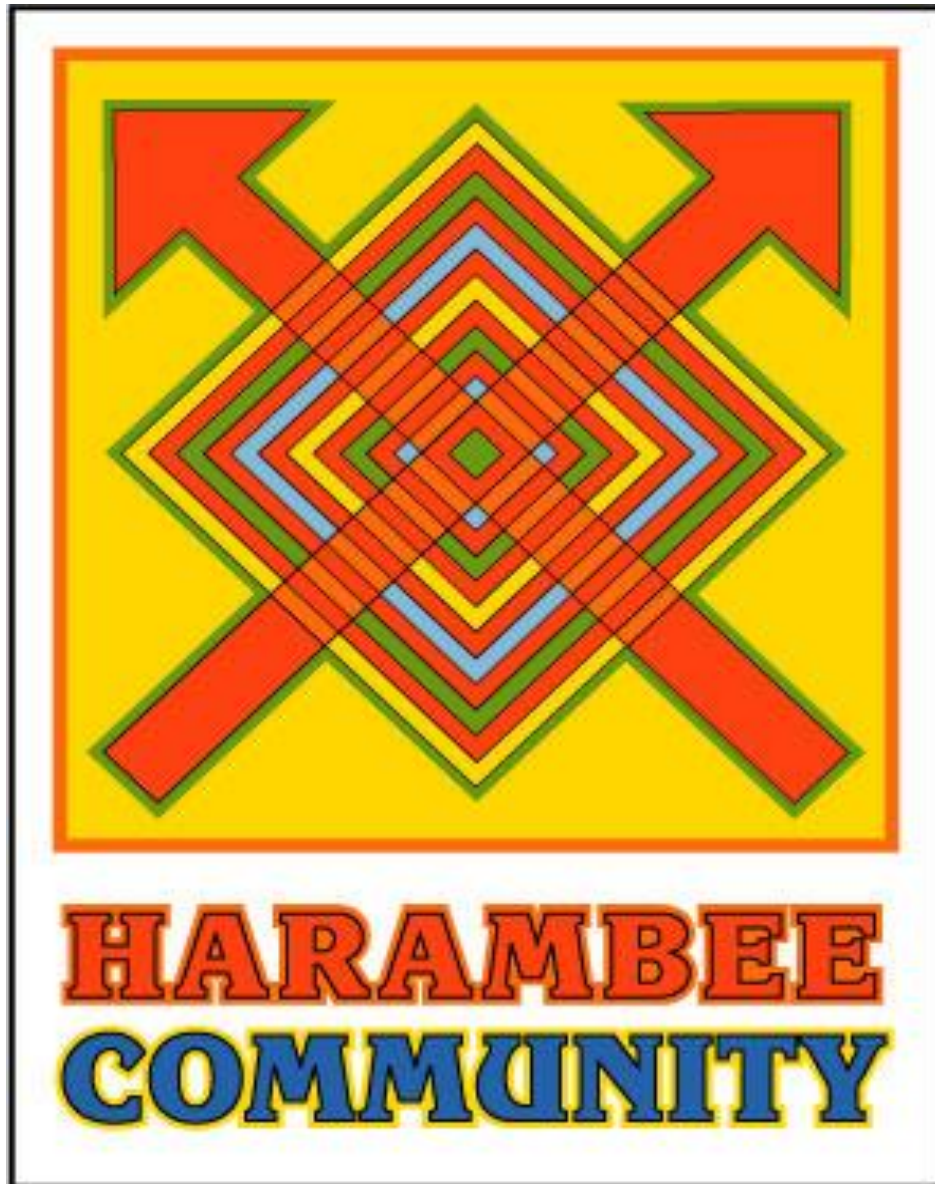


**YEAR 2023
OPERATING PLAN**



**HARAMBEE
NEIGHBORHOOD IMPROVEMENT DISTRICT #7**

TABLE OF CONTENTS

I.	INTRODUCTION	3 – 4
II.	DISTRICT BOUNDARIES	4 – 7
III.	METHOD OF ASSESMENT	8
IV.	PLAN AND ORDERLY DEVELOPMENT OF THE CITY	8 – 9
V.	FUTURE YEAR OPERATING PLANS	10 – 11
VI.	CONTRACTION WITH HARAMBEE NID	11
VII.	APPENDICES	12 – 18

I. INTRODUCTION

A. Background

In 2006, the State of Wisconsin enacted Wis. Stat. §66.1110, a legislative declaration created to give Wisconsin municipalities (i.e., cities, villages, and towns) the power to establish one or more Neighborhood Improvement Districts (NIDs) within their community. An assessment methodology is developed to allow the assessable residential and commercial properties within the geographic area to contribute to programs aimed at neighborhood improvements and other activities as approved by the NID Board. The ACT was drafted similar to the business improvement district statute.

