



THE EAST SIDE
BUSINESS IMPROVEMENT DISTRICT NO. 20
2012 OPERATING PLAN

September 23rd, 2011

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THE East Side BUSINESS IMPROVEMENT DISTRICT 2012 OPERATING PLAN

I. INTRODUCTION

In 1984, the Wisconsin legislature created Sec. 66.1109 of the Statutes enabling cities to establish Business Improvement Districts (BIDs) upon the petition of at least one property owner within the proposed district. The purpose of the law is ". . .to allow businesses within those districts to develop, manage and promote the districts and to establish an assessment method to fund these activities." Upon petition from property owners within the East Side business district, the Common Council of the City of Milwaukee on 9/23/97 Resolution File Number 970779 created BID No. 20 (The East Side Business Improvement District) and adopted its initial operating plan.

The BID law requires that a BID Board "shall annually consider and make changes to the operation plan. . .The board shall then submit the operating plan to the local legislative body for approval." The Board of BID No. 20 (The East Side Business Improvement District) submits this 2012 BID operating plan in fulfillment of the statutory requirement.

This plan proposes a continuation and expansion of the activities described in the initial 1997 BID operating plan. Therefore, it incorporates by reference the earlier plans as adopted by the Common Council. In the interest of brevity, this plan emphasizes the elements, which are required by Sec. 66.1109, Wis. Stats. and the proposed changes for 2012. This plan does not repeat the background information that is contained in the initial operating plan.

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

No changes in the District planning or zoning have occurred since adoption of the initial operating plan.

III. DISTRICT BOUNDARIES

A listing of the properties in the district is provided in Appendix A.

IV. PROPOSED OPERATING PLAN 2012

A. Plan Objectives

The objectives of the BID are as follows:

- Act as a catalyst for private investment. Closely monitor new development opportunities, active recruiting of quality retail in new development and new vacancies, and marketing of area for renewed reinvestment.
- Promotion of the BID District as a desirable place to do business and to visit. Create signature events that drive traffic to the district.
- Improve the overall appearance and image of the area via clean programs, landscaping, and holiday lighting programs.

Proposed Activities

Principal activities to be undertaken by the BID during 2012 include, but are not limited to:

- 1) Continued promotion of the district via special events including the *East Side Green Market*, *Summer Soulstice Music Festival*, and *Tomato Romp!* festival, and general marketing initiatives for the neighborhood.
- 2) Implementation of Design and Development Guidelines for BID #20 and creation of an Architectural Review Board in coordination with City of Milwaukee.
- 3) Increased programming for planters, trash maintenance, and graffiti removal.
- 4) Promotion of the district as a place to do business, live, work, and recreate.
- 5) Recruitment of new businesses, retail, and retention of existing businesses.

C. Proposed Expenditures

Income for 2012

(numbers rounded)

Carryover 2011 to 2012	\$24,254
<u>2012 Assessment (received 4/11)</u>	<u>\$211,666</u>
Projected Income Available in 2012	\$235,920

Expenses for 2012

Operating Expenses (office, contracts, district maintenance, etc.)	\$151,142
<u>Loan Payment for 2012</u>	<u>\$78,150</u>
Total Expenses for 2012	\$229,292

The BID Board will have the authority and responsibility to prioritize expenditures and to revise the district budget as necessary to match the funds actually available. Any

funds unspent at the end of 2012 shall be carried over to 2013 and applied against future expenses.

D. Financing Method

The City of Milwaukee and the district jointly and cooperatively funded the streetscaping. The district's share of the cost of the streetscaping and the operating expenses of the district will be funded by BID assessments on taxable properties within the district.

The district entered into a Development Agreement with the City of Milwaukee in 2001. The Agreement includes the issuing of municipal bonds to finance the district's portion of the total cost. The district shall pay, each year for the term of the bonds, the amount necessary for principal, interest and other expenses on its portion of the cost. This year's annual payment is \$78,150.00. The total loan period will be for 20 years.

The Development Agreement will constitute a long-term commitment and the district will not be terminated until all repayments to the City have been made and adequate provision is made for the operation and management of improvements financed through the district. The Development Agreement will be in addition to the operating plan. Both parties have executed the Development Agreement.

V. METHOD OF ASSESSMENT

A. Assessment Rate and Method

As of January 1, 2011, the properties in the district had a total BID assessable value of 101,572,000. This plan proposes to assess the taxable property in the district at a rate of \$5.00 per \$1,000 of assessed value with a cap at \$5,000 for the purposes of the BID. Appendix A shows the projected BID assessment for each property included in the district.

The principle behind the assessment methodology is that each property owner should contribute to the BID in proportion to the benefit derived from the BID. After consideration of assessment methods, it was determined that the assessed value of a property was the characteristic most directly related to the potential benefit provided by the BID. Therefore, a uniform rate applied on the

assessed value of each property was selected as the basic assessment method for BID No. 20.

The variables used to determine the regular BID assessments are:

- 1) The total assessed value of each tax key parcel within the district; and
- 2) the specific dollar amount per \$1,000 of the assessed value of each tax key parcel.

The assessment methodology is as follows: For each of the taxable tax key parcels within the BID boundaries, the BID assessment is calculated by applying a \$5.00 per \$1000 charge against the assessed value of the parcel.

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) *Sec. 66.608 (1) (f) Im: The district may 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) *Sec. 66.608 (5) (a): Property known to be used exclusively for residential purposes will not be assessed. Such properties are identified as BID Exempt Properties in Appendix B, as revised each year.*

Real property, of which more than 66 2/3 percent of the square footage of the floor area of the building is used for residential purposes, is defined as "substantially residential property." The law authorizing the creation of BIDs states the intention that residential space is considered a residential, and not commercial use. Therefore, the owner of any substantial residential property within the BID may certify to the BID Board the square footage of such real property used for residential and non-residential purposes. The percentage of square footage used for non-residential, as compared to the total square footage of such building, multiplied by the assessed value for the entire building on such real property, shall be the value of the real property used for multiplication against the BID assessment rate, subject to the \$5,000 per parcel cap. Calculation of floor area shall exclude basement area. Properties that receive an adjusted BID assessment in 1998 shall be assessed in 2012 only on the non-

residential portion of the property as certified by the owner and accepted by the Board of Directors of BID No. 20.

