

Memorandum

To: John Ruggini, City of Wauwatosa
From: Jim Plaisted, Executive Director, Village of Wauwatosa Business
Improvement District
Date: 10/4/2013
Re: 2014 Village B.I.D. Operating Plan

Please find attached the proposed 2014 Village B.I.D. Operating Plan and budget that was approved at the October 3rd board of directors meeting on a unanimous vote of the members present.

The proposed property assessments will be forwarded later this month after City staff has determined final assessed values within the B.I.D. boundaries. We have been informed by staff that several property owners are appealing their new assessed values and that will affect our final B.I.D. assessment.

I will be sending under separate cover the 2012 review completed this summer by Bryan Stutzki of Neptune Financial and Management Services LLC. This is a requirement of the state law that the B.I.D. conducts a mission and financial review and files that report with the municipality.

**VILLAGE OF WAUWATOSA
Business Improvement District**

**2014
Operating Plan**

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Village of Wauwatosa Business Improvement District 2014 Operating Plan

I. PREFACE

In September 1991, the Wauwatosa Economic Development Corporation, the Wauwatosa Village Business Corporation, and the Village Task Force commissioned the creation of a strategic plan for the Village of Wauwatosa. Mooney LeSage Consulting businesses and property owners, city staff, elected officials and local organizations were represented in the planning process and four objectives were identified:

1. Establish strong leadership and direction
2. Develop comprehensive plan
3. Attract private investment
4. Create cooperative marketing and promotion

The formation of the Village BID was suggested as the best means to provide the leadership and funding to achieve these objectives.

In 1993, The City of Wauwatosa received a petition from commercial property owners in the Village of Wauwatosa that requested the creation of a business improvement district for the purpose of increasing activity and improving the image of the Village.

On October 26, 1993 the Committee on Public and Municipal Affairs unanimously recommended the formation of the Village Area BID District and its operating plan. The Wauwatosa Common Council approved the creation of the BID by resolution on November 3, 1993. Articles of Incorporation were signed by the Mayor and representatives of the new BID on December 8, 1993 and the first year operating plan was created for 1994.

Purpose:

The BID is dedicated to increasing activity and improving the image of the district. Staffed with a professional manager, the BID will create a link between service, industry, retail and social activities. It is expected these efforts to help increase district sales, volumes, attract additional business investment, and enhance property values in the Village area.

Currently the Village of Wauwatosa BID is the only BID within the City of Wauwatosa.

This Plan for 2014 has been prepared by the Village of Wauwatosa BID in compliance with state statute that requires, "The 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 its approval."

As used herein, "BID" shall refer to the business improvement district's operating and governance mechanism, and "District" shall refer to the property located within the physical boundaries of the business improvement district, as provided herein.

Development of the District through continuation of the BID is proposed because:

The BID law provides a mechanism whereby private property owners can work together in conjunction with the City to develop the district.

1. Existing public funding sources used to help maintain and promote the district are not sufficient. Continuing unified development efforts have to be financed with new and private resources as

well as existing public dollars.

2. The district is dynamic, including properties of varying types and sizes. Some form of cost sharing is necessary because it is not feasible for a small group alone to support district development efforts. The BID plan provides a fair and equitable mechanism for cost sharing which will benefit all businesses and properties within the district.
3. Use of the BID mechanism will help ensure that the entire district will be promoted and developed as expeditiously as possible.

II. DEVELOPMENT PLAN

A. Plan Objectives

The purpose of the BID is to increase activity and improve the image of the district. Staffed with a professional manager, the BID will create a link between service, industry, retail and social activities. It is expected these efforts to help increase district sales, volumes, attract additional business investment, and enhance property values in the Village area.

The mission is to optimize building and land use, encourage private investment, and increase and improve marketing efforts specifically for the district's special needs.

In 2014- 2017, the District will experience the impact of major street and utility construction on State St from 68th to Milwaukee Ave and a section of Wauwatosa Ave from Harwood Ave to State St. Also, the phased implementation of the adopted Master Plan for the Village area will occur as opportunities arise and funding is available.

