

BUSINESS IMPROVEMENT DISTRICT NO. 2

2022 OPERATING PLAN

September 16, 2021

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 (BIDs).

The purpose of the law is:

“...to allow businesses within those districts to develop, to manage and promote the districts and to establish an assessment method to fund these activities.” (1983 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 2022.

B. PHYSICAL SETTING

Business Improvement District No. 2 encompasses the Third Ward, which occupies a strategic location within the Milwaukee central business district (CBD). 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 importance and proximity of Interstate 794, with its connections to the north, south and west have taken on new significance in light of the recent redesign and rebuild of the Hoan Bridge and Lakefront Gateway projects. 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, and 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 (the “TID improvements”). 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 (as hereinafter described). In 2002 the project scope of TID No. 34 was amended to provide additional funds for the Riverwalk Project (as hereinafter described). 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 has 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 (as hereinafter described). In April 2006, TID No. 11 was retired. In 2011 the City signed a lease agreement with BID-2 to manage and maintain both Catalano Square and Erie Street Plaza. 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.

II. DISTRICT BOUNDARIES

The Business Improvement District is illustrated by Appendix, Exhibit B. It includes 175 taxable parcels and 38 exempt parcels, either, city, county, state, or otherwise exempt. There are 745 residential parcels in the District that are also exempt from BID assessments.

The boundaries of the District shall be as follows: The eastern boundary shall be the western edge of Lake Michigan; the southern and southwestern boundary shall be the northern and northeastern edge of the Milwaukee River; and the northern and western boundary shall be 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 2021 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 35

General

1. Manage the affairs of the District. Take any actions appropriate and necessary to deal with the COVID-19 pandemic.
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.
15. Contract with the Historic Third Ward Association, Inc., and others as necessary to carry out these goals.
16. Add to the security 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 development 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 to complete public improvements as approved in the Third Amendment of TID 56 involving North Milwaukee Street and East Corcoran Street.
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. This may be accomplished 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 and maintain a Parking Structure on the northwest corner of North Milwaukee and East Chicago Streets (the "Third Ward Milwaukee Street Parking Structure"). Hold a special privilege for this Parking Structure located at 212 North Milwaukee Street.
32. Operate and maintain a Parking Structure on the southeast corner of North Water and East Chicago Streets (the "Third Ward Water Street Parking Structure"). Hold a special privilege for this Parking Structure located at 225 East Chicago Street.
33. Enter into an agreement with the appropriate entities in order to operate and maintain surface parking lot at 2nd & 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 coupon validation program in the parking structures as deemed appropriate.

Riverwalk

36. Operate and maintain a Riverwalk system through the District along the Milwaukee River.
37. Assess against property in the TID No. 34 area, per the formula described hereafter, those amounts necessary to finance the debt service coming due from time to time under the bonds for the TID Improvements.
38. Maintain existing loan agreements with individual Riverwalk property owners on terms agreed upon to finance Riverwalk improvements.
39. Maintain existing loan agreements with the City for funds necessary to finance Riverwalk.
40. Assess against property in the District those amounts necessary to finance the loans and construction costs as described hereafter connected with the creation of the Riverwalk.
41. Operate, maintain, lease and hold a special privilege for the ongoing financial and physical obligations of caring for and programming of the Riverwalk Project.
42. Remit to the City the eighteenth payment toward the Riverwalk loan in the amount of \$47,209.00 and the seventeenth payment of the Dockwall loan in the amount of \$36,522.40 for a total of \$83,731.40.

43. 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 2022 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.
44. 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

45. Operate, maintain and manage a public market on the north side of St. Paul Ave. between N. Water and N. Broadway.
46. Operate and maintain a public market annex at 346 N Broadway.
47. 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

48. In addition, the Business Improvement District has a contractual agreement that the Historic Third Ward Association (HTWA) will do the following in 2022:
 - 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 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 historicthirdward.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.
49. The BID may enter into other contracted services as necessary to carry out successful implementation of the operating plan.

C. PROPOSED 2022 BUDGET FOR YEAR 35

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 Construction, Riverwalk Maintenance, and Special Assessments as well as net revenue from the BID's parking structures. It is estimated that the budget will raise \$589,905 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 - 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.
- 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.

- Meetings – 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.
- 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	7/20/2021
Marianne Burish	BID-2 Property Owner	8/21/2023
Michael DeMichele	BID-2 Property Owner	1/18/2022
Michael Gardner	BID-2 Property Representative	8/20/2023
Robert Joseph	BID-2 Property Owner	7/27/2023
Ann Pieper Eisenbrown	BID-2 Property Owner	8/31/2023
Ronald San Felippo	BID-2 Property Owner	12/28/2023
Greg Uhen	BID-2 Property Owner	2/5/2023

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, 2021, the property in the District had a total assessable value of over \$332,695,060. This plan proposed to assess the property in the district at a rate of \$1.50 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 2022 (Year 35) 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 2021 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, Exhibits 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 No.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 No.2 before the end of each fiscal year, on or before May 31st. 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 2021 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 2022 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 parcels of public land:

3610926111	3978004000	4290124200	3920860100	3921727110
3921732000	3978007000	3920778100	3920624110	3921728000
3920623110	4298001000	3920879110	3921486210	3960001100
3920631111	4299999000	3921493111	3921489100	3959999112
3922178120	4299998000	3920757111	3921490111	
3978003000	4290124111	3920636111	3921492111	

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 35 activities for calendar year 2022 (Plan Year), and information on specific land areas, building square footage, assessed values, budget amounts and assessment amounts.

This 2022 BID-2 Operating Plan will continue to apply the assessment formula against the assessed value as determined by the City as of January 1, 2021, to raise funds to meet the 2022 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 subs. 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.

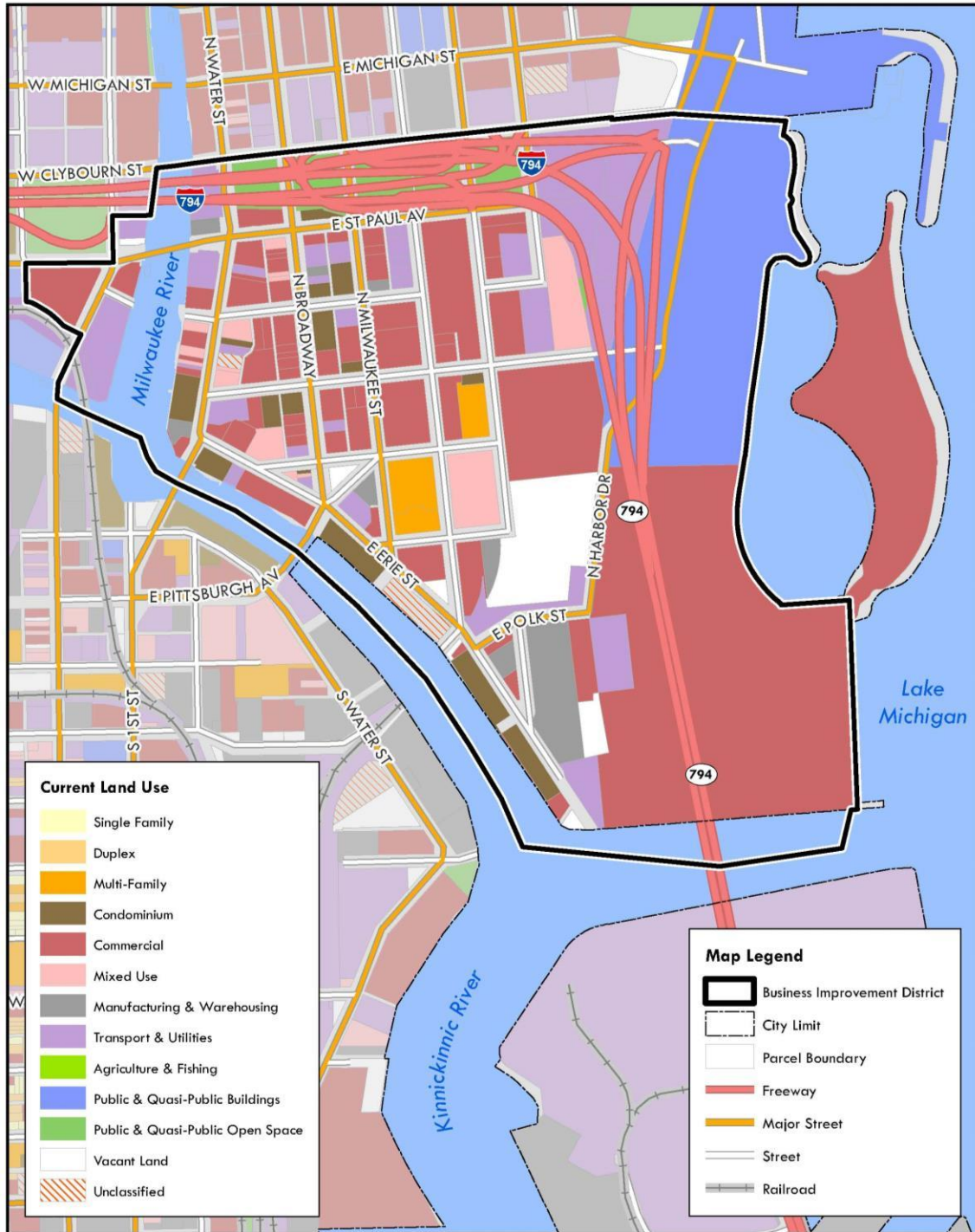
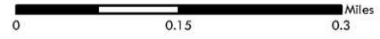
History: 1983 a. 184; 1989 a. 56 s. 258; 1999 a. 150 s. 539; Stats. 1999 s. 66.1109; 2001 a. 85; 2017 a. 59, 70, 189.

