

**2024 OPERATING PLAN  
BID #41**

**HISTORIC**

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**DOWNER  
AVENUE**

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**EASTSIDE**

Prepared:  
Janet Henning  
Executive Director

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Prepared: August 30, 2023

## 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 has received a petition from property owners, which requests creation of a Business Improvement District for the purpose of revitalizing and improving the Downer Avenue business area on Milwaukee's eastside. The BID law requires that every district have an annual Operating Plan. This document is the Operating Plan for the Historic Downer Avenue Business Improvement District #41.

### B. Physical Setting

Boundaries of the proposed district are North Downer Avenue, between East Webster Pl on the south and East Park Place on the north, including the address range of 2551 to 2651 N Downer Avenue on the west side and the address range of 2608 to 2650 on the east side. 2525 E. Bellview Pl, at the intersection of Bellview Pl and Downer Ave is included in the Downer Ave BID Boundaries. Listings of the properties included in the district are provided in Appendix D.

## II. DISTRICT BOUNDARIES

Boundaries of the proposed district are described 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 Plan Objectives of the Downer Avenue Business Improvement District involves utilizing available funds to continue to improve the business climate for existing and new district merchants. The available funds will be utilized for continued existence of critical projects such as the graffiti removal, street maintenance, and facade improvement projects offering assistance to businesses wishing to make aesthetic improvements along the street.

Additional funds are utilized for general operating expenses of the BID. Other improvements may be made as decided by the BID members.

The priorities of the BID Board for 2024 are as stated:

1. Continue the streetscape maintenance program to ensure that the aesthetics of Downer Avenue help draw current and new patrons
2. Maintain a unified visual identity for the business area, including but not limited to, street banners, branded bike-racks, landscaping, and Holiday décor

3. Regularly work with Milwaukee Police Department on safety initiatives
4. Continue to organize, market, and manage, the annual Downer Classic Bike Race, Haunted Halloween, and other events as appropriate
5. Purchase and have installed a state of the art Downer Ave Video Surveillance and Free WiFi System.
6. Create a positive image for Downer Avenue and promote Downer Avenue to residents and potential customers through marketing including social media, radio ads, e-newsletters, and digital marketing as appropriate

Meeting these objectives will enhance the business area's competitiveness relative to other shopping areas that are also currently undergoing rehabilitation, while enhancing the surrounding neighborhood. The BID will continue to work with DCD, DPW, the City's Common Council and area merchants to achieve stated objectives.

**B. Proposed Activities – 2024**

Principle activities to be engaged in by the district during its 2024 year of operation will include:

- a. Continue planting, beautification, and maintenance of the streetscape
- b. Continue the graffiti removal program
- c. Promote vibrant restaurant and retail environment on Downer Avenue
- d. Continue to support the annual Downer Bike Race and other events

**C. Proposed Expenditures – 2024**

**New Budget Plan for 2024**

	Annually
Staff	\$22,500
Legacy Bank Streetscape Loan Repayment	\$25,000
Landscape/Streetscape Maintenance/Updates	\$12,142
Camera Maintenance	\$6,000
Utilities	\$500
Holiday Decor	\$5,000
Bike Race/Events	\$6,000
Website/General Marketing/Dues	\$500
Misc/Office Expenses/Dues/Postage	\$1,000
BID Board of Director Insurance	\$1,000
Annual Financial Review	\$1,500
Graffiti Removal	\$1,000
<b>Total 2024 Annual Budget</b>	<hr/> <b>\$82,142</b>

#### D. Financing Method

It is proposed to raise \$82,142 through BID assessments for 2024, BID #41, operating year. The BID Board shall have the authority and responsibility to prioritize expenditures and to revise the budget as necessary to match the funds actually available.

