

FINAL EXHIBIT B

01/12/04

MEMORANDUM OF UNDERSTANDING (MOU) BETWEEN MILWAUKEE LISC AND MILWAUKEE DEPARTMENT OF CITY DEVELOPMENT RELATIVE TO THE MAIN STREET MILWAUKEE PROGRAM

Introduction:

Over the past two years, with financial support from State Farm Insurance, Milwaukee's Local Initiatives Support Corporation (LISC) has been providing technical and financial support to individuals and non-profit groups who are involved in commercial district revitalization. As part of LISC's support for these groups, practitioners have attended Main Street and Urban Forum conferences in Cleveland, Boston, Cincinnati and Philadelphia, and have learned about similar revitalization programs throughout the country. The Community Development Corporation (CDC) staff that attended these conferences have advocated for the creation of a Main Street-type program as a powerful and effective economic development tool for older, traditional neighborhood commercial districts in Milwaukee.

Through CDC advocacy and an effective working relationship with the Department of City Development (DCD) staff, the City's Community Block Grant Administration (CBGA) has integrated some elements of the Main Street strategy into their funding decisions and selected 7 areas for concentration in 2003 and 2004. These are:

- Martin Luther King Economic Development Corp. (N. Martin Luther King Dr.)
- Silver Spring Neighborhood Center (W. Silver Spring Ave.)
- Layton Boulevard West Neighbors (W. National Avenue)
- South Community Organization (S. Kinnickinnic Ave.)
- YMCA/Riverwest
- West End Development Corporation (N. 27th, I-94 to State St.)
- Milwaukee Alliance (Chavez, Muskego and Lincoln corridors)

Beginning in 2003, DCD and LISC partnered to complete the planning and preparation for a Main Street program in Milwaukee. LISC provided funding for specialized consultant services, training and mentoring experiences with funds from State Farm Insurance and the Helen Bader Foundation. LISC and DCD have also worked together to leverage participation and sponsorships by the business community for the new Main Street Milwaukee Program, so named because it will follow the Four-Point approach of the National Trust for Historic Preservation. The basic concept is to create and implement a new commercial district revitalization program by 2004 in which various streets throughout Milwaukee become designated through a competitive process. The main goal for this new program will be to build capacity in community partners working to revitalize commercial districts. Each designated street will follow a well-defined, systematic and comprehensive approach to commercial district revitalization (based on the Main Street Four-Point approach) and in return receive numerous benefits such as specialized technical assistance in the form of trainings, workshops, and consultants, additional leveraged funding, prioritized attention from City staff and resources, and corporate sponsorship.

Assumptions:

- The term of the MOU is January 1, 2004 to December 31, 2004, with automatic annual renewal on like terms unless otherwise agreed upon in writing by the parties.
- During the first quarter of 2004, LISC and DCD will jointly prepare an annual program plan for approval by the Main Street Milwaukee Partners Board that will define 2004 outcomes and program activities. Outcomes will be defined in terms of:
 - ✓ Dollar value of reinvestment in the physical environment of the designated Main Street program areas;
 - ✓ Net growth in number of businesses located in the designated Main Street program areas;
 - ✓ Net growth in jobs in the designated Main Street program areas;
 - ✓ Number of improved facades and streetscapes;
 - ✓ Number of citizens engaged in grassroots development through participation in Main Street committees and projects.
- LISC and DCD will work closely to coordinate and promote technical assistance and training throughout the term of the MOU in the designated Main Street districts, and will continue to provide capacity-building trainings to all other Milwaukee commercial districts including the INRS areas.
- LISC and DCD will work closely with CBGA and the Common Council to retain the amount of Block Grant funding needed to provide operating support and program administration for at least four designated Main Street areas in 2004 and 2005. Block Grant funds will be administered by DCD. In 2004, contingent upon the availability of CDBG funds and upon an adequate level of private sector support, CDBG Reprogramming funds, not to exceed \$140,000, shall be allocated to DCD to be administered to newly designated Main Street Districts in the amount of \$35,000 per district for implementation of their Main Street work plan. For 2005, the amount of Block Grant funds needed for operating support of designated districts and DCD program administration will be dependent upon the number of newly designated districts and thus will be in the range of \$355,000 to \$500,000.
- DCD will contribute one full-time staff position (program director) and administrative support to the program for the entire year 2004.
- LISC will contribute one full-time staff position to the program (revitalization specialist) for the final six months of the program year. The Revitalization Specialist, primarily housed at DCD, must be accessible to the Milwaukee LISC program director for administration, underwriting, and attendance at the LISC Annual Conference, and credit and capacity-building committee meetings, and may maintain office hours at the LISC office as agreed between the LISC Program Director and the DCD Main Street Program Director.
- LISC will contribute \$200,000 in HUD Section 4 funds to the program in the first three years of operation.
- LISC and DCD will partner in obtaining corporate or other funds to fill potential 2004 funding gaps. LISC will administer HUD Section 4 funds and all privately raised funds.

- LISC and DCD will collaborate to assist groups in defining budgets and work plans.
- LISC and DCD will confer in advance on their respective appointments to the Partners' Board, with the final decision as to appointments resting with the party responsible for the appointment.
- With respect to staffing of the Partners Board, DCD will fulfill the administrative functions, and LISC will have input in the creation of the agendas and facilitation of meetings.
- LISC will provide loan capital to projects that meet underwriting criteria for predevelopment, construction and mini-permanent financing.

