

# BUSINESS IMPROVEMENT DISTRICT #38 OPERATING PLAN

For 2019

Cesar E. Chavez Drive





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## **I. INTRODUCTION**

### **A. Background**

In 1984, the Wisconsin legislature created S. 66.1109 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, as of January 1, 2009, received and approved BID #38 operating plan from property owners which requested creation of a Business Improvement District for the purpose of revitalizing and improving the Cesar E. Chavez Drive business area on Milwaukee's Near South Side. The BID law requires that every district have an annual Operating Plan. This document is the Operating Plan proposed for 2019, the eleventh year of the Cesar E. Chavez BID. The BID proponents prepared this Plan with technical assistance from the City of Milwaukee Department of City Development.

### **B. Physical Setting**

The Cesar E. Chavez District covers a commercial corridor on South Cesar E. Chavez Drive, stretching from (the South side of) National Avenue on the North to (the North side of) Greenfield Avenue on the South. The Cesar E. Chavez District also includes a parcel adjacent to the west side of Cesar E. Chavez Drive, 1635 West National Avenue.

## **II. DISTRICT BOUNDARIES**

Boundaries of the district are shown on the map in Appendix B 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 objectives of the BID's operating plan are to:

- a) Improve public safety, image and public perception of the Cesar E. Chavez commercial corridor
- b) Coordinate public improvement projects in the Cesar E. Chavez Drive commercial corridor
- c) Increase the capacity of local businesses
- d) Promote Cesar E. Chavez Drive as a unique shopping and tourist destination by creating an improved cultural image through the installation of public art and space activation

**B. Proposed Activities - 2019**

Principal activities to be engaged in by the district during its 11<sup>th</sup> year of operation will include:

- a) Create a pilot fund to utilize for small public safety projects (e.g. Crime Prevention Through Environmental Design – CPTED audit recommendations, lighting, security camera or sensor equipment; and to seek, in partnership with the Clarke Square Neighborhood Initiative Inc. [CSNI] and others, grant funds to supplement the pilot fund)
- b) Repair and maintain streetscape beautification to present a unified and aesthetically pleasing environment for Cesar E. Chavez Drive
- c) Implement occasional cleaning services to promote upkeep on the street
- d) Contribute to plan and to implement public art projects in the district
- e) Execute the 5<sup>th</sup> year of the Farm Project (Proyecto Campesino), including:
  - A 3<sup>rd</sup> Annual Chavez Drive Artist in Residence (resource allowing)
  - Conduct a Capital Campaign (in partnership with CSNI) to build out the context of “La Placita Chávez” (surrounding the Cesar Chavez Sculpture at 916 S. Chavez Drive)
- f) Coordinate the 7<sup>th</sup> Ciclovía MKE – Open Streets Event

**C. Proposed Expenses – Year Eleven (11), 2019**

**Proposed Budget**

<b>Expense Item</b>	<b>Amount</b>
Streetscape and Beautification	\$10,000
Right of Way/Public Space Cleaning	\$5,000
Administrative/Professional Fees	\$6,000
Farm Project	\$2,000
Design/Safety Pilot	\$1,500
Contribution to BID Reserve Fund	\$1,000
<b>Total</b>	<b>\$25,500</b>

**D. Financing Method**

It is proposed to raise \$25,500 through BID assessments (see Section IV, A, and Appendix C). 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**

The Mayor appoints 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. The BID board should be structured and operate as follows:

1. Board Size – The board shall have a minimum of five (5) members and a maximum of eleven (11) members.
2. Composition – Majority of the board members shall be owners or occupants of property within the BID. 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.
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 BID**

The BID shall be a separate entity from any contract agency notwithstanding the fact that members, officers and directors of each may be shared. Contracted agencies shall remain private organizations, 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 BID board may contract with any agency to provide services to the BID, in accordance with this Plan.

## **IV. METHOD OF ASSESSMENT**

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

The principle behind the assessment methodology is that each property should equally contribute to the BID. After consideration of other assessment methods, it was determined that each owner would benefit equally from the BID projects and participation would promote involvement with the BID. The assessment will be a flat fee of \$500 with the exception of tax-exempt properties that will join the BID on a voluntary basis.

As of August 21, 2018, the properties in the proposed district had a total assessment eligible value of \$12,164,355 (and a total value, including non-assessable properties, of \$14,466,100). This plan proposes to assess the properties in the district at a rate of \$500 per parcel of assessment eligible property.

Appendix C shows the projected BID assessment for each property included in the district.

51 assessment eligible properties x \$500 = \$25,500

### **B. Excluded and Exempt Property**

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

1. State Statute 66 .1109 (1) (f)1m: The district will contain property used exclusively for manufacturing purposes, as well as properties used in part for manufacturing. These properties will be assessed according to the method set forth in this plan because it is assumed that they will benefit from development in the district.
2. State Statute 66.1109(5)(a): Property known to be used exclusively for residential purposes will not be assessed; such properties will be identified as BID Exempt Properties in Appendix C, 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 has been excluded from the district. 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.

## 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 BID is a means of formalizing and funding the public-private partnership between the City and property owners in the Cesar E. Chavez Drive BID 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.

Additionally, this proposed Operating Plan for BID #38 fits into, complements, and furthers the goals and objectives articulated in three additional City of Milwaukee policy documents: the February 2018 *A Place In the Neighborhood Anti-Displacement Plan*; the December 2015 *Walker Square Strategic Action Plan* (Chavez Drive is the Western boundary of Walker Square); and the May 2009 *Near South Side Plan*.

