

BUSINESS IMPROVEMENT DISTRICT NO. 4

GREATER MITCHELL STREET

OPERATING PLAN FOR YEAR 2014 (YEAR 25)

9/5/2013

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I. INTRODUCTION

A. Background

In 1984, the Wisconsin legislature created 66.1109 (formerly S. 66.608) of the Statutes (see Appendix A) enabling cities to establish Business Improvement Districts (BIDs). The purpose of the law is “to allow businesses within those districts to develop, to manage and promote the districts and to establish an assessment method to fund these activities.” (1983 Wisconsin Act 184, Section 1, legislative declaration.)

The City of Milwaukee has received a petition from property owners which requested creation of a Business Improvement District for the purpose of revitalizing and improving the Mitchell Street business area on Milwaukee's near south side. The BID law requires that every district have an annual Operating Plan. This document is the Operating Plan for the Mitchell Street Business Improvement District #4. The BID proponents prepared this Plan with technical assistance from the City of Milwaukee Department of City Development.

B. Physical Setting

The area is a retail and commercial district on the near south side of the City of Milwaukee.

II. DISTRICT BOUNDARIES

Boundaries of the proposed district are shown on an available map. A listing of the properties included in the district is provided in Appendix D.

III. PROPOSED OPERATING PLAN

A. Plan Objectives

The objective of the BID is to: Continue the revitalization and improvement of the retail shopping and business district as a shopping destination, and to increase the number and variety of businesses in the district on Milwaukee's near south side.

B. Proposed Activities

Principle activities to be engaged in by the district during its twenty-fifth year of operation will include: Maximizing both human and capital resources in the promotion and implementation of activities that will result in enhanced neighborhood safety, improved area image, and including:

- a. Continue to coordinate efforts to complete an overall design plan, including capital improvements, traffic circulation, and parking lot utilization.
- b. Providing assistance to property owners and developers who are engaged in property improvements and redevelopment activities.
- c. Promoting the unique historic significance and commercial mix of the District.

- d. Encouraging design-sensitive renovations of buildings in the District and the removal of any security bars and grills on commercial frontage.
- e. Expecting all commercial buildings within the District to be maintained graffiti-free with the supporting graffiti removal program.
- f. Providing support and/or financial assistance to corporations that are engaging in activities that meet the BID's overall objectives for the year being considered.
- g. Continuing to coordinate and support activities and events which enhance retail and business recruitment and retention.
- h. Maintaining the neighborhood business district portfolio, including an inventory of commercial space availability for distribution to brokers and prospective tenants and to respond to inquiries.
- i. Continue to work closely with the Milwaukee Police Department and District 2 for increased police protection and support, with security measures and safety programs.
- j. Initiating publicity and media coverage of District activities.
- k. Plan, coordinate and implement events and activities for property owners, businesses and merchants.
- l. Support a community outreach program linking the business community to the community at large and to City of Milwaukee services and programs.
- m. Distribution of timely information to property owners, retailers, businesses and other interested parties via quarterly Newsletters, flyers, letters and other appropriate methods.
- n. Assisting in TID #71 continuing activities where feasible.
- o. Maintaining the organized business Neighborhood Block Watch to enhance safety and security.
- p. Continue special events (the annual Sun Fair, Classic Car Show, "Holidays on Mitchell Street", etc.) that will draw returning destination shoppers to the district.

C. Proposed Expenditures

Proposed Budget for 2014:

Business Development	4000
Marketing & Promotion	8000
Safety and Security	500
Graffiti Removal	2000
Meeting Expenses	1000
Street Maintenance	2500
Office Supplies	1500
Rent	17500
Telephone/Internet	3000
Postage	900
Utilities	4000
Repairs & Maintenance	500
Subscriptions & Dues	100
Legal Services	500
Insurance	2500
Professional Services	8000

Personnel	63500
TOTAL:	120000

D. Financing Method

It is proposed to raise \$118,000 through BID assessments (see Appendix D). While the budget exceeds the anticipated BID assessments, we expect to roll forward dollars from the previous operating year, plus continuing fund raising efforts. The BID Board shall have the authority and responsibility to prioritize expenditures and to revise the budget as necessary to match the funds actually available.

E. Organization of BID Board

Upon creation of the BID, the Mayor appoints members to the District board ("board"). 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 BID assessments.

State law requires that the board be composed of at least five members and that a majority of the board members be owners or occupants of property within the District.

The BID board is structured and operates as follows:

1. Board Size - Fifteen
2. Composition - At least eight members (majority) shall be owners or occupants of property within the district. Any non-owner or non-occupant appointed to the board shall be a resident of the City of Milwaukee. The board shall elect its Chairperson from among its members.
3. Term - Appointments to the board shall be for a period of three years except that initially two members shall be appointed for a period of three years, two members shall be appointed for a period of two years, and one member shall be appointed for a period of one year.
4. Compensation – None
5. Meetings - All meetings of the board shall be governed by the Wisconsin Open Meetings Law.
6. Record Keeping - Files and records of the board's affairs shall be kept pursuant to public record requirements.

