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# City of Milwaukee Brownfield Case Study

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Mat Reimer

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CDFA

National Development Finance Summit



**A** central demographic location positions Milwaukee businesses within 600 miles of 25% of the U.S. population, 33% of total manufacturing volume, and 27% of the country's total income.

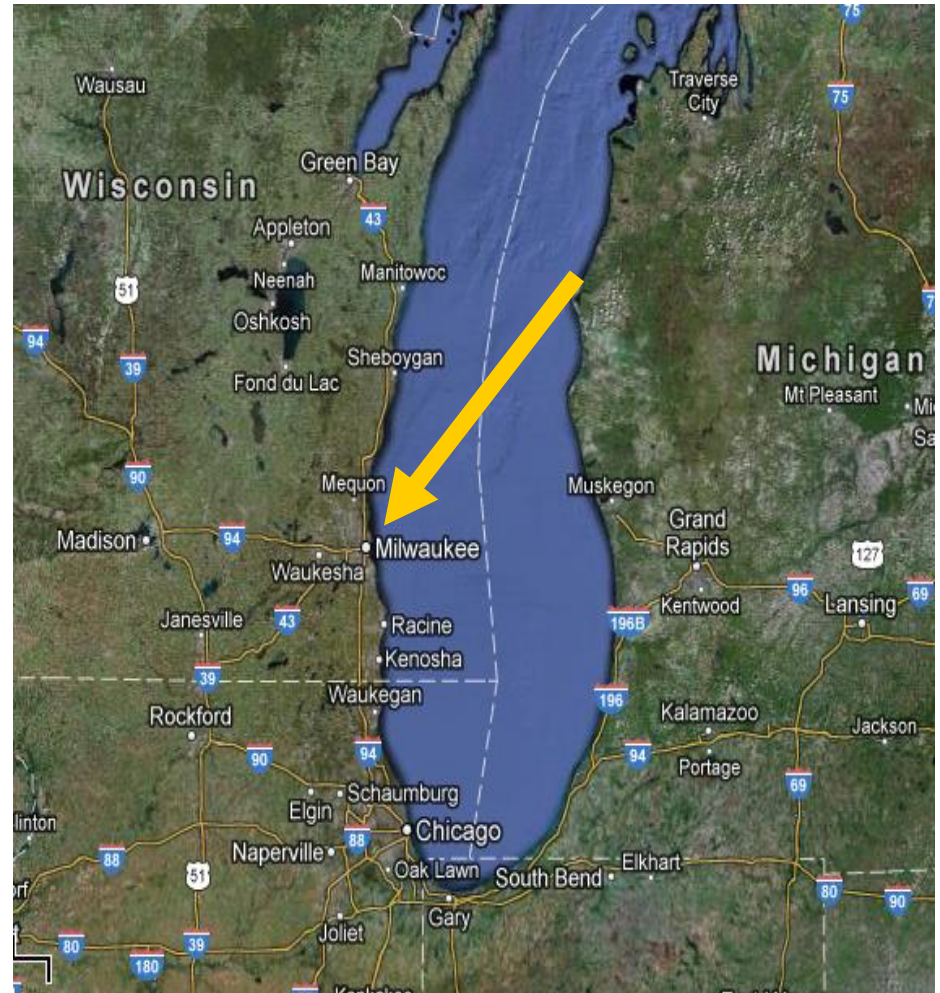


