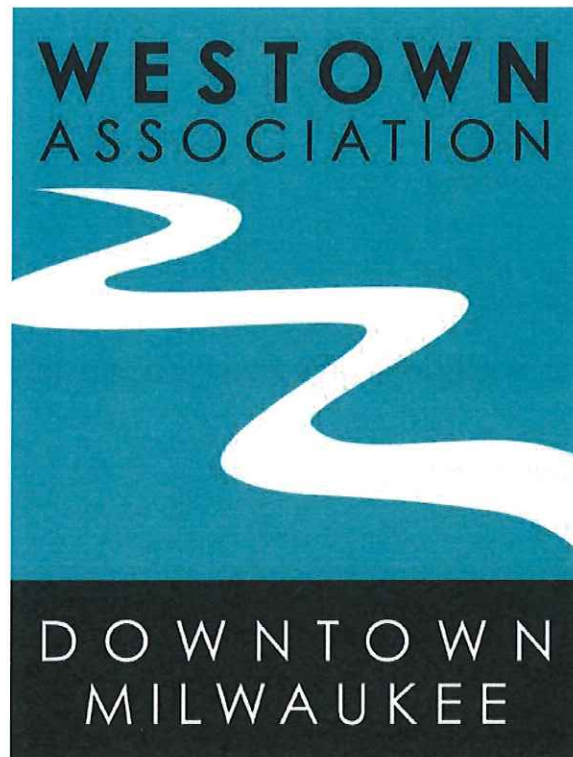


**BUSINESS IMPROVEMENT DISTRICT NO. 5 - Westtown**

**OPERATING PLAN - 2019**



September 25, 2018

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# I. INTRODUCTION

## A. Background

In 1984, the Wisconsin legislature created 66.1109 (formerly S. 66.608) of the Statutes (see Appendix 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 Wisconsin Act 184, Section 1, legislative declaration.)

The City of Milwaukee received a petition from property owners which requested the creation of a Business Improvement District for the purpose of revitalizing and improving the Westown area in Milwaukee's downtown central business district. The BID law requires that every district have an annual Operating Plan. This document is the Operating Plan for the Westown BID #5 district. The BID proponents prepared this Plan with technical assistance from the City of Milwaukee Department of City Development.

## B. Physical Setting

The BID #5 boundaries are roughly comprised of Fourth Street on the east, Tenth Street on the west, W. Wells St. on the North and Clybourn St. on the south (with exclusion of certain exempt properties within those boundaries).

# III. DISTRICT BOUNDARIES

Boundaries of the district are shown on the map in Appendix A of this plan. A listing of the properties included in the district is provided in Appendix C.

# III. PROPOSED OPERATING PLAN

## A. Plan Objectives

The Westown Association BID #5 continues to move forward with the following objectives.

- Create new ways to attract people to visit the Westown area and increase positive perception
- Foster an environment conducive to economic development for businesses
- Engage rapidly growing neighborhood residential base
- Continue current mix of Westown program and event offerings
- Continued advocacy and outreach to businesses and property owners

## B. Proposed Activities

**Principle activities to be engaged in by the district will include:**

- Continued advocacy on issues that impact quality of life, business environment and perception of the neighborhood – such as licensing, nuisance issues and public safety.
- Continue to establish and highlight the neighborhood's identity and programs through the continued implementation of the street banner program, website, social media and development of print collateral.
- Promotion and maintenance of the comprehensive downtown parking website Parkmilwaukee.com
- Promote/advocate for new developments and leverage impact of these developments – Fiserv Forum, Former Shops of Grand Avenue, redevelopment of Grand Theatre by Milwaukee Symphony Orchestra, former Pabst Brewery area and new residential development.
- Participate in existing and future efforts to address transit issues that affect Westown and Downtown Milwaukee mobility & connectivity such as the streetcar, bus rapid transit, BublR Bikes and bus system
- Participation in Downtown Neighbors Association - downtown residents group as means to engage expanding neighborhood residential base.
- Grow membership base to better engage business and property owners in the neighborhood
- Continue production of successful programs that attract thousands of people to the Westown area, activate public spaces and raise funds for the association. Those programs include: River Rhythms, Farmer's Market, Westown Golf Open, St. Patrick's Parade.

- Advocate for further activation of public spaces in the Westtown area such as Pere Marquette Park, Zeidler Union Square and MacArthur Square
- Continue restoration of and fundraising for the Court of Honor – \$75,000 has been raised to date to help restore and maintain the three historically- significant bronze statues owned by the City and located in the boulevard on 8<sup>th</sup> and Wisconsin near Central Library

**Proposed 2019 Budget Draft**

<b>Revenue</b>	
BID Assessments	81,113
City Match	0
Membership Dues	27,587
Interest Income	200
Program Revenue (St. Patrick's Parade, Farmer's Market, River Rhythms, golf outing, Court of Honor Restoration)	181,000
<b>Total Revenue</b>	<b>\$289,900</b>
<b>Expenses</b>	
Gross Wages	112,700
Employer Benefit Contribution	17,770
Employer Payroll Taxes	8,600
Association Dues	2,500
Bank Charges	50
Business Meeting Costs	3,500
Insurance	3,150
Misc. Exp.	1,600
Equipment Lease/Maintenance	5,000
Equipment Purchase	800
Office Supplies	1,200
Postage	2,500
Printing	2,000
Professional Services	7,500
Subscriptions	150
Telephone/Fax	4,400
Newsletter	400
Program Expenses	116,080
<b>Total Expenses</b>	<b>\$289,900</b>

**D. Financing Method**

It is proposed to raise \$81,113 in BID assessments (see Appendix C. We also expect to raise money through membership dues and program revenue. The BID Board shall have the authority and responsibility to prioritize expenditures and to revise the budget as necessary to match the funds actually available.

**E. Organization of BID Board**

Upon creation of the BID, the Mayor will appoint members to the district board ("board"). The board's primary responsibility will be implementation of this 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 periodically revise the Operating Plan; to ensure district compliance with the provisions of applicable statutes and regulations; and to make reimbursements for any overpayments of BID assessments.

State law requires that the board be composed of at least five members and that a majority of the board members be owners or occupants of property within the district.

It is recommended that the BID board be structured and operate as follows:

1. Board Size – 9
2. Composition - At least three members shall be owners or occupants of property within the district. Any non-owner or non-occupant appointed to the board shall be a resident of the City of Milwaukee. The board shall elect its Chairperson from among its members.
3. Term - Appointments to the board shall be for a period of three years except that initially two members shall be appointed for a period of three years, two members shall be appointed for a period of two years, and one member shall be appointed for a period of one year.
4. Compensation – None
5. Meetings - All meetings of the board shall be governed by the Wisconsin Open Meetings Law.
6. Record Keeping - Files and records of the board's affairs shall be kept pursuant to public record requirements.
7. Staffing - The board may employ staff and/or contract for staffing services pursuant to this Plan and subsequent modifications thereof.
8. Meetings - The board shall meet regularly, at least twice each year. The board shall adopt rules of order (“by laws”) to govern the conduct of its meetings.

#### **F. Relationship to the Westown Association**

The BID shall be a separate entity from the Westown Association of Milwaukee, Inc, notwithstanding the fact that members, officers and directors of each may be shared. The Association shall remain a private organization, not subject to the open meeting law, and not subject to the public record law except for its records generated in connection with the BID board. The Association may, and it is intended, shall, contract with the BID to provide services to the BID, in accordance with this Plan.

#### **IV. METHOD OF ASSESSMENT**

##### **A. Assessment Rate and Method**

The annual assessment for the BID #5 operating expenses will be levied against each property within the BID in direct proportion to the current assessed value of each property for real property tax purposes as of the date the BID holds its public hearing regarding its **Year Thirty Operating Plan (September 25, 2018)**. No owner of property within the BID shall be eligible to receive or be subject to any reductions or increases in its assessment as a result of a decrease or increase in the assessed value for their property occurring after such date. In addition, the amount of a special assessment against a particular property may change from year to year if that property's assessed value changes relative to other properties within the BID.

