

*Atkinson Capitol Teutonia
ACT*

*BUSINESS IMPROVEMENT DISTRICT NO.29
PROPOSED OPERATING PLAN (YEAR SEVEN)*

2009

Draft: August 20th, 2008

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I. INTRODUCTION

A. Background

In 1984, the Wisconsin legislature created s. 66.1109 of the Statutes (see Appendix A) 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, to manage and promote the districts and to establish an assessment method to fund these activities." (1983 Wis. 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 purpose of revitalizing and improving the Atkinson Avenue, Capitol Drive and Teutonia Avenue business area on Milwaukee's north side (see Appendix B). Pursuant to the BID law, an initial Operating Plan for the proposed district has been prepared. The BID proponents have developed this Plan with technical assistance from the City of Milwaukee Department of City Development.

Section 66.1109(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.

B. Physical Setting

The vast majority of the ACT Triangle is made up of residential properties. Of the nearly 8,000 total number of parcels in and immediately surrounding the ACT Triangle, approximately 200 are commercial or industrial in nature. Thirty parcels are institutional in use (schools, churches, municipal and government facilities). Eighty-four parcels are vacant lots, boarded up properties, or residential units owned by the City of Milwaukee, some other governmental unit, or a lending institution as a result of foreclosure, tax delinquency or public nuisance.

The overwhelming majority of the housing is single-family detached homes. The second most prevalent type of land use is duplex housing. There are a few three and four flat units. The area surrounding the intersection of West Capitol Drive, Atkinson Avenue and Teutonia Avenue supports a number of apartment buildings. The apparent largest of these, a 55 unit complex located at the intersection of Roosevelt Drive and Teutonia is a boarded up property.

An estimated 70% of the housing in the ACT area was built prior to World War II. Much of this housing stock was built in the 1920's and 1930's. While the housing stock is not in danger of falling down, it has become expensive to maintain. This has caused much maintenance to be deferred, and has led to blight conditions.

There is a significant portion of newer housing at the northeast corner of the ACT Triangle. This housing stock differs greatly from the majority of the community's housing. It is brick or faced, and is evident of styles popular after World War II. Furthermore, lot and parcel sizes are larger in this section of the neighborhood.

The median value of a house in the ACT area in 1990 was estimated at \$36,718.00. Current estimates place the median value of a house in this neighborhood at \$46,110.00. This represents an increase of just over 25.5% in the eight years since the 1990 Census was conducted. Recent housing sales do not exactly support the estimated current housing value. Single-family residential sales in 1997 and 1998 averaged \$37,100.00. Duplex sales averaged just over \$42,550.00.

II. DISTRICT BOUNDARIES

The potential boundaries for the ACT Business Improvement District extend from the 800 to 2600 block of Atkinson Avenue, the 2000 to 2700 Block of Capitol Drive and the 3700 to 4300 block of Teutonia Avenue.

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.

III. PROPOSED OPERATING PLAN

A. Plan Objectives and Outcomes

In recognition of issues and concerns from business and property owners, the ACT BID along with the ACT business association have set the following 2009 plan objectives and outcomes:

Encourage new business development, and expand current business activity

- A. Implementation of a marketing strategy
- B. Partnerships with public and private sector to spur development and reinvestment
- C. Collaborations with ACT Business Association and other Community Based Organizations

Assist in development, redevelopment, promotion and maintenance of the ACT commercial district.

- D. Reduction of vacant commercial space
- E. Reduction and improvement of vacant lots
- F. Reduction of blighted conditions
- G. Reduction of Crime

B. Proposed Activities - Year SEVEN

For Operating Year 2009 The ACT BID will carry out three main functions to meet its objectives and outcomes:

1. Real Estate Development-

- The ACT BID will maintain an inventory of vacated buildings and lots for potential business development. The inventory will contain information on conditions of buildings and lots. The inventory will be maintained in a database and made available for review via Internet or a property "hot sheet." The ACT BID and Business Association will also work with the Department of Neighborhood Services to ensure that properties are maintained in accordance with city codes. This is essential to maintaining a stronghold against blight and decay of the street
- The ACT BID will also assist with facilitating transactions between a private buyer and the city. BID representatives continue training and information in commercial development and revitalization through the National Council of Community Economic Development, Local Initiatives Support Corporation (LISC) and the Department of City Development. 2. District Promotion and Marketing- Developing effective promotional material and marketing the districts are two vital functions of the ACT BID.
- The ACT BID will host an annual meeting that will give special recognition for businesses, developers and organizations that positively affect the economic environment and aesthetics of the BID. The special recognition event will aid in public information about the BID and further strengthen relationships between business owners and the community.
- Memberships in professional organizations (e.g. Wisconsin BID Council) to raise the profile of the ACT BID and promote potential business development

