



Madison’s Central Business Improvement District (BID)

OPERATING PLAN FOR CALENDAR YEAR 2009

**BUSINESS IMPROVEMENT DISTRICT NO. 1
OF THE CITY OF MADISON, WISCONSIN**

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Approved, BID Board, 9/4/08

**OPERATING PLAN FOR CALENDAR YEAR 2009
BUSINESS IMPROVEMENT DISTRICT NO. 1
OF THE CITY OF MADISON, WISCONSIN**

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 December 7, 1999 the City of Madison created Business Improvement District #1. Pursuant to BID Law, this is the operating plan (“Operating Plan”) for the District for the calendar year 2009, 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 for the tenth year of the BID, and other requirements of the BID Law.

II. DISTRICT BOUNDARIES

The District will include the area in Madison that comprises Madison’s Central Business District. The district includes the Capitol Square area, and the State Street area extending west to Park Street. This entire area represents the heart of Madison’s downtown, linking State Street with the businesses on the Square, the residential population in the downtown, the Monona Terrace Community and Convention Center’s visitors and the UW-Madison Visitors Services. A listing of the properties included in the District is set forth in Appendix B, attached hereto and incorporated herein.

III. OPERATING PLAN

A. Plan Objectives

In the year 2003, Madison's Central BID underwent a strategic planning process which led to the formulation and articulation of the District's vision and mission. In 2006, the BID Board revisited and updated the Strategic Plan. The VISION of Madison's Central BID is to be a powerful BID that is respected in the Community for getting things done. The AIM of Madison's Central BID is to increase the vitality and health of the district and promote business within it. The CONSTITUENTS are the property and business owners within the district. The ACTION by the BID to achieve the goal is to market the district as a whole, create a welcoming environment, develop community relations, and advocate for the needs and interests of the district.

B. Proposed Activities

Four areas of strategic focus will move Madison's Central BID into the future. Specific objectives within each strategy state Madison's Central BID's priorities for the coming year. The four strategic directions that will be pursued by Madison's Central BID are to Maximize Marketing and Promotion of Downtown, provide a Welcoming Environment, develop Community Relations, and Advocate for the district.

Maximizing Marketing and Promotion of Downtown

Promote the benefits of the Madison's Central BID area as an important community asset and a unique place to shop and recreate to residents and visitors. This includes:

- Maintain Downtown Madison web-site: www.visitdowntownmadison.com
- Develop and distribute Downtown Madison map and guide
- Provide positive downtown public relations
- Promotion of downtown as a great place to shop, dine, play, live and work.
- Creation of a consistent message between marketing strategies, public relations and programming
- Support for downtown events

Welcoming Environment

Provide a friendly, welcoming, accessible and unique environment within the District through:

- The Ambassador program

- Holiday decorations
- Hanging flower baskets and planters

Community Relations

Work in a leadership role to enable communications and maximize compatibility among user groups of the downtown. This includes:

- Communication with district property owners regarding BID involvement and initiatives
- Communication with business owners to keep them aware of issues and/or opportunities as they relate to their businesses
- Collaboration with the University of Wisconsin Campus Visitor and Information Center
- Attend and provide reports at the Downtown Coordinating Committee monthly meeting
- Work with the City of Madison and attend various city meetings, including the Parks Department, Planning & Development, and Engineering for orchestration of physical environment programs and State Street reconstruction; the Police regarding downtown safety; and the Mayor's Office and other agencies on relevant issues.
- Coordinate efforts with Downtown Madison, Inc.
- Attend and provide reports at the Greater State Street Business Association (GSSBA) monthly meetings.
- **Participate in the ongoing Hospitality Zone Assessment project and committees.**
- Work with various downtown groups and other organizations in the business community in event planning and joint partnerships, including arts and cultural groups, the GSSBA, Greater Madison Convention and Visitors Bureau, University of Wisconsin, Overture Center, Jazz at 5, Farmer's Market, Capitol Sprints, Ironman, Dane Dances, Capitol Neighborhoods, etc.

