

**BUSINESS IMPROVEMENT DISTRICT NO. 21  
MILWAUKEE DOWNTOWN  
YEAR TWENTY-THREE OPERATING PLAN**

**SEPTEMBER 19, 2019**

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## I. INTRODUCTION

Under Wisconsin Statutes section 66.1109, cities are authorized to create Business Improvement Districts ("BIDs") upon the petition of at least one property owner within the proposed district. The purpose of the BID statute 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 Wis. Act 184, Section 1, legislative declaration. See Appendix A.

On or about July 16, 1997, the City of Milwaukee (the "City") received a petition from property owners which requested creation of a BID known as the Milwaukee Downtown Management District (the "District"). On October 14, 1997, the Common Council of the City adopted resolution no. 970900, creating the District and approving the initial operating plan for the District (the "Initial Operating Plan"). On November 4, 1997, the Mayor of the City appointed members to the board of the District (the "Board") in accordance with the requirements set forth in Article III.D. of the Initial Operating Plan.

On or about August 20, 2008, owners of additional properties on the fringes of the District's original boundaries petitioned the City to expand the District to include their properties. On October 29, 2008, the Common Council of the City adopted resolution no. 080617, expanding the District boundaries.

The original purpose of the District was to sustain the competitiveness of Downtown and ensure a safe, clean environment conducive to business activity. In connection with strategic planning conducted in 2011 and updated in 2014, a new mission and vision for the District surfaced. The District adopted as a new mission "to lead and inspire believers in Milwaukee to engage in efforts that build Downtown as the thriving, sustainable, innovative and vibrant heart of the community". The District's vision is "to be an economic catalyst. . ." causing Downtown to emerge as a premier destination of choice and Milwaukee to become a renowned world-class region.

Pursuant to the BID statute, this Year Twenty-Three Operating Plan (the "Operating Plan") for the District has been prepared to establish the services proposed to be offered by the District, proposed expenditures by the District and the special assessment method applicable to properties within the District for its twenty-third year of operation. This Plan has been developed by the District Board with technical assistance from the Department of City Development, the Department of Public Works and the Police Department.

## II. DISTRICT BOUNDARIES

When created in 1997, the District boundaries covered approximately 120 square blocks and encompassed the City's Downtown. The original District boundaries extended to North 4th Street and North 10th Street to the west; West St. Paul Avenue, the Menomonee River, and West Clybourn Street to the south; Lake Michigan to the east and Schlitz Park to the north. As a result of the expansion of the District in 2008, the District's current boundaries include expansion areas adjacent to its original boundaries. The District's current boundaries extend to I-43 on the west; West St. Paul Avenue, the Menomonee River and West Clybourn Street to the south; Lake Michigan and North Van Buren Street to the east; and Schlitz Park and McKinley Street to the north, as shown in Appendix B of this Operating Plan. A narrative listing of the properties now included in the District is set forth in Appendix C.

## III. PROPOSED OPERATING PLAN

### A. Plan Objectives

The historic objectives of the District are to increase pedestrian traffic Downtown and to better enable Downtown to compete for customers with suburban residential and commercial areas. As a result of strategic planning, the District has committed to elevate its role in Downtown economic development.

Since its inception, the District has attempted to achieve its objectives by, among other methods, supplementing the maintenance and security services provided by the City in order to increase the safety and cleanliness (and the perceived safety and cleanliness) of Downtown. The City will continue to provide its current level of maintenance and policing services. The City and the District have entered into the cooperation agreement on file in the District's office (the "Cooperation Agreement"). For several years, the District also has sought to achieve its objectives by marketing Downtown as a great place to live, work and play and by working with like-minded associates to attract and retain businesses.

The District's recent strategic planning update articulates new objectives, including: (1) to reposition the District as a driver of economic prosperity in Downtown; (2) to play a leadership role on catalytic projects, including the HOP MKE Streetcar, West Wisconsin Avenue renaissance, Sculpture Milwaukee, the new Bucks Fiserv Forum, the Park East corridor and technology/innovation incubator; and (3) to harness the energy and vibrancy of diverse Downtown residents, young professionals and other Downtown

believers to position them for leadership roles in the Downtown community. A summary of the District's objectives and priorities arising out of its 2014 strategic plan and 2018 rapid refresh are attached hereto as Appendix E.

B. Proposed Activities

The District offers Downtown owners and occupants additional safety personnel, enhanced sidewalk cleaning, supplemental public space maintenance and integrated marketing and promotional services to complement the base level of services currently being provided by the City. As a supplement to City services, the District retains and manages its own safety and maintenance contracts and develops and implements its own marketing initiatives. The District has hired a chief executive officer (or CEO), who reports to the Board, to implement and manage the day to day activities of the District, to supervise all District staff and independent contractors and to spearhead updated 2014 strategic planning objectives. District staff supervised by the CEO may include an economic development director, a marketing and events coordinator, an administrative assistant and/or up to four interns or other support staff. The following are the activities proposed by the District for calendar year 2020. The District may, from time to time and as it deems necessary, adjust the size and scope of the activities and staffing levels described below, but only so long as such adjustments in activities and staff are part of the activities identified in this Operating Plan. The District may not undertake new activities except as included in duly approved operating plans for future years.

1. Public Service Ambassadors Program. The District will continue to sponsor a Public Service Ambassador Program to provide safety and goodwill services to Downtown, supplemental to existing City police services. The aim of the program is to increase the public's comfort and sense of security through a visible, uniformed presence in addition to law enforcement.

The District may implement this program either by hiring staff directly or by hiring independent contractors to provide staff. In either case, a PSA director, who will report to the CEO, will be hired to manage this program, hire and supervise staff and maintain communications with police. Public Service Ambassadors ("PSAs"), including shift supervisors, will be retained to provide approximately 30,680 on-duty hours subject to dictates from the District. The District, in cooperation with the City Police Department, Visit Milwaukee and other City departments and resources, will develop an intensive initial training program, as well as on-going in-service

and field training, for PSAs. Training will focus on available City services, preventing and reporting crime, dealing with panhandlers and the homeless, applicable sanitation and building codes, radio communications, first aid and CPR, Milwaukee history and local attractions, general retailing, communications skills and interactions with residents and visitors. For a portion of their training PSAs will be paired with police officers or experienced PSAs patrolling their beats. Training will be supplemented by a book of Operating Rules and Procedures serving as a guide for handling both common and unusual incidents.

Following their training, uniformed but unarmed PSAs will be assigned "beats" to patrol on foot. Beat assignments will be based on the amount of foot traffic in the area, hours of business operation, special event schedules, police beat assignments, crime statistics and trends, and Responsible Hospitality Task Force recommendations for night-time economy management. Generally, PSAs will be deployed on beats to maximize the provision of security services during peak hours like weekday lunch hours, before and after business hours at burgeoning nighttimes and for special events. PSAs shall employ smart phone/GIS tracking technology to determine appropriate PSA deployment. A schedule for deploying PSAs on their beats shall be developed by the District's CEO together with the PSA director and altered as appropriate for weather, redeployment for special events and for changing circumstances.

PSAs' primary responsibilities will be to assist and direct workers, shoppers, diners, sports fans, club-goers and visitors, and to observe and report suspicious behavior. PSAs must familiarize themselves with the businesses and residents in their beats and be able to recognize suspicious behavior. PSAs will be supplied with uniforms to create an official but approachable appearance and will be equipped with smart phone-type devices to report any incidents to a PSA supervisor/dispatcher linked directly to the City Police Department. One PSA supervisor/dispatcher shall be on duty or on call whenever PSAs are on patrol. Using handheld smart phone-type devices, the PSA supervisor will maintain communications among PSAs, other Downtown security personnel and City police.

The City Police Department shall provide the District with the ability to monitor police calls for service. The District will permit any on-duty police officers assigned to the Downtown area to work out

of the District office. The agreement between the District and the City Police Department regarding services to be provided is more fully described in the letter from Chief of Police Arthur L. Jones dated July 17, 1997 on file in the District's office.

The District will pursue partnerships with other service providers. These partnerships may include development of a policy for referring panhandlers and the homeless to appropriate resources and/or working with other Downtown security resources to share information and develop response strategies.

2. Clean Sweep Ambassadors Program. The District will continue to sponsor a Clean Sweep Ambassador Program to provide additional sidewalk cleaning and public space maintenance, to implement special projects and, more generally, to introduce an active, positive force in Downtown.

The District may provide cleaning, maintenance, graffiti removal and landscaping services in any manner deemed reasonable by the District Board, including hiring staff directly or hiring independent contractors to provide staff. In any event, a CSA director will be selected, who will report to the District's CEO, to manage this program, hire and supervise staff and serve as a liaison among City departments and property owners and businesses. During the summer months, a minimum of 14 full-time equivalent Clean Sweep Ambassadors ("CSAs") will report directly to the CSA director. Fewer CSAs may service the District during the winter months. Full-time CSA staff will be trained in maintenance, safety and informational services and furnished with identifiable uniforms. In addition, the District may retain other staff and/or independent contractors as it deems reasonable to perform the tasks necessary to implement the program.

The maintenance efforts of CSAs, other staff and independent contractors retained, paid and uniformed by the District will complement the efforts of the City Department of Public Works. CSAs will manually sweep sidewalks and riverwalks, pick up litter and remove graffiti each day. Weather permitting, CSAs will mechanically sweep public sidewalks and riverwalks in a rotation consistent with the City's street sweeping schedule--with approximately one fifth of the District being swept each working day. From April through October, CSAs will also power wash and steam clean sidewalks and clean, maintain, water, plant and weed



tree wells and planters. CSAs will be assigned "beats" depending on the public use of the area and the need for services. A schedule for deploying CSAs and their tasks, shall be developed by the District's CEO and the CSA director and altered as appropriate for restrictions imposed by weather and redeployment as necessary in the judgment of District staff.

In addition to their daily cleaning and maintenance duties, the District may deploy CSAs to accomplish special projects. These projects may range from the installation and removal of holiday lights to set up and clean up for special events to "Super-Block" clean up.

In servicing all aspects of the CSA program, CSAs and other staff servicing this program will maintain a friendly and helpful presence Downtown. Working during busy hours in recognizable uniforms, they will create an aura, not only of cleanliness, but also of safety. CSAs will be trained in crime resistance and to furnish helpful information and directions to residents and visitors. CSAs will remain in contact with the District office and its other resources using handheld PDA-type devices.

3. Economic Development; Marketing; Business Recruitment and Retention. In furtherance of its 2018 strategic planning objectives, District staff, generally, and an economic development director, in particular, shall strive to attract, retain and grow businesses paying family-supporting wages in Downtown Milwaukee. District efforts shall include, but not be limited to, maintaining relevant market and demographic data, linking business and government resources and providing and/or identifying expertise to assist in business growth.

District staff will coordinate and/or contract to implement public relations programming to promote the cleaner, safer, friendlier Downtown being created through District efforts. Marketing and programming will aim to encourage increased use of Downtown, to attract businesses to locate, remain and expand in Downtown and to convince both constituents of the District and potential users that Downtown is a positive destination with unique qualities and amenities.

District staff will continue the District's marketing campaign based on a fresh "Downtown" theme. District staff will continue an internal communications program to inform members about District

activities and benefits. Internal communications may include a semi-annual newsletter, an annual report, various print and e-mail notices and increased social media. District staff will maintain an umbrella-advertising theme, graphics package and media relations program. District staff will cross sell Downtown's assets with various seasonal promotions.

In addition, District staff will develop and/or contract for other marketing initiatives, attractions and/or events promoting Downtown. These marketing initiatives may include a comprehensive marketing campaign targeted at appropriate constituencies and/or traveling information kiosks and/or similar devices which may be staffed and deployed at various events (inside and outside of Downtown) to increase District visibility and outreach.

District staff will strive to attract and retain synergistic businesses. District staff will administer, together with the City of Milwaukee, a program of grants and forgivable loans for retailers and landlords to upgrade storefront spaces within the District. The District also will allocate up to \$95,000 for catalytic economic development special projects, provided that each project must be approved by the District Board consistent with criteria adopted and applied by the Board.

The District may also sponsor or co-sponsor recurring special events such as the Holiday Lights Festival, Downtown Dining Week, Taste and Toast, Downtown Employee Appreciation Week and Sculpture Milwaukee and/or one-time special events such as the 2020 Democratic National Convention. In 2020, however, the District will transfer primary responsibilities for Sculpture Milwaukee to Sculpture Milwaukee, Inc.

The District will continue its sponsorship of the annual holiday lighting each November. Each year, the District will cause lighting purchased by the District in previous years and remaining in good condition to be reinstalled. In addition, the District may spend and/or solicit additional money as it deems necessary to purchase additional and/or replacement holiday lighting. For the winter of 2019-2020, the District will sponsor the twenty-first annual Holiday Lights Festival in Downtown. This festival will continue previous year's street lighting efforts and implement intense lighting displays in select Downtown parks such as Pere Marquette Park, Zeidler Union Square and Cathedral Square.

The District may undertake other economic development and/or marketing initiatives and programming reasonably estimated to attract and retain businesses, residents and tourists to Downtown as deemed appropriate by the District Board.

The District may contract with Milwaukee Downtown, Inc. to coordinate and implement the marketing initiatives described above, as well as related activities. In connection with contracting with Milwaukee Downtown, Inc., the District intends to donate approximately \$1,602,670 to Milwaukee Downtown, Inc. to provide operating funds necessary to implement marketing initiatives and related activities.

4. Initiative to Combat Homelessness. Based on concerns raised by its stakeholders, the District seeks to spearhead initiatives to address chronic homelessness and aggressive panhandling. One such initiative is securing dedicated recurring funding to help end long term chronic homelessness through fundraising efforts such as “Key to Change” and contributions from Downtown residents and stakeholders. Funds raised are intended to allow Milwaukee County to retain a Downtown Homeless Outreach Coordinator and a Downtown Community Prosecutor.
5. Contracting to Extend Activities/Services Outside of the District. Given the District's success, various constituencies periodically request the District to extend activities or provide services outside of the District boundaries. The District is authorized to contract to extend its activities and/or services outside District boundaries and/or to area residents so long as, by majority vote of the Board, any such contract is deemed to (a) advance the District's objectives and (b) provide activities and/or services on a revenue-neutral basis such that the District avoids incurring any costs not directly benefiting properties within the District.

