



THE EAST SIDE
BUSINESS IMPROVEMENT DISTRICT NO. 20
2015 OPERATING PLAN

September 19th, 2014

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THE East Side BUSINESS IMPROVEMENT DISTRICT 2015 OPERATING PLAN

I. 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 within those districts to develop, manage and promote the districts and to establish an assessment method to fund these activities." Upon petition from property owners within the East Side business district, the Common Council of the City of Milwaukee on 9/23/97 Resolution File Number 970779 created BID No. 20 (The East Side Business Improvement District) and adopted its initial operating plan.

The BID law requires that a BID Board "shall annually consider and make changes to the operation plan. . .The board shall then submit the operating plan to the local legislative body for approval." The Board of BID No. 20 (The East Side Business Improvement District) submits this 2015 BID operating plan in fulfillment of the statutory requirement.

This plan proposes a continuation and expansion of the activities described in the initial 1997 BID operating plan. Therefore, it incorporates by reference the earlier plans as adopted by the Common Council. In the interest of brevity, this plan emphasizes the elements, which are required by Sec. 66.1109, Wis. Stats. and the proposed changes for 2015. This plan does not repeat the background information that is contained in the initial operating plan.

II. RELATIONSHIP TO MILWAUKEE COMPREHENSIVE PLAN AND ORDERLY DEVELOPMENT OF THE CITY

No changes in the District planning or zoning have occurred since adoption of the initial operating plan.

III. DISTRICT BOUNDARIES

A listing of the properties in the district is provided in Appendix A.

IV. PROPOSED OPERATING PLAN 2015

A. Plan Objectives

The objectives of the BID are as follows:

- Act as a catalyst for private investment. Closely monitor new development opportunities, active recruiting of quality retail in new development and new vacancies, and marketing of area for renewed reinvestment.
- Promotion of the BID District as a desirable place to do business and to visit. Create signature events that drive traffic to the district.
- Improve the overall appearance and image of the area via clean programs, landscaping, and holiday lighting programs.

Proposed Activities

Principal activities to be undertaken by the BID during 2015 include, but are not limited to:

- 1) Continued promotion of the district via special events including the *East Side Green Market*, *Summer Soulstice Music Festival*, and *Tomato Romp!* festival, and general marketing initiatives for the neighborhood.
- 2) Continued staffing for East Side Architectural Review Board (created November of 2011) in coordination with City of Milwaukee.
- 3) Increased programming for planters, trash maintenance, and graffiti removal.
- 4) Promotion of the district as a place to do business, live, work, and recreate.
- 5) Recruitment of new businesses, retail, and retention of existing businesses.

C. Proposed Expenditures

Income for 2015 (numbers rounded)

Carryover 2014 to 2015	\$54,000
<u>2015 Assessment</u>	<u>\$230,084</u>
Projected Income Available in 2015	\$284,084

Expenses for 2015

Operating Expenses (office, contracts, district maintenance, etc.)	\$170,175
<u>Loan Payment for 2015</u>	<u>\$78,150</u>
Total Expenses for 2015	\$248,325

The BID Board will have the authority and responsibility to prioritize expenditures and to revise the district budget as necessary to match the funds actually available. Any

funds unspent at the end of 2015 shall be carried over to 2016 and applied against future expenses.

D. Financing Method

The City of Milwaukee and the district jointly and cooperatively funded the streetscaping. The district's share of the cost of the streetscaping and the operating expenses of the district will be funded by BID assessments on taxable properties within the district.

The district entered into a Development Agreement with the City of Milwaukee in 2001. The Agreement includes the issuing of municipal bonds to finance the district's portion of the total cost. The district shall pay, each year for the term of the bonds, the amount necessary for principal, interest and other expenses on its portion of the cost. This year's annual payment is \$78,150.00. The total loan period will be for 20 years.

