

**BUSINESS IMPROVEMENT DISTRICT NO. 35**  
**Kinnickinnic River Business Improvement District**

**OPERATING PLAN**  
**2018**

**Approved by BID Board:**  
**September 6, 2017**

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## 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 Created Business Improvement District No 35 (“BID 35”) and approved its initial operating plan via Common Council Resolution No 040877, adopted by reference November 3, 2004.

Since 2004, BID 35 has submitted yearly-amended plans adding and modifying its plan objectives as part of its ongoing management and promotion of the district. This amended plan shall govern operation of BID 35 during calendar year 2018.

### B. Physical Setting

The BID includes ten (10) properties which have river frontage along the Kinnickinnic River, many of which are home to marine related businesses. Boat storage, marine repair, an antique boat restorer, and a marine construction business share the three-block area with a thriving fire restoration business, and other small commercial firms.

## II. DISTRICT BOUNDARIES

The BID District is made up of properties that stretch along the Kinnickinnic River banks, bounded by the Becher Street Bridge on the south and the Kinnickinnic Avenue Bridge on the East.

## III. PROPOSED OPERATING PLAN

### A. Plan Objectives

The Objective of the Kinnickinnic River BID is to maintain and promote the KK-Becher commercial district for the benefit of the members.

### B. Planned Activities – Year 14

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

- a. Assist businesses and property owners with improvements to their riverfronts.
- b. Provide oversight and technical assistance on the KK River Environmental Restoration Project.
- c. Promote and market the Business Improvement District and the City of Milwaukee.
- d. Maintain the fiscal integrity of the BID.

- e. Act as an ombudsman for the BID members seeking assistance, change of service from the City, County, State, and Federal agencies.
- f. Initiate positive media coverage regarding the BID district's activities.
- g. Assist the Department of City Development in connection with the Southeast Side Area Comprehensive Plan.
- h. Assist BID members with issues regarding public safety and security. Develop plans for a "Business Block Watch" for the BID neighborhood.
- i. Develop a Streetscape Plan for maintaining the public landscape along Becher Street, S. 4<sup>th</sup> Street and S. 1<sup>st</sup> Street. (First impressions set the tone for visitors.)
- j. Participate with the City and State to support activities relating to the redesign of the intersection of W. Becher Street and Interstate 94.

C. . Planned Expenditures – Year 14

Budget:

The expenditures will be financed from funds collected through the BID assessment process, voluntary private contributions and public grants. The estimated assessed value of BID properties is \$12,771.500.

The budget for the BID is as follows:

Revenue	
1, BID annual assessment	\$3,647.73
2. Interest income	-0-
3. Miscellaneous (contributions, grants, gifts)	-0-
Total Revenue:	\$3,647.73
Expenses	
1. Administration	
Payroll	\$ - 0 -
Taxes	- 0 -
2. Office materials	25.00
3. Postage	25.00
4. Professional Fees	
Consulting	-0-
Legal	-0-
Accounting	- 0 -
Auditing	2,000.00
5. Insurance	1,400.00
6. Promotion/Public Relations	25.00
7. River and neighborhood maintenance	150.00
8. Miscellaneous – Bank fees etc.	22.73
Total Expenses:	\$3,647.73

D. Financing Method

It is proposed to raise \$3,647.73 through BID assessments (Appendix D). 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

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.

The BID board be structured and operate as follows:

1. Board Size – Seven (7)
2. Composition - A majority of Board members shall be owners or occupants of property within the district. Any non-owner or non-occupant of a property within the district 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.
4. Compensation – None
5. Meetings - All meetings of the board shall be governed by the Wisconsin Open Meetings Law.
6. Record Keeping - Files and records of the board's affairs shall be kept pursuant to public record requirements.
7. Staffing - The BID shall have no employees in the Plan year. To carry out the activities described in the Plan of Operation, the Board will contract for services as needed.
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 Harbor District, Inc.

