

BUSINESS IMPROVEMENT DISTRICT NO. 51

HARBOR DISTRICT BID

PROPOSED 2018 OPERATING PLAN

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I. INTRODUCTION

A. Background

In 1984, the Wisconsin legislature created s. 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, to manage and promote the districts and to establish an assessment method to fund these activities."

The City of Milwaukee created Business Improvement District No. 51 ("BID 51") and approved its initial operating plan on November 1, 2016 via Common Council Resolution Number 160664 for the purpose of revitalizing and enhancing the Harbor District business area surrounding Milwaukee's Inner Harbor. Section 66.1109(3) (b), Wisconsin Statutes requires that a BID board "shall annually consider and make changes to the operating plan.....the board shall then submit the operating plan to the local legislative body for approval." The BID proponents submit this operating plan in fulfillment of statutory requirement.

B. Physical Setting

BID #51 surrounds Milwaukee's Inner Harbor and is approximately bounded by East Bruce Street on the North, First Street on the west, Bay Street on the south, and the Milwaukee Mooring Basin and Kinnickinnic and Milwaukee Rivers on the east.

II. DISTRICT BOUNDARIES

Boundaries of the district are shown on the map in Appendix A of this plan. A listing of the properties in the district is provided in Appendix B.

III. PROPOSED OPERATING PLAN

A. Plan Objectives

The objectives of the BID shall be to maintain and enhance the Harbor District as a place to do business by:

- Supporting the viability of businesses in the District by retaining existing businesses (including those that engage in industrial and manufacturing activities), and marketing the District as a place for new businesses to locate and thrive;

- Creating an appealing, attractive environment for employees and customers;
- Ensuring that District business and property owners have an active role in redevelopment and planning activities in the area;
- Identifying and advocating for needed improvements in infrastructure and public spaces.

B. Proposed Activities – Year Two

Year Two activities to be undertaken by the district will include:

- Engaging District business and property owners in the planning process to ensure their interests are protected and their needs and perspectives are addressed.
- Providing seed funds for catalytic projects to help spur improvements in the area. Possible projects include a “Trash Collecting Water Wheel” and a series of murals that highlight the history and industries of the area.
- Supporting the creation and maintenance of a new public plaza at the eastern end of Greenfield Avenue.
- Administrative activities, including but not limited to, securing an independent certified audit, securing insurance for the activities of the District’s Board, and complying with the open meetings law, Subchapter V of Chapter 19 of the Wisconsin Statutes.

C. Proposed Income and Expenditures

Contract with Harbor District, Inc. for Project Management, Outreach, and BID Administration and Mailings	\$18,000
Catalytic Projects Fund	\$50,000
Public Plaza	\$10,000
Audit	\$2,500
Insurance	\$500
Reserve	\$10,291.79
Total Expenditures:	\$91, 297.79
Proposed Income from Assessments:	\$91, 297.79

D. Financing Method

It is proposed that \$91, 297.79 shall be raised through BID assessments in Milwaukee (see Appendix B). 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.

IV. METHOD OF ASSESSMENT

A. Assessment Rate and Method

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 rate of \$1.00 per \$1,000 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 \$3,000 per parcel will be applied, and a minimum assessment of \$100 per parcel will be applied.

In order to incentivize property owners to make new investments in their properties and achieve long-term improvements in the area, the owner of a property may request, and the BID Board may grant, a freeze of a property's BID assessment at the current year's rate for the subsequent two years. Requests must be received before the filing of the annual Operating Plan, and will only be granted one time per owner per property.

To prevent disproportional assessment of businesses that are already actively contributing to improvements in this area via BID 35, parcels within the footprint of BID 35 will be assessed as follows: If the assessment for BID 35 is less than the assessment for BID 51 based on the formula described above, they will be assessed only for the difference, subject to the minimum assessment of \$100. If the assessment for BID 35 is greater than the assessment for this BID, they will pay only the minimum assessment of \$100 to BID 51.

As of January 1, 2016, the property in the proposed district had a total assessed value of more than \$115 million. This plan proposed to assess the property in the district at a rate of \$1.00 per \$1,000.00 of assessed value, subject to the maximum and minimum assessments, for the purposes of the BID.

Appendix B 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. The district may contain parcels exempt from general real estate taxes. These parcels will not be subject to a BID assessment.

V. BID 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 and to ensure district compliance with the provisions of applicable statutes and regulations.

The BID Board is structured and operates as follows:

- Board size – Seven Members
- Composition – A majority of members shall be owners or occupants of property within the District. Board composition shall reflect the geographic area and mix of business types and land uses present within the BID.
- Officers - The Board shall elect a Chairperson, Secretary, and Treasurer from among its members.
- Term - Appointments to the Board shall be for a period of three years, except that in the initial year, three members shall be appointed for three years, two members for two years, and two members for one year.
- Compensation - None
- Meetings - All meetings of the Board shall be governed by the Wisconsin Open Meetings Law. The Board shall meet regularly, at least twice a year. The Board shall draft and adopt by-laws in Operating Year 1 to govern the conduct of its meetings.
- Record Keeping - Files and records of the Board's affairs shall be kept pursuant to public records requirements.
- Staffing - The Board may employ staff and/or contract for staffing services pursuant to this plan and subsequent modifications thereof.

