

**BUSINESS IMPROVEMENT DISTRICT NO. 21  
MILWAUKEE DOWNTOWN  
YEAR EIGHTEEN OPERATING PLAN**

**SEPTEMBER 18, 2014**

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## I. INTRODUCTION

Under Wisconsin Statutes section 66.1109, cities are authorized to create Business Improvement Districts ("BIDs") upon the petition of at least one property owner within the proposed district. The purpose of the BID statute 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. See Appendix A.

On or about July 16, 1997, the City of Milwaukee (the "City") received a petition from property owners which requested creation of a BID known as the Milwaukee Downtown Management District (the "District"). On October 14, 1997, the Common Council of the City adopted resolution no. 970900, creating the District and approving the initial operating plan for the District (the "Initial Operating Plan"). On November 4, 1997, the Mayor of the City appointed members to the board of the District (the "Board") in accordance with the requirements set forth in Article III.D. of the Initial Operating Plan.

On or about August 20, 2008, owners of additional properties on the fringes of the District's original boundaries petitioned the City to expand the District to include their properties. On October 29, 2008, the Common Council of the City adopted resolution no. 080617, expanding the District boundaries.

The original purpose of the District was to sustain the competitiveness of Downtown and ensure a safe, clean environment conducive to business activity. In connection with strategic planning conducted in 2011 and updated in 2014, a new mission and vision for the District surfaced. The District adopted as a new mission "to lead and inspire believers in Milwaukee to engage in efforts that build Downtown as the thriving, sustainable, innovative and vibrant heart of the community". The District's vision is "to be an economic catalyst. . ." causing Downtown to emerge as a premier destination of choice and Milwaukee to become a renowned world class region.

Pursuant to the BID statute, this Year Eighteen Operating Plan (the "Operating Plan") for the District has been prepared to establish the services proposed to be offered by the District, proposed expenditures by the District and the special assessment method applicable to properties within the District for its eighteenth year of operation. This Plan has been developed by the District Board with technical assistance from the Department of City Development, the Department of Public Works and the Police Department.

## II. DISTRICT BOUNDARIES

When created in 1997, the District boundaries covered approximately 120 square blocks and encompassed the City's Downtown. The original District boundaries extended to North 4th Street and North 10th Street to the west; West St. Paul Avenue, the Menomonee River, and West Clybourn Street to the south; Lake Michigan to the east and Schlitz Park to the north. As a result of the expansion of the District in 2008, the District's current boundaries include expansion areas adjacent to its original boundaries. The District's current boundaries extend to I-94 on the west; West St. Paul Avenue, the Menomonee River and West Clybourn Street to the south; Lake Michigan and North Van Buren Street to the east; and Schlitz Park and McKinley Street to the north, as shown in Appendix B of this Operating Plan. A narrative listing of the properties now included in the District is set forth in Appendix C.

## III. PROPOSED OPERATING PLAN

### A. Plan Objectives

The historic objectives of the District are to increase pedestrian traffic Downtown and to better enable Downtown to compete for customers with suburban residential and commercial areas. As a result of strategic planning, the District has committed to elevate its role in Downtown economic development.

Since its inception, the District has attempted to achieve its objectives by, among other methods, supplementing the maintenance and security services provided by the City in order to increase the safety and cleanliness (and the perceived safety and cleanliness) of Downtown. The City will continue to provide its current level of maintenance and policing services. The City and the District have entered into the cooperation agreement on file in the District's office (the "Cooperation Agreement"). For several years, the District also has sought to achieve its objectives by marketing Downtown as a great place to live, work and play and by working with like-minded associates to attract and retain businesses.

The District's recent strategic planning update articulates new objectives, including: (1) to reposition the District as a driver of economic prosperity in Downtown; (2) to play a leadership role on catalytic projects, including the Street Car, West Wisconsin initiative, the new arena/convention center, the Park East corridor and technology/innovation incubator; and (3) to harness the energy and vibrancy of diverse Downtown residents, young professionals and other Downtown believers to position them for leadership

roles in the Downtown community. A summary of the District's objectives and priorities arising out of its 2014 strategic planning update are attached hereto as Appendix E.

B. Proposed Activities

The District offers Downtown owners and occupants additional safety personnel, enhanced sidewalk cleaning, supplemental public space maintenance and integrated marketing and promotional services to complement the base level of services currently being provided by the City. As a supplement to City services, the District retains and manages its own safety and maintenance contracts and develops and implements its own marketing initiatives. The District has hired an executive director, who reports to the Board, to implement and manage the day to day activities of the District, to supervise all District staff and independent contractors and to spearhead updated 2014 strategic planning objectives. District staff supervised by the executive director may include an economic development director, a retail recruiter, a marketing and events coordinator, an administrative assistant and/or up to three interns. The following are the activities proposed by the District for calendar year 2015. The District may, from time to time and as it deems necessary, adjust the size and scope of the activities and staffing levels described below, but only so long as such adjustments in activities and staff are part of the activities identified in this Operating Plan. The District may not undertake new activities except as included in duly approved operating plans for future years.