#### E. Organization of BID Board

Upon creation of the BID, the Mayor will appoint members to the district board ("board"). The board's primary responsibility will be implementation of this Operating Plan. This will require the board to negotiate with providers of services and materials to carry out the Plan; to enter into various contracts; to monitor development activity; to periodically revise the Operating Plan; to ensure district compliance with the provisions of applicable statutes and regulations; and to make reimbursements for any overpayments of BID assessments.

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

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

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

IV. METHOD OF ASSESMENT

A. Assessment Rate and Method

The principle behind the assessment methodology is that each property should contribute to the BID in proportion to the benefit derived from the BID. After consideration of several assessment methods, it was determined that a combination of the assessed value of a property and the linear footage of a property most directly related to the potential benefit provided by the BID for the Downer Avenue properties. Therefore, a weighted average of 50% assessed value to 50% linear footage will be used as the BID assessment methodology. The total linear footage for the district was calculated to be 2,177 linear feet. (Calculated by the City of Milwaukee using the Maps application)

As of January 1, 2023, the property in the proposed district had a total assessable value of \$20,524,364.00.

A sample assessment calculation is provided below:

Assessed Value	BID special assessment per assessed value @ .0020537	Linear Footage on Downer @ 18.37 PLF	BID special assessment per Linear Footage	Weighted Average of Special Assessments
\$ 1,000,000	\$ 2,053.70	200ft	\$3,674.00	\$5,727.70

**BID Special Assessment per Assessed Value**

$$\$1,000,000 \times .0020537 = \$2,053.70$$

**BID Special Assessment per Linear Footage**

$$200\text{ft} \times 18.37 \text{ plf} = 3,674.00$$

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

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)lm: The district will contain property used exclusively for manufacturing purposes, as well as properties used in part for manufacturing. These properties will be assessed according to the method set forth in this plan because it is assumed that they will benefit from development in the district.
2. State Statute 66.1109(5)(a): Property known to be used exclusively for residential purposes will not be assessed.
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 district is a means of formalizing and funding the public-private partnership between the City and property owners in the Downer Avenue business area and for furthering preservation and redevelopment in this portion of the City of Milwaukee. Therefore, it is fully consistent with the City's Comprehensive Plan and Preservation Policy.

B. City Role in District Operation

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

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

## VI. FUTURE YEAR OPERATING PLANS

### A. Phased Development

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

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

In later years, the BID Operating Plan will continue to apply the assessment formula, as adjusted, to raise funds to meet the next annual budget. However, the method of assessing shall not be materially altered, except with the consent of the City of Milwaukee. Nothing in this Year Operating Plan shall limit the ability of the BID to undertake additional activities, consistent with State Law and City of Milwaukee ordinances.