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



Document Path: E:\GIS_Data\Projects\2017 Projects\17-01-30 Updated BID Maps\Up-Updated Maps (7-5-17)\Map - BID 2 - Historic Third Ward.mxd

Appendix C

Year 35 Assessments

2022 Business Improvement District No. 2 Property Assessments

	BID -2	BID-2 Assessment Breakdown			Dockwall	Riverwalk	Riverwalk	Total
	Assessment	Core	RW Const	RW Maint	Assessment	Construction	Maintenance	Assessment
3610923100	857.99	753.75	51.91	52.33				857.99
3920231100	3,008.77	2,643.21	182.04	183.52				3,008.77
3920232000	1,495.36	1,313.68	90.47	91.21	\$ 4,286.00	\$ 2,076.00	\$ 5,336.47	13,193.83
3920640100	5,551.63	4,877.13	335.88	338.62				5,551.63
3920948000	16,429.61	14,433.48	994.02	1,002.11	\$ 10,810.56	\$ 8,820.00	\$ 5,667.05	41,727.22
3920950000	9,124.56	8,015.97	552.05	556.54	\$ 5,496.00		\$ 4,108.61	18,729.17
3920952000	2,825.71	2,482.40	170.96	172.35	\$ 2,736.00	\$ 1,356.00	\$ 1,275.09	8,192.80
3920955000	6,651.74	5,843.58	402.44	405.72				6,651.74
3920966000	3,144.76	2,762.69	190.26	191.81				3,144.76
3920967000	2,347.49	2,062.28	142.03	143.18				2,347.49
3920968000	1,455.23	1,278.43	88.04	88.76				1,455.23
3920972100	14,219.78	12,492.13	860.33	867.32				14,219.78
3920973000	1,760.17	1,546.32	106.49	107.36				1,760.17
3920977110	1,375.13	1,208.06	83.20	83.87				1,375.13
3920978100	23,709.85	20,829.20	1,434.49	1,446.16				23,709.85
3920980000	1,370.17	1,203.70	82.90	83.57				1,370.17
3920981000	1,635.43	1,436.73	98.95	99.75				1,635.43
3920985000	12,629.73	11,095.27	764.12	770.34				12,629.73
3920987000	1,527.83	1,342.20	92.44	93.19				1,527.83
3920991000	8,376.89	7,359.13	506.82	510.94				8,376.89
3920992000	1,653.16	1,452.31	100.02	100.83				1,653.16
3920993000	4,701.76	4,130.51	284.47	286.78				4,701.76
3920995000	380.08	333.90	23.00	23.18				380.08
3920996000	1,059.52	930.80	64.10	64.62				1,059.52
3921002000	11,720.20	10,296.24	709.10	714.86				11,720.20
3921011000	6,781.44	5,957.52	410.29	413.63				6,781.44
3921018000	6,395.95	5,618.87	386.97	390.11				6,395.95
3921023000	1,401.89	1,231.56	84.82	85.51				1,401.89
3921025000	10,294.56	9,043.81	622.84	627.91				10,294.56
3921027000	40,270.81	35,378.07	2,436.46	2,456.28				40,270.81
3921030000	6,608.16	5,805.29	399.81	403.06				6,608.16
3921031000	7,095.24	6,233.19	429.28	432.77				7,095.24
3921034100	6,326.81	5,558.13	382.78	385.90				6,326.81
3921036100	4,887.21	4,293.43	295.69	298.09				4,887.21
3921041111	13,703.99	12,039.01	829.12	835.86				13,703.99
3921062111	4,375.78	3,844.14	264.74	266.90				4,375.78
3921101000	2,849.76	2,503.52	172.42	173.82				2,849.76
3921102000	6,942.39	6,098.92	420.03	423.44				6,942.39
3921103100	859.79	755.33	52.02	52.44				859.79
3921126113	9,100.97	7,995.24	550.63	555.10				9,100.97
3921150100	4,433.49	3,894.84	268.23	270.42				4,433.49
3921153000	587.62	516.23	35.55	35.84				587.62
3921169110	2,740.50	2,407.54	165.81	167.15				2,740.50
3921478110	2,941.89	2,584.46	177.99	179.44				2,941.89
3921486110	2,886.29	2,535.61	174.63	176.05				2,886.29
3921734000	118.57	104.17	7.17	7.23				118.57
3922153100	710.86	624.49	43.01	43.36				710.86

2022 Business Improvement District No. 2 Property Assessments

	BID -2	BID-2 Assessment Breakdown			Dockwall	Riverwalk	Riverwalk	Total
	Assessment	Core	RW Const	RW Maint	Assessment	Construction	Maintenance	Assessment
3922154000	850.33	747.02	51.45	51.86				850.33
3922173111	1,163.23	1,021.90	70.38	70.95				1,163.23
3922173114	10,724.83	9,421.81	648.87	654.15				10,724.83
3922178110	191.62	168.34	11.59	11.69				191.62
3922182000	404.28	355.16	24.46	24.66				404.28
3922183000	945.76	830.85	57.22	57.69				945.76
3922521000	314.70	276.47	19.04	19.19				314.70
3922581100	344.31	302.48	20.83	21.00				344.31
3922582000	635.57	558.35	38.45	38.77				635.57
3922587000	572.15	502.63	34.62	34.90				572.15
3922588000	635.86	558.61	38.47	38.78				635.86
3922589000	346.87	304.72	20.99	21.16				346.87
3960021110	9,421.85	8,277.13	570.04	574.68				9,421.85
3960031000	694.33	609.97	42.01	42.35				694.33
3960032000	1,217.79	1,069.83	73.68	74.28				1,217.79
3960033000	1,462.75	1,285.03	88.50	89.22				1,462.75
3960034000	1,504.23	1,321.47	91.01	91.75				1,504.23
3960081000	1,168.78	1,026.78	70.71	71.29				1,168.78
3960082000	1,168.78	1,026.78	70.71	71.29				1,168.78
3960083000	797.13	700.28	48.23	48.62				797.13
3960148210	518.79	455.76	31.39	31.64				518.79
3960261000	970.71	852.77	58.73	59.21				970.71
3960262000	891.21	782.93	53.92	54.36				891.21
3960321000	2,532.80	2,225.07	153.24	154.49				2,532.80
3960322000	94.98	83.44	5.75	5.79				94.98
3960323000	52.90	46.47	3.20	3.23				52.90
3960324000	1,259.42	1,106.40	76.20	76.82				1,259.42
3960325000	1,065.69	936.21	64.48	65.00				1,065.69
3960326000	1,239.86	1,089.23	75.01	75.62				1,239.86
3960327000	3,319.86	2,916.51	200.86	202.49				3,319.86
3960328000	2,808.87	2,467.61	169.94	171.32				2,808.87
3960329000	2,760.78	2,425.36	167.03	168.39				2,760.78
3960361100	261.35	229.60	15.81	15.94				261.35
3960362000	536.08	470.95	32.43	32.70				536.08
3960391110	1,006.32	884.06	60.88	61.38				1,006.32
3960392110	1,050.51	922.88	63.56	64.07				1,050.51
3960393110	604.91	531.41	36.60	36.90				604.91
3960394110	575.61	505.67	34.83	35.11				575.61
3960395111	1,102.66	968.69	66.71	67.26				1,102.66
3960396110	397.21	348.95	24.03	24.23				397.21
3960397110	1,089.74	957.34	65.93	66.47				1,089.74
3960398111	1,498.97	1,316.85	90.69	91.43				1,498.97
3960400110	1,110.48	975.56	67.19	67.73				1,110.48
3960401111	1,741.46	1,529.88	105.36	106.22				1,741.46
3960402110	1,133.47	995.76	68.58	69.13				1,133.47
3960403110	1,859.06	1,633.19	112.48	113.39				1,859.06
3960404110	511.42	449.29	30.94	31.19				511.42

