

BUSINESS IMPROVEMENT DISTRICT NO. 15
MILWAUKEE RIVERWALK
2025 OPERATING PLAN

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I. INTRODUCTION

On March 31, 1994 the Common Council of the City of Milwaukee (the "Common Council") approved the creation of Business Improvement District No. 15 (the "BID") and the initial Operating Plan for the BID. The objective of the initial Operating Plan was to establish a development scheme and funding mechanism for the construction of a series of riverwalks and related amenities along the Milwaukee River in downtown Milwaukee (the "Riverwalk System"). Subsequent to the creation of the BID, the BID and the City of Milwaukee entered into a Riverwalk Development Agreement dated as of May 23, 1994 (and the parties have subsequently entered into a series of amendments thereto) to further implement the development of the Riverwalk System consistent with the framework established in the initial Operating Plan. (The May 23, 1994 Riverwalk Development Agreement and all amendments thereto are collectively referred to as the "Development Agreement").

Section 66.1109(3)(b), Wisconsin Statutes, requires that a business improvement district board "shall annually consider and make changes to the operating plan....the board shall then submit the operating plan to the local legislative body for approval." The board of the BID (the "Board") hereby submits this 2025 Operating Plan in fulfillment of its statutory requirement.

This Operating Plan proposes a continuation and expansion of the activities described in the initial BID Operating Plan. Therefore, it incorporates by reference the initial Operating Plan as adopted by the Common Council. In the interest of brevity, this Operating Plan emphasizes the elements which are required by section 66.1109, Wis. Stats., and does not repeat the background information that is contained in the initial Operating Plan.

II. DISTRICT BOUNDARIES

Boundaries of the BID are shown on Exhibit A of this Operating Plan. A listing of the properties included in the BID is provided in Exhibit B. Section 66.1109(1)(b), Wisconsin Statutes, provides that the boundaries of a business improvement district shall include parcels that are contiguous to the district but that were not included in the original boundaries of the district because the parcels were tax-exempt when the boundaries of the district were initially determined and such parcels subsequently became taxable. Two properties shown on Exhibit B fall into the category of properties described under section 66.1109(1)(b) and were added to the BID and assessed for the first time under the 2012 Operating Plan. Accordingly, the boundaries of the BID shown on Exhibit A vary from the boundaries of the BID shown in Operating Plans prior to the 2012 Operating Plan, when these two properties were added to the BID by operation of law. The two properties that were so added to the BID are: (1) 1122 North Edison Street (Tax Parcel No. 392-1209-100); and (2) 1150 North Water Street (Tax Parcel No. 392-292-2000).

III. DEVELOPMENT OF PROPOSED OPERATING PLAN

A. Plan Objectives

The objective of the BID is to complete the riverwalk and riverwalk-related improvements described in Exhibit C of this Operating Plan and to maintain and foster the usage of these improvements. These improvements will increase public access to the Milwaukee River and promote, attract, stimulate and revitalize commerce and industry within the City. In particular, these improvements will further the City policies identified in the initial Operating Plan for the BID.

B. Proposed Activities

A description of the improvements to be completed by the BID, including both those improvements already commenced or undertaken and those improvements that remain to be completed, is set forth in Exhibit C of this Operating Plan. Much of the work is dependent upon obtaining easements and/or other access rights from owners of property within the BID and upon the City agreeing to finance those portions of the Riverwalk System originally contemplated by the Development Agreement but not completed within the time frame set forth therein. Accordingly, the Board may alter the schedule of the work as it deems necessary or appropriate.

C. Financing Method

The actual and estimated costs for each of the BID's completed and proposed development activities are set forth on Exhibit C of this Operating Plan (the "Development Costs"). The BID and the City shared the Development Costs in accordance with the terms of the Development Agreement. The Board shall have the authority and responsibility to prioritize expenditures and to revise the budget as necessary to match the funds actually available.

To date, the BID's share of the Development Costs has been obtained through the issuance of bonds by the City. The City loaned the proceeds of the bonds to the BID and the BID has repaid the loans through annual assessments against the assessable properties within the BID. The assessments for Development Costs first commenced in 2000 in accordance with the BID's 2000 Operating Plan and appeared on the property tax bills of the assessable properties within the BID toward the end of 2000. Interest on funds advanced to the BID prior to commencement of the annual assessments for Development Costs has accrued. The interest rate charged to the BID on the loans from the City is equal to the interest rate paid on the funds raised to finance the loans to the BID. If the City subsequently refinances all or parts of any funds it loans to the BID at a lower interest rate, such interest rate savings shall be passed through to the BID. The proposed terms of the initial City loan to the BID, including the estimated annual payments due the City throughout the life of the loan, were set forth on Appendix F of the initial Operating Plan for the BID and were revised and restated on subsequent Operating Plans.

Pursuant to the 11th and 12th Amendments to the Development Agreement, the City and the Board agreed to increase the Development Costs to make certain improvements benefiting the Riverwalk System as a whole. These improvements included a new riverwalk segment linking the BID's Riverwalk System to the riverwalk system developed by Business Improvement District No. 2 in the Historic Third Ward as well as the installation of a signage program and the construction of other amenities along various parts of the Riverwalk System (collectively, the "Upgrades and Amenities"). The total cost of the Upgrades and Amenities is set forth on Exhibit C. The BID's aggregate share of

the cost for the Upgrades and Amenities is \$210,100 (\$45,100 for the connector segment to the Historic Third Ward Riverwalk System and \$165,000 for the additional amenities to the BID's Riverwalk System).

Pursuant to the 14th Amendment to the Development Agreement, the City and the Board agreed to increase the Development Costs to fund a series of accessibility improvements throughout the Riverwalk System (the "Accessibility Improvements"). As shown on Exhibit C, the total budget for the Accessibility Improvements is \$4,797,473, of which the BID's share is \$910,714.00.

In 2020, the BID entered into a Riverwalk ADA Ramp Funding Agreement with the City and the owner of the property located at 111 East Michigan to replace an exterior elevator/lift (which is owned and maintained by the BID) with an ADA accessible ramp. The ramp will provide better accessibility to the Riverwalk System and eliminate the long term maintenance costs of the elevator/lift. The City and the BID each committed to contribute \$213,000 toward the cost of constructing the ramp. The BID's contribution (the "ADA Ramp Contribution") was funded through a loan to the BID from a commercial bank to be repaid over a period of three years. The first year's loan payment was made in 2021 and the final loan payment was made on March 31, 2023.

