

CITY OF FRANKLIN
COMMITTEE OF THE WHOLE MEETING*
TUESDAY, SEPTEMBER 3, 2013, 6:00 P.M.
COMMON COUNCIL CHAMBERS, FRANKLIN CITY HALL
9229 W. LOOMIS ROAD, FRANKLIN, WISCONSIN
AGENDA

- I. Call to Order and Roll Call

- II. Business
 - A. Creation of a Business Improvement District (BID) to cover a portion of the S. 27th Street corridor from W. College Avenue to W. Drexel Avenue and consideration of a joint effort with the existing BIDs participating in Historic 41 – Presentation by Historic 41.

 - B. Review and consideration of the 70/30/goal.

- III. Adjournment

*Notice is given that a majority of the Plan Commission, Forward Franklin Economic Development Commission and Community Development Authority may attend this meeting to gather information about an agenda item over which the Plan Commission, Forward Franklin Economic Development Commission and Community Development Authority has decision-making responsibility. This may constitute a meeting of the Plan Commission, Forward Franklin Economic Development Commission and Community Development Authority per State ex rel. Badke v. Greendale Village Board, even though the Plan Commission, Forward Franklin Economic Development Commission and Community Development Authority will not take formal action at this meeting.

[Note: Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information, contact the City Clerk's office at (414) 425-7500.]

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| <p>APPROVAL</p> <p><i>Slw</i></p> | <p>REQUEST FOR COUNCIL ACTION</p> | <p>MEETING DATE</p> <p>9/3/2013</p> |
| <p>REPORTS & RECOMMENDATIONS</p> | <p>Creation of a Business Improvement District (BID) to cover a portion of the S. 27th Street corridor from W. College Avenue to W. Drexel Avenue & consideration of a joint effort with the existing BIDs participating in Historic 41 – Presentation by Historic 41</p> | <p>ITEM NUMBER</p> <p><i>II. A.</i></p> |

As stated on their website, "Historic 41 is a joint effort of Milwaukee Business Improvement District 43 and Greenfield Business Improvement Districts 1 & 2; dedicated to the enhancement and growth of the South 27th Street Business District between Oklahoma Avenue and College Avenue on the south side of the metropolitan area."

Representatives of the Historic 41 wish to meet with the Common Council to present a proposal to expand the joint efforts along S. 27th Street. Including Franklin's portion of the S. 27th Street corridor into a BID and participating in the existing joint effort would serve to effectively expand the existing Historic Highway 41 BID. The range along S. 27th Street would extend from College Avenue to Drexel Avenue and would extend west incorporating areas identified by the City of Franklin master plan as non-residential.

Historic Highway 41 Executive Director, Julio Cesar Maldonado, and Board President, Tara Cavazos, are expected to be in attendance and provide the presentation and answer any questions.

COUNCIL ACTION REQUESTED

As determined by the Common Council.

A Sample of BID Bylaws
for your Information

Bylaws of
South 27th Street Business Improvement District/Greenfield #1

Article 1: Name and Office

The name of the business improvement district shall be South 27th Street Business Improvement District/Greenfield #1. The initial office of the District shall be at the City Hall of Greenfield, WI. Hereafter, the Board of the District may determine another location. As used herein, "District" shall refer to the organization of members defined below and shall include the property located within the physical boundaries of the business improvement district as defined as the South 27th Street Business Improvement District Operating Plan, "Plan", as amended from time to time.

Article 2: Purpose and Powers

It shall be the purpose of the District to perform all acts authorized by law for a business improvement district, including but not limited to redeveloping, developing, managing and promoting the District as authorized by Wisconsin State law. The District shall work within the bounds of the law in order to retain existing business uses and attract new businesses and other used to the District and to otherwise implement the Plan. The District board shall have all powers necessary or convenient to implement the Plan, including the power to contract.

Article 3: Members

Owners of real estate and tenants in the real estate included in the District, upon who assessments are levied by the City of Greenfield, for the purpose of funding the District's operating and program costs, shall be identified as "Members" of the District although they are not members of the Board of the District. Membership terminates when a Member ceases to have an interest in real estate in the District, whether as an owner of real estate or tenant. Members shall have no rights other than to receive information and to advise the appointed District Board.

Article 4: Membership Meetings

General meetings of the members shall be held at least annually at a time and place to be determined by the District Board. Special meetings may be called with the approval of 60% of the District Board members.

The annual meeting shall be held during the month of XXXXXXXXXX each year.

Article 5: District Board

Number and Designation: The affairs of the District shall be managed by the District Board, as identified in the Plan. The existing Board, if any, shall nominate a candidate(s)

to fill each vacancy in the Board to the Mayor. A minimum of 5 individuals will serve as Board members annually.

Term of Board Members: Appointment to the Board shall be for a period of three years, except that initially, two of the members shall be appointed for a three year term, two shall be appointed for a two year term, one of the members shall be appointed for a one year term. Each Board member's term shall expire on December 31 unless sooner terminated as required herein; however, the Board member shall remain empowered until the appointment of such party's successor.

Board Meetings: Board meeting shall be held at least once annually and at such times as the Board deems necessary, upon at least as much notice as required by the Wisconsin Open Meeting Law. All Board members are expected to actively participate in the meetings and to notify the Chairperson or designee if unable to attend. Missing two regularly schedule meetings without prior notification shall be grounds for removal from the Board. A quorum shall consist of 60% except as otherwise provided herein, all votes of the Board shall be by simple majority of Board members present at a meeting. The Board's meetings are public meetings and their records are public records subject to Wisconsin Open Meeting law and public record laws.

Resignation and Removal: A Board member may resign by submitting a written resignation letter with the Secretary. Any Board member may be remove by an affirmative vote of 60% of the total Board whenever, in its judgement, the best interests of the District would be served thereby, after notice and opportunity for a hearing are afforded the Board member in question. Upon a vacancy being created by the Board, the Board shall request the Mayor to appoint a replacement nominated by the Board.

Article 6: Officers

Officers Generally: The officers of the District shall be Chairperson, Vice Chairperson, Secretary and Treasurer nominated and elected by the Board; except that, at the appointment of the initial Board, the Mayor shall designate one Board member as Chairperson until the Board can elect its own officers. The officers shall be Board members and shall be elected by the Board annually at the first regularly scheduled meeting of the Board subsequently to the appointment by the Mayor and confirmation by the Common Council of the new Board members.

The officers shall serve at the pleasure of the Board. Term of office shall be one year, but a District officer shall remain empowered until the appointment of such party's successor. An officer can serve in the same capacity as in the previous year if so appointed. Any officer elected or appointed by the Board may be removed by an affirmative vote by 60% of the total Board whenever, it is judgement, the best interests of the District would be served thereby. Any officer may remain in a specific office for a period of longer than 3 years if a unanimous vote of the board is received.

Chairperson: The Chairperson shall preside at all meetings of the Board and the Members. The Chairperson may sign with the Secretary or any other proper officer of the organization authorized by the Board, any deed, mortgage, bond, contract, or other instrument which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated to some other officer or agent of the origination. In general, the Chairperson shall perform all the duties incident of the office of Chairperson and such other duties that may arise from time to time as prescribed by the Board.