Pursuant to the *Near South Side Plan*, the BID proposes to conduct “community events on Cesar Chavez Drive” (e.g. Ciclovía; El Día de los Muertos (via the 2018 Chavez Drive Artist in Residence, AIR; and possibly Las Posadas (again via the AIR). The BID board and direct stakeholders (property owners, business operators) have reinforced the BID’s commitment to “strengthen ... Chavez Drive’s position as a shopping destination that caters to the Latino community ...” (*Walker Square Strategic Action Plan*, 2015). Lastly, with its successful implementation of and partnership with Pop-Up MKE In 2018, the corridor has “[p]rioritize[d] local business development and entrepreneurship . . .” in this thriving commercial district (*Anti-Displacement Plan*, 2018).

The BID is committed to implement these and other elements of the aforementioned plans and to promote the values and intent articulated in all of the aforementioned official policy documents approved by the City of Milwaukee.

### 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 is expected to play a significant role 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 30th of each Plan year, with the official City records and the assessed value of each tax key number with the district, as of January 1st 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. FUTURE YEAR OPERATING PLANS**

### **A. Phased Development**

It is anticipated that the BID will continue to revise and develop this 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 ten (10) activities, and information on specific assessed values, budget amounts and assessment amounts are based on year ten (10) 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.

The BID Operating Plan will continue to apply the assessment formula 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)

## **BID #38 OPERATING PLAN – APPENDICES**

- A. Business Improvement District State Statute
- B. Business Improvement District #38 Map of Boundaries
- C. Listing of Properties and Assessments
- D. Listing of Board Directors

## *Appendix A:*

### **Business Improvement Districts State Statute –Wis. 66-66.1109**

#### **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 subs. 1. to 4. have been complied with.
  - (g) "Planning commission" means a plan commission under s. 62.23, or if none a board of public land commissioners, or if none a planning committee of the local legislative body.
- (2) A municipality may create a business improvement district and adopt its operating plan if all of the following are met:
- (a) An owner of real property used for commercial purposes and located in the proposed business improvement district designated under par. (b) has petitioned the municipality for creation of a business improvement district.
  - (b) The planning commission has designated a proposed business improvement district and adopted its proposed initial operating plan.
  - (c) At least 30 days before creation of the business improvement district and adoption of its initial operating plan by the municipality, the planning commission has held a public hearing on its proposed business improvement district and initial operating plan. Notice of the hearing shall be published as a class 2 notice under ch. 985. Before publication, a copy of the notice together with a copy of the proposed initial operating plan and a copy of a detail map showing the boundaries of the proposed business improvement district shall be sent by certified mail to all owners of real property within the proposed business improvement district. The notice shall state the boundaries of the proposed business improvement district and shall indicate that copies of the proposed initial operating plan are available from the planning commission on request.
  - (d) Within 30 days after the hearing under par. (c), the owners of property to be assessed under the proposed initial operating plan having a valuation equal to more than 40 percent of the valuation of all property to be assessed under the proposed initial operating plan, using the method of valuation specified in the proposed initial operating plan, or the owners of property to be assessed under the proposed initial operating plan having an assessed valuation equal to more than 40 percent of the assessed valuation of all property to be assessed under the proposed initial operating plan, have not filed a petition with the planning commission protesting the proposed business improvement district or its proposed initial operating plan.
  - (e) The local legislative body has voted to adopt the proposed initial operating plan for the municipality.
- (2m) A municipality may annex territory to an existing business improvement district if all of the following are

met:

- (a) An owner of real property used for commercial purposes and located in the territory proposed to be annexed has petitioned the municipality for annexation.
  - (b) The planning commission has approved the annexation.
  - (c) At least 30 days before annexation of the territory, the planning commission has held a public hearing on the proposed annexation. Notice of the hearing shall be published as a class 2 notice under ch. 985. Before publication, a copy of the notice together with a copy of a detail map showing the boundaries of the territory proposed to be annexed to the business improvement district shall be sent by certified mail to all owners of real property within the territory proposed to be annexed. The notice shall state the boundaries of the territory proposed to be annexed.
  - (d) Within 30 days after the hearing under par. (c), the owners of property in the territory to be annexed that would be assessed under the operating plan having a valuation equal to more than 40 percent of the valuation of all property in the territory to be annexed that would be assessed under the operating plan, using the method of valuation specified in the operating plan, or the owners of property in the territory to be annexed that would be assessed under the operating plan having an assessed valuation equal to more than 40 percent of the assessed valuation of all property in the territory to be annexed that would be assessed under the operating plan, have not filed a petition with the planning commission protesting the annexation.
- (3)**
- (a) The chief executive officer shall appoint members to a business improvement district board to implement the operating plan. Board members shall be confirmed by the local legislative body and shall serve staggered terms designated by the local legislative body. The board shall have at least 5 members. A majority of board members shall own or occupy real property in the business improvement district.
  - (b) The board shall annually consider and may make changes to the operating plan, which may include termination of the plan, for its business improvement district. The board shall then submit the operating plan to the local legislative body for its approval. If the local legislative body disapproves the operating plan, the board shall consider and may make changes to the operating plan and may continue to resubmit the operating plan until local legislative body approval is obtained. Any change to the special assessment method applicable to the business improvement district shall be approved by the local legislative body.
  - (c) The board shall prepare and make available to the public annual reports describing the current status of the business improvement district, including expenditures and revenues. The report shall include one of the following:
    - 1. If the cash balance in the segregated account described under sub. (4) equaled or exceeded \$300,000 at any time during the period covered by the report, the municipality shall obtain an independent certified audit of the implementation of the operating plan.
    - 2. If the cash balance in the segregated account described under sub. (4) was less than \$300,000 at all times during the period covered by the report, the municipality shall obtain a reviewed financial statement for the most recently completed fiscal year. The statement shall be prepared in accordance with generally accepted accounting principles and include a review of the financial statement by an independent certified public accountant.
  - (cg) For calendar years beginning after December 31, 2018, the dollar amount at which a municipality is required to obtain an independent certified audit under par. (c) 1. and the dollar amount at which a municipality is required to obtain a reviewed financial statement under par. (c) 2. shall be increased each year by a percentage equal to the percentage change between the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the previous year and the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August 2017, as determined by the federal department of labor. Each amount that is revised under this paragraph shall be rounded to the nearest multiple of \$10 if the revised amount is not a multiple of \$10 or, if the revised amount is a multiple of \$5, such an amount shall be increased to the next higher multiple of \$10.
  - (cr) The municipality shall obtain an additional independent certified audit of the implementation of the operating plan upon termination of the business improvement district.
  - (d) Either the board or the municipality, as specified in the operating plan as adopted, or amended and approved under this section, has all powers necessary or convenient to implement the operating plan, including the power to contract.

