

BUSINESS IMPROVEMENT DISTRICT 32



PROPOSED OPERATING PLAN  
2015



St. Ann Development



Milwaukee Mall (Work in Progress)



Hope School Expansion

September 19, 2014

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## I. INTRODUCTION

### A. Background

In 1984, the Wisconsin legislature created 66.1109 (formerly S. 66.608) of the Statutes (see Appendix A) enabling cities to establish Business Improvement Districts (BIDs). The purpose of the law is “to allow businesses within those districts to develop, to manage and promote the districts and to establish an assessment method to fund these activities.” (1983 Wisconsin Act 184, Section 1, legislative declaration.)

The City of Milwaukee has received a petition from property owners, which requests creation of a Business Improvement District for the purpose of revitalizing and improving the North Avenue Marketplace BID 32 business area on Milwaukee's North Side. The area is bounded on North Avenue between I-43 and 27<sup>th</sup> Streets and Fond du Lac Avenue between 17<sup>th</sup> and 27<sup>th</sup> Street. The BID law requires that every district have an annual Operating Plan. (See Appendix B). This document is the initial Operating Plan for the proposed Marketplace Business Improvement District #32. The BID proponents prepared this Plan with technical assistance from the City of Milwaukee Department of City Development.

### B. Physical Setting

The District covers the retail and commercial corridors of North Avenue from I-43 to 27<sup>th</sup> Streets and Fond du Lac from 17<sup>th</sup> to 27<sup>th</sup> Avenue. This area involves several major commercial nodes; North and Fond du Lac Avenues, Center Street, 27<sup>th</sup> and Fond du Lac Ave and Teutonia and North Avenue. It creates a great opportunity for increasing human capital, business and employment growth.

## II. DISTRICT BOUNDARIES

Boundaries of the proposed district are shown on the map in Appendix C of this plan. A listing of the properties included in the district is provided in Appendix D.

## III. PROPOSED OPERATING PLAN

### A. Plan Objectives

The objective of the North Avenue BID 32 is to: Create a viable and sustainable commercial corridor that supports local entrepreneurs, encourage business, reduce blight, job growth and encourage local, regional or national businesses to locate to the community.

## **STRATEGIC GOALS**

- Implementation of strategies outlined in the Lindsay Heights comprehensive market analysis (2011) and the City of Milwaukee Growing Prosperity Economic Action Agenda (Draft)
- Implementation of strategies outlined in the Main Street Four Point Approach

- Increased employment
- Increased property values

### **KEY STRATEGIC FOCUS AREAS**

- Façade Improvement
- Commercial Corridors Maintenance and Streetscape Projects
- Environmental Sustainability Initiatives
- Business and Economic Development Support
- Safety and Security Initiatives

### **FOCUS AREAS FOR 2015**

- Incorporate Main Street Operational Approach in organizational development and planning
- Board and organizational development activities that strengthen the BID to better serve businesses
- Address existing and future issues concerning public improvements
- Address existing and future issues concerning safety and crime
- Develop relationship with various governmental, business and community based organizations that serve and support the target area
- Plan and implement projects and incentive programs that support area businesses and entrepreneurs
- Plan and implement programs and projects that promote a positive business climate for the area, based on surveys, feedback forms, focus groups, and other public input
- Increase Environmental sustainability Initiatives
- Improve blighted and under-utilized properties

#### **B. Proposed Activities**

Principle activities to be engaged in by the district during will include: Creating a viable and sustainable commercial district

- a. Continue to survey businesses about business needs
- b. Develop outreach and marketing campaign to “Brand” the commercial district
- c. Increase collaborations with strategic partners to accomplish identified goals
- d. Work with businesses and property owners to access city and other public resources to improve viability and bottom line

#### **C. Proposed Activities**

- Implement a Commercial Corridor Clean and Green initiative
- Implement a façade and streetscape program
- Implement a safety and security initiative in collaboration with other crime prevention and community safety projects
- Implement comprehensive property development plan to reduce blighted and vacant properties

- Increase and expand business development loans and/or matching grant program
- Increase staff and volunteers
- Increase funding to support strategic initiatives

Principle activities to be engaged by the district for 2015 include:

**Ongoing BID Marketing Plan**

- Promote BID quarterly newsletter, Website and other social media markets
- Sponsor community focused events
- Safety improvements and lighting enhancements recognized through the CPTED approach
- Continue “Brand” image of organization and commercial corridor
- Explore E-Commerce funding stream

D. Proposed Expenditures

Proposed Budget – \$ 158,500

E. Proposed 2015 Budget Expenditures – See Appendix E

F. Financing Method

It is proposed to raise \$81,920 through BID assessments (see Appendix D). If other resources are raised (grants, program revenue, etc.) they will also be used to fund projects outlined in the BID budget. The BID Board shall have the authority and responsibility to prioritize expenditures and to revise the budget as necessary to match the funds actually available.