1. Public Service Ambassadors Program. The District will continue to sponsor a Public Service Ambassador Program to provide safety and goodwill services to Downtown, supplemental to existing City police services. The aim of the program is to increase the public's comfort and sense of security through a visible, uniformed presence in addition to law enforcement.

The District may implement this program either by hiring staff directly or by hiring independent contractors to provide staff. In either case, a PSA director, who will report to the executive director, will be hired to manage this program, hire and supervise staff and maintain communications with police. Public Service Ambassadors ("PSAs"), including shift supervisors, will be retained to provide approximately 35,000 on-duty hours subject to dictates from the District. The District, in cooperation with the City Police Department, Visit Milwaukee and other City departments and resources, will develop an intensive initial training program, as well

as on-going in-service and field training, for PSAs. Training will focus on available City services, preventing and reporting crime, dealing with panhandlers and the homeless, applicable sanitation and building codes, radio communications, first aid and CPR, Milwaukee history and local attractions, general retailing, communications skills and interactions with residents and visitors. For a portion of their training PSAs will be paired with police officers or experienced PSAs patrolling their beats. Training will be supplemented by a book of Operating Rules and Procedures serving as a guide for handling both common and unusual incidents.

Following their training, uniformed but unarmed PSAs will be assigned "beats" to patrol on foot. Beat assignments will be based on the amount of foot traffic in the area, hours of business operation, special event schedules, police beat assignments, crime statistics and trends, and Responsible Hospitality Task Force recommendations for night time economy management. Generally, PSAs will be deployed on beats to maximize the provision of security services during peak hours like weekday lunch hours, before and after business hours at burgeoning nighttimes and for special events. PSAs shall employ smart phone/GIS tracking technology to determine appropriate PSA deployment. A schedule for deploying PSAs on their beats shall be developed by the District's executive director together with the PSA director and altered as appropriate for weather, redeployment for special events and for changing circumstances.

PSAs' primary responsibilities will be to assist and direct workers, shoppers, socialites and visitors, and to observe and report suspicious behavior. PSAs must familiarize themselves with the businesses and residents in their beats and be able to recognize suspicious behavior. PSAs will be supplied with uniforms to create an official but approachable appearance and will be equipped with handheld PDA-type devices to report any incidents to a PSA supervisor/dispatcher linked directly to the City Police Department. One PSA supervisor/dispatcher shall be on duty whenever PSAs are on patrol. Using handheld smart phone-type devices, the PSA supervisor will maintain communications among PSAs, other Downtown security personnel and City police.

The City Police Department shall provide the District with the ability to monitor police calls for service. The District will permit any on-duty police officers assigned to the Downtown area to work out

of the District office. The agreement between the District and the City Police Department regarding services to be provided is more fully described in the letter from Chief of Police Arthur L. Jones dated July 17, 1997 on file in the District's office.

The District will pursue partnerships with other service providers. These partnerships may include development of a policy for referring panhandlers and the homeless to appropriate resources and/or working with other Downtown security resources to share information and develop response strategies.

2. Clean Sweep Ambassadors Program. The District will continue to sponsor a Clean Sweep Ambassador Program to provide additional sidewalk cleaning and public space maintenance, to implement special projects and, more generally, to introduce an active, positive force in Downtown.

The District may provide cleaning, maintenance, graffiti removal and landscaping services in any manner deemed reasonable by the District Board, including hiring staff directly or hiring independent contractors to provide staff. In any event, a CSA director will be selected, who will report to the District's executive director, to manage this program, hire and supervise staff and serve as a liaison among City departments and property owners and businesses. During the summer months, a minimum of 7.5 full-time equivalent Clean Sweep Ambassadors ("CSAs") will report directly to the CSA director. Fewer CSAs may service the District during the winter months. Full-time CSA staff will be trained in maintenance, safety and informational services and furnished with identifiable uniforms. In addition, the District may retain other staff and/or independent contractors as it deems reasonable to perform the tasks necessary to implement the program.

The maintenance efforts of CSAs, other staff and independent contractors retained, paid and uniformed by the District will complement the efforts of the City Department of Public Works. CSAs will manually sweep sidewalks and riverwalks, pick up litter and remove graffiti each day. Weather permitting, CSAs will mechanically sweep public sidewalks and riverwalks in a rotation consistent with the City's street sweeping schedule--with approximately one fifth of the District being swept each working day. From April through October, CSAs will also power wash and steam clean sidewalks and clean, maintain, water, plant and weed



tree wells and planters. CSAs will be assigned "beats" depending on the public use of the area and the need for services. A schedule for deploying CSAs and their tasks, shall be developed by the District's executive director and the CSA director and altered as appropriate for restrictions imposed by weather and redeployment as necessary in the judgment of District staff.