As of **January 1, 2018** the property in the Westown district had a total assessed value of **\$1,209,100**. This plan proposes to assess the property in the district at a rate of \$.90 per \$1,000 of assessment for the purposes of the BID with a \$210 per parcel minimum assessment and a \$12,600 per parcel maximum assessment. Appendix C shows the projected BID assessment for each property included in the BID.

The principle behind the assessment methodology (Appendix B) is that each property should contribute to the BID in proportion to benefit derived from the BID. After consideration of other assessment methods, it was determined that assessed value of a

property was the characteristic most directly related to the potential benefit provided by the BID. Therefore, a fixed assessment on the assessed value of the property was selected as the assessment methodology for this BID. It is assumed that development of the District will produce at least some minimum benefit for all parcels. Thus, a \$210 minimum assessment has been applied.

**B. Excluded and Exempt Property** - The BID law requires explicit consideration of certain classes of property. In compliance, the following statements are provided.

1. State Statute 66.608 (1) (f)lm: The District will contain property used exclusively for manufacturing purposes, as well as properties used in part for manufacturing. These properties will be assessed according to the method set forth in this plan because it is assumed that they will benefit from development in the District.
2. State Statute 66.608 (5) a): Property known to be used exclusively for residential purposes will not be assessed; such properties are identified as BID Exempt Properties in Appendix C with no value assigned.
3. In accordance with the interpretation of the City Attorney regarding State Statute 66.608 (1)(b), property exempt from general real estate taxes has been excluded from the district boundaries. Tax exempt property adjoining the district and which is expected to benefit from district activities will be asked to make a financial contribution to the district on a voluntary basis.

The principle behind the assessment methodology is that each property should contribute to the BID in proportion to the benefit derived from the BID. After consideration of other assessment methods, it was determined that assessed value of a property was the characteristic most directly related to the potential benefit provided by the BID. Therefore, a fixed assessment on the assessed value of the property was selected as the basic assessment methodology for this BID.

However, maintaining an equitable relationship between the BID assessment and the expected benefits requires an adjustment to the basic assessment method. To prevent the disproportional assessment of a small number of high value properties, a maximum assessment of \$12,600 per parcel will be applied.

## **V. RELATIONSHIP TO MILWAUKEE COMPREHENSIVE PLAN AND ORDERLY DEVELOPMENT OF THE CITY**

### **A. City Plans**

In February 1978, the Common Council of the City of Milwaukee adopted a Preservation Policy as the policy basis for its Comprehensive Plan and as a guide for its planning, programming and budgeting decisions. The Common Council reaffirmed and expanded the Preservation Policy in Resolution File Number 881978, adopted January 24, 1989.

The Preservation Policy emphasizes maintaining Milwaukee's present housing, jobs, neighborhoods, services, and tax base rather than passively accepting loss of jobs and population, or emphasizing massive new development. In its January 1989 reaffirmation of the policy, the Common Council gave new emphasis to forging new public and private partnerships as a means to accomplish preservation.

The district is a means of formalizing and funding the public-private partnership between the City and property owners in the Westtown business area and for furthering preservation and redevelopment in this portion of the City of Milwaukee. Therefore, it is fully consistent with the City's Comprehensive Plan and Preservation Policy.

### **B. City Role in District Operation**

The City of Milwaukee has committed to helping private property owners in the district promote its development. To this end, the City expected to play a significant role in the creation of the Business Improvement district and in the implementation of the Operating Plan. In particular, the City will:

1. Provide technical assistance to the proponents of the district through adoption of the plan and provide assistance as appropriate thereafter.

2. Monitor and, when appropriate, apply for outside funds that could be used in support of the district.
3. Collect assessments, maintain in a segregated account, and disburse the monies of the district.
4. Receive annual audits as required per sec. 66.1109 (3) (c) of the BID law.
5. Provide the board, through the Tax Commissioner's Office on or before June 30<sup>th</sup> of each Plan year, with the official City records and the assessed value of each tax key number with the district, as of January 1<sup>st</sup> of each Plan year, for purposes of calculating the BID assessments.
6. Encourage the State of Wisconsin, Milwaukee County and other units of government to support the activities of the district.

## **VI. PLAN APPROVAL PROCESS**

### **A. Public Review Process**

The Wisconsin Business Improvement district law establishes a specific process for reviewing and approving proposed districts. Pursuant to the statutory requirements, the following process was followed:

1. The Milwaukee City Plan Commission reviewed the proposed district boundaries and proposed Operating Plan and held a formal public hearing.
2. The City Plan Commission sent by certified mail, a public hearing notice and a copy of the proposed Operating Plan to all owners of real property within the district. In addition, a Class 2 notice of the public hearing was published in a local newspaper of general circulation.
3. The City Plan Commission held a public hearing, approved the Plan, and reported its action to the Common Council.
4. The Economic Development Committee of the Common Council reviewed the proposed BID Plan at a public meeting and made a recommendation to the full Common Council.
5. The Common Council acted on the proposed BID Plan.
6. After being adopted by the Common Council, the BID Plan was sent to the Mayor for his approval.
7. After being approved by the Mayor, the BID was created and the Mayor appointed members to the district board, which was established to implement the Plan.

### **B. Early Termination of the BID**

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

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

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

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

## **VII. FUTURE YEAR OPERATING PLANS**

### **A. Phased Development**

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

Section 66.1109 (3) (a) of the BID law requires the board and the City to annually review and make changes as appropriate in the Operating Plan. Therefore, while this document outlines in general terms the complete development program, it focuses upon Year One activities, and information on specific assessed values, budget amounts and assessment amounts are based on Year One conditions. Greater detail about subsequent year's activities will be provided in the required annual Plan updates, and approval by the Common Council of such Plan updates shall be conclusive evidence of compliance with this Plan and the BID law.

