



# Madison’s Central Business Improvement District (BID)

## OPERATING PLAN FOR CALENDAR YEAR 2019

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

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# **OPERATING PLAN FOR CALENDAR YEAR 2019**

## **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 2019, 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 **twentieth** 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 including the 100 block “spoke streets” off the Capitol Square, and the State Street Area extending west to Park Street and down West Washington to Broom Street and south to University Avenue. This entire area represents the heart of Madison’s downtown, linking State Street with the businesses in the Capitol Square and adjacent areas, 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, along with a map outlining the District in Appendix C.

#### **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. In 2015, the Board reviewed and adjusted the organization’s mission and actions. 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, produce programs and events, develop community relations, and provide outreach on issues affecting the District.

## **B. Proposed Activities**

Five 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 five strategic directions that will be pursued by Madison's Central BID are to Maximize Marketing and Promotion of Downtown, Provide a Welcoming Environment, Activate Public Spaces in the District through Programming, Develop Community Relations, and provide Outreach to 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, to dine and to recreate to residents and visitors. This includes:

- Maintain website ([www.visitdowntownmadison.com](http://www.visitdowntownmadison.com)) and social media presence
- Develop and distribute Downtown Madison map and guide
- Offer high value cooperative advertising opportunities for District businesses
- 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, including Ambassador staffing of the city's Visitor Center at 452 State St. and the Visitor Kiosk located at the top of State St. at Mifflin St. and Carroll Street.
- Holiday decoration
- ~~Planting program~~

### *Programming*

Partner with the City, downtown businesses and organizations and other stakeholders to bring programs, events and activities to the District. Goals include to:

- Host the Madison Night Market
- Activate public spaces through programs, events and activities
- Bring people downtown
- Increase positive uses of these spaces
- Enhance spaces for the community and business/cultural district
- Build upon the **successful 2018 Summer in YOUR City** to continue programming at 6 public venues

### *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 Programs and Greater Madison Convention and Visitors Bureau
- Attend and provide reports at the Downtown Coordinating Committee as invited
- Work with the City of Madison and attend various city meetings, including the Parks Department, Planning & Development, Engineering and Traffic Engineering for orchestration of physical environment programs and street reconstruction within and affecting the District; the Police regarding downtown safety; and the Mayor's Office and other agencies on relevant issues
- Coordinate efforts with Downtown Madison, Inc. (DMI) and participate in committees as relevant to BID work
- Attend and provide reports at the Greater State Street Business Association (GSSBA) monthly meetings
- Work with various downtown groups and other organizations in the business community in event planning and joint partnerships that increase business within the District, including arts and cultural groups, the GSSBA, Greater Madison Convention and Visitors Bureau, University of Wisconsin, Overture Center, Jazz at 5, Farmer's Market, Madison Winter Festival, Ironman, Dane Dances, Capitol Neighborhoods, Madison Parks Foundation, etc.

### *Outreach to the District*

To work closely with city staff, elected officials, and partner organizations and stakeholders to provide outreach and information on issues affecting the Business Improvement District as a whole including its constituent property and business owners, on areas including but not limited to:

- Business Recruitment & Retention
- City of Madison downtown business development, small business policies, alcohol license management, Economic Development Plan, and other similar initiatives
- Construction
- Proposed policies for the central downtown business district
- Mall maintenance services
- Parking
- Street closures and access to downtown
- Streetscape design and amenities
- Halloween
- Downtown Safety

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 **Twenty Nineteen** operating budget for the District is **\$TBD**. (see Appendix D). This includes **\$288,941.09** collected through the BID assessment and additional monies collected from other methods. The projected expenditures ~~for Twenty Seventeen~~ are also identified on Appendix D, attached hereto and incorporated herein. The above budget is based upon a projection of expenditures, and 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 and expenditures are more or 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 BID Operating Budget for **2019** 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 - 19 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;
  - **King Street Area** - one member, representing a commercial property owner or business owner;
  - **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 the students of Madison;
  - **Downtown Resident** - one member, resident of central downtown;
  - **At-Large Members (3)** - two members, representing the central downtown and one member representing the largest property owner in the district (i.e., owner of the most aggregate frontage subject to the BID assessment). If no representative of the largest property owner wishes to serve, a representative of the second-largest property owner may be appointed to the seat (and so forth).

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 4<sup>th</sup> District Alderperson** - one member (without vote), representing the 4<sup>th</sup> 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 Executive Director, one BID Operations Director, two part-time Programming Coordinators, 4-7 hourly Ambassadors and more than 25 community volunteers. 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, along with the immediate past Chair, 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.
10. Subcommittees - May include Marketing Subcommittee, Governance Subcommittee, Liaison Subcommittee, Fund Development Subcommittee, Nominating Subcommittee, and others formed by the Board as needed. Subcommittees may include Board members and other District representatives.
11. Non-Voting Advisors - The Board will have two 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 \$15.60. The frontage



measurements of each parcel of real estate, as identified in the records of the Commercial Property Record 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 \$0.312 per square foot of building area.

Use of the property as of January 1, 2018 shall control for purpose of the **twentieth** 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 Finance Director 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) lm: 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 of Madison 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. provide annual audits as required per sec 66.1109 (3)(c) of the BID Law.
6. provide the BID board, through the Office of the City Assessor on or before June 30 of each plan year, with the official City tax key number within the district, as of January 1 of each plan year, for the purpose of calculating the BID assessments.
5. have the City Attorney make a legal opinion, that the BID Operating Plan complies with the requirements of the BID Law.

## **VI. PLAN APPROVAL PROCESS**

### **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 (if convened) 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.
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 **Twenty Nineteen** activities. It is anticipated that the District will continue to be renewed by the City after this ~~Twenty Seventeen~~ **2019** 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 fund development and expanding the district boundaries.

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, 2019), the District will automatically terminate unless there is a majority vote for the continuation of the BID. The next vote will be in 2019. The vote will be conducted by sending a ballot to each owner of property within the District subject to the BID special assessment. The vote will be conducted as outlined in Appendix E, Voting Process, and Appendix F, Sample Ballot.\* The City Clerk's office will send, receive, and count the ballots. Ballots will be securely stored by the Clerk's Office, and may not be opened or counted until after the voting deadline has passed. Based on the returned ballots, an aggregate frontage will be calculated. The owners of over 50% of that voting aggregate frontage must vote affirmatively for the continuation of the BID.

*\*Appendices E and F outline the voting process as approved for 2014 and may be modified by the Board for the 2019 Operating Plan as appropriate.*

### **C. Amendment and Severability**

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 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 by Common Council approval of the annual Operating Plan to remain effective.

**VIII. GENERAL**

All exhibits referenced herein are incorporated herein by reference.

Approved by the Madison Common Council, \_\_\_\_\_