

NEIGHBORHOOD IMPROVEMENT DISTRICT NO. \_\_: WALKER'S POINT

PROPOSED OPERATING PLAN

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## I. INTRODUCTION

In 2006, the State of Wisconsin enacted Wisconsin Stat. § 66.1110 which gave Wisconsin municipalities (i.e., cities, villages and towns) the power to establish one or more Neighborhood Improvement Districts (NIDs) within their community. The proposed Walker's Point Neighborhood Improvement Districts encompasses a mix of properties and uses including, but not limited to, commercial, manufacturing, single family and multi-family housing. ~~focus on neighborhoods composed exclusively of large multifamily housing units or mix of businesses and multifamily housing.~~ An assessment methodology is developed to allow the assessable residential and commercial properties within the geographic area to contribute to programs aimed at neighborhood lighting, distinctive signage, and pocket-parks, enhanced public green spaces and other activities as approved by the NID Board.

The City of Milwaukee has received a petition from property owners which requests creation of a Neighborhood Improvement District for the purpose of revitalizing and improving the Walker's Point neighborhood on Milwaukee's near south side (see Appendix A). The NID law requires that every district have an annual Operating Plan. This document is the initial Operating Plan for the proposed Walker's Point Neighborhood Improvement District (the "District"). The NID proponents prepared this Plan with technical assistance from the City of Milwaukee Department of City Development.

## II. DISTRICT BOUNDARIES

The District boundaries cover approximately forty-eight (48) blocks. The proposed District boundaries include South 3<sup>rd</sup> Street to the West, Greenfield to the south, the railroad or the Milwaukee River on the east, and Seeboth Street to the north. Boundaries of the District are shown in Appendix B of this Operating Plan. A narrative listing of the properties included in the District is set forth in Appendix C.

## III. PROPOSED OPERATING PLAN

### A. Plan Objectives

The objectives of the District are to promote and sustain Walker's Point as a thriving, mixed-use and diverse neighborhood; influence the design of new structures and the recycling of old buildings in a way that preserves, enhances and excites the Walker's Point sense of place; ensure that residents, businesses and property owners have an active role in the redevelopment and planning of the area; and further the neighborhood's image as a clean, safe, affordable and welcoming environment in which to live, work and play.

### B. Proposed Activities – Year One

Principle activities to be engaged in by the district during its first year of operation will include:

- a. Enhance the area's image through signage, beautification and maintenance related activities
- b. Develop marketing and promotional programs to promote the district and foster collaboration
- c. Employ and manage staff and/or support employment of staff by the Walker's Point Association
- d. Implement shared parking initiatives based on the Walker's Point Parking Study dated November 14, 2014

~~e.g.~~ Expand the boundaries of the NID in Year One and Two to more truly incorporate the entire Walker's Point Neighborhood.

C. Proposed Expenditures – Year One

Proposed Budget

WPA – NID admin, outreach <u>to residents and for expansion of NID</u>	<del>\$44,239</del> <u>\$49,239</u>
Reserves/Special Projects	<del>\$18,957</del> <u>\$ 3,957</u>
<u>Resident-directed projects</u>	<u>\$10,000</u>
Streetscaping/Greening	\$80,000
Services (clean sweep, graffiti, street/landscaping maint)	\$60,000
Marketing and PR	\$10,000
Start-Up Expenses	\$-5,000
Annual Audit, Insurance	\$ 3,000
TOTAL	<u>\$221,196</u>

D. Financing Method

It is proposed to raise ~~\$223,143~~ \$221,196 through NID assessments (see Appendix C). The NID Board shall have the authority and responsibility to prioritize expenditures and to revise the budget as necessary to match the funds actually available.

E. Organization of NID Board

Upon creation of the NID, the Common Council will set the time and place for the election of board members. The board's primary responsibility will be implementation of this Operating Plan. This will require the board to negotiate with providers of services and materials to carry out the Plan; to enter into various contracts; to monitor development activity; to periodically revise the Operating Plan; to ensure district compliance with the provisions of applicable statutes and regulations; and to make reimbursements for any overpayments of NID assessments.

State law requires that the board be composed of at least five members and that all of the board members be owners or occupants of property within the district.

State law requires the local legislative body must set the time and place for a meeting at which members of the board will be elected, and shall publish a class 2 notice under ch. 985 that contains the information. The notice shall specify that all individuals who either own or occupy real property within the neighborhood improvement district are eligible to serve on the board and vote at the election.