3. Business Assistance/Economic Development- The ACT BID will assist district businesses with business planning, cash flow analysis, preparing business loan applications, and accessing public business development programs thorough its relationship with economic development organizations within the area. The ACT BID will assist with matching public funds to private development opportunities.

Proposed Budget

Business Improvement District No. 29 Operating expenses

Assessed Budget Total \$100,301

BID Activities	\$70,000
Newsletter/Website	
Annual Meeting	
Commercial Development	
Loan program	
Vacant Lot Maintenance	
North Side Plan	
BID Board Training/Memberships	1,715
General Services	
Telephone	800
Internet access	2,000
Utilities (Gas/Electric, etc)	5,000
Rent	10,500
Office Supplies	1,112
Advertisement	2,000
Printing/Photocopying	2,000
Postage	1,674
Contractual Services	
Audit	2,500
Insurance	1,000
<hr/>	
TOTAL	100,301

III. Financing Method

Allocation of the district's annual expenses will be based on each individual property's assessed valuation as a percentage of the district's total assessed valuation. It is proposed to raise \$100,301 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.

IV. Organization of BID Board

Upon creation of the ACT BID #29, the Mayor appointed; Wanda Scruggs, Rosetta Carr, Julius Morgan, Willie Cunningham and Cornelius Cobbin 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.

The BID board be structured and operates as follows:

1. Board size -Five.
2. 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.

3. Term -Appointments to the board shall be for a period of two 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.

4. Compensation -None.

5. Meetings -All meetings of the board shall be governed by the Wisconsin Open Meetings Law.

6. Record Keeping -Files and records of the board's affairs shall be kept pursuant to public records requirements.

7. Staffing- The board may employ staff and/or contract for staffing services pursuant to this Plan and subsequent modifications thereof.

8. 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.

A. Relationship to the ACT Business Association, Inc.

The BID is a separate entity from the ACT 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 records law except for its records generated in connection with the BID board. The Association may, and it is intended, shall, contract with the BID to provide services to the BID, in accordance with this Plan. Any contracting with the Association for services to the BID, will be in accordance with this Plan.

V. METHOD OF ASSESSMENT

A. 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.

BID-eligible properties are assessed in the following manner:

1. 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.
2. There is a \$125 minimum assessment on all BID- eligible improved tax parcels valued at \$10,000 or less.
 2. For improved tax parcels valued over \$10,000, the assessment is \$125 plus \$4/1,000 of assessed value for the amount over \$10,000, up to a maximum of \$1,500.

As of January 1, 1993, the property in the proposed district had a total assessed value of over \$13 million. This plan proposed to assess the property in the district at a rate of \$4.00 per \$1,000.00 of assessed value, subject to the maximum assessment, for the purposes of the BID. Appendix D shows the projected BID assessment for each property included in the district.

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. State Statute 66.1109(1) (f) Im: 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.
2. 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.

3. 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.

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

A. 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 as 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, 1989. The Preservation Policy emphasizes maintaining Milwaukee's present housing, jobs, neighborhoods, services, and tax base rather than passively accepting loss of jobs and population, or emphasizing massive new development. In its January 1989 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 Atkinson, Capitol, Teutonia business 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.

B. 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:

1. Provide technical assistance to the proponents of the district through adoption of the Plan, and provide assistance as appropriate thereafter.
2. Monitor and, when appropriate, apply for outside funds that could be used in support of the district.
3. Collect assessments, maintain in a segregated account, and disburse the monies of the district.
4. Receive annual audits as required per sec. 66.1109(3)(c) of the BID law.
5. Provide the board, through the Tax Commissioner's Office on or before June 1st of each Plan year, with the official City records on the assessed value of each tax key number with the district, as of January 1st each Plan year, for 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. PLAN APPROVAL PROCESS

A. 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:

1. 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.
2. 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.
3. The City Plan Commission will hold a public hearing, will approve or disapprove the Plan, and will report its action to the Common Council.
4. The Zoning, Neighborhoods and 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.
5. The Common Council will act on the proposed BID Plan.
6. If adopted by the Common Council, the proposed BID Plan is sent to the Mayor for his approval.
7. If approved by the Mayor, the BID is created and the Mayor will appoint members to the district board established to implement the Plan.