- (4) All special assessments received from a business improvement district and all other appropriations by the municipality or other moneys received for the benefit of the business improvement district shall be placed in a segregated account in the municipal treasury. No disbursements from the account may be made except to reimburse the municipality for appropriations other than special assessments, to pay the costs of audits and reviewed financial statements required under sub. (3) (c), or on order of the board for the purpose of implementing the operating plan. On termination of the business improvement district by the municipality, all moneys collected by special assessment remaining in the account shall be disbursed to the owners of specially assessed property in the business improvement district, in the same proportion as the last collected special assessment.
- (4g) A municipality may convert a business improvement district under this section into a neighborhood improvement district under s. 66.1110 if an owner of real property that is subject to general real estate taxes, that is used exclusively for residential purposes, and that is located in the business improvement district petitions the municipality for the conversion. If the municipality approves the petition, the board shall consider and may make changes to the operating plan under s. 66.1110 (4) (b).
- (4m) A municipality shall terminate a business improvement district if the owners of property assessed under the operating plan having a valuation equal to more than 50 percent of the valuation of all property assessed under the operating plan, using the method of valuation specified in the operating plan, or the owners of property assessed under the operating plan having an assessed valuation equal to more than 50 percent of the assessed valuation of all property assessed under the operating plan, file a petition with the planning commission requesting termination of the business improvement district, subject to all of the following conditions:
- (a) A petition may not be filed under this subsection earlier than one year after the date the municipality first adopts the operating plan for the business improvement district.
- (b) On and after the date a petition is filed under this subsection, neither the board nor the municipality may enter into any new obligations by contract or otherwise to implement the operating plan until the expiration of 30 days after the date of hearing under par. (c) and unless the business improvement district is not terminated under par. (e).
- (c) Within 30 days after the filing of a petition under this subsection, the planning commission shall hold a public hearing on the proposed termination. Notice of the hearing shall be published as a class 2 notice under ch. 985. Before publication, a copy of the notice together with a copy of the operating plan and a copy of a detail map showing the boundaries of the business improvement district shall be sent by certified mail to all owners of real property within the business improvement district. The notice shall state the boundaries of the business improvement district and shall indicate that copies of the operating plan are available from the planning commission on request.
- (d) Within 30 days after the date of hearing under par. (c), every owner of property assessed under the operating plan may send written notice to the planning commission indicating, if the owner signed a petition under this subsection, that the owner retracts the owner's request to terminate the business improvement district, or, if the owner did not sign the petition, that the owner requests termination of the business improvement district.
- (e) If after the expiration of 30 days after the date of hearing under par. (c), by petition under this subsection or subsequent notification under par. (d), and after subtracting any retractions under par. (d), the owners of property assessed under the operating plan having a valuation equal to more than 50 percent of the valuation of all property assessed under the operating plan, using the method of valuation specified in the operating plan, or the owners of property assessed under the operating plan having an assessed valuation equal to more than 50 percent of the assessed valuation of all property assessed under the operating plan, have requested the termination of the business improvement district, the municipality shall terminate the business improvement district on the date that the obligation with the latest completion date entered into to implement the operating plan expires.
- (5)
- (a) Real property used exclusively for residential purposes and real property that is exempted from general property taxes under s. 70.11 may not be specially assessed for purposes of this section.
- (b) A municipality may terminate a business improvement district at any time.
- (c) This section does not limit the power of a municipality under other law to regulate the use of or specially assess real property.

