

THE EAST SIDE

BUSINESS IMPROVEMENT DISTRICT NO. 20

2021 OPERATING PLAN

September 3, 2020

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THE EAST SIDE BUSINESS IMPROVEMENT DISTRICT

2021 OPERATING PLAN

I. INTRODUCTION

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

The BID law requires that a BID Board "shall annually consider and make changes to the operation plan. The board shall then submit the operating plan to the local legislative body for approval." The Board of BID No. 20 (The East Side Business Improvement District) submits this 2020 BID operating plan in fulfillment of the statutory requirement.

This plan proposes a continuation and expansion of the activities described in the initial 1997 BID operating plan. Therefore, it incorporates by reference the earlier plans as adopted by the Common Council. In the interest of brevity, this plan emphasizes the elements, which are required by Sec. 66.1109, Wis. Stats. and the proposed changes for 2021. This plan does not repeat the background information that is contained in the initial operating plan.

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

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

III. DISTRICT BOUNDARIES

A district map is attached in Appendix B and listing of the properties in the district is provided in Appendix C.

IV. PROPOSED OPERATING PLAN 2020

A. Plan Objectives

The objectives of the BID are as follows:

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

B. Proposed Activities

Principal activities undertaken by the BID during 2020 include, but are not limited to:

- Continued promotion of the district via special events including *Black Cat Alley*, *East Side Fitness Crawl*, *Summer Soulstice Music Festival*, and *Tomato Romp!* festival, and general marketing initiatives for the neighborhood.
- Continued staffing for East Side Architectural Review Board (created November of 2011) in coordination with the City of Milwaukee.
- Increased programming for planters, trash maintenance, and graffiti removal.
- Promotion of the district as a place to do business, live, work, and recreate.
- Recruitment of new businesses, retail, and retention of existing businesses.
- Please note that all proposed activities, programs, and investments are subject to change because of the pandemic. If changes are made to this plan, they will be done so by the Board at a publicly-noticed meeting.

C. Proposed Expenditures

Income for 2021

(numbers rounded)

Expected Carryover 2020 to 2021	\$5,000
2021 Assessment	\$222,762
Other income	<u>\$205,550</u>
Projected Income Available in 2021	\$433,312

Expenses for 2021

Operating Expenses (office, contracts, district maintenance)	\$178,474
Event expenses	\$146,450
Program expenses	<u>\$44,800</u>
Total Expenses for 2021	\$369,724

The BID Board will have the authority and responsibility to prioritize expenditures and to revise the district budget as necessary to match the funds actually available. Any funds unspent at the end of 2020 shall be carried over to 2021 and applied against future expenses.

D. Financing Method

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

The district entered into a Development Agreement with the City of Milwaukee in 2001. The Agreement includes the issuing of municipal bonds to finance the district's portion of the total cost. The district shall pay, each year for the term of the bonds, the amount necessary for principal, interest and other expenses on its portion of the cost. This year's annual payment is \$78,150.00. The total loan period will be for 20 years and was closed at the beginning of 2020.

The Development Agreement will constitute a long-term commitment and the district will not be terminated until all repayments to the City have been made and adequate provision is made for the operation and management of improvements financed

through the district. The Development Agreement will be in addition to the operating plan. Both parties have executed the Development Agreement.

V. METHOD OF ASSESSMENT

A. Assessment Rate and Method

As of January 1, 2020, the properties in the district had a total BID assessable value of \$112,370,741.00. This plan proposes to assess the taxable property in the district at a rate of \$5.00 per \$1,000 of assessed value with a cap at \$5,000 for the purposes of the BID. Appendix A shows the projected BID assessment for each property included in the district.

The principle behind the assessment methodology is that each property owner should contribute to the BID in proportion to the benefit derived from the BID. After consideration of assessment methods, it was determined that the assessed value of a property was the characteristic most directly related to the potential benefit provided by the BID. Therefore, a uniform rate applied on the assessed value of each property was selected as the basic assessment method for BID No. 20.

The variables used to determine the regular BID assessments are:

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

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

B. Excluded and Exempt Property

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

- 1) *Sec. 66.1109 (1m): The district may contain property used exclusively for manufacturing purposes, as well as properties used in part for manufacturing. These*

properties will be assessed according to the method set forth in this plan because it is assumed that they will benefit from development in the district.

2) *Sec. 66.1109 (5) (a): Property known to be used exclusively for residential purposes will not be assessed. Such properties are identified as exempt properties as revised each year.*

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

4) *In accordance with 66.1109 (5) (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.*

VI. CITY ROLE IN DISTRICT OPERATION

The City of Milwaukee has committed to helping private property owners in the district promote its development. To this end, the City has played a significant role in the creation of the BID and in the implementation of its operating plan.

In particular, the City will continue to:

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

- Encourage the State of Wisconsin, Milwaukee County and other units of government to support the activities of the district.