### 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).



## APPENDICES

- A. STATUTE
- B. DISTRICT BOUNDARIES
- C. PROPERTY LISTING AND ASSESSMENTS
- D. BID BOARD COMPOSITION

## APPENDIX A

### Wisconsin Statute section

#### 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.

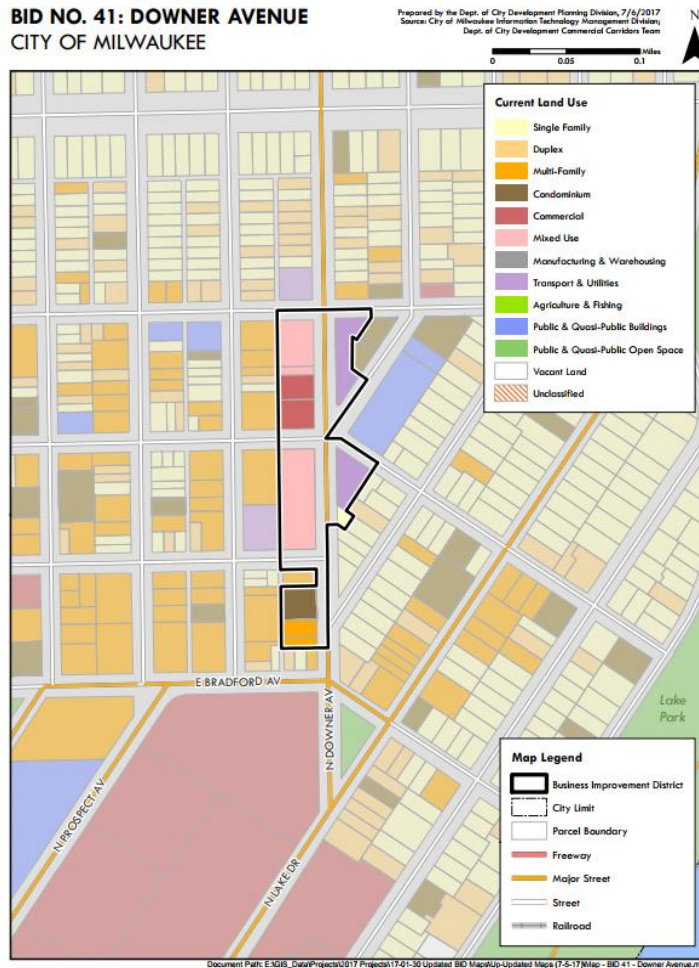
- (4g)** A municipality may convert a business improvement district under this section into a neighborhood improvement district under s. [66.1110](#) if an owner of real property that is subject to general real estate taxes, that is used exclusively for residential purposes, and that is located in the 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

## DISTRICT BOUNDARIES

Boundaries of the proposed district are North Downer Avenue, between East Webster Pl on the south and East Park Place on the north, including the address range of 2551 to 2651 N Downer Avenue on the west side and the address range of 2608 to 2650 on the east side. 2525 E. Belleview Pl, at the intersection of Belleview Pl and Downer Ave is included in the Downer Ave BID Boundaries. Listings of the properties included in the district are provided in Appendix C.

### MAP ON FILE AT THE CITY OF MILWAUKEE



### APPENDIX C

3180591000	B 33 DOWNER AVENUE LLC	2608-2650 N DOWNER AV, Unit 1	\$9,277.82
3180592000	DOWNER AVE DEVELOPMENT LLC	2605 E PARK PL, Unit 2	\$7,817.74
3180601000	ASSOCIATED BANK NA	2590 N DOWNER AV	\$6,054.95
3180602000	DAPL LLC	2574 N DOWNER AV	\$1,624.19
3180603000	DAPL LLC	2584 N DOWNER AV	\$4,148.83
3190301110	DGDOWNER, LLC	2633-2651 N DOWNER AV	\$8,961.92
3190304000	DOWNER HARDWARE, INC	2629-2631 N DOWNER AV	\$1,433.99
3190305000	UPSIDE DOWNER LLC	2615-2625 N DOWNER AV	\$6,805.23
3191361000	B 33 DOWNER AVENUE LLC	2551-2597 N DOWNER AV, Unit 1	\$16,851.02
3191362000	DOWNER AVE DEVELOPMENT LLC	2524 E WEBSTER PL, Unit 2	\$11,591.88
3190307100	SCP 2006 C23-116 LLC	2601-2607 N DOWNER AV	\$7,574.80
		<b>TOTAL</b>	<b>\$82,142.38</b>

## APPENDIX D

### BID Board Composition 2024 Historic Downer Avenue BID#41

<u>Name</u>	<u>Position</u>	<u>Business/Property</u>
Michael DeMichele	President	Building Owner 2651 N. Downer
Michael O'Connor	Treasurer	Building Owner 2615 N. Downer
Megan Graham	Secretary	Business Owner 2524 E. Webster
Jeff Bentoff	Member	Area Resident
Nova Betcha	Member	Business Owner 2581 N. Downer
Daniel Goldin	Member	Business Owner 2559 N Downer
Tom Johnston	Member	Area Resident
Christy Drawn	Member	Building Owner – 2608 N Downer

**DOWNER AVENUE BUSINESS IMPROVEMENT DISTRICT #41**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

**with Accountant's Review Report**



**DOWNER AVENUE BUSINESS IMPROVEMENT DISTRICT #41**

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## INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors  
Downer Avenue Business Improvement District #41  
Milwaukee, Wisconsin

