

NEIGHBORHOOD IMPROVEMENT DISTRICT NO. 1: THE BREWERY
YEAR FIVE OPERATING PLAN

September 21, 2012

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I. INTRODUCTION

Under Wisconsin Statutes section 66.1110, municipalities are authorized to create Neighborhood Improvement Districts ("NIDs") upon the petition of at least one property owner within the proposed district. Similar to the statute governing Business Improvement Districts (Wisconsin Statutes section 66.1109), the purpose of the NID statute is to allow owners of real property, at least some of which is used for residential purposes, within the districts ". . . to develop, to manage and promote the districts and to establish an assessment method to fund these activities." 1983 Wis. Act 184, Section 1, legislative declaration. See Appendix A.

The District was created by the Common Council of the City of Milwaukee (the "City") on May 13, 2009, by the adoption of Resolution No. 080615; the District is known as the Brewery Neighborhood Improvement District (the "District"). The purpose of the District is to promote and sustain the development and operation of the former historic Pabst Brewery as a thriving mixed use development known as The Brewery, A Joseph J. Zilber Historic Redevelopment (the "Brewery"). In this regard, the District shall be authorized to manage, maintain and contract for services which supplement those services currently provided by the City to owners and occupants in the District.

Pursuant to the NID statute, this Year Five Operating Plan (the "Operating Plan") for the District has been prepared to establish the services proposed to be offered by the District, proposed expenditures by the District and the special assessment method applicable to properties within the District.

DISTRICT BOUNDARIES

The District boundaries, cover approximately nine (9) blocks and encompass the former Pabst Brewery properties now known as "The Brewery." The proposed District boundaries include Interstate 43 to the west, West Highland Avenue to the south, North 8th Street to the east and West Winnebago Street to the north. Boundaries of the NID 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.

II. PROPOSED OPERATING PLAN

A. Plan Objectives.

The objectives of the District are to promote and sustain the area of The Brewery as a thriving mixed use development and a clean, safe and friendly

environment in which to live, work and play. The District proposes to achieve its objectives by supplementing the maintenance and security services provided by the City in order to increase the safety and cleanliness (and the perceived safety and cleanliness) of The Brewery area. Specifically, the District seeks to replicate, in the area of The Brewery, the successful programs of Milwaukee Downtown, and the District may contract with Milwaukee Downtown or similar entities to achieve such goal. The District also shall provide in the area of The Brewery maintenance and utility cost of the neon Pabst sign over Juneau Avenue, maintenance and utility cost for pocket parks, maintenance of public art, maintenance including snow removal of alleys, maintenance of streetscapes and other landscaping features as well as maintenance of storm-water management improvements including bio-swales.

B. Proposed Activities. The District will offer The Brewery owners and occupants additional safety services, enhanced sidewalk cleaning, supplemental public space maintenance, pocket park operation and maintenance, streetscape maintenance, storm-water management maintenance and integrated marketing and promotional services to complement a base level of services currently being provided by the City. As a supplement to City services, the District may employ and manage its own safety and maintenance staff and develop and implement its own marketing initiatives or contract with Milwaukee Downtown or other reputable resources to do so. The District may, from time to time and as it deems necessary, adjust the size and scope of the activities and staffing levels described below, but only so long as such adjustments in activities and staff are part of the activities identified in this or a subsequently approved or amended Operating Plan. The District may not undertake new activities except as included in duly approved operating plans for future years.

1. Public Service Ambassadors Program. The District proposes to sponsor a Public Service Ambassadors Program to provide safety and goodwill services to The Brewery, supplemental to existing City police services. The aim of the program will be to increase the public's comfort and sense of security through a visible, uniformed presence in addition to law enforcement.

The District may hire directly, or engage through a contract with Milwaukee Downtown or other reputable resources, personnel to perform the services described above, Public Service Ambassadors ("PSAs").

Following appropriate training, uniformed but unarmed PSAs will be assigned "beats" to patrol the District on foot. Beat assignments will be based on the amount of foot traffic in the area, hours of business operation, special event schedules, police beat assignments and crime statistics and trends.