In addition to the regular activities that provide a clean, safe and vibrant area, the BID must provide support to the businesses during plan implementation and construction inconveniences.

B. Plan of Action

1. Work with City Administration and Elected Officials to identify plan elements that need to be incorporated into capital improvements projects and advocate for inclusion in City capital budget.
2. Create and begin implementation of plan to minimize the negative impact of the major street reconstruction and utility work on the BID businesses by:
 - Working with the City Engineering Department to develop phasing options;
 - Creating a project management team including BID representatives and City staff that meets for updates, planning, and feedback prior to and throughout the any project;
 - Building customer loyalty to the District through public relations efforts;
 - Serving as the business liaison and advocate to City and construction officials;
 - Meeting with business and property owners on regular basis to assess impact, provide information and seek feedback or input. Providing feedback to City Project Engineer;
 - Creating and distributing regular and timely communication with information about street construction to BID members (property and business owners) and the residents living in surrounding neighborhoods.
3. Continued Village marketing plan and marketing materials which continues to build the positive attitude about the district by:
 - Hiring a professional marketing/public relations person to assist the BID in the following:
 - Producing publicity and media coverage of district activities;
 - Maintaining the website: www.villageofwauwatosa.com

- Developing detailed plan and budget for each activity including cost/benefit analysis;
 - Continuing to build “brand” awareness for the Village through advertising, identification markers, etc.;
 - Creating consistent messaging in marketing strategies, public relations, and programming.
 - Promoting the Village to residents of Wauwatosa, with an emphasis on the neighborhoods surrounding the district.
4. Initiate and maintain district capital improvements in consultation and collaboration with the City of Wauwatosa which include:
- Implementation of proposed wayfinding program within and surrounding the Village;
 - Seasonal flower and plantings program;
 - Continued development of green space in Root Common area;
 - Upkeep of the waste receptacles, benches and banners purchased by the BID.
5. Continue efforts to keep the district clean and safe, in collaboration with the City of Wauwatosa Police, Engineering and Public Works Department, which include:
- Sidewalk and curb cleaning program along primary Village streets;
 - Weed control,
 - Graffiti removal,
 - Examination of traffic patterns to improve safety and accessibility,
 - Examination of parking needs and usage,
 - Review of pedestrian safety conditions; seek improvements, and
 - Safety awareness communications and commercial block watch program.
6. Continue work of the Aesthetics and Plan Team Committees with the purpose of developing criteria on issues such as way finding system, bike racks, news boxes, etc. Committee is responsible for identifying issues, developing criteria and implementation strategies as recommendations for board approval.
7. Work in conjunction with the City of Wauwatosa Economic Development and Community Development Departments, or other appropriate departments, identifying new business prospects, developers and economic tools for further private investment.
8. Comply with BID reporting, audit and notice requirements.
9. Identify and act upon other opportunities to carry out the purposes of the BID plan and mission.

C. Benefits

The funds collected by the BID through special property assessments will be used to benefit the Village District in the following manner:

Assist property owners to attract and retain tenants by providing an attractive environment in which customers and clients are drawn for a pleasant working, shopping, dining, living and recreating experience.

Play an active role in marketing the Village to existing and potential tenants and customers.

Provide a culture of open communication and inclusiveness for all BID members.

Maintain inventory listing of currently available office and retail space availability and prospective sharing, information with owners and prospects.

Increase the value of Village property by encouraging building improvements and linking property owners to the City of Wauwatosa Economic Development Department or other financing options for design enhancements. A vibrant Village will also attract interested buyers further driving up demand and property values.

On-going efforts which establish strong, collaborative working relationships with the City of Wauwatosa.

Advocacy for business.