C. Proposed Expenditures and Financing Method

The 2020 proposed annual operating budget for the District is \$4,199,270. \$4,170,000 will be the amount received from District assessments from properties within the District. \$29,270 is additional income that is anticipated to come from several sources. See Appendix D. Of these amounts, \$793,366 will finance the Public Service Ambassadors Program, \$1,155,555 will fund the Clean Sweep Ambassadors Program, \$1,853,147 will pay for economic development, marketing, promotions and business

retention and recruitment efforts, including retail marketing efforts, and \$397,202 will be reserved for administrative expenses and a contingency (including, without limitation, the salaries of a full-time CEO, an economic development director, a marketing/events coordinator, an administrative assistant, interns and other District staff, legal fees, insurance costs and office expenses). In the event that the Board reasonably determines that amounts allocated to any particular program are not needed for that program, unneeded amounts for one program may be used for another program. In addition, any funds collected but unspent pursuant to previous years' operating plans and any unanticipated voluntary contributions or other income will be made available in 2020 (for any purpose set forth in this Operating Plan, including without limitation for public information, marketing, promotions and/or economic development efforts). The Board shall have the authority and responsibility to prioritize expenditures and to revise the budget as necessary to match the funds actually available.

The Board shall approve an annual operating budget for the District each year. Prior to approving any annual operating budget, the District will mail a public hearing notice and make available a copy of the proposed annual operating plan and budget to all owners of real property within the District. In addition, a Class 2 notice of the public hearing will be published in a local newspaper of general circulation, and the notice, annual operating plan and budget will be posted on the District's website. The District Board will hold a public hearing and approve the annual operating plan and budget for the District for that year. If any year's annual operating budget exceeds the prior year's annual operating budget by 4% or more, such budget must be approved by a 2/3 majority of the entire District Board. (This Year Twenty-Three Operating Plan was unanimously approved by \_\_\_\_\_ ( ) Board members in attendance at the Board meeting of September 19, 2019. Any capital improvements costing more than \$15,000 each or \$40,000 in the aggregate for any one year must be approved by a 2/3 majority of the entire District Board. For the purposes of this Operating Plan, "capital improvement" means any physical item that is permanently affixed to real estate including, without limitation, street lighting and sidewalk improvements. The term "capital improvement" shall not include, among other things, any maintenance equipment or supply, any communications equipment, any vehicles, any seasonal improvement or any holiday lighting or decorations. After the District Board has approved the annual operating plan and budget, they will be sent to the City for approval, adoption and inclusion in the City's annual budget for that year.

The 2019 assessed valuation of all property subject to assessment within the original District boundaries was approximately \$2,623,001,202. The method of assessing annual operating expenses against properties located within the District is set forth in Article IV of this Operating Plan. Any change in the method of assessing annual operating expenses against properties located within the District must be approved by a 3/4 majority of the entire District Board and a majority of the Common Council of the City. Subsequent revisions to this Operating Plan will specify any additional assessment methodologies and amounts for operating expenses. In addition, if any year's annual aggregate assessment to property owners exceeds the prior year's annual aggregate assessment by 6% or more, such increased assessment must be approved by the owners of property assessed by the District having a property tax assessed valuation equal to at least 3/4 of the aggregate property tax assessed valuation of all property assessed by the District.

The District may not borrow funds without approval of a 2/3 majority of the entire District Board.

D. Organization of the District Board

The Mayor shall appoint members to the District Board. The Board shall be responsible for implementation of this Operating Plan. This requires the Board to negotiate with providers of services and materials to carry out the Operating Plan; to enter into various contracts; to monitor the effectiveness of the District's activities; to ensure compliance with the provisions of applicable statutes and regulations; and to make reimbursements for any overpayments of District assessments.

Wisconsin Statutes section 66.1109(3)(a) 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 Board shall be structured and operate as follows:

1. Board size - 19 members.
2. Composition -
  - (a) Three members shall be representatives of each of the three largest (as measured by assessed valuation) multi-tenant office buildings in the District. In 2020, U.S. Bank Center (777 and 811 East Wisconsin Avenue), 411 East Wisconsin

Avenue and 833 East Michigan Avenue are the three largest office buildings.

- (b) Two members shall be representatives of the fourth through the ninth largest (as measured by assessed valuation) multi-tenant office buildings in the District. In 2020, 100 East Wisconsin Avenue, Schlitz Park (at the intersection of 2nd and Pleasant Streets), The Milwaukee Center (107 East Kilbourn Avenue), 875 East Wisconsin Avenue and Plaza East (330 East Kilbourn Avenue) are the fourth through the ninth largest multi-tenant office buildings.
- (c) Three members shall be representatives of any multi-tenant office buildings in the District.
- (d) Three members shall be representatives of owner-occupied or single tenant buildings in the District with assessed valuations in excess of \$5,000,000. One member from this category shall be a representative of The Northwestern Mutual Life Insurance Company.
- (e) One member shall be an owner or operator of a street-level retail business located within the District (which business may, but need not, be a restaurant).
- (f) Two members shall be representatives of hotels located within the District. Such hotels shall not be owned or controlled by the same or related entities or individuals.
- (g) One member shall be a representative of a tax-exempt entity making a voluntary contribution to the District of not less than \$45,000 annually.
- (h) Two members shall be "at large" members who shall not represent any particular constituency but who shall be owners or occupants of real property located within the District used for commercial purposes.
- (i) Two members shall be the immediate two past chairs of the District Board.

For purposes of measuring the assessed valuations of any building or site set forth above, all contiguous buildings and/or sites connected above- or below-ground, separated only by an intervening street and

with identical ownership shall be included as one building or site. (For example, the U.S. Bank Center, consisting of property located at 777 and 811 East Wisconsin Avenue, constitutes one site.) Each year, the Board shall reconfirm the assessed valuations, ownerships and occupancies of all properties located within the District. If the assessed valuation, ownership or occupancy of any particular building or site in any year ceases to satisfy the criteria set forth above, the Board shall rearrange such building or site in the appropriate category. In addition to the composition requirements set forth above, one member of the Board shall also be a member of the board of directors of Westtown Association as long as the Westtown Association remains in existence, and one member of the Board shall also be a member of the board of directors of East Town Association as long as the East Town Association remains in existence. In satisfying the categories for Board members set forth above, the geographic representation of Board members shall be varied to the extent possible.

3. Term - Appointments to the Board shall generally be for a period of three years. To the extent possible, the terms of members representing each of the categories set forth in subparagraph (2) above shall be staggered so that the terms of not more than 60% of the representatives of any one category shall expire simultaneously. Despite the expiration of a Board member's term, the member shall continue to serve, subject to the by-laws adopted by the Board, until the member's successor is appointed.
4. Compensation - None.
5. Meetings - All meetings of the Board shall be governed by the Wisconsin Open Meetings Law if and as legally required.
6. Record Keeping - Files and records of the Board's affairs shall be kept pursuant to public record requirements.
7. Staffing and Office - The Board may employ staff and/or contract for staffing services pursuant to this Operating Plan and subsequent modifications thereof. In 2020, the Board may employ a full-time CEO, a full-time administrative assistant, an economic development director, a marketing and events coordinator, an environmental specialist and/or up to four interns and other support staff. The Board shall maintain an office for the District, which shall be centrally located in Downtown. The District's current office is

located at 301 West Wisconsin Avenue, 3rd Floor, and shall be further relocated and upgraded consistent with the budget approved by the Board. All District staff, including PSAs and CSAs, may work out of the District office.

8. Meetings - The Board shall meet regularly, at least once quarterly. The Board has adopted rules of order (by-laws) to govern the conduct of its meetings. In the event of a tie in any matter on which an even number of Board Members vote, the vote of the Chair shall be deemed the tie-breaker.
9. Executive Committee - The Board shall elect from its members a chair, a vice-chair, a secretary, a treasurer and an assistant secretary who, together with the immediate past Chair of the Board, shall comprise an Executive Committee of the Board. At least one member of the Executive Committee shall be elected from the category of members set forth in subparagraphs (2)(a) or (b) above. Moreover, the member representing The Northwestern Mutual Life Insurance Company under subparagraph (2)(d) above shall be elected to some office on the Executive Committee. The immediate past chair of the Board shall serve on the Executive Committee until the current Chair ceases to serve as Chair, in which case the immediately past serving Chair shall become immediate past Chair. The Executive Committee shall be authorized to oversee the day to day operations of the District, subject to the by-laws adopted by the Board. In the event of a tie in any matter on which all officers vote, the vote of the Chair shall be deemed the tie-breaker.
10. Non-voting Members - At the option of a majority of the members of the Board, representatives of Visit Milwaukee, the Milwaukee Development Corporation, the Metropolitan Milwaukee Association of Commerce, and one or more significant Milwaukee arts venues (and/or similar organizations) may be invited to attend meetings of the Board or Executive Committee as nonvoting members.
11. Emeritus Members – By resolution of a majority of the members of the Board, former Board members who have demonstrated extraordinary service to the District may be appointed "emeritus" members in honor and recognition of their exceptional contributions.
12. No public bidding – Notwithstanding anything herein to the contrary and/or any contrary decisions by the Board relative to specific contracts, the District shall not be subject to any prevailing wage



and/or public bidding requirements under either Wisconsin Statutes and/or City of Milwaukee ordinances.

E. RELATIONSHIP TO MILWAUKEE DOWNTOWN, INC. AND ALLIANCE FOR DOWNTOWN PARKING AND TRANSPORTATION, INC.

The District is a separate entity from Milwaukee Downtown, Inc., a private, not for profit corporation, exempt from taxation under section 501(c)(3) of the Internal Revenue Code, notwithstanding the fact that some or all of the members, officers and directors of each entity may be shared. Milwaukee Downtown, 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 Board may contract with Milwaukee Downtown, Inc. to provide marketing and promotional services to the District and to retain an economic development director. The Board shall donate operating funds to Milwaukee Downtown, Inc. to facilitate the provision of such services and staffing, all in accordance with this Operating Plan.

The District and Milwaukee Downtown, Inc. are also separate entities from Alliance for Downtown Parking and Transportation, Inc. (the "Alliance"), a private, not for profit corporation, notwithstanding the fact that the District Board appoints all members to the board of directors of the Alliance. The Alliance 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 Board may work in tandem with the Alliance and other Downtown commercial organizations to improve and mitigate adverse parking and transportation issues impacting Downtown Milwaukee and to promote positive parking and transportation options within the area, consistent with the purposes of this Operating Plan.

#### IV. METHOD OF ASSESSMENT

A. Annual Assessment Rate and Method

The annual assessment for District operating expenses will be levied against each property within the District in direct proportion to the assessed value of each property for real property tax purposes on record with the District as of the date the District held the public hearing regarding its Year Twenty-Three Operating Plan (September 19, 2019). No owner of property within the District shall be eligible to receive or be subject to any reductions or increases in its assessment as a result of a decrease or increase in the

assessed value for their property occurring after such date. The Board may, however, at its sole option, consider updated assessment information until the Common Council approves this Operating Plan. In addition, the amount of an assessment against a particular property may change from year to year if that property's assessed value changes relative to other properties within the District.

Appendix C identifies each property included in the District and shows the proposed BID assessment for each property for the twenty-third year of operation. Such proposed assessments are based on the assessed value and classification estimated in 2019 pursuant to the foregoing formula.

In addition, any amounts due to the District from a property owner pursuant to a contract between the District and the property owner may, at the option of the District Board, become a special assessment or special charge against that property upon 30 days' prior written notice to the property owner.

B. Excluded and Exempt Property

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

1. Wisconsin Statutes section 66.1109(1)(f)(1m): 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 Operating Plan because it is assumed that they will benefit from development in the District.
2. Wisconsin Statutes section 66.1109(5)(a): Property used exclusively for residential purposes will not be assessed. Mixed use properties containing some residential use will be fully assessed by the District.
3. Consistent with Wisconsin Statutes section 66.1109(5)(a), property within the District boundaries but exempt from general real estate taxes under Wisconsin Statutes section 70.11 may not be specially assessed by the District but will be asked to make a financial contribution to the District on a voluntary basis. Funds collected in this manner in any given year may be used in any manner deemed appropriate by the Board. In addition, consistent with Wisconsin Statutes section 66.1109(1)(b), those tax exempt properties within the original or amended boundaries of the District which later

become taxable shall automatically become included within the District and subject to assessment under any current operating plan without necessity to undertake any other act.

## V. PROMOTION OF ORDERLY DEVELOPMENT OF THE CITY

### A. Enhanced Safety and Cleanliness

Under Wisconsin Statutes section 66.1109(1)(f)(4), this Operating Plan is required to specify how the creation of the District promotes the orderly development of the City. The District will enhance the safety and cleanliness of Downtown and, consequently, encourage commerce in the City. Increased business activity in the City will increase sales tax revenues and property tax base.

### B. City Role in District Operation

The City has committed to assisting owners and occupants in the District to promote its objectives. To this end, the City has played a significant role in creation of the District and in the implementation of this Operating Plan. In furtherance of its commitment, the City shall:

1. Perform its obligations and covenants under the Cooperation Agreement.
2. Provide technical assistance to the District in the adoption of this and subsequent operating plans and provide such other assistance as may be appropriate.
3. Collect assessments, maintain the same in a segregated account and disburse monies to the Board.
4. Receive annual audits as required per Wisconsin Statutes section 66.1109(3)(c).
5. Provide the Board, through the Office of Assessment, on or before July 1 of each year, and periodically update, with the official City records on the assessed value of each tax key number within the District as of January 1 of each year for purposes of calculating the District assessments.
6. Promptly appoint and confirm members to the Board, consistent with this Operating Plan.

## 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 District 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 Year Twenty-Three Operating Plan for the District is approved and the Mayor will appoint, in accordance with Article III.D., new members to the Board to replace Board members whose terms have expired or who have resigned.