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

### **B. Amendment, Severability and Expansion**

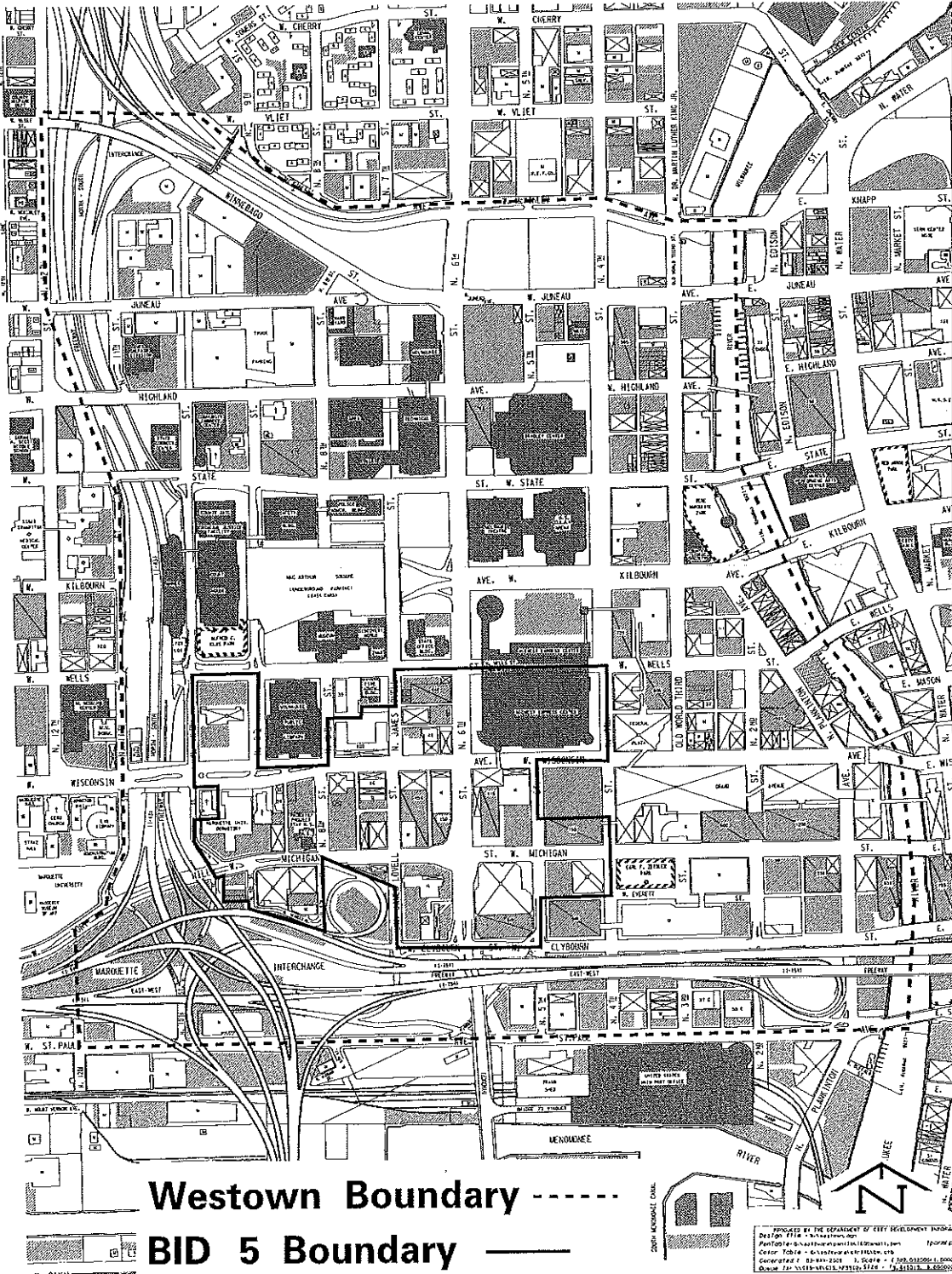
This BID has been created under authority of Section 66.1109 of the Statutes of the State of Wisconsin. Should any court find any portion of this Statute invalid or unconstitutional its decision will not invalidate or terminate the BID and this BID Plan shall be amended to conform to the law without need of reestablishment.

Should the legislature amend the Statute to narrow or broaden the process of a BID so as to exclude or include as assessable properties 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 Operating Plan approval and without necessity to undertake any other act. This is specifically authorized under Section 66.1109(3)(b).



Map of BID # 5 Boundaries

Appendix  
A



## Appendix B

### ASSESSMENT METHODOLOGY for BID #5 in YEAR TWENTY-NINE ASSESSMENTS (2019)

It is intended to assess all properties described in the plan equally, with the exception that there shall be a minimum assessment of \$210.00 and a maximum assessment of \$12,600.00 on all individual parcels. The rate for Year Twenty-Eight will be \$0.90 per \$1,000.00 in assessed valuation.

#### **EXAMPLES:**

##### **WI Tower LLC, 606 W. Wisconsin Avenue**

Given that the total valuation of this property as of 1 January 2018 is \$36,100; then dividing this by \$1,000 and then multiplying this valuation by \$0.90 would result in an assessment of \$32.49. Because this is below the \$210.00 minimum, the actual assessment for the BID should be \$210.00.

##### **TI INVESTORS MILWAUKEE PARKING, 615 N. 4<sup>th</sup> Street**

Given that the total valuation of this property as of 1 January 2018 is \$4,232,000; then dividing this by \$1,000 and multiplying this valuation by \$0.90 would result in an assessment of \$3,809. Because this is not below the \$210.00 minimum and not above the \$12,600.00 maximum, the actual assessment for the BID would be \$3,809.

##### **TIME INSURANCE COMPANY - 501 W. Michigan Avenue**

Given that the total valuation of this property as of 1 January 2018 is \$17,040,000; then dividing this by \$1,000 and multiplying this valuation by \$0.90 would result in an assessment of \$15,336. Because this is above the \$12,600.00 maximum, the actual assessment for the BID would be \$12,600,00.

Complete tabulation of the assessment per parcel in the Westown BID #5 is in the next page on Appendix C.

# Appendix C - Page 11 Projected 2019 BID #5 Assessments

2019 BID #5 Assessments								
Taxkey	Address	Owner	Property Class	Use	Total Value	% Assessable	Assessable Value	Assessment
3610701000	825 W WISCONSIN	ST JAMES COURT HISTORIC	Mercantile Apt.	AP4 (Conv Apt with 21 or more Units)	2,517,000.00	0.185185185	466,111.11	420
3610702000	815 W WISCONSIN	TOWNE PETERSON LLC	Special Mercantile	Parking Lot	194,000.00	1	194,000.00	210
3610703000	801 W WISCONSIN	TOWNE PETERSON LLC	Special Mercantile	Parking Lot	882,300.00	1	882,300.00	794
3610709100	625 N JAMES LOVELL	TOWNE PETERSON LLC	Special Mercantile	Parking Lot	236,000.00	1	236,000.00	212
3610713111	633 W WISCONSIN	633 CLARK BUILDING LLC	Special Mercantile	Office Building - Class B	16,099,000.00	1	16,099,000.00	12,600
3610714111	611 W WISCONSIN	DOWNTOWN VENTURES LLP	Special Mercantile	Hotel Full Service	18,246,000.00	1	18,246,000.00	12,600
3610719112	509 W WISCONSIN	MILW CITY CENTER LLC	Special Mercantile	Hotel Full Service	41,871,800.00	1	41,871,800.00	12,600
3610739120	615 N 4TH	TI INVESTORS MILW PARKING LL	Special Mercantile	Parking Garage, Parking Ramp	4,232,000.00	1	4,232,000.00	3,809
3610814122	501 W MICHIGAN	TIME INSURANCE COMPANY	Special Mercantile	Office Building - Class A	17,040,000.00	1	17,040,000.00	12,600
3610822110	633 W MICHIGAN	FLORA REAL PROPERTIES LLC	Special Mercantile	Hotel Limited Service	3,492,300.00	1	3,492,300.00	3,143
3610825120	525 N 6TH	MARQUETTE UNIVERSITY	Special Mercantile	Office Building - Class B	1,369,000.00	1	1,369,000.00	1,232
3610834112	547 N 9TH	MARQUETTE UNIVERSITY	Special Mercantile	Commercial Land	3,955,200.00	1	3,955,200.00	3,560
3610834210	545 N JAMES LOVELL	MARQUETTE UNIVERSITY	Special Mercantile	Parking Lot	168,800.00	1	168,800.00	210
3610835000	555 N JAMES LOVELL	MARQUETTE UNIVERSITY	Special Mercantile	Commercial Land	150,000.00	1	150,000.00	210
3610840111	803 W MICHIGAN	MARQUETTE UNIVERSITY	Special Mercantile	Office Building - Class B	4,709,000.00	1	4,709,000.00	4,238
3610849100	531 N 8TH	MARQUETTE UNIVERSITY	Special Mercantile	Parking Lot	297,900.00	1	297,900.00	268
3610850110	521 N 8TH	MARQUETTE UNIVERSITY	Special Mercantile	Commercial Land	274,400.00	1	274,400.00	247
3611713100	601 W WELLS	601723 LP	Special Mercantile	Parking Lot	1,470,000.00	1	1,470,000.00	1,323
3611715000	738 N JAMES LOVELL	HANSON & PAYNE LLC	Special Mercantile	Residence With Commercial Usage	296,000.00	1	296,000.00	266
3611716000	746 N JAMES LOVELL	STEVEN M LECHTER &	Special Mercantile	Tavern	226,000.00	0.540785498	122,217.52	210
3611718100	723 N 6TH	601723 LP	Special Mercantile	Parking Lot	486,000.00	1	486,000.00	437
3611721000	626 W WISCONSIN	THE CENTRAL MARKET PLACE CO	Special Mercantile	Parking Lot	652,500.00	1	652,500.00	587
3611722000	612 W WISCONSIN	WISCONSIN AVENUE PROPERTY	Mercantile Apt.	AP4 (Conv Apt with 21 or more Units)	2,371,000.00	0.195440929	463,390.44	417
3612182000	700 W WISCONSIN	LIBRARY HILL LLC	Special Mercantile	Store Building - Multiple Tenants	705,000.00	1	705,000.00	635
3910101000	900 W WISCONSIN	WISCONSIN CITY CLUB	Special Mercantile	Sport, Health & Recreational Properties	5,130,000.00	1	5,130,000.00	4,617
3910761000	606 W WISCONSIN	WI TOWER LLC	Special Mercantile	Sit Down Restaurant	279,000.00	1	279,000.00	251
3910762000	606 W WISCONSIN	WI TOWER LLC	Special Mercantile	Office Building - Class B	36,100.00	1	36,100.00	210
3910763100	606 W WISCONSIN	WISCONSIN TOWER PROPS LLC	Special Mercantile	Office Building - Class B	8,900.00	1	8,900.00	210
3980117210	533 N 9TH	MARQUETTE UNIVERSITY	Special Mercantile	Parking Lot	631,000.00	1	631,000.00	568
3981202100	635 N JAMES LOVELL	RAUCH AND ROMANSHEK	Special Mercantile	Trucking Terminal	635,000.00	1	635,000.00	572
3981204100	701 W WISCONSIN	CIK LLP	Special Mercantile	Store Bldg - Multi Story (Store & Apt, Stor	1,671,000.00	0.5114537	854,639.13	769
3981281000	735 W WISCONSIN	WISCONSIN AVENUE LOFTS LLC	Mercantile Apt.	Office Building - Class B	4,650,000.00			0
3981282000	610 N 8TH	735 W WISCONSIN AVE LLC	Special Mercantile	Parking Lot	1,209,100.00	1	1,209,100.00	1,088
Total Assessments								81,113