VII. BUSINESS IMPROVEMENT DISTRICT NO. 20 BOARD OF DIRECTORS

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

- **Jonathan Jackson**, *President*, business owner, Milwaukee Film Festival and Oriental Theater (term through January 2021)
- **Spencer Kronz**, *Vice President*, business and property owner, East Side Family Chiropractic (term through January 2022)
- **Tim Gokhman**, *Treasurer*, property owner, New Land Enterprises (term through December 2020)
- **Polly Kaplan**, *Secretary*, business and property owner, Beans and Barley Café and Market (term through November 2018)
- **Michael Vitucci**, business owner, Izzy Hops Swig & Swish; property owner, Murray Avenue Partnership (term through January 2021)
- **Scott Blum**, business owner, Rockstar Design (term through June 2022)
- **Dan Katt**, business owner 1 block outside district in area looking to be included in the future, Good City Brewing (term through March 2022)
- **John McMahon**, business owner of Hacienda Brewing Co. (term through January 2023)
- **Joey Wisniewski**, business owner 1 block outside district with BID experience and long-time East Side resident (term through January 2023)
- **Marvin Pope**, long-time East Side resident (term through January 2023)

III. FUTURE YEARS' OPERATING PLANS

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

Section 66.1109 (3) (a) of the BID law requires the BID Board and the City to annually review and make changes as appropriate in the operating plan. Therefore, while this document outlines in general terms the complete development project, it focuses upon 2021 activities. Information on specific assessed values, budget amounts, and assessment amounts are based on 2021 conditions. Greater detail about subsequent years' activities will be provided in the required annual plan updates. Approval by the Common Council of such operating plan updates shall be conclusive evidence of compliance with this operating plan and the BID law.

In later years, the BID operating plan will continue to apply the assessment formula, as adjusted, to raise funds to meet the next annual budget. The method of assessing shall not be materially altered, except with the consent of the City of Milwaukee.

IX. AMENDMENT, SEVERABILITY, AND EXPANSION

The BID 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, its decision will not invalidate or terminate the BID and this BID operating plan shall be amended to conform to the law without need of reestablishment.

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

Appendix A

66.1109 Business improvement districts.

(1) In this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) At least 30 days before creation of the business improvement district and adoption of its initial operating plan by the municipality, the planning commission has held a public hearing on its proposed business improvement district and initial operating plan. Notice of the hearing shall be published as a class 2 notice under ch. 985. Before publication, a copy of the notice together with a copy of the proposed initial operating plan and a copy of a detail map showing the boundaries of the proposed business improvement district shall be sent by certified mail to all owners of real property within the proposed business improvement district. The notice shall state the boundaries of the proposed business improvement district and shall indicate that copies of the proposed initial operating plan are available from the planning commission on request.

(d) Within 30 days after the hearing under par. (c), the owners of property to be assessed under the proposed initial operating plan having a valuation equal to more than 40 percent of the valuation of all property to

be assessed under the proposed initial operating plan, using the method of valuation specified in the proposed initial operating plan, or the owners of property to be assessed under the proposed initial operating plan having an assessed valuation equal to more than 40 percent of the assessed valuation of all property to be assessed under the proposed initial operating plan, have not filed a petition with the planning commission protesting the proposed business improvement district or its proposed initial operating plan.

(e) The local legislative body has voted to adopt the proposed initial operating plan for the municipality.

(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.

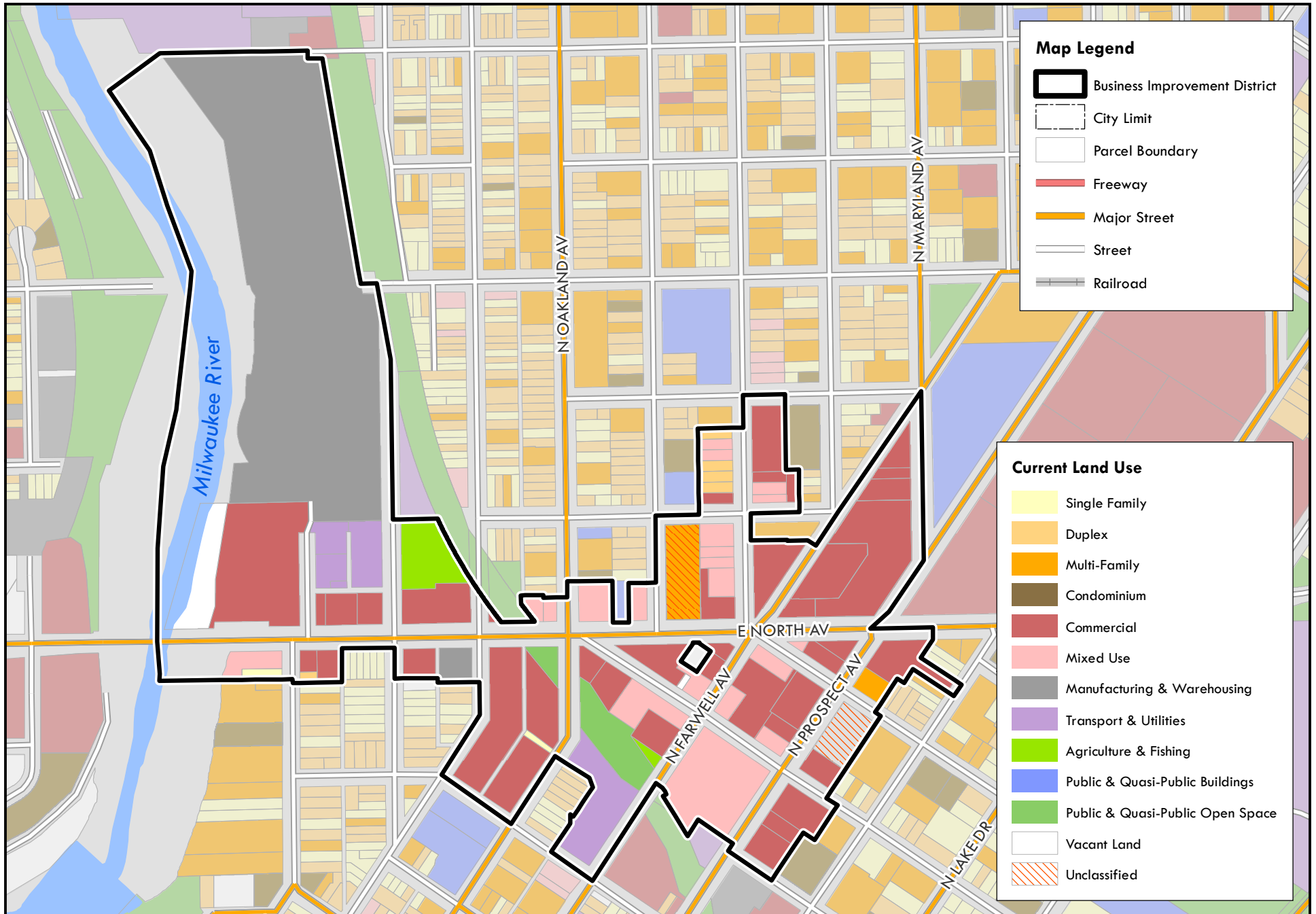
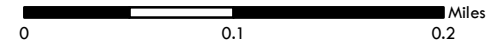
(5)

