

DOWNTOWN  
JANESVILLE

Business Improvement District Operating  
Plan

2019

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## I. INTRODUCTION

### **A. Background**

In 1984, the Wisconsin Legislature passed Wisconsin Statute 66.1109. This statute allows cities to establish Business Improvement Districts (BIDs). The primary purpose of a BID is to revitalize the businesses contained within the district. To achieve this purpose, the BID constructs a pooled assessment system that levies a special assessment against the businesses within the BID. The funds received from the special assessment fuel the development of the businesses within the BID, as well as operate, maintain, and promote the BID. At the September 5, 2017 Plan Commission meeting the commission approved the initial Operating Plan and recommended City Council adopt the BID Operating Plan. On October 9, 2017, City Council held a public hearing and then adopted the initial BID Operating Plan.

## II. DISTRICT BOUNDARIES

The following will roughly describe the boundaries of the BID. The BID will consist of three distinct zones. Zone Three will be the outermost zone. Zone Three will run the length of the Rock River between Memorial Drive and E. Racine Street, and will be bound by Atwood Avenue and Center Avenue to the east and west. Zone Two will be bound by Centerway and E. Van Buren to the north and south. Further, Zone Two will be bound by Atwood Avenue and Center Avenue to the east and west. Lastly, Zone One will be bound by Pease Court and Court Street on the north and south. Zone one will be bound by Parker Drive and Academy Street on the east and west.

See Appendix A for a map of the district. Additionally, Appendix A will include a list of the commercial properties included within the BID.

## III. PROPOSED OPERATING PLAN

### **A. Plan Objectives**

The objective of the BID is to provide leadership and management for revitalizing the downtown area. By making the downtown area more attractive, tidier, and cleaner, the area will become a safer and more welcoming area to embrace new businesses and foster the growth of existing businesses. By working with the downtown businesses through improved connections, the BID strives to promote and champion all that the downtown area has to offer.

**B. Key Categories**

- Downtown Beautification
  - Goal: To make the downtown area visually appealing seasonally to maintain and attract visitors and local traffic. Demonstrate pride in downtown.
- Signage & Banners
  - Goal: To highlight downtown area and events to maintain and attract visitors and local traffic. Demonstrate pride in downtown.
- Snow Removal
  - Goal: To remove snow to allow for ease of customer traffic to downtown retail and businesses.
- Events
  - Goal: To attract local and surrounding community to visit our downtown and build awareness and/or traffic to local businesses.
- Business Recruitment & Retention
  - Goal: To retain and recruit businesses to stay or choose downtown Janesville for their business.
- Marketing
  - Goal: To communicate positive impact of BID (accomplishments), communicate with local businesses and recruit new businesses with value of being in downtown Janesville. To develop and execute co-op marketing opportunities for downtown businesses.
- Administration
  - Goal: To fund the administrative need of the BID board and execution of board initiatives.
- Special Projects
  - Goal: To select key projects that would be unique to downtown Janesville.
- Reserve
  - Goal: To maintain a reserve fund for unexpected items.

**C. Proposed Budget**

The 2019 budget for the BID is below.

**2019 BID Budget**

**Income:**

Special Assessment: \$91,825.00

**Expenses:**

Plantings/Flower Baskets/Beautification	\$ 5,000.00
Marketing	\$ 7,500.00
Snow Removal	\$20,000.00
Events	\$ 9,000.00

Business Recruitment/Retention	\$10,000.00
Administration	\$27,825.00
Special Projects	\$ 7,500.00
Miscellaneous	\$ 5,000.00

**Total:** \$91,825.00

**D. Financing Method**

The BID will receive approximately \$91,825.00 amount from the collection of the assessment. Other income may become available.