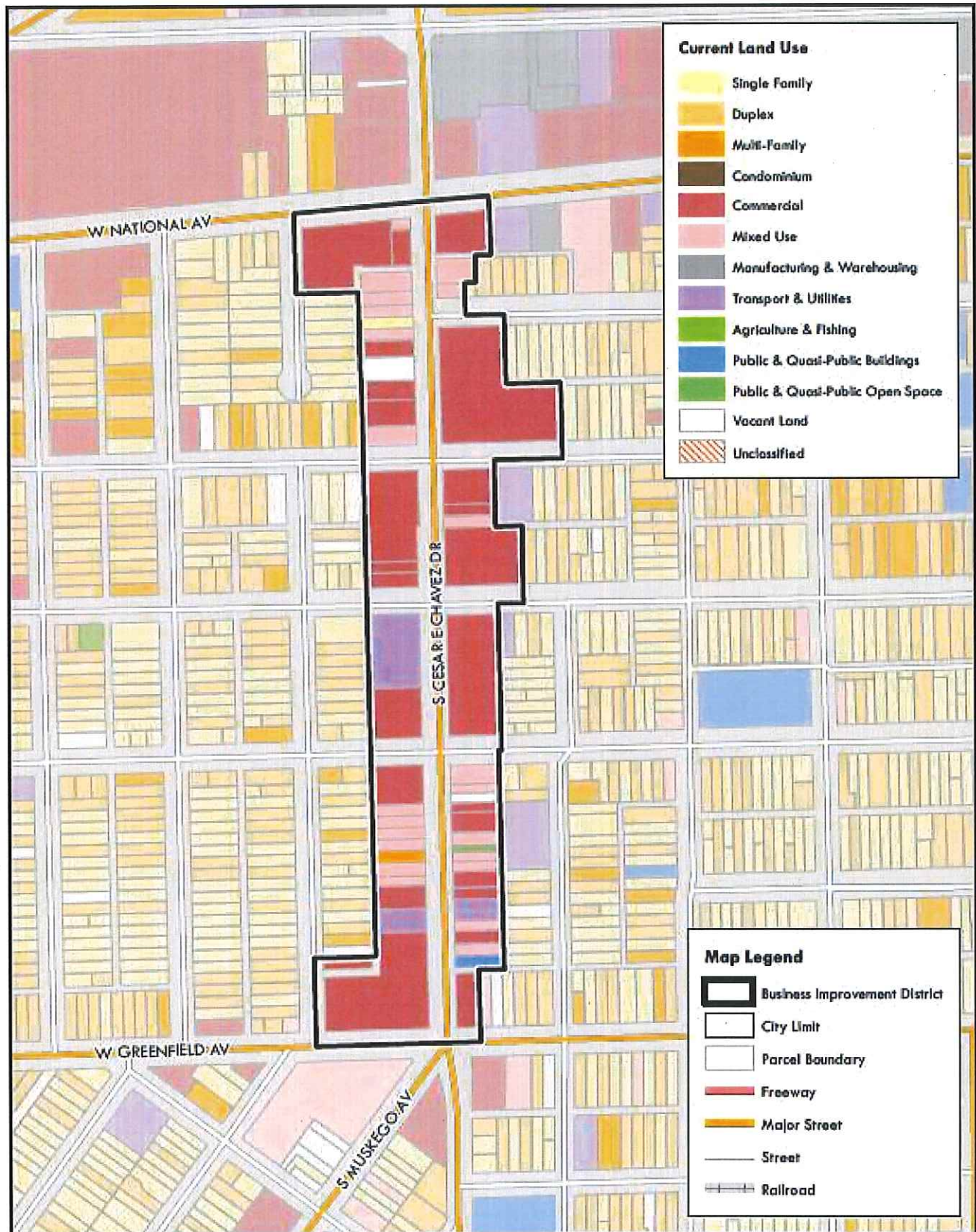
(d) If real property that is specially assessed as authorized under this section is of mixed use such that part of the real property is exempted from general property taxes under s. 70.11 or is residential, or both, and part of the real property is taxable, the municipality may specially assess as authorized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

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



Appendix B:

Cesar E. Chavez Drive Business Improvement District #38 Map of Boundaries



**Appendix C:**

<b>2018 S. Cesar E. Chavez Drive BID #38 Property Assessments</b>				
<b>Tax Key</b>	<b>Address</b>	<b>Owner</b>	<b>Total Assessed Value</b>	<b>BID Assessment</b>
4330001000	911 S CESAR E CHAVEZ	ROSE E ESPINO	\$31,600	\$500
4330002000	923 S CESAR E CHAVEZ	KERSMTY LLC	\$174,000	\$500
4330004110	925 S CESAR E CHAVEZ	MIGUEL ANGEL GARZA JR	\$109,000	\$500
4330006000	933 S CESAR E CHAVEZ	IMAD KORAN	\$295,089	\$500
4330201000	1200 S CESAR E CHAVEZ	MARIA G ARTEAGA	\$171,586	\$500
4330406000	1304 S CESAR E CHAVEZ	MARIA A TORRIJOS	\$135,117	\$500
4330407000	1300 S CESAR E CHAVEZ	MARIA A TORRIJOS	\$13,200	\$500
4330408000	1246 S CESAR E CHAVEZ	MARIA TORRIJOS	\$14,500	\$500
4330409000	1242 S CESAR E CHAVEZ	EDUARDO VELEZ	\$157,000	\$500
4330410000	1238 S CESAR E CHAVEZ	LEONARDO APONTE	\$270,000	\$500
4330810000	1322 S CESAR E CHAVEZ	MARIBEL ESTRADA	\$555,300	\$500
4330811000	1316 S CESAR E CHAVEZ	IGLESIA DEL DIOS VIVO		\$-
4330812000	1310 S CESAR E CHAVEZ	IGLESIA DEL DIOS_VIVO	\$54,633	\$500
4330813000	1308 S CESAR E CHAVEZ	PRIETO PROP HOLDING I LLC	\$433,000	\$500
4330903100	1567 W NATIONAL	BRODERSEN PROPS OF MILW LLC	\$226,000	\$500
4331001100	1635 W NATIONAL	BADGER MUTUAL FIRE INS CO	\$948,000	\$500
4331226112	1032 S CESAR E CHAVEZ	16TH STREET COMMUNITY		\$-
4331230000	1016 S CESAR E CHAVEZ	EL REY ENTERPRISES	\$112,263	\$500
4331231000	1014 S CESAR E CHAVEZ	EL REY ENTERPRISES	\$72,800	\$500
4331232000	1000 S CESAR E CHAVEZ	EL REY ENTERPRISES	\$442,400	\$500
4331248110	1575 W WASHINGTON	MCDONALD'S CORP	\$513,000	\$500
4331417000	824 S CESAR E CHAVEZ	EL REY ENTERPRISES LLP	\$102,950	\$500
4331419100	816 S CESAR E CHAVEZ	JF DRYWALL LLC	\$159,000	\$500
4331601000	807 S CESAR E CHAVEZ	AHN J LEE	\$197,000	\$500
4331602000	801 S CESAR E CHAVEZ	CFSC PROPERTIES LLC	\$79,500	\$500
4331604000	905 S CESAR E CHAVEZ	RUELLE FAMILY LLC	\$119,000	\$500
4331605000	901 S CESAR E CHAVEZ	AIELLO PROPERTY INV LLC	\$82,235	\$500
4331606000	835 S CESAR E CHAVEZ	AIELLO PROPERTY INV LLC		\$-
4331607000	831 S CESAR E CHAVEZ	RUBEN ARCE	\$82,000	\$500
4331608000	825 S CESAR E CHAVEZ	JUAN M SANCHEZ	\$101,972	\$500
4331609000	821 S CESAR E CHAVEZ	JUAN J JIMENEZ	\$188,000	\$500
4331789111	1023 S CESAR E CHAVEZ	EL REY ENTERPRISES	\$517,975	\$500
4331792000	1033 S CESAR E CHAVEZ	IRMA Y HERRERA	\$325,000	\$500
4331793000	1037 S CESAR E CHAVEZ	EL REY ENTERPRISES	\$125,400	\$500
4331801110	1109 S CESAR E CHAVEZ	MANOS HOLDINGS SOUTH	\$103,000	\$500
4331807111	1127 S CESAR E CHAVEZ	MANOS HOLDINGS SOUTH	\$905,000	\$500
4331819110	1207 S CESAR E CHAVEZ	APPLE TRANSPORT LLC	\$218,000	\$500
4331821000	1215 S CESAR E CHAVEZ	EL REY PROPERTIES LLP	\$89,000	\$500
4331822000	1217 S CESAR E CHAVEZ	FEDERICO DIAZ	\$88,500	\$500
4331823000	1221 S CESAR E CHAVEZ	MD PROPERTY MGMT LLC	\$92,000	\$500