We have reviewed the accompanying financial statements of Downer Avenue Business Improvement District #41 (a nonprofit organization), which comprise the statement of financial position – cash basis as of December 31, 2022 and 2021, and the related statements of activities – cash basis and functional expenses – cash basis 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 Downer Avenue Business Improvement District #41 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

### **Basis of Accounting**

We draw attention to Note A of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

#### ***Ritz Holman LLP***

*Serving business, nonprofits, individuals and trusts.*

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To the Board of Directors  
Downer Avenue Business Improvement District #41

**Accountant's Conclusion**

Based on our review, the accompanying financial statements referred to above present fairly, in all material respects, the cash transactions of the Organization as of December 31, 2022 and 2021 which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America as noted in Note A.

  
RITZ HOLMAN LLP  
Certified Public Accountants

Milwaukee, Wisconsin  
September 14, 2023

**DOWNER AVENUE BUSINESS IMPROVEMENT DISTRICT #41**  
**STATEMENTS OF FINANCIAL POSITION - CASH BASIS**  
**DECEMBER 31, 2022 AND 2021**  
(See Accountant's Review Report)

ASSETS		2022	2021
<b>CURRENT ASSETS</b>			
Cash		\$ 43,527	\$ 43,127
Total Current Assets		\$ 43,527	\$ 43,127
<b>TOTAL ASSETS</b>		<b>\$ 43,527</b>	<b>\$ 43,127</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Current Portion of Loan Payable		\$ 34,966	\$ 32,235
Total Current Liabilities		\$ 34,966	\$ 32,235
<b>OTHER LIABILITIES</b>			
Loan Payable		\$ 64,469	\$ 96,704
Less Current Portion of Loan Payable		(34,966)	(32,235)
Total Other Liabilities		\$ 29,503	\$ 64,469
Total Liabilities		\$ 64,469	\$ 96,704
<b>NET ASSETS</b>			
Without Donor Restrictions		\$ (20,942)	\$ (53,577)
Total Net Assets		\$ (20,942)	\$ (53,577)
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<b>\$ 43,527</b>	<b>\$ 43,127</b>

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

**DOWNER AVENUE BUSINESS IMPROVEMENT DISTRICT #41**  
**STATEMENTS OF ACTIVITIES - CASH BASIS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**  
(See Accountant's Review Report)

	Without Donor Restrictions	
	2022	2021
<b>REVENUE</b>		
City of Milwaukee BID Assessment	\$ 80,000	\$ 80,000
Total Revenue	\$ 80,000	\$ 80,000
<b>EXPENSES</b>		
Program Services	\$ 33,512	\$ 28,122
Management and General	13,169	14,383
Fundraising	684	675
Total Expenses	\$ 47,365	\$ 43,180
CHANGE IN NET ASSETS	\$ 32,635	\$ 36,820
Net Assets, Beginning of Year	(53,577)	(90,397)
NET ASSETS, END OF YEAR	\$ (20,942)	\$ (53,577)

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

**DOWNER AVENUE BUSINESS IMPROVEMENT DISTRICT #41  
STATEMENTS OF FUNCTIONAL EXPENSES - CASH BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(See Accountant's Review Report)**

