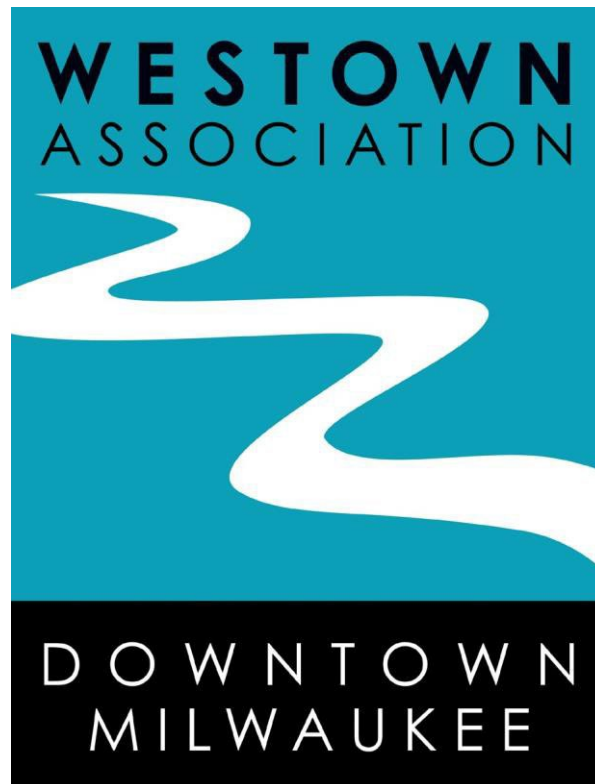


BUSINESS IMPROVEMENT DISTRICT NO. 5 - Westown

OPERATING PLAN - 2024



September 27, 2023

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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 received a petition from property owners which requested the creation of a Business Improvement District for the purpose of revitalizing and improving the Westown area in Milwaukee's downtown central business district. The BID law requires that every district have an annual Operating Plan. This document is the Operating Plan for the Westown BID #5 district. The BID proponents prepared this Plan with technical assistance from the City of Milwaukee Department of City Development. BID #5 was officially approved by the City of Milwaukee Common Council on November 14, 1989 (File # 890817).

B. Physical Setting

The BID #5 boundaries are roughly comprised of Fourth Street on the east, Tenth Street on the west, W. Wells St. on the North and Clybourn St. on the south (with exclusion of certain exempt properties within those boundaries).

II. DISTRICT BOUNDARIES

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

III. PROPOSED OPERATING PLAN –

A. Plan Objectives

The Westown Association BID #5 will continue to move forward with the following objectives:

- Create new ways to attract people to visit the Westown area and increase positive perception
- Foster an environment conducive to economic development for businesses
- Engage rapidly growing neighborhood residential base
- Continue current mix of Westown program and event offerings that drive traffic to the district
- Continue advocacy and outreach to support businesses and property owners in the area
- Develop a plan to ensure Westown is recognized as a preferred destination for diversity
-
- Develop a comprehensive fund development plan that will increase revenue providing the organization with an increased capacity to serve stakeholders

B. Proposed Activities

Principle activities to be engaged in by the district will include:

- Continue advocacy on issues that impact the quality of life, business environment and perception of the area – such as licensing, nuisance issues and public safety.
- Continue to establish and highlight the neighborhood's identity and programs through the implementation of a street banner program, organizational website, social media channels and development of print collateral.
- Promote/advocate for new developments in Westown and leverage impact of these developments

- Participate in existing and future efforts to address transit issues that affect Westown and Downtown Milwaukee mobility & connectivity such as the streetcar, bus rapid transit, Bublr Bikes and bus system
- Work with stakeholders in the 3rd Street Entertainment District on issues which may include quality of life, safety, parking and programming for the collective good of this area
- Play an active role as a member of the Downtown Neighbors Association - downtown residents' group as a means to engage the expanding neighborhood residential base.
- Westown will continue producing their successful event programs that attract thousands of people to the downtown area, activate public spaces and help change perception of the area. Those programs may include: Shamrock Club of Wisconsin St. Patrick's Parade, the Milwaukee Night Market, Westown Golf Open and Westown Day Market.
- With the goal of being recognized as a preferred destination for diversity, the organization will increase representation of minority directors by 10% and add two female directors on the nonprofit board of directors of the Westown Association of Milwaukee, Inc.
- As part of the organization's fund development strategy, marketing materials will be created to support efforts to develop a new fundraising strategy.