G. Organization of BID Board

Upon creation of the BID, the Mayor will appoint members to the district board ("board"). The board's primary responsibility will be implementation of this Operating Plan. This will require the board to negotiate with providers of services and materials to carry out the Plan; to enter into various contracts; to monitor development activity; to periodically revise the Operating Plan; to ensure district compliance with the provisions of applicable statutes and regulations; and to make reimbursements for any overpayments of BID assessments.

State law requires that the board be composed of at least five members and that a majority of the board members be owners or occupants of property within the district.

It is recommended that the BID board be structured and operate as follows:

1. Board Size – Five to Eleven
2. Composition - At least three members shall be owners or occupants of property within the district. Any non-owner or non-occupant appointed to the board shall be a

resident of the City of Milwaukee. The board shall elect its Chairperson from among its members.

3. Term - Appointments to the board shall be for a period of three years except that initially two members shall be appointed for a period of three years, two members shall be appointed for a period of two years, and one member shall be appointed for a period of one year.

4. Compensation – None

5. Meetings - All meetings of the board shall be governed by the Wisconsin Open Meetings Law.

6. Record Keeping - Files and records of the board's affairs shall be kept pursuant to public record requirements.

7. Staffing - The board may employ staff and/or contract for staffing services pursuant to this Plan and subsequent modifications thereof.

8. Meetings - The board shall meet regularly, at least twice each year. The board shall adopt rules of order (“by laws”) to govern the conduct of its meetings.

H. Relationship to the Business Association -no official business association located in the BID 32 service area to date. The BID is collaborating partner with the Fondy North Economic Development Corporation.

The BID shall be a separate entity from the official business association located in the BID 32 service area - notwithstanding the fact that members, officers and directors of each may be shared. The Association shall remain a private organization, not subject to the open meeting law, and not subject to the public record law except for its records generated in connection with the BID board. The Association may, and it is intended, shall, contract with the BID to provide services to the BID, in accordance with this Plan.

#### IV. METHOD OF ASSESMENT

##### A. Assessment Rate and Method

Marketplace BID 32 assess the property in the district at a rate of .0066/1000 of assessed value, subject to the maximum assessment of \$1,500 and a minimum assessment of \$300 for the purposes of the BID. DCD staff can assist in developing other methods to fit the proposed BID’s circumstances.

The principle behind the assessment methodology is that each property should contribute to the BID in proportion to the benefit derived from the BID. After consideration of other assessment methods, it was determined that assessed value of a property was the characteristic most directly related to the

potential benefit provided by the BID. Therefore, a fixed assessment on the assessed value of the property was selected as the basic assessment methodology for this BID.

However, maintaining an equitable relationship between the BID assessment and the expected benefits requires an adjustment to the basic assessment method. To prevent the disproportional assessment of a small number of high value properties, a maximum assessment of \$1,500 per parcel will be applied.

As of January 1, 2014, the property in the proposed district had a total assessed value of \$24,075,800. This plan proposed to assess the property in the district at a rate of \$.0066 per \$1,000.00 of assessed value, subject to the maximum assessment, for the purposes of the BID.

Appendix D shows the projected BID assessment for each property included in the district.

#### 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. State Statute (1)(f)lm: The district will contain property used exclusively for manufacturing purposes, as well as properties used in part for manufacturing. These properties will be assessed according to the method set forth in this plan because it is assumed that they will benefit from development in the district.
2. State Statute 66.1109(5) (a): Property known to be used exclusively for residential purposes will not be assessed; such properties will be identified as BID Exempt Properties in Appendix D, as revised each year.
3. In accordance with the interpretation of the City Attorney regarding State Statute 66.608(1) (b), property exempt from general real estate taxes has been excluded from the district. Privately owned tax-exempt property adjoining the district and which is expected to benefit from district activities may be asked to make a financial contribution to the district on a voluntary basis.

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

#### A. City Plans

In February 1978, the Common Council of the City of Milwaukee adopted a Preservation Policy as the policy basis for its Comprehensive Plan and as a guide for its planning, programming and budgeting decisions. The Common Council reaffirmed and expanded the Preservation Policy in Resolution File Number 881978, adopted January 24, 1989.