In addition to their daily cleaning and maintenance duties, the District may deploy CSAs to accomplish special projects. These projects may range from the installation and removal of holiday lights to set up and clean up for special events to "Super-Block" clean up.

In servicing all aspects of the CSA program, CSAs and other staff servicing this program will maintain a friendly and helpful presence Downtown. Working during busy hours in recognizable uniforms, they will create an aura, not only of cleanliness, but also of safety. CSAs will be trained in crime resistance and to furnish helpful information and directions to residents and visitors. CSAs will remain in contact with the District office and its other resources using handheld PDA-type devices.

3. Economic Development; Marketing; Business Recruitment and Retention. In furtherance of its 2014 strategic planning objectives, District staff, generally, and an economic development director, in particular, shall strive to attract, retain and grow businesses paying family-supporting wages in Downtown Milwaukee. District efforts shall include, but not be limited to, maintaining relevant market and demographic data, linking business and government resources and providing and/or identifying expertise to assist in business growth.

District staff will coordinate and/or contract to implement public relations programming to promote the cleaner, safer, friendlier Downtown being created through District efforts. Marketing and programming will aim to encourage increased use of Downtown, to attract businesses to locate, remain and expand in Downtown and to convince both constituents of the District and potential users that Downtown is a positive destination with unique qualities and amenities.

District staff will continue the District's marketing campaign based on a "cya downtown" theme. District staff will continue an internal communications program to inform members about District activities

and benefits. Internal communications may include a semi-annual newsletter, an annual report and various print and e-mail notices. District staff will maintain an umbrella-advertising theme, graphics package and media relations program. District staff will cross sell Downtown's assets with various seasonal promotions, including Trolley Loop and Lake Express high-speed ferry promotions, if available.

In addition, District staff will develop and/or contract for other marketing initiatives, attractions and/or events promoting Downtown. These marketing initiatives may include a comprehensive marketing campaign targeted at appropriate constituencies and/or traveling information kiosks and/or similar devices which may be staffed and deployed at various events (inside and outside of Downtown) to increase District visibility and outreach.

District staff will strive to attract and retain synergistic retail businesses. District staff will administer, together with the City of Milwaukee, a program of grants and forgivable loans for retailers and landlords to upgrade storefront spaces within the District. Unless otherwise expressly agreed by majority vote of the Board, the District shall not fund more than \$25,000 in such grants and/or loans in the 2015 calendar year. The District may also sponsor or co-sponsor special events such as Downtown Dining Week and Downtown Employee Appreciation Week.

The District may undertake other economic development and/or marketing initiatives and programming reasonably estimated to attract and retain businesses, residents and tourists to Downtown as deemed appropriate by the District Board.

Finally, the District will continue its sponsorship of holiday lighting each November. Each year, the District will cause lighting purchased by the District in previous years and remaining in good condition to be reinstalled. In addition, the District may spend and/or solicit additional money as it deems necessary to purchase additional and/or replacement holiday lighting. For the winter of 2014-2015, the District will sponsor the sixteenth annual Holiday Lights Festival in Downtown. This festival will continue previous year's street lighting efforts, encourage private owner roofline lighting and implement intense lighting displays in select Downtown

parks such as Pere Marquette Park, Ziedler Union Square and Cathedral Square.

The District may contract with Milwaukee Downtown, Inc. to coordinate and implement the marketing initiatives described above, as well as related activities. In connection with contracting with Milwaukee Downtown, Inc., the District intends to donate approximately \$1,131,509 to Milwaukee Downtown, Inc. to provide operating funds necessary to implement marketing initiatives and related activities.

4. Contracting to Extend Activities/Services Outside of the District. Given the District's success, various constituencies periodically request the District to extend activities or provide services outside of the District boundaries. The District is authorized to contract to extend its activities and/or services outside District boundaries so long as, by majority vote of the Board, any such contract is deemed to (a) advance the District's objectives and (b) provide activities and/or services on a revenue-neutral basis such that the District avoids incurring any costs not directly benefiting properties within the District.