PSAs' primary responsibilities will be to assist and direct residents, workers, shoppers and visitors and to observe and report suspicious behavior. PSAs must familiarize themselves with the businesses and residents in their beats and be able to recognize suspicious behavior. PSAs will be supplied with uniforms to create an official but approachable appearance and will be equipped with two-way radios or similar devices to report any incidents to a PSA supervisor/dispatcher linked directly to the City Police Department.

The District will pursue partnerships with other service providers. These partnerships may include development of a policy for referring panhandlers and the homeless to appropriate resources and/or working with other security resources to share information and develop response strategies.

2. Clean Sweep Ambassadors Program. The District proposes to sponsor a Clean Sweep Ambassador Program to provide additional sidewalk cleaning, public space maintenance, storm-water management maintenance, pocket park operation and maintenance, alley maintenance (including snow and ice removal), streetscape maintenance and, more generally, to introduce an active, positive force in the area of The Brewery.

The District may hire directly, or engage through a contract with Milwaukee Downtown or other reputable resources, personnel to perform the services described above, Clean Sweep Ambassadors ("CSAs"). Following appropriate training, CSAs will be assigned "beats," depending on the public use of the area and the need for services.

The maintenance efforts of CSAs, hired, paid and uniformed or contracted for by the District will complement the efforts of the City Department of Public Works. CSAs will manually sweep sidewalks, pocket parks and other green spaces, pick up litter and remove graffiti. Weather permitting, CSAs will mechanically sweep public curbs and sidewalks in a rotation consistent with the City's street sweeping schedule. From April through October, CSAs will also

power wash and steam clean sidewalks and clean, mow, maintain, water, plant, weed and fertilize tree wells, planters and streetscape areas. CSAs also will maintain pocket parks, alleys (including snow and ice removal from November through March) and maintain other green spaces as well as manage and maintain storm-water facilities within the District boundaries.

Besides their maintenance responsibilities, CSAs will maintain a friendly and helpful presence in the area of The Brewery. Working in recognizable uniforms, CSAs will create an aura, not only of cleanliness, but also of safety.

3. Marketing Initiatives. Marketing will aim to encourage increased use of The Brewery neighborhood and to convince both constituents of the District and potential users that The Brewery neighborhood is a positive destination with unique qualities and amenities.

- C. Proposed Expenditures and Financing Method. The 2013 proposed annual operating budget for the District is \$71,140.00. See Appendix D. The Board shall have the authority and responsibility to prioritize expenditures and to revise the budget as necessary to match the funds actually available.

The Board shall approve an annual operating budget for the District each year. After the District Board has approved the annual operating plan and budget, they will be sent to the City for approval, adoption and inclusion in the City's annual budget for that year.

The 2012 assessed valuation of all property subject to assessment within the proposed District boundaries was \$37,489,000. The method of assessing annual operating expenses against properties located within the District is set forth in Article IV of this Operating Plan. **[Any change in the method of assessing annual operating expenses against properties located within the District must be approved by a 4/5 majority of the entire District Board and a majority of the Common Council of the City.]** Subsequent revisions to this Operating Plan will specify any additional assessment methodologies and amounts for operating expenses.

- D. Organization of the District Board. Upon creation of the District, the District shall hold annual meetings to elect members to the District Board (the "Board") consistent with the terms of this subsection. The Board shall be responsible for implementation of this Operating Plan. This requires the Board to negotiate with providers of services and materials to carry out the Operating Plan; to enter into various contracts; to monitor the effectiveness

of the District's activities, to ensure compliance with the provisions of applicable statutes and regulations; and to make reimbursements for any overpayments of District assessments.

Wisconsin Statutes section 66.1110(4)(a)(1) requires that the Board be composed of at least five members, all of whom shall own or occupy real property within the District.

The Board shall be structured and operate as follows:

1. Board Size. Five (5) members.
2. Composition.
 - (a) One member shall represent the owner of the largest property(ies) within the District as measured by assessed valuation.
 - (b) One member shall be a representative of a multi-tenant office building in the District.
 - (c) One member shall be the owner or operator of a street-level retail business located within the District (which business may include, without limitation, a restaurant).
 - (d) One member shall be a representative of a parking structure or surface parking lot within the District including at least 100 spaces.
 - (e) One member shall be a representative of a residential building within the District.