The Development Agreement will constitute a long-term commitment and the district will not be terminated until all repayments to the City have been made and adequate provision is made for the operation and management of improvements financed through the district. The Development Agreement will be in addition to the operating plan. Both parties have executed the Development Agreement.

V. METHOD OF ASSESSMENT

A. Assessment Rate and Method

As of January 1, 2014, the properties in the district had a total BID assessable value of \$112,181,000 . This plan proposes to assess the taxable property in the district at a rate of \$5.00 per \$1,000 of assessed value with a cap at \$5,000 for the purposes of the BID. Appendix A shows the projected BID assessment for each property included in the district.

The principle behind the assessment methodology is that each property owner should contribute to the BID in proportion to the benefit derived from the BID. After consideration of assessment methods, it was determined that the assessed value of a property was the characteristic most directly related to the potential benefit provided by the BID. Therefore, a uniform rate applied on the

assessed value of each property was selected as the basic assessment method for BID No. 20.

The variables used to determine the regular BID assessments are:

- 1) The total assessed value of each tax key parcel within the district; and
- 2) the specific dollar amount per \$1,000 of the assessed value of each tax key parcel.

The assessment methodology is as follows: For each of the taxable tax key parcels within the BID boundaries, the BID assessment is calculated by applying a \$5.00 per \$1000 charge against the assessed value of the parcel.

B. Excluded and Exempt Property

The BID law requires explicit consideration of certain classes of property.

In compliance with the law, the following statements are provided:

- 1) *Sec. 66.608 (1) (f) Im: The district may contain property used exclusively for manufacturing purposes, as well as properties used in part for manufacturing. These properties will be assessed according to the method set forth in this plan because it is assumed that they will benefit from development in the district.*
- 2) *Sec. 66.608 (5) (a): Property known to be used exclusively for residential purposes will not be assessed. Such properties are identified as BID Exempt Properties as revised each year.*

The law authorizing the creation of BIDs states the intention that residential space is considered a residential, and not commercial use. Therefore, the owner of any substantial residential property within the BID may certify to the BID Board the square footage of such real property used for residential and non-residential purposes. The percentage of square footage used for non-residential, as compared to the total square footage of such building, multiplied by the assessed value for the entire building on such real property, shall be the value of the real property used for multiplication against the BID assessment rate, subject to the \$5,000 per parcel cap. Calculation of floor area shall exclude basement area. Properties that receive an adjusted BID assessment in 1998 shall be assessed in 2015 only on the non-residential portion of the property as certified by the owner and accepted by the Board of Directors of BID No. 20.

- 3) *In accordance with the interpretation of the City Attorney regarding Sec. 66.1109 (1) (b), Wis. Stats., property exempt from general real estate taxes have been excluded from the district. Privately owned tax exempt*

property, which is expected to benefit from district activities, may be asked to make a financial contribution on a voluntary basis.

VI. CITY ROLE IN DISTRICT OPERATION

The City of Milwaukee has committed to helping private property owners in the district promote its development. To this end, the City has played a significant role in the creation of the BID and in the implementation of its operating plan. In particular, the City will continue to:

- 1) Provide technical assistance to the proponents of the district through adoption of the operating plan and provide assistance as appropriate thereafter.
- 2) Monitor and, when appropriate, apply for outside funds, which could be used in support of the district.
- 3) Collect BID assessments; maintain the BID assessments in a segregated account; and disburse the BID assessments to the district.
- 4) Receive annual audits as required per Sec. 66.1109 (3) (c) of the BID law.
- 5) On or before June 1st of each plan year, provide the Board, through the Tax Commissioner's Office, with the official City records on the assessed value of each tax key number within the district as of January 1st of each plan year for the purposes of calculating the BID assessments.
- 6) Encourage the State of Wisconsin, Milwaukee County and other units of government to support the activities of the district.

