version

ORIGINAL

Reference

Sponsor

THE CHAIR

Title

Appointment of Denise Cunningham to the Business Improvement District Board #28 (North Avenue Gateway) by the Mayor. (7th Aldermanic District)

Drafter

Mayor

TB

9/1/11

August 31, 2011

To the Honorable, the Common Council
of the City of Milwaukee

Honorable Members of the Common Council:

I am pleased to appoint Denise R. Cunningham, 4715 West Medford Avenue, Milwaukee, Wisconsin 53216, to the Business Improvement District Board #28 (North Avenue Gateway). This appointment is pursuant to Section 66.1109 of the Wisconsin State Statutes and Common Council File Number 020830. Ms. Cunningham's term will commence upon taking of the oath of office.

I trust this appointment will have the approval of your Honorable Body.

Respectfully submitted,

Tom Barrett
Mayor

DENISE R. CUNNINGHAM

EDUCATION

Milwaukee Area Technical College <i>Associate of Arts and Sciences</i>	Milwaukee, WI May 20, 2003
Major: Human Services Minor: Certificate—Microcomputer Skills	

EXPERIENCE

Fitzsinonds Boys & Girls Club Branch Office Manager	Milwaukee, WI Jan 2007- present
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Major Responsibilities:

- Responsible for the management and operation of the Branch Office. Major activities include clerical work, record keeping, bookkeeping, filing, and reception, supervising office and overseeing data collection on outcome measurement and kid tracking.

Skills:

- Responsible for branch operations when the Executive Branch Director and Program Director are not at the site
- Supervise Data Manager and other clerical staff in accordance with policies and applicable laws. Responsibilities include interviewing, hiring, and training employees; planning, assigning, and directing work; rewarding and disciplining employees; addressing complaints and resolving problems.
- Assist with the collection, input, analyzes and disseminates program-related files and outcome information through various complex spreadsheets
- Deliver and implement timely outcome measurements and program reports as requested by the government grants division, the development office and Vice President of Operations.
- Maintains supply of purchase requisitions and check request forms; issues those requisition and request forms to staff; keeps ledger of staff expenditures.
- Prepares and submits invoices for payment, financial deposits; insures proper receipt of all Branch income; maintains adequate supply of receipts, records and monitors cash
- Prepares Branch payroll for submission and disperse bi-weekly payroll checks to employees
- Answers telephone and direct calls to appropriate staff
- Sorts and distributes incoming mail and controls postage
- Maintains up-to-date mailing lists for the Advisory Council, as well as, other committee groups
- Maintains Branch files including but not limited to personnel budgetary, outcome measurement reports
- Operates and maintains office equipment and order supplies
- Schedules meetings and coordinate travel arrangement for field trips, meetings, and etc
- Proficient in Microsoft Word, Excel, Access, PowerPoint, Windows/Internet Explorer, etc

Social Development Commission
VITA Tax Coordinator

Milwaukee, WI
Dec 2006-2008

Major Responsibilities:

- To assist low income residents in achieving financial independence

Skills:

- Supervise and train Tax Preparers
- Electronically file returns and solve rejects issues
- Design and update reports
- Ensure tax payer receives all tax credit to maximize refunds
- Probe for all pertinent information needed to ensure client eligibility for services
- Accurate data entry and retrieval of information using the internet and Microsoft Office Suites
- Proven time management, organization, problem solving and conflict resolution skills
- Proven ability to secure and maintain confidentiality of client information

4715 W Medford Ave
Milwaukee, WI 53216

414.803-8186
cunnidr73@yahoo.com

Social Development Commission
Energy Processing Specialist

Milwaukee, WI
Jul 2006-2008

Major Responsibilities

- Conduct interviews of applicants seeking energy assistance and inputs application information directly into computer system

Skills:

- Conduct client interviews of individuals seeking energy assistance.
- Assist clients with the energy assistance application process.
- Probe for all pertinent information needed to ensure client eligibility for services; including contacting fuel vendors and other outside agencies
- Review computerized data sheets.
- Secure and verify collateral data.
- Refer social service problems to case managers.
- Enter information and factual data on case records using the CARES system (state computer system).
- Prepare and expedite agency forms.
- Maintain records and reports.
- Accurately document information taken from applicant's income forms, bills, etc. and input into computer system.
- Complete/maintain daily report applicant tracking information

Bureau of Milwaukee Child Welfare
Visitation Specialist

Milwaukee WI
Jan 2003-2005

Skills:

- Transport/Supervise children from placement site to scheduled visitation site (supervise in-home visits)
- Facilitate/Monitor/Supervise visits to assess appropriateness of parent/child interaction
- Produce documents and assessments as well as making referrals and case management
- Coordinate travel arrangements

EXTRACURRICULAR ACTIVITIES

- National-Vocational Honor Society
- Phi Theta Kappa Honor Society

References Available upon Request

NOTICES SENT TO FOR FILE : 110640

[illegible]



Legislation Details (With Text)

File #: 110361 **Version:** 0

Type: Resolution **Status:** In Committee

File created: 7/6/2011 **In control:** COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Resolution appropriating \$100,000 from the Development Fund for a Building Restoration Grant to TMB Development Corp. for the Iron Block building, in the 4th Aldermanic District.

Sponsors: ALD. BAUMAN

Indexes: AGREEMENTS, DEVELOPMENT FUND, HISTORIC PRESERVATION, HISTORIC STRUCTURE

Attachments: Fiscal Impact Statement.pdf, Project Summary.pdf

Date	Ver.	Action By	Action	Result	Tally
7/6/2011	0	COMMON COUNCIL	ASSIGNED TO		
11/15/2011	0	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number
110361
Version
ORIGINAL
Reference

Sponsor
ALD. BAUMAN

Title
Resolution appropriating \$100,000 from the Development Fund for a Building Restoration Grant to TMB Development Corp. for the Iron Block building, in the 4th Aldermanic District.

Analysis
This resolution approves an expenditure of \$100,000 from the Development Fund for the purposes of restoring the historical characteristics of the Iron Block building.

Body
Whereas, The Iron Block building, located at 205 East Wisconsin Avenue, was built in 1861 and is listed on the National Register of Historic Places because it is one of the oldest buildings on its original site in Milwaukee and is the only building with a cast iron facade in the State of Wisconsin; and

Whereas, The Iron Block building has fallen into disrepair and needs significant investment to properly restore the building and front elevation to historically accurate standards; and

Whereas, TMB Development Corp. has proposed to invest \$3.1 million in restoring the Iron Block building to its original state, which will create new jobs, quality commercial space in downtown Milwaukee, increase the City's tax base and preserve Milwaukee's heritage for future generations; and

Whereas, Due to the unique iron facade and advanced deterioration that has occurred, restoring the exterior of the Iron Block building is extraordinarily challenging and TMB Development Corp. has requested a Building Restoration Grant to offset a portion of those

extraordinary costs; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the City Comptroller is directed to transfer \$100,000 from the Development Fund Parent Account No. 9900-UR03310000A to fund a Building Restoration Grant for the Iron Block building at 205 East Wisconsin Avenue by TMB Development Corp.; and, be it

Further Resolved, That the Commissioner of City Development is directed to enter into a Cooperation Agreement and any other necessary documents with TMB Development Corp. to carry out this project using the appropriated funds.

Drafter

DCD:DAC:dac

07/06/11/B



City of Milwaukee Fiscal Impact Statement

A	Date	7/6/2011	File Number		<input checked="" type="checkbox"/> Original	<input type="checkbox"/> Substitute
	Subject	Resolution appropriating \$100,000 from the Development Fund for a Building Restoration Grant to TMB Development Corp. for the Iron Block building, in the 4th Aldermanic District.				

B	Submitted By (Name/Title/Dept./Ext.)	Rocky Marcoux, Commissioner, DCD, x5800
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C	This File	<input type="checkbox"/> Increases or decreases previously authorized expenditures.
	<input type="checkbox"/> Suspends expenditure authority.	
	<input type="checkbox"/> Increases or decreases city services.	
	<input type="checkbox"/> Authorizes a department to administer a program affecting the city's fiscal liability.	
	<input type="checkbox"/> Increases or decreases revenue.	
	<input type="checkbox"/> Requests an amendment to the salary or positions ordinance.	
	<input type="checkbox"/> Authorizes borrowing and related debt service.	
	<input type="checkbox"/> Authorizes contingent borrowing (authority only).	
	<input checked="" type="checkbox"/> Authorizes the expenditure of funds not authorized in adopted City Budget.	

D	Charge To	<input type="checkbox"/> Department Account	<input type="checkbox"/> Contingent Fund
	<input checked="" type="checkbox"/> Capital Projects Fund	<input type="checkbox"/> Special Purpose Accounts	
	<input type="checkbox"/> Debt Service	<input type="checkbox"/> Grant & Aid Accounts	
	<input type="checkbox"/> Other (Specify)		

E	Purpose	Specify Type/Use	Expenditure	Revenue
	Salaries/Wages		\$0.00	\$0.00
			\$0.00	\$0.00
	Supplies/Materials		\$0.00	\$0.00
			\$0.00	\$0.00
	Equipment		\$0.00	\$0.00
			\$0.00	\$0.00
	Services		\$0.00	\$0.00
			\$0.00	\$0.00
	Other	Building Restoration Grant	\$100,000.00	\$0.00
			\$0.00	\$0.00
	TOTALS		\$100,000.00	\$ 0.00

F

Assumptions used in arriving at fiscal estimate. _____

G

For expenditures and revenues which will occur on an annual basis over several years check the appropriate box below and then list each item and dollar amount separately.

☐ 1-3 Years ☐ 3-5 Years☐ 1-3 Years ☐ 3-5 Years☐ 1-3 Years ☐ 3-5 Years**H**

List any costs not included in Sections D and E above. _____

I

Additional information. This is a Development Fund expenditure. _____

JThis Note ☐ Was requested by committee chair.

IRON BLOCK Redevelopment

(TMB Development Corp.)

TMB Development Corp. is proposing to purchase and restore the Iron Block building at 205 East Wisconsin Avenue.

NEW DEVELOPMENT: TMB Development Corp. plans to restore the Iron Block building, a 40,670 SF office building with first floor retail space, in the heart of Milwaukee's central business district. The building, constructed in 1861, is on the National Register of Historic Places and is the only building in Wisconsin built with an iron façade. In recent years, the building has fallen into disrepair, particularly the iron façade.

The estimated cost of this project is \$3,222,000, of which TMB Development Corp. will borrow approximately \$2,300,000, including \$2,000,000 in RACM bonding.

In addition, TMB Development Corp. is seeking a \$100,000 Building Restoration Grant from the Development Fund to fund a portion of the extraordinary costs associated with restoring the exterior of the building (estimated at \$700,000).

EMPLOYMENT: Currently, approximately 20 employees work in the Iron Block building. Once restored and fully leased, approximately 100-120 employees could be located there.

NOTICES SENT TO FOR FILE : 110361

[illegible]



Legislation Details (With Text)

File #: 110908 **Version:** 0

Type: Resolution **Status:** In Committee

File created: 11/2/2011 **In control:** COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Resolution to review and approve modifications to the contract used by the Community Development Grants Administration for 2012 community development activity and to authorize execution of contracts and subcontracts by City departments.

Sponsors: THE CHAIR

Indexes: AGREEMENTS, COMMUNITY BLOCK GRANT ADMINISTRATION, COMMUNITY DEVELOPMENT BLOCK GRANT, INTERGOVERNMENTAL AGREEMENTS

Attachments: Cover Letter, 2011 CDBG Grant Awards Agreement, 2011 Home Grant Awards Agreement, Contract 14-218, Contract 14-239

Date	Ver.	Action By	Action	Result	Tally
11/2/2011	0	COMMON COUNCIL	ASSIGNED TO		

Number

110908

Version

ORIGINAL

Reference

Sponsor

THE CHAIR

Title

Resolution to review and approve modifications to the contract used by the Community Development Grants Administration for 2012 community development activity and to authorize execution of contracts and subcontracts by City departments.

Analysis

This resolution authorized and approves modifications to the contract to be used by the Community Development Grants Administration for 2012 community development activity; and authorized the execution of subcontracts and contracts by City departments receiving Community Development Block Grant funding in 2012.

Body

Whereas, The Common Council of the City of Milwaukee has previously approved funding recommendations for the City's 2012 Community Development Block Grant program in Resolution No. 110811, 110812, 110813, 110814 and 110815, (hereinafter referred to as the "2012 CDBG Funding Resolutions"); and

Whereas, Pursuant to Common Council Resolution No. 74-92-5v, the Common Council now wishes to make certain modifications to the form of contract to be used in the implementation of the CDBG program for 2012; to authorize the execution of contracts and subcontracts by such City departments; and to authorize an Interdepartmental Cooperation Agreement to be executed by CDGA and each City department which received CDBG funding in 2012; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee that the form of contract for use in implementation of the 2012 Community Development Block Grant program, with entities other than City departments or agencies receiving CDBG funds, in the form on file with the Common Council in Resolution No. 110811, 110812, 110813, 110814 and 110815 (Form CDA-8, Contract for Services and Vendors) is hereby approved, subject to such revisions and modifications as may be required from time to time by the City Attorney; and, be it

Further Resolved, That the form of contract for use in implementation of the 2012 Community Development Block Grant program by City departments and agencies receiving Community Development Block Grant funds, in the form on file with the Common Council in Resolution No. 110811, 110812, 110813, 110814 and 110815 (Interdepartmental Cooperation Agreement) is also hereby approved, subject to such revisions and modifications as may be required from time to time by the City Attorney; and, be it

Further Resolved, That the various City departments identified in the 2012 CDBG Funding Resolutions (including the City Comptroller, the Department of City Development, the Department of Neighborhood Services, the Health Department, the Milwaukee Fire Department, RACM, and the Department of Administration,) are hereby authorized to enter into such contracts and subcontracts as may be required within the limits of the respective approved project budgets set forth in the 2012 CDBG Funding Resolutions, subject to the terms of the Interdepartmental Cooperation Agreement referred to in the preceding paragraph and entered into between CDGA and each such City department.

Requestor

Drafter

12CONTRACT

10/25/11

TO: The Honorable, Common Council
City of Milwaukee

FROM: Steven L. Mahan
Director

DATE: October 25, 2011

RE: Resolution for Introduction

Attached is one Original Resolution that seeks the approval from the Common Council.

If you have any questions please call Darlene Hayes at extension 3844.

Attachments

INTERDEPARTMENTAL COOPERATION AGREEMENT

MEMORANDUM OF UNDERSTANDING

2011 CDBG GRANT AWARDS

CONTRACT NUMBER: _____

This agreement, entered into as of the first day of January, 2011;

TIME OF PERFORMANCE: January 1, 2011 through December 31, 2011

TOTAL AMOUNT OF CONTRACT: Not to exceed _____
DOLLARS (\$_____), and subject to the terms, conditions and limitations on
funding amounts for specific activities set forth in **Attachment A** hereto.

WHEREAS, the various departments of the City of Milwaukee, including
(the "Department") have received an appropriation of 2011 Community Development
Block Grant funds pursuant to Common Council Resolutions No. 100317, 100707,
100708, 100709, 100710, 100711, and 100819 (hereinafter referred to as "the 2011
CDGA Funding Resolutions"); and

WHEREAS, pursuant to Common Council Resolution No. 100819, the
Department and CDGA are authorized to enter into such contracts and subcontracts as
may be required within the limits of the respective approved project budgets set forth in
the 2011 CDGA Funding Resolutions; and

WHEREAS, pursuant to Common Council Resolution No. 74-92-5v, the
Department and CDGA are entering into this cooperation agreement with respect to the
expenditure by the Department of the 2011 Program Year CDGA funds appropriated in
the 2011 CDGA Funding Resolutions; and

WHEREAS, CDGA and the Department desire to set forth in this agreement the
terms and conditions for administration and expenditure of CDBG Funds appropriated to
the Department for 2011; and

WHEREAS, execution and delivery of this agreement was authorized by
resolution of its Common Council in file no. 100819;

NOW, THEREFORE, in consideration of the promises and the mutual
agreements contained herein, CDGA and the Department agree as follows:

I. DEFINITIONS

As used in this agreement, the following terms shall have the respective meanings set forth below:

"2011 CDGA Funding Resolutions" means City of Milwaukee Common Council Resolutions No. 100317, 100707, 100708, 100709, 100710, 100711, and 100819; as amended from time to time by lawful action of the Common Council.

"CDGA" means the City of Milwaukee Community Development Grants Administration.

"CDBG Funds" means the City of Milwaukee's 2011 allocation of Community Development Block Grant funds from the United States Department of Housing and Urban Development.

"Project Budget(s)" means the approved project budgets set forth in the 2011 CDGA Funding Resolutions, and the proposal(s) submitted by the Department, copies of which are attached hereto.

"Department" means the City of Milwaukee _____

II. USE OF CDBG; AVAILABILITY OF FUNDS

The Department and CDGA each agrees that CDBG Funds shall be used only for the purposes, and subject to the limitations on dollar amounts and activities, set forth in the Project Budget(s) attached hereto.

The activities funded pursuant to this Memorandum of Understanding are 100% funded under the CDBG Program. Thus, should the availability of federal funds be reduced, the Department agrees that the Community and Economic Development Committee of the City of Milwaukee Common Council can modify and reduce either the amount of funding, or the Department's program year, or both. The Community and Economic Development Committee will notify the Department of any such reduction. In the event of such modification or reduction, the Department shall enter into an amendment to this Memorandum of Understanding to reflect the award or activities that are to be reduced or modified.

III. COMPLIANCE WITH FEDERAL LAW

The Department agrees that all expenditures of CDBG Funds shall comply with all federal, state and local law and regulations governing the use of CDBG funds as set forth in the standard form of CDBG contract attached hereto, including all federal regulations set forth at 24 CFR Part 570 and 24 CFR Part 92.

IV. TERM OF AGREEMENT

The term of this agreement shall begin on January 1, 2011 and shall terminate on December 31, 2011, unless extended by lawful action of the Common Council or the City of Milwaukee Community Development Grants Administration.

V. BOOKS AND RECORDS

The Department shall keep proper books and records of account with respect to its performance of this agreement, and shall maintain such books and records for a period of 6 years following the end of the year to which such records and accounts pertain. During such period, CDGA or the City Comptroller shall have the right, at any time during normal business hours and on reasonable notice, to inspect, audit and make extracts from such books and records.

VI. REPORTS AND INFORMATION

The Department shall file with CDGA the applicable reports listed in the Reporting Schedule attached hereto, at the times specified therein.

VII. METHOD OF PAYMENT

Compensation and/or reimbursement for services or expenses permitted under this agreement shall be made pursuant to the policies and procedures adopted by the City Comptroller.

VIII. CLOSE-OUT POLICY

All CDBG funds must be closed to the CDBG contingency Account.

IX DNS VACANT LOT MAINTENANCE (Grass and Snow Removal)

The Department of shall comply with the following requirements in performing any services under both the Vacant Lot Maintenance Program and the Land Management Program, and shall also include such requirements in every subrecipient and vendor contract entered into for the purposes of the Vacant Lot Maintenance Program and the Land Management Program:

- (1) grass must be mowed when it exceeds six (6) inches in length;
- (2) If grass exceeds six (6) inches in length and is mowed, all grass clippings must be completely removed from the lot(s) and disposed of properly;
- (3) fence row clean-up must be included each time lots are mowed; and
- (4) litter must be picked up from lots prior to mowing.

IN WITNESS WHEREOF, the foregoing agreement has been executed by the parties hereto as of the date set forth above.

COMMUNITY DEVELOPMENT GRANTS ADMINISTRATION
OF THE CITY OF MILWAUKEE

By: _____
Director

Date: _____

CITY OF MILWAUKEE DEPARTMENT OF

By: _____

Title: _____

Date: _____

This document was drafted by
the Office of the City Attorney.

INTERDEPARTMENTAL COOPERATION AGREEMENT

MEMORANDUM OF UNDERSTANDING

2011 HOME GRANT AWARDS

CONTRACT NUMBER: _____

This agreement, entered into as of the first day of January, 2011;

TIME OF PERFORMANCE: January 1, 2011 through December 31, 2011

TOTAL AMOUNT OF CONTRACT: Not to exceed _____
DOLLARS (\$ _____), and subject to the terms, conditions and limitations on
funding amounts for specific activities set forth in **Attachment A** hereto.

WHEREAS, the various departments of the City of Milwaukee, including
(the "Department") have received an appropriation of 2011 HOME Investment
Partnerships Act funds pursuant to Common Council Resolutions No. 100317, 100707,
100708, 100709, 100710, 100711, and 100819 (hereinafter referred to as "the 2011
CDGA Funding Resolutions"); and

WHEREAS, pursuant to Common Council Resolution No. 100819, the
Department and CDGA are authorized to enter into such contracts and subcontracts as
may be required within the limits of the respective approved project budgets set forth in
the 2011 CDGA Funding Resolutions; and

WHEREAS, pursuant to Common Council Resolution No. 74-92-5v, the
Department and CDGA are entering into this cooperation agreement with respect to the
expenditure by the Department of the 2011 Program Year HOME Funds appropriated in
the 2011 CDGA Funding Resolutions; and

WHEREAS, CDGA and the Department desire to set forth in this agreement the
terms and conditions for administration and expenditure of HOME Funds appropriated
to the Department for 2011; and

WHEREAS, execution and delivery of this agreement was authorized by
resolution of its Common Council in file no. 100819;

NOW, THEREFORE, in consideration of the promises and the mutual
agreements contained herein, CDGA and the Department agree as follows:

I. DEFINITIONS

As used in this agreement, the following terms shall have the respective meanings set forth below:

"2011 CDGA Funding Resolutions" means City of Milwaukee Common Council Resolutions No. 100317, 100707, 100708, 100709, 100710, 100711, and 100819; and; as amended from time to time by lawful action of the Common Council.

"CDGA" means the City of Milwaukee Community Development Grants Administration.

"HOME Funds" means the City of Milwaukee's 2011 allocation of HOME Investment Partnerships Act grant funds from the United States Department of Housing and Urban Development.

"Project Budget(s)" means the approved project budgets set forth in the 2011 CDGA Funding Resolutions, and the proposal(s) submitted by the Department, copies of which are attached hereto.

"Department" means the City of Milwaukee _____

II. USE OF HOME FUNDS; AVAILABILITY OF FUNDS

The Department and CDGA each agrees that HOME Funds shall be used only for the purposes, and subject to the limitations on dollar amounts and activities, set forth in the Project Budget(s) attached hereto.

The activities funded pursuant to this Memorandum of Understanding are 100% funded under the HOME Grant Program. Thus, should the availability of federal funds be reduced, the Department agrees that the Community and Economic Development Committee of the City of Milwaukee Common Council can modify and reduce either the amount of funding, or the Department's program year, or both. The Community and Economic Development Committee will notify the Department of any such reduction. In the event of such modification or reduction, the Department shall enter into an amendment to this Memorandum of Understanding to reflect the award or activities that are to be reduced or modified.

III. COMPLIANCE WITH FEDERAL LAW

The Department agrees that all expenditures of HOME Funds shall comply with all federal, state and local law and regulations governing the use of HOME Funds as set forth in the standard form of HOME contract attached hereto, including all federal regulations set forth at 24 CFR Part 570 and 24 CFR Part 92.

IV. TERM OF AGREEMENT

The term of this agreement shall begin on January 1, 2011 and shall terminate on December 31, 2011, unless extended by lawful action of the Common Council or the City of Milwaukee Community Development Grants Administration.

V. BOOKS AND RECORDS

The Department shall keep proper books and records of account with respect to its performance of this agreement, and shall maintain such books and records for a period of 6 years following the end of the year to which such records and accounts pertain. During such period, CDGA or the City Comptroller shall have the right, at any time during normal business hours and on reasonable notice, to inspect, audit and make extracts from such books and records.

VI. REPORTS AND INFORMATION

The Department shall file with CDGA the applicable reports listed in the Reporting Schedule attached hereto, at the times specified therein.

VII. METHOD OF PAYMENT

Compensation and/or reimbursement for services or expenses permitted under this agreement shall be made pursuant to the policies and procedures adopted by the City Comptroller.

VIII. CLOSE-OUT POLICY

All HOME funds from previous HOME set-ups must be closed to the HOME contingency Account.

IN WITNESS WHEREOF, the foregoing agreement has been
executed by the parties hereto as of the date set forth above.

COMMUNITY DEVELOPMENT GRANTS ADMINISTRATION
OF THE CITY OF MILWAUKEE

By: _____
Director

Date: _____

CITY OF MILWAUKEE DEPARTMENT OF

By: _____

Title: _____

Date: _____

This document was drafted by
the Office of the City Attorney.

Form CDA-8 (Rev. 01-11)

**CONTRACT FOR SERVICES-CDBG
SUBRECIPIENT AND VENDOR**

City of Milwaukee

**COMMUNITY DEVELOPMENT
BLOCK GRANT PROGRAM**

Distribution:

Original - DOA - CDGA

Copy 1 - Contractor

Copy 2 - Comptroller

CONTRACT NUMBER:

DEPARTMENT: DOA-CDGA

DATE OF AWARD: January 1, 2011

**FUND NUMBER: See attached
encumbrance**

CFDA Number 14.218

Department Use

The provisions of this Contract have been approved by the Office of the City Attorney of the City of Milwaukee.

SERVICE DESCRIPTION: See Attachment A hereto

TIME OF PERFORMANCE: January 1, 2011 through December 31, 2011

TOTAL AMOUNT OF CONTRACT: Not to exceed _____
DOLLARS (\$_____), and subject to the terms, conditions and limitations on funding amounts for specific activities set forth in **Attachment A** hereto.

THIS AGREEMENT, entered into by and between _____ (hereinafter referred to as the "CONTRACTOR"), and the City of Milwaukee, a municipal corporation of the State of Wisconsin (hereinafter referred to as the "CITY").

Performance and schedules will be approved by the Director of the City of Milwaukee Community Development Grants Administration (or the Director's designee).

Work may commence in accordance with the terms and conditions of this Contract on **January 1, 2011**, provided the grant agreement for the Community Development Grants Administration program (the "Grant Program") from the U.S. Department of Housing and Urban Development has been executed by the City of Milwaukee or the Common Council of the City of Milwaukee has established other temporary appropriation authority for the City's Grant Program, or subject to the specific limitations set forth in Article III hereof.

WITNESSETH THAT:

WHEREAS, the Common Council of the City of Milwaukee has authorized execution of contracts and allocation of funds for the 2011 Community Development Block Grant Program and related 2011 grant programs (HOME, HOPWA, ESG) as approved under Common Council Files No 100317, 100707, 100708, 100709, 100710, 100711, and 100819; and

WHEREAS, in furtherance of those grant programs, the CONTRACTOR represents itself as being capable, experienced and qualified to undertake and perform those certain services, as hereinafter set forth, as are required in accomplishing fulfillment of the obligations under the terms and conditions of this Contract as an independent contractor and not as an employee of the CITY.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

- I. RETENTION OF SERVICES AND REQUIREMENTS. The CITY hereby agrees to engage the CONTRACTOR and the CONTRACTOR hereby agrees to personally perform, as an independent contractor and not as an employee of the CITY, the services hereinafter set forth, all in accordance with the terms and conditions of this Contract. CONTRACTOR agrees time is of the essence and will meet all deadlines, any schedules as herein set forth, and is required to:
 - A. Do, perform, and carry out in a satisfactory, timely, and proper manner, the services delineated in **Attachment A** to this Contract.
 - B. Comply with requirements listed in this Contract, and all attachments hereto, with respect to reporting on progress of the services, additional approvals required, and other matters relating to the performance of the services.
 - C. Comply with time schedules and payment terms.
- II. SCOPE OF SERVICES. A specific description of services relating to the approved CDGA Project Activity Report and the approved Organization Budget Forecast is delineated in the approved **Attachment A** attached to and made part of this Contract.
 - A. CONTRACTOR will adhere to the Administrative Policies and Procedures for the City of Milwaukee's Community Development Grants Administration Program as adopted by the CITY's Community and Economic Development Committee attached to and made a part of the Contract as **Attachment B**.
 - B. Any Budget Amendment or Activity Report amendment to be considered by the CITY from the CONTRACTOR must be submitted no later than 4:00 P.M. on September 30, 2011.
 - C. The CONTRACTOR shall comply with the CITY's Performance-Based Measurement System for Grant-funded agencies. Documentation and the data sources on outcome measurements shall be reported to the Community Development Grants Administration on June 1, 2011, and again on January 14, 2012 (to be submitted with the CONTRACTOR's final cost report). (**See Attachment L**).
 - D. The CONTRACTOR certifies that throughout the term of this Agreement, neither the CONTRACTOR nor any of its principals are, or will be, debarred, suspended, or proposed for debarment for federal financial assistance (e.g., General Services Administration's List of Parties Excluded from Federal Procurement and Non-Procurement Programs), and that the CONTRACTOR will not enter into any transactions with any sub-recipients, contractors, or any of their principals who are debarred, suspended or proposed for debarment. The CONTRACTOR further certifies that it will verify that no suspended or debarred entities are under contract or participating in activities under this agreement by reviewing the federal General Services Administration's Excluded Parties List System (EPLS), which is available in electronic format and can be accessed on the internet at www.epls.gov. Prior to signing this agreement, the CONTRACTOR has reviewed EPLS to verify the status of any sub-recipients, contractors, and their principals.
- III. AVAILABILITY OF FUNDS
 - A. This contract award is 100% funded under the Grant Program. Thus, should the availability of federal funds be reduced, the CITY and the CONTRACTOR agree that the City of Milwaukee's Community and Economic Development Committee can modify and

reduce either the CONTRACTOR's compensation (as listed on page 1 as the "Total Amount of Contract") or the CONTRACTOR's program year or both. The Community and Economic Development Committee will notify the CONTRACTOR of any such reduction. In the event of such a modification or reduction, the parties shall agree upon the portions of the contract to be reduced or modified.

- B. The CITY and CONTRACTOR further acknowledge that payments under this Contract are subject to either (1) actual receipt by the CITY of funding by the Grant Program or (2) the ability of the CITY to finance its payment obligations hereunder with other City funds pending receipt of the federal grant monies.

IV. NOTICES. Any and all notices shall be in writing and deemed served upon depositing same with the United States Postal Services as "Certified Mail, Return Receipt Requested," addressed to the CONTRACTOR at:

Name:
Address:
City:

Attention:

and to the CITY at:

Community Development Grants Administration
City Hall - Room 606
200 East Wells Street
Milwaukee, Wisconsin 53202

Attention: Steven L. Mahan, Director

All other correspondence shall be addressed as above, but may be sent "Regular Mail" and deemed delivered upon receipt by the addressee.

V. TIME OF PERFORMANCE. The services to be performed under the terms and conditions of this Contract shall be in force and shall commence on January 1, 2011 and shall be undertaken and completed in such sequence as to assure its expeditious completion in light of the purposes of this Contract, but in any event all of the services required hereunder shall be completed as indicated on page 1 under "Time of Performance", which is the termination date of this Contract. In addition to all other remedies inuring to the CITY should the Contract not be completed by the date specified in accordance with all of its terms, requirements and conditions therein set forth, the CONTRACTOR shall continue to be obligated thereafter to fulfill CONTRACTOR's responsibility to amend, modify, change, correct or expand thereon until the Contract is fully completed.

VI. CONDITIONS OF PERFORMANCE AND COMPENSATION.

- A. Performance and Standard of Care. The CONTRACTOR agrees that the performance of CONTRACTOR's work, services and the results therefore, pursuant to the terms, conditions and agreements of this Contract, shall conform to such recognized high professional standards as are prevalent in this field of endeavor and like services.
- B. Place of Performance. The CONTRACTOR shall conduct CONTRACTOR's services in the City of Milwaukee.

C. Compensation. The CITY agrees to pay, subject to the contingencies herein, and the CONTRACTOR agrees to accept for the satisfactory performance of the services under this Contract, amounts not to exceed, in the aggregate, the maximum as indicated on page 1 under "Total Amount of Contract", inclusive of all expenses, it being expressly understood and agreed that in no event will the total compensation to be paid hereunder exceed said maximum sum for all of the services required, and that such compensation is subject to the terms, conditions and limitations on funding amounts for specific activities set forth in **Attachment A** hereto.

D. Taxes, Social Security, and Government Reporting. Personal income tax payments, income tax withholding, social security contributions, FICA, FUTA, insurance and all other governmental reporting and contributions required as a consequence of the CONTRACTOR receiving payment under this Contract shall be the sole responsibility of the CONTRACTOR, and, as more specifically provided in Section XIII of this Contract, the CONTRACTOR shall indemnify and save harmless the CITY and its officers, agents and employees from all losses, damages, costs, expenses, judgments, decrees, and fees, including attorney's fees, arising out of the performance of (or failure to perform) such obligations.

VII. REMEDIES FOR NONCOMPLIANCE. If a CONTRACTOR materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, an assurance, in a CITY plan or application, a notice of award, or elsewhere, the CITY may take one or more of the following actions as appropriate in the circumstances pursuant to 24 C.F.R. 85.43:

- A. Temporarily withhold cash payments pending correction of the deficiency by the CONTRACTOR;
- B. Disallow (that is, deny both use of funds and matching credit for) all or part of the activity or action not in compliance;
- C. Wholly or partially suspend or terminate, pursuant to Article VIII, the current award for the CONTRACTOR's program;
- D. Withhold further awards for the program; or
- E. Take other remedies that may be legally available.

VIII. TERMINATION OF CONTRACT FOR CAUSE. In addition to the procedures set forth in 24 CFR § 85.43, if, through any cause, the CONTRACTOR shall fail to fulfill in timely and proper manner his obligations under this Contract, or if the CONTRACTOR shall violate any of the covenants, agreements or stipulations of this Contract, the CITY shall thereupon have the right to terminate this Contract by giving written notice to the CONTRACTOR of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, reports or other materials related to the services prepared by the CONTRACTOR under this Contract, and all equipment purchased

with federal funds administered by the City of Milwaukee Community Development Grants Administration shall, at the option of the CITY, become the property of the CITY. Notwithstanding the above, the CONTRACTOR shall not be relieved of liability to the CITY for damages sustained by the CITY by virtue of any breach of the Contract by the CONTRACTOR, and the CITY may withhold any payments to the CONTRACTOR for the purpose of setoff until such time as the exact amount of damages due to the CITY from the CONTRACTOR is determined.

IX. TERMINATION FOR CONVENIENCE - 24 CFR §85.44.

- A. The CITY may terminate this Contract in whole or in part with the consent of the CONTRACTOR, in which case the parties shall agree upon termination conditions, including the effective date and in the case of a partial termination, the portions to be terminated, or
- B. The CONTRACTOR may terminate this Contract upon written notification to the awarding agency, setting forth the reasons for such termination and the effective date; in the case of partial termination, if the CITY determines in its sole discretion that the remaining portion of the award will not accomplish the purposes for which the award was made, the CITY may terminate the award in its entirety under either Article VIII or paragraph (A) of this article.

X. CHANGES. All project requests for change in performance and/or compensation will be directed in writing to the City as set forth in Article IV. The Community Development Grants Administration will then approve or disapprove the request in accordance with approved City policies and procedures established under Common Council Resolutions governing the administration of the Grant Program.

XI. METHOD OF PAYMENT. The CITY agrees that, subsequent to the full and complete performance of this Contract and satisfactory performance of the services in accordance with the "work schedules" set forth in the **Budget and Activity Forms**, referenced under Article II herein, to pay the amount or amounts as hereinafter set forth. In the event of a dispute as to the services performed or the compensation to be paid, the decision of the Community Development Grants Administration or its designee shall prevail. The conditions of payment are as follows:

- A. Compensation and/or reimbursement for services required under this Contract shall be contingent upon each activity being reviewed for approval by the City approving officer (described on page 1) and approved by him or her for payment.
- B. All items described in **Attachment C** attached to and made a part of this Contract and such other items as may be directed by the CITY, must be completed and delivered to the CITY, Community Development Grants Administration by the 10th day of each month. The CITY requires ten (10) full working days, after receipt of all required reports, for processing cost reports. These reports must be complete and accurate.

- C. The CITY agrees to compensate the CONTRACTOR only for activity undertaken which is reasonable and directly related to activity and completed as described in Article II of this Agreement.
- D. If not otherwise restricted by Federal, State or local statutes, regulations or procedures, the CONTRACTOR may incur costs for the activity(ies) described in the Scope of Services set forth in Article II of this Agreement, provided such costs are allowable under federal regulations governing the use of Grant Program funds.
- E. It is the policy of the CITY that the CONTRACTOR shall be compensated on a reimbursable basis. However, in the case of funding through Community Development Block Grant funds, advances may be authorized at the discretion of the Community Development Grants Administration Program Director, or his/her designee, in such manner and at such times as prescribed by the City Comptroller. All authorized cash advances must be reported as described in **Attachment B** attached to and made a part of this Contract. Failure to report as described may be cause for forfeiture of the advance.

In addition, the issuance of a two-party check, payable to the order of the CONTRACTOR and a subcontractor, as compensation for services directly related to activity and completed as described in Article II of this contract, may be authorized at the discretion of the Community Development Grants Administration Program Director, or his/her designee and with the concurrence of the Comptroller. Authorization for issuance of a two-party check shall require submission of properly completed forms and any other applicable forms as described in **Attachment B** to this Contract.

In addition, if the CONTRACTOR receives CDBG funds for the purposes of acquiring, rehabilitating and selling affordable housing, or new construction of affordable housing, any reimbursements received pursuant to this Contract shall be subject to the terms and conditions set forth in the Escrow Fund Disbursing Agreement, relating to the specific affordable housing property involved and entered into between the CITY, CONTRACTOR, and a title insurance company selected by the CITY.

- F. Neighborhood Improvement Programs and Housing Production Programs shall initially report all program costs, both CDBG and HOME, on a CDBG cost report. Costs related to the HOME Program shall then be reported on a subsequent HOME cost report and credited against the next CDBG cost report submitted. The final 10% of the project development budget shall be withheld until the Certificate of Occupancy" or the "Certificate of Code Compliance" is received by CDGA. Additionally, for **Housing Production** activities, **\$1,000** will be withheld from the operating budget until all final closeout documentation is received by CDGA within 30 days of property sales/closing.
- G. The CONTRACTOR shall provide the CITY the source and amount of all non-Grant Program funds utilized in the performance of project activities. If a Cost Allocation plan is required under **Attachment A**, it must have the review and approval of the City Comptroller.
- H. The CONTRACTOR shall not use any of the Federal funds provided by this Contract for the payment of liabilities or costs incurred prior to January 1, 2011.

- I. All property costing \$300.00 or more per unit must be listed in the CDGA budget and recorded on the CDGA Property Record Form. The Property Record Form must be submitted with the cost report in order to be reimbursed for the cost of the property.
- J. The CITY will only make reimbursement to the CONTRACTOR for sub-contractor expenses provided:
 - 1. The CONTRACTOR has properly procured the sub-contractor under requirements described in this Agreement; and
 - 2. An executed copy of the subcontract is on file with the City Comptroller and the CITY's Community Development Grants Administration.
- K. Payment under this Contract is subject to the Prompt Payment Policy established in Common Council File No. 900859.
- L. Final Cost Reports
 - 1. Final Cost and Program Activity Reports for 2011, including documentation and data sources on performance outcome measurements, are due no later than 4:00 P.M. on January 14, 2012 at the CDGA office. (**See Attachment C.**)
 - 2. All accrued costs reported on the Final Cost Report must be submitted for reimbursement to CDGA no later than 4:00 P.M. on February 10, 2012.
- M. Large Impact Development (LID) projects will be governed by the Policy and checklist appended hereto as **Attachment K**.
- N. All Homebuyer Counseling organizations with respect to homebuyer counseling services will be compensated on a Pay-For-Performance basis as follows:
 - 1. Pay-For-Performance Formula:
 - a. One-half of the allocated dollars will be available to the organization for administrative costs incurred throughout the program year.
 - b. The remaining (50%) of funds will be available for reimbursement only upon completion of a mortgage loan closing and will be reimbursed with proper documentation as follows:
 - 1) \$750 per loan closing for clients 0- 50% of County Median Income;
 - 2) \$500 per loan closing for clients between 51%-80% of County Median Income.

No fees shall be charged by CDBG funded grantees to clients/participants of the Homebuyer Counseling and Youth programs.