2022 Business Improvement District No. 2 Property Assessments

	BID -2		BID-2 Assessment Breakdown		Dockwall	Riverwalk	Riverwalk	Total
	Assessment	Core	RW Const	RW Maint	Assessment	Construction	Maintenance	
3960405110	476.41	418.53	28.82	29.06				476.41
3960406111	566.44	497.62	34.27	34.55				566.44
3960411000	1,837.12	1,613.92	111.15	112.05				1,837.12
3960541000	392.40	344.73	23.74	23.93				392.40
3970109110	1,732.67	1,522.16	104.83	105.68				1,732.67
3970241000	801.49	704.11	48.49	48.89				801.49
3970291000	474.76	417.08	28.72	28.96				474.76
3970431000	762.86	670.18	46.15	46.53				762.86
3970511000	17,114.78	15,035.40	1,035.48	1,043.90				17,114.78
3970561000	518.35	455.37	31.36	31.62				518.35
3970562000	320.56	281.62	19.39	19.55				320.56
3970563000	567.19	498.28	34.32	34.59				567.19
3970564000	1,942.32	1,706.34	117.51	118.47				1,942.32
3970672000	6,252.57	5,492.91	378.29	381.37				6,252.57
3970673000	602.65	529.43	36.46	36.76				602.65
3970674000	6,631.60	5,825.89	401.22	404.49				6,631.60
3970675000	590.49	518.74	35.73	36.02				590.49
3970676000	638.12	560.59	38.61	38.92				638.12
3970679000	751.28	660.01	45.45	45.82				751.28
3970680000	1.96	1.72	0.12	0.12				1.96
4290101000	6,894.61	6,056.94	417.14	420.53				6,894.61
4290102000	298.77	262.47	18.08	18.22				298.77
4290115000	589.27	517.68	35.65	35.94				589.27
4290123110	1,950.14	1,713.20	117.99	118.95				1,950.14
4290130000	443.95	390.01	26.86	27.08				443.95
4290131000	252.18	221.54	15.26	15.38				252.18
4290132000	340.85	299.44	20.62	20.79				340.85
4290133000	133.31	117.11	8.07	8.13				133.31
4290134000	49.89	43.83	3.02	3.04				49.89
4290221100	10,067.48	8,844.32	609.10	614.06				10,067.48
4290231000	1,301.18	1,143.10	78.72	79.36				1,301.18
4290232000	560.58	492.47	33.92	34.19				560.58
4290233000	453.27	398.20	27.42	27.65				453.27
4290421000	1,090.04	957.60	65.95	66.49				1,090.04
4290431000	2,332.62	2,049.21	141.13	142.28				2,332.62
4290452000	1,218.98	1,070.88	73.75	74.35				1,218.98
4290471000	715.67	628.72	43.30	43.65				715.67
4290472000	128.65	113.02	7.78	7.85				128.65
Commercial	\$ 419,684	\$ 368,694	\$ 25,392	\$ 25,598	\$ 23,329	\$ 12,252	\$ 16,387	\$ 471,652
3920521000	587.08	515.75	35.52	35.81				587.08
3920522000	346.60	304.49	20.97	21.14				346.60
3920949000	1,510.30	1,326.80	91.38	92.12			\$ 2,361.27	3,871.57
3920951000	1,496.76	1,314.91	90.56	91.29			\$ 2,597.40	4,094.16
3920953000	310.26	272.57	18.77	18.92				310.26
3920970100	847.79	744.79	51.29	51.71				847.79
3920986000	3,075.40	2,701.75	186.07	187.58				3,075.40
3920988000	2,063.45	1,812.75	124.84	125.86				2,063.45

2022 Business Improvement District No. 2 Property Assessments

	BID -2	BID-2 Assessment Breakdown			Dockwall	Riverwalk	Riverwalk	Total
	Assessment	Core	RW Const	RW Maint	Assessment	Construction	Maintenance	Assessment
3920994000	1,863.93	1,637.47	112.77	113.69				1,863.93
3921007100	372.46	327.21	22.53	22.72				372.46
3921010100	8,670.64	7,617.19	524.59	528.86				8,670.64
3921105000	853.98	750.22	51.67	52.09				853.98
3921735000	262.50	230.61	15.88	16.01				262.50
3922184000	462.67	406.46	27.99	28.22				462.67
3960002100	3,099.11	2,722.58	187.50	189.03				3,099.11
3960531000	734.02	644.84	44.41	44.77				734.02
3960532000	667.02	585.98	40.36	40.68				667.02
3970661000	2,150.59	1,889.30	130.12	131.17				2,150.59
3970677000	130.72	114.84	7.91	7.97				130.72
Mixed Use Total	\$ 29,505	\$ 25,921	\$ 1,785	\$ 1,800	\$ -	\$ -	\$ 4,959	\$ 34,464
3920944212	5,127.53	4,504.55	310.23	312.75		\$ 9,445.08		14,572.61
3920954000	147.43	129.52	8.92	8.99				147.43
3920962000	252.78	222.07	15.29	15.42				252.78
3920963000	251.13	220.62	15.19	15.32				251.13
3920969000	390.90	343.41	23.65	23.84				390.90
3920976100	6,557.66	5,760.93	396.75	399.98				6,557.66
3920989000	431.03	378.66	26.08	26.29				431.03
3921008000	473.11	415.63	28.62	28.86				473.11
3921024000	650.74	571.68	39.37	39.69				650.74
3921037000	435.68	382.75	26.36	26.57				435.68
3921071110	9,124.56	8,015.97	552.05	556.54				9,124.56
3921089000	226.93	199.36	13.73	13.84				226.93
3921097110	390.00	342.61	23.60	23.79				390.00
3921100100	390.00	342.61	23.60	23.79				390.00
3921480000	2,104.18	1,848.53	127.31	128.34				2,104.18
3921736000	180.65	158.70	10.93	11.02				180.65
3922156110	531.87	467.25	32.18	32.44				531.87
3960003100	2,298.95	2,019.64	139.09	140.22				2,298.95
3960344000	907.74	797.45	54.92	55.37				907.74
3960351000	781.65	686.68	47.29	47.68				781.65
3960352000	774.29	680.21	46.85	47.23				774.29
3970111110	2,980.66	2,618.52	180.34	181.80				2,980.66
3970671000	4,374.88	3,843.35	264.69	266.84				4,374.88
4290461000	11,026.15	9,686.52	667.10	672.53				11,026.15
Parking Total	\$ 50,811	\$ 44,637	\$ 3,074	\$ 3,099	\$ -	\$ -	\$ 9,445	\$ 60,256
	\$ 500,000	\$ 439,252	\$ 30,251	\$ 30,497	\$ 23,329	\$ 12,252	\$ 30,791	\$ 566,372

Appendix D

2022 Budget for Year 35

2022 Business Improvement District No. 2 Budget

Revenues	BID Budget	General BID	Streetscapes	Riverwalk Maint	ARB	MSPS	WSPS
BID Assessment	\$ 439,252	\$ 439,252	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessments	\$ 135,870	\$ 44,331	\$ -	\$ 91,539	\$ -	\$ -	\$ -
City Maintenance Contributions	\$ 23,000	\$ -	\$ 5,000	\$ 18,000	\$ -	\$ -	\$ -
Parking Revenues	\$ 2,156,000	\$ -	\$ -	\$ -	\$ -	\$ 1,001,000	\$ 1,155,000
Rent Revenues	\$ 155,668	\$ 82,785	\$ -	\$ -	\$ -	\$ 54,877	\$ 18,000
Cell Tower Rent	\$ 7,838	\$ -	\$ -	\$ -	\$ -	\$ 3,919	\$ 3,919
Interest	\$ 13,894	\$ 7,000	\$ -	\$ 6,894	\$ -	\$ -	\$ -
Possible Pull from Reserves	\$ 237,853	\$ 237,853	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 3,169,375	\$ 811,221	\$ 5,000	\$ 116,433	\$ -	\$ 1,059,796	\$ 1,176,925
Operating Expenses	BID Budget	General BID	Streetscapes	Riverwalk	ARB	MSPS	WSPS
Payroll	\$ 1,259,432	\$ 120,080	\$ 279,525	\$ 50,743	\$ -	\$ 308,239	\$ 308,239
HTWA Support	\$ 431,936	\$ 431,936	\$ -	\$ -	\$ -	\$ -	\$ -
General Administration	\$ 43,850	\$ 40,000	\$ -	\$ -	\$ 250	\$ 1,900	\$ 1,700
WSPS Bonds	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,000
Riverwalk Loans Interest	\$ 8,387	\$ -	\$ -	\$ 8,387	\$ -	\$ -	\$ -
Property & Liability Insurance	\$ 38,700	\$ 4,300	\$ 8,700	\$ 6,700	\$ -	\$ 10,000	\$ 9,000
Real Est/Pers Prop Taxes	\$ 250,100	\$ 2,600	\$ -	\$ -	\$ -	\$ 125,000	\$ 122,500
IT Service & Maintenance	\$ 20,500	\$ 12,000	\$ -	\$ -	\$ -	\$ 2,000	\$ 6,500
Marketing	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -
Telephone & Internet Access	\$ 24,000	\$ -	\$ -	\$ -	\$ -	\$ 12,000	\$ 12,000
Audit Services	\$ 13,300	\$ 13,300	\$ -	\$ -	\$ -	\$ -	\$ -
Legal Fees	\$ 2,500	\$ 2,500	\$ -	\$ -	\$ -	\$ -	\$ -
Board & Member Events	\$ 800	\$ -	\$ -	\$ -	\$ 800	\$ -	\$ -
ARB Coordinator	\$ 18,000	\$ -	\$ -	\$ -	\$ 18,000	\$ -	\$ -
Riverwalk Commons	\$ 60,000	\$ 60,000	\$ -	\$ -	\$ -	\$ -	\$ -
Shuttle Program	\$ 22,000	\$ 22,000	\$ -	\$ -	\$ -	\$ -	\$ -
Parking Operations	\$ 12,300	\$ -	\$ -	\$ -	\$ -	\$ 5,900	\$ 6,400
Sales & Use Tax	\$ 117,975	\$ -	\$ -	\$ -	\$ -	\$ 55,055	\$ 62,920
Credit Card Fees	\$ 29,000	\$ -	\$ -	\$ -	\$ -	\$ 13,000	\$ 16,000
Regular Maintenance & Supplies	\$ 83,200	\$ -	\$ 30,500	\$ 12,500	\$ -	\$ 23,400	\$ 16,800
Vehicles - Fuel, Maint. Etc.	\$ 18,250	\$ -	\$ 18,250	\$ -	\$ -	\$ -	\$ -
Graffiti	\$ 1,000	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -
Beautification Program	\$ 56,000	\$ -	\$ 50,000	\$ -	\$ -	\$ -	\$ -
Major Maintenance	\$ 72,000	\$ -	\$ 30,000	\$ 20,000	\$ -	\$ 17,000	\$ 5,000
Streetscapes Fixtures	\$ 2,500	\$ -	\$ 2,500	\$ -	\$ -	\$ -	\$ -
Utilities	\$ 73,300	\$ -	\$ 7,000	\$ 6,300	\$ -	\$ 34,000	\$ 20,000
Special Projects	\$ 110,000	\$ 110,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,819,030	\$ 835,322	\$ 433,475	\$ 110,030	\$ 19,050	\$ 697,494	\$ 723,059
Revenue less Operating Expenses	\$ 350,344	\$ (24,101)	\$ (428,475)	\$ 5,802	\$ (19,050)	\$ 362,302	\$ 453,866
Fixed Assets/Inventory	BID Budget	General BID	Streetscapes	Riverwalk	ARB	MSPS	WSPS
WSPS Bond Principal Payment	\$ 275,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 275,000
Riverwalk Loans Principal Payment	\$ 75,344	\$ 75,344	\$ -	\$ -	\$ -	\$ -	\$ -
Total Capital Expenses	\$ 350,344	\$ 75,344	\$ -	\$ -	\$ -	\$ -	\$ 275,000
Total Gain/Loss Before Depreciation	\$ 0	\$ (99,445)	\$ (428,475)	\$ 5,802	\$ (19,050)	\$ 362,302	\$ 178,866
Depreciation Recognized on 12/31	\$ 602,525	\$ 244,201	\$ 26,463	\$ 5,046	\$ -	\$ 163,127	\$ 163,688
Total Gain/Loss	\$ (602,524)	\$ (343,646)	\$ (454,938)	\$ 756	\$ (19,050)	\$ 199,175	\$ 15,178