Vice-Chairperson: In the absence of the Chairperson or in the event of the Chairperson's inability or refusal to act, the Vice-Chairperson shall perform the duties of the Chairperson, and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Chairperson. The Vice-Chairperson shall perform other duties as from time to time be assigned by the Chairperson or Board.

Secretary: The Secretary shall keep the permanent minutes of the meetings of the Board and of the Members in one or more books provided for that purpose; see that all notices are duly given in accordance with the provision of these bylaws, or as required by law; be custodian of the records; keep a register of the name and address of each Member; and, in general perform all the duties incident to the office of Secretary and such other duties as may be assigned from time to time by the Chairperson.

Treasurer: The Treasurer shall have charge and custody of, and be responsible for, all funds and securities of the District. The Treasurer shall perform all the duties incident to the office of Treasurer and such duties as from time to time may be assigned by the Chairman or the Board. The Treasurer and Chairperson shall prepare annual operating budgets showing income and anticipated expenses and they shall be presented to the Board for approval.

Article 7: Financial

The Chairperson or the Treasurer is authorized on behalf of the District to open such bank accounts, checking accounts, or other accounts with a financial institution as the District Board may authorize. The authorized signers of checks or withdrawal orders in connection with any such account shall be any two of the officers whose names and signatures shall have been certified to such a financial institution from time to time by the Secretary of the District, and at least one who shall be the Chairperson or Treasurer of the District. Any financial institution shall be fully protected in relying on any such certification by the Secretary until it shall have received written notice of change in such office or such signing authority.

All invoices for goods supplied or services rendered to the District shall be approved for payment by the Chairman and payment will be made by procedures established by the Chairperson and Treasurer.

Board members may make application to the Chairperson for reimbursement of out-of-pocket expenses incurred in connection with service to the District for up to \$200.00.

Reimbursement for out-of-pocket expenses in excess of \$200 will require prior approval according to procedures established by the Chairperson or Treasurer.

Article 9: Fiscal Year

The fiscal year of the District will be the calendar year.

Article 10: Non-profit and Non-partisan

The District shall be non-profit, non-partisan, and non-sectarian and shall take no part in or lend its influence, facilities, either directly or indirectly, to the nomination, election or appointment of any candidate for public office in the City, County, State or Nation.

The District will be a quasi-governmental entity, created by the Greenfield Common Council, in accordance with the Wisconsin Business Improvement District law.

Article 11: Amendment of Bylaws

These bylaws may be amended to the extent not in conflict with Sec. 66.608 WI Stat. or any Plan, by an amendment adopted by a simple majority of the District Board members at two consecutive meetings of the Board.

Article 12: Member and Officer Liability

The District Board members and its officers shall not be liable to members of the District or owners or occupants of property within the District arising out of or related to the creation or existence of the District or the Board or for any mistake of judgement, failure to adhere to the provisions of any Plan or these Bylaws, negligence or otherwise, except for their own individual willful misconduct or bad faith. The District shall indemnify, defend and hold harmless each Board member and officer against all contractual liability (including without limitation, reasonable attorney's fees and court costs) to others arising out of contracts made by the Board on behalf of the District unless any such contract shall have been made in bad faith. It is intended that the Board members and officers shall have no personal liability with respect to any contract made by them on behalf of the District. Anything herein to the contract notwithstanding, the liability of the owners and occupants of property located within the District arising out of any contract made by the Board or out of the indemnity in favor of the members of the Board shall be shared by all owners and occupants of property subject to assessment by the District in proportion to the assessed valuation of their property relative to the total assessed valuation of property within the District, and the liability of any single owner or occupant shall be limited to such proportionate share of the total liability.

Article 13: Other Organizations

The District shall be a separate entity from any other organization. However, it reserves the right to contract with others to achieve its goals and initiatives.

A SAMPLE BID OPERATING PLAN,
FOR YOUR INFORMATION

BUSINESS IMPROVEMENT DISTRICT NO. 43

**South 27th Street
Business Improvement District**

2013 PROPOSED OPERATING PLAN

September 20, 2012

I. INTRODUCTION

A. Background

In 1984, the Wisconsin legislature created S. 66.1109 of the Statutes (see Appendix A) enabling cities to establish Business Improvement Districts (BIDs). The purpose of the law is "to allow businesses within those districts to develop, to manage and promote the districts and to establish an assessment method to fund these activities." (1983 Wisconsin Act 184, Section 1, legislative declaration.)

The City of Milwaukee has received a petition from property owners which requests creation of a Business Improvement District for the purpose of revitalizing and improving the South 27th Street corridor on Milwaukee's south side (see Appendix B). The BID law requires that every district have an annual Operating Plan. This document is the initial Operating Plan for the proposed South 27th Street Business Improvement District. The BID proponents prepared this Plan with technical assistance from the City of Milwaukee Department of City Development.

B. Physical Setting

The area is roughly bounded by:
The properties at S. 27th Street and Oklahoma intersection on the north and extends south to the Milwaukee/Greenfield border. The district also encompasses properties on Kinnickinnic River Parkway.

II. DISTRICT BOUNDARIES

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

III. PROPOSED OPERATING PLAN

A. Plan Objectives

The objective of the South 27th Street Business Improvement District is to: enhance the economic viability of local businesses, enhance property values, maximize business facilities (conventions, dining, and entertainment), promote the friendliness and quality of services, enhance the community image through safety and beautification and overall develop area growth.

B. Proposed Activities - Year Three

Principle activities to be engaged in by the district during its 2nd year of operation will include:

- a. Enhance the area's image through beautification - maintenance and related activities
- b. Establish safety and security programs through contacted security services
- c. Market the district
- d. Develop marketing and promotional programs to promote the dining, entertainment, shopping, healthcare and hospitality opportunities in the district via independent and cooperative programming with VISIT Milwaukee and other entities.

A unique feature will be that Greenfield is also undertaking the formation of a business improvement district and will have similar initiatives and goals. Further, it is fact that the three business improvement districts (Milwaukee 43, Greenfield 1 & 2 jointly contract with a 501-c-3 entity to manage both districts as one).

C. Proposed Expenditures - Approximately \$121,083 in 2013, this is Milwaukee's portion of the joint budget.

Proposed Budget

| Category/Item | Milwaukee |
|--|-------------------|
| Design and Maintenance | |
| Management, maintenance and extensive boulevard enhancement (i.e.trees, perennials; etc.) Maintenance equipment, initial start up supplies | \$ 33,903 |
| Marketing and Promotion | |
| General development and implementation of a brand and marketing activities for the district. Web site development & hosting. | 33,903 |
| Administration/management | |
| Part-time Management: Business Recruitment/retention, oversight, member communication, administrative support, etc., office, annual audit, office space/rental, web site, insurance, memberships, office supplies, grant program, misc. etc. | 53,277 |
| Total | \$ 121,083 |
| Reserve | 20,400 |
| Business Development/Retail Retention/Recruitment/[from reserves] | 24,000 |
| Assessments | \$ 121,083 |
| Interest/Dividends(5% interest/variable) | |

D. Financing Method

It is proposed to raise \$121,083 through BID assessments in Milwaukee (see Appendix D). Other miscellaneous income will be from interest and dividends. Sponsorships revenue may be anticipated for special programs and marketing efforts. The BID Board shall have the authority and responsibility to prioritize expenditures and to revise the budget as necessary to match the funds actually available.

