

BUSINESS IMPROVEMENT DISTRICT NO. 2

2026 OPERATING PLAN

September 17, 2025

Submitted by:

Business Improvement District No. 2

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I. INTRODUCTION

A. BACKGROUND

In 1984, the State of Wisconsin created 66.1109 (formerly S. 66.608) of the Statutes (Appendix Exhibit A) enabling Cities to establish Business Improvement Districts. The purpose of the law is: "...to allow businesses within those districts to develop, to manage and promote the districts and to establish an assessment method to fund these activities." (1983 Wis. Act. 184, Section 1, legislative declaration.)

The City of Milwaukee created Business Improvement District No. 2 (BID-2) and approved its initial operating plan via Common Council Resolution No. 870501, adopted by reference October 6, 1987 (Appendix Exhibit F).

Since 1988, BID-2 has submitted yearly-amended plans adding and modifying its plan objectives as part of its ongoing management and promotion of the district, including, in some instances, its financing arrangements and assessment methodologies. This amended Plan shall govern operation of BID-2 during calendar year 2026.

B. PHYSICAL SETTING

Business Improvement District No. 2 encompasses the Third Ward, which occupies a strategic location within the Milwaukee central business district. It is located adjacent to Interstate 794, just south of the downtown. The Third Ward is within 6 to 8 blocks of Downtown's primary retail shopping district, although separated from it by I-794, an elevated expressway. The Third Ward includes the Summerfest grounds and is adjacent to the Milwaukee Lakeshore State Park. The Third Ward also occupies frontage along the Milwaukee River to the west and south.

The Third Ward contains a large concentration of historic late 19th and early 20th century industrial and warehouse buildings and is one of the last remaining intact warehouse districts in the country. In 1984 the National Register of Historic Places accepted 70 buildings spanning approximately 10 square blocks as "The Historic Third Ward District." While several individual buildings are outstanding architecturally, it is the overall "ensemble" which gives the Third Ward its special identity. The large number of older multistory buildings located in close proximity, the interrelationships between buildings, and the overall environment give the Third Ward a character unique within the region.

The Third Ward's strategic central location and its physical qualities help support its role as a high-value commercial and residential area. Wholesaling or other low-density light-industrial uses might best be either selectively maintained or eventually phased out, given the area's higher density development potential.

A primary objective of the Plan is to reinforce and enhance the historic image and character of the area through the renovation, rehabilitation and adaptive reuse of existing historic buildings and the encouragement of appropriate infill and new construction.

The City of Milwaukee worked with the Historic Third Ward in 1988 to create the first Tax Incremental Financing District within the boundaries of the Third Ward (TID No. 11) to finance construction of substantial physical public improvements within the Third Ward. TID No. 11 was retired in April 2006. In 1998 the City of Milwaukee authorized the creation of a second Tax Incremental Financing District within the Third Ward (TID No. 34) to assist with the financing of the Riverwalk Project. In 2002 the project scope of TID No. 34 was amended to provide additional funds for the Riverwalk Project. In 2002 the City transferred a parcel of land at the northeast corner of North Water and St Paul Ave. to BID-2 as part of its commitment towards creating a Milwaukee Public Market. The City also, through its Redevelopment Authority, authorized a conduit borrowing mechanism which allowed BID-2 to initiate and complete the Third Ward Water Street Parking Structure. In 2011 the City signed a lease agreement with BID-2 to manage and maintain both Catalano Square and Erie Street Plaza. These leases were renewed in 2025. In 2014 the City of Milwaukee authorized Amendment 3 to TID No. 56 to finance public improvements to North Milwaukee Street and East Corcoran Avenue. In 2020 the City signed a lease agreement with BID-2 to manage and maintain Trestle Park.

II. DISTRICT BOUNDARIES

BID-2 is illustrated by Appendix Exhibit B. It includes a total of 955 tax keys, 152 local commercial parcels, 14 special mercantile parcels, 13 mercantile apartment parcels, 740 condominium parcels, and 36 exempt parcels, either city, county, state, or otherwise exempt.

The boundaries of the District are as follows: The eastern boundary is the western edge of Lake Michigan; the southern and southwestern boundaries are the northern and northeastern edge of the Milwaukee River; and the northern and western boundaries are an irregular line described as follows: commencing on the northern edge of the Milwaukee River and the eastern line of the right-of-way of North 2nd Street, extended; thence north along the eastern line of the right of way of North 2nd Street, extended, to the northern edge of the right-of-way of St. Paul Avenue; thence east along the northern edge of the right-of-way of St. Paul Avenue to a point on the eastern line of the right-of-way of N. Plankinton Avenue; thence north along the eastern line of the right-of-way line of Interstate Highway 794; thence east along the south and southwest right-of-way line of Interstate Highway 794 to the western edge of the Milwaukee River; thence northeasterly along the western edge of the Milwaukee River to a point on the southern right-of-way line of E. Clybourn Street; thence easterly on E. Clybourn Street to the edge of Lake Michigan.

All tax keys, land areas and assessment figures are based on City of Milwaukee (DCD) Records dated June 2025 and the City of Milwaukee website.

III. PROPOSED OPERATING PLAN

A. PLAN OBJECTIVES

The specific objective of BID-2 is to develop, redevelop, maintain, operate, promote, and advertise the area of the Historic Third Ward, identified herein as the “District.” It is intended that the Board of BID-2 shall have all powers authorized by law, and by this Plan including, but not limited to the following powers in carrying out its objectives:

B. PROPOSED ACTIVITIES – YEAR 39

General

1. Manage the affairs of the District.
2. Elect officers and contract out work as are necessary to carry out these goals.
3. Comply with reporting and notice requirements of public records law and open meeting law.
4. Promote new investment and appreciation in the value of existing investments of property in the District.
5. Develop, advertise and promote the existing and potential benefits of the District.
6. Undertake, on its own account, public improvements and/or to assist in development, underwriting or guaranteeing public improvements within the District.
7. Acquire, improve, lease and sell properties within the District, and otherwise deal in real estate as necessary to promote the economic development of the District and specifically those projects enumerated in the plan objectives.
8. Assess against property in BID-2 area, pursuant to the assessment formulas referred to herein, amounts necessary to meet any obligations entered into to acquire interest in land and/or property, borrow funds, design, develop, construct, operate and maintain the properties and other projects enumerated in these plan objectives.
9. Make reimbursements, if necessary, out of its contingency fund for overpayments of BID-2 assessments.
10. Enter into such agreements and to extend such guarantees as necessary to acquire interests in land and property, borrow funds, design, develop and construct the Water Street Parking Structure, the Milwaukee Street Parking Structure, the Third Ward Streetscapes, the Third Ward Riverwalk, the Riverwalk Connector, the Public Market, the Public Market District, Public Market Annex and such other projects enumerated in the plan objectives.
11. Take whatever action necessary to protect and maintain its status as a non-taxable governmental entity. As a BID, BID-2 is a quasi-governmental entity authorized by state statute; created, governed and

- appointed by the City through its legislative process, and as such, is for legal and tax purposes, an integral part of the creating municipality, both in terms of its structure and endeavors.
12. Enter into agreements to refinance existing debt and review additional possible funding instruments for District development.
 13. Apply for, accept and use grants and gifts for any purposes consistent with the BID mission.
 14. Be the sole member of BID#2 Operations, LLC, which shall employ the staff to facilitate the goals of the operating plan, the HTWA Market Project LLC, which shall employ the staff to operate and maintain the Milwaukee Public Market, and the Riverwalk Commons LLC, which will activate the public space along the river between St. Paul and Clybourn. Be a joint member of Run PKG, Inc. created for the development and ongoing operations of a dog park on the west side of the River and just south of Clybourn as well as the operations of a parking lot on 2nd Street that helps to support the expenses of the dog park operations.
 15. Contract with the Historic Third Ward Association, Inc., and others as necessary to carry out these goals.
 16. Respond to the security needs of the District as appropriate, arrange for security and request increased police protection during the festival season.
 17. Develop and implement a master operation and maintenance plan for the two Parking Structures, the parking lot at 2nd and Clybourn, the Streetscapes, and Riverwalk Improvements.
 18. Work with Downtown BID#21 and other appropriate entities toward the ongoing operations of a downtown dog park and any other projects as jointly deemed appropriate.

Streetscapes

19. Plan, implement, operate, maintain and finance Streetscape improvements within the District.
20. Maintain the appearance of the neighborhood by working to ensure its safety and cleanliness.
21. Operate, maintain, lease and hold a special privilege for the ongoing financial and physical obligations of caring for and programming of the TID No. 11-funded Streetscape project.
22. Enter into agreements regarding TID 56. In late 2024, a new amendment secures \$30 million in funding for major public infrastructure improvements in and around the Historic Third Ward. Initiated through the planning and advocacy efforts of BID #2, the amendment advances projects focused on enhancing multimodal safety, modernizing public spaces, and reinforcing the district's walkable, welcoming identity. Through a Development Agreement between BID #2 and the City of Milwaukee, the BID will work with partners on design coordination and oversee construction of improvements for Catalano Square and Erie Street Plaza. In addition, BID 2 will play an active role in the Water Street reconstruction process, public outreach, and neighborhood planning, and will engage the Historic Third Ward Association to assist in supporting and promoting these efforts. The TID amendment further supports broader public improvements such as protected bikeways and pedestrian safety upgrades throughout the district.
23. Enter into leases or other agreements with the City of Milwaukee or others to operate and maintain publicly accessible areas to enhance the live, work and play quality of the area.
24. Continue and expand efforts to identify and support the development of public green space by independent action, or preferably, in conjunction with nearby or other stakeholders. Administrative and operational support may be provided. Act as an agent for contracted services, apply for and accept public and/or private grants and/or loans and whatever else is necessary to complete these projects.
25. Continue the Snow Removal Program for properties in the historic area.
26. Continue the Graffiti Removal Program and submit an application for a City of Milwaukee grant, if available.
27. Continue the efforts of street beautification and increase the hanging flower basket program when appropriate.
28. Continue to work with the City regarding Third Ward street lighting issues.
29. Extend the banner program to include Harbor Drive.
30. Continue to support public art installations throughout the neighborhood.

Parking Operations

31. Operate, maintain and hold a special privilege for a parking structure on the northeast corner of North Milwaukee and East Chicago streets (Third Ward Milwaukee Street Parking Structure - 212 North Milwaukee Street).

32. Operate, maintain and hold a special privilege for a parking structure on the southeast corner of North Water and East Chicago streets (Third Ward Water Street Parking Structure - 225 East Chicago Street).
33. Enter into an agreement with the appropriate entities in order to operate and maintain surface a parking lot at 2nd and Clybourn streets.
34. Use current and accumulated ramp revenues, as described in the Parking Ramp Cooperation and Development Agreement dated 6/13/94, to first pay normal and customary operation and maintenance costs of the structures, second fund repayment of City of Milwaukee Redevelopment Authority Bonds issued for the Historic Third Ward Parking Facility Project, third, fund an interest rate stabilization reserve, fourth pay such normal and necessary borrowing expenses, remarketing fees and other appropriate banking expenses.
35. Continue to offer the merchant/business parking voucher program as deemed appropriate.

Riverwalk

36. Operate and maintain a Riverwalk system through the District along the Milwaukee River.
37. Operate, maintain, lease and hold a special privilege for the ongoing financial and physical obligations of caring for and programming of the Riverwalk.
38. With the completion of the Riverwalk Connector, the City requested that BID-2 take over the maintenance component of this project. This portion of the Riverwalk extends from the Clybourn St. Bridge to the Chase Bank building and is outside the area of BID-2. In return, the City will include a yearly Riverwalk Connector Maintenance Contribution to BID-2. For 2026 the amount shall be \$18,000. The City will also include \$5,000 in the DPW budget to mitigate costs associated with removing snow accumulation on Broadway.
39. Enter into leases or other agreements with the City of Milwaukee or others to develop, operate and maintain the north extension of Riverwalk Park located east of river, west of Water Street from St. Paul Avenue to Clybourn Street.

Public Market

40. Operate, maintain and manage a public market on the north side of St. Paul Avenue between North Water Street and North Broadway.
41. Operate and maintain a public market annex at 346 North Broadway.
42. Hold a special privilege for the ongoing financial and physical obligations of caring for and programming of the Milwaukee Public Market and Annex.

Contracted Services

43. In addition, BID-2 has a contractual agreement that the Historic Third Ward Association, Inc. (HTWA) will do the following in 2026:
 - Continue to carry out the most recent HTWA strategic plan.
 - Continue to participate in the implementation of the City of Milwaukee's Master Plan.
 - Maintain a bookkeeping, payroll and monthly financial reporting system.
 - Continue to enhance HTWA benefits of membership.
 - Coordinate events, promotion and advertising. Events examples are, but are not limited to, Christmas in the Ward, Gallery Night MKE, World's Largest Coffee Break, and the Third Ward Art Festival.
 - Coordinate rental of Catalano Square, Erie Street Plaza, Trestle Park and Gas Light Park and maintain yearly calendar.
 - In cooperation with Milwaukee World Festival, Inc., continue to address issues including crowd control, traffic, crime and clean up during events, especially during Summerfest.
 - Maintain ongoing engagement and cooperation with neighboring community organizations like Milwaukee Downtown, East Town, Westown, Harbor District, Menomonee Valley Partners, Downtown Neighbors Association on various initiatives related to business growth, transportation enhancements and quality of life.
 - Maintain involvement with the Friends of Lakeshore State Park.
 - Accept donations and grants on behalf of the BID-2 as appropriate.
 - Continue operation of an office for the District which is open to the public.
 - Promote publicity and media coverage of District activities.

- Publish and distribute informational and promotional materials as appropriate. Maintain a web presence at historichirdward.org to promote and inform the neighborhood.
 - Welcome new businesses and provide information to all members and constituents.
 - Promote appropriate activities that support Third Ward merchants and restaurants.
 - Continue communication and cooperation with the Milwaukee Police Department and disseminate information regarding neighborhood safety as necessary.
 - Continue sending e-newsletters to all Third Ward businesses and interested stakeholders for announcing neighborhood news and events.
 - Publicizing of events and promotions on social media platforms such as Facebook, Instagram, Twitter and TikTok.
 - Continue to engage District residents on all matters related to resident life in the Historic Third Ward.
44. The BID may enter into other contracted services as necessary to carry out successful implementation of the operating plan.

C. PROPOSED 2026 BUDGET FOR YEAR 39

See Appendix Exhibit D attached hereto and incorporated herein.

