

BUSINESS IMPROVEMENT DISTRICT NO. 50

South 13<sup>th</sup> Street and West Oklahoma Avenue BID  
PROPOSED OPERATING PLAN

Year Two  
2015

Draft  
date

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## I. INTRODUCTION

### A. Background

In 1984, the Wisconsin legislature created 66.1109 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 South 13<sup>th</sup> Street and West Oklahoma Avenue business area in Milwaukee's 14<sup>th</sup> Aldermanic District (see Appendix B). The BID law requires that every district have an annual Operating Plan. This document is the initial Operating Plan for the proposed South 13<sup>th</sup> St and West Oklahoma Avenue district. The BID proponents prepared this Plan with technical assistance from the City of Milwaukee Department of City Development.

### B. Physical Setting

The area of the BID is along South 13<sup>th</sup> Street from Cleveland to Morgan and on West Oklahoma Avenue from Chase Avenue to South 17<sup>th</sup>.

## 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 BID is to serve as a way property owners, business owners, and the government to work cohesively to benefit the area's economic development.

### B. Proposed Activities - Year One

Principle activities to be engaged in by the district during its first year of operation will include: Insert list of activities; for example, "organize a Business Block Watch to enhance safety and security."

- a. Marketing of District
- b. Commercial District Enhancement Project

C. Proposed Expenditures - Year Two

Proposed Budget

Marketing of District	\$ 5,000.00
Commercial District Enhancement Project	\$34,500.00
Audit/Board Insurance	\$ 2,000.00
Overhead	\$ 2,898.00
Total	\$44,398.00

D. Financing Method

It is proposed to raise \$44,398.00 through BID assessments in the second year of operation (see Appendix D). 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.

E. 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 - Seven
2. Composition - At least four members shall be owners or occupants of property within the district. The members of the Board must have a personal vested interest in the proactive improvement of the District, therefore, only commercial property owners, business owners and authorized

representative managers of businesses within the specifically defined District boundaries. 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.

F. Relationship to the South 13<sup>th</sup> Street and Oklahoma Avenue business group.

The BID shall be a separate entity from the South 13<sup>th</sup> Street and Oklahoma Avenue business group, 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

This describes the assessment method most commonly used by Milwaukee BIDs. Other methods are possible. 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, 2013, the property in the proposed district had a total assessed value of over \$53,741,300. In the second year of operation; this plan proposed to assess the property in the district at a rate of \$1.10 per \$1,000.00 of assessed value, subject to the maximum assessment of \$1,500 and minimum assessment of \$150 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 66.1109(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 66.1109(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.

1. The district is a means of formalizing and funding the public-private partnership between the City and property owners in the South 13<sup>th</sup> Street and Oklahoma Avenue 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