**E. The BID Board**

Once this Operating Plan has been accepted, the City Manager will appoint members to the vacancies on the BID Board (“Board”). The Board will oversee the implementation of this Operating Plan. To do this, the Board may have to negotiate with providers of materials and services necessary to carry out the plan; to enter into contracts; to monitor development; to revise the Operating Plan annually; to ensure that the businesses within the BID are complying; to ensure that the BID complies with all applicable statutes and regulations; and to reimburse for overpayments in a BID assessment.

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

1. Board Size—The Board will consist of nine individuals. If past chair’s term has expired he or she shall serve one additional year increasing the Board to ten (10) individuals for that year only.
2. Composition—The Board shall have two (2) members who are property owners within the BID. Additionally, two (2) members shall own businesses within the BID. One (1) member shall be a citizen at large. After these positions are filled,

best efforts will be made to include members from all zones, but membership from all zones will not be required.

3. Term— Unless appointed to complete a term, each term shall be three (3) years. Board members can serve a maximum of two (2) consecutive three (3) year terms.

If a Board member’s term expires and no replacement has been seated, or if a board member resigns before their term expires, the alternate member will become a voting member serving out the remaining term. The BID Board shall recommend a new replacement for the alternate position to the City Manager.

4. Compensation—Service on the Board is voluntary and shall not be compensated.
5. Meetings
  - a. All Board meetings shall comply with Wisconsin’s Open Meetings Law.
  - b. The Board shall regularly meet. The Board must meet at least two times a year. The Board shall adopt the By-Laws, which will govern the conduct during the Board’s meetings.
6. Record Keeping—Files and records of the Board’s affairs shall be kept pursuant to public records requirements.
7. Staffing—The Board shall have the ability to employ staff. The BID Board, collectively with DJI, will have direct oversight of the staff to ensure that the objectives and activities of the BID are being realized. Additionally, the wage paid to staff members will be set by an approval of 2/3 of the BID Board.

#### **F. Relationship with the Downtown Janesville, Inc. (DJI)**

The BID Board and DJI will be separate entities; however, members, officers and directors may actively participate in both. The DJI remains a 501(c)(3) and is subject to all applicable statutes and regulations. Only those records generated in connection to the work done between the BID and DJI is subject to the open records law. The BID Board shall contract with DJI to provide services to the BID, as defined in this Operating Plan.

### IV. METHOD OF ASSESSMENT

#### **A. Assessment Rate and Method**

##### *i. Parcels Assessed*

All tax parcels within the BID that are required to pay real estate taxes, including those that the State taxes as manufacturing, will be assessed. Generally, those parcels that are assessed as “commercial” will be assessed. Real property that is used exclusively for residential purposes will not be assessed. Mixed-use commercial and residential properties will be subject to this special assessment.

Additionally, those properties that are exempt from paying real estate taxes will not be assessed. Finally, government-owned property will not be assessed.

*ii. Levy of Assessment*

The special assessments under this Operating Plan will be levied against each tax parcel of property within the BID that has a separate tax key number. The assessment will be based on the location of the property. Those properties within Zone One will have the highest assessment; those in Zone Three will have the lowest assessment. The Appendix will contain an assessment schedule that has the different assessment values for the properties in the three zones. The assessment will be based on the assessed value of the land and improvements that is kept by the City Assessor's office.

By tying the assessment value to the location of the property, each parcel owner should pay into the BID a proportionate amount to the benefits the parcel owner is given.

*iii. Assessment Schedule*

The parcels will be assessed as follows:

<b>Zone One:</b>	\$2.25/\$1,000.00
<b>Zone Two:</b>	\$1.50/\$1,000.00
<b>Zone Three:</b>	\$1.00/\$1,000.00

**B. Excluded and Exempt Property**

The statute authorizing a municipality to create a BID also contains specific provisions requiring certain types of property be excluded or exempt from assessment. The following lay out those provisions:

1. Wisconsin Statute § 66.1109(1)(f)1m requires that the Operating Plan designate whether property used exclusively for manufacturing will be included. As indicated above, it will be included in the special assessment. These properties will be assessed because it is likely that they will benefit from the creation of the BID.
2. Wisconsin Statute § 66.1109(5)(a) provides that “[r]eal 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.” This is why, as explained above, the residential properties will not be assessed. Additionally, this section, in part, is why those larger apartment buildings, while although for tax purposes are assessed as

commercial, will not be a part of this special assessment. The owners of those properties that are exempt, but border the BID and benefit from it, may be asked to contribute on a voluntary basis.