Documentation Required for Reimbursement and Pay-For-Performance compensation under the Homebuyer Counseling category:

Cost Reports (due by the 10th day of every month) are required and must include the following supporting documentation for reimbursement/payment:

1. Cost Report and Schedule of Paid Costs
2. Project Activity Report
3. Direct Benefits Status Report
4. Client Information (name, address, zip code, phone) for clients receiving counseling and credit counseling and loans closed.
5. Homebuyer Counseling Payment Invoice
6. Homebuyer Counseling Certificate.
7. Copy of HUD-I

Documentation required for reimbursement:

Cost reports (due by the 10th of every month) are required and must include the following supporting documentation for reimbursement/payment:

1. Cost Report and Schedule of Paid Costs
2. Project Activity Report
3. Direct Benefits Status Report
4. Client Information (name, address, zip code, phone) for clients receiving counseling and credit counseling and loans closed.
5. Homebuyer Counseling Payment Invoice
6. Homebuyer Counseling Certificate.
7. Copy of HUD-I

A first-time homebuyer is an individual who meets any one of the following criteria:

1. A first-time homebuyer is an individual who has had no ownership in a principal residence during the 3-year period ending on the date of purchase (closing date) of the property. This includes a spouse (if either meets the above test, they are considered first-time homebuyers).
2. A single parent who has only owned with a former spouse while married.
3. An individual who is a displaced homemaker and has only owned with a spouse.
4. An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.
5. An individual who has only owned a property that was not in compliance with State, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

- O. **Employment Services.** Organizations funded under the category of Employment Services which have been selected by the City pursuant to a competitive selection process in compliance with 24 CFR § 85.36 will be compensated for eligible activities on a pay-for-performance basis. The applicable pay-for-performance reimbursements for such activities are:

Public Service:

Employment Services – Job Placement
Employment Services - Job Training & Placement

- P. **Employment Services - Job Placement:** Organizations will be reimbursed for eligible activities under Job Placement on a Pay-for-Performance basis.

1. **Required Documents for Reimbursement:**

- a. Cost Reports (due by the 10th of every month), must have the following supporting documentation for reimbursement:
- (1) Cost Report and Schedule of Paid Costs
 - (2) Project Activity Report
 - (3) Direct Benefits form (CDA-35)
 - (4) Employee Data Form (submit once for each employee)
 - (5) 45-Day CDGA Verification of Employment form
 - (6) CDGA Payment Invoice

2. **Pay-for-Performance Formula:**

- a. One-half (50%) of the total funding allocation is available to the organization for administrative costs incurred during the year (i.e. \$50,000 grant would allow up to \$25,000 for administrative costs).
- b. The remaining one-half (50%) of total funding allocation is reimbursable according to the pay-for-performance scale (*see below*).

3. **Pay-for-Performance Scale:**

- a. Job Placement reimbursed as follows:
- 50% for administrative costs.
 - \$375 for each full-time placement; \$375 for each 45-day retention;
 - \$187.50 for each part-time placement; \$187.50 for each 45-day retention.

NOTE: Part-time = 20 hours per week; full-time = 35+ hours per week.

4. **Reimbursement Procedure:**

- a. 50% administrative cost
- b. Job Placement requirements:
- (1) At least 51% of individuals trained and placed will be low/moderate income persons.
 - (2) The organization must submit for each placement an Employee Data form. Proof (wage statements, employee generated letters) of employee's income at the time of employment must be kept on file

by the CDGA funded agency for a minimum of 5 years for review by CDGA and/or HUD.

- c. The CDGA 45-Day Verification of Employment form must include the following information:
 - (1) Employee Wage Statement (i.e., pay stub); or, an employer-generated document on Company letterhead; or, CDGA generated Verification of Employment form
 - (2) Rate of pay at retention date
 - (3) Average hours worked per week
 - (4) Benefits available
 - (5) Current employment status
 - (6) Reason for leaving (if applicable)

Note the Following:

- 1. All documents must contain signatures.
- 2. Businesses provided assistance must be located in the City of Milwaukee. All employees submitted for reimbursement must reside within the City of Milwaukee CDBG target area.
- 3. Individuals placed through temporary staffing agencies will only qualify for job placement credit if the individual is hired permanently by the business and the permanent placement is verified.
- 4. The 45-day retention period commences the date hired by the business, not the temporary staffing agency.
- 5. Reimbursement for training requires a CDGA approved curriculum prior to contract and documentation that clients received the approved training.

Q. **Employment Services – Job Training and Placement:** Organizations will be reimbursed for eligible activities under Job Training & Placement on a Pay-for-Performance basis.

1. **Required Documents for Reimbursement:**

- a. Cost Reports (due by the 10th of every month), must have the following supporting documentation for reimbursement:
 - (1) Cost Report and Schedule of Paid Costs
 - (2) Project Activity Report
 - (3) Direct Benefits form (CDA-35)
 - (4) Employee Data Form (submit once for each employee)
 - (5) 45-Day CDGA Verification of Employment form
 - (6) CDGA Payment Invoice

2. **Pay-for-Performance Formula:**

- a. One-half (50%) of the total funding allocation is available to the organization for administrative costs incurred during the year (i.e. \$50,000 grant would allow up to \$25,000 for administrative costs).

- b. The remaining one-half (50%) of total funding allocation is reimbursable according to the pay-for-performance scale (*see below*).

3. Pay for Performance Scale:

- a. Training and Placement reimbursed as follows:
 - 50% for administrative costs.
 - \$750 for each full-time placement; \$750 for each 45-day retention; \$375 for each part-time placement; \$375 for each 45-day retention.

NOTE: Part-time = 20 hours per week; full-time = 35+ hours per week.

4. Reimbursement Procedure:

- a. 50% administrative cost
- b. Job Training and Placement requirements:
 - (1) At least 51% of individuals trained and placed will be low/moderate income persons.
 - (2) The organization must submit for each placement an Employee Data form. Proof (wage statements, employee generated letters) of employee's income at the time of employment must be kept on file by the CDGA funded agency for a minimum of 5 years for review by CDGA and/or HUD.
- c. The CDGA 45-Day Verification of Employment form must include the following information:
 - (1) Employee Wage Statement (i.e., pay stub); or, an employer-generated document on Company letterhead; or, CDGA generated Verification of Employment form
 - (2) Rate of pay at retention date
 - (3) Average hours worked per week
 - (4) Benefits available
 - (5) Current employment status
 - (6) Reason for leaving (if applicable)

Note the Following:

- 1. All documents must contain signatures.
- 2. Businesses provided assistance must be located in the City of Milwaukee. All employees submitted for reimbursement must reside within the City of Milwaukee CDBG target area.
- 3. Individuals placed through temporary staffing agencies will only qualify for job placement credit if the individual is hired permanently by the business and the permanent placement is verified.

4. The 45-day retention period commences the date hired by the business, not the temporary staffing agency.
5. Reimbursement for training requires a CDGA approved curriculum prior to contract and documentation that clients received the approved training.

R. **Special Economic Development:** Organizations will be reimbursed for eligible economic development activity on a Pay-for-Performance basis, excluding Retail Investment Fund, and Large Impact Developments (LIDs).

1. **Required Documents:**

- a. Cost Reports (due by the 10th of every month) must have the following supporting documentation for reimbursement:
 - (1) Cost Report and Schedule of Paid Costs
 - (2) Project Activity Report (*A separate Project Activity Report for each assisted business must be submitted for payment reimbursement. Information regarding the number of new job creations and the name of the assisted business must be included on each activity report*)
 - (3) Direct Benefits form (CDA-35)
 - (4) Business Assistance Agreement (submit once for each assisted employer)
 - (5) Business Assistance Data Form (submit once for each assisted employer and must include the business DUNS number)
 - (6) Employee Data Form (submit once for each employee)
 - (7) 45-Day CDGA Verification of Employment form
 - (8) CDGA Payment Invoice form

2. **Pay-for-Performance Formula:**

- a. One-half (50%) of the total funding allocation is available to the organization for administrative costs incurred during the year (i.e. \$50,000 grant would allow up to \$25,000 for administrative costs).
- b. The remaining one-half (50%) of total funding allocation is reimbursable according to the pay-for-performance scale (*see below*).

3. **Pay-for-Performance Scale:**

- a. Special Economic Development Job Creation:
 - 50% for administrative costs.
 - \$2,500 for each full-time job created; \$2,500 for each full-time job retained for at least 45 days.
 - \$1,250 for each part-time job created; \$1,250 for each part-time job retained for at least 45 days.

NOTE: Part-time = 20 hours per week; full-time = 35+ hours per week.

4. **Reimbursement Procedure:**

- a. 50% administrative cost
- b. Job creation requirements:
 - (1) The organization must submit from each assisted business a CDGA Business Assistance Agreement form indicating 1) at least 51% of all

new job creations will be held by low/moderate income persons; 2) For-profit business will provide business assistance organization with DUNS number.

- (2) The organization must submit for each job created an Employee Data form. Proof (wage statements, employee generated letters) of employee's income at the time of employment must be kept on file by the CDGA funded agency for a minimum of 5 years for review by CDGA and/or HUD.

c. The CDGA 45-Day Verification of Employment form must include the following information:

- (1) Employee Wage Statement (i.e., pay stub); or, an employer-generated document on Company letterhead; or, CDGA generated Verification of Employment form
- (2) Rate of pay at retention date
- (3) Average hours worked per week
- (4) Benefits available
- (5) Current employment status
- (6) Reason for leaving (if applicable)

Note the Following:

1. All documents must contain signatures.
2. Businesses provided assistance must be located in the City of Milwaukee. All employees submitted for reimbursement must reside within the City of Milwaukee CDBG target area.

S. Community Development Grants Administration - 2011 Pay-for-Performance Reimbursement Scale

For Special Economic Development: CDGA will reimburse at the rate of \$5,000.00 per placement, from January 1, 2011 thru December 31, 2011, using the following formula:

CDGA will reimburse at \$2,500 per full time job created and \$2,500 per full time job retained for 45 days, or \$1,250 per part time job created and \$1,250 per part time job retained at 45 days.

For Job Training & Placement: CDGA will reimburse at the rate of \$1,500 per full time job training & placement, from January 1, 2011 thru December 31, 2011, using the following formula:

CDGA will reimburse at \$750 per full time job placement and \$750 per full time job placement at 45 days; and \$375 per part time job placement and \$375 per part time job placement at 45 days.

For Job Placement: CDGA will reimburse at the rate of \$750 per full time job placement, from January 1, 2011 thru December 31, 2011, using the following formula:

CDGA will reimburse at \$375 per full time job placement and \$375 per full time job retention at 45 days; and \$187.50 per part time job placement and \$187.50 per part time job retention at 45 days.

T. **Housing Accessibility Program.** Payment for costs under the Housing Accessibility Program are contingent upon compliance with the requirements set forth in **Attachment M.**

U. **Neighborhood Improvement Program (NIP) Supplemental Repair Program.** Funded agencies must adhere to the requirements set forth in the NIP Supplemental Repair Program manual which will be supplied to agencies by CDGA as well as requirements contained in this contract.

XII. **REVERSION OF ASSETS.** The CONTRACTOR's obligations with respect to reversion of assets are the following:

A. Upon expiration or termination of this Contract, CONTRACTOR shall transfer to the CITY:

1. All Grant Program funds not expended or incurred by the CONTRACTOR in accordance with the approved original/amended Budget;
2. All Accounts Receivable attributable to the use of Grant Program funds;
3. Within five days after receiving written notice to return certain property, all equipment and supplies purchased using Community Development Block Grant funds that are in the possession or under the control of the CONTRACTOR at a location designated by the CITY. At the CITY's option, the CONTRACTOR will reimburse the CITY at the then fair market value, allowing for depreciation, the cost of all equipment and supplies in the possession or under the control of CONTRACTOR that were purchased using CDBG funds.

B. In the case of Grant Program funds attributable to Community Development Block Grant funds, any real property acquired or improved in whole or in part with Grant Program funds in excess of \$25,000 must either be:

1. Used to meet one of the national objectives in 24 C.F.R. § 570.208 (formerly § 570.901) until five years after expiration of the agreement, or such longer period of time as determined appropriate by the CITY; or
2. Disposed of in a manner which results in the CITY being reimbursed in the amount of the current fair market value of the property less any portion of the value attributable to expenditures of non-CDBG funds for the acquisition of, or improvement to the property. Such reimbursement is not required after the period of time specified in accordance with the preceding paragraph 1 above and consistent with **Attachment B** - Administrative Policies and Procedures for the City of Milwaukee's Community Development Block Grant Program.

XIII. **DEFENSE OF SUITS.** In case any action is brought against the CITY or any of its officers, agents or employees for any act or omission of the CONTRACTOR to perform any of the covenants, acts, matters or things by this Contract undertaken, or for injury or damage caused by the alleged acts or omissions of the CONTRACTOR, its officers, agents or employees, whether intentional or by negligence, the CONTRACTOR shall indemnify and save harmless the CITY and its officers, agents and employees from all losses, damages,

costs, expenses, judgments, decrees, and fees, including attorney's fees, arising out of such action. The CITY shall tender the defense of any claim or action at law or in equity to the CONTRACTOR or CONTRACTOR's insurer, and upon such tender, it shall be the duty of the CONTRACTOR and CONTRACTOR's insurer to defend such claim or action without cost or expense to the CITY or its officers, agents or employees. The CONTRACTOR shall be solely responsible for the conduct and performance of the services required under the terms and conditions of this Contract and for the results therefrom.

XIV. PERSONNEL.

- A. The CONTRACTOR represents that it has or will secure all personnel required in performing the services under this Contract. Such personnel shall not be employees of nor have any contractual relationship with the CITY.
- B. All of the services required hereunder will be performed by the CONTRACTOR or under its supervision. Such personnel engaged in the work shall be fully qualified and shall be authorized or permitted under state and local law to perform such services.
- C. If any work or services are subcontracted, it shall be specified by written contract or agreement and shall be subject to each provision of this Contract. The CONTRACTOR shall be as fully responsible to the CITY for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by it, as it is for the acts and omissions of persons directly employed by it.

XV. ASSIGNABILITY. To the extent permitted by law, the CONTRACTOR shall not assign any interest in this Contract nor shall it transfer any interest in same (whether by assignment, substitution of parties or any other manner), without the prior written consent of the CITY, provided, however, that claims for money due or to become due the CONTRACTOR from the CITY under this Contract may be assigned to a bank, trust company or other financial institution without such approval. Notices of any such assignment or transfer shall be furnished promptly to the CITY.

XVI. REPORTS. The CONTRACTOR agrees to submit reports as may be required by the CITY at such times as may be scheduled for submittal as described **Attachment C** hereto. These data-collection instruments will be a part of CDGA's monitoring and evaluation of the CONTRACTOR's activities. Reimbursement requests will be held until specific report deadlines are met.

- A. All reports, studies, analyses, memoranda and related data and material as may be developed during the performance of this Contract shall be submitted to and be the exclusive property of the CITY, which shall have the right to use same for any purpose without any further compensation to the CONTRACTOR other than hereinafter provided. All of the aforesaid documents and materials prepared or assembled by the CONTRACTOR under this Contract are confidential and the CONTRACTOR agrees that he/she will not, without prior written approval from the CITY, submit or make same available to any individual, agency, public body or organization other than the CITY, except as may be otherwise herein provided.

- B. The aforesaid documents and material prepared in whole or in part under this Contract shall not be made the subject of any report, book, writing or oral dissertation by the CONTRACTOR other than as herein specifically provided. If this Contract is terminated for cause or for any other reason, all finished or unfinished documents or materials prepared under this Contract shall be immediately transmitted to the CITY at the effective date of such termination.
- C. Agencies must acknowledge the receipt of Federal funds awarded and administered by CDGA in literature and promotional materials in the following manner: "THIS PROJECT IS FUNDED IN PART THROUGH A CITY OF MILWAUKÉE GRANT OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS", or similar acknowledgement.

XVII. RECORDS.

- A. Establishment and Maintenance of Records. Records shall be maintained in accordance with requirements prescribed by the CITY with respect to all matters covered by this Contract. Except as otherwise authorized, such records shall be maintained for a period of five (5) years after receipt of the final payment under this Contract.
- B. Documentation of Costs. All costs shall be supported by properly executed and approved payrolls, time records, invoices, contracts or vouchers, or other official documentation evidencing in proper detail the nature and propriety of other accounting documents pertaining in whole or in part to this Contract and shall be clearly identified and readily accessible.
- C. Client/Beneficiary records. CONTRACTOR shall maintain records of all individuals and families served. This information shall include name, address, income level, racial makeup, and these shall be made available upon request.

XVIII. REPORTS AND INFORMATION. In addition to the reports and information provided for in **Attachment C** hereto, at such times and in such forms as the CITY may require, there shall be furnished the CITY such statements, records, reports, data and information as the CITY may request pertaining to matters covered by this Contract.

XIX. AUDITS AND INSPECTIONS. At any time during normal business hours and as often as the CITY (or if federal or state grants or aids are involved, the appropriate federal or state agency) may deem necessary, the CONTRACTOR shall make available to the CITY or such agency for examination all of its records with respect to all matters covered by this Contract and will permit the CITY or such agency and/or representatives of the Comptroller General to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Contract.

XX. FINDINGS CONFIDENTIAL. Except as required by section 19.35, Wisconsin Statutes (the Public Records law), all of the reports, information, data, etc., prepared or assembled by the CONTRACTOR under this Contract are confidential and the CONTRACTOR agrees that they shall not be made available to any individual or organization, other than an appropriate

agency of the United States government, without the prior written approval of the CITY. The City shall comply with the Public Records Law (Section 19.35 Wis. Stats) in connection with such records and the Contractor shall cooperate with the City in responding to any such requests.

XXI. CONFLICT OF INTEREST (pursuant to 24 CFR 570.611, 24 CFR 85.36 and OMB Circular A-110).

- A. Interest in Contract. No officer, employee or agent of the CITY who exercises any functions or responsibilities in connection with the carrying out of any services or requirements to which this Contract pertains, shall have any financial interest, direct or indirect, in this Contract.
- B. Interest of Other Local Public Officials. No member of the governing body of the locality and no other public official of such locality who exercises any functions or responsibilities in the review or approval of the carrying out of this Contract, shall have any financial interest, direct or indirect, in this Contract.
- C. Interest of Contractor and Employees. The CONTRACTOR covenants that no person described in Article XXI, A and B above, who presently exercises any functions or responsibilities in connection with the Contract has any financial interest, direct or indirect, in this Contract. The CONTRACTOR further covenants that he/she presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of his/her services hereunder. The CONTRACTOR further covenants that in the performance of this Contract no person having any conflicting interest shall be employed. An interest on the part of the CONTRACTOR or his/her employees must be disclosed to the CITY. Provided, however, that this paragraph shall be interpreted in such a manner so as not to unreasonably impede the statutory requirement that maximum opportunity be provided for employment of and participation by residents of the area.
- D. HUD Conflict of Interest Regulations with respect to CDBG Funds – 24 CFR § 570.611
 - 1. The CONTRACTOR covenants and agrees that:
 - a. In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, it shall comply with the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively.
 - b. In all cases not governed by 24 CFR 85.36 and 84.42, it shall comply with the provisions of this section and 24 CFR §570.611. Such cases include the acquisition and disposition of real property and the provision of assistance by the CITY or the CONTRACTOR to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to § 570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to §§ 570.203, 570.204, 570.455, or 570.703(i)).

2. Conflicts prohibited. The CONTRACTOR covenants and agrees that no persons described in paragraph (c) below of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, shall obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.
3. Persons covered. The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the CITY, of any designated public agencies, or of the CONTRACTOR.

E. LOBBYING

1. The CONTRACTOR agrees that no Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. The CONTRACTOR agrees that if any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

XXII. DISCRIMINATION PROHIBITED; FAITH-BASED ORGANIZATION PROVISIONS.

- A. EXECUTIVE ORDER 11246 - AFFIRMATIVE ACTION. The CONTRACTOR agrees that it will be bound by the Equal Opportunity Clause as set forth in its entirety in **Attachment D** hereto, with respect to its own employment practices when it participates in federally assisted construction work. However, if the CONTRACTOR so participating is a state or local government, the Equal Opportunity Clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on, or under the this Contract.
- B. AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES. The CONTRACTOR agrees to comply with the provisions of the Rehabilitation Act of 1973, 29 USC §§793 and 794), as set forth in **Attachment E** hereto.

- C. The CONTRACTOR agrees to comply with the provisions of the Americans With Disabilities Act, 42 U.S.C. 12101, et. seq., and agrees to require the same of any subcontractor.
- D. The CONTRACTOR will cause the foregoing provisions to be inserted in all subcontracts, if any, for any work covered by this Contract so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.
- E. FAITH-BASED ORGANIZATIONS. In providing services under this Agreement:
 - 1. The CONTRACTOR shall not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the services provided and funded under this agreement. Any such activities must be offered separately, in time or location, from the services performed and funded under this agreement, and participation must be voluntary for the beneficiaries of the services performed and funded under this agreement.
 - 2. The CONTRACTOR shall not, in performing services under this agreement, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

XXIII. WORKER'S COMPENSATION INSURANCE. The CONTRACTOR, and all subcontractors, if any, shall provide to the CITY an affidavit or other satisfactory proof which the CITY may require evidencing that the CONTRACTOR and all subcontractors have obtained Worker's Compensation insurance for all persons performing any work or services under the Contract or subcontract as is required by the Worker's Compensation Act of the State of Wisconsin. No payments or disbursements under the Contract shall be made if such proof has not been furnished.

XXIV. WITHHOLDING OF SALARIES. If in the performance of this Contract there is any underpayment of salaries by the CONTRACTOR or by any subcontractor thereunder, the CITY shall withhold from the CONTRACTOR out of payments due to it an amount sufficient to pay to employees underpaid the difference between the salaries required hereby to be paid and the salaries actually paid such employees for the total number of hours worked. The amounts withheld shall be disbursed by the CITY for and on account of the CONTRACTOR or subcontractor, if any, to the respective employees to whom they are due.

XXV. INSURANCE. The CONTRACTOR must provide the CITY with proof of insurance coverage as prescribed by the City Attorney of the City of Milwaukee and set forth in **Attachment F**. Also, The CONTRACTOR must also notify the CITY when their insurance expires. Should the CONTRACTOR's insurance expire at anytime during the term of this Contract, the CITY will terminate the contract as prescribed in Article VIII of this Contract.

XXVI. PROGRAM INCOME. Program income means gross income, received by the CONTRACTOR directly generated from the use of CDBG funds and as further detailed in 24 CFR 570.500, with respect to CDBG funds. When such income is generated by an activity

that is only partially assisted with Grant funds, the income shall be prorated to reflect the percentage of CDBG funds used:

- A. Unless otherwise agreed to in writing by the CITY, all program income generated from the use of CDBG funds under any contract with the City of Milwaukee is the sole property of the CITY. Any reuse of program income is governed by the authority granted by the Community and Economic Development Committee under its current Revolving Fund Policies (referred to in **Attachment G**, attached to and made a part of this Contract).
- B. During or upon expiration of this Contract, all program income, as defined in 24 CFR 570.500, must be returned to the CITY within five days unless otherwise authorized by the CITY.

XXVII. **EQUIPMENT.** The CONTRACTOR shall grant the City a first priority security interest in any item of equipment costing \$1,000.00 or more per unit for which reimbursement of the purchase price is requested pursuant to this agreement. Documentation of the grant of such security interest and the filing of a UCC financing statement with respect thereto shall be provided to the City at the time reimbursement is requested. The CONTRACTOR may not assign or otherwise encumber in any way the equipment and supplies purchased using CDBG funds without prior written consent of the CITY. This provision shall be binding upon respective successors or assignees.

XXVIII. **AUDITS.** If the CONTRACTOR expends \$500,000 or more in total Federal Funds during the CONTRACTOR's fiscal year, the CONTRACTOR is required to have an audit conducted in accordance with the requirements of OMB Circular A-133, as in effect at the close of the calendar year in which this Contract is awarded. All audits are required to be completed and delivered to the CITY-CDGA no later than six (6) months following the end of the CONTRACTOR's fiscal year. In the event the CONTRACTOR is not funded for a subsequent year, the CONTRACTOR must provide the CITY with a signed commitment from a Certified Public Accounting firm to conduct such an audit. This commitment must be provided prior to the expiration of the current Contract. Failure to provide this commitment will result in the CITY withholding from the current Contract a sum sufficient in the CITY's judgment to enable the completion of such an audit.

Pursuant to OMB Circular A-133, the CITY hereby gives notice that the U.S. Department of Housing and Urban Development is providing the grant funds subject to this agreement. The Catalog of Federal Domestic Assistance (CFDA) number for CDBG Funds is 14.218.

XXIX. **FEDERAL MANAGEMENT AND BUDGET REQUIREMENTS AND PROCUREMENT STANDARDS** - (RE: OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-102, AS AMENDED August 29, 1997.) The CONTRACTOR will comply with all applicable provisions of OMB Circular A-102, and 24 CFR §§ 85.36 and 84.48, as the same may be amended from time to time, relating to procurement procedures with federal grant funds, as more specifically set forth in Attachment I hereto

- A. **Required City Procurement Policy Procedures.** In addition to federal procurement requirements, proper City procurement procedures must be followed in order to secure any goods and services to be purchased (or reimbursed) with City funds, including the

selection of contractors, suppliers and related vendors. As such, City of Milwaukee funded agencies, including all housing production agencies must adhere to the following procurement procedures:

1. Contracts and Purchases under \$1,000 - An agency shall select the source that provides the most appropriate product, at a price most reasonable for the project. In addition, a Property records form must be completed and submitted to CDGA for all purchases of \$300 or greater.
2. Contracts and Purchases From \$1,000 to \$10,000- An agency must document that it has contacted at least three bonafide sources and has selected the source that provides the most appropriate product, at a price most reasonable for the project.
3. Contracts and Purchases From \$10,001 to \$50,000 - Agencies must request proposals from at least three bonafide sources. Requests for proposals must be in writing and provide all contractors, vendors, and suppliers the same information and opportunity to "walk-through" a project, if appropriate. Additionally, copies of all bids received and a bid tabulation sheet that justifies contractor selection must be maintained for each project. In order for a bid to be acceptable, it should be from bonafide contractors, licensed in the City of Milwaukee, be signed and dated, and include a complete list of activities to be performed, and/or materials and services to be provided.
4. Contracts and Purchases Greater than \$50,000 - All Requests for Proposals greater than \$50,000 must be advertised in either the Milwaukee Journal Sentinel or the Daily Reporter. Additionally, copies of all bids received and a bid tabulation sheet that justifies contractor selection must be maintained for each project. In order for a bid to be acceptable, it must be from bonafide contractors, licensed in the City of Milwaukee, be signed and dated, and include a complete list of activities to be performed, and or materials and services to be provided. Failure to follow these procurement procedures will result in a Finding during a CDGA monitoring visit and may require the agency to "payback" all Federal funds disbursed using non-Federal funds.
5. Any deviation from these standards will/shall result in non-payment of costs reported unless written documentation adequate in the sole judgment (discretion) of CDGA, to establish compliance with HUD federal procurement standards is submitted to and approved by CDGA.

B. **Contractor Award Criteria.** City of Milwaukee funded housing agencies should adhere to additional criteria when selecting contractors to perform production activities:

1. Contracts may not be awarded to debarred, suspended, or otherwise ineligible contractors. Agency must comply with all Federal, State, and Local laws, rules and regulations in addition to the provisions of Section II.D. of this Agreement. The City of Milwaukee will not pay for work performed by any firm that is debarred or not otherwise eligible to be awarded work. The Agency is responsible for reviewing the HUD debarred and suspended list, and for rejecting bids from ineligible contractors. The list is updated regularly and can be accessed via the internet at: <http://epls.arnet.gov/> Only the eligibility of the prime contractor must be verified and documented. Subcontractor clearance is the responsibility of the prime contractor.

2. The contractor/vendor will provide products and service that meet the appropriate specifications, including start and completion time requirements.
3. The firm is a bona fide business with experience in the work they are proposing to do.
4. The company has a good record of doing business and/or a good reputation with customers, peers, and suppliers.
5. The business has all required licenses, certifications, and qualifications.
6. The price is competitive, reasonable and market-based (as explained in paragraph 8 below).*
7. Utilize to the greatest extent possible, a Minority, Women-Owned, or Disadvantaged Business Enterprise.
8. Purchase from local (i.e. City of Milwaukee-based) vendors/contractors. ***Unless there are extenuating circumstances, a lower quote may not be "reasonable and market-based" if it deviates from staff's cost estimate and/or the average of the other bidders' prices by 15% or more.***
9. Any deviation from these standards will/shall result in non-payment of costs reported unless written documentation adequate, in the sole judgment (discretion) of CDGA, to establish compliance with HUD federal procurement standards, is submitted to and approved by CDGA.

C. Bonding and Insurance (RE: OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-110, as amended 09-30-1999.)

1. A state or local unit of government which requires contracting for construction or facility improvement shall follow its own requirements relating to bid guarantees, performance bonds and payments bonds except for contracts exceeding \$100,000, the minimum requirements shall be as follows:
 - a. A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.
 - b. A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
 - c. A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

- D. CONTRACTOR shall comply with all applicable provisions of the **Standards for Grantee Financial Management System**. (Subpart C.21) RE: OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-110, as amended 09-30-1999.
- E. CONTRACTOR shall comply with all applicable provisions of the **Property Management Standards** (Subpart C.32). RE: OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-110, as amended 09-30-1999.
- F. CONTRACTOR shall comply with all applicable provisions of the **Cost Principles for State and Local Government**. RE: OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-87, as amended.
- G. CONTRACTOR shall comply with all applicable provisions of the **Cost Principles for Nonprofit Organizations**. RE: OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-122, as amended May 10, 2004.

XXX. OTHER PROVISIONS.

- A. COPYRIGHTS. If this Contract results in book or other copyright-able materials, the author is free to copyright the work, but the appropriate federal agency involved reserves a royalty-free nonexclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use all copyrighted material and all materials which can be copyrighted.
- B. PATENTS. Any discovery or invention arising out of or developed in the course of work aided by this Contract shall be promptly and fully reported to the appropriate federal agency involved for determination by it as to whether patent protection on such invention or discovery shall be sought and how the rights in the invention or discovery, including rights under any patent issued thereupon, shall be disposed of and administered, in order to protect the public interest.
- C. LEAD-BASED PAINT. 24 CFR Section 570.608 - If the Contract involves construction or rehabilitation of residential structures with assistance provided under this agreement, it is subject to the lead-based paint regulations set forth in 24 CFR Part 35.
- D. "SECTION 3" OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968 (12 U.S.C. 1701(u)). The CONTRACTOR agrees to comply with the provisions set forth in **Attachment H** hereto relating to Section 3 of the Housing and Urban Development Act of 1968.
- E. COMPLIANCE WITH AIR AND WATER ACTS. With respect to non-exempt transactions to carry out the purposes of the Housing and Community Development Act of 1974, the CONTRACTOR shall be required to provide:
 - 1. A stipulation by the CONTRACTOR or subcontractor that any facility to be utilized in the performance of any non-exempt Contract or subcontract is not listed on the list of

Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 CFR 15.20.

2. Agreement by the CONTRACTOR to comply with all the requirements of Section 114 of the Clean Air Act, as amended (42 U.S.C. 1657c-8) and Section 308 of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1318), relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in said Section 114 and Section 208, and all regulations and guidelines issued thereunder.
3. A stipulation that as a condition for the award of the Contract prompt notice will be given of any notification received from the Director, Office of Federal Activities EPA, indicating that a facility utilized or to be utilized for the Contract is under consideration to be listed on the EPA list of Violating Facilities.
4. Agreement by the CONTRACTOR that it will include or cause to be included the criteria and requirements in paragraphs A through D of this section in every non-exempt subcontract and requiring that the CONTRACTOR will take such action as the government may direct as a means of enforcing such provisions.

XXXI. FAIR HOUSING. The CONTRACTOR will comply with all requirements of 24 CFR Part 14, dated January 23, 1989 and the CITY's ordinance, Common Council file 892540, adopted October 16, 1990, with regard to all Fair Housing issues.

XXXII. COMPLIANCE WITH ALL APPLICABLE REQUIREMENTS OF THE GOVERNMENT. In addition to the requirements set forth herein, the CONTRACTOR shall comply with the provisions set forth in **Attachment D** hereto and required pursuant to federal regulation. In addition to the requirements as set forth herein, any contractor or subcontractor performing any work or furnishing any materials hereunder shall comply with all applicable federal and state laws and regulations and all applicable ordinances of the City of Milwaukee with respect to equal employment opportunities, minimum wage, anti-kickback regulations, federal labor standards, the Hatch Act (5 U.S.C. §§1501 - 1508), and any other requirements imposed by the Secretary of HUD or the Secretary's representative. Contractors and subcontractors shall be required to furnish performance bonds, non-collusion affidavits, affidavits of no interest, indemnity agreements or any other protective legal instruments or other protective documents which may be required under applicable laws, ordinances, resolutions or regulations. CONTRACTOR further acknowledges and agrees to the following:

- A. Uniform Administrative Requirements. The CONTRACTOR shall comply with applicable Uniform Administrative Requirements as described in 24 CFR §570.502.
- B. Other Program Requirements. The CONTRACTOR shall carry out each activity in compliance with all Federal laws and regulations described in Subpart K of 24 CFR Part 570, except that the CONTRACTOR does not assume the City's environmental responsibilities described at 24 CFR § 570.604, and the CONTRACTOR does not assume the City's responsibility for initiating the review process under the provisions of 24 CFR Part 52.

C. FEDERAL LABOR LAWS.

1. Contract Work Hours and Safety Standards Act. All contracts in excess of \$2,000 for the construction and in excess of \$2,500 for other contracts which involve the employment of mechanics or laborers shall include a provision mandating compliance with sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. §§ 327-330).
2. Copeland Anti-Kickback Act. All contracts for construction and repair shall include a provision mandating compliance with the Copeland Anti-Kickback Act (40 U.S.C. §22276c) as supplemented by Department of Labor Regulations (29 CFR Part 3).
3. Davis-Bacon Act. Except with respect to the rehabilitation and/or new construction of residential property designed for residential use for less than eight families, the CONTRACTOR and any subcontractors engaged under contracts in excess of \$2,000 for the construction, execution, completion or repair of any building or work financed in whole or in part with CDBG funds under this Contract shall comply with the Davis-Bacon Act (40 U.S.C. §276a) governing the payment of minimum wages, as supplemented by the regulations of the Department of Labor (29 CFR Part 5); however, if wage rates higher than those required under such regulations are imposed by State or Local law, nothing hereunder is intended to relieve the CONTRACTOR of its obligations, if any, or require payment of higher rates.

XXXIII. **ATTACHMENTS AS PART OF CONTRACT.** In addition to the requirements as set forth herein, the CONTRACTOR shall comply with the terms and provisions of each and every Attachment appended hereto as if such provisions were fully set forth herein.

CITY OF MILWAUKEE,
A Municipal Corporation

COMMUNITY DEVELOPMENT GRANTS ADMINISTRATION

By: _____
(Steven L. Mahan, Director)

Date: _____

CONTRACTOR:

DUNS Number: _____

By: _____ Title: _____ Date: _____

By: _____ Title: _____ Date: _____

Countersigned:

(City Comptroller)

Date: _____

Examined and approved as to form
and execution this _____ day of
_____, 201____.

Assistant City Attorney

CERTIFICATE REGARDING CORPORATE AUTHORITY

The undersigned hereby certify, represent and warrant that they are a duly elected Board Officer or member of the Board of Directors of _____, a corporation organized and existing under the laws of the State of _____ (the "Corporation"), incumbent in the offices set forth below their respective signatures, and as such officers they are familiar in general with the Corporation's affairs, properties and records and in particular with the contract to which this Certificate relates.

Reference is made to that certain Contract for Services ("Contract"), dated as of _____, 201____, between the Corporation and the City of Milwaukee, Wisconsin (the "City").

As an inducement for the execution and delivery of the Contract by the City, the undersigned, on behalf of the corporation, do hereby certify to the City as follows:

1. The Corporation is a corporation duly organized and validly existing in good standing under the laws of the State recited in the first paragraph of this Certificate.
2. The Corporation is licensed or authorized to do business in Wisconsin.
3. The Corporation has full corporate right, power and authority to enter into, execute and deliver the Contract and to perform its obligations thereunder.
4. The execution, delivery and performance by the Corporation of the Contract has been authorized by all necessary corporate action on the part of the Corporation.
5. The person named below was on the date hereof, and was on the dates of the execution of the Contract, the duly elected (or appointed) and qualified incumbent of the office of the Corporation set for below with his/her signatures:

Name	Title	Signature
_____	_____	_____
_____	_____	_____

The Contract has been duly executed and delivered on behalf of the Corporation by such person, who is authorized so to do, and the Contract constitutes a legal, valid and binding obligation of the Corporation in accordance with its terms.

6. No authorization, approval, consent or license of any regulatory body or authority, not already obtained, is required on the part of the Corporation for the valid and lawful authorization, execution and delivery of the Contract and the assumption by the Corporation of the obligations represented thereby.

7. The execution and delivery of the Contract and the assumption by the Corporation of the obligations represented thereby will not conflict with, violate or constitute a breach of, or default under the Corporation's Articles of Incorporation or Bylaws or any commitment, indenture, agreement, instrument or court or regulatory order to which the Corporation is a party or by which it or any of its properties are bound.

8. On the date hereof, the Corporation has delivered to the Parties certain Resolutions of its Board of Directors. These Resolutions were in full force and effect on the dates of the execution and delivery of the Contract and continue to be in full force and effect on the date hereof.

Dated this _____ day of _____, 201_____.

(NAME OF CORPORATION)

By: _____

Title: _____

By: _____

Title: _____

(CORPORATE SEAL)

LIST OF ATTACHMENTS

Attachment A: Scope of Services

Attachment B: Administrative Policies and Procedures for the City of Milwaukee's Community Development Grants Program

Attachment C: Required Reports

Attachment D: Executive Order 11246; Equal Opportunity Clause

Attachment E: Rehabilitation Act of 1973

Attachment F: Insurance Requirements

Attachment G: Revolving Fund Policy (Program Income)

Attachment H: Section 3 of the Housing and Urban Development Act of 1968 - 12 USC §1701(u)

Attachment I: Federal Management and Budget Requirements and Procurement Standards

Attachment J: Cash Advance Policy

Attachment K: Policies applicable to Large Impact Development (LID)

Attachment L: Performance – Based Measurement System

Attachment M: Housing Accessibility Program Guidelines

CONTRACT FOR SERVICES-HOME FUNDS
City of Milwaukee
COMMUNITY DEVELOPMENT
BLOCK GRANT PROGRAM

CONTRACT NUMBER:
DEPARTMENT: **DOA-CDGA**
DATE OF AWARD: **January 1, 2011**
FUND NUMBER:
CFDA Number **14.239**
Department Use

Distribution:

Original - DOA - CDGA
Copy 1 - Contractor
Copy 2 - Comptroller

The provisions of this Contract have been approved by the Office of the City Attorney of the City of Milwaukee.

SERVICE DESCRIPTION: See Attachment A hereto

TIME OF PERFORMANCE: **January 1, 2011 through December 31, 2011**

TOTAL AMOUNT OF CONTRACT: Not to exceed _____ DOLLARS
(\$ _____), and subject to the terms, conditions and limitations on funding amounts for specific activities set forth in **Attachment A** hereto.

THIS AGREEMENT, entered into by and between _____
(hereinafter referred to as the "CONTRACTOR"), and the City of Milwaukee, a municipal corporation of the State of Wisconsin (hereinafter referred to as the "CITY").

Performance and schedules will be approved by the Director of the City of Milwaukee Community Development Grants Administration (or the Director's designee).

Work may commence in accordance with the terms and conditions of this Contract on **January 1, 2011**, provided the grant agreement for the Community Development Grants Administration from the U.S. Department of Housing and Urban Development has been executed by the City of Milwaukee or the Common Council of the City of Milwaukee has established other temporary appropriation authority for the City's Grant Program, or subject to the specific limitations set forth in Article III hereof.

WITNESSETH THAT:

WHEREAS, the Common Council of the City of Milwaukee has authorized execution of contracts and allocation of funds for the 2011 Community Development Block Grant Program and related 2011 grant programs (HOME, HOPWA, ESG) as approved under Common Council Files No; 100317, 100707, 100708, 100709, 100710, 100711, and 100819; and

WHEREAS, In furtherance of those grant programs, the CONTRACTOR represents itself as being capable, experienced and qualified to undertake and perform those certain services, as hereinafter set forth, as are required in accomplishing fulfillment of the obligations under the terms and conditions of this Contract as an independent contractor and not as an employee of the CITY.