At present, the BID's only remaining outstanding debt is related to the Upgrades and Amenities. The current repayment schedule for this liability is set forth on Exhibit D. All loans to the BID constitute long-term contractual obligations of the BID, necessitating the continuous existence of the BID for at least the term of the loans.

In addition to the assessments necessary to repay the funds loaned to the BID by the City, the BID incurs annual operating expenses. These expenses include costs required for the administration of the BID, for marketing and promotional activities supporting the use of the BID-funded improvements, for overall maintenance for the Riverwalk System and for operational, security, maintenance and repair costs (including energy costs and a maintenance/replacement reserve fund) of any elevator/lift components of the Riverwalk System that may be installed and located on privately owned project segments. Such elevator lift components remain the property of the BID. The estimated annual operating expenses for 2025 are \$405,550. This sum will pay for Riverwalk System maintenance, accounting, administrative, marketing and legal expenses for the BID as well as the above-referenced maintenance and security of the BID-owned elevators/lifts. Due to increased administrative activities incurred in connection with ongoing Riverwalk System maintenance (including lift oversight, repairs and replacement), the BID has entered into an agreement with Colliers International/Wisconsin for management and administrative services to supplement the administrative services currently being provided to the BID by the Westown Association of MKE, Inc. The annual costs for these services are expected to be in the range of \$49,200, and this amount is included in the operating expenses. Other components of the operating expenses include the following: a \$50,000 contribution to Milwaukee Riverwalk District, Inc. for marketing and promotion of the Riverwalk System and a contribution to the lift maintenance/replacement reserve fund of \$10,000.

During the calendar years 2023 and 2024, the BID incurred costs of approximately \$240,000 to replace four lifts and install security cameras to protect and maintain the lifts. This sum will be paid for entirely out of the BID's lift reserve fund and will not be charged to operating expenses. During this same period of time, the BID incurred approximately \$150,000 in costs for design services for a project to substantially improve the Highland Avenue pedestrian bridge and the Highland Avenue plaza abutting the west end of the bridge (the "Highland Project"). The total cost for the Highland Project is estimated to be \$5 million (inclusive of the design costs incurred by the BID). A

substantial portion of the BID's payments for design costs was funded from the BID's cash reserves. Accordingly, the 2025 operating expense budget includes a line item of \$91,500 to replenish the BID's cash reserves. The BID's share of the cost of the Highland Project is capped at the \$150,000 incurred for design. The balance of the cost of the Highland Project will be funded by the City and private philanthropy.

The Board may also make Improvement Loans, enter into Maintenance Agreements or perform BID Repair Work as provided in Article IV.B.1. of this Operating Plan. Any funds so expended on behalf of or for the benefit of specific property owners will be recouped (including any interest allocable thereto) from special assessments against the property of such owners. The Board levied special assessments against two properties under the 2023 Operating Plan for BID Repair Work that will be undertaken by the Board. Such special assessments represented the estimated costs of completing the BID Repair Work. If the actual costs of the BID Repair Work on a property's riverwalk improvements exceed the amount of the assessment levied under the 2023 Operating Plan, an additional BID Repair Work assessment will be levied against such property in order to recoup such excess; if the actual costs of such work are less than the assessment, then the property will receive a credit in the amount of such difference against the operating expense assessment levied against it in a future Operating Plan. Pursuant to an agreement entered into by the Board and the City of Milwaukee in 2022, the Board will also be arranging for and overseeing certain repair work on portions of the Riverwalk System owned by the City. The costs for such work will be funded by the City and will not be an expense of the BID. The BID will be paid a management fee by the City for its services.

The method of assessing the BID's remaining share of the Upgrades and Amenities, the costs incurred under Maintenance Agreements and the annual operating expenses against properties located within the BID is set forth in Article IV of this Operating Plan. Subsequent revisions to this Operating Plan will specify any additional categories and amounts for operating expenses.

D. Organization of BID Board

Upon creation of the BID, the Mayor appointed members to the Board. The Board's primary responsibility is implementation of this Operating Plan. This requires the Board to negotiate with providers of services and materials to carry out this Operating Plan; to enter into various contracts; to monitor development activity; to periodically revise this Operating Plan; to ensure 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 BID.

The Board is structured and operates as follows:

1. Board size - Seven. In 2024, the Board voted to increase the size of the Board to up to eight members, and recommended to the Mayor that Ryan Manning be appointed to the Board. That recommendation is currently pending. At present, the Board is comprised of the following seven members: Dennis Scherr; Sam Denny; Edward Mordy (Chair); Peter Pacetti, David Gebel, Margaret Gehring and Lisa Tatro.

2. Composition - At least four members shall be owners or occupants of property within the BID. Any nonowner or nonoccupant 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 records requirements.
7. Staffing - The Board may employ staff and/or contract for staffing services pursuant to this Plan and subsequent modifications thereof.
8. Meetings - The Board shall meet regularly, at least twice each year. The Board shall adopt rules of order to govern the conduct of its meetings.

E. Relationship to the Milwaukee Riverwalk District, Inc.

The BID is a separate entity from the Milwaukee Riverwalk District, Inc., a private, not for profit corporation exempt from taxation under section 501(c)(3) of the Internal Revenue Code, notwithstanding the fact that members, officers and directors of each may be shared. The Milwaukee Riverwalk District, Inc. shall remain a private organization, not subject to the open meeting law, and not subject to the public records law except for its records generated in connection with the Board. The BID previously entered into agreements with Milwaukee Riverwalk District, Inc. whereby Milwaukee Riverwalk District, Inc. served as the BID's agent with respect to the development and construction of the BID-funded improvements. It is anticipated that the BID will continue to enter into agreements with and/or make donations to Milwaukee Riverwalk District, Inc. in connection with the marketing and promotion of the BID-funded improvements.

IV. METHOD OF ASSESSMENT

A. Annual Assessment Rate and Method

The general principle behind the assessment methodology for this BID is that each property should contribute to the BID in proportion to the benefit derived from the BID. After due consideration, it was determined that the following assessment methods will be applied:

1. The annual assessment for BID operating expenses will be levied against each property within the BID in proportion to the current assessed value of each property for real property tax purposes (thus, the percentage of annual assessments for operating expenses allocable to a particular property may change from year to year if that property's assessed value changes relative to other properties within the BID). Exhibit B shows the estimated 2025 assessment for operating expenses for each property within the BID.

