



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

2007 Operating Plan

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Year 14 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 2007 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 2007. 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 2007 Budget

REVENUES

BID Assessment	\$174,606	
City of Milwaukee	\$21,000	
Fundraising/Contributions/Earned Income	\$25,000	
TOTAL REVENUES		\$220,606

EXPENSES

Management

Dues, Subscriptions & Library	\$1,000	
Insurance (General Liability & D&O)	\$6,000	
Office Supplies	\$3,500	
Postage	\$1,000	
Personal Property Taxes	\$250	
Audit	\$3,250	
Legal	\$500	
Bookkeeping & Accounting	\$16,000	
Management Contract	\$68,250	
Rent	\$6,000	
Telephone & Internet	\$1,000	
Utilities	\$1,000	
Miscellaneous	\$4,000	
TOTAL MANAGEMENT EXPENSES		\$111,750

<i>Maintenance</i>		
Sidewalk Cleaning	\$17,500	
Graffiti Removal	\$4,000	\$21,500
<i>Main Street Activities</i>		
	\$82,356	\$82,356
<i>Business Owner / Home Owner Rebate</i>		
	\$5,000	\$5,000
TOTAL EXPENSES		\$220,606
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 \$129,109,343, nearly \$20 Million higher than the previous year. Approximately, \$174,606 or about seventy-nine percent of the BID budget will be raised through BID assessments. An additional \$21,000 or nine and one-half 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.

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. The Business Improvement District will assess properties to the maximum extent allowed by law, this includes without limitation, properties used in part or in whole for manufacturing, properties that are vacant, mercantile apartments, and all other properties that are used for any commercial gain. By way of example, and not limiting the foregoing, a property which is used exclusively by its owner and immediate family for their principle residence shall not be assessed. A property will be assessed, however, when any portion of the premises is either (a) leased or possession is otherwise given to a third party, or (b) is used for any other commercial purpose.

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, 2007 and no later than March 31, 2007. 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.

H. Business Owner / Home Owner Rebate

As stated above, "property known to be exclusively residential" is excluded from the BID Assessment. The boundaries of the BID include several businesses where the property owner is also the business owner, and also lives at the same property. If no adjustment is made, the property owner pays a BID assessment on his or her entire property, even the portion where he or she lives. In order not to place an undue burden on such Business Owners / Home Owners, the BID has set aside \$5,000 to offer as rebates to such owners. Applications for such rebate must be made by the Business Owner / Home Owner prior to April 1, 2007. The rebate shall be determined as follows. The applicant shall submit:

- (1) Evidence of the "Total Square Footage of Subject Building," including any basement, but not including any roof area, nor the area of a residential garage. Sufficient evidence may include building plans or information from the City Assessor;
- (2) Evidence of the square footage used exclusively by the applicant and the applicants immediate family for residential purposes, not including any roof area, nor the area of a residential garage ("Residential Square Footage Occupied by Applicant"). Sufficient evidence may include pictures of the residential area and business area that correspond to the documentation submitted as part of (1) above; and
- (3) Evidence that the property is the applicant's sole and primary residence. Sufficient evidence may include a Driver's License that includes the subject property's address.

The BID's Board of Directors shall make a determination of whether the evidence submitted is sufficient. Applicants that have received such approval are "Approved Applicants." The rebate given to the Approved Applicant shall be determined as follows. The "Individual Eligible Rebate" for each applicant shall be determined by the following equation: $\text{Assessment Paid by Applicant for the Subject Year} * (\text{Residential Square Footage Occupied by Applicant} / \text{Total Square Footage of Subject Building})$. Then, all of the applicants' Individual Eligible Rebates shall be summed together to determine the "Total Eligible Rebates". If the Total Eligible Rebates is less than \$5,000, each Approved Applicant shall receive a rebate in the amount of the applicant's Individual Eligible Rebate. If the Total Eligible Rebates is greater than \$5,000, then the "Percentage Rebate" shall be determined by taking \$5,000 divided by Total Eligible Rebates. Then each Approved Applicant shall receive a rebate in the amount of the applicant's Individual Eligible Rebate multiplied by the Percentage Rebate.

This rebate only applies to residents that own and live at the subject property, not to business owners that lease an apartment, nor to residents living at the property that are not also the owner of the subject property. The rebate may apply to residents that own the property under the name of a limited liability company or other form of ownership as long as the applicant can show that he or she is the 100% owner of such entity. The determinative date that the BID Board will consider whether a homeowner lived at the premises is January 1 of the subject year. No property owner shall be entitled to a rebate if he or she owes any outstanding taxes or other fees to the City of Milwaukee. Each applicant must reapply every year to be considered for a rebate. This program will be considered annually by the BID Board and may or may not be a part of future Operating Plans.

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

- Samuel Denny
- Bezelle Martin
- Carla Cross
- Matthew Johnson
- Paula Lampley
- Becky Maniaci
- 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 documents focuses upon Year Fourteen activities. Information on specific assessed value, budget amount and assessment amount is based on Year Thirteen 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.