



**Historic King Drive
Business Improvement District
(BID #8)**

2006 Operating Plan

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2005 Annual Report

In 2005, new energy and excitement was brought to the Historic King Drive Business Improvement District and Dr. Martin Luther King Jr. Drive itself. In February 2005, the BID hired a new management team that brought the resources and talents of three organizations to the management of the BID. This management team immediately began working with the Board of Directors to develop an approach to help take Historic King Drive to the next level of economic progress. This approach, together with continued marketing efforts, and substantial economic growth, made 2005 an outstanding year for the BID.

The Main Street Approach

In April of 2005 the BID adopted the Main Street Approach and immediately began an intense Board Recruitment process to bring several new, energetic Directors to the Board. After reviewing dozens of candidates and conducting several face to face interviews, six new Directors were added, bringing the Board to a full 15 Directors. This new Board of Directors includes more geographic and business diversity than ever before. In late 2005 the five Main Street Committees will begin meeting under the leadership of the Board of Directors.

- BID's New Main Street Committees**
- Economic Restructuring
 - Marketing/Promotion
 - Design
 - Organization
 - Public Safety

Marketing and Promotional Efforts

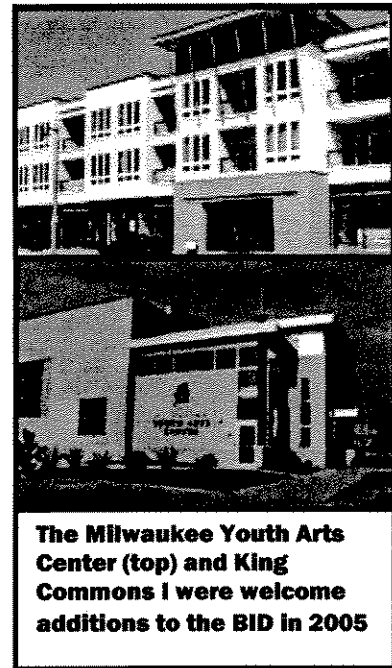
Eventually the Main Street Committees will recommend to the Board strategies on how to market the district, but in the interim, the BID has stepped up its marketing and promotional efforts. Early in 2005 the BID decided to postpone the making of any further grants until the Economic Restructuring Committee made its recommendation. The BID also worked with the promoters of the Schlitz Park/Endeavor Cycling Challenge to find alternative sponsorship. These two decisions helped free up resources to help market and promote businesses on the street. First, the BID partnered with VISIT Milwaukee to promote culturally oriented businesses in the Guide to Multicultural Milwaukee. With the BID's support more than 15 businesses and institutions within the BID were featured in this Guide, which is circulated to over 250,000 individuals and organizations. Second, the BID began producing its quarterly newsletter "Living the Dream" which is circulated to over 1,000 businesses and neighbors in the area. Third, the BID produced a District Map & Merchant directory to highlight all of the

wonderful businesses on Historic King Drive. More than 25,000 of these directories will be distributed over the next 16 months. The BID was also able to provide financial support to several long-standing King Drive Events, including the Juneteenth Day Festival and Wes's Annual Community Picnic.



Economic Progress on the Drive

Over the course of 2005, the Historic King Drive Business Improvement District continued to see growth in the BID, with more than \$20 million dollars of development breaking ground or being completed. The first major development was the completion of the Milwaukee Youth Arts Center. This multi-million dollar facility hosts Milwaukee's First Stage Children's Theater and the Milwaukee Youth Symphony Orchestra, and brings nearly 1,000 families to the BID each week. In October of 2005, the exciting King Commons I development on Hadley and Historic King Drive is also scheduled to open. King Commons I will include approximately 15 affordable housing apartments and 5,000 square feet of commercial space. Third, the Park East Enterprise Live/Work Lofts is scheduled to start construction in late 2005. This \$12 Million development will include 67 affordable housing apartments and 18 market rate apartments, along with approximately 3,000 square feet of retail space. These fantastic commercial projects on Historic King Drive have been complemented by the housing efforts just off of King Drive. In 2005, the Vineyard Terrace development developed six new single family homes in the south western part of the District. In the north eastern part of the District, the Harambee Ombudsman project completed two new single family homes through its new construction training program which works with teens in the area.



