



**THE EAST SIDE**  
**BUSINESS IMPROVEMENT DISTRICT NO. 20**  
**2013 OPERATING PLAN**

**September 29th, 2012**

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# **THE East Side BUSINESS IMPROVEMENT DISTRICT 2013 OPERATING PLAN**

## **I. INTRODUCTION**

In 1984, the Wisconsin legislature created Sec. 66.1109 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.

The BID law 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 2013 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. 66.1109, Wis. Stats. and the proposed changes for 2013. 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**

A listing of the properties in the district is provided in Appendix A.

#### IV. PROPOSED OPERATING PLAN 2013

##### A. Plan Objectives

The objectives of the BID are as follows:

- Act as a catalyst for private investment. Closely monitor new development opportunities, active recruiting of quality retail in new development and new vacancies, and marketing of area for renewed reinvestment.
- Promotion of the BID District as a desirable place to do business and to visit. Create signature events that drive traffic to the district.
- Improve the overall appearance and image of the area via clean programs, landscaping, and holiday lighting programs.

##### Proposed Activities

Principal activities to be undertaken by the BID during 2013 include, but are not limited to:

- 1) Continued promotion of the district via special events including the *East Side Green Market*, *Summer Soulstice Music Festival*, and *Tomato Romp!* festival, and general marketing initiatives for the neighborhood.
- 2) Continued staffing for East Side Architectural Review Board (created November of 2011) in coordination with City of Milwaukee.
- 3) Increased programming for planters, trash maintenance, and graffiti removal.
- 4) Promotion of the district as a place to do business, live, work, and recreate.
- 5) Recruitment of new businesses, retail, and retention of existing businesses.

##### C. Proposed Expenditures

###### Income for 2013 (numbers rounded)

|  |                  |
|--|------------------|
| Carryover 2012 to 2013                 | \$48,750         |
| <u>2012 Assessment (received 4/13)</u> | <u>\$223,000</u> |
| Projected Income Available in 2013     | <b>\$271,750</b> |

###### Expenses for 2013

|  |                  |
|--|------------------|
| Operating Expenses (office, contracts, district maintenance, etc.) | \$162,000        |
| <u>Loan Payment for 2013</u>                                       | <u>\$78,150</u>  |
| <b>Total Expenses for 2013</b>                                     | <b>\$240,150</b> |

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 2013 shall be carried over to 2014 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. This year's annual payment is \$78,150.00. 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, 2012, the properties in the district had a total BID assessable value of ??????????. 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 1998 shall be assessed in 2013 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. 66.1109 (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. 66.1109 (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:

- ❖ **Paul Miller**, President, property owner, co-owner *Alterra Coffee Roasters*
- ❖ **Mike Honkamp**, Vice-President, property owner, co-owner, the Jazz Estate
- ❖ **Dan Gumm**, Treasurer, representative of *Wisconsin Paperboard*
- ❖ **Geralyn Flick**, Secretary, owner of *Murray Hill Pottery Works*
- ❖ **Peg Silvestrini**, property owner, co-owner *Beans and Barley Café and Market*
- ❖ **Doug Williams**, business owner, *The Hotel Foster*
- ❖ **Jeff Sherman**, co-owner *On Milwaukee.com*
- ❖ **Jim Plaisted** -- Executive Director

## **VIII. 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 66.1109 (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 2013 activities. Information on specific assessed values, budget amounts, and assessment amounts are based on 2012 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.