## VII. FUTURE YEAR OPERATING PLANS

### A. Changes

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

Wisconsin Statutes section 66.1109(3)(b) 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 proposed activities, 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 statute.

In later years, the District 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 approval of a 3/4 majority of the entire District Board and consent of the City of Milwaukee. In addition, if any year's annual aggregate assessment to property owners exceeds the prior year's annual aggregate assessment by 6% or more, such increased assessment must be approved by the owners of property assessed by the District having a property tax assessed valuation equal to at least 3/4 of the aggregate property tax assessed valuation of all property assessed by the District. Further, as set forth in Article III.C. above, a 2/3 majority of the entire District Board must approve increases in the District operating budget exceeding 4% of the prior year's budget and capital improvement expenditures of over \$15,000 in any one instance or of \$40,000 in the aggregate in any one year.

B. Early Termination of the District

The City shall consider terminating the District if the owners of property assessed under the Operating Plan having a valuation equal to more than 50% of the valuation of all property assessed under the Operating Plan, using the method of valuation specified herein, or the owners of property assessed under the Operating Plan having an assessed valuation equal to more than 50% of the assessed valuation of all property assessed under the Operating Plan, file a petition with the City Plan Commission requesting termination of the District. On or after the date such a petition is filed, neither the Board nor the City may enter into any new obligations by contract or otherwise until the expiration of thirty (30) days after the date a public hearing is held and unless the District is not terminated.

Within thirty (30) days after filing of a petition, the City Plan Commission shall hold a public hearing on the proposed termination. Notice of the hearing shall be published as a Class 2 notice. Before publication, a copy of the notice with a copy of the Operating Plan and a copy of the detail map showing the boundaries of the District shall be sent by certified mail to all owners of real property within the District.

Within thirty (30) days after the date of such hearing, every owner of property assessed under the Operating Plan may send a written notice to the City Plan Commission indicating, if the owner signed a petition, that the owner retracts the owner's request to terminate the District or, if the owner did not sign the petition, that the owner requests termination of the District.

If, after the expiration of thirty (30) days after the date of the public hearing, by petition or subsequent notification and after subtracting any retractions, the owners of property assessed under the Operating Plan having a valuation equal to more than 50% 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% of the assessed valuation of all properties assessed under the Operating Plan have requested the termination of the District, the City shall terminate the District on the date that the obligation with the latest completion date entered into to implement the Operating Plan expires.

C. Amendment, Severability and Expansion

This District has been created under authority of Wisconsin Statutes section 66.1109. Except as set forth in the next sentence, should any court find any portion of this statute invalid or unconstitutional its decision will not invalidate or terminate the District and this Operating Plan shall be amended to conform to the law without need of re-establishment. Should any court find invalid or unconstitutional the organization of the entire District Board, any requirement for a 2/3 or 3/4 majority vote of the District Board, the budgeting process or the automatic termination provision of this or any subsequent Operating Plan, the District shall automatically terminate and this Operating Plan shall be of no further force and effect.

Should the legislature amend the statute to narrow or broaden the definition 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 a 2/3 majority of the entire District Board and a majority of the Common Council of the City of Milwaukee as and when they conduct their annual Operating Plan approval and without necessity to undertake any other act. This is specifically authorized under section 66.1109(3)(b).

D. Automatic Termination Unless Affirmatively Extended.

The District Board shall not incur obligations extending beyond twenty-five years from the date on which the District was created. At the end of the twenty-fifth year of the District's existence, the District Board shall prepare an operating plan for the twenty-sixth year that contemplates termination of the District at the commencement of the twenty-sixth year as set forth in Wisconsin Statutes section 66.1109(3)(b), unless the owners of property assessed by the District having a valuation equal to 60% of the valuation of

all property assessed by the District affirmatively vote to continue the District.

In addition, the Board may elect by majority vote to terminate the District if the City is in default of any obligation or covenant of the City set forth in the Cooperation Agreement. In such event, the District shall terminate as set forth in Wisconsin Statutes section 66.1109(4m).

## APPENDIX A

### Wisconsin Statutes section

**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. 62.73, 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% 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% 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% 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% 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.

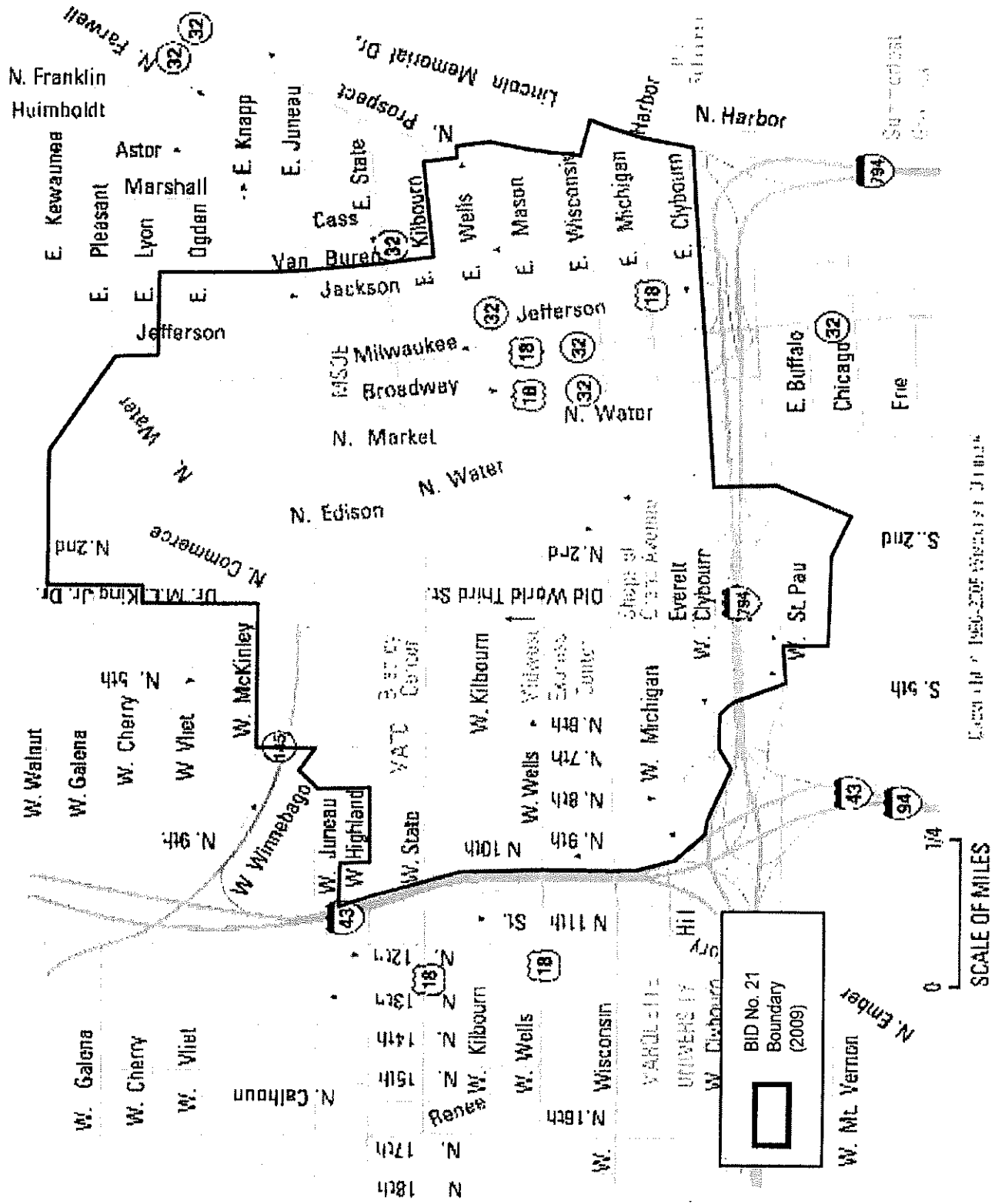
(e) If after the expiration of 30 days after the date of hearing under par. (c), by petition under this subsection or subsequent notification under par. (d), and after subtracting any retractions under par. (d), the owners of property assessed under the operating plan having a valuation equal to more than 50% 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% 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











# APPENDIX C

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APPENDIX D  
Proposed 2020 Budget (Subject to Change)

**BUSINESS IMPROVEMENT DISTRICT #21**  
**CLEAN\*SAFE\*FRIENDLY**  
**2020 BUDGET**

INCOME

2020 BID #21 Assessments (Based on a mill rate of \$1.59 per \$1,000 of assessed value)	\$ 4,170,000
Additional Income	\$ <u>29,270</u>
<b>TOTAL INCOME</b>	<b>\$ 4,199,270</b>

EXPENSES

Clean Sweep Ambassador Program	
Sidewalk Cleaning	\$ 802,750
Landscaping	\$ 348,305
Graffiti Removal	\$ <u>4,500</u>
	\$ 1,155,555 (28% of total)
Public Service Ambassador Program	\$ 793,366 (19% of total)
Administrative	\$ 397,202 (9% of total)
Economic Development/Marketing/Business Retention/Recruitment	<u>\$ 1,853,147</u> (44% of total)
<b>TOTAL EXPENSES</b>	<b>\$ 4,199,270</b>



## APPENDIX E

### Milwaukee Downtown BID #21 Strategic Plan - Updated V6 – New Objectives

#### Mission<sup>1</sup> Statement

We lead and inspire believers in Milwaukee to engage in efforts that build Downtown as the thriving, sustainable, innovative, and vibrant heart of the community.

#### Vision<sup>2</sup> Statement

Milwaukee Downtown is an economic catalyst. Downtown emerges as a premier destination of choice. Milwaukee becomes a renowned world class city (suggested change to "region" from "city").

#### Proposed Top Priorities

**Priority 1** – Downtown Economic Development Leader. Reposition BID 21 as a driver of economic prosperity of Milwaukee's Downtown  
**Priority 2** – Leadership position on Catalytic Projects including the Street Car, West Wisconsin Initiative, new arena/convention center, Park East Corridor, and technology/innovation incubator (new)  
**Priority 3** – Energy and vibrancy of downtown: Harness the energy and vibrancy of diverse downtown residents, young professionals and other downtown believers to position them for leadership roles in the Downtown community. (new)

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<sup>1</sup> Mission: Broad description of what we do, with/for whom we do it, our distinctive competence, and why we do it.

<sup>2</sup> Vision: Image or description of future impact we intend to have in the future.

## Summary of Changes in 2020 Operating Plan

- Section III(A)  
(Page 3) – Added rapid refresh to strategic plan.
- Section III(B)(1)  
(Page 3) – Reduced on-duty hours for the PSA program from 35,000 to 30,680 based on recent bid.
- Section III(B)(2)  
(Page 5) – Increased number of CSA FTEs from 10.5 to 14 based on recent bid.
- Section III(B)(3)  
(Page 7) – Added 2020 DNC Convention as one-time special event and noted that responsibility for Sculpture Milwaukee will be transferred.
- Section III(B)(4)  
(Page 8) – Described efforts to obtain dedicated, recurring funding to end chronic homelessness.
- Section III(C)  
(Page 9) – Updated budget and assessment information.
- Section III(D)(2)  
(Page 11) – Updated 1<sup>st</sup> – 9<sup>th</sup> largest office buildings to determine board categories.
- Section III(D)(7)  
(Page 13) – Referenced new BID office location.
- Appendix D – Updated budget.



2019 -- A YEAR OF CHAMPIONING CONNECTIVITY & COLLABORATION

# MISSION

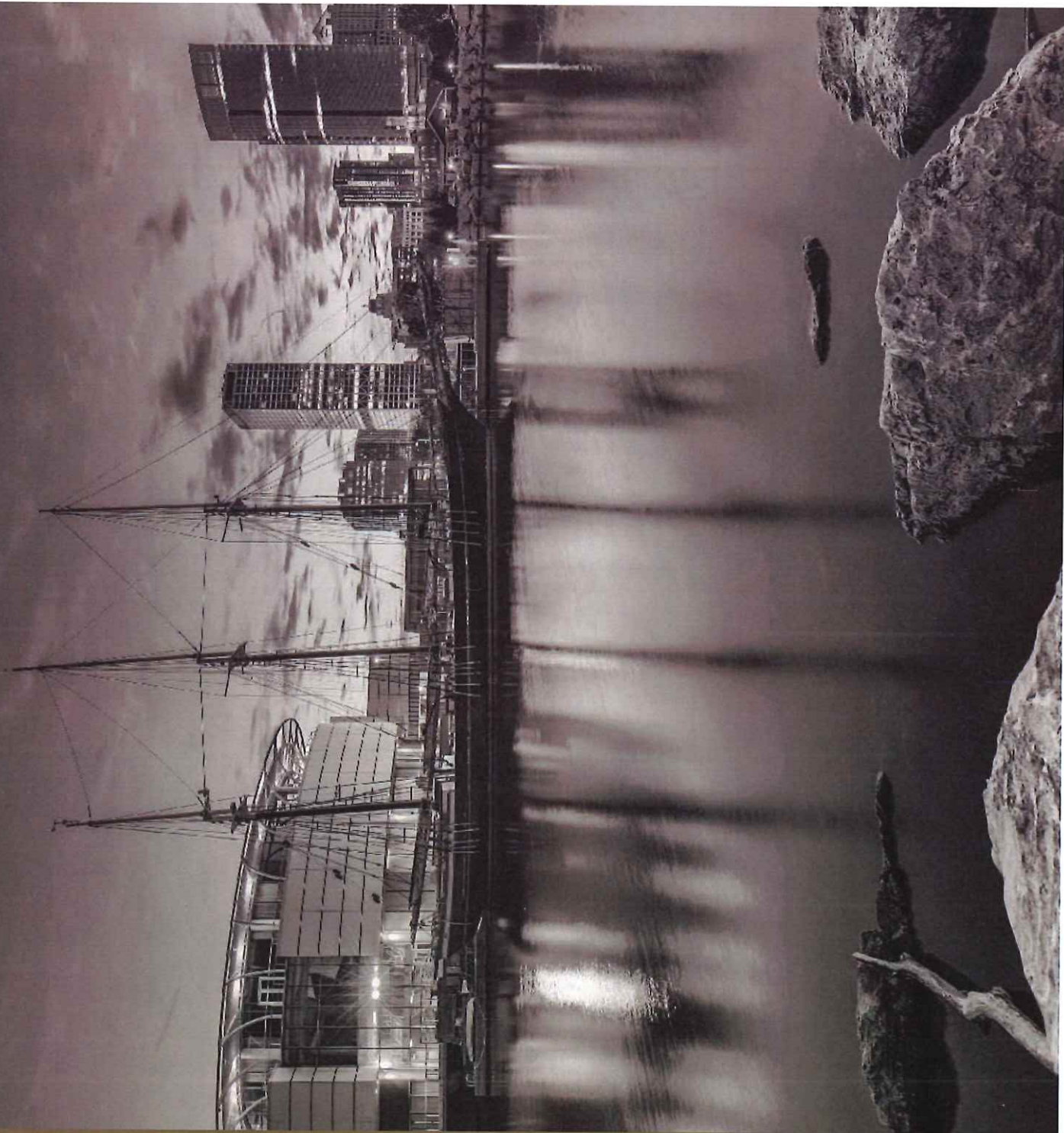
We lead and inspire believers in Milwaukee to engage in efforts that build Downtown as the thriving, sustainable, innovative and vibrant heart of the community.