In 2016 the City of Milwaukee received a petition from property owners which requested creation of a Neighborhood Improvement District for the purpose of revitalizing and improving the Harambee neighborhood area on Milwaukee's near east side. Harambee Neighborhood Improvement District ("Harambee NID") was approved by the Common Council in December of 2016 by Resolution #160894. The NID law requires that every district have an annual Operating Plan to renew the Neighborhood Improvement District. This document is the proposed 2023 Operating Plan for Harambee Neighborhood Improvement District. The NID proponents prepared this Plan with technical assistance from the City of Milwaukee Department of City Development.

B. Physical Setting

The boundary for the Harambee Neighborhood Improvement District ("Harambee NID") encompasses the areas designated Capital Drive on the North, Center Street on the South, I-43 on the West, and Holton Street on the East, excluding properties including in the Historic Martin Luther King Drive Business Improvement District and the Riverworks Business Improvement District, see Appendix B, Map.

The area that is now the Harambee NID was originally settled by German Immigrants moving north from downtown. It was used as mostly farmland and vacation homes until being urbanized later. Since the 1930s, Harambee has been a hub for African American culture and heritage. Originally settled by German immigrants in the 1800s, the African American community grew over the years and reached its height by the 1970s. Harambee was particularly attractive to working class families because of the modest and tidy single-family homes and proximity to downtown.

In the mid-1970s, residents adopted the name Harambee, the Swahili word for pulling together. Harambee's organizing culture is rooted in the civil rights movement. During the 1970s and 1980s, the neighborhood became organized with over one hundred active block

clubs. Residents fought against school and housing segregation, and other forms of institutional racism and divestment facing their community.

Harambee has become a model for urban renewal as residents and community leaders' work together to reduce crime, develop state-of-the-art housing, bring social services and educational programs to the neighborhood, support a flourishing arts community, and provide healthy living options in the heart of the neighborhood. Now, the Harambee NID is home to several thriving businesses, organizations, and families.

The area is anchored by the Clinton & Bernice Rose Park and the new Beerline Trail Extension. Victory Garden Initiative, Groundwork MKE, and Teens Grow Greens provide urban agriculture programming in the area, together with other neighborhood organizations. Habitat for Humanity has constructed many homes in the area since 2007. The area is also home to the Martin Luther King Library, Hope Middle and High Schools, MLK Elementary School, Math & Science Academy, many more amenities.

C. Principal Office & Registered Agent

The Principal Office and Registered Office of the Harambee NID shall be Riverworks Development Corporation. 526 E Concordia Ave, Milwaukee, WI 53212. The Registered Agent of the Harambee NID shall be the Chair of the NID Board or assigned by the Board.

II. DISTRICT BOUNDARIES

Boundaries of the proposed district are shown on the map in Appendix B of this plan. A listing of the properties included in the district is provided in Appendix C. The description in Section I. B) is a general description of the boundary, the actual boundary is depicted on Appendix B and the actual properties included are on Appendix C. In the event of a discrepancy, Appendix C shall control. The Harambee NID may update Appendix C during each annual Operating Plan. The Boundaries are herein referred to as "Harambee NID Area."

III. PROPOSED OPERATING PLAN

A. Plan Objectives:

The objective of the Harambee NID is to (a) preserve and promote assistance to homeowners and home ownership, (b) create jobs in the area in order to eliminate blight, stabilize the housing stock, and otherwise enhance the Harambee NID.

B. Proposed Activities – 2023:

Principle activities to be engaged in by the district during 2023 operation will include:

1. Assistance to Homeowners, considerations for assistance to Investment Owners and Potential New Homeowners in the District: Harambee Neighborhood Improvement District #7

- Continue operation of a grant fund (“Grant Fund”) to help homeowners of single-family homes and duplexes in the Harambee NID Area to make modest grants to homeowners in the area to make the following improvements to their properties: energy efficiency improvements, repairs to increase water efficiency, repairs to the structural condition of the property (including roof repairs) and repairs to increase the curb appeal of property (“Improvements”).
- Starting in 2023, explore opportunities to assistance “Investment Owners” in “Good Standing” of single-family homes and duplexes in the Harambee NID Area to make modest grants to homeowners in the area to make the following improvements to their properties: energy efficiency improvements, repairs to increase water efficiency, repairs to the structural condition of the property (including roof repairs) and repairs to increase the curb appeal of property (“Improvements”).
- Starting in 2023, support resources for potential new homeowners in the Harambee NID Area.
- The criteria and types of the grants will continue to be modified by the NID Board to ensure accountability and utilization of the Grant Fund to ensure that the funds are meeting the needs to stabilize the housing market the Harambee NID Area.
- The Board of Directors of the Harambee NID may at any time amend the amount of each grant, the number of grants, prioritization, and any qualifying criteria.