**An** attractive location close to Lake Michigan with many support activities makes Milwaukee a desirable location.



# Facts

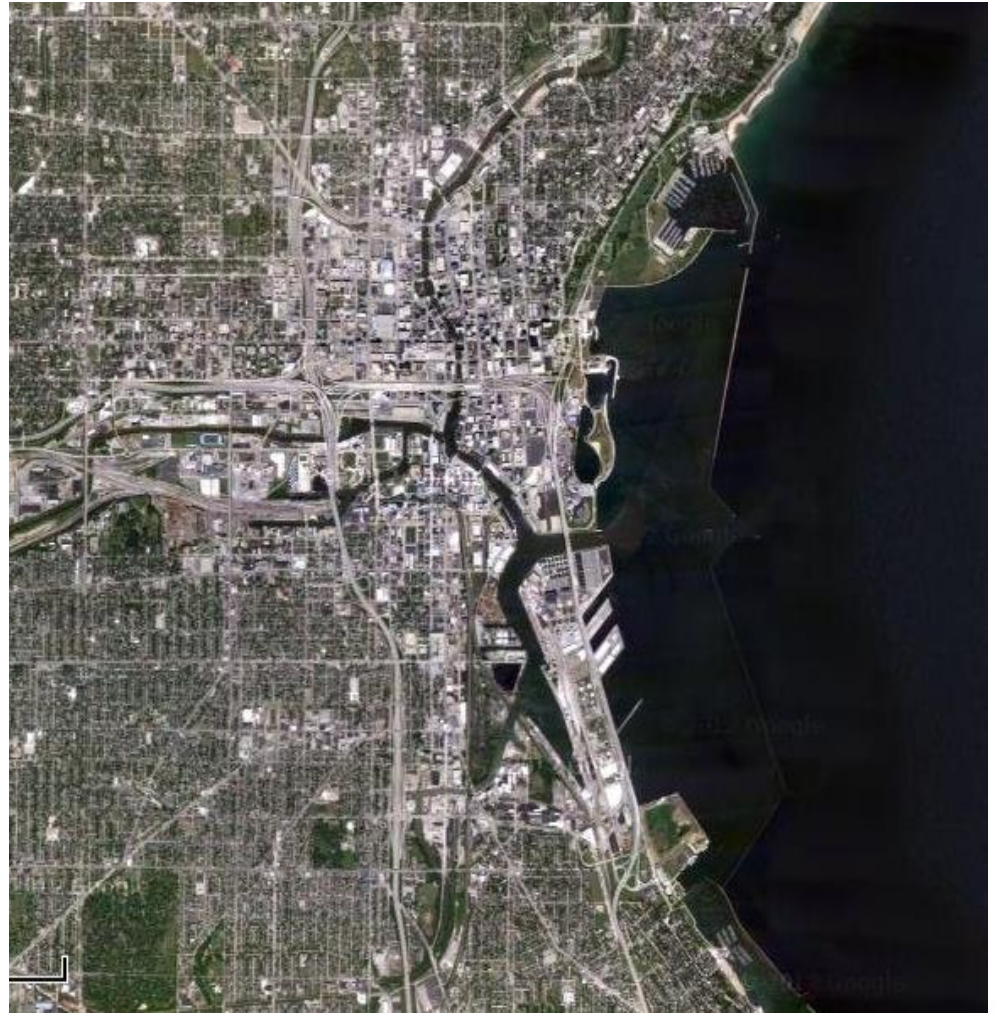
- Transportation Hub
- 10 miles Lake Michigan Shoreline
- Three Rivers
- UN Global Compact City on Water
- MKE Water Council
- University of Wisconsin Milwaukee School of Freshwater Sciences
- IBM Smarter City



Source: Google Maps

# Facts Continued

- Heavy Industrial Past
  - Foundries
  - Machining
  - Metal-working
  - Breweries
- Machine Shop to the World
- MFG Decline 1980s - 2000