# VISION

Milwaukee Downtown is an economic catalyst. Downtown is a premier destination of choice. Milwaukee becomes a renowned world-class city adding value to the region and the state.

# PRIORITIES

- + Be a recognized Downtown economic development leader with increased support from a growing stakeholder base.
- + Leverage collaborative partnerships to champion and better connect catalytic, next-generation projects, including The Hop, Deer District and Wisconsin Avenue initiatives.
- + Harness the energy and vibrancy of diverse Downtown residents, young professionals and other Downtown believers to position them for leadership roles in the Downtown community.
- + Create an exceptional quality of life environment with a focus on enhanced safety, security, connectivity and public space management through innovative events, landscaping, lighting and public art installation.



# MESSAGE FROM CEO + BOARD CHAIR

We've all heard the phrase "perception is reality." Whether or not you subscribe to the notion, perceptions play a fundamental role in decision making — from the trivial such as "where will I dine," to the life-altering such as "where will I live?"

Ensuring positive perceptions of Downtown Milwaukee is the driving force behind Milwaukee Downtown, BID #21. Cleanliness, safety and friendliness, while seemingly simple, are critical factors for establishing a thriving environment. While much has changed since we started in 1998, our passion has not. We continue to raise the bar to achieve new milestones we never thought possible.

This year, we programmed more events and activated more spaces than ever before. We became more connected with the newly launched streetcar system, The Hop, and furthered our interconnectivity through our 112,000-person fan base across social media channels. We supported our booming nighttime economy with extended evening hours for our Public Service Ambassadors and made strides in addressing homelessness in our community by hiring Downtown's first dedicated Homeless Outreach Coordinator. New economic development tools were implemented to highlight available spaces, and we launched a new branding campaign — MKE It Downtown — to showcase our live, work, play and learn amenities. Plus, amid it all, we relocated to West Wisconsin Avenue, where catalytic projects are in full bloom, just like the new Westown gateway mural.

But it didn't end there. We also became more aware of our customers' needs through the completion of a two-month perceptivity study. Surveying Downtown residents, employees and guests, we assessed how the community engages with Downtown and gathered feedback for enhancing future experiences.

We did it all to tell our story, shape perceptions and set the agenda for next year's initiatives. And, next summer, when tens of thousands of delegates, their families, members of the media and politicians gather in our city for the 2020 Democratic National Convention, we will be ready to wow the world. After all, in the words of Ralph Waldo Emerson, "people only see what they are prepared to see."

Thank you to our stakeholders, partners and cheerleaders for your continued support. Your love for Downtown inspires us to keep the momentum moving forward!

## MKE YOUR MARK!



**Beth Weirick**  
CEO  
Milwaukee Downtown,  
BID #21



**Joseph G. Ullrich**  
Board Chair  
Vice President, U.S. Bank

## 2019 BOARD OF DIRECTORS

**Joseph G. Ullrich**  
Chair  
U.S. Bank

**Kevin Kennedy**  
Vice Chair  
Northwestern Mutual

**Tammy Babisch**  
Secretary  
Colliers International

**John Creighton**  
Assistant Secretary  
JCI Global  
CBRE | Global Workplace  
Solutions

**Kevin Behl**  
Treasurer  
Madison Medical Affiliates

**Thomas G. Bernacchi**  
Immediate Past Chair  
Towne Realty, Inc. |  
Zilber Property Group

**Maleta Brown**  
Cushman Wakefield |  
U.S. Bank Property

**John Coury**  
Crestlight Capital

**Katie Falvey**  
The Marcus Corporation

**Mark Flaherty**  
Jackson Street Holdings  
LLC

## STAFF

**Beth Weirick**  
CEO

**Lesia Ryerson**  
Executive Assistant

**Matt Dorner**  
Economic Development  
Director

**David Hughes**  
We Energies

**Tom Irgens**  
Irgens

**Susan Johnson**  
Middleton Milwaukee  
Investors LLC | Colliers  
International | Wisconsin  
PK2group

**Patricia Keating Kahn**  
PK2group

**George Meyer**  
Kahler Slater

**Phyllis M. Resop**  
Pentagon Property  
Management

**Kurt Thomas**  
MGIC

**Scott M. Welsh**  
Inland Companies |  
Colliers — Wisconsin

**Mark Niehaus**  
Ex-Officio Member  
Milwaukee Symphony  
Orchestra

**Paul Upchurch**  
Ex-Officio Member  
VISIT Milwaukee

**Gary P. Grunau**  
Emeritus  
Gruco Group

**Erica Chang**  
Marketing, Events &  
Social Media Director

**Gabriel Yeager**  
Downtown Environment  
Specialist

# CORE PROGRAMS

## PUBLIC SERVICE AMBASSADORS

Milwaukee Downtown's team of Public Service Ambassadors (PSAs) contribute to the genuine hospitality our city is so well known for. The PSAs provide daily guest assistance and work closely with Milwaukee's police and fire departments to keep the district safe and friendly.

Near the close of 2018, Milwaukee Downtown enlisted Block by Block to manage the PSA contract. Since leading the program, Block by Block has brought new resources to the table such as the SMART System, which tracks maintenance requests, incidents and public nuisance behaviors. In addition, Block by Block has utilized its experience in more than 100 other improvement districts across the country to support our nighttime economy initiatives.

In response to the RHI Nighttime Economy Study, evening patrol hours were extended to better serve late-night guests. More than 160 evening hours were added each week to support Downtown's event-filled summer. This was above and beyond the 1,475+ hours the PSAs gave to community projects and programs such as Sculpture Milwaukee, Tunes@Noon and Postman's Porch.

In addition, the PSAs made over 22,000 business and hospitality contacts, bringing our tally to more than 4.4 million PR contacts since 2000. This included connections made at our traveling info booth, The MOTOR, and at our mobile game cart, the Downtown GO! Kart, which features everything from giant Jenga and cornhole to chess. Operating in a skywalk during colder months, the Downtown GO! Kart moved outdoors to the plaza of 310W in May. Nearly 500 engagements were tracked from June through August.



## PUBLIC SERVICE AMBASSADORS

- +22,272 HOSPITALITY AND BUSINESS CONTACTS MADE
- +23,930 GUIDES DISTRIBUTED
- +907 HOURS STAFFED AT THE MOTOR

## CLEAN SWEEP AMBASSADORS

- +219,600 GALLONS OF TRASH COLLECTED
- +63 SUPERBLOCK CLEANUPS PERFORMED
- +500,000+ LIGHTS INSTALLED FOR MILWAUKEE HOLIDAY LIGHTS FESTIVAL

## GRAFFITI REMOVAL TEAM

- +1,349 TAGS AND STICKERS REMOVED
- +22,392 TAGS AND STICKERS REMOVED SINCE 2000
- +99% OF GRAFFITI REMOVED BY PSAS

## LANDSCAPE CREW

- +377 BEDS AND PLANTERS MAINTAINED YEAR-ROUND
- +75 HANGING BASKETS MAINTAINED YEAR-ROUND
- +4 BEDS CREATED WITH SCULPTURE MILWAUKEE WORKS

## GRAFFITI REMOVAL TEAM

From discovery to removal, Milwaukee Downtown's Graffiti Removal Team responds rapidly to notifications of graffiti — within 24 hours to be exact. This year, the team wiped away more than 1,300 graffiti tags and stickers, which brought our cumulative total to 22,392 tags since 2000. While some eradication efforts require more extensive methods, 99% of all tags are removed by Public Service Ambassadors.



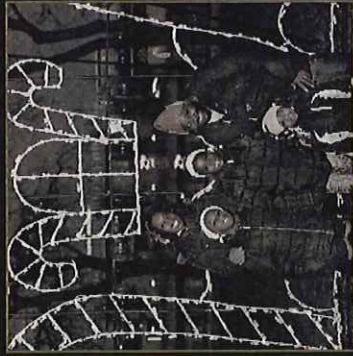
## CLEAN SWEEP AMBASSADORS

Cleanliness is a hallmark of our district — no litter, no cigarette butts and certainly no gum. Our sidewalks sparkle thanks to the Clean Sweep Ambassadors (CSAs). This year, the CSAs removed over 219,600 gallons of trash and coordinated 63 Super Block Cleanups, which include a top-to-bottom cleaning of streets — from light poles and signage to planter beds and curbs. The CSAs also played a critical role in implementing the Milwaukee Holiday Lights Festival and Downtown Employee Appreciation Week.



## LANDSCAPE CREW

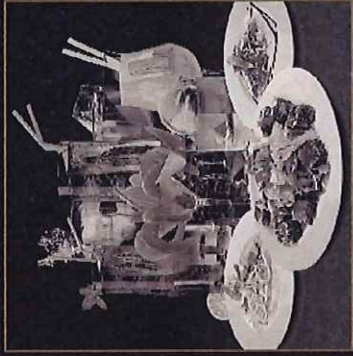
Enlivening pedestrian pathways with seasonal flowers and foliage, the Landscape Crew tended to 377 beds and planters and 75 hanging baskets. Targeted corridors included Wisconsin Avenue, the Milwaukee RiverWalk, Old World Third Street and the Court of Honor. Additional landscaping consideration was also given to planters featuring works from Sculpture Milwaukee. Plus, new this year, the Landscape Crew played a vital role in the transformation of Postman Square into Postman's Porch, with a new lawn, patio, flowers and seating.



MILWAUKEE HOLIDAY LIGHTS FESTIVAL



TASTE & TOAST



DOWNTOWN DINING WEEK



DOWNTOWN EMPLOYEE APPRECIATION WEEK

## SPECIAL EVENTS

### MILWAUKEE HOLIDAY LIGHTS FESTIVAL

The Milwaukee Holiday Lights Festival is a premier attraction for winter fun in Southeast Wisconsin. Celebrating the festival's 20th season, visitors created new memories and built upon traditions by drinking cocoa with the Clauses, touring the lighted displays in three parks, dropping letters into Santa's Mailbox, riding the Jingle Bus and hopping on the newly launched streetcar. The Hop, Other new highlights included the "Me in MKE" interactive display at Burns Commons, free family photo ops at Zeidler Union Square, and new décor and activities at 310W.

The Milwaukee Holiday Lights Festival Kickoff Extravaganza continued to wow crowds with enchantment and fireworks. More than 4,000 guests filled Pere Marquette Park, while 47,363 viewers watched the entire show from home, thanks to a live broadcast by WISN 12. Meanwhile, 1,602 letters to Santa were responded to by Milwaukee County senior centers.

Throughout the festival, the Jingle Bus acquainted 8,407 riders with Downtown landmarks and the most decorated scenes. Even better, rides were just \$2 per person. While the Jingle Bus is a long-standing tradition and the premier way to view all of Downtown's lights and sights, the launch of The Hop introduced an entirely new way for visitors to traverse Downtown. With an average of 2,459 rides per day in November and 2,456 rides per day in December, The Hop provided more than 156,000 rides to restaurants, shops and major attractions during the festival season.

### TASTE & TOAST

Taste & Toast, a first-quarter happy hour event designed to lure Milwaukeeans out of hibernation, continued to mix up weekday nights. A total of 24 bars and restaurants participated — each customizing their own menu and pricing. Customer feedback surveys told us that 33% of all diners neither lived nor worked Downtown and 54% tagged another Downtown activity onto their Taste & Toast experience. Estimated attendance over the five-day promotion was over 6,750 diners.

### DOWNTOWN DINING WEEK

Regarded by many as the official kickoff to summer, Downtown Dining Week continued to impress guests in the areas of food, service, environment and menu options at 35 restaurants. More than 87% of all diners rated their experience in these categories as either "excellent" or "good." Also notable was the number of first-time patrons at an establishment (52%). Partners of the event included Stella Artois, Society Insurance and OpenTable, which accepted 8,306 reservations for Downtown Dining Week. Over 70,000 diners were served throughout the event.

### DOWNTOWN EMPLOYEE APPRECIATION WEEK

Best described as "the most fun you'll have at work all year," Milwaukee Downtown is proud to have created this first-of-its-kind event, which many cities across the U.S. have since replicated. Featuring games, giveaways and after-hours socials, Downtown Employee Appreciation Week celebrated Downtown Milwaukee's 83,490+ employees and served as a reminder to the rest of the region that talent, camaraderie and fun reside here.

Some new elements to this year's event included revamped Office Challenge Games, bubble soccer, programming at Postman's Porch and yoga at City Hall. In addition, community partners helped distribute 19,440 free food items during the ever-popular lunchtime giveaways.