VI. 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 Harbor District 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:

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

VII. 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:

- 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.
- 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.
- The City Plan Commission will hold a public hearing, will approve or disapprove the Plan, and will report its action to the Common Council.
- The Community and 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.
- The Common Council will act on the proposed BID Plan.
- If adopted by the Common Council, the proposed BID Plan is sent to the Mayor for his approval.
- 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 activities, and information on specific assessed values, budget amounts and assessment amounts are based on previous year conditions. Greater detail about subsequent year's activities will be provided in the required annual Plan updates.

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 approval 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

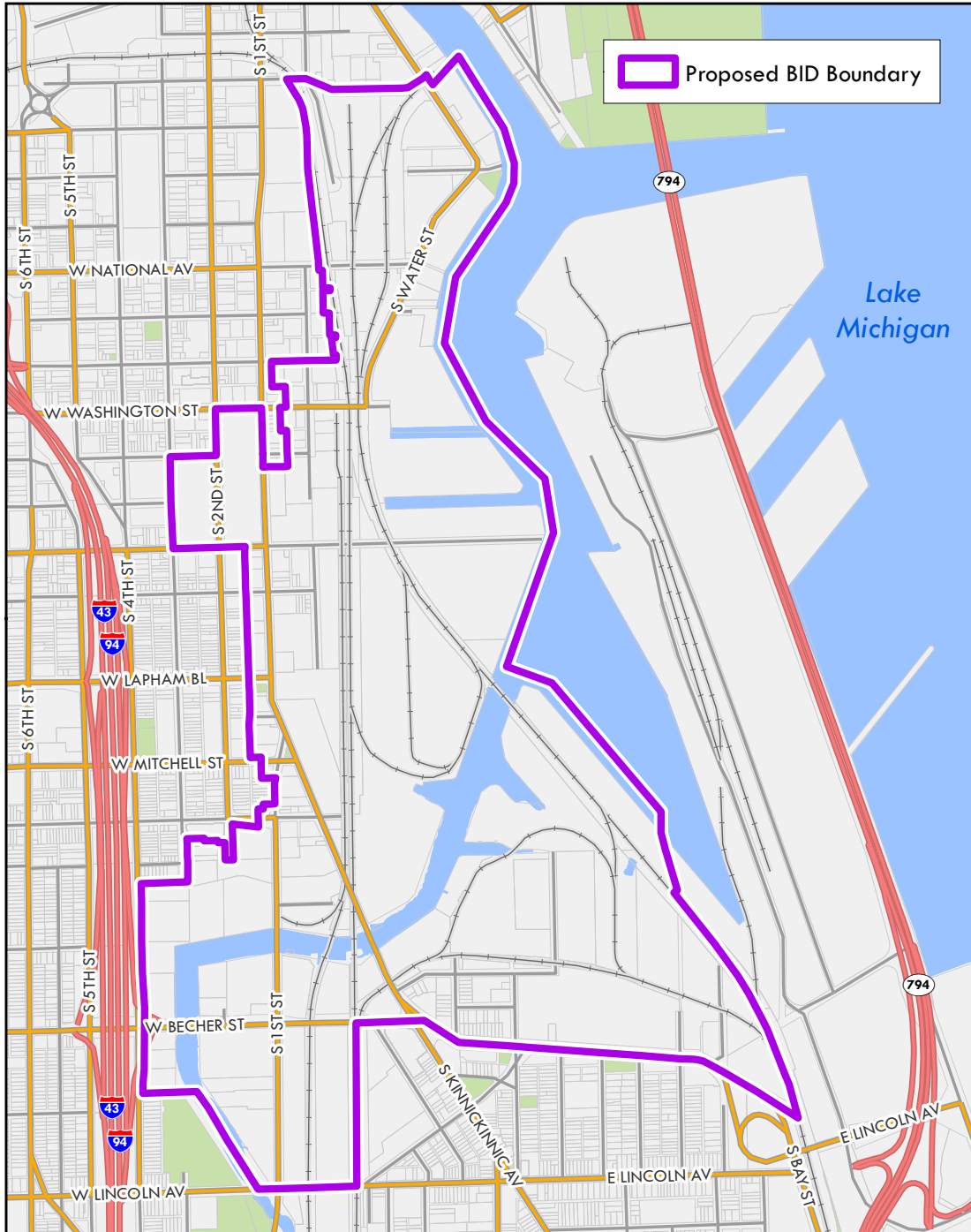
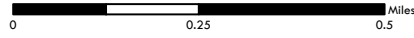
APPENDIX A: MAP OF DISTRICT BOUNDARIES

APPENDIX B: LIST OF DISTRICT TAX KEYS AND ASSESSMENTS

APPENDIX A: MAP OF DISTRICT BOUNDARIES

PROPOSED HARBOR DISTRICT BID NEAR SOUTH SIDE, MILWAUKEE

Prepared by the Dept. of City Development Planning Division, 8/3/2016
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Document Path: E:\GIS_Data\Projects\2016 Projects\16-07-11 Harbor District BIDMap - Harbor District Proposed BID (8-3-16).mxd