The Milwaukee Youth Arts Center (top) and King Commons I were welcome additions to the BID in 2005

New Businesses on the Drive

Perhaps more important than the physical buildings in the District, Historic King Drive has also seen several new businesses move to the street. Between February and August of 2005 the BID saw seven new businesses open or relocate to King Drive, including Clara's New Bronzeville Café, Libiamo Neighborhood Restaurant and Tavern, Studio 105, Rocksteady Barbershop, Vida's Nails, Affordable Media & Spy and the law firm of Lanier, Pleas & Hopkins, Ltd. The BID, through its management team, has also been able to provide technical assistance to several existing and new businesses on King Drive, including press releases, loan/grant applications, marketing and various other technical assistance. In 2005, the BID also began an annual survey of businesses to evaluate the concerns of business owners and monitor the progress of the BID.

Planning for the Future

In 2005 the area surrounding King Drive, and the BID itself, have experienced tremendous attention from the City and private partners. The Bronzeville Cultural and Entertainment District successfully obtained a Redevelopment Plan Amendment and the BID continues to work with the City to establish a Tax Incremental Financing District to support the project. A Bronzeville Targeted Investment Neighborhood has also been set up to support housing in the area. Finally, the BID has partnered with the City and several other partners to begin the development of the North East Comprehensive Plan. Throughout 2005, the King Drive BID maintained its status as the district to watch. The Board of Directors for the King Drive Business Improvement District is looking forward to 2006, its thirteenth anniversary.

Sincerely,

A handwritten signature in cursive script that reads "Teig Whaley-Smith".

Teig Whaley-Smith
Executive Director, Historic King Drive BID #8



Year 13 Operating Plan

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 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 September 17, 1992, the Common Council of the City of Milwaukee by Resolution File Number 920644, created Business Improvement District Number 8 (Historic King Drive) and adopted its initial operating plan.

Section 66.608 (3) (b), Wis. Stats. requires that a BID Board of Directors "...shall annually consider and 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 Directors of Historic King Drive Business Improvement District Number 8 submits this 2006 Operating Plan in fulfillment of the statutory requirement.

This plan proposes a continuation of activities described in the initial (July 1992) BID Operating Plan. Therefore, it incorporates by reference the Year 1 Operating Plan as adopted by the Common Council of the City of Milwaukee. In the interest of brevity, this plan details the elements that are required by Sec. 6.608, Wis. Stats., and any proposed changes for 2006. It does not repeat the background information that is contained in the Year 1 Operating Plan nor does it include the Business Improvement District statute, original petitions or the City of Milwaukee Attorney's Statement.

II. Relationship To Milwaukee's Comprehensive Plan & Orderly Development of the City

No changes in District planning/zoning have occurred since adoption of the 2004 Operating Plan, other than through the Bronzeville Redevelopment Plan Amendment.

III. District Boundaries

The Boundaries of the District are displayed in Appendix A. A complete listing of District properties both assessed and exempt is provided in Appendix B.

IV. Proposed Operating Plan

A. Plan Objective

The objective of the Business Improvement District No. 8 is to develop, redevelop, maintain, operate and promote the area of Historic King Drive.

B. Proposed Activities

The principal activities to be engaged in by Business Improvement District No. 8 during its thirteenth year of operations are to include but not limited to operating a district office to promote new development and the increase value of present improvements by providing staffing, equipment, supplies and resources to:

- Respond to questions about available space for lease or purchase;
- Coordinate and support volunteers to promote private and public financing of District development activities;
- Coordinate business recruitment and business development;
- Provide informational materials regarding business and property opportunities;
- Encourage increased police protection and safety programs;
- Maintain maintenance program;
- Publish and distribute District information and promotional materials;
- Initiate publicity and media coverage of District activities;
- Promote the unique historical significance and commercial mix of the District;
- Encourage design-sensitive renovations of buildings in the District;
- Plan and coordinate special events; and
- Review and implement redevelopment plan.

