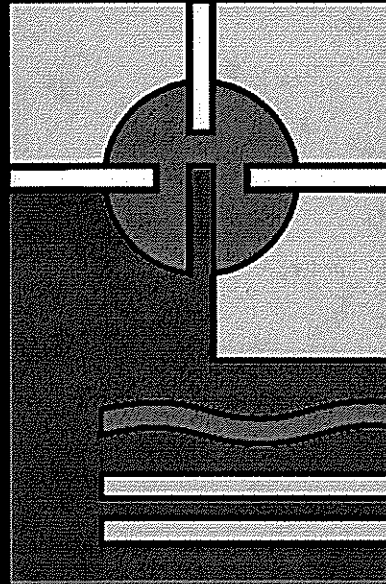


*Riverworks Business Improvement
District #25
Year 2008 Operating Plan*



RIVERWORKS
CENTER

TECHNOLOGY • INDUSTRY • RETAIL

Riverworks Business Improvement District #25
Proposed Annual Operating Plan Year Nine (2008)

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 and commercial property owners within those districts to develop, manage and promote the districts and to establish an assessment method to fund these activities.”

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.”

This plan details the elements that are required by Sec. 6.608 Wis. Stats. for operation of the Riverworks Business Improvement District #25 in Year Seven. It re-emphasizes the primary mission of the Riverworks Business Improvement District to facilitate commercial and industrial development within the district.

Relationship To Milwaukee’s Comprehensive Plan & Orderly Development Of The Cit.

This Annual Operating Plan is consistent with the City of Milwaukee’s planning efforts. Specifically, the City of Milwaukee has adopted and instituted a Renewal Plan for the Riverworks area and a tax incremental financing district. Further, the City has played a significant role in the planning and development of the reuse of the former AMC/Chrysler factory located off of Capitol Drive. It is also involved in plans to improve the appearance of East Capitol Drive, including the streetscape completed in the summer of 2003.

The business improvement district is a means for further formalizing the efforts of the Renewal Plan, the tax incremental financing district and the City of Milwaukee’s efforts to find adaptive reuses for the former AMC/Chrysler factory site and attract more commerce to East Capitol Drive and the surrounding area.

District Boundaries

The boundaries of the Riverworks BID are the same as originally proposed. The Riverworks BID is generally bounded by Hope Street to the north, Keefe Avenue to the south, Humboldt Boulevard to the east and Port Washington Road to the west.

Proposed Operating Plan

The objective of the Riverworks BID is to maintain and promote the Riverworks Industrial and Commercial District for the benefit of the BID members. The BID plans to again contract with the Northeast Milwaukee Industrial Development Corporation to promote to carry out the administrative functions of the BID.

The BID will undertake the following activities:

- ◆ *Pay the debt associated with the BID’s contribution to the significant streetscape completed on East Capital Drive in 2003.*

- ◆ *Maintain the landscaping and other amenities owned by the BID on East Capital Drive, East Keefe Avenue and area side streets.*
- ◆ *Coordinate a district-wide litter and graffiti removal program.*
- ◆ *Safety program: Exterior Lighting, Exterior Cameras, Security Patrols*
- ◆ *Promote the area as a place for Technology, Industry and Retail*
- ◆ *Assist area business and property owners with improvements to their property facades through direct matching grants of funds up to \$5,000 or 40% of the project cost.*
- ◆ *Act as an ombudsman for BID members in seeking assistance, change, or services from the City, County, State, and Federal government.*
- ◆ *Coordinate business recruitment and development.*
- ◆ *Initiate positive media coverage regarding District development activities.*
- ◆ *Maintain the fiscal integrity of the BID.*

Budget

The proposed expenditures will be financed from funds collected through the BID assessment process, voluntary private contributions and public grants. The estimated assessed value of BID properties is **\$87,474,200**. This represents a **\$3,529,000** increase from the previous year's value of **\$83,945,200** indicative of the difference the BID is making to improve the area. The estimated assessment generated for the Year 2007 is \$185,244.

The budget for the Riverworks BID is detailed below.

	<u>REVENUE</u>		
BID ASSESSMENT		\$185,244	
Program Funding Carried Forward		\$62,000	
Interest Income		\$1,000	
Misc.		<u>\$100</u>	
TOTAL REVENUE			\$248,344

	<u>EXPENSES</u>		
ADMINISTRATIVE SUPPORT			
RDC Management		\$40,000	
Insurance Expense		\$1,000	
Auditing Services		\$2,300	
Office Supplies		\$800	
Misc.		<u>\$200</u>	
Subtotal			\$44,300

PUBLIC SAFETY & APPEARANCE PROGRAM			
Street Sweeper		\$22,000	
Landscaping		\$12,000	
RBID Safety Program		\$15,044	
Maintenance/Replacement of Streetscape		\$50,000	
Maintenance Reserve		\$20,000	
Graffiti Removal		<u>\$2,000</u>	
Subtotal			\$121,044

