



2011 ASSEMBLY BILL 725

March 15, 2012 - Introduced by Representatives FIELDS, E. COGGS, BERNARD SCHABER and BERCEAU, cosponsored by Senator TAYLOR. Referred to Committee on Jobs, Economy and Small Business.

1 **AN ACT to amend** 16.75 (1) (a) 1., 16.855 (1), 238.30 (7) (b) 2., 238.395 (2) (a) and
2 238.395 (3) (a) 4.; and **to create** 16.75 (3p), 16.75 (10r), 16.855 (10mm), 34.05
3 (4), 59.83, 62.79, 238.14, 238.395 (1) (j), 238.395 (2) (b) 10. and 238.395 (2) (e)
4 4. of the statutes; **relating to:** contracts between the state, a county with a
5 population of 750,000 or more, or a 1st class city and financial institutions and
6 devoting 10 percent of the state's, 20 percent of such a county's, and 40 percent
7 of such a city's expenditures on economic development and housing programs
8 and procurements to several areas in the city of Milwaukee.

Analysis by the Legislative Reference Bureau

ESTABLISHMENT OF THE BUILD MILWAUKEE INITIATIVE ZONES

This bill delineates four areas or zones in the city of Milwaukee (build Milwaukee initiative zones) that are to be the subjects of targeted economic and community development as set forth in the bill from July 1, 2012, until June 30, 2016, at which time the bill's requirements except for reporting requirements, generally cease. The build Milwaukee initiative zones are comprised of geographic areas previously designated by ordinance by the common council of the city of Milwaukee.

Build Milwaukee initiative councils

The bill directs the common council of a 1st class city to establish a "build Milwaukee initiative council" for each build Milwaukee initiative zone. That

ASSEMBLY BILL 725

common council is required to determine the number of members for each build Milwaukee initiative council. The members of a build Milwaukee initiative council serve three-year terms and are to be nominated by the mayor of the 1st class city and appointed with the advice and consent of the city's common council. The bill requires the build Milwaukee initiative councils to be strictly nonpartisan.

Under the bill, the common council determines the rules and procedures that govern each build Milwaukee initiative council established by the common council. Those rules and procedures must include all of the following:

1. The members of a build Milwaukee initiative council must be persons who reside in, or are affiliated with a business entity, including any nonprofit corporation, that is headquartered in, that council's build Milwaukee initiative zone.

2. The majority of a build Milwaukee initiative council's members must be persons who reside in that council's build Milwaukee initiative zone.

3. Each build Milwaukee initiative council must include at least one clergy member and at least two minority group members.

4. A vacancy on a build Milwaukee initiative council is to be filled in the same manner as the original appointment to the council for the remainder of that member's unexpired term, if any.

5. All build Milwaukee initiative council members must take and file the official oath.

Goals and implementation

Under the bill, each build Milwaukee initiative council must do all of the following with respect to that council's build Milwaukee initiative zone:

1. Establish clear and measurable goals for the implementation of economic development and housing programs in the build Milwaukee initiative zone.

2. Coordinate with the Wisconsin Economic Development Corporation (WEDC), the Wisconsin Housing and Economic Development Authority (WHEDA), the Wisconsin Health and Educational Facilities Authority (WHEFA), a 1st class city, and a county with a population of 750,000 or more to achieve the requirements of the bill discussed below.

3. Coordinate with public and private economic development entities located in any build Milwaukee initiative zone concerning economic development and housing programs in the council's build Milwaukee initiative zone.

4. To the extent possible, ensure that any job created in the build Milwaukee initiative zone is filled by a person who is qualified to perform that job and is a resident of that zone.

5. To the extent possible, ensure that any job created in the build Milwaukee initiative zone is filled by a person who is qualified to perform that job and is a veteran.

6. To the extent possible, ensure that any job created in the build Milwaukee initiative zone is filled by a person who is qualified to perform that job and has completed a job training program at a job training or workforce development center located in a 1st class city.

ASSEMBLY BILL 725

7. To the extent possible, coordinate the council's job placement efforts with labor unions, community development corporations, and job training or workforce development centers that are located in a 1st class city.

8. Encourage entrepreneurial activities and business growth in the build Milwaukee initiative zone, including by coordinating with one or more business incubators in that build Milwaukee initiative zone and with the Women's Business Initiative Corporation and other community development corporations.

9. Encourage and support homeownership under housing programs directed to the build Milwaukee initiative zone.

10. Attempt to ensure that any capital improvement project or other development or redevelopment in the build Milwaukee initiative zone is carried out in an environmentally sound manner.