## **IX. 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. 66.1109 (3) (b), Wis. Stats.



## Appendix A

| taxkey     | address             | owner1                      | total assessment | BID assessment |
|------------|---------------------|-----------------------------|------------------|----------------|
| 3201722000 | 2326 N CAMBRIDGE    | WISCONSIN ELECTRIC POWER CO | 0                |                |
| 3209948113 | 1436 E NORTH        | CITY OF MILWAUKEE           | 0                |                |
| 3209948125 | 1436 E NORTH        | THE UWM REAL ESTATE         | 0                |                |
| 3190699000 | 2427 N. Murray Ave. | 2429 N. Murray LLC          | \$260,000        | \$1,300        |
| 3190700000 | 2423 N MURRAY       | RED HOUSE LLC               | \$330,000        | \$1,650        |
| 3190704000 | 1922 E THOMAS       | PAUL HANNA INC              | \$259,000        | \$1,295        |
| 3190721000 | 2018 E THOMAS       | JAMES D STRATTE             | \$371,000        | \$1,855        |
| 3190722000 | 2400 N MURRAY       | ROBERT F ZELLMER            | \$481,000        | \$2,405        |
| 3190723000 | 2406 N MURRAY       | GOLDBERG FAMILY LTD         | \$308,000        | \$1,540        |
| 3190724000 | 2410 N MURRAY       | CORY J GASSMANN             | \$226,000        | \$1,130        |
| 3190727100 | 2428 N MURRAY       | WILLIAM F JUDGE & JOAN M    | \$578,000        | \$2,890        |
| 3190744000 | 2414 N FARWELL      | ARTHUR R KING MD            | \$221,000        | \$1,105        |
| 3190745000 | 2401 N MARYLAND     | RESOURCE MANAGEMENT         | \$1,392,200      | \$5,000        |
| 3190757000 | 2012 E NORTH        | SHASHA LLC                  | \$1,294,000      | \$5,000        |
| 3190760110 | 2326 N FARWELL      | FARWELL GROUP LLP           | \$1,694,000      | \$5,000        |
| 3190766100 | 2339 N MURRAY       | ORLEN G WOOD                | \$868,000        | \$4,340        |
| 3190768000 | 2333 N MURRAY       | SAMUEL J LLANAS             | \$291,000        | \$1,455        |
| 3190769000 | 2327 N MURRAY       | MATTHEW J LINN              | \$242,000        | \$1,210        |
| 3190770100 | 2319 N MURRAY       | SHAFTON FAMILY LTD          | \$951,000        | \$4,755        |
| 3190790000 | 1832 E NORTH        | MICHAEL VITUCCI             | \$509,000        | \$2,545        |
| 3190793000 | 1800 E NORTH        | 1800-1814 E NORTH AVE LLC   | \$133,400        | \$667          |
| 3201523100 | 1726 E NORTH        | TLO HOLDINGS LLC            | \$390,000        | \$1,950        |
| 3201524000 | 2303 N OAKLAND      | JAMES & SUE WIECHMANN       | \$496,000        | \$298          |
| 3201531100 | 2340 N NEWHALL      | ESV LLC                     | \$1,156,000      | \$5,000        |
| 3201535100 | 1530 E NORTH        | ROBERT C SCHMIDT, JR        | \$322,000        | \$1,610        |
| 3201537100 | 1518 E NORTH        | MANDEL NORTHTOWN II LLC     | \$735,000        | \$3,675        |
| 3201539000 | 1504 E NORTH        | GEORGE SALVAT REAL ESTATE   | \$585,000        | \$2,925        |
| 3201540000 | 2320 N CAMBRIDGE    | MANDEL NORTHTOWN II LLC     | \$15,000         | \$75           |
| 3201721000 | 2340 N CAMBRIDGE    | CAMBRIDGE STORAGE LLC       | \$133,000        | \$665          |
| 3550101000 | 1507 E NORTH        | THE MICHAEL D LEE REVOCABLE | \$211,300        | \$1,057        |
| 3550103000 | 1515 E NORTH        | E & K LAND LLC              | \$294,000        | \$1,470        |
| 3550139110 | 1431 E NORTH        | MLRB LLC                    | \$435,000        | \$2,175        |
| 3550432000 | 1617 E NORTH        | ROBERT E JOHN               | \$465,000        | \$2,325        |
| 3550448100 | 1609 E NORTH        | E&K LAND LLC                | \$1,251,000      | \$5,000        |
| 3560215100 | 2252 N PROSPECT     | DOS LOCOS LLC               | \$2,879,000      | \$5,000        |
| 3560229000 | 2140 N PROSPECT     | LDC-2150 PROSPECT LLC       | \$923,000        | \$4,615        |
| 3560278000 | 2211 N PROSPECT     | TOWN DOGS LLC               | \$698,000        | \$3,490        |
| 3560279000 | 2201 N PROSPECT     | PAIGE-WALLACE LLC           | \$1,024,000      | \$1,705        |
| 3560281100 | 2214 N FARWELL      | GEORGE PANAGIOTOPOLOUS      | \$631,000        | \$3,155        |
| 3560282000 | 2216 N FARWELL      | NEW LAND INVESTMENTS NO 7   | \$2,049,000      | \$5,000        |
| 3560283000 | 2238 N FARWELL      | NEW LAND INVESTMENTS NO 7   | \$1,439,000      | \$2,396        |
| 3560284000 | 2217 N PROSPECT     | PROSPECT I LLC              | \$870,000        | \$4,350        |
| 3560285000 | 2017 E NORTH        | 2017 EAST NORTH, LLC        | \$406,600        | \$2,033        |
| 3560286000 | 2043 E NORTH        | BV PROSPECT III LLC         | \$1,270,000      | \$5,000        |
| 3560289111 | 1901 E NORTH        | 2B REAL ESTATE LLC          | \$1,980,000      | \$5,000        |
| 3560290100 | 2227 N FARWELL      | NORTH FARWELL, LLC          | \$560,000        | \$2,800        |
| 3560296120 | 2219 N FARWELL      | GOLDBERG RUEHL PROPERTIES   | \$906,000        | \$4,530        |