4331824000	1225 S CESAR E CHAVEZ	DEDE PROPERTIES LLC	\$61,684	\$500
4331825000	1229 S CESAR E CHAVEZ	ADAM WROBLEWSKI		\$-
4331826000	1235 S CESAR E CHAVEZ	TORRIJOS LLC	\$74,424	\$500
4331827000	1239 S CESAR E CHAVEZ	E. VILLARREAL PROPERTIES	\$64,336	\$500
4331828100	1243 S CESAR E CHAVEZ	E. VILLARREAL PROPERTIES	\$235,000	\$500
4331831100	1305 S CESAR E CHAVEZ	E. VILLARREAL PROPERTIES	\$45,300	\$500
4331838112	1337 S CESAR E CHAVEZ	16TH STREET COMMUNITY	\$20,979	\$500
4332204000	1232 S CESAR E CHAVEZ	MIGUEL HERRERA	\$194,108	\$500
4332205000	1230 S CESAR E CHAVEZ	AHMAD HAMDAN	\$108,249	\$500
4332206000	1224 S CESAR E CHAVEZ	CITY OF MILW PED-WAY		\$-
4332207000	1224 S CESAR E CHAVEZ	TORRIJOS LLC	\$85,955	\$500
4332208000	1216 S CESAR E CHAVEZ	FEDERICO DIAZ	\$278,000	\$500
4332209000	1214 S CESAR E CHAVEZ	TORRIJOS LLC	\$105,000	\$500
4332210000	1210 S CESAR E CHAVEZ	LUIS J JIMENEZ	\$11,700	\$500
4332211000	1208 S CESAR E CHAVEZ	CRYSTAL BAUTISTA	\$92,600	\$500
4332241000	916 S CESAR E CHAVEZ	EL REY ENTERPRISES II LLC	\$2,483,000	\$500
<b>Totals</b>			<b>\$12,164,355</b>	<b>\$25,500</b>

**Appendix D:**

**Cesar E. Chavez Drive BID #38 Board Composition (as of 9/14/18)**

<b>Name</b>	<b>Position</b>	<b>Stakeholder Type</b>	<b>Term End</b>	<b>Phone</b>	<b>Email</b>
Leonardo Gómez	Board Director	Representative of Property Owner	June 9, 2020	414-303-4034	Alfonsogomez444@yahoo.com
Nelson Lang	Secretary & Treasurer, Board Director	Representative of Property Owner	May 19, 2020	414-541-5200	Nelson@elreyfoods.com
Pablo Razo	Board Director	Business Operator	April 5, 2020	414-553-2115	Razo_corporation@yahoo.com
Alejandro Rivera	Board Director	Business Operator	March 29, 2020	414-384-4249	Riverasww1@yahoo.com
Chris Rasch	Board Director	Representative of Property Owner	December 5, 2020	414-897-5758	Christoper.Rasch@sschc.org
Francisco Bravo	Board Director	At-Large City Resident/Subject Matter Expert (Finance/Real-Estate Development)	January 12, 2021	773-592-2454	Fbravo.mke@gmail.com



# BID #38 Cesar E. Chavez Drive Annual Report: 2017 - 2018

## Mission Statement

*The mission of the Cesar E. Chavez Business Improvement District is to continue to unite and improve the community through culture, art & commerce.*

## Marketing/Branding

*Recognition (awards, newspaper/TV mentions)*

### Small Biz winners - Featured on CBS 58/TelemundoWI

- <https://telemundowi.com/news/clarke-square-y-wwbic-seunen-para-ayudar-a-negocios-locales>

### Artist in Residence (2017) – featured on TMJ4, Milwaukee Neighborhood News Service (NNS), and OnMilwaukee

- <https://www.tmj4.com/news/local-news/south-side-residents-using-art-to-spark-economic-development>
- <https://milwaukeenns.org/2017/08/25/new-chavez-bid-artist-in-residence-a-good-fit-for-clarke-square-community/>
- <https://onmilwaukee.com/raisemke/articles/nns-artist-erick-ledesma.html>

### Artist in Residence (2018) – Featured on NNS

- <https://milwaukeenns.org/2018/08/03/isabel-castro-selected-as-artist-in-residence-for-cesar-e-chavez-drive/>