11. Encourage the development of a wealth building center in the build Milwaukee initiative zone that provides comprehensive housing counseling to residents of that zone, encourages the development and retention of businesses in that zone, provides assistance and advice concerning educational opportunities for residents of that zone, and provides financial advice to residents of that zone.

COORDINATION OF ECONOMIC DEVELOPMENT AND HOUSING PROGRAMS

Under current law, WEDC, WHEDA, and WHEFA are primarily responsible for administering this state's economic development and housing programs.

Under the bill, WEDC, WHEDA, and WHEFA, each in coordination with the others and in coordination with the appropriate county board and the build Milwaukee initiative councils must attempt to ensure that at least 10 percent of the total value of all loans, grants, tax benefits, and other financial assistance paid, awarded, or otherwise provided under economic development programs and housing programs by WEDC, WHEDA, and WHEFA is directed to economic development and homeownership in the build Milwaukee initiative zones.

The bill also requires that the board in a county with a population of 750,000 or more coordinate with WEDC and the build Milwaukee initiative councils to attempt to ensure that at least 20 percent of the total value of all loans, grants, and other financial assistance paid, awarded, or otherwise provided by the county under economic development programs and housing programs is directed to economic development and homeownership in the build Milwaukee initiative zones.

Similarly, the bill requires the common council of a 1st class city to coordinate with WEDC and the build Milwaukee initiative councils to attempt to ensure that at least 40 percent of the total value of all loans, grants, and other financial assistance paid, awarded, or otherwise provided by the city under economic development programs and housing programs is directed to economic development and homeownership in the build Milwaukee initiative zones.

DEVELOPMENT OPPORTUNITY ZONE

Under current law, specific areas in certain Wisconsin cities are designated as development opportunity zones. Taxpayers that conduct business or intend to conduct business in a development opportunity zone may receive certain tax benefits after submitting a qualifying project plan in conjunction with the local governing body of the city in which the development opportunity zone is located.

ASSEMBLY BILL 725

The bill creates a development opportunity zone in the city of Milwaukee that is made up of the build Milwaukee initiative zones. That development opportunity zone is effective for 48 months, beginning July 1, 2012. The total allowable tax benefits for that development opportunity zone is \$10,000,000. However, under the bill, WEDC may extend the development opportunity zone for an additional 48 months and an additional \$10,000,000 of total tax benefits if WEDC determines that the extension will support economic development in the city of Milwaukee.

PUBLIC PURCHASING AND CONTRACTS WITH FINANCIAL INSTITUTIONS

Under current law, the Department of Administration (DOA) is authorized to purchase, among other things, all necessary materials, supplies, equipment, and contractual services for all state agencies. DOA may delegate to a state agency the authority to make purchases for that agency. However, in making such a delegation, DOA must require the agency to adhere to all requirements imposed on DOA with respect to such purchases. The legislative and judicial branches make their own purchases. State purchasing contracts are generally required to be awarded based on the lowest responsible bid or most advantageous proposal.

Also under current law, the governing body of a county or city, or the purchasing agent appointed by the county's or city's governing body, is generally responsible for making purchases for the county or city.

Purchases directed to businesses in the build Milwaukee initiative zones

Under the bill, DOA and the legislative and judicial branches must attempt to ensure that at least 10 percent of the purchases made by DOA and the legislative and judicial branches in each fiscal year is paid to businesses that are located in a build Milwaukee initiative zone. Under the bill, DOA may purchase materials, supplies, equipment, and contractual services from any business located in a build Milwaukee initiative zone that submits a qualified responsible competitive bid that is no more than 5 percent higher than the apparent low bid or competitive proposal that is no more than 5 percent higher than the most advantageous proposal.

Also under the bill, the board of a county with a population of 750,000 or more must attempt to ensure that at least 20 percent of the total amount expended by that county in each fiscal year for any materials, supplies, equipment, or services for the various county offices is paid to businesses located in a build Milwaukee initiative zone.

Similarly, the bill requires the common council of a 1st class city to attempt to ensure that at least 40 percent of the total amount expended by the city in each fiscal year for any materials, supplies, equipment, or services for the various city offices is paid to businesses located in a build Milwaukee initiative zone.

Preference for qualifying financial institutions

Also under the bill, before DOA, the board of a county with a population of 750,000 or more, or the common council of a 1st class city enters into a contract with a financial institution for the deposit of public moneys with the financial institution, DOA, the county board, or the common council must consider whether the financial institution meets the criteria listed below. DOA, the county board, or the common council may give preference for such a contract if the financial institution meets all of the following criteria:

ASSEMBLY BILL 725

1. The financial institution has, in the preceding year, made loans to persons located in a build Milwaukee initiative zone. DOA, the county board, or the common council is required to take into account the amount of those loans.

