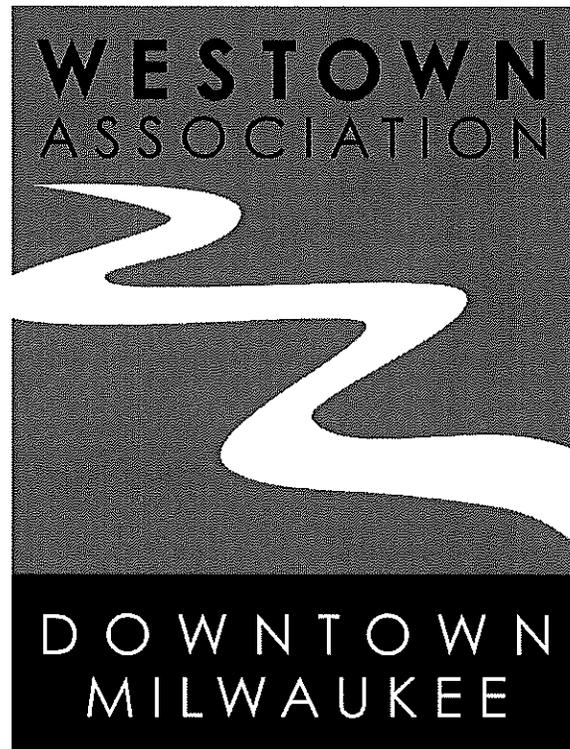


BUSINESS IMPROVEMENT DISTRICT NO. 5 - Westown

OPERATING PLAN - 2020



September 24, 2019

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I. INTRODUCTION

A. Background

In 1984, the Wisconsin legislature created 66.1109 (formerly S. 66.608) of the Statutes (see Appendix A) enabling cities to establish Business Improvement Districts (BIDs). The purpose of the law is “to allow businesses within those districts to develop, to manage and promote the districts and to establish an assessment method to fund these activities.” (1983 Wisconsin Act 184, Section 1, legislative declaration.)

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

B. Physical Setting

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

III. DISTRICT BOUNDARIES

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

III. PROPOSED OPERATING PLAN

A. Plan Objectives

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

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

B. Proposed Activities

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

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

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

Proposed 2020 Budget Draft

Revenue	
BID Assessments	83,089
City Match	0
Membership Dues	28,069
Interest Income	2000
Program Revenue (St. Patrick's Parade, Farmer's Market, River Rhythms, golf outing, Court of Honor Restoration)	183,142
Total Revenue	\$294,500
Expenses	
Gross Wages	116,300
Employer Benefit Contribution	16,000
Employer Payroll Taxes	8,900
Association Dues	2,750
Bank Charges	50
Business Meeting Costs	3,500
Insurance	3,000
Misc. Exp.	1,600
Equipment Lease/Maintenance	5,000
Equipment Purchase	1,000
Office Supplies	1,000
Postage	1,500
Printing	1,500
Professional Services	8,000
Subscriptions	150
Telephone/Fax	4,250
Newsletter	400
Program Expenses	114,950
Total Expenses	\$294,500

D. Financing Method

It is proposed to raise **\$83,089** in BID assessments (see Appendix C. We also expect to raise money through membership dues and program revenue. The BID Board shall have the authority and responsibility to prioritize expenditures and to revise the budget as necessary to match the funds actually available.

E. Organization of BID Board

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

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

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

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

F. Relationship to the Westtown Association

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

IV. METHOD OF ASSESMENT

A. Assessment Rate and Method

The annual assessment for the BID #5 operating expenses will be levied against each property within the BID in direct proportion to the current assessed value of each property for real property tax purposes as of the date the BID holds its public hearing regarding its **Year Thirty One Operating Plan (September 24, 2019)**. No owner of property within the BID shall be eligible to receive or be subject to any reductions or increases in its assessment as a result of a decrease or increase in the assessed value for their property occurring after such date. In addition, the amount of a special assessment against a particular property may change from year to year if that property’s assessed value changes relative to other properties within the BID.

As of **January 1, 2019** the property in the Westtown district had a total assessed value of **\$1,209,200**. This plan proposes to assess the property in the district at a rate of \$.90 per \$1,000 of assessment for the purposes of the BID with a \$210 per parcel minimum assessment and a \$12,600 per parcel maximum assessment. Appendix C shows the projected BID assessment for each property included in the BID.