- 3) *In accordance with the interpretation of the City Attorney regarding Sec. 66.1109 (1) (b), Wis. Stats., property exempt from general real estate taxes have been excluded from the district. Privately owned tax exempt property, which is expected to benefit from district activities, may be asked to make a financial contribution on a voluntary basis.*

VI. 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 has played a significant role in the creation of the BID and in the implementation of its operating plan. In particular, the City will continue to:

- 1) Provide technical assistance to the proponents of the district through adoption of the operating plan and provide assistance as appropriate thereafter.
- 2) Monitor and, when appropriate, apply for outside funds, which could be used in support of the district.
- 3) Collect BID assessments; maintain the BID assessments in a segregated account; and disburse the BID assessments to the district.
- 4) Receive annual audits as required per Sec. 66.1109 (3) (c) of the BID law.
- 5) On or before June 1st of each plan year, provide the Board, through the Tax Commissioner's Office, with the official City records on the assessed value of each tax key number within the district as of January 1st of each plan year for the 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.

VII. BUSINESS IMPROVEMENT DISTRICT NO. 20 BOARD OF DIRECTORS AND EXECUTIVE DIRECTOR

The Board's primary responsibility will be implementation of this operating plan. The current BID No. 20 Board of Directors is comprised as follows:

- ❖ **Paul Miller**, President, property owner, co-owner *Alterra Coffee Roasters*
- ❖ **Mike Honkamp**, Vice-President, property owner, co-owner, the Jazz Estate
- ❖ **Dan Gumm**, Treasurer, representative of *Wisconsin Paperboard*
- ❖ **Geralyn Flick**, Secretary, owner of *Murray Hill Pottery Works*
- ❖ **Peg Silvestrini**, property owner, co-owner *Beans and Barley Café and Market*
- ❖ **Nancy Vogel**, representative from *Small Animal Hospital*
- ❖ **Jeff Sherman**, co-owner *On Milwaukee.com*
- ❖ **Jim Plaisted** -- Executive Director

VIII. EAST SIDE ASSOCIATION

The BID shall be a separate entity from the East Side Association 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 the BID Board. In accordance with this plan, the Association may contract with the BID to provide services to the BID.

IX. FUTURE YEARS' OPERATING PLANS

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 operating plan.

Section 66.1109 (3) (a) of the BID law requires the BID 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 project, it focuses upon 2012 activities. Information on specific assessed values, budget amounts, and assessment amounts are based on 2011 conditions. Greater detail about subsequent years' activities will be provided in the required annual plan updates. Approval by the Common Council of such operating plan updates shall be conclusive evidence of compliance with this operating 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. The method of assessing shall not be materially altered, except with the consent of the City of Milwaukee.

X. AMENDMENT, SEVERABILITY, AND EXPANSION

The BID has been created under the authority of Section 66.608 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 operating plan shall be amended to conform to the law without need of re-establishment.

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

Appendix A

TxKey	addr	Owner	2011 value	2012 BID \$\$
3190699000	2427 N. Murray Ave.	2429 N. Murray LLC	\$260,000	\$1,300
3190700000	2423 N MURRAY	RED HOUSE LLC	\$330,000	\$1,650
3190704000	1922 E THOMAS	PAUL HANNA INC	\$259,000	\$1,295
3190721000	2018 E THOMAS	JAMES D STRATTE	\$371,000	\$1,855
3190722000	2400 N MURRAY	ROBERT F ZELLMER	\$537,000	\$2,685
3190723000	2406 N MURRAY	GOLDBERG FAMILY LTD	\$331,000	\$1,655
3190724000	2410 N MURRAY	CORY J GASSMANN	\$226,000	\$1,130
3190727100	2428 N MURRAY	WILLIAM F JUDGE & JOAN M	\$578,000	\$2,890
3190743000	2426 N FARWELL	GURDEV SINGH	\$800,000	\$4,000
3190744000	2414 N FARWELL	ARTHUR R KING MD	\$221,000	\$1,105
3190745000	2401 N MARYLAND	RESOURCE MANAGEMENT	\$1,392,200	\$5,000
3190757000	2012 E NORTH	SHASHA LLC	\$1,294,000	\$5,000
3190760110	2330 N FARWELL	FARWELL GROUP LLP	\$1,459,000	\$5,000
3190764111	2303 N FARWELL	FIRSTAR BANK MILWAUKEE NA	\$1,047,900	\$5,000
3190766100	2339 N MURRAY	ORLEN G WOOD	\$868,000	\$4,340
3190768000	2333 N MURRAY	SAMUEL J LLANAS	\$291,000	\$1,455
3190769000	2327 N MURRAY	Matthew and Patricia Linn	\$261,000	\$1,305
3190770100	2319 N MURRAY	SHAFTON FAMILY LTD	\$1,196,000	\$5,000
3190770200	1930 E NORTH	CONTINENTAL SAVINGS &	\$746,000	\$3,730
3190790000	1832 E NORTH	DOROTHY M VITUCCI REVOCABLE	\$509,000	\$2,545
3190793000	1800 E NORTH	1800-1814 E NORTH AVE LLC NORTHPOINT PROSPECT	\$133,400	\$667
3191371000	2305 N PROSPECT	COMMONS	\$14,268,000	\$5,000
3191372000	2311 N PROSPECT	COLUMBIA ST MARYS INC	\$14,800,000	\$5,000
3191373000	2311 N PROSPECT	COLUMBIA ST MARYS INC	\$0	\$0
3200302112	1514 E THOMAS	WISCONSIN PAPERBOARD CORP	\$5,888,400	\$5,000
3201523100	1726 E NORTH	TLO HOLDINGS LLC	\$390,000	\$1,950
3201524000	2303 N OAKLAND	JAMES & SUE WIECHMANN	\$496,000	\$298
3201525000	1700 E NORTH	RKA PROP OF WIS LLC	\$1,293,000	\$5,000
3201531100	2340 N NEWHALL	ESV LLC	\$1,156,000	\$5,000
3201532110	1614 E NORTH	MCDONALDS CORP	\$796,000	\$3,980
3201534100	2333 N NEWHALL	WISCONSIN PAPERBOARD CORP	\$289,700	\$1,449
3201535100	1530 E NORTH	ROBERT C SCHMIDT, JR	\$322,000	\$1,610
3201537100	1518 E NORTH	MANDEL NORTHTOWN II LLC	\$735,000	\$3,675
3201539000	1504 E NORTH	GEORGE SALVAT REAL ESTATE	\$585,000	\$2,925
3201540000	2320 N CAMBRIDGE	MANDEL NORTHTOWN II LLC	\$15,000	\$75
3201721000	2340 N CAMBRIDGE	WISCONSIN ELECTRIC POWER CO	\$0	\$0
3201722000	2326 N CAMBRIDGE	WISCONSIN ELECTRIC POWER CO	\$0	\$0
3209948113	1436 E NORTH	CITY OF MILWAUKEE	\$0	\$0
3548103000	1507 E. North Ave.	Clear Channel	\$37,000	\$185
3548104000	1507 E. North Ave.	Clear Channel	\$37,000	\$185