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. 2022 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. 2020 – Sept. 2021)

Mission Statement/Vision/Priorities

The Third Ward is Milwaukee’s premier mixed-use commercial district. It 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, and 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.

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.

Financial Relationships w/ other entities

BID #2 is a separate entity from the Historic Third Ward Association, Inc. (HTWA). 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

The total BID-assessable commercial property within BID #2 is \$332,695,060. 44% of the property inside the District is assessable.

COVID-19 Pandemic

Even as the COVID-19 pandemic continued to create challenges and obstacles for our District, our mitigation efforts proved to be successful in addressing both the health and economic considerations for our staff, businesses, constituents and visitors at large. COVID certainly had an influence on our ability to safely put on our usual large scale events and other activities in the neighborhood, but our staff, partners and board members worked hard to adapt and promote the Historic Third Ward as a safe, responsible and positive experience for all. The BID-owned Milwaukee Public Market hosted several COVID vaccination clinics in an effort to increase vaccination rates city-wide. In addition, we also researched and compiled available resources for businesses regarding COVID health orders, as well as grant and funding opportunities. Thankfully, our District saw a limited number of closures due to the pandemic and has seen a resurgence of activity over the summer of 2021, in many cases reaching new heights in our performance. While the pandemic is not completely over, it has helped us discover new possibilities and approaches to the way we fulfill our BID goals and mission.

Core Programs

- BID#2 board of directors met 4 times in 2020 and 3 times in 2021.

Business Improvement District #2

Annual Report - (Sept. 2020 – Sept. 2021)

- BID#2 Operations LLC employs 17 full time, 4 part time and a few summer seasonal employees. Milwaukee Public Market employs 12 full time and, currently, 14 part time employees. HTWA employs 4 full time employees.
- BID#2 owns and manages two parking structures with a total of over 900 parking spaces and owns and operates the Milwaukee Public Market.
- Our operations crew maintains many landscaped areas in the neighborhood including the parks, the Milwaukee St. median and planters on sidewalks as well as over 240 hanging planter baskets in the neighborhood.
- BID#2 maintains public spaces under agreement with the City of Milwaukee for Catalano Square, Erie St. Plaza, Gas Light Park, Riverwalk Park, Trestle Park and Riverwalk Commons. Our crews also maintain and manage the Riverwalk from the freeway deck to Water St. bridge.
- BID#2 continues to support public art installations erected in the neighborhood, including Sculpture Milwaukee programs.
- Third shift security personnel patrol District-owned parking structures as well as throughout the district during overnight hours. Security cameras are operated on District-owned buildings.
- Development of Riverwalk Commons – a public space along the Riverwalk in the 400 block of Water Street - is ongoing.

Economic Development

- Despite the ongoing pandemic, 2020-21 saw continued robust economic and public space development activity in the Third Ward.
- A children's park and a United Way Born Learning Trail was constructed and dedicated in August 2021 at Gas Light Park on Jefferson St.
- The 321 N. Jefferson project was finished and is now leasing; the project includes 90+ apartments and ground floor retail space. The project is unique in that a WE Energies sub-station is encased in the building.
- Pompeii Square, which is at the foot of the I794 Jackson exit, received a facelift this past year of some new landscaping, stone seat walls and lighting. This was a partnership with BID21 and the Historic Third Ward Association, Inc.
- Two major projects have received approval from the Architectural Review Board in 2021. Development of the Hoffco property at 125 N. Water will include a hotel. The parking lot at 333 N. Water has been proposed as a 32-story residential/mixed-use development. Both properties will include Riverwalk elements and enhanced access points for the public.
- Twenty four new Historic Third Ward street poles were installed on Chicago, Milwaukee, and Corcoran streets.
- The public space at 445 N. Water St. was expanded to the north – the area is being called Riverwalk Commons. Two pickleball courts opened in June. Exercise classes are also using the space. Additional development will be completed over the next year.
- The Milwaukee Public Market drew new businesses to its operation with a new permanent vendor, as well as several temporary outdoor vendors:
 - Pat's Rib Place: This well-respected African American, woman-owned business is slated to open their first Milwaukee location inside the Public Market in the Fall of 2021.
 - Sneaky Pete's: An operation created by the operation of Pete's Pops, Sneaky Pete's operates a seasonal outdoor farm stand along the St. Paul Avenue plaza serving their signature pops and alcoholic frozen creations for people over 21 years old.

Business Improvement District #2

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- Sugar Cube Donuts: Woman-owned, vegan doughnut purveyor Sugar Cube Donuts is the latest addition to the Milwaukee Public Market's summer lineup. Sugar Cube is a small-batch doughnut maker that sells its creations via pop-up shops around the Milwaukee area. Its July menu includes flavors such as glazed, chocolate, coffee, maple and vanilla sprinkle. Sugar Cube also offers weekly specials, which this week include cotton candy, cube and cherry chocolate pop. The doughnuts are square in shape.
- The Milwaukee Public Market continued its efforts to safely welcome patrons back into the Market. The Market implemented COVID mitigation and compliance measures including capacity controls on weekends, aligning with the City's mandatory mask policy and other measures that proved to create a healthy environment for patrons & employees. The Market total sales have seen record numbers over the summer of 2021 and the outlook for the remainder of the year is trending in a positive direction.

Marketing & Branding

- Historic Third Ward has substantial followers on Twitter, Instagram, Facebook and other social media platforms. The Milwaukee Public Market has its own robust social media outreach.
- Via the HTWA, we have engaged our core constituency through affinity groups meetings and online discussions. We have residential, retail/merchant, restaurant/bar, arts/cultural, and professional services affinity groups that are intended to meet quarterly (though the last year's meetings were disrupted due to the pandemic).
- The neighborhood hosted several signature events in 2020/2021 that brought thousands to the Third Ward for both in-person and virtual events including; Third Ward Fall Crawl, Christmas in the Ward, four Gallery Nights, World's Largest Coffee Break, and the Third Wards Arts Festival.

Partner/Collaborative Initiatives

- BID #2 and HTWA are active members of: Downtown Neighbors Association, Friends of Lakeshore State Park, and regularly collaborate with nearby downtown stakeholders in Milwaukee Downtown BID #21, Westown, East Town, Harbor District, Walker's Point, and Menomonee Valley.
- BID #2 and MPM staff partnered with Milwaukee Downtown BID#21 throughout the year on the aforementioned projects such as:
 - Brighten the Passage: Building on this momentum and downtown's nighttime economy strategy recommendations, a unique, public-private partnership was forged and brought together the State of Wisconsin's Department of Transportation, the City of Milwaukee, Historic Third Ward Association, Milwaukee Public Market, BID #2, Milwaukee Downtown, BID #21 and the private sector for a project dubbed "Brighten the Passage." New street-level activation includes four murals on the freeway piers on Broadway and programmable, dynamic lighting on Broadway and Water Street, between St. Paul Avenue and Clybourn Street. With the added visual appeal, the corridor successfully strengthens the connection between the central business district and Historic Third Ward neighborhoods.
 - The International Downtown Association (IDA) recognized Milwaukee Downtown, Inc. and its partner, the Historic Third Ward BID #2, with the Downtown Achievement Award of Excellence for its resourceful approaches related to the "Brighten the Passage" initiative. A jury of peer professionals reviewed, deliberated and evaluated all entries in the 2021 Downtown Achievement Awards. The Award of Excellence acknowledges an excellent response to an urban place management challenge, demonstrating application of industry knowledge and exceeding the jury

Business Improvement District #2

Annual Report - (Sept. 2020 – Sept. 2021)

criteria. “Brighten The Passage” was selected as a winning project among a group of highly qualified entries in the category of Planning, Design and Infrastructure, which IDA identifies as one of the seven professional urban place management practice areas. Congrats to all who helped complete this catalytic project! The project will officially be recognized in October at the 2021 International Downtown Association’s Annual Conference in Tampa, FL.