2. The annual assessment for the BID's remaining share of the Upgrades and Amenities will be levied against each property in the same manner as the annual assessments for BID operating expenses. Exhibit B shows the estimated 2025 Upgrades and Amenities assessment for each property within the BID.
3. The annual assessments under Maintenance Agreements and Improvement Loans (as such terms are defined in Article IV.B., herein) shall be levied directly against the property benefited by such agreement or loan. The amount of such assessment shall match the actual annual costs of the BID in providing services or funds; thus, the amount of the assessment will not vary as a result of changes in the benefited property's assessed value. Exhibit B shows the estimated 2025 Maintenance Agreement and Improvement Loan assessments for each property that may be subject to same.
4. As was explained in the 2003 Operating Plan (for calendar year 2002), the annual BID assessments for 2002 were calculated and fixed based upon the City of Milwaukee real property assessments as of August 1 of such year. As was also explained in the 2003 Operating Plan, for calendar year 2003 and subsequent years, the annual BID assessments shall be calculated and fixed based upon the City of Milwaukee real property assessments as of June 1 of such year. No BID assessment for a given year shall be modified for such year as a result of an increase or decrease in the assessed value of a property for such year that occurs after June 1 of the year in which such BID assessment has been levied. However, as noted in subsections 1, 2 and 3, above, the amount of some BID assessments levied against a particular property may change from year to year to the extent that the property's assessed value changes in relation to the assessed values of other properties within the BID.

B. Unique Assessment Categories and Methods

1. The Development Agreement between the City and the BID and the riverwalk easements granted by property owners require those property owners who will have new improvements constructed on their river frontage or for their benefit to maintain such improvements to a standard acceptable to the City and the Board and/or perform other obligations with respect to the new improvements as set forth in the Development Agreement and easements. If any property owner fails to so maintain its improvements or fulfill its obligations (after expiration of all applicable cure periods), either the City or the BID may perform any necessary work on such improvements or carry out any unfulfilled obligations and the cost therefor shall be specially assessed directly (and exclusively) against such property owner and the property of such owner. Further, one or more of such property owners may elect to enter into an agreement with the BID pursuant to which the BID shall be responsible for certain maintenance or repair activities (such as cleaning, landscaping, watering of plants or performing repairs) on their respective riverwalk improvements (a "Maintenance Agreement") or request that the BID make a loan to fund certain upgrades or modifications to their respective riverwalk improvements (an "Improvement Loan"). If the Board agrees to enter into a Maintenance Agreement or to make an Improvement Loan, the maintenance costs and/or loan repayment shall be specially assessed directly against the property owners who have requested such services or received such loan and the property of such owner. Further, pursuant to the terms of the easements encumbering the privately owned riverwalk improvements, the BID may undertake necessary maintenance or repair work on riverwalk improvements that a property owner has failed to perform or has elected to allow the BID to perform ("BID Repair Work"). If the BID performs any BID Repair Work, the costs

associated with such work shall be specially assessed directly against the property of the owners on whose behalf such work has been performed.

Furthermore, one of the obligations imposed upon property owners under the easement agreements granted in connection with new riverwalk improvements is to provide electricity for the harp lights located on such improvements. With respect to the entire stretch of riverwalk segments along the east side of North Plankinton between Wells Street and Kilbourn, from 800 North Plankinton through 850 North Plankinton (collectively, the "Plankinton Properties"), there is one electric feed, from the 800 North Plankinton property, that provides electric service to all of the harp lights servicing such riverwalk segments. The owner of the 800 North Plankinton property maintains the electrical feed and receives the electric bill for the harp lights for all of the Plankinton Properties. Accordingly, until such time as any owner of one of the Plankinton Properties provides electric service to power the harp light(s) on its riverwalk segment, the owner of the 800 North Plankinton property may annually submit the maintenance costs of the electrical feed, if any, and the electric bills for the Plankinton Properties' riverwalk segments to the Board and the Board shall reimburse such owner for such costs and assess each of the Plankinton Properties for its respective share of such bills. Such assessments shall be based upon the lineal footage of each riverwalk segment. (The Board will bill the City directly for the City's share of such costs based upon the lineal footage of riverwalk owned by the City along this stretch of riverwalk.) The 2025 assessments for electricity charges for the Plankinton Properties, reflecting each of the Plankinton Properties' share of the electricity invoices received during the twelve month period ending July 31, 2024, are set forth on Exhibit B.

2. Any improvements made by property owners within the BID to their properties that will increase access to and use of the Riverwalk System will further the public purposes and objectives set forth in Article III.A. of this Operating Plan. Accordingly, future loans from the City may be available to or through the BID for owners of property located within the BID and adjacent to riverwalks for improvements that enhance the use and enjoyment of the Riverwalk System. In the event such loans become available from the City, the BID may lend such funds to individual property owners who shall repay such funds through special assessments incorporating such terms and conditions as the City requires.

C. Excluded and Exempt Property

The BID law requires specific consideration of certain classes of property. In compliance with the law the following statements are provided:

1. State Statute 66.1109(1)(f)lm: The BID 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 Operating Plan because it is assumed that they will benefit from development in the BID.
2. State Statute 66.1109(5)(a) and 66.1109(5)(d): Property used exclusively for residential purposes will not be assessed; such properties will be identified as BID Exempt Properties in Exhibit B, as revised each year. Further, with respect to mixed use property, only the portion of any such property that is not tax-exempt or residential may be assessed.

3. In accordance with the interpretation of the City Attorney regarding State Statute 66.1109(1)(b), property exempt from general real estate taxes at the time of creation of the BID has been excluded from the BID. (Such property may subsequently become part of the BID at such time as it becomes taxable.) Privately owned, tax exempt property adjoining the BID and which is expected to benefit from BID activities may be asked to make a financial contribution to the BID on a voluntary basis.