D. FINANCING METHOD

The proposed expenditures will be financed from revenues collected from general BID and private property assessments for Operating, Riverwalk Maintenance, and Special Assessments as well as net revenue from the BID-2's parking structures. It is estimated that the budget will raise \$650,772 through these assessments detailed on Appendix Exhibit C, attached hereto and incorporated herein. Separately from this plan, as part of the City budget process, the City of Milwaukee shall contribute \$18,000 in support of the District, \$18,000 to maintain the Riverwalk Connector (a partnership including the City, Downtown Riverwalk District, and BID-2) portion of the Riverwalk and \$5,000 to mitigate cost associated with removing snow accumulation on Broadway. If for any reason, the City does not authorize in its budget process the contribution of \$18,000 for the maintenance of the Riverwalk Connector, the City will take over the full responsibility of maintaining it.

E. ORGANIZATION OF BID BOARD

The Board of BID-2 (Board)'s primary responsibility will be the implementation of the District Operating Plan. This will require the Board to negotiate with providers of services and materials to carry out the plan; to enter into various contracts; to monitor development activity; to revise periodically the District plan and to ensure District compliance with the provisions, applicable statutes and regulations.

State law requires that the Board is composed of at least 5 members and that a majority of the Board members be owners or occupants of property within the District.

BID-2 Board has been structured and is operating as follows:

- Board size – A maximum of 9 members.
- Composition – At least seven members are owners or occupants of property within the District.
- Term - Appointments to the Board are for a period of 3 years.
- Compensation - None.
- Meetings - All meetings of the Board shall be governed by the Wisconsin Open Meetings law. The Board shall meet regularly, at least annually, in keeping with the by-laws as stated in Appendix Exhibit G. The Board shall adopt rules of order to govern the conduct of its meetings.
- Record Keeping - Files and records of the Board's affairs shall be kept pursuant to public record requirements.
- Staffing - The Board may employ staff and/or contract for staffing services pursuant to this Plan and subsequent modifications thereof.
- Finances - The Board shall submit to the City the results of its annual audit, which shall be conducted by a qualified certified public accountant.

The following have been appointed by the Mayor to the Board and are currently serving as members:

Name	Affiliation	Term Ends
Kendall Breunig	BID-2 Property Owner	08/19/2028
Marianne Burish	BID-2 Property Owner	02/15/2027
Michael DeMichele	BID-2 Property Owner	01/03/2026
Michael Gardner	BID-2 Property Representative	01/29/2027
Robert Joseph	BID-2 Property Owner	01/24/2027
Steve Mech	BID-2 Property Owner	08/28/2026
Ann Pieper Eisenbrown	BID-2 Property Owner	01/05/2027
Ronald San Felippo	BID-2 Property Owner	01/04/2027
Greg Uhen	BID-2 Property Owner	07/30/2027

F. RELATIONSHIP TO HISTORIC THIRD WARD ASSOCIATION

The Historic Third Ward Association, Inc. (HTWA) is a 501(c)(3) tax exempt entity. Members, officers and directors of each may be on each board. The HTWA 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 its contact with the BID-2 Board, and may, and it is intended, contract with BID-2 to provide services to BID-2, in accordance with BID-2's operating plan. Any contract with HTWA to provide services to BID-2 shall be exempt from the requirements of 62.15, Wis. Statutes because such contracts shall not be for the construction of improvements or provision of materials. If BID-2 does contract for the construction of improvements or provision of materials, it shall follow the requirements of such statutes to the extent applicable. Further, the annual accounting required under 66.1109 (3)(c), Wis. Statutes shall be deemed to fulfill the requirements for 62.15(14) Wis. Statutes. BID-2 Board and the City shall comply with the provisions of 66.1109 Wis. Statutes, before the City inserts assessments for this BID plan onto the tax bills for the parcels assessed hereunder, only to the extent required by law, to create a lien on the parcels assessed.

IV. METHOD OF ASSESSMENT AND DISBURSEMENT

BID-2 voted on September 10, 2003 to change its assessment formula to a value-based method that uses the City's assessed valuation, as on Jan 1, of the same year, as the determination factor to assess individual property owners of their share of the assessments.

A. ASSESSMENT RATE AND METHOD

i. THE GENERAL ASSESSMENT

The variables used to determine the regular annual General Assessments are:

1. Value of the property as of January 1 of the year the Assessment is calculated, as determined by the City Assessors' Office.
2. The gross amount of the assessment.

The assessment methodology will work as follows:

Step 1. Add up the value of all property subject to BID-2 assessment.

Step 2. Divide the amount of the assessment by the total value of the property (see 1 above) to create a valuation factor or mil rate.

Step 3. Multiply the valuation factor times the assessed value of the property to determine each BID-2 assessment on a property-by-property basis.

Step 4. After compliance with the provision of Article IV, herein, the amount of regular assessment and contingent assessment for each parcel shall be submitted to the City of Milwaukee which shall include it as a separate line item on the real estate tax bill for that parcel next issued. The City shall collect such assessment with the taxes as a special charge, and in the same manner as such taxes, and shall turn over all monies so collected to BID-2 Board for distribution in accordance with BID-2 Plan by the 15th day of the month following such collection. All BID-

2 assessments shall be held by the City in a segregated account until it is released to BID-2 Board as provided herein.

As of January 1, 2025, the property in the District had a total assessable value of \$443,681,564. This plan proposed to assess the property in the district at a rate of \$1.35 per \$1,000 of assessable value. This does not include special assessments agreed to by specific parcels.

Appendix Exhibit C lists the total amount to be raised through assessments in 2026 (Year 39) and the projected assessment for each parcel within BID-2. These assessment figures are estimates. They are based upon the following assumptions:

1. The budget contained herein is adopted.
2. Assessed values within the District are not changed from the Tax Commissioner's June 2025 figures.
3. The total number of parcels assessed under the Plan are parcels identified in Appendix Exhibit C.

Assessments will vary if any or all of these assumptions prove incorrect. However, it is unlikely that actual costs, floor areas, land areas, assessed values and bonding factors will vary enough from assumed conditions to produce significant changes in projected assessments.

Assessments for individual parcels within BID-2 will be established each year over the life of the District. Thus, as parcels increase or decrease in value, their assessment obligations will change.

The assessment method is designed to reflect changing conditions with BID-2. If potential benefits increase for a particular parcel (e.g., if floor area is added or new construction takes place), the assessment value relative to other parcels will increase. If potential benefits decrease (e.g., if a building is demolished), the assessment value relative to other parcels will decrease. Any BID-2 assessments collected by the City before or after the plan year for which the assessments were made, shall be delivered to BID-2 Board by the 15th of the month following the month during which such sums were collected, and are to be used by BID-2 Board in the same manner as if received during the applicable Plan Year. This provision is intended to govern BID assessments prepaid in December prior to the applicable Plan Year, as well as to delinquent and late payments made after the Plan Year.

The Board shall prepare and make available to the public and the City annual reports describing the current status of BID-2, including expenditures and revenues, at the same time it submits its amended Plan to the City for the following year. This report shall include an independent certified audit of the implementation of the Plan, which shall be forwarded to the City, and which shall be paid for out of BID-2's budget.

The presentation of this Plan to the City shall be deemed a standing order of the Board under Sec. 66.1109(4) Wis. Statutes to disburse BID-2 assessments without necessity of an additional disbursement agreement, disbursement method, or accounting method. Disbursements made under this Plan shall be shown in the City's budget as a line item. Disbursement procedures shall be as follows: the City shall forward a check for the full amount of the assessment minus that which is assessed for replenishing the Bond Reserves for the Water Street Parking Structure, if any is due, to the offices of BID-2.

ii. THE RIVERWALK ASSESSMENT

Those properties identified in Appendix Exhibit K "Riverwalk Development Agreement", which are operational, will be assessed per the methodology outlined in BID-2 No. 2 First Amendment to 1998 Operating Plan, incorporated herein as Appendix Exhibit J beginning in 2004 (Plan Year 17).

iii. THE DOCKWALL ASSESSMENT

Those properties whose dock walls have been completed and which are identified in Appendix Exhibit P will be assessed per their agreements with BID-2.

iv. RIVERWALK MAINTENANCE ASSESSMENT

Those properties identified in Exhibit K "Riverwalk Development Agreement", which were operational, were assessed per the methodology outlined in BID-2 No. 2 First Amendment to 1998 Operating Plan, and such additional Amendments as have succeeded it, incorporated herein as Appendix Exhibit J, beginning in 2004 (Plan Year 17).

With the addition of the Riverwalk Connector Project identified in Appendix Exhibit S “Fifth Amendment to Riverwalk Development Agreement” and Appendix Exhibit T “Sixth Amendment to the Riverwalk Development Agreement,” the City has agreed to fund BID-2 with an \$18,000 City Contribution toward maintaining this publicly owned portion, beginning in 2006 (Plan Year 19). In the event the \$18,000 is not allocated in the budget to BID-2 then the responsibility for maintaining the Riverwalk Connector shall be the City’s.

With the addition of the Riverwalk Connector between MIAD and River Renaissance the City has asked BID-2 to take on the annual cost of approximately \$200 to power three 70watt HPS lights and to replace as necessary. MIAD has agreed to connect the lights to their power source and will be reimbursed annually by BID-2 before the end of each fiscal year, on or before May 31. The City is responsible for all other maintenance of this Connector portion.

v. CONTINGENT ASSESSMENTS

To guarantee the repayment of bond interest for monies borrowed through RACM to finance the construction of the Third Ward Water Street Parking Structure, BID-2 pledged to assess for any shortfall in the debt service reserve account, as described in BID-2 Third Amendment to 1998 Operating Plan, attached hereto as Appendix Exhibit N. Any contingent assessment for this purpose shall be paid based on the General BID Assessment methodology.

The actual yearly assessment for each parcel will be established when the Common Council adopts the annual operating plan update. Appendix Exhibit C shows the percentage of payment allocated to each parcel in BID-2 using the City’s June 2025 figures.

B. EXCLUDED AND EXEMPT PROPERTY

The Business Improvement District law requires the plan to include several specific statements:

1. Wis. Stats. 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 standard formula because it is assumed that they will benefit from development in the District.
2. Wis. Stats. 66.1109 (5)(a): Property known to be used exclusively for residential purposes will not be assessed.
3. Wis. Stats. 66.1109 (5)(d): Property that is specially assessed as authorized under this section is of mixed use such that part of the real property is exempted from general property taxes under s. 70.11 or is residential, or both, and part of the real property is taxable, the municipality may specially assess as authorized under this section only the percentage of the real property that is not tax-exempt or residential. This paragraph applies only to a 1st class city.
4. Wis. Stats. 66.1109 (1)(f)(5): A legal opinion from the City of Milwaukee Attorney indicating that the plan complies with all applicable provisions of State law is attached to this section as Appendix Exhibit H.
5. This Plan relies on the procedures adopted by the Common Council (Appendix Exhibit F) and the City Attorney to review and express an opinion as to its legal sufficiency prior to action by the Common Council to adopt this plan as part of its budget.

Any property status change, after the submittal of the operation plan, that results in a refund of BID fees will be refunded and paid out of the 2026 budget.

V. RELATIONSHIPS TO THE COMPREHENSIVE PLAN AND THE ORDERLY DEVELOPMENT OF THE CITY

A. CITY PLANS

Historic building development became an important component of the City’s overall downtown revitalization efforts beginning with the Grand Avenue Mall project. A “Master Plan” of Urban Design and Development Potentials for the Historic Third Ward was prepared with Milwaukee Department of City Development, in September of 1986. This Master Plan identified the need for and potentials of development in the Third Ward,

and suggested BID-2 method for accomplishing such goals. This Plan is an outgrowth of these recommendations. The City has subsequently undertaken a number of planning studies involving the District, including a Downtown Master Plan, the development of Architectural Review Design Guidelines and the Third Ward Neighborhood Comprehensive Plan. These build on the original Third Ward Master Plan by putting the District in context with the City's Downtown and setting up standards, which promote the goals identified in the original Master Plan. Creation of a Business Improvement District to facilitate District development is consistent with the City's plans and promotes the orderly development of the City in general and the Downtown area in particular.

B. CITY ROLE

The City of Milwaukee is committed to helping private property owners in the District promote its development. To this end, the City intends to play a significant role in the creation of the District and in the implementation of the development plan. In particular, the City will:

1. Pay the contribution adopted by the City in its budget process, referenced in IV above, applied against the following 26 parcels of public land:

3610926111	3921486210	3978003000
3920623110	3921489100	3978004000
3920624110	3921490200	3978007000
3920631111	3921728100	4299999000
3920636111	3921732000	4290124200
3920757111	3922178120	4298001000
3920778100	3959999112	4299998000
3920860100	3960001100	4290124111
3920879110	3960551000	

2. Act as staff to the District through adoption of this plan and provide assistance as appropriate thereafter.
3. Monitor, and when appropriate, apply for outside funds that could be used in support of the District.
4. Collect assessments, maintain in a segregated account and disburse the revenues of the District to BID-2, along with identification of those BID-2 assessments included in the disbursement.
5. Review annual audits as required per 66.1109(3) (c) of the BID Statute.
6. Provide the Board, through the Tax Commissioner's Office, on or before September 1 of each plan year, the official City records on assessed value and land area and building square footage for each tax key number within the District, as of January 1 of each plan year, for the purpose of calculating BID-2 assessments.
7. Encourage the County, State, and Federal Governments to support the activities of the District.

VI. PLAN APPROVAL PROCESS

A. PUBLIC REVIEW PROCESS

The Wisconsin Business Improvement District law establishes a specific process for reviewing and approving the creation and operation of BIDs. In addition to being subject to the open meetings law a BID is required to provide annual audited financial statements to the City. Additions or amendments to a BID's Operating Plan must be passed as by the municipality's legislative process. All appointments to a BID board must be nominated by the chief municipal officer and approved by the governing body.

All of the statutory requirements to create BID-2 were followed and are on file with the City's Legislative Reference Bureau.

i. Changes to the Operating Plan

Specifically, the statute allows BID-2 to change its Operating Plan annually or at other times by amendment, in both cases the process follows the same procedure.