|            |                      |  |               |           |
|------------|----------------------|--|---------------|-----------|
| 3560297000 | 2201 N FARWELL       | SPECTRUM HOLDINGS INC                  | \$1,266,500   | \$5,000   |
| 3560298110 | 1854 E KENILWORTH    | A DE PALMA PROPERTIES LLC              | \$406,000     | \$2,030   |
| 3560301000 | 1801 E NORTH         | SYDNEY C CHARNEY ESTATE ETAL           | \$172,900     | \$865     |
| 3560302000 | 1819 E KENILWORTH    | SYDNEY C CHARNEY ESTATE ETAL           | \$1,377,000   | \$5,000   |
| 3560310100 | 2169 N FARWELL       | GEORGE KASHOU COMPANY                  | \$378,000     | \$1,890   |
| 3560311000 | 2159 N FARWELL       | MAGNETIC NORTH ES LLC                  | \$225,000     | \$1,125   |
| 3560611100 | 2214 N PROSPECT      | PROSPECT II LLC                        | \$925,300     | \$4,627   |
| 3561471000 | 2170 N PROSPECT      | DOWN DOG! LLC                          | \$650,000     | \$3,250   |
| 3561472000 | 2009 E KENILWORTH    | TRUST OF MORRIS KATZ                   | \$940,000     | \$4,700   |
| 3200302112 | 1514 E THOMAS        | WISCONSIN PAPERBOARD CORP              | \$6,184,500   | \$5,000   |
| 3201534100 | 2333 N NEWHALL       | WISCONSIN PAPERBOARD CORP              | \$304,200     | \$1,521   |
| 3550431116 | 2202 N BARTLETT      | PIERCE MILWAUKEE LLC                   | \$3,920,700   | \$5,000   |
| 3560312111 | 2121 N FARWELL       | PIERCE MILWAUKEE LLC                   | \$2,002,200   | \$5,000   |
| 3561521000 | 1857 E KENILWORTH    | 1857 E KENILWORTH LLC                  | \$11,765,000  | \$5,000   |
| 3190743000 | 2426 N FARWELL       | GURDEV SINGH                           | \$759,000     | \$3,795   |
| 3190764111 | 2303 N FARWELL       | FIRSTAR BANK MILWAUKEE NA              | \$1,047,900   | \$5,000   |
| 3190770200 | 1930 E NORTH         | 1930 EAST NORTH AVE LLC                | \$746,000     | \$3,730   |
| 3191371000 | 2305 N PROSPECT      | NORTHPOINT PROSPECT COMMONS            | \$14,268,000  | \$5,000   |
| 3191372000 | 2311 N PROSPECT      | COLUMBIA ST MARYS INC                  | \$14,800,000  | \$5,000   |
| 3191373000 | 2311 N PROSPECT      | COLUMBIA ST MARYS INC                  | \$0           | \$0       |
| 3201525000 | 1700 E NORTH         | RKA PROP OF WIS LLC                    | \$1,021,000   | \$5,000   |
| 3201532110 | 1614 E NORTH         | MCDONALDS CORP                         | \$923,000     | \$4,615   |
| 3560609100 | 2200 N PROSPECT      | KHALID AHMED                           | \$648,500     | \$3,243   |
| 3548103000 | 1507 E. North Ave.   | Clear Channel                          | \$37,000      | \$185     |
| 3548104000 | 1507 E. North Ave.   | Clear Channel                          | \$37,000      | \$185     |
| 3560287000 | 2034 E. Ivanhoe Pl.  | Educators Credit Union Ivanhoe Pl. LLC | \$4,560,000   | \$5,000   |
| 3561495000 | 2185 N PROSPECT      | BOARD OF REGENTS OF UW                 | \$2,377,000   | \$5,000   |
| 3568100000 | 2017 E. North Ave.   | Clear Channel Outdoor                  | \$37,000      | \$185     |
| 3568101000 | 2017 E. North Ave.   | Clear Channel Outdoor                  | \$37,000      | \$185     |
| 3568102000 | 2227 N. Farwell Ave. | Clear Channel Outdoor                  | \$37,000      | \$185     |
| 3568103000 | 1801 E. North Ave.   | Lamar Central Outdoor, Inc.            | \$896,000     | \$4,480   |
|            |                      |  | \$105,281,200 | \$223,235 |

