

**BUSINESS IMPROVEMENT DISTRICT  
NO. 32**

**NORTH AVENUE  
MARKETPLACE  
BUSINESS IMPROVEMENT DISTRICT  
PROPOSED OPERATING PLAN**

**AUGUST 2004**

## TABLE OF CONTENTS

### INTRODUCTION

1. Background
2. Physical Setting

### DISTRICT BOUNDARIES

### PROPOSED OPERATING PLAN

1. Plan Objectives
2. Proposed Activities – Year One
3. Proposed Expenditures – Year One
4. Financing Method
5. Organization of BID Board
6. Relationship to the local business association

### METHOD OF ADSSSESSMENT

1. Assessment Rate and Method
2. Excluded and Exempt Property

### RELATIONSHIP TO MILWAUKEE COMPREHENSIVE PLAN AND ORDERLY DEVELOPMENT OF THE CITY

1. City Plans
2. City Role in District Operation

### PLAN APPROVAL PROCESS

1. Public Review Process
2. Petition against Creation of the BID

### FUTURE YEAR OPERATING PLANS

1. Phased Development
2. Amendment, Severability and Expansion

### APPENDICES

- Statute
- Petition
- Proposed District Boundaries
- Year One Projected Assessments

## INTRODUCTION

### 1. Background

In 1984, the Wisconsin Legislature created 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 requests creation of a Business Improvement District for the purposes of revitalizing and improving the Fond du Lac/North Avenue Marketplace, located on North Avenue between 27<sup>th</sup> St. and HWY I-43, and Fond du lac Avenue between 17<sup>th</sup> and 30<sup>th</sup> Street (See Appendix B). The BID law requires that every district have an annual Operating Plan. This document is the initial Operating Plan for the proposed North Avenue Marketplace. The BID proponents prepared this Plan with technical assistance from the City of Milwaukee Department of City Development.

### 2. Physical Setting

The District covers a commercial area on North Avenue from 27<sup>th</sup> St to Hwy I-43, and 17<sup>th</sup> to 30<sup>th</sup> and Fond du Lac Avenue.

## DISTRICT BOUNDARIES

Boundaries of the proposed district are shown on the map in **Appendix C** of this plan. A listing of the properties included in the district is provided in **Appendix D**.

## PROPOSED OPERATING PLAN

### 1. Plan Objectives

- Improve the Image of the Target Area.
- Improve negative perceptions of crime/safety in the target area.
- Increase the number and variety of businesses in the target area.
- Coordinate public improvements in the Gateway District.
- Protect and preserve the historical significance and integrity of structures in the target area.

### 2. Proposed Activities – Year One

- Safety/Façade/sign/lighting/Cleanliness Program.
- Support local Main Street effort
- Lighting Project
- Newsletter
- Johnson Park Music Festival
- Create a Newsletter for the District

### 3. Proposed Expenditures – Year One

| Items                        | Expenditure |
|------------------------------|-------------|
| Façade/Sign/Lighting Pgm     | \$30,000    |
| Newsletter                   | \$3,500     |
| Banners                      | \$12,051    |
| Commercial Corridor Clean-up | \$4,000     |

|                            |          |
|----------------------------|----------|
| Safety/Security Initiative | \$20,000 |
| Total                      | \$69,551 |

**4. Financing Method**

It is proposed that \$69,551.40 be raised through BID assessments (see Appendix D). 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.

**5. Organization of BID Board**

Upon creation of the BID, the Mayor will appoint 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.

It is recommended that the BID board be structured and operated as follows:

Board Size – Eleven (11)

- a. Composition – at least three members 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.
- b. Term – appoints 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.
- c. Compensation – None.
- d. Meetings – All meetings of the board shall be governed by the Wisconsin Open Meetings Law.
- e. Record keeping – Files and records of the board’s affairs shall be kept pursuant to public record requirements.
- f. Staffing – the board may employ staff and/or contract for staffing services pursuant to this plan and subsequent modifications thereof.
- g. 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 meetings.

**6. Relationship to the local business association**

The BID shall be a separate entity from the local business association, notwithstanding the fact that members, officers and directors of each may be shared. The Association shall remain a private organization, not subject to the open meeting law, and not subject to the public record law except for its records generated in connection with the BID board. The Association may, and its intended, shall, contract with the BID to provide services to the BID, in accordance with this Plan.

## **METHOD OF ADASSESSMENT**

### **1. 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 \$1,500 per parcel will be applied.

As of January 1<sup>st</sup>, 2005, the property in the proposed district had a total assessed value of over \$16,234,5555. This plan proposed to assess the property in the district at a rate of \$.6 per \$1000.00 of assessed value, subject to the maximum assessment of \$1,500 and a minimum assessment of \$300, for the purposes of the BID.

**Appendix D** shows the projected BID assessment of each property included in the district.

### **2. 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.

- a. State Statute 66.1109 (1) (f) 1m: 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.
- b. State Statute 66.1109 (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..
- c. In accordance with the interpretation of the City Attorney regarding State Statute 66.1109 (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.

## **RELATIONSHIP TO MILWAUKEE COMPREHENSIVE PLAN AND ORDERLY DEVELOPMENT OF THE CITY**

### **1. 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 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<sup>th</sup>, 1989.

The Preservation Policy emphasizes maintaining Milwaukee's present housing, jobs, neighborhoods, services, and ax based rather than passively accepting loss of jobs and population, or emphasizing massive new development. In its January 989 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 North Avenue Gateway District 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.

### **2. 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:

- a. Provide technical assistance to the proponents of the district through adoption of the Plan, and provide assistance as appropriate thereafter.
- b. Monitor and, when appropriate, apply for outside funds that could be used in support of the district.
- c. Collect assessments, maintain in a segregated account, and disburse the monies of the district.
- d. Receive annual audits as required per sec. 66.608 (3) © of the BID law.
- e. Provide the board, through the tax commissioner's Office on or before June 30<sup>th</sup> of each plan year, with the official City records and the assessed value of each tax key number with the district, as of January 1<sup>st</sup> of each Plan year, for purposes of calculating the BID assessments.
- f. Encourage the State of Wisconsin, Milwaukee County and other units of government to support the activities of the district.

## **PLAN APPROVAL PROCESS**

### **1. 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:

- a. 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.
- b. 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.
- c. The City Plan Commission will hold a public hearing, will approve or disapprove the Plan, and will report its action to the Common Council.
- d. 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.
- e. The Common Council will act on the proposed BID Plan.
- f. If adopted by the Common Council, the proposed BID Plan is sent to the Mayor for his approval.
- g. If approved by the Mayor, the BID is created and the Mayor will appoint members to the district board established to implement the Plan.

### **2. 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 the 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.

## **FUTURE YEAR OPERATING PLANS**

### **1. 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 66.608 (3) (a) of the BID law requires the board and the City to annual review and make changes as appropriate in the Operating Plan. Therefore, while this document outlines in general terms the complete development program, it focuses upon Year One activities, and information on specific assessed values, budget amounts and assessment amounts are based on Year One conditions. Greater detail about subsequent year's activities will be provided in the required annual Plan updates, and approval by the Common Council of such Plan updates shall be conclusive evident 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.

**2. Amendment, Severability and Expansion**

The BID has been created under authority of Section 66.60 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 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 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 66.608 (3)(b).

**APPENDICES**

- **Statute**
- **Petition**
- **Proposed District Boundaries**
- **Year One Projected Assessments**