



MILWAUKEE DOWNTOWN

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October 1, 2015

SENT BY EMAIL

Honorable Members of the Judiciary &
Legislation Committee
Common Council, City of Milwaukee
200 East Wells Street
Milwaukee, WI 53202

Dear Aldermen Hamilton, Witkowski,
Bauman, Borkowski and Zielinski:

Re: Senate Bill 203

Both in my capacity as CEO of Business Improvement District No. 21 ("BID 21") and as the current president of the Wisconsin Downtown Action Council (WDAC), I urge you to **oppose** Senate Bill 203. I apologize that I am unable to attend the Judiciary & Legislation Committee meeting on October 5 to express my opposition in person, but I am in San Francisco representing Milwaukee as a speaker at the International Downtown Association 61st Annual Conference & Tradeshow.

SB 203 is of concern due to its certain negative effect on BIDs in the City of Milwaukee and throughout the state. Truth be told, SB 203 will have a lesser impact on BID 21 than on most BIDs. However, BID 21 feels compelled to stand shoulder to shoulder with all other BIDs in opposing SB 203. (In a WDAC survey, **97% of the BIDs responding statewide were opposed to SB 203.**) SB 203 would adversely impact our city, region and state by forcing BIDs to cut services, to shift BID assessments from mixed use to commercial properties or to shut down entirely.

For these reasons, I urge you to join the League of Wisconsin Municipalities and other municipalities and BIDs throughout the state in expressing opposition to SB 203. (I enclose League Assistant Director Curt Witynski's testimony before the State Senate Committee on Elections and Local Government.) Instead, we should seek to confirm that for-profit multifamily apartment complexes are not "used exclusively for residential purposes" and, therefore, should be subject to BID assessments.



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For statewide perspective, I enclose the most recent Directory for Wisconsin BIDs maintained by the UW Extension. The directory includes contacts and BID assessment rates for 89 BIDs statewide. Please note the following highlights:

- Of the 89 BIDs tracked, 4 have dissolved, 34 are in the City of Milwaukee, 26 more are in urban areas outside of Milwaukee and 25 are in less densely populated areas. In other words, more than 70% of BIDs exist in urban environments in which mixed use development is prevalent.
- 70 of these BIDs were created before adoption in 2005 of Wisconsin Statute section 66.1110, allowing for creation of neighborhood improvement districts. So, 82% of these BIDs did not have the option of being formed as NIDs. Terminating and reconstituting them now would cause undue disruption.
- BID assessments range from \$.45 per \$1,000 of assessed value to \$6.50 per \$1,000 and average less than \$2.00 per \$1,000 of assessed value. Many BIDs also include caps on their assessments. For context, these BID assessments average less than 7% of the total property tax levy rate in their municipalities.

I also enclose the results of a survey conducted by WDAC. Highlights of survey results include:

- 93% of the responding BIDs include a significant number of mixed use properties, and 41% are made up of more than half mixed use properties.
- 94% of the responding BIDs said that SB 203 would reduce the annual revenue of their BID.
- 48% of the responding BIDs said they anticipate increasing BID assessments to other commercial properties if SB 203 is passed.
- 86% of the responding BIDs will have to reduce or eliminate services or *stop operating altogether* if SB 203 is passed.

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This survey makes it clear: SB 203 will have devastating, in some cases fatal, effects on BIDs. SB 203 will thwart and, in some cases end entirely, the good work of BIDs.

Yet, BIDs have positive economic development impacts, not just on commercial properties, but on residential properties and residents as well. BID 21, for instance, has played a critical role in increasing property values and stabilizing the Downtown real estate market, making apartments more valuable and increasing apartment rents. BID 21 was created in 1997, predating all of the residential development that occurred over the past 18 years. Over those 18 years, BID 21 has been a catalyst, not a deterrent, on Downtown development for residential and commercial owners and occupants alike. Please note the following:

- BID 21's boundaries include \$1.9 billion of assessable value, about 4% of which would be impacted by SB 203.
- BID 21's 2016 budget is \$3.4 million, 25% of which will go to cleaning and landscaping, 22% of which funds our public service ambassador program and 41% of which is devoted to economic development including business retention and recruitment. Cleaning, landscaping and security services directly benefit Downtown residents. In addition, annual events that we sponsor, including the Holiday Lights Festival, Downtown Dining Week, Taste and Toast and the Downtown Realtors Expo, to name a few, benefit residents far more than commercial owners.
- Our 17 member board includes representatives from Northwestern Mutual, US Bank, Zilber, Marcus, Johnson Controls, WE Energies, BONTON Stores and Colliers, among others. If SB 203 passes, BID 21 will be forced either to increase assessments to these owners or cut services by over \$120,000.
- BID 21's operating plan self-imposes strict levy limits on spending. Annual increases of more than 4% of our budget must be approved by three-fourths of our board, and annual increases of 6% or more in aggregate assessments must be approved by three-fourths of our property owners.

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- BID 21 automatically terminates unless owners of 60% of all property assessed affirmatively vote every five years to continue it. On three occasions over the past 18 years, 70-85% of our owners have affirmatively voted to extend BID 21.
- BID 21 is very responsive to residential as well as commercial property owners. Over and above what is required by Wisconsin Statute section 66.1109, BID 21 mails a notice to every property, every year and hosts an additional public hearing before its board at which anyone may express concerns.

As I hope you can see in these statistics, SB 203 would have significant adverse impacts on BIDs statewide. As is demonstrated in BID 21's operating plan, most concerns about individual BIDs can be resolved as annual operating plans are developed and adopted by the Common Council.

However, since investor-owned apartment complexes are clearly for-profit businesses and not "used exclusively for residential purposes" by their owners, I also implore you to assist us in rendering those properties fully BID-assessable.

Please let me know if I can be of further assistance as you consider next steps for BID assessments.

Sincerely,

A handwritten signature in cursive script that reads "Beth Weirick". The signature is written in black ink and is positioned below the word "Sincerely,".

Elizabeth A. Weirick

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Encs.