The BID shall be a separate entity from the Harbor District, Inc., 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 may, and it is intended, shall, contract with the BID to provide services to the BID, in accordance with this Plan.

IV. METHOD OF ASSESSMENT

- A. Assessment Rate and Method - General Operations

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 lineal foot of riverfront of each property was the characteristic most directly related to the potential benefit provided by the BID. Therefore, a fixed assessment per lineal foot of river frontage of the property was selected as the basic assessment methodology for this BID.

The total KK River frontage of properties in the BID is 3,722.17 feet. This plan proposes to assess the property in the district at a rate of \$0.98 per lineal foot of riverfront of each property for general BID operations. Appendix D shows the projected BID assessment for each property included in the district for this purpose.

#### B. Assessment Rate and Method - Loan Repayment

In addition to the funds required for General Operations, it is proposed to raise an additional \$18,254.69 to be applied to payments of principal and interest in the Plan year as required under the terms of the BID's Promissory Note to the City of Milwaukee dated December 1, 2008. This plan proposes to assess the parcels in the district for this purpose in direct proportion to the percentage of the loan funds that were applied for the benefit of the parcel. Appendix E shows the projected BID assessment for each such parcel for this purpose.

#### C. 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)Im: 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 and property exempted from the general property taxes under the State Statute 70.11 will not be assessed; such properties will be identified as BID Exempt Properties in Appendix D, as revised each year.

### 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 Kinnickinnic River-Becher 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.
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 30<sup>th</sup> of each Plan year, with the official City records and the assessed value of each tax key number with the district, as of January 1<sup>st</sup> 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 BID statute establishes a specific process for reviewing and approving operating plans. Pursuant to the statutory requirements, the following process will be followed:

1. The BID shall submit its proposed Operating Plan to the Department of City Development.
2. The Community and Economic Development Committee of the Common Council will review the proposed Operating Plan at a public meeting and will make a recommendation to the full Common Council.

3. The Common Council will act on the proposed Operating Plan.
4. If adopted by the Common Council, the proposed Operating Plan is sent to the Mayor for his approval.
5. If approved by the Mayor, this Operating Plan for the BID is approved and the Mayor will appoint new members to the Board to replace Board members approved whose terms have expired or who have resigned.

## 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.

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)

### C. Termination of the BID

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 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.



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).

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.

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.

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.

## "APPENDIX A"

### BID State Statute

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.

**"APPENDIX B"**

**BID BOARD ROSTER**

**BID 35 Board of Directors Roster**

The BID 35 Board will have seven (7) total members. A majority of Board Members shall be owners or occupants of property within the district. Any non-owner or non-occupant of a property within the district appointed to the board shall be a resident of the City of Milwaukee. The Board shall elect its Chairman from among its members. Appointments to the board shall serve a period of 3 years.

