

Dear Greater Milwaukee Committee Members,

We are writing to update you on our actions to address Milwaukee's revenue challenges. By way of background, the GMC commissioned two reports by the Wisconsin Policy Forum: in 2016, "[Making Ends Meet](#)" and in 2017 "[On the Money?](#)" to look in-depth at our revenue structure with comparisons to peer cities. This work came out of our Downtown Task Force which studied the fiscal limitations of the city and county.

Over the past year, an unprecedented coalition of County leadership and all 19 municipalities, labor, community and business organizations, including both the GMC and the MMAC, has formed to address the City and County's revenue challenges. Yesterday, the coalition announced Move Forward MKE, an initiative seeking a new partnership with the State of Wisconsin, and state approval to put a referendum in front of Milwaukee County residents to increase the sales tax by 1%.

Forecasts show that an additional 1% countywide sales tax will generate approximately \$160M annually. The City and County have agreed upon an allocation or use of that revenue as follows:

\$53M - property tax relief (\$40M) and lead abatement (\$13M)

\$53M - County for capital or operating

\$53M - Municipalities for capital or operating (disbursed by population as a percent of County population)

The current state shared revenue funding to local communities is flat and outdated. The Wisconsin Policy Reports show that our City and County officials are appropriately managing the current budgets, and that Milwaukee has one of the lowest sales tax rates of any major U.S. city. Of the 115 largest American cities, Milwaukee has the 111th highest sales tax rate at 5.6 percent, according to the Tax Foundation. Raising the sales tax by one percent would only move the city up to 98th overall. This local tax option gives Milwaukee the opportunity to avoid dangerous cuts, more delays in repairs, and reduced services, in addition to property tax relief.

It's important that this initiative proceed in partnership with the state, which is why we are seeking authority to run a countywide referendum. While the breakdown above remains subject to change as we move through the process of getting approval to go to referendum, we believe this is an important step to re-balance our public financing, which currently relies heavily on property taxes. Giving the cities and county the capacity to invest in their future, alleviating debt and the backlog of critical infrastructure improvements, is good business practice. If enacted, we estimate that almost a third of the new sales tax revenue would be collected from non-county residents and visitors.

With the public announcement of Move Forward MKE,, we invite you to keep up to date on the project's progress via MoveForwardMKE.com. If you have any questions or concerns, please let us know.

Thank you,

Julia Taylor and David Lubar