E. Organization of BID Board

Upon creation of the BID, the Mayor will appoint members to the district board ("board"). The board's primary responsibility will be implementation of this Operating Plan. This will require the board to negotiate with providers of services and materials to carry out the Plan; to enter into various contracts; to monitor development activity; to periodically revise the Operating Plan; to ensure district compliance with the provisions of applicable statutes and regulations; and to make reimbursements for any overpayments of BID assessments.

State law requires that the board be composed of at least five members and that a majority of the board members be owners or occupants of property within the district.

It is fact that the two communities will provide board members in relative proportion to the "association" that will be created and contracted with to run the two business improvement districts.

It is recommended that the BID board be structured and operate as follows:

1. Board Size from Milwaukee - Minimum of Five
2. Composition - At least 60% shall be owners or occupants of property within the district. Any non-owner or non-occupant appointed to the board shall be a resident of the City of Milwaukee. The board shall elect its Chairperson from among its members.
3. Term - Appointments to the board shall be for a period of three years except that initially two members shall be appointed for a period of three years, two members shall be appointed for a period of two years, and one member shall be appointed for a period of one year.
4. Compensation - None

5. Meetings - All meetings of the board shall be governed by the Wisconsin Open Meetings Law and held periodically.

6. Record Keeping - Files and records of the board's affairs shall be kept pursuant to public record requirements.

7. Staffing - The board may employ staff and/or contract for staffing services pursuant to this Plan and subsequent modifications thereof.

8. Meetings - The board shall meet regularly, at least twice each year. The board shall adopt rules of order ("by laws") to govern the conduct of its meetings.

F. Relationship to the 27th Street Business Association

The BID shall be a separate entity from the any association or organization, notwithstanding the fact that members, officers and directors of each may be shared. The association shall remain a private organization, not subject to the open meeting law, and not subject to the public record law except for its records generated in connection with the BID board. The association has contracted with the BID to provide services to the BID, in accordance with this Plan.

IV. METHOD OF ASSESMENT

A. Assessment Rate and Method

The principle behind the assessment methodology is that each property should contribute to the BID in proportion to the benefit derived from the BID. After consideration of other assessment methods, it was determined that assessed value of a property was the characteristic most directly related to the potential benefit provided by the BID. Therefore, a fixed assessment on the assessed value of the property was selected as the basic assessment methodology for this BID.

The assessment method will be on the current year general property assessment that is established by the City of Milwaukee. The rate will be approximately \$1 per \$1000 of assessed value. \$500 minimum with a maximum of \$1,500 per property.

However, maintaining an equitable relationship between the BID assessment and the expected benefits requires an adjustment to the basic assessment method. To prevent the disproportional assessment of a small number of high value properties, a maximum assessment of \$1,500 per parcel will be applied.

As of January 1, 2011, the property in the proposed district had a total assessed value of over \$179,639,100. This plan proposed to assess the property in the district at a rate of \$1 per \$1,000.00 of assessed value, subject to the maximum assessment, for the purposes of the BID.

Appendix D shows the projected BID assessment for each property included in the district.

B. Excluded and Exempt Property

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

1. State Statute 66.1109(1)(f)lm: The district will contain property used exclusively for manufacturing purposes, as well as properties used in part for manufacturing. These properties will be assessed according to the method set forth in this plan because it is assumed that they will benefit from development in the district.
2. State Statute 66.1109(5)(a): Property known to be used exclusively for residential purposes will not be assessed; such properties will be identified as BID Exempt Properties in Appendix D, as revised each year.
3. In accordance with the interpretation of the City Attorney regarding State Statute 66.1109(1)(b), property exempt from general real estate taxes has been excluded from the district. Privately owned tax exempt property adjoining the district and which is expected to benefit from district activities may be asked to make a financial contribution to the district on a voluntary basis.

V. RELATIONSHIP TO MILWAUKEE COMPREHENSIVE PLAN AND ORDERLY DEVELOPMENT OF THE CITY

A. City Plans

In February 1978, the Common Council of the City of Milwaukee adopted a Preservation Policy as the policy basis for its Comprehensive Plan and as a guide for its planning, programming and budgeting decisions. The Common Council reaffirmed and expanded the Preservation Policy in Resolution File Number 881978, adopted January 24, 1989.

The Preservation Policy emphasizes maintaining Milwaukee's present housing, jobs, neighborhoods, services, and tax base rather than passively accepting loss of jobs and population, or emphasizing massive new development. In its January 1989 reaffirmation of the policy, the Common Council gave new emphasis to forging new public and private partnerships as a means to accomplish preservation.

The district is a means of formalizing and funding the public-private partnership between the City and property owners in the 27th Street Business Improvement District business area and for furthering preservation and redevelopment in this portion of the City of Milwaukee. Therefore, it is fully consistent with the City's Comprehensive Plan and Preservation Policy.

B. City Role in District Operation

The City of Milwaukee has committed to helping private property owners in the district promote its development. To this end, the City expected to play a significant role in the creation of the Business Improvement district and in the implementation of the Operating Plan. In particular, the City will:

1. Provide technical assistance to the proponents of the district through adoption of the Plan, and provide assistance as appropriate thereafter.
2. Monitor and, when appropriate, apply for outside funds that could be used in support of the district.
3. Collect assessments, maintain in a segregated account, and disburse the monies of the district on a timely basis.
4. Receive annual audits as required per sec. 66.1109 (3) (c) of the BID law.
5. Provide the board, through the Tax Commissioner's Office on or before June 30th of each Plan year, with the official City records and the assessed value of each tax key number with the district, as of January 1st of each Plan year, for purposes of calculating the BID assessments.
6. Encourage the State of Wisconsin, Milwaukee County and other units of government to support the activities of the district.

VI. PLAN APPROVAL PROCESS

A. Public Review Process

The Wisconsin Business Improvement district law establishes a specific process for reviewing and approving proposed districts. Pursuant to the statutory requirements, the following process will be followed:

1. The Milwaukee City Plan Commission will review the proposed district boundaries and proposed Operating Plan and will then set a date for a formal public hearing.
2. The City Plan Commission will send, by certified mail, a public hearing notice and a copy of the proposed Operating Plan to all owners of real property within the proposed district. In addition a Class 2 notice of the public hearing will be published in a local newspaper of general circulation.
3. The City Plan Commission will hold a public hearing, will approve or disapprove the Plan, and will report its action to the Common Council.
4. The Economic Development Committee of the Common Council will review the proposed BID Plan at a public meeting and will make a recommendation to the full Common Council.
5. The Common Council will act on the proposed BID Plan.
6. If adopted by the Common Council, the proposed BID Plan is sent to the Mayor for his approval.
7. If approved by the Mayor, the BID is created and the Mayor will appoint members to the district board established to implement the Plan.

B. Petition against Creation of the BID

The City may not create the Business Improvement district if, within 30 days of the City Plan Commission's hearing, a petition is filed with the City containing signatures of:

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

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 Operating Plan.

VII. FUTURE YEAR OPERATING PLANS

A. Phased Development

It is anticipated that the BID will continue to revise and develop the Operating Plan annually, in response to changing development needs and opportunities in the district, in accordance with the purposes and objectives defined in this initial Operating Plan.