**Appendix D - BID #5 Board of Directors**

1	Joan	Bartels Farrell	Pres.	Goodwill Industries of Southeastern WI
2	John	Hennessy	V. Pres.	St. James Court Apts.
3	Mike	Kenney	Treas.	
4	Erica-Nicole	Harris		WISPARK, LLC
5	Lisa	Kurszewski (Braun)		Zilber Property Group
6	Kevin	Ehlert		Wisconsin Club
7	Mahesh	Reddy		Hilton Milwaukee
8	Bill	Scholl		Marquette University
9	Jeff	Welk		Doubletree

that must be paid under this subsection. The department shall redetermine the environmental remediation tax incremental base of any parcel of real property for which the environmental remediation tax incremental base was determined under sub. (4) if part of that parcel is annexed under this subsection.

(b) The department may impose a fee of \$1,000 on a political subdivision to determine or redetermine the environmental remediation tax incremental base of an environmental remediation tax incremental district under this subsection or sub. (4).

(15) **SUNSET.** No district may be created under this section on or after November 29, 2017.

**History:** 1997 a. 27; 1999 a. 9; 1999 a. 150 ss. 473 to 478; Stats. 1999 s. 66.1106; 1999 a. 185 s. 59; 2003 a. 126; 2005 a. 246, 418; 2009 a. 28, 66, 312; 2011 a. 260; 2013 a. 193; 2015 a. 256, 257; 2017 a. 15, 70; 2017 a. 365 s. 110.

**66.1107 Reinvestment neighborhoods.** (1) **DEFINITIONS.** In this section:

(a) An “area in need of rehabilitation” is a neighborhood or area in which buildings, by reason of age, obsolescence, inadequate or outmoded design, or physical deterioration have become economic or social liabilities, or both; in which these conditions impair the economic value of the neighborhood or area, infecting it with economic blight, and which is characterized by depreciated values, impaired investments, and reduced capacity to pay taxes; in which the existence of these conditions and the failure to rehabilitate the buildings results in a loss of population from the neighborhood or area and further deterioration, accompanied by added costs for creation of new public facilities and services elsewhere; in which it is difficult and uneconomic for individual owners independently to undertake to remedy the conditions; in which it is necessary to create, with proper safeguards, inducements and opportunities for the employment of private investment and equity capital in the rehabilitation of the buildings; and in which the presence of these buildings and conditions has resulted, among other consequences, in a severe shortage of financial resources available to finance the purchase and rehabilitation of housing and an inability or unwillingness on the part of private lenders to make loans for and an inability or unwillingness on the part of present and prospective owners of housing to invest in the purchase and rehabilitation of housing in the neighborhood or area.

(b) “Local legislative body” means the common council, village board of trustees or town board of supervisors.

(c) “Municipality” means a city, village or town.

(d) “Planning commission” means a plan commission created under s. 62.23 or a plan committee of the local legislative body.

(e) “Reinvestment neighborhood or area” means a geographic area within any municipality not less than one-half of which, by area, meets 3 of the 5 following conditions:

1. It is an area in need of rehabilitation as defined in par. (a).

2. It has a rate of owner-occupancy of residential buildings substantially below the average rate for the municipality as a whole.

3. It is an area within which the market value of residential property, as measured by the rate of change during the preceding 5 years in the average sale price of residential property, has decreased or has increased at a rate substantially less than the rate of increase in average sale price of residential property in the municipality as a whole.

4. It is an area within which the number of persons residing has decreased during the past 5 years, or in which the number of persons residing has increased during that period at a rate substantially less than the rate of population increase in the municipality as a whole.

5. It is an area within which the effect of existing detrimental conditions is to discourage private lenders from making loans for and present or prospective property owners from investing in the purchase and rehabilitation of housing.

(2) **DESIGNATION OF REINVESTMENT NEIGHBORHOODS OR AREAS.** A municipality may designate reinvestment neighborhoods or areas after complying with the following steps:

(a) Holding of a public hearing by the planning commission or by the local governing body at which interested parties are afforded a reasonable opportunity to express their views on the proposed designation and boundaries of a reinvestment neighborhood or area. Notice of the hearing shall be published as a class 2 notice, under ch. 985. Before publication, a copy of the notice shall be sent by 1st class mail to the Wisconsin Housing and Economic Development Authority, and a copy shall be posted in each school building and in at least 3 other places of public assembly within the reinvestment neighborhood or area proposed to be designated.

(b) Designation by the planning commission of the boundaries of a reinvestment neighborhood or area recommended by it to be designated and submission of the recommendation to the local legislative body.

(c) Adoption by the local legislative body of a resolution which:

1. Describes the boundaries of a reinvestment neighborhood or area with sufficient definiteness to identify with ordinary and reasonable certainty the territory included in the neighborhood or area. The boundaries may, but need not, be the same as those recommended by the planning commission.

2. Designates the reinvestment neighborhood or area as of a date provided in the resolution.

3. Contains findings that the area to be designated constitutes a reinvestment neighborhood or area.

**History:** 1977 c. 418; 1979 c. 361 s. 112; 1985 a. 29 s. 3200 (14); 1999 a. 150 s. 479; Stats. 1999 s. 66.1107; 2001 a. 104.

**66.1108 Limitation on weekend work.** (1) **DEFINITIONS.** In this section:

(a) “Construction project” means a project involving the erection, construction, repair, remodeling, or demolition, including any alteration, painting, decorating, or grading, of a private facility, including land, a building, or other infrastructure that is directly related to onsite work of a residential or commercial real estate development project.

(b) “Political subdivision” means a city, village, town, or county.