Each year, the Board shall reconfirm the assessed valuations, ownerships and occupancies of all properties located within the District. If the assessed valuation, ownership or occupancy of any particular building or site in any year ceases to satisfy the criteria set forth above, the Board shall rearrange such building or site in the appropriate category and consistent with Wisconsin Statutes section 66.1110(4). Notwithstanding anything herein to the contrary, the number of Board members who represent commercial and residential property, respectively, shall be set, as closely as possible, in the same proportion as is the aggregate valuation of commercial property in the District to the total assessed value of all property in

the District, and the aggregate valuation of residential property in the District to the total assessed value of all property in the District.

3. Term. All members elected to the Board shall serve for a period of one year, except that members may be re-elected.
4. Compensation. None.
5. Meetings. All meetings of the Board shall be governed by the Wisconsin Open Meetings Law if and as legally required.
6. Record Keeping. Files and records of the Board's affairs shall be kept pursuant to public records requirements.
7. 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.
8. Meetings. The Board shall meet regularly, at least once every six months. The Board shall adopt rules of order (by-laws) to govern the conduct of its meetings.
9. Method of Electing Members to District Board. An annual meeting at which members of the Board will be elected shall be held in September of each year of 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.

At the meeting, the individuals who own or occupy real property within the District shall be divided in 2 groups. One group shall consist of those individuals who own or occupy commercial property, and one group shall consist of those individuals who own or occupy residential property. Each group shall elect from among its members the number of Board members set to represent its group pursuant to this or a subsequent operating plan.

10. Executive Committee. The Board shall elect from its members a chair, a secretary, and a treasurer who shall comprise an Executive Committee of the Board. The Executive Committee shall be authorized to oversee the day to day operations of the District, subject to the by-laws adopted by the Board.

11. Changes. Any change in the Board size, composition or election methodology must be approved by a 4/5 majority of the entire District Board.]

III. METHOD OF ASSESSMENT

- A. Annual Assessment Rate and Method. The annual assessment for District operating expenses will be levied against each property within the District in direct proportion to the current assessed value of each property for real property tax purposes. Thus, the amount of a special assessment against a particular property may change from year to year if that property's assessed value changes relative to other properties within the District.

Appendix C identifies each property included in the District and shows the proposed District assessment for each property for the fifth year of operation. Such proposed assessments are based on the assessed value and classification estimated in 2012 pursuant to the foregoing formula.

- B. Excluded and Exempt Property. The NID statute requires explicit consideration of certain classes of property. In compliance with the law, the following statements are provided.
 1. In accordance with the interpretation of the City Attorney regarding Wisconsin Statutes section 66.1110(7)(a), property exempt from general real estate taxes has been excluded from the District. Owners of tax exempt property adjoining the District and expected to benefit from District activities will be asked to make a financial contribution to the District on a voluntary basis. Funds collected in this manner in any given year shall be used to reduce the assessment against taxable property in the District for the following year. In addition, those tax exempt properties adjoining the District which are later determined no longer to be exempt from general property taxes shall automatically become included within the District and subject to assessment under any current operating plan without necessity to undertake any other act.
 2. In accordance with Wisconsin Statutes section 66.1110(7)(c), real property used exclusively for less than eight (8) residential dwelling units has been excluded from the District.

3. Pursuant to State Statute (66.110(2) (e) a previous operating plan authorized taking title to the parcel known as Zilber Park's and has the legal description of Lot 2 of CSM No. 8078, Tax Key No. 362-0502-000 and the address of 1217 N. 10th Street. The purpose of the NID No. 1's ownership is to operate and maintain an improved pocket park for the benefit of the neighborhood. If NID No. 1 is terminated this real property will be transferred to Brewery Project LLC which has agreed to assume this responsibility.