- (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 #20 Map
BID NO. 20: EAST NORTH AVENUE
 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



Map Legend

- Business Improvement District
- City Limit
- Parcel Boundary
- Freeway
- Major Street
- Street
- Railroad

Current Land Use

- Single Family
- Duplex
- Multi-Family
- Condominium
- Commercial
- Mixed Use
- Manufacturing & Warehousing
- Transport & Utilities
- Agriculture & Fishing
- Public & Quasi-Public Buildings
- Public & Quasi-Public Open Space
- Vacant Land
- Unclassified

Appendix C - BID #20 Property Assessments for 2021 Purposes

Taxkey	Address	Owner	Class	BID Assessble Value	Assessment
3190699000	2427-2431 N MURRAY AV	2429 N MURRAY LLC	Local Commercial	\$ 130,942.00	\$ 654.71
3190700000	2423-2425 N MURRAY AV	2423 N MURRAY LLC	Local Commercial	\$ 160,908.00	\$ 804.54
3190704000	1922 E THOMAS AV	PAUL HANNA INC	Local Commercial	\$ 269,500.00	\$ 1,347.50
3190721000	2018 E THOMAS AV	JAMES D STRATTE	Local Commercial	\$ 393,600.00	\$ 1,968.00
3190722000	2400 N MURRAY AV	MURRAY THOMAS LLC	Local Commercial	\$ 161,874.00	\$ 809.37
3190723000	2406-2408 N MURRAY AV	GOLDBERG FAMILY LTD	Local Commercial	\$ 67,578.00	\$ 337.89
3190724000	2410 N MURRAY AV	MATTHEW STRONG	Local Commercial	\$ 253,400.00	\$ 1,267.00
3190727100	2428-2430 N MURRAY AV	WILLIAM F JUDGE & JOAN M	Local Commercial	\$ 859,600.00	\$ 4,298.00
3190744000	2414 N FARWELL AV	HPJ PROPERTIES LLC	Local Commercial	\$ 241,100.00	\$ 1,205.50
3190745000	2401-2409 N MARYLAND AV	RESOURCE MARYLAND LLC	Local Commercial	\$ 1,504,400.00	\$ 5,000.00
3190757000	2012-2028 E NORTH AV	NORTH AVENUE REDEVELOPMENT	Local Commercial	\$ 2,214,600.00	\$ 5,000.00
3190760110	2326-2342 N FARWELL AV	NORTH AVENUE	Local Commercial	\$ 2,530,300.00	\$ 5,000.00
3190766110	2339-2345 N MURRAY AV	ORLEN G WOOD	Local Commercial	\$ 224,940.00	\$ 1,124.70
3190768000	2333-2335 N MURRAY AV	SAMUEL J LLANAS	Local Commercial	\$ 131,480.00	\$ 657.40
3190769000	2327-2329 N MURRAY AV	MATTHEW J LINN	Local Commercial	\$ 103,428.00	\$ 517.14
3190770100	2319 N MURRAY AV	MURRAY AVENUE	Local Commercial	\$ 702,600.00	\$ 3,513.00
3190790000	1832 E NORTH AV	DORIS E VITUCCI REV TRUST	Local Commercial	\$ 422,688.00	\$ 2,113.44
3191423000	1910 E NORTH AV, Unit 300	HSI EAST LIBRARY RESIDEN'L L	Local Commercial	\$ 416,000.00	\$ 2,080.00
3201523100	1726-1728 E NORTH AV	LATHROP HOLDINGS LLC	Local Commercial	\$ 188,751.00	\$ 943.76
3201524000	2303-2309 N OAKLAND AV	JAMES & SUE WIECHMANN	Local Commercial	\$ 81,263.00	\$ 406.32
3201531100	2340 N NEWHALL ST	ESV LLC	Local Commercial	\$ 1,165,400.00	\$ 5,000.00
3201535100	1530 E NORTH AV	WELCOME EAST SIDE LLC	Local Commercial	\$ 544,900.00	\$ 2,724.50
3201537100	1518 E NORTH AV	MANDEL NORTHTOWN II LLC	Local Commercial	\$ 735,000.00	\$ 3,675.00
3201539000	1504 E NORTH AV	DR. MOLAR REAL EST LLC	Local Commercial	\$ 422,125.00	\$ 2,110.63
3201540000	2320 N CAMBRIDGE AV	MANDEL NORTHTOWN II LLC	Local Commercial	\$ 32,500.00	\$ 162.50
3201721000	2340 N CAMBRIDGE AV	TRANSFORMATION	Local Commercial	\$ 388,900.00	\$ 1,944.50
3550101000	1507 E NORTH AV	MICHAEL D LEE REV TRUST	Local Commercial	\$ 186,100.00	\$ 930.50
3550103000	1515 E NORTH AV	DP DOUGH MKE HOLDINGS	Local Commercial	\$ 639,100.00	\$ 3,195.50
3550139110	1431 E NORTH AV	MLRB LLC	Local Commercial	\$ 438,700.00	\$ 2,193.50
3550432000	1617-1633 E NORTH AV	COLLEGE/FALLS STORAGE LLC	Local Commercial	\$ 641,300.00	\$ 3,206.50
3550448100	1609 E NORTH AV	E&K LAND LLC	Local Commercial	\$ 1,256,000.00	\$ 5,000.00
3560215100	2252-2266 N PROSPECT AV	DOS LOCOS LLC	Local Commercial	\$ 3,458,000.00	\$ 5,000.00
3560229000	2140-2150 N PROSPECT AV	COAL DOG LLC	Local Commercial	\$ 1,113,100.00	\$ 5,000.00
3560278000	2211 N PROSPECT AV	TOWN DOGS LLC	Local Commercial	\$ 976,100.00	\$ 4,880.50