### Ciclovía – Featured on NNS, Milwaukee Journal Sentinel, CBS 58, and Fox 6 Now.

- <https://milwaukeenns.org/2018/06/27/fourth-annual-ciclovía-mke-opens-streets-for-exercise-recreation/>
- <https://www.jsonline.com/story/entertainment/events/2018/06/14/things-do-milwaukee-fathers-day-weekend-polish-fest-underwear-bike-ride/686197002/>
- <https://www.cbs58.com/news/expect-traffic-and-parking-patterns-to-change-on-sunday-due-to-ciclovía-mke>
- <https://fox6now.com/2018/06/15/streets-that-will-be-baricaded-traffic-parking-patterns-to-change-june-17-for-ciclovía-mke/>

### Pop Up MKE – Featured on NNS

- <https://milwaukeenns.org/2018/06/20/pop-up-mke-launches-first-round-of-summer-businesses/>
- [https://milwaukeenns.org/2018/09/05/pop-up-mkes-third-round-features-herbals-hustlin-t-shirts/?mc\\_cid=b3b183b-10c&mc\\_eid=ced85d8972](https://milwaukeenns.org/2018/09/05/pop-up-mkes-third-round-features-herbals-hustlin-t-shirts/?mc_cid=b3b183b-10c&mc_eid=ced85d8972)

## Grants

### White Box Program

The owner of 1308 S Chavez Drive received a White Box grant through the Department of City Development to renovate the façade.

## Collaborative Initiatives

### Brew City Match

In collaboration with LISC Milwaukee, the Chavez Drive BID hosted a training in how to use the Loveland tools. This training was attended by more than 10 community partners and representatives of other BIDs. Staff from CSNI/The Farm Project were trained in how to utilize the program. The Loveland tools can be used to analyze the exteriors of commercial, as well as residential, properties.

## Core Programs

*In 2017, BID #38 board was reinstated and continues to be active.*

*What's App is used by business owners and operators to communicate public safety concerns.*



## Meetings

Board Meetings were held monthly. At the meeting on January 17th, 2018, there were over 15 attendees. Community meetings were also held regularly. Chavez Drive Public Safety meetings are held every 4-6 weeks. At the Public Safety meeting on February 1, 2018, there were over 30 attendees. Business owners and operators were invited to attend the 2019 Operational Plan Public Input Session on August 7th, 2018. About 10 business owners and operators attended the meeting. The Annual Meeting held on September 17, 2017 was attended by more than 20 business owners, public safety officials, community members and partners.

## Jane's Walk Features Chavez Art

On Saturday, May 26th, CSNI executive director, Ian Bautista led a Public Art Walk through Clarke Square as part of the citywide Jane's Walk event series. He was joined by about 15 participants and the walk prominently featured the public art of Chavez Drive.

*(Image: Abby Ng from NNS, features a group of community members gathered in the Chavez Statue Placita outside of El Rey.)*

## Pop-Up MKE on Chavez Drive

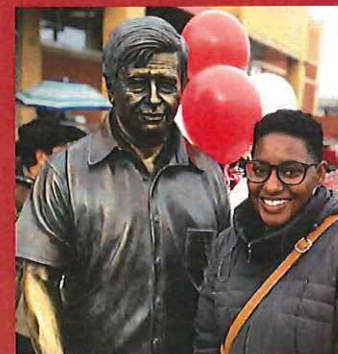
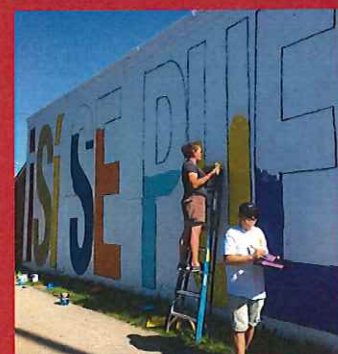
In collaboration with LISC Milwaukee, WWBIC, and other community partners, the Chavez BID hosted six entrepreneurs as part of Pop-Up MKE. This program gave small business owners/operators the opportunity experience the realities of brick and mortar stores for a short period of time. Since her time in the pop-up shop, as part of the first round of entrepreneurs, Monica Semington from Monash Natural Blends has begun operating out of a store front in Waukesha.

## Mural Installed on Chavez & Mineral

Erick Ledesma, the 2017 Artist in Residence, completed a mural in collaboration with El Rey on the north facing side of 1000 S. Chavez Drive (at the corner of Chavez Dr and Mineral). This piece celebrates the rallying cry of the United Farmer Workers Movement that was coined by Dolores Huerta. The phrase "¡Si Se Puede!" unites Spanish speakers from all countries, in a nod to the neighborhood's Latinx influence, as well as serves as a call to action.

## Celebrations Recognize Labor Leader

Chavez Day celebrations were held on March 29th in honor of Cesar Chavez's birthday (on March 31st). The event took place in three parts throughout the day – first, with a presentation at City Hall, followed by a short program at the statue of Cesar Chavez on Chavez Dr, concluding with a resource fair held at La Luz Del Mundo church.





## Mural Recognized in National Gallery

Health Equity Mural (on Chavez Dr. and Scott) was selected to be featured in a national gallery focused on health equity. This mural was created in collaboration with Artists Working In Education, as well as neighborhood youth in 2016. View the gallery here: <http://visualizehealthequity.netlify.com/#/artwork/51>

(Image: Abby Ng from NNS features Ian Bautista in front of the Health Equity Mural during the Jane's Walk)

## Artist in Residence - 2017

Chavez Drive's 2017 Artist in Residence was held by Erick Ledesma from July to December 2017, serving over 1000 residents and community members. Ledesma created over 60 art pieces during his residency and led a number of workshops both at his studio and at various locations in the community.

