

LEGISLATIVE REFERENCE BUREAU FISCAL ANALYSIS

COMMUNITY & ECONOMIC DEVELOPMENT COMMITTEE

OCTOBER 26, 2009

Item 6, File #090559

File Number 090559 is a resolution creating Business Improvement District No. 44 (Kinnickinnic Avenue) and approving its first year Operating Plan.

Background

1. Section 66.1109, Wis. Stats., permits the City of Milwaukee to create business improvement districts. A business improvement district (“BID”) is a specific geographic area of the city in which commercial property owners pay special assessments to cover the cost of special improvements or business promotion activities in their business district. Creation of a BID is initiated by owners of real property used for commercial purposes and located in the proposed district petitioning the City for creation of such a district. The Statutes require that the City Plan Commission designate the proposed BID boundaries, adopt a First Year Operating Plan for the BID and hold a public hearing on both items. The Common Council then votes to create the BID and adopt the First Year Operating Plan, which relates to the development, redevelopment, maintenance, operation and improvement of the BID.
2. Following creation of a BID, special assessments collected from the BID are placed in a segregated City account and used to pay for implementation of the operating plan.
3. Kinnickinnic Avenue has long been a vital commercial artery serving Bay View and other Milwaukee neighborhoods. However, like most commercial districts in urban neighborhoods, Kinnickinnic Avenue is challenged by concerns about security, graffiti, business retention, building vacancy, property upkeep and overall competitiveness of the neighborhood with other commercial districts.
4. Several owners of property along Kinnickinnic Avenue between Becher Street and the City limits at Morgan Avenue have petitioned the City for creation of a BID in this area. The purpose for creating the BID is to provide the funding for a coordinated effort to revitalize and improve this commercial corridor.
5. On September 21, 2009, the City Plan Commission held a public hearing on the proposed Kinnickinnic Avenue BID (BID No. 44). The Commission recommended approval of establishment of BID No. 44. This proposed BID includes not only properties along both sides of Kinnickinnic Avenue, but also properties that are connected to properties abutting Kinnickinnic, as well as several properties located at the intersection of Howell and Lincoln avenues.

Discussion

1. Common Council Resolution File No. 090559 approves creation of BID No. 44 (Kinnickinnic Avenue) and its board of directors. It also approves the initial Operating Plan for this BID.
2. The objective of the proposed BID is to “serve as a way for property owners, business owners, and the government to work cohesively to benefit the area’s economic development.”

3. The first year Operating Plan for BID No. 44 calls for the following activities and expenditures:

a. Security personnel	\$30,000
b. Graffiti removal	\$15,000
TOTAL	\$45,000

4. The initial Operating Plan calls for creation of a 9-member, Mayor-appointed BID board, with all members being owners or business operators within the district. The BID will be a separate entity from the Bay View Business Association, although members, officers and directors of each may be shared. The Operating Plan indicates that the Association intends to contract with the BID to provide the services to the BID in accordance with the Operating Plan.

5. The BID will revise and develop its Operating Plan on an annual basis. As with other BIDs, the Kinnickinnic Avenue BID's Annual Operating Plans will come before the Common Council for approval each year.

Fiscal Impact

1. Adoption of this resolution will have no direct fiscal impact on the City. It will authorize the expenditure of \$45,913 from DCD's special revenue fund known as the "Economic Development Fund." The Economic Development Fund is the mechanism by which the City collects assessments from properties in BIDs and provides the dollars it collects to the BIDs to carry out their annual operating plans. Since this revenue account merely functions as a funding pass-through, it has no tax levy impact.

2. The 2010 Proposed Budget includes \$200,000 in the Economic Development Fund for 4 new BIDs, one of which is the Kinnickinnic Avenue BID.

3. The total assessed value of all property in the proposed BID is over \$53 million. First-year assessments for individual properties in the BID are calculated at the rate of \$1 per \$1,000 assessed valuation, with a maximum assessment of \$1,000 and a minimum assessment of \$100.

4. The resolution directs the City Treasurer and City Comptroller to collect and disburse the special assessments set forth in the BID No. 44 first year Operating Plan.

5. The BID No. 44 Operating Plan states that the City of Milwaukee commits to supporting the BID by providing it with technical assistance, collecting and disbursing BID assessments, and providing information on assessed values of properties within the District. To the extent that staff of DCD, the City Treasurer, the City Comptroller, the City Assessor and other departments provide assistance to the BID, there will be a small, in-kind fiscal impact on the City.

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