IV. PROMOTION OF ORDERLY DEVELOPMENT OF THE CITY

- A. Enhanced Safety and Cleanliness. Under Wisconsin Statutes section 66.1110(2)(d), this Operating Plan is required to specify how the creation of the District promotes the orderly development of the City. The District will enhance the safety and cleanliness of The Brewery area and, consequently, encourage positive commercial and residential activity in the City. Increased activity in the City will increase property tax base and sales tax revenues.
- B. City Role in District Operation. The City has committed to assisting owners and occupants in the District to promote its objectives. To this end, the City has played a significant role in creation of the District and in the implementation of the initial Operating Plan. In furtherance of its commitment, the City shall:
 1. Provide technical assistance to the District in the adoption of this and subsequent operating plans and provide such other assistance as may be appropriate.
 2. Collect assessments, maintain the same in a segregated account and disburse monies to the Board.
 3. Receive annual audits as required per Wisconsin Statutes section 66.1110(4)(c).
 4. Provide the Board, through the Office of Assessment, on or before July 1 of each year, with the official City records on the assessed value of each tax key number within the District as of January 1 of each year for purposes of calculating the District assessments.

V. PLAN APPROVAL PROCESS

- A. Public Review Process. The NID statute establishes a specific process for electing NID Board members and annually making changes to the Operating Plan. Pursuant to the statutory requirements, the following process will be followed:
1. A time and place for an annual meeting at which members of the Board will be elected shall be set and a Class 2 notice of such meeting shall be published.
 2. At the meeting, Board members shall be elected consistent with Wisconsin Statutes section 66.1110(4) and section III(D) above, and the Board shall consider the District's annual Operating Plan.
 3. The Operating Plan shall be submitted to the City's Common Council for approval.
- B. Petition to Terminate the District. The City shall consider terminating the District if a petition to terminate is filed with the City Plan Commission in conformity with Wisconsin Statutes section 66.1110(6)(a).

VI. FUTURE YEAR OPERATING PLANS

- A. Changes. It is anticipated that the District will continue to revise and develop this Operating Plan annually, in response to changing needs and opportunities in the District, in accordance with the purposes and objectives defined in this Operating Plan.

Wisconsin Statutes section 66.1110(4)(b) 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 proposed activities, information on specific assessed values, budget amounts and assessment amounts are based solely upon current conditions. Greater detail about subsequent years' 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 Operating Plan and the NID statute.

In later years, the District 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 and the board composition**

shall not be materially altered, except with the approval of a 4/5 majority of the entire District Board and consent of the City of Milwaukee.]

- B. Amendment, Severability and Expansion. This District has been created under authority of Wisconsin Statutes section 66.1110. Except as set forth in the next sentence, should any court find any portion of this statute invalid or unconstitutional its decision will not invalidate or terminate the District and this Operating Plan shall be amended to conform to the law without need of re-establishment. Should any court find invalid or unconstitutional the organization of the entire District Board, any requirement for a 4/5 majority vote of the District Board, the budgeting process or the automatic termination provision of this or any subsequent Operating Plan, the District shall automatically terminate and this Operating Plan shall be of no further force and effect.

