

31 exchange, the City of Racine Police Department would increased law enforcement to the
32 Douglas Avenue BID geographic area, specifically dedicated traffic and speed enforcement
33 along Douglas Avenue, from State Street to Three Mile Road. The payment prospectively would
34 fund 340 hours of police officer overtime costs.

35 A “business improvement district” is an entity, permitted under state statute, that may be
36 created by a Wisconsin municipality. A municipality in Wisconsin may create a business
37 improvement district upon petition by commercial property owners within the prospective
38 district and approval of an initial operating plan by the municipal planning commission. An
39 “operating plan” provides “for the development, redevelopment, maintenance, operation and
40 promotion of a business improvement district.” Wis. Stat. § 66.1109(1)(f). Members of a
41 business improvement district board are appointed by the municipality’s chief executive officer
42 and confirmed by the legal legislative body. In a city in Wisconsin, these are the mayor and the
43 common council. Wis. Stat. § 66.1109(3)(a). The business improvement district’s annual
44 operating must be approved—and is subject to the potential disapproval—by the local legislative
45 body, i.e., the common council.

46 In a very real sense, a business improvement district is an arm of the municipal
47 government. It operates only through and under the authority of the municipal government.
48 Indeed, a “municipality may terminate a business improvement district at any time.” Wis. Stat. §
49 66.1109(5)(b). Although it has a separate identity, a business improvement district is not a
50 private entity. A business improvement district board is one of the governing bodies of the City.

51 Again, in a very real sense, the giving of money by a city business improvement district
52 to pay for enhanced policing within a specific geographic area of the is the allocating of city
53 funds for such enhanced policing—outside of the city budget process—without consideration of
54 or regard to the policing needs of other geographic areas of the city.

55 The Douglas Avenue BID includes all of Douglas Avenue between State Street on the
56 south and 3 Mile Road on the north, the railroad tracks to the west, and it extends for one block
57 east of Douglas Avenue. [https://www.buildupracine.org/business-financing/business-](https://www.buildupracine.org/business-financing/business-improvement-districts/)
58 [improvement-districts/](https://www.buildupracine.org/business-financing/business-improvement-districts/) Contrarily stated, the Douglas Avenue BID excludes all other parts of the
59 City of Racine.

60 My concern is that the acceptance of these funds under these circumstances could result
61 in what is known as discriminatory effect or discriminatory impact. The concept of
62 “discriminatory effect” in the context of a Wisconsin municipal governmental action, particularly
63 under the jurisdiction of the 7th Circuit, involves analyzing whether a facially neutral policy or
64 action results in adverse impacts on a protected group, even in the absence of discriminatory
65 intent. The concern is that a well-intentioned governmental action that results in a benefit for a
66 particular group may, in effect, create an adverse impact on another protected group by not
67 providing a similar benefit. These actions may occur within such diverse areas as housing
68 regulation, code enforcement targeting, or policing or enforcement patterns, among others.

69 Broadly stated, if a governmental policy creates a benefit to one protected demographic
70 group, even without specific intent, and affirmatively does not provide that same benefit to a

71 different protected demographic group, this may unintentionally create “adverse impact”
72 discrimination. The demographic characteristics of residents within the geography included in
73 the Douglas Avenue BID likely differ from the demographic characteristics of residents within
74 the geography of other well-defined neighborhoods or areas of the City of Racine.

75 While avoiding discrimination is a laudable goal of its own, avoiding potential liability
76 for such discrimination is an important consideration.

77 Additionally, I note that the Douglas Avenue BID 2026 Operating Plan, which was
78 approved by the Racine Common Council on November 18, 2025, under Agenda Item 1099-25,
79 does not include anything about the Douglas Avenue BID making a payment to the City of
80 Racine for these proposed enhanced policing activities. Potentially, the Douglas Avenue BID
81 Board could seek to amend its operating plan upon application to the City of Racine, I am not
82 aware that it has done so as of this writing. In the absence of such intention being made clear
83 under the 2026 Operating Plan, the operational ability of the Douglas Avenue BID to make this
84 payment is questionable.

85 Finally, a plain reading of Wisconsin Statutes section 66.1109, does not suggest that
86 paying for extra policing is within the scope of a business improvement district’s operations, and
87 so not within a business improvement district board’s purview. Again, the statute says that a
88 business improvement district exists specifically for “the development, redevelopment,
89 maintenance, operation and promotion of a business improvement district.” While it may be true
90 that having safe roads where drivers obey the laws supports maintenance, operation, and
91 promotion of a business improvement district, the statute does not suggest that a business
92 improvement district is responsible, or has the ability, to pay for police activities.

93

94 **BUDGETARY IMPACT:** Declining to accept the proposed payment of \$32,500 from the
95 Douglas Avenue Business Improvement District to the City of Racine in exchange for 340 hours
96 of police officer overtime costs would have no budgetary effect, because the budget for police
97 overtime costs would not change.

98

99 **OPTIONS/ALTERNATIVES:** Recommit the item to the Finance and Personnel Committee to
100 allow further discussion at the committee level.

101

102 **RECOMMENDED ACTION:** That the Comon Council decline to accept the proposed
103 payment of \$32,500 from the Douglas Avenue Business Improvement District to the City of
104 Racine in exchange for 340 hours of police officer overtime costs.

105

106 **ATTACHMENT(S):** None