### **C. The Ability of the BID Board to Amend the Special Assessment.**

When submitting the next year's operating plan to the city council for approval, the BID Board shall have the ability to increase the amount of the special assessment for each zone. Once the BID Board submits the next year's operating plan, it will also post it on the Downtown Janesville, Inc., website. Upon an individual's request, the BID Board will make the operating plan available either by email or by hard copy to that individual. The BID Board cannot increase the assessment for a particular zone, if within 30 days of the operating plan being submitted, a petition is filed with the BID Board containing signatures from the owners of property within a particular zone that have an assessed value that is greater than 50% of all the properties within the particular zone.

## **V. FUTURE YEAR OPERATING PLANS**

### **A. Phased Development**

It is fully anticipated that the BID Board will continue to develop the Operating Plan annually. This development may be responsive to the needs of the owners in the BID or to opportunities that arise within the BID.

Wisconsin Statute Section 66.1109(3)(a) requires the BID Board and the City Council to annually review the Operating Plan and make necessary changes. As such, this is the proposed Operating Plan for 2019. Any changes that need to be made to address different conditions in subsequent years shall be made when the BID Board and the City Council review the Operating Plan. If the City Council approves changes to this Plan, that shall be conclusive evidence the activities of the BID Board are complying with this Plan and the Wisconsin Statutes.

The BID Operating Plan will continue to apply the specified assessment formula with adjustments. If there will be any material change to the assessment formula, the City Council must approve the change.

### **B. Amendment, Severability, and Expansion**

After approval by the City Council, this BID will be created under the authority of Wisconsin Statute Section 66.1109. If any court finds any portion of this statute invalid, this BID will remain in effect, but the BID shall be amended to conform to the law. This means that there will not be a need to go through the process of creating a new BID.

If the Wisconsin Legislature amends the statute to include or exclude assessable properties of a certain class, then this Operating Plan may be amended to include those changes during the annual Operating Plan approval. Wisconsin Statute Section 66.1109(3)(b) grants the Janesville City Council or City Manager the specific authority to make this type of amendment.

## VI. BY-LAWS

The following will act as a guide for the members of the BID Board when they meet to discuss the operation of the BID.

### **Article I: Offices**

To keep operating costs low and prioritize funding for budget items to improve the BID District, the BID Board shall not maintain a permanent office unless space is either donated or available for nominal cost.

### **Article II: Purpose**

The objective of the BID is to provide leadership and management for revitalizing the downtown area. By making the downtown area more attractive, tidier, and cleaner, the area will become a safer and more welcoming area to embrace new businesses and foster the growth of existing businesses. By working with the downtown businesses through improved connections, the BID strives to promote and champion all that the downtown area has to offer.

### **Article III: Membership**

The BID Board shall be composed of nine individuals. Those individuals will be appointed by the Janesville City Manager. For this purpose, the City Manager will comply with the conditions set forth in Section III(E)(2) of the proposed Operating Plan.

### **Article IV: Meetings**

The BID Board shall hold a minimum of two meetings annually. The first, shall be held in the first quarter of the year to evaluate the BID's performance in the year prior. Additionally, the BID Board shall discuss changes to the BID Operating Plan at this first meeting.

The BID shall hold the second meeting mid-year. This meeting shall provide the BID Board with the opportunity to check the progress of the BID in that year, as well as discuss other matters.

If four members approve, the BID Board shall call a special meeting.

Missing one of the required meetings without notice may result in the Board recommending that the Janesville City Manager remove that Board Member from the BID Board.