C. Proposed 2006 Budget

REVENUES

BID Assessment	\$160,330.60	
City of Milwaukee	\$21,000.00	
Other Contributions	\$20,000.00	
TOTAL REVENUES		\$201,330.60

EXPENSES

Salaries/Administrative

Management Contract	\$73,500.00	
Professional Board Liability Insurance	\$3,000.00	
		\$76,500.00

Office Rental

Rent	\$8,775.00	
Utilities	\$2,025.00	
All Risk Business Operating Insurance	\$880.00	
		\$11,680.00

General Expenses

Postage	\$2,000.00	
Stationary/Office Supplies/Copies	\$3,500.00	
Telephone/Internet Access	\$1,500.00	
		\$7,000.00

<i>Accounting/Auditing Services</i>		
Quarterly Accounting Services	\$2,000	
Annual Audit	\$3,000	
Legal	\$1,500	
		\$6,500.00
<i>Public Safety & Appearance</i>		
Area Maintenance	\$25,000.00	
		\$25,000.00
<i>Miscellaneous/Contingency</i>		
	\$5,000.00	
		\$5,000.00
<i>Main Street Activities/Grant Program Liability</i>		
	\$69,650.60	
		\$69,650.60
TOTAL EXPENSES		\$201,330.60
SURPLUS		\$0.00

D. Financing Method

The proposed expenditures will be financed from funds collected from the BID assessments, voluntary private contributions and public grants. The estimated assessed value of BID-eligible properties within the District is \$102,841,600. Approximately, \$143,111.60 or about seventy-seven percent of the BID budget will be raised through BID assessments. An additional \$21,000 or eleven percent from the City of Milwaukee's contribution will serve as a second component of the BID's budget. The City of Milwaukee has provided this contribution since the BID's inception.

The BID Board of Directors shall have the authority and responsibility to prioritize expenditures, and to revise the budget as necessary during the year to match the funds available.

E. Method of Assessment & Rate

The principle behind the assessment methodology is that each parcel's owner should pay for District development in proportion to the benefits derived. Obviously, not every parcel within the District will benefit equally, but it is assumed that development of the District will produce at least some minimum benefit for all parcels. Thus, a \$125 minimum assessment has been applied to taxable properties. Additionally, a cap of \$1,500 or maximum assessment per parcel is applied.

The use of a minimum and maximum value is designed to reflect the expected benefits to the area by the BID. Since most of the proposed BID activities are district-wide and not property specific, the proposed minimum assessment is designed to spread a level of cost to all properties within the District. Above this minimum level, it is believed that there will be some additional benefits received based upon the value of the property. However, these benefits are not necessarily

directly proportional to value. Therefore, a cap of \$1,500 is proposed since no one large property stands to gain significantly more benefits than other properties.

BID-eligible properties are assessed in the following manner:

- An unimproved tax parcel is assessed at a rate of \$4/1,000 of assessed value up to a maximum BID Assessment of \$1,500. No minimum assessment is applied to unimproved parcels.
- There is a \$125 minimum assessment on all BID-eligible improved tax parcels valued at \$10,000 or less.
- For improved tax parcels valued over \$10,000, the assessment is \$125 plus \$4/1,000 assessed value for the amount over \$10,000, up to a maximum of \$1,500.

