

June 24, 2004

President Willie L. Hines, Jr.
Members of the Common Council
Members of Redevelopment Authority of the City Of Milwaukee

Ladies and Gentlemen:

RE: Common Council File No. 030870

It is my pleasure to sign Common Council file No. 030870, which approves the Park East Redevelopment Plan.

Implementation of the Park East Redevelopment Plan and Tax Incremental District No. 48 is of vital importance to the City Of Milwaukee. The Project Plan, which was approved by Common Council Resolution File No. 011182, contemplates City expenditures of approximately 4.3 million dollars. The Department of City Development currently anticipates that the actual cost of implementing T.I.D. No. 48 may be as much as \$17 million to \$20 million.

To assure the economic viability of T.I.D. No. 48, it is important to limit the number of tax-exempt uses within the District. Accordingly, I am requesting that the Redevelopment Authority initiate an amendment to the proposed Land Use Plan section of the Park East Redevelopment Plan to preclude new tax-exempt uses. That section currently states that taxable land uses are preferable over tax-exempt land uses, but does not prohibit the creation of new tax-exempt uses. Such action would require future tax-exempt development proposals to come before the Redevelopment Authority and the Common Council for approval.

I look forward to working with the Common Council, the City Comptroller's Office, and staff at the Department of City Development to formulate new criteria for the use of tax

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incremental financing in the City. The policy directives set forth in those criteria should address the inclusion of new tax-exempt uses within tax incremental districts. Together we can devise a more comprehensive policy that addresses the concerns raised through the approval process for the Park East Redevelopment Plan.

Sincerely,

TOM BARRETT Mayor