

BUSINESS IMPROVEMENT DISTRICT NO. 49

Reed Street Yards

2025 OPERATING PLAN

c/o SixSibs Capital Corporation
195 S Rite Hite Way
Milwaukee, Wisconsin 53204

Year 12 Operating Plan for Reed Street Yards
Business Improvement District

I. Introduction

In 1984, the Wisconsin Legislature created Sec. 66.1109 (formerly Sec. 66.608) of the Wisconsin Statutes (“BID Law”) enabling municipalities to establish a Business Improvement District ("BID") upon the petition of at least one property owner within the proposed BID. 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 BID was approved in 2013 and became operational in 2014.

II. District Boundaries

Boundaries of the RSY BID are shown on the map in Appendix C of this Operating Plan. A listing of the properties included in the RSY BID is provided in Appendix B.

III. 2025 Operating Plan

A. Plan Objectives

A substantial portion of the property within the District is comprised of vacant land that has been improved pursuant to a Development Agreement among the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee and Building 41, LLC (the "Development Agreement"). Among the improvements undertaken pursuant to the Development Agreement are: (a) installation of a new dock wall along the Menomonee Canal; (b) installation of a publicly accessible river path; and (c) installation of stormwater retention/treatment facilities (the "Stormwater Facilities"). In addition, the Development Agreement contemplates that one or more parking structures may be erected within the District if sufficient future development occurs to generate a need and demand for such structure(s) (the "Parking Structures").

The objectives of the RSY BID include the following:

1. To provide a financing mechanism to fund the private share of the cost of the dock wall and river path improvements identified in the Development Agreement (collectively, the "River Improvements"). The private share was loaned by the City to the RSY BID (the "Loan") and was disbursed (along with funds from the City) to pay for the River Improvements. The RSY BID is repaying the Loan over a term of 15 years at the City's cost of funds plus 1%. The RSY BID is obtaining funds to repay the Loan by levying annual assessments against the properties located within the RSY BID in accordance with the assessment formula set forth herein. The first assessment for repayment of the Loan occurred in 2015.

2. To manage, maintain, repair and replace the River Improvements and the Stormwater Facilities (which for purposes of this section shall include the sidewalk located on Lot 2 of CSM 8699 that connects W Freshwater Way to the Hank Aaron Trail, in its current and/or any relocated location). Owners of the land upon which the River Improvements and/or Stormwater Facilities are located may, at their option, convey the River Improvements and Stormwater Facilities to the District. If such owners exercise such option, the District shall accept ownership of the property conveyed to it. Whether or not any River Improvements or Stormwater Facilities are conveyed to the District, the District shall be responsible for managing, maintaining, repairing and replacing same (including procuring casualty and liability insurance). The costs incurred by the District in so doing shall be funded through the annual assessments levied by the District.

3. If and at such time as it becomes necessary to erect one or more of the Parking Structures, the District may be asked by one or more owners of real property within the District to finance, construct, own and operate the same. Provided that the owners of at least 50.1% of the real property located within the District consent in writing, the District shall proceed with the development and ownership of such Parking Structure(s) on such terms as are consented to by such owners.

B. Proposed 2025 Expenditures

Revenues		
Category	Description	Amount
Assessments	See Appendix B	68,000.00
Donations		-
Sponsorships		-
Holdover Funds/Reserves		57,000.00
Etc.		-
TOTAL		125,000.00

Expenses		
Category	Description	Amount
Debt Service - Loan	City of Milw Loan pymt	32,950.00
Water Feature	Water Feature - Supplies	6,500.00
	Water Feature - Repairs	9,800.00
Landscaping	Landscape Maintenance	26,800.00
Contracted Services	Portering	1,900.00
Utilities	Electric Service	1,800.00

Administrative	Accounting	4,000.00
	Postage / Misc Items	600.00
TOTAL		84,400.00

C. Financing Method

The proposed expenditures of the District are being financed from funds collected from the BID Assessments (as defined in Section IV.A). One hundred percent of the District budget will be raised through BID Assessments.