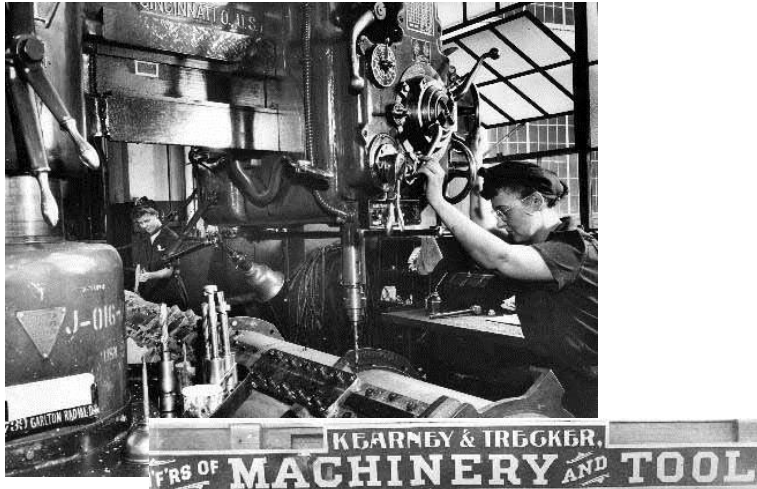
Source: Google Maps

# A First-Rate Location for Global Companies

- 8 *Fortune 500* headquarters (5<sup>th</sup> highest per capita in U.S.)
- 7 *Fortune 501-1,000* headquarters, plus U.S. headquarters for GE Healthcare
- 4 *Forbes 500* companies (largest closely-held businesses)



# Manufacturing Defines Our Past



# Overview of Milwaukee's Brownfields Program

- Redevelopment Authority of the City of Milwaukee (RACM) was created in 1958 by State Statute
- 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.”

# Overview of Milwaukee's Brownfields Program

- **Redevelopment Authority Jurisdiction:**
  - Prepares and implements comprehensive redevelopment plans
  - Assembles real estate for redevelopment
  - Is empowered to borrow money, issue bonds and make loans
  - Can condemn property (eminent domain) in furtherance of redevelopment objectives





# History of Milwaukee's Brownfields Program

- Protect the City from unknowingly acquiring environmental liability
- In-rem screenings
- Do Not Acquire List
- Real estate transactions



# History of Milwaukee's Brownfields Program

- Protect public health, safety and the environment
- Facilitate redevelopment projects
- Increase tax revenue for the city



# Green Economy

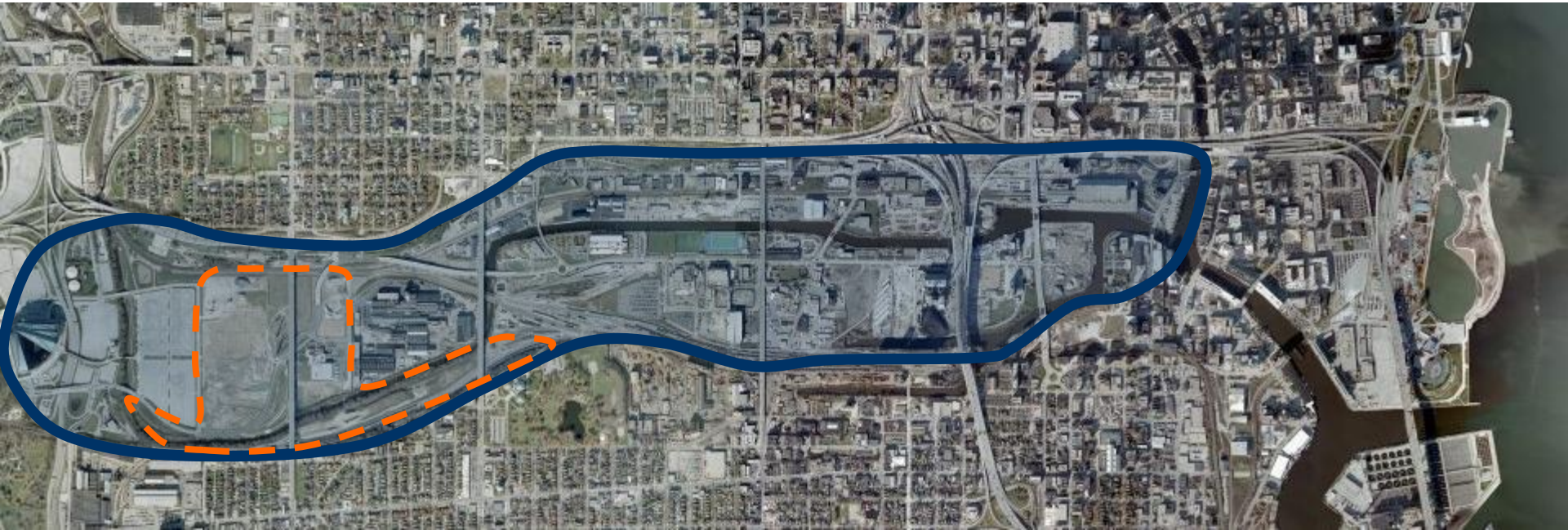
- In Milwaukee, sustainability is about maintaining a healthy economy and a healthy environment
- Menomonee River Valley
- 30<sup>th</sup> Street Industrial Corridor