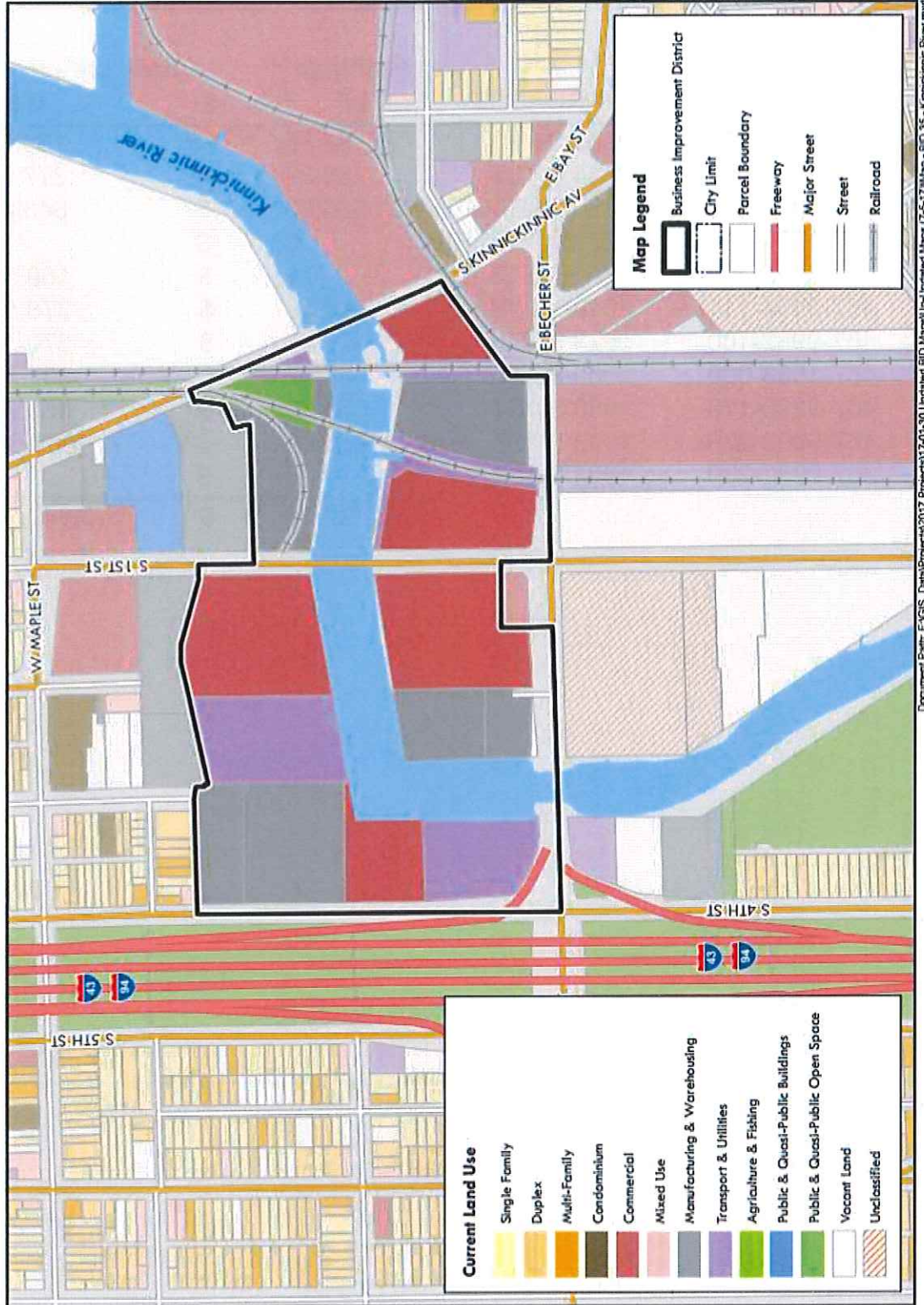
Name	Board Title	Classification	Business (if applicable)	Associated BID Property	Term Start Date	Term End Date	Notes
Brian Reed			Southwind Marine		1/13/12	1/13/15	Brian@southwindmarine.com
Christopher Svoboda	Vice Chair		Pier Milw Yacht Storage		3/1/17	3/1/20	Chris@piermilwaukee.com
Daniel Druml	Chairman		Paul Davis		2/16/17	2/15/20	Dan@druml.us
Gerald Starr			Southwind Marine		1/12/12	1/12/15	Starr@southwindmarine.com
Jeff James			Horny Goat Marine		5/24/12	5/24/15	Jeff@hgbrewing.com
Therese Burkhardt	Secretary		Paul Davis/Druml Co.		2/28/17	2/22/20	Tburkhart@druml.us
Lloyd Stepien			Commercial Heat Treating		1/6/12	1/6/15	Ckconnell2@wmconnect.com

# "APPENDIX C"

## DISTRICT BOUNDARIES

### BID NO. 35: KINNICKINNIC RIVER CITY OF MILWAUKEE

Prepared by the Dept. of City Development Planning Division, 7/6/2017  
 Source: City of Milwaukee Planning Technology Agency  
 Dept. of City Development Commercial Corridors Team



