

Business Improvement District No. 36
Riverworks II Business Improvement District

Year 2005 Proposed Operating Plan

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Riverworks Business Improvement District II Proposed Annual Operating Plan Year One (2005)

Introduction

In 1984, the Wisconsin Legislature created Sec. 66.1109 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 66.1109 (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.”

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

Relationship To Milwaukee's Comprehensive Plan & Orderly Development Of The City

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 and the City recently purchased the CMC old railway corridor between Keefe Avenue and Chambers Street for redevelopment into a bike and walk path.

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 II are generally bounded by 1st Street to the west, Pierce Street to the east Concordia Avenue to the south and Keefe Avenue to the north.

Proposed Operating Plan

The objective of the Riverworks BID II 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 Riverworks Development Corporation ~~to promote to carry out~~ the administrative functions of the BID.

The BID will undertake the following activities:

- ◆ Develop a plan to improve the appearance of Holton Street
- ◆ Maintain the landscaping and other amenities owned by the BID that are installed on Holton Street and area side streets and the old railroad right of way bike trail.
- ◆ Coordinate a district-wide litter and graffiti removal program.
- ◆ Assist area business and property owners with improvements to their property facades through direct matching grants of funds up to \$3,000 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.
- ◆ Coordinate activities and promotional events with the Riverworks Business Improvement District # 25.

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 \$5,493,213. This represents a \$33,316 increase from the previous year's value of \$5,459,900 indicative of the difference the BID is making to improve the area. The estimated assessment generated for the Year 2005 is \$33,316.

The budget for the Riverworks BID is detailed below.

<u>REVENUE</u>		
BID Assessment	\$33,315	
Interest Income	\$0	
Misc.	\$100	
Total Revenue		<u>\$33,415</u>
 <u>EXPENSES</u>		
ADMINISTRATIVE SUPPORT		
RDC Management	\$6,000	
Insurance Expense	\$500	
Accounting Services	\$600	
Auditing Services	\$1000	
Office Supplies	\$100	
Misc.	\$100	
Subtotal		\$8,300
 PS&A PROGRAM		
Street sweeper	\$4,000	
Graffiti Removal	\$500	
Subtotal		\$4,500
 M&P PROGRAM		
Landscaping / Maintenance	\$6,615	
Advertising / Banners	\$3,000	
Subtotal		\$9,615
 B&POA PROGRAM		
Property Improvement Grants	\$11,000	
Subtotal		\$11,000
 Total Expenses		 <u>\$33,415</u>

Method Of Assessment

The method of assessment for the Year 2005 will be as follows. 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 II 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:

- 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.
- ◆ Section 66.1109(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.

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. 66.1109 (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. 66.1109 (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 seven members (2 members from the existing Riverworks BID #25 and 5 members from Riverworks BID II), 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 66.1109 (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 II will be created under authority of Sec. 66.1109 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 66.1109 (3) (b).

The Riverworks Business Improvement District II 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.

"EXHIBIT A"

WEST'S WISCONSIN STATUTES ANNOTATED
MUNICIPALITIES
SUBCHAPTER XI. DEVELOPMENT

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Current through 2003 Act 28, published 6/2/03

66.1109. Business improvement districts

(1) In this section:

(a) "Board" means a business improvement district board appointed under sub. (3)(a).

(b) "Business improvement district" means an area within a municipality consisting of contiguous parcels and may include railroad rights-of-way, rivers, or highways continuously bounded by the parcels on at least one side, and shall include parcels that are contiguous to the district but that were not included in the original or amended boundaries of the district because the parcels were tax-exempt when the boundaries were determined and such parcels became taxable after the original or amended boundaries of the district were determined.

(c) "Chief executive officer" means a mayor, city manager, village president or town chairperson.

(d) "Local legislative body" means a common council, village board of trustees or town board of supervisors.

(e) "Municipality" means a city, village or town.

(f) "Operating plan" means a plan adopted or amended under this section for the development, redevelopment, maintenance, operation and promotion of a business improvement district, including all of the following:

1. The special assessment method applicable to the business improvement district.

1m. Whether real property used exclusively for manufacturing purposes will be specially assessed.