- Downtown Dog Park: Downtown Milwaukee’s first dog park is a project led by BID #2 and BID #21. The proposed dog park site, between Plankinton Avenue and the Milwaukee River at Clybourn Street, will be transformed into a dynamic, 12,000-square-foot dog run with a publicly accessible Riverwalk extension. Milwaukee Downtown, BID #21, Historic Third Ward BID #2, Downtown Neighbors Association (DNA) and other partners are excited to bring this new community asset to the centrally located site under I-794, between the Milwaukee River and Plankinton Avenue, along Clybourn Street.

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Summarized Totals for the Year Ended December 31, 2019)

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

We have audited the accompanying consolidated financial statements of Business Improvement District No. 2 and Subsidiaries which comprise the consolidated statement of financial position as of December 31, 2020, 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.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Business Improvement District No. 2 and Subsidiaries as of December 31, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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Board of Directors
Business Improvement District No. 2 and Subsidiaries

Report on Summarized Comparative Information

We have previously audited Business Improvement District No. 2 and Subsidiaries' December 31, 2019, financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 2, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, 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 schedules of statement of financial position consolidation, revenue and expenses - without donor restrictions, Milwaukee street parking structure revenue and expenses and Water Street parking structure revenue and expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.


RITZ HOLMAN LLP
Certified Public Accountants

Milwaukee, Wisconsin
July 1, 2021

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020
(With Summarized Totals for December 31, 2019)

ASSETS	2020	2019
CURRENT ASSETS		
Cash	\$ 5,934,350	\$ 6,562,354
Net Property Assessment Receivable	546,381	564,280
Accounts Receivable	41,218	30,022
Due from Historic Third Ward Association	---	3,431
Accrued Interest - Notes Receivable	8,720	10,487
Prepaid Expenses	82,482	69,689
Inventory	274,740	266,893
Current Portion of Long-Term Notes Receivable	26,860	25,988
Total Current Assets	<u>\$ 6,914,751</u>	<u>\$ 7,533,144</u>
FIXED AND INTANGIBLE ASSETS		
Milwaukee Street Parking Structure - Building	\$ 5,720,556	\$ 5,720,556
Water Street Parking Structure - Building	5,816,191	5,816,191
Milwaukee Public Market Building	8,841,715	8,841,715
Milwaukee Public Market Equipment	234,567	217,317
342-6 N. Broadway Street Building	627,884	533,594
Land	1,639,631	1,639,631
Public Market - Furniture and Equipment	40,829	59,329
Public Market - Website	3,000	3,000
Public Market - Capital Improvements	129,947	64,410
Vehicles and Equipment	298,219	281,856
Riverwalk Docks	35,325	16,875
Total Fixed Assets	<u>\$ 23,387,864</u>	<u>\$ 23,194,474</u>
Less: Accumulated Depreciation	(10,965,282)	(10,344,334)
Net Fixed Assets	<u>\$ 12,422,582</u>	<u>\$ 12,850,140</u>
LONG-TERM ASSETS		
Notes Receivable - Property Owners	\$ 128,209	\$ 154,227
Less: Current Portion	(26,860)	(25,988)
Total Long-Term Assets	<u>\$ 101,349</u>	<u>\$ 128,239</u>
OTHER ASSETS		
Investments - Debt Service Funds	\$ 332,793	\$ 331,847
Bond Issuance Costs - Net of Accumulated Amortization	102,673	115,507
Total Other Assets	<u>\$ 435,466</u>	<u>\$ 447,354</u>
TOTAL ASSETS	<u>\$ 19,874,148</u>	<u>\$ 20,958,877</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 81,113	\$ 198,043
Accrued Payroll	56,825	94,920
Accrued Real Estate Taxes	601,072	478,727
Market Cards	198,773	207,951
Other Liabilities	9,392	66,090
Add: Current Portion of Long-Term Liabilities	344,003	320,232
Total Current Liabilities	<u>\$ 1,291,178</u>	<u>\$ 1,365,963</u>
LONG-TERM LIABILITIES		
Notes Payable	\$ 307,025	\$ 377,259
Net Long-Term Bond Liability	2,533,821	2,782,401
Deferred Revenue	494,846	489,096
Less: Current Portion	(344,003)	(320,232)
Total Long-Term Liabilities	<u>\$ 2,991,689</u>	<u>\$ 3,328,524</u>
OTHER LIABILITIES		
Security and Key Card Deposits	\$ 31,169	\$ 33,569
Total Other Liabilities	<u>\$ 31,169</u>	<u>\$ 33,569</u>
Total Liabilities	<u>\$ 4,314,036</u>	<u>\$ 4,728,056</u>
NET ASSETS		
Without Donor Restrictions		
Operating	\$ 14,119,384	\$ 14,741,632
Board Designated	940,728	989,189
Total Net Assets Without Donor Restrictions	<u>\$ 15,060,112</u>	<u>\$ 15,730,821</u>
With Donor Restrictions	500,000	500,000
Total Net Assets	<u>\$ 15,560,112</u>	<u>\$ 16,230,821</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 19,874,148</u>	<u>\$ 20,958,877</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, 2020
(With Summarized Totals for the Year Ended December 31, 2019)

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
REVENUE				
BID Assessments	\$ 36,625	\$ 500,000	\$ 536,625	\$ 537,550
City of Milwaukee Contributions	5,000	---	5,000	5,000
Payroll Protection Program	158,300	---	158,300	---
Parking Revenue	1,346,076	---	1,346,076	2,366,512
Maintenance Fees	10,457	---	10,457	10,080
Investment Income	29,500	---	29,500	90,707
Interest Income on Notes Receivable - Property Owners	8,720	---	8,720	10,487
Rental Income	178,386	---	178,386	204,764
Gain (Loss) on Disposal of Fixed Assets	---	---	---	5,000
Miscellaneous Income	8,441	---	8,441	18,822
HTWA Market Project Income	1,617,323	---	1,617,323	2,251,658
Net Assets Released from Restriction	500,000	(500,000)	---	---
Total Revenue	<u>\$ 3,898,828</u>	<u>\$ ---</u>	<u>\$ 3,898,828</u>	<u>\$ 5,500,580</u>
EXPENSES				
Program Services				
BID #2	\$ 2,746,048	\$ ---	\$ 2,746,048	\$ 3,024,636
HTWA Market Project, LLC	1,745,300	---	1,745,300	1,903,228
Management and General	78,189	---	78,189	53,493
Total Expenses	<u>\$ 4,569,537</u>	<u>\$ ---</u>	<u>\$ 4,569,537</u>	<u>\$ 4,981,357</u>
CHANGE IN NET ASSETS	\$ (670,709)	\$ ---	\$ (670,709)	\$ 519,223
Net Assets, Beginning of Year	<u>15,730,821</u>	<u>500,000</u>	<u>16,230,821</u>	<u>15,711,598</u>
NET ASSETS, END OF YEAR	<u>\$ 15,060,112</u>	<u>\$ 500,000</u>	<u>\$ 15,560,112</u>	<u>\$ 16,230,821</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, 2020
(With Summarized Totals for the Year Ended December 31, 2019)

	Program	Management and General	2020 Total	2019 Total
Professional Fees	\$ 30,674	\$ 20,766	\$ 51,440	\$ 41,235
Parking Lot Management/Staffing	131,847	---	131,847	287,220
Contracted Services	43,488	---	43,488	40,743
Utilities	248,612	---	248,612	256,650
Equipment Expenses	120,342	---	120,342	115,299
Maintenance	173,783	---	173,783	63,137
Real Estate Taxes	343,680	---	343,680	364,410
Bond Expense	12,834	---	12,834	16,634
Administrative Expenses	---	57,423	57,423	34,243
Interest Expense	59,605	---	59,605	108,152
Licenses and Permits	554	---	554	1,513
Insurance	46,472	---	46,472	45,608
Architectural and Engineering Costs	18,074	---	18,074	18,664
Association Funding	365,236	---	365,236	299,144
Shuttle Program	19,268	---	19,268	30,145
Rental Concessions	105,677	---	105,677	---
Sales and Use Tax	93,195	---	93,195	185,800
Management Fees	---	---	---	126,044
Special Projects	11,083	---	11,083	130,051
Outdoor Market	900	---	900	(95)
Depreciation	639,448	---	639,448	626,145
Bank Charges and Credit Card Fees	61,322	---	61,322	86,778
Advertising and Marketing	26,650	---	26,650	86,265
Worker's Compensation	20,437	---	20,437	12,270
Salaries and Wages	1,303,043	---	1,303,043	1,240,411
Employee Benefits	196,331	---	196,331	158,522
Payroll Taxes	116,375	---	116,375	114,333
Retirement Expenses	30,473	---	30,473	18,505
Office Supplies	15,704	---	15,704	16,799
Kitchen Expenses	60,620	---	60,620	262,461
CAM Expenses	187,843	---	187,843	190,593
Meals and Entertainment	7,534	---	7,534	3,246
Bad Debt	---	---	---	290
Dues and Subscriptions	244	---	244	142
TOTALS	<u>\$ 4,491,348</u>	<u>\$ 78,189</u>	<u>\$ 4,569,537</u>	<u>\$ 4,981,357</u>

