

(DRAFT)

City of Monroe Downtown Business Improvement District Operating Plan for Calendar Year 2017

I. INTRODUCTION

Under Wisconsin Statute Section 66.1109, (the "BID Law"), cities are authorized to create Business Improvement Districts ("BIDs") upon the petition of at least one owner of property used for commercial purposes within the District. The purpose of the BID 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 Wis. Act 184, Section 1, legislative declaration. *See Appendix A.*

BID assessments are similar to traditional special assessments wherein property owners are assessed for improvements or services that benefit them. Unlike the traditional special assessments, however, BID assessments can be used to finance a wider range of activities, services, and improvements, such as business retention, expansion and recruitment, ambassadors, promotions and marketing, and seasonal street decorations.

On November 18, 1986, the City of Monroe created the Business Improvement District. Pursuant to BID Law, this is the operating plan ("Operating Plan") for the District for calendar year 2017, which has been prepared to establish the services to be offered by the District, expenditures by the District, the special assessment method applicable to properties within the District, and other requirements of the BID Law.

II. DISTRICT BOUNDARIES

The current Business Improvement District is shown on the map which is Appendix B, attached hereto and incorporated herein by this reference ("Current BID District").

III. OPERATING PLAN

A. Plan Objectives

The objective of the District is to promote the development, re-development, operation, and promotion of the District for the economic benefit of all businesses and property owners within it and for the benefit of the community as a whole. The BID District will focus on Advocacy for the property/business owners within the District- functioning as one unified voice. The District will be promoted as an exciting place to live, learn, work, and play, through collaborative efforts that

involve area businesses, public and private institutions, and property owners. The District plans to achieve its objectives by establishing an assessment to fund the Monroe Main Street Program, now known as Monroe Main Street, Inc, and hereinafter referred to as "MSM", which coordinates the efforts to develop, manage, and promote the District.

B. Proposed Activities

The BID is planning the following activities for 2017:

I. Promotions/Marketing

The BID Board will support the MSM's public relations campaign to retain and expand the customer and business base, and to promote the cleaner, safer, friendlier, downtown being created through District efforts. Marketing efforts and programs will continue to encourage increased use of downtown and to convince both constituents of the District and potential users that the downtown is a positive destination and a workplace with unique qualities and amenities. When requested by MSM, the BID Board will assist in production and distribution of a newsletter to all property/business owners in the District. Assistance will also be provided to MSM to maintain an umbrella-advertising theme, graphics package, and media relations program that will inform Monroe residents and visitors about opportunities for shopping, eating, working, and living within the District. The BID Board through its funding of MSM will also continue to support special events that focus on the promotion and enhancement of the District. This specifically includes the maintenance of seasonal street decorations on and near the Square.

II. Business Recruitment, Expansion and Retention

Business *recruitment and expansion* will focus on two main areas:

1. Low Interest Loans: To encourage new and existing businesses within the Jobs Preservation District (established in 2003), with the same boundaries as the current District, to make use of low interest loans available from the City's Revolving Loan Fund. The Jobs District and loan fund are intended to stimulate investment within the BID.

2. Economic Database: The BID Board, through MSM, intends to help develop an economic database for the downtown including traffic counts, market research, available space, etc., to be shared with current and prospective property and business owners.

Business *retention* will consist of the following:

1. The BID Board of Directors will help represent business and property owners within the District to MSM.
2. The BID Board will support efforts to maintain a clean and safe environment for the District. The BID Board will meet as needed with staff from the Monroe Police Department to assist with maintenance and safety issues that arise within the district.
3. The BID Board expects to be in regular communication with businesses and property owners within the District to develop a more comprehensive knowledge of what is wanted and needed within the District.

C. Expenditures and Financing Method

As approved at the October 20, 2016, Board meeting, the BID tax levy for 2017 is \$37,500. \$37,500 of the BID Budget is committed to the MSM program to continue funding for Main Street Events and Promotions which are consistent with MSM' s 2017 proposed budget. Expenditures are intended to be made in a fair and equitable basis throughout and for the benefit of the entire District. Payments will be made to MSM quarterly upon review by the BID Board of MSM' s financial statements showing operations consistent with MSM' s proposed 2017 budget. If a surplus exists at the end of any fiscal year, the monies may be carried over for expenditures in subsequent years. Appendix C is a copy of the BID approved budget document for 2017.

If any year's annual operating budget exceeds the prior year's annual operating budget by 4% or more, such budget must be approved by a 2/3 majority of the entire BID Board. Any capital improvements costing more than \$2,500 each or \$10,000 in the aggregate for any one calendar year must be approved by a 2/3 majority of the entire BID Board. For the purpose of this Operating Plan, "capital improvement" means any physical item that is permanently affixed to real estate including, without limitation, street lighting and sidewalk improvements. The term "capital improvement" shall not include (among other things) maintenance equipment or supplies, communications equipment, vehicles, seasonal improvements, or holiday lighting and decoration.