Document Path: E:\GIS\_Data\Projects\2017 Projects\17-01-30 Updated BID Map\Map-Updated Maps (7-5-17)\Map - BID 35 - Kinnickinnic River.mxd

**"APPENDIX D"**

**BID NO. 35 (KK River) - 2018 ASSESSMENTS - General Operations**

<b>TAX KEY</b>	<b>PROPERTY</b>	<b>Frontage</b>	<b>Rate per LF</b>	
		<b>LF</b>	<b>\$</b>	<b>0.98</b>
466-1155-000	2005 S KK	162.85	\$	159.61
467-1561-000	2011 S 1ST	385.59	\$	377.90
467-1572-000	218 W BECHER	656.59	\$	643.47
467-1571-000	222 W BECHER	0	\$	-
467-0103-100	138 E BECHER	173	\$	169.55
467-0104-111	2018R S 1ST	386.52	\$	378.80
467-9982-100	2078 S 4TH	377.71	\$	370.16
467-1583-000	2000 S 4TH	337.92	\$	331.18
467-9990-110	1958 S 1ST	565.00	\$	553.70
467-9992-220	1933 S 1ST	676.89	\$	663.36
467-9992-230	1933 S 1ST	0	\$	-
		<b>3,722.17</b>	<b>\$</b>	<b>3,647.73</b>

**“ APPENDIX E”**

**BID NO. 35 (KK River) - 2016 ASSESSMENTS for 2018 LOAN PAYMENT**

<b>TAX KEY</b>	<b>PROPERTY</b>	<b>LOAN FUNDS RECEIVED</b>	<b>LOAN FUNDS AS % OF \$193,992.50</b>	<b>% x \$18,254.69 2018 PMT DUE</b>
466-1155-000	2005 S. KK AVE	0	0	\$0.00
467-1561-000	2011 S 1ST	\$37,439.57	0.1929949	\$3,523.06
467-1572-000	218 W BECHER	0	0	\$0.00
467-1571-000	222 W BECHER	0	0	\$0.00
467-0103-100	138 E BECHER	\$17,246.75	0.0889042	\$1,622.92
467-0104-111	2018R S 1ST	\$37,331.31	0.1924369	\$3,512.88
467-9982-100	2078 S 4TH	0	0	\$0.00
467-1583-000	2000 S 4TH	\$34,328.93	0.1769601	\$3,230.35
467-9992-220	1933 S 1ST	\$67,645.94	0.3487039	\$6,365.48
467-9992-230	1933 S 1ST	0	0	\$0.00
		<b>\$193,992.50</b>	<b>1</b>	<b><u>\$18,254.69</u></b>

**“APPENDIX F”**

**BID 35 LOAN REPAYMENT SCHEDULE**

Original Loan Amount: \$250,000.00

Interest Rate: 5.5%

Amortization Schedule

Pmt No.	Date	Due	Principal	Interest	Late Fee	Payment	Remaining Balance	Date of Payment
1	4/1/2010	3/31/2011	\$5,000.00	\$22,244.44		\$27,244.44	\$245,000.00	10/14/11
2	4/1/2011	3/31/2012	\$15,000.00	\$13,062.50		\$28,063.00	\$230,000.00	7/9/12
3	4/1/2012	3/31/2013	\$15,000.00	\$12,237.50		\$27,238.00	\$215,000.00	4/3/13
	3/26/2014	3/31/2014	\$48,166.45	\$2,556.74		\$50,723.19	\$166,833.55	3/26/2014
4	4/1/2013	3/31/2014	\$11,639.55	\$8,855.76		\$20,495.31	\$155,194.00	4/2/2014
5	4/1/2014	3/31/2015	\$11,639.55	\$8,535.67		\$20,175.00	\$143,554.45	3/30/2015
6	4/1/2015	3/31/2016	\$11,639.55	\$7,895.49	\$1,245.36	\$20,780.40	\$131,914.90	6/13/2017
7	4/1/2016	3/31/2017	\$11,639.55	\$7,255.32	\$236.29	\$19,131.16	\$120,275.35	6/13/2017
8	4/1/2017	3/31/2018	\$11,639.55	\$6,615.14		\$18,254.69	\$108,635.80	
9	4/1/2018	3/31/2019	\$15,519.40	\$5,974.97		\$21,494.37	\$93,116.40	
10	4/1/2019	3/31/2020	\$15,519.40	\$5,121.40		\$20,640.80	\$77,597.00	
11	4/1/2020	3/31/2021	\$15,519.40	\$4,267.84		\$19,787.24	\$62,077.60	
12	4/1/2021	3/31/2022	\$15,519.40	\$3,414.27		\$18,933.67	\$46,558.20	
13	4/1/2022	3/31/2023	\$15,519.40	\$2,560.70		\$18,080.10	\$31,038.80	
14	4/1/2023	3/31/2024	\$15,519.40	\$1,707.13		\$17,226.53	\$15,519.40	