The District Board of Directors shall have the authority and responsibility to prioritize expenditures, and to revise the budget as necessary.

D. Organization of District Board

The Mayor appointed members to the District board ("Board"). The Board's primary responsibility is the implementation of this Operating Plan. This requires the Board to negotiate with providers of services and materials to carry out the Operating Plan; to enter into various contracts; to monitor 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.

The BID 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 RSY BID Board be structured and operate as follows:

1. Board Size – Five

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. Initial Board members appointed were William Cobb, Peter Moede, Michael Weiss, Joseph Klein and Sigurd Strautmanis.

7. Current Board members and corresponding term expirations are as follows:

Peter Moede, Chairman
Building 41, LLC
Term Expires 8/20/2026

Patrick Noonan, Vice Chair
SixSibs Capital Corporation
Term Expires 8/20/2026

William Cobb
Tannery Remnants, LLC
Term Expires 1/20/2025

Micaela Bomhack
Rite-Hite Holding Corporation
Term Expires 8/20/2026

Greg Spanos
SixSibs Capital Corporation
Term Expires 8/20/2026

IV. Method of Assessment

A. Assessment Method

The general principle underlying the assessment methodology for the District is that each property should contribute to the annual expenses of the District in proportion to the benefits derived from the District. After due consideration, it is determined that annual assessments levied by the Board against the properties within the District (the "BID Assessments") shall be governed by the following:

1. The BID Assessments will be levied against each property within the District in proportion to the current assessed value of each property for real property tax purposes. Thus, the amount of a BID Assessment against a particular property may change from year to year if that property's assessed value changes relative to other properties within the District. In addition, as properties are divided, additional parcels will be created thereby adding new assessable properties to the District.

2. Notwithstanding the foregoing, the maximum annual BID assessment that may be levied against each of the following properties shall not exceed \$5,000.00 per property:

- (a) 606 West Oregon;
- (b) 615 West Oregon;
- (c) 720 West Oregon; and
- (d) 223 West Pittsburgh. (Renamed 247 W. Freshwater Way)

3. Appendix B shows the estimated 2025 BID Assessments for each property within the District.

4. The annual assessments under any Maintenance Agreements and Improvement Loans (as such terms are defined in Article IV.B., herein) shall be levied directly against the property benefited by such agreement or loan. The amount of such assessment shall match the actual annual costs of the District in providing services or funds; thus, the amount of the assessment will not vary as a result of changes in the benefited property's assessed value.

5. The BID Assessments for each year shall be calculated and fixed based upon the City of Milwaukee real property assessments as of June 1 of such year. No BID Assessment for a given year shall be modified for such year as a result of an increase or decrease in the assessed value of a property for such year that occurs after June 1 of the year in which such BID Assessment has been levied. However, as noted in subsection 1, above, the amount of some BID assessments levied against a particular property may change from year to year to the extent that the property's assessed value changes in relation to the assessed values of other properties within the BID.

B. Unique Assessment Categories and Methods

1. A property owner within the District may request that the District enter into an agreement with the property owner pursuant to which the BID shall be responsible for certain maintenance activities (such as cleaning, landscaping, watering of plants) on such owner's improvements (a "Maintenance Agreement") or request that the District make a loan to fund certain upgrades or modifications to the owner's property or improvements (an "Improvement Loan"). If the Board agrees to enter into a Maintenance Agreement or to make an Improvement Loan, the maintenance costs and/or loan repayment shall be specially assessed directly against the property owners who have requested such services or received such loan.

2. Any improvements made by property owners within the District to their properties that will increase access to and use of the River Improvements will further the public purposes and objectives set forth in Article III.A. of this Operating Plan. Accordingly, future loans from the City may be available to or through the District for owners of property located within the District for improvements that enhance the use and enjoyment of the River Improvements. In the event such loans become available from the City, the District may lend such funds to individual property owners who shall repay such funds through special assessments incorporating such terms and conditions as the City requires.

C. Excluded and Exempt Property

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

1. State Statute 66.1109(1)(f)lm: The District may contain property used exclusively for manufacturing purposes, as well as properties used in part for manufacturing. These properties will be assessed according to the method set forth in this Operating Plan because it is assumed that they will benefit from development in the District.