- The Community and Economic Development Committee of the Common Council reviews the proposed changes to BID-2 Operating Plan at a public meeting and makes a recommendation to the full Council.
- If the Common Council approves, it is forwarded to the Mayor for final approval.

ii. Annual Appointment of BID-2 Board Members

Appointment of BID Board members is provided for under 66.1109 (3)(a) Wis. Statutes. The responsibility of the Board shall be as follows:

1. The nominating committee of BID Board No. 2 will forward, as board members terms expire or vacancies occur, a list of potential board members to the office of the Mayor 60 days prior to the expiration of such board member's term or as vacancies occur.
2. The Mayor will appoint members to the District Board with expiring terms at least 30 days prior to the expiration of such board member's term.
3. The Community and Economic Development Committee of the Common Council will review the Mayor's nomination at a public meeting and will make a recommendation to the full Common Council.
4. The Council will act on said recommendation.

VII. FUTURE YEARS OPERATING PLANS

A. PHASED DEVELOPMENT

It was anticipated that BID-2 would continue to revise and develop its operating plan annually, in response to changing development needs and opportunities within the District, subject to the purposes and objectives defined herein.

Section 66.1109(3)(b) of the Business Improvement District law permits the Board to annually review and make changes as appropriate in the District operating plan. Therefore, while this document outlines in general terms the complete development program, it focuses on Year 39 activities for calendar year 2026 (Plan Year), and information on specific land areas, building square footage, assessed values, budget amounts and assessment amounts.

This 2026 BID-2 Operating Plan will continue to apply the assessment formula against the assessed value as determined by the City as of January 1, 2025, to raise funds to meet the 2026 annual budget. The method of assessing shall not be materially altered except with the consent of the City as approved in the Operating Plan.

B. AMENDMENT, SEVERABILITY AND EXPANSION

This Business Improvement District has been created under the authority of Section 66.1109 of the Statutes of the State of Wisconsin. Should any court find any portion of this statute invalid or unconstitutional said decision will not invalidate or terminate the Business Improvement District and this Business Improvement District Plan should be amended to conform to the law without need of re-establishment. Should the legislature amend the statute to narrow or broaden the process of a Business Improvement District so as amongst other things to exclude or include as assessable properties, a certain class or classes of properties, then this BID plan may be amended by the Common Council of the City of Milwaukee as and when it conducts its annual budget approval and without necessity to undertake any other act. All of the above is specifically authorized under Section 66.1109(3)(b).

Appendix A

Business Improvement District Statute

.1109 Business improvement districts.

(1) In this section:

(a) "Board" means a business improvement district board appointed under sub. (3) (a).

(b) "Business improvement district" means an area within a municipality consisting of contiguous parcels and may include railroad rights-of-way, rivers, or highways continuously bounded by the parcels on at least one side, and shall include parcels that are contiguous to the district but that were not included in the original or amended boundaries of the district because the parcels were tax-exempt when the boundaries were determined and such parcels became taxable after the original or amended boundaries of the district were determined.

(c) "Chief executive officer" means a mayor, city manager, village president or town chairperson.

(d) "Local legislative body" means a common council, village board of trustees or town board of supervisors.

(e) "Municipality" means a city, village or town.

(f) "Operating plan" means a plan adopted or amended under this section for the development, redevelopment, maintenance, operation and promotion of a business improvement district, including all of the following:

1. The special assessment method applicable to the business improvement district.

1m. Whether real property used exclusively for manufacturing purposes will be specially assessed.

2. The kind, number and location of all proposed expenditures within the business improvement district.

3. A description of the methods of financing all estimated expenditures and the time when related costs will be incurred.

4. A description of how the creation of the business improvement district promotes the orderly development of the municipality, including its relationship to any municipal master plan.

5. A legal opinion that subds. 1. to 4. have been complied with.

(g) "Planning commission" means a plan commission under s. 62.23, or if none a board of public land commissioners, or if none a planning committee of the local legislative body.

(2) A municipality may create a business improvement district and adopt its operating plan if all of the following are met:

(a) An owner of real property used for commercial purposes and located in the proposed business improvement district designated under par. (b) has petitioned the municipality for creation of a business improvement district.

(b) The planning commission has designated a proposed business improvement district and adopted its proposed initial operating plan.

(c) At least 30 days before creation of the business improvement district and adoption of its initial operating plan by the municipality, the planning commission has held a public hearing on its proposed business improvement district and initial operating plan. Notice of the hearing shall be published as a class 2 notice under ch. 985. Before publication, a copy of the notice together with a copy of the proposed initial operating plan and a copy of a detail map showing the boundaries of the proposed business

improvement district shall be sent by certified mail to all owners of real property within the proposed business improvement district. The notice shall state the boundaries of the proposed business improvement district and shall indicate that copies of the proposed initial operating plan are available from the planning commission on request.

- (d) Within 30 days after the hearing under par. (c), the owners of property to be assessed under the proposed initial operating plan having a valuation equal to more than 40 percent of the valuation of all property to be assessed under the proposed initial operating plan, using the method of valuation specified in the proposed initial operating plan, or the owners of property to be assessed under the proposed initial operating plan having an assessed valuation equal to more than 40 percent of the assessed valuation of all property to be assessed under the proposed initial operating plan, have not filed a petition with the planning commission protesting the proposed business improvement district or its proposed initial operating plan.
- (e) The local legislative body has voted to adopt the proposed initial operating plan for the municipality.
- (2m)** A municipality may annex territory to an existing business improvement district if all of the following are met:

 - (a) An owner of real property used for commercial purposes and located in the territory proposed to be annexed has petitioned the municipality for annexation.
 - (b) The planning commission has approved the annexation.
 - (c) At least 30 days before annexation of the territory, the planning commission has held a public hearing on the proposed annexation. 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 a detail map showing the boundaries of the territory proposed to be annexed to the business improvement district shall be sent by certified mail to all owners of real property within the territory proposed to be annexed. The notice shall state the boundaries of the territory proposed to be annexed.
 - (d) Within 30 days after the hearing under par. (c), the owners of property in the territory to be annexed that would be assessed under the operating plan having a valuation equal to more than 40 percent of the valuation of all property in the territory to be annexed that would be assessed under the operating plan, using the method of valuation specified in the operating plan, or the owners of property in the territory to be annexed that would be assessed under the operating plan having an assessed valuation equal to more than 40 percent of the assessed valuation of all property in the territory to be annexed that would be assessed under the operating plan, have not filed a petition with the planning commission protesting the annexation.
- (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 one of the following:
1. If the cash balance in the segregated account described under sub. (4) equaled or exceeded \$300,000 at any time during the period covered by the report, the municipality shall obtain an independent certified audit of the implementation of the operating plan.
 2. If the cash balance in the segregated account described under sub. (4) was less than \$300,000 at all times during the period covered by the report, the municipality shall obtain a reviewed financial statement for the most recently completed fiscal year. The statement shall be prepared in accordance with generally accepted accounting principles and include a review of the financial statement by an independent certified public accountant.
- (cg) For calendar years beginning after December 31, 2018, the dollar amount at which a municipality is required to obtain an independent certified audit under par. (c) 1. and the dollar amount at which a municipality is required to obtain a reviewed financial statement under par. (c) 2. shall be increased each year by a percentage equal to the percentage change between the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the previous year and the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August 2017, as determined by the federal department of labor. Each amount that is revised under this paragraph shall be rounded to the nearest multiple of \$10 if the revised amount is not a multiple of \$10 or, if the revised amount is a multiple of \$5, such an amount shall be increased to the next higher multiple of \$10.
- (cr) The municipality shall obtain an additional independent certified audit of the implementation of the operating plan 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 and reviewed financial statements 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.
- (4g) A municipality may convert a business improvement district under this section into a neighborhood improvement district under s. 66.1110 if an owner of real property that is subject to general real estate taxes, that is used exclusively for residential purposes, and that is located in the business improvement district petitions the municipality for the conversion. If the municipality approves the petition, the board shall consider and may make changes to the operating plan under s. 66.1110 (4) (b).
- (4m) A municipality shall terminate a business improvement district if the owners of property assessed under the operating plan having a valuation equal to more than 50 percent of the valuation of all property assessed under the operating plan, using the method of valuation specified in the operating plan, or the owners of property assessed under the operating plan having an assessed valuation equal to more than 50 percent of the assessed valuation of all property assessed under the operating plan, file a petition with the planning commission requesting termination of the business improvement district, subject to all of the following conditions:

- (a) A petition may not be filed under this subsection earlier than one year after the date the municipality first adopts the operating plan for the business improvement district.
- (b) On and after the date a petition is filed under this subsection, neither the board nor the municipality may enter into any new obligations by contract or otherwise to implement the operating plan until the expiration of 30 days after the date of hearing under par. (c) and unless the business improvement district is not terminated under par. (e).
- (c) Within 30 days after the filing of a petition under this subsection, the planning commission shall hold a public hearing on the proposed termination. Notice of the hearing shall be published as a class 2 notice under ch. 985. Before publication, a copy of the notice together with a copy of the operating plan and a copy of a detail map showing the boundaries of the business improvement district shall be sent by certified mail to all owners of real property within the business improvement district. The notice shall state the boundaries of the business improvement district and shall indicate that copies of the operating plan are available from the planning commission on request.
- (d) Within 30 days after the date of hearing under par. (c), every owner of property assessed under the operating plan may send written notice to the planning commission indicating, if the owner signed a petition under this subsection, that the owner retracts the owner's request to terminate the business improvement district, or, if the owner did not sign the petition, that the owner requests termination of the business improvement district.
- (e) If after the expiration of 30 days after the date of hearing under par. (c), by petition under this subsection or subsequent notification under par. (d), and after subtracting any retractions under par. (d), the owners of property assessed under the operating plan having a valuation equal to more than 50 percent of the valuation of all property assessed under the operating plan, using the method of valuation specified in the operating plan, or the owners of property assessed under the operating plan having an assessed valuation equal to more than 50 percent of the assessed valuation of all property assessed under the operating plan, have requested the termination of the business improvement district, the municipality shall terminate the business improvement district on the date that the obligation with the latest completion date entered into to implement the operating plan expires.

(5)

- (a) Real property used exclusively for residential purposes and real property that is exempted from general property taxes under s. 70.11 may not be specially assessed for purposes of this section.
- (b) A municipality may terminate a business improvement district at any time.
- (c) This section does not limit the power of a municipality under other law to regulate the use of or specially assess real property.
- (d) If real property that is specially assessed as authorized under this section is of mixed use such that part of the real property is exempted from general property taxes under s. 70.11 or is residential, or both, and part of the real property is taxable, the municipality may specially assess as authorized under this section only the percentage of the real property that is not tax-exempt or residential. This paragraph applies only to a 1st class city.

History: 1983 a. 184; 1989 a. 56 s. 258; 1999 a. 150 s. 539; Stats. 1999 s. 66.1109; 2001 a. 85; 2017 a. 59, 70, 189.

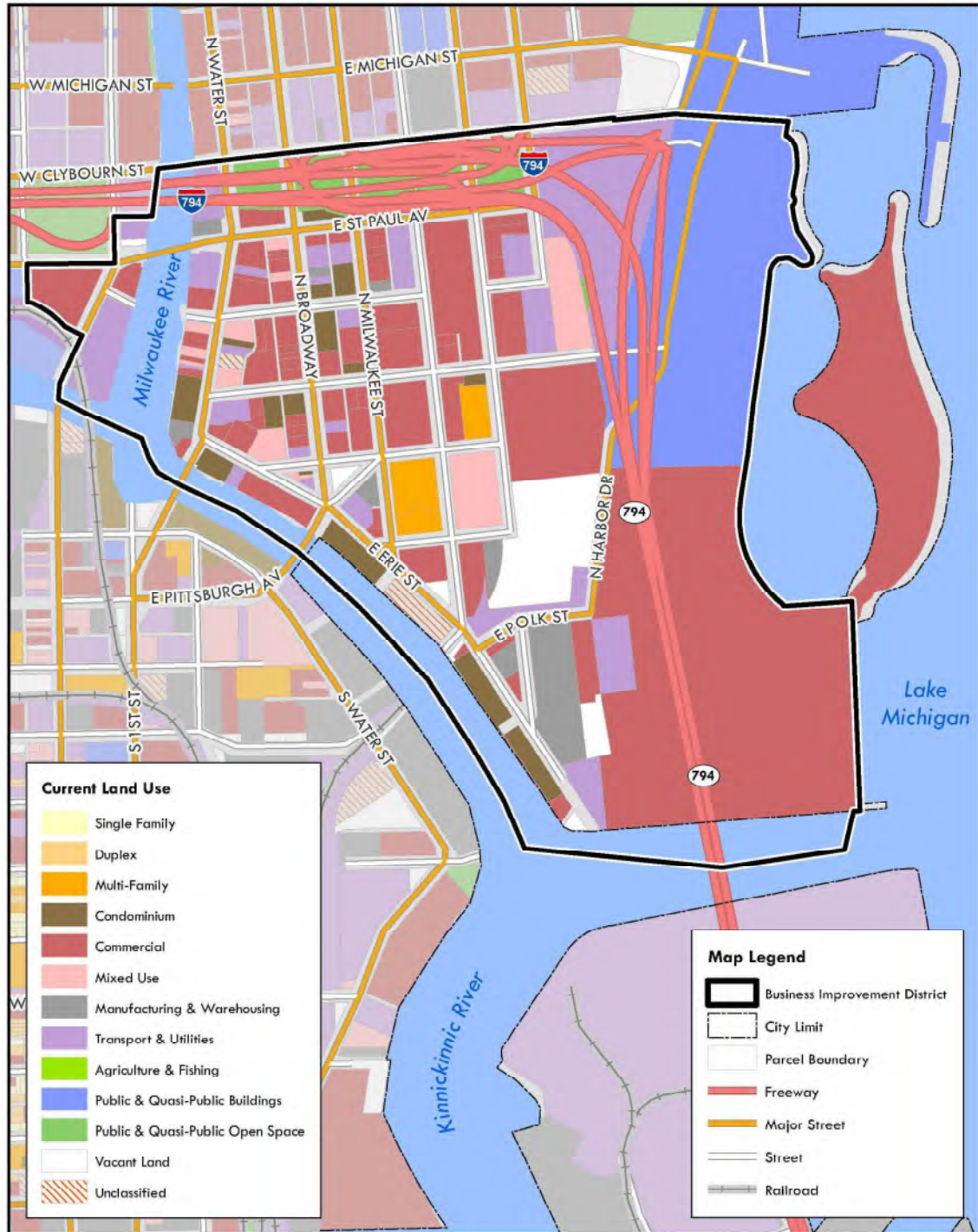
Appendix B

BID Boundaries (Map)