These meetings are public and shall be subject to Wisconsin's open meetings and open records laws.

#### **Article V: Quorum**

No meeting of the BID Board shall be valid and binding unless a quorum of the BID Board members is present. A quorum shall be present when at least six of the nine BID Board members are present.

#### **Article VI: Officers**

The BID Board shall have five officers: Chairperson, Vice Chairperson, past Chairperson, Secretary, and Treasurer. The individuals for these positions shall be nominated and elected by the BID Board. The officers shall be elected annually, except for the past Chairperson who shall serve following their time as Chairperson until a new Chairperson is elected.

An officer may be removed by a super majority (2/3) vote of the BID Board if it would be in the best interests of the BID to do so.

Chairperson. The Chairperson shall preside at all meetings of the Board and the general membership. She or he may sign, with the Secretary, or any other duly authorized officer of the Board, any deed, mortgage, bond, contract, or other instrument which the Board of Directors 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 Board; in general, she or he shall perform all duties incident to the office of Chairperson and such other duties which shall be prescribed by the Board of Directors from time to time.

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 may be assigned by the Chairperson or by the Board of Directors.

Secretary. The Secretary shall maintain the permanent minutes of the meetings of the Board of Directors electronically filed or in one or more books provided

for that purpose; see that all notices are duly given in accordance with the provisions of these By-laws or as required by law; ensure proper storage of the records; maintain a register of the name and mailing address of each BID Board member; and, in general, perform all duties incident to the office of Secretary and perform other such duties as from time to time may be assigned by the Chairperson or the Board of Directors.

Treasurer. The Treasurer shall have charge and joint custody of and be responsible for all funds and securities of the BID Board; the Treasurer shall perform all the duties incident to the office of Treasurer and shall perform other such duties as from time to time may be assigned by the Chairperson or the Board of Directors. The Treasurer and Chairperson shall, with the appropriate standing committee(s), prepare an Annual Operating Budget indicating income and expenses, to be presented to the Board of Directors for approval.

Past Chairperson. The Past Chairperson shall provide guidance to the BID Board in the performance of their duties. While providing such guidance, the Past Chairperson shall perform other such duties as from time to time may be assigned by the Chairperson or the Board of Directors. If past chair's term has expired he or she will serve one additional year increasing the full board to ten (10) members for that year only. Otherwise past chair will serve in the role for one year and serve out remaining term as regular board member.

## **Article VII: Committees**

The Officers of the BID Board shall have the ability to establish committees as they deem necessary. If any such committee is formed, the Officers reserve the right to change the committee's membership or change the chairperson.

No committee or member of a committee shall incur debt or enter into an obligation on behalf of the BID Board without approval from the Officers.

All committee meetings are public and will be subject to Wisconsin open records and open meetings laws.

## **Article VIII: Financials**

Either the Chairperson or the Treasurer may open specified bank accounts with a Janesville financial institution. All checks and orders of withdrawal shall be signed by two (2) members so designated by the Officers.

All invoices for good supplied or services rendered to the BID shall be approved for payment by the Treasure and Chairperson.

The Treasurer will provide timely financial statements that indicate the Board's revenues, expenditures, and appropriate fund balances. The Treasurer shall assist in the annual audit of the BID consistent with Wisconsin statute(s).

The fiscal year for the BID Board shall run with the calendar year.