C. Proposed Expenditures and Financing Method

The 2015 proposed annual operating budget for the District is \$3,315,945. \$3,252,445 will be the amount received from District assessments from properties within the District. \$63,500 is additional income that is anticipated to come from several sources, including voluntary contributions from tax-exempt properties. See Appendix D. Of these amounts, \$706,836 will finance the Public Service Ambassadors Program, \$842,368 will fund the Clean Sweep Ambassadors Program, \$1,303,013 will pay for economic development, marketing, promotions and business retention and recruitment efforts, including retail marketing efforts, and \$463,728 will be reserved for administrative expenses and a contingency (including, without limitation, the salaries of a full-time executive director, an economic development specialist, a retail recruiter, a marketing/events coordinator, an administrative assistant, interns and other District staff, legal fees, insurance costs and office expenses). In the event that the Board reasonably determines that amounts allocated to any particular program are not needed for that program, unneeded amounts for one program may be used for another program. In addition, any funds collected but unspent pursuant to previous years' operating plans and any unanticipated voluntary contributions or other income will be made available in 2015 (for any

purpose set forth in this Operating Plan, including without limitation for public information, marketing, promotions and/or economic development efforts). The Board shall have the authority and responsibility to prioritize expenditures and to revise the budget as necessary to match the funds actually available.

The Board shall approve an annual operating budget for the District each year. Prior to approving any annual operating budget, the District will mail a public hearing notice and make available a copy of the proposed annual operating plan and budget to all owners of real property within the District. In addition, a Class 2 notice of the public hearing will be published in a local newspaper of general circulation, and the notice, annual operating plan and budget will be posted on the District's website. The District Board will hold a public hearing and approve the annual operating plan and budget for the District for that year. If any year's annual operating budget exceeds the prior year's annual operating budget by 4% or more, such budget must be approved by a 2/3 majority of the entire District Board. (This Year Eighteen Operating Plan does not include any increases triggering any super majority approval and was unanimously approved by thirteen (13) Board members in attendance at the Board meeting of September 18, 2014.) Any capital improvements costing more than \$15,000 each or \$40,000 in the aggregate for any one year must be approved by a 2/3 majority of the entire District Board. For the purposes of this Operating Plan, "capital improvement" means any physical item that is permanently affixed to real estate including, without limitation, street lighting and sidewalk improvements. The term "capital improvement" shall not include, among other things, any maintenance equipment or supply, any communications equipment, any vehicles, any seasonal improvement or any holiday lighting or decorations. After the District Board has approved the annual operating plan and budget, they will be sent to the City for approval, adoption and inclusion in the City's annual budget for that year.

The 2014 assessed valuation of all property subject to assessment within the original District boundaries was approximately \$1,920,221,400. The method of assessing annual operating expenses against properties located within the District is set forth in Article IV of this Operating Plan. Any change in the method of assessing annual operating expenses against properties located within the District must be approved by a 3/4 majority of the entire District Board and a majority of the Common Council of the City. Subsequent revisions to this Operating Plan will specify any additional assessment methodologies and amounts for operating expenses. In addition, if any year's annual aggregate assessment to property owners

exceeds the prior year's annual aggregate assessment by 6% or more, such increased assessment must be approved by the owners of property assessed by the District having a property tax assessed valuation equal to at least 3/4 of the aggregate property tax assessed valuation of all property assessed by the District.

The District may not borrow funds without approval of a 2/3 majority of the entire District Board.

D. Organization of the District Board

The Mayor shall appoint members to the District Board. The Board shall be responsible for implementation of this Operating Plan. This requires the Board to negotiate with providers of services and materials to carry out the Operating Plan; to enter into various contracts; to monitor the effectiveness of the District's activities; to ensure compliance with the provisions of applicable statutes and regulations; and to make reimbursements for any overpayments of District assessments.

Wisconsin Statutes section 66.1109(3)(a) 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 Board shall be structured and operate as follows:

1. Board size - 17 members.
2. Composition -
  - (a) Three members shall be representatives of each of the three largest (as measured by assessed valuation) multi-tenant office buildings in the District. In 2015, U.S. Bank Center (777 and 811 East Wisconsin Avenue), Schlitz Park and 411 East Wisconsin Avenue are the three largest office buildings.
  - (b) Two members shall be representatives of the fourth through the ninth largest (as measured by assessed valuation) multi-tenant office buildings in the District. In 2015, 100 East Wisconsin Avenue, 875 East Wisconsin Avenue, The Milwaukee Center (107 East Kilbourn Avenue), Plaza East (330 East Kilbourn Avenue), Cathedral Place (555 East Wells Street) and Federal Plaza (310 West Wisconsin Avenue) are

the fourth through the ninth largest multi-tenant office buildings.

- (c) Three members shall be representatives of any multi-tenant office buildings in the District.
- (d) Three members shall be representatives of owner-occupied or single tenant buildings in the District with assessed valuations in excess of \$5,000,000. One member from this category shall be a representative of The Northwestern Mutual Life Insurance Company.
- (e) One member shall be an owner or operator of a street-level retail business located within the District (which business may, but need not, be a restaurant).
- (f) Two members shall be representatives of hotels located within the District. Such hotels shall not be owned or controlled by the same or related entities or individuals.
- (g) One member shall be a representative of a tax-exempt entity making a voluntary contribution to the District of not less than \$45,000 annually.
- (h) Two members shall be "at large" members who shall not represent any particular constituency but who shall be owners or occupants of real property located within the District used for commercial purposes.