Section 66.1109 (3) (a) of the BID law requires the board and the City to annually review and make changes as appropriate in the Operating Plan. Therefore, while this document outlines in general terms the complete development program, it focuses upon Year One activities, and information on specific assessed values, budget amounts and assessment amounts are based on Year One conditions. Greater detail about subsequent year's activities will be provided in the required annual Plan updates, and approval by the Common Council of such Plan updates shall be conclusive evidence of compliance with this Plan and the BID law.

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

B. Amendment, Severability and Expansion

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

Should the legislature amend the Statute to narrow or broaden the process of a BID so as to exclude or include as assessable properties a certain class or classes of properties, then this BID Plan may be amended by the Common Council of the City of Milwaukee as and when it conducts its annual Operating Plan approval and without necessity to undertake any other act. This is specifically authorized under Section 66.1109(3)(b).

APPENDICES

- A. STATUTE
- B. PETITION
- C. PROPOSED DISTRICT BOUNDARIES
- D. YEAR ONE PROJECTED ASSESSMENTS
- E. CITY ATTORNEY'S OPINION

Exhibit A

WEST'S WISCONSIN STATUTES ANNOTATED
MUNICIPALITIES
SUBCHAPTER XI. DEVELOPMENT

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Current through 2003 Act 28, published 6/2/03

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.

(f) "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:

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

1m. 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 subds. 1 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.

HISTORICAL AND STATUTORY NOTES

2003 Main Volume

Source:

2001 Act 85, § 1, 2, eff. May 3, 2002.

2001 Act 85 amended subsecs. (1)(b) and (5)(a).

1999 Act 150 renumbered § 66.608 as this section, and as renumbered, amended subsec.(3)(d).

| | | |
|---|--|--|
| <p>APPROVAL</p> <p><i>Slw</i> <i>MWZ</i></p> | <p>REQUEST FOR COUNCIL ACTION</p> | <p>MEETING DATE</p> <p>9/03/2013</p> |
| <p>REPORTS & RECOMMENDATIONS</p> | <p>Review & Consideration of the 70/30 Goal</p> | <p>ITEM NUMBER</p> <p><i>II. B.</i></p> |

This item was referred to the next scheduled Committee of the Whole Meeting from the Common Council's August 6, 2013 meeting.

All past materials on this matter (from the Director of Administration and from the Plan Commission and CDA) that have already been provided to the Common Council are attached.

COUNCIL ACTION REQUESTED

The last motion that was recommended to the Council on this matter was by the Plan Commission and CDA at the Common Council meeting of August 6, 2013: Motion that "The Common Council concurs with and supports the recommendations of the Community Development Authority and the Plan Commission in regard to the 70/30 Goal which includes the method of calculation as set forth in the June 12, 2013 memo prepared by the Director of Administration".

| | | |
|---|--|--|
| <p style="text-align: center;">APPROVAL</p> <p style="text-align: center;"><i>OP</i></p> | <p style="text-align: center;">REQUEST FOR COUNCIL ACTION</p> | <p style="text-align: center;">MEETING DATE</p> <p style="text-align: center;">08/06/13</p> |
| <p style="text-align: center;">REPORTS & RECOMMENDATIONS</p> | <p style="text-align: center;">REVIEW AND CONSIDERATION OF THE 70/30 GOAL</p> | <p style="text-align: center;">ITEM NUMBER</p> <p style="text-align: center;">G.G.</p> |

INTRODUCTION

At the Common Council's June 18, 2013 meeting, a motion was passed to "refer the report and calculations that pertain to the 70/30 goal definition and calculations to the newly formed task force, Forward Franklin Economic Development Authority, Plan Commission, and Community Development Authority".

Both the Community Development Authority (CDA) and the Plan Commission reviewed this matter at their respective July 18, 2013 meetings. A copy of the Plan Commission packet materials on this matter, including the materials provided to the Common Council at its June 18th meeting, are attached.

70/30 GOAL REVIEW

Based upon the discussions held at the respective CDA and Plan Commission meetings, both had generally agreed that:

- The Common Council should pursue the 70/30 goal on a city-wide basis rather than by an individual school district by school district basis.
- All economic development efforts should be consolidated under the CDA.
- Based upon the methodology set forth in the June 12th memo, the City is currently at about 23 percent commercial assessed valuation (this is an increase of about three percent since 2004).

CDA AND PLAN COMMISSION RECOMMENDATIONS

After review of the attached information, both the CDA and the Plan Commission respectively moved to recommend that the Common Council continue to pursue a city-wide approach to the 70/30 goal. The Plan Commission also moved to:

- Encourage the Common Council to undertake an annual review of an action plan for achievement of the 70/30 goal and to consolidate economic development activities under the CDA.
- Recommend that the Common Council utilize the methodology set forth in the June 12, 2013 memo from the Director of Administration for defining the 70/30 ratio.

COUNCIL ACTION REQUESTED

Motion that "The Common Council concurs with and supports the recommendations of the Community Development Authority and the Plan Commission in regard to the 70/30 Goal which includes the method of calculation as set forth in the June 12, 2013 memo prepared by the Director of Administration."



CITY OF FRANKLIN

REPORT TO THE PLAN COMMISSION

Meeting of July 18, 2013

Review and Consideration of the 70/30 Goal

| | |
|--------------------------|----------------------|
| Project Name: | 70/30 Goal |
| Project Location: | City-wide |
| Applicant: | The City of Franklin |

INTRODUCTION:

The Common Council, at its June 29, 2005 meeting, approved the following motion.

“That it remain a goal of the Common Council to obtain the 70/30 ratio of residential to commercial assessed valuation.”

This goal was first identified in the report entitled *Franklin First, Strategies to Bring Balance to Franklin's Tax Base* prepared by Ticknor & Associates, March 2000, which stated, “The City of Franklin has established a goal of expanding the commercial, office, and industrial tax base in order to reduce the residential tax burden. As a preliminary target, the City has set the objective of achieving 30 percent nonresidential tax. The current nonresidential tax base is approximately 17.6 percent.” The report also stated, “It is difficult to precisely forecast Franklin's development patterns past 2020, but certain factors could fall in place to reach 30 percent non-residential development by 2040.”

This goal is also included within the City's current Comprehensive Master Plan.

Due to a number of reasons, including the changing economic conditions at the local, regional, and national levels, as well as the addition of two new Aldermen to the Common Council since adoption of the City's Comprehensive Master Plan in 2009, the Mayor had placed this item on the Common Council's May 7, 2013 agenda for discussion (it was subsequently tabled to the May 21, 2013 meeting). The Common Council subsequently moved to “direct the Finance Department and Director of Administration to provide additional information that may support or in addition to the 70/30 goal...”.

The Director of Administration, Finance Director, Deputy Finance Director, and City Assessor subsequently put together the attached report and calculations for presentation at the Common Council's June 18, 2013 meeting. Upon review of this information, the Common Council moved to “refer the report and calculations that pertain to the 70/30 goal definition and calculations to the newly formed task force, Forward Franklin Economic development Authority, Plan Commission and Community Development Authority”. A copy of the report and calculations are attached.