It is recommended that the NID board be structured and operate as follows:

1. Board Size – to be set by the Common Council, minimum five members; seven requested in Year One. Committees may be established by the board (e.g. residential, public safety, etc.) to review, recommend and implement specific projects.
2. Composition - All shall be owners or occupants of property within the district. The number of board members who represent commercial and residential properties shall be set by the Common Council in as close as possible to the proportion of each type of

property to the total assessed value of all property in the District. The Board shall elect its Chairperson from among its members

3. Term - Elections to the board shall be for a period of one year, and board members may be re-elected.

4. Compensation – None

5. Meetings - All meetings of the board shall be governed by the Wisconsin Open Meetings Law.

6. Record Keeping - Files and records of the board's affairs shall be kept pursuant to public record requirements.

7. Staffing - The board may employ staff and/or contract for staffing services pursuant to this Plan and subsequent modifications thereof.

8. Meetings - The board shall meet regularly, at least twice each year. The board shall adopt rules of order ("by laws") to govern the conduct of its meetings.

#### F. Relationship to the Walker's Point Association

The NID shall be a separate entity from the Walker's Point Association, notwithstanding the fact that members, officers and directors of each may be shared. The Association shall remain a private organization, not subject to the open meeting law, and not subject to the public record law except for its records generated in connection with the NID board. The Association may contract with the NID to provide services to the NID, in accordance with this Plan.

#### IV. METHOD OF ASSESSMENT

##### A. Assessment Rate and Method

The principle behind the assessment methodology is that each property should contribute to the NID in proportion to the benefit derived from the NID. After consideration of other assessment methods, it was determined that assessed value of a property was the characteristic most directly related to the potential benefit provided by the NID. Therefore, a fixed assessment on the assessed value of the property was selected as the basic assessment methodology for this NID.

The assessment method will be on the current year general property assessment that is established by the City of Milwaukee. The rate will be \$2.50 per \$1,000 of assessed value, subject to a \$250 minimum and \$2,500 maximum per property. However, maintaining an equitable relationship between the NID assessment and the expected benefits requires an adjustment to the basic assessment method. To prevent the disproportional assessment of a small number of high value properties, a maximum assessment of \$2,500 per parcel will be applied. Residential and condominium class properties shall be assessed \$30 per property.

Prior to any meeting of the NID Board at which action may be taken to increase the maximum assessments on residential and condominium class properties in the NID, the following process shall be followed:

- At least 30 days before the meeting at which any action may be taken to increase the maximum assessments on residential and condominium class properties in the NID, the NID shall send notice of the meeting as well as information regarding the proposed increases to the maximum assessment to all residential and condominium owners in the NID via certified mail.
- Prior to the NID board meeting at which any action may be taken to increase the maximum assessments on residential and condominium class properties in the NID, the NID shall hold at least two public information meetings regarding the proposed changes, and shall provide notice of these meetings to all residential and condominium class property owners in the NID via first class mail.
- Any vote to increase the maximum assessments on residential and condominium class properties in the NID must be approved by a 2/3<sup>rds</sup> vote of the NID board.

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Additionally, to prevent disproportional assessment of property owners that are already actively contributing to improvements in this area via the Harbor District BID, parcels within the footprint of the Harbor District BID will be assessed as follows: If the assessment for the Harbor District BID is less than the assessment for the Walker's Point NID based on the formula described above, they will be assessed only for the difference, subject to the minimum assessment of \$250. If the assessment for the Harbor District BID is greater than the assessment for the Walker's Point NID, they will pay only the minimum assessment of \$250 to the Walker's Point NID.

In order to incentivize property owners to make new investments in their properties and achieve long-term improvements in the area, the owner of a property may request, and the BID Board may grant, a freeze of a property's BID assessment at the current year's rate for the subsequent two years. Requests must be received before the filing of the annual Operating Plan, and will only be granted one time per owner per property.

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Property that is exempt from general property taxes under Wisconsin Stat. § 70.11 shall not be assessed.

As of January 1, 2016, the property in the proposed district had a total assessed value of over \$178 million. This plan proposed to assess the property in the district at a rate of \$2.50 per \$1,000.00 of assessed value, subject to the maximum assessment, for the purposes of the NID.

Appendix C shows the projected NID assessment for each property included in the district.

#### IV. PLAN AND ORDERLY DEVELOPMENT OF THE CITY

##### A. City Plans

In February 1978, the Common Council of the City of Milwaukee adopted a Preservation Policy as the policy basis for its Comprehensive Plan and as a guide for its planning, programming and budgeting decisions. The Common Council reaffirmed and expanded the Preservation Policy in Resolution File Number 881978, adopted January 24, 1989.

The Preservation Policy emphasizes maintaining Milwaukee's present housing, jobs, neighborhoods, services, and tax base rather than passively accepting loss of jobs and population, or emphasizing massive new development. In its January 1989 reaffirmation of the policy, the Common

Council gave new emphasis to forging new public and private partnerships as a means to accomplish preservation.