NOW, THEREFORE, the parties hereto do mutually agree as follows:

- I. USE OF HOME FUNDS, RETENTION OF SERVICES AND REQUIREMENTS. The CITY hereby agrees to engage the CONTRACTOR and the CONTRACTOR hereby agrees to personally perform, as an independent contractor and not as an employee of the CITY, the services hereinafter set forth, all in accordance with the terms and conditions of this Contract. CONTRACTOR agrees time is of the essence and will meet all deadlines, any schedules as herein set forth, and is required to:
 - A. Do, perform, and carry out in a satisfactory, timely, and proper manner, the services delineated in **Attachment A** to this Contract.
 - B. Comply with requirements listed in this Contract, and all attachments hereto, with respect to reporting on progress of the services, additional approvals required, and other matters relating to the performance of the services.
 - C. Comply with time schedules and payment terms.
- II. SCOPE OF SERVICES. A specific description of services relating to the approved CDGA Project Activity Report and approved Organization Budget Forecast is delineated in the approved **Attachment A** attached to and made part of this Contract.
 - A. CONTRACTOR will adhere to the Administrative Policies and Procedures for the City of Milwaukee's Community Development Grants Administration as adopted by the CITY's Community and Economic Development Committee attached to and made a part of the Contract as **Attachment B**.
 - B. Any Budget Amendment or Activity Report amendment to be considered by the CITY from the CONTRACTOR must be submitted no later than 4:00 P.M. on September 30, 2011.
 - C. The CONTRACTOR shall comply with the CITY's Performance-Based Measurement System for Grant-funded agencies. Documentation and the data sources on outcome measurements shall be reported to the Community Development Grants Administration on June 1, 2011, and again on January 14, 2012 (to be submitted with the CONTRACTOR's final cost report). (**See Attachment L**.)
 - D. The CONTRACTOR certifies that throughout the term of this Agreement, neither the CONTRACTOR nor any of its principals are, or will be, debarred, suspended, or proposed for debarment for federal financial assistance (e.g., General Services Administration's List of Parties Excluded from Federal Procurement and Non-Procurement Programs), and that the CONTRACTOR will not enter into any transactions with any sub-recipients, contractors, or any of their principals who are debarred, suspended or proposed for debarment. The CONTRACTOR further certifies that it will verify that no suspended or debarred entities are under contract or participating in activities under this agreement by reviewing the federal General Services Administration's Excluded Parties List System (EPLS), which is available in electronic format and can be accessed on the internet at www.epls.gov. Prior to signing this agreement, the CONTRACTOR has reviewed EPLS to verify the status of any sub-recipients, contractors, and their principals.
- III. AVAILABILITY OF FUNDS:
 - A. This contract award is 100% funded under the Grant Program. Thus, should the availability of federal funds be reduced, the CITY and the CONTRACTOR agree that the

City of Milwaukee's Community and Economic Development Committee can modify and reduce either the CONTRACTOR's compensation (as listed on page 1 as the "Total Amount of Contract") or the CONTRACTOR's program year or both. The Community and Economic Development Committee will notify the CONTRACTOR of any such reduction. In the event of such a modification or reduction, the parties shall agree upon the portions of the contract to be reduced or modified.

- B. The CITY and CONTRACTOR further acknowledge that payments under this Contract are subject to either (1) actual receipt by the CITY of funding by the Grant Program or (2) the ability of the CITY to finance its payment obligations hereunder with other City funds pending receipt of the federal grant monies.

- IV. NOTICES. Any and all notices shall be in writing and deemed served upon depositing same with the United States Postal Services as "Certified Mail, Return Receipt Requested," addressed to the CONTRACTOR at:

Name:
Address:
City:

Attention:

and to the CITY at:

Community Development Grants Administration
City Hall - Room 606
200 East Wells Street
Milwaukee, Wisconsin 53202

Attention: Steven L. Mahan, Director

All other correspondence shall be addressed as above, but may be sent "Regular Mail" and deemed delivered upon receipt by the addressee.

NOTE: All Federal regulatory citations can be accessed at www.HUD.gov. In addition, all HOME-funded agencies must adhere to the Home Investments Partnerships Program Final Rule Regulations; 24CFR 92.

- V. TIME OF PERFORMANCE. The services to be performed under the terms and conditions of this Contract shall be in force and shall commence on January 1, 2011 and shall be undertaken and completed in such sequence as to assure its expeditious completion in light of the purposes of this Contract, but in any event all of the services required hereunder shall be completed as indicated on page 1 under "Time of Performance", which is the termination date of this Contract. In addition to all other remedies inuring to the CITY should the Contract not be completed by the date specified in accordance with all of its terms, requirements and conditions therein set forth, the CONTRACTOR shall continue to be obligated thereafter to fulfill CONTRACTOR's responsibility to amend, modify, change, correct or expand thereon until the Contract is fully completed.
- VI. CONDITIONS OF PERFORMANCE AND COMPENSATION.

- A. Performance and Standard of Care. The CONTRACTOR agrees that the performance of CONTRACTOR's work, services and the results therefore, pursuant to the terms,

conditions and agreements of this Contract, shall conform to such recognized high professional standards as are prevalent in this field of endeavor and like services.

- B. Place of Performance. The CONTRACTOR shall conduct CONTRACTOR's services in the City of Milwaukee.
- C. Compensation. The CITY agrees to pay, subject to the contingencies herein, and the CONTRACTOR agrees to accept for the satisfactory performance of the services under this Contract, amounts not to exceed, in the aggregate, the maximum as indicated on page 1 under "Total Amount of Contract", inclusive of all expenses, it being expressly understood and agreed that in no event will the total compensation to be paid hereunder exceed said maximum sum for all of the services required, and that such compensation is subject to the terms, conditions and limitations on funding amounts for specific activities set forth in **Attachment A** hereto.
- D. Taxes, Social Security, and Government Reporting: Personal income tax payments, income tax withholding, social security contributions, FICA, FUTA, insurance and all other governmental reporting and contributions required as a consequence of the CONTRACTOR receiving payment under this Contract shall be the sole responsibility of the CONTRACTOR, and, as more specifically provided in Section XIII of this Contract, the CONTRACTOR shall indemnify and save harmless the CITY and its officers, agents and employees from all losses, damages, costs, expenses, judgments, decrees, and fees, including attorney's fees, arising out of the performance of (or failure to perform) such obligations.
- E. Required Contract Provisions: If the CONTRACTOR provides HOME funds to for-profit owners or developer, nonprofit owners or developer, subrecipients, homeowner, homebuyers, tenants receiving tenant-based rental assistance, or contractors, the CONTRACTOR must have a written agreement with such entity which meets the requirements of 24 CFR §92.504 and includes the provisions set forth in the following paragraphs 1 through 9:
1. Use of HOME Funds. The HOME funds awarded under the agreement must be used for services as described in "Attachment A" to this Agreement.
 2. The agreement must state that "program income" means gross income received by the CONTRACTOR directly generated from the use of HOME funds and as further detailed in 24 CFR 570.503, and that all program income generated from the use of HOME funds under any contract with the City of Milwaukee is the sole property of the CITY and must be returned to it within five days of receipt unless otherwise authorized by the CITY.
 3. The party to the agreement must agree to comply with applicable uniform administrative requirements as described in 24 CFR §92.505, including OMB Circular A-122 and the following requirements of 24 CFR part 84: 84.2, 84.5, 84.13 through 84.16, 84.21, 84.22, 84.26 through 84.28, 84.30, 84.31, 84.34 through 84.37, 84.40 through 84.48, 84.51, 84.60 through 84.62, 84.72, and 84.73.
 4. The party to the agreement must agree to carry out each activity under the agreement in compliance with all applicable federal laws and regulations described in subpart H of 24 CFR part 92.
 5. The party to the agreement must agree to comply with the affirmative marketing responsibilities in accordance with 24 CFR §92.351, if the HOME funds administered pursuant to the contract will be used for housing containing five or more assisted units.

6. The agreement must provide that the HOME Program operates on a reimbursement basis, and that all claimed costs must be paid before submission of reimbursements request. Any act(s) of non-compliance will require the entire amount of HOME subsidy to be repaid to the HOME Investment Partnership Account as required by 24 CFR part 92. The CONTRACTOR may not request disbursement of funds under the agreement until the funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed.
7. The agreement must provide that upon its expiration, the parties to the contract will transfer to the City any HOME funds on hand at the time of expiration and attributable to the use of HOME funds and any accounts receivable attributable to the use of HOME funds.
8. The agreement must provide that records shall be maintained and reports shall be submitted as more specifically set forth in sections XVI, XVII and XVIII of this Contract in order to assist the City in meeting its recordkeeping and reporting requirements.
9. The agreement must provide that, in addition to any other remedies for breach which may be available to the City at law or in equity, in accordance with 24 CFR §85.43, suspension or termination may occur if the party to the agreement materially fails to comply with any term of the award, and the award may be terminated for convenience in accordance with 24 CFR § 85.44.

VII. REMEDIES FOR NONCOMPLIANCE. If a CONTRACTOR materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, an assurance, in a CITY plan or application, a notice of award, or elsewhere, the CITY may take one or more of the following actions as appropriate in the circumstances pursuant to 24 C.F.R. 85.43:

- A. Temporarily withhold cash payments pending correction of the deficiency by the CONTRACTOR;
- B. Disallow (that is, deny both use of funds and matching credit for) all or part of the activity or action not in compliance;
- C. Wholly or partially suspend or terminate, pursuant to Article VIII, the current award for the CONTRACTOR's program;
- D. Withhold further awards for the program; or
- E. Take other remedies that may be legally available.
- F. Require repayment of all HOME funds provided to the project.

VIII. TERMINATION OF CONTRACT FOR CAUSE: In addition to the procedures set forth in 24 CFR § 85.43, if, through any cause, the CONTRACTOR shall fail to fulfill in timely and proper manner his obligations under this Contract, or if the CONTRACTOR shall violate any of the covenants, agreements or stipulations of this Contract, the CITY shall thereupon have the right to terminate this Contract by giving written notice to the CONTRACTOR of such termination and specifying the effective date thereof, at least five days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, reports or other materials related to the services prepared by the CONTRACTOR under this Contract, and all equipment purchased with federal funds administered by the City of

Milwaukee Community Development Grants Administration shall, at the option of the CITY, become the property of the CITY. Notwithstanding the above, the CONTRACTOR shall not be relieved of liability to the CITY for damages sustained by the CITY by virtue of any breach of the Contract by the CONTRACTOR, and the CITY may withhold any payments to the CONTRACTOR for the purpose of setoff until such time as the exact amount of damages due to the CITY from the CONTRACTOR is determined.

IX. TERMINATION FOR CONVENIENCE - 24 CFR §85.44.

- A. The CITY may terminate this Contract in whole or in part with the consent of the CONTRACTOR, in which case the parties shall agree upon termination conditions, including the effective date and in the case of a partial termination, the portions to be terminated, or
- B. The CONTRACTOR may terminate this Contract upon written notification to the awarding agency, setting forth the reasons for such termination and the effective date; in the case of partial termination, if the CITY determines in its sole discretion that the remaining portion of the award will not accomplish the purposes for which the award was made, the CITY may terminate the award in its entirety under either Article VIII or paragraph (A) of this article.

X. CHANGES. All project requests for change in performance and/or compensation will be directed in writing to the City as set forth in Article IV. The Community Development Grants Administration will then approve or disapprove the request in accordance with approved City policies and procedures established under Common Council Resolutions governing the administration of the Grant Program.

XI. METHOD OF PAYMENT. Requests for Disbursement of Funds. The HOME Program operates on a reimbursement basis. All claimed costs must be paid before submission of reimbursement requests. Any act(s) of non-compliance will require the entire amount of HOME subsidy to be repaid to the HOME Investment Partnership Account as required by 24 CFR part 92. The CONTRACTOR may not request disbursement of funds under the agreement until the funds are needed for payment of eligible costs, as more specifically set forth in Paragraph E of Attachment D. The amount of each request must be limited to the amount needed.

- A. The CITY agrees that, subsequent to the full and complete performance of this Contract and satisfactory performance of the services in accordance with the "work schedules" set forth in the CDGA Project Activity Report referenced under Article II herein, to pay the amount or amounts as hereinafter set forth. In the event of a dispute as to the services performed or the compensation to be paid, the decision of the Community Development Grants Administration or its designee shall prevail. The conditions of payment are as follows:
 - 1. Acquisition activities: Requests for reimbursement involving acquisition of property using HOME funds must be accompanied by the following documents: (1) HPG-13 – Payment Request and (2) Closing Statement.
 - 2. Other Draws (Rehab, Holding, Taxes, etc.): Requests for reimbursement for rehab, holding, taxes and other draws, must be accompanied by the following documents: (1) HPG-13 (Payment Request) and (2) CDA-71 - Schedule of Paid Costs.
 - 3. Final Payment: The final 10% of the appropriated amount HOME funds will be withheld until the "Certificate of Occupancy" or the "Certificate of Code Compliance" is received by CDGA.

4. Summary of Costs: Those development projects that involve HOME assistance to only a portion of the total number of units developed must provide a documented summary of costs. This summary will reflect all sources of revenue and expenditure as well as the ratio of HOME costs to Total Development Costs.
- B. All disbursements of HOME funds for hard costs in connection with Housing Production activities shall be made pursuant to an escrow disbursing agreement with a Title Company selected by CDGA.
- C. Compensation and/or reimbursement for services required under this Contract shall be contingent upon each activity being reviewed for approval by the CDGA approving officer.
- D. Payment Reimbursement - Cost Reports are due by the 10th day of each month and must include the following supporting documentation for reimbursement/payment:
 1. Cost Report and Schedule of Paid costs
 2. Project Activity Report and Direct benefits Status Report
 3. Property List and Status of Activity
- E. All items described in **Attachment C** titled "2011 Reporting Dates for Fiscal and Programmatic Documents," attached to and made a part of this Contract, are due to CDGA by the due date(s) as specified in Attachment C.
- F. The CITY agrees to compensate the CONTRACTOR only for activity undertaken which is reasonable and directly related to activity and completed as described in Article II.
- G. If not otherwise restricted by Federal, State or local statutes, regulations or procedures, the CONTRACTOR may incur costs for the activity(ies) described in the Scope of Services set forth in Attachment A and Article II of this Agreement, provided such costs are allowable under federal regulations governing the use of Grant Program funds.
- H. If the CONTRACTOR receives CDBG or HOME funds for the purposes of acquiring, rehabilitating and selling affordable housing, or new construction of affordable housing, any reimbursements received pursuant to this Contract shall be subject to the terms and conditions set forth in the Escrow Fund Disbursing Agreement, relating to the specific affordable housing property involved and entered into between the CITY, CONTRACTOR, and a title insurance company selected by the CITY.
- I. The CONTRACTOR shall provide the CITY the source and amount of all non-Grant Program funds utilized in the performance of project activities. If a Cost Allocation plan is required under **Attachment A**, it must have the review and approval of the City Comptroller.
- J. The CONTRACTOR shall not use any of the Federal funds provided by this Contract for the payment of liabilities or costs incurred prior to January 1, 2011.
- K. All property costing \$300.00 or more per unit must be approved by CDGA. A CDGA property record form and all supporting documentation such as invoices must be submitted with the cost report in order to be reimbursed for the cost of the property.
- L. The CITY will only make reimbursement to the CONTRACTOR for sub-contractor expenses provided under the following conditions:
 1. The CONTRACTOR has properly procured the sub-contractor under Procurement requirements described in this Agreement; and,

2. An executed copy of the subcontract is on file with City Comptroller and the CITY's Community Development Grants Administration.
- M. Payment under this Contract is subject to the Prompt Payment Policy established in Common Council File No. 900859.
- N. Final Cost Reports
1. Final Cost and Program Activity Reports for 2011, including documentation and data sources on Performance Outcome Measurements, are due no later than 4:00 P.M. on January 14, 2012 at the CDGA office.
 2. All accrued costs reported on the Final Cost Report must be submitted for reimbursement to CDGA no later than 4:00 P.M. on February 10, 2012.
- O. **Prior to** disbursement of any Grant funds for the purpose of construction, acquisition or rehabilitation work on a specific property, the property and the amount of Grant funds allocated to each such property must be approved by the CITY and set-up in HUD's IDIS system.
- P. The final 10% of the project development budget shall be withheld until the Certificate of Occupancy" or the "Certificate of Code Compliance" is received by CDGA. Within 30 days of property sales/closing, the following documents should be submitted to CDGA:
- 1) HPG-13 Payment request
 - 2) Homebuyer/Homeowner Rehab completion form (HUD 40096). Must include all units rehabbed at the property.
 - 3) Certificate of code compliance (all units)
 - 4) Copy of executed covenant
 - 5) Loan/Mortgage/deed restrictions documents, when required by CDGA.
 - 6) Copy of loan agreement (rental only)
 - 7) Census long form Calculation of Income Worksheet

In addition, the HUD 1 Settlement Statement should be submitted to CDGA by the close of the next business day following property sale/closing but in no event later than 30 days following property sale/closing.

- XII. REVERSION OF ASSETS. Upon expiration of this agreement, the CONTRACTOR will transfer to the CITY any HOME funds on hand at the time of expiration and attributable to the use of HOME funds and any accounts receivable attributable to the use of HOME funds.
- XIII. DEFENSE OF SUITS. In case any action is brought against the CITY or any of its officers, agents or employees for any act or omission of the CONTRACTOR to perform any of the covenants, acts, matters or things by this Contract undertaken, or for injury or damage caused by the alleged acts or omissions of the CONTRACTOR, its officers, agents or employees, whether intentional or by negligence, the CONTRACTOR shall indemnify and save harmless the CITY and its officers, agents and employees from all losses, damages, costs, expenses, judgments, decrees, and fees, including attorney's fees, arising out of such action. The CITY shall tender the defense of any claim or action at law or in equity to the CONTRACTOR or CONTRACTOR'S insurer, and upon such tender, it shall be the duty of the CONTRACTOR and CONTRACTOR'S insurer to defend such claim or action without cost or expense to the CITY or its officers, agents or employees. The CONTRACTOR shall be solely responsible for the conduct and performance of the services required under the terms and conditions of this Contract and for the results therefrom.

XIV. PERSONNEL.

- A. The CONTRACTOR represents that it has or will secure all personnel required in performing the services under this Contract. Such personnel shall not be employees of nor have any contractual relationship with the CITY.
- B. All of the services required hereunder will be performed by the CONTRACTOR or under its supervision. Such personnel engaged in the work shall be fully qualified and shall be authorized or permitted under state and local law to perform such services.
- C. If any work or services are subcontracted, it shall be specified by written contract or agreement and shall be subject to each provision of this Contract. The CONTRACTOR shall be as fully responsible to the CITY for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by it, as it is for the acts and omissions of persons directly employed by it.

XV. ASSIGNABILITY. To the extent permitted by law, the CONTRACTOR shall not assign any interest in this Contract nor shall it transfer any interest in same (whether by assignment, substitution of parties or any other manner), without the prior written consent of the CITY, provided, however, that claims for money due or to become due the CONTRACTOR from the CITY under this Contract may be assigned to a bank, trust company or other financial institution without such approval. Notices of any such assignment or transfer shall be furnished promptly to the CITY.

XVI. REPORTS. The CONTRACTOR agrees to submit reports as may be required by the CITY at such times as may be scheduled for submittal as described **Attachment C** hereto. These data-collection instruments will be a part of CDGA's monitoring and evaluation of the CONTRACTOR's activities. Reimbursement requests will be held until specific report deadlines are met.

- A. All reports, studies, analyses, memoranda and related data and material as may be developed during the performance of this Contract shall be submitted to and be the exclusive property of the CITY, which shall have the right to use same for any purpose without any further compensation to the CONTRACTOR other than hereinafter provided. All of the aforesaid documents and materials prepared or assembled by the CONTRACTOR under this Contract are confidential and the CONTRACTOR agrees that he/she will not, without prior written approval from the CITY, submit or make same available to any individual, agency, public body or organization other than the CITY, except as may be otherwise herein provided.
- B. The aforesaid documents and material prepared in whole or in part under this Contract shall not be made the subject of any report, book, writing or oral dissertation by the CONTRACTOR other than as herein specifically provided. If this Contract is terminated for cause or for any other reason, all finished or unfinished documents or materials prepared under this Contract shall be immediately transmitted to the CITY at the effective date of such termination.
- C. Agencies must acknowledge the receipt of Federal funds in literature and promotional materials in the following manner: "This project is funded in part through a grant administered by the City of Milwaukee Community Development Grants Administration," or similar acknowledgement. The use of the CDGA Department logo is also acceptable and can be obtained by contacting CDGA.

XVII. RECORDS.

UNIFORM ADMINISTRATIVE REQUIREMENTS. The CONTRACTOR will comply with the applicable uniform administrative requirements as described in 24 CFR §92.505, including OMB Circular A-122 and the following requirements of 24 CFR part 84: 84.2, 84.5, 84.13 through 84.16, 84.21, 84.22, 84.26 through 84.28, 84.30, 84.31, 84.34 through 84.37, 84.40 through 84.48, 84.51, 84.60 through 84.62, 84.72, and 84.73.

- A. Establishment and Maintenance of Records. Records shall be maintained in accordance with requirements prescribed by the CITY with respect to all matters covered by this Contract. Except as otherwise authorized, such records shall be maintained for a period of 5 years after the affordability period terminates after receipt of the final payment under this Contract.
- B. Documentation of Costs. All costs shall be supported by properly executed and approved payrolls, time records, invoices, contracts or vouchers, or other official documentation evidencing in proper detail the nature and propriety of other accounting documents pertaining in whole or in part to this Contract and shall be clearly identified and readily accessible.
- C. Client/Beneficiary records. CONTRACTOR shall maintain records of all individuals and families served. This information shall include name, address, income level, racial makeup, and these shall be made available upon request.
- D. Other Program Requirements. The CONTRACTOR shall carry out each activity under this agreement in compliance with all federal laws and regulations described in subpart H of 24 CFR part 92 (except that the CONTRACTOR does not assume the City's responsibilities for environmental review under §92.352 and the intergovernmental review process in §92.357 does not apply).

XVIII. REPORTS AND INFORMATION. In addition to the reports and information provided for in **Attachment C** hereto, at such times and in such forms as the CITY may require, there shall be furnished the CITY such statements, records, reports, data and information as the CITY may request pertaining to matters covered by this Contract.

XIX. AUDITS AND INSPECTIONS. At any time during normal business hours and as often as the CITY (or if federal or state grants or aids are involved, the appropriate federal or state agency) may deem necessary, the CONTRACTOR shall make available to the CITY or such agency for examination all of its records with respect to all matters covered by this Contract and will permit the CITY or such agency and/or representatives of the Comptroller General to audit, examine and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls, records of personnel, conditions of employment and other data relating to all matters covered by this Contract.

XX. FINDINGS CONFIDENTIAL. Except as required by section 19.35, Wis. Statutes (the Public Records Law), all of the reports, information, data, etc., prepared or assembled by the CONTRACTOR under this Contract are confidential and the CONTRACTOR agrees that they shall not be made available to any individual or organization, other than an appropriate agency of the United States government, without the prior written approval of the CITY. The City shall comply with the Public Records Law (Section 19.35 Wis. Stats) in connection with such records and the CONTRACTOR shall cooperate with the City in responding to any such requests.

XXI. CONFLICT OF INTEREST (pursuant to 24 CFR 570.611, 24 CFR 85.36 and OMB Circular A-110).

- A. Interest in Contract. No officer, employee or agent of the CITY who exercises any functions or responsibilities in connection with the carrying out of any services or requirements to which this Contract pertains, shall have any financial interest, direct or indirect, in this Contract.
- B. Interest of Other Local Public Officials. No member of the governing body of the locality and no other public official of such locality who exercises any functions or responsibilities in the review or approval of the carrying out of this Contract, shall have any financial interest, direct or indirect, in this Contract.
- C. Interest of CONTRACTOR and Employees. The CONTRACTOR covenants that no person described in Article XXI, A and B above, who presently exercises any functions or responsibilities in connection with the Contract has any financial interest, direct or indirect, in this Contract. The CONTRACTOR further covenants that he/she presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of his/her services hereunder. The CONTRACTOR further covenants that in the performance of this Contract no person having any conflicting interest shall be employed. An interest on the part of the CONTRACTOR or his/her employees must be disclosed to the CITY. Provided, however, that this paragraph shall be interpreted in such a manner so as not to unreasonably impede the statutory requirement that maximum opportunity be provided for employment of and participation by residents of the area.

CONFLICT OF INTEREST with respect to HOME Funds (pursuant to 24 CFR § 92.356)

- A. In the procurement of property and services by participating jurisdictions, State recipients, and subrecipients, the CONTRACTOR covenants and agrees that it will comply with the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively. In all cases not governed by 24 CFR 85.36 and 24 CFR 84.42, the provisions of paragraph (B) below shall apply.
- B. Conflicts prohibited. The CONTRACTOR covenants and agrees that no persons described in paragraph (C) of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision making process or gain inside information with regard to these activities, shall obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.
- C. Persons covered. The conflict of interest provisions of paragraph (B) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the CITY or the CONTRACTOR.
- D. Owners and Developers. The CONTRACTOR covenants and agrees that no owner, developer or sponsor of a project assisted with HOME funds (or officer, employee, agent, elected or appointed official or consultant of the owner, developer or sponsor) whether private, for-profit or non-profit (including a community housing development organization (CHDO) when acting as an owner, developer or sponsor) shall occupy a HOME-assisted

affordable housing unit in a project. This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.

E. LOBBYING.

1. The CONTRACTOR agrees that no Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract; grant, loan, or cooperative agreement.
2. The CONTRACTOR agrees that if any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

XXII. DISCRIMINATION PROHIBITED.

- A. EXECUTIVE ORDER 11246 - AFFIRMATIVE ACTION. The CONTRACTOR agrees that it will be bound by the Equal Opportunity Clause as set forth in its entirety in **Attachment D** hereto, with respect to its own employment practices when it participates in federally assisted construction work. However, if the CONTRACTOR so participating is a state or local government, the Equal Opportunity Clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on, or under this Contract.
- B. AFFIRMATIVE ACTION FOR WORKERS WITH DISABILITIES. The CONTRACTOR agrees to comply with the provisions of the Rehabilitation Act of 1973, 29 USC §§793 and 794), as set forth in **Attachment E** hereto.
- C. The CONTRACTOR agrees to comply with the provisions of the Americans With Disabilities Act, 42 U.S.C. 12101, et. seq., and agrees to require the same of any subcontractor.
- D. The CONTRACTOR will cause the foregoing provisions to be inserted in all subcontracts, if any, for any work covered by this Contract so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.
- E. FAITH-BASED ORGANIZATIONS. In providing services under this Agreement:
 1. The CONTRACTOR shall not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the services provided and funded under this agreement. Any such activities must be offered separately, in time or location, from the services performed and funded under this agreement, and participation must be voluntary for the beneficiaries of the services performed and funded under this agreement.

2. The CONTRACTOR shall not, in performing services under this agreement, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.

F. Affirmative Marketing. The CONTRACTOR agrees to comply with the affirmative marketing responsibilities in accordance with 24 CFR §92.351, if the HOME funds administered pursuant to the contract will be used for housing containing five or more assisted units.

XXIII. WORKERS' COMPENSATION INSURANCE. The CONTRACTOR, and all subcontractors, if any, shall provide to the CITY an affidavit or other satisfactory proof which the CITY may require evidencing that the CONTRACTOR and all subcontractors have obtained Worker's Compensation insurance for all persons performing any work or services under the Contract or subcontract as is required by the Worker's Compensation Act of the State of Wisconsin. No payments or disbursements under the Contract shall be made if such proof has not been furnished.

XXIV. WITHHOLDING OF SALARIES. If in the performance of this Contract there is any underpayment of salaries by the CONTRACTOR or by any subcontractor thereunder, the CITY shall withhold from the CONTRACTOR out of payments due to it an amount sufficient to pay to employees underpaid the difference between the salaries required hereby to be paid and the salaries actually paid such employees for the total number of hours worked. The amounts withheld shall be disbursed by the CITY for and on account of the CONTRACTOR or subcontractor, if any, to the respective employees to whom they are due.

XXV. INSURANCE. The CONTRACTOR must provide the CITY with proof of insurance coverage as prescribed by the City Attorney of the City of Milwaukee and set forth in **Attachment G**. Should the CONTRACTOR's insurance expire at anytime during the term of this Contract, the CITY will terminate the contract as prescribed in Article VIII of this Contract.

XXVI. PROGRAM INCOME. "Program income" means gross income received by the CONTRACTOR directly generated from the use of HOME funds and as further detailed in 24 CFR 570.503. When such income is generated by an activity that is only partially assisted with HOME funds, the income shall be prorated to reflect the percentage of HOME funds used:

- A. All program income generated from the use of HOME funds under any contract with the City of Milwaukee is the sole property of the CITY. Any reuse of HOME program income is governed by the authority granted by the Community and Economic Development Committee under its current Revolving Fund Policies (attached to and made a part of this Contract).
- B. During or upon expiration of this Contract, all program income as defined in 24 CFR 570.503 must be returned to the CITY unless otherwise authorized by CDGA.
- C. Notwithstanding the foregoing, if CONTRACTOR is engaged in Housing Production activities under this Agreement, all program income generated by CONTRACTOR from the sale of a property may be retained by CONTRACTOR for the use on other eligible housing activity with Prior approval by CDGA. In order to retain such program income, the CONTRACTOR must reflect the sale of the property on the monthly cost report, and submit the following documents to the Community Development Grants Administration within 30 days of the date of sale (closing) for each property:

1. Closing statement showing purchase price of house
2. Loan document(s) from bank indicating total amount of loan
3. Amount of agency funds invested in property identified by check number, date and vendor name, description and dollar amount
4. Amount of grant funds invested in property

D. Notwithstanding the foregoing, if CONTRACTOR is designated by the CITY as a Community Housing Development Organization (CHDO) under a CHDO Agreement for the program year covered by this Agreement, any program income which constitutes "CHDO Proceeds" under the terms of such CHDO Agreement shall be governed by the terms and provisions of that CHDO Agreement.

XXVII. EQUIPMENT. The CONTRACTOR shall grant the City a first priority security interest in any item of equipment costing \$1,000.00 or more per unit for which reimbursement of the purchase price is requested pursuant to this agreement. Documentation of the grant of such security interest and the filing of a UCC financing statement with respect thereto shall be provided to the City at the time reimbursement is requested. The CONTRACTOR may not assign or otherwise encumber in any way the equipment and supplies purchased using Federal funds without prior written consent of the CITY. This provision shall be binding upon respective successors or assignees.

XXVIII. AUDITS. If the CONTRACTOR expends \$500,000 or more in total Federal Funds during the CONTRACTOR'S fiscal year, the CONTRACTOR is required to have an audit conducted in accordance with the requirements of OMB Circular A-133, as in effect at the close of the calendar year in which this Contract is awarded. All audits are required to be completed and delivered to the CITY-CDGA no later than six (6) months following the end of the CONTRACTOR'S fiscal year. In the event the CONTRACTOR is not funded for a subsequent year, the CONTRACTOR must provide the CITY with a signed commitment from a Certified Public Accounting firm to conduct such an audit. This commitment must be provided prior to the expiration of the current Contract. Failure to provide this commitment will result in the CITY withholding from the current Contract a sum sufficient in the CITY's judgment to enable the completion of such an audit.

Pursuant to OMB Circular A-133, the CITY hereby gives notice that the U.S. Department of Housing and Urban Development is providing the grant funds subject to this agreement. The CFDA number for HOME funds is 14.239.

XXIX. FEDERAL MANAGEMENT AND BUDGET REQUIREMENTS AND PROCUREMENT STANDARDS

A. Procurement Procedures: Proper procurement procedures must be followed in order to secure any goods and services to be purchased (or reimbursed) with City funds, including the selection of contractors, suppliers and related vendors. As such, City of Milwaukee funded housing production agencies must adhere to the following procurement procedures:

1. Contracts and Purchases under \$1,000 - An agency shall select the source that provides the most appropriate product, at a price most reasonable for the project. In addition, a Property records form must be completed and submitted to CDGA for all purchases of \$300 or greater.
2. Contracts and Purchases From \$1,000 to \$10,000- An agency must document that it has contacted at least three bonafide sources and has selected the source that provides the most appropriate product, at a price most reasonable for the project.

3. Contracts and Purchases From \$10,001 to \$50,000 - Agencies must request proposals from at least three bonafide sources. Requests for proposals must be in writing and provide all contractors, vendors, and suppliers the same information and opportunity to "walk-through" a project, if appropriate. Additionally, copies of all bids received and a bid tabulation sheet that justifies contractor selection must be maintained for each project. In order for a bid to be acceptable, it should be from bonafide contractors, licensed in the City of Milwaukee, be signed and dated, and include a complete list of activities to be performed, and/or materials and services to be provided.
 4. Contracts and Purchases Greater than \$50,000 - All Requests for Proposals greater than \$50,000 must be advertised in either the Milwaukee Journal Sentinel or the Daily Reporter. Additionally, copies of all bids received and a bid tabulation sheet that justifies contractor selection must be maintained for each project. In order for a bid to be acceptable, it must be from bonafide contractors, licensed in the City of Milwaukee, be signed and dated, and include a complete list of activities to be performed, and or materials and services to be provided. Failure to follow these procurement procedures will result in a Finding during a CDGA monitoring visit and may require the agency to "payback" all Federal funds disbursed using non-Federal funds.
 5. Any deviation from these standards will/shall result in non-payment of costs reported unless written documentation adequate in the sole judgment (discretion) of CDGA, to establish compliance with HUD federal procurement standards is submitted to and approved by CDGA.
 6. Notwithstanding the foregoing, if CONTRACTOR is designated by the CITY as a Community Housing Development Organization (CHDO) under a CHDO Agreement for the program year covered by this Agreement, procurement standards and procedures shall be governed by the terms and provisions of such CHDO Agreement.
- B. Contractor Award Criteria: City of Milwaukee funded housing agencies should adhere to the following criteria when selecting contractors to perform production activities:
1. Contracts may not be awarded to debarred, suspended, or otherwise ineligible contractors. The CONTRACTOR must comply with all Federal, State, and Local laws, rules and regulations, in addition to the provisions of Section II.D. of this Agreement. The City of Milwaukee will not pay for work performed by any firm that is de-barred or not otherwise eligible to be awarded work. The Agency is responsible for reviewing the HUD debarred and suspended list, and for rejecting bids from ineligible contractors. The list is updated regularly and can be accessed via the internet at: <http://epls.arnet.gov/> Only the eligibility of the prime contractor must be verified and documented. Subcontractor clearance is the responsibility of the prime contractor
 2. The contractor/vendor will provide products and service that meet the appropriate specifications, including start and completion time requirements.
 3. The firm is a bona fide business with experience in the work they are proposing to do.
 4. The company has a good record of doing business and/or a good reputation with customers, peers, and suppliers.

5. The business has all required licenses, certifications, and qualifications.
 6. The price is competitive, reasonable and market-based (as explained in paragraph 8 below).
 7. Utilize to the greatest extent possible, a Minority, Women-Owned, or Disadvantaged Business Enterprise.
 8. CDGA seeks to purchase from local (i.e. City of Milwaukee-based) vendors/contractors. ***Unless there are extenuating circumstances, a lower quote may not be "reasonable and market-based" if it deviates from staff's cost estimate and/or the average of the other bidders' prices by 15% or more.***
 9. Any deviation from these standards will/shall result in non-payment of costs reported unless written documentation adequate in the sole judgment (discretion) of CDGA, to establish compliance with HUD federal procurement standards is submitted to and approved by CDGA.
- C. OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-102: The CONTRACTOR will comply with all applicable provisions of OMB Circular A-102 and 24 CFR § 85.36, (as amended) relating to procurement procedures with federal grant funds, as more specifically set forth in Attachment I hereto. (CIRCULAR A-102 may be amended from time to time.
- D. BONDING and INSURANCE (RE: OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-110 as amended 09-30-1999)
1. A state or local unit of government which requires contracting for construction or facility improvement shall follow its own requirements relating to bid guarantees, performance bonds and payments bonds except for contracts exceeding \$100,000, the minimum requirements shall be as follows:
 - a. A bid guarantee from each bidder equivalent to five percent of the bid price. The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.
 - b. A performance bond on the part of the contractor for 100 percent of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
 - c. A payment bond on the part of the contractor for 100 percent of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.
- E. CONTRACTOR shall comply with all applicable provisions of the Standards for Grantee Financial Management System. (Subpart C.21) RE: OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-110, as amended 09-30-1999.
- F. CONTRACTOR shall comply with all applicable provisions of the Property Management Standards (Subpart C.32). RE: OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-110, as amended 09-30-1999.

- G. CONTRACTOR shall comply with all applicable provisions of the Cost Principles for State and Local Government. RE: OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-87, as amended.
- H. CONTRACTOR shall comply with all applicable provisions of the Cost Principles for Nonprofit Organizations. RE: OFFICE OF MANAGEMENT AND BUDGET CIRCULAR A-122, as amended 05-10-2004.

XXX. OTHER PROVISIONS.

- A. COPYRIGHTS. If this Contract results in book or other copyright-able materials, the author is free to copyright the work, but the appropriate federal agency involved reserves a royalty-free nonexclusive and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use all copyrighted material and all materials which can be copyrighted.
- B. PATENTS. Any discovery or invention arising out of or developed in the course of work aided by this Contract shall be promptly and fully reported to the appropriate federal agency involved for determination by it as to whether patent protection on such invention or discovery shall be sought and how the rights in the invention or discovery, including rights under any patent issued thereupon, shall be disposed of and administered, in order to protect the public interest.
- C. LEAD-BASED PAINT. 24 CFR Section 570.608 - If the Contract involves construction or rehabilitation of residential structures with assistance provided under this agreement, it is subject to the lead-based paint regulations set forth in 24 CFR Part 35.
- D. "SECTION 3" OF THE HOUSING AND URBAN DEVELOPMENT ACT OF 1968 (12 U.S.C. 1701(u)). The CONTRACTOR agrees to comply with the provisions set forth in **Attachment H** hereto relating to Section 3 of the Housing and Urban Development Act of 1968.
- E. COMPLIANCE WITH AIR AND WATER ACTS. With respect to non-exempt transactions to carry out the purposes of the Housing and Community Development Act of 1974, the CONTRACTOR shall be required to provide:
 - 1. A stipulation by the CONTRACTOR or subcontractor that any facility to be utilized in the performance of any non-exempt Contract or subcontract is not listed on the list of Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 CFR 15.20.
 - 2. Agreement by the CONTRACTOR to comply with all the requirements of Section 114 of the Clean Air Act, as amended (42 USC 1657c-8) and Section 308 of the Federal Water Pollution Control Act, as amended (33 USC 1318), relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in said Section 114 and Section 208, and all regulations and guidelines issued thereunder.
 - 3. A stipulation that as a condition for the award of the Contract prompt notice will be given of any notification received from the Director, Office of Federal Activities EPA, indicating that a facility utilized or to be utilized for the Contract is under consideration to be listed on the EPA list of Violating Facilities.
 - 4. Agreement by the CONTRACTOR that it will include or cause to be included the criteria and requirements in paragraphs 1 through 4 of this section in every non-

exempt subcontract and requiring that the CONTRACTOR will take such action as the government may direct as a means of enforcing such provisions.

XXXI. FAIR HOUSING. The CONTRACTOR will comply with all requirements of 24 CFR Part 14, dated January 23, 1989 and the CITY's ordinance, Common Council file 892540, adopted October 16, 1990, with regard to all Fair Housing issues.

XXXII. FEDERAL LABOR LAWS.

- A. 40 USC § 3701 (formerly the Contract Work Hours and Safety Standards Act). All contracts in an amount in excess of \$100,000 shall include a provision mandating compliance with section 40 U.S.C. section 3701 concerning Contract Work Hours and Safety Standards.
- B. Copeland Anti-Kickback Act. All contracts for construction and repair shall include a provision mandating compliance with the Copeland "Anti-Kickback" act (42 USC 874) as supplemented by Department of Labor Regulations (29 CFR Part 3).
- C. Davis-Bacon Act. Except with respect to the rehabilitation and /or new construction of residential property designed for residential use for less than twelve Units, the CONTRACTOR and any subcontractors engaged under contracts for the construction, execution, completion or repair of any building or work financed in whole or in part with HOME funds under this Contract shall comply with the Davis-Bacon Act (40 USC 276a) governing the payment of minimum wages, as supplemented by the regulations of the Department of Labor (29 CFR Part 5); however, if wage rates higher than those required under such regulations are imposed by State or Local law, nothing hereunder is intended to relieve the CONTRACTOR of its obligations, if any, or require payment of higher rates.

XXXIII. COMPLIANCE WITH ALL APPLICABLE REQUIREMENTS OF THE GOVERNMENT. In addition to the requirements as set forth herein, the CONTRACTOR or subcontractor performing any work or furnishing any materials hereunder shall comply with all applicable federal and state laws and regulations and all applicable ordinances of the City of Milwaukee with respect to equal employment opportunities, minimum wage, anti-kickback regulations, federal labor standards, the Hatch Act (U.S. Code Title 5 §§1501 - 1508), and any other requirements imposed by the Secretary of HUD or the Secretary's representative. Contractors and subcontractors shall be required to furnish performance bonds, non-collusion affidavits, affidavits of no interest, indemnity agreements or any other protective legal instruments or other protective documents which may be required under applicable laws, ordinances, resolutions or regulations.

XXXIV. ATTACHMENTS AS PART OF CONTRACT. In addition to the requirements as set forth herein, the CONTRACTOR shall comply with the terms and provisions of each and every Attachment appended hereto as if such provisions were fully set forth herein.

XXXV. HOUSING PRODUCTION AND NEIGHBORHOOD IMPROVEMENT PROJECTS (NIP)
ADDITIONAL PROJECT REQUIREMENTS

Housing Production - The objective of this Project is to construct new housing units and/or to acquire, rehabilitate, and dispose of units of housing (as described in Attachment A to this Agreement) in a targeted neighborhood. The goal of the Project is to assist low and moderate income families in their obtaining housing that is affordable. An additional goal is to stabilize specific blocks within the targeted neighborhood.

