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Sirs,

I am a senior member of the Wisconsin Legislature with a deep background in various Milwaukee projects, including serving as research staff at the Greater Milwaukee Committee under the leadership of Bob Milbourne, when we examined proposals for constructing a new stadium for the Milwaukee Brewers in the early 1990s. I also served as the key staff to State Senator Bob Jauch who was co-chair of the Stadium Task Force of the Legislature when the sales tax plan was developed in the 1995-1996 legislative session.

Furthermore, I served as Co-Chair of the Wisconsin Legislative Council Special Committee on Local Service Consolidation that dealt with local levels of government working together amongst themselves to consolidate services to create better efficiency, and save taxpayer money.

Currently, I am ranking Democratic member of the Assembly Committee on State and Local Finance dealing with a lot of various TIF districts throughout Wisconsin, and was recently added to the Legislative Council Study Committee on the Review of Tax Incremental Financing that will be meeting throughout this summer and fall.

I am writing to share a proposal that would site the new Arena at the northern tip of my District, essentially in between Marquette University and the Potawatomi Casino and Hotel. It has numerous features which I outline below that would help make the project successful, namely zero reliance on raising taxes.

Make no mistake, there is little to no public appetite for an increase in the sales tax in Milwaukee County, and the political fallout from the Stadium Sales tax plan makes such a move even more complicated. Furthermore, I plan to lead efforts to squash any attempt by the Legislature or Governor to raise taxes to fund an NBA Arena in my city.

Following are what I consider 7 key priorities for a new Arena project:

1. Avoid the current footprint of Bradley Center and tear down
2. Insist the Wisconsin Center district is at the table so that Convention and hotel space can be expanded in near future



3. No sales tax increase
4. No diversion from the general fund, known as a Super TIF
5. Project Workforce agreement to have Union labor build the new facility, with an emphasis to hire Milwaukee's unemployed and minority citizens
6. Build off links to Interstate system and Public Transit
7. Set-aside portion of future arena revenue stream to Milwaukee parks and recreation facility upgrades and maintenance for youth, public use

Raising taxes or, even worse, creation of a Super TIF would be a slap in the face to Milwaukee taxpayers, whose neighboring counties are still reeling from the Stadium District and have taken votes to block raising taxes. A Super TIF is simply taking money out of the General Fund, using locally generated sales and income taxes within a district boundary, and paying for the arena instead of what they are designed for: paying for universities and technical colleges, K-12 public schools, transportation projects, health care and safety net service, and importantly public safety and prisons. Removing funds from those critical items and diverting them into a Super TIF would be reckless fiscal policy and a political nuclear bomb to drop on Milwaukee.

Instead, there are options and one of them happens to be in my Legislative District and an area that is ripe for new neighbors. And, the location I have in mind, follows the thinking and planning that I believe is necessary for a successful project regardless of where it ends up: careful and minimal use of public dollar with no tax increase, connecting to a larger vision for Milwaukee's Downtown, seeking out a distressed or "under-utilized" piece of land, and importantly strong connections to the Interstate and transit system.

Using a more traditional TIF model, the new Arena would fit perfectly just north of the Potawatomi Casino and Hotel off 13th and Canal. Existing structures are owned by the city of Milwaukee which uses valuable land for DPW trucks and traffic signals. The other location that would involve negotiation and/or eminent domain action is the Keep Greater Milwaukee Beautiful parcel, across the Menomonee Canal. It is huge and with proper design can easily connect to the south, where parking would sit next to the Casino and Hotel.

Neither KGMB nor the City is paying taxes on those properties, making TIF more useful and effective. Those values have only one way to go: Up.

There are huge benefits to this area:

1. Currently under-utilized and weak to the tax base of the City of Milwaukee
2. Other options exist for City DPW vehicles and equipment other than the Menomonee Valley