2. State Statute 66.1109(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 Business Improvement Districts. Such properties will be identified as Exempt Properties in Appendix B, as revised each year.

3. In accordance with the interpretation of the City Attorney regarding State Statute 66.1109(1)(b), property exempt from general real estate taxes at the time of creation of the District has been excluded from the District. (Such property may subsequently become part of the District at such time as it becomes taxable.) Privately owned, tax exempt property adjoining the District and which is expected to benefit from District activities may be asked to make a financial contribution to the District on a voluntary basis.

D. Prepayment and Acceleration of Assessments

1. Any property owner within the District shall be entitled to prepay at any time either: (a) the then outstanding principal portion (together with accrued interest) of the portion of the BID Assessment allocable to the Loan that is allocable to such owner's property (with such allocation to be determined by the Board); or (b) as to a recipient of an Improvement Loan, the principal amount (together with accrued interest) of the Improvement Loan. For administrative convenience, no partial prepayments shall be permitted. Any interested property owner may make a written request to the Board for a statement of the outstanding principal portion (together with accrued interest) of the Loan allocable to such property. Upon receipt from a property owner of payment of all principal and accrued interest for either category of assessments identified above, the Board shall prepare and deliver to the respective property owner a written confirmation of payment and satisfaction of assessment in recordable form. The released property shall continue to be assessed for District operating expenses and for any subsequent expenses (capital or otherwise) incurred by the Board pursuant to future operating plans.

2. The entire outstanding principal portion (together with accrued interest) of the Loan allocable to a particular property (as determined by the Board) and, if applicable, the entire outstanding principal amount (together with accrued interest) of any separate assessment allocable to a particular property shall become immediately due and payable in full in either of the following events: (a) if the particular property or any portion thereof becomes wholly residential such that the property in its entirety or any portion thereof would not be assessable under subsequent operating plans pursuant to Chapter 66.1109, Wis. Stat.; or (b) if the particular property becomes exempt from general real estate taxes. If either of such accelerated assessments is not paid in full within 15 days following the event giving rise to such acceleration, the Board may commence any action it deems appropriate to collect same, including initiation of proceedings to foreclose the statutory lien securing such assessments.

V. Relationship to Milwaukee Comprehensive Plan and Orderly Development of the City

A. City Plans

In February 1978, Common Council of the City of Milwaukee adopted the 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 Reed Street business area and for furthering redevelopment in that portion of the City of Milwaukee. Therefore, it is fully consistent with City's Comprehensive Plan Preservation Policy.

B. City Role In District Operations

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

1. Provide assistance as appropriate to the Board;
2. Monitor and, when appropriate, apply for outside funding which could be used in support of the District;
3. Collect BID Assessments and maintain them in a segregated account; Disburse all funds of the District, no earlier than January 31, 2025 and no later than March 31, 2025. Disbursement of the full amount assessed by the District shall be made without reference to the amount of assessments collected by the City by the date of disbursement;
4. Receive 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 per Wis. Stats. Sec. 66.1109(3)(c)(2).
5. Provide the Board through the Assessor's Office on or before June 1 of each plan year with the official City of Milwaukee records on the assessed value of each tax key number within the District as of January 1 of each plan year and provide an update immediately prior to preparation of tax bills for purpose of calculating the actual BID Assessments for the following plan year; and
6. Encourage the State of Wisconsin, County of Milwaukee and other units of government to support the activities of the District.

The presentation of this Operating Plan to the City of Milwaukee shall be deemed a standing order of the Board under Sec. 66.1109(4) Wis. Stats. to disburse the BID Assessments without necessity of an additional disbursement agreement, disbursement method or accounting method. Budget authority made under this plan shall be shown in the City's budget as a line item.

VI. Future Year Operating Plans

A. Phased Development

It is possible that the Board will revise the Operating Plan in a given year in response to conditions and/or opportunities and needs within the District.