Advocate for the District

To advocate for the needs and interests of the district as a whole, working closely with city staff, elected officials, and partner organizations and stakeholders, on areas including:

- Construction
- Proposed Policies for the central downtown business district
- Mall Maintenance
- City of Madison Economic Development Plan
- City of Madison Downtown Plan

- Halloween
- Downtown Safety
- Business Recruitment & Retention

The BID will conduct other activities similar to those above, to carry out the objectives identified above. The BID may not achieve full completion of all of the activities outlined above. In addition, the BID shall have all powers granted under the BID Law, including to collect the assessments provided herein, and to carry out the purposes of this Operating Plan.

C. Expenditures and Financing Method

The Year Ten operating budget for the District is \$352,888 (see Appendix C). This includes \$243,888 collected through the BID assessment and an additional \$109,000 collected from other methods. The projected expenditures for Year Ten are also identified on Appendix C, attached hereto and incorporated herein. The above budget is based upon a projection of revenue from several sources, including among others, contributions from tax-exempt property owners and outside sources. The actual budget will be adjusted if the actual revenue received is less than projected. The adjustments could include revising or eliminating individual budget line items as determined by the BID Board of Directors. Expenditures are intended to be made in a fair and equitable basis throughout and for the benefit of the entire District. In the event that a surplus exists at the end of any fiscal year, the monies may be carried over for expenditures in subsequent years.

The Operating Budget for BID 2009 will be subject to the approval of the City of Madison, as set forth in Wisconsin Statutes section 66.1109. 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 District Board. Any capital improvements costing more than \$10,000 each or \$30,000 in the aggregate for any one calendar year must be approved by a 2/3 majority of the entire District 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, any maintenance equipment or supply, any communications equipment, any vehicles, any seasonal improvement or any holiday lighting or decoration. 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 for the following year.

The District may not borrow funds without approval of a 2/3 majority of the entire District Board.

D. Organization of the District Board

The Mayor shall appoint members, who will culturally represent Madison's diverse communities, to the District Board (the "Board"), and the City Council of Madison will act on the confirmation of such appointments. 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; to enter into various contracts; to monitor the effectiveness of the District's activities, to aid compliance with the provisions of applicable statutes and regulations; and to 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 Board shall be structured and operate as follows:

1. Board Size— 17 members
2. Composition—

State Street Area---four members, representing 2 owners of commercial property and 2 owners of a business in the "State Street Area";

West Main Area—one member, owner of a business;

University of Wisconsin-Madison---one member, representing the Chancellor;

Downtown Coordinating Committee---one member, representing the Downtown Coordinating Committee;

Capitol Square Area---three members, representing 2 owners of commercial property and 1 owner of a business in the "Capitol Square Area";

The Greater State Street Business Association (GSSBA)--one member, represented by an officer of the organization;

Tax Exempt Entity---one member, representing a financially contributing tax-exempt entity;

Downtown Madison, Inc. (DMI)---one member, representing the DMI board of directors;

University of Wisconsin-Madison student---one member, representing Associated Students of Madison;

Downtown Resident---one member.

At-Large Members—two members, representing the central downtown.

In addition, the following representatives shall be appointed by the Mayor who shall not be formal members of the Board and therefore cannot vote, but who will represent the following constituency, and advise the Board, and shall be notified of all Board meetings, shall be able to attend such Board meetings and give input to the Board:

City of Madison---one member (without vote), representing the City of Madison;
The King Street Area—one member (without vote), one member, representing a commercial property owner or business owner; and
The 4th District Alderperson---one member (without vote), representing the 4th District.

No one individual, and no more than one representative of any entity, may hold more than one Board position. If, during the course of a term, a Board member's situation changes, so that they no longer fit the definition for that seat, such as by selling their parcel, they shall continue to serve in that position until a replacement is appointed.

3. Term—Appointments to the Board shall be for a period of three years.
4. Compensation—None
5. Open Meetings Law—All meetings of the Board shall be governed by the Wisconsin Open Meetings Law if and as legally required.
6. Record Keeping—Files and records of the Board's affairs shall be kept pursuant to the Wisconsin Public Records Law.
7. Staffing and Office—One BID Manager and one BID Programming Coordinator. Office expenses prorated by Downtown Madison, Inc.
8. Meetings—The Board shall meet regularly, at least once every three months. An annual meeting will be planned for all property/business owners.
9. 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.