#### MILWAUKEE HOLIDAY LIGHTS FESTIVAL

+8,407 PASSENGERS RODE THE JINGLE BUS  
 +2,887 STUDENTS DECORATED COMMUNITY SPIRIT PARK  
 +1,602 LETTERS RECEIVED AT SANTA'S MAILBOX

#### TASTE & TOAST

+6,750+ DINERS SERVED  
 +41% EXPERIENCED A RESTAURANT FOR THE FIRST TIME  
 +51% HEARD ABOUT THE EVENT FROM SOCIAL MEDIA

#### DOWNTOWN DINING WEEK

+70,000+ DINERS SERVED  
 +8,306 RESERVATIONS MADE THROUGH OPENTABLE  
 +55% OF PATRONS NEITHER WORKED NOR LIVED DOWNTOWN

#### DOWNTOWN EMPLOYEE APPRECIATION WEEK

+397 PASSPORTS COLLECTED  
 +1,785 PRIZE DONATIONS SECURED FROM 37 BUSINESSES  
 +19,440 LUNCH ITEMS COLLECTED FOR DAILY GIVEAWAYS

# MARKETING

In 2019, followers across Facebook, Twitter and Instagram grew by 8.5%, pushing us beyond 112,500 fans. Most notably, Instagram followers rose by 34% and Facebook impressions grew by 80%.

Other tactics implemented included publishing 48 blogs, augmenting our Random Acts of Kindness program by distributing over 4,000 surprise goodies and establishing new partnerships with two social influencer groups. Producing fresh video content was also a top priority in our social media strategy. Our four-part video series on The Hop generated 22,402 impressions on Twitter, reached 22,326 on Facebook, and prompted 873 engagements.

Whether it was the Downtown community rallying for the Brewers in the NLCS playoffs, activating third spaces with programming or art, chatting about Downtown events or raising awareness of Milwaukee Downtown's core programs, public relations played a key role in shaping perceptions of Downtown Milwaukee. In the last year, news about Milwaukee Downtown's projects and programs garnered 24.8 million impressions and \$1.2 million in earned media value.

Launched in September 2018, Milwaukee Downtown's new website has been a valuable asset to visitors, as well as the business community. An ever-changing list of new blogs geared toward places to visit and things to do coupled with a daily calendar of events powered by Milwaukee365.com has provided guests with a range of itinerary suggestions. Meanwhile, our new "Get Around" section and interactive mapping pages allow businesses to shop available spaces and assess opportunity zones. In the last year, the site welcomed over 208,000 users, 59.5% being female and 32.6% between the ages of 25-34, which is likely influenced by the site's most frequently visited pages — Downtown Dining Week and the Milwaukee Holiday Lights Festival.



This summer, Milwaukee Downtown launched a new multimedia campaign to raise awareness of Downtown Milwaukee as a live, work, play and learn destination. The MKE It Downtown campaign launched in July in Southeast Wisconsin and will run through September 2019.

2019 MEDIA  
+35,748 PAGE LIKES ON FACEBOOK  
+58,478 TWITTER FOLLOWERS  
+18,352 INSTAGRAM FOLLOWERS

2019 MEDIA

+24.8 MILLION MEDIA IMPRESSIONS  
+\$1.2 MILLION IN EARNED MEDIA VALUE

2019 MEDIA

+208,000+ USERS  
+59.5% OF VISITORS ARE FEMALE  
+32.6% OF VISITORS ARE AGES 25-34

2019 MEDIA

+23 DOWNTOWN LOCATIONS FEATURED  
+29,481 COMMERCIAL THRUPLAYS ON FACEBOOK IN FIRST FOUR WEEKS  
+100+ MBE MY DAY PHOTO CONTEST ENTRIES RECEIVED IN FIRST TWO WEEKS



# COMMUNITY PROJECTS

## Public Art

One dozen parking spaces were reclaimed for people during PARK(ing) Day 2018. The international celebration transformed Milwaukee's parking spaces and loading zones into new territories offering games, food and live music. More than 20 event partners were enlisted for the reinvention.

## PUBLIC ART

Working with the Downtown Placemaking Task Force, Milwaukee Downtown led the coordination of two large-scale murals. In October 2018, Katie Batten and Janson Rapisarda (CERA) executed a 50-foot mural in the Jefferson Street pedestrian tunnel. Titled "Migration," the mural is a metaphor for the thousands of pedestrians — 1,004 a day to be exact — who travel between the central business district and the Historic Third Ward each day, and the exchange of ideas taking place.

In July 2019, Emma Daisy Gertel illustrated the revitalization taking place along West Wisconsin Avenue with an 80-foot by 50-foot mural at the corner of Wisconsin Avenue and James Lovell Street. Titled "Westown in Bloom," the high-impact mural is positioned at Downtown's gateway where more than 11,000 cars pass each day.

In addition to the murals, Milwaukee Downtown supported Milwaukee County Transit System's Bus Art Project MIKE, which brought art to two Downtown bus shelters, and coordinated the implementation of two new utility box murals — one outside of the Milwaukee Athletic Club's parking garage and another near Two-Fifty.

## Public Art

New spaces for engagement and interaction were among the top priorities in 2019. In partnership with 411 East Wisconsin Center, Milwaukee Downtown coordinated PNC presents Tunes@Noon — an 11-week concert series that unfolded in the building's courtyard and drew approximately 100 guests each week. In addition, the triangular greenspace known as Postman Square was reimaged as Postman's Porch. Through landscape improvements and programming, the underutilized space became a gathering spot for neighbors and visitors. Enhancements such as new seating, monthly concerts, harp lamp banners, a community library and a dog waste station added to the appeal, but work didn't end there. The Letter Carriers' Monument, installed in the square in 1989 to honor the nearby location where the National Association of Letter Carriers union was formed, was revitalized too. The monument was waxed and polished just in time for its 30th anniversary, thanks to a grant from the Milwaukee Arts Board.

Another programmed space was 310W. Milwaukee Downtown worked year-round with the building's management team to promote engagements on the plaza. Initiatives included hosting our Downtown GO! Kart weekdays over lunch to integrating food trucks and buskers, and creating a "Cozy Corner" over the holidays complete with lighted trees, whimsical yarn creations by Retailworks Inc., cocoa and carolers. The plaza of 310W was a destination for employees and visitors alike.

As part of its nighttime economy strategy, Milwaukee Downtown collaborated with local property owners and the City of Milwaukee to develop a public space enhancement plan for Old World Third Street. Improvements included new street paving, which added buffered bike lanes and a seamless connection to the Fiserv Forum plaza, 26 freshly painted harp lamps and sidewalk benches, new holiday décor and 2,648 linear feet of new roofline lighting. Featured on 22 properties, this private investment of \$48.510 lights up the 1000 and 1100 blocks year-round to create a welcoming ambiance.

Sculpture Milwaukee, the city's annual outdoor art exhibition, welcomed 22 sculptures along Wisconsin Avenue for its third edition. Milwaukee Downtown continued to serve as the administrator of the event, held from June through October. Meanwhile, staff and Public Service Ambassadors assisted with logistics surrounding installations and the opening and closing ceremonies.

In September 2019, Robert Indiana's iconic *The American LOVE* (1966–99), a piece from Sculpture Milwaukee's 2018 exhibition, was dedicated at its new permanent home outside the Milwaukee Art Museum. *The American LOVE* is the third sculpture since the exhibition's opening year to be purchased anonymously and gifted to the community.



## PARKING DAY

- + 12 new parking spaces
- + 100+ people participating in the event
- + 100+ people participating in the event

## PUBLIC ART

- + 100+ people participating in the event
- + 100+ people participating in the event
- + 100+ people participating in the event

## OLD WORLD THIRD STREET IMPROVEMENTS

- + 2,648 linear feet of new roofline lighting
- + 26 freshly painted harp lamps and sidewalk benches
- + 26 freshly painted harp lamps and sidewalk benches

## SCULPTURE MILWAUKEE

- + 22 sculptures
- + 22 sculptures
- + 22 sculptures

## SPACE ACTIVATION

- + 100+ people participating in the event
- + 100+ people participating in the event
- + 100+ people participating in the event



# ECONOMIC DEVELOPMENT

## BUSINESS TOOLKIT

Keeping stakeholders and prospects informed on development incentives, market research and growth opportunities is a primary objective of Milwaukee Downtown. From ongoing communications like our monthly Real Results newsletter, business spotlights and our Twitter account. (@RealResultsMKE) to in-demand collateral pieces like our Downtown Skywalk brochure, West Wisconsin Avenue guide and Downtown Investment Map, which has tracked more than \$6 billion in completed, underway, and proposed private and public developments since 2010, Milwaukee Downtown is the go-to resource for doing business Downtown.

In addition, we monitor development trends to implement new incentive programs. One new tool is the Opportunity Zone program, which provides federal tax incentives to encourage investors to put their capital to work in Qualified Census Tracts (QCTs). With several Opportunity Zone sites shovel-ready, we developed a new marketing kit highlighting the possibilities. City grants, Kiva Zip loans, PACE financing and our Business Development Loan Pool (BDLP) have also continued to be economic generators. Since inception, \$165,000 of BDLP funds have helped leverage more than \$2.9 million in private investment. This includes projects like Canary Coffee Bar, XO Cocktail Parlor and SportClub.

## VALUE OF DOWNTOWN

To keep tabs on residential growth, we engaged with developers and industry leaders to unofficially update Downtown's residential population. With over 5,000 new units added since the 2010 Census, it is estimated that Downtown's population is now over 32,000 residents.

As a critical measure of success, Milwaukee Downtown monitors the value that Downtown brings to the larger community. One of the clearest measures to show the importance of Downtown is an analysis of the property tax base. While only 3.5% of the City's total landmass, Downtown generates 22.6% of the City's total tax base — demonstrating Downtown's capacity to help offset the cost of services city-wide.

## THE HOP

The City of Milwaukee celebrated the arrival of its streetcar. The Hop presented by Potawatomi Hotel & Casino, in November 2018. With 673,545 rides in the first ten months, the long-awaited service has already exceeded projections and proven to be a game changer. Milwaukee Downtown works closely with The Hop to market the service and promote opportunities along the route, including several interactive Hop tours. We highlighted the conveniences in four neighborhood videos (Cathedral Square, Broadway/Milwaukee Street, Historic Third Ward and Burns Commons); worked with our utility box muralist, Mauricio Ramirez, to illustrate the service on a new utility box outside Two-Fifty; and continue to support route extensions to enhance our connectivity to adjacent neighborhoods.

## NIGHTTIME ECONOMY

Responding to the rapid growth in nighttime offerings, Milwaukee Downtown implemented several initiatives to capitalize on our after-five potential. This included improving streetscaping and lighting along Old World Third Street, expanding Public Service Ambassador patrols into late-night hours, working with VISIT Milwaukee to update wayfinding maps, testing lighting solutions for implementation of Brighten the Passage and promoting the uniqueness of Downtown's nightlife districts.

## MID-AMERICA ECONOMIC DEVELOPMENT CONFERENCE

In July, Milwaukee Downtown hosted the Mid-America Economic Development Conference. The conference included economic development professionals from across the Midwest who convened to learn, share and discuss best practices in the industry. Milwaukee Downtown coordinated two walking tours around the central business district, as well as a Hop streetcar tour, and hosted 95 guests at a Jazz in the Park reception, all in an effort to position ourselves as an industry leader and tell the story of Downtown's unprecedented momentum.

## ADVOCACY

Taking a leadership position on catalytic projects is one of our top priorities. We advocate for Bus Rapid Transit, bike lanes, the revitalization of Pompeii Square and the Broadway connection, expansion of The Hop streetcar line, and bringing new businesses and investors to the central business district. We continued to rally with other urban-minded organizations across the state at Downtown Day at the Capitol. And we celebrate wins with our advocacy partners — projects like The Hop, the Breast Cancer Showhouse at Plankinton Clover, Jane's Walk MKE, Cathedral Square Park Playground and the expansion of Amtrak service between Chicago and Milwaukee, just to name a few. Plus, we extended support beyond our boundaries to neighboring BIDs, the MKE United Greater Downtown Action Agenda, IREM/BOMA, WCREW and the WEDC Connect Communities network.

## BID-NID WEEK

Inspired by a strategic planning session at the International Downtown Association's 2018 conference, Milwaukee Downtown and the Department of City Development will bring BID-NID week to fruition September 2019. The week will celebrate BIDs and NIDs in the City of Milwaukee with various activities that will highlight the work of the organizations, encourage people to explore and experience these Milwaukee neighborhoods, and raise awareness of the value they add. During BID-NID Week, we are celebrating the opening of new businesses, hosting a Sculpture Milwaukee tour and promoting our ongoing activation of Postman's Porch.