C. Proposed 2024 Budget Draft

Revenue	
BID #5 Assessments	85,044
Membership Dues	30,000
Riverwalk Management Fee	38,400
Program Revenue (Event Revenue, Sponsorship, and other Grants)	368,811
Total Revenue	\$522,255
Expenses	
Wages and Benefits	246,055
Office Rent	5,460
Payroll Expense	1,100
Business Meeting Costs	7,100
Insurance	5,400
Misc. Exp./Membership Dues/Subscriptions	7,910
Equipment	1,850
Office Supplies	1,600
Travel/Meetings & Conferences	5,700
Postage	900
Printing/Design	3,350
Professional Services (Audit, Legal, IT)	9,500
Telephone/Internet	3,275
Program Expenses (All Events)	223,055
Total Expenses	\$522,255

D. Financing Method

It is proposed to raise **\$85,044** in BID assessments (see Appendix C). We also expect to raise money through membership dues and program revenue. The BID Board shall have the authority and responsibility to prioritize expenditures and to revise the budget as necessary to match the funds 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 the 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 – 7
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.

F. Relationship to the Westown Association

The BID shall be a separate entity from the Westown Association of Milwaukee, Inc, 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 ASSESSMENT

A. Assessment Rate and Method

The annual assessment for the BID #5 operating expenses will be levied against each property within the BID in direct proportion to the current assessed value of each property for real property tax purposes as of the date the BID holds its public hearing regarding its **Year Thirty-Five Operating Plan (September 27, 2023)**. No owner of property within the BID shall be eligible to receive or be subject to any reductions or increases in its assessment as a result of a decrease

or increase in the assessed value for their property occurring after such date. In addition, the amount of a special assessment against a particular property may change from year to year if that property's assessed value changes relative to other properties within the BID.

As of **January 1, 2023** the property in the Westown district had a total assessed value of **\$182,516,289**. This plan proposes to assess the property in the district at a rate of \$.90 per \$1,000 of assessment for the purposes of the BID with a \$210 per parcel minimum assessment and a \$12,600 per parcel maximum assessment. Appendix C shows the projected BID assessment for each property included in the BID.

The principle behind the assessment methodology (Appendix B) is that each property should contribute to the BID in proportion to 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 assessment methodology for this BID. It is assumed that development of the District will produce at least some minimum benefit for all parcels. Thus, a \$210 minimum assessment has been applied.

B. Excluded and Exempt Property

The BID law requires explicit consideration of certain classes of property. In compliance, the following statements are provided.

The BID law requires specific 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 BID 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 Operating Plan because it is assumed that they will benefit from development in the BID.
2. State Statute 66.1109(5)(a) and 66.1109(5)(d): Property used exclusively for residential purposes will not be assessed; such properties will be identified as BID Exempt Properties in Exhibit B, as revised each year. Further, with respect to mixed use property, only the portion of any such property that is not tax-exempt or residential may be assessed.
3. In accordance with the interpretation of the City Attorney regarding State Statute 66.1109(1)(b), property exempt from general real estate taxes at the time of creation of the BID has been excluded from the BID. (Such property may subsequently become part of the BID at such time as it becomes taxable.) Privately-owned, tax-exempt property adjoining the BID and which is expected to benefit from BID activities may be asked to make a financial contribution to the BID on a voluntary basis.

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 \$12,600 per parcel will be applied.

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 Westown 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 30th of each Plan year, with the official City records and the assessed value of each tax key number with the district, as of January 1st 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 was followed:

1. The Milwaukee City Plan Commission reviewed the proposed district boundaries and proposed Operating Plan and held a formal public hearing.
2. The City Plan Commission sent by certified mail, a public hearing notice and a copy of the proposed Operating Plan to all owners of real property within the district. In addition, a Class 2 notice of the public hearing was published in a local newspaper of general circulation.
3. The City Plan Commission held a public hearing, approved the Plan, and reported its action to the Common Council.

4. The Economic Development Committee of the Common Council reviewed the proposed BID Plan at a public meeting and made a recommendation to the full Common Council.
5. The Common Council acted on the proposed BID Plan.
6. After being adopted by the Common Council, the BID Plan was sent to the Mayor for his approval.
7. After being approved by the Mayor, the BID was created and the Mayor appointed members to the district board, which was established to implement the Plan.

B. Early Termination of the BID

The City shall consider terminating the BID if the owners of property assessed under the Operating Plan having a valuation equal to more than 50% of the valuation of all property assessed under the Operating Plan, using the method of valuation specified herein, or the owners of property assessed under the Operating Plan having an assessed valuation equal to more than 50% of the assessed valuation of all property assessed under the Operating Plan, file a petition with the City Plan Commission requesting termination of the BID. On or after the date such a petition is filed, neither the Board nor the City may enter into any new obligations by contract or otherwise until the expiration of thirty (30) days after the date a public hearing is held and unless the BID is not terminated.