	2022			2021				
	Program Services	Management and General	Fundraising	2022 Total	Program Services	Management and General	Fundraising	2021 Total
Professional Fees	\$ 4,785	\$ 8,203	\$ 684	\$ 13,672	\$ 4,725	\$ 8,100	\$ 675	\$ 13,500
Office Supplies	---	474	---	474	---	577	---	577
Dues and Subscriptions	---	277	---	277	---	---	---	---
Utilities	---	237	---	237	---	875	---	875
Interest Expense	---	3,230	---	3,230	---	4,811	---	4,811
Insurance Expense	---	748	---	748	---	---	---	---
Other Expenses	---	---	---	---	---	20	---	20
Program Expense	21,324	---	---	21,324	13,646	---	---	13,646
Event Expense	72	---	---	72	5,150	---	---	5,150
Marketing and Programming	7,331	---	---	7,331	4,601	---	---	4,601
<b>TOTALS</b>	<b>\$ 33,512</b>	<b>\$ 13,169</b>	<b>\$ 684</b>	<b>\$ 47,365</b>	<b>\$ 28,122</b>	<b>\$ 14,383</b>	<b>\$ 675</b>	<b>\$ 43,180</b>

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

**DOWNER AVENUE BUSINESS IMPROVEMENT DISTRICT #41**

**NOTES TO THE FINANCIAL STATEMENTS**

**DECEMBER 31, 2022 AND 2021**

**(See Accountant's Review Report)**

**DOWNER AVENUE BUSINESS IMPROVEMENT DISTRICT #41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**  
**(See Accountant's Review Report)**

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

**Organization**

Downer Avenue Business Improvement District #41's (the "Organization") purpose is to improve the business climate and streetscape for existing and new district merchants and to ensure a safe, clean environment conducive to business activity.

**Accounting Method**

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

**Cash and Cash Equivalents**

Cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less.

**Basis of Presentation**

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

**Contributions and Grant Revenue**

Contributions received and unconditional promises to give are measured at their fair values and are reported as increases in net assets. Contributions are considered available for the Organization's general programs unless specifically restricted by the donor. Contributions received with restrictions that are met in the same reporting period are reported as revenue without donor restrictions and increase net assets without donor restrictions. Conditional promises to give are not recognized until they become unconditional. A conditional contribution is one that has both a barrier that must be overcome and an agreement requiring advance payment to be returned or future payment not to be obligated when the barrier is not overcome. Amounts received for which the donor has limited the use of the asset or designated the gift as support for future periods are considered restricted support and included in net assets with donor restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. When the restriction on a contribution is met in the same reporting period as the contribution is received, the contribution is reported in net assets without donor restrictions.

Net assets restricted for acquisition of building or equipment are reported as net assets with donor restrictions until the specified asset is placed in service when the net assets are released to net assets without donor restrictions.

When a donor requires the investment of a contribution and restricts the use of investment income, the investment income is reported as net assets with donor restrictions until appropriated for the designated time or use when the net assets are released to net assets without donor restrictions.



**DOWNER AVENUE BUSINESS IMPROVEMENT DISTRICT #41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**  
**(See Accountant's Review Report)**

**NOTE A - Summary of Significant Accounting Policies (continued)**

Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Donated services are recognized as contributions if the services create or enhance nonfinancial assets or the services require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Accordingly, the value of contributed time that does not meet these requirements has not been determined and is not reflected in the accompanying financial statements.

**Government Grants and Contract Revenue**

Government grants and contract revenue are recognized when earned. Revenue is earned when eligible expenditures, as defined in each grant, contract or other allowable cost manual, are made. Any cash received for revenue not yet earned is considered to be deferred revenue. Revenue earned but not yet paid to the Organization is included in grants receivable. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such review reduces expenditures allowable under these grants or contracts, the Organization records the disallowance at the time the final assessment is made. Management believes that disallowances, if any, would not have a significant effect on the financial statements.

**Functional Expenses**

The Organization allocates costs directly to program and management when appropriate. Certain expenses are attributable to one or more programs or supporting functions of the Organization. Those expenses are allocated based on estimates of time and effort.

**Estimates**

The preparation of financial statements in conformity with the cash basis of accounting 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.