3560279000	2201-2203 N PROSPECT AV	2203NPROSPECT LLC	Local Commercial	\$ 860,812.00	\$ 4,304.06
3560281100	2214 N FARWELL AV	GEORGE & SOFIA	Local Commercial	\$ 640,100.00	\$ 3,200.50
3560282000	2216-2230 N FARWELL AV	ORIENTAL BUILDING SPE LLC	Local Commercial	\$ 2,650,100.00	\$ 5,000.00
3560283000	2238 N FARWELL AV	NEW LAND INVESTMENTS NO 7	Local Commercial	\$ 721,888.00	\$ 3,609.44
3560285000	2017-2025 E NORTH AV	2017 EAST NORTH, LLC	Local Commercial	\$ 426,300.00	\$ 2,131.50
3560286000	2043 E NORTH AV	BFD PROPERTIES LLC	Local Commercial	\$ 2,053,100.00	\$ 5,000.00
3560289111	1901 E NORTH AV	2B REAL ESTATE LLC	Local Commercial	\$ 2,139,900.00	\$ 5,000.00
3560290100	2227-2235 N FARWELL AV	NORTH FARWELL, LLC	Local Commercial	\$ 634,700.00	\$ 3,173.50
3560296120	2219 N FARWELL AV	GOLDBERG RUEHL PROPERTIES	Local Commercial	\$ 985,700.00	\$ 4,928.50
3560297000	2201-2211 N FARWELL AV	SPECTRUM HOLDINGS INC	Local Commercial	\$ 407,344.00	\$ 319.50
3560298110	1854 E KENILWORTH PL	SPECTRUM HOLDINGS INC	Local Commercial	\$ 63,900.00	\$ 319.50
3560301000	1801 E NORTH AV	SYDNEY C CHARNEY ESTATE ETAL	Local Commercial	\$ 242,000.00	\$ 1,210.00
3560302000	1819 E KENILWORTH PL	SYDNEY C CHARNEY ESTATE ETAL	Local Commercial	\$ 1,891,700.00	\$ 5,000.00
3560310100	2169 N FARWELL AV	ROBERT H & SANDRA L D KASHOU	Local Commercial	\$ 540,100.00	\$ 2,700.50
3560311000	2159-2163 N FARWELL AV	MAGNETIC NORTH ES LLC	Local Commercial	\$ 222,600.00	\$ 1,113.00
3561471000	2170 N PROSPECT AV	DOWN DOG1 LLC	Local Commercial	\$ 655,600.00	\$ 3,278.00
3561472000	2009-2015 E KENILWORTH PL	TRUST OF MORRIS KATZ	Local Commercial	\$ 1,362,400.00	\$ 5,000.00
3561495000	2185 N PROSPECT AV	BOARD OF REGENTS OF UW	Local Commercial	\$ 3,592,600.00	\$ 5,000.00
3562271000	2217-2239 N PROSPECT AV, Unit 1	WAKATIPU RUGBY CLUB, LLC	Local Commercial	\$ 1,698,500.00	\$ 5,000.00
3200302112	1514 E THOMAS AV	WISCONSIN PAPERBOARD CORP	Manufacturing	\$ 6,563,600.00	\$ 5,000.00
3201534100	2333-2345 N NEWHALL ST	WISCONSIN PAPERBOARD CORP	Manufacturing	\$ 301,300.00	\$ 1,506.50
3550431116	2202 N BARTLETT AV	PIERCE MILWAUKEE LLC	Manufacturing	\$ 2,236,700.00	\$ 5,000.00
3560312111	2121 N FARWELL AV	PIERCE MILWAUKEE LLC	Manufacturing	\$ 736,400.00	\$ 3,682.00
3191422000	1910 E NORTH AV, Unit 200	HSI EAST LIBRARY RESIDEN'L L	Mercantile Apartments	\$ 341,378.00	\$ 1,706.89
3191431000	2310 N OAKLAND AV	RJ 1800 LLC	Mercantile Apartments	\$ 442,260.00	\$ 2,211.30
3560213000	2244 N PROSPECT AV	JBC 34 LLC	Mercantile Apartments	\$ -	
3560611100	2214-2228 N PROSPECT AV	PROSPECT II LLC	Mercantile Apartments	\$ 1,063,626.00	\$ 5,000.00
3561521000	1857 E KENILWORTH PL	WI LATITUDE APARTMENTS LLC	Mercantile Apartments	\$ 1,084,856.00	\$ 5,000.00
3562272000	2217-2239 N PROSPECT AV, Unit 2	GEORGETOWN LLC	Mercantile Apartments	\$ -	
3190743000	2426 N FARWELL AV	GURDEV SINGH	Special Mercantile	\$ 764,500.00	\$ 3,822.50
3190764111	2303 N FARWELL AV	FIRSTAR BANK MILWAUKEE NA	Special Mercantile	\$ 1,197,400.00	\$ 5,000.00
3190770200	1930 E NORTH AV	FORMAN-SMYSER FAMILY LLC	Special Mercantile	\$ 1,670,000.00	\$ 5,000.00
3191371000	2305 N PROSPECT AV	W A C O SANTA ANA LLC	Special Mercantile	\$ 18,850,000.00	\$ 5,000.00
3191372000	2311 N PROSPECT AV	COLUMBIA ST MARYS INC	Special Mercantile	\$ 23,325,300.00	\$ 5,000.00
3191373000	2311 N PROSPECT AV	COLUMBIA ST MARYS INC	Special Mercantile	\$ 2,720,100.00	\$ 5,000.00
3201525000	1700-1704 E NORTH AV	ALLAN & JEANANN WIRTH REV	Special Mercantile	\$ 1,290,700.00	\$ 5,000.00
3201532110	1614 E NORTH AV	MCDONALDS CORP	Special Mercantile	\$ 512,000.00	\$ 2,560.00
3560287000	2034 E IVANHOE PL	EDUCATORS CR UNION-IVANHOE	Special Mercantile	\$ 3,842,400.00	\$ 5,000.00
3560609100	2200 N PROSPECT AV	KHALID AHMED	Special Mercantile	\$ 582,700.00	\$ 2,913.50