**BUSINESS IMPROVEMENT DISTRICT NO. 35 –Kinnickinnic River**

**2000 South 4<sup>th</sup> Street  
Milwaukee, WI 53204**

September 6, 2017

Mr. Natanael Martinez  
Department of City Development  
City of Milwaukee  
809 N. Broadway, 1<sup>st</sup> Floor  
Milwaukee, WI 53202

Dear Natanael:

Pursuant to our previous communications, I am forwarding:

- BID No. 35 Operating Plan for 2018 – Approved on Septmebr 6, 2017
- 2018 Assessments included in 2018 Operating Plan

The formation of BID No. 35 in 2004 was prompted by the EPA's planned dredging of the stretch of the Kinnickinnic River that now constitutes the BID 35 area. This dredging project required that the river shoreline be stabilized, and BID 35 became an instrument to furnish a portion of the required "non-federal" funds for this work, via a City of Milwaukee grant and loan. With the completion of the dredging project in 2011 this initial purpose was realized.

Subsequent to the completion of the dredging, in 2014 BID 35 also participated with the Wisconsin DNR in funding the removal of piles and an abandoned railroad bridge structure from the Kinnickinnic River in the BID 35 district. This work was not a part of the original EPA dredging project, as its principal purpose was to improve navigation and aesthetics, rather than to advance environmental cleanup.

During the current fiscal year BID 35 has focused on the following items:

- Reengaged the BID board to collaborate with the Harbor District BID on projects to benefit both BIDS. Examples include the Water Wheel project and the Habitat Hotel project.
- Completed audit of BID 35 financials for 2015 and 2016.
- All BID 35 payments brought up to date with City of Milwaukee.
- Performed all measures required to meet obligations to service future debt to the City of Milwaukee.
- Currently 60% of the City of Milwaukee loan principal has been repaid and full payment will be made no later than 2025.

I would be pleased to furnish any additional information upon request.

Very truly yours,

Therese D. Burkhart  
Secretary, BID No. 35 Board – Kinnickinnic River



**BUSINESS IMPROVEMENT DISTRICT No. 35  
KINNICKINNIC RIVER  
BUSINESS IMPROVEMENT DISTRICT  
Milwaukee, Wisconsin**

**Audited Financial Statements**

Years Ended December 31, 2016 and 2015

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Thomas G. Wieland  
David A. Grotkin  
Joel A. Joyce  
Brian J. Mechenich



Carrie A. Gindt  
Patrick G. Hoffert  
Jason J. Wrasse  
Joshua T. Bierbach

## Independent Auditors' Report

Board of Directors  
Business Improvement District No. 35  
Kinnickinnic River Business Improvement District  
Milwaukee, Wisconsin

We have audited the accompanying financial statements of Business Improvement District No. 35 (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Business Improvement District No. 35 as of December 31, 2016 and 2015, and the changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Reilly, Penner & Benton LLP*

