

THE EAST SIDE
BUSINESS IMPROVEMENT DISTRICT NO. 20
2003 OPERATING PLAN

September 5, 2002

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THE EAST SIDE BUSINESS IMPROVEMENT DISTRICT 2003 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 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.

Section 66.608 (3) (b), Wis. Stats., 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 2003 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. 66.608, Wis. Stats. and the proposed changes for 2003. 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

Boundaries of the district are shown on the map in Appendix A of this plan. A listing of the properties in the district is provided in Appendix B.

IV. PROPOSED OPERATING PLAN 2003

A. Plan Objectives

The BID is used to finance the business property owners' share of the cost of streetscape improvements in the public sidewalk area; promotion and management of the district; and the creation and initial subsidization of a community market.

The streetscape improvements have taken place in two phases in 2000 and 2002. The 2000 project included the district's eastern portion and the 2002 project included the western portion. The improvements for both phases included:

- ◆ Widening the concrete walk between N. Prospect and N. Farwell Ave. on E. North Ave. and the creation of curb bump-outs at most intersections
- ◆ Installation of Milwaukee Harp pedestrian lights and Milwaukee Lantern (acorn fixtures) overhead lights
- ◆ Removing old light poles or fixtures and replace with Milwaukee Lantern fixture or new Milwaukee Harps
- ◆ Installing street trees
- ◆ Purchase and installation of trash receptacles, kiosks, benches, bike racks, and parking lot signage
- ◆ Installing an access ramp to the Oak Leaf Trail
- ◆ Contracting and installing an art sculpture for the end of the North Ave. Bridge

The City of Milwaukee has provided a matching contribution of \$535,000. The project is budgeted at \$1.5 million and the BID has bonded with the City of Milwaukee for \$885,950.

The objectives of the BID are as follows:

- Act as a catalyst for private investment.
- Improve the overall appearance and image of the area.
- Enhance safety and security by increasing the amount of street lighting.
- Create a pedestrian-friendly district for entertainment and retail by slowing down traffic and giving pedestrians the ability to move from one storefront to another.

Proposed Activities

Principal activities to be undertaken by the BID during 2003 include, but are not limited to:

- 1) Under contract with Milwaukee County and State DOT, construct a new bike ramp connection to the Oak Leaf Trail at Oakland and North
- 2) Continued development, marketing and managing of the East Side Open Market.
- 3) Installation of "Compass", a piece of sculpture art for the eastern end of the North Ave. Bridge.
- 4) Various maintenance duties related to planters, trash maintenance, and graffiti removal
- 5) Cooperation and monitoring of proposals to redevelop the UWM Kenilworth Building

C. Proposed Expenditures

Income for 2003

(numbers rounded)

Balance as of 9/5/02	\$123,000
<u>Less</u>	
<u>Operating Expenses remainder of 2002</u>	
(office operation, salary, utilities, etc.)	\$17,300
Art Project	\$10,000
Misc. Project	\$5,000
Open Market Operation	\$2,000

<u>Plus</u>	
East Side Association Contribution	\$10,000
<u>2002 Assessment (received 2/03)</u>	<u>\$ 144,000</u>
Total Income Available in 2003	\$242,700

Expenses for 2003

Project Expenses for 2003 (BID cash)	\$35,000
Art Project	\$20,000
Bike Ramp Match for DOT Grant	\$47,000
Operating Expenses (office, salary, maintenance, etc.)	\$69,500
<u>Loan Payment for 2003</u>	<u>\$69,500</u>
Total Expenses for 2003	\$241,000

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 2003 shall be carried over to 2004 and applied against future expenses.

D. Financing Method

The City of Milwaukee and the district will jointly and cooperatively fund 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 has entered into a Development Agreement with the City of Milwaukee. 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. The BID has asked the City for a "capped" loan payment amount of \$69,500 for the first four years of the loan. 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, 2002, the properties in the district had a total BID assessable value of \$36,884,600. 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 B 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 2000 shall be assessed in 2003 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. 66.608 (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. 66.608 (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:

- ❖ **Peg Silvestrini**, President, property owner, business owner, North Avenue
- ❖ **Bob Domrois**, Treasurer, Representative of manufacturing interest, North Avenue
- ❖ **John Sidoff**, property owner, business owner, Farwell and North Avenue
- ❖ **Mike Vitucci**, property owner, business owner, North Avenue
- ❖ **Susan Sanders**, Secretary, property owner, business owner, North Avenue
- ❖ **Jeff Sherman**, business owner, North Ave.
- ❖ **Paul Miller**, Vice-President, property owner, business owner, Prospect Avenue location

VIII. EAST SIDE ASSOCIATION

The BID shall be a separate entity from the East Side 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 the BID Board. In accordance with this plan, the Association may contract with the BID to provide services to the BID.

The ESA has authorized a \$10,000 annual payment to the operations budget of the Executive Director.