The 2017 Operating Budget for BID is subject to approval by the City of Monroe, as set forth in Wisconsin Statutes section 66.1109. After the District Board has approved the annual operating plan and budget, they will be sent to the City for approval, adoption and inclusion in the City's annual budget.

The District may not borrow funds without approval of a 2/3 majority of the entire District Board and with approval of the Monroe Common Council.

D. Organization of the District Board

The Board shall be appointed by the Mayor and confirmed by the City Council. Board members shall serve staggered terms as designated by the City Council. The Board shall be responsible for implementation of this Operating Plan. This requires the Board to

- negotiate with providers of services and materials to carry out the Operating Plan
- enter into various contracts
- monitor the effectiveness of the District's activities
- aid compliance with the provisions of applicable statutes and regulations
- make reimbursements for any overpayments of District assessments.

Wisconsin Statutes section 66.1109(3) (a) requires that the Board be composed of at least five members and that a majority of the Board members shall either own or occupy real property in the District. If the actual property or business owner is an entity, that entity shall designate a representative to act on its behalf.

The Monroe BID Board shall be structured and operate as follows:

1. Board Size- 11 members.
2. Board Terms-Appointments to the Board shall be for a period of two years.
3. Board Compensation-None
4. Open Meetings Law-All meetings of the Board shall be governed by the Wisconsin Open Meetings Law if and as legally required.
5. Record Keeping- Files and records of the Board's affairs shall be kept pursuant to the Wisconsin Public Records Law.
6. Meetings-The Board shall meet regularly, approximately four times per year.
7. Executive Committee- The Board shall elect from its members a **chair, a vice-chair, a secretary, and a treasurer who shall comprise an Executive Committee of the Board.** The Executive Committee shall be authorized to oversee the day-to-day operations of the District, including the execution of minor contracts, and the signing of checks, subject to the controls adopted by the Board.
8. Committees- To be determined by the Board.
9. Non-Voting City Liaison- The Board will have one non-voting City Liaison.
10. Powers-The Board shall have all powers necessary and convenient to implement the Operating Plan, including the power to contract.
11. Annual Report- The Board shall prepare and make available to the public annual reports, including an independent certified audit conducted by the City of Monroe, as required by the BID Law.

IV. METHOD OF ASSESSMENT

A. Annual Assessment Method

District operating expenses will be funded through a special assessment. Assessments to meet the BID budget will be levied against each non –exempt property within the district based on its most recent assessed value.

The BID assessment is levied by the City of Monroe, and shall be a lien against each of the tax parcels of real property contained in the District, unless exempted as identified herein, under the power of §66.604, Wis. Stats. The BID assessments are levied by the City of Monroe by adoption of this BID Plan. The city comptroller is authorized to include the BID assessment on bills for properties subject to the assessment within the District.

The City of Monroe shall collect such BID assessments and shall provide to the BID Board an accounting of the amounts received and the tax key numbers (parcel numbers) for which they are collected. All assessments shall be placed in a segregated account in the City's treasury. The City shall disburse the funds when the BID Board requisitions payments for its expenses that are authorized by the BID Operating Plan. All interest earned by virtue of temporary investment of funds in the BID account shall remain in the account for activities authorized by the BID Operating Plan.

B. Excluded and Exempt Property

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

1. Wisconsin Statutes section 66.1109(1)(f) Im: The special assessment for real property used exclusively for manufacturing purposes shall be limited to the first \$500,000 of assessed valuation of any single tax parcel, or if multiple tax parcels are used exclusively for a single manufacturing enterprise, the first \$500,000 of assessed valuation of all such parcels combined.
2. Wisconsin Statutes section 66.11 09(5)(a): Real property used exclusively for residential purposes and real property that is exempted from general property taxes under s. 70.1 1 may not be specially assessed. Owners of tax exempt property adjoining the District and expected to benefit from District activities may be asked to make a financial contribution to the District on a voluntary basis. In addition, those tax exempt properties within the boundaries of the District which are later determined no longer to be exempt from general property taxes, and tax exempt properties within the boundaries of the District whose owners consent in writing to be assessed, shall automatically become included within the District and subject to assessment under any current Operating Plan without necessity to undertake any other act.

V. PROMOTION OF ORDERLY DEVELOPMENT OF THE CITY

Under Wisconsin Statutes section 66.1109(l)(f) 4, this Operating Plan is required to specify how the creation of the District promotes the orderly development of the City. The District will increase the vitality of the central Business District and, consequently, encourage commerce in the City. Increased business activity in the City will increase sales tax revenues and property tax base.