A. **As a housing producer, the CONTRACTOR agrees to the following:**

1. To follow all operating procedures as detailed in the appropriate housing handbook for both the use of CDBG and HOME funds; (to be provided by CDGA)
2. To attend and participate in the annual housing production meeting and other training programs to be held in 2011 as directed by CDGA;
3. To attempt to develop ten percent (10%) of this year's units as handicap accessible units;
4. To provide HUD approved lead based paint notifications to each unit occupant;
5. To include the following information in its project records:
 - a. Address of the property;
 - b. Number of residential dwelling units occupied by assisted households;
 - c. The type of Housing Assistance provided;
 - d. The program funding source(s) and amount(s) of Federal assistance provided; and
 - e. The name of the household or person assisted:
 - (1) The income category (i.e., very low-income (0 to 30% of CMI), low-income (31 to 50% of CMI) or low-moderate income (51 to 80% of CMI); and
 - (2) The head of household's racial/ethnic group identification.
6. To provide a Project Setup Checklist containing the following information for each HOME-assisted project:
 - (1) Project Description
 - (2) A Completed Planning Review from DCD
 - (3) Rehabilitation plans and Scope of Work
 - (4) Photographs of the property and street scene
 - (5) Offer to Purchase
 - (6) Lender/Financing Commitment Letter
 - (7) Proforma or operating statement
 - (8) Monthly payment analysis for prospective purchaser
 - (9) Detailed Rehabilitation cost estimate
 - (10) Development budget which identifies all expenses and sources of funds
 - (11) As-is and After Rehab appraisal
 - (12) Relocation strategy
 - (13) Seller notification letter
 - (14) Tenant information for occupied units
 - (15) HP-24 Form
 - (16) HUD Setup Form (HUD 40096)
7. To provide a Project Completion Checklist containing the following information for each HOME-assisted project:
 - (1) Homebuyer/Homeowner Rehab Completion Form (HUD40096) must include all units rehabbed at the property.
 - (2) Certificate of Code Compliance (All Units)
 - (3) Copy of Executed Covenant
 - (4) Loan/mortgage/deed restriction documents, when required by CDGA
 - (5) Copy of Loan Agreement (Rental Only)

- (6) Census Long Form Calculation of Income Worksheet
- (7) Certification of Household Size and Income
- (8) Home Regulatory Checklist

1. **Neighborhood Improvement Project (NIP)** – The objective of this Project is to rehabilitate owner occupied properties in CDBG target area. The goal of the Project is to assist low-income families in maintaining and staying in their homes by correcting municipal code violations, addressing lead-based hazards and providing security items to protect occupants. An additional goal is to stabilize neighborhoods within the target area.

B. As a NIP Provider, THE CONTRACTOR agrees to the following:

1. To follow all operating procedures as detailed in the **Neighborhood Improvement Project Handbook for both the use of CDBG and HOME funds**; (to be provided by CDGA);
2. To attend and participate in the annual NIP meeting and other training programs to be held in 2011 as directed by CDGA;
3. To provide HUD approved lead based paint notifications to each unit occupant;
4. To include the following information in its project records:
 - a. Address of the property;
 - b. Number of residential dwelling units occupied by assisted households;
 - c. The type of Housing Assistance provided;
 - d. The program funding source(s) and amount(s) of Federal assistance provided;
 - e. The name of the household or person assisted:
 - (1) The income category (i.e., very low-income (0 to 30% of CMI), low-income (31 to 50% of CMI) or low-moderate income (51 to 80% of CMI);
 - (2) The head of household's racial/ethnic group identification.
5. To provide a Project Setup Checklist containing the following information for each HOME- assisted project:
 - a. Client Application
 - b. Signed Release of Information Statement from applicant
 - c. Notarized financial status form for persons claiming to have no income
 - d. Tenant information form, if applicable
 - e. Proof of paid property taxes or taxes being paid on a current installment plan
 - f. Statement from Mortgage Company showing that the mortgage is current
 - g. If mortgage has been paid off, a copy of the Mortgage satisfaction document
 - h. Proof of current Homeowners Insurance (declaration page)
 - i. Proof of ownership of property (copy of deed)
 - j. Income Verification-Source documents: most recent tax returns, W2 forms, 2 most recent check stubs, pension and SSI statements, rental income, etc. (additional documents may include Assets information, savings, checking, 401K, etc.)
 - k. Copies of most recent utility bills. (if in arrears an acceptable payment arrangement must be made by customer and a copy placed agency for client file)
 - l. Lead test results
 - m. Copy of death certificate if an owner on title is deceased
 - n. Copy of divorce papers if there is a question of joint ownership
 - o. Completed and Notarized Eligibility Affidavit
 - p. NIP Setup Form
 - q. Copy of Setup letter

- r. Homeowner Rehab Setup and Completion Form (Sections A-E).
6. To provide a Project Completion Checklist containing the following information for each HOME assisted project:
- a. Project Rehab Completion Form (CDA-36, and HPG-13 with DNS sign-off). Must include all units rehabbed at the property.
 - b. Job Cost Report Form 1a and 1b, if applicable
 - c. Satisfactory Lead test Results from City of Milwaukee Health Department, if applicable
 - d. Copy of Executed Covenant, and Regulatory Agreement, if applicable
 - e. Loan/mortgage/deed restriction documents, as required by CDGA
 - f. Homeowner Rehab Setup and Completion Form (Sections F-I).
 - g. Home Regulatory Checklist

C. LOW AND MODERATE INCOME HOUSING REQUIREMENTS

In connection with this contract, THE CONTRACTOR will utilize HOME funds to provide subsidy for housing development for low and moderate income families. As a condition of the use of HOME funds the Project agrees to comply with all relevant HOME regulations as found in 24 CFR Part 92 and in the Handbook for Housing Producers(to be provided by CDGA). The following conditions apply to all HOME funds expended or accepted after May 27, 1992. These conditions are binding during the applicable period of affordability for all HOME assisted properties. Evidence of agreement to these conditions, signed by the CONTRACTOR/Owner, shall be recorded at Register of Deeds of Milwaukee County and kept on file for all HOME assisted properties.

1. **Period of Affordability.** The applicable period of affordability for a HOME-assisted unit shall be determined according to the per unit amount of HOME funds expended, as set forth in the following table:
- \$1,000 – 14,999 = 5 years
 - \$15,000 – 40,000 = 10 years
 - More than \$40,000 = 15 years
 - New Construction = 20 years

2. **Occupancy Controls – Rental Units**

- a. For HOME assisted projects containing rental units,
 - (1) 20% of Units must be below 50% of CMI;
 - (2) 90% of Units must be below 60% of CMI; and
 - (3) 10% of Units must be below 80% of CMI.
 - (4) All beneficiaries must be below 80% of CMI;
 - (5) Minimum HOME investment averages \$1,000 per Unit.
- b. **Initial Annual Income Re-Certification** - The CONTRACTOR agrees to conduct initial annual income re-certifications upon the request of CDGA, or at the option of CDGA, to grant CDGA access to its records and the units to conduct such reviews. The CONTRACTOR will provide documentation, subject to CDGA approval, that incomes of tenants have been checked and meet program income eligibility requirements. This documentation shall be received by CDGA upon initial occupancy of the tenant(s) no later than thirty days after occupancy and should include all units occupied. This provision shall not apply to the City's Department of City Development which is

required to conduct its own income certifications and submit the information to CDGA on or before September 30, 2011. Notice to tenant of review shall be contained in the lease.

- c. Annual Income Re-Certifications: Rent Reviews- As required by the U.S. Department of Housing & Urban Development under the HOME program, the City of Milwaukee-Department of Neighborhood Services will conduct annual rent reviews. The CONTRACTOR agrees to conduct annual rent reviews upon the request of CDGA, or at the option of CDGA, to grant CDGA access to its records and the units to conduct such reviews. These rent reviews will certify that the rents charged are within the allowable HOME program limits of the U. S. Department of Housing and Urban Development. The certification documentation shall be submitted by DNS along with the Annual Income Re-certification and is due to CDGA at the end of the program year. This provision shall not apply to the City's Department of City Development which is required to conduct its own income re-certifications and submit the information to CDGA.
- d. Equal Opportunity and Fair Housing- The CONTRACTOR agrees to not discriminate against or deny participation of any person(s) in any HOME assisted activity as provided in 24 CFR part 92 of the HOME Regulations.
- e. Inspections - HOME assisted projects with rental units will be inspected by the City of Milwaukee-Department of Neighborhood Services (DNS), for compliance with City of Milwaukee building codes according to the following schedule:

1-4 Units = Every 3 Years
5-24 Units = Every 2 Years
25 Units or more = Annually

Tenant and participant protections. (Sec. 92.253)

- (1) Lease. The lease between a tenant and an owner of rental housing assisted with HOME funds must be for not less than one year, unless by mutual agreement between the tenant and the owner.
- (2) Prohibited lease terms. The lease may not contain any of the following provisions:
 - (a) Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
 - (b) Treatment of property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;
 - (c) Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;

- (d) Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
 - (e) Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
 - (f) Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;
 - (g) Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
 - (h) Tenant chargeable with cost of legal actions regardless of outcome. A greement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
- (3) Termination of tenancy. An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME funds except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing; or for other good cause. To terminate or refuse to renew tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action at least 30 days before the termination of tenancy.
- (4) Tenant selection. An owner of rental housing assisted with HOME funds must adopt written tenant selection policies and criteria that:
- (a) Are consistent with the purpose of providing housing for very low-income and low-income families;
 - (b) Are reasonably related to program eligibility and the applicants' ability to perform the obligations of the lease;
 - (c) Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and
 - (d) Give prompt written notification to any rejected applicant of the grounds for any rejection.

[61 FR 48750, Sept. 16, 1996, as amended at 67 FR 61756, Oct. 1, 2002]

C. FOR HOUSING PRODUCTION (ARS and NEW CONSTRUCTION):

The Contractor, as the sponsor of a Housing Production Project, agrees to certify that the sale of housing developed using HOME funds is to qualified first-time home buyers. A qualified first-time homebuyer is one who has not owned and occupied a home as a principal residence for three years prior to receiving HOME assistance. The homebuyer must also be low-income.

D. RESALE PROVISIONS: The following requirements shall be imposed by the CONTRACTOR on forms approved by CDGA for resale of HOME-assisted properties to eligible low-income buyers:

1. Principal Residence: The buyer must agree to occupy the unit as a principal residence for the applicable period of affordability. The buyer must agree not to move out of or rent the property during the affordability period without providing the CONTRACTOR or the City of Milwaukee the option to repurchase the property. The period of affordability is determined according to the chart set forth in Section XXXV C.1. above. If the unit is assisted using a HUD-insured mortgage, the affordability period is the term of the mortgage.
2. Shared Appreciation: The buyer of housing developed/assisted with HOME funds must agree to repay to the City any appreciation realized on the sale of the property prior to the expiration of the period of affordability. This obligation will be enforced through written agreements between the homebuyer and the City in forms approved by CDGA. (These may include loan agreements, promissory notes, and/or mortgages and restrictive covenants).
3. Reporting of Tenant Information: The CONTRACTOR when conveying housing developed/assisted with HOME funds agrees that the deed shall contain a recorded restriction in a form approved by CDGA. The recorded restriction shall require the buyer to annually report not later than October 15 of each successive year the name, address, level of income, family size, unit size, and the rent charged for each unit(s) claimed. This information shall be reported by the CONTRACTOR to the Community Development Grants Administration no later than November 1, of the same year. All purchasers of housing developed/assisted with HOME funds must agree to the recording of an lien or encumbrance on the property, (in a forms approved by CDGA, which may include loan agreements, promissory notes, and/or mortgages and restrictive covenants) which will require repayment of HOME funds if the property is sold or transferred before the expiration of the Period of Affordability.

E. METHOD OF PAYMENT.

Reimbursement Basis. The HOME Program operates on a reimbursement basis. All claimed costs must be paid before submission of reimbursement requests. Any act(s) of non-compliance will require the entire amount of HOME subsidy to be repaid to the HOME Investment Partnership Account as required by 24 CFR part 92.

1. Acquisition: For the acquisition of property using HOME funds the following documents are required for the processing of requests for reimbursement: HPG-13 (Payment Request) and closing statement.
2. Other Draws (Rehab, Holding, Taxes, etc.): For rehab, holding, taxes and other draws, a HPG-13 (Payment Request) and CDA-71 (Schedule of Paid Costs) are required for processing.
3. Final Payment: The final 10% of the project development budget shall be withheld until the "Certificate of Occupancy" or the "Certificate of Code Compliance" is received by CDGA:

Housing Production: The following documents must be provided to CDGA for each HOME-assisted project within 30 days of property sale/closing:

- a. HPG-13 HOME Payment Request

- b. Homebuyer/Homeowner Rehab Completion Form (HUD40096) must include all units rehabbed at the property.
- c. Certificate of Code Compliance (All Units)
- d. Copy of Executed Covenant
- e. Loan/mortgage/deed restriction documents, when required by CDGA
- f. Copy of Loan Agreement (Rental Only)
- g. Census Long Form Calculation of Income Worksheet
- h. Home Regulatory Checklist

In addition, the HUD 1 settlement statement should be submitted by the close of the next business day following property sale/closing.

- 4. Summary of Costs: Those development projects that involve HOME assistance to only a portion of the total number of units developed must provide a documented summary of costs. This summary will reflect all sources of revenue and expenditure as well as the ratio of HOME costs to Total Development Costs.
- 5. All disbursements of HOME funds for hard costs in connection with Housing Production activities shall be made pursuant to an escrow disbursing agreement with a Title Company selected by CDGA.

F. LEAD-BASED PAINT REGULATIONS.

The contractor will comply with all applicable laws and regulations, whether federal, state, or local, relating to lead-based paint in HOME-assisted properties. Applicants must utilize State of Wisconsin lead-certified subcontractors and/or rehabilitation crews and supervisors. All work must be performed in a lead safe manner as per the CDGA Lead Reduction Policy. All completed work must have a lead wipe test conducted with subsequent clearance by the City's Health Department.

G. CONFLICT WITH CDGA PROGRAM PROVISIONS.

To the extent that any CDGA Program provision of this contract conflicts with any HOME provision, the HOME provision of this contract shall control.

H. FORECLOSURE.

In the event there is instituted a proceeding to foreclose any mortgage or other lien encumbering the Property, on the part of any holder thereof, Owner shall be liable to repay that portion of the HOME Program Note equal to the net sale proceeds available to the City after the Property is sold and all senior liens are paid and satisfied in full.

CITY OF MILWAUKEE,
A Municipal Corporation

By: _____
(Community Development Grants Administration Director, CDGA)

Date: _____

CONTRACTOR:

DUNS Number: _____

By: _____ Title: _____

Date: _____

By: _____ Title: _____

Date: _____

Countersigned:

(City Comptroller)

Date: _____

Examined and approved as to form
and execution this _____ day of
_____, 201____.

Assistant City Attorney

CERTIFICATE REGARDING CORPORATE AUTHORITY

The undersigned hereby certify, represent and warrant that they are the duly elected Board Officer(s) or member of the Board of Directors of _____, a corporation organized and existing under the laws of the State of _____ (the "Corporation"), incumbent in the offices set forth below their respective signatures, and as such officers they are familiar in general with the Corporation's affairs, properties and records and in particular with the contract to which this Certificate relates.

Reference is made to that certain Contract for Services ("Contract"), dated as of _____, 201_____, between the Corporation and the City of Milwaukee, Wisconsin (the "City").

As an inducement for the execution and delivery of the Contract by the City, the undersigned, on behalf of the corporation, do hereby certify to the City as follows:

1. The Corporation is a corporation duly organized and validly existing in good standing under the laws of the State recited in the first paragraph of this Certificate.
2. The Corporation is licensed or authorized to do business in Wisconsin.
3. The Corporation has full corporate right, power and authority to enter into, execute and deliver the Contract and to perform its obligations thereunder.
4. The execution, delivery and performance by the Corporation of the Contract has been authorized by all necessary corporate action on the part of the Corporation.
5. The person named below was on the date hereof, and was on the dates of the execution of the Contract, the duly elected (or appointed) and qualified incumbent of the office of the Corporation set for below with his/her signatures:

Name	Title	Signature
_____	_____	_____
_____	_____	_____

The Contract has been duly executed and delivered on behalf of the Corporation by such person, who is authorized so to do, and the Contract constitutes a legal, valid and binding obligation of the Corporation in accordance with its terms.

6. No authorization, approval, consent or license of any regulatory body or authority, not already obtained, is required on the part of the Corporation for the valid and lawful authorization, execution and delivery of the Contract and the assumption by the Corporation of the obligations represented thereby.
7. The execution and delivery of the Contract and the assumption by the Corporation of the obligations represented thereby will not conflict with, violate or constitute a breach of, or default under the Corporation's Articles of Incorporation or Bylaws or any commitment, indenture, agreement, instrument or court or regulatory order to which the Corporation is a party or by which it or any of its properties are bound.

8. On the date hereof, the Corporation has delivered to the Parties certain Resolutions of its Board of Directors. These Resolutions were in full force and effect on the dates of the execution and delivery of the Contract and continue to be in full force and effect on the date hereof.

Dated this _____ day of _____, 201_____.

(NAME OF CORPORATION)

By: _____

Title: _____

By: _____

Title: _____

(CORPORATE SEAL)

LIST OF ATTACHMENTS

<u>Attachment A:</u>	Scope of Services
<u>Attachment B:</u>	Administrative Policies and Procedures for the City of Milwaukee's Community Development Grants Program
<u>Attachment C:</u>	Required Reports
<u>Attachment D:</u>	Executive Order 11246; Equal Opportunity Clause
<u>Attachment E:</u>	Rehabilitation Act of 1973
<u>Attachment F:</u>	Insurance Requirements
<u>Attachment G:</u>	Program Income (Revolving Fund Policy)
<u>Attachment H:</u>	Section 3 of the Housing and Urban Development Act of 1968 - 12 USC §1701(u)
<u>Attachment I:</u>	Federal Management and Budget Requirements and Procurement Standards
<u>Attachment J:</u>	Cash Advance Policy
<u>Attachment K:</u>	Affirmative Marketing Policy
<u>Attachment L:</u>	Performance – Based Measurement System

NOTICES SENT TO FOR FILE : 110908

[illegible]



Legislation Details (With Text)

File #:	110572	Version:	1
Type:	Resolution	Status:	In Committee
File created:	9/1/2011	In control:	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE
On agenda:		Final action:	
Effective date:			
Title:	Substitute resolution relative to the acceptance and funding of a United States Department of Labor Green Jobs Innovation Funds Grant.		
Sponsors:	THE CHAIR		
Indexes:	COMMUNITY BLOCK GRANT ADMINISTRATION, COMMUNITY DEVELOPMENT BLOCK GRANT, FEDERAL GRANTS, JOBS		
Attachments:	Cover Letter, Green Jobs Innovation Fund Budget, Jobs For The Future Letter		

Date	Ver.	Action By	Action	Result	Tally
9/1/2011	0	COMMON COUNCIL	ASSIGNED TO		
10/25/2011	1	CITY CLERK	DRAFT SUBMITTED		

Number

110572

Version

SUBSTITUTE 1

Reference

Sponsor

THE CHAIR

Title

Substitute resolution relative to the acceptance and funding of a United States Department of Labor Green Jobs Innovation Funds Grant.

Analysis

This resolution allows the City of Milwaukee to accept the subaward from the Jobs for the Future Inc. in the amount of \$901,200.

Body

Whereas, The City of Milwaukee received notification as a subrecipient of a subaward from the Jobs for the Futures Inc. in the amount of \$901,200. This grant is from the U. S. Department of Labor, in connection with the Workforce Investment Act - for a project titled "Green Jobs Innovation Fund"; and

Whereas, The operation of this grant from July 1, 2011 through June 30, 2014 would costs \$901,200 which will be provided by the Jobs for the Future Inc.; now therefore, be it

Resolved, By the Common Council of the City of Milwaukee, the Community Development Grants Administration shall accept this grant without further approval unless the terms of the grant change as indicated in Section 304-81, Milwaukee Code of Ordinances; and, be it

Further Resolved, That the City Comptroller is authorized to:

1. Commit funds within the Project/Grant Parent of the 2011 Special Revenue Grant And Aid Project Funds, the following amounts for the program/project titled Jobs for the Future; Workforce Investment Act-Green Jobs Innovation Fund:

<u>Project/Grant</u>	<u>Fund</u>	<u>Org</u>	<u>Program</u>	<u>BY</u>	<u>SubClass</u>	<u>Acct</u>
GR0001100000	0150	9990	0001	0000	R999	000600

<u>Project</u>	<u>Amount</u>
Grantor Share	\$901,200

2. Create the necessary Grant and Aid Project/Grant and Project/Grant levels; budget against these Project/Grant values the amount required under the grant agreement;
3. Establish the necessary City Share Project values; and, be it

Further Revolved, That these funds are budgeted for the Community Development Grants Administration which is authorized to:

1. Expend from the amount budgeted for specified purposes as indicated in the grant budget and incur costs consistent with the award date;
2. Enter into subcontracts as detailed in the grant budget.

Requestor
Drafter
CDGA-Green Jobs
10/25/11

TO: The Honorable, Common Council
City of Milwaukee

FROM: Steven L. Mahan
Director

DATE: August 25, 2011

RE: Title Only Resolution for Introduction

Attached is a Title only resolution regarding a Green Jobs grant as a subaward from Jobs for the Future, Inc. that seeks the approval from the Common Council.

If you have any questions please call Darlene Hayes at extension 3844.

Attachment

TITLE ONLY GREEN JOBS

JOBS FOR THE FUTURE, INC.
GREEN JOBS INNOVATION FUND BUDGET

July 1, 2011 to June 30, 2014

	<u>Award</u>
Urban Strategies	170,000
Housing Authority of the City of Milwaukee	310,000
Housing Authority of the City of Milwaukee	330,000
	<hr/>
	810,000
Community Development Grants Admin	76,200
Comptroller - Indirect costs	<u>15,000</u>
Total Project Costs	<u><u>901,200</u></u>

JOBS FOR THE FUTURE

CDGA
2011 OCT 13 AM 11:34

October 4, 2011

Steven Mahan, Director
Community Development Grants Administration
City of Milwaukee
City Hall
200 E. Wells Street
Milwaukee, WI 53202

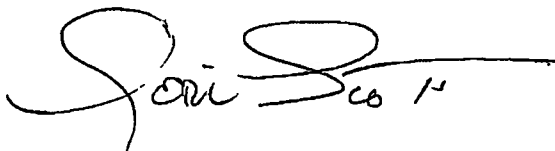
Dear Mr. Mahan:

Jobs for the Future confirms that the City of Milwaukee, as a member of and fiscal sponsor for the Milwaukee Area Workforce Funding Alliance, will receive an award in the amount of \$901,200 as a sub-recipient through Jobs for the Future's Green Jobs Innovation Fund award from the US Department of Labor. The period of performance for the grant is July 1, 2011 through June 30, 2014 to carry out the work plan described in Jobs for the Future's approved proposal submitted in response to SGA /DFA PF-10-07.

Through this grant, the Milwaukee Area Workforce Funding Alliance will develop sub-contracts to carry out two green sector career advancement workforce partnership programs, including one for alternative fuel auto technicians and one for solar thermal installers.

Attached is the subaward agreement, statement of work, proposed budget, and other attachments for this subaward. Please review these documents and let me know if you have any questions regarding them. If you and the Milwaukee Area Workforce Funding Alliance are satisfied with the agreement, please sign two originals and return them to me so that we can fully execute the award.

Sincerely,



Gerri Scott
Program Director

cc: Kathryn Dunn
Gil Llanas
Karen Gotzler

NOTICES SENT TO FOR FILE : 110572

[illegible]



Legislation Details (With Text)

File #:	110915	Version:	0
Type:	Resolution	Status:	In Committee
File created:	11/2/2011	In control:	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE
On agenda:		Final action:	
Effective date:			
Title:	Resolution authorizing the transfer of the 2012 Community Development Block Grant and 2012 HOME funding for Neighborhood Improvement Project activities from the YMCA-Community Development Corp. to the Community First Inc. organization.		
Sponsors:	THE CHAIR		
Indexes:	COMMUNITY BLOCK GRANT ADMINISTRATION, COMMUNITY DEVELOPMENT BLOCK GRANT, HOUSING		
Attachments:	Cover Letter, YMCA Letter		

Date	Ver.	Action By	Action	Result	Tally
11/2/2011	0	COMMON COUNCIL	ASSIGNED TO		

Number

110915

Version

ORIGINAL

Reference

Sponsor

THE CHAIR

Title

Resolution authorizing the transfer of the 2012 Community Development Block Grant and 2012 HOME funding for Neighborhood Improvement Project activities from the YMCA-Community Development Corp. to the Community First Inc. organization.

Analysis

Body

Whereas, The YMCA-Community Development Corp. has notified the Community Development Grants Administration (CDGA) in the attached letters of their plan to transfer their Community Development Block Grant (CDBG) funding, and HOME funding for the Neighborhood Improvement Project activities to Community First, Inc.; and

Whereas, The amount of 2012 funding to be transferred to Community First, Inc. will be as follows: CDBG \$198,801, and HOME \$735,000. The transfers of funds are effective January 1, 2012; now therefore, be it

Resolved, That the Common Council of the City of Milwaukee hereby approves the transfer of funding and shelter activity as stated above from the YMCA-Community Development Corp. to Community First, Inc.; and, be it

Further Resolved, That Community First, Inc. shall submit budget and activity reports in amounts and according to any conditions approved by the Common Council and in accordance with File Number

74-92-5v, to the Community Development Grants Administration and the City Comptroller for review and approval; and, be it

Further Resolved, That payments for CDBG and HOME costs incurred shall be paid in accordance with approved CDBG and HOME reimbursement policy based on the approval by the Community Development Grants Administration and the City Comptroller; and, be it

Further Resolved, That except as modified by this resolution, the guidelines for handling the Community Development Block Grant Program set forth in Common Council File Number 74-92-5v are fully applicable to the Community Development Entitlement Funding Program.

Requestor
Drafter
CDGA-CommFirst
10/26/11

TO: The Honorable, Common Council
City of Milwaukee

FROM: Steven L. Mahan
Director

DATE: October 26, 2011

RE: Resolution for Introduction

Attached is one Original Resolution regarding the 2012 YMCA-Community Development Corp that seeks the approval from the Common Council.

If you have any questions please call Darlene Hayes at extension 3844.

Attachments



CDGA
2011 OCT 26 PM 2:01

October 24, 2011

Mr. Steven Mahan
Community Block Grant Director
City Hall
200 East Wells Street, Room 606
Milwaukee, WI 53202

Re: Disposition of YMCA Neighborhood Improvement Project & Funds

Dear Steven,

The housing and economic needs of the city of Milwaukee are growing. To help and address those needs a new nonprofit was created; one that is completely independent of the Y and whose primary mission is to improve the housing stock and the property values within the city of Milwaukee. This new 501 (c) (3) organization is named Community First.

To that end, the YMCA of Metropolitan Milwaukee is completely supportive of the proposal to use all of the CDBG & HOME funds for the Neighborhood Improvement Project allocated to the Y in 2012 and beyond and to transfer them in total to the Community First organization.

We believe this is a good investment for the city of Milwaukee and an important step forward in making Milwaukee a stronger community.

Sincerely,

Bob Yamachika
President and CEO
YMCA of Metropolitan Milwaukee

cc: Mike Soika, VP Urban Strategy and Social Responsibility

YMCA OF METROPOLITAN MILWAUKEE

Association Offices
161 West Wisconsin Avenue, Suite 4000, Milwaukee, WI 53203
P 414.224.9622 F 414.224.0151 ymcamke.org

BOARD CHAIR

Gail A. Lione
PRESIDENT, CEO
Robert Yamachika

NOTICES SENT TO FOR FILE : 110915

[illegible]



Legislation Details (With Text)

File #: 110921 **Version:** 0

Type: Communication-Report **Status:** In Committee

File created: 11/2/2011 **In control:** COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

On agenda: **Final action:**

Effective date:

Title: Communication from the Office of Environmental Sustainability on the City's Sustainability Accomplishments.

Sponsors: THE CHAIR

Indexes: ENVIRONMENT, REPORTS AND STUDIES

Attachments: Green Team report back October 2011

Date	Ver.	Action By	Action	Result	Tally
11/2/2011	0	COMMON COUNCIL	ASSIGNED TO		

Number
110921
Version
ORIGINAL
Reference

Sponsor
THE CHAIR
Title

Communication from the Office of Environmental Sustainability on the City's Sustainability Accomplishments.

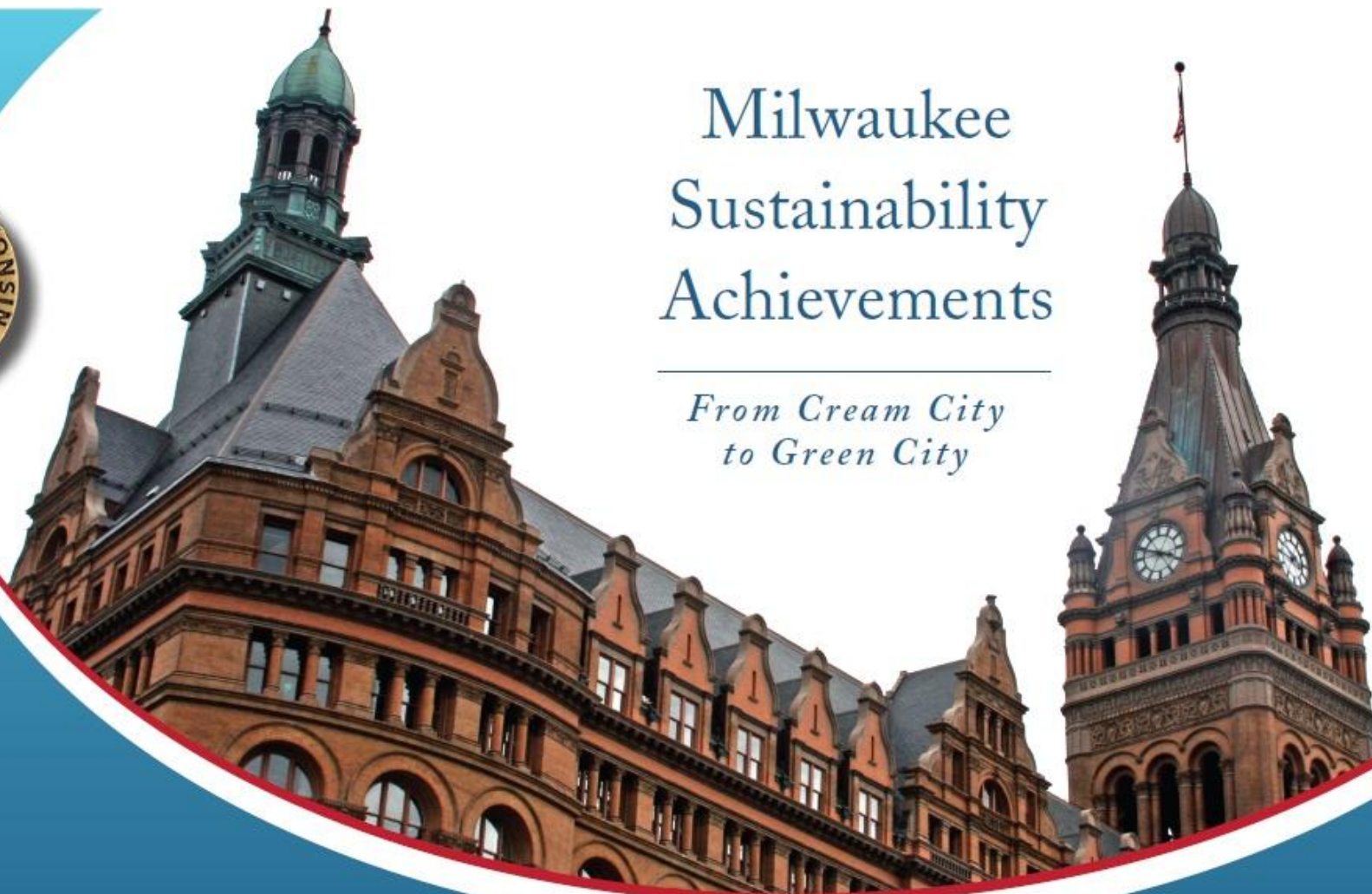
Requestor

Drafter
OES
10/27/11
es



Milwaukee Sustainability Achievements

*From Cream City
to Green City*



Mayor Tom Barrett
(414) 286-2200
mayor@milwaukee.gov
www.milwaukee.gov/mayor



“I want to create an alignment of economic and environmental interests that improve Milwaukee’s quality of life.”

– Mayor Tom Barrett



Mayor Barrett's Environmental Leadership

- Mayor Tom Barrett was named the 2009 “Green Governmental Leader of the Year” by the *Milwaukee Business Journal*
- Milwaukee ranked 12th on SustainLane's U.S. Cities Sustainability Index
- The City and MMSD win 2011 Leadership in Stormwater Management Award from Great Lakes & St. Lawrence Cities Initiative
- Award winning redevelopment of the Menomonee Valley from contaminated brownfields to a thriving eco-industrial area with renewable energy businesses
- Supporting our manufacturing base with sustainability solutions



- “Sustaining, enhancing, and promoting Milwaukee’s natural environmental assets” is one of the Mayor’s six key goals
- Sustainability implemented throughout city government



History of Green Team

- Mayor Barrett convened the Milwaukee Green Team in 2004
- Green Team issued its recommendations in October 2005
- Four Objectives in Green Team Report
 1. Reduce Stormwater Runoff
 2. Develop Smart Energy Policies
 3. Stimulate a Green Economy in Milwaukee
 4. Implement “Cross Cutting” Strategies that Address Multiple Green Objectives



Office of Environmental Sustainability (OES)

- Mayor Barrett created the Office of Environmental Sustainability to:
 - Implement Green Team recommendations
 - Provide policy guidance on environmental issues
 - Conduct outreach to businesses and residents on the City's sustainability efforts and enhance Milwaukee's reputation as a "green" City
 - Seek external funds for the City's sustainability - \$20 million to date
- Ann Beier appointed first director in June 2006; resigned in 2009
- Matt Howard was appointed in June 2010
- OES staffed at four full-time positions + graduate interns
- Community input and collaboration have been a guiding principle
- OES develops practical solutions to improve the environment and economy



City Sustainability Achievements



2005-Present



Reduce Stormwater Runoff

Green Team Recommendation	Accomplished?
Implement a stormwater fee on impervious surfaces	✓
Increase the City's tree canopy on public rights- of ways	✓
Increase use of native plants as part Sustainable Boulevard Plan	✓
Developed multi-lingual public education materials on stormwater BMPs for residential use	✓
Identify and prioritize investments in stormwater improvements	✓
Distribute washing machine magnets that read "Postpone your laundry when it's raining"	✓



Reduce Stormwater Runoff: City Actions

- Over 13 acres of green roof projects
- City-County revitalization of Bradford Beach contains stormwater retention features
- DPW has planted 25,000 trees since 2005
- The “Green Corridor” initiative on S. 6th St. takes a unique community approach to stormwater management
- The City’s public-private preservation and adaptive reuse project at the Brewery reduces stormwater impacts and is the City’s first LEED neighborhood pilot project
- Milwaukee River Green Overlay Zone
- Stormwater bioretention facilities

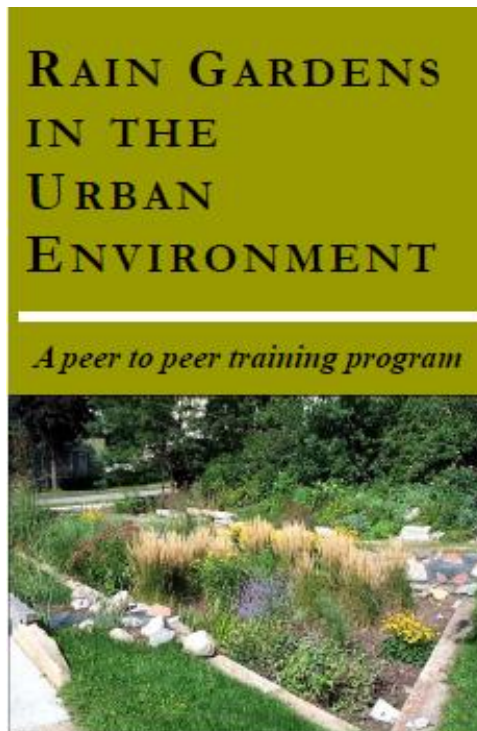


Photo courtesy of UWM



Stormwater and Water Policy

- Ann Beier served on State of Wisconsin Legislative Council Committee on the *Great Lakes Water Resources Compact*
- Milwaukee Water Works' *Use Water Wisely* campaign helps customers find and repair water leaks to conserve the water resource
- Currently applying for Coastal Management grant to incorporate green infrastructure standards into our annual street reconstruction program
- MMSD is a great partner in sustainability
 - *Every Drop Counts*
 - *Fresh Coast Sustainable Water Reclamation* guidebook
 - Landfill gas project, many others





Smart Energy Policies

Green Team Recommendation	Accomplished?
Issue Executive Order to reduce energy consumption in city operations by 15% by 2012	✓
Develop energy performance measures for all City departments	✓
Use performance contracting to upgrade City buildings for energy Efficiency (Safety Academy and LED traffic lights)	✓
Purchase renewable energy blocks for City Hall	✓
Pilot LEED certification for City buildings (LEED silver for City Hall)	✓
Purchase alternative fuel and hybrid vehicles for city fleet (28 hybrid vehicles purchased with more on order)	✓
Support balanced transportation systems	✓
Explore adoption of climate protection plan	✓
Identify energy saving opportunities in City Hall complex	✓



Smart Energy Policies: City Facilities

- Mayor Barrett signed Mayor's Climate Protection Agreement in 2007.
- City has funded more than \$1m in energy efficiency projects since 2005, with additional support from ARRA.
- All City traffic lights have been retrofitted with LED technology, and implemented pilot projects for LED streetlights
- OES formed an Energy Reduction Team of facilities managers from all city departments to coordinate energy efficiency efforts.
- Wind turbine to provide 100%+ of power to Port Administration Building
- "Green bag" lunches and training for city staff on sustainability issues

In 2010, the City's electric and natural gas bills would have been nearly \$1,000,000 higher if not for City's energy efficiency efforts and Co₂ emissions are down 9%



Smart Energy Policies: Transportation

- Mayor developed a *Comprehensive Transit Strategy* including a *Downtown Streetcar* to help Milwaukee compete as global city.
- DPW's fleets include 28 hybrid vehicles with more on order
- DPW has purchased Compressed Natural Gas (CNG) refuse trucks and refueling stations & all City diesel vehicles using biodiesel
- DPW implemented the first Eco-Driving Program in the nation
- Milwaukee Fire Department began using passenger vans to transport workers to off-site training sessions, rather than fire engines.
- DPW wins 2010 Government Green Fleet Award
- OES will be installing up to 5 electric vehicle recharging stations throughout the City in 2011-2012



Milwaukee Energy Efficiency Program

- Me² helps City of Milwaukee homeowners and businesses pay for energy efficiency improvements as they save on their energy bills using innovative financing options
- Me² provides homeowners with step-by-step assistance and financial incentives to upgrade their home
- Me² helps you businesses finance energy efficiency projects to improve their income and cash flow from day 1
- \$12m competitive grant from US DOE to leverage \$40m in private capital for Milwaukee homeowners and businesses
- Community Workforce Agreement to create good paying green jobs for Milwaukee residents



Green Economy



Green Team Recommendation	Accomplished?
Increase “Branding” of Milwaukee as a sustainable city	✓
Inventory existing green technology services market in Milwaukee	✓
Provide start-up financing and tax incentives for businesses in green technology fields	✓
Catalyze the formation of an energy technology cluster	✓
Promote Green Tier and other sustainability resources to Milwaukee manufactures	✓
Research, develop, build, and market green technologies in Milwaukee (i.e. wind turbines, photovoltaic cells, green roofs, etc)	✓
Develop a Green Corridor or eco-industrial park to attract green technologies	✓
Work with Chicago and Madison to establish a Green Network Triangle (Milwaukee Shines and Me ² partnership with Madison)	2/3 ✓

Milwaukee Shines

- Milwaukee named one of 25 US DOE *Solar America Cities* in 2008
- Over 1.1 megawatts of solar power being generated by homes, businesses and government in Milwaukee
- Solar installer workforce tripled in less than three years (2007-2010)
- Solar Hot Water Business Council growing an industry cluster to manufacture solar products in Milwaukee
- Over 80 kilowatts of total solar on City's Central Library, Central Repair Garage and Recycling Education Center (which also uses geothermal)
- Seven MFD engine houses using solar hot water systems
- Solar financing program for city residents makes solar more affordable



ME3 Sustainable Manufacturing Initiative

- Milwaukee Economy, Energy and Environment is a technical assistance partnership program for small and medium-sized manufacturers
- City program to help small and medium-sized manufacturers cut costs, reduce negative environmental impacts, and increase global competitiveness
- Comprehensive, high value review of entire manufacturing process and related practices
 - Coordinated Diagnostic and Technical Assessments
 - Implementation Support
 - Training and Continuous Improvement
- Partners with WMEP, UWM and many others





“Cross Cutting” Strategies

Green Team Recommendation	Accomplished?
Develop a Green Plan for the City	1/2 ✓
Develop incentives for businesses to go “Green”	✓
Review regulations to remove barriers to green	✓
Adopt the Sustainable Design Guidelines for the Menomonee Valley	✓
Implement a “Green Festivals” initiative to increase recycling at Lakefront festivals	✓
Increase citywide recycling rates and participation	✓
Develop construction site recycling initiatives	✓
Collaboration with MPS and educational institutions	✓



Other Initiatives

- Milwaukee recently named one of 24 cities globally as an IBM Smarter City in recognition of the City-supported urban agricultural
- *The Recycle For Good* campaign increased recycling tonnage in 2010 and introduced Single-Sort recycling to make recycling easier in 2011
- Summer youth program and workforce agencies provide pathways to green jobs
- Inner Harbor Redevelopment
- Provided energy efficiency stimulus grants to 11 manufacturers, saving them over \$500,000 annually





What's Next?