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

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

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

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

1. State Statute 66.1109(1)(f)lm: The BID 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 Operating Plan because it is assumed that they will benefit from development in the BID.
2. State Statute 66.1109(5)(a) and 66.1109(5)(d): Property used exclusively for residential purposes will not be assessed; such properties will be identified as BID Exempt Properties in Exhibit B, as revised each year. Further, with respect to mixed use property, only the portion of any such property that is not tax-exempt or residential may 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 at the time of creation of the BID has been excluded from the BID. (Such property may subsequently become part of the BID at such time as it becomes taxable.) Privately owned, tax exempt property adjoining the BID and which is expected to benefit from BID activities may be asked to make a financial contribution to the BID on a voluntary basis.

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

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

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

A. City Plans

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

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

The district is a means of formalizing and funding the public-private partnership between the City and property owners in the Westown 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 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. PLAN APPROVAL PROCESS

A. Public Review Process

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

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

B. Early Termination of the BID

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

Within thirty (30) days after filing of a petition, the City Plan Commission shall hold a public hearing on the proposed termination. Notice of the hearing shall be published as a Class 2 notice. Before publication, a copy of the

notice with a copy of the Operating Plan and a copy of the detail map showing the boundaries of the BID shall be sent by certified mail to all owners of real property within the BID

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

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

VII. FUTURE YEAR OPERATING PLANS

A. Phased Development

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

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

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

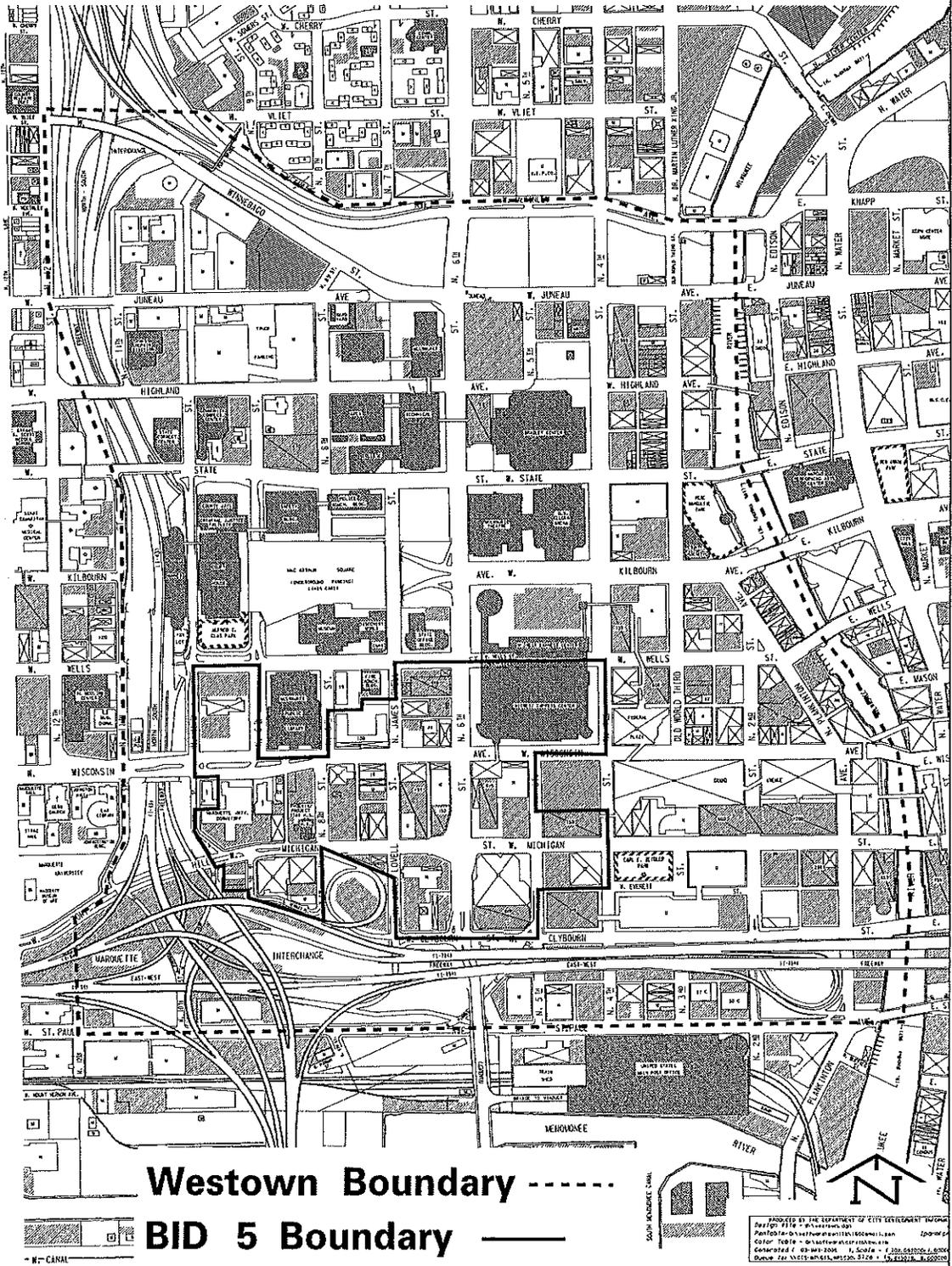
B. Amendment, Severability and Expansion