TOTAL \$ 222,762.58

Appendix D - City Loan - BID #20

Amortization Schedule

(Updated 5/9/12)

Note: This amortization schedule is based on payment due date.

BID #20 (revised)

Principal **\$885,950.00**
 Interest Rate 5.890%
 Amortization **20**
 Calculated Pmt. **\$76,552.84**
 Actual Pmt. varies

Exhibit C beginning loan balance
 Quoted interest rate
 Level P&I pymt. to reamortize-
 reduced to \$64,241 in '05
 increased to \$78,150 in '08

#	Year	Date Paid	Beg. Balance	Payment	Interest	Principal	Ending Balance
1	2001	3/29/01	\$787,950.00	\$69,500.00	\$15,470.09	\$54,029.92	\$733,920.09
2	2002	2/28/02	\$733,920.09		\$43,227.89		\$733,920.09
2a	2002	2/28/02	\$98,000.00	\$69,500.00	\$2,886.10	\$23,386.01	\$808,534.08
3	2003	2/27/03	\$808,534.08	\$69,500.00	\$47,622.66	\$21,877.34	\$786,656.74
4	2004	3/25/04	\$786,656.74	\$69,500.00	\$46,334.08	\$23,165.92	\$763,490.82
5	2005	4/18/05	\$763,490.82	\$69,500.00	\$44,969.61	\$24,530.39	\$738,960.43
6	2006	4/7/06	\$738,960.43	\$64,241.00	\$43,524.77	\$20,716.23	\$718,244.20
7	2007	4/27/07	\$718,244.20	\$64,241.00	\$42,304.58	\$21,936.42	\$696,307.78
8	2008	4/16/08	\$696,307.78	\$78,150.00	\$41,012.53	\$37,137.47	\$659,170.31
9	2009	7/22/09	\$659,170.31	\$78,150.00	\$38,825.13	\$39,324.87	\$619,845.44
10	2010	4/28/10	\$619,845.44	\$78,150.00	\$36,508.90	\$41,641.10	\$578,204.33
11	2011	4/27/11	\$578,204.33	\$78,150.00	\$34,056.24	\$44,093.76	\$534,110.57
12	2012	5/7/12	\$534,110.57	\$78,150.00	\$31,459.11	\$46,690.89	\$487,419.68
13	2013	5/7/13	\$487,419.68	\$78,150.00	\$28,709.02	\$49,440.98	\$437,978.70
14	2014	6/26/2014	\$437,978.70	\$78,150.00	\$25,796.95	\$52,353.05	\$385,625.65
15	2015	4/7/2015	\$385,625.65	\$78,150.00	\$22,713.35	\$55,436.65	\$330,189.00
16	2016	5/20/2016	\$330,189.00	\$78,150.00	\$19,448.13	\$58,701.87	\$271,487.13
17	2017	3/9/2017	\$271,487.13	\$78,150.00	\$15,990.59	\$62,159.41	\$209,327.72
18	2018	4/5/2018	\$209,327.72	\$78,150.00	\$12,329.40	\$65,820.60	\$143,507.12
19	2019	3/8/2019	\$143,507.12	\$78,150.00	\$8,452.57	\$69,697.43	\$73,809.69
20	2020	3/4/2020	\$73,809.69	\$78,150.00	\$4,347.39	\$73,802.61	\$7.08
21	2021		\$7.08	\$7.08 *			
				<u>\$1,491,939.08</u>			

*Final payment to be made in 2020

The East Side BID #20 Annual Report

(Activities Sept.2019 – Aug. 2020)

The East Side Business Improvement District's mission is to build a coalition to curate Milwaukee's most vibrant neighborhood.

