

**BUSINESS IMPROVEMENT DISTRICT NO. 10
CITY OF MILWAUKEE**

Operating Plan for 2014

Activities, Boundaries, Assessments

The objective of Business Improvement District No. 10 is as stated in its first year, to "...continue the revitalization and improvements of a portion of Milwaukee's near west side." This objective is intended to be accomplished by maximizing both human and capital resources through the operation of an office whose staff implements and promotes activities determined appropriate by the board of directors in achieving the District's objective. The District has a continuing contract with the Avenues West Association Inc. to provide the necessary staffing and Operating Plan implementation.



BUSINESS IMPROVEMENT DISTRICT NO. 10

AVENUES WEST

ANNUAL OPERATING PLAN – 2014

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BUSINESS IMPROVEMENT DISTRICT NO. 10 AVENUES WEST

ANNUAL OPERATING PLAN – 2014

I. INTRODUCTION

A. Background

In 1984, the Wisconsin legislature created Sec. 66.608 (currently Sec. 66.1109) of the Statutes 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.) On October 30, 1992, the Common Council of the City of Milwaukee, by Resolution File Number 921091, created BID No. 10 - Avenues West and adopted its initial Operating Plan for the year 1993.

Section 66.1109 (3) (b), Wisconsin Statutes, requires that a BID Board "... shall annually consider and may make changes to the operating plan, The Board shall then submit the operating plan to the local legislative body for its approval." The Board of Business Improvement District No. 10 submits this Operating Plan for the year 2014 in fulfillment of the statutory requirement.

This plan proposes a continuation and expansion of activities described in the initial BID Operating Plan. Therefore, it incorporates by reference the earlier plans adopted by the Common Council. In the interest of brevity, this plan emphasizes the elements which are required by Sec. 66.1109, Wisconsin Statutes, and the proposed changes for 2014. It does not repeat the background information which is contained in the original plan nor include the Business Improvement District Statute, original petitions from property owners, or BID No. 10 Bylaws.

B. Physical Setting

BID No. 10 consists of the commercial sections of five (5) arterial streets on the near west side of Milwaukee primarily within the Avenues West neighborhood. The Avenues West neighborhood transitions land uses from downtown Milwaukee, to the east, and the residential neighborhoods to the west.

II. DISTRICT BOUNDARIES

Boundaries of the District remain unchanged and are shown on the map in Appendix A of this plan. The District is contained within the area bounded by I-43 west to 28th Street and I-94 north to Highland Avenue. A listing of all the properties included within the District is provided in Appendix B.

III. PROPOSED OPERATING PLAN - 2014

A. Plan Objectives

The objective of Business Improvement District No. 10 is as stated in its first year, to "...continue the revitalization and improvements of a portion of Milwaukee's near west side." This objective is intended to be accomplished by maximizing both human and capital resources through the operation of an office whose staff implements and promotes activities determined appropriate by the board of directors in achieving the District's objective. The District has a continuing contract with the Avenues West Association Inc. to provide the necessary staffing and Operating Plan implementation.

B. Proposed Activities 2014

The principal activities to be undertaken during 2014 are intended to result in enhanced neighborhood safety, improved area image, new development, and the increased value of present improvements. Possible staff activities include:

1. Direct and/or collaborate with other agencies in the implementation of long range plans approved by the board of directors;
2. Encourage all commercial buildings to be maintained graffiti-free and financially support and coordinate the means to accomplish this goal;
3. Encourage and support facade improvements to commercial properties within the BID, with emphasis on the SOHI District;
4. Advise area businesses on safety and security measures and to serve as liaison with the security offices of area institutions and the Milwaukee Police Department;
5. Liaison with owners of private and public property to encourage quality maintenance and management of said property;
6. Provide staff assistance to property owners and developers who are engaged in property improvements and redevelopment actions;
7. Marketing and visual enhancement of the Avenues West neighborhood;
8. Liaison with economic development programs of area organizations, institutions, government agencies.

C. Proposed Expenditures – 2014

Recognizing that it is beyond the resources and capacity of Business Improvement District No. 10 to address every significant issue affecting the Avenues West area, the Board shall set priorities for expenditures based on cost effectiveness and fulfillment of the goals of the BID. Grants may be awarded during the program year that are not presently identified as such but fit within the intent of the Operating Plan.

Functional expenditures, including staff consisting of a full time executive director and a part time assistant, are anticipated to be in these approximate amounts: (Presentation in accordance with audit format.)

Program Services:	
Salaries	\$30,914.52
Payroll taxes	\$1,731.60
Benefits	\$2,871.00
Grants and /or Projects	\$25,226.00
(ex: façade grants, streetscape, lighting, graffiti, safety, Marketing and promotion, programs/meetings)	
Office supplies, incl. copier, computer	\$200.00
Postage	\$1,320.00
In-kind	\$500.00
Telephone	<u>\$670.21</u>
<i>Subtotal</i>	<i>\$63,433.32</i>
Management and General:	
Salaries	\$35,220.05
Payroll taxes	\$2,975.08
Benefits	\$3,008.01
Insurance	\$3,400.00
Office supplies, incl. copier, computer	\$800.00
Equipment repair and maintenance	\$500.00
Equipment lease	\$1,815.00
Postage	\$225.00
Advertising/Promotion	\$8,000.00
Conferences, professional training	\$1,000.00
Subscriptions/memberships	\$500.00
Printing	\$650.00
Professional fees	\$8,000.00
Rent & Utilities	\$12,000.00
Telephone	\$743.41
Personal Property	<u>\$350.00</u>
<i>Subtotal</i>	<i>\$79,186.54</i>
Fund raising:	
Salaries	\$11,865.43
Payroll taxes	\$999.87
Benefits	\$1,121.00
Telephone	\$74.34
Postage	<u>\$205.00</u>
<i>Subtotal</i>	<i>\$14,265.64</i>
Contingency:	<u>\$7,000.00</u>
<u>TOTAL</u>	<u>\$163,885.51</u>

D. Financing Method

It is proposed that \$ 132,770, be obtained from assessments on property within the District. (See Appendix B.) This is approximately 77% of the budget. The assessment method is described in Section IV of this plan.