2. The financial institution agrees to increase its lending activity to persons located in a build Milwaukee initiative zone and provides to DOA, the county board, or the common council, as appropriate, a plan to do so that includes the financial institution's proposal for using the deposits of DOA, the county board, or the common council to increase lending activity to persons located in a build Milwaukee initiative zone, particularly with respect to loans that encourage or support homeownership and business activity in the build Milwaukee initiative zone.

3. The financial institution has, in its most recent evaluation under the Community Reinvestment Act of 1977, received a rating of outstanding or satisfactory.

REPORTING REQUIREMENTS

Under the bill, annually, no later than March 1, WEDC, the board of a county with a population of 750,000 or more, and the common council of a 1st class city must each submit to the governor and the legislature, and make available to the public, a report that details all of the following:

1. For each build Milwaukee initiative zone, a list and description, including amounts, of all loans, grants, and other financial assistance that WEDC, WHEDA, and WHEFA, the county, or the city directed to economic development and homeownership in that build Milwaukee initiative zone during the preceding year.

2. An accounting of the total value of all loans, grants, and other financial assistance that WEDC, WHEDA, and WHEFA, the county, or the city directed to economic development and homeownership in the build Milwaukee initiative zones during the preceding year.

3. An accounting of the total value of all loans, grants, and other financial assistance that WEDC, WHEDA, and WHEFA, the county, or the city paid, awarded, or otherwise provided under economic development programs and housing programs during the preceding year.

Additionally, a county and a city submitting such a report must include in that report an accounting of the purchases the county or the city, as appropriate, made from businesses located in a build Milwaukee initiative zone.

Similarly, the bill requires DOA to maintain and annually publish data, and prepare and submit a report to the governor and to the legislature, on state purchases from businesses located in a build Milwaukee initiative zone and on the state's progress toward achieving compliance with the bill's requirements regarding such purchases.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

ASSEMBLY BILL 725

1 **SECTION 1.** 16.75 (1) (a) 1. of the statutes is amended to read:

2 16.75 (1) (a) 1. All orders awarded or contracts made by the department for all
3 materials, supplies, equipment, and contractual services to be provided to any
4 agency, except as otherwise provided in par. (c) ~~and~~, subs. (2), (2g), (2m), (3m), (3p),
5 (3t), (6), (7), (8), (9), (10e), ~~and (10m), and (10r)~~, and ss. 16.73 (4) (a), 16.751, 16.754,
6 16.964 (8), 50.05 (7) (f), 153.05 (2m) (a), and 287.15 (7), shall be awarded to the lowest
7 responsible bidder, taking into consideration life cycle cost estimates under sub.
8 (1m), when appropriate, the location of the agency, the quantities of the articles to
9 be supplied, their conformity with the specifications, and the purposes for which they
10 are required and the date of delivery.

11 **SECTION 2.** 16.75 (3p) of the statutes is created to read:

12 16.75 (3p) (a) In this subsection, “build Milwaukee initiative zone” means a
13 geographic area under s. 238.14 (2) (a), (b), (c), or (d).

14 (b) 1. The department and any agency making purchases under s. 16.74 shall
15 attempt to ensure that at least 10 percent of the total amount expended under this
16 subchapter in each fiscal year is paid to businesses located in any of the build
17 Milwaukee initiative zones.

18 2. Except as provided in sub. (7), the department may purchase materials,
19 supplies, equipment, and contractual services from any business located in a build
20 Milwaukee initiative zone that submits a qualified responsible competitive bid that
21 is no more than 5 percent higher than the apparent low bid or competitive proposal
22 that is no more than 5 percent higher than the most advantageous proposal.

23 (c) The department shall maintain and annually publish data, and prepare and
24 submit a report to the governor and to the chief clerk of each house of the legislature
25 for distribution to the appropriate standing committees under s. 13.172 (3), on state

ASSEMBLY BILL 725

1 purchases from businesses located in a build Milwaukee initiative zone and on the
2 state's progress toward achieving compliance with par. (b) 1.

3 (d) This subsection does not apply before July 1, 2012, nor after June 30, 2016.

4 **SECTION 3.** 16.75 (10r) of the statutes is created to read:

5 16.75 (10r) (a) In this subsection:

6 1. "Build Milwaukee initiative zone" means a geographic area under s. 238.14
7 (2) (a), (b), (c), or (d).

8 2. "Financial institution" means an insured depository institution, as defined
9 in 12 USC 1813 (c) (2).