**NOTE B - Accounting Standards Changes and Future Accounting Pronouncement**

**Accounting Standards Changes**

The Organization's financial statements include implementation of the following accounting standards updates:

*Accounting Standards Update 2020-07, Not-for-Profit entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* This update requires contributed nonfinancial assets to be reported as a separate line in the statement of activities. A financial statement note is required to provide disaggregated contributed nonfinancial assets by category including: the type of contributed nonfinancial asset; qualitative information about the monetization or utilization of the nonfinancial assets; the policy about the monetization or utilization of nonfinancial assets; a description of restrictions, valuation, and the market used to determine the fair value. The amendments in this update are applied on a retrospective basis. The implementation of this standard has not materially affected the financial statements of the Organization.

**DOWNER AVENUE BUSINESS IMPROVEMENT DISTRICT #41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**  
**(See Accountant's Review Report)**

**NOTE B - Accounting Standards Changes and Future Accounting Pronouncement (continued)**

**Accounting Standards Changes (continued)**

*Accounting Standards Update 2020-08, Codification Improvements to Subtopic 310-20, Receivables – Nonrefundable Fees and Other Costs.* This update clarifies that an entity should reevaluate whether a callable debt security is within the scope of paragraph 310-20-32-33 for each reporting period. This amendment impacts the effective yield of an existing individual callable debt security. Amendments in this update are applied on a prospective basis as of the beginning of the period of adoption for existing or newly purchased callable debt securities. The implementation of this standard has not materially affected the financial statements of the Organization.

*Accounting Standards Update 2016-02, Leases (Topic 842).* The FASB also subsequently issued the following additional accounting standards updates which amend and clarify Topic 842: ASU 2018-01, Land Easement Practical Expedient for Transition to Topic 842; ASU 2018-10, Codification Improvements to Topic 842, Leases; ASU 2018-11 Leases (Topic 842): Targeted Improvements; ASU 2018-20, Narrow-scope Improvements for Lessors; and ASU 2018-01, Leases (Topic 842): Codification Improvements. These updates require the recognition of operating leases as right-of-use assets and lease liabilities on the statement of financial position measured at the present value of lease payments and expenses are recognized on the straight-line basis over the term of the lease. For finance leases (previously reported as capital leases), the lessee will recognize the right-of-use asset and lease liability initially at the present value of lease payments. Interest will be recognized separately from amortization of the leased assets in the statement of activities. The updates require disclosure of key information about the leasing arrangements. The Organization has elected to use the practical expedients for implementation on leases that commenced before the effective date of the new standard. The practical expedients include that the Organization need not reassess 1) whether any expired or existing contracts are or contain leases, 2) the lease classification as operating or finance for expired or existing leases, and 3) initial direct costs for existing leases. In addition, the Organization has the ability to use hindsight in evaluating lessee options to extend or terminate a lease and assess impairment. Lessees and lessors are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach.

**Future Accounting Pronouncement**

*Accounting Standards Update 2016-13, Financial Instruments - Credit Losses (Topic 326)* will be effective for fiscal years beginning after December 15, 2022. The main objective of this update is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in this update replace the incurred loss impairment methodology in current generally accepted accounting principles with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates, including exploring more forward-looking alternatives.

**DOWNER AVENUE BUSINESS IMPROVEMENT DISTRICT #41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**  
**(See Accountant's Review Report)**

**NOTE C - Liquidity**

The Organization had \$43,127 of financial assets as of December 31, 2021, and \$43,527 of financial assets available within one year of the statement of financial position date of December 31, 2022. This balance consists of all cash.

**NOTE D - Concentration of Risk**

For the years ended December 31, 2021, and December 31, 2022, the Organization received 100% of its revenue from the City of Milwaukee. The current level of the Organization's operations and program services may be impacted if this funding changes.

**NOTE E - Loan Payable**

The loan payable has a fixed interest rate of 4.5% and has a maturity date of June 10, 2024. Annual principal payments as outlined below are due in March of each year, beginning March 2023. The balance of the loan as of December 31, 2022, is \$64,469.

Annual principal amount for the year ending December 31:

2023	\$34,966
2024	<u>29,503</u>
Total	<u>\$64,469</u>

**NOTE F - 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 city. The assessment is calculated based on assessed values of the properties as of every fall.