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

Should the legislature amend the Statute to narrow or broaden the process of a BID so as to exclude or include as assessable properties a certain class or classes of properties, then this BID Plan may be amended by the Common Council of the City of Milwaukee as and when it conducts its annual Operating Plan approval and without necessity to undertake any other act. This is specifically authorized under Section 66.1109(3)(b).

Map of BID # 5 Boundaries

Appendix
A



Appendix B

ASSESSMENT METHODOLOGY for BID #5 in YEAR Thirty-One ASSESSMENTS (2019)

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

EXAMPLES:

WI Tower LLC, 606 W. Wisconsin Avenue

Given that the total valuation of this property as of 1 January 2019 is \$36,100; then dividing this by \$1,000 and then multiplying this valuation by \$0.90 would result in an assessment of \$32.49. Because this is below the \$210.00 minimum, the actual assessment for the BID should be \$210.00.

TI INVESTORS MILWAUKEE PARKING, 615 N. Vel R. Phillips Ave.

Given that the total valuation of this property as of 1 January 2019 is \$4,313,000; then dividing this by \$1,000 and multiplying this valuation by \$0.90 would result in an assessment of \$3,882. Because this is not below the \$210.00 minimum and not above the \$12,600.00 maximum, the actual assessment for the BID would be \$3,882.

INTERFINANCIAL, INC - 501 W. Michigan Avenue

Given that the total valuation of this property as of 1 January 2019 is \$17,118,000; then dividing this by \$1,000 and multiplying this valuation by \$0.90 would result in an assessment of \$15,406. Because this is above the \$12,600.00 maximum, the actual assessment for the BID would be \$12,600,00.