2. The kind, number and location of all proposed expenditures within the business improvement district.

3. A description of the methods of financing all estimated expenditures and the time when related costs will be incurred.

4. A description of how the creation of the business improvement district promotes the orderly development of the municipality, including its relationship to any municipal master plan.

5. A legal opinion that subs. 1 to 4 have been complied with.

(g) "Planning commission" means a plan commission under s. 62.23, or if none a board of public land commissioners, or if none a planning committee of the local legislative body.

(2) A municipality may create a business improvement district and adopt its operating plan if all of the following are met:

(a) An owner of real property used for commercial purposes and located in the proposed business improvement district designated under par. (b) has petitioned the municipality for creation of a business

improvement district.

(b) The planning commission has designated a proposed business improvement district and adopted its proposed initial operating plan.

(c) At least 30 days before creation of the business improvement district and adoption of its initial operating plan by the municipality, the planning commission has held a public hearing on its proposed business improvement district and initial operating plan. Notice of the hearing shall be published as a class 2 notice under ch. 985. Before publication, a copy of the notice together with a copy of the proposed initial operating plan and a copy of a detail map showing the ~~boundaries of the proposed business improvement district~~ shall be sent by certified mail to all owners of real property within the proposed business improvement district. The notice shall state the boundaries of the proposed business improvement district and shall indicate that copies of the proposed initial operating plan are available from the planning commission on request.

(d) Within 30 days after the hearing under par. (c), the 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 the 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 initial operating plan, have not filed a petition with the planning commission protesting the proposed business improvement district or its proposed initial operating plan.

(e) The local legislative body has voted to adopt the proposed initial operating plan for the municipality.

(3)(a) The chief executive officer shall appoint members to a business improvement district board to implement the operating plan. Board members shall be confirmed by the local legislative body and shall serve staggered terms designated by the local legislative body. The board shall have at least 5 members. A majority of board members shall own or occupy real property in the business improvement district.

(b) The board shall annually consider and may make changes to the operating plan, which may include termination of the plan, for its business improvement district. The board shall then submit the operating plan to the local legislative body for its approval. If the local legislative body disapproves the operating plan, the board shall consider and may make changes to the operating plan and may continue to resubmit the operating plan until local legislative body approval is obtained. Any change to the special assessment method applicable to the business improvement district shall be approved by the local legislative body.

(c) The board shall prepare and make available to the public annual reports describing the current status of the business improvement district, including expenditures and revenues. The report shall include an independent certified audit of the implementation of the operating plan obtained by the municipality. The municipality shall obtain an additional independent certified audit upon termination of the business improvement district.

(d) Either the board or the municipality, as specified in the operating plan as adopted, or amended and approved under this section, has all powers necessary or convenient to implement the operating plan, including the power to contract.

(4) All special assessments received from a business improvement district and all other appropriations by the municipality or other moneys received for the benefit of the business improvement district shall be placed in a segregated account in the municipal treasury. No disbursements from the account may be made except to reimburse the municipality for appropriations other than special assessments, to pay the costs of audits required under sub. (3)(c) or on order of the board for the purpose of implementing the operating plan. On termination of the business improvement district by the municipality, all moneys collected by special assessment remaining in the account shall be disbursed to the owners of specially assessed property in the business improvement district, in the same proportion as the last collected special assessment.

(4m) A municipality shall terminate a business improvement district if the owners of property assessed

under the operating plan having a valuation equal to more than 50% of the valuation of all property assessed under the operating plan, using the method of valuation specified in the operating plan, or the owners of property assessed under the operating plan having an assessed valuation equal to more than 50% of the assessed valuation of all property assessed under the operating plan, file a petition with the planning commission requesting termination of the business improvement district, subject to all of the following conditions:

(a) A petition may not be filed under this subsection earlier than one year after the date the municipality first adopts the operating plan for the business improvement district.

(b) On and after the date a petition is filed under this subsection, neither the board nor the municipality may enter into any new obligations by contract or otherwise to implement the operating plan until the expiration of 30 days after the date of hearing under par. (c) and unless the business improvement district is not terminated under par. (e).