D. 2014 BUDGET

Income

BID Assessments (see attached property list)	\$74,725
City Contribution	\$ 6,400
Event Income	\$11,500
<u>Interest Income</u>	<u>\$ 500</u>
Total Income	\$93,125

Administrative Expenditures

Director	\$39,600
Office rent and office related	\$ 4,100
Insurance	\$ 1,250
Printing	\$ 500
Postage	\$ 200
Accounting Fees	\$ 1,200
Equipment/Supplies	\$ 500
Meals/Entertainment	\$ 500
Phone	\$ 920
Internet	\$ 240
Member dues	\$ 1,000
Donations	\$ 2,000
Aesthetics	<u>\$ 3,000</u>
Total Administrative	\$55,010

Marketing Programs

Coordinator	\$10,000
Website	\$ 350
Marketing Supplies	\$ 750
Advertising (non-event)	\$ 8,625
Events (Holiday Magic, Diva Night, etc)	<u>\$11,500</u>
Marketing Total	\$31,225

Total BID Budget Expenses **\$86,235**

2013 BID Income (Loss) **\$ 6,890**

All expenditures, except if identified, will be incurred during calendar year 2014.

Any funds remaining on any budget line item may be moved to another budget line item, as determined by the BID Board. Any unused funds remaining at the end of the year shall be transferred to the reserve fund and used in operating plans of following years.

Additional gifts, grants, or others sources of revenue, shall be expended for the purposes identified herein, and in the manner required by the source of such funds, or, if the funds have no restriction, and in the manner determined by the BID Board.

E. Powers

The BID Board shall have all the powers authorized by law, and by this Plan including, but not limited to, the following:

1. To manage the affairs of the district;
2. To contract on behalf of the BID;
3. To develop, advertise and promote the existing and potential benefits of the district;
4. To undertake on its' own account, in coordination with the City of Wauwatosa, public improvements and/or assist in development or underwriting public improvements within the district;
5. To apply for, accept, and use grants and gifts for these purposes; and
6. To elect officers and contract services for staffing, as necessary to carry out these goals.

III DISTRICT BOUNDARIES

The district consists generally of an area bounded by Milwaukee Avenue on the north, Honey Creek Drive on the south, 6600 W. State Street on the east, and N. 87th Street and Chestnut Street on the west. The district consists mainly of a small business retail area, professional offices, and manufacturing business. This includes 76 taxable parcels, based on the City of Wauwatosa Assessor's Records as of September 1st, 2013. Also within the district boundaries are churches, residences, and non-profit entities which are not included in the BID assessment.

IV. ORGANIZATION

A. Operating Board.

The Mayor of Wauwatosa appoints members to the BID Board. State law requires that the board be composed of at least 5 members and the majority of the board members are property owners or tenants of property owners within the district.

This board's primary responsibility is to identify District issues and activities for the short and long term, creating and implementing the current year's operating plan and multi-year projects budget including contracting for necessary staffing and services for implementation. The Board also contracts for preparation of an annual report and review on the district, annually reviews and modifies the operating plan and submits to the City of Wauwatosa Common Council for approval. Implementing the plan requires the Board to negotiate with providers of services and materials to carry out the Plan; to enter into

various contracts; to monitor development activity; and to ensure District compliance with the provisions of applicable statutes and regulations.

The Village BID Board is currently structured as follows:

1. Board size – 15 members, maximum
2. Composition – Based on by-laws, the board is composed of 15 members with at least twelve (12) positions must be filled with BID property owners or property tenant. Effort is made to maintain a 50/50 ratio. At least one and up to three board positions may be filled by community members at large. Any non-owner or non-occupant appointed to the Board shall be a resident of the City of Wauwatosa.
3. Officers – The board shall appoint a chair, vice-chair, treasurer, and secretary, any two shall have the power to execute documents on behalf of the full board, for purposes authorized by the Board. Officers shall be directors and shall be elected annually at the first regularly scheduled meeting after appointment by the Mayor of new directors.
4. Terms – Appointments to the board shall be for a term of three years, with 1/3 of the terms expiring each December. The board may remove a director, by two-thirds vote of the total board, for conduct unbecoming a member or prejudicial to the aims or repute of the BID. .
5. Compensation – None
6. Meetings – All meetings of the board shall be governed by the Wisconsin Open Meetings law. Minutes will be recorded and submitted to the City and the board. The Board shall adopt rules of order to govern the conduct of its meetings and meet regularly at least annually. In 2014, the Board will meet a minimum of six times, and the annual meeting will be held in March.
7. Record Keeping – Files and records of the Board’s affairs shall be kept following public records requirements.
8. Staffing – The board may contract for staffing services pursuant to this plan and subsequent modifications thereof. Unless requested otherwise by the board, any contracted staff or employees of contractors may attend all meetings of the board, but will not have voting authority.