B. 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 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.

VIII. FUTURE YEAR OPERATING PLANS A. 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 66.1109(3) (a) of the BID law requires the 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 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

1	29	2310098000	801	8H
2	29	2440491000	613	8H
3	29	2450015000	497	8H
4	29	2450211000	1500	8H
5	29	2450216110	1500	8H
6	29	2450217100	1500	8H
7	29	2450218000	1045	8H
8	29	2450219110	1500	8H
9	29	2450528000	1393	8H
10	29	2450529000	1017	8H
11	29	2450530100	125	8H
12	29	2450530200	1445	8H
13	29	2450559000	709	8H
14	29	2450560000	1500	8H
15	29	2450561100	1189	8H
16	29	2450564000	765	8H
17	29	2450580100	1500	8H
18	29	2450598110	981	8H
19	29	2450598120	1500	8H
20	29	2450707100	502	8H
21	29	2450708000	307	8H
22	29	2450817000	125	8H
23	29	2451203000	322	8H
24	29	2451426000	199	8H
25	29	2451536000	255	8H
26	29	2451541000	367	8H
27	29	2451905000	1500	8H
28	29	2451906100	1063	8H
29	29	2451908000	654	8H
30	29	2451909000	300	8H
31	29	2451910000	682	8H
32	29	2451911000	635	8H
33	29	2451912000	125	8H
34	29	2451913000	125	8H
35	29	2452125100	859	8H
36	29	2452151100	391	8H
37	29	2452155111	320	8H
38	29	2452155112	645	8H
39	29	2452156100	438	8H
40	29	2452157000	484	8H
41	29	2452158000	271	8H
42	29	2452159000	1500	8H
43	29	2452161000	1376	8H
44	29	2452163000	207	8H
45	29	2452164000	367	8H
46	29	2452309000	197	8H
47	29	2452310000	525	8H
48	29	2452311000	1500	8H
49	29	2452322000	1325	8H
50	29	2452361000	861	8H
51	29	2452362000	4637	8H
52	29	2700301000	356	8H
53	29	2700303000	223	8H
54	29	2700307000	125	8H
55	29	2700308000	1500	8H

56	29	2700310000	619	8H
57	29	2700311000	333	8H
58	29	2700312000	267	8H
59	29	2700314000	905	8H
60	29	2700315000	4633	8H
61	29	2700316000	1190	8H
62	29	2700317000	873	8H
63	29	2700318000	765	8H
64	29	2701203100	655	8H
65	29	2701205000	517	8H
66	29	2701210100	1500	8H
67	29	2701713000	489	8H
68	29	2701715000	327	8H
69	29	2701716000	725	8H
70	29	2701717000	331	8H
71	29	2701718000	578	8H
72	29	2701719000	125	8H
73	29	2701720000	310	8H
74	29	2701722000	260	8H
75	29	2701723000	309	8H
76	29	2701742000	409	8H
77	29	2701743100	346	8H
78	29	2701746000	243	8H
79	29	2701747000	265	8H
80	29	2701761000	125	8H
81	29	2701762000	452	8H
82	29	2701763100	393	8H
83	29	2701765000	395	8H
84	29	2710406000	723	8H
85	29	2710408100	561	8H
86	29	2710427100	553	8H
87	29	2710431100	962	8H
88	29	2710469000	517	8H
89	29	2710483000	217	8H
90	29	2710531000	125	8H
91	29	2710646000	1145	8H
92	29	2710701100	397	8H
93	29	2711001000	468	8H
94	29	2711003100	1060	8H
95	29	2711005000	497	8H
96	29	2711027100	426	8H
97	29	2711028000	210	8H
98	29	2711029000	517	8H
99	29	2711030000	865	8H
100	29	2711031000	125	8H
101	29	2711035000	0	8H
102	29	2711038100	0	8H
103	29	2711048000	765	8H
104	29	2711049000	479	8H
105	29	2711102100	125	8H
106	29	2711205000	989	8H
107	29	2711206111	1500	8H
108	29	2711326000	125	8H
109	29	2711327000	472	8H
110	29	2711417000	241	8H