NEXT STEP:

Based upon the importance of the 70/30 goal, not only for its ability to provide a target for the City to strive towards but also for its ability to help guide current decisions of City officials, staff recommends that the Plan Commission review this matter and forward any suggestions or recommendations it may have to the Common Council.

It is important to note that as previously and currently measured by Plan Commissioner Ritter, the City stands at a ratio of 77.91% residential property value and 22.09% nonresidential property value. It can be further noted that based upon this method of calculation, the City's ratio had been about 17.98% nonresidential in 2000, about 19.37% in 2005, and about 22.39% in 2010.

| | | |
|---|---|--|
| <p>APPROVAL</p> <p><i>[Handwritten signatures]</i></p> | <p>REQUEST FOR COUNCIL ACTION</p> | <p>MEETING DATE</p> <p>6/18/2013</p> |
| <p>REPORTS & RECOMMENDATIONS</p> | <p>70/30 Goal Definition and Calculations</p> | <p>ITEM NUMBER</p> <p><i>6.2</i></p> |

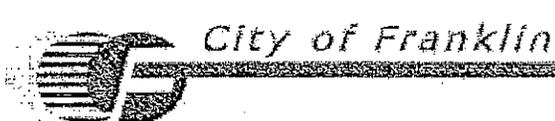
At their May 21, 2013 meeting, the Common Council directed the Finance Department and Director of Administration to provide additional information that may support or be in addition to the 70/30 Goal. Please see the attached report and calculations compiled by the Director of Administration, Finance Director, Deputy Finance Director, and the City Assessor that pertains to the 70/30 Goal definition and calculations. Additionally, at the last meeting, the 70/30 Goal was incorporated into the issues being referred to the new task force once it is established.

COUNCIL ACTION REQUESTED

Motion to receive and file

-OR-

Motion to refer to the new task force once it is formed.



MEMORANDUM

Date: June 13, 2013

To: Mayor Tom Taylor
Aldermen

From: Mark W. Lubberda, *[Signature]* Cal Patterson Paul Rotzenberg
Director of Administration Finance Director Deputy Finance Director

RE: Executive Summary: 70/30 Goal Definition and Calculations

At the meeting of May 21, 2013, the Common Council directed the Finance Department and Director of Administration to provide additional information that may support the 70/30 goal. Based on that discussion and the referenced language in the 2025 Comprehensive Master Plan, the Director of Administration, Finance Director, Deputy Finance Director, and City Assessor have compiled the following information.

"70/30" Defined: Attached at the end of this packet is a separate memo that discusses in excruciating detail the allocation of all property classifications to either a residential or commercial classification, as the phrases are used in the Common Council's 70/30 policy statement. In summary, staff recommends using the assessed valuation numbers annually reported on the Statement of Assessment (SoA) that is submitted to the State. The total valuation used in the calculation should reconcile to the total valuation reported on the SoA. The State's property classifications of commercial, manufacturing, and personal property comprise the commercial valuation in the 70/30 calculation, except the value of multi-family apartment units are backed out of the commercial valuation and added to the residential valuation. All other property classes are included in the residential valuation.

"70/30" Conclusions: Naturally a very lengthy analysis of the results and comparison to other communities could be performed, absent any such direction by the Common Council, staff offers the following summary information.

- Table 1 indicates the City's current, city-wide ratio is 76.6 / 23.4 (residential / commercial). Assuming no growth in residential valuation, the City of Franklin would need approximately 344 million dollars of commercial development to reach the 70/30 goal on a City-wide basis.
- Applying the standard methodology recommended herein, the City's commercial percentage over the past 9 years has been as follows:

| <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 19.9 | 19.4 | 19.0 | 19.2 | 20.8 | 22.2 | 23.6 | 23.3 | 23.4 |

- Table 1 reflects the same ratio calculation for other similar or area communities for which data was available. Calculations for these communities were performed in the exact same manner as those for the City of Franklin. Of the communities evaluated and as a percent of total valuation, Mequon had significantly less commercial valuation (12.9%) than Franklin while Brookfield had the highest

commercial valuation (35.6%). Oak Creek (30.0%) and Wauwatosa (30.5%) were right at the 30% commercial valuation, while Greenfield (24.0%) and New Berlin (24.5%) only slightly exceeded Franklin's city-wide result (23.4%).

- Table 2 reveals that there is significant deviation in the percentage of commercial valuation between the various school districts in the City of Franklin: Oak Creek /Franklin (54.8%), Whitnall (27.5%), and Franklin (15.6%). The Oak Creek/Franklin district has significantly exceeded the 70/30 goal. That deviation has historically existed as is shown in Graph 1.
- Plotting each municipality's percentage of commercial valuation against its municipal tax rate (Graph 2a) does not produce any obvious trend or conclusion. Including Mequon, which appears to be an outlier, one can almost see a trend that the lower the percentage of commercial valuation the lower the tax rate. This result is not very intuitive and probably reflects the small number of communities and the inclusion of Mequon as an outlier. Removing Mequon and zooming in on the other communities (Graph 2b), Oak Creek and Wauwatosa, the communities closest to the 30% ratio, have the highest municipal tax rate, while the communities above and below the 30% ratio all have considerably lower tax rates. At the municipal level this may indicate that service delivery choices have a greater impact than commercial valuation on tax rates for municipal services because there is not clear correlation between the two plotted factors. For example, New Berlin's lack of a full-time, full service fire department of the nature of Oak Creek and Franklin's is probably more of a reason for their lower tax rate.
- Plotting each municipality's percentage of commercial valuation against its total tax rate from all taxing jurisdictions (and including each of the City of Franklin school districts) (Graph 3), one could argue that there is an inverse correlation between the percentage of commercial valuation and the total city tax rate, meaning a higher percentage of commercial property valuation appears to require a lower total city tax rate and vice versa. To see this conclusion, however, one must consider Mequon and the Oak Creek/Franklin school district as outliers.

City of Franklin
Residential/Non-Residential Split - reclassing Multifamily
Jan 1, 2012 Assessments
Assessed Value

Table 1

| | Franklin | Oak Creek | Wauwatosa | Greenfield | Brookfield | New Berlin | Mequon |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-----------------------------|-------------------------------|-------------------------------|
| Residential | 2,661,290,980 72.8% | 1,863,993,100 61.0% | 3,557,809,100 65.0% | 1,725,604,800 63.4% | 510,927,600 50.3% | 3,120,334,900 71.0% | 3,633,290,350 86.3% |
| Commercial | 991,919,808 27.2% | 1,189,283,400 39.0% | 1,919,216,680 35.0% | 995,194,383 36.6% | 503,861,298 49.7% | 1,274,149,590 29.0% | 576,157,400 13.7% |
| Total | 3,653,210,788 | 3,053,276,500 | 5,477,025,780 | 2,720,799,183 | 1,014,788,898 | 4,394,484,490 | 4,209,447,750 |
| Reclass Multifamily | 136,891,800 | 273,797,200 | 246,333,200 | 340,951,900 | 142,700,000 | 198,071,413 | 34,520,100 |
| Residential | 2,798,182,780 76.6% | 2,137,790,300 70.0% | 3,804,142,300 69.5% | 2,066,556,700 76.0% | 653,627,600 64.4% | 3,318,406,313 75.5% | 3,667,810,450 87.1% |
| Commercial | 855,028,008 23.4% | 915,486,200 30.0% | 1,672,883,480 30.5% | 654,242,483 24.0% | 361,161,298 35.6% | 1,076,078,177 24.5% | 541,637,300 12.9% |
| Total | 3,653,210,788 | 3,053,276,500 | 5,477,025,780 | 2,720,799,183 | 1,014,788,898 | 4,394,484,490 | 4,209,447,750 |
| Business Value to be 30% % of Total | 344,193,183 9.4% | 709,643 0.0% | (42,536,780) -0.8% | 231,424,674 8.5% | (81,035,184) -8.0% | 346,095,957 7.9% | 1,030,281,464 24.5% |
| City Tax Rate | \$5.78 | \$6.46 | \$7.00 | \$8.11 | \$5.52 | \$5.61 | \$3.04 |
| Total Tax Rate | \$24.45 | \$22.69 | \$21.91 | \$25.30 | \$16.30 | \$18.92 | \$15.47 |