(2) **CONSTRUCTION PROJECTS; WEEKEND WORK.** (a) A political subdivision may not prohibit a private person from working on the job site of a construction project on a Saturday. A political subdivision may not impose conditions that apply to a private person who works on a construction project on a Saturday that are inapplicable to, or more restrictive than the conditions that apply to, a person who works on a construction project during weekdays.

(b) If a political subdivision has enacted an ordinance or adopted a resolution before April 5, 2018, that is inconsistent with par. (a), that portion of the ordinance or resolution does not apply and may not be enforced.

**History:** 2017 a. 243.

**66.1109 Business improvement districts.** (1) In this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(d) Within 30 days after the hearing under par. (c), the owners of property to be assessed under the proposed initial operating plan having a valuation equal to more than 40 percent of the valuation of all property to be assessed under the proposed initial operating plan, using the method of valuation specified in the proposed initial operating plan, or the owners of property to be assessed under the proposed initial operating plan having an assessed valuation equal to more than 40 percent of the assessed valuation of all property to be assessed under the proposed initial operating plan, have not filed a petition with the planning commission protesting the proposed business improvement district or its proposed initial operating plan.

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

(2m) A municipality may annex territory to an existing business improvement district if all of the following are met:

(a) An owner of real property used for commercial purposes and located in the territory proposed to be annexed has petitioned the municipality for annexation.

(b) The planning commission has approved the annexation.

(c) At least 30 days before annexation of the territory, the planning commission has held a public hearing on the proposed annexation. Notice of the hearing shall be published as a class 2 notice under ch. 985. Before publication, a copy of the notice together with a copy of a detail map showing the boundaries of the territory proposed to be annexed to the business improvement district shall be sent by certified mail to all owners of real property within the territory proposed to be annexed. The notice shall state the boundaries of the territory proposed to be annexed.

(d) Within 30 days after the hearing under par. (c), the owners of property in the territory to be annexed that would be assessed under the operating plan having a valuation equal to more than 40 percent of the valuation of all property in the territory to be annexed that would be assessed under the operating plan, using the method of valuation specified in the operating plan, or the owners of property in the territory to be annexed that would be assessed under the operating plan having an assessed valuation equal to more than 40 percent of the assessed valuation of all property in the territory to be annexed that would be assessed under the operating plan, have not filed a petition with the planning commission protesting the annexation.

(3) (a) The chief executive officer shall appoint members to a business improvement district board to implement the operating plan. Board members shall be confirmed by the local legislative body and shall serve staggered terms designated by the local legislative body. The board shall have at least 5 members. A majority of board members shall own or occupy real property in the business improvement district.

(b) The board shall annually consider and may make changes to the operating plan, which may include termination of the plan, for its business improvement district. The board shall then submit the operating plan to the local legislative body for its approval. If the local legislative body disapproves the operating plan, the board shall consider and may make changes to the operating plan and may continue to resubmit the operating plan until local legislative body approval is obtained. Any change to the special assessment method applicable to the business improvement district shall be approved by the local legislative body.

(c) The board shall prepare and make available to the public annual reports describing the current status of the business improvement district, including expenditures and revenues. The report shall include one of the following:

1. If the cash balance in the segregated account described under sub. (4) equaled or exceeded \$300,000 at any time during the period covered by the report, the municipality shall obtain an independent certified audit of the implementation of the operating plan.

2. If the cash balance in the segregated account described under sub. (4) was less than \$300,000 at all times during the period covered by the report, the municipality shall obtain a reviewed financial statement for the most recently completed fiscal year. The statement shall be prepared in accordance with generally accepted accounting principles and include a review of the financial statement by an independent certified public accountant.

(cg) For calendar years beginning after December 31, 2018, the dollar amount at which a municipality is required to obtain an independent certified audit under par. (c) 1. and the dollar amount at which a municipality is required to obtain a reviewed financial statement under par. (c) 2. shall be increased each year by a percentage equal to the percentage change between the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the previous year and the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August 2017, as determined by the federal department of labor. Each amount that is revised under this paragraph shall be rounded to the nearest multiple of \$10 if the revised amount is not a multiple of \$10 or, if the revised amount is a multiple of \$5, such an amount shall be increased to the next higher multiple of \$10.

(cr) The municipality shall obtain an additional independent certified audit of the implementation of the operating plan upon termination of the business improvement district.

(d) Either the board or the municipality, as specified in the operating plan as adopted, or amended and approved under this section, has all powers necessary or convenient to implement the operating plan, including the power to contract.

(4) All special assessments received from a business improvement district and all other appropriations by the municipality or other moneys received for the benefit of the business improvement district shall be placed in a segregated account in the municipal treasury. No disbursements from the account may be made except to reimburse the municipality for appropriations other than special assessments, to pay the costs of audits and reviewed financial statements required under sub. (3) (c), or on order of the board for the purpose of implementing the operating plan. On termination of the business improvement district by the municipality, all moneys collected by special assessment remaining in the account shall be disbursed to the owners of specially assessed property in the business improvement district, in the same proportion as the last collected special assessment.

(4g) A municipality may convert a business improvement district under this section into a neighborhood improvement district under s. 66.1110 if an owner of real property that is subject to general real estate taxes, that is used exclusively for residential purposes, and that is located in the business improvement district petitions the municipality for the conversion. If the municipality approves the petition, the board shall consider and may make changes to the operating plan under s. 66.1110 (4) (b).

(4m) A municipality shall terminate a business improvement district if the owners of property assessed under the operating plan having a valuation equal to more than 50 percent of the valuation of all property assessed under the operating plan, using the method of valuation specified in the operating plan, or the owners of property assessed under the operating plan having an assessed valuation equal to more than 50 percent of the assessed valuation of all property assessed under the operating plan, file a petition with the planning commission requesting termination of the business improvement district, subject to all of the following conditions:

(a) A petition may not be filed under this subsection earlier than one year after the date the municipality first adopts the operating plan for the business improvement district.

(b) On and after the date a petition is filed under this subsection, neither the board nor the municipality may enter into any new obligations by contract or otherwise to implement the operating plan until the expiration of 30 days after the date of hearing under par. (c) and unless the business improvement district is not terminated under par. (e).

(c) Within 30 days after the filing of a petition under this subsection, the planning commission shall hold a public hearing on the proposed termination. Notice of the hearing shall be published as a class 2 notice under ch. 985. Before publication, a copy of the notice together with a copy of the operating plan and a copy of a detail map showing the boundaries of the business improvement district shall be sent by certified mail to all owners of real property within the business improvement district. The notice shall state the boundaries of the business improvement district and shall indicate that copies of the operating plan are available from the planning commission on request.

(d) Within 30 days after the date of hearing under par. (c), every owner of property assessed under the operating plan may send written notice to the planning commission indicating, if the owner signed a petition under this subsection, that the owner retracts the owner's request to terminate the business improvement district, or, if the owner did not sign the petition, that the owner requests termination of the business improvement district.

(e) If after the expiration of 30 days after the date of hearing under par. (c), by petition under this subsection or subsequent notification under par. (d), and after subtracting any retractions

under par. (d), the owners of property assessed under the operating plan having a valuation equal to more than 50 percent of the valuation of all property assessed under the operating plan, using the method of valuation specified in the operating plan, or the owners of property assessed under the operating plan having an assessed valuation equal to more than 50 percent of the assessed valuation of all property assessed under the operating plan, have requested the termination of the business improvement district, the municipality shall terminate the business improvement district on the date that the obligation with the latest completion date entered into to implement the operating plan expires.

(5) (a) Real property used exclusively for residential purposes and real property that is exempted from general property taxes under s. 70.11 may not be specially assessed for purposes of this section.

(b) A municipality may terminate a business improvement district at any time.

(c) This section does not limit the power of a municipality under other law to regulate the use of or specially assess real property.

