

THE EAST SIDE
BUSINESS IMPROVEMENT DISTRICT NO. 20
2005 OPERATING PLAN

September 15th, 2004

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THE EAST SIDE BUSINESS IMPROVEMENT DISTRICT 2004 OPERATING PLAN

I. INTRODUCTION

In 1984, the Wisconsin legislature created Sec. 66.608 of the Statutes enabling cities to establish Business Improvement Districts (BIDs) upon the petition of at least one property owner within the proposed district. The purpose of the law is ". . .to allow businesses within those districts to develop, manage and promote the districts and to establish an assessment method to fund these activities." Upon petition from property owners within the East Side business district, the Common Council of the City of Milwaukee on 9/23/97 Resolution File Number 970779 created BID No. 20 (The East Side Business Improvement District) and adopted its initial operating plan.

Section 66.608 (3) (b), Wis. Stats., requires that a BID Board "shall annually consider and make changes to the operation plan. . .The board shall then submit the operating plan to the local legislative body for approval." The Board of BID No. 20 (The East Side Business Improvement District) submits this 2005 BID operating plan in fulfillment of the statutory requirement.

This plan proposes a continuation and expansion of the activities described in the initial 1997 BID operating plan. Therefore, it incorporates by reference the earlier plans as adopted by the Common Council. In the interest of brevity, this plan emphasizes the elements, which are required by Sec. 66.608, Wis. Stats. and the proposed changes for 2005. This plan does not repeat the background information that is contained in the initial operating plan.

II. RELATIONSHIP TO MILWAUKEE COMPREHENSIVE PLAN AND ORDERLY DEVELOPMENT OF THE CITY

No changes in the District planning or zoning have occurred since adoption of the initial operating plan.

III. DISTRICT BOUNDARIES

Boundaries of the district are shown on the map in Appendix A of this plan. A listing of the properties in the district is provided in Appendix B.

IV. PROPOSED OPERATING PLAN 2005

A. Plan Objectives

The objectives of the BID are as follows:

- Act as a catalyst for private investment.
- Promotion of the BID District as a desirable place to do business and to visit.
- Improve the overall appearance and image of the area.

Proposed Activities

Principal activities to be undertaken by the BID during 2005 include, but are not limited to:

- 1) Continued development, marketing and managing of the East Side Open Market entering its 5th season.
- 2) Various maintenance duties related to planters, trash maintenance, and graffiti removal.
- 3) Promotion of the district as a place to do business, live, work, and recreate.
- 4) Monitoring of Weas Development/UWM proposal for development of the Kenilworth Building.
- 5) Monitoring of Columbia St. Mary's redevelopment plans for their East Side hospital campus and new building at the corner of N. Prospect and E. North Aves.
- 6) Recruitment of new businesses and retention of existing businesses.

C. Proposed Expenditures

Income for 2005 (numbers rounded)

Carryover 04 to 05	\$14,000
<u>2004 Assessment (received 2/05)</u>	<u>\$ 166,174</u>
Total Income Available in 2005	\$180,174

Expenses for 2005

Operating Expenses (office, salary, district maintenance, etc.)	\$91,226
<u>Loan Payment for 2005</u>	<u>\$69,500</u>
Total Expenses for 2005	\$160,726

The BID Board will have the authority and responsibility to prioritize expenditures and to revise the district budget as necessary to match the funds actually available. Any funds unspent at the end of 2005 shall be carried over to 2006 and applied against future expenses.

D. Financing Method

The City of Milwaukee and the district jointly and cooperatively funded the streetscaping. The district's share of the cost of the streetscaping and the operating expenses of the district will be funded by BID assessments on taxable properties within the district.

The district entered into a Development Agreement with the City of Milwaukee in 2001. The Agreement includes the issuing of municipal bonds to finance the district's portion of the total cost. The district shall pay, each year for the term of the bonds, the amount necessary for principal, interest and other expenses on its portion of the cost. The BID has asked the City for a "capped" loan payment amount of \$69,500 for the first four years of the loan. The total loan period will be for 20 years.

The Development Agreement will constitute a long-term commitment and the district will not be terminated until all repayments to the City have been made and adequate provision is made for the operation and management of improvements financed through the district. The Development Agreement will be in addition to the operating plan. Both parties have executed the Development Agreement.

V. METHOD OF ASSESSMENT

A. Assessment Rate and Method

As of January 1, 2004, the properties in the district had a total BID assessable value of \$45,553,400. This plan proposes to assess the taxable property in the district at a rate of \$5.00 per \$1,000 of assessed value with a cap at \$5,000 for the purposes of the BID. Appendix A shows the projected BID assessment for each property included in the district.

The principle behind the assessment methodology is that each property owner should contribute to the BID in proportion to the benefit derived from the BID. After consideration of assessment methods, it was determined that the assessed value of a property was the characteristic most directly related to the potential benefit provided by the BID. Therefore, a uniform rate applied on the assessed value of each property was selected as the basic assessment method for BID No. 20.