BID NO. 2: HISTORIC THIRD WARD CITY OF MILWAUKEE

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

0 0.15 0.3 Miles



Appendix C
Year 39 Assessments

Tax Key	BID-2 Core	RW Maint	Riverwalk Maintenance	Total
3610923100	\$ 8,046.75	\$ 522.68	\$	8,569.43
3920231100	\$ 3,174.60	\$ 206.21	\$	3,380.81
3920640100	\$ 7,262.46	\$ 471.73	\$	7,734.19
3920948000	\$ 20,916.02	\$ 1,358.60	\$ 7,734.04	30,008.66
3920950000	\$ 9,734.08	\$ 632.28	\$ 5,607.18	15,973.54
3920952000	\$ 3,704.88	\$ 240.65	\$ 1,740.16	5,685.69
3920955000	\$ 5,460.31	\$ 354.68	\$	5,814.99
3920966000	\$ 3,655.48	\$ 237.44	\$	3,892.92
3920967000	\$ 2,441.26	\$ 158.57	\$	2,599.83
3920968000	\$ 2,666.66	\$ 173.21	\$	2,839.87
3920972100	\$ 14,169.11	\$ 920.36	\$	15,089.47
3920973000	\$ 1,629.33	\$ 105.83	\$	1,735.16
3920977110	\$ 2,578.15	\$ 167.46	\$	2,745.61
3920978100	\$ 16,990.44	\$ 1,103.62	\$	18,094.06
3920980000	\$ 1,221.58	\$ 79.35	\$	1,300.93
3920981000	\$ 1,704.63	\$ 110.72	\$	1,815.35
3920985000	\$ 15,738.25	\$ 1,022.28	\$	16,760.53
3920987000	\$ 1,496.76	\$ 97.22	\$	1,593.98
3920991000	\$ 9,809.63	\$ 637.19	\$	10,446.82
3920992000	\$ 2,076.06	\$ 134.85	\$	2,210.91
3920993000	\$ 4,206.98	\$ 273.26	\$	4,480.24
3920995100	\$ 1,907.81	\$ 123.92	\$	2,031.73
3921002000	\$ 13,514.77	\$ 877.85	\$	14,392.62
3921011000	\$ 7,367.48	\$ 478.56	\$	7,846.04
3921018000	\$ 6,863.86	\$ 445.84	\$	7,309.70
3921023000	\$ 1,359.49	\$ 88.31	\$	1,447.80
3921025000	\$ 14,550.70	\$ 945.14	\$	15,495.84
3921027000	\$ 41,794.33	\$ 2,714.76	\$	44,509.09
3921030000	\$ 6,541.19	\$ 424.88	\$	6,966.07
3921031000	\$ 7,918.71	\$ 514.36	\$	8,433.07
3921034100	\$ 7,504.24	\$ 487.44	\$	7,991.68
3921036100	\$ 6,507.80	\$ 422.71	\$	6,930.51
3921041111	\$ 16,699.65	\$ 1,084.73	\$	17,784.38
3921062111	\$ 5,566.46	\$ 361.57	\$	5,928.03
3921101000	\$ 3,708.06	\$ 240.86	\$	3,948.92
3921102000	\$ 10,994.52	\$ 714.15	\$	11,708.67
3921103100	\$ 727.36	\$ 47.25	\$	774.61
3921126113	\$ 11,835.79	\$ 768.80	\$	12,604.59
3921150100	\$ 4,320.75	\$ 280.66	\$	4,601.41
3921153000	\$ 625.01	\$ 40.60	\$	665.61
3921169110	\$ 2,837.07	\$ 184.28	\$	3,021.35
3921478110	\$ 2,963.55	\$ 192.50	\$	3,156.05
3921486110	\$ 2,767.87	\$ 179.79	\$	2,947.66
3921734000	\$ 116.70	\$ 7.58	\$	124.28
3922153100	\$ 797.59	\$ 51.81	\$	849.40
3922154000	\$ 781.08	\$ 50.74	\$	831.82

3922173111	\$	1,083.81	\$	70.40	\$	1,154.21
3922173114	\$	11,835.02	\$	768.75	\$	12,603.77
3922178110	\$	250.16	\$	16.25	\$	266.41
3922182000	\$	386.79	\$	25.12	\$	411.91
3922183000	\$	806.09	\$	52.36	\$	858.45
3922521000	\$	476.82	\$	30.97	\$	507.79
3922581100	\$	368.89	\$	23.96	\$	392.85
3922582000	\$	1,489.90	\$	96.78	\$	1,586.68
3922587000	\$	608.63	\$	39.53	\$	648.16
3922588000	\$	1,055.11	\$	68.53	\$	1,123.64
3922589000	\$	575.62	\$	37.39	\$	613.01
3960021110	\$	12,698.39	\$	824.83	\$	13,523.22
3960031000	\$	815.62	\$	52.98	\$	868.60
3960032000	\$	1,304.00	\$	84.70	\$	1,388.70
3960033000	\$	1,565.97	\$	101.72	\$	1,667.69
3960034000	\$	1,602.79	\$	104.11	\$	1,706.90
3960081000	\$	1,251.43	\$	81.29	\$	1,332.72
3960082000	\$	1,251.43	\$	81.29	\$	1,332.72
3960083000	\$	1,251.43	\$	81.29	\$	1,332.72
3960148210	\$	810.79	\$	52.67	\$	863.46
3960261000	\$	921.52	\$	59.86	\$	981.38
3960262000	\$	926.09	\$	60.15	\$	986.24
3960321000	\$	3,187.68	\$	207.06	\$	3,394.74
3960322000	\$	181.21	\$	11.77	\$	192.98
3960323000	\$	51.94	\$	3.37	\$	55.31
3960324000	\$	3,988.06	\$	259.04	\$	4,247.10
3960325000	\$	3,049.26	\$	198.07	\$	3,247.33
3960326000	\$	3,134.09	\$	203.58	\$	3,337.67
3960327000	\$	3,236.69	\$	210.24	\$	3,446.93
3960328000	\$	3,489.39	\$	226.65	\$	3,716.04
3960329000	\$	3,712.12	\$	241.12	\$	3,953.24
3960361100	\$	248.13	\$	16.12	\$	264.25
3960362000	\$	574.22	\$	37.30	\$	611.52
3960391110	\$	1,512.89	\$	98.27	\$	1,611.16
3960392110	\$	2,333.46	\$	151.57	\$	2,485.03
3960393110	\$	1,004.95	\$	65.28	\$	1,070.23
3960394110	\$	753.65	\$	48.95	\$	802.60
3960395111	\$	1,169.01	\$	75.93	\$	1,244.94
3960396110	\$	425.14	\$	27.62	\$	452.76
3960397110	\$	1,159.24	\$	75.30	\$	1,234.54
3960398111	\$	1,336.89	\$	86.84	\$	1,423.73
3960400110	\$	1,177.65	\$	76.49	\$	1,254.14
3960401111	\$	1,777.77	\$	115.48	\$	1,893.25
3960402110	\$	1,205.58	\$	78.31	\$	1,283.89
3960403110	\$	1,984.88	\$	128.93	\$	2,113.81
3960404110	\$	624.89	\$	40.59	\$	665.48
3960405110	\$	510.09	\$	33.13	\$	543.22
3960406111	\$	700.95	\$	45.53	\$	746.48
3960411000	\$	2,248.88	\$	146.08	\$	2,394.96

3970109110	\$	1,636.06	\$	106.27	\$	1,742.33
3970241000	\$	817.78	\$	53.12	\$	870.90
3970291000	\$	454.48	\$	29.52	\$	484.00
3970431000	\$	766.47	\$	49.79	\$	816.26
3970511000	\$	17,168.85	\$	1,115.21	\$	18,284.06
3970561000	\$	585.90	\$	38.06	\$	623.96
3970562000	\$	305.27	\$	19.83	\$	325.10
3970563000	\$	555.17	\$	36.06	\$	591.23
3970564000	\$	1,853.20	\$	120.38	\$	1,973.58
3970672000	\$	5,712.37	\$	371.05	\$	6,083.42
3970673000	\$	562.16	\$	36.52	\$	598.68
3970674000	\$	6,550.59	\$	425.49	\$	6,976.08
3970675000	\$	568.13	\$	36.90	\$	605.03
3970676000	\$	603.81	\$	39.22	\$	643.03
3970679000	\$	710.98	\$	46.18	\$	757.16
3970680000	\$	1.78	\$	0.12	\$	1.90
4290101000	\$	7,848.49	\$	509.80	\$	8,358.29
4290102000	\$	420.70	\$	27.33	\$	448.03
4290115000	\$	576.38	\$	37.44	\$	613.82
4290123110	\$	2,007.87	\$	130.42	\$	2,138.29
4290130000	\$	415.24	\$	26.97	\$	442.21
4290131000	\$	309.84	\$	20.13	\$	329.97
4290132000	\$	211.94	\$	13.77	\$	225.71
4290133000	\$	103.87	\$	6.75	\$	110.62
4290134000	\$	138.29	\$	8.98	\$	147.27
4290221100	\$	10,146.01	\$	659.04	\$	10,805.05
4290231000	\$	1,354.79	\$	88.00	\$	1,442.79
4290232000	\$	488.25	\$	31.71	\$	519.96
4290233000	\$	486.22	\$	31.58	\$	517.80
4290421000	\$	854.47	\$	55.50	\$	909.97
4290431000	\$	2,328.50	\$	151.25	\$	2,479.75
4290452000	\$	962.03	\$	62.49	\$	1,024.52
4290472000	\$	560.00	\$	36.37	\$	596.37
3920232000	\$	-	\$	-	\$ 7,282.89	\$ 7,282.89
3920521000	\$	642.04	\$	41.70	\$	683.74
3920522000	\$	390.60	\$	25.37	\$	415.97
3920944212	\$	5,714.27	\$	371.17	\$ 12,890.07	\$ 18,975.51
3920949000	\$	2,472.86	\$	160.62	\$ 3,222.52	\$ 5,856.00
3920951000	\$	1,559.68	\$	101.31	\$ 3,544.77	\$ 5,205.76
3920953000	\$	359.37	\$	23.34	\$	382.71
3920970100	\$	941.33	\$	61.14	\$	1,002.47
3920986000	\$	3,729.73	\$	242.27	\$	3,972.00
3920988000	\$	1,972.31	\$	128.11	\$	2,100.42
3920994000	\$	2,452.55	\$	159.31	\$	2,611.86
3921007100	\$	426.76	\$	27.72	\$	454.48
3921010100	\$	15,051.43	\$	977.67	\$	16,029.10
3921105000	\$	1,231.84	\$	80.01	\$	1,311.85
3921735000	\$	246.86	\$	16.03	\$	262.89
3922184000	\$	587.27	\$	38.15	\$	625.42

3960002100	\$	2,773.33	\$	180.14	\$	2,953.47
3960531000	\$	1,383.59	\$	89.87	\$	1,473.46
3960532000	\$	621.03	\$	40.34	\$	661.37
3960542000	\$	2,845.30	\$	184.82	\$	3,030.12
3970661000	\$	2,784.71	\$	180.88	\$	2,965.59
3970677000	\$	177.05	\$	11.50	\$	188.55
4290116000	\$	218.50	\$	14.19	\$	232.69
3920954000	\$	147.30	\$	9.57	\$	156.87
3920962000	\$	218.16	\$	14.17	\$	232.33
3920963000	\$	220.19	\$	14.30	\$	234.49
3920969000	\$	709.08	\$	46.06	\$	755.14
3920976100	\$	6,301.07	\$	409.29	\$	6,710.36
3920989000	\$	381.33	\$	24.77	\$	406.10
3921008000	\$	479.24	\$	31.13	\$	510.37
3921024000	\$	548.57	\$	35.63	\$	584.20
3921037000	\$	411.55	\$	26.73	\$	438.28
3921071110	\$	8,761.89	\$	569.13	\$	9,331.02
3921089000	\$	192.00	\$	12.47	\$	204.47
3921097110	\$	336.76	\$	21.87	\$	358.63
3921100100	\$	362.67	\$	23.56	\$	386.23
3921480000	\$	1,891.04	\$	122.83	\$	2,013.87
3921736000	\$	175.11	\$	11.37	\$	186.48
3922156110	\$	971.93	\$	63.13	\$	1,035.06
3960003100	\$	2,979.04	\$	193.50	\$	3,172.54
3960344000	\$	852.44	\$	55.37	\$	907.81
3960351000	\$	870.35	\$	56.53	\$	926.88
3960352000	\$	725.97	\$	47.16	\$	773.13
3970111110	\$	2,750.98	\$	178.69	\$	2,929.67
3970671000	\$	3,996.56	\$	259.60	\$	4,256.16
4290471000	\$	1,292.70	\$	83.97	\$	1,376.67
4290491000	\$	3,809.52	\$	247.45	\$	4,056.97
	\$	563,404.02	\$	36,596.02	\$	42,021.63
					\$	642,021.67

Appendix D
2026 Budget for Year 39

2026 Business Improvement District No. 2 Budget

	2026 Budget	General BID	Streetscapes	Security	Rwk Maint	ARB	MSPS	WSPS
Assessments	\$ 650,772	\$ 578,253	\$ -	\$ -	\$ 72,519	\$ -	\$ -	\$ -
City Contributions	\$ 23,000	\$ -	\$ 5,000	\$ -	\$ 18,000	\$ -	\$ -	\$ -
Parking Revenue	\$ 3,030,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,795,748	\$ 1,234,956
Rent Revenue	\$ 190,816	\$ 92,904	\$ -	\$ -	\$ -	\$ -	\$ 67,457	\$ 30,455
Interest & Other Income	\$ 170,300	\$ 105,000	\$ 60,500	\$ -	\$ -	\$ -	\$ -	\$ 4,800
Total Revenue	\$ 4,065,592	\$ 776,157	\$ 65,500	\$ -	\$ 90,519	\$ -	\$ 1,863,205	\$ 1,270,211