See the Director of Administration's memo of June 12, 2013 for the definitions used and the methodology to determine "Residential" and "Commercial" property valuations

**City of Franklin
Residential/Non-Residential Split - reclassing Multifamily
Jan 1, 2012 Assessments**

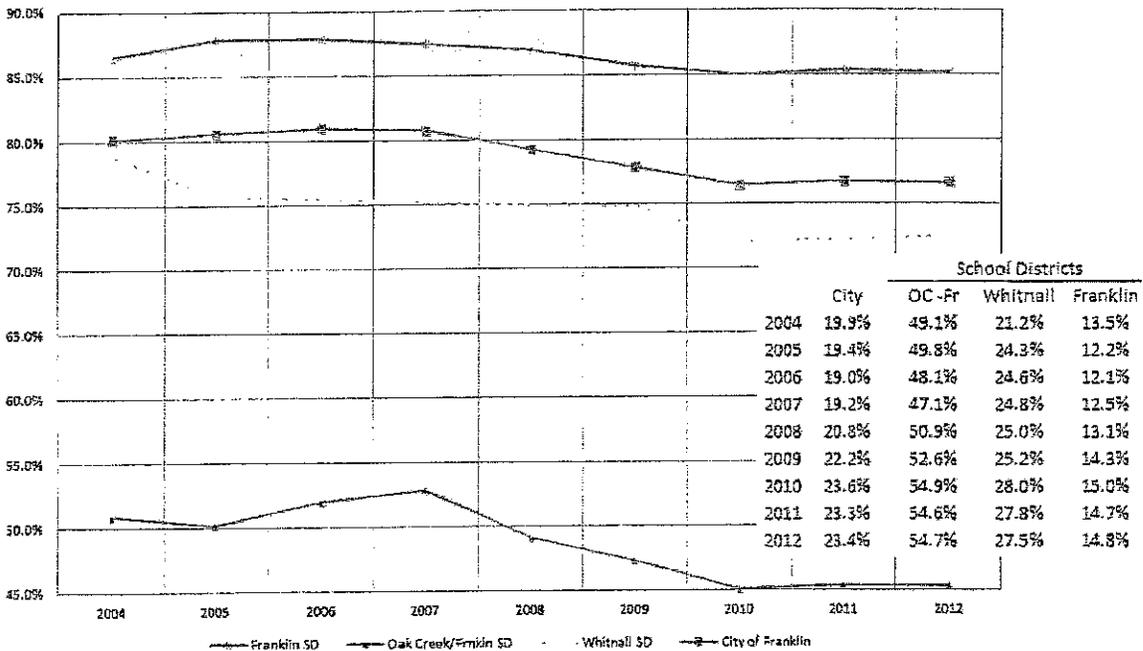
Table 2

| Assessed Value | School District | | | |
|---------------------------------------|-------------------------------|-----------------------------|-----------------------------|-------------------------------|
| | City of Franklin | Oak Creek/Franklin SD | Whitnall | Franklin SD |
| Residential | 2,661,290,980 72.8% | 302,782,600 42.5% | 147,028,400 63.9% | 2,190,494,880 80.8% |
| Commercial | 991,919,808 27.2% | 409,331,800 57.5% | 83,074,500 36.1% | 520,498,608 19.2% |
| Total | 3,653,210,788 | 712,114,400 | 230,102,900 | 2,710,993,488 |
| Reclass Multifamily | 136,891,800 | 19,175,800 | 19,697,000 | 98,019,000 |
| Commercial | 2,798,182,780 76.6% | 321,958,400 45.2% | 166,725,400 72.5% | 2,288,513,880 84.4% |
| Non-Residential | 855,028,008 23.4% | 390,156,000 54.8% | 63,377,500 27.5% | 422,479,608 15.6% |
| Total | 3,653,210,788 | 712,114,400 | 230,102,900 | 2,710,993,488 |
| Business Value to be 30 % of Total | 344,193,183 9.4% | (252,173,829) -35.4% | 8,076,243 3.5% | 558,312,055 20.6% |

See the Director of Administration's memo of June 12, 2013 for the definitions used and the methodology to determine "Residential" and "Commercial" property valuations

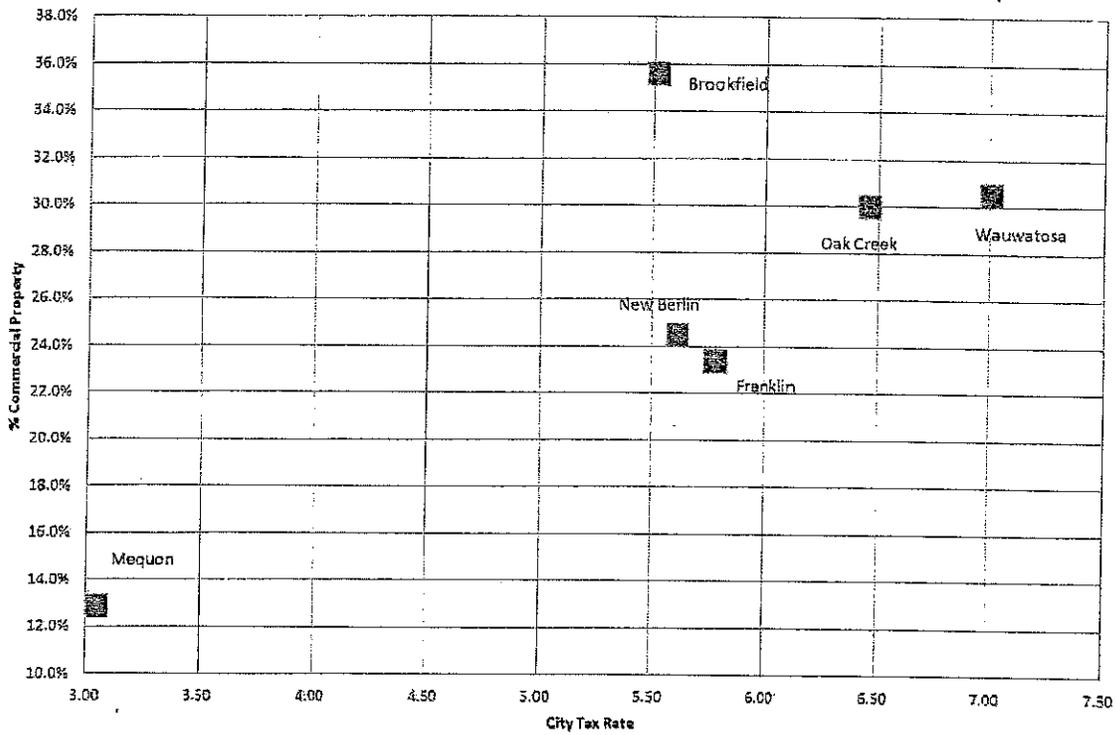
**Residential Assessed Value
City and by School District**