A. City Role in District Operation

The City has committed to assisting owners and occupants in the District to promote its objectives. The creation of the BID District is in compliance with the City's Master Plan, the goals of which include building of community identity by revitalizing main streets and enforcing design standards, encouragement of land uses, densities and regulations that promote efficient development patterns and relatively low municipal, state governmental and utility costs and, planning and development of land uses that create or preserve varied and unique urban and rural communities. To this end, the City has played a significant role in creation of the District and in the implementation of the Operating Plan. In furtherance of its commitment, the City shall:

1. Maintain services to the District at their current levels.
2. Maintain the City's current financial commitment to downtown.
3. Maintain deployment of foot patrol officers.
4. Handle the billing and collection of the BID assessment as provided herein.
5. Have City Attorney make a legal opinion, attached hereto as Appendix D, that the BID Operating Plan complies with the requirements of the BID Law.

VI. PLAN APPROVAL PROCESS

A. Public Review Process

The BID Law establishes a specific process for reviewing and approving operating plans. These statutory requirements will be followed, including the following:

1. The District shall submit its proposed Operating Plan for the following year to the City of Monroe City Clerk's Office by December 1.
2. The City Clerk will place the proposed Operating Plan before the Monroe City Common Council for review and approval.
3. If adopted by the Common Council, the Operating Plan shall be sent to the Mayor, who will appoint, in accordance with Article III. D, members to the Board.

VII. FUTURE YEAR OPERATING PLANS

A. Changes

This Operating Plan is designed to authorize and control the BID for only its Year 2017 activities. It is anticipated that the District will continue to be renewed by the City and in

such renewals the District will revise and develop this Operating Plan annually, in response to changing needs and opportunities in the District, in accordance with the purposes and objectives defined in this Operating Plan. Wisconsin Statutes Section 66.1109 (3)(b) requires the Board and the City to annually review, approve, and make changes as appropriate in the Operating Plan. Therefore, while this document outlines in general terms proposed activities, information on specific properties, budget amounts, and expenditures are based solely upon current conditions. Subsequent years' activities, budget, and assessments 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 Operating Plan and the BID Law.

B. Termination of the District

1. The District may be terminated as provided by law, Wisconsin Statutes Section 66.1109 (4m). 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 in the Operating Plan, or the owners of property assessed under the Operating Plan having an assessed valuation equal to more than fifty percent (50%) of the assessed valuation of all property assessed under the Operating Plan, file a petition with the Planning Commission requesting termination of the BID, the district may be terminated in accordance with Wisconsin Statutes Section 66.1109 (4m) (a), (b), (c), (d) and (e).
2. In accordance with Wisconsin Statutes Section 66.1109 (5) (b), a Municipality may terminate a Business Improvement District at any time.

C. Amendment, Severability and Expansion

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

VIII. GENERAL

All appendices referenced herein are incorporated herein by reference. After the first year of the BID, the Operating Plan need not include the legal opinion (Appendix D), or a map of the BID District (Appendix B), unless there is a change in them.

Appendix A

66.1109 Business improvement districts.

(1) In this section:

(a) "Board" means a business improvement district board appointed under sub. (3) (a).

(b) "Business improvement district" means an area within a municipality consisting of contiguous parcels and may include railroad rights-of-way, rivers, or highways continuously bounded by the parcels on at least one side, and shall include parcels that are contiguous to the district but that were not included in the original or amended boundaries of the district because the parcels were tax-exempt when the boundaries were determined and such parcels became taxable after the original or amended boundaries of the district were determined.

(c). "Chief executive officer" means a mayor, city manager, village president or town chairperson.

(d) "Local legislative body" means a common council, village board of trustees or town board of supervisors.

(e) "Municipality" means a city, village or town.

(l) "Operating plan" means a plan adopted or amended under this section for the development, redevelopment, maintenance, operation and promotion of a business improvement district, including all of the following:

I. The special assessment method applicable to the business improvement district.

I m. Whether real property used exclusively for manufacturing purposes will be specially assessed.

2. The kind, number and location of all proposed expenditures within the business improvement district.

3. A description of the methods of financing all estimated expenditures and the time when related costs will be incurred.

4. A description of how the creation of the business improvement district promotes the orderly development of the municipality, including its relationship to any municipal master plan.

5. A legal opinion that subs. I. to 4. have been complied with.

(g) "Planning commission" means a plan commission under s. 62.23, or if none a board of public land commissioners, or if none a planning committee of the local legislative body.

(2) A municipality may create a business improvement district and adopt its operating plan if all of the following are met:

(a) An owner of real property used for commercial purposes and located in the proposed business improvement district designated under par. (b) has petitioned the municipality for creation of a business improvement district.

(b) The planning commission has designated a proposed business improvement district and adopted its proposed initial operating plan.