2. Job Development

- Improvements made through the grant fund must be made by pre-qualified contractors. In order to qualify, a contractor must be located in the City of Milwaukee and agree that 50% of the contractor’s workforce be from the Harambee NID Area for all improvements paid for from the Fund. The Harambee NID may accept a contractor’s Section 3 status in lieu of the 50% neighborhood workforce requirement. The Board of Directors of the Harambee NID may at any time amend this requirement to ensure accountability and utilization of the Grant Fund.
- Provide a platform for organizations doing Commercial Revitalization within the Harambee NID Area.

C. Proposed Expenditures - 2023:

Proposed Budget attached as Appendix D. The Harambee NID Board shall have the authority and responsibility to prioritize expenditures and to revise the budget as necessary to match the funds actually available.

D. Financing Method:

It is proposed to raise approximately \$178,400 through Harambee NID assessments (see Appendix C). Funds will also be pursued from foundations and other fundraising events. The Harambee NID may seek private financing for programming secured by this year's or future operating years of the Harambee NID.

E. Organization of NID Board:

Upon creation of the Harambee NID, the District shall hold annual meetings to elect directors to the District Board (the "Board") consistent with terms of this subsection and the bylaws of the Harambee NID. 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 Harambee NID assessments. State law requires that the board be composed of at least five directors and that all of the board directors 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 directors 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. The Harambee NID Board shall be structured in accordance with the Bylaws, which is consistent with the following.

1. Board Size. The Board shall have at least 5 members, the exact number of which is to be determined by the Common Council of the City of Milwaukee.
2. Composition. All board members shall be owners or occupants of property within the district. The number of board members who represent commercial and residential properties shall be set 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. All directors elected to the Board shall serve for a period of one year. Directors may be re-elected.
4. Compensation. No compensation will be given to Board members for attendance at board meetings.
5. Meetings. All meetings of the Board's affairs shall be kept pursuant to public records requirements.
6. Staffing and Office. The Board may employ staff and/or contract for staffing services pursuant to this Operating Plan and subsequent modifications thereof. The Board may also maintain an office for the District, which shall be located within the District.
7. Meetings. The Board shall meet regularly, at least once every 3 months. The Board shall adopt rules of order (by-laws) to govern the conduct of its meetings.
8. Method of Electing Directors to District Board. An annual meeting at which directors of the Board will be elected shall be held on the second Saturday of March of each year in the District's existence. Prior to the meeting, the City shall publish a Class 2 notice that contains the time and place of the annual meeting. The notice shall specify that all individuals who either own or occupy real property within the District are eligible to serve on the Board and vote at the election.
8. Changes. Any change in the Board size, composition or election methodology must be approved by a 2/3 majority of the entire Board, subject to approval by the Common Council.

F. Relationship to other Organizations:

The Harambee NID may contract with outside organizations to provide services to the NID, in accordance with this Plan. Contracted organizations will be considered separate entities from Harambee NID, notwithstanding the fact that members, officers, and directors of each may be shared. Contracted organizations shall not be subject to the open meeting law, and not subject to the public record law except for its records generated in connection with the Harambee NID Board.

G. Ownership of Property:

The NID is not authorized to hold or own property.

III. METHOD OF ASSESSMENT

A. Assessment Rate and Method

The principle behind the assessment methodology is that each property should contribute to the Harambee NID in proportion to the benefit derived from the Harambee NID. After consideration of other assessment methods, it was determined that for residential properties, the number of residential units was the characteristic most directly related to the potential benefit provided by the Harambee NID. For commercial properties it was determined that a flat fixed fee was most appropriate.

Therefore, a fixed assessment of \$50 per residential unit (\$100 for a duplex) for residential properties was selected as the basic assessment methodology for residential properties in the Harambee NID (“Residential Methodology”). In the event a property contains both residential units and a commercial use, the Residential Methodology shall apply.

Maintaining an equitable relationship between the Harambee 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 \$500 per parcel will be applied.

As of January 1, 2022, the property in the proposed district had a total assessed value of approximately \$173,015,900 and approximately 2279 parcels. In the Appendix under List of properties/assessment shows each property included in the district that are being assessed by the Harambee NID.