10 (b) Before entering into a contract with a financial institution for the deposit
11 of state moneys with the financial institution, the department shall consider
12 whether the financial institution meets any of the following criteria and may give
13 preference in entering into such contracts to a financial institution that meets all of
14 the following criteria:

15 1. The financial institution has, in the preceding year, made loans to persons
16 located in a build Milwaukee initiative zone. The department shall consider the
17 amount of the financial institution's lending activity in the build Milwaukee
18 initiative zones in providing any preference under this paragraph.

19 2. The financial institution agrees to increase its lending activity to persons
20 located in a build Milwaukee initiative zone and provides to the department a plan
21 to do so. That plan shall include the financial institution's proposal for using the
22 department's deposits to increase lending activity to persons located in a build
23 Milwaukee initiative zone, particularly with respect to loans that encourage or
24 support homeownership and business activity.

ASSEMBLY BILL 725**SECTION 3**

1 3. The financial institution has, in its most recent evaluation under the
2 Community Reinvestment Act of 1977, received a rating as specified in 12 USC 2906
3 (b) of outstanding or satisfactory.

4 (c) This subsection does not apply before July 1, 2012, nor after June 30, 2016.

5 **SECTION 4.** 16.855 (1) of the statutes, as affected by 2011 Wisconsin Act 32, is
6 amended to read:

7 16.855 (1) The department shall let by contract to the lowest qualified
8 responsible bidder all construction work when the estimated construction cost of the
9 project exceeds \$50,000, except for construction work authorized under s. 16.858 and
10 except as provided in sub. (10m) or (10mm) or s. 13.48 (19). If a bidder is not a
11 Wisconsin firm and the department determines that the state, foreign nation or
12 subdivision thereof in which the bidder is domiciled grants a preference to bidders
13 domiciled in that state, nation or subdivision in making governmental purchases,
14 the department shall give a preference over that bidder to Wisconsin firms, if any,
15 when awarding the contract, in the absence of compelling reasons to the contrary.
16 The department may enter into agreements with states, foreign nations and
17 subdivisions thereof for the purpose of implementing this subsection.

18 **SECTION 5.** 16.855 (10mm) of the statutes is created to read:

19 16.855 (10mm) (a) In this subsection, “build Milwaukee initiative zone” means
20 a geographic area under s. 238.14 (2) (a), (b), (c), or (d).

21 (b) 1. In awarding construction contracts the department shall attempt to
22 ensure that 10 percent of the total amount expended in each fiscal year is awarded
23 to contractors and subcontractors located in any of the build Milwaukee initiative
24 zones.

ASSEMBLY BILL 725

1 2. The department may award a contract to a business that is located in a build
2 Milwaukee initiative zone that submits a qualified responsible bid that is no more
3 than 5 percent higher than the apparent low bid.

4 (c) Upon completion of a contract, the contractor shall report to the department
5 any amount of the contract that was subcontracted to a business that is located in
6 a build Milwaukee initiative zone.

7 (d) The department shall maintain and annually publish data on contracts
8 awarded under this subsection to businesses located in a build Milwaukee initiative
9 zone.

10 (e) This subsection does not apply before July 1, 2012, nor after June 30, 2016.

11 **SECTION 6.** 34.05 (4) of the statutes is created to read:

12 34.05 (4) Nothing in this chapter shall be construed to prohibit contracts for
13 deposit entered into under s. 16.75 (10r) or any similar contract entered into by the
14 governing body of a county or municipality.

15 **SECTION 7.** 59.83 of the statutes is created to read:

16 **59.83 Build Milwaukee initiative. (1) DEFINITIONS.** In this section:

17 (a) "Build Milwaukee initiative council" means a council established under s.
18 62.79 (2).

19 (b) "Build Milwaukee initiative zone" means a geographic area under s. 238.14
20 (2) (a), (b), (c), or (d).

21 (c) "Economic development program" means a program or activity having the
22 primary purpose of encouraging the establishment and growth of business in this
23 state, including the creation and retention of jobs.

24 (d) "Financial institution" means an insured depository institution, as defined
25 in 12 USC 1813 (c) (2).

ASSEMBLY BILL 725

1 (e) "Housing program" means a program or activity having the primary
2 purpose of encouraging or supporting homeownership in this state.

3 **(2) COORDINATION CONCERNING HOUSING AND ECONOMIC DEVELOPMENT PROGRAMS.**

4 The board in a county with a population of 750,000 or more shall do all of the
5 following:

6 (a) In coordination with the Wisconsin Economic Development Corporation
7 and the build Milwaukee initiative councils, attempt to ensure that at least 20
8 percent of the total value of all loans, grants, and other financial assistance paid,
9 awarded, or otherwise provided by the county under economic development
10 programs and housing programs is directed to economic development and
11 homeownership in the build Milwaukee initiative zones.