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, 2020
(With Summarized Totals for the Year Ended December 31, 2019)

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (670,709)	\$ 519,223
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	639,448	626,145
(Gain) Loss on Disposal of Fixed Assets	---	(5,000)
Unrealized Gain on Investment in Development Bonds	(946)	(2,031)
Amortization of Bond Issuance Costs	12,834	12,834
Amortization of Bond Issuance Discount	1,420	1,538
(Increase) Decrease in Net Property Assessment Receivable	17,899	---
(Increase) Decrease in Accounts Receivable	(11,196)	14,718
(Increase) Decrease in Due from Historic Third Ward Association	3,431	1,729
(Increase) Decrease in Accrued Interest - Notes Receivable	1,767	2,738
(Increase) Decrease in Prepaid Expenses	(12,793)	10,273
(Increase) Decrease in Light Pole Inventory	(7,847)	(109,104)
(Increase) Decrease in Notes Receivable - Property Owners	26,018	40,255
Increase (Decrease) in Accounts Payable	(116,930)	82,649
Increase (Decrease) in Accrued Payroll	(38,095)	15,291
Increase (Decrease) in Accrued Real Estate Taxes	122,345	120,965
Increase (Decrease) in Market Cards	(9,178)	27,730
Increase (Decrease) in Other Liabilities	(56,698)	24,013
Increase (Decrease) in Deferred Revenue	5,750	2,861
Increase (Decrease) in Security Deposits	(2,400)	955
	<u>\$ (95,880)</u>	<u>\$ 1,387,782</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	\$ (211,890)	\$ (172,876)
Proceeds from Sale of Fixed Assets	---	5,000
	<u>\$ (211,890)</u>	<u>\$ (167,876)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Notes Payable	\$ (70,234)	\$ (67,809)
Redemption of Development Bonds	(250,000)	(235,000)
	<u>\$ (320,234)</u>	<u>\$ (302,809)</u>
Net (Decrease) Increase in Cash and Cash Equivalents	\$ (628,004)	\$ 917,097
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>6,562,354</u>	<u>5,645,257</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 5,934,350</u>	<u>\$ 6,562,354</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	\$ 59,605	\$ 108,152

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, 2020

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 Subsidiary 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 of existing historic buildings.

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.

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 issuance of development revenue bonds during 1999 have been capitalized and are amortized over the life of the bonds using the interest method. The remaining issuance costs from 1999 were amortized during 2018.

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, 2020

NOTE A - Summary of Significant Accounting Policies (continued)

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances which may affect the ability of customers to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. No allowance for doubtful accounts was determined to be necessary at December 31, 2020.

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.

Basis of Presentation

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

At December 31, 2020, donor restricted net assets totaled \$500,000.

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 when the barrier is 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.

**BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE A - Summary of Significant Accounting Policies (continued)

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.

NOTE B - Comparative Financial Information

The financial information shown for 2019 in the accompanying financial statements is included to provide a basis for comparison with 2020. 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, 2019, from which the summarized information was derived.

For comparability, certain 2019 amounts may have been reclassified to conform with classifications adopted in 2020. The reclassifications have no effect on reported amounts of net assets or changes in net assets.

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE C - Future Accounting Pronouncements

Accounting Standards Update 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958) will be effective for fiscal years beginning after June 15, 2021. The amendments in this update are required and provide new presentation and disclosure requirements about contributed nonfinancial assets to nonprofits, including additional disclosure requirements for recognized contributed services. Contributed nonfinancial assets will be required to be reported as a separate line in the statement of activities. A financial statement note will be required to provide disaggregated contributed nonfinancial assets by category including: the type of contributed nonfinancial asset; qualitative information about the monetization or utilization of the nonfinancial assets; the policy about the monetization or utilization of nonfinancial assets; a description of restrictions, valuation, and the market used to determine the fair value. The amendments, required to be presented retrospectively to all periods presented, will not change the recognition and measurement requirements for those assets.

Accounting Standards Update 2016-02, Leases (Topic 842) will be effective for fiscal years beginning after December 15, 2021. This update requires the recognition of lease assets and lease liabilities on the statement of financial position measured at the present value of lease payments and requires disclosure of key information about the leasing arrangements.

Accounting Standards Update 2020-08, Receivables - Nonrefundable Fees and Other Costs (Topic 310-20) will be effective for fiscal years beginning after December 15, 2021. The amendments in this update represent changes to clarify the codification. An organization shall apply the amendment prospectively. This amendment impacts the effective yield of an existing individual callable debt security.

Accounting Standards Update 2016-13, Financial Instruments - Credit Losses (Topic 326) will be effective for fiscal years beginning after December 15, 2023. The main objective of this update is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in this update replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates, including exploring more forward-looking alternatives.

NOTE D - 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, 2020, the BID had \$6,557,529 in liquid assets. About \$219,064 of these funds are comprised of a Gift card program and other security and operating deposits. An additional \$940,728 is board-specified for the reserve and replacement needs of the Milwaukee Public Market property. \$300,000 is needed for cash flow purposes and the remaining \$5,097,737 is held in cash reserve for use as approved by the board.

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE D - Liquidity (continued)

The BID has \$23,387,864 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 BID also has an outstanding principal balance of \$2,533,821 for financing of the Water Street Parking Structure. Given the obligations and assets of the BID, 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 BID 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 E - Concentration of Credit Risk

The Organization maintains cash balances at two financial institutions located in Milwaukee. Balances at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2020, the Organization's uninsured cash balances totaled \$102,838.

NOTE F - 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 temporarily-restricted revenue are recorded for assessments authorized for the following year. The December 31, 2020, financial statements include:

BID Assessments	\$500,000
Dockwall Assessment	23,329
Riverwalk Construction	12,252
Riverwalk Maintenance	<u>10,800</u>
Total Net Property Assessment Receivable	<u>\$546,381</u>

Included in the current portion of long-term notes receivable and accrued interest - notes receivable is \$35,580 of assessments. Total assessments paid to the Organization in February 2021 were \$546,381, including the notes receivable and accrued interest portions.

**BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE G - Accounts Receivable

As of December 31, 2020, accounts receivable consisted of the following:

Market Tenant Receivables	\$36,574
Other Receivables	<u>4,644</u>
Accounts Receivable	<u>\$41,218</u>

NOTE H - Notes Receivable - Property Owners

As part of the Organization's participation in improvement of the Milwaukee Riverwalk and Dockwalls, notes receivable for shares of land improvements have been obtained from owners of properties adjacent to the Riverwalk. Repayment of the notes began with assessments on the properties beginning the year following completion of work. The notes have an interest rate of 6.8% and are being repaid over 20 years starting in 2004. The notes are secured by a mortgage on the related property. At December 31, 2020, the balance on the notes was \$128,209.

Notes receivable consisted of the following at December 31, 2020:

Milwaukee Riverwalk Improvement Loans	\$ 75,569
Milwaukee Dockwall Improvement Loans	<u>52,640</u>
Total	<u>\$128,209</u>

Future receipts of principal are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 26,860
2022	27,897
2023	26,491
2024	28,293
2025	<u>18,668</u>
Total	<u>\$128,209</u>

Credit Quality Indicators

As of December 31, 2020, the Organization had only one category of notes. Low risk notes are defined as notes 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.

<u>Loan Type</u>	<u>Note Receivable</u>	<u>Allowance Amount</u>
Low Risk	<u>\$128,209</u>	\$ ---
Total	<u>\$128,209</u>	<u>\$ ---</u>

**BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE I - Notes Payable

The Organization has a 20-year note payable to the City of Milwaukee relating to the Riverwalk project. The note bears an interest rate of 3.185%. Payments received from notes receivable - property owners will be used to pay a portion of the required \$47,209 annual payment. Repayment of the note began in 2005. At December 31, 2020, the balance on the note was \$174,764.

The Organization has a loan with the City of Milwaukee for the Dockwall project. Repayment of the 19-year loan began in 2006 requiring annual payments of \$36,522. Payments received from landowners for notes receivable will be used to repay a portion of the loan. The loan has a stated interest rate of 4.1% and a balance of \$132,261 at December 31, 2020. Required future payments of principal on notes payable are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 72,743
2022	75,344
2023	78,040
2024	<u>80,898</u>
Total	<u>\$307,025</u>

NOTE J - Investments - Debt Service Funds

In accordance with the Organization's bonds and related agreements (see Note L 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, 2020, the balance in the advance funded interest reserve was \$332,793. Debt service funds are carried at cost.

NOTE K - 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.

**BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE K - Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2020:

<u>Investment Category</u>	<u>Fair Value</u>	Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash Equivalents	<u>\$332,793</u>	<u>\$332,793</u>	\$ ---	\$ ---
Total	<u>\$332,793</u>	<u>\$332,793</u>	<u>\$ ---</u>	<u>\$ ---</u>

NOTE L - 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, 2020 equaled \$102,673.

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

As stated in Note H 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, 2020, was \$1,420. Net long-term bond liability consists of the following:

Bonds Payable	\$2,540,000
Unamortized Discount	<u>(6,179)</u>
Net Long-Term Bond Liability	<u>\$2,533,821</u>

**BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE L - Long-Term Bond Liability (continued)

Future required bond redemptions are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 260,000
2022	275,000
2023	290,000
2024	310,000
2025	325,000
Thereafter	<u>1,080,000</u>
Total	<u>\$2,540,000</u>

NOTE M - Parking Structure and Retail Leases

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.