DEBT SERVICE

Capitol Drive Streetscape Project	<u>\$45,000</u>	
Subtotal		\$45,000

MARKETING & PROMOTIONS PROGRAM

Advertising/Newsletters/Report/Brochures	<u>\$5,000</u>	
Subtotal		\$5,000

BUSINESS & PROPERTY OWNER ASSISTANCE PROGRAM

Special Improvement Project	\$10,000	
Property Improvement Grants	<u>\$18,000</u>	
Subtotal		\$8,000

Budget Contingency	<u>\$5,000</u>	
		\$5,000

TOTAL EXPENSES **\$248,344**

Method Of Assessment

The method of assessment for the Year 2007 will remain the same as previous years. 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 for industrial properties and \$3,500 for commercial properties 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 the 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 system is proposed since no one large property stands to gain significantly more benefits than other properties.

The Riverworks BID assessment method also addresses the differences between industrial and commercial properties. Although each type of property benefits from the formation of a BID and BID activities, commercial properties tend to see a more direct benefit. Therefore, the assessment method proposes two different cap levels, \$1,500 for industrial properties and \$3,500 for commercial properties.

BID-eligible properties are assessed in the following manner:

- ◆ For industrial and warehouse properties, the assessment is \$125 plus \$5/1,000 assessed value up to a maximum of \$1,500.

- ◆ For commercial properties, the assessment is \$125 plus \$5/1,000 assessed value up to a maximum of \$3,500.

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

- ◆ Section 66.608 (5) (a): “*Property known to be used exclusively for residential purposes will not be assessed.*”
- ◆ Section 66.608(1)(f): As mentioned before, the district will contain property used exclusively for manufacturing purposes, as well as properties used in part of 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.
- ◆ 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 from the district.

City Role In District Operations

The City of Milwaukee has committed assistance to private property owners within 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 when appropriate apply for outside funds, which could be used in support of the district.
- ◆ Collect BID assessments and maintain them in a segregated account.
- ◆ Disburse all District funds, no earlier than January 31st and no later than March 31st. 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) © of the BID law prior to September 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.
- ◆ Encourage the State of Wisconsin, County of Milwaukee and other units of government to support the activities of the BID.

The presentation of this plan to the City of Milwaukee shall be deemed a standing order of the Board of Directors under Sec. 66.608 (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.

Business Improvement District Board of Director

The Board will consist of eleven members, all of which will either own commercial or industrial property or operate a business within the BID. The Riverworks BID’s residential outreach will be

achieved through its partnership with Riverworks Development Corporation, a community based development corporation with residential and business Board representation. Board terms are three years. Officers are appointed by the board to one calendar year term.

Riverworks Development Corporation

The BID shall be a separate entity from the Riverworks Development Corporation. Riverworks Development Corporation 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 its contract with the BID Board of Directors. Riverworks Development Corporation shall provide the daily administrative support and program implementation required by the Business Improvement District. This contract shall be reviewed on an annual basis, and will require BID Board approval.

Any contract 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 provision of materials, it shall follow the requirements of such statutes to the extent applicable. Further, the annual accounting required under Sec 66.608 (3) © 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.

Severability And Expansion

The Riverworks BID will be 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 BID, and this plan shall be amended to conform to the law without need for reestablishment. Should the Wisconsin State Legislature amend the statute to narrow or broaden the process of a BID 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).

The Riverworks Business Improvement District Board of Directors will engage in a performance review after its fifth operating year to determine continuation of the business improvement district. This performance review also recognizes that the Statutes of the State allow for a petition of dissolution on an annual basis.

Record #	Taxkey	Assessment	Charge Code
1	2410001000	\$3,500.00	8B
2	2410002100	\$3,500.00	8B
3	2419982000	\$126.00	8B
4	2419990110	\$3,500.00	8B
5	2419992100	\$1,500.00	8B
6	2419994000	\$1,470.00	8B
7	2419998000	\$323.00	8B
8	2420005000	\$802.50	8B
9	2420009000	\$645.00	8B
10	2420012110	\$1,115.00	8B
11	2420017000	\$500.50	8B
12	2420211112	\$187.50	8B
13	2420212314	\$3,500.00	8B
14	2420212315	\$437.00	8B
15	2420216000	\$2,100.00	8B
16	2420401000	\$2,115.50	8B
17	2420411000	\$3,400.00	8B
18	2420412000	\$162.00	8B
19	2420431000	\$1,500.00	8B
20	2420441000	\$2,900.00	8B
21	2420442000	\$3,500.00	8B
22	2730001100	\$1,500.00	8B
23	2730002100	\$860.00	8B
24	2730004000	\$740.00	8B
25	2730005000	\$635.00	8B
26	2730008000	\$1,670.00	8B
27	2730010100	\$2,195.00	8B
28	2730011100	\$840.00	8B
29	2730202000	\$2,470.00	8B
30	2730211000	\$1,500.00	8B
31	2730212000	\$1,500.00	8B
32	2730216000	\$449.00	8B
33	2730218000	\$630.00	8B
34	2730220100	\$361.00	8B
35	2730221000	\$1,050.00	8B
36	2730224000	\$2,510.00	8B
37	2730225000	\$970.00	8B
38	2730802100	\$800.00	8B
39	2730804000	\$825.00	8B
40	2730807100	\$695.00	8B
41	2730808000	\$721.00	8B