For purposes of measuring the assessed valuations of any building or site set forth above, all contiguous buildings and/or sites connected above- or below-ground, separated only by an intervening street and with identical ownership shall be included as one building or site. (For example, the U.S. Bank Center, consisting of property located at 777 and 811 East Wisconsin Avenue, constitutes one site.) Each year, the Board shall reconfirm the assessed valuations, ownerships and occupancies of all properties located within the District. If the assessed valuation, ownership or occupancy of any particular building or site in any year ceases to satisfy the criteria set forth above, the Board shall rearrange such building or site in the appropriate category. In addition to the composition requirements set forth above, one member of the Board shall also be a member of the board of directors of Westown Association as long as the

Westtown Association remains in existence, and one member of the Board shall also be a member of the board of directors of East Town Association as long as the East Town Association remains in existence. In satisfying the categories for Board members set forth above, the geographic representation of Board members shall be varied to the extent possible.

3. Term - Appointments to the Board shall generally be for a period of three years. To the extent possible, the terms of members representing each of the categories set forth in subparagraph (2) above shall be staggered so that the terms of not more than 60% of the representatives of any one category shall expire simultaneously. Despite the expiration of a Board member's term, the member shall continue to serve, subject to the by-laws adopted by the Board, until the member's successor is appointed.
4. Compensation - None.
5. Meetings - All meetings of the Board shall be governed by the Wisconsin Open Meetings Law if and as legally required.
6. Record Keeping - Files and records of the Board's affairs shall be kept pursuant to public record requirements.
7. Staffing and Office - The Board may employ staff and/or contract for staffing services pursuant to this Operating Plan and subsequent modifications thereof. In 2015, the Board may employ a full-time executive director, a full-time administrative assistant, an economic development director, a retail recruiter, a marketing and events coordinator and up to three interns. The Board shall maintain an office for the District, which shall be centrally located in Downtown. The District's current office is located at 600 East Wells Street and shall be upgraded consistent with the budget approved by the Board. The District's office may be relocated as the District Board deems reasonable. All District staff, including PSAs and CSAs, may work out of the District office.
8. Meetings - The Board shall meet regularly, at least once quarterly. The Board has adopted rules of order (by-laws) to govern the conduct of its meetings.
9. Executive Committee - The Board shall elect from its members a chair, a vice-chair, a secretary, a treasurer and an assistant secretary

who, together with the immediate past Chair of the Board, shall comprise an Executive Committee of the Board. At least one member of the Executive Committee shall be elected from the category of members set forth in subparagraphs (2)(a) or (b) above. Moreover, the member representing The Northwestern Mutual Life Insurance Company under subparagraph (2)(d) above shall be elected to some office on the Executive Committee. The immediate past chair of the Board shall serve on the Executive Committee until the current Chair ceases to serve as Chair, in which case the immediately past serving Chair shall become immediate past Chair. The Executive Committee shall be authorized to oversee the day to day operations of the District, subject to the by-laws adopted by the Board. In the event of a tie in any matter on which all officers vote, the vote of the Chair shall be deemed the tie-breaker.

10. Non-voting Members - At the option of a majority of the members of the Board, representatives of Visit Milwaukee, the Milwaukee Development Corporation, the Metropolitan Milwaukee Association of Commerce, one or more significant Milwaukee arts venues (and/or similar organizations) may be invited to attend meetings of the Board or Executive Committee as nonvoting members.
11. Emeritus Members – By resolution of a majority of the members of the Board, former Board members who have demonstrated extraordinary service to the District may be appointed "emeritus" members in honor and recognition of their exceptional contributions.
12. No public bidding – Notwithstanding anything herein to the contrary and/or any contrary decisions by the Board relative to specific contracts, the District shall not be subject to any prevailing wage and/or public bidding requirements under either Wisconsin Statutes and/or City of Milwaukee ordinances.

E. RELATIONSHIP TO MILWAUKEE DOWNTOWN, INC. AND ALLIANCE FOR DOWNTOWN PARKING AND TRANSPORTATION, INC.

The District is a separate entity from Milwaukee Downtown, Inc., a private, not for profit corporation, exempt from taxation under section 501(c)(3) of the Internal Revenue Code, notwithstanding the fact that some or all of the members, officers and directors of each entity may be shared. Milwaukee Downtown, Inc. 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 Board. The Board may contract with Milwaukee Downtown, Inc. to provide marketing and promotional services to the District and donate operating funds to Milwaukee Downtown, Inc. to facilitate the provision of such services, all in accordance with this Operating Plan.