The Preservation Policy emphasizes maintaining Milwaukee's present housing, jobs, neighborhoods, services, and tax base rather than passively accepting loss of jobs and population, or emphasizing massive new development. In its January 1989 reaffirmation of the policy, the Common Council gave new emphasis to forging new public and private partnerships as a means to accomplish preservation.

The district is a means of formalizing and funding the public-private partnership between the City and property owners in the North Avenue Marketplace BID #32 business area and for furthering preservation and redevelopment in this portion of the City of Milwaukee. Therefore, it is fully consistent with the City's Comprehensive Plan and Preservation Policy.

#### B. City Role in District Operation

The City of Milwaukee has committed to helping private property owners in the district promote its development. To this end, the City expected to play a significant role in the creation of the Business Improvement district and in the implementation of the Operating Plan. In particular, the City will:

1. Provide technical assistance to the proponents of the district through adoption of the Plan, and provide assistance as appropriate thereafter.
2. Monitor and, when appropriate, apply for outside funds that could be used in support of the district.
3. Collect assessments, maintain in a segregated account, and disburse the monies of the district.
4. Receive annual audits as required per sec. 66.1109 (3) (c) of the BID law.
5. Provide the board, through the Tax Commissioner's Office on or before June 30<sup>th</sup> of each Plan year, with the official City records and the assessed value of each tax key number with the district, as of January 1<sup>st</sup> of each Plan year, for purposes of calculating the BID assessments.
6. Encourage the State of Wisconsin, Milwaukee County and other units of government to support the activities of the district.

## VI. PLAN APPROVAL PROCESS

### A. Public Review Process



The Wisconsin Business Improvement district law establishes a specific process for reviewing and approving proposed districts. Pursuant to the statutory requirements, the following process will be followed:

1. The Milwaukee City Plan Commission will review the proposed district boundaries and proposed Operating Plan and will then set a date for a formal public hearing.
2. The City Plan Commission will send, by certified mail, a public hearing notice and a copy of the proposed Operating Plan to all owners of real property within the proposed district. In addition, a Class 2 notice of the public hearing will be published in a local newspaper of general circulation.
3. The City Plan Commission will hold a public hearing, will approve or disapprove the Plan, and will report its action to the Common Council.
4. The Economic Development Committee of the Common Council will review the proposed BID Plan at a public meeting and will make a recommendation to the full Common Council.
5. The Common Council will act on the proposed BID Plan.
6. If adopted by the Common Council, the proposed BID Plan is sent to the Mayor for his approval.
7. If approved by the Mayor, the BID is created and the Mayor will appoint members to the district board established to implement the Plan.

#### B. Petition against Creation of the BID

The City may not create the Business Improvement district if, within 30 days of the City Plan Commission's hearing, a petition is filed with the City containing signatures of:

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

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 Operating Plan.

### VII. FUTURE YEAR OPERATING PLANS

#### A. Phased Development

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

Section 66.1109 (3) (a) of the BID law requires the board and the City to annually review and make changes as appropriate in the Operating Plan. Therefore, while this document outlines in general terms the complete development program, it focuses upon Year One activities, and information on specific assessed values, budget amounts and assessment amounts are based on Year One conditions. Greater detail about subsequent year's 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 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. However, the method of assessing shall not be materially altered, except with the consent of the City of Milwaukee.

#### B. Amendment, Severability and Expansion

This BID has been created under authority of Section 66.1109 of the Statutes of the State of Wisconsin. Should any court find any portion of this Statute invalid or unconstitutional its decision will not invalidate or terminate the BID and this BID Plan shall be amended to conform to the law without need of reestablishment.