APPENDIX A

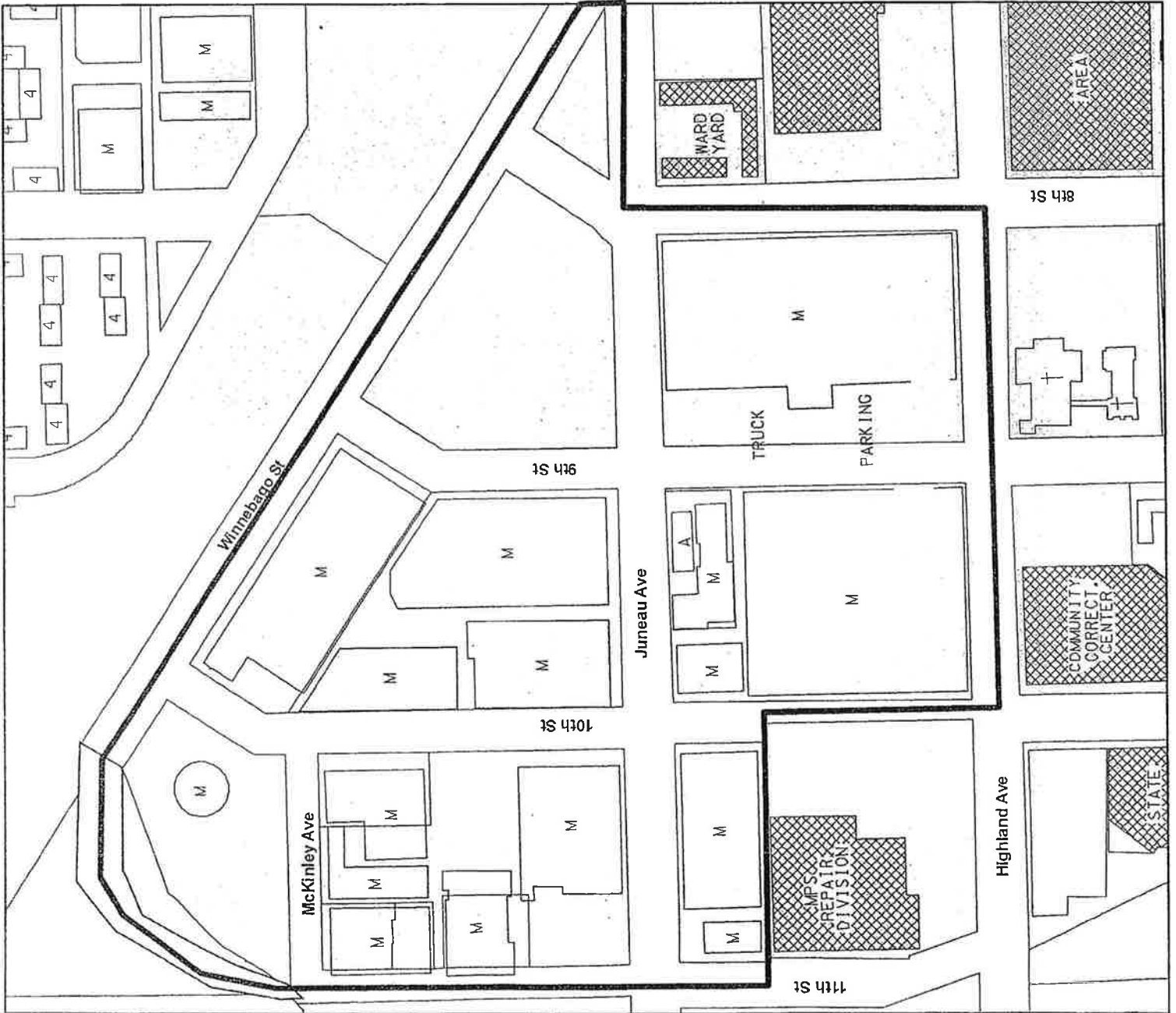
Wisconsin Statutes section 66.1110

APPENDIX B

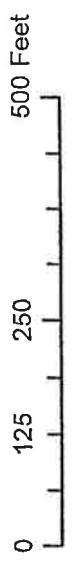
District Boundaries

The Brewery Neighborhood Improvement Boundary (NID)

 Potential NID Boundary



Produced by:
Department of City Development Information Center, RTW
Project File:
W:\Map Requests 2008\the brewery nidl\the brewery nid.mdx
Map File:
W:\Map Requests 2008\the brewery nidl\the brewery nid.pdf
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APPENDIX C