D. Prepayment and Acceleration of Assessments

1. Any property owner shall be entitled to prepay at any time either: (a) the then outstanding principal portion (together with accrued interest) of the general BID assessment (i.e., the assessment for Development Costs, including the Upgrades and Amenities and Accessibility Improvements) allocable to such owner's property (with such allocation to be determined by the Board); or (b) as to a recipient of an Improvement Loan, the principal amount (together with accrued interest) of the Improvement Loan. For administrative convenience, no partial prepayments shall be permitted. Any interested owner of property that is subject to general BID assessments may make a written request to the Board for a statement of the outstanding principal portion (together with accrued interest) of the general BID assessment allocable to such property. Upon receipt from a property owner of payment of all principal and accrued interest for either category of assessments identified above, the Board shall prepare and deliver to the respective property owner a written confirmation of payment and satisfaction of assessment in recordable form. The released property shall continue to be assessed for annual BID operating expenses and for any subsequent expenses (capital or otherwise) incurred by the Board pursuant to future operating plans. A schedule of the principal portion, and accrued interest, of the BID's assessment for Upgrades and Amenities allocable to each assessable property is attached hereto as Exhibit B. The allocations set forth on Exhibit B are effective only for calendar year 2025, and will be revised, at the discretion of the Board, in subsequent operating plans.
2. The entire outstanding principal portion (together with accrued interest) of the general BID assessment (i.e., the assessment for Development Costs, inclusive of the Upgrades and Amenities and Accessibility Improvements) allocable to a particular property (as determined by the Board) and, if applicable, the entire outstanding principal amount (together with accrued interest) of any separate assessment allocable to a particular property shall become immediately due and payable in full in either of the following events: (a) if the particular property or any portion thereof becomes wholly residential such that the property in its entirety or any portion thereof would not be assessable under subsequent operating plans pursuant to Chapter 66.1109, Wis. Stat.; or (b) if the particular property becomes exempt from general real estate taxes. If either of such accelerated assessments is not paid in full within 15 days following the event giving rise to such acceleration, the Board may commence any action it deems appropriate to collect same, including initiation of proceedings to foreclose the statutory lien securing such assessments.

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.

This BID is a means of formalizing and funding the public-private partnership between the City and property owners in the River Walk Corridor 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.

The BID is also compatible with, and intends to follow, the recommendations in applicable comprehensive planning studies such as:

1. Historic Preservation Planning Recommendations for Milwaukee's Central Business District, September 1993;
2. Milwaukee Riverlink Guidelines, March 1992;
3. A Planning Guide for the Middle and Upper Portions of the Milwaukee River, June 1988; and
4. Planning and Zoning Concepts for Downtown Milwaukee, Spring 1985.

B. City Role in District Operations

The City of Milwaukee has committed to helping private property owners in the BID promote its development. To this end, the City has played a significant role in the creation of the BID and in the implementation of the initial Operating Plan. In furtherance of its commitment, the City will:

1. Provide technical assistance to the BID in the adoption of this and subsequent Operating Plans, and provide such other assistance as may be appropriate.
2. Monitor and, when appropriate, apply for outside funds which could be used in support of the BID.
3. Collect assessments, maintain same in a segregated account, and disburse the monies of the BID.
4. Receive annual audits as required per Section 66.1109(3)(c) of the BID law.
5. Provide the Board, through the Office of Assessment on or before June 1st of each plan year, with the official City records on the assessed value of each tax key number within the BID, as of January 1st 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 BID.

VI. FUTURE YEARS OPERATING PLANS

A. Phased Development

It is anticipated that the BID will continue to revise and develop this Operating Plan annually, in response to changing development needs and opportunities in the BID, in accordance with the purposes and objectives defined in this Operating Plan.

Section 66.11.09(3)(b) of the BID law requires the 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 development program, information on specific assessed values, budget amounts and assessment amounts are based solely upon current conditions. Greater detail about subsequent years' activities will be provided in the required annual plan updates, and approval by the Common Council of such 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. 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 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 a certain class or classes of properties, then this Operating 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).

EXHIBIT A - DISTRICT BOUNDARIES

BID NO. 15: MILWAUKEE RIVERWALK CITY OF MILWAUKEE

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

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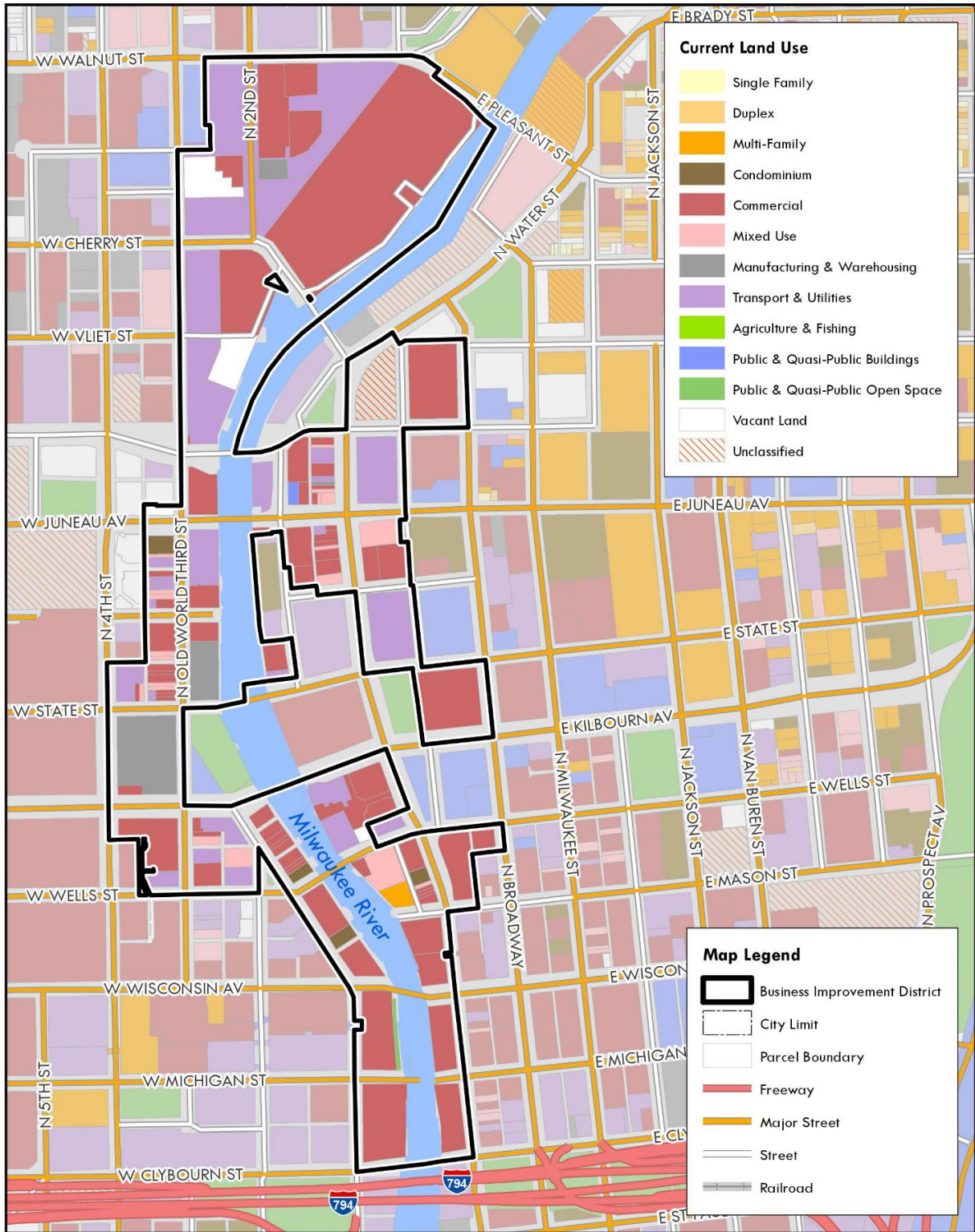
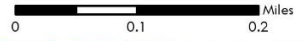