(d) If real property that is specially assessed as authorized under this section is of mixed use such that part of the real property is exempted from general property taxes under s. 70.11 or is residential, or both, and part of the real property is taxable, the municipality may specially assess as authorized under this section only the percentage of the real property that is not tax-exempt or residential. This paragraph applies only to a 1st class city.

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

**66.1110 Neighborhood improvement districts. (1) In this section:**

(a) "Board" means a neighborhood improvement district board elected under sub. (4) (a).

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

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

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

(e) "Neighborhood improvement district" means an area within a municipality consisting of nearby but not necessarily contiguous parcels, at least some of which are used for residential purposes and are subject to general real estate taxes, and property that is acquired and owned by the board if the local legislative body approved acquisition of the property under sub. (4) (d) as part of its approval of the initial operating plan under sub. (3) (c).

(f) "Operating plan" means a plan adopted or amended under this section for the development, redevelopment, maintenance, operation, and promotion of a neighborhood improvement district.

(g) "Owner" means the owner of real property that is located within the boundaries, or the proposed boundaries, of a neighborhood improvement district.

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

(2) An operating plan shall include at least all of the following elements:

(a) The special assessment method applicable to the neighborhood improvement district.

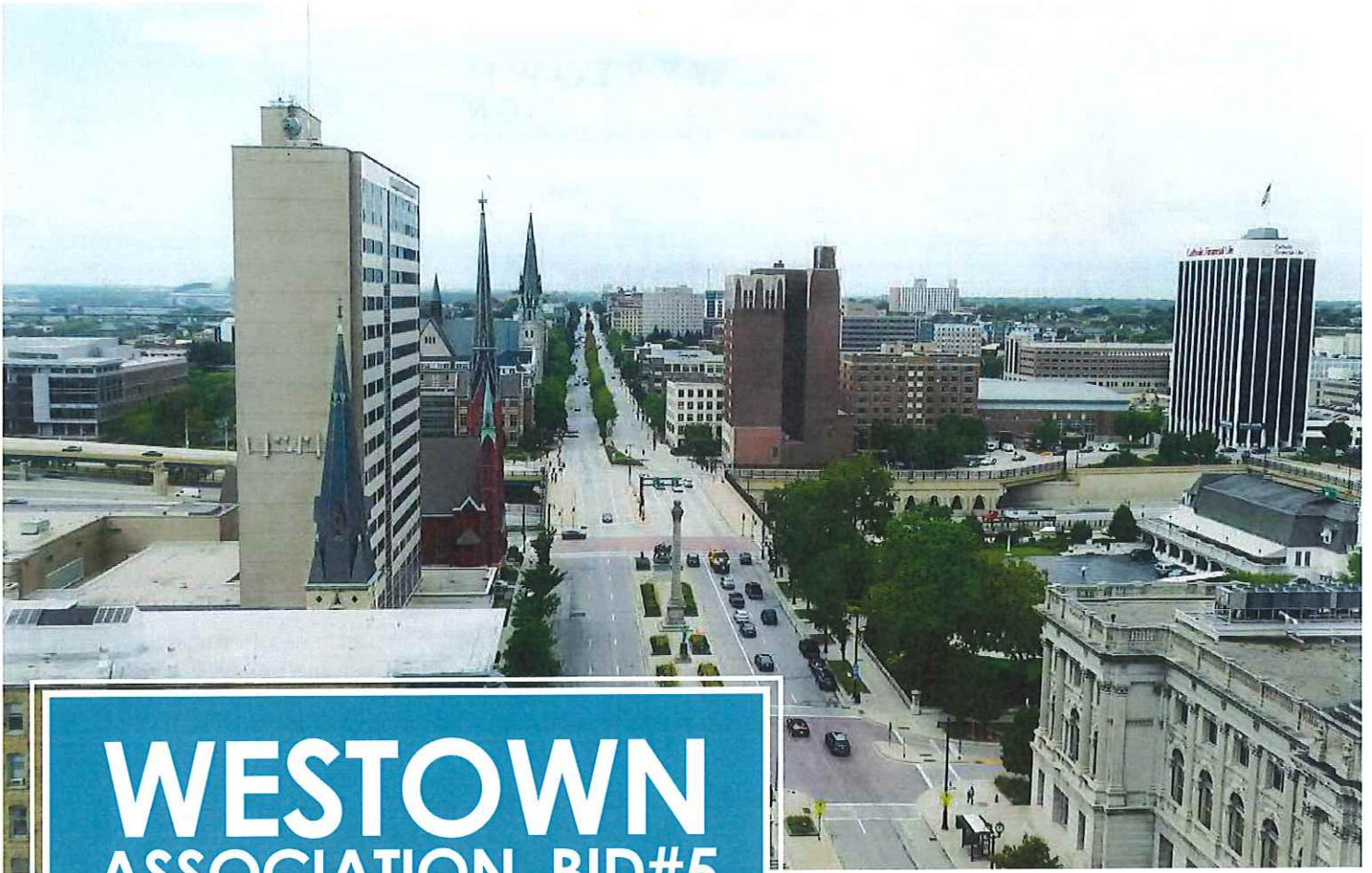
(b) The kind, number, and location of all proposed expenditures within the neighborhood improvement district.

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

(d) A description of how the creation of the neighborhood improvement district promotes the orderly development of the municipality, including its relationship to any municipal master plan.







# WESTOWN ASSOCIATION, BID#5 2018



The Westown Association, BID #5 is a downtown business association that promotes, programs and enhances the area of downtown Milwaukee west of the Milwaukee River. The association does this through implementing successful special events (River Rhythms, Farmers' Market & St. Patrick's Parade) which are a very visible part the organization's mission, but is also actively engaged in economic development, business outreach and advocacy initiatives.

Throughout 2018, the momentum in the Westown area continued to grow resulting in some significant changes that will alter the landscape of Downtown Milwaukee. Some of those changes include the MSO's Grand Theater renovation, the Milwaukee Bucks new home at the Fiserv Forum and the multi-use redevelopment of Grand Avenue. As an organization, Westown BID #5 continued to act as an advocate for our property & business owners as these projects moved forward in 2018.

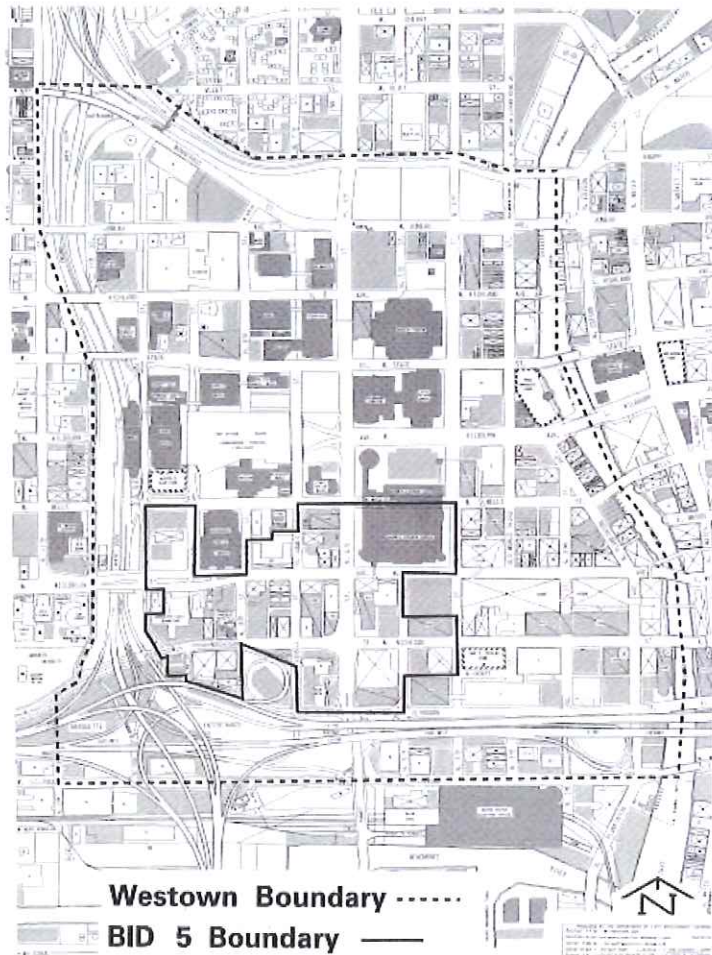
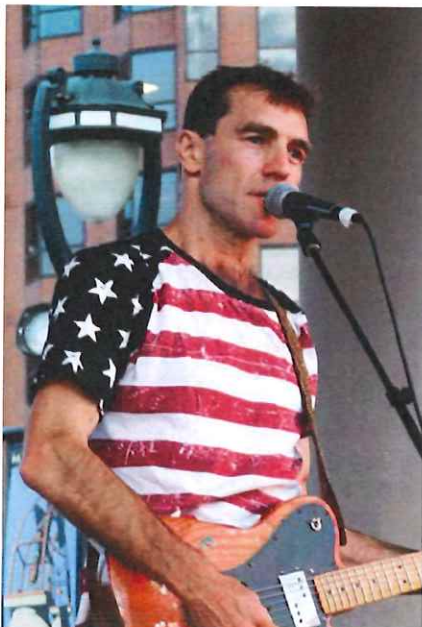