Within thirty (30) days after filing of a petition, the City Plan Commission shall hold a public hearing on the proposed termination. Notice of the hearing shall be published as a Class 2 notice. Before publication, a copy of the notice with a copy of the Operating Plan and a copy of the detail map showing the boundaries of the BID shall be sent by certified mail to all owners of real property within the BID

Within thirty (30) days after the date of such hearing, every owner of property assessed under the Operating Plan may send a written notice to the City Plan Commission indicating, if the owner signed a petition, that the owner retracts the owner's request to terminate the BID or, if the owner did not sign the petition, that the owner requests termination of the BID.

If, after the expiration of thirty (30) days after the date of the public hearing, by petition or subsequent notification and after subtracting any retractions, the owners of property assessed under the Operating Plan having a valuation equal to more than 50% of the valuation of all property assessed under the Operating Plan, using the method of valuation specified in the Operating Plan, or the owners of property assessed under the Operating Plan having an assessed valuation equal to more than 50% of the assessed valuation of all properties assessed under the Operating Plan have requested the termination of the BID, the City shall terminate the BID on the date that the obligation with the latest completion date entered into to implement the Operating Plan expires.

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.

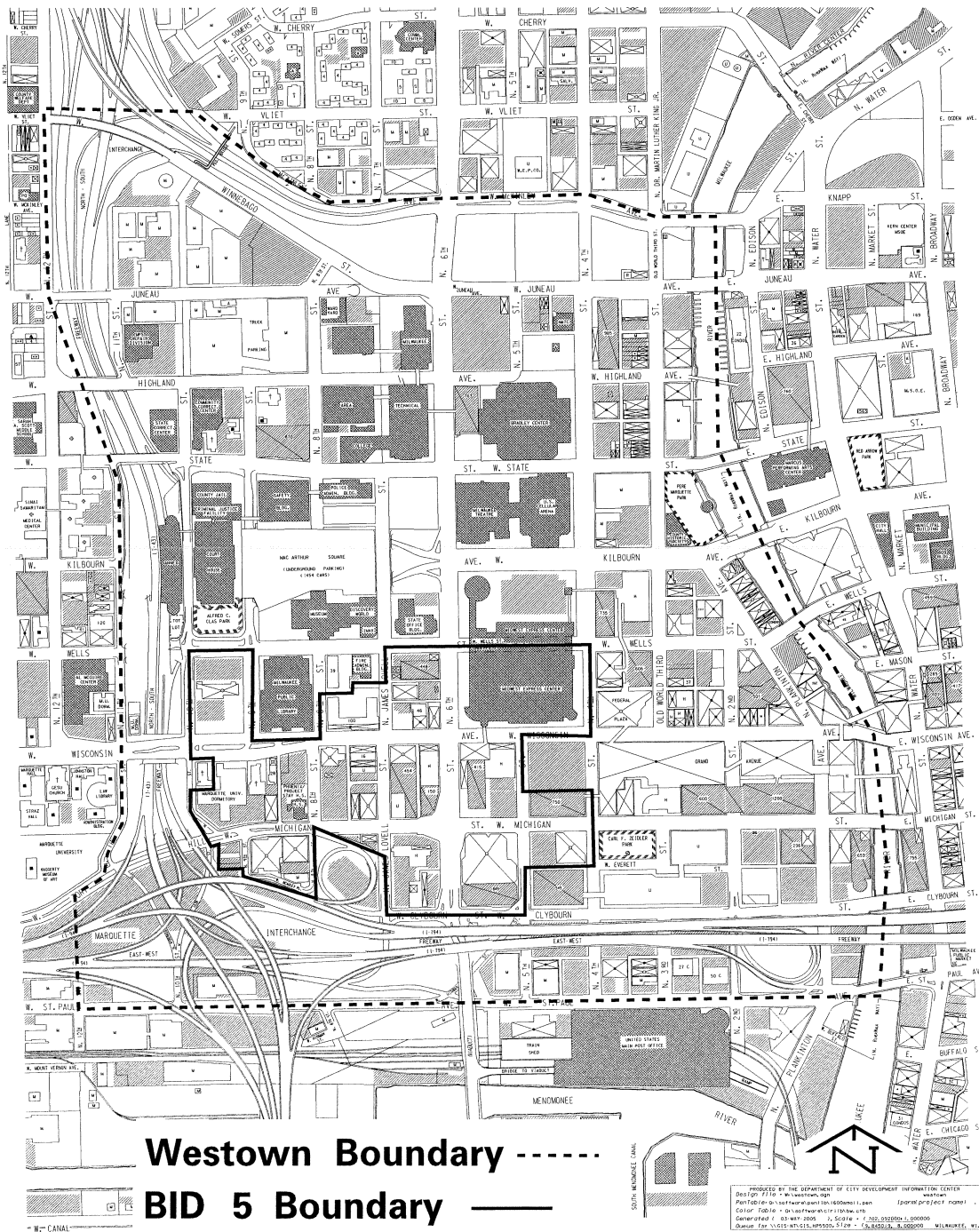
In later years, the BID Operating Plan will continue to apply the assessment formula, as adjusted, to raise funds to meet the next annual budget. However, the method of assessing shall not be materially altered, except with the consent of the City of Milwaukee.