**BUSINESS TOOLKIT**

+ \$6 BILLION+ IN COMPLETED, UNDERWAY AND PROPOSED PRIVATE AND PUBLIC DEVELOPMENTS SINCE 2010  
+ \$165,000 IN BOLD FUNDS MADE AVAILABLE

**VALUE OF DOWNTOWN**

+ 5,000 NEW RESIDENTIAL UNITS ADDED SINCE LAST CENSUS  
+ 32,000 RESIDENTS: ESTIMATED DOWNTOWN POPULATION  
+ 22.6% DOWNTOWN PROPERTY OWNER CONTRIBUTION TO THE CITY'S OVERALL PROPERTY TAX BASE, WHILE ONLY 3.5% OF CITY'S LAND MASS

**THE HOP**

+ 673,545 RIDES IN THE FIRST TEN MONTHS

**NIGHTTIME ECONOMY**

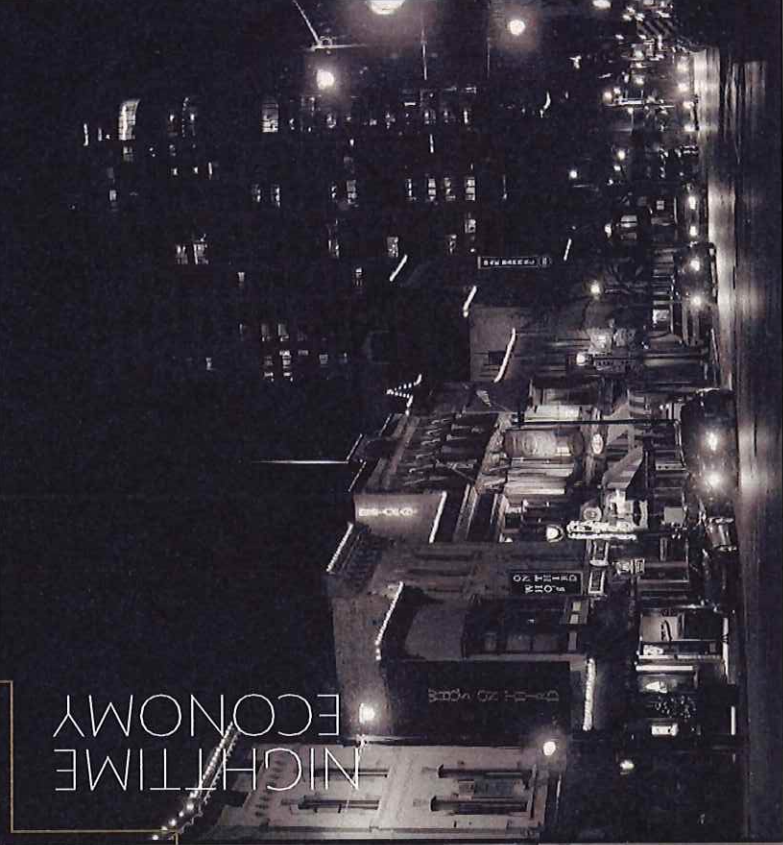
+ 22,402 IMPRESSIONS GENERATED ON TWITTER BY FOUR-PART NEIGHBORHOOD VIDEO SERIES  
+ 160 HOURS PER WEEK ADDED FOR LATE-NIGHT PUBLIC SERVICE AMBASSADOR PATROLS  
+ \$214 MILLION+ IN NIGHTTIME ECONOMY SALES ANNUALLY

**MID-AMERICA CONFERENCE**

+ 3 COORDINATED DOWNTOWN WALKING TOURS  
+ 95 GUESTS AT JAZZ IN THE PARK RECEPTION



VALUE OF DOWNTOWN



NIGHTTIME ECONOMY



BUSINESS TOOLKIT



THE HOP

# QUALITY OF LIFE INITIATIVES

## KEY TO CHANGE

In 2017, Milwaukee Downtown launched Key to Change. Utilizing seven retrofitted parking meters designed to resemble keys and an online donation platform (keytochangemke.com), the public information campaign has successfully raised awareness of social service programs and supported Milwaukee County Housing Division's Housing First initiative.

In the last year, Milwaukee Downtown upped the ante by establishing a goal of raising \$225,000 to fund a Downtown Homeless Outreach Coordinator for a minimum of three years. While fundraising efforts remain ongoing, Milwaukee Downtown welcomed its first dedicated Homeless Outreach Coordinator in summer. The Downtown Homeless Outreach Coordinator will be a liaison for Housing First placements and oversee wraparound services, which range from rehabilitation and counseling to job training and placement. Other responsibilities will include identifying and building rapport with homeless individuals living on the streets; intervening in crisis situations, and working with the Downtown Community Prosecutor to identify the most salient needs and issues and address them in an impactful way.

To date, Milwaukee Downtown has raised more than \$60,000 to support the Housing First model and year-one funding for a Downtown Homeless Outreach Coordinator.

## COMMUNITY PERCEPTIONS SURVEY

In an effort to better serve residents, workers and guests, Milwaukee Downtown partnered with School Perceptions to quantify the rapid changes in Downtown Milwaukee. Utilizing an online survey tool, 3,005 responses were gathered throughout July and August. The survey was promoted through local media channels, group emails, postcards, social media and Public Service Ambassadors. Street teams, coordinated by Future Milwaukee, were also deployed at Downtown events to raise awareness of the survey. The responses will be analyzed and focus groups engaged to better understand the characteristics, attitudes, preferences and behaviors of our users — valuable feedback that will shape the organization's strategic plan for 2020.

## LOOKING AHEAD

Through clean, safe and friendly programs, Milwaukee Downtown has made the central business district a desirable place to live, work, play and conduct business. The quality of life in Downtown Milwaukee makes the district a sought-after destination for everyone — from Gen Z to Boomers. Milwaukee Downtown will build upon its success while concentrating on the following priorities for 2020:

- Expanding efforts that enhance quality of life services in Downtown Milwaukee as an 18-hour city — even during first quarter.
- Advocating for accessible, affordable and connected pedestrian and parking systems.
- Benchmarking Downtown's growth and development through a new market analysis.
- Continuing to excel in our delivery of services as it relates to creating a safe and beautiful Downtown.

Additionally, as the city prepares to host the 2020 Democratic National Convention in July 2020, Milwaukee Downtown is poised to play a vital role in welcoming guests. Aiding where needed with our core programs, communications resources and beyond, we will rise to the occasion to ensure Milwaukee shines in the global spotlight.

## KEY TO CHANGE

- + 1,500+ HOMELESS MILWAUKEE ARTS PLACED INTO PERMANENT SUPPORTIVE HOUSING SINCE 2015
- + 96% RETENTION RATE OF HOUSING FIRST CLIENTS
- + \$80,000 RAISED FOR YEAR-ONE FUNDING OF DOWNTOWN HOMELESS OUTREACH COORDINATOR

## COMMUNITY PERCEPTIONS SURVEY

- + 3,005 SURVEY RESPONSES RECEIVED
- + 80% INDICATED MILWAUKEE PUBLIC MARKET WAS A TOP DESTINATION, FOLLOWED BY MILWAUKEE RIVERWALK (77%), MILWAUKEE ART MUSEUM (61%), AND FISERV FORUM (60%)
- + 62% DINE DOWNTOWN MORE THAN FOUR TIMES A MONTH

# BUDGET

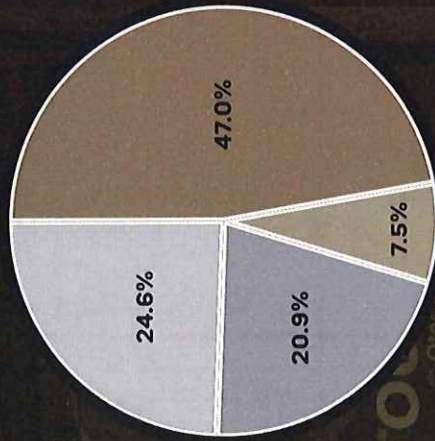
Representing approximately 150 square blocks and 500 property owners, Milwaukee Downtown, BID #21 collected \$3.9 million in assessments to fund its core programs and initiatives.

2019 Assessments: \$3,937,725

Additional Income: \$28,270

Total Income: \$3,965,995

Please note Milwaukee Downtown, Inc. annual contributions, sales and event fees are not reflected in this budget.



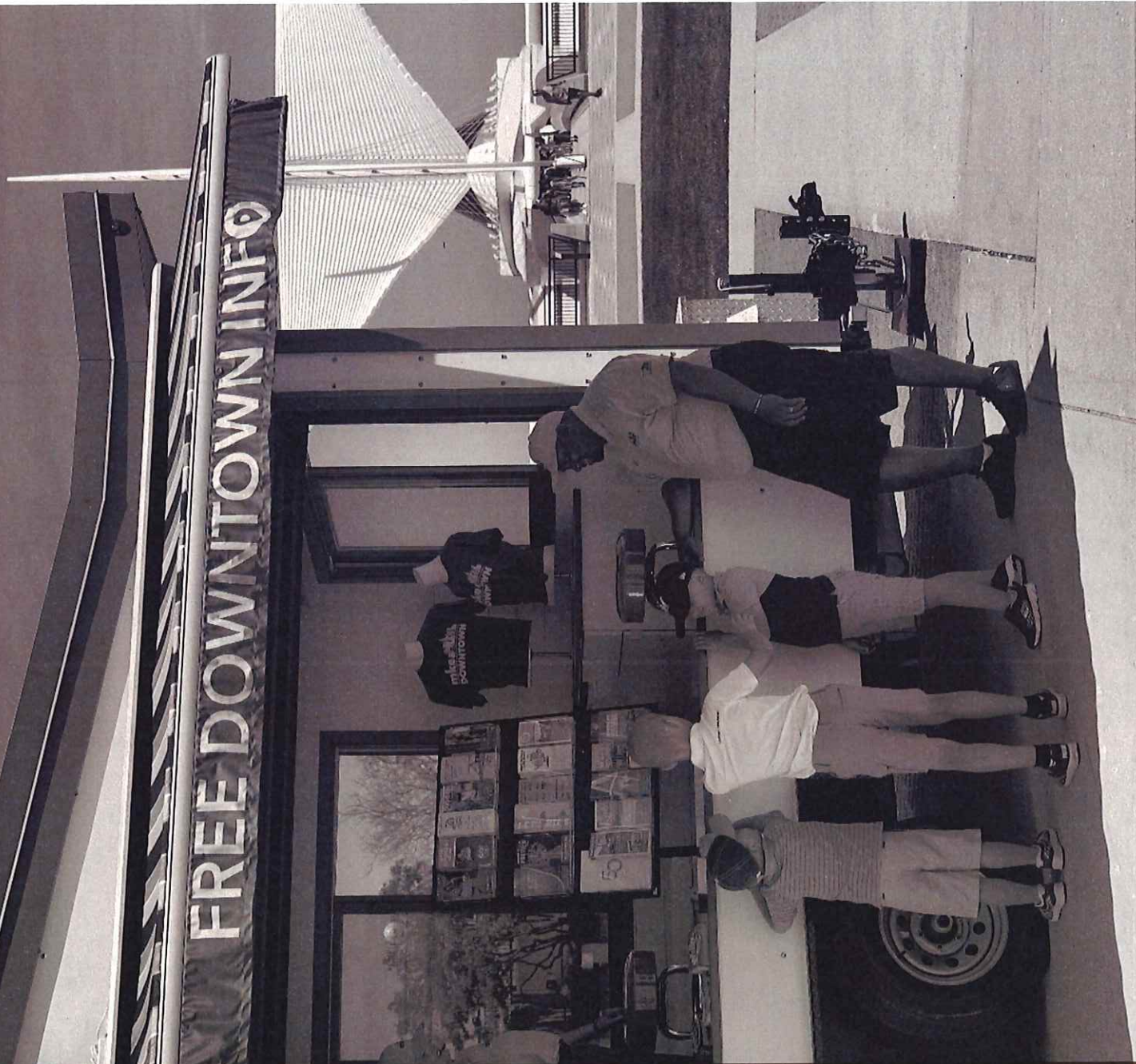
Clean Sweep Ambassador Program (Sidewalk Cleaning, Landscaping, Graffiti Removal): \$976,153 (24.6%)

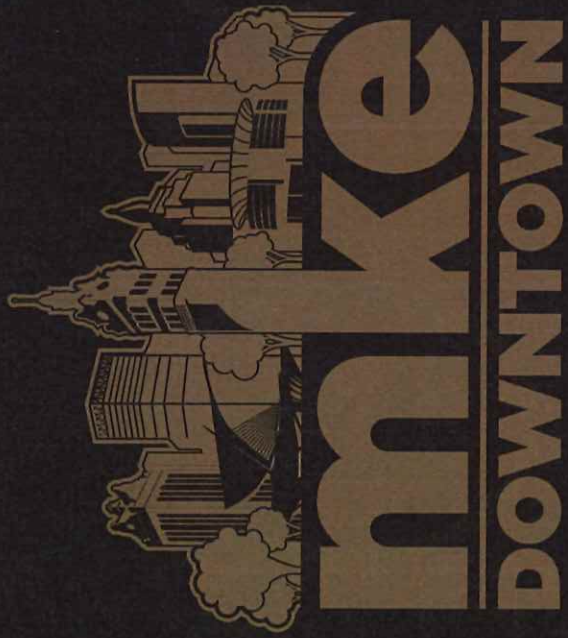
Public Service Ambassador Program: \$828,000 (20.9%)

Administrative: \$297,629 (7.5%)

Economic Development/Marketing/Business Retention/Recruitment: \$1,864,213 (47%)

FREE DOWNTOWN INFO





MILWAUKEE DOWNTOWN, BID #21

301 W. Wisconsin Avenue | Milwaukee, WI 53203 | 414.220.4700

[info@milwaukee downtown.com](mailto:info@milwaukee downtown.com) | [milwaukee downtown.com](http://milwaukee downtown.com)



Milwaukee Downtown



@MKE Downtown



#MKE Downtown

**MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2018**

**(With Summarized Totals for the Year Ended December 31, 2017)**

MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE

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## Independent Auditor's Report

Board of Directors  
Milwaukee Downtown Business Improvement District No. 21 and Affiliate

We have audited the accompanying financial statements of Milwaukee Downtown Business Improvement District No. 21 and Affiliate which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses, and cash flows for the year 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 auditor's 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 Organization'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 purposes 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 Milwaukee Downtown Business Improvement District No. 21 and Affiliate as of December 31, 2018, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Ritz Holman LLP**  
*Serving business, nonprofits, individuals and trusts.*

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ritzholman.com

Board of Directors  
Milwaukee Downtown Business Improvement District No. 21 and Affiliate

**Report on Summarized Comparative Information**

We have previously audited Milwaukee Downtown Business Improvement District No. 21 and Affiliate's December 31, 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 19, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of activities by organization and schedule of Sculpture Milwaukee revenue and expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Ritz Holman LLP*  
RITZ HOLMAN LLP  
Certified Public Accountants