F. Excluded and Exempt Property

The Business Improvement District law requires explicit consideration of certain classes of property. In compliance with the law, the following statements are provided:

- Sec 66.608 (1) (f): *"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 for in the BID plan because it is assumed that they will benefit from development in the District."*
- Sect 66.608 (5) (a): *"Property known to be used exclusively for residential purposes will not be assessed."*

G. City Role In District Operation

The City of Milwaukee has committed assistance to private property owners in the District to promote the area's development. To this end, the City of Milwaukee has played a significant role in the creation of the Business Improvement District, and intends to assist in the implementation of the Operating Plan. In particular, the City of Milwaukee will:

- Provide assistance as appropriate to the BID Board of Directors;
- Monitor and apply for outside funding which could be used in support of the District;
- Collect BID assessments and maintain them in a segregated account;
- Disburse all funds of the District, no earlier than January 31, 2006 and no later than March 31, 2006. Disbursement of the full amount assessed by the District shall be made without reference to the amount of assessments collected by the City by the date of disbursement;
- Obtain a copy of the annual audit from the BID Board of Directors as required per Sec. 66.608 (3) (c) of the BID law prior to September 1 of the following year;
- Provide the Board of Directors through the Tax Commissioner's office on or before July 1 of each plan year with the official City of Milwaukee records on the assessed value of each tax key number within the district as of January 1 of each plan year and provide an update immediately prior to preparation of tax bills for purpose of calculating the actual BID assessments for the following plan year; and
- Encourage the State of Wisconsin, County of Milwaukee and other units of government to support the activities of the District.

The presentation of this plan to the City of Milwaukee shall be deemed a standing order of the Board of Directors under Sec. 66.60 8 (4) Wis. Stats. 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.

V. Business Improvement District No. 8 Board of Directors

The current BID No. 8 Board of Directors is comprised as follows:

Term Expiring 2007

- Robert Allison
- Fletcher Crawford
- Robert Ferriday III
- Stacy Hasan
- Sherman Hill
- David Rotter
- Daniel Zens

Term Expiring 2008 (Pending Mayoral and City Council Approval)

- Samuel Denny (Renewal)
- Bezelle Martin (Renewal)
- Carla Cross
- Matthew Johnson
- Paula Lampley
- Becky Maniachi
- Luc Monsanto
- Gerty Purifoy

As stated in BID No. 8's bylaws, the Board of the Directors will be composed of fifteen board members of whom 12 shall be owners of commercial property and/or operators of businesses within the District boundaries. The remaining 3 board positions shall be open to representatives that function within the environs of the District. If the Board size increases to more than 15, all additional Board members must be commercial property owners and/or operators of businesses within the District.

VI. Contracting with BID #8

Any contracting with the BID shall be exempt from the requirements of Sec 62.15, Wis. Stats. because such contracts shall not be for the construction of improvements or provision of materials. If the BID does contract for the construction of improvements or provisions of material, it shall follow the requirements of such statutes to the extent applicable. Further, the annual accounting required under Sec 66.608 (3) (c) Wis. Stats., shall be deemed to fulfill the requirements of Sec 62.15 (14) Wis. Stats. The BID Board of Directors and the City of Milwaukee shall comply with the provisions of Sec. 66.60 before the City inserts assessments for this BID plan onto the tax bills for the parcels assessed thereunder, only to the extent required by law, to create a lien on the parcels assessed.

VII. Severability And Expansion

The Historic King Drive BID No. 8 was created under authority of Sec. 66.608 of the Statutes of the State of Wisconsin.

Should any court find any portion of this statute invalid or unconstitutional said decision will not invalidate or terminate the Business Improvement District, and this plan shall be amended to conform to the law without need of re-establishment.

Should the Wisconsin State Legislature amend the statute to narrow or broaden the process of a Business Improvement District so as amongst other things 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 budget approval and without necessity to undertake any other act.

All the above is specifically authorized under Section 66.608 (3) (b).

VIII. Future Year's 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 the initial operating plan.

Section 66.608 (3) (a) of the BID law requires the BID Board of Directors and the City of Milwaukee to annually review and make changes as appropriate in the District plan. Therefore, this document focuses upon Year Eight activities. Information on specific assessed value, budget amount and assessment amount is based on Year Nine conditions.

In later years, the BID plan will continue to apply the assessment formula, as adjusted, to raise funds to meet the next annual budget. However, the method of assessment shall not be materially altered, except with the consent of the City of Milwaukee.