Section 66.1109 (3) (b) of the BID Law requires the Board and the City to annually review and make changes as appropriate in the Operating Plan. Greater detail about subsequent year's activities will be provided in the required annual Operating Plan updates, and approval by the Common Council of such Operating Plan updates shall be conclusive evidence of compliance with this Operating Plan and the BID Law.

B. Amendment, Severability and Expansion

The District created under authority of the BID Law. Should any court subsequently find any portion of this BID Law to be invalid or unconstitutional its decision will not invalidate or terminate the District and this Operating Plan shall be amended to conform to the BID Law without need of reestablishment.

Should the legislature amend the BID Law to narrow or broaden the process of a business improvement district so as to exclude or include as assessable properties a certain class or classes of properties, then this Operating 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.

VII. Contracting with District

Any contracting with the District shall be exempt from the requirements of Sec 62.15, Wis. Stats. because such contracts shall not be for the construction of improvements or provision of materials. If the District does contract for the construction of improvements or provisions of material, it shall follow the requirements of such statutes to the extent applicable. Further, the annual accounting required under Sec 66.1109(3)(c) Wis. Stats., shall be deemed to fulfill the requirements of Sec 62.15 (14) Wis. Stats. The Board and the City of Milwaukee shall comply with applicable law before the City inserts assessments for this Operating Plan onto the tax bills for the parcels assessed there under, only to the extent required by law, to create a lien on the parcels assessed.

APPENDICES

- A. STATE STATUTE
- B. ESTIMATED 2025 ASSESSMENTS
- C. APPROVED DISTRICT BOUNDARIES

APPENDIX "A"
BID STATUTE

WEST'S WISCONSIN STATUTES ANNOTATED MUNICIPALITIES
SUBCHAPTER XI. DEVELOPMENT

66.1109 Business improvement districts.

(1) In this section:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

business improvement district. The notice shall state the boundaries of the proposed business improvement district and shall indicate that copies of the proposed initial operating plan are available from the planning commission on request.

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

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

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

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

(b) The planning commission has approved the annexation.

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

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

(3)

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

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

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

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

2. If the cash balance in the segregated account described under sub. (4) was less than \$300,000 at all times during the period covered by the report, the municipality shall obtain a reviewed financial statement for the most recently completed fiscal year. The statement shall be prepared in accordance with

generally accepted accounting principles and include a review of the financial statement by an independent certified public accountant.

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

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

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

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

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

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

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

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

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

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

(e) If after the expiration of 30 days after the date of hearing under par. [\(c\)](#), by petition under this subsection or subsequent notification under par. [\(d\)](#), and after subtracting any retractions under par. [\(d\)](#), the owners of property assessed under the operating plan having a valuation equal to more than 50 percent of the valuation of all property assessed under the operating plan, using the method of valuation specified in the operating plan, or the owners of property assessed under the operating plan having an assessed valuation equal to more than 50 percent of the assessed valuation of all property assessed under the operating plan, have requested the termination of the business improvement district, the municipality shall terminate the business improvement district on the date that the obligation with the latest completion date entered into to implement the operating plan expires.

(5)