The variables used to determine the regular BID assessments are:

- 1) The total assessed value of each tax key parcel within the district; and
- 2) the specific dollar amount per \$1,000 of the assessed value of each tax key parcel.

The assessment methodology is as follows: For each of the taxable tax key parcels within the BID boundaries, the BID assessment is calculated by applying a \$5.00 per \$1000 charge against the assessed value of the parcel.

B. Excluded and Exempt Property

The BID law requires explicit consideration of certain classes of property. In compliance with the law, the following statements are provided:

- 1) ***Sec. 66.608 (1) (f) Im: The district may contain property used exclusively for manufacturing purposes, as well as properties used in part for manufacturing. These properties will be assessed according to the method set forth in this plan because it is assumed that they will benefit from development in the district.***
- 2) ***Sec. 66.608 (5) (a): Property known to be used exclusively for residential purposes will not be assessed. Such properties are identified as BID Exempt Properties in Appendix B, as revised each year.***

Real property, of which more than 66 2/3 percent of the square footage of the floor area of the building is used for residential purposes, is defined as "substantially residential property." The law authorizing the creation of BIDs states the intention that residential space is considered a residential, and not commercial use. Therefore, the owner of any substantial residential property within the BID may certify to the BID Board the square footage of such real property used for residential and non-residential purposes. The percentage of square footage used for non-residential, as compared to the total square footage

of such building, multiplied by the assessed value for the entire building on such real property, shall be the value of the real property used for multiplication against the BID assessment rate, subject to the \$5,000 per parcel cap. Calculation of floor area shall exclude basement area. Properties that receive an adjusted BID assessment in 2000 shall be assessed in 2004 only on the non-residential portion of the property as certified by the owner and accepted by the Board of Directors of BID No. 20.

- 3) ***In accordance with the interpretation of the City Attorney regarding Sec. 66.608 (1) (b), Wis. Stats., property exempt from general real estate taxes have been excluded from the district. Privately owned tax exempt property, which is expected to benefit from district activities, may be asked to make a financial contribution on a voluntary basis.***

VI. 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 has played a significant role in the creation of the BID and in the implementation of its operating plan. In particular, the City will continue to:

- 1) Provide technical assistance to the proponents of the district through adoption of the operating plan and provide assistance as appropriate thereafter.
- 2) Monitor and, when appropriate, apply for outside funds, which could be used in support of the district.
- 3) Collect BID assessments; maintain the BID assessments in a segregated account; and disburse the BID assessments to the district.
- 4) Receive annual audits as required per Sec. 66.608 (3) (c) of the BID law.
- 5) On or before June 1st of each plan year, provide the Board, through the Tax Commissioner's Office, with the official City records on the assessed value of each tax key number within the district as of January 1st of each plan year for the purposes of calculating the BID assessments.
- 6) Encourage the State of Wisconsin, Milwaukee County and other units of government to support the activities of the district.

VII. BUSINESS IMPROVEMENT DISTRICT NO. 20 BOARD OF DIRECTORS AND EXECUTIVE DIRECTOR

The Board's primary responsibility will be implementation of this operating plan. The current BID No. 20 Board of Directors is comprised as follows:

- ❖ **Peg Silvestrini**, President, property owner, business owner, North Avenue
- ❖ **Bob Domrois**, Treasurer, representative of manufacturing interest, North Avenue
- ❖ **John Sidoff**, property owner, business owner, Farwell and North Avenue
- ❖ **Eric Wagner**, business owner, Farwell and North Avenues, Prospect and Ivanhoe Avenues
- ❖ **Geralyn Flick**, business owner, Murray Ave.
- ❖ **Jeff Sherman**, business owner, North Ave.
- ❖ **Paul Miller**, Vice-President, property owner, business owner, Prospect Avenue location
- ❖ **Jim Plaisted** -- Executive Director

VIII. EAST SIDE ASSOCIATION

The BID shall be a separate entity from the East Side 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 the BID Board. In accordance with this plan, the Association may contract with the BID to provide services to the BID.

IX. FUTURE YEARS' OPERATING PLANS

It is anticipated that the BID 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 operating plan.

Section 66.608 (3) (a) of the BID law requires the BID 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 project, it focuses upon 2005 activities. Information on specific assessed values, budget amounts, and assessment amounts are based on 2004 conditions. Greater detail about subsequent years' activities will be provided in the required annual plan updates. Approval by the Common Council of such operating plan updates shall be conclusive evidence of compliance with this operating plan and the BID law.

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

X. AMENDMENT, SEVERABILITY, AND EXPANSION

The BID has been created under the authority of Section 66.608 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 BID and this BID operating plan shall be amended to conform to the law without need of re-establishment.

Should the legislature amend the statute to narrow or broaden the process of a BID so as to exclude or include as assessable properties of a certain class or classes of properties, then this BID operating plan may be amended by the Common Council of the City of Milwaukee as and when it conducts its annual review and approval of the operating plan and without necessity to undertake any other act. This is specifically authorized under Sec. 66.608 (3) (b), Wis. Stats.