(c) Within 30 days after the filing of a petition under this subsection, the planning commission shall hold a public hearing on the proposed termination. Notice of the hearing shall be published as a class 2 notice under ch. 985. Before publication, a copy of the notice together with a copy of the operating plan and a copy of a detail map showing the boundaries of the business improvement district shall be sent by certified mail to all owners of real property within the business improvement district. The notice shall state the boundaries of the business improvement district and shall indicate that copies of the operating plan are available from the planning commission on request.

(d) Within 30 days after the date of hearing under par. (c), every owner of property assessed under the operating plan may send written notice to the planning commission indicating, if the owner signed a petition under this subsection, that the owner retracts the owner's request to terminate the business improvement district, or, if the owner did not sign the petition, that the owner requests termination of the business improvement district.

(e) If after the expiration of 30 days after the date of hearing under par. (c), by petition under this subsection or subsequent notification under par. (d), and after subtracting any retractions under par. (d), the owners of property assessed under the operating plan having a valuation equal to more than 50% of the valuation of all property assessed under the operating plan, using the method of valuation specified in the operating plan, or the owners of property assessed under the operating plan having an assessed valuation equal to more than 50% of the assessed valuation of all property assessed under the operating plan, have requested the termination of the business improvement district, the municipality shall terminate the business improvement district on the date that the obligation with the latest completion date entered into to implement the operating plan expires.

(5)(a) Real property used exclusively for residential purposes and real property that is exempted from general property taxes under s. 70. 11 may not be specially assessed for purposes of this section.

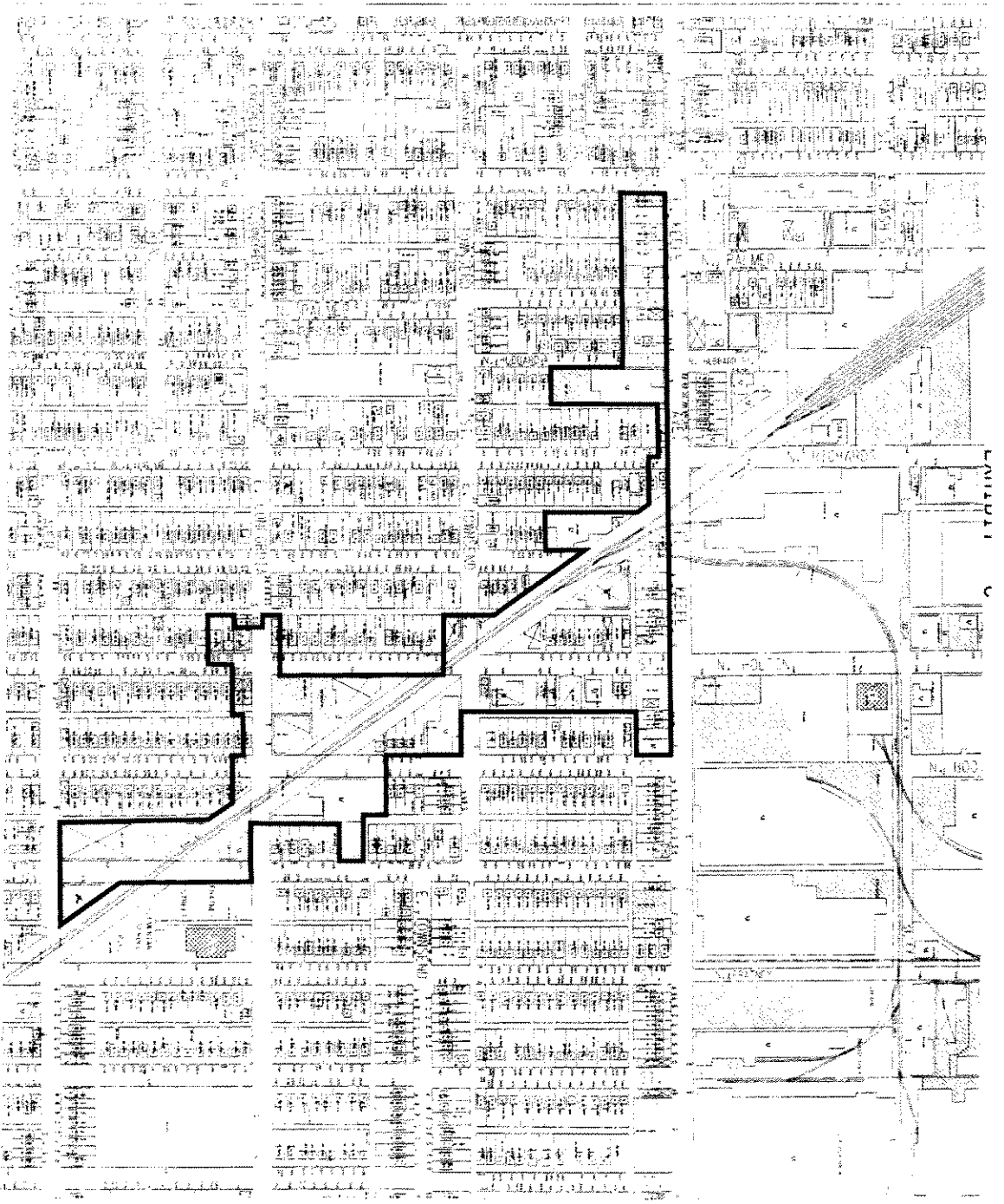
(b) A municipality may terminate a business improvement district at any time.