	2026 Budget	General BID	Streetscapes	Security	Rwk Maint	ARB	MSPS	WSPS
Staffing	\$ 2,358,352	\$ 321,666	\$ 513,462	\$ 763,424	\$ 87,754	\$ -	\$ 343,380	\$ 328,666
HTWA Contract	\$ 431,936	\$ 431,936	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property	\$ 251,630	\$ 34,300	\$ 19,300	\$ 2,400	\$ 16,730	\$ -	\$ 58,500	\$ 120,400
Real Est/Pers Prop Taxes	\$ 248,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,000	\$ 122,000
Administration	\$ 40,701	\$ 26,250	\$ 750	\$ 1,500	\$ 51	\$ -	\$ 8,950	\$ 3,200
Technology	\$ 38,100	\$ 8,000	\$ 1,000	\$ 3,700	\$ -	\$ -	\$ 12,700	\$ 12,700
Vehicles & Equipment	\$ 87,600	\$ -	\$ 44,300	\$ 43,300	\$ -	\$ -	\$ -	\$ -
Maintenance	\$ 87,800	\$ -	\$ 44,700	\$ -	\$ 15,000	\$ -	\$ 13,550	\$ 14,550
Major Maintenance	\$ 85,000	\$ -	\$ 25,000	\$ -	\$ 10,000	\$ -	\$ 20,000	\$ 30,000
Streetscapes Programs	\$ 65,500	\$ -	\$ 55,500	\$ -	\$ 10,000	\$ -	\$ -	\$ -
Parking Operations	\$ 330,973	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198,258	\$ 132,715
Architectural Review Board	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -
Special Projects	\$ 15,000	\$ 10,000	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -

Total Operating Expenses	\$ 4,065,592	\$ 832,152	\$ 704,012	\$ 819,324	\$ 139,535	\$ 25,000	\$ 781,338	\$ 764,231
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Revenue vs. Operating Expenses	\$ (0)	\$ (55,995)	\$ (638,512)	\$ (819,324)	\$ (49,016)	\$ (25,000)	\$ 1,081,867	\$ 505,980
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WSPS Bond Principal Payment	\$ 340,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 340,000
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Streetlight Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Use of Reserve Funds	\$ 340,000							
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Total Gain (Loss)	\$ (0)	\$ (55,995)	\$ (638,512)	\$ (819,324)	\$ (49,016)	\$ (25,000)	\$ 1,081,867	\$ 165,980
--------------------------	---------------	--------------------	---------------------	---------------------	--------------------	--------------------	---------------------	-------------------

The following are the Appendices of the current and previous Business Improvement District No. 2 Operating Plans, and are incorporated herein by reference, unless amended by this document:

E. Petition for Creation of BID District

F. Common Council Resolution Creating Business Improvement District No. 2

G. BID-2 Bylaws

H. Statement of City Attorney

I. Development of Riverwalk Project

J. First Amendment to BID-2 1998 Operating Plan

K. Riverwalk Development Agreement

- (a) Description and Timetable for Completion of all Project Segments
- (b) Estimated Schedule of Repayments
- (c) Estimated 2nd Year Riverwalk Project Assessments Per Property
- (d) Estimated Riverwalk Project Budget

L. Second Amendment to BID-2 1998 Operating Plan

M. Development of Water Street Parking Structure

N. Third Amendment to BID-2 1998 Operating Plan

O. Dockwall Development Loan Agreement

P. 2026 Fiscal Year Dockwall Assessments Per Property

- (1) 301 North Water
- (2) 333 North Water
- (3) 105 North Water
- (4) 225 North Water
- (5) 223 North Water
- (6) 233 North Water

Q. Fourth Amendment to Riverwalk Development Agreement, First Amendment to Dockwall Development Loan Agreement and Third Amendment to Cooperation Agreement

R. First Amendment to Riverwalk Development Agreement for MIAD and Fourth Amendment to Cooperation Agreement for 511 E. Menomonee and 151 N. Jackson St Blight Designation Project

S. Fifth Amendment to Riverwalk Development Agreement

T. Sixth Amendment to Riverwalk Development Agreement

U. Resolution Dissolving TID 11

V. Third Ward Streetlight Agreement with the City

X. Third Amendment to TID 56

Business Improvement District #2

Annual Report - (Sept. 2024 – Sept. 2025)

Mission Statement/Vision/Priorities

Business Improvement District No. 2 (BID#2) in the Historic Third Ward neighborhood was created in 1987 and is the oldest operating BID in the City of Milwaukee. BID#2 is unique because it has operating businesses and employs more than 60 staff members to operate two parking structures, the Milwaukee Public Market, and teams of maintenance and security personnel.

The Historic Third Ward is a nationally listed Historic District, created in 1984, which includes 70 buildings spread over 10 square blocks in the heart of the BID district. The neighborhood boasts more than 400 businesses – from restaurants, spas, theaters, galleries, gyms and boutiques to marketing/design firms, architects, law offices, real estate and business development, technology/innovation and more. The neighborhood is also home to more than 3,000 residents.

A number of organizations work closely together to guide the Third Ward's growth and economic development. BID#2 provides operational support, strategic direction and financing for the neighborhood. The Historic Third Ward Association, Inc. (HTWA) provides the promotion, marketing and community building activities. The Architectural Review Board is responsible for review of design standards for renovations and new construction. Together, these organizations have fostered the incredible growth of the Historic Third Ward marking it "an overnight success, 30 years in the making." Each organization is run by a volunteer board of directors who donate their time and expertise.

Financial Relationships with other Entities

BID #2 is a separate entity from the Historic Third Ward Association, Inc. Members, officers and directors of each may be on each board. The HTWA is an independent, 501(c)(3) organization and it is intended that HTWA shall contract with BID#2 to provide services to BID#2, in accordance with BID#2's operating plan.

Total Assessed Value of Properties within District

Based on the City of Milwaukee Assessor's Office records as of January 1, 2025, the total property value in BID#2, including residential and tax-exempt properties, is \$1,368,486,727. The total BID-assessable commercial property value is \$443,681,564. Assessments on these commercial properties provide about 16% of the total \$4 million 2026 budget. The remainder of the budget is funded by BID#2's operating businesses.

Core Programs

- BID#2 board of directors met 2 times in 2024 and 2 times in 2025.
- BID#2 Operations LLC employs 24 full-time, 7 part-time employees and 3 seasonal employees. Milwaukee Public Market employs 12 full-time and 36 part-time employees. HTWA employs 4 full-time employees.
- BID#2 owns and manages two parking structures with a total of over 1,000 parking spaces.
- The BID#2 maintenance team cares for all of the BID#2 properties, along with more than 10 public spaces in the District. The team removes trash, graffiti and snow, as well as decorates the neighborhood with beautiful landscaping, seasonal banners and an annual Christmas tree.
- BID#2 maintains public spaces under agreements with the City, County, State DOT and others for Catalano Square, Erie St. Plaza, Gas Light Park, Trestle Park, Riverwalk Park and Riverwalk Commons.
- BID#2 also maintains and manages the Riverwalk from the Clybourn to the Water St. bridge.

Business Improvement District #2

Annual Report - (Sept. 2024 – Sept. 2025)

- BID#2 created a neighborhood security program that includes 8 full-time team members and 4 part-time employees driving patrol vehicles throughout the Ward providing 24/7 “eyes and ears”. In addition, BID#2 properties are protected by a network of security cameras and BID#2 is partnered with the Milwaukee Police Department Fusion Center to deploy license plate readers.
- BID#2 continues to support public art installations erected in the neighborhood, including Sculpture Milwaukee programs.
- The Milwaukee Public Market is owned and operated by BID#2. Total vendor sales in 2024 broke another record, totaling over \$27.6 Million. The Market hosted 161 cooking classes and private events in 2024.
- For the second year in a row, the Milwaukee Public Market was again voted America’s #1 Public Market by USA Today in April 2025.
- Riverwalk Commons, a public space located under the freeway at 423 N. Water St., continued to evolve and grow in popularity. The space is activated with popular pickleball courts and events. The Riverwalk Commons Concert Series held eight events in 2024 and 10 events in 2025. The Milwaukee Public Market hosted their annual Harvest Festival in the space.
- BID#2 supports the Historic Third Ward Association in return for performing mutually agreed upon activities in support of the neighborhood.

Economic Development

- In summer of 2025, the Architectural Review Board conceptually approved NCG Hospitality’s proposal for a new, 133-room AC by Marriott hotel at 224 E. Chicago.
- Robust leasing and infill tenancies in the Third Ward continue in 2024-2025. New businesses that opened in the neighborhood in 2024-2025 include Maggie’s Closet, KashesCollection, Allspring Global Investments, HoneyBee Sage Wellness & Apothecary, Harmonic Harvest, Affiliated Medical Services, Pearl & Cade, The Rivulet, Las Gardenias Mexican Cuisine, One Hundred Percent Milwaukee, MICHAL, The Catacombs of Neto, Kat Harrison Studio, Kim Storage Gallery, Royal Road Clini, Good Land Massage, Parker Hair Studio, and Ben & Jerry’s.
- The Evoni apartment building opened for occupancy in early 2025, with over 260 units for lease.

Marketing & Branding

- The Historic Third Ward has substantial Instagram (21.8k) and Facebook (20k) following, with engaging posts that appeal to visitors and locals alike. The Milwaukee Public Market also has its own robust social media outreach.
- Via the HTWA, we continue to engage our core constituencies through interest group meetings and member-focused events. The HTWAccess series invites members to learn more about an issue or topic, such as social media marketing, from local experts. We have residential, retail/merchant, restaurant/bar, and arts/cultural interest groups that meet twice yearly. Monthly member events allow for networking and relationship building.
- The neighborhood hosted several signature events in 2024/2025 that brought thousands to the Third Ward including Christmas in the Ward, four-quarterly Gallery Night MKEs, Gather: A Long-Table Dinner, World’s Largest Coffee Break, and the Third Ward Arts Festival.
- The HTWA produces two Third Ward-centric publications: **THREE**, a community lifestyle magazine mailed to residents and businesses in the Third Ward, Downtown, and Walker’s Point, and **The Guide**, a visitor guide to the neighborhood which is published twice per year.
- The HTWA hosts a website with an emphasis on the visitor experience, including an interactive map and itineraries, and a complete business directory.

Business Improvement District #2

Annual Report - (Sept. 2024 – Sept. 2025)

Partner/Collaborative Initiatives

- BID#2 and HTWA are active members of Downtown Neighbors Association and Friends of Lakeshore State Park. They regularly collaborate with downtown stakeholders in Milwaukee including Downtown BID#21, Westtown, East Town, Harbor District, Walker's Point, and Menomonee Valley.
- BID#2 and HTWA work with Container Concessions LLC to host the Third Ward Beer Garden at Catalano Square Park from April to October. The BID manages the park on behalf of the City and contracts with HTWA-Catalano Square LLC to promote and manage events at the park.
- BID#2 and Milwaukee Downtown BID#21 have been working for a couple of years on the Downtown Dog Park project. In late 2022, it was announced that Fromm Family Pet Foods will be the Title Sponsor of the park. At the same time, it was announced that the neighboring property will be developed into a 28,000 square foot project named Foxtown Landing which will include a brewery, distillery, restaurant, rooftop event venue and outdoor pet-friendly patio space overlooking the Milwaukee River. The Dog Park and Foxtown Landing parcels, which will be known as the Dog District, will also add a nearly 400-foot segment of the new public riverwalk between Clybourn Avenue and St. Paul Avenue, in addition to a new Riverwalk extension piece running under Clybourn on the west side of the River that will connect the downtown Riverwalk network to the dog park site. Groundbreaking for the Dog Park took place in September 2024 and the park opened to rave reviews in August 2025.
- In June 2025, long-anticipated improvements began to the parcel at 407 N. Water Street, directly across from the Milwaukee Public Market, known as "Riverwalk Park." Spearheaded by BID#2 in partnership with Milwaukee Metropolitan Sewerage District (MMSD), the improvements are made possible by a Green Infrastructure Grant program through MMSD, and will refresh the site into a more sustainable and inviting public space. The upgrades include replacing existing concrete and asphalt with permeable pavers to improve stormwater management, as well as adding native landscaping, trees, and new seating areas to encourage gathering and enhance biodiversity. These improvements will complement the growing activity in the area, such as the nearby pickleball courts and the programming at Riverwalk Commons, highlighted by the popular summer concert series. As one of the few green spaces in the Historic Third Ward along the river, this project will enrich both the environment and overall experience for nearby residents, workers, and visitors to our neighborhood. Work on the park improvements is expected to be complete in late-summer to early-fall of 2025.
- After years of advocacy and planning led by BID#2, the City of Milwaukee approved an amendment to the TID 56 Project Plan in late 2024. This amendment secures \$30 million in funding for major public infrastructure improvements in and around the Historic Third Ward. The projects are focused on enhancing multimodal safety, modernizing public spaces, and reinforcing the district's walkable, welcoming identity. Two priority focus areas include: Catalano Square & Erie Street Plaza Park Improvements and Water Street Reconstruction. In addition, the TID amendment supports broader public improvements such as protected bikeways, and pedestrian safety upgrades throughout the district. BID#2 will also engage the Historic Third Ward Association to assist in supporting and promoting these efforts.

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(With Summarized Totals for the Year Ended December 31, 2023)

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES

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Independent Auditor's Report

Board of Directors
Business Improvement District No. 2 and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of Business Improvement District No. 2 and Subsidiaries (a nonprofit organization) which comprise the consolidated statement of financial position as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Business Improvement District No. 2 and Subsidiaries as of December 31, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Business Improvement District No. 2 and Subsidiaries and to meet other ethical responsibilities in accordance with the ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Business Improvement District No. 2 and Subsidiaries' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Business Improvement District No. 2 and Subsidiaries' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Business Improvement District No. 2 and Subsidiaries' ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Business Improvement District No. 2 and Subsidiaries' December 31, 2023, financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 14, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, 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 supplementary information presented are 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.

A handwritten signature in dark ink that reads "Ritz Holman LLP". The signature is written in a cursive, flowing style.

RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
August 25, 2025

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024
(With Summarized Totals for December 31, 2023)

ASSETS	2024	2023
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 4,916,166	\$ 5,470,958
Certificate of Deposit	1,335,643	271,827
Net Property Assessment Receivable	708,010	603,694
Accounts Receivable	75,931	65,323
Due from Historic Third Ward Association	266	5,870
Accrued Interest - Notes Receivable	---	4,997
Prepaid Expenses	165,170	105,767
Inventory	184,383	84,033
Current Portion of Long-Term Notes Receivable	---	28,293
Total Current Assets	<u>\$ 7,385,569</u>	<u>\$ 6,640,762</u>
FIXED AND INTANGIBLE ASSETS		
Land	\$ 1,639,631	\$ 1,639,631
Milwaukee Street Parking Structure - Building	5,861,059	5,817,272
Water Street Parking Structure - Building	5,827,203	5,827,203
Milwaukee Public Market Building	9,146,256	9,089,795
Milwaukee Public Market Equipment	258,669	242,669
342-6 N. Broadway Street Building	627,884	627,884
Vehicles and Equipment	382,610	347,955
Riverwalk Docks	35,325	35,325
Total Fixed Assets	<u>\$ 23,778,637</u>	<u>\$ 23,627,734</u>
Less: Accumulated Depreciation	<u>(13,403,290)</u>	<u>(12,808,044)</u>
Net Fixed Assets	<u>\$ 10,375,347</u>	<u>\$ 10,819,690</u>
LONG-TERM ASSETS		
Notes Receivable - Property Owners	\$ ---	\$ 46,960
Less: Current Portion	<u>---</u>	<u>(28,293)</u>
Total Long-Term Assets	<u>\$ ---</u>	<u>\$ 18,667</u>
OTHER ASSETS		
Investments	\$ 1,009,638	\$ 1,546,098
Investments - Debt Service Funds	347,867	341,415
Bond Issuance Costs - Net of Accumulated Amortization	<u>38,502</u>	<u>51,336</u>
Total Other Assets	<u>\$ 1,396,007</u>	<u>\$ 1,938,849</u>
TOTAL ASSETS	<u><u>\$ 19,156,923</u></u>	<u><u>\$ 19,417,968</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 167,252	\$ 157,365
Accrued Payroll	155,236	103,653
Accrued Real Estate Taxes	851,200	834,908
Market Cards	298,317	255,443
Other Liabilities	9,748	---
Add: Current Portion of Long-Term Liabilities	<u>357,004</u>	<u>424,612</u>
Total Current Liabilities	<u>\$ 1,838,757</u>	<u>\$ 1,775,981</u>
LONG-TERM LIABILITIES		
Notes Payable	\$ ---	\$ 80,899
Net Long-Term Bond Liability	1,403,166	1,712,293
Deferred Revenue	559,077	531,917
Less: Current Portion	<u>(357,004)</u>	<u>(424,612)</u>
Total Long-Term Liabilities	<u>\$ 1,605,239</u>	<u>\$ 1,900,497</u>
OTHER LIABILITIES		
Security and Key Card Deposits	<u>\$ 28,784</u>	<u>\$ 26,651</u>
Total Other Liabilities	<u>\$ 28,784</u>	<u>\$ 26,651</u>
Total Liabilities	<u>\$ 3,472,780</u>	<u>\$ 3,703,129</u>
NET ASSETS		
Without Donor Restrictions		
Operating	\$ 14,148,719	\$ 14,171,374
Board-Designated	997,443	1,043,465
Total Net Assets Without Donor Restrictions	<u>\$ 15,146,162</u>	<u>\$ 15,214,839</u>
With Donor Restrictions	<u>537,981</u>	<u>500,000</u>
Total Net Assets	<u>\$ 15,684,143</u>	<u>\$ 15,714,839</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 19,156,923</u></u>	<u><u>\$ 19,417,968</u></u>

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

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2024
(With Summarized Totals for the Year Ended December 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
REVENUE				
BID Assessments	\$ 42,506	\$ 537,981	\$ 580,487	\$ 580,955
City of Milwaukee Contributions	23,000	---	23,000	23,000
Parking Revenue	2,880,310	---	2,880,310	2,751,115
Program Revenue	35,902	---	35,902	24,372
Maintenance Fees	100,868	---	100,868	11,435
Investment Income	201,577	---	201,577	181,613
Interest Income on Notes Receivable - Property Owners	---	---	---	4,997
Rental Income	215,455	---	215,455	198,820
Miscellaneous Income	4,875	---	4,875	11,199
HTWA Market Project Income	3,309,069	---	3,309,069	2,942,243
Net Assets Released from Restriction	500,000	(500,000)	---	---
Total Revenue	<u>\$ 7,313,562</u>	<u>\$ 37,981</u>	<u>\$ 7,351,543</u>	<u>\$ 6,729,749</u>
EXPENSES				
Program Services				
BID #2	\$ 4,330,554	\$ ---	\$ 4,330,554	\$ 3,697,540
HTWA Market Project, LLC	3,000,018	---	3,000,018	2,462,118
Management and General	51,667	---	51,667	126,457
Total Expenses	<u>\$ 7,382,239</u>	<u>\$ ---</u>	<u>\$ 7,382,239</u>	<u>\$ 6,286,115</u>
CHANGE IN NET ASSETS	\$ (68,677)	\$ 37,981	\$ (30,696)	\$ 443,634
Net Assets, Beginning of Year	<u>15,214,839</u>	<u>500,000</u>	<u>15,714,839</u>	<u>15,271,205</u>
NET ASSETS, END OF YEAR	<u>\$ 15,146,162</u>	<u>\$ 537,981</u>	<u>\$ 15,684,143</u>	<u>\$ 15,714,839</u>

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

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(With Summarized Totals for the Year Ended December 31, 2023)

	Program Services	Management and General	2024 Total	2023 Total
Professional Fees	\$ 16,967	\$ 23,800	\$ 40,767	\$ 107,576
Contracted Services	56,745	---	56,745	45,674
Utilities	444,635	---	444,635	323,745
Equipment Expenses	153,791	---	153,791	155,991
Maintenance	449,077	---	449,077	238,186
Real Estate Taxes	341,439	---	341,439	325,853
Bond Expenses	12,834	---	12,834	12,834
Administrative Expenses	---	27,384	27,384	36,235
Staff Development	5,877	---	5,877	5,502
Interest Expense	96,141	---	96,141	111,924
Licenses and Permits	5,384	---	5,384	6,908
Insurance	92,445	---	92,445	80,043
Architectural and Engineering Costs	18,880	---	18,880	18,487
Association Funding	432,478	---	432,478	431,936
Sales and Use Tax	311,488	---	311,488	213,794
Special Projects	35,501	---	35,501	28,884
Depreciation	610,558	---	610,558	629,467
Bank Charges and Processing Fees	148,384	---	148,384	142,807
Advertising and Marketing	121,546	---	121,546	94,106
Worker's Compensation	21,264	---	21,264	39,588
Salaries and Wages	2,721,865	---	2,721,865	2,171,889
Employee Benefits	189,817	---	189,817	173,870
Payroll Taxes	215,622	---	215,622	181,156
Retirement Expenses	52,973	---	52,973	35,450
Office Supplies	50,095	---	50,095	51,791
Kitchen Expenses	210,186	---	210,186	213,611
CAM Expenses	502,416	---	502,416	397,219
Meals and Entertainment	10,368	---	10,368	8,274
Dues and Subscriptions	1,796	---	1,796	3,315
Bad Debt	---	483	483	---
TOTALS	\$ 7,330,572	\$ 51,667	\$ 7,382,239	\$ 6,286,115

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

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(With Summarized Totals for the Year Ended December 31, 2023)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (30,696)	\$ 443,634
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	610,558	629,467
Unrealized Gain on Investment in Development Bonds	(6,452)	(6,707)
Unrealized Gain/Loss on Investments	(81,540)	---
Amortization of Bond Issuance Costs	12,834	12,834
Amortization of Bond Issuance Discount	872	1,021
(Increase) Decrease in Net Property Assessment Receivable	(104,316)	(39,868)
(Increase) Decrease in Accounts Receivable	(10,608)	(7,918)
(Increase) Decrease in Due from Historic Third Ward Association	5,604	(1,280)
(Increase) Decrease in Accrued Interest - Notes Receivable	4,997	1,897
(Increase) Decrease in Prepaid Expenses	(59,403)	(25,141)
(Increase) Decrease in Light Pole Inventory	(100,349)	21,568
(Increase) Decrease in Notes Receivable - Property Owners	46,960	26,492
Increase (Decrease) in Accounts Payable	9,887	24,670
Increase (Decrease) in Accrued Payroll	51,583	(2,487)
Increase (Decrease) in Accrued Real Estate Taxes	16,292	(3,225)
Increase (Decrease) in Market Cards	42,874	15,298
Increase (Decrease) in Other Liabilities	9,748	(8,956)
Increase (Decrease) in Deferred Revenue	27,160	11,575
Increase (Decrease) in Security Deposits	2,133	4,200
Net Cash Provided by Operating Activities	<u>\$ 448,138</u>	<u>\$ 1,097,074</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	\$ (166,215)	\$ (141,071)
Purchase of Investments	---	(1,546,098)
Proceeds from Sales of Investments	618,000	---
Purchase of Certificate of Deposit	<u>(1,063,816)</u>	<u>(9,145)</u>
Net Cash Used by Investing Activities	<u>\$ (612,031)</u>	<u>\$ (1,696,314)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Notes Payable	\$ (80,899)	\$ (78,040)
Redemption of Development Bonds	<u>(310,000)</u>	<u>(290,000)</u>
Net Cash Used by Financing Activities	<u>\$ (390,899)</u>	<u>\$ (368,040)</u>
Net Decrease in Cash and Cash Equivalents	\$ (554,792)	\$ (967,280)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>5,470,958</u>	<u>6,438,238</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 4,916,166</u></u>	<u><u>\$ 5,470,958</u></u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	\$ 96,141	\$ 111,924

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

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A - Summary of Significant Accounting Policies

Organization

Business Improvement District No. 2 was created by the Common Council of the City of Milwaukee pursuant to Wisconsin Statutes and started operations in 1987. The Organization is exempt from tax as a component of a government unit. The Organization was formed with the primary objective to reinforce, promote, and enhance the historic image and character of Milwaukee's Historic Third Ward district through renovation, rehabilitation, and adaptive reuse.

Consolidated Financial Statements

The consolidated financial statements include the accounts of Business Improvement District No. 2, BID#2 Operations, LLC, HTWA Market Project, LLC, and Riverwalk Commons, LLC. BID#2 Operations, LLC, Riverwalk Commons, LLC and HTWA Market Project, LLC are Wisconsin limited liability companies. Business Improvement District No. 2 is the sole member of BID#2 Operations, LLC, HTWA Market Project, LLC, and Riverwalk Commons, LLC. All significant intercompany transactions and accounts are eliminated.

Basis of Accounting

The financial statements of Business Improvement District No. 2 and Subsidiaries (the "Organization") have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents when purchased.

Certificates of Deposit

Certificates of deposit with a maturity of 3 months or less are included in cash and cash equivalents and the amount reported on the Statement of Financial Position have a maturity of greater than 3 months.

Inventory

Inventory consists of light poles recorded at cost under the first-in-first-out method and market-branded apparel and beverages recorded at cost.

Fixed Assets

Fixed assets are recorded at cost. Depreciation is provided over the estimated useful lives of the fixed assets using the straight-line method. The Organization capitalizes fixed assets with a cost of \$10,000 and greater.

Bond Issuance Costs

Costs incurred in connection with the refinancing of development revenue bonds during 2018 have been capitalized and are amortized over the remaining life of the bonds using the interest method.

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A - Summary of Significant Accounting Policies (continued)

Notes Receivable

Notes receivable are stated at unpaid balances and collected through tax assessments. Management believes all receivables will be collected in accordance with the terms of the agreements. Thus, no allowance for uncollectible accounts is necessary at year end. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. Interest income is accrued when earned. The Organization does not charge late fees for notes. The accrual of interest on a note shall cease when payments are not received with the city's tax assessment payment. When the accrual of interest is stopped, any unpaid interest previously recorded as income shall be deducted from income. Any future payments received should be applied to reduce principal. At such time as full collection of the remaining recorded balance is expected in the ordinary course of business, interest payments may be recorded as interest income on a cash basis limited to that which would have been recognized on the recorded balance at the contractual interest rate.

Accounts Receivable and Credit Losses

The Organization recognizes an allowance for expected credit losses on trade receivables. The expected credit losses are updated by management at each reporting date to reflect changes in credit risk since the financial instrument was initially recognized. The expected credit losses on trade receivables are estimated based on historical credit loss experience, aging analysis, and management's assessment of current conditions and reasonable and supportable expectations of future conditions. The Organization assesses collectability by pooling receivables where similar characteristics exist and evaluates receivables individually when specific customer balances no longer share those risk characteristics and are considered at risk or uncollectible. Accounts receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased. The expense associated with the allowance for expected credit losses is recognized in bad debts expense.

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.

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A - Summary of Significant Accounting Policies (continued)

Contributions and Grant Revenue

Contributions received and unconditional promises to give are measured at their fair values and are reported as increases in net assets. Contributions are considered available for the Organization's general programs unless specifically restricted by the donor. 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. Conditional promises to give are not recognized until they become unconditional. A conditional contribution is one that has both a barrier that must be overcome and an agreement requiring advance payment to be returned or future payment not to be obligated whence the barrier is not overcome. Amounts received for which the donor has limited the use of the asset or designated the gift as support for future periods are considered restricted support and included in net assets with donor restrictions. When a donor 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. When the restriction on a contribution is met in the same reporting period as the contribution is received, the contribution is reported in net assets without donor restrictions.

Net assets restricted for acquisition of building or equipment are reported as net assets with donor restrictions until the specified asset is placed in service at which time the net assets are released to net assets without donor restrictions.

When a donor requires the investment of a contribution and restricts the use of investment income, the investment income is reported as net assets with donor restrictions until appropriated for the designated time or use when the net assets are released to net assets without donor restrictions.

Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Donated services are recognized as contributions if the services create or enhance nonfinancial assets or the services require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Accordingly, the value of contributed time that does not meet these requirements has not been determined and is not reflected in the accompanying financial statements.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Functional Expenses

The Organization allocates costs directly to program and management when appropriate. Certain expenses are attributable to one or more programs or supporting functions of the Organization. Those expenses are allocated based on estimates of time and effort.

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE A - Summary of Significant Accounting Policies (continued)

Leases

The Organization recognizes operating and finance leases in accordance with the *FASB Accounting Standards Codification* (ASC) 842. A lease exists when an organization has the right to control the use of property, plant or equipment over a lease term.

The lessee classifies a lease as either a finance or operating lease. The accounting of a finance lease is similar to when an asset is purchased. An operating lease is when the right-of-use of an asset exists over the lease-term, but that the lease doesn't meet the definition of a finance lease.

The Organization has elected to establish a threshold to exclude lease assets and obligations that are immaterial to the financial statements. The Organization recognizes individual lease assets and liabilities when they are greater than \$5,000. However, if the combined lease assets or liabilities for individually insignificant leases are greater than \$10,000 the Organization recognizes the lease assets and obligations.

The Organization has elected not to apply the recognition requirements in ASC 842 to short-term leases (those with a term of 12 or less months) and no expected purchase at the end of the term.