The District and Milwaukee Downtown, Inc. are also separate entities from Alliance for Downtown Parking and Transportation, Inc. (the "Alliance"), a private, not for profit corporation, notwithstanding the fact that the District Board appoints all members to the board of directors of the Alliance. The Alliance 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 Board. The Board may work in tandem with the Alliance and other Downtown commercial organizations to improve and mitigate adverse parking and transportation issues impacting Downtown Milwaukee and to promote positive parking and transportation options within the area, consistent with the purposes of this Operating Plan.

#### IV. METHOD OF ASSESSMENT

##### A. Annual Assessment Rate and Method

The annual assessment for District operating expenses will be levied against each property within the District in direct proportion to the assessed value of each property for real property tax purposes on record with the District as of the date the District held the public hearing regarding its Year Eighteen Operating Plan (September 18, 2014). No owner of property within the District shall be eligible to receive or be subject to any reductions or increases in its assessment as a result of a decrease or increase in the assessed value for their property occurring after such date. The Board may, however, at its sole option, consider updated assessment information until the Common Council approves this Operating Plan. In addition, the amount of an assessment against a particular property may change from year to year if that property's assessed value changes relative to other properties within the District.

Appendix C identifies each property included in the District and shows the proposed BID assessment for each property for the eighteenth year of operation. Such proposed assessments are based on the assessed value and classification estimated in 2014 pursuant to the foregoing formula.

In addition, any amounts due to the District from a property owner pursuant to a contract between the District and the property owner may, at the option

of the District Board, become a special assessment or special charge against that property upon 30 days' prior written notice to the property owner.

B. Excluded and Exempt Property

The BID statute requires explicit consideration of certain classes of property. In compliance with the law, the following statements are provided.

1. Wisconsin Statutes section 66.1109(1)(f)(1m): 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 Operating Plan because it is assumed that they will benefit from development in the District.
2. Wisconsin Statutes section 66.1109(5)(a): Property used exclusively for residential purposes will not be assessed. Mixed use properties containing some residential use will be fully assessed by the District.
3. Consistent with Wisconsin Statutes section 66.1109(5)(a), property within the District boundaries but exempt from general real estate taxes under Wisconsin Statutes section 70.11 may not be specially assessed by the District but will be asked to make a financial contribution to the District on a voluntary basis. Funds collected in this manner in any given year may be used in any manner deemed appropriate by the Board. In addition, consistent with Wisconsin Statutes section 66.1109(1)(b), those tax exempt properties within the original or amended boundaries of the District which later become taxable shall automatically become included within the District and subject to assessment under any current operating plan without necessity to undertake any other act.

V. PROMOTION OF ORDERLY DEVELOPMENT OF THE CITY

A. Enhanced Safety and Cleanliness

Under Wisconsin Statutes section 66.1109(1)(f)(4), this Operating Plan is required to specify how the creation of the District promotes the orderly development of the City. The District will enhance the safety and cleanliness of Downtown and, consequently, encourage commerce in the City. Increased business activity in the City will increase sales tax revenues and property tax base.

B. City Role in District Operation

The City has committed to assisting owners and occupants in the District to promote its objectives. To this end, the City has played a significant role in creation of the District and in the implementation of this Operating Plan. In furtherance of its commitment, the City shall:

1. Perform its obligations and covenants under the Cooperation Agreement.
2. Provide technical assistance to the District in the adoption of this and subsequent operating plans and provide such other assistance as may be appropriate.
3. Collect assessments, maintain the same in a segregated account and disburse monies to the Board.
4. Receive annual audits as required per Wisconsin Statutes section 66.1109(3)(c).
5. Provide the Board, through the Office of Assessment, on or before July 1 of each year, and periodically update, with the official City records on the assessed value of each tax key number within the District as of January 1 of each year for purposes of calculating the District assessments.
6. Promptly appoint and confirm members to the Board, consistent with this Operating Plan.

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 District shall submit its proposed Operating Plan to the Department of City Development.
2. The Community and Economic 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 Year Eighteenth Operating Plan for the District is approved and the Mayor will appoint, in accordance with Article III.D., new members to the Board to replace Board members whose terms have expired or who have resigned.

## VII. FUTURE YEAR OPERATING PLANS

### A. Changes

It is anticipated that the District will continue to revise and develop this Operating Plan annually, in response to changing needs and opportunities in the District, in accordance with the purposes and objectives defined in this Operating Plan.

Wisconsin Statutes section 66.1109(3)(b) 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 proposed activities, information on specific assessed values, budget amounts and assessment amounts are based solely upon current conditions. Greater detail about subsequent years' activities will be provided in the required annual plan updates, and approval by the Common Council of such plan updates shall be conclusive evidence of compliance with this Operating Plan and the BID statute.