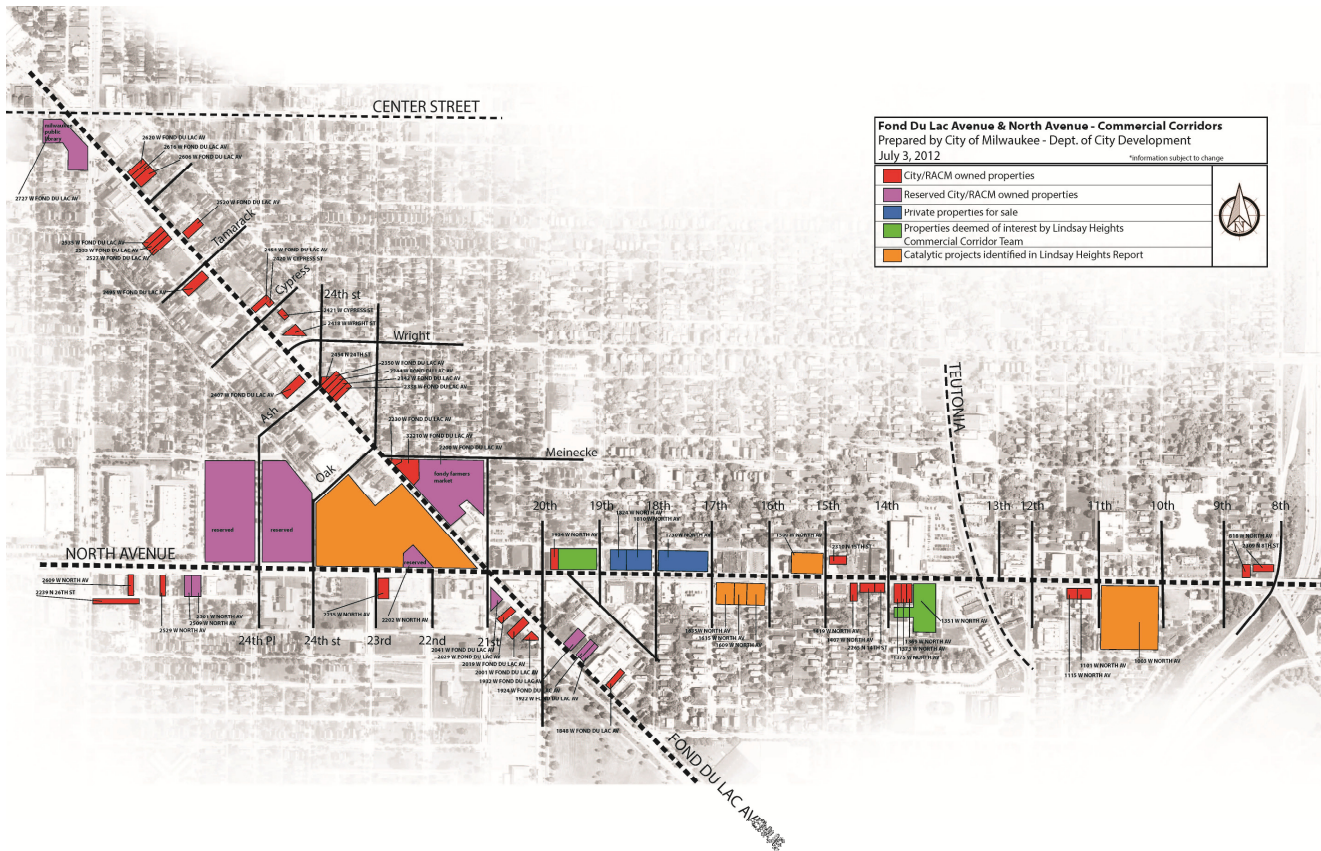
Should the legislature amend the Statute to narrow or broaden the process of a BID so as to exclude or include as assessable properties a certain class or classes of properties, then this BID Plan may be amended by the Common Council of the City of Milwaukee as and when it conducts its annual Operating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

#### APPENDICES

- A. STATUTE
- B. PETITION
- C. PROPOSED DISTRICT BOUNDARIES
- D. YEAR ONE PROJECTED ASSESSMENTS
- E. CITY ATTORNEY'S OPINION

## Appendix A

# North Avenue Marketplace Business Improvement District 32 2014 Annual Update



September 19, 2014

## **Marketplace Business Improvement District 32** **2014 Annual Update**

### **Strategic Goals:**

#### **Develop a comprehensive BID 32 Commercial Property Inventory**

**Outcome:** Worked with real estate consultant to address the most challenged properties and developed a property inventory of 20 properties in need of most attention. Included in those properties are City of Milwaukee tax foreclosure properties. Extensive time and resources are being expended to address the blight and vacant property in the District. Work closely with City Departments, in particular DNS where **seven (7) blighted properties were razed.**

#### **Implemented the Main Street Program**

**Outcome:** Established diverse committees to address the 4Points of the Main Street Approach. All committee members were involved in board and committee development trainings and activities. Collaborated with WEDC to provide technical assistance resources including Architectural Drawing Resources. Establishes a data collection process to show neighborhood improvements and investments **(See Attachment F).**

#### **Active engagement of BID Business and Property Owners**

**Outcome:** Consistent outreach and communication to property owners to engage them in activities in the BID, information sharing, and resource opportunities. Property owners were encouraged to attend several workshops and trainings. Business and property owners participated in Main Street sessions and trainings and attended business mixers and other social events that could help them grow their business or network with others.