(c) This section does not limit the power of a municipality under other law to regulate the use of or specially assess real property.

Petition for the Creation of a Business Improvement District

We, the undersigned owners of real property used for industrial and commercial purposes and located in the proposed business improvement district in Appendix A, hereby petition the City of Milwaukee, pursuant to the provisions of Sec. 66.608 (2)(a), Stats. For the creation of a business improvement district for the area described in Appendix A.

<u>Name of Property Owner</u>	<u>Property Address</u>	<u>Signature</u>
1. CLIFF WENNIGER	3435 N. BUFFUM	Cliff Wenniger
2. Anthony Balutieri	3425 N. Hollow	Anthony Balutieri
3. Gregory Martin	526 E. Concordia	Gregory Martin
4. TOM MILLER	3334 N. BOOTH ST	Tom Miller
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15.		
16.		



Proposed Bid 36
Riverworks II



PLANNING AND DESIGN SERVICES, INC.
1000 PINE STREET, SUITE 1000
DENVER, COLORADO 80202
TEL: 303.733.1000
WWW.PDSINC.COM

"EXHIBIT D"

Tax Key Address					Total Assessed Value	
2821901000	245	E	KEEFE	AV	\$120,700	\$729
2822602110	229	E	KEEFE	AV	\$31,400	\$282
2822604000	217	E	KEEFE	AV	\$50,400	\$377
2822625000	109	E	KEEFE	AV	\$3,300	\$142
2822626000	101	E	KEEFE	AV	\$38,000	\$315
2829986000	3473	N	RICHARDS	ST	\$3,200	\$141
2740116200	3510	N	RICHARDS	ST	\$21,800	\$234
2810213000	3361	N	BOOTH	ST	\$9,000	\$170
2810217000	3341	N	BOOTH	ST	\$40,500	\$328
2810401000	3279	N	HOLTON	ST	\$22,500	\$238
2810403000	3271	N	HOLTON	ST	\$61,500	\$433
2810404000	3265	N	HOLTON	ST	\$64,400	\$447
2810517000	3301	N	HOLTON	ST	\$79,300	\$522
2810518000	3305	N	HOLTON	ST	\$7,900	\$165
2810525000	518	E	CONCORDI	AV	\$130,000	\$775
			A			
2810630000	3429	N	BUFFUM	ST	\$200,000	\$1,125
2810642000	419	E	TOWNSEND	ST	\$106,000	\$655
2810659000	418	E	TOWNSEND	ST	\$3,000	\$140
2810701110	701	E	KEEFE	AV	\$64,800	\$449
2811602000	3349	N	HOLTON	ST	\$70,600	\$478
2811603000	3345	N	HOLTON	ST	\$9,000	\$170
2811851000	3272	N	HOLTON	ST	\$103,000	\$640
2811852000	3276	N	HOLTON	ST	\$70,300	\$477
2811901000	3210	N	PIERCE	ST	\$375,000	\$2,000
2812109000	3315	N	PIERCE	ST	\$60,900	\$430
2812113000	3275	N	PIERCE	ST	\$75,000	\$500
2812601000	629	E	KEEFE	AV	\$135,000	\$800
2812638100	531	E	KEEFE	AV	\$116,000	\$705
2812648110	3434	N	HOLTON	ST	\$219,000	\$1,220
2812650000	3430	N	HOLTON	ST	\$20,100	\$226
2812654110	3404	N	HOLTON	ST	\$51,300	\$382
2812655000	3400	N	HOLTON	ST	\$90,200	\$576
2812670000	433	E	KEEFE	AV	\$35,600	\$303
2812678000	3456	N	BUFFUM	ST	\$427,000	\$2,260
2812679000	3411	N	HOLTON	ST	\$85,500	\$553
2812684000	3447	N	HOLTON	ST	\$9,000	\$170
2812686000	3455	N	HOLTON	ST	\$46,100	\$356
2812687000	3457	N	HOLTON	ST	\$9,000	\$170
2812688000	3461	N	HOLTON	ST	\$39,100	\$321
2812689000	3475	N	BUFFUM	ST	\$35,400	\$302
2819976110	3236	N	PIERCE	ST	\$635,000	\$3,300
2819976120	3300	N	BOOTH	ST	<u>\$21,500</u>	<u>\$233</u>
					\$3,796,300	\$24,232