- Build on Green Team foundation and successes
- Continue to drive sustainability through the organization
- Continue to work with residents and businesses on sustainability priorities

Sustainability Planning



Green Team 2.0



What You Can Do

1. Post your feedback and suggestions on our *Ideas Board*
2. Practice sustainability in your workplace, neighborhood, and home
3. Collaborate with the City and each other to leverage our collective vision and resources
4. Help Tell Milwaukee's Sustainability Story!



An Open Door

Office of Environmental Sustainability

(414) 286-8317

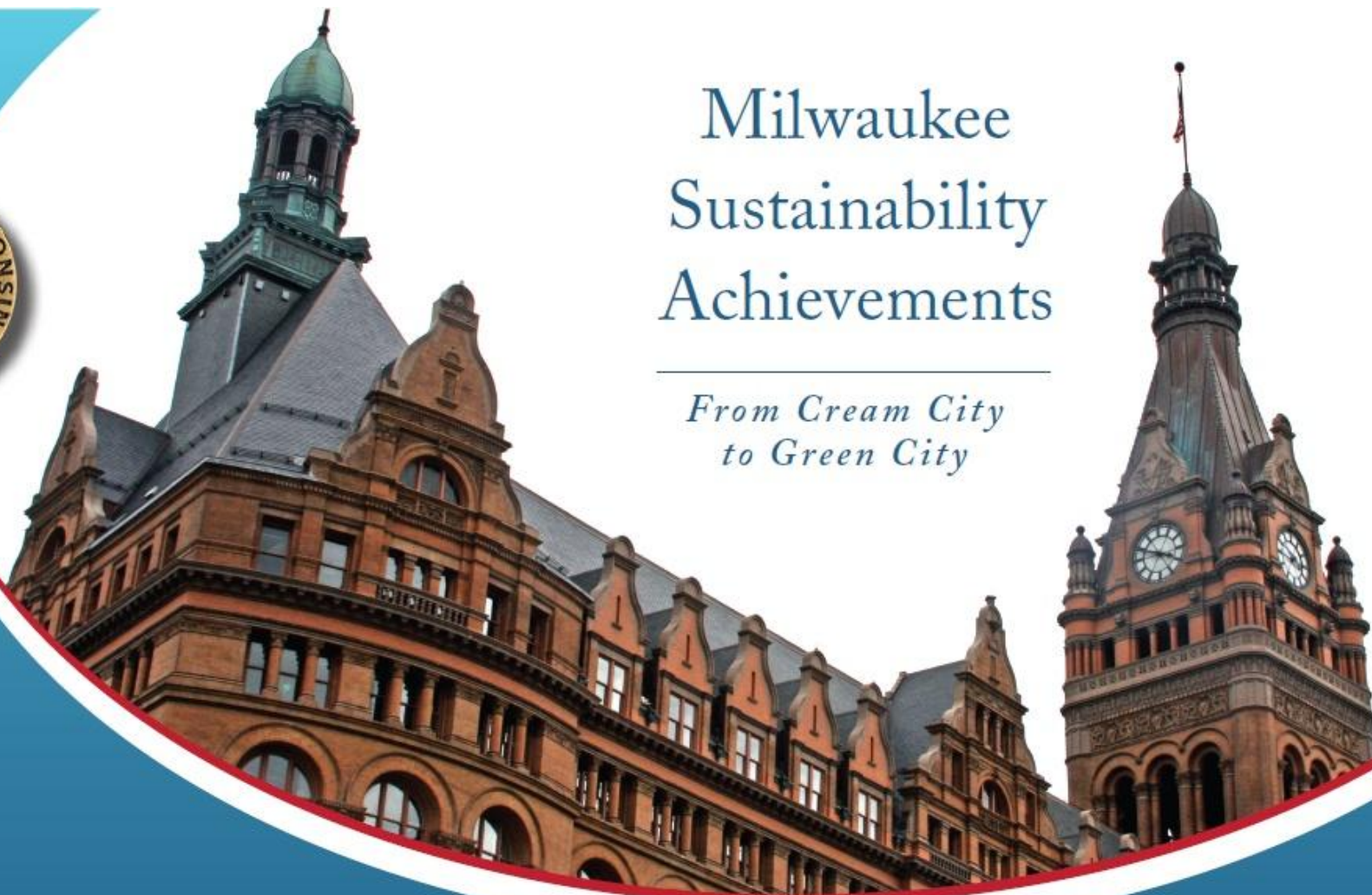
sustainability@milwaukee.gov

www.milwaukee.gov/sustainability



Milwaukee Sustainability Achievements

*From Cream City
to Green City*



Mayor Tom Barrett
(414) 286-2200
mayor@milwaukee.gov
www.milwaukee.gov/mayor

NOTICES SENT TO FOR FILE : 110921

[illegible]



Legislation Details (With Text)

File #: 110964 **Version:** 0
Type: Communication-Report **Status:** In Committee
File created: 11/4/2011 **In control:** COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE
On agenda: **Final action:**
Effective date:
Title: Communication relating to the final report of the Milwaukee Image and Perception Task Force.
Sponsors: THE CHAIR
Indexes: REPORTS AND STUDIES
Attachments: Hearing Notice List, Report

Date	Ver.	Action By	Action	Result	Tally
11/4/2011	0	COMMON COUNCIL	ASSIGNED TO		
11/15/2011	0	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
11/15/2011	0	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		
11/15/2011	0	COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE	HEARING NOTICES SENT		

Number
110964
Version
ORIGINAL
Reference

Sponsor
THE CHAIR

Title
Communication relating to the final report of the Milwaukee Image and Perception Task Force.

Requestor

Drafter
CC-CC
cl
11/9/11

NOTICES SENT TO FOR FILE : 110964

[illegible]

Final Report of the Milwaukee Image and Perception Task Force

November 21, 2011

Regarding File #: 091196, created 12/22/2009

Substitute resolution creating a task force to assess perceptions and image of greater Milwaukee and recommend development of a Milwaukee brand identity.

Sponsors Ald. Witkowski, Ald. Hines Jr., Ald. Davis, Ald Bauman, Ald. Witkowiak, Ald. Coggs

To The Honorable Members of the Community and Economic Development Committee:

In February of 2010 two dozen professionals versed in tourism, public relations and promotion came together at the direction of this Committee to:

- a.) Assess Milwaukee's image and perceptions of Milwaukee.**
- b.) Devise methods, plans and ongoing monitoring of the promotion of Milwaukee and Milwaukee's image.**
- c.) Make recommendations to the Common Council and community leaders regarding possible funding sources and designation of an organization to serve as primary coordinator for Milwaukee's image marketing, perception and brand identity.**

A series of meetings were held which included Ald. Witkowski representing the Common Council as well as representatives from: Department of City Development, Port of Milwaukee, Milwaukee County Executive, Milwaukee County Board, Wisconsin Department of Commerce, Wisconsin Department of Tourism, General Mitchell International Airport, VISIT Milwaukee, Wisconsin Center District Board, Milwaukee Metropolitan Association of Commerce, Greater Milwaukee Committee, Spirit of Milwaukee, Milwaukee 7, Cultural Alliance of Greater Milwaukee, Business Improvement District #21, Business Improvement District #40 (Airport Gateway), Milwaukee Water Council, World Trade Center Wisconsin University of Wisconsin-Milwaukee, Marquette University, Milwaukee World Festival, Inc., FUEL Milwaukee.

At the first meeting, attended by the Mayor and Council President Hines, Milwaukee's Image and Perception Task Force was called to order and Paul Upchurch, president and CEO of VISIT Milwaukee was designated chair. Over time, representatives were invited from other businesses and industries to offer their assessments and expertise.

a.)Assessing Milwaukee's Image and perceptions of Milwaukee

One of the first tasks undertaken, as directed by the committee, was an assessment of the current image and perception of Milwaukee. Since many of the participants at the table had done such surveys and studies in the recent past, it was agreed that spending any more time or money was unnecessary. Instead these previous studies were reviewed and discussed.

It was acknowledged from the studies and anecdotally that Milwaukee has neither a positive nor a negative image, but instead lacks a recognizable image both nationally and internationally. It was also agreed that an effective brand identity could help stimulate economic activity and increase the number and size of conventions as well as general tourism.

b.) Devise methods, plans and ongoing monitoring of the promotion of Milwaukee and Milwaukee's image.

Since the effort is one of creating awareness and bringing people to the Milwaukee area, a solid communication plan is our most valuable tool.

Image and Perception Task Force Communications Plan

Purpose: The Milwaukee Image Task Force exists to continually improve the image of the Milwaukee region as a great place to live, work, visit, learn and play.

How this is accomplished: The Milwaukee Image Task Force serves as a catalyst, interacting with key community partners on a communications plan to promote Milwaukee to internal and external influencers.

The goal of the communications plan is to prioritize, coordinate and execute public relations activities that support strategies to improve Milwaukee's image. As these strategies evolve, the communications plan will be updated to adapt to the ongoing needs of Milwaukee.

Objective: **Execute a consistent message that differentiates, promotes and enhances the perception of the Milwaukee region.**

Audiences: Local, national and international media; influencers and residents of the Milwaukee region; state, national and international influencers; potential visitors; and the general public at large.

A. Overall Brand Management

1. Establish and maintain a working group of core organizations, including VISIT Milwaukee, M-7, Milwaukee Downtown BID 21, Spirit of Milwaukee, City of Milwaukee, Milwaukee County, Gateway to Milwaukee, Greater Milwaukee Committee (GMC), Metropolitan Milwaukee Association of Commerce (MMAC) and Milwaukee Water Council, which will review Milwaukee area marketing and communications strategies, collateral and materials in order to coordinate and improve the overall image of the Milwaukee region, and ensure that it is presented with a consistent message and speaks with one voice.

Budget: \$0

Timeline: Ongoing

Lead: Image Task Force

2. Develop a dynamic and compelling micro website that provides Milwaukee area facts, success stories, new information, favorable rankings, etc. The site would be linked to other key community sites and would be marketed and promoted to continually grow traffic.

Budget: \$0

Timeline: Fall 2011 or TBD?

Lead: VISIT Milwaukee with collaboration of task force members

3. Create a branding toolkit, i.e. photos, high-def video, factoids, quotes, fact sheets and area descriptions. Makes these resources available on the new micro site and through links to other sites like Choose Milwaukee, MMAC, GMC, etc., so all parties involved in both the internal and external marketing of the Milwaukee region have common images and language, ensuring a consistent look and message for the Milwaukee Brand.

Budget: \$0

Timeline: TBD – done as funds are available

Lead: VISIT Milwaukee

4. Revitalize the use of the “Milwaukee Mark” as the official symbol of our region. Oversee and maintain its proper usage in websites, collateral material, i.e. letterhead, business cards, etc. Distribute a graphics standards manual and make logo images available to all community organizations.

Budget: \$0

Timeline: Ongoing

Lead: Image Task Force

5. Meet with, discuss and distribute talking points among community leaders, PR and communications professionals, top area businesses and organizations on positive attributes, facts and stories on the Milwaukee area. Encourage them to incorporate these positive facts and stories into their internal and external communications. Our goal is to induce substantially more positive messages about Milwaukee.

Update the facts, talking points and stories regularly, distributing them to this group through email linking to the micro site.

Budget: \$0

Timeline: Ongoing

Lead: Image Task Force

B. Media

1. Regularly communicate positive stories, updates and facts to all community organizations and all media sources through traditional press releases, emails and social media. Content to be provided from sources including City of Milwaukee, MMAC, GMC, VISIT Milwaukee, Milwaukee Water Council, Creative Alliance, etc.

Budget: \$0

Timeline: Ongoing

Lead: Image Task Force

2. Maintain a crisis communications team to respond to negative publicity on the Milwaukee area.

Budget: \$0
Timeline: Ongoing
Lead: Image Task Force

3. Conduct regular media briefings and contacts with the Milwaukee Journal Sentinel, Business Journal of Milwaukee, Biztimes and OnMilwaukee.com, as well as other significant regional media outlets.

Budget: \$0
Timeline: Ongoing
Lead: Image Task Force

Respond to regional, international and national media inquiries to proactively place positive media stories

Budget: \$0
Timeline: Ongoing
Lead: VISIT Milwaukee, Image Task Force members

Conduct FAM tours for regional, national and international media.

Budget: TBD
Timeline: Ongoing
Lead: VISIT Milwaukee, Image Task Force

4. Host tours of Midwest and national media to produce positive stories targeted to the tourism market.

Budget: \$30,000
Timeline: Summer, ongoing
Lead: VISIT Milwaukee in collaboration with Image Task Force members

5. Develop a coordinated program to assist national media visiting the region during major events, i.e. sports championships, presidential elections, etc.

Budget: TBD
Timeline: As major events occur, i.e. baseball & basketball playoffs, major golf tournaments, presidential campaigns
Lead: VISIT Milwaukee, Image Task Force

The Task Force recommends developing and administering a Milwaukee perception study and compare results over time. Those results would be communicated to the Common Council and community leaders.

Measures of Success:

- Improved perceptions of the region by local residents
- Improved perceptions of the Milwaukee area regionally, nationally and internationally
- Consistent positive messages in a variety of media
- Increased business development success
- Increased tourism growth

The Task Force was also charged with developing and coordinating an easily recognizable identity for the market.

c.) Make recommendations to the Common Council and community leaders regarding possible funding sources and designation of an organization to serve as primary coordinator for Milwaukee's image marketing, perception and brand identity.

Purpose: One of the first and perhaps easiest decisions of the Task Force was to recommend a revitalization and expansion of the use of the "Milwaukee Mark."

This particular design was created and endorsed under the coordination of the Spirit of Milwaukee in December of 2009. The stakeholders involved in that process are many of the same people participating in the current *Image and Perception Task Force*.

How this will be accomplished: The Task Force strongly urges that the City (and ideally, the County) utilize the design in as many ways as possible. For City departments this could include decals or adhesive vinyl on City vehicles (as has been done in previous efforts).

Envelopes and letterhead should be changed entirely to the "Mark" or use the Mark as a secondary imprint on existing letterhead designs. Ideally, all City letterhead would be of the same design and carry the Mark as present stock is depleted.

With City government leading the way, the Task Force will then ask its own members as well as their community and business peers to use the Mark in the course of their own marketing.

Color is also an integral part of the Mark. Blue was chosen to reflect the City and major industries' focus on the potential of Milwaukee becoming a fresh water hub – nationally and internationally. That effort is well underway. So in applications where the Mark itself may not be appropriate, the color alone can become a symbol for Milwaukee and used on signage, vehicles, street amenities, etc.

Usage guide and use follow the end of this Report.



MARK USAGE
GUIDE.PDF



SUGGESTED IDEAS
ON USING THE MARK

Image and Perception Task Force: Centralized Community Calendar

Purpose: To provide internet access to an aggregated list of all the activities (arts, sports, special events) taking place in the Milwaukee area.

This centralized community calendar, dubbed Artsopolis, will represent all there is to do in Milwaukee in one robust calendar. This calendaring system, also used in 34 other metropolitan areas will become the one source for all information and the centralized feed for all other event calendars. Aggregating ALL there is to do in Milwaukee will elevate the perception of the community as a place of constant and diverse activity. In communities where this calendar has been implemented, the arts, attractions and local businesses have all seen increased exposure and attendance. With all the world class offerings in Milwaukee, a world class community calendar will benefit all.

Image and Perception Task Force: Milwaukee Image Video

Purpose: To create a positive visual presentation of Milwaukee to the local community and, through the internet, to the rest of the world.

Milwaukee is not on the consciousness map for many people outside the region -- and our own internal perceptions are at best cautious -- at worst negative. We have a great story to tell and if we're going to convince the world Milwaukee is a great place to live, work, and play, we have to convince ourselves first. The purpose of this video is to create a sense of pride at home, and turn local fans into ambassadors who will repeat our story to others. The target audience for the video would be local residents, business and political leaders, business prospects, talent recruiters, and potential residents. The video would be made available to organizations like M7, MMAC, GMC, City of Milwaukee, Milwaukee County, Corporations, and Foundations -- any organization with a stake in promoting the Milwaukee area. The goal of the video is to create local pride and awareness that answers why "Milwaukee is a great place to live, work and play."

Make recommendations to the Common Council and community leaders regarding possible funding sources and designation of an organization to serve as primary coordinator for Milwaukee's image marketing, perception and brand identity.

Image and Perception Task Force: Funding

Purpose: To support the ideas and goals set by the Taskforce

As we all know, funding is an issue for everyone. But we believe that a coordinated program can be created by tweaking the existing efforts of many of the participant organizations that came to the table over the course of the Taskforce's meetings.

For example, by encouraging government entities, and public and private corporations located in the Milwaukee area to consistently use "The Mark" on their stationery, in advertising, and on signage and City vehicles, recognition of our most marketable landmark will grow at little or no cost and can be implemented over time.

The "Artsopolis" calendaring project is an extension of, and improvement to, a project that VISIT already does on an ongoing basis.

The same is true for VISIT's Familiarity Tours, regular "good news" stories to media in the Midwest and nationally, and assisting with major events like the Navy's upcoming War of 1812 Commemoration this summer. These are all things that VISIT already does and budgets for. But we will be doing it on a consistent basis that promotes the Mark, our image and our message. And we will be working with the partnerships established through this Taskforce.

We will bring together a Mark Team or Image Board that will review our progress, consolidate efforts when and where appropriate, and support each other's efforts. A perfect example of working together for the good of Milwaukee's image is the recent Downtown Holiday Lights activities. Individually, none of our organizations could afford to pull this off. But with the combined efforts of Milwaukee Downtown, East Town, Westown, the RiverWalk District, Milwaukee County Parks, City Government and local businesses and corporations, we have a Downtown Holiday we can all be proud of.

Image and Perception Task Force: Designation of the organization to serve as the primary coordinator for Milwaukee's marketing, perception and brand identity.

Purpose: To provide ongoing direction and encouragement to all Milwaukee area entities charged with growing our perception and brand identity.

The Taskforce was unanimous in its decision to designate VISIT Milwaukee as the primary organization to move this process forward. It is also recommended that a taskforce remain in place to provide ongoing support and direction to VISIT.



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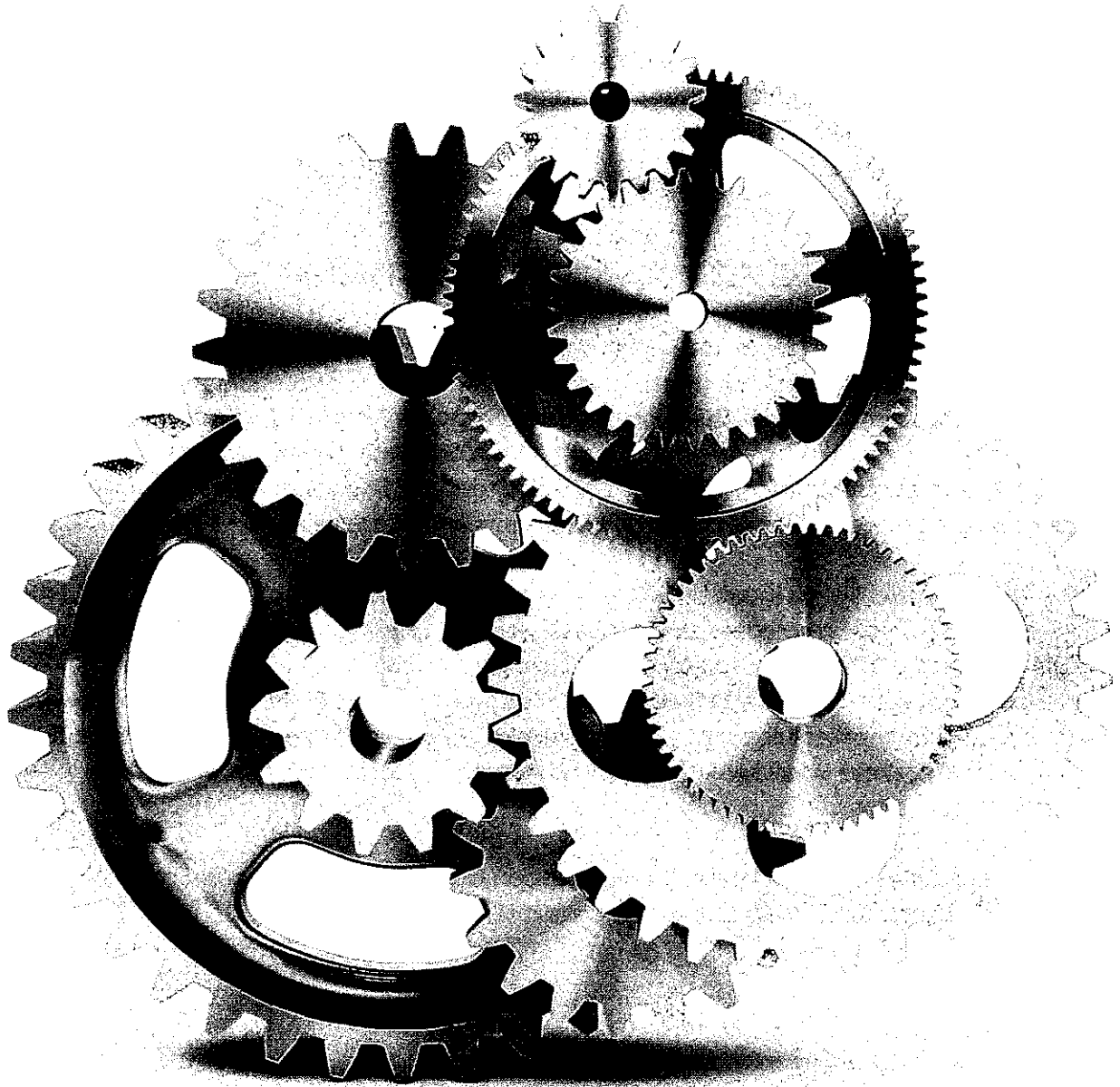
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Requestor

Drafter
CC-CC
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11/10/11

ASSEMBLING THE PARTS

*An examination of Milwaukee's
economic development landscape*



Public Policy Forum

moving the region forward

ABOUT THE PUBLIC POLICY FORUM

Milwaukee-based Public Policy Forum – which was established in 1913 as a local government watchdog – is a nonpartisan, nonprofit organization dedicated to enhancing the effectiveness of government and the development of southeastern Wisconsin through objective research of regional public policy issues.

PREFACE AND ACKNOWLEDGMENTS

This report was undertaken to provide policymakers, business leaders and citizens in the Milwaukee region with information that will allow them to better understand the range of economic development activities being pursued by the City of Milwaukee government and private sector leaders. We hope that government and community leaders will use the report's findings to inform discussions during upcoming policy debates, budget deliberations, and civic gatherings regarding economic development programs and strategies in our region.

Report authors would like to thank the Forum's Economic Development Committee, consisting of 20 Public Policy Forum members and Trustees, for proposing the subject of this report and providing guidance during the research process. In addition, we would like to thank the leadership and budget staff of the City of Milwaukee Department of City Development, as well as staff and leaders from other economic development organizations examined in this report, for all of their assistance in providing budget and programmatic information and patiently answering our questions.

Finally, we wish to thank the Helen Bader Foundation for its grant to the Forum for economic development research that made this report possible.

ASSEMBLING THE PARTS

*An examination of Milwaukee's
economic development landscape*

November 2011

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EXECUTIVE SUMMARY

In a 2006 analysis of City of Milwaukee economic development efforts, the Public Policy Forum lamented the absence of a comprehensive economic plan, suggesting such a plan was needed to mobilize the city's business, community, and public sector leaders behind a unified agenda.

Five years later, those leaders now appear fully mobilized. City government recently completed a comprehensive plan to guide policy, land use, and development decisions – the first such plan to cover every square mile of Milwaukee. Fresh off a resounding success with the economic rebirth in the Menomonee Valley, city leaders also are focused on similar grand plans for the 30th Street Industrial Corridor and Reed Street Yards. Meanwhile, an impressive array of privately-funded entities has emerged to play pivotal complimentary roles in the city's economic development landscape, with activities ranging from formation of industry clusters, to support for business start-ups and entrepreneurs, to sophisticated efforts to attract new businesses.

Yet, despite the very real progress made on several economic development fronts during the past five years, important questions remain, including several that linger from our 2006 report. Is there appropriate coordination between this new roster of key economic development players? Are the goals and activities of those players guided by a unified economic development vision, and if not, should they be? Who is responsible for defining the community's overall economic development strategies and objectives, and who is accountable for success or failure?

In this report, the Forum re-examines Milwaukee's economic development landscape with those questions in mind. First, we present information on the budgets, activities and tools of eight major economic development players that we deem to be the most prominent in Milwaukee: City of Milwaukee Department of City Development (DCD); Redevelopment Authority of the City of Milwaukee (RACM); Milwaukee Economic Development Corporation (MEDC); Milwaukee 7 (M7); Milwaukee Water Council; BizStarts Milwaukee; Wisconsin Women's Business Initiative Corporation (WWBIC); and Milwaukee County Economic Development.

Next, we “map” the spending, activities and tools of those organizations to determine where there are gaps, where there is overlap, and what are the strengths and weaknesses of the community's overall economic development approach. Finally, after examining several peer cities that have implemented strategies corresponding to some of the weaknesses found in Milwaukee, we present several conclusions about the current state of Milwaukee's economic development efforts and opportunities for improvement.

Key findings from our analysis of Milwaukee's economic development landscape:

- **The Milwaukee area has a sizable number of organizations pursuing economic development activities, and those organizations possess an impressive array of economic development tools.** These groups, ranging from city development agencies to business-led self-improvement districts, have the ability to engage in the provision of low-interest loans, tax breaks, entrepreneurial assistance, workforce development, site assistance, infrastructure development, regional marketing promotions, and many other activities. For prospective

businesses, developers, or entrepreneurs, Milwaukee's economic development toolbox is open and, in many cases, well-stocked.

- **Economic development participants are aware of each other's activities and, in some cases, work closely together.** In some cases, the participants collaborate quite closely, leverage each other's strengths and tools, and interact on a routine basis. DCD, RACM, MEDC, and the M7 are the best examples of entities that have this type of relationship. In other cases, participants provide mutual support through joint marketing efforts and provide one another with staff assistance and financial resources.
- **Significant new economic development efforts have occurred in the past five years, but Milwaukee still lacks a cohesive economic development plan.** Since 2006, the local economic development landscape has undergone significant and largely positive changes. Unfortunately, the city as a whole continues to lack a comprehensive economic development strategy and plan, making it nearly impossible to measure progress and ensure accountability. Because Milwaukee now has so many organizations engaging in positive efforts, the need for an overall plan is even more acute to ensure that the organizations' actions are properly coordinated and they are marching toward the same set of community-wide objectives.
- **The major economic development participants themselves have differing opinions on what the components of a unified economic development strategy should be.** Interviews with dozens of local economic development participants reveal that not all follow or support the same strategies and goals. In particular, there is tension between those who emphasize large and medium-sized business attraction and expansion as the key strategic economic development goal, versus those who prioritize support for local start-up companies and strategies to accelerate the growth of existing small businesses.
- **The city's economic development efforts would benefit from more clearly defined roles and responsibilities for major economic development participants.** While the major economic development participants exhibit various levels of teamwork, there is general confusion among the public and participants themselves about accountabilities and outcomes. This is particularly true for DCD and the M7, each of which is regularly cited as leading local economic development efforts, but neither of which appears appropriately resourced or responsible for creating the conditions that will lead to overall job creation, or loss.

The report concludes by noting that Milwaukee's economic development efforts – while impressive in terms of energy, scope and activity level – still could benefit from enhanced precision, cohesion and accountability. That conclusion is supported by our review of economic development planning and activities in five other metro areas, which demonstrates that such planning is being used elsewhere to meaningfully enhance collaboration and coordination, create new tools, and foster accountability and innovation.

Milwaukee's elected and business leaders should be proud of their efforts to build an economic development infrastructure that has assembled many of the parts needed for success. Now, do they have the patience, skill and camaraderie to transform those parts into a cohesive and strategically organized whole?

INTRODUCTION

The Public Policy Forum assessed the City of Milwaukee's economic development efforts in a highly publicized 2006 report entitled "Growing Up."¹ The report concluded that "unlike the vast majority of its peer cities, the City of Milwaukee has neglected to sit down with stakeholders and map out an economic development plan. Absent a plan or guiding vision, one is left to conclude that the City has and will continue to engage in economic investments, no matter how worthy, in an ad-hoc fashion."

Five years later, the economic development landscape in Milwaukee has changed dramatically. Privately-funded entities such as the Milwaukee 7 and Milwaukee Water Council have become prominent players on the economic development scene, suggesting a level of public-private teamwork and coordination that had been found lacking in 2006. Nevertheless, important questions remain regarding the precise role and responsibilities of city government in carrying out citywide economic development efforts, and in formulating the city's economic development vision.

Those questions have prompted the Forum to re-examine Milwaukee's economic development landscape. After discussion and deliberation by our Economic Development Committee – comprised of Greater Milwaukee business and economic development leaders² – we decided to explore three primary research questions:

- 1. Precisely how has the economic development landscape changed over the past five years (e.g. economic challenges, new partnerships, revised strategies)?*
- 2. What role does the City of Milwaukee currently play in economic development efforts, and how does that role relate to those played by other leading economic development organizations?*
- 3. To what extent is there overlap, or are there gaps, in the broad range of economic development activities pursued by economic development organizations in Milwaukee, and would those activities benefit from better coordination and priority-setting?*

While this report does not reproduce the rigorous analysis of City of Milwaukee economic development investments contained in our 2006 report, it does seek to shed additional insight into the role of the City's Department of City Development (DCD) in a time of tight government budgets and prominent new economic development players. Recognizing that DCD cannot and does not pursue economic development on its own, we also explore the budgets and activities of other major economic development participants. Finally, after analyzing a detailed inventory of key organizations engaged in economic development activities, we discuss the strengths and weaknesses of Milwaukee's cumulative economic development efforts, using an analysis of several peer cities for guidance.

¹ The full report is available at <http://www.publicpolicyforum.org/pdfs/GrowingUp-full.pdf>.

² See Appendix A for a full list of committee members.

It is important to note that in order to ensure a manageable scope and timeline, this report defines “economic development” in an admittedly narrow fashion. Our narrow definition focuses on the areas of job creation and tax base growth, and deliberately omits related aspects like workforce development, neighborhood improvement initiatives, and the role of vocational and higher education. Consequently, another major finding of the 2006 report – that city government could play a much bigger role in ensuring a quality workforce – is not a focus of this report. The Forum instead plans to devote separate research efforts to that topic in the near future, with a report that will assess changes to Milwaukee’s workforce development landscape following creation of the Milwaukee Area Workforce Investment Board; and one that will explore the impacts of public and private sector investments in Milwaukee’s neighborhoods.

This report draws on a variety of information sources to examine and assess the current state of Milwaukee’s economic development policies and activities. Major sources include:

- Financial reports and fiscal documents, such as annual budgets and comprehensive annual financial reports (CAFR).
- Financial information obtained from economic development organizations by request.
- Organizational information obtained from websites, electronic documents, media releases, etc.
- Reports from media outlets, including the Milwaukee Journal Sentinel, The Business Journal Serving Greater Milwaukee, and the Capital Times, among others.
- Personal interviews with government and organizational leaders and staff members.

The creation and growth of new private sector-led economic development organizations in Milwaukee during the past five years unquestionably has generated a bevy of impressive activity in areas like business attraction, cluster development and entrepreneurship, and has spurred several economic development success stories. By taking a step back and mapping the activities of Milwaukee’s major economic development practitioners and the resources being used to further their efforts, we now hope to provide critical perspective to public and private sector leaders on the overall economic development machinery they have created. It is our hope that this perspective will help shape economic development activities during the *next* five years and pave the way for additional success.

ECONOMIC DEVELOPMENT DEFINED

No single definition incorporates all of the different strands of economic development.

--International Economic Development Council (IEDC)³

The Goals and Process of Economic Development

Despite a lack of consensus with regard to its definition, economic development is associated with certain goals, processes, and broad strategies of economic growth. For example, according to the IEDC, “The main goal of economic development is improving the economic well being of a community.”⁴ Others have agreed by suggesting, more specifically, that economic development is intended to create greater wealth for a community and its residents.⁵

Local economic development policies often focus on creating wealth in two ways: by enabling, subsidizing, or incenting more goods and services to be produced in the local area for export or sale to other areas; and/or by replacing goods and services imported to the local area with goods and services produced locally. By supporting local businesses producing these types of goods and services, local economic development initiatives can bring additional wealth into the community in the form of more personal income and higher property values.

Personal income grows as local businesses grow, and new or higher-paying employment opportunities increase. These jobs produce both increased wages for residents and higher local tax revenue.⁶ Thus, job creation has become the cornerstone of economic development policies in municipalities across the country, including Milwaukee. In recent State of the City addresses, Mayor Tom Barrett has emphasized that job creation has been, and continues to be, a primary goal of his administration. Similarly, several public opinion surveys conducted by the Public Policy Forum during the past two years reveal that Greater Milwaukee residents consider jobs to be the paramount issue facing the Milwaukee region.⁷

Higher property values, meanwhile, result from development of underutilized land to create a stronger property tax base, which allows a city to provide additional revenue to support local services such as roads, parks, libraries, and social services.⁸ As reported in the Forum’s June 2011 report, “The Tools in Milwaukee’s Revenue Toolbox,” Milwaukee is particularly reliant on

³ International Economic Development Council: Economic Development Reference Guide, What is Economic Development? http://www.iedconline.org/?p=ED_Reference_Guide.

⁴ International Economic Development Council: Economic Development Reference Guide

⁵ See Bartik, Timothy. 2005. “Economic Development.” In *Management Policies in Local Government Finance*, ed. J. Richard Aronson and Eli Schwartz. Washington DC: International City/County Management Association

⁶ Bartik, Timothy. 2005.

⁷ The *People Speak* survey is a tracking poll conducted by the Forum three times per year in partnership with the University of Wisconsin-Milwaukee’s Center for Urban Initiatives and Research and the *Business Journal Serving Greater Milwaukee*. With the exception of the poll conducted in March 2011—the height of the state budget debate—“jobs” was the most important issue facing the Milwaukee region in every *People Speak* poll since September 2009. In the most recent poll conducted in July 2011, 34% of respondents selected “jobs” as the most important issue facing the region.

⁸ Forman, Maury and James Mooney. 1999. *Learning to lead: a primer on economic development strategies*. Dubuque, IA: Kendall Hunt Pub Co.

its property tax base to fund its operations. Consequently, when tax base growth is mentioned in this report, it is largely referring to an increase in property values. An increase in sales and income tax collections due to stronger retail sales and increased employment also would be considered tax base growth.

A Definition of Economic Development

While job creation and tax base growth are two of the most consistent economic development priorities of local governments, the strategies used to obtain them vary widely. For example, strategies involving the use of tax incentives and real estate financing can create jobs and a larger tax base in a very direct manner, while strategies focused on workforce development and infrastructure improvements are more indirect. Overall, the methods used to achieve economic development objectives largely depend on the specific needs and priorities of the community.

Consequently, any definition of economic development must be able to encompass a variety of different strategies. For this report, economic development will be defined as ***the use of a wide array of strategies and policies by local government and private organizations to increase employment opportunities and grow the local tax base.***

Because the definition is necessarily broad, nearly any city department, agency, or civic organization could claim to be an economic development player in a community. For example, because a city with highly educated residents and an abundance of affordable housing opportunities may be well-positioned to achieve economic development goals, the local school district and housing authority might claim to be economic development organizations. In this report, however, we restrict our use of the definition to agencies and organizations whose missions focus specifically on the goals cited in our definition: the creation of additional/improved employment opportunities and a larger local tax base.

Economic Development Participants in Milwaukee

Based on this definition of economic development, internal research, and discussions with local stakeholders and economic development officials, we focus on eight local organizations in this analysis of key economic development practitioners in the City of Milwaukee:

- | | |
|---|---|
| ▪ BizStarts Milwaukee | ▪ Milwaukee 7 |
| ▪ City of Milwaukee, Department of City Development | ▪ Milwaukee County Economic Development |
| ▪ Redevelopment Authority of the City of Milwaukee | ▪ Wisconsin Women's Business Initiative Corporation |
| ▪ Milwaukee Economic Development Corporation | ▪ Milwaukee Water Council |

Notable exclusions from the list include the City of Milwaukee's Department of Neighborhood Services; the Housing Authority of the City of Milwaukee; the Neighborhood Improvement Development Corporation; tourism-based organizations such as Visit Milwaukee; area-based economic development organizations like the Menomonee Valley Partners, 30th Street Industrial

Corridor Corporation and business improvement districts; business collaborations such as the Metropolitan Milwaukee Association of Commerce and Greater Milwaukee Committee; and educational institutions such as Milwaukee Public Schools and area universities and colleges. Each of those agencies and organizations obviously plays a vital role in the city's economic health, but their primary missions either do not meet our definition of economic development, or the scope of their activities is not citywide or regional in nature.

Also excluded from our analysis are organizations with a primary mission that involves workforce development, such as the Milwaukee Area Workforce Investment Board (MAWIB). While workforce development certainly is a mandatory component of a region's broad economic development strategy, the significant number of agencies, organizations, and institutions in the region that are charged with workforce development responsibilities makes their inclusion in this report prohibitive. A follow-up report with a specific focus on workforce development is planned.

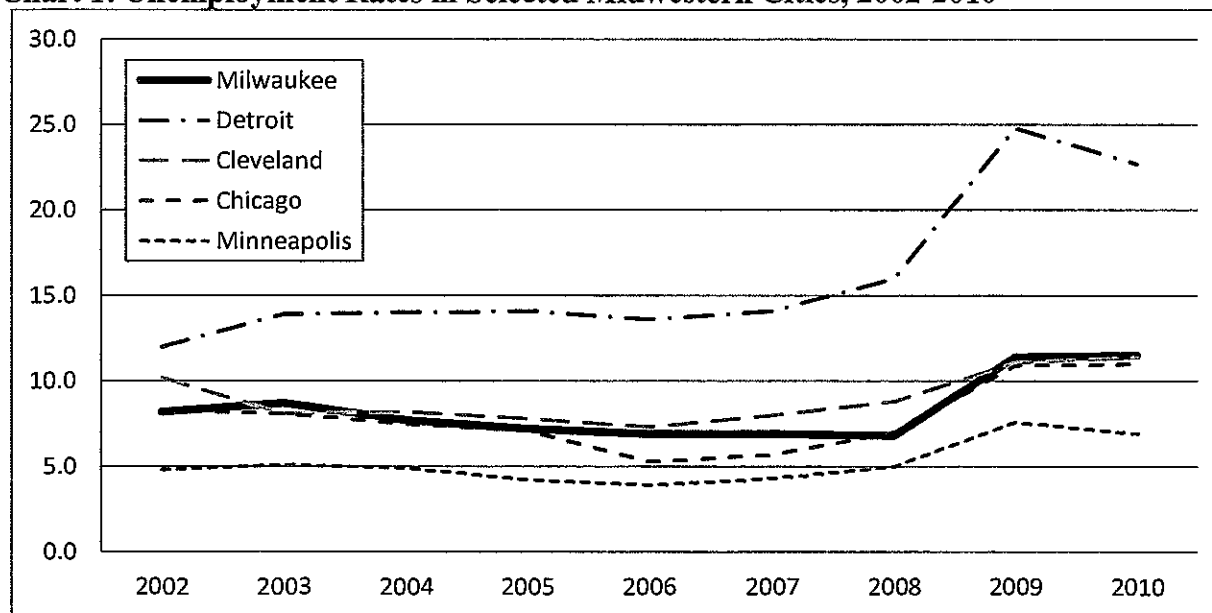
RECENT CHANGES TO MILWAUKEE'S ECONOMIC DEVELOPMENT LANDSCAPE

In our 2006 analysis of the City of Milwaukee's economic development expenditures and activities, we found that the City is a major player in the region's economic development, spending tens of millions of dollars per year mostly on real estate and community development activities. We noted that although, for the most part, these activities were not financed from the City's general fund, it was incumbent upon City officials to provide more information about the City's goals, benchmarks, and returns on investment in order to provide accountability to taxpayers. We also found that transparency was affected by the disjointed nature of the City's various economic development roles and responsibilities.