NOTE B - Comparative Financial Information

The financial information shown for 2023 in the accompanying financial statements is included to provide a basis for comparison with 2024. 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, 2023, from which the summarized information was derived.

For comparability, certain 2023 amounts may have been reclassified to conform with classifications adopted in 2024. The reclassifications have no effect on reported amounts of net assets or changes in net assets.

NOTE C - Liquidity

The Business Improvement District No. 2 is substantially supported by the revenue generated by tax assessments, parking income and retail rents. Thus, financial assets are almost wholly available for general expenditure within one year.

As of December 31, 2024, the Organization had \$7,036,016 in liquid assets. About \$327,101 of these funds are comprised of a gift card program and other security and operating deposits. An additional \$997,443 is board-specified for the reserve and replacement needs of the Milwaukee Public Market property. An amount of \$300,000 is needed for cash flow purposes and the remaining \$5,411,472 is available for use as approved by the board.

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE C - Liquidity (continued)

The Organization has \$21,362,154 in hard assets primarily in the form of two major parking structures, the Milwaukee Public Market building and 346 N. Broadway which currently has a long-term restaurant tenant. The Organization also has an outstanding principal balance of \$1,405,000 for financing of the Water Street Parking Structure. Given the obligations and assets of the Organization, and the long-term need to adequately support those assets, as well as any future project the board may decide to undertake, the amount of cash held in reserve is deemed to be appropriate, and the expectation is that the amount of cash reserves will continue to increase.

The policy of the Organization is to approve a balanced budget in September to be included in its Operating Plan submitted to the City of Milwaukee Common Council for approval.

NOTE D - Net Property Assessment Receivable

The Organization receives assessments on properties in its district based on a formula suggested by the board and passed through the municipal legislative process. Net assessments receivable and donor-restricted revenue are recorded for assessments authorized for the following year. Total assessments paid to the Organization in February 2025 were \$708,010, which includes the following:

<u>Description</u>	<u>Amount</u>
BID Assessments	\$537,981
Dockwall Assessment	13,061
Riverwalk Construction	37,158
Riverwalk Maintenance	118,539
Interest Receivable	<u>1,271</u>
Total Net Property Assessment Receivable	<u>\$708,010</u>

NOTE E - Accounts Receivable

As of December 31, 2024, accounts receivable consisted of the following:

Market Tenant Receivables	\$71,322
Riverworks Commons Receivables	1,463
Other Receivables	<u>3,146</u>
Accounts Receivable	<u>\$75,931</u>

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE F - Concentration of Credit Risk

The Organization maintains cash balances at a financial institution located in Milwaukee. Balances at the institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2024, the Organization's uninsured cash balances totaled \$414,500.

NOTE G - Investments - Debt Service Funds

In accordance with the Organization's bonds and related agreements (see Note I to the financial statements), the Organization maintains an advance funded interest reserve to cover the next 12 months of interest and redemptions, recalculated each September 15. At December 31, 2024, the balance in the advance funded interest reserve was \$347,867. Debt service funds are carried at cost.

NOTE H - Fair Value Measurements

The Organization has adopted the Financial Accounting Standards Board guidance on fair value measurements. A three-tier hierarchy is used to maximize the use of observable market data inputs and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Financial assets valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Financial assets valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets. Financial assets valued using Level 3 inputs are based primarily on valuation models with significant unobservable pricing inputs and which result in the use of management estimates.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2024:

<u>Investment Category</u>	<u>Fair Value</u>	Quoted Prices In Active Markets for Identical Assets (<u>Level 1</u>)	Significant Other Observable Inputs (<u>Level 2</u>)	Significant Unobservable Inputs (<u>Level 3</u>)
Fixed Income	\$1,002,288	<u>\$1,002,288</u>	\$ ---	\$ ---
Cash in Investments	<u>7,350</u>			
Total	<u>\$1,009,638</u>			

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE I - Long-Term Bond Liability

The Redevelopment Authority of the City of Milwaukee issued \$5,720,000 of development revenue bonds in April 1999, of which the proceeds were lent to the Organization for construction of the Water Street Parking Structure. Interest on the loan is payable monthly at a variable rate which is adjusted weekly.

The bonds are secured by substantially all of the Organization's assets. The bonds were refinanced in September 2018 with Town Bank, principal amount of \$2,195,000 and \$830,000 for nontaxable and taxable bonds, respectively. The repayment schedule and bond discount remains the same. The prior contract's bond issue costs have been fully amortized and the new bond issue costs will be amortized over the remaining life of the bond. Bond issue costs at December 31, 2024, equaled \$38,502.

The Organization has the right to redeem any of the outstanding bonds for their face value.

As stated in Note G to the financial statements, the Organization is required to maintain an advance funded interest reserve for payments of interest and redemptions. The bonds were issued at a discount of \$57,200. Amortization of the discount in the year ended December 31, 2024, was \$873. Net long-term bond liability consists of the following:

<u>Description</u>	<u>Amount</u>
Bonds Payable	\$1,405,000
Unamortized Discount	<u>(1,834)</u>
Net Long-Term Bond Liability	<u>\$1,403,166</u>

Future required bond redemptions are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 325,000
2026	340,000
2027	360,000
2028	<u>380,000</u>
Total	<u>\$1,405,000</u>

NOTE J - Parking Structure and Lease Agreements

Milwaukee Street Parking Structure - City of Milwaukee Agreement

On June 13, 1994, the Organization entered into a Parking Ramp Cooperation and Development Agreement with the City of Milwaukee. Under the agreement, the Organization received money from the City to construct a parking structure to serve the public purpose of promoting economic development and urban renewal within the Historic Third Ward district.

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE J - Parking Structure and Lease Agreements (continued)

The agreement requires the Organization to use excess cash from parking structure funds in the following manner:

1. Pay normal and customary operating and maintenance expenses of the Water Street Parking Structure.
2. Fund payment of the City of Milwaukee Redevelopment Bonds issued for the Historic Third Ward Parking Facility Project noted in Note I to the Financial Statements.
3. Fund an interest rate stabilization reserve.

The Organization's management has determined that any excess funds from the year ended December 31, 2024, have been used in accordance with the first two points above and funds are not available to fund the interest rate stabilization reserve.

Milwaukee Street Parking Structure - Land Lease

The Milwaukee Street Parking Structure was constructed on a 50-year non-cancellable lease with a third party. The Organization has the option to extend the lease with proper notice for an additional ten years. The lease requires payments totaling \$50 during the initial 50-year lease period. As part of the lease agreement, the Organization is required to provide up to 192 parking spaces to the lessor at no charge.

Water Street Parking Structure Agreement

The Water Street Parking Structure was constructed with proceeds from bonds issued by the Redevelopment Authority of the City of Milwaukee as per Note I to the financial statements. In exchange for the three parcels of land needed to construct the parking structure, the Organization reserved 70 parking spaces in the form of a lease and issued a promissory note totaling approximately \$296,000. The lease terms are for 99 years without rent and only require the tenants to pay an annual maintenance fee of approximately \$150 per space. Each space has been valued at approximately \$7,500 for a total value of \$525,000. The lease commenced on February 1, 2000.

Land totaling \$525,000 and deferred rental revenue of \$549,309 were recorded in 1999.

At December 31, 2024, the Organization has related deferred revenue consisting of the following:

Advance Payment of Parking Rentals	<u>\$410,584</u>
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**BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE J - Parking Structure and Lease Agreements (continued)

Retail Lease Agreements

The Organization leases out retail space to tenants in the Water Street and Milwaukee Street Parking Structures. The leases respectively call for monthly rent payments of \$4,887 and \$1,800 through September 2027.

The Organization also leases out retail space to a tenant in the Broadway Building. The lease calls for monthly rent payments of \$6,732 through November 2023 and monthly rent payments of \$7,742 through November 2028.

Rental income of \$192,997 for the year ended December 31, 2024, is included on the financial statements for these leases, and the expected future rent payments are as follows:

<u>Year</u>	<u>Amount</u>
2025	\$173,147
2026	173,147
2027	153,086
2028	<u>85,161</u>
Total	<u>\$584,541</u>

Tower Space Lease Agreements

The Organization has a master 25-year licensing agreement for cell tower space to Verizon Wireless in Milwaukee Public Market, Water Street and Milwaukee Street Parking Structures. All six supplemental leases call for annual rent payments of \$1,800, increasing by 3% each year after installation of the cell tower.

Rental income of \$8,347 for the year ended December 31, 2024, is included on the financial statements for these leases, and the expected future rent payments are as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 12,160
2026	12,525
2027	12,901
2028	13,288
2029	13,686
Thereafter	<u>283,509</u>
Total	<u>\$348,069</u>

Public Space Use Agreements

The Organization entered into leases with the City of Milwaukee for the parks known as Catalano Square, Erie Street Plaza and Trestle Park. The Catalano Square and Erie Street Plaza lease agreements commenced on July 1, 2010, and will terminate on June 30, 2025. The Trestle Park lease agreement commenced on August 1, 2020 and will terminate on August 1, 2045. The Organization intends to use the land to enhance the urban green space and for public programming.

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE J - Parking Structure and Lease Agreements (continued)

The Organization entered into an agreement with We Energies for the park at 111 N. Jefferson Street, known as Gas Light Park. The agreement commenced on April 1, 2020, and will terminate on March 31, 2021 or automatically renew if the Organization provides We Energies with a certificate of insurance. The Organization is using the land for playground equipment and a learning trail.

The Organization entered into an agreement with the Wisconsin Department of Transportation for the right-of-use for space at 160 W. St. Paul Avenue. This agreement commenced on October 1, 2018, and will terminate on December 31, 2027. The Organization intends to use this space for installation and maintenance of art sculptures.

The Organization entered into an agreement with the Wisconsin Department of Transportation and Milwaukee County for the right-of-use for space at 423 N. Water St. This agreement commenced on April 1, 2019, and will terminate on March 31, 2039. The Organization intends to use this space for public programming.

As a member of RunPKG, Inc., the organization entered into two agreements with the Wisconsin Department of Transportation and Milwaukee County for the right-of-use for space at 103 W. Clybourn St. and 444 N. 3rd St. The spaces will be used to develop a dog run and for a surface parking lot respectively. These agreements commenced on November 15, 2023 and will terminate on November 15, 2042.

NOTE K - Public Market Parking Lot

Construction of the Public Market was completed in 2005. The United States Department of Commerce, Economic Development Administration, provided a \$2,500,000 grant to the Organization to help complete the Public Market building. If the use, transfer or alienation of the Public Market property is in violation of the grant agreement, an amount of \$2,500,000 or an amount determined pursuant to 13 CFR Part 314 shall be due and payable to the Department of Commerce. This lien and encumbrance will terminate in 2025.

The Milwaukee Public Market has a five-year lease with the Wisconsin Department of Transportation for the parking lot of the Public Market, which was signed in March 2017. The renegotiated lease has \$8,560 in monthly lease payments for five years starting March 1, 2017, and ending February 28, 2022. The lease is month to month after February 28, 2022.

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE L - Milwaukee Public Market Lease Agreements

The Organization also has various rental agreements with vendors for space at the Milwaukee Public Market. The vendors are required to pay rent based on a base rent, percentage of sales or both. The terms of these agreements also vary.

The currently contracted base rents future payments are as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 322,323
2026	311,588
2027	252,399
2028	67,667
2029	39,000
Thereafter	<u>10,000</u>
Total	<u>\$1,002,977</u>

NOTE M - Security Deposits

As of December 31, 2024, the Organization had collected refundable parking security deposits of \$23,393 and a security deposit for commercial space of \$5,391.

NOTE N - Deferred Revenue

The Organization has deferred the revenue received from the 99-year leases at the Water Street Parking structure referenced in Note J as well as revenue received from HTWA Market Project LLC for the shared use of six pieces of maintenance equipment. At December 31, 2024, the Organization had related deferred revenue of \$486,239.

Future deferred revenue amounts are as follows:

<u>Year</u>	<u>Amount</u>
2025	\$ 26,971
2026	22,567
2027	19,300
2028	12,303
2029	12,303
Thereafter	<u>392,795</u>
Total	<u>\$486,239</u>

The Organization also deferred revenue related to future events scheduled to be hosted at the Milwaukee Public Market. At December 31, 2024, the Organization had related deferred revenue of \$32,004, all of which is expected to be recognized in 2025.

**BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE O - Special Projects

The Organization incurred expenses while improving the Historic Third Ward through installing renovations such as streetlights, foundations, and parkways. The Organization does not own the land on which the improvements were made, and, accordingly, the items were expensed and not capitalized as fixed assets.

NOTE P - Net Assets Without Donor Restrictions - Board-Designated

The Organization has \$997,443 of board-designated net assets at December 31, 2024, which is a reserve for capital costs of the Milwaukee Public Market building.

NOTE Q - Net Assets with Donor Restrictions

The Organization has net assets with donor restrictions at December 31, 2024, which consist of the following:

2024 Assessments	<u>\$537,981</u>
Total Net Assets with Donor Restrictions	<u>\$537,981</u>

NOTE R - Management Agreement

Under a written agreement with the Historic Third Ward Association, the Organization is provided with office facilities, administrative support, and other services. As of December 31, 2024, the Organization had a receivable from the Historic Third Ward Association totaling \$266.

NOTE S - Revenue from Contracts with Customers

Parking Revenue

The Organization owns multiple parking structures which generate revenue through use of the structures. The parking revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing the use of the parking structures. Revenue from parking is recognized at the point in time of use and the Organization's performance obligation is completed. In addition, as described in Note J, the Organization entered into an arrangement to provide parking spaces to the City of Milwaukee under a deferral arrangement. For the year ended December 31, 2024, parking revenue was \$3,921,007.

Beginning Deferred Revenue	\$416,133
Revenue Recognized from Prior Year Deferred	<u>(5,549)</u>
Ending Deferred	<u>\$410,584</u>

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE S - Revenue from Contracts with Customers (continued)

Milwaukee Public Market Kitchen Event Revenue

The Organization hosts numerous events in the Milwaukee Public Market such as private events, public cooking classes and private cooking classes. Events require a ticket or deposit to guarantee the date of the event. The event revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing the registrant access to the event and event materials. Revenue from these events are recognized at the point in time the event is held and the Organization's performance obligation to hold the event is completed. Receipts and deposits collected in advance of the event are deferred as contract liabilities until earned when the event is held, at which point the revenue is recognized.