3550101000	1507 E NORTH	MICHAEL D LEE, RICHARD	\$211,300	\$1,057
3550103000	1515 E NORTH	E & K LAND LLC	\$294,000	\$1,470
3550139110	1431 E NORTH	MLRB LLC	\$435,000	\$2,175
3550431116	2202 N BARTLETT	PIERCE MILWAUKEE LLC	\$3,732,900	\$5,000
3550432000	1617 E NORTH	ROBERT E JOHN	\$465,000	\$2,325
3550448100	1609 E NORTH	E&K LAND LLC	\$735,000	\$3,675
3560215100	2252 N PROSPECT	DOS LOCOS LLC	\$2,879,000	\$5,000
3560229000	2140 N PROSPECT	LDC-2150 PROSPECT LLC	\$835,000	\$4,175
3560278000	2211 N PROSPECT	TOWN DOGS LLC	\$698,000	\$3,490
3560279000	2201 N PROSPECT	PAIGE-WALLACE LLC	\$1,024,000	\$1,705
3560281100	2214 N FARWELL	GEORGE PANAGIOTOPOLOUS	\$631,000	\$3,155
3560282000	2216 N FARWELL	NEW LAND INVESTMENTS NO 7	\$2,049,000	\$5,000
3560283000	2238 N FARWELL	NEW LAND INVESTMENTS NO 7	\$1,439,000	\$2,396
3560284000	2217 N PROSPECT	PROSPECT I LLC	\$870,000	\$4,350
3560285000	2017 E NORTH	2017 EAST NORTH, LLC	\$406,600	\$2,033
3560286000	2043 E NORTH	BV PROSPECT III LLC	\$1,270,000	\$5,000
3560287000	2034 E. Ivanhoe Pl.	Educators Credit Union Ivanhoe Pl. LLC	\$4,560,000	\$5,000
3560289111	1901 E NORTH	2B REAL ESTATE LLC	\$1,980,000	\$5,000
3560290100	2227 N FARWELL	NORTH FARWELL, LLC	\$560,000	\$2,800
3560296120	2219 N FARWELL	GOLDBERG RUEHL PROPERTIES	\$906,000	\$4,530
3560297000	2201 N FARWELL	SPECTRUM HOLDINGS INC	\$1,266,500	\$2,109
3560298110	1854 E KENILWORTH	A DE PALMA PROPERTIES LLC	\$502,000	\$2,510
3560301000	1801 E NORTH	SYDNEY C CHARNEY ESTATE ETAL	\$172,900	\$865
3560302000	1819 E KENILWORTH	SYDNEY C CHARNEY ESTATE ETAL	\$1,377,000	\$5,000
3560310100	2169 N FARWELL	GEORGE KASHOU COMPANY	\$378,000	\$1,890
3560311000	2159 N FARWELL	MAGNETIC NORTH ES LLC	\$225,000	\$1,125
3560312111	2121 N FARWELL	PIERCE MILWAUKEE LLC	\$1,906,400	\$5,000
3560609100	2200 N PROSPECT	KHALID AHMED	\$648,500	\$3,243
3560611100	2214 N PROSPECT	PROSPECT II LLC	\$925,300	\$4,627
3561471000	2170 N PROSPECT	DOWN DOG! LLC	\$518,000	\$2,590
3561472000	2009 E KENILWORTH	TRUST OF MORRIS KATZ	\$940,000	\$4,700
3561521000	1835 E KENILWORTH	1857 E KENILWORTH LLC	\$11,766,000	\$5,000
3568100000	2017 E. North Ave.	Clear Channel Outdoor	\$37,000	\$185
3568101000	2017 E. North Ave.	Clear Channel Outdoor	\$37,000	\$185
3568102000	2227 N. Farwell Ave.	Clear Channel Outdoor	\$37,000	\$185
3568103000	1801 E. North Ave.	Lamar Central Outdoor, Inc.	\$896,000	\$4,480
			\$101,572,000	\$211,666
UWM Foundation Contribution			<i>voluntary</i>	<i>\$5,000</i>
			BID \$\$	\$216,666