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

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

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

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

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

APPENDIX "B"
PROPERTY LIST AND ESTIMATED 2025 BID ASSESSMENTS

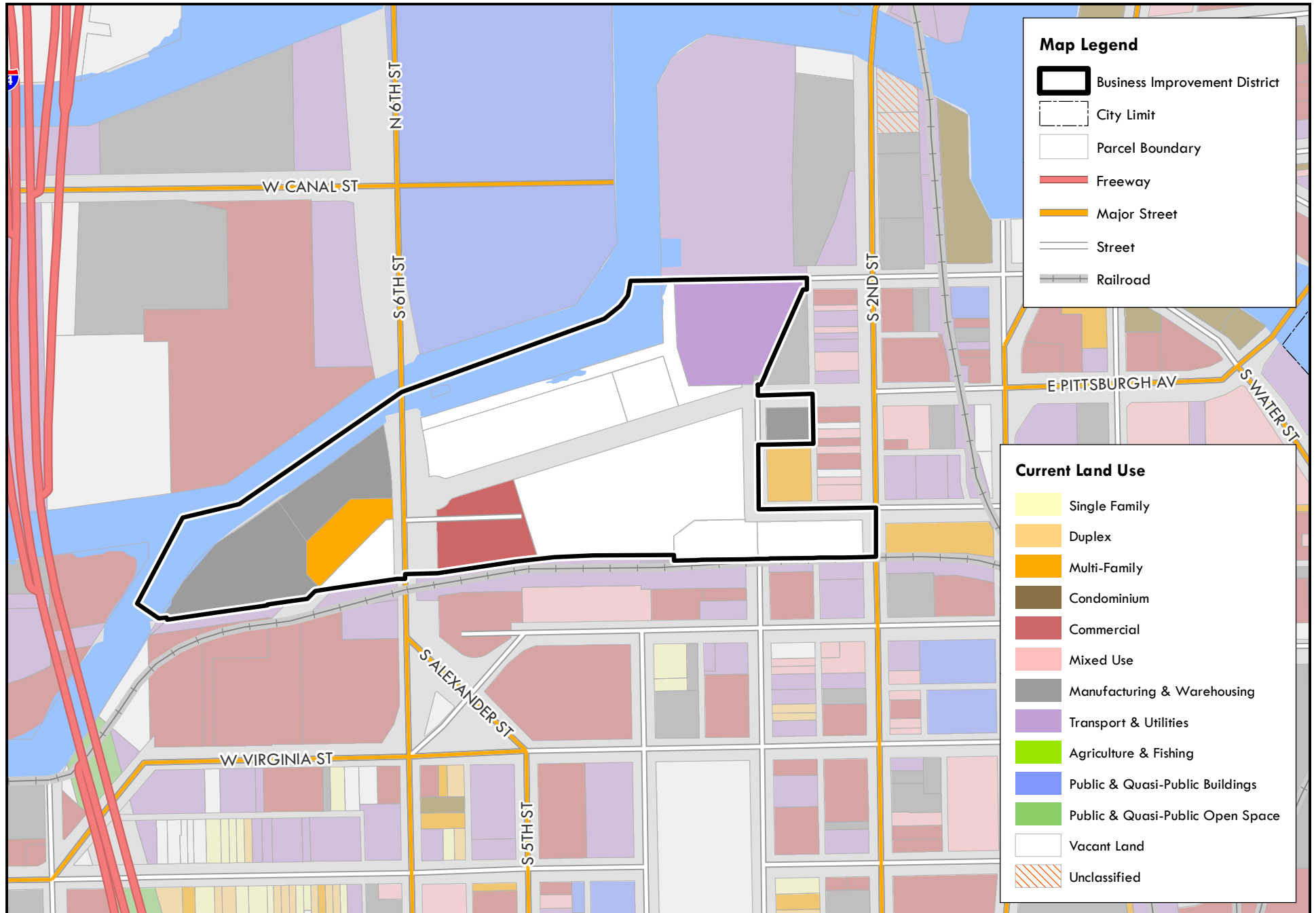
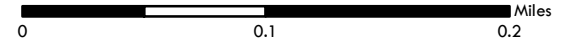
Taxkey	Address	Owner1	total	land	imprv	total	lot sqft	Percent	BID Assessble Value	BID 49 Assessment
4281024000	330 W FRESHWATER WA	OVERNITE LLC	55700	55700	0	55700	0	100	\$ 55,700.00	\$ 28.49
4281101000	223 W OREGON ST	YARDS LLC	14386000	538700	13847300	14386000	0	2	\$ 287,720.00	\$ 147.18
4270591000	615 W FRESHWATER WA	BUILDING 41 LLC	771000	130200	640800	771000	12759	0	\$ -	\$ -
4281021000	310 W FRESHWATER WA	OVERNITE LLC	9953000	920300	75000	995300	0	100	\$ 995,300.00	\$ 509.14
4281162000	432 W FRESHWATER	SIXSIBS LLC	1853000	1853000	0	1853000	61768	100	\$ 1,853,000.00	\$ 947.89
4270601000	725 W FRESHWATER WA	DOCKS BUILDING	5977500	29400	5948100	5977500	37147	0	\$ -	\$ -
4280293000	247 W FRESHWATER WA	247 FRESHWATER	11900000	131000	11769000	11900000	0	100	\$ -	\$ 5,000.00
4281062000	511 W FRESHWATER WA	ZURN WATER LLC	13978900	1040200	12938700	13978900	69347	100	\$ 13,978,900.00	\$ 7,150.80
4281163000	200 S RITE-HITE WA	SIXSIBS LLC	41957300	4113800	37843500	41957300	274254	100	\$ 41,957,300.00	\$ 21,462.93
4281161000	195 S RITE-HITE WA	SIXSIBS LLC	64029100	1109500	62919600	64029100	73965	100	\$ 64,029,100.00	\$ 32,753.57
									\$ 123,157,020.00	\$ 68,000.00

