

BUSINESS IMPROVEMENT DISTRICT NO.10 - AVENUES WEST

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ANNUAL OPERATING PLAN

2004



**BUSINESS IMPROVEMENT DISTRICT NO.10 -
AVENUES WEST**

ANNUAL OPERATING PLAN - 2004

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No. 10 - Avenues West**

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BUSINESS IMPROVEMENT DISTRICT NO.10 - AVENUES WEST

ANNUAL OPERATING PLAN - 2004

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.*" 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 66.608(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 year 2004 Operating Plan 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. 66.608, Wisconsin Statutes, and the proposed changes for 2004. 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.

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 WORK PLAN - 2004

A. Plan Objective

The objective of Business Improvement District No. 10 is as stated in its first year, 1993, 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 - 2004

The principal activities to be undertaken during 2004 will result in enhanced neighborhood safety, improved area image, new development, and the increased value of present improvements.

Possible staff activities include:

- a. Direct and / or collaborate with other appropriate agencies in the implementation of streetscaping and other long range plans approved by the board of directors;
- b. Encourage all commercial buildings to be maintained graffiti-free and financially support and coordinate the means to accomplish this goal;
- c. Encourage and support facade improvements to commercial properties within the BID;
- d. 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;
- e. Liaison with owners of private and public property to encourage quality maintenance and management of said property;
- f. Provide staff assistance to property owners and developers who are engaged in property improvements and redevelopment actions;
- g. Marketing and visual enhancement of the Avenues West neighborhood;

- h. Liaison with economic development programs of area organizations, institutions, and government agencies; and
- i. Assist the BID Board in complying with its statutory responsibilities for record keeping, reporting, and financial administration.

C. Proposed Expenditures - 2004

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.

The Board shall have the authority to revise the budget as necessary during the year to match the funds actually available. Functional expenditures, including staff consisting of a full time executive director and a part time assistant, are anticipated to be in these approximate amounts:

Program Services:

Salaries	\$ 32,400
Payroll taxes & benefits	6,400
Office Insurance (GA & WC, O & D)	1,400
Facade Grants	7,500
Grants and/or Projects (marketing, promotions)	1,000
Projects (streetscape, lighting, graffiti, safety, newsletters, programs/meetings)	34,000
Office supplies, incl. copier, computer, fax	500
Postage	1,500
Printing	600
Telephone	900
	<u> </u>
	\$ 86,200

Management and General:

Salaries	\$32,400
Payroll taxes & benefits	6,200
Office Insurance (GA & WC, O & D)	2,300
Office supplies, incl. copier, computer, fax	1,200
Equipment repair and maintenance	1,500
Postage	500
Advertising	250
Conferences, professional training	1,500
Subscriptions/memberships	600
Printing	300
Professional fees	5,000
Depreciation	1,200
Rent & Utilities	7,300
Telephone	800
	<u> </u>
	\$61,050

Fund raising:

Salaries	\$ 7,200
Payroll taxes & benefits	1,300
Telephone	100
Office Insurance (GA & WC, O & D)	<u>400</u>
	\$ 9,000

Other: 750

EXPENDITURE TOTAL \$157,000

D. Financing Method

It is proposed that \$117,725 approximately 75% of the budget, be obtained from assessments on property within the District. The assessment method is described in Section V. of this plan. It is proposed that \$21,000 approximately 13.4% of the budget, be obtained from the Avenues West Association. It is proposed that \$12,000 about 7.6% of the budget, be provided directly by the City of Milwaukee which is the same dollar amount provided by the City to Business Improvement District No. 10 in 2003. The remaining \$6,275 approximately 4% of the budget, will be obtained from prior years' unexpended allocations.

IV. MANAGEMENT OF BID NO. 10

A. Organization of the BID Board

BID No. 10 is represented by a nine-person Board of Directors, appointed by the Mayor and confirmed by the Common Council. The Board elects its own officers each year. The current members and their terms are:

Serving terms ending during 2004:

Jim Kurz, WISN-TV

Serving terms ending during 2005:

James Ryan, Penfield Children's Center

Thomas E. Wiseman, Brett Funeral Home

John VanderBloemen, Downey, Inc.

Serving terms ending during 2006:

Darleen Howard-Binder, M & I Bank

Carolyn Ehlers, Bonded Messenger Service

Richard Wiegand, Ambassador Hotel/Executive Inn

Rana Altenburg, Marquette University

Pamela Smith-Anderson, U.S. Bank

The Board shall submit to the Mayor its recommendations for appointments to expiring terms, two months prior to expiration of the terms.

B. Relationship to the Avenues West Association, Inc.

The BID is, and shall continue as, 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.

The BID may, and it is intended shall, continue to contract with the Association to provide services to the BID in accordance with this plan. The Executive Director of the BID shall also serve as the Executive Director of the Association with staff as necessary to implement the annual Operating Plan. The Association shall remain a private organization, not subject to open meetings laws and not subject to public records laws except for records generated in connection with its contract with the BID Board.

V. 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 method 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 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 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 no more than \$6,000.00 per parcel will be applied.

As of January 1, 2003, the assessable property in the District had a total value of over \$63,956,000. Property assessable for BID purposes is \$47,353,500. 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, for the purposes of the BID. 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. State Statute 66.608(1)(f)lm: The District contains 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 66.608(5)(a): Property known to be used exclusively for residential purposes will not be assessed by the District.

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 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 in 2003, shall be assessed for 2004 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 and is not assessed by the District.

VI. RELATIONSHIP TO THE COMPREHENSIVE PLAN AND ORDERLY DEVELOPMENT OF THE CITY

A. City Plans

No changes to the City's comprehensive plan or zoning which affect the District have occurred since adoption of the initial BID Operating Plan.

B. City Role in District Operations

The City of Milwaukee is committed to helping private property owners in the District promote District development. To this end, the City has played a significant role in the creation of the Business Improvement District and in the implementation of its Operating Plan.

In particular, the City will continue to:

- a. Provide assistance as appropriate to the BID Board.
- b. Monitor and, when appropriate, apply for outside funds which could be used in support of the District.
- c. Collect BID Assessments and maintain them in a segregated account.
- d. Disburse all monies of the District no earlier than January 31, 2004 and no later than March 31, 2004. Disbursements of the full amount assessed by the District will be made without reference to the amount of assessments actually collected by the City by the date of disbursement.
- e. Obtain a copy of the annual audit from the BID Board as required per Sec. 66.608(3)(c) of the BID law prior to July 1st of the following year. If said audit is not provided within six months of the due date, contract for an independent certified audit with the cost paid from BID appropriations.
- f. Provide the Board, through the Tax Commissioner's Office, on or before July 1st of each plan year with the assessed value of each parcel within the District as of January 1st of each plan year and provide an update immediately prior to preparation of tax bills for purpose of calculating the BID assessments for the following plan year.
- g. Encourage the State of Wisconsin, Milwaukee County, and other units of government to support the activities of the District.

The presentation of this plan to the City shall serve as a standing order of the Board under Sec. 66.608(4), Wisconsin Statutes, to disburse the BID assessments without necessity of an additional disbursement agreement, disbursement method, or accounting method. Budget authority made under this plan shall be shown in the City's Budget as a line item.

VII. FUTURE YEAR OPERATING PLANS

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. Any changes to the Operating Plan shall not take effect until approved by the Common Council pursuant to Section 66.608(3)(b), Wis. Stats. Approval by the Common Council of the Annual Operating Plan shall be conclusive evidence that the Board has complied with Section 66.608(3)(b), Wisconsin Statutes.

APPENDICES

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