June 05, 2017  
Milwaukee, Wisconsin

Reilly, Penner & Benton LLP

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**BUSINESS IMPROVEMENT DISTRICT No. 35**  
**KINNICKINNIC RIVER BUSINESS IMPROVEMENT DISTRICT**  
 Milwaukee, Wisconsin

**Statements of Financial Position**  
 December 31, 2016 and 2015

<b>Assets</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>Current Assets:</b>		
Cash and equivalents	\$ 54,023	\$ 54,000
Accounts receivable	23,183	-
<b>Total assets</b>	<b><u>\$ 77,206</u></b>	<b><u>\$ 54,000</u></b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 2,700	\$ -
Current portion of long-term debt	23,280	11,640
Accrued interest payable	<u>13,465</u>	<u>5,263</u>
<b>Total current liabilities</b>	<b>39,445</b>	<b>16,903</b>
<b>Long-Term Debt:</b>		
City of Milwaukee loan	<u>120,274</u>	<u>131,914</u>
<b>Total liabilities</b>	<b>159,719</b>	<b>148,817</b>
<b>Net Assets (Deficit):</b>		
Unrestricted	<u>(82,513)</u>	<u>(94,817)</u>
<b>Total net assets (deficit)</b>	<b><u>(82,513)</u></b>	<b><u>(94,817)</u></b>
<b>Total liabilities and net assets</b>	<b><u>\$ 77,206</u></b>	<b><u>\$ 54,000</u></b>

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

**BUSINESS IMPROVEMENT DISTRICT No. 35**  
**KINNICKINNIC RIVER BUSINESS IMPROVEMENT DISTRICT**  
 Milwaukee, Wisconsin

**Statements of Activities**  
 Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Revenues:</b>		
BID operating tax assessment	\$ 23,183	\$ 25,945
Interest income	23	22
<b>Total revenue</b>	<u>23,206</u>	<u>25,967</u>
<b>Expenses:</b>		
Interest expense	8,202	8,109
Bank charges	-	10
Insurance	-	503
Professional fees	2,700	2,950
<b>Total expenses</b>	<u>10,902</u>	<u>11,572</u>
<b>Increase in unrestricted net assets</b>	<u>12,304</u>	<u>14,395</u>
<b>Net assets (deficit), beginning of year</b>	<u>(94,817)</u>	<u>(109,212)</u>
<b>Net assets (deficit), end of year</b>	<u>\$ (82,513)</u>	<u>\$ (94,817)</u>

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

**BUSINESS IMPROVEMENT DISTRICT No. 35**  
**KINNICKINNIC RIVER BUSINESS IMPROVEMENT DISTRICT**  
 Milwaukee, Wisconsin

**Statements of Cash Flows**  
 Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
<b>Cash Provided by Operating Activities:</b>		
Change in net assets	\$ 12,304	\$ 14,395
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
<b>Changes in assets and liabilities:</b>		
Accounts receivable	(23,183)	-
Accounts payable	2,700	-
Accrued interest payable	8,202	(427)
<b>Net cash provided by operating activities</b>	<u>23</u>	<u>13,968</u>
 <b>Cash Used by Financing Activities:</b>		
Payment of City of Milwaukee loan	<u>-</u>	<u>(11,640)</u>
 <b>Increase in cash and equivalents</b>	 23	 2,328
 <b>Cash and equivalents, Beginning of year</b>	 <u>54,000</u>	 <u>51,672</u>
 <b>Cash and equivalents, End of year</b>	 <u>\$ 54,023</u>	 <u>\$ 54,000</u>
 <b>Supplementary Information:</b>		
Interest paid	<u>\$ -</u>	<u>\$ 8,536</u>

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

**BUSINESS IMPROVEMENT DISTRICT No. 35**  
**KINNICKINNIC RIVER BUSINESS IMPROVEMENT DISTRICT**  
Milwaukee, Wisconsin

**Notes to Financial Statements**  
December 31, 2016

**1. Nature of Operations**

The Kinnickinnic River Business Improvement District No. 35 (BID) was created by the City of Milwaukee pursuant to S. 66.1109 of the Wisconsin State Statutes. The law enables cities to establish Business Improvement Districts for the purpose of allowing businesses within those districts to develop, manage and promote the districts and to establish an assessment method to fund these activities. The BID was created for the purpose of revitalizing and improving the business area on the Kinnickinnic River bordering the 12<sup>th</sup> and the 14<sup>th</sup> Aldermanic Districts on Milwaukee's south side.

