November 13, 2003

Members of the Steering and Rules Committee:

The Community Benefits ordinance proposed by the Department of City Development provides very little meaningful benefit to Milwaukee taxpayers in return for our initial TIF investment of $4.3 million, a number that is certain to grow in the future.

The ordinance indicates a willingness to work together to create additional apprenticeship opportunities. These efforts are already underway for other new projects. We will gladly work with DCD to create a program that will provide real opportunities for real workers.

Similarly, community groups adjacent to the Park East development are anxious to work with the City to achieve new opportunities for their residents. A strong First Source Hiring provision is essential to the success of the Park East plan.

There are currently no plans to provide direct financial assistance to Park East developers. Therefore, the proposed Residents Preference Program is meaningless.

We question the use of a City ordinance to achieve these goals. What is the legal authority for the Common Council to enforce requirements on Park East development? State statute cedes that authority to the Redevelopment Authority through the Redevelopment Plan. That is why we believe the Common Council should focus its efforts on amending the Redevelopment Plan. The Common Council should work with the Good Jobs and Livable Neighborhoods coalition, DCD, and the City Attorney to ensure that enhanced apprenticeship, first source hiring and residents preference are required elements of new development in the Park East Corridor.

It is more troubling to see what is omitted from the proposed ordinance.

- **Prevailing wages.** The DCD analysis itself admits that current City law on prevailing wage applies only to public works projects. We are unaware that the City proposes to redevelop the Park East Corridor as a public works project.

- **EBE/WBE/DBE requirements.** The DCD analysis itself admits that current City law on EBE/WBE/DBE applies only to public works projects. We are unaware that the City proposes to redevelop the Park East Corridor as a public works project.

- **Living wage.** The existing City of Milwaukee living wage ordinance applies only to City of Milwaukee service providers. We don't believe that new enterprises in the Park East corridor will be subject to these existing provisions.

- **Affordable Housing.** There is no proposal for affordable housing in the Park East corridor.

EXHIBIT

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