

New Requirements for Developers Receiving Direct Financial Assistance from the City of Milwaukee

On April 2, 2009 Milwaukee Mayor Tom Barrett signed an ordinance that will place new requirements on developers receiving "direct financial assistance" from the City of Milwaukee. Developers who benefit from below-market land sales, direct subsidies, tax incremental financing grants and below-market rate loans will be required to, among other things:

- Complete an application process through the Department of City Development;
- Use "unemployed or underemployed" residents for 40% of the worker hours required for construction of the project, unless the Commissioner of City Development decides otherwise;
- Ensure that all contractors and subcontractors engaged on the project pay their employees the prevailing wage rate (subject to certain exceptions);
- Employ on-the-job trainees and the maximum ratio of apprentices to journeyman established by the Wisconsin Department of Workforce Development, and utilize the applicant pool established by the Emerging Business Enterprise administration as a first-source employment program; and
- Utilize Emerging Business Enterprises for project expenditures equaling 25% of construction costs plus 18% of amounts paid for the purchase of services, professional services and supplies.

The ordinance imposes sanctions for noncompliance, which could include up to a \$5,000 fine and repayment of any prevailing wage shortfall.

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