Tax Key Address					Total Assessed Value	
2811748000	3372	N	HOLTON	ST	\$145,600	\$853
2811853000	3225	N	PIERCE	ST	\$290,900	\$1,500
2812106111	3334	N	BOOTH	ST	\$280,800	\$1,500
2812646100	3448	N	HOLTON	ST	<u>\$77,700</u>	<u>\$514</u>
					\$795,000	\$4,366
2810523110	3334	N	HOLTON	ST	\$370,300	\$1,977

2810524100	3304	N	HOLTON	ST	\$48,300	\$367
2812642000	3474	N	HOLTON	ST	<u>\$450,000</u>	<u>\$2,375</u>
					\$868,600	\$4,718

					<u>\$5,459,900</u>	<u>\$33,316</u>
2822622000	129	E	KEEFE	AV	0.00	\$0
2822623000	121	E	KEEFE	AV	0.00	\$0
2822624000	117	E	KEEFE	AV	0.00	\$0
2810604110	3464	N	RICHARDS	ST	0.00	\$0
2810604120	3464	N	RICHARDS	ST	0.00	\$0
2810643000	3369	N	HOLTON	ST	0.00	\$0
2812676100	401	E	KEEFE	AV	0.00	\$0
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TAXKEY	HOUSE	S	STREET	ST	C_A_TOTAL	

SPECIAL REPORT

6/29/2004

"Exhibit"E"
CITY OF MILWAUKEE

Form CA-4

GRANT F. LANGLEY
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MIRIAM R. HORWITZ
MARYNELL REGAN
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KATHRYN M. ZALEWSK

Assistant City Attorneys

August 24, 2004

Ms. Martha L. Brown
Acting Commissioner
Department of City Development
809 Building

Attention: Ms. Rhonda Manuel

Re: Initial Operating Plan for Proposed Business Improvement District
No. 36 (Riverworks II)

Dear Ms. Brown:

Pursuant to your August 23, 2004 request, we have reviewed the Initial Operating Plan for the above-captioned Business Improvement District. Pursuant to the provisions of sec. 66.1109(1)(f)5, Stats., we are of the opinion that the plan complies with the requirements of sec. 66.1109(1)(f)1-4, Stats.

However, we offer the following as a suggested technical change to the initial plan document. With respect to the third to the last bullet point on p. 6 of the document, we suggest that the following be added after the end of the first line of that bullet point: "and real property that is exempted from general property taxes under s. 70.11 may not be specially assessed for purposes of this section." We also suggest that the final bullet point be deleted.