#### **Develop Area Marketing Strategy**

**Outcome:** The BID a quarterly news Magazine that features business development articles, community development resources and a business highlight in the community. Continue to update and utilize the BID Website as a way to communicate and promote the businesses and area. The BID continued its tradition for second year and had its backyard BBQ to increase awareness of the area, create networking opportunities for business/property owners and encourage people to shop and invest in the area.

#### **Activities**

- The BID continue to contract with a maintenance team to reduce litter and snow in the area. They are responsible for the basic upkeep and cleanliness of the area, work with property and business owners and to keep their properties neat and clean and to be a liaison between the BID and the city to ensure all partners are actively participating in the clean and safety issue in the community.
- Contract with Blue Skies Landscaping to maintain Pocket Parks and Streetscape Project
- Attended community outreach meetings regarding strategies for improving image and marketing for Marketplace BID 32
- Participated in several tours of the area to promote the goals and on-going activities of the BID
- St. Ann Project underway
- Hope School Expansion

**Goal: Improve the negative perceptions of crime and safety in the Target Area**

Activities:

- Consistent communication and collaboration with District 3 Community Prosecution unit to develop strategies to improve consumer confidence regarding safety along North Avenue and Fond du Lac
- Worked with Police District 3 Community Liaison Officers to increase number of safety and security inspections done by police and to encourage businesses to access matching safety and security grants.
- Attended community outreach meetings regarding strategies for improving image and marketing for Marketplace BID 32

**Goal: Increase the number and variety of businesses in the Target Area**

Activities:

- Held business consultation meetings with current and potential business owners
- Contract with Commercial Broker – Century 21 Affiliated to work on property data and planning
- Held meetings with sales reps, and businesses interested in the BID
- Met with several property owners regarding their vacant properties and how to help get them occupied
- Worked with WHEDA and LISC that conducted several Neighborhood Tours with various developers and investors
- Provided technical assistance and entrepreneurial advice to individuals seeking to locate in the BID area
- 2 new businesses opened in the area

**Goal: Coordinate public improvements in the Marketplace District**

Activities:

- Maintain communication and collaboration DCD, DPW and other City Departments to maintain Fond du Lac Streetscape
- Continued communication with Sanitation Department on trash collection and removal

**Goal: Façade improvement**

Activities:

- Consistent updates and revisions to the Safety and Security and Business Incentive Grant application
- BID board strategic plan to address façade and blighted properties
- Collaborate with DCD and 15<sup>th</sup> District Alderman to encourage and ensure property owners access city resources and grants

**Goal: Commercial Corridor Clean-up**

Activities:

- Neighborhood organizations participated in several area clean-ups on Earth Day and other coordinated projects to keep area clean.
- Maintained decorative containers on North Avenue and Fond du Lac
- Continue to collaborate with City Departments to resolve concerns related to cleanliness and code issues
- Participated in the City of Milwaukee Ambassador Program to help maintain area cleanliness