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).

APPENDIX A – Map of BID # 5 Boundaries



APPENDIX B – Assessment Methodology

Assessment Methodology for BID #5 in Year Thirty-Five Assessments (2023)

It is intended to assess all properties described in the plan equally, with the exception that there shall be a minimum assessment of \$210.00 and a maximum assessment of \$12,600.00 on all individual parcels. The rate for Year Thirty-Four will be \$0.90 per \$1,000.00 in assessed valuation.

EXAMPLES:

Towne Peterson LLC, 815-819 W. Wisconsin Avenue

Given that the total valuation of this property as of 1 January 2023 is \$257,900; then dividing this by \$1,000 and then multiplying this valuation by \$0.90 would result in an assessment of \$189.09. Because this is below the \$210.00 minimum, the ~~at~~ assessment for the BID should be \$210.00.

NWC 331 Parking Garage LLC, 615 N. Vel R. Phillips Ave.

Given that the total valuation of this property as of 1 January 2023 is \$4,184,400; then dividing this by \$1,000 and multiplying this valuation by \$0.90 would result in an assessment of \$3,765.96. Because this is not below the \$210.00 minimum and not above the \$12,600.00 maximum, the actual assessment for the BID would be \$3,765.96.

MILW CITY CENTER LLC - 509 W. Wisconsin Avenue

Given that the total valuation of this property as of 1 January 2023 is \$56,264,800; then dividing this by \$1,000 and multiplying this valuation by \$0.90 would result in an assessment of \$50,638.32. Because this is above the \$12,600.00 maximum, the actual assessment for the BID would be \$12,600.00.

Complete tabulation of the assessment per parcel in the Westown BID #5 is in the next page on Appendix C.