**NOTE G - Streetscape Improvements**

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

**NOTE H - Income Taxes**

The Organization is a quasi-public entity which is exempt from federal and Wisconsin income taxes. The Organization 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.

**DOWNER AVENUE BUSINESS IMPROVEMENT DISTRICT #41**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022 AND 2021**  
**(See Accountant's Review Report)**

**NOTE I - Subsequent Events**

The Organization has evaluated events and transactions occurring after December 31, 2022, through September 14, 2023, 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 event needs to be disclosed.



## 2023 Annual Report

### Historic Downer BID #41

The Historic Downer Avenue BID #41 is one of Milwaukee's most popular East Side business districts known for its great dining, shopping, movies, and annual events. The commercial corridor itself is two-blocks long, consisting of mixed-use buildings that are home to a variety of specialty shops like a grocery and fine wine store, jeweler, casual restaurants, a coffee shop, an independent book-store, and more! This walkable neighborhood has proximity to the lake, the University of Wisconsin – Milwaukee campus and many historic homes.

### **Total Assessed Value of Properties within District**

- The BID's total assessment remained about the same but increased slightly from last year at \$20,524,364.00. This equates to a budget of \$82,142.00 annually.

### **Core Programs**

- **Beautification & Décor** - While we are a small district comprised of two blocks of commercial space, we service several raised planters and about 20 concrete pots. The planters are decorated for both the summer and winter months with greenery. The BID currently spends \$5,000 on Holiday lighting and equipment to make our District feel as festive as possible throughout the holiday season. As part of a priority to beautification, the BID obtained a loan which is still being paid off, as 1/4 of our budget annually goes to that debt.
- **Events** – The BID plans and executes two major events through the year. One, being the Café Hollander Otto Wenz Downer Classic in connection with the Tour of America's Dairyland held every June. The other, being Downer Avenue's Haunted Halloween event in October. Both events engage all of the businesses in the district and draw in over 10,000 people annually.
- **Connection** – While the BID is a small district, a large focus is in connecting each of the businesses to each other and connecting the businesses to the greater surrounding community. Our BID is highly engaged with nearly all members now working cohesively on events and communications. We also are in regular contact with our area neighborhood groups such as Historic Water Tower, Lake Park Friends, Murray Hill Neighborhood Association as well as local schools like Maryland Avenue Montessori and the University of Wisconsin – Milwaukee. As noted above, our events play a large part, however, in addition, our BID Board also hosts a Holiday happy Hour celebrating bringing business owners, managers and city officials together.
- **Pedestrian and Safety Focus** - In comparison with other parts of the city, we experience very low crime rates except for panhandlers, entries to autos or car thefts occasionally. This past year, the only red light

in the district was changed to a flashing red with the hopes of slowing down traffic throughout the district and improving pedestrian safety.

- Staff & Board - Downer currently contracts one part-time Executive Director position. The BID usually has 7 regular meetings, a public meeting to discuss our annual Operating Plan, and our annual Holiday Happy Hour discussed above.

### **Economic Development**

- A large portion of Downer Ave. properties were purchased by Bridge33, an investment and development group based in Seattle. Their staff have been very active in BID Board meetings and in close communication with our Executive Director as well as their tenants.
- We only have a couple of vacancies in our district and anticipate one new business to be opening within the next year which will be in a space that has been vacant for over a dozen years.

### **Marketing & Branding**

- Social Media – The BID currently has accounts on Instagram and Facebook that are regularly updated with almost 150 and 2,000 followers respectively.
- E-Newsletter – The BID has a monthly enewsletter that goes out to approximately 350 individuals with an average of 60% open rate advertising deals, promos, or notable news from local Downer merchants.
- Website – The website is the BID’s main mode of communication. The website serves to inform the public about upcoming events and news of Downer businesses. It also houses a complete list of businesses in the Downer BID. This is updated on a regular basis and was recently redesigned in 2022.