The City of Wauwatosa Administrator and/or the Administrator’s representative shall be ex-officio member of the BID Board of Directors.

On or before October 31 of each year, the Board shall submit to the Mayor its recommendations for appointments to the seats of expiring Board members.

B. Amendments and Annual Review

Section 66.1109(3)(b) of the BID Law requires the board to review the operating plan annually and make changes if appropriate, then submit the plan to the City for approval.

The process for approval of the amended plan will be:

Step 1. The Budget and Finance Committee of the Common Council will review the proposed Operating Plan at a public meeting and will make a recommendation to the full Common Council.

Step 2. The Common Council will act on the BID's proposed annual operating plan.

Step 3. The Mayor of Wauwatosa will appoint new members to the BID Board at least 30 days prior to the expiration of the outgoing board members' terms.

The BID will continue to review, revise (if necessary), and develop the operating plan annually, in response to changing development needs and opportunities in the district, within the purpose and objectives defined herein.

The BID Plan will continue to apply the assessment to raise funds to meet the next annual budget. However, the method of assessment shall not be materially altered, except with the consent of the City of Wauwatosa Common Council.

V. FINANCING METHOD

The proposed expenditures contained in Section II D, above, will be financed from funds collected from the BID assessment. For the 2014 budget, it is estimated that \$74,625 will be raised through assessments. City of Wauwatosa property located within the District is assessed at a flat rate of \$6,500 annually. Any other funds, which may be made available to the BID for the purposes contained herein, shall be collected and expended as identified in Section II D.

VI. METHOD OF ASSESSMENT

A. Parcels Assessed

All tax parcels within the district required to pay real estate taxes, including those taxed by the state as manufacturing, and all parcels used exclusively for manufacturing, will be assessed. Real property, used exclusively for residential purposes may not be assessed, as required by BID Law. Property exempt from paying real estate taxes or owned by government agencies will be not assessed.

B. Levy of Assessment

Special assessments under this 2013 Operating Plan are hereby levied against each tax parcel of property within the District that has a separate tax key number, in the amount shown on the assessment schedule that is attached in Appendix A. The assessment is based on the assessed value of the parcels (land and improvements) as shown in the record of the City Assessor's office in September, 2013, except as otherwise identified below. The 2014 BID assessments shown on Appendix A were calculated at a rate of \$XX for each \$1000 of assessed value with a minimum and maximum assessment level and exceptions as in Section VI C.

C. Schedule of Assessments

The final form of this 2014 Operating Plan has attached, as Appendix A, a schedule of all the tax key numbers within the BID, which are being assessed, and their assessment using the formula. The assessment method is as follows:

For each parcel, the BID assessment will be computed by applying a charge of \$XX per \$1000 of assessed value (same as 2012 rate); subject however to a \$469 minimum and \$3,647 maximum.

Parcels identified as parking lots or vacant lots will be exempt from the \$469 minimum or \$3,647 maximum and are assessed at the same rate per \$1000 as other properties.

Changes to the method of assessment are subject to Common Council approval.

D. Assessment Collection

The BID assessment for each parcel will be submitted to the City of Wauwatosa which shall include it as a separate line item on the next real estate tax bill issued for that parcel.

The City shall collect the assessment with the taxes as a special charge and shall turn over all monies so collected to the BID Board for distribution in accordance with the BID Plan by the 15th day of the month following such collection.