**Article IX: Nonpartisan and Nonprofit**

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

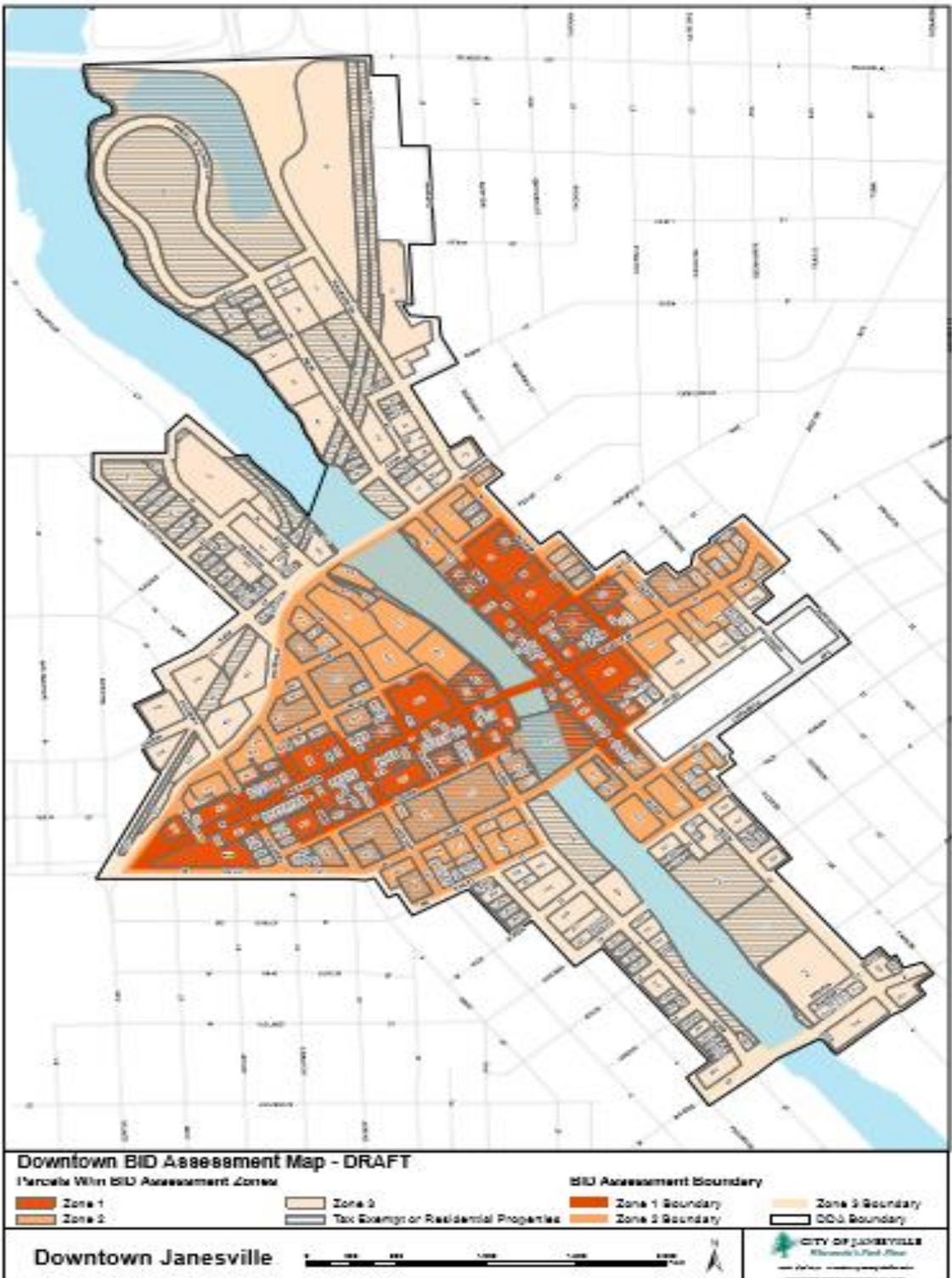
**Article X: Amending By-Laws**

A resolution to amend these by-laws may be adopted by a majority of the BID Board members at a regularly-scheduled Board meeting.

ATTESTED:

\_\_\_\_\_  
Downtown Janesville BID Board Chairperson

\_\_\_\_\_  
Date



**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 percent 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 percent 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 percent 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 percent 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 percent 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 percent 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.

# Organizational Structure of the Business Improvement District and Downtown Janesville, Inc.

Appendix C