VII. BUSINESS IMPROVEMENT DISTRICT NO. 20 BOARD OF DIRECTORS AND EXECUTIVE DIRECTOR

The Board's primary responsibility will be implementation of this operating plan. The current BID No. 20 Board of Directors is comprised as follows:

- ❖ **Mike Honkamp**, President, property owner, co-owner, the Jazz Estate
- ❖ **Doug Williams**, Vice-President, business owner, *The Hotel Foster*
- ❖ **Dan Gumm**, Treasurer, representative of *Wisconsin Paperboard*
- ❖ **Geralyn Flick**, Secretary, owner of *Murray Hill Pottery Works*
- ❖ **Peg Silvestrini**, property owner, co-owner *Beans and Barley Café and Market*
- ❖ **Jeff Sherman**, co-owner *On Milwaukee.com*
- ❖ **Mike Vitucci**, property owner, Murray Ave. Partnership
- ❖ **Jim Plaisted**, Executive Director
- ❖ **Andrea Richards**, Marketing Coordinator

VIII. FUTURE YEARS' OPERATING PLANS

It is anticipated that the BID will continue to revise and develop the operating plan annually in response to changing development needs and opportunities in the district, in accordance with the purposes and objectives defined in this operating plan.

Section 66.1109 (3) (a) of the BID law requires the BID Board and the City to annually review and make changes as appropriate in the operating plan. Therefore, while this document outlines in general terms the complete development project, it focuses upon 2015 activities. Information on specific assessed values, budget amounts, and assessment amounts are based on 2014 conditions. Greater detail about subsequent years' activities will be provided in the required annual plan updates. Approval by the Common Council of such operating plan updates shall be conclusive evidence of compliance with this operating plan and the BID law.

In later years, the BID operating plan will continue to apply the assessment formula, as adjusted, to raise funds to meet the next annual budget. The method of assessing shall not be materially altered, except with the consent of the City of Milwaukee.

IX. AMENDMENT, SEVERABILITY, AND EXPANSION

The BID has been created under the authority of Section 66.608 of the Statutes of the State of Wisconsin. Should any court find any portion of this statute invalid or unconstitutional, its decision will not invalidate or terminate the BID and this BID operating plan shall be amended to conform to the law without need of re-establishment.

Should the legislature amend the statute to narrow or broaden the process of a BID so as to exclude or include as assessable properties of a certain class or classes of properties, then this BID operating plan may be amended by the Common Council of the City of Milwaukee as and when it conducts its annual review and approval of the operating plan and without necessity to undertake any other act. This is specifically authorized under Sec. 66.1109 (3) (b), Wis. Stats.