# Menomonee Valley: A Brownfield Legacy



# Menomonee Valley Redevelopment Plan (1998) including an Industrial Center and Community Park





Looking west from Water Street, photograph c.  
1950.

# Menomonee River Valley: History



# Menomonee River Valley: History

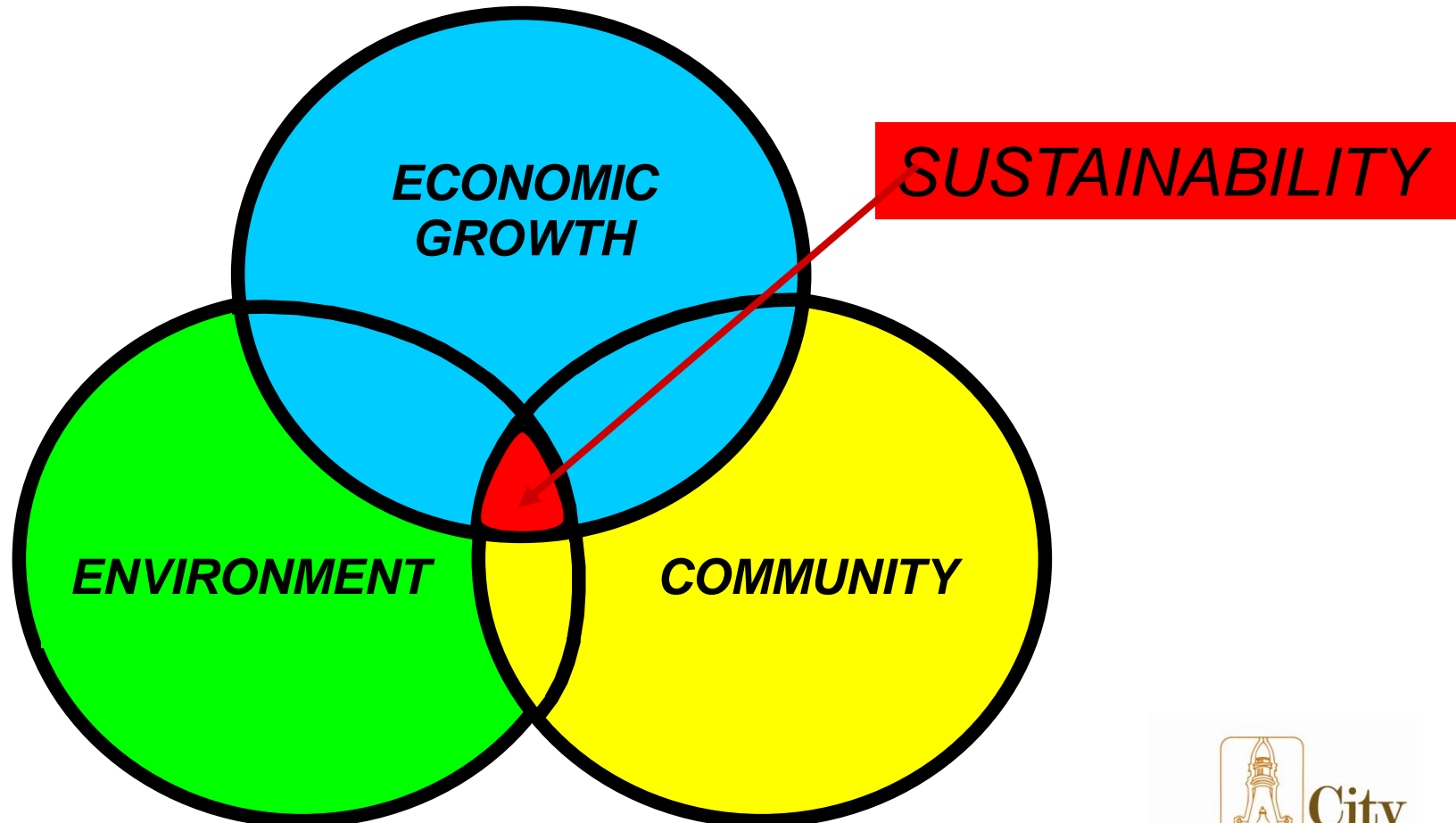




# Menomonee River Valley: History



# Objective: Sustainable Development



# Menomonee Valley Industrial Center and Community Park



✓ Land Use & Economic Development

✓ Transportation

✓ Stormwater & Floodplain

✓ Environmental Contamination

✓ Ecological Restoration

✓ Community Connections



# The Competition's Winning Design:

## Integrating Green Space with New Development



ALTERNATIVE B

STORMWATER PARK AT THE MILWAUKEE ROAD SHOPS

AUGUST 14, 2003

# Menomonee Valley Industrial Center

- Purchased 133 acres in 2003
- Infrastructure and Environmental
- Nearly 60 acres of developable land
- At least \$90 million dollar in private investment



# Menomonee Valley Industrial Center



# Menomonee Valley Industrial Center



ity  
Milwaukee

# Creativity Can Take This:





# Into an Award Winner for Environmental Leadership:



# Financial Tools used in the MVIC

- TIF, Grants, Loans, and Tax Credits/Incentives...
  - Project Overview
  - \$28.6 million
    - Tax Incremental Financing (TIF) – One district
    - Grants - Nineteen grants
    - Loans – Two loans
    - Tax Credits and Incentives – Seven end users

# Financial Tools used in the MVIC

- Tax Incremental Financing (TIF)
  - \$16.2 Million approved in 2004
  - Feasibility study shows TIF district to be paid off in 23 years (State of WI allows 27 year pay back)