Milwaukee, Wisconsin  
July 1, 2019

**MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2018**  
(With Summarized Totals for December 31, 2017)

ASSETS

	<u>2018</u>	<u>2017</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 1,740,292	\$ 1,000,182
Accounts Receivable	9,139	39,421
Pledges Receivable	127,735	174,274
Prepaid Expenses	27,899	16,326
Investments	5,056	---
Inventory	70,377	63,326
<b>Total Current Assets</b>	<u>\$ 1,980,498</u>	<u>\$ 1,293,529</u>
<b>FIXED ASSETS</b>		
Holiday Light Fixtures	\$ 306,371	\$ 296,373
Clean Sweep Equipment	303,248	271,616
Equipment	156,714	40,387
Leasehold Improvements	34,364	34,364
Intangible Assets - Sculpture Milwaukee Website and Mobile App	135,077	116,967
Intangible Assets - Website	59,544	26,250
<b>Total Fixed Assets</b>	<u>\$ 995,318</u>	<u>\$ 785,957</u>
Less: Accumulated Depreciation	(424,419)	(452,517)
Less: Accumulated Amortization	(42,106)	(40,175)
<b>Net Fixed Assets</b>	<u>\$ 528,793</u>	<u>\$ 293,265</u>
<b>OTHER ASSETS</b>		
Pledges Receivable	\$ 248,735	\$ 381,954
Less Current Portion of Pledges Receivable	(127,735)	(174,274)
Deposits	2,106	2,000
<b>Total Other Assets</b>	<u>\$ 123,106</u>	<u>\$ 209,680</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,632,397</u>	<u>\$ 1,796,474</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 555,107	\$ 500,337
Current Portion of Long-Term Liabilities	18,798	16,667
<b>Total Current Liabilities</b>	<u>\$ 573,905</u>	<u>\$ 517,004</u>
<b>LONG-TERM LIABILITIES</b>		
Capital Lease	\$ 11,796	\$ ---
Assessment Settlement Liability	120,985	137,652
Less Current Portion of Long-Term Liabilities	(18,798)	(16,667)
<b>Total Long-Term Liabilities</b>	<u>\$ 113,983</u>	<u>\$ 120,985</u>
<b>Total Liabilities</b>	<u>\$ 687,888</u>	<u>\$ 637,989</u>
<b>NET ASSETS</b>		
Without Donor Restrictions		
Operating	\$ 1,417,429	\$ 454,055
Board Designated	228,826	314,256
<b>Total Net Assets Without Donor Restrictions</b>	<u>\$ 1,646,255</u>	<u>\$ 768,311</u>
With Donor Restrictions	298,254	390,174
<b>Total Net Assets</b>	<u>\$ 1,944,509</u>	<u>\$ 1,158,485</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,632,397</u>	<u>\$ 1,796,474</u>

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

**MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(With Summarized Totals for the Year Ended December 31, 2017)

	Without Donor Restrictions	With Donor Restrictions	2018 Total	2017 Total
<b>REVENUE</b>				
Assessment Income	\$ 3,719,364	\$ ---	\$ 3,719,364	\$ 3,504,862
City of Milwaukee	20,000	---	20,000	20,000
Contributions	306,225	35,455	341,680	28,500
Holiday Lights	59,941	---	59,941	287,366
Special Events Income	42,671	12,676	55,347	51,681
Better Buildings Challenge Income	16,947	---	16,947	23,088
Trolley Loop	---	---	---	38,700
Sculpture Milwaukee	4,328,062	---	4,328,062	874,429
Sculpture Milwaukee In-Kind Revenue	52,500	---	52,500	184,294
In-Kind Revenue	63,560	---	63,560	111,204
Interest Income	5,796	---	5,796	6,530
Ornament Revenue	10,987	---	10,987	18,668
Contract Income	2,100	---	2,100	3,260
Loss on Disposal of Fixed Assets	(693)	---	(693)	---
Miscellaneous Income	355	---	355	796
Net Assets Released from Restrictions	140,051	(140,051)	---	---
Total Revenue	<u>\$ 8,767,866</u>	<u>\$ (91,920)</u>	<u>\$ 8,675,946</u>	<u>\$ 5,153,378</u>
<b>EXPENSES</b>				
Program	\$ 7,588,504	\$ ---	\$ 7,588,504	\$ 4,656,880
General and Administrative	258,735	---	258,735	272,234
Fundraising	42,683	---	42,683	29,416
Total Expenses	<u>\$ 7,889,922</u>	<u>\$ ---</u>	<u>\$ 7,889,922</u>	<u>\$ 4,958,530</u>
CHANGE IN NET ASSETS	\$ 877,944	\$ (91,920)	\$ 786,024	\$ 194,848
Net Assets at Beginning of Year (Restated)	<u>768,311</u>	<u>390,174</u>	<u>1,158,485</u>	<u>963,637</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,646,255</u>	<u>298,254</u>	<u>\$ 1,944,509</u>	<u>\$ 1,158,485</u>

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

**MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(With Summarized Totals for the Year Ended December 31, 2017)**

EXPENSES	Program	General and Administrative	Fundraising	2018 Total	2017 Total
Salaries and Wages	\$ 398,676	\$ 66,814	\$ 27,153	\$ 492,643	\$ 452,825
Contract Services -					
Public Service Ambassadors	696,977	---	---	696,977	703,079
Clean Sweep Ambassadors	539,243	---	---	539,243	532,426
Planter Maintenance	338,328	---	---	338,328	342,265
Graffiti Removal	840	---	---	840	875
Other Program Services	246,970	---	---	246,970	238,446
Employee Benefits	92,605	15,143	7,028	114,776	102,667
Payroll Taxes	25,394	3,806	1,743	30,943	28,777
Office Supplies	7,483	6,735	748	14,966	15,283
Telephone	8,382	986	493	9,861	9,190
Postage and Shipping	8,625	1,015	507	10,147	12,714
Occupancy	38,332	4,509	2,255	45,096	44,718
Utilities	8,564	---	---	8,564	5,982
Equipment Rental and Maintenance	19,944	945	---	20,889	7,253
Insurance	37,566	1,815	907	40,288	42,745
Depreciation and Amortization	89,964	2,441	---	92,405	70,354
Personal Property Tax	5,643	---	---	5,643	5,658
Event Entertainment	8,146	---	---	8,146	10,074
Event Decoration	44,016	---	---	44,016	12,680
Food and Beverages	56,608	440	---	57,048	27,552
Event Supplies	18,383	---	---	18,383	2,876
Payroll Fees	---	3,743	---	3,743	3,361
Accounting Fees	10,761	63,410	---	74,171	59,705
Legal Fees	---	53,806	---	53,806	71,130
Other Professional Fees	---	18,470	---	18,470	9,616
Dues, Licenses and Permits	21,403	5,905	---	27,308	16,170
Sales Expenses	124,979	---	---	124,979	---
Bank Charges	34	1,540	---	1,574	1,889
Ornament Cost of Goods Sold	8,955	---	---	8,955	14,406
Trolley Loop	---	---	---	---	65,027
Advertising and Marketing	810,895	---	---	810,895	913,463
Donations to Others	3,052,266	---	---	3,052,266	12,277
Programs and Community Engagement	47,015	---	---	47,015	32,907
Awards and Promotions	6,786	799	399	7,984	7,943
Sculpture Milwaukee Implementation	781,556	---	---	781,556	942,213
Travel	16,481	2,004	1,450	19,935	7,912
Assessment Settlement Expense	---	---	---	---	120,985
Meals and Entertainment	3,512	3,512	---	7,024	7,703
Interest	914	---	---	914	---
Miscellaneous	12,258	897	---	13,155	3,384
<b>TOTALS</b>	<b>\$ 7,588,504</b>	<b>\$ 258,735</b>	<b>\$ 42,683</b>	<b>\$ 7,889,922</b>	<b>\$ 4,958,530</b>

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

**MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**(With Summarized Totals for the Year Ended December 31, 2017)**

	<u>2018</u>	<u>2017</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 786,024	\$ 194,848
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	92,405	70,354
Unrealized Loss on Investments	452	---
Loss on Disposal of Fixed Assets	693	---
Donated Stock	(5,508)	---
Donated Website and Mobile App	---	(116,967)
(Increase) Decrease in Accounts Receivable	30,282	(14,324)
(Increase) Decrease in Pledges Receivable	133,219	(370,273)
(Increase) Decrease in Prepaid Expenses	(11,573)	714
(Increase) Decrease in Inventory	(7,051)	1,116
(Increase) Decrease in Deposits	(106)	(2,000)
Increase (Decrease) in Accounts Payable	54,769	288,274
Increase (Decrease) in Assessment Settlement Liability	(16,667)	104,318
	<u>\$ 1,056,939</u>	<u>\$ 156,060</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	\$ ---	\$ (2,850,000)
Proceeds from Sale of Investments	---	3,100,000
Purchase of Fixed Assets	(315,704)	(122,209)
	<u>\$ (315,704)</u>	<u>\$ 127,791</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Capital Lease	\$ (1,125)	\$ ---
	<u>\$ (1,125)</u>	<u>\$ ---</u>
Net Increase in Cash and Cash Equivalents	\$ 740,110	\$ 283,851
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,000,182</u>	<u>716,331</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,740,292</u>	<u>\$ 1,000,182</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Donated Website and Mobile App	\$ ---	\$ 116,967
Donated Stock	5,508	---
Fixed Assets Acquired Under Capital Lease	12,922	---
Interest Expense	914	---

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

**MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2018**

**MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE A - Summary of Significant Accounting Policies**

**Organization**

The Milwaukee Downtown Business Improvement District No. 21 (MDBID) was created by the Common Council of the City of Milwaukee pursuant to Wisconsin Statutes. The mission of MDBID is to lead and inspire believers in Milwaukee to engage in efforts that build Downtown as the thriving, sustainable, innovative, and vibrant heart of the community.

Milwaukee Downtown Business Improvement District No. 21 is exempt from tax as an affiliate of a governmental unit under Section 501(a) of the Internal Revenue Code.

**Combined Financial Statements**

The combined financial statements include the accounts of Milwaukee Downtown Business Improvement District No. 21 and Milwaukee Downtown, Inc. (MDI). MDI is incorporated as a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is not classified as a private foundation. MDI's board of directors is appointed by MDBID. All significant intercompany transactions and accounts are eliminated.

**Accounting Method**

The financial statements of Milwaukee Downtown Business Improvement District No. 21 and Affiliate have been prepared on the accrual basis of accounting.

**Basis of Presentation**

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

At December 31, 2018, the Organization had \$298,254 of time and purpose-net assets with donor restrictions.

**Contributions**

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as net assets with donor restrictions and increase net assets with donor restrictions. Contributions received with restrictions that are met in the same reporting period are reported as revenue without donor restrictions and increase net assets without donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in net assets without donor restrictions if the restrictions are met in the same reporting period as the income is recognized.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.



**MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE A - Summary of Significant Accounting Policies (continued)**

**Estimates**

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

**Inventory**

Inventory consists of holiday ornaments which are recorded at cost.

**Fixed Assets**

Fixed assets are recorded at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of assets. The Organizations capitalize expenses greater than \$500.

**Allowance for Uncollectible Accounts**

Management believes all receivables will be collected in accordance with the terms of the agreement. Thus, no allowance for uncollectible accounts is necessary at year-end.

**Investment in Artwork**

As part of its Sculpture Milwaukee program, the Organization temporarily maintains a collection of sculptures and art objects that are held for a free outdoor exhibition to the public and for educational purposes. The art objects are consigned to and offered for sale by the Organization for a period from approximately April to November of each year. The Organization has hired a curator to ensure that the collection is protected, unencumbered, cared for, and preserved. The Organization is entitled to receive a commission in the event of any sale of the Object during the consignment term, and it is the policy that commission revenues are to be reinvested in the Sculpture Milwaukee program.

In some instances, the Organization invests in the production and fabrication of a new art object for the Sculpture Milwaukee program, in which it has rights to reimbursement for the fabrication costs incurred and, in some cases, a markup on those costs, if the objects are sold in the future. Costs incurred to produce such art objects are recorded as decreases in net assets without donor restrictions, and proceeds from the sale of the art objects are reflected as increases in net assets without donor restrictions on the Statements of Activities. The proceeds from the sale are reinvested in the Sculpture Milwaukee program.

Recoverable fabrication costs incurred during the year ended December 31, 2018 totaled \$29,970.

**MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE A - Summary of Significant Accounting Policies (continued)**

**Functional Expenses**

The Organization allocates costs based on their functional and natural classification in the statement of functional expenses. Program costs are those associated with carrying out the mission of the Organization; management costs are those for management of the Organization including accounting, office expense, human resources, budgeting or board of directors costs; and fundraising costs are those attributed to the solicitation of contributions. Whenever possible, the Organization allocates costs directly to program, management or fundraising. The cost of individuals that participate in more than one function are allocated to each function based on that individual's time in each function. Other costs that relate to more than one function are allocated based on their estimated share in each function.

**NOTE B - Comparative Financial Information**

The financial information shown for 2017 in the accompanying financial statements is included to provide a basis of comparison with 2018. The comparative information is summarized by total only, not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity to generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2017, from which the summarized information was derived.

For comparability, certain 2017 amounts may have been reclassified to conform with classifications adopted in 2018. The reclassifications have no effect on reported amounts of net assets or changes in net assets.

**NOTE C - Liquidity**

The Organization has financial assets available to meet cash needs for general expenditure consisting of the following:

Cash and Cash Equivalents	\$1,740,292
Investments	5,056
Accounts Receivable	9,139
Pledges Receivable	<u>137,735</u>
Total Financial Assets	<u>\$1,892,222</u>

Financial assets of \$298,254 are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The accounts and pledges receivable are subject to implied time restrictions but are expected to be collected within one year. The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE D - Investments**

Investments consist of stock that was donated in December 2018. Total investments as of December 31, 2018 were \$5,056.

Investment loss consists of \$452 of unrealized loss at December 31, 2018.

**NOTE E - Pledges Receivable**

Pledges receivable consist of the following at December 31, 2018:

<u>Source</u>	<u>Amount</u>
Sculpture Milwaukee	\$ 80,855
Holiday Lights	153,450
Key to Change	2,650
Other	<u>11,780</u>
Total	<u>\$248,735</u>

Future Expected Receipts are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2019	\$137,735
2020	56,000
2021	<u>55,000</u>
Total	<u>\$248,735</u>

**NOTE F - Assessment Income**

In order to provide revenues to support the MDBID's mission, the Common Council of the City of Milwaukee enforced an assessment on property located within a specified downtown area. The assessment is calculated based on the assessed values of the properties as of every fall. The assessment levied on the downtown properties was \$.00162 for every dollar of assessed property value for the year ended December 31, 2018. Resulting assessment revenues recorded in 2018 were \$3,719,364.

**MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE G - Commitments**

MDBID has various management contracts for landscaping, holiday street decorations, public service ambassadors, and clean sweep ambassadors which expire December 31, 2021.

Future payments for the year ended December 31, 2018, are as follows:

<u>Year</u>	<u>Amount</u>
2019	\$1,771,037
2020	1,010,377
2021	<u>1,024,371</u>
Total	<u>\$3,805,785</u>

The public service ambassadors contract is only for 2019 with future years still in negotiation.

**NOTE H - Grants to Others**

The Organization awards grants to its affiliate, Milwaukee Downtown, Inc. The grant for the year ended December 31, 2018, was \$1,440,520 and is for the accomplishment of the Affiliate's objectives.

The Organization also provided donations to others of \$3,052,266 for the year ended December 31, 2018, consisting of:

<u>Purpose</u>	<u>Amount</u>
Sculpture Milwaukee	\$2,794,675
Key to Change	7,591
Milwaukee Police Equestrian Center	<u>250,000</u>
Total	<u>\$3,052,266</u>

**NOTE I - Operating Leases**

The Organization has a non-cancelable operating lease for the rental of a building in Milwaukee, Wisconsin, that expires July 31, 2019. The Organization will pay a monthly base rent with an approximately 1% increase each mid-year for the term of the lease.

The Organization has a non-cancelable postage meter lease with monthly payments of \$149 to Competitive Mailing Solutions, LLC. The lease ends on April 30, 2019.

**MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE I - Operating Leases (continued)**

Future minimum lease payments under operating leases that have remaining terms in excess of one year for the year ended December 31, 2018, are as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 43,672
2020	50,729
2021	51,997
2022	53,297
2023	54,630
Thereafter	<u>336,219</u>
Total	<u>\$590,544</u>

**NOTE J - Capital Lease**

The Organization signed a lease for a copier under a capital lease with capitalized cost of \$12,922. Accumulated depreciation for the year ended December 31, 2018, relating to this copier was \$1,723. Depreciation expense reported in the statement of activities includes \$1,723 for the copier under the capital lease.

Total Future payments are as follows:

<u>For the Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,130	\$1,365	\$ 3,495
2020	2,415	1,080	3,495
2021	2,737	758	3,495
2022	3,102	393	3,495
2023	<u>1,412</u>	<u>45</u>	<u>1,457</u>
Total	<u>\$11,796</u>	<u>\$3,641</u>	<u>\$15,437</u>

**NOTE K - Assessment Settlement Liability**

The Organization entered into a settlement agreement with the City of Milwaukee regarding business improvement property tax assessments. The Organization has agreed in good faith partnership to pay a total of \$50,000 beginning in 2016 with 3 equal installments.

The Organization entered into another settlement agreement with the City of Milwaukee regarding business improvement property tax assessments. The Organization has agreed in good faith partnership to pay a total of \$120,985 beginning in 2019 with 7 equal installments and a final payment in 2026. The balance of the obligations is \$120,985 as of December 31, 2018.

**MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE K - Assessment Settlement Liability (continued)**

Future minimum settlement payments for the year ended December 31, 2018, are as follows:

<u>Year</u>	<u>Amount</u>
2019	\$ 16,667
2020	16,667
2021	16,667
2022	16,667
2023	16,667
Thereafter	<u>37,650</u>
Total	<u>\$120,985</u>

**NOTE L - Concentration of Risk**

The Organization maintains its cash balances in one financial institution. The combined account balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each financial institution. At December 31, 2018, the Organization's uninsured cash balances total \$1,237,591.

The organization received property assessment income from the City of Milwaukee. The Organization's operations rely on the availability of these funds. 43% of the Organization's revenue was from the City of Milwaukee for the year ended December 31, 2018.

**NOTE M - Intangible Assets**

Intangible assets of \$194,621 presented on the statement of financial position as of December 31, 2018, consist of the following:

<u>Amortized Asset</u>	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Residual Value</u>	<u>Life</u>
Website	\$ 59,544	\$ 2,977	\$ 56,567	5 years
Sculpture Milwaukee Website and Mobile App	<u>135,077</u>	<u>39,129</u>	<u>95,948</u>	5 years
Total	<u>\$194,621</u>	<u>\$42,106</u>	<u>\$152,515</u>	

**MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE M - Intangible Assets (continued)**

Estimated amortization expense for each of the next five years is as follows:

<u>For the Year Ending December 31</u>	<u>Amount</u>
2019	\$ 38,924
2020	38,924
2021	38,924
2022	25,000
2023	<u>10,743</u>
Total	<u>\$152,515</u>

**NOTE N - Net Assets With Donor Restrictions**

Net assets with donor restrictions as of December 31, 2018, consist of the following:

<u>Purpose-Restricted</u>	<u>Amount</u>
Holiday Lights	\$153,450
Sculpture Milwaukee	80,854
Equestrian Center	27,675
GO! Kart	5,500
Jefferson Street Mural	2,280
Key to Change	<u>28,495</u>
Total	<u>\$298,254</u>

**NOTE O - Board Designated Net Assets**

Board designated net assets as of December 31, 2018, consist of the following:

<u>Designation</u>	<u>Amount</u>
Holiday Lights	\$183,480
Office Equipment	2,000
Economic Development	4,500
Clean Sweep Equipment	<u>38,846</u>
Total	<u>\$228,826</u>

**MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE P - In-Kind Revenue**

The Organization received \$116,060 of goods, prize packages and services, which consisted of the following as of December 31, 2018:

<u>Source</u>	<u>Amount</u>
Downtown Employee Appreciation Week	\$ 31,160
Downtown Dining Week	2,000
Sculpture Milwaukee Advertising	37,500
Sculpture Milwaukee Installation	15,000
Green Machine Asset	10,619
Holiday Lights	15,191
Random Acts of Kindness	3,690
Other	<u>900</u>
Total	<u>\$116,060</u>

**NOTE Q - Advertising and Marketing**

The Organization uses advertising and marketing to promote its programs among the audiences it serves. Advertising and marketing costs are expensed as incurred. Advertising and marketing expense for the year ended December 31, 2018 was \$810,895.

**NOTE R - Restatement**

Net assets with donor restrictions as of December 31, 2017 have been restated to properly account for pledges receivable related to Sculpture Milwaukee. The financial statements are restated to reflect the \$11,681 increase in pledges receivable and \$11,681 increase in net assets with donor restrictions.

Net assets with donor restrictions as of December 31, 2017, as previously reported were \$378,493. Net assets with donor restrictions as of December 31, 2017, as restated were \$390,174. Pledges receivable as of December 31, 2017, as previously reported was \$370,273. Pledges receivable as of December 31, 2017, as restated was \$381,954.

**NOTE S - SEP Retirement Contribution**

The Organization has a SEP plan that covers all employees who worked at MDBID for at least one year. Eligible wages are based on total calendar year wages. The Organization made a contribution of 10% of eligible wages and incurred expenses of \$49,246 during 2018.



**MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2018**

**NOTE T - Income Tax**

The MDI is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Management has reviewed all tax positions recognized in previously filed tax returns and those expected to be taken in future tax returns. As of December 31, 2018, MDI had no amounts related to unrecognized income tax benefits and no amounts related to accrued interest and penalties. MDI does not anticipate any significant changes to unrecognized income tax benefits over the next year.

**NOTE U - Subsequent Events**

The Organization has evaluated events and transactions occurring after December 31, 2018, the date of the most recent statement of financial position, through the date financial statements are available to be issued, July 1, 2019, for possible adjustment to the financial statements or disclosure and determined that the following event needs to be disclosed.

In January 2019, the Organization signed a new lease for office space in Milwaukee, Wisconsin. The lease agreement expires in 2029. The Organization will pay a monthly base rent starting September 1, 2019, with an approximately 2.5% increase each year for the term of the lease. The future minimum lease payments are calculated in Note I.

**MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE**  
**SCHEDULE OF ACTIVITIES BY ORGANIZATION**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
(With Summarized Totals for the Year Ended December 31, 2017)

	Milwaukee Downtown Business Improvement District No. 21	Milwaukee Downtown, Inc. ("Affiliate")	2018 Total	2017 Total
<b>REVENUE</b>				
Assessment Income	\$ 3,719,364	\$ ---	\$ 3,719,364	\$ 3,504,862
City of Milwaukee	20,000	---	20,000	20,000
Contributions	1,000	340,680	341,680	28,500
Holiday Lights	---	59,941	59,941	287,366
Special Events Income	---	55,347	55,347	51,881
Better Buildings Challenge Income	---	16,947	16,947	23,088
Trolley Loop	---	---	---	38,700
Sculpture Milwaukee	---	4,328,062	4,328,062	874,429
Sculpture Milwaukee In-Kind Revenue	---	52,500	52,500	184,294
In-Kind Revenue	---	63,560	63,560	111,204
Interest Income	3,257	2,539	5,796	6,530
Ornament Revenue	---	10,987	10,987	18,668
Contract Income	2,100	---	2,100	3,260
Loss on Disposal of Equipment	---	(693)	(693)	---
Miscellaneous Income	355	---	355	796
<b>TOTAL REVENUE</b>	<b>\$ 3,746,076</b>	<b>\$ 4,929,870</b>	<b>\$ 8,675,946</b>	<b>\$ 5,153,378</b>
<b>EXPENSES</b>				
Salaries and Wages	\$ 281,208	\$ 211,435	\$ 492,643	\$ 452,825
Contract Services -				
Public Service Ambassadors	696,977	---	696,977	703,079
Clean Sweep Ambassadors	539,243	---	539,243	532,426
Planter Maintenance	338,328	---	338,328	342,265
Graffiti Removal	840	---	840	875
Other Program Services	---	246,970	246,970	238,446
Employee Benefits	62,701	52,075	114,776	102,667
Payroll Taxes	15,061	15,882	30,943	28,777
Supplies	14,966	---	14,966	15,283
Telephone	9,861	---	9,861	9,190
Postage and Shipping	10,147	---	10,147	12,714
Occupancy	45,096	---	45,096	44,718
Utilities	---	8,564	8,564	5,982
Equipment Rental and Maintenance	3,937	16,952	20,889	7,253
Insurance	14,636	25,652	40,288	42,745
Depreciation and Amortization	---	92,405	92,405	70,354
Personal Property Tax	---	5,643	5,643	5,658
Event Entertainment	---	8,146	8,146	10,074
Event Decoration	---	44,016	44,016	12,680
Food and Beverages	1,832	55,216	57,048	27,552
Event Supplies	---	18,383	18,383	2,876
Payroll Fees	3,743	---	3,743	3,361
Accounting Fees	32,596	41,575	74,171	59,705
Legal Fees	53,806	---	53,806	71,130
Other Professional Fees	18,470	---	18,470	9,616
Dues, Licenses and Permits	11,810	15,498	27,308	16,170
Sales Expenses	---	124,979	124,979	---
Bank Charges	---	1,574	1,574	1,889
Lights and Decorating	---	8,955	8,955	14,406
Trolley Loop	---	---	---	65,027
Advertising and Marketing	---	810,895	810,895	913,463
Donations to Others	---	3,052,266	3,052,266	12,277
Other Events	---	47,015	47,015	32,907
Awards and Promotions	7,984	---	7,984	7,943
Sculpture Milwaukee Implementation	---	781,556	781,556	942,213
Travel	6,718	13,217	19,935	7,912
Assessment Settlement Expense	---	---	---	120,985
Meals and Entertainment	7,024	---	7,024	7,703
Interest	---	914	914	---
Miscellaneous	868	12,287	13,155	3,384
<b>TOTAL EXPENSES</b>	<b>\$ 2,177,852</b>	<b>\$ 5,712,070</b>	<b>\$ 7,889,922</b>	<b>\$ 4,958,530</b>
<b>CHANGE IN NET ASSETS BEFORE TRANSFER</b>	<b>\$ 1,568,224</b>	<b>\$ (782,200)</b>	<b>\$ 786,024</b>	<b>\$ 194,848</b>
<b>TRANSFER</b>	<b>(1,440,520)</b>	<b>1,440,520</b>	<b>---</b>	<b>---</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 127,704</b>	<b>\$ 658,320</b>	<b>\$ 786,024</b>	<b>\$ 194,848</b>

**MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE  
SCHEDULE OF SCULPTURE MILWAUKEE REVENUE AND EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(With Summarized Totals for the Year Ended December 31, 2017)**

	2018	2017
<b>REVENUE</b>		
Sponsorships - Unrestricted	\$ 733,650	\$ 781,429
Sponsorships - Restricted	5,618	38,000
Sculpture Purchases	2,879,781	---
Commission	552,053	55,000
Hotel Revenue	156,960	---
In-Kind Revenue	52,500	184,294
Total Revenue	\$ 4,380,562	\$ 1,058,723
<b>EXPENSES</b>		
Accounting Fees	\$ 10,761	\$ 5,593
Advertising and Marketing	298,376	90,911
Amortization	25,204	13,925
Donations to Others	2,794,675	---
Dues, Licenses and Permits	154	1,681
Equipment Rental and Maintenance	758	---
Insurance	22,138	24,254
Miscellaneous	4,089	3,000
Programs and Community Engagement	47,015	32,907
Sales Expenses	124,979	---
Other Program Services	10,000	---
Sculpture Milwaukee Implementation*		
Art Consulting	193,952	169,007
Art Fabrication	29,970	---
Cleaning	11,689	553
Conservation	15,237	11,436
De-installation	189,630	179,976
Engineering	---	36,373
Fabrication	---	126,167
Installation	301,152	398,378
Security	2,198	20,149
Shipping Installation	1,100	---
Shipping De-installation	32,130	---
Storage	4,498	174
Total Expenses	\$ 4,119,705	\$ 1,114,484
Website and mobile app (capitalized cost net of amortization)	16,299	103,042
<b>NET GAIN (LOSS)</b>	<b>\$ 244,558</b>	<b>\$ (158,803)</b>
<b>*Total Sculpture Milwaukee Implementation</b>	<b>\$ 781,556</b>	<b>\$ 942,213</b>