111	29	2711524100	401	8H
112	29	2711527000	205	8H
113	29	2711617000	0	8H
114	29	2711618000	294	8H
115	29	2711619000	323	8H
116	29	2712002000	469	8H
117	29	2712004000	634	8H
118	29	2712005100	845	8H
119	29	2712209000	585	8H
120	29	2712213100	125	8H
121	29	2712214000	454	8H
122	29	2712301000	237	8H
123	29	2712441000	367	8H
124	29	2712444000	302	8H
125	29	2712502000	521	8H
126	29	2712503000	1025	8H
127	29	2712504000	125	8H
128	29	2712553000	517	8H
129	29	2712570000	374	8H
130	29	2712571000	286	8H
131	29	2712573000	1129	8H
132	29	2712701110	1500	8H
133	29	2712716100	0	8H
134	29	2712721000	1500	8H
135	29	2719997000	364	8H
136	29	2719998000	125	8H
137	29	2719999000	601	8H
138	29	2720501000	295	8H
139	29	2720518000	497	8H
140	29	2721702100	1500	8H
141	29	2721710000	0	8H
142	29	2721711000	349	8H
143	29	2722207100	1500	8H
144	29	2722210000	315	8H
145	29	2722212000	279	8H
146	29	2722417000	0	8H
147	29	2722419000	509	8H
148	29	2722421000	233	8H
149	29	2722709000	125	8H
150	29	2722711000	829	8H
151	29	2722731000	957	8H
152	29	2841501000	375	8H
153	29	2841502000	479	8H

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approval by the Common Council of such Plan updates shall be conclusive evidence 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.

B. Amendment, Severability and Expansion

This BID has been created under authority of Section 66.1109 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 reestablishment.

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 66.1109(3) (b)

DEPARTMENT OF CITY DEVELOPMENT

TO: BID EXECUTIVE DIRECTOR/BID BOARD CHAIR
FROM: RHONDA MANUEL, NEIGHBORHOOD AND BUSINESS DEVELOPMENT
RE 2009 BID OPERATING PLANS
DATE: 10/4/2008
CC: R. MARCOUX, J. PEREZ, S. ROTAR, J HOOPER, R. WRUCK

It is time again to prepare your 2009 BID Operating Plans. The Assessor's Office provided this department with an updated e-version of properties and current 2008 assessed values for each BID.

The BID Detail Assessment Report has several columns of data; it is important to compare the following data to last year's data:

Record Status Property Class Total Improvements Lot Sq ft Bldg Sq ft. 2008 Objection

Please compare the 2007 BID Detail report data with the 2008 BID Detail report; this report lists all the tax keys in our records which are located in a BID.

1. Review the tax keys; if there are missing tax keys or there are tax keys improperly assigned to the district, make the corrections and highlight on report.
2. Review the status column; this will inform you on whether the tax key is in the process of being combined or divided. If there is activity occurring then the tax key number will change when you get the final report in October.
3. Review the property class code; there are certain properties such as tax-exempt, residential, etc that are not subject to special charges. (see attached class code listing)
4. Review the objection columns; if there is an objection, the value may change by the final October report.

The BID special assessments must be coordinated with the 2009 City of Milwaukee Budget. To ensure that coordination occurs, please submit your 2009 BID Operating Plan to this department no later than 4:45 p.m. on August 13, 2008. If you cannot meet the deadline, please let me know as soon as possible. Failure to do so may result in the omission of your BID assessment in the 2009 Executive Budget

The 2009 BID Operating plan should be submitted in the attached format (see attached 2009 BID template), the **2007 certified audit** and the **2008-2009 Annual report**.

If I can provide you with additional assistance, please feel free to contact me at 286-2037 or Rhonda.Manuel@milwaukee.gov.

ASSESSMENT CLASS CODES

(C-A-CLASS)
(P-A-CLASS)

MPROP Class	Description	Common Abbreviation Code
1	Residential	RES
2	Mercantile	MER
3	Manufacturing	MFG
4	Special Mercantile	SME
5	Condominiums	CDM
7	Mercantile Apartments (4 or more units)	MAP
9	Exempt	EXM

NOTES:

Mercantile apartments (MAP) are apartment properties. . .
With four or more dwelling units.