Listing of Properties Included in the District and District Assessments

2013 NID NO. 1 ASSESSMENTS

1/1/2012

rem_taxkey	addr	rem_owner1	rem_owner_mail_addr	rem_owne_city_state	zip	rem_curr_land	rem_curr_imprv	rem_curr_total	NID Assessment
3611554110	721 W WINNEBAGO	BREWERY PROJECT LLC	710 N PLANKINTON AVE # 1200	MILWAUKEE WI	53203	111500	0 \$	111,500 \$	211.58
3620441100	925 W WINNEBAGO	BLUE RIBBON LOFT APTS LLC	200 N MAIN ST	OREGON, WI	53575	760000	4347000 \$	5,107,000 \$	9,691.16
3620452000	1001 W MC KINLEY	PBH REDEVELOPMENT LLC	1243 N 10TH ST STE 300	MILWAUKEE WI	53205	198800	4055200 \$	4,254,000 \$	8,072.49
3620453000	1220 N 11TH	BREWERY SILO LLC	710 N PLANKINTON AVE # 1200	MILWAUKEE WI	53203	154500	195500 \$	350,000 \$	664.17
3620501000	1017 W MC KINLEY	BREWER SILO LLC	710 N PLANKINTON AV #1200	MILWAUKEE WI	53203	408300	71700 \$	480,000 \$	910.86
3620502000	1217 N 10TH	NEIGHBORHOOD IMPROVEMENT	710 N PLANKINTON AVE # 1100	MILWAUKEE WI	53203	1000	0 \$	1,000 \$	1.90
3620508000	1036-1042 W JUNEAU AV	BREWERY PROJECT LLC	710 N PLANKINTON AVE # 120	MILWAUKEE WI	53203	228600	0 \$	228,600 \$	433.80
3620509000	1203-1211 N 10TH ST	BREWERY HOUSE LLC	200 N MAIN ST	OREGON, WI	53575	328300	1419700 \$	1,748,000 \$	3,317.05
3620552000	926 W JUNEAU	BP PROPERTY OWNER NO 2	710 N PLANKINTON AVE #1200	MILWAUKEE WI	53203	399000	0 \$	399,000 \$	757.15
3620551000	1240 N 10TH ST	UNIVERSITY OF WISCONSIN SY	1220 LINDEN DR	MADISON WI	53706	396500	5203500 \$	5,600,000 \$	10,626.69
3620512000	902 W JUNEAU	BREWERY PARKING STRUCTURE	710 N PLANKINTON AVE # 1200	MILWAUKEE WI	53203	600300	5946700 \$	6,547,000 \$	12,423.74
3620521000	845 W WINNEBAGO	BREWERY POINT APARTMENTS LLC	328 W KELLOGG BLVD	SAINT PAUL MN	55102	220900	0 \$	220,900 \$	419.18
3620522000	840 W JUNEAU	BREWERY PROJECT LLC	710 N PLANKINTON AVE # 1200	MILWAUKEE WI	53203	427100	0 \$	427,100 \$	810.47
3620523000	810 W JUNEAU	BREWERY PROJECT LLC	710 N PLANKINTON AVE # 1200	MILWAUKEE WI	53203	538600	0 \$	538,600 \$	1,022.06
3620531000	1003 W WINNEBAGO	BREWERY PROJECT LLC	710 N PLANKINTON AVE # 1200	MILWAUKEE WI	53203	1179400	0 \$	1,179,400 \$	2,238.06
3910751000	915 W JUNEAU	BREW CITY REDEVELOPMENT	2022 N 117TH ST, STE #223	WAUWATOSA WI	53226	229600	509300 \$	738,900 \$	1,402.15
3910841000	1009 W JUNEAU	BREWERY PROJECT LLC	710 N PLANKINTON AV # 1200	MILWAUKEE WI	53203	486700	753300 \$	1,240,000 \$	2,353.05
3910842000	1128 N 10TH	BREWERY PROJECT LLC	710 N PLANKINTON AV # 1200	MILWAUKEE WI	53203	1371100	1598900 \$	2,970,000 \$	5,635.94
3910843000	1131 N 8TH	BREWERY PROJECT LLC	710 N PLANKINTON AV # 1200	MILWAUKEE WI	53203	1017300	1432700 \$	2,450,000 \$	4,649.18
3620541000	1037 W MC KINLEY AV	BC PABST HOLDINGS LLC	135 W WELLS ST	MILWAUKEE WI	53203	173700	2724300 \$	2,898,000 \$	5,499.31

TOTAL \$ 37,489,000 \$ 71,140.00
 Rate per \$1,000 \$ 1.90

APPENDIX D
Proposed 2013 Budget

NID No.1 - 2013 Budget

<u>Category</u>	
Snow Plowing	\$ 11,500.00
Pabst Sign Electric	1,300.00
Pabst Sign Repairs	2,500.00
Legal Fees	750.00
Admin Fees	9,800.00
Audit Fee	5,250.00
Storm Water Retention Main	8,500.00
Public Art Maintenance	900.00
Clean Sweep Ambassadors	10,400.00
Public Safety Ambassadors	1,500.00
Property Identification	500.00
Contingency	2,500.00
Directors/Officers Liab Ins	1,950.00
Pocket Park Water	2,030.00
Pocket Park Property Ins	3,100.00
Pocket Park RE Tax	30.00
Pocket Park landscaping	2,500.00
Pocket Park Electricity	3,330.00
Pabst Overhead sign insurance	<u>2,800.00</u>
 Total costs	 <u>\$ 71,140.00</u>