12 (b) Coordinate under s. 238.14 (3) with the Wisconsin Economic Development
13 Corporation, the Wisconsin Housing and Economic Development Authority, and the
14 Wisconsin Health and Educational Facilities Authority to accomplish the purposes
15 of that section.

16 **(3) COUNTY PURCHASING AND FINANCING.** (a) The board of a county with a
17 population of 750,000 or more and any purchasing agent appointed by that board
18 under s. 59.52 (9) shall attempt to ensure that at least 20 percent of the total amount
19 expended by the county in each fiscal year for any materials, supplies, equipment,
20 or services for the various county offices is paid to businesses located in a build
21 Milwaukee initiative zone.

22 (b) Before entering into a contract with a financial institution for the deposit
23 of county moneys with the financial institution, the board of a county with a
24 population of 750,000 or more shall consider whether the financial institution meets

ASSEMBLY BILL 725

1 any of the following criteria and may give preference in entering into such contracts
2 to a financial institution that meets all of the following criteria:

3 1. The financial institution has, in the preceding year, made loans to persons
4 located in a build Milwaukee initiative zone. The board shall consider the amount
5 of the financial institution's lending activity in the build Milwaukee initiative zones
6 in providing any preference under this paragraph.

7 2. The financial institution agrees to increase its lending activity to persons
8 located in a build Milwaukee initiative zone and provides to the board a plan to do
9 so. That plan shall include the financial institution's proposal for using the county's
10 deposits to increase lending activity to persons located in a build Milwaukee
11 initiative zone, particularly with respect to loans that encourage or support
12 homeownership and business activity.

13 3. The financial institution has, in its most recent evaluation under the
14 Community Reinvestment Act of 1977, received a rating as specified in 12 USC 2906
15 (b) of outstanding or satisfactory.

16 **(4) REPORTING REQUIREMENTS.** Annually, no later than March 1, the board of a
17 county with a population of 750,000 or more shall submit to the governor and to the
18 chief clerk of each house of the legislature, for distribution to the legislature under
19 s. 13.172 (2), and make available to the public, a report that details all of the
20 following:

21 (a) For each build Milwaukee initiative zone, a list and description, including
22 amounts, of all loans, grants, and other financial assistance that the county directed
23 to economic development and homeownership in that build Milwaukee initiative
24 zone during the preceding year.

ASSEMBLY BILL 725

1 (b) An accounting of the total value of all loans, grants, and other financial
2 assistance that the county directed to economic development and homeownership in
3 the build Milwaukee initiative zones during the preceding year.

4 (c) An accounting of the total value of all loans, grants, and other financial
5 assistance that the county paid, awarded, or otherwise provided under economic
6 development programs and housing programs during the preceding year.

7 (d) An accounting of the county's purchases from businesses located in a build
8 Milwaukee initiative zone under sub. (3) (a).

9 **(5) SUNSET.** Subsections (2) and (3) do not apply before July 1, 2012, nor after
10 June 30, 2016.

11 **SECTION 8.** 62.79 of the statutes is created to read:

12 **62.79 Build Milwaukee initiative. (1) DEFINITION.** In this section:

13 (a) Build Milwaukee initiative council means a council established under sub.
14 (2).

15 (b) "Build Milwaukee initiative zone" means a geographic area under s. 238.14
16 (2) (a), (b), (c), or (d).

17 (c) "Economic development program" means a program or activity having the
18 primary purpose of encouraging the establishment and growth of business in this
19 state, including the creation and retention of jobs.

20 (d) "Financial institution" means an insured depository institution, as defined
21 in 12 USC 1813 (c) (2).

22 (e) "Housing program" means a program or activity having the primary
23 purpose of supporting or encouraging homeownership in this state.

24 **(2) BUILD MILWAUKEE INITIATIVE COUNCILS.** (a) The common council of a 1st class
25 city shall establish a build Milwaukee initiative council for each build Milwaukee

ASSEMBLY BILL 725

1 initiative zone. The common council shall determine the number, which shall be
2 divisible by 3, of the members for each build Milwaukee initiative council and shall
3 establish all other rules and procedures governing the conduct of the councils. The
4 councils shall be strictly nonpartisan.

5 (b) The rules and procedures established under par. (a) shall include all of the
6 following:

7 1. The members of a council shall be persons who reside in or who are affiliated
8 with a business entity, including a nonprofit corporation, that is headquartered in
9 that council's build Milwaukee initiative zone.

10 2. The majority of a council's members shall be persons who reside in that
11 council's build Milwaukee initiative zone.

12 3. Each council shall include at least one member of the clergy, as defined in
13 s. 48.981 (1) (cx), and at least 2 minority group members, as defined in s. 250.20 (1)
14 (g).