record_charge	TxKey	n_chk	status	addr	Owner	Business occupant	rem_owner_mail_addr	rem_owner_city_state	zip	propclass	Land	Improve	2011 value	2012 BID \$\$	2010 value	lot_sqft	bldg_sqft	obj	change	
BID	20	3190699000	4	Active	2427 N. Murray Ave.	2429 N. Murray LLC	Tood Shed	3610 N. Oakland Ave.	SHOREWOOD WI	53211	Local Commercial	53300	206700	\$260,000	\$1,300	\$277,000	5080	2600		-\$17,000
BID	20	3190700000	4	Active	2423 N MURRAY	RED HOUSE LLC	Jazz Estate	2915 N MARIETTA AV	MILWAUKEE WI	53211	Local Commercial	53300	276700	\$330,000	\$1,650	\$330,000	5080	3044		\$0
BID	20	3190704000	6	Active	1922 E THOMAS	PAUL HANNA INC	North Point Cleaners	1922 E THOMAS AV	MILWAUKEE WI	53211	Local Commercial	53300	205700	\$259,000	\$1,295	\$259,000	5080	1852		\$0
BID	20	3190721000	9	Active	2018 E THOMAS	JAMES D STRATTE		2018 E THOMAS AVE	MILWAUKEE WI	53211	Local Commercial	59200	311800	\$371,000	\$1,855	\$371,000	5640	5964		\$0
BID	20	3190722000	4	Active	2400 N MURRAY	ROBERT F ZELLMER	Detail Shop/Vacant	2945 N OAKLAND AVE	MILWAUKEE WI	53211	Local Commercial	40000	497000	\$537,000	\$2,685	\$537,000	3810	6824		\$0
BID	20	3190723000	X	Active	2406 N MURRAY	GOLDBERG FAMILY LTD	Duplex	5205 N IRONWOOD RD	GLENDALE WI	53217	Local Commercial	60000	271000	\$331,000	\$1,655	\$331,000	5715	4124		\$0
BID	20	3190724000	5	Active	2410 N MURRAY	CORY J GASSMANN	Cory the Bike Fixer	5418 S 43RD ST	GREENFIELD WI	53220	Local Commercial	53300	172700	\$226,000	\$1,130	\$226,000	5080	2688		\$0
BID	20	3190727100	8	Active	2428 N MURRAY	WILLIAM F JUDGE & JOAN M	Murray Pantry	PO BOX 11578	SHOREWOOD WI	53211	Local Commercial	326700	251300	\$578,000	\$2,890	\$578,000	31115	10580		\$0
BID	20	3190743000	9	Active	2426 N FARWELL	GURDEV SINGH	Citgo	W176 N5456 HIGHRIDGE DR	MENOMONEE FALLS WI	53051	Special Mercantile	115400	684600	\$800,000	\$4,000	\$900,000	10491	1778	Obj	-\$100,000
BID	20	3190744000	4	Active	2414 N FARWELL	ARTHUR R KING MD	Dr. Arthur King	2414 N FARWELL AV	MILWAUKEE WI	53211	Local Commercial	107000	114000	\$221,000	\$1,105	\$221,000	5350	2976		\$0
BID	20	3190745000	X	Active	2401 N MARYLAND	RESOURCE MANAGEMENT	ABC Kortsch	2403 N MARYLAND AV	MILWAUKEE WI	53211	Local Commercial	280400	1111800	\$1,392,200	\$5,000	\$1,392,200	14024	38788		\$0
BID	20	3190757000	5	Active	2012 E NORTH	SHASHA LLC	BBC	2022 E NORTH AV	MILWAUKEE WI	53211	Local Commercial	110300	1183700	\$1,294,000	\$5,000	\$1,294,000	8167	17248		\$0
BID	20	3190760110	5	Active	2330 N FARWELL	FARWELL GROUP LLP	Ichiban/Erberts and Gerberts	2017 E NORTH AVE	MILWAUKEE WI	53202	Local Commercial	478800	980200	\$1,459,000	\$5,000	\$1,459,000	35465	15213		\$0
BID	20	3190764111	5	Active	2303 N FARWELL	FIRSTAR BANK MILWAUKEE NA	US Bank	2800 EAST LAKE ST	MINNEAPOLIS MN	55406	Special Mercantile	415500	632400	\$1,047,900	\$5,000	\$1,047,900	30776	16172		\$0
BID	20	3190766100	0	Active	2339 N MURRAY	ORLEN G WOOD	Paddy's Pub	2204 E WEBSTER PL	MILWAUKEE WI	53211	Local Commercial	121900	746100	\$868,000	\$4,340	\$868,000	10160	8683		\$0
BID	20	3190768000	5	Active	2333 N MURRAY	SAMUEL J LLANAS	Mr. Senors	2333 N MURRAY AV	MILWAUKEE WI	53211	Local Commercial	61000	230000	\$291,000	\$1,455	\$287,000	5080	3047		\$4,000
BID	20	3190769000	0	Active	2327 N MURRAY	Matthew and Patricia Linn	Atty Matt Linn	1930 E NORTH AVE	MILWAUKEE WI	53202	Local Commercial	61000	200000	\$261,000	\$1,305	\$261,000	5080	2627		\$0
BID	20	3190770100	2	Active	2319 N MURRAY	SHAFTON FAMILY LTD	Rascals/Palermo Villa/Dogs	5205 N IRONWOOD RD #201	GLENDALE WI	53217	Local Commercial	123400	1072600	\$1,196,000	\$5,000	\$1,186,000	10282	13568		\$10,000
BID	20	3190770200	9	Active	1930 E NORTH	CONTINENTAL SAVINGS &	Westbury	1930 E NORTH AV	MILWAUKEE WI	53202	Special Mercantile	166200	579800	\$746,000	\$3,730	\$746,000	13848	10708		\$0
BID	20	3190790000	5	Active	1832 E NORTH	DOROTHY M VITUCCI REVOCABLE	Vitucci's	1832 E NORTH AV	MILWAUKEE WI	53211	Local Commercial	140700	368300	\$509,000	\$2,545	\$509,000	9380	5557		\$0
BID	20	3190793000	1	Active	1800 E NORTH	1800-1814 E NORTH AVE LLC	Former Pizza Man	7086 FALLS ROAD EAST	BOYNTON BEACH FL	33437	Local Commercial	133400	0	\$133,400	\$667	\$1,073,000	8890	0		-\$939,600
BID	20	3191371000	5	Active	2305 N PROSPECT	NORTHPOINT PROSPECT COMMONS	Whole Foods	10700 RESEARCH DR STE 1	MILWAUKEE WI	53226	Special Mercantile	1264300	13003700	\$14,268,000	\$5,000	\$14,268,000	36159	154494		\$0
BID	20	3191372000	0	Active	2311 N PROSPECT	COLUMBIA ST MARYS INC	CSM MOB	4425 N PORT WASHINGTON RD	GLENDALE WI	53212	Special Mercantile	901400	13898600	\$14,800,000	\$5,000	\$14,800,000	25750	98485		\$0
BID	20	3191373000	6	Active	2311 N PROSPECT	COLUMBIA ST MARYS INC	C/O JOANNE MACMILLAN	4425 N PORT WASHINGTON RD	GLENDALE WI	53212	Special Mercantile	0	0	\$0	\$0	\$0	32035	136879		\$0
BID	20	3200302112	1	Active	1514 E THOMAS	WISCONSIN PAPERBOARD CORP		PO BOX 92108	AUSTIN TX	78709	Manufacturing	5888300	100	\$5,888,400	\$5,000	\$5,713,700				\$174,700
BID	20	3201523100	8	Active	1726 E NORTH	TLO HOLDINGS LLC	New Boutique Project M	8100 N BEACH DR	FOX POINT WI	53217	Local Commercial	58100	331900	\$390,000	\$1,950	\$390,000	6459	2430		\$0
BID	20	3201524000	7	Active	2303 N OAKLAND	JAMES & SUE WIECHMANN	Eastsider	2769 N SUMMIT AVE	MILWAUKEE WI	53211	Local Commercial	67500	428500	\$496,000	\$298	\$496,000	4500	7302		\$0
BID	20	3201525000	2	Active	1700 E NORTH	RKA PROP OF WIS LLC	Valvoline	P O BOX 270224	WEST ALLIS WI	53227	Special Mercantile	38300	1254700	\$1,293,000	\$5,000	\$1,293,000	1700	3210	Obj	\$0
BID	20	3201531100	1	Active	2340 N NEWHALL	ESV LLC	Small Animal Hospital	2340 N NEWHALL ST	MILWAUKEE WI	53211	Local Commercial	316300	839700	\$1,156,000	\$5,000	\$1,156,000	49848	6140		\$0
BID	20	3201532110	4	Active	1614 E NORTH	MCDONALDS CORP		9300 N WAVERLY DR	BAYSIDE WI	53217	Special Mercantile	391000	405000	\$796,000	\$3,980	\$796,000	35560	3501		\$0
BID	20	3201534100	8	Active	2333 N NEWHALL	WISCONSIN PAPERBOARD CORP		1514 E THOMAS AVE	MILWAUKEE WI	53211	Manufacturing	289600	100	\$289,700	\$1,449	\$281,100				\$8,600
BID	20	3201535100	3	Active	1530 E NORTH	ROBERT C SCHMIDT, JR	RC's	1122 N EDISON ST	MILWAUKEE WI	53202	Local Commercial	104800	241200	\$322,000	\$1,610	\$346,000	11640	5307	Obj	-\$24,000
BID	20	3201537100	4	Active	1518 E NORTH	MANDEL NORTHTOWN II LLC	Former Hometown Office	301 E ERIE ST	MILWAUKEE WI	53202	Local Commercial	108000	627000	\$735,000	\$3,675	\$735,000	14400	18586		\$0
BID	20	3201539000	9	Active	1504 E NORTH	GEORGE SALVAT REAL ESTATE	former La Piazza	6950 N ELM TREE RD	MILWAUKEE WI	53217	Local Commercial	40000	545000	\$585,000	\$2,925	\$585,000	4440	7800		\$0
BID	20	3201540000	4	Active	2320 N CAMBRIDGE	MANDEL NORTHTOWN II LLC		301 E ERIE ST	MILWAUKEE WI	53202	Local Commercial	13200	1800	\$15,000	\$75	\$15,000	1533	0		\$0
BID	20	3201721000	8	Active	2340 N CAMBRIDGE	WISCONSIN ELECTRIC POWER CO		231 W MICHIGAN ST	MILWAUKEE WI	53201	Exempt	0	0	\$0	\$0	\$0	15578	18400		\$0