Core Programs

- We currently contract with two weekly cleaning services in our District to make sure it's always looking its best for our 100+ businesses. In addition, we contract out maintenance and care of 94 street planters. We worked with the City to add temporary trash cans to high-traffic areas for the summer as well.
- We decorate the core of the district with Holiday lighting from November to February to help drive traffic into the district during the cold winter months.
- We made the final payment this year on a loan to the City that we've been paying off for the last 20 years.
- Our crime rates are relatively low in comparison with the rest of the City- the current problems consisting of aggressive panhandling, high-speed traffic, property damage, and some robberies.
- We have one full time Executive Director and a part-time Special Projects Manager.
- The Board currently meets at least 6 times per year but meetings are often called more often as the need to discuss high-level items arise.
- We provide staff for the East Side Architectural Review Board which meets as needed.
- We added three new Board members this year, including a long-time resident of the area to ensure we're servicing the customers who live in the area.
- We began a district-wide strategic plan in early 2020 that engaged key stakeholders and provided valuable insight before sessions were postponed and cancelled due to the pandemic.
- The BID remains a member of the Connect Communities program, a "first step" to membership in the National Main Street redevelopment program.
- East Side ON programming was added in response to the pandemic this year. This series highlights a new business each week through our newsletter (Write ON), a Rally ON the business, and an exclusive experience Milwaukee podcast.

Economic Development

- Since our last report, several new businesses have opened including Mad Chicken, Snack Boys, Kind Oasis, Mina, Thum, and Tavolino (replaced DiVino's), despite the pandemic. Vitucci's closed (unrelated to the pandemic), and The Waxwing and Splash Studio are moving out of their storefront locations and repositioning to online formats because of the pandemic.
- One business is set to open this year: 3rd Story Guitars in the former Bike Fixer location on Murray.
- Two large-scale remodels are in process: Thermo Fisher is remodeling their Bartlett Ave frontage including facade and sidewalk, and McDonald's has submitted plans to renovate its entire property.

Marketing & Branding

- We have a strong Social media presence. We have over 13,000 Facebook followers; we post several times per week. Twitter has almost 9,700 followers. Tweets are sent about once a week. Instagram now

The East Side BID #20 Annual Report

(Activities Sept.2019 – Aug. 2020)

has over 2,000 followers (a 53% increase over last year) and content is posted most days.

- We utilize a number of outlets from radio to print to online media to market activities in our district. These include OnMilwaukee, Urban Milwaukee, 102.1 Radio, 88Nine Radio Milwaukee, WUWM, Shepherd Express, and others.
- With Rockstar Design, the BID created a Support the East Side webpage to highlight take-out, delivery, and online shopping options for our local businesses.
- We send a weekly email to our 2400+ contacts highlighting our East Side businesses, and we have a 24% open rate and 9% click rate (an average open rate, but click rate 4x the national average).

Core Events

- Due to COVID-19 and the pandemic, all core events including the East Side Fitness Crawl, Summer Soulstice, and Tomato Romp were canceled in 2020. In lieu of those events, we are partnering with the Milwaukee Makers Market to hold an Art Market in the East Side Art Lot, and working on Halloween and related programming.
- Black Cat Alley hosted a Snow Day in BCA in February, a tongue-in-cheek tropical themed party with music and drinks in the alley, which drew about 300 people.
- In March we hosted a neighborhood clean-up, our last event before the pandemic hit. We re-started the clean-ups in August and plan to continue monthly or bi-monthly clean-ups as we're safely able.

Partner/Collaborative Initiatives

- Partnerships: The BID is an active partner with Wallpapered City, which curates the Black Cat Alley (BCA) street art project. Our new East Side ON program was initiated because of a partnership with Experience Milwaukee. The East Side Art Lot has garnered partnerships with UWM (that will have a class collecting data on use of the lot), WI Bike Fed (that will do a crosswalk activation during an Art Market series in September), and AARP WI (a leading funder) as well as several other new sponsor relationships.
- We also have an extensive list of sponsors and media partners that we work with on various events including: Beer Capitol, Gruber Law, Educators Credit Union, Maglio, Match Marketing/Diageo Americas, US Bank, 88Nine, Urban Milwaukee, Shepherd Express, WUWM, WMSE, 102.1, and OnMilwaukee.
- We are developing partnerships with community organizations including the Urban Ecology Center, Keeping Greater Milwaukee Beautiful, Maryland Avenue Montessori, WILS, and the Medical College of Wisconsin. In addition, surrounding businesses outside the BID have expressed interest in becoming more involved with the BID so we are working on an "East Side Insider" program that will allow these outside-district businesses to get involved at a similar rate to what in-district businesses are paying.

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

FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

EAST SIDE BUSINESS IMPROVEMENT DISTRICT #20
MILWAUKEE, WISCONSIN

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KRAUSE & ASSOCIATES, S.C.

CERTIFIED PUBLIC ACCOUNTANT

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

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

Independent Accountant's Review Report

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

We have reviewed the accompanying financial statements of the East Side Business Improvement District #20, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Krause & Associates, SC

Krause & Associates, SC
Grafton, Wisconsin
September 25, 2020

EAST SIDE BUSINESS IMPROVEMENT DISTRICT #20
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2019 AND 2018

	2019	2018
	<u>ASSETS</u>	
Cash and cash equivalents	\$ 34,991	\$ 16,739
Accounts receivable	3,220	3,587
Prepaid expenses	840	514
	39,051	20,840
PROPERTY AND EQUIPMENT		
Computer equipment	799	799
Accumulated depreciation	(533)	(266)
Property and equipment, net	266	533
TOTAL ASSETS	<u>\$ 39,317</u>	<u>\$ 21,373</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 13,376	\$ 18,934
Payroll taxes payable	4,051	1,322
TOTAL LIABILITIES	17,427	20,256
NET ASSETS		
Without donor restrictions	21,890	1,117
TOTAL NET ASSETS	21,890	1,117
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 39,317</u>	<u>\$ 21,373</u>