7. Staffing - The board may employ staff and/or contract for staffing services pursuant to this Plan and subsequent modifications thereof.
8. Meetings - The board shall meet regularly, at least twice each year. The board shall adopt rules of order ("by laws") to govern the conduct of its meeting. The Board does, at the present time, meet monthly.

IV. METHOD OF ASSESSMENT

A. Assessment Rate and Method

The principle behind the assessment methodology is that each property should contribute to the BID in proportion to the benefit derived from the BID. After consideration of other assessment methods, it was determined that assessed value of a property was the characteristic most directly related to the potential benefit provided by the BID. Therefore, a fixed assessment on the assessed value of the property was selected as the basic assessment methodology for this BID.

However, maintaining an equitable relationship between the BID 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 \$2500.00 per parcel will be applied.

As of January 1, 2013, the property in the district had a total assessed value of over \$55 million. This plan proposes to assess the property in the District at a rate of \$4.00 per \$1,000.00 of assessed value, subject to the maximum assessment, for the purposes of the BID. Taxable properties, other than those classified as parking lots or vacant lots, are subject to a \$400.00 minimum BID assessment. Taxable parcels are subject to a maximum of \$2,500.00 BID assessment.

Appendix D shows the projected BID assessment for each property included in the District.

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. State Statute 66.608(1)(f)Im: The district will 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. State Statute 66.608(5)(a): Property known to be used exclusively for residential purposes will not be assessed; such properties will be identified as BID Exempt Properties in Appendix D, as revised each year.
3. In accordance with the interpretation of the City Attorney regarding State Statute 66.608(1)(b), property exempt from general real estate taxes has been excluded from the district. Privately owned tax-exempt property adjoining the district and

which is expected to benefit from district activities may be asked to make a financial contribution to the district on a voluntary basis.

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

A. City Plans

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 Number 881978, adopted January 24, 1989.

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.

The district is a means of formalizing and funding the public-private partnership between the City and property owners in the Mitchell Street business area 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 Business 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. 66.1109(3)(c) of the BID law.
5. Provide the Board, through the Tax Commissioner'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 BID assessments.
6. Encourage the State of Wisconsin, Milwaukee County and other units of government to support the activities of the district.

VI. PLAN APPROVAL PROCESS

A. Public Review Process

The Wisconsin Business Improvement district law establishes a specific process for reviewing and approving proposed districts. Pursuant to the statutory requirements, the following process will be followed:

1. The Milwaukee City Plan Commission will review the proposed district boundaries and proposed Operating Plan and will then set a date for a formal public hearing.
2. The City Plan Commission will send, by certified mail, a public hearing notice and a copy of the proposed Operating Plan to all owners of real property within the proposed district. In addition a Class 2 notice of the public hearing will be published in a local newspaper of general circulation.
3. The City Plan Commission will hold a public hearing, will approve or disapprove the Plan, and will report its action to the Common Council.
4. The Economic Development Committee of the Common Council will review the proposed BID Plan at a public meeting and will make a recommendation to the full Common Council.
5. The Common Council will act on the proposed BID Plan.
6. If adopted by the Common Council, the proposed BID Plan is sent to the Mayor for his approval.
7. If approved by the Mayor, the BID is created and the Mayor will appoint members to the district board established to implement the Plan.

B. Petition against Creation of the BID

The City may not create the Business Improvement District if, within 30 days of the City Plan Commission's hearing, a petition is filed with the City containing signatures of:

Owners of property to be assessed under the proposed initial Operating Plan having a valuation equal to more than 40% of the valuation of all property to be assessed under the proposed initial Operating Plan, using the method of valuation specified in the proposed initial Operating Plan; or

Owners of property to be assessed under the proposed initial Operating Plan having an assessed valuation equal to more than 40% of the assessed valuation of all property to be assessed under the proposed Operating Plan.

VII. FUTURE YEAR OPERATING PLANS

A. Phased Development

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 initial Operating Plan.

Section 66.1109 (3) (a) of the BID law requires the Board and the City to annually review and make changes as appropriate in the Operating Plan. Greater detail about subsequent year's activities will be provided in the required annual Operating Plan updates, and approval by the Common Council of such Plan updates shall be conclusive evidence of compliance with this 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. However, the method of assessing shall not be materially altered, except with the consent of the City of Milwaukee.

B. Amendment, Severability and Expansion

This BID has been created under authority of Section 66.1109 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 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 BID so as to exclude or include assessable properties, a certain class or classes of properties, then this BID 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. This is specifically authorized under Section 66.1109(3)(b).

APPENDIX D

Projected Assessments