Appendix A

Properties in BID #20

taxkey	address	owner1	BID \$\$
3190699000	2427 N. Murray Ave.	Metro Investments	\$ 1,230
3190700000	2423 N MURRAY	RED HOUSE LLC	\$ 1,665
3190704000	1922 E THOMAS	PAUL HANNA INC	\$ 1,310
3190721000	2018 E THOMAS	JAMES D STRATTE	\$ 1,790
3190722000	2400 N MURRAY	MURRAY THOMAS LLC	\$ 2,135
3190723000	2406 N MURRAY	GOLDBERG FAMILY LTD	\$ 1,590
3190724000	2410 N MURRAY	ERZSETAL LLC	\$ 1,075
3190727100	2428 N MURRAY	WILLIAM F JUDGE & JOAN M	\$ 3,105
3190743000	2426 N FARWELL	GURDEV SINGH	\$ 3,735
3190744000	2414 N FARWELL	HPJ PROPERTIES LLC	\$ 1,105
3190745000	2401 N MARYLAND	RESOURCE MANAGEMENT	\$ 5,000
3190757000	2012 E NORTH	SHASHA LLC	\$ 5,000
3190760110	2326 N FARWELL	FARWELL GROUP LLP	\$ 5,000
3190764111	2303 N FARWELL	FIRSTAR BANK MILWAUKEE NA	\$ 4,695
3190766110	2339 N MURRAY	ORLEN G WOOD	\$ 4,380
3190768000	2333 N MURRAY	SAMUEL J LLANAS	\$ 1,195
3190769000	2327 N MURRAY	MATTHEW J LINN	\$ 1,230
3190770100	2319 N MURRAY	MURRAY AVENUE	\$ 4,420
3190770200	1930 E NORTH	FORMAN-SMYSER FAMILY LLC	\$ 5,000
3190790000	1832 E NORTH	MICHAEL VITUCCI	\$ 2,795
3190793000	1800 E NORTH	RJ 1800 LLC	\$ 1,000
3191371000	2305 N PROSPECT	NORTHPOINT PROSPECT COMMONS	\$ 5,000
3191372000	2311 N PROSPECT	COLUMBIA ST MARYS INC	\$ 5,000
3191373000	2311 N PROSPECT	COLUMBIA ST MARYS INC	\$ -
3200302112	1514 E THOMAS	WISCONSIN PAPERBOARD CORP	\$ 5,000
3201523100	1726 E NORTH	TLO HOLDINGS LLC	\$ 1,950
3201524000	2303 N OAKLAND	JAMES & SUE WIECHMANN	\$ 303
3201525000	1700 E NORTH	RKA PROP OF WIS LLC	\$ 5,000
3201531100	2340 N NEWHALL	ESV LLC	\$ 5,000
3201532110	1614 E NORTH	MCDONALDS CORP	\$ 5,000
3201534100	2333 N NEWHALL	WISCONSIN PAPERBOARD CORP	\$ 1,458
3201535100	1530 E NORTH	ROBERT C SCHMIDT, JR	\$ 1,610
3201537100	1518 E NORTH	MANDEL NORTHTOWN II LLC	\$ 3,675
3201539000	1504 E NORTH	GEORGE SALVAT REAL ESTATE	\$ 2,460
3201540000	2320 N CAMBRIDGE	MANDEL NORTHTOWN II LLC	\$ 75
3201721000	2340 N CAMBRIDGE	SHAWN HUTCHENS	\$ 1,425
3201722000	2326 N CAMBRIDGE	WISCONSIN ELECTRIC POWER CO	\$ -
3209948113	1436 E NORTH	CITY OF MILWAUKEE	\$ -

3209948125	1436 E NORTH	CAMBRIDGE COMMONS LLC	\$	-
3550101000	1507 E NORTH	THE MICHAEL D LEE REVOCABLE	\$	1,042
3550103000	1515 E NORTH	E & K LAND LLC	\$	1,595
3550139110	1431 E NORTH	MLRB LLC	\$	2,160
3550431116	2202 N BARTLETT	PIERCE MILWAUKEE LLC	\$	5,000
3550432000	1617 E NORTH	ROBERT E JOHN	\$	2,000
3550448100	1609 E NORTH	E&K LAND LLC	\$	5,000
3560215100	2252 N PROSPECT	DOS LOCOS LLC	\$	5,000
3560229000	2140 N PROSPECT	GOLD MIL WOODSTOCK	\$	4,050
3560278000	2211 N PROSPECT	TOWN DOGS LLC	\$	4,455
3560279000	2201 N PROSPECT	PAIGE-WALLACE LLC	\$	1,755
3560281100	2214 N FARWELL	GEORGE PANAGIOTOPOLOUS	\$	3,200
3560282000	2216 N FARWELL	NEW LAND INVESTMENTS NO 7	\$	5,000
3560283000	2238 N FARWELL	NEW LAND INVESTMENTS NO 7	\$	2,754
3560284000	2217 N PROSPECT	GEORGETOWN LLC	\$	5,000
3560285000	2017 E NORTH	2017 EAST NORTH, LLC	\$	2,108
3560286000	2043 E NORTH	BV PROSPECT III LLC	\$	6,350
3560287000	2034 E. Ivanhoe Pl.	Educators Credit Union	\$	5,000
3560289111	1901 E NORTH	2B REAL ESTATE LLC	\$	5,000
3560290100	2227 N FARWELL	NORTH FARWELL, LLC	\$	2,800
3560296120	2219 N FARWELL	GOLDBERG RUEHL PROPERTIES	\$	4,565
3560297000	2201 N FARWELL	SPECTRUM HOLDINGS INC	\$	2,032
3560298110	1854 E KENILWORTH	A DE PALMA PROPERTIES LLC	\$	2,030
3560301000	1801 E NORTH	SYDNEY C CHARNEY ESTATE ETAL	\$	936
3560302000	1819 E KENILWORTH	SYDNEY C CHARNEY ESTATE ETAL	\$	5,000
3560310100	2169 N FARWELL	GEORGE KASHOU COMPANY	\$	1,890
3560311000	2159 N FARWELL	MAGNETIC NORTH ES LLC	\$	1,125
3560312111	2121 N FARWELL	PIERCE MILWAUKEE LLC	\$	3,426
3560609100	2200 N PROSPECT	KHALID AHMED	\$	3,190
3560611100	2214 N PROSPECT	PROSPECT II LLC	\$	4,627
3561471000	2170 N PROSPECT	DOWN DOG! LLC	\$	3,250
3561472000	2009 E KENILWORTH	TRUST OF MORRIS KATZ	\$	4,830
3561495000	2185 N. Prospect Ave.	Board of Regents	\$	17,505
3561521000	1857 E KENILWORTH	1857 E KENILWORTH LLC	\$	5,000
				\$ 230,084