BID	20	3201722000	3	Active	2326 N CAMBRIDGE	WISCONSIN ELECTRIC POWER CO		231 W MICHIGAN ST	MILWAUKEE WI	53201	Exempt		0	0	\$0	\$0	\$0	13869	8100	\$0
BID	20	3209948113	6	Active	1436 E NORTH	CITY OF MILWAUKEE		809 N BROADWAY	MILWAUKEE WI	53202	Exempt		0	0	\$0	\$0	\$0	63474	0	\$0
BID	20	3548103000		Active	1507 E. North Ave.	Clear Channel					Special Mercantile				\$37,000	\$185		100		
BID	20	3548104000		Active	1507 E. North Ave.	Clear Channel					Special Mercantile				\$37,000	\$185		100		
BID	20	3550101000	4	Active	1507 E NORTH	MICHAEL D LEE, RICHARD	Atomic Tattoo	929 N ASTOR ST # 1402	MILWAUKEE WI	53202	Local Commercial	50400	160900	\$211,300	\$1,057	\$211,300	5600	1520	\$0	
BID	20	3550103000	5	Active	1515 E NORTH	E & K LAND LLC	former OP	10505 CORPORATE DR # 101	PLEASANT PRAIRIE WI	53158	Local Commercial	86400	207600	\$294,000	\$1,470	\$294,000	9600	2500	\$0	
BID	20	3550139110	5	Active	1431 E NORTH	MLRB LLC	Judge's	1431 E NORTH AV	MILWAUKEE WI	53202	Local Commercial	370300	64700	\$435,000	\$2,175	\$435,000	15428	5293	\$0	
BID	20	3550431116	1	Active	2202 N BARTLETT	PIERCE MILWAUKEE LLC	Thermo Fisher	2202 N BARTLETT AV	MILWAUKEE WI	53202	Manufacturing	3732800	100	\$3,732,900	\$5,000	\$3,622,200			\$110,700	
BID	20	3550432000	4	Active	1617 E NORTH	ROBERT E JOHN		834 N PLANKINTON AVE	MILWAUKEE WI	53203	Local Commercial	141100	323900	\$465,000	\$2,325	\$465,000	15682	29076	\$0	
BID	20	3550448100	8	Active	1609 E NORTH	E&K LAND LLC	New Open Pantry/Classic Slice	10505 CORPORATE DR # 101	PLEASANT PRAIRIE WI	53158	Local Commercial	118800	616200	\$735,000	\$3,675	\$509,500	13200	6438	\$225,500	
BID	20	3560215100	8	Active	2252 N PROSPECT	DOS LOCOS LLC	Clock Tower	3055 N FREDERICK AV	MILWAUKEE WI	53211	Local Commercial	722800	2156200	\$2,879,000	\$5,000	\$2,879,000	32117	85412	\$0	
BID	20	3560229000	8	Active	2140 N PROSPECT	LDC-2150 PROSPECT LLC	Izumi's	2140 N PROSPECT AVE	MILWAUKEE WI	53202	Local Commercial	360100	474900	\$835,000	\$4,175	\$835,000	18000	7998	\$0	
BID	20	3560278000	5	Active	2211 N PROSPECT	TOWN DOGS LLC	Alterra Coffee Roasters	2999 N HUMBOLDT BL	MILWAUKEE WI	53212	Local Commercial	275500	422500	\$698,000	\$3,490	\$648,200	7200	14400	\$49,800	
BID	20	3560279000	0	Active	2201 N PROSPECT	PAIGE-WALLACE LLC	Vintage/Yield	2203 N PROSPECT AV	MILWAUKEE WI	53202	Local Commercial	162000	862000	\$1,024,000	\$1,705	\$1,024,000	7200	18834	\$0	
BID	20	3560281100	8	Active	2214 N FARWELL	GEORGE PANAGIOTOPOLOUS	Ma Fischers	2214 N FARWELL AV	MILWAUKEE WI	53202	Local Commercial	162000	469000	\$631,000	\$3,155	\$631,000	7200	3788	\$0	
BID	20	3560282000	7	Active	2216 N FARWELL	NEW LAND INVESTMENTS NO 7	Landmark Lanes/Oriental Theater	PO BOX 511448	MILWAUKEE WI	53203	Local Commercial	816900	1576100	\$2,049,000	\$5,000	\$2,393,000	36300	70710	Obj -\$344,000	
BID	20	3560283000	2	Active	2238 N FARWELL	NEW LAND INVESTMENTS NO 7	Replay/East Side Framing	P O BOX 511448	MILWAUKEE WI	53203	Local Commercial	216000	1223000	\$1,439,000	\$2,396	\$1,439,000	9600	26304	\$0	
BID	20	3560284000	8	Active	2217 N PROSPECT	PROSPECT I LLC	P Mall building	311 E CHICAGO ST, STE 210	MILWAUKEE WI	53202	Local Commercial	506400	363600	\$870,000	\$4,350	\$870,000	22500	41915	\$0	
BID	20	3560285000	3	Active	2017 E NORTH	2017 EAST NORTH, LLC	Hooligan's	N6585 LEICHT RD	BLACK RIVER FALLS WI	54615	Local Commercial	35600	371000	\$406,600	\$2,033	\$406,600	1584	2964	\$0	
BID	20	3560286000	9	Active	2043 E NORTH	BV PROSPECT III LLC	Brueggers/Ians	311 E CHICAGO ST, STE 210	MILWAUKEE WI	53202	Local Commercial	90800	1179200	\$1,270,000	\$5,000	\$1,270,000	6052	6114	\$0	
BID	20	3560287000		Active	2034 E. Ivanhoe Pl.	Educators Credit Union Ivanhoe Pl. LLC	WECU	1400 E. Newman Rd.	Racine, WI	53406	Local Commercial	222000	4338000	\$4,560,000	\$5,000	\$4,560,000	8881	11574	\$0	
