



Department of City Development
City Plan Commission
Redevelopment Authority of the City of Milwaukee
Neighborhood Improvement Development Corporation

Rocky Marcoux
Commissioner
marco@milwaukee.gov

Martha L. Brown
Deputy Commissioner
mbrown@milwaukee.gov

Date: May 20, 2019

To: Zoning, Neighborhoods and Development Committee Members

From: Dave Misky, Assistant Executive Director
Redevelopment Authority of the City of Milwaukee

Subject: Opportunity Zones

Real estate and business development projects located in 34 federally designated Opportunity Zone (OZ) census tracts in the City of Milwaukee (City) qualify for investment from Qualified Opportunity Funds (QOF). Investors in these funds receive certain federal capital gains tax benefits.

A number of new and proposed development projects are located within Milwaukee's OZ census tracts and are eligible for investment from QOF. These include the Komatsu campus in the Harbor District; the Thirteen31 Apartments, 1331 West National Avenue; the Housing Authority's proposed 350-unit apartment building at Milwaukee and Knapp Streets; and the conversion of two surplus Milwaukee Public Schools' buildings (Wheatley and 37th Street) into affordable housing.

To assist both developers and organizations forming QOFs, the City has created an interactive OZ [website](#) that allows users to identify whether any property within the city limits is located in an OZ. The website also showcases prospectus documents that have been developed to spotlight development opportunities in OZs such as: the Menomonee Valley, downtown Milwaukee, the 30th Street Corridor, Near West Side and the Harbor District.

In addition, the Department of City of Development has presented OZ information at several events, including the annual Business Improvement District (BID)/Neighborhood Improvement District (NID) meeting organized by the Department's Commercial Corridor Team. The Department also has been part of numerous meetings and discussions with strategic partners, such as Wisconsin Economic Development Corporation (WEDC), Wisconsin Housing and Economic Development Authority (WHEDA), Wisconsin Women's Business Initiative Corporation (WWBIC), the Greater Milwaukee Committee (GMC), Greater Milwaukee Foundation (GMF) and Local Initiatives Support Corporation (LISC) as part of MKE United. The City's involvement is centered on collaboration, including



input from a broader set of stakeholders, including City departments, BIDs, NIDs and other nonprofit and government agencies.

Finally, an ad promoting Milwaukee's OZs will soon run in local business publications.

The decision as to whether to seek financing from a QOF rests with the developer, who would presumably use QOF financing in combination with capital from other sources such as bank loans and tax credits. Similarly, QOF investors will weigh the risks and rewards of investments in particular projects to determine whether they wish to finance a development. The fact that a project is located within an OZ does not guarantee that the project will use QOF financing.

At present, proposed Federal rules governing QOFs do not require reporting of where QOFs have made investments. However, legislation has been introduced in Congress that would mandate reporting, so it is possible to track the impact of the QOF investment vehicle.