IX. 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 66.608 (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 2003 activities. Information on specific assessed values, budget amounts, and assessment amounts are based on 2002 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.

X. 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. 66.608 (3) (b), Wis. Stats.

East Side Business Improvement District #20

Address	Tax Key	2002 assessments	BID Contribution
2427 N. Murray	3190699000	\$172,000	\$860
2423 N. Murray	3190700000	\$223,000	\$1,115
1922 E. Thomas	3190704000	\$223,000	\$1,115
2018 E. Thomas	3190721000	\$297,000	\$1,485
2400 N. Murray	3190722000	\$293,000	\$1,465
2406 N. Murray	3190723000	\$187,000	\$935
2410 N. Murray	3190724000	\$89,000	\$445
2430 N. Murray	3190727100	\$551,000	\$2,755
2426 N. Farwell	3190743000	\$320,800	\$1,604
2414 N. Farwell	3190744000	\$180,000	\$900
2401 N. Maryland	3190745000	\$973,000	\$4,865
2361 N. Maryland	3190746100	\$1,024,000	\$5,000
2301 N. Prospect	3190752100	\$303,000	\$1,515
2040 E. North Ave	3190754000	\$165,000	\$825
2034 E. North Ave	3190755100	\$223,000	\$1,115
2012 E. North Ave	3190757000	\$1,039,000	\$5,000
2330 N. Farwell	3190760100	\$1,684,000	\$5,000
2303 N. Farwell	3190764111	\$1,048,000	\$5,000
2343 N. Murray	3190766000	\$345,000	\$575
2339 N. Murray	3190767000	\$273,000	\$1,365
2333 N. Murray	3190768000	\$176,000	\$880
2327 N. Murray	3190769000	\$141,000	\$705
2319 N. Murray	3190770100	\$691,000	\$3,455
1930 E. North	3190770200	\$571,000	\$2,855
1832 E. North	3190790000	\$327,000	\$1,635
1800 E. North	3190793000	\$844,000	\$4,220
1514 E. Thomas	3200302111	\$1,426,500	\$5,000
1726 E. North	3201523000	\$153,500	\$768
2303 N. Oakland	3201524000	\$362,000	\$217
1700 E. North	3201525000	\$231,000	\$1,155
2342 N. Newhall	3201531100	\$381,300	\$1,907
1614 E. North	3201532110	\$625,000	\$3,125
2333 N. Newhall	3201534000	\$67,300	\$337
1530 E. North	3201535100	\$254,000	\$1,270
1518 E. North	3201537100	\$212,500	\$1,063
1504 E. North	3201539000	\$228,000	\$1,140
2320 N. Cambridge	3201540000	\$9,000	\$45
1436 E. North	3209948114	\$502,000	\$2,510
1507 E. North Ave	3550101000	\$205,800	\$1,029
1515 E. North Ave	3550103000	\$222,000	\$1,110
1431 E. North Ave	3550139110	\$287,000	\$1,435
2202 N. Bartlett	3550431116	\$2,356,300	\$5,000
1617 E. North	3550432000	\$150,000	\$750
1609 E. North	3550448100	\$307,000	\$1,535
2252 N. Propsect	3560215100	\$2,628,000	\$5,000
2150 N. Prospect	3560229000	\$656,000	\$3,280
2178 N. Prospect	3560230000	\$175,000	\$875
2170 N. Prospect	3560231100	\$495,000	\$2,475

2211 N. Prospect	3560278000	\$349,600	\$1,748
2201 N. Prospect	3560279000	\$885,000	\$1,475
2214 N. Farwell	3560281100	\$536,000	\$2,680
2216 N. Farwell	3560282000	\$1,300,000	\$5,000
2238 N. Farwell	3560283000	\$923,000	\$1,538
2217 N. Prospect	3560284000	\$1,158,000	\$5,000
2017 E. North	3560285000	\$366,500	\$1,833
2043 E. North	3560286000	\$261,500	\$1,308
1901 E. North	3560289111	\$1,500,000	\$5,000
2227 N. Farwell	3560290100	\$395,800	\$1,979
2219 N. Farwell	3560296120	\$588,000	\$2,940
2201 N. Farwell	3560297000	\$756,000	\$1,260
1852 E. Kenilworth	3560298110	\$190,000	\$950
1801 E. North	3560301000	\$119,900	\$600
1819 E. Kenilworth	3560302000	\$1,283,000	\$5,000
1835 E. Kenilworth	3560303100	\$278,600	\$1,393
2169 N. Farwell	3560310100	\$430,000	\$2,150
2159 N. Farwell	3560311000	\$116,000	\$580
2121 N. Farwell	3560312111	\$425,400	\$2,127
2200 N. Prospect	3560609100	\$357,300	\$1,787
2214 N. Prospect	3560611100	\$368,000	\$1,840
Notes:			
	Totals	\$36,884,600	\$145,899