BID	20	3560289111	7	Active	1901 E NORTH	2B REAL ESTATE LLC	Beans and Barley/Decibel	1901 E NORTH AVE	MILWAUKEE WI	53202	Local Commercial	397600	1582400	\$1,980,000	\$5,000	\$1,980,000	19876	17870	\$0	
BID	20	3560290100	7	Active	2227 N FARWELL	NORTH FARWELL, LLC	Von Trier	2235 N FARWELL AVE	MILWAUKEE WI	53215	Local Commercial	88800	471200	\$560,000	\$2,800	\$560,000	4438	4163	\$0	
BID	20	3560296120	4	Active	2219 N FARWELL	GOLDBERG RUEHL PROPERTIES	Utrecht/Z Pantry	5205 N IRONWOOD RD, STE 201	GLENDALE WI	53217	Local Commercial	142200	763800	\$906,000	\$4,530	\$906,000	7110	6374	\$0	
BID	20	3560297000	9	Active	2201 N FARWELL	SPECTRUM HOLDINGS INC	Village Bazaar	6651 N TEUTONIA AV	MILWAUKEE WI	53209	Local Commercial	180000	1086500	\$1,266,500	\$2,109	\$1,266,500	9000	17250	\$0	
BID	20	3560298110	8	Active	1854 E KENILWORTH	A DE PALMA PROPERTIES LLC	YNOT III	706 E LYON ST	MILWAUKEE WI	53202	Local Commercial	32000	470000	\$502,000	\$2,510	\$502,000	2130	4509	\$0	
BID	20	3560301000	9	Active	1801 E NORTH	SYDNEY C CHARNEY ESTATE ETAL	Sil's and parking lot	PO BOX 2035	MILWAUKEE WI	53201	Local Commercial	109700	63200	\$172,900	\$865	\$172,900	7315	265	\$0	
BID	20	3560302000	4	Active	1819 E KENILWORTH	SYDNEY C CHARNEY ESTATE ETAL	Cans/Hotch A Do	PO BOX 2980	MILWAUKEE WI	53201	Local Commercial	225000	1152000	\$1,377,000	\$5,000	\$1,377,000	15000	15000	\$0	
BID	20	3560310100	4	Active	2169 N FARWELL	GEORGE KASHOU COMPANY	Kashou Carpets	2169 N FARWELL	MILWAUKEE WI	53202	Local Commercial	360100	17900	\$378,000	\$1,890	\$378,000	18000	18469	\$0	
BID	20	3560311000	3	Active	2159 N FARWELL	MAGNETIC NORTH ES LLC	Magnetic North	2163 N FARWELL AV	MILWAUKEE WI	53202	Local Commercial	82500	142500	\$225,000	\$1,125	\$225,000	4125	2064	\$0	
BID	20	3560312111	0	Active	2121 N FARWELL	PIERCE MILWAUKEE LLC	Thermo Fisher	2202 N BARTLETT AVE	MILWAUKEE WI	53202	Manufacturing	1906300	100	\$1,906,400	\$5,000	\$1,849,800			\$56,600	
BID	20	3560609100	X	Active	2200 N PROSPECT	KHALID AHMED	Clark gas station	13545 N NORTHWOOD LN UNIT 5W	MEQUON WI	53097	Special Mercantile	151700	496800	\$648,500	\$3,243	\$648,500	12645	1748	Obj \$0	
BID	20	3560611100	0	Active	2214 N PROSPECT	PROSPECT II LLC	P Mall parking lot	311 E CHICAGO AV, STE #210	MILWAUKEE WI	53202	Local Commercial	666700	258600	\$925,300	\$4,627	\$925,300	29617	2520	\$0	
BID	20	3561471000	2	Active	2170 N PROSPECT	DOWN DOG! LLC	Crank Daddy's	2999 N HUMBOLDT BLVD	MILWAUKEE WI	53212	Local Commercial	108800	409200	\$518,000	\$2,590	\$518,000	9065	7471	\$0	
BID	20	3561472000	8	Active	2009 E KENILWORTH	TRUST OF MORRIS KATZ	Laundromat/Seoul Korean	9281 N BROADMOOR RD	MILWAUKEE WI	53217	Local Commercial	289200	650800	\$940,000	\$4,700	\$940,000	24100	11501	\$0	
BID	20	3561521000	3	Active	1835 E KENILWORTH	1857 E KENILWORTH LLC	Latitude Apts/Verizon	757 N WATER ST STE 200	MILWAUKEE WI	53202	Mercantile Apartment	945000	10821000	\$11,766,000	\$5,000	\$5,960,000	27000	0	\$5,806,000	
BID	20	3568100000		Active	2017 E. North Ave.	Clear Channel Outdoor					Special Mercantile			\$37,000	\$185					
BID	20	3568101000		Active	2017 E. North Ave.	Clear Channel Outdoor					Special Mercantile			\$37,000	\$185					
BID	20	3568102000		Active	2227 N. Farwell Ave.	Clear Channel Outdoor					Special Mercantile			\$37,000	\$185					
BID	20	3568103000		Active	1801 E. North Ave.	Lamar Central Outdoor, Inc.					Special Mercantile			\$896,000	\$4,480					
														\$101,572,000	\$211,666	\$95,452,700			\$6,119,300	
						UWM Foundation Contribution								voluntary	\$5,000					
														BID \$\$	\$216,666	<i>after UWM Foundation Contribution</i>				