**2. Summary of Significant Accounting Policies**

**Basis of Accounting**

The financial statements for the BID are prepared on the accrual basis, whereby revenues are recognized when earned rather than received and expenses are recognized when incurred rather than when they are paid.

**Basis of Presentation**

The financial statements have been presented in accordance with accounting principles generally accepted in the United States of America (GAAP).

Under these provisions, 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 and changes therein are classified and reported as follows:

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

**Temporarily restricted net assets** - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the BID and/or the passage of time.

**Permanently restricted net assets** – Net assets subject to donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the BID.

**Cash and Equivalents**

For purposes of the statements of cash flows, the BID considers all demand deposits and other highly liquid investments with an initial maturity of 90 days or less to be cash equivalents.

**Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management expects to collect all outstanding balances, therefore, no allowance for doubtful accounts is considered necessary.

**Tax-Status**

The BID is considered part of the City of Milwaukee and as such is covered under the City of Milwaukee's tax reporting requirements. Therefore, no provision for income taxes has been included in these financial statements.



**BUSINESS IMPROVEMENT DISTRICT No. 35**  
**KINNICKINNIC RIVER BUSINESS IMPROVEMENT DISTRICT**  
Milwaukee, Wisconsin

**Notes to Financial Statements**  
December 31, 2016  
(Continued)

**2. Summary of Significant Accounting Policies (continued)**

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Subsequent Events**

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed (June 05, 2017). There were no subsequent events that required recognition or disclosure.

**3. River Revitalization Project**

The BID received support from the City of Milwaukee in the form of a \$250,000 grant and a \$250,000 loan to perform a river revitalization project along the Kinnickinnic (KK) River. The KK River Sediment Remediation Project (project) is a major environmental remediation effort providing for the dredging of contaminated solids from the KK River within the boundaries of the BID, and includes the construction of shoreline protection on the banks of the KK River. The project was completed in 2009.

**4. City of Milwaukee Loan**

In conjunction with the River Revitalization Project, the BID entered into a loan agreement with the City of Milwaukee for a loan in the amount of \$250,000. The loan bears interest at a rate of 5.50%, and is unsecured. The loan requires principal and interest payments to occur on April 30 of each year commencing on April 30, 2011, and ending with the final loan repayment on April 30, 2025. Future required principal payments under the terms of the loan agreement are due as follows:

<u>Year</u>		<u>Amount</u>
2017	\$	23,280
2018		11,640
2019		15,519
2020		15,519
2021		15,519
2022-2025		<u>62,077</u>
<b>Total</b>	\$	<u>143,554</u>

**5. Concentrations**

**Revenue**

The majority of the BID's revenues are derived from a City of Milwaukee assessment charged to property owners within the BID's boundaries.



**BID #35 (Kinnickinnic River) Board Member Sheet**

**Board Organization:** 7 members; majority of members shall be owners or occupants of property within the District.

<u>Board Member</u>	<u>Title</u>	<u>Start Date</u>	<u>End Date</u>
Brian Read	Member	01/13/2012	01/13/2015*
Christopher Svoboda	Member	04/26/2017	04/26/2020
Gerald Starr	Member	01/12/2012	01/12/2015*
Jeff James	Member	05/24/2012	05/24/2015*
Lloyd Stephien	Member	01/06/2012	01/06/2015*
Daniel Druml	Member	02/15/2017	02/15/2020
Therese Burkhart	Member	02/28/2017	02/28/2020

\*Terms expired