## Westown Mission

The organization champions social and economic development of the Westown neighborhood through special event marketing, business resources, growth initiatives and public/private partnerships that improve the quality of life and vitality of the district.

## Westown Vision

The Westown Association continues to enhance our neighborhood as part of the thriving downtown community, with a diverse mixture of residential, retail, commercial and entertainment choices.



## 2018 Special Events Recap

Westown Association, BID #5 presents a lineup of successful special events each year that helps attract thousands of people to our downtown neighborhood.



### St. Patrick's Day Parade

Saturday, March 10th, 2018

- The 2018 Shamrock Club of Wisconsin St. Patrick's Parade took place on Saturday, March 10th.
- The parade was preceded by an entire week of Irish-themed activities and entertainment held on West Wisconsin Avenue.
- The 2018 parade took place on a 1.5 mile-route stepping off at Third and Wisconsin and encompassed both the Old World Third Street and Water Street entertainment districts.
- The parade featured over 100 units including bagpipers, Irish dancers, floats from the business community and local dignitaries.
- The parade attracted an estimated 40,000 people to the streets of downtown – helping drive a significant amount of revenue to the area's bars, restaurants, hotel and parking facilities.



### Westown Farmers' Market

Wednesdays  
June 6th - October 31st, 2018  
Zeidler Union Square

- Westown Wednesdays kicked off in 2018 with the Westown Farmers' Market on June 6th and ran for 21-weeks in Zeidler Union Square.
- The market is downtown's oldest and largest farmers' market.
- On average, 50 vendors attend each market and feature Wisconsin-grown produce, prepared food and handmade artwork.
- The market continued to be a major lunch time destination for downtown employees in 2018 – attracting an estimated 1,000 attendees each Wednesday
- In 2018, the market increased vendor diversity and featured over 10 different ethnic cuisines including Mexican, Thai, Middle Eastern, Greek and Brazilian.
- The market entertained guests over the course of the season with fourteen musicians of different genres
- The market featured World Refugee Day, Customer Appreciation Day and Children's Day, which featured special programming for patrons.



## 2018 Special Events Recap



### River Rhythms

Wednesdays  
June 13th – August 29th, 2018  
Pere Marquette Park

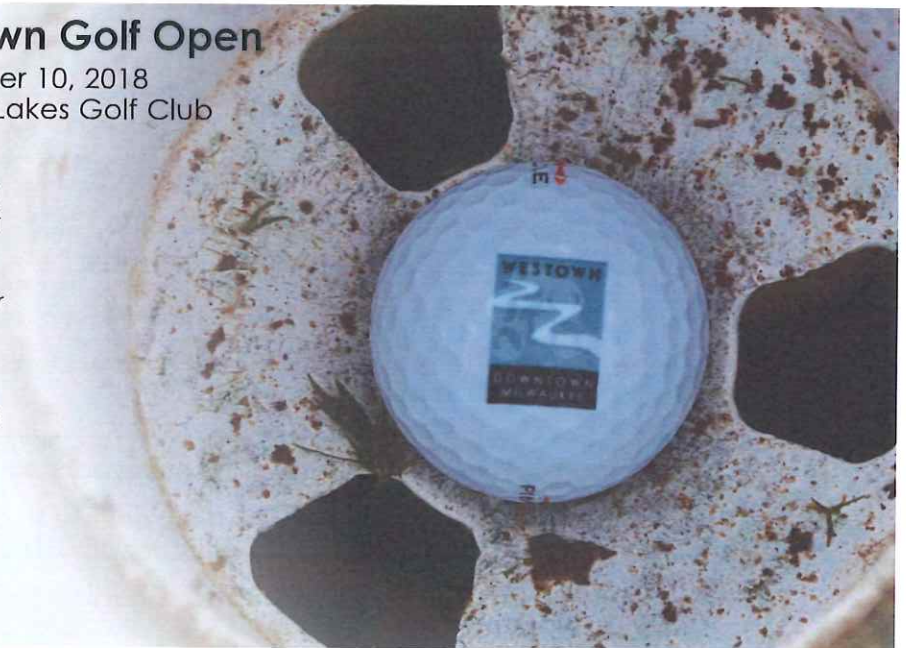
- The 22nd season of River Rhythms, Westtown's very own concert series, took place in Pere Marquette Park.
- The event is a diverse showcase of local and national music acts.
- 11 concerts were held this season and featured multiple genres including salsa, blues, reggae and jazz.
- Each concert attracted an estimated 1,500 people.



### Westtown Golf Open

September 10, 2018  
Western Lakes Golf Club

- The 5th annual Westtown Golf Open took place on September 10, 2018 at Western Lakes Golf Club.
- The event had 34 sponsors and over 85 golfers.
- The golf open was a major success for the organization and helped raise \$20,000 to support the organization's mission.



## 2018 Additional Westown Activities

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- Continued advocacy on issues that impacted quality of life, business environment and perception of downtown Milwaukee – such as licensing, nuisance issues and public safety.
- Worked with and supported the priorities of the Old World Third Street Association, which represents the neighborhood's largest entertainment district, home to more the 15 licensed premises, and driver of the night time economy.
- Continued to establish and highlight the neighborhood's brand identity and programs through the continued implementation of the street banner program, website Westown.org, social media and development of print collateral.
- Promoted and maintained comprehensive downtown parking website Parkmilwaukee.com which sees traffic of 10,000 users per month.
- Advocated for new developments and leverage impact of these developments - New arena, Shops of Grand Avenue, redevelopment of Grand Theatre by Milwaukee Symphony Orchestra, Brewery area and new residential development.
- Participated in existing and future efforts to address transit issues that affect Westown and Downtown Milwaukee such as the streetcar, bus rapid transit, BublR Bikes and bus system.
- Participated in continued growth of the Downtown Neighbors Association - downtown residents group as means to engage expanding neighborhood residential base which has now reached 2,536 total residential units with more then 1,266 being developed since 2014.
- Grew membership base by 15% to better engage business and property owners in the neighborhood.
- Advocated for further activation of public spaces in the Westown area such as Pere Marquette Park, Zeidler Union Square and MacArthur Square.
- Continued project to restore and fundraise for the Court of Honor – \$80,000 has been raised to help restore and maintain the three historically-significant bronze statues owned by the City and located in the boulevard on 8th and Wisconsin near Central Library. Work on the George Washington Statue was completed in early 2018. Fundraising for the Spanish-American War Hero is slated to being in 2019; \$25,000 still needs to be raised to complete the project.