The district is a means of formalizing and funding the public-private partnership between the City and property owners in the Walker's Point **business** area and for furthering preservation and redevelopment in this portion of the City of Milwaukee. Therefore, it is fully consistent with the City's Comprehensive Plan and Preservation Policy.

#### B. City Role in District Operation

The City of Milwaukee has committed to helping private property owners in the district promote its development. To this end, the City expected to play a significant role in the creation of the Walker's Point Neighborhood Improvement District and in the implementation of the Operating Plan. In particular, the City will:

1. Provide technical assistance to the proponents of the district through adoption of the Plan, and provide assistance as appropriate thereafter.
2. Monitor and, when appropriate, apply for outside funds that could be used in support of the district.
3. Collect assessments, maintain in a segregated account, and disburse the monies of the district.
4. Receive annual audits as required per sec. 66.1110 (4)(c) of the NID law.
5. Provide the board, through the Tax Commissioner's Office on or before June 30<sup>th</sup> of each Plan year, with the official City records and the assessed value of each tax key number with the district, as of January 1<sup>st</sup> of each Plan year, for purposes of calculating the NID assessments.
6. Encourage the State of Wisconsin, Milwaukee County and other units of government to support the activities of the district.

### VI. PLAN APPROVAL PROCESS

#### A. Public Review Process

The Wisconsin Neighborhood Improvement District law establishes a specific process for reviewing and approving proposed districts. Pursuant to the statutory requirements, the following process will be followed:

1. The Milwaukee City Plan Commission will review the proposed district boundaries and proposed Operating Plan and will then set a date for a formal public hearing.
2. The City Plan Commission will send, by certified mail, a public hearing notice and a copy of the proposed Operating Plan to all owners of real property within the proposed district. In addition a Class 2 notice of the public hearing will be published in a local newspaper of general circulation.
3. The City Plan Commission will hold a public hearing, will approve or disapprove the Plan, and will report its action to the Common Council.
4. The Community & Economic Development Committee of the Common Council will review the proposed NID Plan at a public meeting and will make a recommendation to the full Common Council.
5. The Common Council will act on the proposed NID Plan.
6. If adopted by the Common Council, the proposed NID Plan is sent to the Mayor for

his approval.

7. If approved by the Mayor, the NID is created and an election will be held pursuant to Wisconsin Stat. § 66.1110 (9)(a).

#### B. Petition against Creation of the NID

The City may not create the Neighborhood Improvement District if, within 30 days of the City Plan Commission's hearing, a petition is filed with the City containing signatures of:

Owners of property to be assessed under the proposed initial Operating Plan having a valuation equal to more than 40% of the valuation of all property to be assessed under the proposed initial Operating Plan, using the method of valuation specified in the proposed initial Operating Plan; or

Owners of property to be assessed under the proposed initial Operating Plan having an assessed valuation equal to more than 40% of the assessed valuation of all property to be assessed under the proposed Operating Plan.

### VII. FUTURE YEAR OPERATING PLANS

#### A. Phased Development

It is anticipated that the NID will continue to revise and develop the Operating Plan annually, in response to changing development needs and opportunities in the district, in accordance with the purposes and objectives defined in this initial Operating Plan. Section 66.1110 (6)(b) of the NID law requires the board and the City to annually review and make changes as appropriate in the Operating Plan. Therefore, while this document outlines in general terms the complete development program, it focuses upon Year One activities, and information on specific assessed values, budget amounts and assessment amounts are based on Year One conditions. Greater detail about subsequent year's activities will be provided in the required annual Plan updates, and approval by the Common Council of such Plan updates shall be conclusive evidence of compliance with this Plan and the NID law.

In later years, the NID Operating Plan will continue to apply the assessment formula, as adjusted, to raise funds to meet the next annual budget. However, the method of assessing shall not be materially altered, except with the consent of the City of Milwaukee.

#### B. Amendment, Severability and Expansion

This NID has been created under authority of Section 66.1110 of the Statutes of the State of Wisconsin. Should any court find any portion of this Statute invalid or unconstitutional its decision will not invalidate or terminate the NID and this NID Plan shall be amended to conform to the law without need of reestablishment.

Should the legislature amend the Statute to narrow or broaden the process of a NID so as to exclude or include as assessable properties a certain class or classes of properties, then this NID Plan may be amended by the Common Council of the City of Milwaukee as and when it conducts its annual Operating Plan approval and without necessity to undertake any other act.

C. The Walker's Point Neighborhood District shall terminate on December 31, 2021, unless prior to December 31, 2021, the Common Council of the City of Milwaukee approves an operating plan for the Walker's point Neighborhood district which either extends or removes the sunset date.

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