All BID assessments shall be treated as special charges, and shall be shown on the tax bill as due and owing with the first installment of taxes. Any money collected by the City of Wauwatosa for BID assessments shall be held by the City in a segregated account until it is released to the BID Board as provided herein. The City shall comply with the requirements of Sec. 66.60 Wisconsin Statutes with respect to such BID assessments by paying the charge assessed to any parcel owned by the State, County, or other governmental entity; on the date such BID assessment is due.

A list of the projected assessment for each parcel within the proposed BID and the projected total amount to be raised through assessments is available at the BID office and the City Clerk's office.

As parcels increase or decrease in value, their BID assessment will change accordingly.

The BID board shall prepare and make available to the public and the City an annual report describing the current status of the BID, including expenditures and revenues, at the time it submits its plan to the City for the following Plan Year. This annual independent review of the implementation of the annual operating plan is obtained by the BID Board and which shall be paid for out of the BID budget.

The presentation of this proposed plan to the City shall be deemed a standing order of the Board in 66.1109(4) Wis. Stats. To disburse the BID assessments in the manner provided herein.

This section shall be sufficient instruction to the City to disburse the BID assessment, without necessity of an additional disbursement agreement, disbursement method, or account method. Disbursements made under this plan shall be shown in the City's budget as a line item. Other than as specified herein, the disbursement procedures shall follow standard City disbursement policy.

VII. CITY ROLE

The City of Wauwatosa is committed to helping private property owners in the Business Improvement District. The City will play a significant role in the creation of the BID and in the implementation of the BID Plan. In particular, the City will:

1. Voluntarily agree to include public property within the District and pay such assessments on the parcels owned by the City.
2. Act as staff to the District through adoption of the Plan and provide assistance as appropriate thereafter.

3. Monitor and, when appropriate, apply for outside funds which could be used in support of the District.
4. Collect assessments and deposit them in a segregated account; and disburse the monies to the BID along with identification of those BID assessments included in the disbursement.
5. Procure and review annual audits as required per Section 66.1109 of BID Law.
6. Provide the BID Board through the Assessor's Office on or before Sept 1 of each Plan Year, with the official City records on the assessed value of each tax key number within the district, as of that date in each plan year, for purposed of calculating the BID assessments.
7. Adopt this plan in the manner required by BID Law.
8. Encourage the County, State, and Federal Governments to support the activities of the BID.

VIII. REQUIRED STATEMENTS

The Business Improvement District Law requires the plan to include several specific statements:

66.1109 (1)(f) 1m: The district will contain property used exclusively for manufacturing purpose, as well as properties used in part of manufacturing. These properties will be assessed according to the formula contained herein because it is assumed that they will benefit from development in the district.

66.1109 (5)(a): Property used exclusively for residential purposes may not be assessed, and such properties will be identified as BID Exempt Properties on Appendix A, as revised each year.

IX. TERMINATION OF THE DISTRICT

The District may be terminated as provided by law Section 66.1109 (4m). To begin termination process, a petition must be signed by owners of property with a total assessed value of more than 50% of the assessed valuation of all property assessed under the operating plan. The petition is then filed with the City of Wauwatosa requesting termination of the business improvement district.

X. SEVERABILITY AND EXPANSION

This Business Improvement District has been created under authority of Section 66.1109 of the statutes of the State of Wisconsin.

Should any court find any portion of the BID Law or this Plan invalid or unconstitutional, said decision will not invalidate or terminate the Business Improvement District and this Business Improvement District Plan should be amended to conform to the law without the need to reestablishment.

Should the legislature amend the statute to narrow or broaden the purposes of a Business Improvement District so as to, among other things, exclude or include as assessable properties of a certain class or classes of properties, then this BID Plan may be amended by the Common Council of the City of Wauwatosa as and when it conducts its annual budget approval without necessity to undertake any other act.

All of the above is specifically authorized under Section 66.1109 (3) (b) of the BID Law.

If it is determined by a court or administrative body, that a parcel of property not subject to general real estate taxes may not be included within the district, then such parcels shall be excluded from the definition of the district.

APPENDIX

Appendix A. – Schedule of tax parcels and their assessments

Attached as Separate Document