**WESTOWN BUSINESS IMPROVEMENT DISTRICT NO. 5**  
Milwaukee, Wisconsin

**Audited Financial Statements**  
Years Ended December 31, 2017 and 2016

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David A. Grotkin  
Joel A. Joyce  
Brian J. Mechenich  
Carrie A. Gindt



Patrick G. Hoffert  
Jason J. Wrasse  
Joshua T. Bierbach

## Independent Auditors' Report

Board of Directors  
Westown Business Improvement District No. 5  
Milwaukee, Wisconsin

We have audited the accompanying financial statements of the Westown Business Improvement District No. 5 (a nonprofit organization) which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and cash flows for years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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 entity'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 purpose 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 Westown Business Improvement District No. 5 as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Reilly, Penner & Benton LLP*

September 5, 2018  
Milwaukee, Wisconsin

Reilly, Penner & Benton LLP

1233 N. Mayfair Road Suite #302 • Milwaukee, WI 53226-3255 • 414-271-7800

www.rpb.biz



**WESTOWN BUSINESS IMPROVEMENT DISTRICT NO. 5**  
Milwaukee, Wisconsin

**Statements of Financial Position**  
December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Assets:</b>		
<b>Current Assets:</b>		
Cash	\$ <u>502</u>	\$ <u>501</u>
<b>Liabilities and Net Assets:</b>		
<b>Current Liabilities:</b>		
Due to Westown Association of Milwaukee, Inc.	\$ 502	\$ 501
<b>Unrestricted Net Assets</b>	<u>---</u>	<u>---</u>
<b>Total Liabilities and Net Assets</b>	\$ <u>502</u>	\$ <u>501</u>

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

**WESTOWN BUSINESS IMPROVEMENT DISTRICT NO. 5**  
Milwaukee, Wisconsin

**Statements of Activities**  
For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Revenues and Other Support:</b>		
City of Milwaukee funds	\$ 83,665	\$ 78,870
Contributions	39,500	34,500
Forgiveness of debt	---	1,964
Interest income	1	17
<b>Total revenues and other support</b>	<b>123,166</b>	<b>115,351</b>
<b>Expenses:</b>		
Bad debt expense	---	1,964
Westown Association of Milwaukee, Inc.	123,166	113,387
<b>Total expenses</b>	<b>123,166</b>	<b>115,351</b>
<b>Change in net assets</b>	---	---
<b>Unrestricted net assets, beginning of year</b>	---	---
<b>Unrestricted net assets, end of year</b>	\$ ---	\$ ---

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

**WESTOWN BUSINESS IMPROVEMENT DISTRICT NO. 5**  
Milwaukee, Wisconsin

**Statements of Cash Flows**  
Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>Cash Flows from Operating Activities:</b>		
Changes in net assets	\$ ---	\$ ---
<b>Adjustments to reconcile change in net assets to net cash provided (used) by operating activities</b>		
Assessments receivable	---	(17,559)
Due to Westown Association of Milwaukee, Inc.	1	17,558
<b>Net cash provided (used) by operating activities</b>	<u>1</u>	<u>(1)</u>
<b>Cash at beginning of year</b>	<u>501</u>	<u>502</u>
<b>Cash at end of year</b>	<u>\$ 502</u>	<u>\$ 501</u>

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

**WESTOWN BUSINESS IMPROVEMENT DISTRICT NO. 5**  
Milwaukee, Wisconsin

**Notes to Financial Statements**  
December 31, 2017 and 2016

**1. Summary of Significant Accounting Policies**

**A. Nature of Organization**

In 1984, the State of Wisconsin created S. 66.608 of the statutes enabling cities to establish Business Improvement Districts upon the petition of at least one property owner within the district. This law allows businesses within those districts to develop, manage, and promote the districts, and to establish an assessment method to fund these activities.

On November 14, 1989, the Westown Business Improvement District No.5 (Westown BID) was created through the adoption of Resolution File Number 890817 of the Common Council of the City of Milwaukee. The Westown area is bounded by the Milwaukee River on the east, I-43 on the west, McKinley Avenue on the north, and the Menomonee River on the south. The goal of the Westown BID is to develop, improve, and promote the western section of downtown Milwaukee.

Operating plans for 2017 and 2016 were submitted by the Westown BID and approved by the City of Milwaukee. To fund the plans, assessments were added to the property tax bills of the Westown area businesses, as outlined in the 2017 and 2016 operating plans.

**B. Method of Accounting**

The financial statements have been prepared on the accrual basis of accounting.

**C. Financial Statement Presentation**

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Westown BID and changes therein are classified and reported as follows:

**Unrestricted net assets** - Net assets that are not subject to donor-imposed stipulations

**Temporarily restricted net assets** - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Westown BID and/or the passage of time

**Permanently restricted net assets** - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Westown BID

There were no temporarily or permanently restricted net assets as of December 31, 2017 and 2016.

**D. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**E. Assessments Receivable**

As of December 31, 2017 and 2016 there were no assessments receivable. Westown BID recognized bad debt expense of \$-0- and \$1,964 for assessments receivable management determined to be uncollectible for the years ended December 31, 2017 and 2016. Management determines the need for an allowance for doubtful accounts receivable based on prior collection experience and management's knowledge of the financial position of organizations with balances due. Currently no allowance for uncollectible amounts is deemed necessary.

**WESTOWN BUSINESS IMPROVEMENT DISTRICT NO. 5**  
Milwaukee, Wisconsin

**Notes to Financial Statements**  
December 31, 2017 and 2016  
(Continued)

**1. Summary of Significant Accounting Policies (Continued)**

**F. Income Taxes**

Westown BID is considered part of the City of Milwaukee and as such is covered under the City of Milwaukee's tax reporting requirements. Therefore, no provision for income taxes has been included in these financial statements.

**G. Subsequent Events**

Management of the Westown BID has evaluated all subsequent events through September 5, 2018, the date the financial statements were available to be issued, for possible inclusion as a disclosure in the notes to the financial statements. The Westown BID has identified no subsequent events that require disclosure in the notes to the financial statements.

**2. Related Party Transaction**

Under an agreement dated April 21, 1992 between the City of Milwaukee, the Westown BID, and Westown Association of Milwaukee, Inc., the Westown BID contracted with The Westown Association of Milwaukee, Inc. to provide all of the services outlined in Section III of the operating plans, as amended from time to time. All board members of the Westown BID are also board members of The Westown Association of Milwaukee, Inc.

Westown BID assessments received from the City of Milwaukee are transferred to Westown Association of Milwaukee, Inc. as compensation for their services and/or reimbursement for expenditures incurred.

During 2017, assessments totaling \$83,665 and interest income of \$1 were transferred to Westown Association of Milwaukee, Inc. Also, Westown BID received \$39,500 of program sponsorships that were transferred to The Westown Association of Milwaukee, Inc.

During 2016, assessments totaling \$78,870 and interest income of \$17 were transferred to Westown Association of Milwaukee, Inc. In addition, Westown BID received \$34,500 of program sponsorships that were transferred to The Westown Association of Milwaukee, Inc. In addition, Westown Association on Milwaukee, Inc. forgave Westown BID of \$1,964 owed for 2014 assessments. These assessments receivable were determined to be uncollectible by management of Westown BID during 2016, and therefore, unavailable to transfer to Westown Association of Milwaukee, Inc.

At December 31, 2017 and 2016, \$502 and \$501, respectively, was still held by the Westown BID and was payable to The Westown Association of Milwaukee, Inc. These amounts represent a surplus from prior years that is kept in the account to minimize bank service charges.

In accordance with this agreement, all services outlined in Section III of the operating plans were fulfilled by Westown Association of Milwaukee, Inc. for 2017 and 2016.

**3. Concentrations of Credit Risk**

Cash is maintained at local financial institutions and, at times, balances may exceed federally insured limits. Westown BID has never experienced any losses related to these balances.