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 L 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, 2020, have been used in accordance with the first two points above and funds are not available to fund the interest 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.

**BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE M - Parking Structure and Retail Leases (continued)

Water Street Parking Structure Agreement

The Water Street Parking Structure was constructed with proceeds from bonds issued by the City of Milwaukee as per Note L 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, 2020, the Organization has related deferred revenue consisting of the following:

Advance Payment of Parking Rentals	<u>\$432,780</u>
------------------------------------	------------------

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 \$4,470 and \$1,500 through September 2022.

An amendment to one of the leases signed in April 2016 extends that lease to 2027 and requires monthly payments of \$4,470 from October 2017 through September 2022 and monthly payments of \$4,887 through the remainder of the lease term.

An amendment to one of the leases signed in October 2017 extends that lease to 2022 and requires monthly payments of \$1,500.

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.

The Organization also leases out storage space on the Riverwalk to a tenant. The lease calls for monthly rent payments of \$250 from May 15 through September 15, 2021.

**BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE M - Parking Structure and Retail Leases (continued)

Rental income of \$154,427 for the year ended December 31, 2020, is included on the financial statements for these leases, and the expected future rent payments are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$152,431
2022	149,181
2023	132,697
2024	58,644
2025	58,644
Thereafter	<u>102,627</u>
Total	<u>\$654,224</u>

Park Lease Agreements

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

Tower Space Lease Agreements

The Organization has a master twenty-five 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 \$7,416 for the year ended December 31, 2020, is included on the financial statements for these leases, and the expected future rent payments are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 11,238
2022	11,576
2023	11,923
2024	12,281
2025	12,649
Thereafter	<u>342,090</u>
Total	<u>\$401,757</u>

**BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE N - 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 expected future payments are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$102,720
2022	<u>17,120</u>
Total	<u>\$119,840</u>

NOTE O - 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 are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 284,685
2022	296,977
2023	270,113
2024	103,363
2025	41,088
Thereafter	<u>30,899</u>
Total	<u>\$1,027,125</u>

NOTE P - Security Deposits

As of December 31, 2020, the Organization had collected refundable parking security deposits of \$25,778 and a security deposit for commercial space of \$5,391.

**BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE Q - Deferred Revenue

The Organization will recognize the Water Street Parking Lot Lease over the life of the lease described in Note M and the six pieces of equipment which have rent released for five years from the initial purchase. At December 31, 2020, the Organization had related deferred revenue of \$483,586.

Future deferred revenue amounts are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 16,962
2022	16,275
2023	16,275
2024	14,568
2025	12,417
Thereafter	<u>407,089</u>
Total	<u>\$483,586</u>

NOTE R - 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 S - Net Assets Without Donor Restrictions – Board Designated

The Organization has \$940,728 of board designated net assets at December 31, 2020, which is a reserve for capital costs of the Milwaukee Public Market building.

NOTE T - Net Assets with Donor Restrictions

The Organization has net assets with donor restrictions at December 31, 2020, which consists of the following:

2020 Assessments	<u>\$500,000</u>
Total Net Assets with Donor Restrictions	<u>\$500,000</u>

**BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE U - Management Arrangement

Under an arrangement with the Historic Third Ward Association, the Organization is provided with office facilities, administrative support, and other overhead-related costs.

As of December 31, 2020, the Organization had a receivable from the Historic Third Ward Association totaling \$690.

NOTE V - Revenue From Contracts with Customers

Rental Income

The Organization owns multiple buildings which generate rental revenue through retail and cell tower space leases. Rental revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled per lease agreements. The Organization also owns equipment that is rented to the Milwaukee Public Market which generates rental revenue through the Milwaukee Public Market's use of the equipment. Rental revenue is billed on a monthly basis per lease agreements. Revenue is recognized each month. For the year ended December 31, 2020, rental revenue was \$178,386.

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. For the year ended December 31, 2020, parking revenue was \$1,346,076.

Beginning Deferred Revenue	\$489,096
Revenue Recognized From Prior Year Deferred	<u>(5,510)</u>
Ending Deferred	<u>\$483,586</u>

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 deposit of at least \$500 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	\$ 56,746
Revenue Recognized From Prior Year Deferred	(56,746)
New Event Revenue	60,776
Revenue Recognized on Kitchen Events	<u>(49,516)</u>
Ending Deferred	<u>\$ 11,260</u>

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE W - 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 \$1.52 per \$1,000 of assessed property value for the year ended December 31, 2020.

NOTE X - Paycheck Protection Program

The Organization and subsidiaries entered into the Paycheck Protection Program and received loans of \$306,500 on April 16, 2020. The Organization initially recorded a note payable and subsequently recorded forgiveness when the loan obligation was legally released. The Organization recognized \$306,500 of loan forgiveness income for the year ended December 31, 2020.

NOTE Y - Retirement Plan

The Organization has a SIMPLE IRA retirement plan which allows employee, employer and 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. During 2020, the Organization matched up to 1% of the participant's annual compensation for BID employees and 3% for Milwaukee Public Market employees. These contributions are immediately vested. Total retirement expense for 2020 was \$30,473.

NOTE Z - Subsequent Events

The Organization has evaluated events and transactions occurring after December 31, 2020 through July 1, 2021, the date the financial statements are available to be issued, for possible adjustments to the financial statements or disclosures.

On March 11, 2020, the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) a pandemic. The outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and facilities. While the disruption is expected to be temporary, there is a considerable uncertainty around the duration of closings. The Organization expects this matter to negatively impact its ability to carry out the level of services that would otherwise be normal and, therefore, negatively impact operations. The duration of closures and the financial impact of COVID-19 cannot be reasonably estimated at this time.

The Organization and subsidiaries have entered into the 2nd round of the Paycheck Protection Program and have received loans of \$156,004 on February 22, 2021 and \$180,290 on February 23, 2021. The Organization may be eligible for full or partial loan forgiveness based on if the proceeds are spent on eligible expenditures in the allotted loan coverage period and if the Organization maintains levels of employment as required in the CARES Act.

In April 2021, a new tenant signed a lease at the Milwaukee Public Market.

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
SCHEDULE OF STATEMENT OF FINANCIAL POSITION CONSOLIDATION
DECEMBER 31, 2020

ASSETS						
	Business Improvement District No. 2	BID#2 Operations	HTWA Market Project	Riverwalk Commons LLC	Eliminations	Totals
CURRENT ASSETS						
Cash	\$ 2,458,488	\$ 1,200,257	\$ 2,271,122	\$ 4,483	\$ ---	\$ 5,934,350
Net Property Assessment Receivable	546,381	---	---	---	---	546,381
Accounts Receivable	5,398	97,929	36,574	---	(98,683)	41,218
Due From BID#2 Operations LLC	1,147,098	---	---	---	(1,147,098)	---
Due From Riverwalk Commons LLC	5,000	---	---	---	(5,000)	---
Accrued Interest - Notes Receivable	8,720	---	---	---	---	8,720
Prepaid Expenses	16,885	---	65,597	---	---	82,482
Inventory	255,186	---	19,554	---	---	274,740
Current Portion of Long-Term Notes Receivable	26,860	---	---	---	---	26,860
Total Current Assets	<u>\$ 4,470,016</u>	<u>\$ 1,298,186</u>	<u>\$ 2,392,847</u>	<u>\$ 4,483</u>	<u>\$ (1,250,781)</u>	<u>\$ 6,914,751</u>
FIXED AND INTANGIBLE ASSETS						
Land	\$ 1,639,631	\$ ---	\$ ---	\$ ---	\$ ---	\$ 1,639,631
Buildings	21,240,913	---	---	---	---	21,240,913
Equipment	298,219	---	40,829	---	---	339,048
Riverwalk Docks	35,325	---	---	---	---	35,325
Capital Improvements	---	---	129,947	---	---	129,947
Website	---	---	3,000	---	---	3,000
Less: Accumulated Depreciation	(10,920,904)	---	(44,378)	---	---	(10,965,282)
Net Fixed Assets	<u>\$ 12,293,184</u>	<u>\$ ---</u>	<u>\$ 129,398</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 12,422,582</u>
LONG-TERM ASSETS						
Notes Receivable - Property Owners	\$ 128,209	\$ ---	\$ ---	\$ ---	\$ ---	\$ 128,209
Less: Current Portion	(26,860)	---	---	---	---	(26,860)
Total Long-Term Assets	<u>\$ 101,349</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 101,349</u>
OTHER ASSETS						
Investments - Debt Service Funds	\$ 332,793	\$ ---	\$ ---	\$ ---	\$ ---	\$ 332,793
Bond Issuance Costs - Net of Accumulated Amortization	102,673	---	---	---	---	102,673
Due From Milwaukee Public Market	99,591	---	---	---	(99,591)	---
Total Other Assets	<u>\$ 535,057</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ (99,591)</u>	<u>\$ 435,466</u>
TOTAL ASSETS	<u><u>\$ 17,399,606</u></u>	<u><u>\$ 1,298,186</u></u>	<u><u>\$ 2,522,245</u></u>	<u><u>\$ 4,483</u></u>	<u><u>\$ (1,350,372)</u></u>	<u><u>\$ 19,874,148</u></u>

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
SCHEDULE OF STATEMENT OF FINANCIAL POSITION CONSOLIDATION
DECEMBER 31, 2020