APPENDIX "C"
APPROVED BID BOUNDARIES

BID NO. 49: REED STREET YARDS

CITY OF MILWAUKEE

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



Map Legend

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

Current Land Use

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

Reed Street Yards
BID 49
Annual Report
September 2023 – August 2024

I. Mission Statement/Vision/Priorities

A. Background: A substantial portion of the property within the District is comprised of vacant land that has been improved pursuant to a Development Agreement among the City of Milwaukee, the Redevelopment Authority of the City of Milwaukee and Building 41, LLC (the "Development Agreement"). Among the improvements undertaken pursuant to the Development Agreement are: (a) installation of a new dock wall along the Menomonee Canal; (b) installation of a publicly accessible river path; and (c) installation of stormwater retention/treatment facilities (the "Stormwater Facilities"). In addition, the Development Agreement contemplates that one or more parking structures may be erected within the District if sufficient future development occurs to generate a need and demand for such structure(s) (the "Parking Structures").

B. Objectives: The objectives of the Reed Street Yards ("RSY") BID include the following:

1. To provide a financing mechanism to fund the private share of the cost of the dock wall and river path improvements ("River Improvements") identified in the Reed Street Yards Development Agreement. The private share was loaned by the City to the RSY BID and was disbursed to pay for the River Improvements. The RSY BID is repaying the Loan over a term of 15 years at the City's cost of funds plus 1%. The RSY BID is obtaining funds to repay the Loan by levying annual assessments against the properties located within the RSY BID. The first assessment for repayment of the Loan occurred in 2015.

The original Loan amount was \$354,000.00 and since 2015, \$209,296.32 of principal has been paid leaving a remaining balance of \$144,703.68.

2. To manage, maintain, repair and replace the River Improvements and the Stormwater Facilities. Owners of the land upon which the River Improvements and/or Stormwater Facilities are located may, at their option, convey the River Improvements and Stormwater Facilities to the District. If such owners exercise such option, the District shall accept ownership of the property conveyed to it. Whether or not any River Improvements or Stormwater Facilities are conveyed to the District, the District shall be responsible for managing, maintaining, repairing and replacing same (including procuring casualty and liability insurance). The costs incurred by the District in so doing shall be funded through the annual assessments levied by the District.

3. If and at such time as it becomes necessary to erect one or more of the Parking Structures, the District may be asked by one or more owners of real property within the District to finance, construct, own and operate the same. Provided that the owners of at least 50.1% of the real property located within the District consent in writing, the District shall proceed with the development and ownership of such Parking Structure(s) on such terms as are consented to by such owners.

II. Total Assessed Value of Properties within District

The total value of the assessable properties within the BID is \$123,157,020.00.

III. Core Programs

The BID does not have any employees. The BID holds an annual Board meeting.

**BUSINESS IMPROVEMENT DISTRICT #49
MILWAUKEE, WISCONSIN**

FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

BUSINESS IMPROVEMENT DISTRICT #49
MILWAUKEE, WISCONSIN

TABLE OF CONTENTS

	<u>Page</u>
Independent Accountant's Review Report	2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7

KRAUSE & ASSOCIATES, S.C.