EXHIBIT B – PROJECTED 2025 ASSESSMENTS

Proposed Assessments

Annual Riverwalk Upgrade Project \$14,868
Annual Operating Costs \$405,550

Tax key	Chk Dgt	Assessment Factor	Property Address	Owner Name	Assm't Class	Land Use	Current Assessment	Assessable Percentage	Bid Assessable Amount	Assessment/Agreement Class 1 ratio of 6 to 1 0.16667	Debt Payments Riverwalk Upgrade	Percentage of Riverwalk Upgrade Debt Payment	Amount of Upgrades Debt Payment In Full	Amount of Total Debt Payment In Full
3922133100	5	1	1233 N WATER ST	PAGET ON WATER LLC	4	7523	482,200	100.00%	482,200	80,367	8	0.05%	0	0
3922136000	5	1	1221-1227 N WATER ST	IMPALA DK LLC	4	5813	1,568,000	100.00%	1,568,000	261,333	25	0.17%	22	22
3922141000	2	1	1207 N WATER ST	C/O BIECK MANAGEMENT INC.	4	8899	995,700	33.00%	328,581	54,764	5	0.04%	32	32
3922142000	8	1	146-148 E JUNEAU AV	CREAM CITY ACQUISITIONS LLC	4	8899	470,000	100.00%	470,000	78,333	8	0.05%	0	0
3922143000	3	1	144 E JUNEAU AV	LYLE C MESSINGER TOD	4	5813	406,900	100.00%	406,900	67,817	7	0.04%	45	45
3922146100	6	1	134 E JUNEAU AV	ROSSI & ROSSI LLC	4	5813	669,500	100.00%	669,500	111,583	11	0.07%	79	79
3922149111	8	1	1232 N EDISON ST	1232 NORTH EDISON LLC	4	5074	1,170,500	100.00%	1,170,500	195,083	19	0.13%	0	0
3922150111	3	1	1201 N EDISON ST	1201 NORTH EDISON LLC	4	7523	1,361,700	100.00%	1,361,700	226,950	22	0.15%	3,448	3,448
3922301100	8	1	250 E KILBOURN AV	MORTGAGE GUARANTY INSURANCE	4	7991	51,005,100	100.00%	51,005,100	8,500,850	825	5.55%	1,979	1,979
3922352000	X	1	135-139 E KILBOURN AV	MARCUS W LLC	4	7011	29,272,500	100.00%	29,272,500	4,878,750	474	3.19%	0	0
3922361000	9	1	107-111 E KILBOURN AV	MILWAUKEE CENTER MGMT LLC	4	7400	63,383,900	100.00%	63,383,900	10,563,983	1,026	6.90%	306	306
3922401000	5	1	815 N WATER ST	HALES CORNERS DEV CORP	4	9999	4,529,800	100.00%	4,529,800	754,967	73	0.49%	45	45
3922422000	X	1	1040 N WATER ST	AAP PROPERTIES	4	9999	664,400	100.00%	664,400	110,733	11	0.07%	0	0
3922423000	5	1	1010 N WATER ST	BEVERLY HILLS PROPERTIES I	4	9999	1,001,000	100.00%	1,001,000	166,833	16	0.11%	1,813	1,813
3922424000	0	1	1000 N WATER ST	AAP PROPERTIES LLC	4	7400	26,817,500	100.00%	26,817,500	4,469,583	434	2.92%	565	565
3922431000	9	1	740-744 N PLANKINTON AV	740 PLANKINTON LLC	4	9999	10,856,600	77.00%	8,359,582	1,393,264	135	0.91%	0	0
3922441000	3	1	123-137 E WELLS ST	CITY HALL SQUARE	7	8899	5,348,800	14.00%	748,832	124,805	12	0.08%	24	24
3922511000	3	1	767 N WATER ST	767 WATER LLC	4	8899	534,700	66.00%	352,902	58,817	6	0.04%	15	15
3922512000	9	1	765 N WATER ST	DAVID D VOIGHT	4	5812	229,100	100.00%	229,100	38,183	4	0.02%	0	0
3922513000	4	1	761-763 N WATER ST	TAP PROPERTIES LLC	4	5812	638,900	100.00%	638,900	106,483	10	0.07%	17	17
3922514000	X	1	759 N WATER ST	RIVER WATER PROPERTIES LLC	4	5999	510,200	50.00%	255,100	42,517	4	0.03%	80	80
3922531000	2	1	771 N WATER ST, Unit 11	CHAMAS HOLDINGS LLC	4	5812	1,183,600	100.00%	1,183,600	197,267	19	0.13%	0	0
3922551000	1	1	825 N WATER ST	ECH-MILW CENTER PKG GARAGE	4	7525	9,236,600	100.00%	9,236,600	1,539,433	149	1.01%	6	6
3922561100	X	1	1150-1154 N WATER ST	MILWAUKEE SCHOOL OF	4	8899	1,729,800	5.00%	86,490	14,415	1	0.01%	281	281
3922562100	8	1	1101 N MARKET ST	GRAND CENTRAL FARMS LLC	4	7400	4,160,700	100.00%	4,160,700	693,450	67	0.45%	0	0
3922572100	2	1	1114 N WATER ST	SSG PROPERTY HOLDINGS LLC	4	9999	1,570,300	100.00%	1,570,300	261,717	25	0.17%	1,902	1,902
3922931000	7	1	735 N WATER ST, Unit 1	COMPASS PROPERTIES NORTH WATER	4	7400	28,141,700	100.00%	28,141,700	4,690,283	455	3.06%	395	395
3922932000	2	1	731 N WATER ST, Unit 2	COMPASS PROPERTIES 731	4	9999	5,838,400	100.00%	5,838,400	5,838,400	94	0.64%	0	0