Since the report's release, much has changed with regard to economic development in the City of Milwaukee. The Milwaukee 7 (M7) has grown to become a pre-eminent economic development player in the region, while the Milwaukee Water Council was launched to establish Milwaukee as the world's "hub" for water-related research, business development and higher education. On the workforce development front, control of federal workforce development funds and the former Private Industry Council (now MAWIB) was transferred from county government to city government. More recently, state government created the public-private Wisconsin Economic Development Corporation to replace the Department of Commerce, potentially signaling a new era of state participation in Milwaukee's economic future.

These impactful developments took hold and progressed almost concurrently with the national economic downturn, which obviously did not spare southeast Wisconsin. In fact, as shown in **Chart 1**, the city's unemployment rate increased dramatically from 2008 to 2009, and in 2010 equaled or exceeded many of its Midwestern peers.

Chart 1: Unemployment Rates in Selected Midwestern Cities, 2002-2010



*Data obtained from the U.S. Bureau of Labor Statistics

These changes presented both considerable challenges and opportunities for economic development leaders in Milwaukee. For the most part, elected officials, investors, developers, and business leaders have responded positively, coming together to strategize, plan, and implement new economic development partnerships and tactics. In this section, we highlight the most significant of these responses in the context of our 2006 findings.

Strategic Changes

In 2006, the Forum found that “the need for a citywide economic development plan is urgent.” We noted that a plan would hold leadership accountable to specific goals, mobilize public and private sector leaders around a unified agenda, and ensure resources are allocated strategically. Since then, much planning activity has occurred in city government—nine of the city’s 13 area plans have been created or updated, and a Citywide Policy Plan has been formulated (these new plans are discussed in detail in the following section). Notably, the first objective of the new Citywide Policy Plan is to ensure the City’s economic development efforts complement those of its local and regional partners.

The number and influence of these partners has grown considerably in the past five years. The M7, for example, now spends \$1.5 million annually to work on business attraction, relocation and expansion. The Milwaukee Water Council promotes the growth of the region’s water industry cluster and includes more than 130 businesses and organizations as members. FUEL Milwaukee focuses on talent recruitment and retention and now has more than 6,000 members representing more than 400 employers. BizStarts Milwaukee’s work to promote start-ups and entrepreneurship has allowed dozens of new companies to be capitalized by outside investors.

While public and private sector leaders have made good progress in collaborative planning, however, we observe that economic development activities in Milwaukee continue to lack common mechanisms for transparency and accountability, such as an annual report with measurable indicators toward the objectives of the Citywide Policy Plan. Many of the various partnerships and initiatives report their own outcomes, but no entity produces a comprehensive, citywide report for public consumption.

With regard to other 2006 Forum findings, the City’s involvement in workforce development has indeed become more meaningful, with MAWIB now falling under the City’s purview. Since the transition from Milwaukee County to the City, MAWIB’s budget has increased and its revenue sources have diversified.

In addition, the past five years have brought significant improvements in the City’s ability to assist with business creation and focus on high-growth sectors. The City has been an active partner in the M7’s industry cluster efforts, including water, advanced manufacturing, and food and beverage.⁹ The City also has collaborated with the Greater Milwaukee Committee and others on efforts to develop the region’s creative/cultural industries.

⁹ Recent activities and research related to the food and beverage industry in Milwaukee can be obtained at http://www.choosemilwaukee.com/food_council.aspx.

In terms of business creation, the City has been supportive of the University of Wisconsin-Milwaukee's efforts to expand the size and impact of its research budget, construct new research facilities, and enhance its outreach to industry. Supporters suggest these efforts will lead to greater regional economic development opportunities as new companies are formed to further develop and market new technologies created from academic research.¹⁰

Redevelopment Efforts

As it did prior to 2006, the City continues to make redevelopment of underutilized properties a priority in accordance with its goal of tax base growth. To do so, it works closely with several organizations created to support redevelopment in specific geographic areas. Menomonee Valley Partners, Inc. is one of the most well-known examples of this type of effort. Focused on the Menomonee Valley, located southwest of downtown Milwaukee, the organization has worked with the City to convert a largely abandoned and blighted industrial corridor into a revitalized commerce district that has gained national attention for its successful conversion of brownfields and use of sustainable urban economic development strategies.

Following the success of the Menomonee Valley redevelopment, several other areas in the city have become the focus of similar redevelopment efforts.¹¹ In particular, City leaders are placing a priority on the 30th Street Industrial Corridor, located northwest of downtown Milwaukee, and are working with the corridor's business development organization (the 30th Street Industrial Corridor Corporation) on a number of initiatives. Foremost among them is a redevelopment plan for the manufacturing site formerly utilized by both A.O. Smith and Tower Automotive. In 2009, the Redevelopment Authority of the City of Milwaukee purchased the site to begin the redevelopment process. Since its purchase, the City has renamed the site "Century City" and has begun the process of clearing the site, addressing environmental issues, and adding new infrastructure. Similar to the Menomonee Valley, the site will be marketed as a revitalized, urban business park to prospective companies.

Another area-specific economic development effort is underway in the area surrounding General Mitchell International Airport. In 2006, the City approved creation of the Airport Gateway Business Improvement District. Partnering with the Airport Gateway Business Association, the group is helping to promote and support a Milwaukee Gateway Aerotropolis plan that would enhance economic development and growth around the airport and improve linkages with other transportation options.

Wisconsin Economic Development Corporation

Not only has the local economic development landscape changed considerably in recent years, but there also have been significant changes within state government. Those changes, although not directly focused on the Milwaukee area, have the potential to significantly impact the region, its economic development participants, and the success of current and future strategies.

¹⁰ Gallagher, Kathleen. November 28, 2010. "Schools create research collaboration." *Milwaukee Journal Sentinel*.

¹¹ While great progress has been made in the Menomonee Valley, redevelopment efforts there are not complete; the City and Menomonee Valley Partners continue to pursue redevelopment of additional land in that area.

In February 2011, Governor Scott Walker signed legislation that abolished the State Department of Commerce and created, in its place, the Wisconsin Economic Development Corporation (WEDC). Historically, the Department of Commerce had been criticized for a lack of focus on true economic development activities (like job creation and support of business start-ups), in part because of an expansive list of responsibilities that also included community development, building safety, and petroleum product testing.¹² Consequently, WEDC was designed as a public-private corporation to support new and expanding businesses in the state, with the remaining functions of the old department transferred to other state agencies.¹³

WEDC's mission is to "elevate the Wisconsin economy to be the best in the world by providing a positive business climate, world-class support services, and economic development tools to accelerate business start-up, attraction, and growth." Per its strategic plan, the corporation's primary responsibilities will be to:

1. Develop and implement economic programs to provide business support, expertise, and financial assistance to companies that are investing and creating jobs in Wisconsin.
2. Support new business start-ups and business expansion and growth in the state.
3. Develop and implement any other programs related to economic development in the state.

While WEDC continues to refine its new role, many feel that its emphasis on providing technical assistance, tax credits, and other financial support to Wisconsin businesses (both new and expanding) could add considerable support to the toolbox available to Milwaukee economic development participants and allow for better leveraging of local tools to attract state resources.¹⁴

¹² Barbour, Clay. August 29, 2011. "Wisconsin Economic Development Corp., formerly the Department of Commerce, still 'developing'." *The Oshkosh Northwestern*.

¹³ According to the corporation's strategic plan, previously established public-private organizations in Michigan, Virginia, Indiana, and Florida were the primary organizational models for WEDC. The strategic plan is available at <http://commerce.wi.gov/wedc/docs/WEDC-StrategicPlan.pdf>.

¹⁴ The Wisconsin Housing and Economic Development Administration (WHEDA) also possesses a comprehensive economic development toolbox and has signaled that it is considering playing a more extensive role in expanding the tools available to Milwaukee economic development leaders.

THE CITY OF MILWAUKEE AND ITS ROLE IN ECONOMIC DEVELOPMENT

Despite the emergence of an impressive array of new economic development organizations and partnerships during the past five years, there is little question that city government continues to be Milwaukee's pre-eminent economic development player and practitioner. The City of Milwaukee's economic development agency – the Department of City Development (DCD) – and its close partners, the Redevelopment Authority of the City of Milwaukee (RACM) and Milwaukee Economic Development Corporation (MEDC), operate in a seamless and coordinated manner with an abundance of tools and resources that eclipse those available to other participants. Those tools range from eminent domain, entitlements, and planning to tax incentives, financing programs, and infrastructure development.

Because of city government's pre-eminent role, our effort to map the activities of Milwaukee's major economic development players begins with a detailed examination of the City's economic development resources and functions. We start with a broad overview of DCD's activities and budget, with a particular focus on the department's priorities and precise role in the city's overall economic development framework. We then move on to RACM and MEDC, two agencies that technically are not part of city government, but that are co-located with DCD and operate in close collaboration with City leaders. RACM and MEDC were created specifically to fill gaps in the City of Milwaukee's economic development toolbox, and understanding the interplay between these three entities is central to understanding the collective economic development impact of city government.

DCD BY THE NUMBERS, 2010

Full time employees	73.5
Operating budget	\$14.1 million
Economic development funding	\$37.3 million
Jobs created	819
Jobs retained	1,223
Construction/remodeling permits issued	37,888
Vacant lots sold	101
Private investment associated with department activity	\$219 million
Number of Tax Increment Districts managed by DCD	46
Average payback period for all active Tax Increment Districts	19 years

Note: Staffing and budget figures include economic development and planning activities only.

Fiscal Resources

DCD uses annual appropriations allocated through the City's budget process, as well as funds from a variety of outside sources, to carry out an extensive array of economic development programs and strategies. The following is a partial list of the tools and activities used by DCD to encourage or direct economic growth in Milwaukee:

- | | |
|-------------------------------------|--------------------------------|
| ▪ Eminent domain | ▪ Area and policy planning |
| ▪ Capital improvement funds | ▪ Development zone tax credits |
| ▪ Façade grants | ▪ Industrial revenue bonds |
| ▪ Main Street Milwaukee initiatives | ▪ Public improvement projects |
| ▪ Site selection assistance | ▪ Retail investment funds |
| ▪ Business improvement districts | ▪ Tax increment financing |
| ▪ Business recruitment efforts | |

These tools and activities are funded through both the City's operating budget, which allocates resources largely for staff salaries and day-to-day operation of programs; and its capital budget, which is used to finance major equipment purchases, physical improvements to land and buildings, and other expenditures that are long-term in nature.

Operating Budget

In 2010, DCD spent \$14.1 million on core economic development operations.¹⁵ Despite larger fiscal challenges facing city government, DCD's economic development spending has increased by \$6.6 million since 2008, or 89%. That increase, however, is almost entirely attributable to a \$6 million increase in grant funding (from \$3.4 million to \$9.4 million), most of which consisted of neighborhood stabilization funds from the federal government.

Local revenue support for economic development and planning activities (i.e. property tax levy, charges for services, and license and permit fees) – referred to as Operations and Maintenance (O&M) funds – increased \$600,000, from \$4 million to \$4.6 million, during the 2008-2010 timeframe. This is mostly attributed to a shift of employees who were formerly supported by tax increment district (TID) administrative funds to O&M funding. The shift resulted from a change in TID allocation procedures and a decrease in TID projects.

Greater insight into the activities conducted by the department and the manner in which it allocates its operational resources is provided in **Table 1**. The table shows DCD's actual 2010 economic development spending by major activity, the breakdown of activity expenditures between O&M resources and outside grants and reimbursements, and changes in funding levels during the past three years.

¹⁵ We use 2010 actual expenditures and revenues when analyzing DCD's fiscal resources – as opposed to the 2011 budget – because DCD typically experiences a substantial difference between budgeted and actual economic development expenditures and revenues in a given year. For other agencies and organizations in this report, we use budgeted figures, typically for the most recent year available.

Table 1: DCD economic development and planning activities receiving largest funding allocations in 2010

Activity	2010			Change from 2008 to 2010			
	O&M	Grants/ Reimbursements	Total	O&M	Grants/ Reimbursements	Total \$ change	Total % change
Support housing development	\$308,306	\$6,785,409	\$7,093,715	\$223,116	\$5,903,460	\$6,126,576	633%
Support private development investment	\$851,671	\$1,197,493	\$2,049,164	\$295,000	\$(454,747)	\$(159,747)	-7%
Permitting & plan review	\$1,977,078	-	\$1,977,078	\$161,785	-	\$161,785	9%
Prepare & market sites for new development	-	\$1,199,373	\$1,199,373	-	\$548,738	\$548,738	84%
Prepare citywide Comprehensive Plan elements	\$997,595	\$10,006	\$1,007,601	\$(66,496)	\$(23,198)	\$(89,694)	-8%
Other	\$485,920	\$242,009	\$727,929	\$8,614	\$17,312	\$25,926	4%
TOTAL	\$4,620,570	\$9,434,290	\$14,054,860	\$622,019	\$5,991,565	\$6,613,584	89%

Source: City of Milwaukee Department of City Development

With regard to staffing levels, DCD had 73.5 full-time equivalent (FTE) positions devoted to economic development activities in 2010, including a planning staff of about 17 FTEs. **Table 2** shows a five-year history of staffing levels, with the positions broken down between economic development and land use/planning, and positions within those categories delineated by funding source (some DCD positions are funded with O&M while others are funded by grants or other outside revenue).

Table 2: DCD staffing levels and funding sources, 2006-2010

	2006	2007	2008	2009	2010	5-yr change	
						Number	Percent
Economic Development							
O&M	22.89	23.07	25.43	29.49	30.81	7.92	34.6%
NON-O&M	36.16	35.67	41.78	29.05	27.05	(9.12)	-25.2%
Land Use & Planning							
O&M	14.62	14.67	16.49	16.05	15.62	1.00	6.9%
NON-O&M	0.84	1.51	-	3.85	0.04	(0.81)	-95.6%
Total							
O&M	37.51	37.74	41.92	45.54	46.43	8.92	23.8%
NON-O&M	37.01	37.19	41.78	32.90	27.08	(9.92)	-26.8%
TOTAL	74.51	74.93	83.70	78.43	73.51	(1.00)	-1.3%

This information shows a 12% drop in DCD economic development staffing levels from 2008 to 2010, which is largely attributed to a sizable loss of grant-funded positions. Positions funded with local revenue have increased steadily since 2006, reflecting efforts to maintain staffing levels in the face of diminishing outside revenues, but also signaling possible concern about sustainability given the city's severe budget pressures. It also should be noted that a 10-year snapshot would have shown a much larger decrease in overall positions, as DCD's total economic development workforce totaled 105.9 FTEs in 2001.

The following delves deeper into the nature of DCD's economic development activities by summarizing the department's main categories of economic development responsibility and spending:

- ***Support housing development.*** DCD assists in preserving the city's housing stock and stabilizing the property tax base by helping to prevent foreclosures and intervening in circumstances that necessitate purchase and rehabilitation or demolition. The magnitude of these efforts grew considerably in recent years because of the need to mitigate a huge spike in home foreclosures. These activities have been supported mostly by a substantial influx of grant funding from the federal Department of Housing and Urban Development (HUD) Neighborhood Stabilization Program (NSP). The City has received \$34 million in NSP funds to date, with most of that amount administered by DCD.

Inclusion of temporary NSP funding in DCD's operating budget skews our analysis of the agency's primary activities by making it appear that housing-related activities are DCD's primary economic development focus. Clearly they are not, but the foreclosure issue in Milwaukee is sufficiently acute and threatening to the tax base that DCD *has* been required to devote both new and existing resources to addressing it, which may be impacting its capacity to focus on other economic development priorities. Also, while some might argue that NSP funding supports "housing" and, therefore, is inconsistent with our definition of economic development, we include these activities in our analysis because of the connection to tax base and the prominence of this funding in DCD's budget.

- ***Support private development investment.*** Operating budget expenditures in this category largely support development and management of TIDs. A TID is an economic development tool used by municipalities to stimulate investment in targeted areas. When a TID is created by city government, the City appropriates monies for public improvements in the district or for financial assistance for businesses or developers, and generally is paid back over time from the increase in property tax revenue generated by private development made possible by the investments. DCD's operating activities with regard to TIDs involve negotiating their various components, ensuring adherence to TID requirements, and monitoring project completion and repayment. TID administration has grown more reliant on local revenue support over the past few years as grants and reimbursements have declined. Total funding for this activity declined by 7% from 2008 to 2010.
- ***Permitting and plan review.*** About 46% of the local revenue allocated to DCD in 2010 was used to support the issuance of permits and review of plans for specific development and redevelopment projects, making this the largest category of locally-funded economic development activity. These resources ensure adherence to the City's zoning ordinances, building codes and other established standards as investments are made in physical property. Staff also establishes how City land and property should be utilized and/or transitioned into alternative uses. While some might deem this function a form of regulatory activity (as opposed to an economic development-related activity), we include it in our analysis because it is such a central part of DCD's mission. Funding for permitting and plan review increased 9% between 2008 and 2010.

- **Prepare and market sites for new development.** Another important component of DCD's economic development activity involves efforts to make underutilized or vacant properties more useable and attractive for new development. Increases in brownfield and other environmental grant funding have boosted total spending in this area by 84% since 2008. Year-to-year spending on this activity varies greatly based on grant availability.
- **Prepare citywide Comprehensive Plan elements.** State statutes required the City to prepare a Comprehensive Plan by January 1, 2010. The purpose of the plan is to establish goals and strategies for the city related to nine elements of development, including land use, housing, and economic development. DCD led this effort by gathering data, performing economic analyses, and collecting public input. The department has devoted about \$1 million to this activity annually in each of the past three years, but is now diverting at least some of its planning resources to other activities because the citywide plans have been completed.
- **Other activities.** Other activities include selling city-owned real estate, developing and marketing industrial corridors, facilitating small business loans through MEDC, managing retail investment and façade grants, and preparing neighborhood land use and redevelopment plans. Those activities received an appropriation of \$728,000 in 2010.

Table 3 provides further insight into DCD's distribution of activities by showing its 2010 economic development staff broken down by functional category. This table again reflects the significant allocation of resources to permitting activities, as the largest area of staffing is for the department's development center. Land use/policy planning, real estate, and neighborhood improvement also possess significant staffing levels.

Table 3: DCD total FTE positions by division, 2010

Division	O&M	NON O&M	Totals by Division	% of Total
Administration	5.63	4.32	9.95	13.5%
Neighborhood Business Development	4.91	1.09	6.00	8.2%
Development Center	17.32	-	17.32	23.6%
Real Estate	1.15	10.35	11.50	15.6%
NIDC ¹⁶	-	9.07	9.07	12.3%
Development Team	1.80	0.50	2.30	3.1%
MEDC	-	0.72	0.72	1.0%
Subtotal	30.81	26.05	56.86	77.4%
Land Use and Policy Planning	15.62	1.03	16.65	22.6%
TOTAL	46.43	27.08	73.51	100%

¹⁶ A primary focus of the DCD-affiliated Neighborhood Improvement Development Corporation (NIDC) is to minimize the negative effects of foreclosures on Milwaukee neighborhoods.

Capital budget

DCD's capital expenditures totaled \$23.2 million in 2010, about \$9 million more than the amount spent on operations. DCD's capital expenditures are closely tied to the emergence of proposed real estate development projects on city-owned property or areas of the city that have been identified as priority areas for redevelopment. Consequently, they can vary significantly from year to year. The capital budget also is influenced heavily by several external factors, including the strength of the local economy and the number of potential investors in city-supported economic development projects.

All but \$600,000 of the City's 2010 capital expenditures were directed toward financing TIDs in support of private development investment. TID financing provides resources for various aspects of project development, including land redevelopment, building renovations or demolition, infrastructure improvements, environmental remediation, and other site preparations. Investments in TIDs not only comprised most of DCD's capital budget, but also accounted for a substantial proportion of the City's overall capital budget. In fact, the \$22.6 million invested in TIDs in 2010 equated to 19% of the overall City-funded 2010 capital improvements budget.

From 2008 to 2010, the City's actual annual capital spending on TIDs ranged from \$15 million to \$26 million. DCD has managed these fluctuations in TID activity with a slightly declining economic development staff. Certainly, DCD's close relationship with RACM and their intermingled staff (a topic expanded upon later in this section) have helped the department absorb swells of activity when they occur.

Planning and Policies

DCD's daily activities and role in the city's economic development framework are guided not only by the amount and allocation of its financial resources, but also by the contents of its economic development plans and the economic development policies and priorities adopted by its elected leaders. We suggested in our 2006 report that a formal economic development plan – which the City lacked at the time – would be useful in helping to allocate personnel and financial resources in a strategic manner, mobilizing community and business leaders behind a unified agenda, and creating greater accountability for both successes and failures.

It is clear that DCD has engaged in significant planning efforts since that time, especially regarding land use and comprehensive planning. In fact, DCD recently completed or amended nine of its 13 area plans, and completed a Citywide Policy Plan. The area plans and Citywide Policy Plan are complimentary documents that together comprise the City's Comprehensive Plan. The area plans divide the city into 13 areas and are designed to “guide future development with land use, design, and catalytic project recommendations.”¹⁷ Complementing the area plans, the Citywide Policy Plan outlines policies and principles for the entire range of issues facing city government.¹⁸ The **Insert** on the following page provides definitions of the four major types of planning documents discussed in this report.

¹⁷ The area plans and their stated goals are available at <http://city.milwaukee.gov/Plansandstudies/AreaPlans.htm>.

¹⁸ Overall, there are nine different policy areas discussed in the Citywide Policy Plan. The areas were selected to conform to the elements required in the State of Wisconsin's Smart Growth plans.

PLANNING GLOSSARY

Comprehensive Plan – a vision and guide for the physical, social, and economic development of a neighborhood, district, city, or any defined planning area. The City of Milwaukee's Comprehensive Plan addresses the entire city.

Area Plan – a comprehensive plan for a portion of a city that may contain multiple neighborhoods. The City of Milwaukee's Comprehensive Plan includes 13 Area Plans that together cover the entire city. These plans include detailed land use, design, and catalytic project recommendations.

Citywide Policy Plan – a broad policy framework for an entire city. Milwaukee's Citywide Policy Plan complements the 13 Area Plans to round out the Comprehensive Plan. The Citywide Policy Plan meets the requirements of Wisconsin's Smart Growth Law by outlining the city's general strategies for the following policy areas: Issues and Opportunities; Land Use; Transportation; Housing; Economic Development; Utilities and Community Facilities; Agriculture, Cultural and Natural Resources; Implementation; and Intergovernmental Cooperation.

Economic Development Plan – a strategic document establishing community goals for economic growth, identifying policies and activities that will help the community reach those goals, and setting performance measures and implementation timelines.

As a whole, the City of Milwaukee's Comprehensive Plan is designed to guide the City's future actions related to land use, economic development and other policy issues. Within the Comprehensive Plan, the Citywide Policy Plan discusses economic development most directly, with an entire chapter dedicated to the topic. The chapter lists and discusses economic development opportunities and challenges specific to the City of Milwaukee, as well as four broad policies that address the role of the City in economic development efforts (see the **Insert** on the following page for additional details). Each of the policies is accompanied by objectives and strategies that, if addressed properly, would achieve the larger policy goals.

The economic development policies and their corresponding objectives also are discussed in the implementation chapter of the Citywide Policy Plan. The timeline for each of the policies is listed as "ongoing" and the departments and community partners responsible for implementation are largely consistent across the policies and objectives.¹⁹ Beyond these lists, no further discussion of implementation is provided.

¹⁹ Mentioned departments include DCD, DPW, RACM, MEDC, Main Streets, and elected officials. Community partners generally include the Milwaukee 7, Milwaukee County, nonprofits, businesses, property owners, state agencies, residents, and local educational institutions.

ECONOMIC DEVELOPMENT POLICIES AND OBJECTIVES, CITYWIDE POLICY PLAN

1. Ensure that the City's economic development efforts complement the efforts of local and regional partners.
 - a. Align city government's economic development efforts with the efforts of others pursuing economic development and employment growth, and expansion of the tax base in Milwaukee and the region.
 - b. Align city government's economic development efforts with the needs of local employers, since most job growth occurs through the expansion of existing companies.
2. Maximize and target city government's economic development resources through partnerships and targeted investment.
 - a. Maximize and target city government's economic development resources to employers and sectors poised for growth in the Milwaukee region.
 - b. Maximize and target city government's economic development resources so Milwaukee residents benefit from the growth of economic opportunity.
 - c. Maximize and target city government's economic development resources through partnerships that leverage additional resources.
3. Grow the workforce employers need through education, training, and attracting talent.
 - a. Grow the workforce employers need by encouraging Milwaukeeans to finish high school and pursue post-secondary education.
 - b. Grow the workforce employers need by providing robust training resources and vocational training preparation to the citizens of Milwaukee.
 - c. Grow the workforce employers need by making Milwaukee attractive to talent from elsewhere.
4. Operate city government in a manner that supports economic development.
 - a. Operate city government in a manner that supports economic development by reducing crime.
 - b. Operate city government in a manner that supports economic development by providing a high quality physical infrastructure and top-notch local government services.
 - c. Operate city government in a manner that supports economic development by ensuring a consistent, understandable and predictable regulatory framework.

Note: Each of the objectives is broken into more specific strategies that are not listed in this insert. The strategies are listed in the Economic Development chapter of the Citywide Policy plan, which can be viewed at <http://city.milwaukee.gov/Plansandstudies/CitywidePolicyPlan.htm>.

Although only recently adopted, the Citywide Policy Plan and its discussion of economic development helps fill a gap that has existed in Milwaukee's economic development efforts for several years. While the City's planning documents meet essential goals with regard to land use planning and broad economic development objectives, however, their utility as a strategic economic development plan is limited by the following:

- The Citywide Policy Plan does not discuss implementation methods or performance measures in specific detail. In order to maximize resources and create accountability throughout the planning process, these types of details are imperative.
- The Citywide Policy Plan does not attach specific timelines or cost considerations to the recommended projects and policies. These omissions limit the ability of policy-makers to use the plan to build a coherent economic development agenda and of the public to assess progress in implementing key facets.
- While each of the area plans lists a set of broad priorities and catalytic projects, no document ranks or prioritizes projects across the individual plans based on criteria such as importance or urgency. This omission is somewhat understandable given that area plans largely are intended to guide *private* investment, but several individuals interviewed for this report contend that this overall weakness in the City's planning documents contributes to an impression that DCD's decisions regarding whether to use its economic development tools to support various private development projects are arbitrary, as opposed to being based on a clear set of criteria predicated on the department's strategic priorities.

In short, the need for a formal economic development plan that establishes priorities, realistic objectives and accountability remains apparent. Ironically, that conclusion is acknowledged in the Citywide Policy Plan, which recommends that City leaders "consider creation of a strategic economic development plan to identify city government's role in high priority job initiatives and to maximize economic impacts of limited resources." To date, neither the mayor nor members of the common council have followed up on that recommendation.

We have found that other cities – such as Charlotte, Portland, St. Paul, and Madison – have created economic development plans that discuss specific actions, timelines, cost estimates, and performance measures, showing that such a task is not impractical. Economic development planning is discussed at length in later sections of this report.

Redevelopment Authority of the City of Milwaukee

RACM is an independent corporation created by state statute in 1958 whose mission is to “eliminate blighting conditions that inhibit neighborhood reinvestment, to foster and promote business expansion and job creation, and to facilitate new business and housing development.”²⁰ Closely tied to DCD, RACM possesses an annual operating budget that dedicates far more resources to economic development than any other local participant, with the exception of DCD.

A primary focus of RACM’s 31-member staff is real estate development, as reflected by the variety of tools the agency possesses that allow it to acquire real estate for redevelopment and engage in real estate financing. Those tools include the ability to utilize eminent domain, borrow money, issue bonds, and make loans. According to RACM officials, the agency’s ability to engage in bond financing has become particularly important and prominent given the low interest rates currently associated with many forms of bonds, and the opportunity to use Midwest disaster bonds as a new financing tool. Indeed, RACM issued over \$113 million in bonds in 2010, representing 17% of the total value of all bonds issued by the agency since 1986.²¹

RACM’s real estate development work is focused largely on brownfield redevelopment, which involves returning environmentally contaminated properties to active use. RACM has been prominently involved in the effort to redevelop Milwaukee’s Menomonee Valley, for example, which is widely viewed as a major success. In fact, RACM received several national awards for its work in the Valley, including a 2008 award from the International Economic Development Council (IEDC) and the EPA’s 2009 Phoenix Award, the top national honor for brownfield redevelopment efforts.²²

With nearly all of the land in the Menomonee Valley Industrial Center now in use, RACM is focusing significant attention on the redevelopment of Milwaukee’s 30th Street Industrial Corridor, which has been designated a “Greenlight district” by the City.²³ The designation means the City will contribute considerable resources to the corridor, which is recognized as a project of major citywide importance.

RACM also has assisted with planning projects in several areas of the city and often is charged by DCD with economic development tasks that the City department may not be able to quickly accomplish on its own because of insufficient capacity, expertise, or logistical hurdles. One City official described the agency essentially as a branch of DCD that is deliberately structured to be more “nimble” and less hampered by bureaucratic regulations.

²⁰ Additional information about RACM and its mission is available at <http://www.mkedcd.org/racm/>.

²¹ RACM is the conduit for issuing bonds to developers, with nearly all financing provided by banks. According to agency officials, RACM has issued bonds for 66 projects since 1986. The total principal investment for those projects as of 12/31/10 was \$674,252,456.

²² 10/31/08. “Menomonee Valley renewal wins award.” *The Business Journal serving Greater Milwaukee*. <http://www.bizjournals.com/milwaukee/stories/2008/10/27/daily57.html>

Daykin, Tom. 11/25/09. “Menomonee Valley Industrial Center lands another award.” *Milwaukee Journal Sentinel*. <http://www.jsonline.com/blogs/business/73613267.html>

²³ 1/11/07. “Milwaukee launches “Greenlight District” in industrial corridor.” *The Business Journal serving Greater Milwaukee*. <http://www.biztimes.com/daily/2007/1/11/milwaukee-launches-greenlight-district-in-industrial-corridor>

Collaboration with other participants

Although technically independent, RACM maintains an exceptionally close relationship with DCD and other city leaders. Indeed, DCD's Commissioner also serves as executive director of RACM, and RACM's board members are appointed by the mayor and confirmed by the common council. Staffing and day-to-day activities also are closely intertwined, as RACM's offices are in the same building as DCD and the two agencies partner for professional, technical, and administrative support. In fact, DCD employees often manage and oversee RACM employees and programs, and vice versa.

In many instances, DCD, RACM, and MEDC leverage one another's tools to pursue or assist with development projects. A recent example is the Villard Library project, which involved construction of a new library within a new apartment complex, for which RACM and MEDC worked together to secure the use of federal New Markets tax credits. RACM also has offered development tools to support the efforts of the M7. An example in that regard is the successful effort to bring a Spanish wind turbine manufacturer (Ingeteam) to the Menomonee Valley.

Budget

Table 4 shows a condensed version of RACM's 2011 budget.²⁴ The largest expenditure category is broadly labeled "operating expenditures," which includes costs related to site improvements, conservation, development, land management, and environmental remediation, among other activities. This broad category comprises nearly 70% of RACM's total budget.

Revenue sources include general revenues such as rents, development fees, and sales, as well as grants, intergovernmental support, and investment income. Community Development Block Grant (CDBG) funds and brownfield grants from the Environmental Protection Agency (EPA) are the two largest sources of grant funding. Together, CDBG and other grant funds comprise 65% of RACM's total revenue budget.

Table 4: RACM 2011 Budget Summary

Expenditures	
Net salaries	\$1,957,704
Fringe benefits (estimated)	\$939,698
Operating expenditures	\$6,338,771
Other expenditures	\$19,800
Total	\$9,255,973
Revenues	
General revenues	\$3,045,853
CDBG funds	\$1,108,936
Capital funding	\$182,453
Other grant funding	\$4,918,730
Total	\$9,255,972

²⁴ The figures cited in **Table 4** were provided by RACM at the request of the Public Policy Forum.

Milwaukee Economic Development Corporation

To complement DCD and RACM, MEDC was established in 1971 as a private, nonprofit corporation dedicated primarily to providing low-interest loans to local businesses. Those loans largely support capital projects and are made in partnership with traditional lending institutions. By providing financial assistance to projects, especially those considered high-risk, MEDC enhances their attractiveness to traditional financial institutions, as the overall risk is reduced for all of the financing partners. DCD officials emphasize that MEDC's niche is loans to existing small businesses, and that it does not lend to support real estate or residential projects.

MEDC is able to provide financial resources to businesses mostly through the use of a revolving loan fund and federal New Markets tax credits. The revolving loan fund is continually replenished as businesses pay interest on their loans in addition to the principal, thus allowing it to be used to finance other projects. The New Markets Tax Credit (NMTC) program is aimed at revitalizing low-income communities. MEDC monetizes the tax credits it receives and uses the funds to provide loans to support qualifying projects. One recent example of a major development project supported by New Markets tax credits is Palermo Villa Inc., which received a \$5.8 million loan through MEDC to assist in the expansion of its pizza manufacturing facility in the Menomonee Valley.

MEDC also offers smaller, targeted grants. For example, in 2010, the organization provided \$68,000 in grants to help businesses pay for environmental assessments of potentially-contaminated brownfield sites, a necessary step in redeveloping those properties.

Between 2006 and 2010, the total value of MEDC's loans was \$87.4 million, for an annual average of approximately \$17.5 million. The yearly totals during this period ranged considerably, from a high of \$23.7 million in 2007 to a low of \$11.3 million in 2009.²⁵ According to MEDC's vice president, only a handful of projects in a given year involve start-ups, while the vast majority support existing businesses. At the end of 2010, MEDC's total assets exceeded \$68 million, an increase from \$53 million in 2005.

Collaboration with other participants

MEDC is not formally affiliated with city government, but its 28-member board is comprised of a mix of City officials and local business representatives. Those officials include the mayor, common council president, DCD commissioner and deputy commissioner, and city comptroller. MEDC's 15 staff members work closely with DCD and RACM by maintaining offices in the same building. In fact, MEDC's president says the organization functions as if it is part of DCD.

MEDC has serviced loans for both RACM and DCD and has developed grants and revolving loan funds to remediate and redevelop brownfield sites in partnership with RACM. Additionally, MEDC has supported the efforts of the M7 through a variety of partnerships, and it provided staff support to BizStarts Milwaukee in its formation stage. According to its 2010 annual report, MEDC also has supported WWBIC with a \$650,000 long-term equity investment.

²⁵ The annual distribution of MEDC's total loan values was: 2006 – \$21,675,209; 2007 – \$23,722,193; 2008 – \$13,691,154; 2009 – \$11,342,309; and 2010 – \$16,971,452.

Budget

Table 5 presents MEDC's 2011 budget. The primary revenue source for MEDC, as would be expected, is interest income from its loan projects. This income stream comprises more than 86% of MEDC's total revenue. In addition to its direct lending activities, MEDC's New Markets tax credit activity generates a small amount of income, as shown in the table. Notably, MEDC has secured a total of \$107 million in New Markets tax credits over the past four years, but these allocations have varied widely year by year, from a high of \$50 million in 2008 to a low of \$14 million in 2010.

With regard to expenditures, wages constitute nearly 30% of the budget and a loan loss reserve accounts for approximately 25%. Overall, MEDC budgeted in 2011 for a projected net income of \$93,875, which includes a projected \$10,000 of interest income on its investments.

Table 5: MEDC 2011 Budget

Expenditures	
Wages	\$1,076,000
Payroll tax expense	\$82,300
Employee benefits	\$242,500
Legal and accounting	\$316,000
Software expense	\$90,000
Management fee	\$300,000
Interest expense	\$150,750
Loan loss reserve	\$900,000
Development expense	\$180,000
Other	\$300,000
Total	\$3,637,550
Revenues	
Loan interest income	\$3,224,925
Servicing fee income	\$46,500
Management fee income	\$300,000
NMTC income	\$150,000
Investment interest income	\$10,000
Total	\$3,731,425

Summary

While DCD has a substantial budget and staff devoted to economic development activities, reflection on the department's overall budget allocations and activities reveal that it plays a targeted and largely supportive role in Milwaukee's economic development landscape. Though commonly perceived as the entity that is beating the bushes to attract new Fortune 500 corporations and/or laying the specific plans and securing the financing for new retail and residential development, DCD's primary role more accurately could be depicted as establishing the conditions under which the various economic development activities deemed critical by city leaders can occur.

Indeed, DCD's most critical function is to lay the groundwork for job creation and tax base growth by planning for where and how such creation and growth should occur; preparing priority sites for development; and conducting necessary permitting and plan review for job-creating and growth-generating activities. In addition, as explained earlier, DCD has played a critical role in addressing the city's foreclosure crisis, which has a substantial bearing on its tax base.

It is essential to view DCD's economic development activities in tandem with its partners at RACM and MEDC, which reveals the more all-encompassing nature of city government's economic development role. Analysis of the three entities' spending, activities and toolbox show that the City's overall role is targeted toward real estate development and redevelopment, financing assistance to existing small, medium and large businesses, comprehensive planning, and logistical support and permitting for private sector economic development activities. It is important to note that we are able to ascertain the dimensions of the City's role only by analyzing the budgets and activities of DCD, RACM and MEDC; the City still lacks a strategic economic development plan that sets citywide priorities and objectives and establishes city government's responsibilities in fulfilling them.

As we will discuss in the following section, there are other highly publicized aspects of economic development activity in Milwaukee that DCD and its partners at RACM and MEDC are not resourced or staffed to lead, such as large business attraction, retention and expansion (though the DCD Commissioner serves as a participant in such efforts and often offers financing tools); support for start-ups; and development and promotion of cluster strategies. Consequently, while city government should be viewed as a major contributor and partner in Milwaukee's economic development landscape, it is far from its sole practitioner, and it must work closely with other entities to achieve desired results.

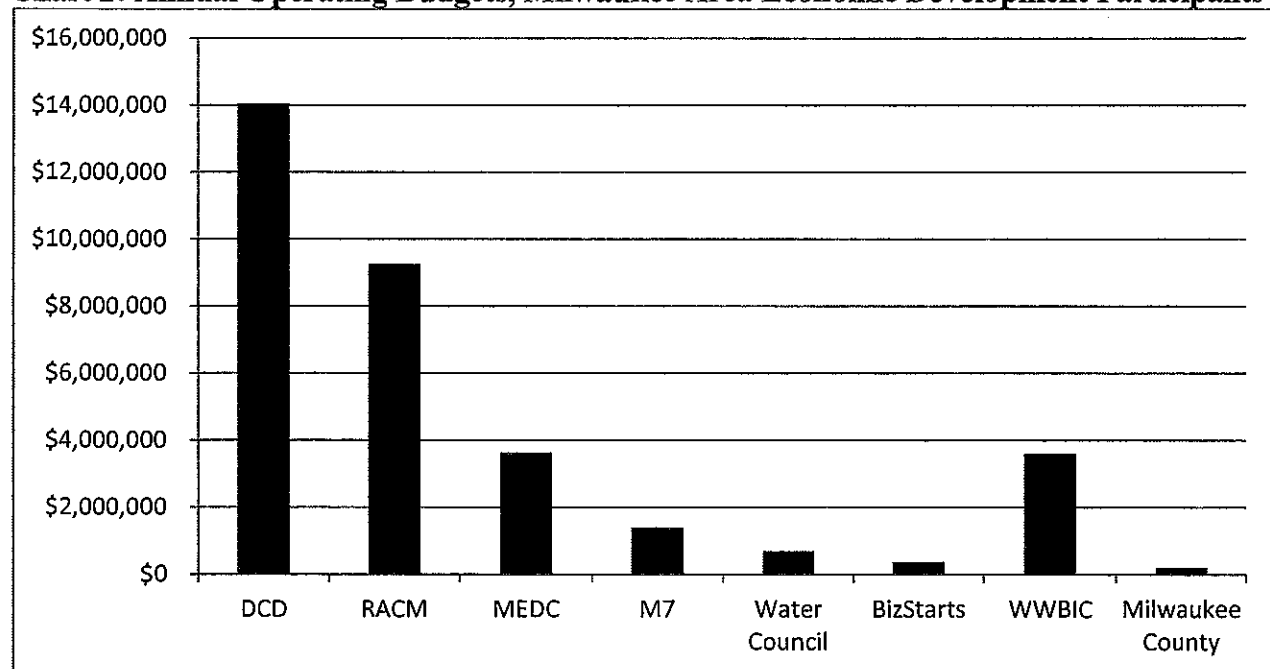
OTHER KEY ECONOMIC DEVELOPMENT PRACTITIONERS

Economic development in major metropolitan areas cannot successfully be accomplished by a single government agency or organization. In Milwaukee, in addition to the three city government-based entities described in the preceding section, there are a variety of organizations dedicated to economic development activities. Those include organizations specifically focused on activities that are not prominent parts of the city's portfolio, such as business attraction, entrepreneurial support, and cluster development.

This section explores five additional organizations that engage in economic development activities in the Milwaukee area and that, combined with the three city-based entities, form the primary group of practitioners pursuing the broad range of strategies that comprise the city's economic development toolbox. Those organizations are the Milwaukee 7; Milwaukee Water Council; BizStarts Milwaukee; Wisconsin Women's Business Initiative Corporation; and Milwaukee County Economic Development.