Graph 1



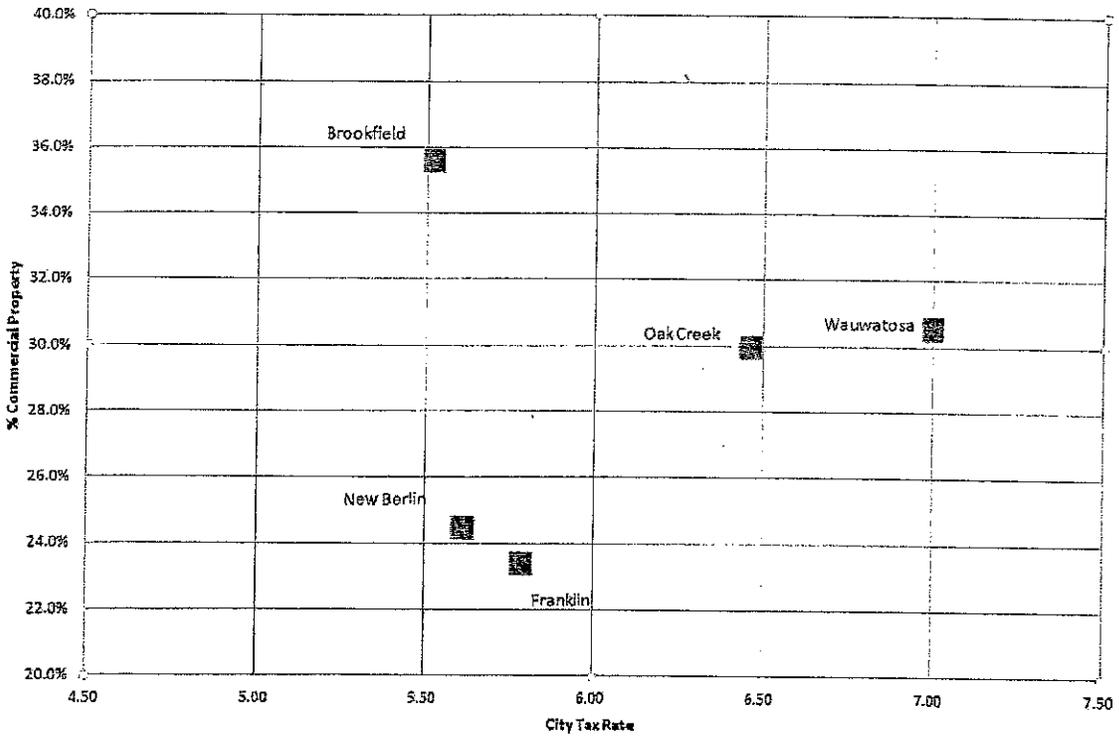
City Tax Rate With % Commercial Property - 2012

Graph 2a



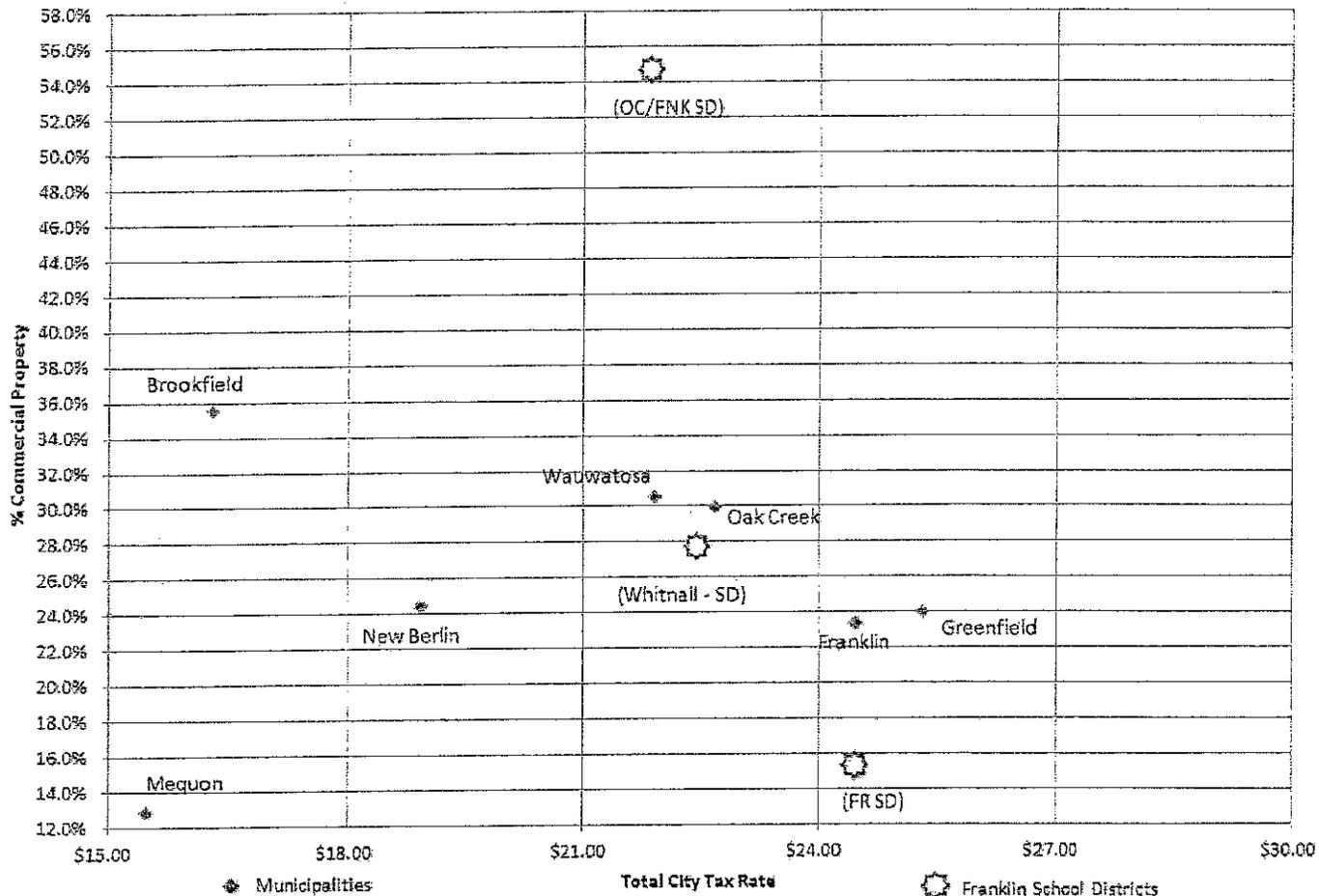
City Tax Rate With % Commercial Property - 2012

Graph 2b



Total City Tax Rate With % Commercial Property - 2012

Graph 3





MEMORANDUM

Date: June 12, 2013

To: Mayor Tom Taylor
Aldermen

From: Mark W. Lubberda 
Director of Administration

RE: Defining "70/30": How property classifications should be treated in the calculations

The purpose of this memo is to provide staff's recommendation as to the method of determining the "70/30" ratio as is referenced in the Common Council's adopted policy "that it remain the goal of the Common Council to obtain the 70/30 ratio of residential to commercial assessed valuation". Although various results have been reported over the years, the Common Council has not previously specifically defined the steps in calculating the ratio or applicable percentages. This memo represents the joint conclusions and recommendations of myself, Cal Patterson, Paul Rotzenberg, and Mark Link.