B. Excluded and Exempt Property

1. Property within the district that is exempt from general real estate taxes shall not be assessed.

IV. PLAN AND ORDERLY DEVELOPMENT OF THE CITY

A. City Plans:

- a. 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 6 Number 881978, adopted January 24, 1989.
- b. 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.

- c. The district is a means of formalizing and funding the public-private partnership between the City and property owners in the Harambee neighborhood 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 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 City Assessor's Office on or before June 30th of each Plan year, with the official City records and the assessed value of each tax key number with the district, as of January 1st of each Plan year, for purposes of calculating the NID assessments.
5. Encourage the State of Wisconsin, Milwaukee County, and other units of government to support the activities of the district.

B. Petition for Termination of the NID

The City shall terminate the neighborhood improvement district if one of the following occurs:

1. The owners of property assessed under the operating plan having a valuation equal to more than 50 percent of the valuation of all property assessed under the operating plan, using the method of valuation specified in the operating plan, file a petition with the planning commission requesting termination of the neighborhood improvement district.
2. The owners of property assessed under the operating plan having an assessed valuation equal to more than 50 percent of the assessed valuation of all property assessed under the operating plan, file a petition with the planning commission requesting termination of the neighborhood improvement district.
3. The owners of property assessed under the operating plan having a valuation equal to more than 50 percent of the valuation of all property assessed under the operating plan fail to file a petition with the planning commission to continue the neighborhood improvement district within one year of the date on which the membership of the board changes from a majority which represents commercial properties to a majority that represents residential properties, or vice versa.

VII. FUTURE YEAR OPERATING PLANS

A. Phased Development

It is anticipated that the Harambee 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. 8 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 Two activities, and information on specific assessed values, budget amounts and assessment amounts are based on Year Two conditions. Greater detail about subsequent year's activities will be provided in the required annual Plan updates.

In later years, the Harambee 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 approval of the City of Milwaukee.

B. Amendment, Severability and Expansion

This Harambee NID has been created under authority of Section 66.1110 of the Statutes of the State of Wisconsin ("NID Statute"). Should any court find any portion of this Statute invalid or unconstitutional its decision will not invalidate or terminate the

Harambee NID, and this Harambee NID Operating 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.

VII. Contraction with Harambee NID

Any contracting with the Harambee NID shall be exempt from the requirements of Sec 62.15, Wis. Stats. because such contracts shall not be for the construction of improvements or provision of materials. If the Harambee NID does contract for the construction of improvements or provisions of material, it shall follow the requirements of such statutes to the extent applicable. Further, the annual accounting required under Sec 66.608 (3) (c) Wis. Stats., shall be deemed to fulfill the requirements of Sec 62.15 (14) Wis.

Stats. The Harambee NID Board of Directors and the City of Milwaukee shall comply with the provisions of Sec. 66.60 before the City inserts assessments for this NID plan onto the tax bills for the parcels assessed thereunder, only to the extent required by law, to create a lien on the parcels assessed. The Harambee NID may provide grant support to organizations that include the cost of staff; however, the Harambee NID shall not have employees directly and shall contract with a responsible third party for any administration of grant funds.

APPENDICES

- A. Appendices (page 12)
- B. NID STATUTE -- Appendix A (page 13 – 13a (p.1 - p.6)) Terminate a neighborhood improvement district 66.1110(6)(b)3. (pg. 5 of 6)
- C. DISTRICT MAP -- Appendix B (page 14 – 14a)
- D. LIST OF PROPERTIES /ASSESSMENTS -- Appendix C (page 15 – 15a (p.1 – p.65))
- E. 2022 OPERATING BUDGET-- Appendix D (page 16 – 17)
- F. BOARD OF DIRECTORS LIST -- Appendix E (page 18 – 18a)

APPENDIX A

NID STATUTE (SEE ATTACHMENTS)

APPENDIX B

DISTRICT MAP (SEE ATTACHMENT)

APPENDIX C

LIST OF PROPERTIES /ASSESSMENTS (SEE ATTACHMENTS)

APPENDIX D

2023 operating budget (see attachment p. 17)

2023 ESTIMATED OPERATING BUDGET

Income:

NID Assessments \$178,400

Carry-over 2022 \$150,000

Total Income \$328,400

Expense:

Home Repair Grants \$265,000

Contract Services:

Administration Fees \$45,000

Audit Review \$3,000

Operations:

Administrative Costs \$15,400

Total Expenses \$328,400

APPENDIX E

BOARD OF DIRECTORS LIST (SEE ATTACHMENT)