LIABILITIES AND NET ASSETS

	Business Improvement District No. 2	BID#2 Operations	HTWA Market Project	Riverwalk LLC	Eliminations	Totals
CURRENT LIABILITIES						
Accounts Payable	\$ 131,156	\$ 24	\$ 48,616	\$ ---	\$ (98,683)	\$ 81,113
Accrued Payroll	---	34,827	44,096	---	(22,098)	56,825
Accrued Real Estate Taxes	601,072	---	---	---	---	601,072
Market Cards	---	---	198,773	---	---	198,773
Other Liabilities	8,867	---	525	---	---	9,392
Due to Business Improvement District #2	---	1,125,000	99,591	---	(1,224,591)	---
Due to Riverwalk LLC	---	---	---	5,000	(5,000)	---
Add: Current Portion of Long-Term Liabilities	332,743	---	11,260	---	---	344,003
Total Current Liabilities	\$ 1,073,838	\$ 1,159,851	\$ 402,861	\$ 5,000	\$ (1,350,372)	\$ 1,291,178
LONG-TERM LIABILITIES						
Notes Payable	\$ 307,025	\$ ---	\$ ---	\$ ---	\$ ---	\$ 307,025
Net Long-Term Bond Liability	2,533,821	---	---	---	---	2,533,821
Deferred Revenue	483,586	---	11,260	---	---	494,846
Less: Current Portion	(332,743)	---	(11,260)	---	---	(344,003)
Total Long-Term Liabilities	\$ 2,991,689	\$ ---	\$ ---	\$ ---	\$ ---	\$ 2,991,689
OTHER LIABILITIES						
Security and Key Card Deposits	\$ 20,291	\$ ---	\$ 10,878	\$ ---	\$ ---	\$ 31,169
Total Other Liabilities	\$ 20,291	\$ ---	\$ 10,878	\$ ---	\$ ---	\$ 31,169
Total Liabilities	\$ 4,085,818	\$ 1,159,851	\$ 413,739	\$ 5,000	\$ (1,350,372)	\$ 4,314,036
NET ASSETS						
Without Donor Restrictions						
Operating	\$ 12,813,788	\$ 138,335	\$ 1,167,778	\$ (517)	\$ ---	\$ 14,119,384
Board Designated	---	---	940,728	---	---	940,728
Total Net Assets Without Donor Restrictions	\$ 12,813,788	\$ 138,335	\$ 2,108,506	\$ (517)	\$ ---	\$ 15,060,112
With Donor Restrictions	500,000	---	---	---	---	500,000
Total Net Assets	\$ 13,313,788	\$ 138,335	\$ 2,108,506	\$ (517)	\$ ---	\$ 15,560,112
TOTAL LIABILITIES AND NET ASSETS	\$ 17,399,606	\$ 1,298,186	\$ 2,522,245	\$ 4,483	\$ (1,350,372)	\$ 19,874,148

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
SCHEDULE OF REVENUE AND EXPENSES - WITHOUT DONOR RESTRICTIONS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Business Improvement District No. 2	BID#2 Operations	HTWA Market Project	Riverwalk Commons LLC	Eliminations	Total
REVENUE						
BID Assessments	\$ 536,625	\$ ---	\$ ---	\$ ---	\$ ---	\$ 536,625
City of Milwaukee Contributions	5,000	---	---	---	---	5,000
Payroll Protection Program	---	158,300	148,200	---	---	306,500
Parking Revenue	1,346,076	---	341,613	---	---	1,687,689
Program Revenue	---	---	106,262	---	---	106,262
Product Sales	---	---	13,318	---	---	13,318
Maintenance Fees	10,457	---	---	---	---	10,457
Investment Income	23,824	5,676	18,642	---	---	48,142
Interest Income on Notes Receivable - Property Owners	8,720	---	---	---	---	8,720
Rental Income	178,386	---	930,327	---	---	1,108,713
Management Fee	---	934,542	---	---	(934,542)	---
Miscellaneous Income	8,441	---	33,535	---	---	41,976
Market Card Escheatment Income	---	---	22,667	---	---	22,667
Bio Fuel Revenue	---	---	2,759	---	---	2,759
Total Revenue	\$ 2,117,529	\$ 1,098,518	\$ 1,617,323	\$ ---	\$ (934,542)	\$ 3,898,828
EXPENSES						
Professional Fees	\$ 133,836	\$ ---	\$ 13,089	\$ 420	\$ (95,905)	\$ 51,440
Parking Lot Management/Staffing	595,208	---	117,904	---	(581,265)	131,847
Contracted Services	43,488	---	---	---	---	43,488
Utilities	71,754	---	176,858	---	---	248,612
Equipment Expenses	33,306	---	87,036	---	---	120,342
Maintenance	431,005	---	---	---	(257,222)	173,783
Real Estate Taxes	238,284	---	105,396	---	---	343,680
Bond Expenses	12,834	---	---	---	---	12,834
Administrative Expenses	57,423	---	---	---	---	57,423
Interest Expense	59,605	---	---	---	---	59,605
Licenses and Permits	554	10	---	---	(10)	554
Insurance	35,130	---	11,342	---	---	46,472
Architectural and Engineering Costs	18,074	---	---	---	---	18,074
Association Funding	365,236	---	---	---	---	365,236
Shuttle Program	15,626	---	3,642	---	---	19,268
Rental Concessions	---	---	105,677	---	---	105,677
Sales and Use Tax	68,311	---	24,884	---	---	93,195
Special Projects	11,083	---	---	---	---	11,083
Outdoor Market	---	---	900	---	---	900
Depreciation	623,715	---	15,733	---	---	639,448
Bank Charges and Credit Card Fees	23,747	3,459	34,159	97	(140)	61,322
Advertising and Marketing	---	---	26,650	---	---	26,650
Worker's Compensation	---	---	20,437	---	---	20,437
Salaries and Wages	---	748,927	554,116	---	---	1,303,043
Employee Benefits	---	97,802	98,529	---	---	196,331
Payroll Taxes	---	65,261	51,114	---	---	116,375
Retirement Expenses	---	4,584	25,889	---	---	30,473
Office Supplies	---	---	15,704	---	---	15,704
Kitchen Expenses	---	---	60,620	---	---	60,620
CAM Expenses	---	---	187,843	---	---	187,843
Meals and Entertainment	---	---	7,534	---	---	7,534
Dues and Subscriptions	---	---	244	---	---	244
Total Expenses	\$ 2,838,219	\$ 920,043	\$ 1,745,300	\$ 517	\$ (934,542)	\$ 4,569,537
CHANGE IN NET ASSETS	\$ (720,690)	\$ 178,475	\$ (127,977)	\$ (517)	\$ ---	\$ (670,709)

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
SCHEDULE OF MILWAUKEE STREET PARKING STRUCTURE REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Summarized Totals for the Year Ended December 31, 2019)

	<u>2020</u>	<u>2019</u>
REVENUE		
Parking Revenue	\$ 634,831	\$ 1,152,986
Rental Income	57,344	57,236
Miscellaneous Income	---	4,487
Total Revenue	<u>\$ 692,175</u>	<u>\$ 1,214,709</u>
EXPENSES		
Parking Lot Management/Staffing	\$ 297,596	\$ 271,142
Credit Card Fees	10,845	20,278
Professional Services	12,053	2,000
Contractors	15,316	14,696
Utilities	33,011	32,738
Equipment	7,360	9,272
Maintenance	12,217	23,803
Real Estate Taxes	125,106	122,964
Administrative Expenses	10,324	8,473
Insurance	8,848	9,310
Licenses and Permits	406	732
Sales and Use Tax	32,208	58,298
Depreciation Expense	165,846	325,082
Special Projects	---	1,058
Total Expenses	<u>\$ 731,136</u>	<u>\$ 899,846</u>
 NET INCOME (LOSS)	 <u>\$ (38,961)</u>	 <u>\$ 314,863</u>
 INCOME BEFORE DEPRECIATION EXPENSE	 <u>\$ 126,885</u>	 <u>\$ 639,945</u>
 Parking Equipment	 \$ ---	 \$ 21,739

BUSINESS IMPROVEMENT DISTRICT NO. 2 AND SUBSIDIARIES
SCHEDULE OF WATER STREET PARKING STRUCTURE REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020
(With Summarized Totals for the Year Ended December 31, 2019)

	<u>2020</u>	<u>2019</u>
REVENUE		
Parking Revenue	\$ 712,190	\$ 1,215,557
Maintenance Fees	10,457	10,080
Rental Income	44,474	27,155
Total Revenue	<u>\$ 767,121</u>	<u>\$ 1,252,792</u>
EXPENSES		
Parking Lot Management/Staffing	\$ 297,612	\$ 258,972
Credit Card Fees	11,408	22,330
Professional Services	1,020	2,000
Contractors	24,491	21,662
Utilities	26,589	25,589
Equipment	7,310	7,388
Maintenance	16,244	23,903
Real Estate Taxes	118,886	118,639
Bond Expenses	58,941	108,865
Administrative Expenses	7,413	7,658
Insurance	7,978	8,400
Licenses and Permits	453	40
Sales and Use Tax	36,103	63,445
Depreciation Expense	166,199	167,612
Total Expenses	<u>\$ 780,647</u>	<u>\$ 836,503</u>
 NET INCOME (LOSS)	 <u>\$ (13,526)</u>	 <u>\$ 416,289</u>
 INCOME BEFORE DEPRECIATION EXPENSE	 <u>\$ 152,673</u>	 <u>\$ 583,901</u>
 Parking Equipment	 \$ ---	 \$ 21,739