Beginning Deferred Revenue	\$ 33,713
Revenue Recognized from Prior Year Deferred	(33,713)
New Event Revenue	626,148
Revenue Recognized on Kitchen Events	<u>(594,144)</u>
Ending Deferred	<u>\$ 32,004</u>

NOTE T - Related Parties

The Organization paid board members' businesses \$1,477 in the year ended December 31, 2024.

NOTE U - Assessment Income

In order to provide revenues to support the Organization's mission, the Common Council of the City of Milwaukee enforced an assessment on property located within the Third Ward area. The assessment is calculated based on assessed values of the properties as of every Fall. The assessment levied on the commercial properties was \$1.50 per \$1,000 of assessed property value for the year ended December 31, 2024.

NOTE V - Retirement Plan

The Organization has a SIMPLE IRA retirement plan which allows employee and employer matching contributions. All full-time employees are eligible to participate after 90 days of employment. All part-time employees are eligible when they have earned at least \$5,000 for the calendar year. The Organization matched 3% for all employees for the entire year. These contributions are immediately vested. Total retirement expense for 2024 was \$52,973.

NOTE W - Subsequent Events

The Organization has evaluated events and transactions occurring after December 31, 2024, through August 25, 2025, the date the financial statements are available to be issued, for possible adjustments to the financial statements or disclosures. The Organization has determined that the following subsequent events need to be disclosed.

The Organization entered into lease extensions with the City of Milwaukee for the parks known as Catalano Square and Erie Street Plaza in July 2025 to extend the leases for an additional 15 years. The Organization signed a new rental agreement with a vendor for space at the Milwaukee Public Market in August 2025.

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
SCHEDULE OF STATEMENT OF FINANCIAL POSITION CONSOLIDATION
DECEMBER 31, 2024

	ASSETS					
	Business Improvement District No. 2	BID#2 Operations	HTWA Market Project	Riverwalk Commons LLC	Eliminations	Totals
CURRENT ASSETS						
Cash and Cash Equivalents	\$ 1,427,951	\$ 656,928	\$ 2,813,337	\$ 17,950	\$ ---	\$ 4,916,166
Certificates of Deposit	285,491	525,076	525,076	---	---	1,335,643
Net Property Assessment Receivable	708,010	---	---	---	---	708,010
Accounts Receivable	3,146	179,609	71,322	1,463	(179,609)	75,931
Due From BID#2 Operations LLC	884,368	---	---	---	(884,368)	---
Due from Historic Third Ward Association	---	---	590	(324)	---	266
Due From Riverwalk Commons LLC	40,000	---	---	---	(40,000)	---
Prepaid Expenses	76,426	---	88,744	---	---	165,170
Inventory	152,520	---	29,683	2,180	---	184,383
Total Current Assets	<u>\$ 3,577,912</u>	<u>\$ 1,361,613</u>	<u>\$ 3,528,752</u>	<u>\$ 21,269</u>	<u>\$ (1,103,977)</u>	<u>\$ 7,385,569</u>
FIXED AND INTANGIBLE ASSETS						
Land	\$ 1,639,631	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,639,631
Buildings	21,511,874	---	209,197	---	---	21,721,071
Equipment	382,610	---	---	---	---	382,610
Riverwalk Docks	35,325	---	---	---	---	35,325
Less: Accumulated Depreciation	(13,267,154)	---	(136,136)	---	---	(13,403,290)
Net Fixed Assets	<u>\$ 10,302,286</u>	<u>\$ ---</u>	<u>\$ 73,061</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 10,375,347</u>
OTHER ASSETS						
Investments	\$ 758,298	\$ ---	\$ 251,340	\$ ---	\$ ---	\$ 1,009,638
Investments - Debt Service Funds	347,867	---	---	---	---	347,867
Bond Issuance Costs - Net of Accumulated Amortization	38,502	---	---	---	---	38,502
Due From Milwaukee Public Market	---	---	---	---	---	---
Total Other Assets	<u>\$ 1,144,667</u>	<u>\$ ---</u>	<u>\$ 251,340</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 1,396,007</u>
TOTAL ASSETS	<u>\$ 15,024,865</u>	<u>\$ 1,361,613</u>	<u>\$ 3,853,153</u>	<u>\$ 21,269</u>	<u>\$ (1,103,977)</u>	<u>\$ 19,156,923</u>

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
SCHEDULE OF STATEMENT OF FINANCIAL POSITION CONSOLIDATION
DECEMBER 31, 2024

LIABILITIES AND NET ASSETS

	Business Improvement District No. 2	BID#2 Operations	HTWA Market Project	Riverwalk LLC	Eliminations	Totals
CURRENT LIABILITIES						
Accounts Payable	\$ 291,386	\$ (21,728)	\$ 73,996	\$ 3,207	\$ (179,609)	\$ 167,252
Accrued Payroll	---	85,165	66,221	---	3,850	155,236
Accrued Real Estate Taxes	851,200	---	---	---	---	851,200
Market Cards	---	---	298,317	---	---	298,317
Other Liabilities	9,748	---	---	---	---	9,748
Due to Business Improvement District #2	---	888,258	(40)	---	(888,218)	---
Due to Riverwalk LLC	---	---	---	40,000	(40,000)	---
Add: Current Portion of Long-Term Liabilities	325,000	---	32,004	---	---	357,004
Total Current Liabilities	<u>\$ 1,477,334</u>	<u>\$ 951,695</u>	<u>\$ 470,498</u>	<u>\$ 43,207</u>	<u>\$ (1,103,977)</u>	<u>\$ 1,838,757</u>
LONG-TERM LIABILITIES						
Net Long-Term Bond Liability	\$ 1,403,166	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,403,166
Deferred Revenue	527,073	---	32,004	---	---	559,077
Less: Current Portion	(325,000)	---	(32,004)	---	---	(357,004)
Total Long-Term Liabilities	<u>\$ 1,605,239</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 1,605,239</u>
OTHER LIABILITIES						
Security and Key Card Deposits	\$ 28,784	\$ ---	\$ ---	\$ ---	\$ ---	\$ 28,784
Total Other Liabilities	<u>\$ 28,784</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 28,784</u>
Total Liabilities	<u>\$ 3,111,357</u>	<u>\$ 951,695</u>	<u>\$ 470,498</u>	<u>\$ 43,207</u>	<u>\$ (1,103,977)</u>	<u>\$ 3,472,780</u>
NET ASSETS						
Without Donor Restrictions						
Operating	\$ 11,375,527	\$ 409,918	\$ 2,385,212	\$ (21,938)	\$ ---	\$ 14,148,719
Board-Designated	---	---	997,443	---	---	997,443
Total Net Assets Without Donor Restrictions	<u>\$ 11,375,527</u>	<u>\$ 409,918</u>	<u>\$ 3,382,655</u>	<u>\$ (21,938)</u>	<u>\$ ---</u>	<u>\$ 15,146,162</u>
With Donor Restrictions	537,981	---	---	---	---	537,981
Total Net Assets	<u>\$ 11,913,508</u>	<u>\$ 409,918</u>	<u>\$ 3,382,655</u>	<u>\$ (21,938)</u>	<u>\$ ---</u>	<u>\$ 15,684,143</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 15,024,865</u>	<u>\$ 1,361,613</u>	<u>\$ 3,853,153</u>	<u>\$ 21,269</u>	<u>\$ (1,103,977)</u>	<u>\$ 19,156,923</u>

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
SCHEDULE OF REVENUE AND EXPENSES - WITHOUT DONOR RESTRICTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024

	Business Improvement District No. 2	BID#2 Operations	HTWA Market Project	Riverwalk Commons LLC	Eliminations	Total
REVENUE						
BID Assessments	\$ 580,487	\$ ---	\$ ---	\$ ---	\$ ---	\$ 580,487
City of Milwaukee Contributions	23,000	---	---	---	---	23,000
Parking Revenue	2,880,310	---	1,040,697	---	---	3,921,007
Program Revenue	---	---	626,148	35,902	---	662,050
Product Sales	---	---	37,204	---	---	37,204
Maintenance Fees	100,868	---	---	---	---	100,868
Investment Income	146,786	54,791	167,720	---	---	369,297
Rental Income	209,542	---	1,387,020	5,913	---	1,602,475
Management Fee	---	1,851,042	---	---	(1,851,042)	---
Miscellaneous Income	4,815	60	3,671	---	---	8,546
Market Card Escheatment Income	---	---	2,829	---	---	2,829
Employee Retention Credit	---	---	34,798	---	---	34,798
Biofuel Revenue	---	---	8,982	---	---	8,982
Total Revenue	<u>\$ 3,945,808</u>	<u>\$ 1,905,893</u>	<u>\$ 3,309,069</u>	<u>\$ 41,815</u>	<u>\$ (1,851,042)</u>	<u>\$ 7,351,543</u>
EXPENSES						
Salaries and Wages	\$ 1,651,805	\$ 1,548,503	\$ 1,070,060	\$ ---	\$ (1,548,503)	\$ 2,721,865
Employee Benefits	116,782	116,782	73,035	---	(116,782)	189,817
Payroll Taxes	134,522	134,522	81,100	---	(134,522)	215,622
Retirement Expenses	27,200	27,200	25,773	---	(27,200)	52,973
Professional Fees	38,946	4,693	16,533	4,231	(23,636)	40,767
Contracted Services	53,937	---	2,808	---	---	56,745
Utilities	82,208	---	362,427	---	---	444,635
Equipment Expenses	39,859	---	113,932	---	---	153,791
Maintenance	389,189	---	56,307	3,581	---	449,077
Real Estate Taxes	244,379	---	97,060	---	---	341,439
Bond Expenses	12,834	---	---	---	---	12,834
Administrative Expenses	26,959	---	425	---	---	27,384
Staff Development	5,877	---	---	---	---	5,877
Interest Expense	96,141	---	---	---	---	96,141
Licenses and Permits	1,192	10	4,182	---	---	5,384
Insurance	76,272	---	16,173	---	---	92,445
Architectural and Engineering Costs	18,880	---	---	---	---	18,880
Association Funding	432,478	---	---	---	---	432,478
Sales and Use Tax	202,913	---	108,575	---	---	311,488
Special Projects	---	---	---	35,501	---	35,501
Depreciation	588,174	---	22,384	---	---	610,558
Bank Charges and Processing Fees	63,815	399	81,880	2,689	(399)	148,384
Advertising and Marketing	12,005	---	107,334	2,207	---	121,546
Worker's Compensation	9,974	---	11,290	---	---	21,264
Office Supplies	26,489	---	23,606	---	---	50,095
Kitchen Expenses	---	---	210,186	---	---	210,186
CAM Expenses	---	---	502,416	---	---	502,416
Meals and Entertainment	115	---	10,253	---	---	10,368
Dues and Subscriptions	---	---	1,796	---	---	1,796
Bad Debt	---	---	483	---	---	483
Total Expenses	<u>\$ 4,352,945</u>	<u>\$ 1,832,109</u>	<u>\$ 3,000,018</u>	<u>\$ 48,209</u>	<u>\$ (1,851,042)</u>	<u>\$ 7,382,239</u>
CHANGE IN NET ASSETS	<u>\$ (407,137)</u>	<u>\$ 73,784</u>	<u>\$ 309,051</u>	<u>\$ (6,394)</u>	<u>\$ ---</u>	<u>\$ (30,696)</u>

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
SCHEDULE OF MILWAUKEE STREET PARKING STRUCTURE REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(With Summarized Totals for the Year Ended December 31, 2023)

	<u>2024</u>	<u>2023</u>
REVENUE		
Parking Revenue	\$ 1,343,426	\$ 1,231,708
Rental Income	62,775	63,312
Total Revenue	<u>\$ 1,406,201</u>	<u>\$ 1,295,020</u>
EXPENSES		
Salaries and Wages	\$ 184,556	\$ 179,194
Employee Benefits	12,917	12,698
Payroll Taxes	15,070	14,814
Retirement Expenses	2,746	4,920
Worker's Compensation	1,431	4,452
Credit Card Fees	26,872	22,754
Professional Services	465	1,773
Contractors	27,487	11,427
Utilities	40,573	41,633
Equipment	8,825	7,150
Maintenance	28,334	14,135
Real Estate Taxes	122,658	113,780
Administrative Expenses	10,559	13,406
Staff Development	273	341
Insurance	11,875	14,235
Licenses and Permits	426	366
Sales and Use Tax	95,343	63,063
Supplies	15,045	6,591
Depreciation Expense	152,944	160,451
Total Expenses	<u>\$ 758,399</u>	<u>\$ 687,183</u>
NET INCOME	<u>\$ 647,802</u>	<u>\$ 607,837</u>
INCOME BEFORE DEPRECIATION EXPENSE	<u>\$ 800,746</u>	<u>\$ 768,288</u>
Capital Additions	<u>\$ 43,787</u>	<u>\$ 96,716</u>

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
SCHEDULE OF WATER STREET PARKING STRUCTURE REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(With Summarized Totals for the Year Ended December 31, 2023)

	<u>2024</u>	<u>2023</u>
REVENUE		
Parking Revenue	\$ 1,536,879	\$ 1,519,408
Maintenance Fees	12,826	11,435
Rental Income	31,322	31,479
Interest Income	6,452	6,707
Total Revenue	<u>\$ 1,587,479</u>	<u>\$ 1,569,029</u>
EXPENSES		
Salaries and Wages	\$ 184,333	\$ 179,194
Employee Benefits	12,902	12,698
Payroll Taxes	15,052	14,814
Retirement Expenses	2,746	4,920
Worker's Compensation	1,431	4,452
Credit Card Fees	34,978	31,851
Professional Services	63	1,583
Contractors	22,061	9,236
Utilities	27,410	26,533
Equipment	5,425	3,019
Maintenance	21,534	12,237
Real Estate Taxes	119,203	111,789
Bond Expenses	12,834	12,834
Administrative Expenses	10,319	12,701
Staff Development	259	341
Interest Expense	93,245	106,233
Insurance	10,480	12,559
Licenses and Permits	132	41
Sales and Use Tax	107,570	71,557
Supplies	6,778	5,994
Depreciation Expense	144,345	156,140
Total Expenses	<u>\$ 833,100</u>	<u>\$ 790,726</u>
NET INCOME	<u>\$ 754,379</u>	<u>\$ 778,303</u>
INCOME BEFORE DEPRECIATION EXPENSE	<u>\$ 898,724</u>	<u>\$ 934,443</u>
Capital Additions	<u>\$ ---</u>	<u>\$ 11,012</u>