Appendix A

Address

2004 Assessments

BID #20 Assessment

3190699000	2427 N. Murray	\$180,000	\$900
3190700000	2423 N. Murray	\$229,000	\$1,145
3190704000	1922 E. Thomas	\$223,000	\$1,115
3190721000	2018 E. Thomas	\$312,000	\$1,560
3190722000	2400 N. Murray	\$422,000	\$2,110
3190723000	2406 N. Murray	\$188,000	\$940
3190724000	2410 N. Murray	\$94,600	\$473
3190727100	2430 N. Murray	\$555,000	\$2,775
3190743000	2426 N. Farwell	\$377,700	\$1,889
3190744000	2414 N. Farwell	\$225,000	\$1,125
3190745000	2401 N. Maryland	\$847,900	\$4,240
3190746100	2361 N. Maryland	\$2,172,400	\$5,000
3190752100	2301 N. Prospect	\$658,500	\$3,293
3190754000	2040 E. North Ave	\$73,500	\$368
3190755100	2034 E. North Ave	\$231,000	\$1,155
3190757000	2012 E. North Ave	\$1,123,000	\$5,000
3190760100	2330 N. Farwell	\$1,585,000	\$5,000
3190764111	2303 N. Farwell	\$1,253,000	\$5,000
3190766000	2343 N. Murray	\$389,000	\$648
3190767000	2339 N. Murray	\$310,000	\$1,550
3190768000	2333 N. Murray	\$189,000	\$945
3190769000	2327 N. Murray	\$148,000	\$740
3190770100	2319 N. Murray	\$841,000	\$4,205
3190770200	1930 E. North	\$646,000	\$3,230
3190790000	1832 E. North	\$365,000	\$1,825
3190793000	1800 E. North	\$873,000	\$4,365
3200302111	1514 E. Thomas	\$2,225,600	\$5,000
3201523000	1726 E. North	\$158,000	\$790
3201524000	2303 N. Oakland	\$374,000	\$225
3201525000	1700 E. North	\$276,000	\$1,380
3201531100	2342 N. Newhall	\$373,900	\$1,870
3201532110	1614 E. North	\$625,000	\$3,125
3201534000	2333 N. Newhall	\$147,100	\$736
3201535100	1530 E. North	\$288,000	\$1,440
3201537100	1518 E. North	\$212,500	\$1,063
3201539000	1504 E. North	\$348,000	\$1,740
3201540000	2320 N. Cambridge	\$10,400	\$52
3209948114	1436 E. North	\$731,500	\$3,658
3550101000	1507 E. North Ave	\$205,800	\$1,029
3550103000	1515 E. North Ave	\$268,000	\$1,340
3550139110	1431 E. North Ave	\$333,000	\$1,665
3550431116	2202 N. Bartlett	\$2,931,600	\$5,000
3550432000	1617 E. North	\$349,000	\$1,745
3550448100	1609 E. North	\$274,000	\$1,370
3560215100	2252 N. Prospect	\$3,244,000	\$5,000
3560229000	2150 N. Prospect	\$720,000	\$3,600
3560230000	2178 N. Prospect	\$177,000	\$885
3560231100	2170 N. Prospect	\$749,000	\$3,745

3560278000	2211 N. Prospect	\$412,600	\$2,063
3560279000	2201 N. Prospect	\$885,000	\$1,475
3560281100	2214 N. Farwell	\$613,000	\$3,065
3560282000	2216 N. Farwell	\$2,015,000	\$5,000
3560283000	2238 N. Farwell	\$1,636,000	\$2,726
3560284000	2217 N. Prospect	\$1,175,000	\$5,000
3560285000	2017 E. North	\$350,000	\$1,750
3560286000	2043 E. North	\$354,000	\$1,770
3560287000	1901 E. North	\$1,500,000	\$5,000
3560289111	2227 N. Farwell	\$442,800	\$2,214
3560290100	2219 N. Farwell	\$658,000	\$3,290
3560296120	2201 N. Farwell	\$937,200	\$1,562
3560297000	1852 E. Kenilworth	\$290,000	\$1,450
3560298110	1801 E. North	\$158,600	\$793
3560301000	1819 E. Kenilworth	\$1,200,000	\$5,000
3560302000	1835 E. Kenilworth	\$454,000	\$2,270
3560303100	2169 N. Farwell	\$469,000	\$2,345
3560310100	2159 N. Farwell	\$172,000	\$860
3560311000	2121 N. Farwell	\$552,700	\$2,764
3560312111	2200 N. Prospect	\$450,500	\$2,253
3560609100	2214 N. Prospect	\$660,000	\$3,300
3560611100	2034 E. Ivanhoe Pl.	\$635,000	\$3,175

<i>Total Assessed Value</i>	<i>Total BID Assessment</i>
\$45,553,400	\$166,174

