

EXECUTIVE ORDER No. 58

**Relating to the Designation of the Commercial Revitalization Agency
for Allocating Commercial Revitalization Deductions in Milwaukee's
Renewal Community**

WHEREAS, Wisconsin is committed to encouraging public-private collaboration through state and federal incentives to generate economic development throughout the state; and

WHEREAS, the United States Department of Housing and Urban Development (hereinafter "HUD") designated 40 areas nationally, including Milwaukee, as Renewal Communities (hereinafter "RC") that will share in over \$17 billion in tax incentives aimed to spur economic development and job growth in distressed communities; and

WHEREAS, the designation period will last from January 1, 2002 through December 31, 2009, during which time, businesses located within or moving to Milwaukee's RC area may be eligible to take advantage of tax incentives that accompany this designation; and

WHEREAS, one of the tax incentives available in Milwaukee's RC area is the Commercial Revitalization Deduction (hereinafter "CRD"), a federal tax incentive found in Section 1400I of the Internal Revenue Code (hereinafter "Section 1400I") that provides accelerated depreciation for expenses related to commercial projects including new construction and substantial renovation; and

WHEREAS, the RC designation gives Milwaukee access to \$12 million in CRDs each year during the designation period; and

WHEREAS, in order to allocate these deductions to projects within the RC, the State of Wisconsin must authorize an agency to become the Commercial Revitalization Agency to carry out Section 1400I; and

WHEREAS, the Commercial Revitalization Agency will be required to devise a Qualified Allocations Plan that contains selection criteria to be used in allocation decisions and has the active involvement of residents and non-profit organizations within the RC; and

WHEREAS, Milwaukee is currently the only community in the State of Wisconsin with a RC designation; and

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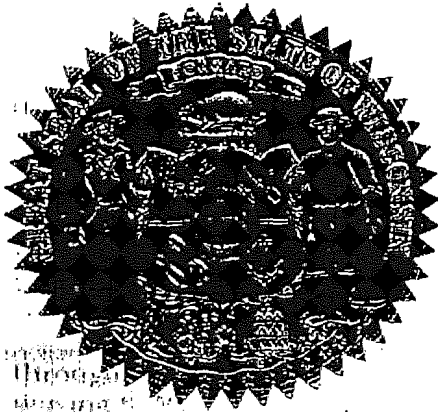
NOW, THEREFORE, I, Scott McCallum, Governor of the State of Wisconsin by the power vested in me by the Constitution and the laws of this State, do hereby:

1. Designate the Redevelopment Authority of the City of Milwaukee (hereinafter "RACM") to become the Commercial Revitalization Agency to carry out Section 14001 of the Internal Revenue Code so long as Milwaukee is the only community with an RC designation in the State of Wisconsin;
2. Provide that in the event that HUD designates another community in the State of Wisconsin as an RC, the RC designation for RACM shall be withdrawn and the designation may revert to an existing State agency; and
3. Provide that the State of Wisconsin, through its Department of Commerce, enter into a Memorandum of Understanding with the City of Milwaukee which will outline the structure for allocating commercial revitalization deductions in Milwaukee's Renewal Community.

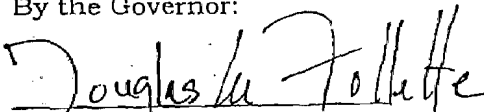
IN TESTIMONY WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of Wisconsin to be affixed. Done at the Capitol in the City of Madison this thirtieth day of September in the year two thousand two.



Scott McCallum
Governor



By the Governor:



Douglas La Follette
Secretary of State