  - Recently added \$3 million to TID #53 for forgivable loan and “10% rule” to accommodate Ingeteam



# Financial Tools used in the MVIC

- Grants - \$12.4 Million

## State of Wisconsin Grants

Grant	Dollar
Blight Elimination & Brownfield Redevelopment	3 totaling \$2.2 million
Brownfield Greenspace and Public Facilities	\$200,000
Brownfield Site Assessment Grant	\$100,000
Wisconsin Coastal Management Grant	2 totaling \$200,000
Sustainable Use Development Zone	\$400,000

# Financial Tools used in the MVIC

- Grants - \$12.4 Million
  - Federal Grants

Grant	Dollar
Brownfield Economic Development Initiative (BEDI)	\$2 million
Great Lakes Basin Protection	2 totaling \$70,000
Federal Earmarks	3 totaling \$2.9 million
Federal Brownfields Cleanup Grant	\$200,000
Federal Brownfields Revolving Loan Fund Subgrant	\$200,000
Economic Development Administration	\$1.9 million

# Financial Tools used in the MVIC

- Loans - \$10.5 Million
  - Federal Brownfields Revolving Loan Fund - \$500,000
    - RACM to MEDC
    - Repaid with grant
  - Section 108 Loan Guarantee - \$10 million
    - Signed Agreement – 08/06
    - \$10 million wired to City – 10/06
    - Repaid with TIF 11/06  
(solely to receive \$2 million BEDI)



# Financial Tools used in the MVIC

## ■ Other Sources

- Soil Brokering - \$1.4 million
- Non-profit Connection (Menomonee Valley Partners)
  - 3 Federal Earmarks - \$650,000
  - State Commerce Grant - \$400,000
  - Stewardship Grant
- Tax Credits and Incentives
  - Business Improvement District
  - New Market Tax Credits
  - Stormwater Maintenance Agreement









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# Thank you!

Questions:

Mat Reimer

[mathew.reimer@milwaukee.gov](mailto:mathew.reimer@milwaukee.gov)

