

BUSINESS IMPROVEMENT DISTRICT NO. 35
Kinnickinnic River Business Improvement District

OPERATING PLAN
2013

Approved by BID Board:
October 3,2012

TABLE OF CONTENTS

- I. INTRODUCTION PAGE 3
- II. DISTRICT BOUNDARIES PAGE 3
- III. PROPOSED OPERATING PLAN PAGE 4 - 6
- IV. METHOD OF ASSESSMENT PAGE 6
- V. RELATIONSHIP TO MILWAUKEE COMPREHENSIVE PLAN AND ORDERLY DEVELOPMENT OF THE CITY PAGE 7
- VI. PLAN APPROVAL PROCESS PAGE 8
- VII. FUTURE YEAR OPERATING PLANS PAGE 8 - 9

APPENDICES

- A STATUTE
- B PETITION
- C DISTRICT BOUNDARIES
- D YEAR 8 ASSESSMENTS - GENERAL OPERATIONS
- E YEAR 8 ASSESSMENTS - LOAN REPAYMENT

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). 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 Wisconsin Act 184, Section 1, legislative declaration.)

The City of Milwaukee received a petition from property owners which requested creation of a Business Improvement District for the purpose of revitalizing and improving the business area on the Kinnickinnic River bordering the 12th and the 14th Aldermanic District’s on Milwaukee’s Southside. (See Appendix B.) The BID law requires that every district have an annual Operating Plan. This document is the eighth year Operating Plan for the Kinnickinnic River Business Improvement District. The BID Board prepared this Plan with technical assistance from the City of Milwaukee Department of City Development.

B. Physical Setting

The BID includes nine (9) properties which have river frontage along the Kinnickinnic River, many of which are home to marine related businesses. Boat storage, marine repair, an antique boat restorer, and a marine construction business share the three-block area with a thriving fire restoration business, and other small commercial firms.

II. DISTRICT BOUNDARIES

The BID District is made up of properties that stretch along the Kinnickinnic River banks, bounded by the Becher Street Bridge on the south and the Kinnickinnic Avenue Bridge on the East. (See Appendix C.)

III. PROPOSED OPERATING PLAN

A. Plan Objectives

The Objective of the Kinnickinnic River BID is to maintain and promote the KK-Becher commercial district for the benefit of the members.

B. Planned Activities – Year 9.

Principle activities to be engaged in by the district during its ninth year of operation will include:

- a. Assist businesses and property owners with improvements to their riverfronts.
- b. Provide oversight and technical assistance on the KK River Environmental Restoration Project.
- c. Promote and market the Business Improvement District and the City of Milwaukee.
- d. Maintain the fiscal integrity of the BID.
- e. Act as an ombudsman for the BID members seeking assistance, change of service from the City, County, State, and Federal agencies.
- f. Initiate positive media coverage regarding the BID district’s activities.

- g. Assist the Department of City Development in connection with the Southeast Side Area Comprehensive Plan.
- h. Assist BID members with issues regarding public safety and security. Develop plans for a "Business Block Watch" for the BID neighborhood.
- i. Develop a Streetscape Plan for maintaining the public landscape along Becher Street, S. 4th Street and S. 1st Street. (First impressions set the tone for visitors.)
- j. Participate with the City and State to support activities relating to the redesign of the intersection of W. Becher Street and Interstate 94.

C. Planned Expenditures – Year 9

Budget:

The 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 \$9,819,000.00.

The budget for the BID is as follows:

Revenue	
1, BID annual assessment	\$5,769.36
2. Interest income	-0-
3. Miscellaneous (contributions, grants, gifts)	<u>-0-</u>
Total Revenue:	\$5,769.36
Expenses	
1. Administration	
Payroll	\$ - 0 -
Taxes	- 0 -
2. Office materials	100.00
3. Postage	100.00
4. Professional Fees	
Consulting	-0-
Legal	- 0 -
Accounting	- 0 -
Auditing	2,500.00
5. Insurance	1,300.00
6. Promotion/Public Relations	150.00
7. River and neighborhood maintenance	1,500.00
8. Miscellaneous	<u>119.36</u>
Total Expenses:	\$5,769.36

Financing Method

It is proposed to raise **\$5,769.36** through BID assessments (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.

C. Organization of BID Board

Upon creation of the BID, the Mayor will appoint members 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 operate as follows:

1. Board Size – Seven (7)
2. Composition - A majority of Board members shall be owners or occupants of property within the district. Any non-owner or non-occupant of a property within the district 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 three years.
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 record requirements.
7. Staffing - The BID shall have no employees in the Plan year. To carry out the activities described in the Plan of Operation, the Board will contract for services as needed.
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.