Step 1: Identify the Initial Primary Source of Data: Every community in Wisconsin must annually submit a "Statement of Assessment" (hereafter "SoA") that identifies the valuation of property for each of the State-determined property classifications. The SoA forms are in a consistent format and apply a standardized methodology; therefore, deriving the 70/30 ratio largely from the numbers reported on this State form provides a consistent data source and provides for comparability of data between communities. The closer the City sticks to using numbers as reported on the SoA, the easier it will be to repeat calculations in future years or to compare Franklin's numbers with those of another community.

To that end it is worth noting that the SoA presents assessed valuation, not equalized valuations. Applying the equalization factor to each component to determine the equalized valuation would not be a necessary step. Mathematically, the 70/30 results are identical using the assessed value or the equalized value if a single equalization rate is applied. This logic holds true even when comparing ourselves against other communities. As such, it yields the same results and remains easiest and clearest to simply use the assessed valuations reported on the SoA.

The following classifications of property are set forth by the State on the SoA:

| | | | |
|--------------------------------------|---------------------|---------------|--------------|
| Residential | Commercial | Manufacturing | Agricultural |
| Undeveloped | Agricultural Forest | Forest Lands | Other |
| Personal Property (4 sub categories) | | | |

Although both "residential" and "commercial" are specific classes of property, it appears clear from a historical perspective that the terms "residential" and "commercial" were being used in a broader, generic sense, not in the stricter, technical sense applied in assessing offices across the state. For

example, we believe it is indisputable that the stated policy intends to incorporate the "manufacturing" classification as part of the commercial category in the 70/30 calculation. Similarly, the "Other" classification represents a certain type of residential property so should not be overlooked in the residential category. Although this memo will use the terms "residential" and "commercial" in addressing the 70/30 ratio (since the Common Council has defined it that way in the referenced goal), recognize that those generic terms will each be a compilation of assessed valuations from the various state-determined property classifications referenced above. This allocation becomes the next step.

Step 2: Allocate each class of property valuation as "commercial" or "residential". First, staff believes all State property classifications should be included into one portion of the calculation or the other so that the total valuation included in the 70/30 calculation equals the total valuation listed on the SoA. This will eliminate potential confusion or argument that we are ignoring certain properties in the calculations. In short, the "70/30" numbers should reconcile with the total valuation reported to, and subsequently by, the State.

As the goal is to increase the commercial valuation in relation to the total, property that is not commercial (business, manufacturing, industrial, etc.) is included in the residential portion of the calculation, even if it is not "residential" in character. The following allocations, therefore, are recommended and represented in the final calculations:

- The Residential class is all considered residential.
- The Commercial class is considered Commercial, except for multi-family (4 or more unit) apartment buildings, which should be considered residential.
 - The State considers an apartment building of 4 or more units to be a commercial enterprise; nonetheless, for purposes of property tax impact and service delivery demands, it is residential in character. Assessing is able to easily determine the valuation of residential apartment units in the commercial valuation reported on the SOA; therefore, for purposes of the calculation these amounts were pulled out and included in the residential valuation. Additionally, it appears that it is easy for most assessors to isolate this number within their database; therefore, making this adjustment should not negatively impact our ability to make comparisons with other communities.
 - An apartment unit that is above or part of a commercial structure is included in the commercial valuation on the SoA and that value is left in the Commercial valuation for purposes of the 70/30 calculation. Effectively, this is saying that mix-use structures are primarily commercial in character. In these cases, the larger portion of the valuation is typically the commercial use area, and the parcels are zoned commercial. Additionally, the residential portion of the valuation is very nominal and difficult to separate. Lastly, their potential for redevelopment would really reflect an enhancement of the existing commercial valuation and not an elimination of the nominal residential valuation.
 - Single family homes that are zoned commercial are classified in the Commercial class by the State and are left there in the 70/30 calculation. Besides being immensely simpler to administer, it also allows the ratio to reflect some impact of positive actions the City takes toward commercial development by rezoning. In other words, the ratio calculation will reflect some improvement (reduced residential value and increased commercial value) as a residential parcel becomes zoned commercial. Effectively, the City is getting partial credit for

commercial development by zoning a property as a commercial or manufacturing property. Conversely, each time the City rezones a property from a commercial or manufacturing zoning classification to something else, that negative impact will be incorporated into the ratio.

- Manufacturing is considered Commercial.
- Agricultural, Undeveloped, Agricultural Forest, Forest lands are all considered residential because they are not commercial. At less than .05% of the total valuation their allocation has no effective impact on the final ratio, but they are included to ensure the totals reconcile to the State SoA.
- "Other" is considered residential because it comprises the 1 acre farmstead in any farm of 40 acres or more. Since this is the residential portion of the agricultural parcel, it should be considered residential.
- All personal property classifications (about 2.6% of the total valuation) are included in the commercial component of the ratio as these taxable items of personal property are almost exclusively owned by businesses. The amount of personal property listed by the 4 unit or more multi-family units is negligible, would not impact the ratio conclusions, and would not be worth the effort to distinguish.
- Vacant land is included in the various classifications based upon their zoning as is done by all assessors in Wisconsin. The same rationale discussed above for single-family homes zoned commercial applies in this instance; therefore, the assessed value of vacant land is reflected throughout based upon each vacant parcel's zoning designation.

Step 3: Consideration of Tax Incremental District (TID). Staff believes that all numbers should be considered as "TID in". The stated intent of achieving the 70/30 ratio is to positively impact the tax burden on residential properties. Although the increment in the valuation of an area in a TID is not yet relieving the tax burden, the creation of a TID is a clear action intended to positively impact the ratio. Using a "TID in" number enables the City to track its progress toward the goal as the economic development tools take effect, meaning as the TID expired or was retired. Expressed another way, not counting the increment value remaining in the TID would be like sticking our head in the sand and ignoring the impending jump in value. The City clearly needs to be able to anticipate and credit its commercial valuation for the growth in the TID areas.

Step 4. Simple Math: Calculate percentages

Once the total assessed residential valuation and the total assessed commercial valuation are determined based on the steps above, the percentage residential valuation is simply the total assessed residential valuation divided by the sum of the total assessed commercial and residential valuations. Similarly, the percentage commercial valuation is simply the total assessed commercial valuation divided by the sum of the total assessed commercial and residential valuations. The ratio is simply listing these two percentage calculations next to each other separated by a "/" as is done in the statement of the goal being "70/30."