CERTIFIED PUBLIC ACCOUNTANT

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

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

Independent Accountant's Review Report

Board of Directors
Business Improvement District #49
Milwaukee, Wisconsin

We have reviewed the accompanying financial statements of the Business Improvement District #49, which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

We are required to be independent of Business Improvement District #49 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

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



Krause & Associates, SC
Grafton, Wisconsin
July 26, 2024

BUSINESS IMPROVEMENT DISTRICT #49
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 31,919	\$ 57,556
Prepaid expenses	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 31,919</u>	<u>\$ 57,556</u>
 <u>LIABILITIES AND NET ASSETS</u>		
Accounts payable	\$ -	\$ 7,500
Interest payable	5,738	6,555
Note payable – City of Milwaukee	<u>170,012</u>	<u>194,234</u>
TOTAL LIABILITIES	175,750	208,289
NET ASSETS (DEFICIT)		
Net deficit without donor restrictions	<u>(143,831)</u>	<u>(150,733)</u>
TOTAL NET ASSETS (DEFICIT)	<u>(143,831)</u>	<u>(150,733)</u>
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	<u>\$ 31,919</u>	<u>\$ 57,556</u>

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

BUSINESS IMPROVEMENT DISTRICT #49
 STATEMENTS OF ACTIVITIES
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
REVENUE		
City of Milwaukee BID assessment income	\$ 50,000	\$ 79,801
Interest income	<u>209</u>	<u>-</u>
Total revenue	<u>50,209</u>	<u>79,801</u>
EXPENSES		
Program services	32,737	30,530
Supporting services:		
Management and general	10,570	13,071
Fundraising	<u>-</u>	<u>-</u>
Total supporting services	<u>10,570</u>	<u>13,071</u>
Total expenses	<u>43,307</u>	<u>43,601</u>
Changes in net assets	6,902	36,200
Net assets (deficit) without donor restrictions, beginning of year	<u>(150,733)</u>	<u>(186,933)</u>
Net assets (deficit) without donor restrictions, at end of year	<u>\$ (143,831)</u>	<u>\$ (150,733)</u>

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

BUSINESS IMPROVEMENT DISTRICT #49
 STATEMENTS OF FUNCTIONAL EXPENSES
 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			
	Program	Supporting services		Total
		Management and General	Fundraising	
Exterior property maintenance	\$ 13,052	\$ -	\$ -	\$ 13,052
Interest	-	7,973	-	7,973
Landscaping	18,635	-	-	18,635
Other	-	497	-	497
Professional fees	-	2,100	-	2,100
Utilities	1,050	-	-	1,050
Total expenses	\$ 32,737	\$ 10,570	\$ -	\$ 43,307

	2022			
	Program	Supporting services		Total
		Management and General	Fundraising	
Exterior property maintenance	\$ 21,462	\$ -	\$ -	\$ 21,462
Interest	-	9,001	-	9,001
Landscaping	7,500	-	-	7,500
Other	-	370	-	370
Professional fees	-	3,700	-	3,700
Utilities	1,568	-	-	1,568
Total expenses	\$ 30,530	\$ 13,071	\$ -	\$ 43,601

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

BUSINESS IMPROVEMENT DISTRICT #49
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 6,902	\$ 36,200
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
(Increase) decrease in prepaid expenses	-	2,703
Increase (decrease) in accounts payable	(7,500)	7,500
Increase (decrease) in interest payable	<u>(817)</u>	<u>(782)</u>
Net cash provided by (used in) operating activities	<u>(1,415)</u>	<u>45,621</u>
 CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of note payable	<u>(24,222)</u>	<u>(23,179)</u>
Net cash used in financing activities	<u>(24,222)</u>	<u>(23,179)</u>
Net increase (decrease) in cash and cash equivalents	(25,637)	22,442
Cash and cash equivalents at beginning of year	<u>57,556</u>	<u>35,114</u>
Cash and cash equivalents at end of year	<u>\$ 31,919</u>	<u>\$ 57,556</u>
 Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 8,790</u>	<u>\$ 9,783</u>
In-kind contributions	<u>\$ -</u>	<u>\$ -</u>

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

BUSINESS IMPROVEMENT DISTRICT #49
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Organization and business activity

The Business Improvement District #49 (BID) was created by the City of Milwaukee. Business Improvement Districts are authorized by Wisconsin Statutes Section 66.1109. The primary purpose of the BID is to allow businesses within the district to develop, manage and promote their districts and to establish an assessment to fund these activities. The BID was organized with the specific purpose of providing a financial mechanism to fund the private share of the cost of the dockwall, river path, and stormwater facility improvements which run along the portion of the Menomonee River Canal within the BID boundaries.