In later years, the District 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 approval of a 3/4 majority of the entire District Board and consent of the City of Milwaukee. In addition, if any year's annual aggregate assessment to property owners exceeds the prior year's annual aggregate assessment by 6% or more, such increased assessment must be approved by the owners of property assessed by the District having a property tax assessed valuation equal to at least 3/4 of the aggregate property tax assessed valuation of all property assessed by the District. Further, as set forth in Article III.C. above, a 2/3 majority of the entire District Board must approve increases in the District operating budget exceeding 4% of the prior year's budget and capital improvement

expenditures of over \$15,000 in any one instance or of \$40,000 in the aggregate in any one year.

B. Early Termination of the District

The City shall consider terminating the 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 herein, 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 City Plan Commission requesting termination of the District. On or after the date such a petition is filed, neither the Board nor the City may enter into any new obligations by contract or otherwise until the expiration of thirty (30) days after the date a public hearing is held and unless the District is not terminated.

Within thirty (30) days after filing of a petition, the City Plan Commission shall hold a public hearing on the proposed termination. Notice of the hearing shall be published as a Class 2 notice. Before publication, a copy of the notice with a copy of the Operating Plan and a copy of the detail map showing the boundaries of the District shall be sent by certified mail to all owners of real property within the District.

Within thirty (30) days after the date of such hearing, every owner of property assessed under the Operating Plan may send a written notice to the City Plan Commission indicating, if the owner signed a petition, that the owner retracts the owner's request to terminate the District or, if the owner did not sign the petition, that the owner requests termination of the District.

If, after the expiration of thirty (30) days after the date of the public hearing, by petition or subsequent notification and after subtracting any retractions, 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 properties assessed under the Operating Plan have requested the termination of the District, the City shall terminate the District on the date that the obligation with the latest completion date entered into to implement the Operating Plan expires.

C. Amendment, Severability and Expansion

This District has been created under authority of Wisconsin Statutes section 66.1109. Except as set forth in the next sentence, should any court find any portion of this statute invalid or unconstitutional its decision will not invalidate or terminate the District and this Operating Plan shall be amended to conform to the law without need of re-establishment. Should any court find invalid or unconstitutional the organization of the entire District Board, any requirement for a 2/3 or 3/4 majority vote of the District Board, the budgeting process or the automatic termination provision of this or any subsequent Operating Plan, the District shall automatically terminate and this Operating Plan shall be of no further force and effect.

Should the legislature amend the statute to narrow or broaden the definition of a BID so as to exclude or include as assessable properties a certain class or classes of properties, then this Operating Plan may be amended by a 2/3 majority of the entire District Board and a majority of the Common Council of the City of Milwaukee as and when they conduct their annual Operating Plan approval and without necessity to undertake any other act. This is specifically authorized under section 66.1109(3)(b).

D. Automatic Termination Unless Affirmatively Extended.

The District Board shall not incur obligations extending beyond twenty years from the date on which the District was created. At the end of the twentieth year of the District's existence, the District Board shall prepare an operating plan for the twenty first year that contemplates termination of the District at the commencement of the twenty first year as set forth in Wisconsin Statutes section 66.1109(3)(b), unless the owners of property assessed by the District having a valuation equal to 60% of the valuation of all property assessed by the District affirmatively vote to continue the District.

In addition, the Board may elect by majority vote to terminate the District if the City is in default of any obligation or covenant of the City set forth in the Cooperation Agreement. In such event, the District shall terminate as set forth in Wisconsin Statutes section 66.1109(4m).