3922941000	1	1	1111 N WATER ST	WILD ROGUES LLC	4	5813	904,100	100.00%	904,100	904,100	15	0.10%	624	624
3922991000	4	1	778 N WATER ST	WWB DEVELOPMENT II, LLC	4	9999	9,223,800	100.00%	9,223,800	9,223,800	149	1.00%	6,103	6,103
3922992000	X	1	790 N WATER ST	BROADWAY TIERRA PARTNERS LLC	4	9850	90,281,600	100.00%	90,281,600	15,046,933	1,461	9.83%	0	0
3923001000	9	1	808 N MARTIN L KING JR DR, UNIT 230 WELLS STREET		4	9999	801,800	100.00%	801,800	133,633	13	0.09%	37	37
3923002000	4	1	808 N MARTIN L KING JR DR, UNIT 230 WELLS STREET		4	9999	553,800	100.00%	553,800	92,300	9	0.06%	8	8
3923003000	5	1	808 N MARTIN L KING JR DR, UNIT CENTURY BUILDING		7	8850	2,828,600	4.00%	113,964	18,844	2	0.01%	0	0
3923004000	5	1	808 N MARTIN L KING JR DR, UNIT 230 WELLS STREET		4	7400	535,700	100.00%	535,700	89,283	9	0.06%	38	38
3923005000	0	1	808 N MARTIN L KING JR DR, UNIT 230 WELLS STREET		4	7400	560,700	100.00%	560,700	93,450	9	0.06%	22	22
3923011000	3	1	1129 N MARTIN L KING JR DR	DEER DISTRICT LLC	4	7523	320,400	100.00%	320,400	53,400	5	0.03%	0	0
3923012000	0	1	1133 N MARTIN L KING JR DR	MKE BLK4D LLC	4	7523	499,200	100.00%	499,200	83,200	8	0.05%	78	78
3970331000	5	1	101 W WISCONSIN AV	HR2 PARTNERS LLC	4	7525	1,189,900	100.00%	1,189,900	193,317	19	0.13%	293	293
3970332000	0	1	101 W WISCONSIN AV	HR2 PARTNERS LLC	4	7400	4,331,100	100.00%	4,331,100	721,850	70	0.47%	0	0
3970333000	6	1	101 W WISCONSIN AV	CSM MILW DOWNTOWN LLC	4	7011	20,371,400	100.00%	20,371,400	3,395,233	330	2.22%	716	716
3970334000	1	1	101 W WISCONSIN AV	AMERICAN SOCIETY FOR	4	7400	10,587,400	100.00%	10,587,400	1,764,567	171	1.15%	663	663
3970335000	7	1	101 W WISCONSIN AV	HR2 PARTNERS LLC	4	7400	9,809,100	100.00%	9,809,100	1,634,850	159	1.07%		
							929,250,050		889,871,164	217,466,007	14,401	96.86%	50,355	50,355
3610539110	7	6	1044-1054 N MARTIN L KING JR DR, UNIT	HIGHLAND BEACH SURFER INC	4		4,318,900	100.00%	4,318,900	719,817	70	0.47%	292	292
3610627100	8	6	111 W KILBOURN AV	KILBOURN BRIDGE ASSOCIATES	4		1,231,900	100.00%	1,231,900	205,317	20	0.13%	83	83
3610632000	9	6	826 N PLANKINTON AV	HORATIO PROPERTIES LLC	4		1,550,400	100.00%	1,550,400	1,550,400	25	0.17%	105	105
3610633000	4	6	814-820 N PLANKINTON AV	820 PLANKINTON LLC	4		1,683,100	100.00%	1,683,100	280,517	27	0.18%	114	114
3610634000	X	6	810 N PLANKINTON AV	PLANET DEVELOPMENT LLC	4		468,000	100.00%	468,000	78,000	8	0.05%	32	32
3610642111	5	6	710 N PLANKINTON AV	TOWNE REALTY INC	4		8,757,800	100.00%	8,757,800	8,757,800	142	0.95%	592	592
3611901000	9	6	730 N PLANKINTON AV	MOSTREET III LLC	4		366,800	100.00%	366,800	61,133	6	0.04%	25	25
3920614111	9	6	543 N WATER ST	CHASE TOWER WISCONSIN REALTY LP	4		7,410,100	100.00%	7,410,100	1,235,017	120	0.81%	501	501
3921178100	2	6	1005 N EDISON ST	NORTH EDISON LLC	4	Vacant	1,398,000	100.00%	1,398,000	1,398,000	23	0.15%	95	95
3921179100	8	6	100-110 E STATE ST	NORTH EDISON LLC	4		450,600	100.00%	450,600	450,600	7	0.05%	30	30
3922442000	9	6	107-115 E WELLS ST	CHS ANNEX LLC	4		649,400	100.00%	649,400	649,400	11	0.07%	44	44
3922481000	6	6	108 W WELLS ST, Unit 0	THE CAWKER BUILDING CONDOMINIUM I	4		108,000	100.00%	108,000	108,000	2	0.01%	7	7
3922482000	7	6	800 N PLANKINTON AV	THE CAWKER BUILDING CONDOMINIUM I	4		472,400	100.00%	472,400	472,400	8	0.05%	32	32
							28,865,400		28,865,400	15,966,400	467	3.14%	1,951	1,951
							958,115,450		918,736,564	233,432,467	14,868	100%	52,307	52,307

Annual Operating Costs \$405,550
Riverwalk Upgrade Assessment \$14,868
Operating Assessment Ratio* 0.0004414214
Debt - Riverwalk Upgraded - Assessment Ratio* 0.0000161831
*Based upon full assessment value of 918,736,564