2010-2011 Annual Report

East Side Business Improvement District #20



Activities for 2010-2011

The East Side B.I.D. #20 respectfully submits its Annual Report on the following activities undertaken in 2010-11. They include:

- 1) Operated the 11th season of **The East Side Green Market**. Each Saturday, between June and October, neighborhood residents are invited to come down and enjoy fresh and organic produce, freshly prepared foods, arts and crafts, and free live music. Over 20 vendors have participated in this season and foot traffic from the neighborhood continues to increase.
- 2) The East Side BID hired a consultant to create **Design and Development Guidelines** for properties within BID #20. The consultant's work product is complete and the appropriate legislation has been introduced at the Common Council to create Milwaukee's second Architectural Review Board for BID #20
- 3) Planted over **100 street planters** with variety of annuals, perennials, and bushes. New planters were installed west of Oakland Ave. on North Ave. Included installation of new planters in western portion of BID.
- 4) Tenth year of our **East Side Litter Maintenance** program with Riverworks/NMIDC BID and Oakland Ave. BID. The group has contracted for services with a maintenance company to pick up litter weekly in the commercial neighborhoods on the East Side.
- 5) Hosted 11th annual **Summer Soulstice Music Festival** on June 18th, 2011, which attracted over 5,000 people to our all day celebration of the East Side. Featured arts and crafts vending, 3 music stages with 10 bands, food from East Side restaurants, and a climbing wall for all ages.
- 6) Hosted our 5th annual **Tomato Romp!** featuring the East Side Bloody Mary Contest and famous Tomato Fight. The fight featured over 200 participants and raised \$2,200 for organizations fighting hunger in our community.
- 7) Continued efforts to **shape the retail environment** in our neighborhood. We continue to monitor development issues and inform interested investors and realtors about neighborhood goals related to redevelopment and preferred retail mix.
- 8) **Annual audit** for 2010 was completed and forwarded to DCD with the 2012 Operating Plan.

**EAST SIDE BUSINESS IMPROVEMENT DISTRICT #20
MILWAUKEE, WISCONSIN**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2010 AND 2009**

EAST SIDE BUSINESS IMPROVEMENT DISTRICT #20
MILWAUKEE, WISCONSIN

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KRAUSE & ASSOCIATES, S.C.

CERTIFIED PUBLIC ACCOUNTANTS

1214 BRIDGE STREET
P.O. Box 368
GRAFTON, WISCONSIN 53024

TELEPHONE: (262) 377-9988
FAX: (262) 377-9617

Independent Auditor's Report

Board of Directors
East Side Business Improvement District #20
Milwaukee, Wisconsin

We have audited the accompanying statements of financial position of East Side Business Improvement District #20 as of December 31, 2010 and 2009, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, financial statements referred to above present fairly, in all material respects, the financial position of the East Side Business Improvement District #20 as of December 31, 2010 and 2009 and the results of its operations and cash flows for the years then ended.