3. Similarly, KGMB services could partner with nearby Mill Valley or Miller Compressing
4. Interstate 94 eastbound from Madison and Suburbs has an exit that is literally at the doorstep of 13th street and St. Paul.
5. Interstate 94/43 North has an exit at 10th street, seconds away from proposed location, and perfect for South Suburbs, Racine/Kenosha/Chicago visitors
6. Alternative highway access is already provided for I-94 via Canal Street at Miller Park
7. 6th Street viaduct connecting with Canal Street, provides further auto and bus access from Downtown to the north, and the South Side of Milwaukee via Walker's Point and the up and coming Fifth Ward
8. The Amtrak Intermodal is blocks away and a TIF project could include financing to extend the Downtown Streetcar to the new Arena and head north to Marquette University, ultimately connecting with the Convention center district, Pabst Brewery development, and the Park East corridor.
9. Most likely, the proposal would site the arena where KGMB currently sits, with some additional acquisition necessary nearby
10. Parking structures would go where the City DPW property sits
11. Heated and properly lighted sidewalks could connect Marquette University campus via 13th street with new arena...this is no small point given that Marquette's basketball team would play at the arena including the games during NCAA playoffs. Marquette is an Arena revenue generator.
12. Skywalks could connect the Casino and Hotel, keeping in mind the bulk of Bucks games are during cold or inclement weather.

If fiscally workable, the TIF could build further public support and help the city of Milwaukee, by adding non-contiguous parcels for a complete commercial and residential overhaul: improved sidewalks, sewers, streets, greening and rehab of older housing stock and workforce development assistance for under and un-employed residents. Likely areas would be just north of Marquette and west of the Freeway; as well as the South Side from S. 35th east to Walkers Point and south to Greenfield Avenue. Since much of the privately owned property there is flat in terms of market prices, there is a huge opportunity to gain "increment" from better property values with significant public improvements driving up the numbers. These neighborhoods would ultimately be connected by the City Streetcar system to expand access for workers, tourists, et al to other parts of Milwaukee and importantly Downtown and the Lakefront.



TIF money could improve nearby local, neighborhood and downtown roads as well as improve the 16th Street Viaduct, with better Valley access.

Along with creative TIF structuring, selling off the existing Bradley Center property could yield a significant contribution to construction costs. Similarly, that area of downtown would become cleared for construction when it comes to an expanded Convention Center. Re-opening parts of 4th street or 5th street as well as Highland Avenue and using transit as a connector, could mean a seamless "district" which goes from Amtrak station/Grand Avenue on the South and the existing Wisconsin Center footprint, all the way north to the Pabst development and Park East Corridor.

This would allow for hotel, commercial and retail developments, and importantly housing. Expanded downtown housing is critical to improving the utilization of land west of the river and would help bridge Wisconsin Avenue up to McKinley where the new Interstate ramps effectively serve a future marketplace at Park East. This bodes well for King Drive development over the long haul.

It makes more sense to put the Arena which is almost totally a one-stop destination, (guests are in/out for special events) in a revitalization area, and push for bigger and better in the current Wisconsin Center and Bradley center territory: more convention space, more hotel space, more street level retail, and more housing options.

Furthermore, as pointed out earlier, the 13th street site is easily accessible by: Interstate traffic, local roads, existing major attractions like Potawatomi, and Marquette University. But it's also a hop, skip and jump over to 6th street where the Convention center sits now. Grand Avenue mall is nearby. And, with an expanded streetcar route, visitors and Milwaukee residents themselves, could never once use their car to enjoy any of these locations: Downtown/central business district, Casino/Hotel, Harley Museum, Convention Center, Pabst and Park east developments, MATC campus, and other important government office locations as well as, of course, the Arena itself.

South side neighborhoods from the 5th Ward to Walkers Point, all the way west to Clarke Square and the Layton Boulevard West Neighborhood/Silver City Main Street would benefit from the nearby economic development as well as any residential TIF, transit access, road improvements, etc.

Not one penny of this would come from a sales tax increase. No diversion using Super TIF which would drain the general fund of sales and income taxes in already tight fiscal conditions. Potential financial investments could come from a seat at the table for Potawatomi, Marquette, the City of Milwaukee, and Milwaukee County and of course state dollars could be positioned for modest investments via: WisDOT, DWD, DNR, Commerce and Tourism Departments.



STATE REPRESENTATIVE
JOSH ZEPNICK
WISCONSIN STATE ASSEMBLY

Nothing in life is perfect and neither is this plan. But I think it's worth discussing and evaluating further. With this caution, whether I or many other elected officials: Do not expect my vote to raise taxes or harm public services in Milwaukee via Super TIF.

Thank you for your consideration.

Rep. Josh Zepnick

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