APPENDIX C - PROJECTED 2024 BID #5 Assessment Calculations								
Taxkey	Address	Owner	Class	Building Description	% Commercial	BID Assessble Value	BID 5 Assessment	
3610701000	825-831 W WISCONSIN AV	ST JAMES COURT HISTORIC	Mercantile Apartments	AP4 (Conv Apt with 21 or more Units)	9	\$ 263,673.00	\$	237.31
3981281000	735 W WISCONSIN AV	WISCONSIN AVENUE LOFTS LLC	Mercantile Apartments	AP4 (Conv Apt with 21 or more Units)	3	\$ 455,976.00	\$	410.38
3611722000	612-624 W WISCONSIN AV	WISCONSIN AVENUE PROPERTY	Mercantile Apartments	AP4 (Conv Apt with 21 or more Units)	19	\$ 456,703.00	\$	411.03
3610700000	833 W WISCONSIN AV	833 WEST WISCONSIN AVENUE	Mercantile Apartments	Church	100	\$ 1,679,000.00	\$	1,511.10
3910763100	606 W WISCONSIN AV, Unit 203	FYLE MEYER	Special Mercantile	Office Building - Class B	100	\$ 9,200.00	\$	210.00
3910762000	606 W WISCONSIN AV, Unit 202	WI TOWER LLC	Special Mercantile	Office Building - Class B	100	\$ 44,500.00	\$	210.00
3611716000	746 N JAMES LOVELL ST	L & L RENTALS JOINT VENTURE LLC L	Special Mercantile	Tavern	63	\$ 157,500.00	\$	210.00
3610702000	815-819 W WISCONSIN AV	TOWNE PETERSON LLC	Special Mercantile	Parking Lot	100	\$ 210,100.00	\$	210.00
3610709100	625 N JAMES LOVELL ST	TOWNE PETERSON LLC	Special Mercantile	Parking Lot	100	\$ 257,900.00	\$	232.11
3611715000	738-740 N JAMES LOVELL ST	HANSON & PAYNE LLC	Special Mercantile	Residence With Commercial Usage	100	\$ 321,800.00	\$	289.62
3611718100	723 N 6TH ST	601723 LP	Special Mercantile	Parking Lot	100	\$ 498,900.00	\$	449.01
3910761000	606 W WISCONSIN AV, Unit 101	WI TOWER LLC	Special Mercantile	Sit Down Restaurant	100	\$ 500,200.00	\$	450.18
3612182000	700-738 W WISCONSIN AV	LIBRARY HILL LLC	Special Mercantile	Store Building - Multiple Tenants, 1 story	100	\$ 509,100.00	\$	458.19
3981202100	635-639 N JAMES LOVELL ST	RAUCH AND ROMANSHEK	Special Mercantile	Trucking Terminal	100	\$ 652,200.00	\$	586.98
3611721000	626-638 W WISCONSIN AV	THE CENTRAL MARKET PLACE CO	Special Mercantile	Parking Lot	100	\$ 652,600.00	\$	587.34
3610703000	801-813 W WISCONSIN AV	TOWNE PETERSON LLC	Special Mercantile	Parking Lot	100	\$ 891,800.00	\$	802.62
3981204100	701-721 W WISCONSIN AV	CIK LLP	Special Mercantile	Store Bldg - Multi Story (Store & Apt, Store & Ofc	53	\$ 1,141,037.00	\$	1,026.93
3981301000	915 W MICHIGAN ST	MICHIGAN STREET APTS LLC	Special Mercantile		100	\$ 1,218,300.00	\$	1,096.47
3981282000	610 N 8TH ST	735 W WISCONSIN AVE LLC	Special Mercantile	Parking Lot	100	\$ 1,283,000.00	\$	1,154.70
3611713100	601 W WELLS ST	601723 LP	Special Mercantile	Parking Lot	100	\$ 1,470,100.00	\$	1,323.09
3610825120	525 N 6TH ST	6TH STREET DEVELOPMENT LLC	Special Mercantile	Office Building - Class B	100	\$ 1,552,900.00	\$	1,397.61
3611717000	728 N JAMES LOVELL ST	COMMUNITY ADVOCATES INC	Special Mercantile	Office Building - Class B	100	\$ 1,779,100.00	\$	1,601.19
3610822110	633 W MICHIGAN ST	6TH STREET DEVELOPMENT LLC	Special Mercantile	Hotel - Limited Service	100	\$ 3,530,500.00	\$	3,177.45
3610739120	615 N VEL R PHILLIPS AV	NWC 331 PARKING GARAGE LLC	Special Mercantile	Parking Garage, Parking Ramp	100	\$ 4,184,400.00	\$	3,765.96
3910101000	900 W WISCONSIN AV	WISCONSIN CITY CLUB	Special Mercantile	Sport, Health & Recreational Properties	100	\$ 5,130,000.00	\$	4,617.00
3981302000	803 W MICHIGAN ST	9TH STREET HOLDINGS LLC	Special Mercantile	Office Building - Class B	100	\$ 9,087,100.00	\$	8,178.39
3610714111	611 W WISCONSIN AV	BRIAN KVALHEIM	Special Mercantile	Hotel - Full Service	100	\$ 17,894,800.00	\$	12,600.00
3610713111	633 W WISCONSIN AV	633 HOLDINGS LLC	Special Mercantile	Office Building - Class B	100	\$ 17,996,200.00	\$	12,600.00
3610814122	551 N 5TH ST	SCHWER, PFLICHT & WERKZEUG PROPERTIES LLC	Special Mercantile	Office Building - Class A	100	\$ 52,422,900.00	\$	12,600.00
3610719112	509 W WISCONSIN AV	MILW CITY CENTER LLC	Special Mercantile	Hotel - Full Service	100	\$ 56,264,800.00	\$	12,600.00
Totals						\$ 182,516,289.00	\$	85,004.66

APPENDIX D – BID #5 Board of Directors

1	John	Hennessy	President	St. James Court Apartments
2	Erica-Nicole	Harris		Wispark/WEC Energy Group
3	Lisa	Kurszewski		Zilber Property Group
4	Jeff	Sherman		Wisconsin Club
5	Melissa	Lukic		Hilton Milwaukee City Center
6	Bill	Scholl		Marquette University
7	Keith	Pup		Doubletree Milwaukee (pending appointment)