## Artist In Residence - 2018

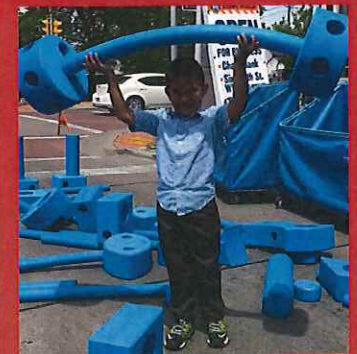
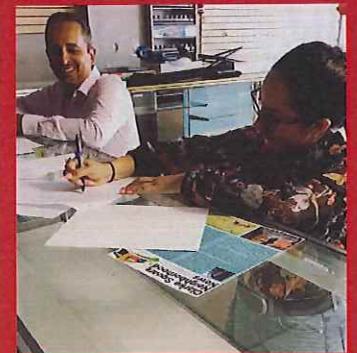
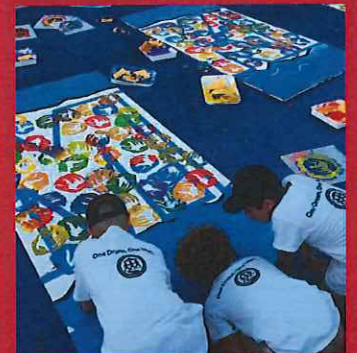
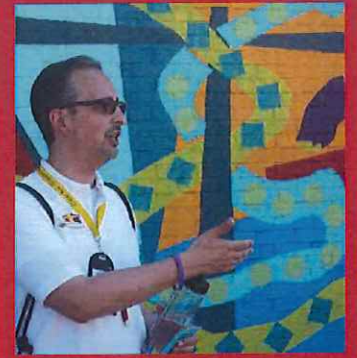
Isabel Castro was contracted to serve as the Chavez Drive Artist in Residence from August 1st to December 31st. This program is supported by resources from the Mary L. Nohl Fund. The selection process was quite competitive this year. There were 13 applicants to the position, all great artists, any of whom would have been a positive addition to the Chavez Drive BID.

## Entrepreneurs win Small Biz Competition

CSNI, in collaboration with WWBIC and sponsored by other community partners, hosted a neighborhood wide Small Business Competition. The 1st & 2nd place winners were two Chavez Drive business owners, Guillermo Ramos of La Catrina de Villa and Elizabeth Cruz of Botánica Milagro de la Cruz.

## Ciclovía MKE

The 6th Ciclovía MKE was held on June 17th, 2018. Despite the warm weather, many families and individuals came to check out a number of activities and information tables sponsored by community businesses and partners. The planning team made a concerted effort to engage the businesses of Chavez Drive in this event and will continue to do so for the foreseeable future of the event.



BUSINESS IMPROVEMENT DISTRICT NO. 38 - CESAR E. CHAVEZ DRIVE

FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2017

(With Summarized Totals for the Year Ended December 31, 2016)

BUSINESS IMPROVEMENT DISTRICT NO. 38 - CESAR E. CHAVEZ DRIVE

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Schedules of Functional Expenses .....	9



## Independent Auditor's Report

Board of Directors  
Business Improvement District No. 38 - Cesar E. Chavez Drive

We have audited the accompanying financial statements of Business Improvement District No. 38 - Cesar E. Chavez Drive which comprise the balance sheet as of December 31, 2017, and the related statements of activities and cash flows for the year 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.

### **Auditor's Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Business Improvement District No. 38 - Cesar E. Chavez Drive as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Board of Directors  
Business Improvement District No. 38 - Cesar E. Chavez Drive

### Report on Summarized Comparative Information

We have previously audited Business Improvement District No. 38 - Cesar E. Chavez Drive's December 31, 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 7, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

### Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

  
RITZ HALMAN LLP  
Certified Public Accountants

Milwaukee, Wisconsin  
September 11, 2018

**BUSINESS IMPROVEMENT DISTRICT NO. 38 - CESAR E. CHAVEZ DRIVE  
BALANCE SHEETS  
DECEMBER 31, 2017  
(With Summarized Totals for the Year Ended December 31, 2016)**

	2017	2016
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 53,548	\$ 14,560
Accounts Receivable	---	25,500
Total Current Assets	\$ 53,548	\$ 40,060
<b>TOTAL ASSETS</b>	\$ 53,548	\$ 40,060
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 20,000	\$ 13,000
Total Current Liabilities	\$ 20,000	\$ 13,000
<b>NET ASSETS</b>		
Unrestricted	\$ 33,548	\$ 27,060
Total Net Assets	\$ 33,548	\$ 27,060
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 53,548	\$ 40,060

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

**BUSINESS IMPROVEMENT DISTRICT NO. 38 - CESAR E. CHAVEZ DRIVE**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
(With Summarized Totals for the Year Ended December 31, 2016)

	Unrestricted	
	2017	2016
<b>REVENUE</b>		
Tax Assessments	\$ 25,500	\$ 25,500
Other Revenue	---	153
Total Revenue	\$ 25,500	\$ 25,653
<b>EXPENSES</b>		
Program Services	\$ 19,000	\$ 12,500
Management and General	12	2,500
Total Expenses	\$ 19,012	\$ 15,000
CHANGE IN NET ASSETS	\$ 6,488	\$ 10,653
Net Assets, Beginning of Year	27,060	16,407
NET ASSETS, END OF YEAR	\$ 33,548	\$ 27,060

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

**BUSINESS IMPROVEMENT DISTRICT NO. 38 - CESAR E. CHAVEZ DRIVE**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
(With Summarized Totals for the Year Ended December 31, 2016)

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 6,488	\$ 10,653
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
(Increase) Decrease in Prepaid Expenses	---	2,000
(Increase) Decrease in Accounts Receivable	25,500	(25,500)
Increase (Decrease) in Accounts Payable	<u>7,000</u>	<u>13,000</u>
Net Cash Provided by Operating Activities	<u>\$ 38,988</u>	<u>\$ 153</u>
Net Increase in Cash and Cash Equivalents	\$ 38,988	\$ 153
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>14,560</u>	<u>14,407</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 53,548</u></u>	<u><u>\$ 14,560</u></u>