(c) At least 30 days before creation of the business improvement district and adoption of its initial operating plan by the municipality, the planning commission has held a public hearing on its proposed business improvement district and initial operating plan. Notice of the hearing shall be published as a class 2 notice under ch. 985. Before publication, a copy of the notice together with a copy of the proposed initial operating plan and a copy of a detail map showing the boundaries of the proposed business improvement district shall be sent by certified mail to all owners of real property within the proposed business improvement district. The notice shall state the boundaries of the proposed business improvement district and shall indicate that copies of the proposed initial operating plan are available from the planning commission on request.

(d) Within 30 days after the hearing under par. (c), the 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 the 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 initial operating plan, have not filed a petition with the planning commission protesting the proposed business improvement district or its proposed initial operating plan.

(e) The local legislative body has voted to adopt the proposed initial operating plan for the municipality.

(3) (a) The chief executive officer shall appoint members to a business improvement district board to implement the operating plan. Board members shall be confirmed by the local legislative body and shall serve staggered terms designated by the local legislative body. The board shall have at least 5 members. A majority of board members shall own or occupy real property in the business improvement district.

(b) The board shall annually consider and may make changes to the operating plan, which may include termination of the plan, for its business improvement district. The board shall then submit the operating plan to the local legislative body for its approval. If the local legislative body disapproves the operating plan, the board shall consider and may make changes to the operating plan and may continue to resubmit the operating plan until local legislative body approval is obtained. Any change to the special assessment method applicable to the business improvement district shall be approved by the local legislative body.

(c) The board shall prepare and make available to the public annual reports describing the current status of the business improvement district, including expenditures and revenues. The report shall include an independent certified audit of the implementation of the operating plan obtained by the municipality. The municipality shall obtain an additional independent certified audit upon termination of the business improvement district.

(d) Either the board or the municipality, as specified in the operating plan as adopted, or amended and approved under this section, has all powers necessary or convenient to implement the operating plan, including the power to contract.

(4) All special assessments received from a business improvement district and all other appropriations by the municipality or other moneys received for the benefit of the business improvement district shall be placed in a segregated account in the municipal treasury. No disbursements from the account may be made except to reimburse the municipality for appropriations other than special assessments, to pay the costs of audits required under sub.(3) (c) or on order of the board for the purpose of implementing the operating plan. On termination of the business improvement district by the municipality, all moneys collected by special assessment remaining in the account shall be disbursed to the owners of specially assessed property in the business improvement district, in the same proportion as the last collected special assessment.

(4m) A municipality shall terminate a business improvement district 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 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 property assessed under the operating plan, file a petition with the planning commission requesting termination of the business improvement district, subject to all of the following conditions:

(a) A petition may not be filed under this subsection earlier than one year after the date the municipality first adopts the operating plan for the business improvement district.

(b) On and after the date a petition is filed under this subsection, neither the board nor the municipality may enter into any new obligations by contract or otherwise to implement the operating plan until the expiration of 30 days after the date of hearing under par. (c) and unless the business improvement district is not terminated under par. (e).

(c) Within 30 days after the filing of a petition under this subsection, the planning commission shall hold a public hearing on the proposed termination. Notice of the hearing shall be published as a class 2 notice under ch. 985. Before publication, a copy of the notice together with a copy of the operating plan and a copy of a detail map showing the boundaries of

the business improvement district shall be sent by certified mail to all owners of real property within the business improvement district. The notice shall state the boundaries of the business improvement district and shall indicate that copies of the operating plan are available from the planning commission on request.

(d) Within 30 days after the date of hearing under par. (c), every owner of property assessed under the operating plan may send written notice to the planning commission indicating, if the owner signed a petition under this subsection, that the owner retracts the owner's request to terminate the business improvement district, or, if the owner did not sign the petition, that the owner requests termination of the business improvement district.

(e) If after the expiration of 30 days after the date of hearing under par. (c), by petition under this subsection or subsequent notification under par. (d), and after subtracting any retractions under par. (d), 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 property assessed under the operating plan, have requested the termination of the business improvement district, the municipality shall terminate the business improvement district on the date that the obligation with the latest completion date entered into to implement the operating plan expires

(5) (a) Real property used exclusively for residential purposes and real property that is exempted from general property taxes under s. 70.11 may not be specially assessed for purposes of this section.

(b) A municipality may terminate a business improvement district at any time.

(c) This section does not limit the power of a municipality under other law to regulate the use of or specially assess real property.

History: 1983 a. 184; 1989 a. 56 s. 258; 1999 a. 150 s. 539; Stats. 1999 s. 66. 11 09; 2001 a. 85.

Appendix A

Appendix C

Business Improvement District

October 20, 2016

Budget Recommendations for 2017

1- BID to retain residual monies in its account.

2- Tax levy:

\$37,500 - to be transferred to MSM quarterly upon presentation of MSM's financial statements reflecting operations consistent with 2016 proposed MSM budget.

\$37,500 - Total tax levy

Adopted by Board vote October 20, 2016, meeting.