15 4. A vacancy on a council shall be filled in the same manner as the original
16 appointment to the council for the remainder of the unexpired term, if any.

17 5. All council appointees shall take and file the official oath.

18 (c) The members of the build Milwaukee initiative councils shall be nominated
19 by the mayor of a 1st class city, and with the advice and consent of the common council
20 of the city appointed, to serve 3-year terms.

21 **(3) COORDINATION CONCERNING HOUSING AND ECONOMIC DEVELOPMENT PROGRAMS.**
22 The common council of a 1st class city shall, in coordination with the Wisconsin
23 Economic Development Corporation and the build Milwaukee initiative councils,
24 attempt to ensure that at least 40 percent of the total value of all loans, grants, and
25 other financial assistance paid, awarded, or otherwise provided by the city under

ASSEMBLY BILL 725

1 economic development programs and housing programs is directed to economic
2 development and homeownership in the build Milwaukee initiative zones.

3 (4) CITY PURCHASING AND FINANCING. (a) The common council of a 1st class city
4 shall attempt to ensure that at least 40 percent of the total amount expended by the
5 city in each fiscal year for any materials, supplies, equipment, or services for the
6 various city offices is paid to businesses located in a build Milwaukee initiative zone.

7 (b) Before entering into a contract with a financial institution for the deposit
8 of city moneys with the financial institution, the common council of a 1st class city
9 shall consider whether the financial institution meets any of the following criteria
10 and may give preference in entering into such contracts to a financial institution that
11 meets all of the following criteria:

12 1. The financial institution has, in the preceding year, made loans to persons
13 located in a build Milwaukee initiative zone. The common council shall consider the
14 amount of the financial institution's lending activity in the build Milwaukee
15 initiative zones in providing any preference under this paragraph.

16 2. The financial institution agrees to increase its lending activity to persons
17 located in a build Milwaukee initiative zone and provides to the common council a
18 plan to do so. That plan shall include the financial institution's proposal for using
19 the city's deposits to increase lending activity to persons located in a build Milwaukee
20 initiative zone, particularly with respect to loans that encourage or support
21 homeownership and business activity.

22 3. The financial institution has, in its most recent evaluation under the
23 Community Reinvestment Act of 1977, received a rating as specified in 12 USC 2906
24 (b) of outstanding or satisfactory.

ASSEMBLY BILL 725

1 **(5) GOALS AND IMPLEMENTATION.** Each build Milwaukee initiative council shall
2 do all of the following with respect to that council's build Milwaukee initiative zone:

3 (a) Establish clear and measurable goals for the implementation of economic
4 development and housing programs in the build Milwaukee initiative zone.

5 (b) Coordinate under s. 238.14 (3) with the Wisconsin Economic Development
6 Corporation, the Wisconsin Housing and Economic Development Authority, and the
7 Wisconsin Health and Educational Facilities Authority to accomplish the purposes
8 of that section.

9 (c) Coordinate with a 1st class city under sub. (3), and a county with a
10 population of 750,000 or more under s. 59.83 (2) (a) to achieve the purposes of those
11 sections.

12 (d) Coordinate with public and private economic development entities located
13 in any build Milwaukee initiative zone concerning economic development and
14 housing programs in the council's build Milwaukee initiative zone.

15 (e) To the extent possible, ensure that any job created in the build Milwaukee
16 initiative zone is filled by a person who is qualified to perform that job and is a
17 resident of that zone.

18 (f) To the extent possible, ensure that any job created in the build Milwaukee
19 initiative zone is filled by a person who is qualified to perform that job and is a
20 veteran, as defined in 38 USC 101.

21 (g) To the extent possible, ensure that any job created in the build Milwaukee
22 initiative zone is filled by a person who is qualified to perform that job and has
23 completed a job training program at a job training or workforce development center
24 located in a 1st class city.

ASSEMBLY BILL 725

1 (h) To the extent possible, coordinate the council's job placement efforts with
2 labor unions, community development corporations, and job training or workforce
3 development centers that are located in a 1st class city.

4 (i) Encourage entrepreneurial activities and business growth in the build
5 Milwaukee initiative zone, including by coordinating with one or more business
6 incubators in that build Milwaukee initiative zone and with the Women's Business
7 Initiative Corporation and other community development corporations.

8 (j) Encourage and support homeownership under housing programs directed
9 to the build Milwaukee initiative zone.

10 (k) Attempt to ensure that any capital improvement project or other
11 development or redevelopment in the build Milwaukee initiative zone is carried out
12 in an environmentally sound manner.