Krause & Associates SC

Krause & Associates, SC
Grafton, Wisconsin
February 14, 2011

EAST SIDE BUSINESS IMPROVEMENT DISTRICT #20
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
	<u>ASSETS</u>	
Cash and cash equivalents	\$ 23,854	\$ 46,992
Accounts receivable	<u>400</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 24,254</u>	<u>\$ 46,992</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 4,834	\$ 2,083
Payroll tax liabilities	<u>970</u>	<u>-</u>
TOTAL LIABILITIES	5,804	2,083
NET ASSETS		
Unrestricted	<u>18,450</u>	<u>44,909</u>
TOTAL NET ASSETS	<u>18,450</u>	<u>44,909</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 24,254</u>	<u>\$ 46,992</u>

The accompanying notes are an integral part of these financial statements.

EAST SIDE BUSINESS IMPROVEMENT DISTRICT #20
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
REVENUE		
BID assessments	\$ 220,024	\$ 220,975
Donations	903	813
Events – sponsorships and fees	28,751	21,881
Interest	<u>213</u>	<u>390</u>
Total revenue	<u>249,891</u>	<u>244,059</u>
EXPENSES		
Program:		
Public improvements	\$ 2,890	\$ 8,905
Street maintenance and utilities	87,825	47,228
Equipment	563	3,396
Loan repayment to City of Milwaukee	78,150	78,150
Special events and member programming:		
Open Market	7,155	12,706
Tomato Romp	11,491	9,217
Public relations	29,004	23,947
Event marketing	2,317	6,859
Contributions	<u>-</u>	<u>525</u>
Total program	219,395	190,933
Administrative expenses:		
Executive director	46,200	46,200
Audit	1,100	1,070
Insurance	3,372	2,730
Dues and subscriptions	555	525
Internet services and design	-	100
Office supplies	921	1,733
Professional fees	3,787	-
Rent	<u>1,020</u>	<u>935</u>
Total administrative	<u>56,955</u>	<u>53,293</u>
Total expenses	<u>276,350</u>	<u>244,226</u>
Changes in net assets	(26,459)	(167)
Net assets, beginning of year	<u>44,909</u>	<u>45,076</u>
Net assets, at end of year	<u><u>\$ 18,450</u></u>	<u><u>\$ 44,909</u></u>

The accompanying notes are an integral part of these financial statements.

EAST SIDE BUSINESS IMPROVEMENT DISTRICT #20
 STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (26,459)	\$ (167)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Increase in accounts receivable	(400)	-
Increase (decrease) in accounts payable	2,751	(6,550)
Increase in payroll tax liabilities	<u>970</u>	<u>-</u>
Net cash used in operating activities	<u>(23,138)</u>	<u>(6,717)</u>
Net decrease in cash and cash equivalents	(23,138)	(6,717)
Cash and cash equivalents at beginning of year	<u>46,992</u>	<u>53,709</u>
Cash and cash equivalents at end of year	<u>\$ 23,854</u>	<u>\$ 46,992</u>
Cash paid for interest	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

EAST SIDE BUSINESS IMPROVEMENT DISTRICT #20
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Organization and business activity

The East Side Business Improvement District #20 (BID) represents Milwaukee's most exciting retail, entertainment, and residential district. Located between Lake Michigan, the Milwaukee River, downtown Milwaukee and the University of Wisconsin-Milwaukee, the BID is actively involved in the conscientious development of an enhanced business district designed for people looking for a dynamic place to live, work, shop, and relax.

The Mayor and the Common Council created the BID in October 1997 under the authority granted by Wisconsin Statutes Section 66.608. The BID is an association of property owners governed by seven board members. Members are appointed to three-year terms by the Mayor and confirmed by the Common Council. The BID is managed by a contracted executive director.

The BID is independent of the East Side Association, an organization of merchants, residential neighbors in the immediate business area that focuses on marketing, events, and other neighborhood initiatives.

2. Accounting method

The BID follows the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America, wherein revenues and expenses are recorded in the period earned or incurred. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the BID are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted net assets - Net assets subject to donor-imposed restrictions that may or may not be met, either by actions of the BID and/or the passage of time. When a restriction is met, restricted net assets are transferred to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. As of December 31, 2010, the BID has no temporarily restricted net assets.

Permanently Restricted net assets - Net assets subject to a donor imposed restriction that they be maintained permanently by the BID. As of December 31, 2010, the BID has no permanently restricted net assets.

EAST SIDE BUSINESS IMPROVEMENT DISTRICT #20
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2010 AND 2009

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Cash and cash equivalents

The BID considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

4. Streetscape improvements

Streetscape improvements are not capitalized; rather they are expenses as incurred as they are considered part of the City of Milwaukee's public infrastructure.

5. Income taxes

The BID is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code.

The BID evaluates its tax positions and assesses their uncertainty, if any, through review and application of various sources of tax authority including statutes, regulations, rulings, court cases and widely held administrative practices.

6. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

7. Subsequent Events

Management has evaluated subsequent events for recognition and disclosure in the financial statements through February 14, 2011, which is the date that the financial statements were available to be issued. No subsequent events were noted.

EAST SIDE BUSINESS IMPROVEMENT DISTRICT #20
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 DECEMBER 31, 2010 AND 2009

B – REPAYMENT OF CITY OF MILWAUKEE ADVANCE

The BID, in cooperation with the City of Milwaukee finished streetscape improvements in 2003. Financing for the \$1.7 million project was funded partially by a \$500,000 contribution from the City of Milwaukee plus proceeds from a city bond issue.

The BID is obligated to repay the City of Milwaukee for its streetscape improvement assistance over 20 years, plus interest at 5.89%. The principal and interest amounts will be funded through future special tax assessments. The principal balance at December 31, 2010 and 2009 was \$578,203 and \$619,845, respectively.

The BID's annual debt service obligation to the City of Milwaukee is \$78,150 through 2020 is as follows:

<u>Repayment Year</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 44,094	\$ 34,056
2012	46,691	31,459
2013	49,442	28,708
2014	52,354	25,796
2015	55,437	22,713
2016-2020	<u>330,185</u>	<u>60,566</u>
	<u>\$ 578,203</u>	<u>\$ 203,298</u>

C – MANAGEMENT SERVICES

The BID has contracted with its former executive director for administrative services and office space for \$3,850 per month. The total paid in 2010 and 2009 under this contract was \$46,200 for each year. .