It is proposed that \$35,000 approximately 23% of the budget, be obtained from the Avenues West Association.

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 the BID Board

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 board's primary responsibility is implementation of the annual Operating Plan.

The Mayor appoints directors who serve without compensation for three year terms. Any non-owner or non-occupant appointed to the board shall be a resident of the City of Milwaukee. The BID Board elects its own officers each year.

All meetings of the Board shall be governed by the Wisconsin Open Meetings Law. Files and records of the Board's affairs shall be kept pursuant to public record requirements.

The board shall meet quarterly, as stated in its bylaws.

F. Relationship to the Avenues West Association, Inc.

The BID shall be a separate entity from the Avenues West Association, Inc., a 501 (c) (3) corporation, notwithstanding the fact that members, officers, and directors of each may be shared. Current BID 10 bylaws allow a maximum of three directors of BID 10 to also serve on the Avenues West Association board of directors. The Association shall remain a private organization, not subject to the open meeting law and not subject to the public record law except for records generated in connection with its contract with the BID Board.

The Association may, and it is intended shall, continue to contract with the BID to provide services to the BID in accordance with this plan. The Executive Director of the Association shall also serve as the Executive Director of the BID with staff as necessary to implement the annual Operating Plan.

IV.METHOD OF ASSESSMENT

A. Assessment Rate and Method

The District proposes to continue the assessment rate and method used in its prior plans. 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 each property was selected as the basic assessment method 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 \$6,000.00 per parcel will be applied. The method of assessing shall not be materially altered, except with the consent of the City of Milwaukee.

As of January 1, 2013, the assessable property in the District had a total value of over \$ 125,819,800 (260 parcels). Value of property assessable for BID purposes is \$ 91,917,500 (136 parcels). This plan proposes to assess the property in the District at a rate of \$3.00 per \$1,000.00 of assessed value, subject to the maximum assessment of \$6,000 for the purposes of the BID and other adjustments as listed below. Appendix B 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.

1. 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 they also benefit from the activities of the District.

2. State Statute 66.1109(5) (a): Property known to be used exclusively for residential purposes may not be assessed by the District. Such properties will be identified as BID exempt properties in Appendix B, as revised each year.

There are several large residential buildings in the District in which ground floor retail or office space is provided. To prevent the disproportional assessment of such properties, this Plan provides for an adjustment to the assessment of "substantially residential property".

Real property, on which more than 66-2/3% of the square footage of the floor area of the building on such real property 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 a commercial use. Therefore, the owner of any substantially residential property within the BID may certify to the BID Board the square footage of such real property used for residential and nonresidential purposes. The percentage of square footage used for nonresidential purposes, as compared to the total square footage of such building, multiplied by the assessed value for the entire 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 \$6,000.00 per parcel cap. (There is no minimum assessment.) Calculation of floor area shall exclude basement area. Properties which received an adjusted assessment for 2011 shall be assessed for 2012 only on the non-residential portion of the property as certified by the owner and accepted by the

Board. These adjustments are reflected in the amounts shown in Appendix B.

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. 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 THE 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 Avenues West business areas 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.

The Near West Side Area Comprehensive Plan was adopted as part of the City of Milwaukee's Overall Comprehensive Plan in March, 2004. According to Common Council Resolution, File No. 031371, "...Comprehensive Plan as approved shall provide guidance and serve as the basis for decision-making by the Common Council in its consideration of land use and physical development issues;..."

B. City Role in District Operations

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 District and in the implementation of its Operating Plan. In particular, the City will:

1. Provide technical assistance as appropriate to the BID Board.
2. Monitor and, when appropriate, apply for outside funds which could be used in support of the District.
3. Collect BID assessments, maintain them in a segregated account, and disburse the monies of the district.

4. Receive a copy of the annual report including an independent audit from the BID Board as required per Sec. 66.1109(3) (c) of the BID law. If said audit is not provided within six months of the due date, the City may contract for an independent certified audit with the cost paid from BID appropriations.

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 assessed value of each tax key number within the District as of January 1st of each Plan year for purposes of calculating the BID assessments for the following Plan year.

6. Encourage the State of Wisconsin, Milwaukee County, and other units of government to support the activities of the District.

VI. FUTURE YEAR OPERATING PLANS

A. Phased Development

Section 66.1109 (3) (a) of the BID law requires an annual review of the Operating Plan, but permits rather than requires, revisions to the Plan. (Operating Plan Section I. Introduction) The Board interprets this wording as encouraging consistency in program and approach from year to year.

The Board expects to revise the Operating Plan each year to reflect changes in assessed values and costs, completion of specific programs, and changing development needs and opportunities. However, the Board intends each Plan to reflect the same purposes and objectives which provided the basis for the creation of the District. 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. Approval by the Common Council of the Annual Operating Plan shall be conclusive evidence that the Plan has complied with Section 66.1109 Wisconsin Statutes.

B. Amendment, Severability and Expansion

This BID was created under authority of Section 66.608 (currently 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 Operating 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 as assessable properties 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 Operating Plan approval and without necessity to undertake any other act. This action is specifically authorized under Section 66.1109 (3) (b).

APPENDICES

APPENDIX A: Map of Business Improvement District No. 10 -
Avenues West

APPENDIX B: 2014 Plan - Values and Special
Assessments

APPENDIX A:

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