Elements of DCD's support for the Main Streets Program startup:

DCD received \$70,475 from the City's Community Block Grant Administration to implement and coordinate the Main Street Milwaukee program and provide technical assistance to the Integrated Neighborhood Revitalization Strategy (INRS) areas for 2004. These funds will be used for establishing and administering a Citywide Main Street Milwaukee program. DCD will employ an individual to oversee the implementation and management of the Main Street Milwaukee program and to provide a closer link between City programs and the designated commercial districts. DCD will also provide administrative support to the Main Street Program.

Additional DCD Support for the Main Street program:

In addition to the financial assistance for program operation and services, designated districts will also be eligible for:

- ♦ Spot Acquisition funds (to assemble development parcels)
- ♦ Façade Grants (to improve store facades)
- ♦ MEDC Revolving Loan Fund (to finance façade improvements not covered by grant)
- ♦ Retail Investment Fund (grants to assist in business creation and expansion)
- ♦ MEDC loans (to finance business creation and expansion)
- ♦ Renewal Community tax credits

Elements of Milwaukee LISC's support for the Main Streets Program:

In addition to contributing \$200,000 in HUD Section 4 funds, LISC will attempt in good faith to secure private commitments of at least \$211,000 for the first full year of the program (2004), which includes six months of program support to specific districts, and ongoing commitments of at least \$315,000 for each successive calendar year of the program. Of the total amount raised each year, funds will be allocated as agreed between LISC and DCD over five allowable uses: (1) targeted technical assistance and consulting services provided directly to Main Street designated areas, including planning, market study, architectural services, business technical assistance and urban planning and design services; and (2) general commercial development and Main Street training to all members of the Commercial Revitalization Affinity Group; (3) salary, fringe and overhead expenses for the Revitalization Specialist; (4) LISC national service fee of 10% of the actual program expenditures by LISC; and (5) any other use mutually agreed between LISC and DCD.

Additional LISC Support for the Main Street program:

- Organizational assessments and outcome-based target planning can be provided upon request at no charge to any Main Street Milwaukee organizations.
- LISC may, upon mutual agreement by LISC and DCD, provide on-site consulting services to the designated Main Street districts or CRAG if such services are available at lower cost through LISC than through other consultants.
- LISC will consider project-related grant and recoverable grant requests from CDCs serving individual Main Street areas.

A budget for funds to be administered by LISC and DCD for the Main Street Program is attached as Attachment A. Modifications are permissible provided they are agreed to by representatives of both parties. Budget adjustments shall be made at the commencement of the program projected for June 2004, based on the amount of funds committed and available for use in year one of the program.

This memorandum defines in general terms the basis on which signatory agencies or organizations will cooperate and, as such, does not constitute a financial obligation to serve as a basis for expenditures. It is the intent of parties at the time of signing that expenditures of funds, human resources, equipment, supplies, facilities, training, public information, and expertise will be provided by each signatory agency or organization as noted above subject to the availability of funds.

Signed: _____
Commissioner
Department of City Development

Date: _____

Signed: _____
Chair
Milwaukee LISC Advisory Committee

Date: _____

Attachment A

**Main Street Milwaukee Program
A Commercial Corridor Revitalization Initiative
2004 Estimated Budget**

*2004 assumes designation of 4 districts in June with one-half year of program support to districts

SOURCES	2004*	Source
City of Milwaukee (CDBG funds)	\$ 210,475	CDBG
City of Milwaukee (DCD in-kind)	\$ 13,500	DCD
Corporate, philanthropic & non-City government support	\$ 211,625	LISC
LISC (HUD Section 4 funds)	\$ 70,000	LISC
Total Sources	\$ 505,600	

USES		
Program Administration		
Program Coordinator & clerical support	\$ 77,200	CDBG/DCD
Revitalization specialist (broker & secure district-appropriate TA)	\$ 30,000	LISC
National Main Street Consultant (on retainer)	\$ 5,600	LISC
Office Expense	\$ 7,000	LISC/DCD
Marketing & Promotion Expenses	\$ 10,000	LISC
Professional Development (includes travel, hotel, registration)	\$ 7,000	CDBG/LISC
LISC administrative fee	\$ 21,000	LISC
Total Program Administration	\$ 157,800	

Program Support to Specific Districts

<i>District managers - salary & fringe</i>	\$ 140,000	CDBG
<i>Architectural & Engineering Services (\$15,000 per district)</i>	\$ 30,000	LISC
Trainings and Workshops	\$ 40,000	LISC
District & Program Planning Services	\$ 50,000	LISC
^Urban Planning Services	\$ -	LISC
<i>TA to Businesses in Districts (\$15,000 per district)</i>	\$ 30,000	LISC
<i>Issue-Specific TA consultant (\$6,000 per district)</i>	\$ 12,000	LISC
Market Analysis (\$6000/district)	\$ 24,000	LISC
Promotion/Marketing Grants (\$2,000 per district)	\$ 8,000	LISC
Façade grant (for small projects such as signage, paint, awnings)	\$ 8,000	LISC
<i>Historic Preservation (\$1,000 per district)</i>	\$ 2,000	LISC
<i>Conference Scholarships</i>	\$ 2,000	LISC
Main Street Membership Fees	\$ 800	LISC
Training Materials	\$ 1,000	LISC
Total: Direct District Support	\$ 347,800	

Total Projected Uses \$ 505,600

Program Support Items in italic have been reduced by one-half from the full-year budget for 2004 only

^Reduced to zero from full-year budget because services won't be used in 2004