

IV. METHOD OF ASSESSMENT

A. Annual Assessment Rate and Method

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

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

Use of the property as of January 1, 2010 shall control for purpose of the eleventh year assessment.

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

The BID assessment is hereby levied by the City of Madison, which shall be a lien against each of the tax parcels of real property contained in the District, unless exempted as identified herein, under the power of §66.0717, Wis. Stats. Such special assessments are hereby levied by the City of Madison by adoption of this BID Plan. The city comptroller is authorized to include the BID assessment on bills for properties subject to the assessment within the designated Improvement District.

The City of Madison shall collect such BID assessments and shall provide to the BID Board an accounting of the amounts received and the tax key numbers for which they are collected. All assessments shall be placed in a segregated account in the City's treasury. The City shall disburse the funds when the BID Board

requisitions payments for its expenses that are authorized by the BID Operating Plan. All interest earned by virtue of temporary investment of funds in the BID account shall remain in the account for activities delineated in the BID Operating Plan.

B. Excluded and Exempt Property

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

1. Wisconsin Statutes section 66.1109(1)(f) Im: Property used exclusively for manufacturing purposes will not be assessed.
2. Wisconsin Statutes section 66.1109(5)(a): Property used exclusively for residential purposes will not be assessed.
3. Wisconsin Statutes section 66.1109(5)(a): Real property that is exempted from general property taxes under s. 70.11 will not be assessed.

Owners of tax exempt property within the District and expected to benefit from District activities will be asked to make a financial contribution to the District on a voluntary basis. In addition, those tax exempt properties within the District which are later determined no longer to be exempt from general property taxes, and tax exempt properties whose owners consent in writing to be assessed, shall automatically become subject to assessment under any current operating plan without necessity to undertake any other act.