**Goal: Support Business Development**

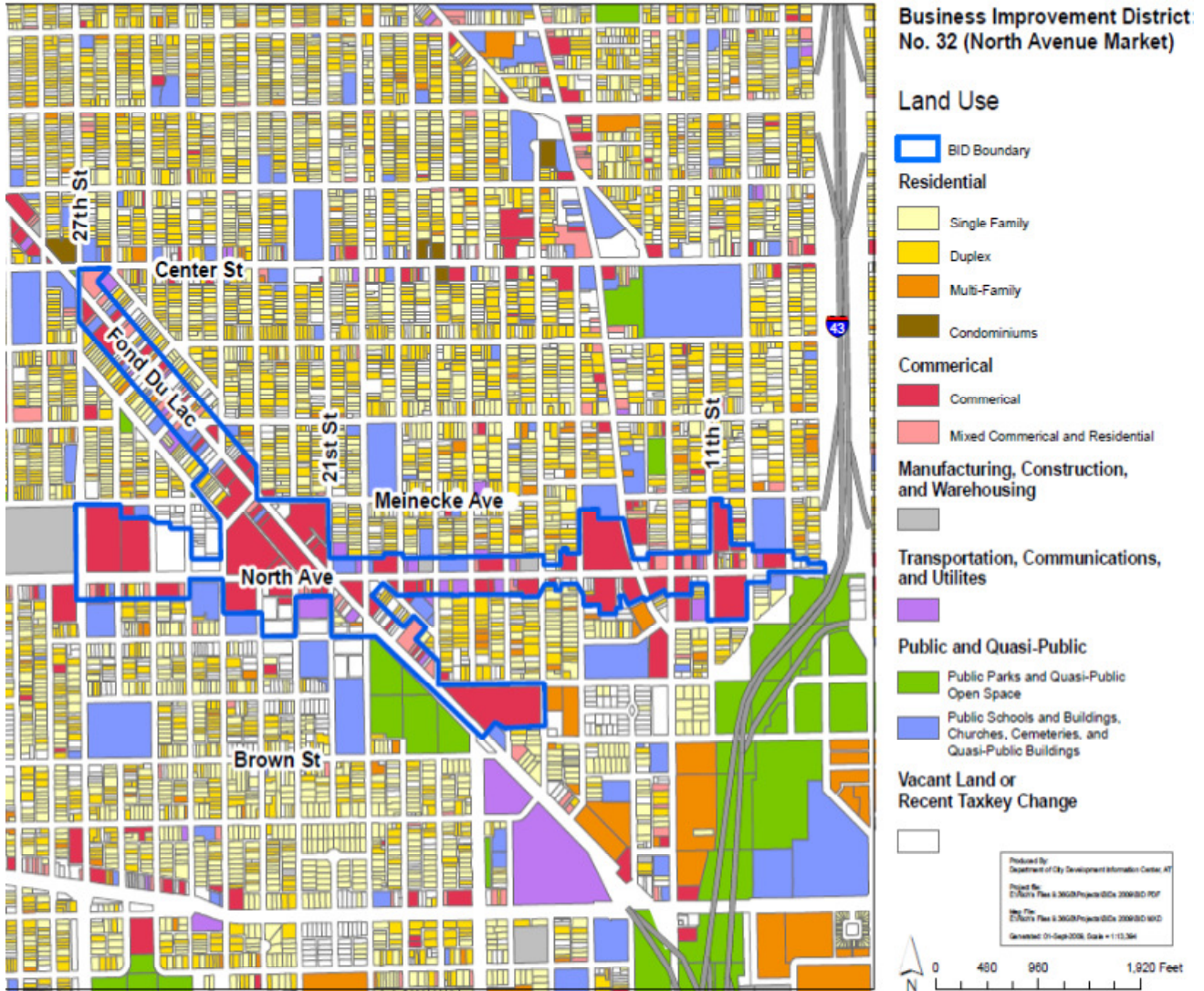
Activities:

- Developed business workshops and collaborated with new partners to make presentations
- Developed documents and protocols for business development workshops
- Provided Technical Assistance to Businesses



# Appendix 3 (C)

## Marketplace Business Improvement District 32 Area Map



**Appendix D**  
**Proposed 2015 Budget and Expenditures**  
**North Avenue BID 32**

**Income**

<b>City of Milwaukee Assessment</b>	\$ 81,920.00
Contributions/Grants	56,000.00
Advertising Revenue	8,000.00
Gifts in Kind/ Sponsorships	10,000.00
Misc Revenue/Carry Over	2,430.00
Interest Income	<u>150.00</u>
<b>Total Income</b>	<b>\$158,500.00</b>

Expense

Management Services	\$ 98,000.00
Commercial District Revitalization/Main Street	32,000.00
Other Contract Services	<u>6,000.00</u>
<b>Total Contract Services</b>	<b>\$136,000.00</b>

Magazine & Marketing Expense	2,000.00
Rent/Utilities	7,200.00
Insurance - D&O/Gen Liability/Misc	1,800.00
Telephone & Internet	4,200.00
Program Supplies/Refreshments	900.00
Office Supplies/Postage	1,100.00
Conference & Meetings	1,250.00
Travel	620.00
Equipment	600.00
License, Permit & Fees	200.00
Publications & Subscriptions	250.00
Membership Due	280.00
Website Develop. & Maintenance	500.00
Sponsorships	850.00
Depreciation Expense	500.00
Board & Staff Development	200.00
Miscellaneous Expense	<u>50.00</u>
<b>Total Program Expenses</b>	<b>\$ 22,500.00</b>

<b>Total Budget and Expenses</b>	<b>\$158,500.00</b>
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## **Appendix E**

### **Marketplace Business Improvement District 32 2014 Board of Directors**

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