42	2730810000	\$690.00	8B
43	2730811000	\$520.50	8B
44	2730813100	\$203.00	8B
45	2730814100	\$200.00	8B
46	2730923100	\$1,500.00	8B
47	2731003100	\$1,500.00	8B
48	2731004000	\$1,500.00	8B
49	2731005000	\$2,670.00	8B
50	2731006000	\$865.00	8B
51	2731007000	\$334.00	8B
52	2731008000	\$1,020.00	8B
53	2731010100	\$1,020.00	8B
54	2731011000	\$1,365.00	8B
55	2731017000	\$1,500.00	8B
56	2731018100	\$198.00	8B
57	2731018200	\$204.00	8B
58	2731019000	\$1,500.00	8B
59	2731020100	\$1,500.00	8B
60	2731022000	\$825.00	8B
61	2731401111	\$1,500.00	8B
62	2731737000	\$134.00	8B
63	2731739000	\$134.00	8B
64	2731740000	\$130.50	8B
65	2731743112	\$562.00	8B
66	2731743113	\$394.50	8B
67	2731751113	\$1,500.00	8B
68	2731754110	\$1,219.50	8B
69	2731754121	\$625.00	8B
70	2731760000	\$274.00	8B
71	2731761000	\$217.00	8B
72	2731763100	\$373.50	8B
73	2731782000	\$266.00	8B
74	2731941000	\$1,850.00	8B
75	2731961000	\$1,919.00	8B
76	2731962000	\$3,500.00	8B
77	2731965000	\$3,107.50	8B
78	2731966000	\$428.50	8B
79	2731972000	\$240.00	8B
80	2739958000	\$545.00	8B
81	2739961100	\$965.00	8B
82	2739962100	\$3,500.00	8B
83	2739966000	\$1,950.00	8B
84	2739984000	\$1,025.00	8B
85	2739989110	\$1,500.00	8B
86	2740001112	\$1,500.00	8B
87	2740006110	\$1,505.00	8B

88	2740013110	\$605.00	8B
89	2740023100	\$909.50	8B
90	2740027110	\$1,500.00	8B
91	2740029000	\$243.50	8B
92	2740034100	\$1,207.00	8B
93	2740035000	\$1,500.00	8B
94	2740036000	\$512.00	8B
95	2740037100	\$1,500.00	8B
96	2740041000	\$166.50	8B
97	2740102100	\$1,500.00	8B
98	2740103000	\$1,500.00	8B
99	2740105000	\$1,455.00	8B
100	2740106000	\$2,035.00	8B
101	2740112000	\$1,500.00	8B
102	2740113100	\$2,605.00	8B
103	2740116110	\$1,500.00	8B
104	2740118000	\$229.00	8B
105	2740119000	\$482.00	8B
106	2740121000	\$1,500.00	8B
107	2740122000	\$1,500.00	8B
108	2740124100	\$1,500.00	8B
109	2740130000	\$1,087.50	8B
110	2740313000	\$2,227.00	8B
111	2740314000	\$900.00	8B
112	2740331000	\$1,500.00	8B
113	2740332000	\$1,285.00	8B
114	2740341000	\$3,500.00	8B
115	2740342000	\$2,790.00	8B
116	2740344000	\$1,500.00	8B
117	2740361100	\$1,500.00	8B
118	2740392000	\$602.00	8B
119	2740402000	\$1,500.00	8B
120	2740411000	\$933.50	8B
121	2740412000	\$3,500.00	8B
122	2740413000	\$1,500.00	8B
123	2749969113	\$3,500.00	8B
124	2749970100	\$3,500.00	8B
125	2749972110	\$1,500.00	8B
126	2749974000	\$2,050.00	8B
127	2749975111	\$3,500.00	8B
128	2749978100	\$2,275.00	8B
129	2749980110	\$3,500.00	8B
130	2749981111	\$960.50	8B
131	2749984110	\$1,500.00	8B
132	2749996000	\$3,500.00	8B

TOTAL

\$185,244.50