EXHIBIT C – DESCRIPTION OF PROPOSED ACTIVITIES AND COSTS

2025 BID #15 Operating Expenses	
	2025 Operating Expenses
Multi-Owner Block Electrical Charges	\$600.00
Auditor	\$1,200.00
Assessment Review and Calculation	\$5,000.00
Insurance	\$9,000.00
Legal Services	\$15,000.00
Administrative & Project Management Fees	\$116,000.00
Trellis Painting	\$3,250.00
Landscaping (<i>Trellis Maintenance</i>)	\$5,000.00
Banners	\$12,000.00
Misc./Contingency Funds (storage)	\$5,000.00
Lift Maintenance (<i>Cleaning, Phone, Emergency Response</i>)	\$30,000.00
Lift Replacement Project	\$0.00
Riverwalk Cleaning (<i>Power washing riverwalk deck & skirt wall</i>)	\$31,500.00
Lift Upgrades (<i>Repair/Painting/ Consultant</i>)	\$0.00
Donation Allowance (<i>Milwaukee Riverwalk District Contribution for Marketing/Activation</i>)	\$50,000.00
Riverwalk Maintenance Project	\$0.00
Highland Bridge/Plazas Project Design/Project Management	\$91,500.00
Wayfinding/Signage	\$9,500.00
River Safety Ladders (<i>Replacement/Seasonal Installation & Removal</i>)	\$2,000.00
Lifts Security Camera Maintenance (<i>monthly service fee & internet</i>)	\$9,000.00
Lift Replacement Reserve	\$10,000.00
Total BID #15 Operating Expenses	405,550

EXHIBIT D – LOAN REPAYMENT SCHEDULE

Interest Rate	5.12%	5.25%	6.30%	4.59%
Original Balance	4,728,671	45,100	165,000	200,000
Assessment Dates	Total Riverwalk	Connector Segment	Enhancements (Upgrade)	Iroquois Ramp Construction
	Payment	Payment	Payment	Payment
Dec. 2002	\$334,236			
Dec. 2003	\$337,578			
Dec. 2004	\$340,954			
Dec. 2005	\$344,364	\$4,418.77		
Dec. 2006	\$347,807	\$4,418.77		
Dec. 2007	\$351,285	\$4,418.77		
Dec. 2008	\$354,798	\$4,418.77		
Dec. 2009	\$358,346	\$4,418.77		
Dec. 2010	\$361,930	\$4,418.77		
Dec. 2011	\$365,549	\$4,418.77		
Dec. 2012	\$369,205	\$4,418.77		
Dec. 2013	\$372,897	\$4,418.77		
Dec. 2014	\$376,626	\$4,418.77		
Dec. 2015	\$380,392	\$4,418.77		
<i>Prepayment</i>	\$38,839		\$35,662.00	
Dec. 2016	\$384,195	\$4,418.77	14,868.00	
Dec. 2017	\$377,505	\$4,418.77	14,868.00	
<i>Prepayment</i>	\$10,532			
Dec. 2018	\$381,283	\$4,418.77	14,868.00	
Dec. 2019	\$359,667	\$4,418.77	14,868.00	
Dec. 2020			14,868.00	72,521.19
Dec. 2021			14,868.00	70,175.53
Dec. 2022			14,868.00	67,829.86
Dec. 2023			14,868.00	
Dec. 2024			14,868.00	
Dec. 2025			14,868.00	
Dec. 2026			14,868.00	
Dec. 2027			14,868.00	
Dec. 2028			14,851.64	
Total	6,498,616	66,282	259,549	210,526.58

EXHIBIT E – BID BOARD ROSTER

BID #15 Board Roster		
First	Last	Company
David	Gebel	Milwaukee Center c/o Colliers
Sam	Denny	Schlitz Park c/o Licoln Property Group
Dennis	Scherr	Zilber Property Group
Ed	Mordy	Milwaukee Riverwalk District, Inc
Lisa	Tatro	Milwaukee Center c/o Colliers
Margaret	Gehring	Chase Tower c/o CBRE
Pete	Pacetti	City Hall Square Apartments

**BUSINESS IMPROVEMENT DISTRICT #15
MILWAUKEE, WISCONSIN**

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2023 AND 2022**

Business Improvement District #15
Milwaukee, Wisconsin

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P.O. BOX 368
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TELEPHONE: (262) 377-9988
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Independent Auditor's Report

Board of Directors
Business Improvement District #15
Milwaukee, Wisconsin

Opinion

We have audited the accompanying financial statements of Business Improvement District #15 (a nonprofit organization), which comprise the statements of assets, liabilities and net assets – cash basis as of December 31, 2023 and 2022, and the related statements of support and revenue, expenses and changes in net assets – cash basis and cash flows – cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of Business Improvement District #15 as of December 31, 2023 and 2022, and its revenue and expenses and changes in net assets and cash flows for the years then ended in accordance with the basis of accounting as described in Note A.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Business Improvement District #15 and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note A, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Business Improvement District #15's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Business Improvement District #15's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Business Improvement District #15's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Krause & Associates, SC
Grafton, Wisconsin
September 9, 2024

BUSINESS IMPROVEMENT DISTRICT #15
 STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS – CASH BASIS
 DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash and cash equivalents:		
Cash in bank - checking	\$ 13,260	\$ 17,730
Cash in bank – money market	<u>223,582</u>	<u>357,976</u>
TOTAL ASSETS	<u>\$ 236,842</u>	<u>\$ 375,706</u>
 <u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Note payable	\$ -	\$ 66,667
TOTAL LIABILITIES	-	66,667
 NET ASSETS		
Without donor restrictions:		
Undesignated	(6,588)	(24,720)
Board designated – lift maintenance reserve	<u>243,430</u>	<u>333,759</u>
TOTAL NET ASSETS	<u>236,842</u>	<u>309,039</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 236,842</u>	<u>\$ 375,706</u>

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

BUSINESS IMPROVEMENT DISTRICT #15
STATEMENTS OF SUPPORT, REVENUE AND EXPENSES – CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Unrestricted	
	2023	2022
SUPPORT AND REVENUE		
Bid assessment	\$ 318,746	\$ 290,351
Interest and other	9,841	2,780
Total support and revenue	328,587	293,311
EXPENSES		
Program expenses:		
City of Milwaukee debt service	14,868	14,868
Project operations:		
General maintenance and operations	93,878	41,163
Lift replacement	105,329	-
Riverwalk improvements	53,705	-
Milwaukee Riverwalk District support	50,000	-
Insurance	8,594	8,019
Interest	1,304	3,508
Legal	18,552	12,080
Total program expenses	346,230	79,638
Supporting services:		
Management and administrative:		
Accounting	5,400	4,975
Project administration	49,154	38,786
Storage rent	-	3,120
Total management and administrative	54,554	46,881
Fundraising	-	-
Total supporting services	54,554	46,881
Total expenses	400,784	126,519
Change in net assets	(72,197)	166,792
Net assets, beginning of year	309,039	142,247
Net assets, at end of year	\$ 236,842	\$ 309,039