Chart 2 shows the annual operating budgets of the eight organizations for the most recent year used in this report. This information provides perspective on the collective financial resources devoted to the administration of economic development activities by the major economic development participants in the Milwaukee area, as well as on the comparative spending of each distinct player.

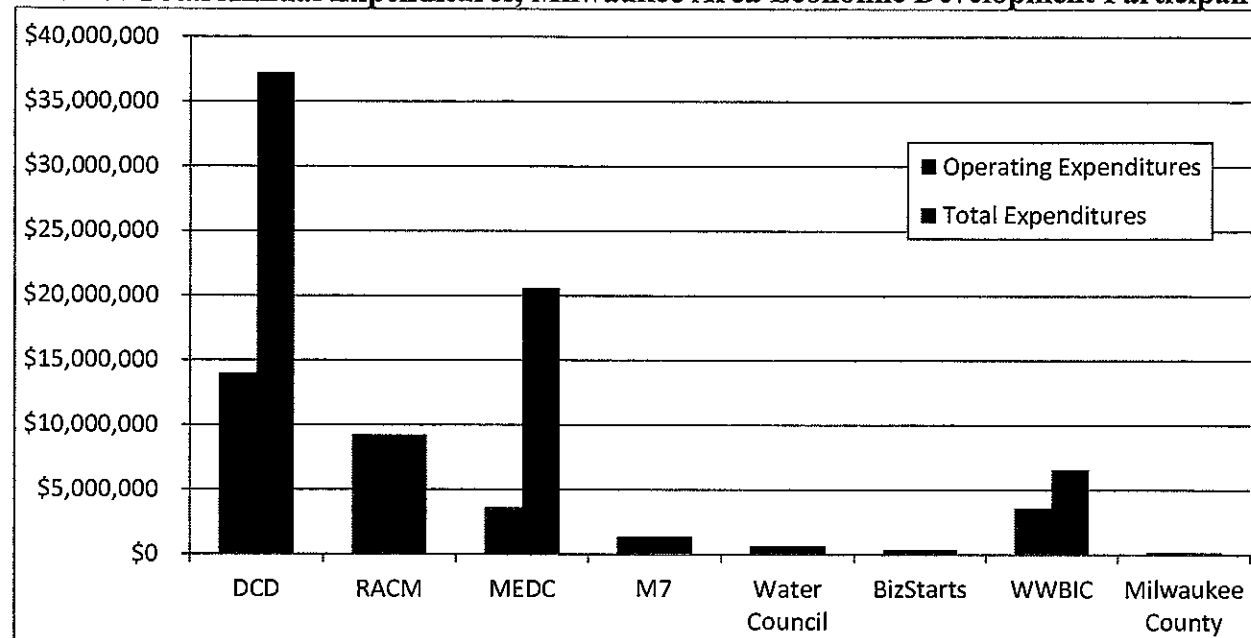
Chart 2: Annual Operating Budgets, Milwaukee Area Economic Development Participants



It is important to note that several Milwaukee economic development participants also make substantial investments in economic development that are not reflected in their operating budgets. To better understand the total financial impact of each participant, **Chart 3** includes capital expenditures and loan investments for the organizations that engage in those activities.

Operating expenditures are also included in these totals. DCD's substantial increase comes from its capital expenditures, which are primarily made up of investments in TIDs. MEDC and WWBIC both make a significant impact through business loans.

Chart 3: Total Annual Expenditures, Milwaukee Area Economic Development Participants



As **Chart 3** shows, the total annual expenditures of the eight economic development participants amounts to about \$77 million, with DCD making approximately 49% of the total investment. When DCD's expenditures are combined with those of its close partners, RACM and MEDC, their collective share jumps to approximately 88% of the total.

As mentioned earlier, these participants should not be viewed as the complete list of organizations and agencies focused on economic development in Milwaukee. We limited our selection to organizations that focus on the city as a whole (as opposed to individual neighborhoods or business districts). In addition, we excluded economic development agencies from neighboring municipalities and counties because of our emphasis on Milwaukee, as opposed to the southeast Wisconsin region. Other organizations were excluded because their primary missions are not to directly address the goals described in our definition of economic development: job creation and tax base growth.

In order to examine the selected participants, we obtained information from organizational websites, media accounts, financial records, and personal interviews. We used this information not only to inventory the organizations' resources and activities, but also to analyze areas of strength and weakness – and potential gaps – in Milwaukee's collective economic development efforts.

Milwaukee 7

Since it was established in 2005, the M7 has helped to significantly change the area's economic development landscape. In particular, the M7 represents a region-wide approach to economic development that did not exist prior to its development. Composed of public and private sector leaders from Kenosha, Milwaukee, Ozaukee, Racine, Walworth, Washington, and Waukesha counties, the mission of the M7 "is to unite our seven counties around a regional agenda to grow, expand, and attract diverse businesses."²⁶

The M7 utilizes a variety of strategies to fulfill its mission. To promote collaboration, the M7 has organized a Regional Economic Development Advisory Council, which includes leaders from each of the participating counties. The council has developed a Strategic Framework and Code of Ethics that guide regional cooperation. To market the region to prospective businesses, the M7 launched a website in 2006 that highlights the region and lists sites available for development. The M7 also aims to promote business retention through a "business call program," and has supported industry clusters in manufacturing, food and beverage, and water technology.²⁷

A primary emphasis of the M7 is to serve as the initial point of contact for companies interested in relocating or growing in the region, as well as to pursue leads and recruit corporations (both domestically and internationally) that its staff or council have identified as being a natural fit for the region. To aid in these efforts, the M7 opened a walk-in resource center in downtown Milwaukee to promote the region's assets and opportunities to prospective new or expanding businesses.

The M7 was established following a comprehensive planning effort involving key regional players, and it has maintained a commitment to regularly updating its strategic objectives and measuring performance. For example, the organization's internal performance scorecard is updated quarterly and reviewed with the regional council at meetings that are open to the public. The M7's performance scorecard indicates that between 2005 and 2009, its efforts affected more than 9,000 jobs, \$385 million in payroll, and 57 projects. M7 leaders add that since the beginning of 2010, the organization has affected an additional 4,624 jobs and \$220 million in payroll, and that it has now engaged in 125 projects.

Collaboration with other participants

While the M7 was created to promote coordinated economic development activities among the seven counties in southeastern Wisconsin, its relationship with the City of Milwaukee is particularly strong. For example, when the M7 uncovers a business that may be willing to relocate or grow within the city, it typically will turn to DCD, RACM and MEDC to utilize their

²⁶ Additional information about the M7 is available at <http://www.choosemilwaukee.com/upload/M7%202010%20Report.pdf>.

²⁷ The business call program is an effort to contact business leaders in a variety of industries in order to identify the opportunities and threats they are facing. DCD and MEDC staff also participates in the program and take responsibility for many of its calls. Overall, the business call program, according to the M7, is an effort to understand the region's business climate more broadly. More information on the M7 business call program is available at http://www.choosemilwaukee.com/business_call_program.aspx.

economic development tools and incentives to encourage such relocation or growth. A prime example is the collaborative effort that brought Ingeteam to the Menomonee Valley.

Several individuals interviewed for this report raised questions about the manner in which the M7 directs “prospects” to individual municipal and county economic development agencies. Interestingly, some suggested the group’s close working relationship with city government conveys priority treatment for Milwaukee, while others suggest the City’s needs are not fully appreciated by the M7. M7 leaders argue that contacts are directed based on the specific needs of the business that is considering relocation or expansion in the region, and how those needs match up with the land and resources possessed by the various agencies. In order to address this issue going forward, it may be helpful for M7 leaders to more clearly delineate the criteria they use in linking prospects with specific agencies and locations.

The M7 also has had close professional and financial relationships with the Milwaukee Water Council and BizStarts Milwaukee. The nature of those relationships has changed over time as the Water Council and BizStarts have carved out their own distinct niches and funding sources, but both organizations continue to share leads, collaborate on individual projects, and interact on a regular basis.

Budget

The M7 is largely financed and led by private businesses and organizations, as opposed to municipalities or public agencies. More than 100 organizations and governments have provided financial support to the M7, with 13% of the organization’s revenue obtained from public sources and 87% provided by local businesses, hospitals, foundations, nonprofit organizations, law firms, financial institutions, and other private businesses.²⁸

When the M7 was launched in 2005, the first investment campaign to support the organization resulted in a nearly \$6 million budget for a five-year period ending with the 2009-2010 budget. A second investment campaign for the next five years has exceeded the fundraising goal of \$7 million.

Table 6 shows the budgets for the first two years of the current five-year budget cycle.²⁹ Although the expenditure categories are somewhat broad, the priorities of the M7 and its 10 staff members are apparent. Approximately 50% of the budget is dedicated to marketing activities related to business retention, expansion, and attraction.

Table 6: Milwaukee 7 2010-12 Budgets

Expenditure Categories	2010-2011	2011-2012
Planning	\$333,703	\$363,800
Economic development resources	\$221,929	\$223,296
Marketing- retention, expansion, attraction	\$708,477	\$724,304
Business climate improvement	\$152,417	\$159,526
Total	\$1,416,526	\$1,470,926

²⁸ The revenue distribution was obtained from an M7 report entitled “Driving Economic Growth: Seven counties united around a regional agenda.” The report and a list of contributors to the Milwaukee 7 can be obtained at <http://www.choosemilwaukee.com/milwaukee7/>.

²⁹ The figures cited in Table 6 were provided by the M7 at the request of the Public Policy Forum.

A major focus of the M7, according to one of its key participants, is attraction and retention of “regional income producers...companies that export goods and services outside of the region...our emphasis is on bringing in money from elsewhere instead of just moving it around.” Specific activities employed to accomplish those goals include consulting assistance, target industry development, targeted expansion/attraction, trade missions/trade shows, site selector and best practice visits, research and prospect analysis.

Milwaukee Water Council

Following its creation in 2007 as an extension of the M7, the Milwaukee Water Council has developed into the most prominent industry-specific economic development organization in the Milwaukee area. The mission statement of the Water Council highlights its grand aspirations, stating a goal of “align(ing) the regional fresh water research community and water-related industries to establish the Milwaukee 7 Region as the World Water Hub for water research, economic development, and education.”

The formation of the Water Council followed a 2007 summit focused on water-based industries in the Milwaukee region. Noting Milwaukee’s location on Lake Michigan and the more than 150 water-related businesses already established in the region, business and civic leaders created the Water Council to support and promote the growth of a regional water industry cluster. As a membership-based organization, the Water Council is composed of representatives from private industry, state and local government, local academic institutions, and environmental groups, among others. The Water Council has secured technical and financial support from local business leaders as well as grants from public and private organizations from across the region, state, and country.

Since its creation, the Water Council and the industry cluster it promotes have been associated with several high-profile accomplishments. For example, in 2009, Milwaukee was designated as a United Nations Global Compact City specializing in water quality. In 2010, Milwaukee became the North American headquarters for the Alliance for Water Stewardship – an international organization attempting to establish global water purity and regulation standards. Several months later, the Water Council formed a partnership with IBM to research and promote water quality initiatives. Finally, the Water Council was recognized for its efforts earlier this year when it received the inaugural U.S. Water Prize from the Clean Water America Alliance – a national water-based advocacy group.³⁰

The Council brings together a wide spectrum of community leaders to discuss economic development, education, policy, and research topics related to fresh water. This is accomplished through the organization’s established committees, which range in focus from economic development to global communication, and through the Council’s annual water summit, a large national conference held in Milwaukee that continues to grow each year.

³⁰ The Clean Water America Alliance is an organization focused on the health of the nation’s water resources. The organization’s initiatives include exploring and analyzing important water-related issues, educating citizens and policymakers on water-related topics, and recognizing organizations or individuals for achievements related to water efforts. More information on the organization can be found at <http://www.cleanwateramericaalliance.org/index.php>.

Much of the Council's other activity focuses on strengthening Milwaukee's existing cluster of water-related businesses, developing water-related academic programs in the Milwaukee area, and facilitating the transfer of university research into new technologies. Regional colleges and universities have worked with the Council to expand their programs related to water law, policy, science, and technology, and the Council also has assisted UWM, Marquette University, and six area businesses to develop the Industry/University Collaborative Research Center, which is focused on water technology transfer.

Collaboration with other participants

Water Council leaders distinguish the Council's role from those played by other major economic development organizations, citing different skill sets, tools and priorities. For example, Water Council leaders see business attraction – even when it comes to water-related businesses – as falling mostly within the purview of the M7 and the City. The Council's focus, instead, is on organizing and growing the existing cluster and helping to develop the infrastructure for water-related research and education that is needed to support and expand it.

The Council's relationship with local colleges and universities has become particularly strong, with UWM continuing to develop its School of Freshwater Sciences, Marquette University recently adding programs in water policy and law, and MATC launching a new program in Environmental Health and Water Quality Technology. In addition, through collaborations with UWM, MATC, and other agency partners, the Water Council recently secured three major federal grants totaling more than \$3 million that will support water-related economic development and workforce development initiatives.

The Water Council is no longer as tightly connected to the M7 as it was when it was first created, though the organizations continue to collaborate on some aspects of water cluster development. The Council's relationship with the City is more intimate, as evidenced by collaboration on plans to develop a water technology research park at the Reed Street Yards, located just south of downtown. The Water Council also has had some interaction with BizStarts Milwaukee, and Council leaders cite the attraction of venture capital for budding water-related businesses emanating from university-based research as key to growing the cluster.

Budget

The importance of the Water Council's membership base is highlighted in its 2011 budget. As **Table 7** illustrates, more than 25% of the Water Council's revenue (\$190,000) is obtained from its membership, which includes approximately 90 businesses and organizations and numerous individuals. Coupled with grant-related revenue—the largest revenue stream—the two categories comprise nearly 67% of the organization's total revenue.

With regard to expenditures, more than 50% of the total budget is related to the Council's small staff, which includes just four full-time employees. The organization's water summit costs approximately \$60,000, but also generates about \$75,000 in revenue.

Table 7: Milwaukee Water Council 2011 Budget

Expenditures	
General operations	\$35,920
Consulting/professional expenditures	\$20,000
Meeting expenses	\$35,000
Marketing and website	\$25,000
Summit expenses	\$60,000
Rent	\$13,600
Salaries, benefits, and taxes	\$381,668
Travel expenses	\$20,000
UN Global Compact	\$6,000
Singapore Intl. Water Week	\$108,000
Total	\$705,188
Revenues	
Membership revenue	\$190,000
Grants	\$283,000
Summit revenue/sponsorships	\$75,000
Contributed income (M7/state)	\$50,000
Singapore Intl. Water Week	\$108,000
Total	\$706,000

BizStarts Milwaukee

BizStarts Milwaukee was established in 2008 by a group of local business leaders with “the mission of creating an innovative entrepreneurial business climate in the Milwaukee 7 region.”³¹ In spite of its relative youth as an organization, BizStarts Milwaukee has developed a variety of programs and resources to support its mission of assisting and promoting start-up companies and entrepreneurs in the seven-county region.

The organization’s activities include providing extensive resources and networking platforms for entrepreneurs and new businesses at a single, comprehensive website; distributing a web-based newsletter that highlights the accomplishments of local entrepreneurs; hosting numerous events and programs designed to assist new and developing companies; matching new companies with established CEOs to gain additional knowledge and guidance; and encouraging local colleges and universities to create courses and programs about entrepreneurial activities. As of 2009, BizStarts Milwaukee had helped to create 14 new companies supported by outside capital.

Collaboration with other participants

As BizStarts Milwaukee has developed, it has received some assistance from other local economic development participants. For example, BizStarts originally received technical, administrative, and financial assistance from MEDC and the M7. Its relationships with these participants are not as close as they were in the past, however, and BizStarts leaders say the organization is now largely left to itself to generate needed resources to accomplish its mission.

³¹ The mission statement was obtained from BizStarts Milwaukee 2009 Annual Report. The report can be found at <http://www.bizstartsmilwaukee.com/BizFiles/PDFs/2009AnnualReport.pdf>.

Budget

BizStarts Milwaukee receives funding from a variety of sources. As shown in **Table 8**, the organization's largest revenue category in 2010 (by a significant margin) was grants, with about 74% of its revenue coming from restricted or unrestricted grant awards.³² Grant sources include federal programs, state agencies, and local foundations and organizations. BizStarts also receives more than 25% of its revenue from memberships and sponsorships.

Table 8: BizStarts Milwaukee 2010 Revenue (Accrual)

Revenues	2010 Accrual
Memberships and sponsorships	\$80,500
Restricted grants	\$212,343
Unrestricted grants	\$18,000
Attendance fees	\$800
Interest income	\$68
Total	\$311,710

Table 9 provides an overview of BizStarts' expenditure budget, presenting actual expenditures in 2010 and 2011 budgeted expenditures. The largest expenditure category in both years is staff salaries (which in 2011 includes, for the first-time, a full-time director).³³ Other significant expenditure categories are largely linked to programs sponsored by BizStarts, including participant training and awards, web hosting development and maintenance, networking meeting costs, and general development.

Table 9 reveals a substantial increase in BizStarts' budget from 2010 to 2011. The organization only has operated for three years, and it has been striving to increase its revenue streams to support additional programs, resources, and staff.

Table 9: BizStarts Milwaukee Expenditures (2010 Actual, 2011 Budget)

Expenditures	2010 Actual	2011 Budget
Staff training and development	\$9,052	\$3,000
Participant training and awards	\$16,540	\$15,200
Travel, mileage, lodging, meals	\$6,210	\$13,700
Rent, materials, supplies, miscellaneous	\$12,211	\$8,150
Advertising, promotion, brochures	\$10,871	\$21,100
Networking meeting costs/facility rental	\$24,516	\$13,600
IT, accounting and other consulting resources	\$31,370	\$64,500
Employee salaries, taxes	\$99,031	\$202,435
Web hosting development and maintenance	\$20,544	\$11,120
Marketing and fundraising	\$12,250	\$3,000
General development	\$17,505	\$34,000
Total	\$260,097	\$389,805

³² The figures cited in **Tables 8** and **9** were provided by BizStarts at the request of the Public Policy Forum.

³³ A Venture Track coordinator position was included in salary expenditures for 2010.

Wisconsin Women's Business Initiative Corporation

Whereas several of the economic development participants described above focus on the attraction and retention of large employers, WWBIC is an economic development corporation that provides education, technical assistance and capital to small and micro businesses throughout the state. WWBIC's contributions to local economic development are highlighted in its mission, which is "to promote economic development through microenterprise by providing access to capital including direct lending, one-on-one individualized business assistance, business education, and asset building financial awareness education programming, with an emphasis on women, people of color, and people of lower wealth and incomes."

WWBIC's president says the group's role is distinct from BizStarts Milwaukee (which she helped found) in that BizStarts serves potential business owners who already have a "big idea" and need venture capital to support it, while her organization is geared toward start-ups and expanding small and micro businesses that are generally capitalized under \$100,000.

Although WWBIC is a statewide organization, it maintains its headquarters in Milwaukee, and 64 of its 109 approved loans in 2010 were provided to individuals and businesses in southeast Wisconsin. Approximately 66% of those loans were offered to existing businesses, and 34% went to start-ups. More than 80% of the loans were provided to service or retail businesses.

In 2010, WWBIC approved over \$3 million in loans and maintained a total loan portfolio balance of \$5.1 million. The organization estimates that nearly 900 jobs were either created or retained through these activities. In addition to its lending activities, WWBIC provides approximately 400 business courses and workshops across the state on an annual basis.

Collaboration with other partners

WWBIC has had a strong working relationship with BizStarts and also interacts with other economic development offices in Milwaukee, including MEDC, Milwaukee County Economic Development and related CDBG offices. In light of its statewide nature, WWBIC also collaborates with a variety of economic development agencies in other counties, as well as agencies on the state and federal level.

Budget

As **Table 10** illustrates, WWBIC's total operating budget was \$3.6 million in 2011.³⁴ The largest expenditures for WWBIC are salaries and benefits, which account for more than 50% of the operating budget. WWBIC's primary revenue source, meanwhile, is government and public support, which accounts for nearly 60% of total operating revenues. Another 21% of operating revenues are obtained from earned revenue, a category that includes profits from Coffee with a Conscience, a social business venture owned and operated by WWBIC.³⁵

Table 10: WWBIC 2011 Operating Budget Summary

Operating Expenditures	2011
Personnel and benefits	\$1,945,799
Bad debt expenses	\$500,000
Other	\$1,170,380
Total	\$3,616,179
Operating Revenues	
Earned revenues	\$766,698
Government/public support	\$2,385,481
Donated/contributed	\$464,000
Total	\$3,616,179

Table 11 provides a more detailed picture of the portion of WWBIC's funding that is obtained from public sources. Although WWBIC received nearly \$300,000 from the State of Wisconsin in 2010, the majority of its resources were provided by various federal sources. In addition to receiving federal CDBG funding through local governments and the U.S. Small Business Administration, WWBIC also received financial support from the U.S. Departments of Agriculture, Treasury, and Health and Human Services.

³⁴ The financial information provided in **Table 10** and **Table 11** was provided by WWBIC at the request of the Public Policy Forum.

³⁵ Coffee with a Conscience has two locations in the Milwaukee area and often sells products that are made by WWBIC clients.

**Table 11: WWBIC Schedule of Expenditures of Federal and State Awards
for the year ended December 31, 2010**

Federal Expenditures	
US Department of Agriculture	
Rural Business Enterprise Grant	\$21,459
US Department of Housing and Urban Development	
Community Development Block Grants	
City of Madison	\$92,004
City of Milwaukee	\$75,000
City of West Allis	\$54,578
Dane County	\$75,000
Kenosha County	\$33,585
Milwaukee County	\$15,000
Racine County	\$25,000
Resident Opportunity and Support Services	
Housing Authority of the City of Milwaukee	\$121,680
US Department of Treasury	\$620,317
US Small Business Administration (all sources)	\$920,082
US Department of Health and Human Services	\$446,852
Total Federal Expenditures	\$2,500,557
State Expenditures	
Wisconsin Department of Commerce	
Community Based Economic Development	\$99,000
State Minority Business Development	\$200,000
Total State Expenditures	\$299,000

Milwaukee County Economic Development

Economic development efforts by Milwaukee County government have been somewhat limited and characterized by numerous changes to the county's staffing and operations in recent years. In 2009, the County abolished its position of economic development director and transferred the Economic Development Division's real estate, housing, and community development block grant administration functions to other county agencies. In 2010, the former county executive proposed a plan to create a new Business Development Department. Instead of creating a full department, however, county policymakers created a new economic development director position and placed it within the Department of Transportation and Public Works. The new county executive's recommended 2012 budget once again calls for reorganization, creating an Economic Development Division in the Department of Administrative Services and moving real estate, GIS mapping, and some marketing functions into the new division.

The County's new economic development director describes his role as that of a sales person for the County and a partner and link between businesses, the M7, and the county's 19 municipalities. The division will strive to keep the M7 informed of properties available throughout the county so that businesses contacting the M7 can be directed to the options that

best meet their needs. The division also intends to enhance outreach directly to area businesses to help them remain and grow within Milwaukee County.

Since 2008, the County also has had access to a temporary federal financing tool called Midwest Disaster Area (MDA) bonds, which were created to assist in the recovery efforts of Midwest communities damaged by flooding and tornadoes that year. Milwaukee County has been allocated up to \$50 million in MDA bonds, which can be issued to qualifying projects through January 1, 2013.³⁶ Thus far, however, this tool has not proven financially beneficial for many businesses and has not been widely utilized.

Recognizing that the County has few other financial tools to contribute to economic development efforts (with the exception of county-owned land in the Park East Corridor and County Grounds), the county executive's recommended 2012 budget called for the creation of a new Milwaukee County Economic Development Corporation (MCEDC), which would administer a revolving loan fund supported by the sale of county real estate. The proposal was modified by the county board to instead create a new Economic Development Fund that would receive up to \$1 million of county land sale revenue in 2012 "to develop sustainable jobs and new tax base in Milwaukee County."³⁷

Collaboration with other partners

Milwaukee County once played a relatively prominent role in economic development with the creation of the Milwaukee Regional Research Park. In recent years, however, because of severe budget challenges and a lack of consensus among the county executive and members of the county board regarding the County's economic development role and responsibilities, the impact of county economic development work has been minimal.

In seeking to refocus the County's efforts, the new Milwaukee County executive has charged the economic development director with two goals: work with the City of Milwaukee to increase development on county-owned parcels on the site of the former Park East freeway; and enhance partnerships with neighboring municipalities and other local economic development organizations. To advance toward the first goal, Milwaukee County recently added an office for its new economic development director at the building that houses DCD. In addition to collaboratively marketing the Park East for redevelopment, the County's economic development director says the City and County are working to mend what has long been a strained relationship.

In addition, the county board recently initiated an effort under which the county is working with the Southeastern Wisconsin Regional Planning Commission (SEWRPC) to develop a "comprehensive economic development strategy" for Milwaukee County, which is planned for release in April 2012. The effort is guided by an advisory committee created by the county board that includes several economic development practitioners, including the heads of MAWIB and MATC, a City of Milwaukee alderman, two real estate developers, and three county board

³⁶ A full description of qualifying projects can be found on the Wisconsin Department of Commerce website: <http://commerce.wi.gov/BD/BD-MDAB.html>

³⁷ As of the time this report went to press, final action on the 2012 budget had not yet occurred.

supervisors. Remarkably, the committee does not include representatives from DCD or any of the other major economic development participants discussed in this section. Indeed, aside from recent efforts to strengthen the county's relationship with DCD and the M7, the other participants have indicated only occasional and limited interaction with County officials.

Budget

Because of the nearly annual changes to Milwaukee County's economic development efforts, a financial analysis is somewhat challenging. In the 2011 budget, \$205,712 was allocated for two economic development positions: the economic development director and an economic development specialist. To date, only the director position has been filled. Additionally, \$1.4 million was allocated to the county's real estate services division, which is responsible for marketing and selling county-owned land for new development. The county executive's 2012 recommended budget allocates \$355,000 to the new Economic Development Division for economic development functions. Budget allocations for real estate services increase slightly to \$1.45 million.

Given Milwaukee County's limited economic development tools and budgetary resources, it is of little surprise that its role in City of Milwaukee economic development – outside of efforts to sell and/or develop its own real estate – has been limited. Recent steps taken by county officials to enhance partnerships, develop new business financing tools, and play a more influential role in coordinating countywide economic development policies may change that assessment, but care will need to be taken to ensure that the county's efforts do not simply duplicate, but rather strategically complement, those conducted by other players. Overall, county government still should be viewed as a relatively minor player in the city's economic development framework.

Summary

By and large, the major organizations outside of city government that are focused on economic development in Milwaukee have engaged in internal strategic planning, established clear missions, and can clearly articulate their respective roles in accelerating economic growth. For the most part, they are knowledgeable of each other's activities and, in some cases, have significant and consistent interaction.

Nevertheless, the major players do not appear to operate in a highly coordinated and calibrated fashion. For example, while DCD, RACM, MEDC, and the M7 often cooperate on projects in order to capitalize on their individual strengths, interactions with other participants are less frequent. And, while some financial and marketing efforts connect the M7 with BizStarts Milwaukee and the Milwaukee Water Council, and federal grants connect WWBIC to the City of Milwaukee and Milwaukee County, the participants are not operating under a unified economic development strategy.

This has caused some consternation among those who argue that too much emphasis is being placed on attracting big companies from outside of the region, and not enough on supporting start-ups. For example, some interviewees suggested that the role played by BizStarts has been unwisely overshadowed by groups like the M7 and Water Council, which are receiving greater

attention and resources from Milwaukee's elected and business leaders. M7 leaders respond that this perception is fueled by the public attention that is generated from efforts to attract large businesses, and that business expansion also plays a prominent role in the organization's agenda.

Some interviewees also cite the need for an overriding strategy that focuses on the entire spectrum of the region's businesses (micro, small, medium, large and very large), and argue that the micro and small business components have been de-emphasized while economic development leaders have focused on attracting larger companies in sectors typically associated with "high growth" (e.g. information technology). Those making these arguments specifically cite the need for business development strategies that will produce jobs for low-skilled workers from Milwaukee's central city, a factor they say has been largely ignored in some of the area's higher profile efforts around water and other clusters. Others point out that while business community leadership via organizations like the M7 is a critical component of economic development success, care should be taken to ensure that the role of such groups in economic development agenda-setting does not exclude other important segments of the community.

Finally, some have questioned whether the city's economic development organizations are aggressive enough in identifying growing companies *within* the M7 region and actively using Milwaukee's vast economic development toolbox to convince them to relocate and/or expand within city limits. On the one hand, this point seemingly runs counter to the M7's general role in promoting economic development cooperation among leaders from the seven counties. On the other, however, some argue that the City of Milwaukee's severe economic challenges merit priority treatment, and that the agreement among M7 leaders to refrain from competing against one another is working against the City's interests. Again, a comprehensive planning process could address this issue and further clarify the M7's role in encouraging business development and expansion in the region.

In the following section, we "map" the primary activities and tools used by the eight major economic development players in an attempt to glean further insight into these issues.

MAPPING MILWAUKEE'S MAJOR ECONOMIC DEVELOPMENT PLAYERS

The brief profiles of eight major economic development agencies and organizations show the broad extent of economic development efforts taking place in Milwaukee. Those efforts, as discussed throughout this report, consist of tools and activities that range from tax incentives and business financing to planning and marketing.

In order to better assess how the key players function collectively, **Table 12** and **Table 13** “map” the characteristics and primary activities of these eight participants. The maps show the scope of activities and expenditures, as well as the specific tools used by each participant.³⁸ Together, this information provides perspective on where the core strategies and activities of the various entities merge and overlap, and also where gaps may exist.

Economic development activities are grouped into 11 broad categories. Included in these categories are more than 40 specific activities and tools spread across the eight participants (the full list is presented in **Appendix B**). These categories include:

- Tax incentives/credits—the use of development zone tax credits, environmental remediation tax credits, or other tax incentives.
- Eminent domain—the ability to acquire private property with due compensation to the property owner (e.g. land).
- Business attraction—the use of a variety of incentives or outreach to encourage businesses to physically relocate within a certain area.
- Business retention and expansion—the use of outreach and assistance strategies to encourage businesses to remain and grow within a certain area.
- Real estate/business financing—the use of bonds, loans, grants, or other financial resources to assist developers and businesses.
- Infrastructure (re)development—the use of tax increment financing or capital improvement funds to improve public infrastructure.
- Site selection assistance—personal or web-based assistance for businesses who desire new facilities or locations within a geographic area.
- Planning—the development of comprehensive area plans, citywide policy plans, general economic development strategies, or strategies to promote industry-based clusters.
- Business development/assistance—providing entrepreneurs and small/micro businesses with educational or financial assistance.
- Entitlements—the ability to control tools such as zoning regulations and permits as they pertain to redevelopment or new construction.
- Branding/marketing—the use of marketing or public education strategies/materials to highlight the positive aspects of a specific location for business development or growth or to promote growth or collaboration within a specific industry cluster.

³⁸ While this report catalogues the variety of tools that are available to the major economic development players, it is beyond its scope to examine whether the use of specific tools is being maximized. That issue may merit follow-up analysis, as previous Forum reports have found that Milwaukee’s use of TIDs lags other urban areas (see <http://www.publicpolicyforum.org/pdfs/2008TIF-final.pdf>), and some argue that Wisconsin should make greater use of tax incentives for business attraction/expansion and bond funds for venture capital investments.

City of Milwaukee Department of City Development		Redevelopment Authority of the City of Milwaukee		Milwaukee Economic Development Corporation		Milwaukee 7		Milwaukee Water Council		BizStarts Milwaukee		Wisconsin Women's Business Initiative Corporation		Milwaukee County Economic Development	
Abbreviation	DCD	RACM	MEDC	M7	-	Seven-county Milwaukee region	Seven-county Milwaukee region	Seven-county Milwaukee region	-	Seven-county Milwaukee region	WWBIC	Milwaukee County			
Geographic Focus	City of Milwaukee	City of Milwaukee	City of Milwaukee	Seven-county Milwaukee region	Seven-county Milwaukee region	Seven-county Milwaukee region	Seven-county Milwaukee region	Seven-county Milwaukee region	Seven-county Milwaukee region	Seven-county Milwaukee region	State of Wisconsin	Milwaukee County			
Brief Description	The City of Milwaukee agency responsible for business and real estate development, planning, and permitting within the city	A corporation with the authority to issue bonds, plan, and generally promote economic development	A private, nonprofit provider of low-cost loans and grants to businesses in partnership with conventional lenders	A regional cooperative economic development organization with the mission of attracting, and retaining, and growing business and talent	A group dedicated to the promotion and development of a water industry hub in the Milwaukee region	An organization designed to provide regional entrepreneurs and start-ups with needed resources and assistance	A Milwaukee-based economic development corporation that provides business education and financing to entrepreneurs and small business owners	The Milwaukee County agency responsible for economic development efforts within the county							
2011 Operating Expenditures (budgeted)	\$14,054,860*	\$9,255,973**	\$3,637,550	\$1,416,526	\$705,188	\$389,805	\$3,616,179	\$205,712							
Staff Members	74	31	15	10	4	3	35	1							
Primary Revenues	<ul style="list-style-type: none"> • Grant funding • Property tax levy • CDBG funds • Plan review and permit fees 	<ul style="list-style-type: none"> • Grant funding • General revenues • CDBG funds 	<ul style="list-style-type: none"> • Loan interest income • Management fee income • New Markets Tax Credit income 	<ul style="list-style-type: none"> • Private sector contributions • Local government contributions 	<ul style="list-style-type: none"> • Grants • Membership revenue • Summit revenue/ sponsorship 	<ul style="list-style-type: none"> • Restricted grants • Membership and sponsorships • Unrestricted grants 	<ul style="list-style-type: none"> • Federal, state, and local government grants • Private foundations and corporations • Earned income 	<ul style="list-style-type: none"> • Property tax levy 							
Primary Expenditures	<ul style="list-style-type: none"> • Salaries and wages • Fringe benefits • Operating expenditures • NSP expenditures 	<ul style="list-style-type: none"> • Operating expenditures • Net salaries • Fringe benefits 	<ul style="list-style-type: none"> • Loan loss reserve • Loan guarantee expense • Legal and accounting expenses 	<ul style="list-style-type: none"> • Marketing (growth, attraction, expansion) • Planning • Economic Development Resources 	<ul style="list-style-type: none"> • Salaries, benefits, and taxes • Singapore Intl. Water Week • Summit expenses 	<ul style="list-style-type: none"> • Employee salaries • Consulting resources • General development 	<ul style="list-style-type: none"> • Personnel and benefits • Bad debt expenses 	<ul style="list-style-type: none"> • Personnel and benefits 							

Table 13: Activities/Tools of Economic Development Participants in Milwaukee

Tools/Activities	City of Milwaukee Department of City Development	Redevelopment Authority of the City of Milwaukee	Milwaukee Economic Development Corporation	Milwaukee Water Council	BizStarts Milwaukee	Wisconsin Women's Business Initiative Corporation	Milwaukee County Economic Development
Tax incentives/credits	•		•				
Eminent domain	•	•					
Business attraction	•	•	•	•			•
Business retention and expansion	•	•	•	•			
Real estate/business financing	•	•	•			•	•
Infrastructure (re)development	•	•					
Site selection assistance	•	•		•			
Planning	•	•		•			
Business development/assistance		•		•	•	•	•
Entitlements	•			•			
Branding/Marketing	•	•		•			
Other highlights/activities	Close working partnership with RACM and MEDC	Real estate holdings for future development	Website linked to other economic development participants	Business resource center; advocate for regional cooperation	International recognition and partnerships (e.g. IBM)	Online resources; networking; education; events	State-wide business education programs; Real estate services related to county-owned land

Tools/Activities Category Definitions

Tax incentives/credits: The use of development zone tax credits, environmental remediation tax credits, or other tax incentives.

Eminent domain: The ability to acquire private property with due compensation to the property owner (e.g. land).

Business attraction: The use of a variety of incentives or outreach to encourage businesses to physically locate within a certain area.

Business retention and expansion: The use of outreach and assistance strategies to encourage businesses to remain and grow within a certain area.

Real estate/business financing: The use of bonds, loans, grants, or other financial resources to assist developers and businesses.

Infrastructure (re)development: The use of tax increment financing or capital improvement funds to improve public infrastructure.

Site selection assistance: Personal or web-based assistance for businesses who desire new facilities or locations within a geographic area.

Planning: The development of comprehensive area plans, citywide policy plans, general economic development strategies, or strategies to promote industry-based clusters.

Business development/assistance: Providing entrepreneurs and small/micro businesses with educational or financial assistance.

Entitlements: The ability to control tools such as zoning regulations and permits as they pertain to redevelopment or new construction.

Branding/marketing: The use of marketing or public education strategies/materials to highlight the positive aspects of a specific location for business development or growth or to promote growth or collaboration within a specific industry cluster.

Viewing Milwaukee's economic development landscape in this manner yields four primary insights:

- 1) There is an increasingly wide variety of tools available and used by major economic development participants to enhance local economic development efforts. Those tools allow the region's economic development leaders to provide financial assistance to new or expanding businesses, nurture entrepreneurs, acquire land, improve development sites, market the area, issue permits, and attract new businesses, among many other activities. With the recent development of BizStarts Milwaukee and the Milwaukee Water Council, the tools have become more diverse despite a recessionary economy. In short, the area has been able to grow and diversify economic development activity and capacity despite financial and economic challenges.
- 2) The DCD-RACM-MEDC triumvirate remains the lead player with the largest overall budget and staff and the greatest number of economic development tools at its disposal. As noted earlier, the combined annual investments of these three agencies represent 88% of the total investments made by the eight major economic development participants. Of the 11 categories cited, DCD's activities are included in 10 of them. The M7, in comparison, engages in activities that are listed under five categories. DCD also is the only participant with the authority to develop public infrastructure, control entitlements, and (along with RACM) utilize eminent domain—all of which can have a significant impact on economic development.

Given its share of resources and activities/tools when compared to other economic development organizations, the role of DCD and its two affiliates in Milwaukee's economic development efforts is paramount, and any diminishment of that role caused by budget cuts or other factors (such as the need to continue to devote more resources to the foreclosure crisis) could require other participants to expand their activities. DCD's pre-eminent role also suggests that it should bear primary responsibility for overall planning and cohesion of citywide economic development efforts and accountability for results.

- 3) Two of the most widely used economic development tools in the Milwaukee area are business attraction and real estate/business financing. Five of the eight participants engage in at least some business attraction efforts: DCD, RACM, the M7, the Water Council, and Milwaukee County Economic Development. Financing activities, a closely related category, also are prevalent, with five of the eight participants utilizing bonds, grants, loans or other financial resources to support businesses or real estate projects (DCD, MEDC, RACM, WWBIC, and Milwaukee County).

With seven of the eight participants engaged in business attraction and financing, it follows that a significant amount of resources are available to pursue or fund those activities. In fact, the primary organizational objective of MEDC is to provide supplementary financing to local businesses. Additionally, the M7 dedicates approximately 50% of its budget to activities related to business retention, attraction, and expansion. In short, business attraction and financing strategies are well-utilized by area economic development participants and well-resourced, making these the two primary components of the city's economic development

toolbox. Consequently, additional analysis may be required to measure the effectiveness of these strategies and whether they are being justifiably prioritized.

- 4) In contrast to business attraction and financing, the resources dedicated to business development and assistance are limited. Only three of the eight participants focus on business development services targeted at start-ups and small/micro businesses, and those organizations operate with relatively low budgets overall.³⁹ BizStarts Milwaukee, for example, had an operating budget of \$389,805 in 2011—one of the lowest budgets of any organization included on the map. WWBIC, an organization dedicated to providing both technical and financial assistance to small and micro businesses, had a 2011 operating budget of slightly more than \$3.6 million, with one-third of the organization’s activities occurring outside of southeast Wisconsin. In interviews conducted for this report, some participants suggested that the resource discrepancy between business attraction and real estate financing on the one hand, and support for start-ups and small business expansion on the other, should be revisited. Others suggested that instead of diverting resources from one area of economic development activity to others, local leaders should consider ways to expand the resources devoted to the entire toolbox.

In addition, while not immediately evident from an examination of **Table 13**, our research and interviews with agency leaders indicate that business retention activities are somewhat limited. The table shows that five agencies engage in some retention/expansion activities (DCD, RACM, MEDC, M7, and the Water Council), but the M7’s business call program is the only formal, documented activity we could identify that directly addresses retention of existing businesses in Milwaukee. While DCD conducts a variety of indirect activities that may positively impact retention (such as its work with BIDs, Main Street Milwaukee, etc.), we could find no evidence of a coordinated approach that identifies and targets key businesses.

Overall, this display of tools, activities, and interactions of the major Milwaukee economic development participants raises several important questions. For example, several of the major participants compete for the same resources, including federal and state grant funds, and contributions from local foundations and individual businesses. Should these efforts be coordinated or merged, perhaps, on a case-by-case basis? Should the participants’ efforts to acquire economic development resources be structured in a manner that reflects the relative importance of the activities to the city’s economic future? Interviews indicate that the public, and even the participants themselves, are sometimes unsure of the answers to those questions.