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10. Committees—Marketing Committee, Governance Committee, Liaison Committee, Fund Development Committee, Nominating Committee
11. Non-Voting Advisors— The Board will have three non-voting advisors, as identified above.
12. Powers—The Board shall have all powers necessary and convenient to implement the Operating Plan, including the power to contract.
13. Annual Report—The Board shall prepare and make available to the public annual reports, including an independent certified audit conducted by the City of Madison, as required by the BID Law.

IV. METHOD OF ASSESSMENT

A. Annual Assessment Rate and Method

The annual assessment for District operating expenses will be in direct proportion to the frontage lineal footage of that property within the District, as defined below.

The individual assessment is derived by figuring the property's primary lineal frontage at 100%, and the secondary lineal frontage, if applicable, at 50%. The total assessment for each assessed parcel is formulated by multiplying the total assessed lineal footage by \$15.00. The frontage measurements of each parcel of real estate, as identified in the records of the Building Inspector of the City of Madison, shall be the official measurement for purposes of this calculation. Notwithstanding the foregoing, the total assessment for each improved property shall not exceed an amount equal to \$0.30 per square foot of building area.

Use of the property as of January 1, 2009 shall control for purpose of the tenth year assessment.

Appendix B identifies each property included in the District and shows the proposed BID assessment for each property. A property shall be defined as a parcel of land subject to assessment hereunder, with a separate Tax Key Number, as identified in the City of Madison's Assessor's Office.

The BID assessment is hereby levied by the City of Madison, which 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 §66.0717, Wis. Stats. Such special assessments are hereby levied by the City of Madison 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 designated Improvement District.

The City of Madison shall collect such BID assessments and shall provide to the BID Board an accounting of the amounts received and the tax key 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 delineated in 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: Property used exclusively for manufacturing purposes will not be assessed.
2. Wisconsin Statutes section 66.1109(5)(a): Property used exclusively for residential purposes will not be assessed.
3. Wisconsin Statutes section 66.1109(5)(a): Real property that is exempted from general property taxes under s. 70.11 will not be assessed.

Owners of tax exempt property within the District and expected to benefit from District activities will be asked to make a financial contribution to the District on a voluntary basis. In addition, those tax exempt properties within the District which are later determined no longer to be exempt from general property taxes, and tax exempt properties whose owners consent in writing to be assessed, shall automatically become 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(1)(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.

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. 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 the 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. The statutory requirements will be followed, including the following process:

1. The District shall submit its proposed operating plan to the City of Madison Department of Planning and Development.
2. The Downtown Coordinating Committee will review the proposed Operating Plan and after notice in the manner required by the BID Law, will adopt the Plan and make a recommendation to the full Common Council.
3. The Common Council will adopt the proposed Operating Plan.

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4. If adopted by the Common Council, the proposed Operating Plan is sent to the Mayor, who will appoint, in accordance with Article III.D., members to the Board, and the non-voting advisors.

VII. FUTURE YEAR OPERATING PLANS

A. Changes

This Operating Plan is designed to authorize and control the BID for only its Year Ten activities. It is anticipated that the District will continue to be renewed by the City after this Year Ten Operating Plan, 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. Future issues under consideration include expanding the district boundaries and evaluating various methods of assessment.

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

The District may be terminated as provided by law. At the end of each five year term of the district (the next five year term ends December 31, ~~2010~~ 2009), the District will automatically terminate unless there is a majority vote for the continuation of the BID. The next vote will be in year ~~2010~~ 2009. ~~The vote will be conducted by sending a ballot to every property owner within the BID District. The vote will be conducted by sending a ballot to each owner of property within the District subject to the BID special assessment.~~ Based on the returned ballots, an aggregate frontage will be calculated. The owners of over 50% of that aggregate frontage must vote affirmatively for the continuation of the BID. The ballots will be submitted to the City and will be counted by the City Clerk only after the voting deadline has passed.

C. Amendment, Severability and Expansion

The District has been created under authority of Wisconsin Statutes Section 66.1109. Except as set forth in the next sentence, should any court find any portion of this Operating Plan, or the BID Law invalid or unconstitutional its decision will not invalidate or

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terminate the District and this Operating Plan shall be amended to conform to the law without need of re-establishment

D. Automatic Termination Unless Affirmatively Extended

The District is being adopted by the City of Madison for one additional year only, and must be renewed each year to remain effective.

VIII. GENERAL

All exhibits referenced herein are incorporated herein by reference.

[-Approved by the Madison Common Council, October __, 2008]