2013-2014 Annual Report

East Side Business Improvement District #20



Activities for 2012-2013

The East Side B.I.D. #20 respectfully submits its Annual Report on the following activities undertaken in 2013-2014(15th year in operation). They include:

- 1) Operated the 14th season of **The East Side Green Market**. Each Saturday, between June and October, neighborhood residents are invited to come down and enjoy fresh and organic produce, freshly prepared foods, arts and crafts, and free live music. Over 20 vendors have participated in this season and foot traffic from the neighborhood continues to increase.
- 2) BID is providing staff for the new **East Side Architectural Review Board**. The ARB meets twice monthly (as necessary) and was created in November of 2011.
- 3) Maintenance of over **100 street planters** with variety of annuals, perennials, and bushes, 40 tree box outs, and other common areas in district.
- 4) Twelfth year of our **East Side Litter Maintenance** program. The group has contracted for services with a maintenance company to pick up litter weekly in the commercial neighborhoods on the East Side.
- 5) Hosted 14th annual **Summer Soulstice Music Festival** on June 21st, 2014, which attracted over 10,000 people to our all day celebration of the East Side. Featured arts and crafts vending, 3 music stages with 10 bands, food from East Side restaurants, and an Arts Avenue area on Murray Ave.
- 6) Hosted our 8th annual **Tomato Romp!** featuring the East Side Bloody Mary Contest, new Tomato Chomp, and famous Tomato Fight. The fight featured over 300 participants and raised \$3000 for organizations fighting hunger in our community.
- 7) In September, the East Side BID began a **Retail Market and Planning study** for the district. Consultants have been hired to research the retail marketplace for existing and new buildings on East Side and to explore redevelopment opportunities west of Oakland on E. North Ave. The City of Milwaukee DCD is a financial partner on this project.
- 8) Continued efforts to **shape the development and retail environment** in our neighborhood. We continue to monitor development issues and inform interested investors and realtors about neighborhood goals related to redevelopment and preferred retail mix. Developments underway are **redevelopment of the Prospect Mall** property and the **former Pizza Man/CUSH site** at the NE corner of Oakland and North. Mercy Housing is expected to break ground this fall on their new affordable, workforce apartment housing at Farwell and Thomas Aves.
- 9) Welcomed **new businesses**: The Standard Apartment building (above new East Library), Gold Coast Subs, Burger King, new home for East Side Framing Gallery, Cobalt Glass, and Potbelly.
- 10) **Annual audit review** for 2013 was completed. Final documents are forthcoming.