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

EAST SIDE BUSINESS IMPROVEMENT DISTRICT #20
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
REVENUE		
BID assessments	\$ 213,259	\$ 213,237
Donations and grants	15,315	35,100
Events – sponsorships and fees	127,826	101,904
Other	2,807	5,102
Interest	<u>-</u>	<u>2</u>
Total revenue	<u>359,207</u>	<u>355,345</u>
 EXPENSES		
Program services		
BID maintenance	140,662	169,006
Events and promotion	<u>175,109</u>	<u>192,804</u>
	315,771	361,810
Supporting services		
Administrative and general	22,663	18,763
Fundraising and development	<u>-</u>	<u>-</u>
	<u>22,663</u>	<u>18,763</u>
Total expenses	<u>338,434</u>	<u>380,573</u>
Changes in net assets	20,773	(25,228)
Net assets, beginning of year	<u>1,117</u>	<u>26,345</u>
Net assets, at end of year	<u>\$ 21,890</u>	<u>\$ 1,117</u>

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

EAST SIDE BUSINESS IMPROVEMENT DISTRICT #20
 STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 20,773	\$ (25,228)
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	267	266
(Increase) decrease in accounts receivable	367	(3,587)
(Increase) decrease in prepaid expenses	(326)	(514)
Increase (decrease) in accounts payable	(5,558)	492
Increase (decrease) in payroll tax liabilities	2,729	1,322
Net cash provided by (used in) operating activities	18,252	(27,249)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(799)
Net cash provided by (used in) investing activities	-	(799)
Net increase (decrease) in cash and cash equivalents	18,252	(28,048)
Cash and cash equivalents at beginning of year	16,739	44,787
Cash and cash equivalents at end of year	\$ 34,991	\$ 16,739
 Supplemental disclosures:		
In-kind contributions received	\$ 23,636	\$ -
 Cash paid for interest	\$ -	\$ -

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

EASTSIDE BUSINESS IMPROVEMENT DISTRICT #20
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services			Supporting Services		Total
	BID Maintenance	Events & Promotion	Total	Administrative & General	Fundraising & Development	
Depreciation	\$ 133	\$ 134	\$ 267	\$ -	\$ -	\$ 267
Equipment	-	-	-	-	-	-
Event marketing	-	5,245	5,245	-	-	5,245
Insurance	1,426	1,425	2,851	375	-	3,226
Office and other	-	-	-	3,515	-	3,515
Occupancy	-	1,915	1,915	1,916	-	3,831
Payroll expenses:						
Salaries and wages	20,625	20,625	41,250	13,750	-	55,000
Payroll taxes	1,577	1,578	3,155	1,052	-	4,207
Professional fees:						
Accounting	-	-	-	1,133	-	1,133
Executive director	-	-	-	-	-	-
Public relations and marketing	-	11,328	11,328	922	-	12,250
Public improvements:						
General	2,935	-	2,935	-	-	2,935
Loan repayment to City of Milwaukee	78,150	-	78,150	-	-	78,150
Street maintenance and utilities	35,816	-	35,816	-	-	35,816
Special events and programs:						
Black Cat Alley	-	14,195	14,195	-	-	14,195
Summer Soulstice	-	93,730	93,730	-	-	93,730
Tomato Romp	-	24,934	24,934	-	-	24,934
 Total Expenses	\$ 140,662	\$ 175,109	\$ 315,771	\$ 22,663	\$ -	\$ 338,434

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

EASTSIDE BUSINESS IMPROVEMENT DISTRICT #20
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program Services			Supporting Services		Total
	BID Maintenance	Events & Promotion	Total	Administrative & General	Fundraising & Development	
Depreciation	\$ 266		\$ 266	\$ -	\$ -	\$ 266
Equipment	2,149		2,149	-	-	2,149
Event marketing	-	9,754	9,754	-	-	9,754
Insurance	1,983	1,982	3,965	-	-	3,965
Office and other	-	1,966	1,966	3,865	-	5,831
Occupancy	-	1,290	1,290	1,289	-	2,579
Payroll expenses:						
Salaries and wages	4,204	4,205	8,409	2,803	-	11,212
Payroll taxes	322	322	644	214	-	858
Professional fees:						
Accounting	-		-	1,425	-	1,425
Executive director	13,750	13,750	27,500	9,167	-	36,667
Public relations and marketing	-	-	-	-	-	-
Public improvements:						
General	14,789	-	14,789	-	-	14,789
Loan repayment to City of Milwaukee	78,150	-	78,150	-	-	78,150
Street maintenance and utilities	53,393	-	53,393	-	-	53,393
Special events and programs:						
Black Cat Alley	-	53,623	53,623	-	-	53,623
Summer Soulstice	-	89,186	89,186	-	-	89,186
Tomato Romp	-	16,726	16,726	-	-	16,726
 Total Expenses	 \$ 169,006	 \$ 192,804	 \$ 361,810	 \$ 18,763	 \$ -	 \$ 380,573

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

EAST SIDE BUSINESS IMPROVEMENT DISTRICT #20
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Organization and business activity

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

The Mayor and the Common Council created the BID in October 1997 under the authority granted by Wisconsin Statutes Section 66.1109. The BID is an association of property owners governed by seven board members. Members are appointed to three-year terms by the Mayor and confirmed by the Common Council.