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

**BUSINESS IMPROVEMENT DISTRICT NO. 38 - CESAR E. CHAVEZ DRIVE**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2017**

**BUSINESS IMPROVEMENT DISTRICT NO. 38 - CESAR E. CHAVEZ DRIVE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE A - Summary of Significant Accounting Policies**

**Organization**

Business Improvement District No. 38 - Cesar E. Chavez Drive (The "Organization") was organized under Wisconsin State Statute 66.608. This statute provides for the formation of Business Improvement Districts (BIDs) upon the petition of at least one property owner in the district. The purpose of a 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 organization's mission is to plan for long-term sustainable growth, foster a premier business and commercial center, provide guidance on financing and incentives, and nurture our community through safety, beautification, and services.

Business Improvement District No. 38 - Cesar E. Chavez Drive is exempt from tax as an affiliate of a governmental unit under Section 501(a) of the Internal Revenue Code.

**Accounting Method**

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

**Basis of Presentation**

The organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Assets of the restricted classes are created only by donor-imposed restrictions.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less when purchased.

**Contributions**

All contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily or permanently restricted support and increase the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as the income is recognized.

**Estimates**

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

**BUSINESS IMPROVEMENT DISTRICT NO. 38 - CESAR E. CHAVEZ DRIVE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE B - Comparative Financial Information**

The financial information shown for 2016 in the accompanying financial statements is included to provide a basis for comparison with 2017 and presents summarized totals only. The comparative information is summarized by total only, not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity to generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

**NOTE C - Concentration of Revenue**

The Organization receives property assessment income from the City of Milwaukee. The Organization's operations rely on the availability of these funds. For the year ended December 31, 2017, 100% of the organization's revenue was from the City of Milwaukee.

**NOTE D - Assessment Income**

In order to provide revenues to support the organization's mission, the Common Council of the City of Milwaukee enforced an assessment on property located within a specified area of the Cesar E. Chavez Drive area. The assessment is calculated based on the eligible properties as of every fall. The assessment levied on properties was \$500 per parcel of nonresidential property for the years ended December 31, 2017.

**NOTE E - Subsequent Events**

The organization has evaluated events and transactions occurring after December 31, 2017 September 11, 2018, the date the financial statements are available to be issued, for possible adjustments to the financial statements or disclosures. The organization has determined that no subsequent events need to be disclosed.

**BUSINESS IMPROVEMENT DISTRICT NO. 38 - CESAR E. CHAVEZ DRIVE**  
**SCHEDULES OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**  
(With Summarized Totals for the Year Ended December 31, 2016)

	Program Services	Management and General	2017 Total	2016 Total
Contract Services	\$ 6,500	\$ ---	\$ 6,500	\$ 2,500
Publications and Subscriptions	---	12	12	---
Program Expenses	12,500	---	12,500	12,500
<b>TOTALS</b>	<b>\$ 19,000</b>	<b>\$ 12</b>	<b>\$ 19,012</b>	<b>\$ 15,000</b>



September 11, 2018

To the Board of Directors  
Business Improvement District No. 38 - Cesar E. Chavez Drive

We have audited the financial statements of Business Improvement District No. 38 - Cesar E. Chavez Drive for the year ended December 31, 2017, and have issued our report thereon dated September 11, 2018. Professional standards require that we provide you with the information about our responsibilities under *Generally Accepted Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 17, 2018.

### **Significant Audit Findings**

#### **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Business Improvement District No. 38 - Cesar E. Chavez Drive are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the audit year. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

#### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management will correct all such misstatements. The misstatements detected as a result of audit procedures and to be corrected by management that were material, either individually or in the aggregate, to the financial statements taken as a whole were as follows:

- Record adjusting entries related to the 2016 audit, including reduction of BID revenue by \$25,500, reduction of beginning net assets of \$12,500, and reduction of expenses by \$13,000.
- Record accounts payable and increase expenses by \$20,000.

### **Disagreements With Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated September 11, 2018.

### **Management Consultations With Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### **Other Matters**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

To the Board of Directors  
Business Improvement District No. 38 - Cesar E. Chavez Drive  
Page Three

This information is intended solely for the use of the Board of Directors and management of Business Improvement District No. 38 - Cesar E. Chavez Drive and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Ritz Halman LLP*  
RITZ HALMAN LLP  
Certified Public Accountants

Business Improvement District No. 38 - Cesar E. Chavez Drive  
5200 W. Oklahoma Avenue  
Milwaukee, WI 53219

In planning and performing our audit of the financial statements of Business Improvement District No. 38 - Cesar E. Chavez Drive for the year ended December 31, 2017, we considered the Organization's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of the following matter that is an opportunity for strengthening internal controls and operating efficiency:

- Forms 1099 were not issued for some recipients who were paid over \$600 during the year. It is recommended that the Form 1099 be issued for all required individuals or organizations in accordance with Internal Revenue Service requirements.
- Adjusting journal entries from the 2016 audit were not posted to the Organization's records. We recommend that adjustments resulting from the audit of the financial statements be posted to the records.

This letter does not affect our report dated September 11, 2018, on the financial statements of Business Improvement District No. 38 - Cesar E. Chavez Drive.

We will review the status of this comment during our next audit engagement. We have already discussed this comment and suggestion with various Organization personnel, and we will be pleased to discuss it in further detail at your convenience, to perform any additional study of this matter, or to assist you in implementing the recommendation.

*Ritz Holman LLP*

RITZ HOLMAN LLP  
Certified Public Accountants

September 11, 2018

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