13 (L) Encourage the development of a wealth building center in the build
14 Milwaukee initiative zone that does all of the following:

- 15 1. Provides comprehensive housing counseling to residents of that zone.
- 16 2. Encourages the development and retention of businesses in that zone.
- 17 3. Provides assistance and advice concerning educational opportunities for
18 residents of that zone.
- 19 4. Provides financial advice to residents of that zone.

20 **(6) REPORTING REQUIREMENTS.** Annually, no later than March 1, the common
21 council of a 1st class city shall submit to the governor and to the chief clerk of each
22 house of the legislature, for distribution to the legislature under s. 13.172 (2), and
23 make available to the public, a report that details all of the following:

24 (a) For each build Milwaukee initiative zone, a list and description, including
25 amounts, of all loans, grants, and other financial assistance that the city directed to

ASSEMBLY BILL 725

1 economic development and homeownership in that build Milwaukee initiative zone
2 during the preceding year.

3 (b) An accounting of the total value of all loans, grants, and other financial
4 assistance that the city directed to economic development and homeownership in the
5 build Milwaukee initiative zones during the preceding year.

6 (c) An accounting of the total value of all loans, grants, and other financial
7 assistance that the city paid, awarded, or otherwise provided under economic
8 development programs and housing programs during the preceding year.

9 (d) An accounting of the city's purchases from businesses located in a build
10 Milwaukee initiative zone under sub. (4) (a).

11 **(7)** Subsections (3) and (4) do not apply before July 1, 2012, nor after June 30,
12 2016.

13 **SECTION 9.** 238.14 of the statutes is created to read:

14 **238.14 Build Milwaukee Initiative Zones. (1)** In this section:

15 (a) "Build Milwaukee initiative zone" means a geographic area under sub. (2)
16 (a), (b), (c), or (d).

17 (b) "Housing program" means a program or activity having the primary
18 purpose of encouraging or supporting homeownership in this state.

19 **(2)** The build Milwaukee initiative zones are the following:

20 (a) The geographic area that comprises the following area comprehensive plans
21 approved by the common council of the city of Milwaukee by ordinance 295-106, file
22 number 100247:

- 23 1. Near west side comprehensive plan.
- 24 2. Washington Park comprehensive plan.
- 25 3. Fond du Lac and north comprehensive plan.

ASSEMBLY BILL 725

1 4. Northeast side comprehensive plan.

2 (b) The geographic area that comprises the northwest side comprehensive plan
3 approved by the common council of the city of Milwaukee by ordinance 295-106, file
4 number 100247.

5 (c) The geographic area that comprises the near south side comprehensive plan
6 approved by the common council of the city of Milwaukee by ordinance 295-106, file
7 number 100247.

8 (d) The geographic area that comprises the southeast side comprehensive plan
9 approved by the common council of the city of Milwaukee by ordinance 295-106, file
10 number 100247.

11 **(3)** The corporation, the Wisconsin Housing and Economic Development
12 Authority, and the Wisconsin Health and Educational Facilities Authority, each in
13 coordination with the others and in coordination with a county board under s. 59.83
14 (2) (b) and the build Milwaukee initiative councils under s. 62.79 (5), shall attempt
15 to ensure that at least 10 percent of the total value of all loans, grants, tax benefits,
16 and other financial assistance paid, awarded, or otherwise provided under economic
17 development programs and housing programs by the corporation and those
18 authorities is directed to economic development and homeownership in the build
19 Milwaukee initiative zones.

20 **(4)** Annually, no later than March 1, the corporation, the Wisconsin Housing
21 and Economic Development Authority, and the Wisconsin Housing and Educational
22 Facilities Authority, each in coordination with the others, shall submit to the
23 governor and to the chief clerk of each house of the legislature, for distribution to the
24 legislature under s. 13.172 (2), and make available to the public, a joint report that
25 details all of the following:

ASSEMBLY BILL 725

1 (a) For each build Milwaukee initiative zone, a list and description, including
2 amounts, of all loans, grants, tax benefits, and other financial assistance that the
3 corporation and those authorities directed to economic development and
4 homeownership in that build Milwaukee initiative zone during the preceding year.

5 (b) An accounting of the total value of all loans, grants, tax benefits, and other
6 financial assistance that the corporation and those authorities directed to economic
7 development and homeownership in the build Milwaukee initiative zones during the
8 preceding year.

9 (c) An accounting of the total value of all loans, grants, tax benefits, and other
10 financial assistance that the corporation and those authorities paid, awarded, or
11 otherwise provided under economic development programs and housing programs
12 during the preceding year.

13 (5) Subsection (3) does not apply before July 1, 2012, nor after June 30, 2016.