2. Cash and cash equivalents

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

3. Accounts receivable

Accounts receivable consist primarily of noninterest-bearing amounts due for program services. The BID determines the allowance for uncollectible accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectible. At December 31, 2019 and 2018, management determined that no allowance for uncollectible accounts receivable was required. The BID has no accounts receivable at December 31, 2019 and 2018. Receivables from contracts with customers are reported as accounts receivable, in the accompanying statements of financial position. Contract liabilities are reported as deferred revenue in the accompanying statements of financial position.

EAST SIDE BUSINESS IMPROVEMENT DISTRICT #20
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2019 AND 2018

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

4. Property and equipment

Property and equipment are recorded at cost or fair market value if donated. The BID's policy is to capitalize all tangible assets which separately or in the aggregate have an acquisition cost of \$500 or greater. Major additions and improvements are capitalized. Property and equipment are depreciated over the estimated useful lives of the assets, using the straight-line method. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently. Depreciation expense for the years ended December 31, 2019 and 2018 was \$267 and \$266, respectively.

5. Net assets

The BID follows the accrual method of accounting wherein revenues and expenses are recorded in the period earned or incurred. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

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

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

EAST SIDE BUSINESS IMPROVEMENT DISTRICT #20
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2019 AND 2018

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

6. Revenue and Revenue Recognition

Revenue is recognized from rental and programs when the services are provided. All services are transferred at a point in time. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. As of December 31, 2019 and 2018, the BID has no conditional contributions.

7. Streetscape improvements

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

8. Donated services and in-kind contributions

Volunteers contribute significant amounts of time to our program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. The BID records donated professional services at the respective fair values of the services received. Note F.

9. Allocation of functional expenses

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

10. Income taxes

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

EAST SIDE BUSINESS IMPROVEMENT DISTRICT #20
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2019 AND 2018

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

10. Income taxes - continued

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

The BID's informational returns are subject to examination by the IRS, generally for three years after they were filed. Management believes that no uncertain tax positions exist for the BID at December 31, 2019 and 2018. The BID has not incurred any interest or penalties for income taxes for the years ended December 31, 2019 and 2018.

11. Use of estimates

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

12. Adoption of New Accounting Pronouncement

On June 21, 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU provides a more robust framework for evaluating whether transactions such as grants and similar contracts with government agencies and others should be accounted for as exchange transactions (that is, revenue from contracts with customers) or contributions. The ASU also assists entities in determining whether a contribution is conditional. The BID adopted the requirements of the ASU as of January 1, 2019. The changes in the ASU have been applied on a modified prospective basis, that is, the changes have been applied to agreements that are either not completed as of January 1, 2019, or entered into after that date.

13. Subsequent Events

Management has evaluated subsequent events for recognition and disclosure in the financial statements through September 25, 2020, which is the date that the financial statements were available to be issued. See Note G.

EAST SIDE BUSINESS IMPROVEMENT DISTRICT #20
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 DECEMBER 31, 2019 AND 2018

B – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date of December 31, 2019 and 2018, comprise the following:

	2019	2018
Cash and cash equivalents	\$ 34,991	\$ 16,739
Accounts receivable	3,220	3,587
Prepaid expenses	840	514
	\$ 39,051	\$ 20,840

As part of its liquidity plan, The BID invests cash in excess of daily requirements in short-term money market funds.

C – REPAYMENT OF CITY OF MILWAUKEE ADVANCE

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

The BID is obligated to repay the City of Milwaukee for its streetscape improvement assistance over 20 years, plus interest at 5.89%. The principal and interest amounts will be funded through future special tax assessments. The principal balance at December 31, 2019 and 2018 was \$73,810 and \$143,507, respectively.

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

Repayment Year	Principal	Interest
2020	\$ 73,810	\$ 4,346

D - LEASE COMMITMENTS

The BID leases its office space under a month-to-month operating lease. As of December 31, 2019 minimum rental payments under the lease are \$200 monthly. The BID also rents storage space under a month-to-month operating lease. The BID also leases storage space under a month-to-month operating lease, the monthly payments are \$135.

Total rent expense for the years ended December 31, 2019 and 2018 was \$3,831 and \$2,579, respectively.

EAST SIDE BUSINESS IMPROVEMENT DISTRICT #20
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2019 AND 2018

E – CONCENTRATION OF RISK

For the years ended December 31, 2019 and 2018, the BID received \$213,259 and \$213,237, representing 59% and 60% of revenue, respectively from the City of Milwaukee assessments.

F – DONATED FACILITIES, SERVICES AND PERSONAL PROPERTY

The BID receives various types of contributed goods and services support, including professional services and auction items. Donated services are reported in the financial statements for voluntary donations of professional services when those services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and typically would be purchased if not provided by donation. The approximate fair value of donated services totaled \$23,636 and for the years ended December 31, 2019.

A substantial number of unpaid volunteers have made significant contributions of their time to develop the BID's programs. No amounts have been recognized in the statements of activities because the criteria for recognition under U.S. GAAP have not been satisfied.

G – SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. As a result, economic uncertainties have arisen which are likely to negatively impact support and revenue. The COVID-19 outbreak in the United States has resulted in reduced activities, cancellation or postponement of events, as well as temporary closures where government mandated. At the current time, the BID is unable to quantify the potential effects of this pandemic on our future financial statements. In April 2020, the BID applied for and received a Paycheck Protection Program (Program) loan to help cover payroll costs, rent and utilities during the outbreak. This loan will be forgiven if the BID meets all of the compliance obligations for loan forgiveness in the Program.

Subsequent to year end, the BID applied for a \$50,000 line of credit with a local bank.