Business improvement districts are financed by special assessments on properties within the district in accordance with Wisconsin Statutes. The City of Milwaukee collects assessments on property within the district based on an annual budget established by the BID.

2. Cash and cash equivalents

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

3. Net assets

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

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

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

BUSINESS IMPROVEMENT DISTRICT #49
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023 AND 2022

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

3. Net assets – continued

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

4. Revenue and Revenue Recognition

The principal operating revenues of the BID are the funds received from annual special assessments collected by the City of Milwaukee and disbursed to the BID in the first quarter of the year when the grant is approved. Special assessments are levied against each property to contribute to the annual expenses of the BID in proportion to the benefits received. The special assessments are proportional to the current assessed value of each property for real property tax purposes. Expenses generally result from providing services and paying vendors in connection with ongoing operations. Operating expenses include the cost of services and administrative costs.

5. Donated services and in-kind contributions

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

6. Allocation of functional expenses

Expenses are allocated based on function: program services (BID operations), general and administrative and fundraising. Most, if not all, expenses are specific to one function and are not required to be allocated between functions. If an expense covers more than one function, it would be allocated based on specific identification.

BUSINESS IMPROVEMENT DISTRICT #49
NOTES TO FINANCIAL STATEMENTS - CONTINUED
DECEMBER 31, 2023 AND 2022

A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

7. Income taxes

The BID is exempt from income tax as an affiliate of a governmental unit pursuant to Section 501(a) of the Internal Revenue Code.

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

8. Use of estimates

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

9. Subsequent Events

Management has evaluated subsequent events for recognition and disclosure in the financial statements through July 26, 2024, which is the date that the financial statements were available to be issued.

B – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date of December 31, 2023 and 2022, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	<u>\$ 31,919</u>	<u>\$ 57,556</u>

The BID strives to maintain liquid financial assets sufficient to cover one year of general expenditures.

BUSINESS IMPROVEMENT DISTRICT #49
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 DECEMBER 31, 2023 AND 2022

C – REED STREET YARDS PROJECT

The BID received support from the City of Milwaukee in the form of a \$354,000 loan to perform a project which encompassed (a) the installation of a new dockwall along the Menomonee Canal; (b) installation of a publicly accessible river path; and (c) installation of stormwater retention/treatment facilities. The Reed Street Yards Project (project) was drafted and developed with a principal focus on water technology and research on the water project site, a new river path segment, new sanitary sewers, stormwater management facilities, water utilities, dockwall improvements, and any other project components and public infrastructure as may be mutually agreed upon by the parties. The project was completed in 2014.

D – NOTE PAYABLE – CITY OF MILWAUKEE

In conjunction with the Reed Street Yards Project, the BID entered into a loan agreement with the City of Milwaukee for a loan in the amount of \$354,000. The loan bears interest at an annual rate of 4.50% and is unsecured. The loan requires principal and interest payments to occur on April 1 of each year commencing on April 1, 2012 and ending with the final loan repayment on April 1, 2029. Loan repayments will be made from the annual tax assessments on the businesses within the BID. Interest expense associated with this loan was \$7,973 and \$9,001 for the years ended December 31, 2023 and 2022, respectively. Future required principal payments under the terms of the loan agreement are due as follows:

2024	\$ 25,312
2025	26,451
2026	27,641
2027	28,885
2028	30,185
Thereafter	<u>31,538</u>
Total	<u>\$ 170,012</u>

E – CONCENTRATION OF RISK

The BID, receives all of its revenue from the City of Milwaukee assessments. The BID’s operations rely on the availability of these funds.