14 **SECTION 10.** 238.30 (7) (b) 2. of the statutes, as affected by 2011 Wisconsin Acts
15 32 and 37, is amended to read:

16 238.30 (7) (b) 2. With respect to the development opportunity zones under s.
17 238.395 (1) (g), (h), ~~and (i), and (j)~~, “tax benefits” means the development zone credits
18 under ss. 71.07 (2dx), 71.28 (1dx), 71.47 (1dx), and 76.636 and the development zones
19 capital investment credit under ss. 71.07 (2dm), 71.28 (1dm), and 71.47 (1dm).

20 **SECTION 11.** 238.395 (1) (j) of the statutes is created to read:

21 238.395 (1) (j) The build Milwaukee initiative zones under s. 238.14 (2) (a) to
22 (d).

23 **SECTION 12.** 238.395 (2) (a) of the statutes, as affected by 2011 Wisconsin Acts
24 32 and 37, is amended to read:

ASSEMBLY BILL 725

1 238.395 (2) (a) Except as provided in par. (d), the designation of each area under
2 sub. (1) (a), (b), and (c) as a development opportunity zone shall be effective for 36
3 months, with the designation of the areas under sub. (1) (a) and (b) beginning on
4 April 23, 1994, and the designation of the area under sub. (1) (c) beginning on
5 April 28, 1995. Except as provided in par. (d), the designation of each area under sub.
6 (1) (d) and (e) as a development opportunity zone shall be effective for 84 months,
7 with the designation of the area under sub. (1) (d) beginning on January 1, 2000, and
8 the designation of the area under sub. (1) (e) beginning on September 1, 2001. Except
9 as provided in par. (d), the designation of the area under sub. (1) (f) as a development
10 opportunity zone shall be effective for 108 months, beginning on September 1, 2001.
11 Except as provided in pars. (d) and (e), the designation of each area under sub. (1)
12 (g) and (h) as a development opportunity zone shall be effective for 60 months,
13 beginning on the date on which the area is designated under sub. (1). Except as
14 provided in pars. (d) and (e), the designation of the area under sub. (1) (i) shall be
15 effective for 60 months, beginning on August 1, 2011. Except as provided in pars. (d)
16 and (e), the designation of the area under sub. (1) (i) shall be effective for 60 months,
17 beginning on August 1, 2011. Except as provided in pars. (d) and (e), the designation
18 of the area under sub. (1) (j) as a development opportunity zone shall be effective for
19 48 months, beginning on July 1, 2012.

20 **SECTION 13.** 238.395 (2) (b) 10. of the statutes is created to read:

21 238.395 (2) (b) 10. Except as provided in par. (e) 4., the limit for tax benefits
22 for the development opportunity zone under sub. (1) (j) is \$10,000,000.

23 **SECTION 14.** 238.395 (2) (e) 4. of the statutes is created to read:

24 238.395 (2) (e) 4. The corporation may extend the designation of the area under
25 sub. (1) (j) as a development opportunity zone for an additional 48 months if the

ASSEMBLY BILL 725

1 corporation determines that an extension will support economic development within
2 the city. If the corporation grants an extension under this subdivision, the limit for
3 tax benefits for the development opportunity zone under sub. (1) (j) is increased by
4 \$10,000,000.

5 **SECTION 15.** 238.395 (3) (a) 4. of the statutes, as affected by 2011 Wisconsin Acts
6 32 and 37, is amended to read:

7 238.395 (3) (a) 4. Any person that is conducting or that intends to conduct
8 economic activity in a development opportunity zone under sub. (1) (e), (f), (g), (h),
9 ~~or (i), or (j)~~ and that, in conjunction with the local governing body of the city in which
10 the development opportunity zone is located, submits a project plan as described in
11 par. (b) to the corporation shall be entitled to claim tax benefits while the area is
12 designated as a development opportunity zone.

13 **SECTION 16. Nonstatutory provisions.**

14 (1) INITIAL APPOINTMENTS. Notwithstanding the lengths of terms specified in
15 section 62.79 (2) (c) of the statutes, as created by this act, for each build Milwaukee
16 initiative council, the initial members of the council shall be appointed for the
17 following terms:

18 (a) One-third of the members appointed under section 62.79 (2) (c) of the
19 statutes, as created by this act, for terms expiring on July 1, 2013.

20 (b) One-third of the members appointed under section 62.79 (2) (c) of the
21 statutes, as created by this act, for terms expiring on July 1, 2014.

22 (c) One-third of the members appointed under section 62.79 (2) (c) of the
23 statutes, as created by this act, for terms expiring on July 1, 2015.

24 **SECTION 17. Initial applicability.**