D. Relationship to the KK River Revitalization Association, Inc.

The BID shall be a separate entity from the KK River Revitalization Association, Inc., 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 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.

IV. METHOD OF ASSESSMENT

A. Assessment Rate and Method - General Operations

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 lineal foot of riverfront of each property was the characteristic most directly related to the potential benefit provided by the BID. Therefore, a fixed assessment per lineal foot of river frontage of the property was selected as the basic assessment methodology for this BID.

The total KK River frontage of properties in the BID is 3,722.17 feet. This plan proposes to assess the property in the district at a rate of **\$1.55** per lineal foot of riverfront of each property for general BID operations. Appendix D shows the projected BID assessment for each property included in the district for this purpose.

B. Assessment Rate and Method - Loan Repayment

In addition to the funds required for General Operations, it is proposed to raise an additional **\$26,412.50** to be applied to payments of principal and interest in the Plan year as required under the terms of the BID's Promissory Note to the City of Milwaukee dated December 1, 2008. This plan proposes to assess the parcels in the district for this purpose in direct proportion to the percentage of the loan funds that were applied for the benefit of the parcel. Appendix E shows the projected BID assessment for each such parcel for this purpose.

C. 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 and property exempted from the general property taxes under the State Statute 70.11 will not be assessed; such properties will be identified as BID Exempt Properties in Appendix D, as revised each year.

V. 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 Kinnickinnic River-Becher 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 30th of each Plan year, with the official City records and the assessed value of each tax key number with the district, as of January 1st of 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.

VI. PLAN APPROVAL PROCESS

A. Public Review Process

The BID statute establishes a specific process for reviewing and approving operating plans. Pursuant to the statutory requirements, the following process will be followed:

1. The BID shall submit its proposed Operating Plan to the Department of City Development.
2. The Zoning, Neighborhoods and Development Committee of the Common Council will review the proposed Operating Plan at a public meeting and will make a recommendation to the full Common Council.
3. The Common Council will act on the proposed Operating Plan.
4. If adopted by the Common Council, the proposed Operating Plan is sent to the Mayor for his approval.
5. If approved by the Mayor, this Operating Plan for the BID is approved and the Mayor will appoint new members to the Board to replace Board members approved whose terms have expired or who have resigned.

VII. 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.

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).

EXHIBIT D

BID NO. 35 (KK River) - 2013 ASSESSMENTS - General Operations

TAX KEY	PROPERTY	Frontage LF	Rate per LF \$	1.55
466-1155-000	2005 S KK	162.85	\$	252.42
467-1561-000	2011 S 1ST	385.59	\$	597.66
467-1572-000	218 W BECHER	656.69	\$	1,017.87
467-1571-000	222 W BECHER	0	\$	-
467-0103-100	138 E BECHER	173	\$	268.15
467-0104-111	2018R S 1ST	386.52	\$	599.11
467-9982-100	2078 S 4TH	377.71	\$	585.45
467-1583-000	2000 S 4TH	337.92	\$	523.78
467-9990-110	1958 S 1ST	565	\$	875.75
467-9992-220	1933 S 1ST	676.89	\$	1,049.18
467-9992-230	1933 S 1ST	0		0
		3722.17	\$	5,769.36

EXHIBIT E

BID NO. 35 (KK River) - 2013 ASSESSMENTS - Loan Repayment

TAX KEY	PROPERTY	LOAN FUNDS RECEIVED	LOAN FUNDS AS % OF \$250,000	% x 26412.00 2012 PMT DUE
466-1155-000	2005 S. KK AVE	0.00	0.0000000	\$0.00
467-1561-000	2011 S 1ST	\$37,439.57	0.1497583	\$3,955.42
467-1572-000	218 W BECHER	0.00	0.0000000	\$0.00
467-1571-000	222 W BECHER	0.00	0.0000000	\$0.00
467-0103-100	138 E BECHER	\$17,246.75	0.0689870	\$1,822.08
467-0104-110	2018R S 1ST	\$37,331.31	0.1493252	\$3,943.98
467-9982-100	2078 S 4TH	0.00	0.0000000	\$0.00
467-1583-000	2000 S 4TH	\$34,328.93	0.1373157	\$3,626.78
467-9990-110	1958 S 1ST	\$56,007.50	0.2240300	\$5,917.08
467-9992-220	1933 S 1ST	\$67,645.94	0.2705838	\$7,146.66
467-9992-230	1933 S 1ST	0.00	0.0000000	\$0.00
		\$250,000.00	1.0000000	\$26,412.00