## APPENDIX A

### Wisconsin Statutes section

**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.

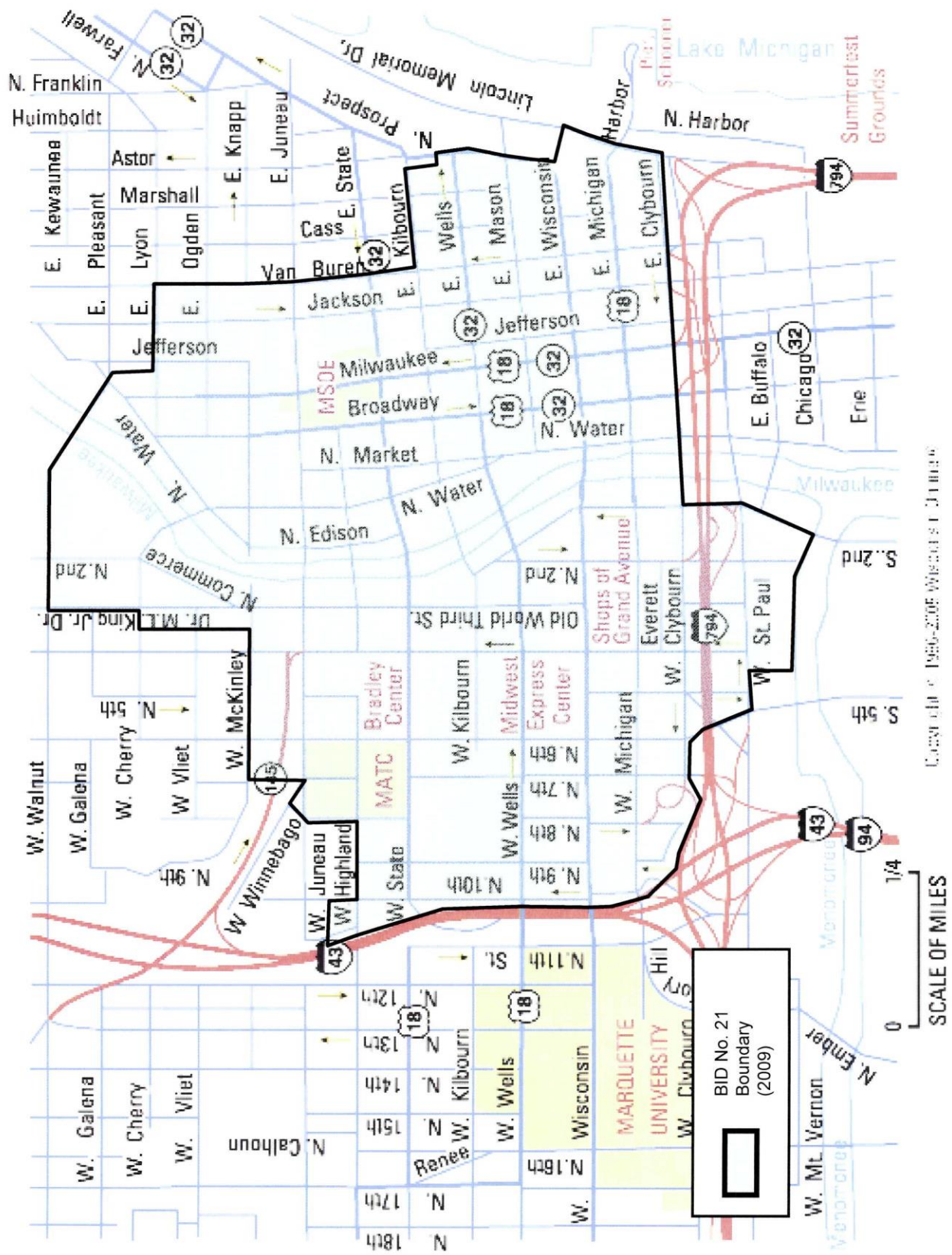
(5) (a) Real property used exclusively for residential purposes and real property that is exempted from general property taxes under s. 70.11 may not be specially assessed for purposes of this section.

(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.



# APPENDIX B Map of District Boundaries



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APPENDIX D  
Proposed 2015 Budget (Subject to Change)

**BUSINESS IMPROVEMENT DISTRICT #21**  
**CLEAN\*SAFE\*FRIENDLY**  
**2015 BUDGET**

INCOME

2015 BID #21 Assessments  
(Based on a mill rate of \$1.69 per \$1,000 of  
assessed value) \$ 3,252,445

Additional Income \$ 63,500

**TOTAL INCOME \$ 3,315,945**

EXPENSES

Clean Sweep Ambassador Program  
    Sidewalk Cleaning \$ 524,696  
    Landscaping \$ 308,172  
    Graffiti Removal \$ 9,500  
\$ 842,368 (25% of total)

Public Service Ambassador Program \$ 706,836 (21% of total)

Administrative \$ 463,728 (14% of total)

Economic Development/Marketing/Business  
Retention/Recruitment \$ 1,303,013 (39% of total)

**TOTAL EXPENSES \$ 3,315,945**

## APPENDIX E

### Milwaukee Downtown BID #21 Strategic Plan - Updated V6 – New Objectives

#### **Mission<sup>1</sup> Statement**

We lead and inspire believers in Milwaukee to engage in efforts that build Downtown as the thriving, sustainable, innovative, and vibrant heart of the community.

#### **Vision<sup>2</sup> Statement**

Milwaukee Downtown is an economic catalyst. Downtown emerges as a premier destination of choice. Milwaukee becomes a renowned world class city (suggested change to "region" from "city").

#### **Proposed Top Priorities**

**Priority 1** -- Downtown Economic Development Leader: Reposition BID 21 as a driver of economic prosperity of Milwaukee's Downtown  
**Priority 2** -- Leadership position on Catalytic Projects including the Street Car, West Wisconsin Initiative, new arena/convention center, Park East Corridor, and technology/innovation incubator (new)  
**Priority 3** -- Energy and vibrancy of downtown: Harness the energy and vibrancy of diverse downtown residents, young professionals and other downtown believers to position them for leadership roles in the Downtown community. (new)

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<sup>1</sup> Mission: Broad description of what we do, with/for whom we do it, our distinctive competence, and why we do it.

<sup>2</sup> Vision: Image or description of future impact we intend to have in the future.