In addition, this analysis shows that while the economic development organizations in Milwaukee are making use of a large and growing array of tools and activities to promote economic development, persistent gaps remain related to coordination and accountability. The following section looks to the experiences of five peer cities for ideas on how to address those gaps.

³⁹ While DCD, MEDC, and the M7 provide some business development assistance to small businesses and entrepreneurs, those activities are not part of their primary mission. For example, DCD assists small businesses through its Retail Investment Fund and Facade Grant programs, and MEDC provides loans to start-ups through its Capital Access Program, but those investments represent relatively minor components of the organizations’ overall activity.

ADDRESSING THE GAPS

The preceding review of the economic development landscape in Milwaukee provides insight into the characteristics of the major participants working on economic development and the variety of tools they possess. It is clear that new and strengthened efforts have developed over the last five years and that, among some participants, effective collaboration is occurring.

Despite these strengths, however, some have pointed to gaps in the area's economic development efforts, and have suggested that those efforts could benefit from improvement in the areas of coordination and accountability. For example, the increase in meaningful and distinct economic development efforts occurring in Milwaukee has been positive, but we have found that coordination only occurs among certain participants for certain projects. Our analysis also shows that the focus of economic development efforts and resources in the area – whether by design or happenstance – is on business attraction and real estate financing activities. In contrast, fewer resources are being dedicated to support for start-up companies and small business growth.

As economic development leaders in Milwaukee reflect on these potential gaps, it may be useful to consider successful economic development strategies and frameworks employed by other, similar-sized cities. As such, five cities are profiled below that have implemented strategies that correspond to the weaknesses described above: Portland, Saint Paul, Pittsburgh, Oklahoma City, and Cleveland. Portland and Saint Paul are examples of cities with well-developed and documented economic development strategies, while Pittsburgh serves as an example of a city with highly coordinated regional economic development efforts, and Oklahoma City and Cleveland represent cities utilizing unique economic development tools.

The profile of each city includes an insert showing basic facts about its population and economy. For comparative purposes, shown below is a similar insert for Milwaukee.

MILWAUKEE AT A GLANCE

City population, 2010	594,833
Metropolitan population, 2010	1,555,908
Land area	97 square miles
Largest area business	Aurora Health Care
Prominent Milwaukee-area headquarters	Johnson Controls, Northwestern Mutual, Manpower, Kohl's
Per capita income	\$19,153
Unemployment rate, 2010	11.5%

Note: Other than metropolitan population, all data represents city only. City population, metropolitan population, land area, and per capita income data were obtained from the U.S. Census Bureau (per capita income is based 2005-2009 estimates generated by the U.S. Census Bureau) and the unemployment rate was obtained from the U.S. Department of Labor Statistics. The largest area business category is based on employment and does not include public institutions such as government agencies (local, state, or federal), public schools, or universities.

Portland, OR

In July 2009, the City of Portland adopted an ambitious five-year economic development strategy designed to achieve the goals of increasing city employment by 10,000 jobs and building “the most sustainable economy in the world.”⁴⁰ Portland’s detailed strategy, which outlines the city’s economic development objectives and then drills down to specific actions that will be taken to achieve them, could serve as one model for Milwaukee to consider in developing a strategic economic development plan.

Portland’s plan identifies three primary themes that drive the strategy: maximize competitiveness; drive urban innovation; and stimulate neighborhood business vitality. These themes are divided into several key objectives, which are then broken down into specific actions. The document also specifies the parties responsible for the implementation of each action. **Table 14** provides an example of the document’s structure using the second theme—urban innovation.

Table 14: Urban innovation objectives in Portland’s economic development strategy

2. Building the Sustainable Economy-Urban Innovation		
Objective 2.1	Create the Next Generation Built Environment	
	Action 2.1.1	Establish the Oregon Sustainability Center to foster the next wave of innovation in sustainable building and living.
	Action 2.1.2	Establish eco-districts in three catalytic locations.
Objective 2.2	Enhance the vitality and distinctiveness of the Central City to showcase our sustainable way of life and attract creative class talent.	
	Action 2.2.1	Invest in catalytic Westside redevelopment projects, including Post Office, Centennial Mills, PSU, Con-Way, and Goose Hollow.
	Action 2.2.2	Support the planned expansion of the PSU and OHSU campuses.
	Action 2.2.3	Invest in catalytic Eastside sites, including Headquarters Hotel, Rose Quarter redevelopment and Burnside Bridgehead.
Objective 2.3	Actively market Portland as the leader in sustainability throughout the world.	
	Action 2.3.1	Convene public-private working group to develop objectives for branding strategy.
	Action 2.3.2	Implement a unified branding strategy for the city and region.

In addition to citing specific objectives and actions, the plan provides estimates of the financial resources required to implement the recommended initiatives, as well as methods to obtain the needed resources. The website dedicated to Portland’s economic development strategy also includes metrics used to measure progress toward achieving the plan’s goals and objectives. For example, Objective 2.1 in the table above is focused on the creation of the next generation built environment. The metric assigned to this objective is the number of green buildings per 1,000,000 Portland residents.

One of the most instructive aspects of Portland’s strategic planning document is the frequency with which it is analyzed and updated. The report was released in July 2009, and the first

⁴⁰ The strategic plan and two year status report can be accessed at: <http://pdxeconomicdevelopment.com/index.html>

progress reports were completed in October and November of that year. The progress reports included updates on each of the plan's primary goals and their specific underlying objectives, highlighting the related achievements that had taken place. Additional updates were provided in 2010 and July 2011.

Not only does Portland's strategy provide concrete guidance for the city and its partners as they pursue economic development, but the city's frequent evaluation of its progress also fosters accountability. A strategic plan with these attributes would benefit Milwaukee's collective economic development activities.

PORTLAND AT A GLANCE

City population, 2010	583,776
Metropolitan population, 2010	2,226,009
Land area	134 square miles
Largest area business	Intel
Prominent Portland-area headquarters	Adidas; Nike; Columbia Sportswear
Per capita income	\$29,160
Unemployment rate, 2010	10.1%

Note: Other than metropolitan population, all data represents city only. City population, metropolitan population, land area, and per capita income data were obtained from the U.S. Census Bureau (per capita income is based 2005-2009 estimates generated by the U.S. Census Bureau) and the unemployment rate was obtained from the U.S. Department of Labor Statistics. The largest area business category is based on employment and does not include public institutions such as government agencies (local, state, or federal), public schools, or universities.

Saint Paul, MN

In July 2008, Saint Paul Mayor Chris Coleman introduced the Saint Paul Economic Development Strategy 2008-2009.⁴¹ Despite the plan's short-term scope, it outlines an ambitious and data-driven economic development strategy with a high degree of collaboration and clear accountability.

St. Paul's plan contains six initiatives: business retention and expansion; business attraction; Invest Saint Paul area initiatives; streamline the development process; workforce development; and downtown revitalization. Each initiative is then divided into topic areas focused on planned activities. For example, the downtown revitalization initiative includes three topic areas: create and implement an office occupancy plan, develop a short-term retail strategy, and develop a downtown façade improvement program. Each initiative and its components are shown below in Table 15.

⁴¹ The full Economic Development Strategy and "Action Step Matrix" can be found on the City of St. Paul's website: <http://www.stpaul.gov/index.aspx?NID=2938>

Table 15: Economic Development Initiatives in St. Paul's economic development plan

Initiatives	Strategies
Business Retention and Expansion	<ul style="list-style-type: none"> • Business Retention visits • Rapid Response Team • Annual Business Survey • Downtown Demographic Data • Redesign the Business Resource Center • Back Street Cluster
Business Attraction	<ul style="list-style-type: none"> • High Tech and Green Manufacturing • Life Science • Healthcare • Ethnic Businesses • MetroMSP-Regional Development Website
Invest Saint Paul Initiatives	<ul style="list-style-type: none"> • Business Outreach • Economic Analysis • Strategic Acquisition Plan
Streamline the Development Process	<ul style="list-style-type: none"> • Formalizing the ED Function • Re-energizing the Process
Workforce Development	<ul style="list-style-type: none"> • Enhance PK-12 Education • Increase Post-Secondary Educational Achievement • Promote Access to Technology • Youth Workforce Preparation • Customized Job Training
Downtown Revitalization	<ul style="list-style-type: none"> • Office Occupancy Plan-Phase II • RNC Short Term Retail Strategy • Downtown Façade Improvement Program

The plan was intended not only to provide broad economic development policy guidance, but also to enhance collaboration among Saint Paul economic development participants. In fact, interviews with a wide variety of local institutions and economic development participants guided plan development, including local banks, community development corporations, chamber organizations, businesses, university officials, and workforce development representatives from state government.

Following these interviews, a group of five economic development agencies was formed to develop the plan and jointly take responsibility for its implementation. The partnership included the City of Saint Paul and its Department of Planning and Economic Development, the Saint Paul Chamber of Commerce, Capital City Partnership, Saint Paul Port Authority, and the Saint Paul Riverfront Corporation.⁴² While the strategy is presented as the City of Saint Paul's economic development strategy, each of the partners was given responsibility for its implementation.

St. Paul's economic development strategy lists and defines the initiatives prioritized by the city and its partners, but an accompanying "action step" matrix and progress report provides more specific detail. The action step matrix links each planned action with responsible partners

⁴² The Capital City Partnership is a non-profit organization comprised of St. Paul area businesses and organizations that focuses on enhancing and promoting that business environment of St. Paul and its downtown. More information is available at <http://saintpaulworks.com/>.

(including specific staff leads), outcomes, and progress updates. **Table 16** replicates the matrix for the first action step listed in the document—business retention visits (located under the business retention and expansion initiative). The 24 remaining topic areas shown in **Table 15** are listed in the document with similar information.

Table 16: Action Plan Progress Report Matrix: Initiative 1, Action Step 1 – St. Paul economic development plan

Action Step	Responsible Partner/Staff Lead	2008/2009 Outcome/Measure	Progress to Date
Business Retention Visits The Partnership will conduct business retention visits to strategically selected major employers, “gazelle” businesses, “cluster” businesses and other firms identified by the Partnership. Among other firms, these visits will target many of the largest Saint Paul employers as well as small and minority owned businesses.	The Saint Paul Area Chamber of Commerce will lead Susan Kimberly Michael Belaeen	The Saint Paul Area Chamber will complete 100 business retention visits including: 50 visits to Saint Paul’s largest employers and 5-10 visits to minority owned businesses.	2008 Visits to Date: 98 2009 Visits to Date: 25 Minority/Women Owned Enterprises:11 Saint Paul Employers with 50+ Employees: 30

Taken as a whole, the economic development strategy, action step matrix, and progress report developed by the City of Saint Paul and its partners constitute a meaningful economic development plan that prioritizes resources and activities, tracks progress toward clear-cut objectives, and holds specific participants accountable for results. The plan also is particularly relevant to Milwaukee in its effort to highlight economic development partnerships and acknowledge the necessary and distinct roles played by multiple public and private stakeholders. In short, the strategy developed by Saint Paul is a plan that encourages collaboration, evaluation, accountability and openness—important characteristics that could be enhanced as part of Milwaukee’s economic development framework.

ST. PAUL AT A GLANCE

City population, 2010	285,068
Metropolitan population, 2010	3,317,308
Land area	52 square miles
Largest area business	Target Corp.
Prominent St. Paul-area headquarters	Target; 3M; Best Buy; United Health Group
Per capita income	\$25,587
Unemployment rate, 2010	7.7%

Note: Other than metropolitan population, all data represents city only. City population, metropolitan population, land area, and per capita income data were obtained from the U.S. Census Bureau (per capita income is based 2005-2009 estimates generated by the U.S. Census Bureau) and the unemployment rate was obtained from the U.S. Department of Labor Statistics. The largest area business category is based on employment and does not include public institutions such as government agencies (local, state, or federal), public schools, or universities.

Pittsburgh, PA

Development of a comprehensive economic development strategy in Milwaukee not only would provide additional focus and accountability, but also could reduce the fragmentation we have observed among the city's major players. While some economic development participants work together closely, others pursue their own economic development strategies that can compete or even conflict with the strategies of fellow participants. Also, in those cases where larger partnerships are developed, they are often informal or limited to a specific time period or project.

In contrast, other cities have emphasized more collaborative efforts to support specific, "big picture" economic development goals and strategies. One such city is Pittsburgh. Similar to Milwaukee, Pittsburgh's economy historically was based on heavy manufacturing, an industry that rapidly declined in the 1980s as manufacturing plants closed or moved away. Over the past 20 years, Pittsburgh has responded to massive job losses in manufacturing and adapted to the increasingly knowledge-based, global economy through regional transformation and diversification.

Today, the Pittsburgh metro area includes strong healthcare, education, technology, robotics, and financial services industries. There is reason to believe Pittsburgh's economy also has become more resilient. In fact, the Brookings Institution named Pittsburgh one of the 20 strongest-performing metropolitan areas in 2011 with regard to its economic recovery following the recent recession.

Pittsburgh's revival has been attributed to numerous developments that have taken place over the past 20 years, including an increased focus on strengthening high-growth industry clusters, the establishment of a one-cent sales tax dedicated to supporting cultural assets, and a robust and highly engaged philanthropic community.⁴³ Political reorganization has played a role as well, with a significant restructuring of Allegheny County government and the creation of a new advocacy group in state government made up of legislators representing the 10-county Pittsburgh region.

In addition, the strategic affiliation of several of Pittsburgh's leading economic development organizations during this time is often identified as critical to the region's largely successful economic restructuring. Until the 1990s, Pittsburgh's economic development efforts had been characterized as highly fragmented, but by 2000, the Allegheny Conference on Community Development, the Greater Pittsburgh Chamber of Commerce, the Pennsylvania Economy League of Southwestern Pennsylvania, and the Pittsburgh Regional Alliance had entered into a formal affiliation aimed at leveraging the strengths of each organization in promoting regional economic development. **Table 17** summarizes the characteristics of each organization.

⁴³ De Souza Briggs, Xavier. 2008. *Democracy as Problem Solving*. The MIT Press

Table 17: A Summary of the Allegheny Conference on Community Development and its Affiliates⁴⁴

Allegheny Conference on Community Development
A private, non-profit leadership organization comprised of area business and university leaders dedicated to improving the economy and quality of life of the Pittsburgh region.
Greater Pittsburgh Chamber of Commerce
The Chamber is the advocate for a more competitive business climate, and it works closely with 29 local chambers across the region as well as other critical partners.
Pennsylvania Economy League of Southwestern Pennsylvania
The Pennsylvania Economy League of Southwestern Pennsylvania provides research and analysis on specific public policy priorities. The information it provides serves the business, civic and governmental leadership of southwestern Pennsylvania in support of improvements for living and doing business in the 10-county Pittsburgh region.
Pittsburgh Regional Alliance
The Pittsburgh Regional Alliance (PRA) is Pittsburgh's equivalent of the Milwaukee 7. The PRA markets the benefits of conducting business in southwestern Pennsylvania to companies all over the world that are growing, relocating or expanding, and also works to support the growth of existing regional employers.

The advocacy, research/analysis, and marketing leaders of these organizations now work together to develop and coordinate regional economic development goals. In 2009, for example, the Allegheny Conference and its affiliates developed a two-year agenda focused on five action programs:

- Simpler, more cost effective governance
- An improved business climate
- Targeted transportation and infrastructure investments
- Positioning the region as an attractive workplace for a diverse workforce
- Stimulating new business investments

Each of the programs is divided into various initiatives designed to achieve programmatic goals. Each action program also is linked with an affiliate or staff member that has a specialty related to the program and its initiatives.

Although the partnership does not formally include all of the economic development participants in the region (e.g. it does not include the Urban Redevelopment Authority of Pittsburgh, which is the City of Pittsburgh's economic development agency), it represents a large portion of the economic development tools and resources available in the region.

In light of Pittsburgh's notable recent economic development success in the face of challenges similar to those of Milwaukee, local economic development organizations could consider Pittsburgh as a model for improved collaboration and coordination. While many Milwaukee participants already maintain close partnerships with one another, Pittsburgh shows how collaboration can go beyond a project-based approach to focus on a larger vision and strategy.

⁴⁴ Information on each of the organizations and their missions were obtained from their respective websites. This information, in addition to greater detail about the organizations, can be accessed at <http://www.alleghenyconference.org>.

PITTSBURGH AT A GLANCE

City population, 2010	305,704
Metropolitan population, 2010	2,356,285
Land area	55 square miles
Largest area business	UPMC
Prominent Pittsburgh-area headquarters	PNC; American Eagle Outfitters; Heinz; Alcoa
Per capita income	\$24,616
Unemployment rate, 2010	8.3%

Note: Other than metropolitan population, all data represents city only. City population, metropolitan population, land area, and per capita income data were obtained from the U.S. Census Bureau (per capita income is based 2005-2009 estimates generated by the U.S. Census Bureau) and the unemployment rate was obtained from the U.S. Department of Labor Statistics. The largest area business category is based on employment and does not include public institutions such as government agencies (local, state, or federal), public schools, or universities.

Oklahoma City, OK

When asked to provide the names of peer cities considered successful in formulating and implementing outstanding economic development strategies, the city most frequently cited by practitioners interviewed for this report was Oklahoma City. With a historically strong energy sector and growing biotechnology, aviation, and logistics industries, the Oklahoma City region has enjoyed one of the most stable economies in the nation during the recent recession. In 2010, Boeing committed to moving 550 engineering jobs to Oklahoma City from California and, as of August 2011, Greater Oklahoma City had the lowest unemployment rate among large U.S. metro areas at 5% (compared with 9.1% nationally).⁴⁵

Oklahoma City frequently is looked to as an economic development model because of the innovative programs it has employed. One such program is the Oklahoma City MAPS (Metropolitan Area Projects) program, which is frequently cited by the media and officials from other cities.⁴⁶ The program has its roots in a 1993 decision by Oklahoma City voters to approve a one-cent sales tax to fund public facility enhancements largely in the city's downtown area. Projects included a minor league baseball stadium, a trolley transit system, the expansion and rehabilitation of a convention center, the reconstruction of a music hall, and the construction of the Chesapeake Energy Arena (used by the Oklahoma City Thunder NBA franchise), among others.⁴⁷

Following the expiration of the initial tax in 1999, a second one-cent sales tax was approved by voters to fund construction, energy, and transit projects for Oklahoma City public schools. When these construction projects are completed in 2012, the region will have more than 70 new or

⁴⁵ Bureau of Labor Statistics: <http://www.bls.gov/news.release/pdf/metro.pdf>

⁴⁶ Kelley, Debbie. May 14, 2011. "Civic leaders ready for change after Oklahoma City trip." *Colorado Springs Gazette*.

⁴⁷ More information on Oklahoma City's MAPS program can be found at: <http://www.okc.gov/maps/index.html>

reconstructed schools. Finally, in 2010, voters approved a new one-cent sales tax for nearly eight years that will fund the construction of a new downtown convention center, a modern streetcar, a public park, riverside improvements, and health and wellness aquatic centers, among other projects. These investments have been accompanied by substantial private investments in downtown Oklahoma City since the initial MAPS program began.⁴⁸

Recent national media accounts also have highlighted another economic development tool utilized by Oklahoma City.⁴⁹ In the early 1990s, the city began offering companies 5% cash back on payrolls when new jobs were created. The program created a cash rebate with no restriction on the way it should be spent by the companies. Following the success of this program, voters approved Oklahoma City's Strategic Investment Program (SIP) in 2007. The program provides financial incentives to companies if new jobs are created that meet certain requirements. Funds from this program have been offered to several companies, including Chesapeake Energy and Boeing, which have promised to create hundreds of jobs.⁵⁰

Although Milwaukee possesses a wide variety of economic development tools, its toolbox includes nothing similar to the unique tools utilized by Oklahoma City, which have been used successfully to redevelop the downtown, create jobs, and spur private investment. Discussions concerning new or revised economic development strategies in the Milwaukee area should consider the tools and associated outcomes generated in Oklahoma City.

OKLAHOMA CITY AT A GLANCE

City population, 2010	579,999
Metropolitan population, 2010	1,252,987
Land area	606 square miles
Largest area business	INTEGRIS Health
Prominent Oklahoma City-area headquarters	Hobby Lobby; Chesapeake Energy; Sonic
Per capita income	\$24,445
Unemployment rate, 2010	6.5%

Note: Other than metropolitan population, all data represents city only. City population, metropolitan population, land area, and per capita income data were obtained from the U.S. Census Bureau (per capita income is based 2005-2009 estimates generated by the U.S. Census Bureau) and the unemployment rate was obtained from the U.S. Department of Labor Statistics. The largest area business category is based on employment and does not include public institutions such as government agencies (local, state, or federal), public schools, or universities.

⁴⁸ Warner, Larkin. September 2003. "Impact Analysis of MAPS and other Significant Central City Investments." http://www.okc.gov/maps/impact/maps_impact_summary.pdf

⁴⁹ Coppins, McKay. September 11, 2010. A smarter way to attract jobs in Oklahoma." *Newsweek*.

⁵⁰ Adcock, Clifton. April 6, 2011. "OKC is negotiating a deal with Chesapeake Energy and Boeing Co. to receive financial incentives from the city's strategic investment program." *Oklahoma Gazette*.

Cleveland, OH (Northeast Ohio)

Cleveland – like Milwaukee, Pittsburgh, and several other large Midwestern cities – maintained a thriving economy based on industrial manufacturing for much of the 20th century. Like most of its peers, however, Cleveland has experienced several decades of economic retrenchment as its manufacturing companies have closed, moved, or downsized, resulting in the loss of thousands of jobs. As economic development leaders in Cleveland and northeast Ohio have worked to restructure their economy, one regional initiative, focused on support for entrepreneurs and start-up companies, has received particular accolades.

In 2004, the region's civic and community leaders launched JumpStart Inc. to support entrepreneurs and early-stage companies with technical, financial, and networking assistance. JumpStart's most notable activity is its provision of early-stage investments starting at \$250,000 to selected entrepreneurs, which is accompanied by guidance from previously successful entrepreneurs. In addition, JumpStart uses a variety of strategies to assist budding start-ups, including its JumpStart Entrepreneurial Network, which connects regional entrepreneurial support organizations; and JumpStart Community Advisors, which collaborates with community leaders across the country to support the start-up and development of high growth businesses.⁵¹

As a public-private partnership, JumpStart receives significant financial resources from state and local foundations and private businesses. In addition, it receives considerable public funding from the Ohio Third Frontier. Supported with a bond measure approved by Ohio voters and associated with the Ohio Department of Development, the Ohio Third Frontier initiative uses its resources to support innovative projects that have the potential to create new products, companies, and jobs. Since its inception, JumpStart has received over \$30 million in grants from the Ohio Third Frontier program to support entrepreneurship in the Cleveland region.⁵²

Within one year of its launch in 2004, JumpStart's portfolio had reached nine companies, 6,550 entrepreneurs had been contacted, and more than 16,000 hours of assistance had been provided to regional entrepreneurs. As of 2009, JumpStart had connected with nearly 35,000 entrepreneurs, reviewed more than 2,000 business plans, and provided 100,000 hours of technical assistance. A 2009 analysis by a researcher at Cleveland State University concluded the organization's efforts had a \$90 million impact on the Cleveland region, created 644 jobs, and had a \$5 million tax impact for state and local governments.⁵³

While the Milwaukee region does provide resources to entrepreneurs and start-up companies through organizations such as BizStarts Milwaukee and WWBIC, those resources pale in comparison to the amount provided by JumpStart Inc. Now that WEDC has made entrepreneurial support one of its primary statewide initiatives in Wisconsin, it may be appropriate to view JumpStart Inc. and the Ohio Third Frontier Program as a model for state-local collaboration on this important aspect of economic development policy.

⁵¹ Additional information on JumpStart and its programs and initiatives can be found at <http://www.jumpstartinc.org>.

⁵² Additional information on the Ohio Third Frontier Program can be found at <http://thirdfrontier.com/ThirdFrontierCalendar/default.aspx>.

⁵³ Austrian, Ziona. 2010. Economic Impact of JumpStart, Inc. on Northeast Ohio, 2009. Obtained from <http://www.jumpstartinc.org/Docs/JS+2009+Impact.pdf>.

CLEVELAND AT A GLANCE

City population, 2010	396,815
Metropolitan population, 2010	2,077,240
Land area	78 square miles
Largest area business	Cleveland Clinic
Prominent Cleveland-area headquarters	American Greetings, Sherwin-Williams Co.
Per capita income	\$16,581
Unemployment rate, 2010	11.4%

Note: Other than metropolitan population, all data represents city only. City population, metropolitan population, land area, and per capita income data were obtained from the U.S. Census Bureau (per capita income is based on 2005-2009 estimates generated by the U.S. Census Bureau) and the unemployment rate was obtained from the U.S. Department of Labor Statistics. The largest area business category is based on employment and does not include public institutions such as government agencies (local, state, or federal), public schools, or universities.

CONCLUSION

Assessment of the interviews, financial information, and mapping exercises referenced above yields several conclusions about the state of economic development efforts in Milwaukee. These conclusions indicate continued strengths, areas of recent improvement, and persistent gaps.

1. **The Milwaukee area has a sizable number of organizations pursuing economic development activities, and these organizations possess an impressive array of economic development tools.**

These groups, ranging from city development agencies to business-led self-improvement districts, have the ability to engage in the provision of low-interest loans, tax breaks, entrepreneurial assistance, workforce development, site assistance, infrastructure development, regional marketing promotions, and many other activities. Additionally, many of these tools can be combined to create customized packages for specific projects. For prospective businesses, developers, or entrepreneurs, Milwaukee's economic development toolbox is open and, in many cases, well-stocked.

2. **Economic development participants are aware of each other's activities and, in some cases, work closely together.**

Each of the economic development participants examined for this report had, at the least, knowledge of the other participants and their missions and general activities. In some cases, the participants work together closely, leverage each other's strengths and tools, and interact on a routine basis. DCD, RACM, MEDC, and the M7 are examples of entities that have this type of relationship. In other cases, participants provide mutual support through joint marketing efforts. For example, BizStarts Milwaukee, the Milwaukee Water Council, and the M7 use their websites to provide links to each other's information and services. MEDC and the M7 also have provided staff assistance and other resources to recently created organizations such as BizStarts Milwaukee, while financial contributions have connected the M7 to BizStarts Milwaukee and the Milwaukee Water Council.

3. **Significant new economic development efforts have occurred in the past five years, but Milwaukee still lacks a cohesive economic development plan.**

Since the Forum's last major report on economic development policies and practices in 2006, the local economic development landscape has undergone significant and largely positive changes. The M7 has matured, industry clusters and supportive organizations such as the Milwaukee Water Council have formed, BizStarts Milwaukee has been created to support entrepreneurship, the local federally-funded workforce development agency has been revamped, and the region's largest public university (UWM) has begun a significant programmatic, research, and facility expansion.

While several important pieces of an economic development strategy for Milwaukee have been developed, however, those pieces could be better coordinated and calibrated. The city as a whole continues to lack a cohesive and comprehensive economic development strategy and plan that addresses not only the twin goals cited repeatedly in this report (tax base growth

and job creation), but that also ties in related components like workforce development and neighborhood improvement. Without a broad vision, specific goals, detailed implementation plans, and clear performance objectives, it is nearly impossible to measure progress and ensure accountability. Because Milwaukee now has so many organizations engaging in positive efforts, the need for an overall plan is even more acute to ensure that the actions of those organizations are properly coordinated and marching toward the same set of community-wide objectives.

4. The major economic development participants themselves have differing opinions on what the components of a unified economic development strategy should be.

Interviews with dozens of local economic development participants reveal that not all follow or support the same economic development strategies and goals. Though minor differences certainly would be expected, there is particular tension between those who emphasize large business attraction and expansion as the key strategic economic development goal, versus those who advocate focusing on support for local start-up companies and accelerating the growth of existing small businesses.

Based on our fiscal analysis of the participants, a financial divide between these approaches certainly exists. The budgets of organizations dedicated to entrepreneurship and start-up companies – and the tools available to support those efforts – appear lacking when compared to the resources available to those focused on business attraction and business/real estate financing. While this divide does not appear to be publicly noticeable, communication among these participants seems limited, and some ask whether private and public resources devoted to economic development efforts are being allocated effectively.

Reaching consensus on the right “mix” of economic development investment and activities would not be easy, and similar tension certainly exists in many other metropolitan areas. Nevertheless, developing additional ways to measure and publicize the results of each of the community’s economic development activities may shed important insight into this question and better guide resource allocation decisions.

5. The city’s economic development efforts would benefit from more clearly defined roles and responsibilities for major economic development participants.

While the major economic development participants are aware of each other’s activities and undertake various levels of teamwork, there is general confusion among the public and participants themselves about accountabilities and outcomes. This is particularly true for DCD and the M7, each of which is regularly cited as leading local economic development efforts, but neither of which appears appropriately resourced or responsible for creating the conditions that will lead to overall job creation—or loss—in the metro area. For example, the website of the Southeast Wisconsin Regional Planning Commission states that “economic development in Southeastern Wisconsin is conducted through the M7,”⁵⁴ reflecting a commonly held belief that is not supported by the organization’s true size or scope. DCD,

⁵⁴ See <http://www.sewrpc.org/SEWRPC/communityassistance.htm>.

meanwhile, has the greatest number of economic development tools, but staffing constraints, its broad array of responsibilities, and the need to cater to the demands of individual elected officials can limit the availability and effective use of those tools.

To summarize, Milwaukee's elected, business, academic and civic leaders have taken several important and impressive steps in recent years to add both strength and focus to the city's economic development efforts, but those efforts still could benefit from enhanced precision, cohesion and accountability that is a prerequisite for long-term economic development success.

The brief discussion of economic development planning and activities in five other metro areas demonstrates that strategic economic development planning does not merely satisfy the "wonkish" demands of think tanks and academics, but that it is producing real results in terms of enhanced collaboration and coordination, creation of new economic development tools, and greater accountability and innovation. Indeed, the inherent value of having public and private sector leaders come together to establish a common economic development vision, and translate that vision into specific priorities, goals, objectives and action steps, would appear to be irrefutable.

Further insight into the importance of strategic economic development planning comes from the Brookings Institution. Brookings has launched an initiative to urge metro areas to move beyond the traditional forms of economic development planning (which for the most part have not yet even occurred in Milwaukee), to an advanced form of planning called "Metropolitan Business Planning." As the **insert** on the following page explains, this concept is based on the premise that metropolitan areas are no different from major corporations in their need for a disciplined and analytical approach to achieving economic growth. As Brookings puts it, metro areas must "adapt the discipline of private-sector business planning to the task of revitalizing regional development."⁵⁵

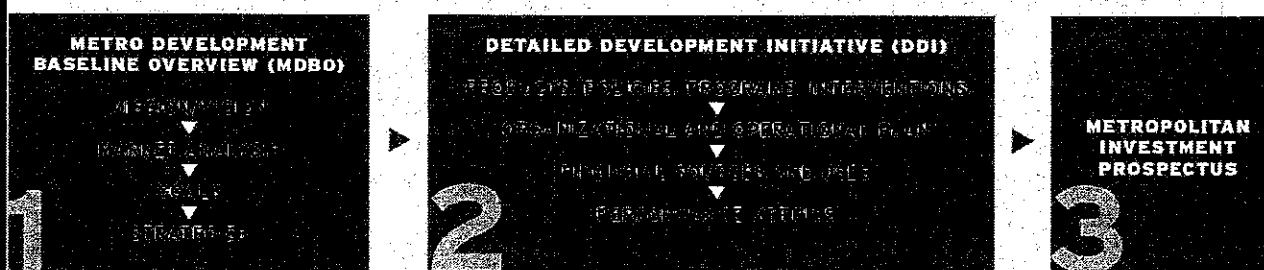
⁵⁵ Additional information on Brookings' metropolitan business planning model and pilot efforts can be found at: http://www.brookings.edu/papers/2010/12_metro_business_muro.aspx

Metropolitan Business Planning

An innovative strategy recently introduced by the Brookings Institution applies the business planning model of the private sector to regional economic development efforts throughout the U.S. With the metropolitan area increasingly recognized as the fundamental unit of the new global economy, metropolitan business planning (MBP) involves reorganizing and better coordinating economic development efforts at the metro area scale through market and data-driven planning.

Under the MBP model, a broad coalition of metro area economic development leaders and stakeholders evaluates their region's economic strengths, challenges, and opportunities and develops comprehensive strategies to build long-term regional advantages. The process requires these coalitions to "rigorously analyze the market position of their region; identify strategies by which to capitalize on their unique assets; specify catalytic products, policies, and interventions; and establish detailed operational and financial plans." Metro areas can then use these plans to create a "metropolitan investment prospectus" aimed at guiding governments at all levels, as well as business and community leaders, to reorient policies and programs and align new investments toward meeting the region's goals.

THE METROPOLITAN BUSINESS PLANNING PROCESS INVOLVES THREE MAJOR STAGES



Source: RW Ventures and the Brookings Institution

A key feature of metropolitan business planning is continuous evaluation and modification. As in business planning, performance metrics must be developed and progress must be frequently evaluated in relation to the plan's goals. In addition, metro plans are continuously updated and modified based on changes in the market.

Flexibility and responsiveness to regional market differences are also built into the MBP model. To demonstrate this adaptability, three U.S. metro areas with very distinct economies – Northeast Ohio, Minneapolis-St. Paul, and the Puget Sound region of Washington State – have piloted the MBP approach, developing new collaborations and unique planning documents tailored to local contexts. Northeast Ohio's plan focuses on transitioning its manufacturing-based economy to one directed toward new products and services in high-growth sectors. Minneapolis-St. Paul, which already has a strong knowledge-based economy, is looking to build on its strengths while increasing entrepreneurship. Finally, the Puget Sound region's metro plan is aimed at maintaining the region's progressive economic leadership position by strengthening industry clusters to better compete in the global economy.

Recent changes to Milwaukee's economic development landscape have followed some facets of the MBP approach. For example, the development of the M7 has added a regional element to Milwaukee's economic development efforts, and industry-specific clusters are developing based on Milwaukee's market strengths. In order to build on these advancements, Milwaukee could consider crafting a strategic and constantly-evolving metro plan to set a vision and serve as a guide for the region's economic future.

Whatever the precise format used for this planning, it is critical that it involve the right players. The entities discussed in this report clearly possess a substantial portion of the region's economic development resources and must be at the table, but key players in other related areas that support economic development – including MAWIB, MATC, the Housing Authority of the City of Milwaukee, universities, and neighborhood-based organizations – also must be included. In addition, the State of Wisconsin should be a major participant in light of the priorities of the new WEDC and efforts being undertaken by the Wisconsin Housing and Economic Development Association to prioritize new investment opportunities in Milwaukee.

Indeed, another primary take-away from this analysis is the fragmented nature of existing economic development efforts in Milwaukee. The city has several key private sector players operating in distinct silos to address business attraction/expansion, cluster promotion and entrepreneurship, and the physical infrastructure and financing tools needed to accompany those aspects of economic development. Those players, however, appear to have little connection to those working to provide relevant skills to unemployed city workers, and those working to improve the condition of the neighborhoods that house and support those workers. As noted previously, the city's workforce development and neighborhood improvement efforts will be the subject of upcoming Forum reports.

The public sector also is operating in distinct silos, with DCD, Milwaukee County Economic Development and WEDC all formulating new plans and priorities, and all engaging in independent collaborative activity with private sector economic development leaders. A formal effort to enhance coordination among the three in terms of priority-setting, roles and responsibilities would appear to be imperative.

Milwaukee's elected and business leaders should be proud of their efforts to build an economic development infrastructure that has assembled many of the parts needed for success. Now, do they have the patience, skill and camaraderie to transform those parts into a cohesive and strategically organized whole?

APPENDIX A: PUBLIC POLICY FORUM ECONOMIC DEVELOPMENT COMMITTEE MEMBERS

Bill Bergum, Badger Meter, Inc.
Bruce Block, Reinhart Boerner Van Deuren
Paul Boersma, Black & Veatch
Lisa Boyd, YWCA of Greater Milwaukee
Laura Bray, Menomonee Valley Partners, Inc.
Robert Dennik, VJS Construction Services, Inc.
Kathryn Dunn, Greater Milwaukee Foundation
Mark Ernst, Engberg Anderson Inc.
Margaret Henningsen, Women's Fund of Greater Milwaukee
Geoffrey Hurtado, University of Wisconsin-Milwaukee
Shelley Jurewicz, MMAC-FUEL Milwaukee
Chris Korjenek, NAIOP Wisconsin
Daniel McCarthy, Zilber, Ltd.
James Miller, M&I Marshall & Ilsley Bank
Beth Nicols, Milwaukee Downtown, Bid #21
Julie Penman, Penman Consulting (former Commissioner of DCD)
Clare Reardon, Froedtert Hospital
Mike Ruzicka, Greater Milwaukee Association of Realtors
Dan Sisel, Berengaria Development
Jim Villa, Commercial Association of Realtors Wisconsin
Scott Williams, American Design Corporation

APPENDIX B: TOOLS & ACTIVITIES OF ECONOMIC DEVELOPMENT PARTICIPANTS IN MILWAUKEE

Organization	Tool/Activity	Category*
City of Milwaukee DCD	Development zone tax credits	Tax incentives/credits; Business retention and expansion • •
	Environmental remediation tax credits	Tax incentives/credits •
	Eminent domain	Eminent domain •
	Business Improvement Districts	Business attraction; Business retention and expansion; Infrastructure (re)development; Planning; Branding/Marketing • • • • •
	Main Street Milwaukee	Business attraction; Business retention and expansion; Infrastructure (re)development; Planning; Branding/Marketing • • • • •
	Façade grants	Real estate/business financing; •
	Industrial revenue bonds	Real estate/business financing •
	Retail Investment Fund	Real estate/business financing; •
	Tax increment financing	Real estate/business financing; Infrastructure (re)development • •
	Capital improvement program	Infrastructure (re)development •
	Public improvement projects	Infrastructure (re)development •
	Site selection assistance	Site selection assistance •
	Area/policy planning documents	Planning •
	Zoning/permitting	Entitlements •
	Marketing redevelopment corridors	Branding/Marketing •
RACM	Eminent domain	Eminent domain •
	Business attraction for targeted sites	Business attraction •
	Development-related bond financing	Real estate/business financing; Business retention and expansion • •
	Development-related grants	Real estate/business financing •
	Infrastructure redevelopment	Infrastructure (re)development •
	Comprehensive redevelopment plans	Planning •
	Marketing redevelopment corridors	Branding/Marketing •
MEDC	New Markets tax credits	Tax incentives/credits; Real estate/business financing • •
	Second mortgage program	Business retention and expansion; Real estate/business financing; • •
	Capital access program	Business retention and expansion; Real estate/business financing; • •
	Environmental assessment grants	Real estate/business financing •
Milwaukee 7	Regional business attraction	Business attraction •
	Business call program	Business retention and expansion •

*Definitions of the categories can be found on page 65.

Organization	Tool/Activity	Category
Milwaukee 7 <i>continued</i>	Site selection assistance and website	Site selection assistance •
	Cluster development and planning	Planning •
	Regional branding and marketing	Branding/marketing •
Milwaukee Water Council	Water industry business attraction, retention, and expansion	Business attraction; Business retention and expansion • •
	Site selection assistance	Site selection assistance •
	Water industry cluster planning	Planning •
	Water industry business development	Business development/assistance •
	Water-related regional branding	Branding/marketing •
BizStarts Milwaukee	Angel/start-up connection efforts	Business development/assistance •
	Online entrepreneurial resources	Business development/assistance •
	Venture Track program	Business development/assistance •
	BizStarts College Consortium	Business development/assistance •
	Entrepreneurial classes/events	Business development/assistance •
Wisconsin Women's Business Initiative Corporation	Small/micro business loans	Real estate/business financing •
	Individualized business assistance	Business development/assistance •
	Business planning/budgeting workshops	Business development/assistance •
Milwaukee County	Business attraction	Business attraction •
	Midwest Disaster Area bonds	Real estate/business financing •
	County economic development strategy	Planning •

Tool/Activity Category Definitions
<p>Tax incentives/credits: The use of development zone tax credits, environmental remediation tax credits, or other tax incentives.</p> <p>Eminent domain: The ability to acquire private property with due compensation to the property owner (e.g. land).</p> <p>Business attraction: The use of a variety of incentives or outreach to encourage businesses to physically locate within a certain area.</p> <p>Business retention and expansion: The use of outreach and assistance strategies to encourage businesses to remain and grow within a certain area.</p> <p>Real estate/business financing: The use of bonds, loans, grants, or other financial resources to assist developers and businesses.</p> <p>Infrastructure (re)development: The use of tax increment financing or capital improvement funds to improve public infrastructure.</p> <p>Site selection assistance: Personal or web-based assistance for businesses who desire new facilities or locations within a geographic area.</p> <p>Planning: The development of comprehensive area plans, citywide policy plans, general economic development strategies, or strategies to promote industry-based clusters.</p> <p>Business development/assistance: Providing entrepreneurs and small/micro businesses with educational or financial assistance.</p> <p>Entitlements: The ability to control tools such as zoning regulations and permits as they pertain to redevelopment or new construction.</p> <p>Branding/marketing: The use of marketing or public education strategies/materials to highlight the positive aspects of a specific location for business development or growth or to promote growth or collaboration within a specific industry cluster.</p>

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