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

BUSINESS IMPROVEMENT DISTRICT #15
STATEMENTS OF CASH FLOWS – CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ (72,197)	\$ 166,792
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of note payable	<u>(66,667)</u>	<u>(66,666)</u>
Net cash provided by (used in) financing activities	(66,667)	(66,666)
Net increase (decrease) in cash and cash equivalents	(138,864)	100,126
Cash and cash equivalents, beginning of year	<u>375,706</u>	<u>275,580</u>
Cash and cash equivalents, end of year	<u>\$ 236,842</u>	<u>\$ 375,706</u>
Supplemental disclosures:		
Cash paid for interest	<u>\$ 1,304</u>	<u>\$ 3,508</u>
In-kind contributions	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

BUSINESS IMPROVEMENT DISTRICT #15
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

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 Business Improvement District #15 (BID 15) was created by the Common Council of the City of Milwaukee in 1994 as one of the financing components of the Milwaukee Riverwalk project. BID 15 and the City of Milwaukee share the Riverwalk project costs in accordance with the terms of the development agreement.

Business Improvement Districts are authorized by Wisconsin Statutes Section 66.1109. The purpose of a BID is to allow businesses to develop, manage and promote their districts, and to establish an assessment method to fund those activities.

The Mayor of the City of Milwaukee appoints a Board of Directors of up to 8 members to oversee the BID 15. BID 15 has contracted with outside parties to implement BID 15's operating plan and handle the administrative services of BID 15.

2. Cash and cash equivalents

BID 15 considers all highly liquid financial instruments with original maturities of three months or less to be cash equivalents.

3. Net assets

BID 15 reports its financial information on the cash basis of accounting. Funds are recognized as revenue when received and the corresponding administrative and operating costs are recognized as expenditures when the funds are paid. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a lift replacement reserve fund.

BUSINESS IMPROVEMENT DISTRICT #15
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023 AND 2022

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Net assets – continued

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

BID 15 reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of support, revenue and expenses as net assets released from restrictions.

4. Revenue and Revenue Recognition

Under the cash basis of accounting, revenue is recognized when received.

5. Allocation of functional expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, professional services, office expenses, supplies, insurance, and other, which are allocated on the basis of estimates of time and effort.

6. Use of estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

BUSINESS IMPROVEMENT DISTRICT #15
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023 AND 2022

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. Income taxes

BID 15 is a quasi-public entity which is exempt from Federal and Wisconsin income taxes.

BID 15 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.

8. Subsequent Events

Management has evaluated subsequent events for recognition and disclosure in the financial statements through September 9, 2024, which is the date that the financial statements were available to be issued.

B – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date of December 31, 2023 and 2022, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	<u>\$ 236,842</u>	<u>\$ 375,706</u>

As part of its liquidity plan, BID 15 invests cash in excess of daily requirements in short-term money market funds. Occasionally, the Board designates a portion of any operating surplus to its lift replacement reserve fund, which was \$243,430 and \$333,759 as of December 31, 2023 and 2022, respectively.

BUSINESS IMPROVEMENT DISTRICT #15
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 DECEMBER 31, 2023 AND 2022

C – NET ASSETS

Contributions received are recorded as donor restricted net assets depending on the existence and or nature of any donor-imposed restrictions. As restrictions are met and funds expended, assets are released from restrictions. As of December 31, 2023 and 2022, BID 15 had no net assets with donor restrictions.

The board designated the use of certain BID 15 assessment payments for the purpose of establishing a lift replacement reserve fund. As of December 31, 2023 and 2022 the amount of board designated funds are \$243,430 and \$333,759, respectively.

D – REPAYMENT OF CITY OF MILWAUKEE ADVANCE

BID 15’s share of the project costs will be recovered through special tax assessments and loan repayments from BID 15 members through the 2028 levy year. The projected annual assessments and debt service amounts, including interest at annual rates of 6.30% are as follows:

<u>Repayment Year</u>	
2024	\$ 14,868
2025	14,868
2026	14,868
2027	14,868
2028	14,868
2029	<u>14,852</u>
	<u>\$ 89,192</u>

E – NOTE PAYABLE

During 2020, the board of directors of BID 15 authorized BID 15 to borrow up to \$200,000 from a local bank. The proceeds of the loan were used to underwrite BID 15’s share of the construction costs associated with removing a lift at 105 W. Michigan St. The costs of the project were be split with the City of Milwaukee. A project funding agreement was signed with the City of Milwaukee in October 2020. Due to delays in fabrication and installation, the project did not commence in 2020. Funds for the project were used in 2021.

The note was payable in three annual installments, beginning May 2021 through May 2023. The note bears interest at an annual rate of 3.47% and was payable in quarterly installments. As of December 31, 2022, the outstanding principal of the note was \$66,667. The note was paid in full during 2023.

BUSINESS IMPROVEMENT DISTRICT #15
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023 AND 2022

F – CONCENTRATION OF RISK

BID 15 maintains cash balances at a bank. Accounts at the bank are insured by the Federal Deposit Insurance Corporation up to \$250,000. The uninsured portion, without regard to outstanding checks and deposits in transit were \$0 and \$125,706 as of December 31, 2023 and 2022, respectively.

BID 15 receives the majority of its revenue from the City of Milwaukee as tax assessments, which totaled \$318,746 and \$290,351 or 97% and 99% for the years ended December 31, 2023 and 2022 respectively.

G - LEASE COMMITMENTS

BID 15 includes in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised.

Due to the short-term nature of the operating lease agreements (less than 12 months duration), management has determined that a right-of-use lease asset and lease liability does currently not exist. Management will review and reassess the agreement and underlying assumptions on an annual basis. The following summarizes the other operating lease agreements.

BID 15 leases storage facilities under a month-to-month operating lease agreement. Rent expense related to this lease was \$0 and \$3,120 for the years ended December 31, 2023 and 2022, respectively.