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# 2011-2012 Annual Report

## East Side Business Improvement District #20



### Activities for 2011-2012

*The East Side B.I.D. #20 respectfully submits its Annual Report on the following activities undertaken in 2011-2012. They include:*

- 1) Operated the 12th season of **The East Side Green Market**. Each Saturday, between June and October, neighborhood residents are invited to come down and enjoy fresh and organic produce, freshly prepared foods, arts and crafts, and free live music. Over 20 vendors have participated in this season and foot traffic from the neighborhood continues to increase.
- 2) With cooperation from the City of Milwaukee Common Council and Mayor Barrett, created the city's second "architectural review board" for East Side BID properties. BID is providing staff for the new **East Side ARB**. The ARB meets twice monthly (as necessary) and was created in November of 2011.
- 3) Planted over **100 street planters** with variety of annuals, perennials, and bushes. New planters were installed west of Oakland Ave. on North Ave.
- 4) Eleventh year of our **East Side Litter Maintenance** program with Riverworks/NMIDC BID and Oakland Ave. BID. The group has contracted for services with a maintenance company to pick up litter weekly in the commercial neighborhoods on the East Side.
- 5) Hosted 12th annual **Summer Soulstice Music Festival** on June 23rd, 2012, which attracted over 5,000 people to our all day celebration of the East Side. Featured arts and crafts vending, 3 music stages with 10 bands, food from East Side restaurants, and a new family-friendly activities area.
- 6) Hosted our 6<sup>th</sup> annual **Tomato Romp!** featuring the East Side Bloody Mary Contest and famous Tomato Fight. The fight featured over 200 participants and raised \$2500 for organizations fighting hunger in our community.
- 7) Continued efforts to **shape the retail environment** in our neighborhood. We continue to monitor development issues and inform interested investors and realtors about neighborhood goals related to redevelopment and preferred retail mix. New developments are in the works for the East Library (mixed use building) and rehabilitation/redevelopment of the Prospect Mall property for 2013.
- 8) **Annual audit** for 2011 was completed and forwarded to DCD on June 29<sup>th</sup>, 2012.