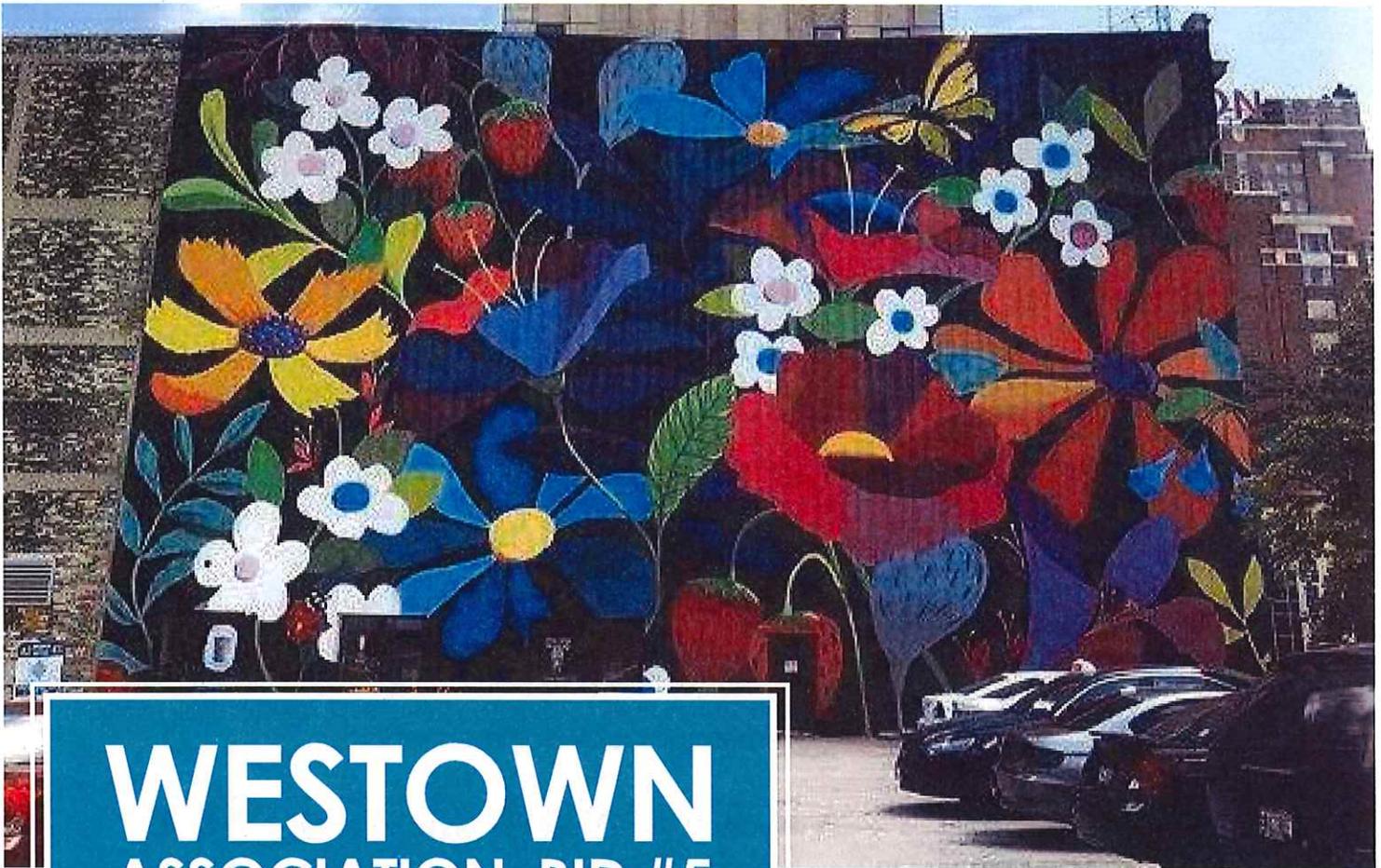
Complete tabulation of the assessment per parcel in the Westtown BID #5 is in the next page on Appendix C.

Appendix C - Page 11 Projected 2020 BID #5 Assessments

2020 BID #5 Assessments							
taxkey	addr	owner1	class	building type description	total	Assessable Total	2020 Assess.
361070000	833 W WISCONSIN AV	833 WEST WISCONSIN AVENUE	Mercantile Apt	Church	\$ 425,000.00	\$ -	0
3610701000	825-831 W WISCONSIN AV	ST JAMES COURT HISTORIC	Mercantile Apt	AP4 (Conv Apt with 21 or more Units)	\$ 2,628,900.00	\$ 236,601.00	\$ 212.94
3610702000	815-819 W WISCONSIN AV	TOWNE PETERSON LLC	Special Mercantile	Parking Lot	\$ 196,200.00	\$ 196,200.00	\$ 210.00
3610703000	801-813 W WISCONSIN AV	TOWNE PETERSON LLC	Special Mercantile	Parking Lot	\$ 882,400.00	\$ 882,400.00	\$ 794.16
3610709100	625 N JAMES LOVELL ST	TOWNE PETERSON LLC	Special Mercantile	Parking Lot	\$ 248,700.00	\$ 248,700.00	\$ 223.83
3610713111	633 W WISCONSIN AV	633 CLARK BUILDING LLC	Special Mercantile	Office Building - Class B	\$ 15,830,300.00	\$ 15,830,300.00	\$ 12,600.00
3610714111	611 W WISCONSIN AV	DOWNTOWN VENTURES LLP	Special Mercantile	Hotel - Full Service	\$ 17,078,700.00	\$ 17,078,700.00	\$ 12,600.00
3610719112	509 W WISCONSIN AV	MILW CITY CENTER LLC	Special Mercantile	Hotel - Full Service	\$ 42,037,500.00	\$ 42,037,500.00	\$ 12,600.00
3610739120	615 N VEL R PHILLIPS AV	TI INVESTORS MILW PARKING LL	Special Mercantile	Parking Garage, Parking Ramp	\$ 4,313,400.00	\$ 4,313,400.00	\$ 3,882.06
3610814122	501 W MICHIGAN ST	INTERFINANCIAL INC	Special Mercantile	Office Building - Class A	\$ 17,118,000.00	\$ 17,118,000.00	\$ 12,600.00
3610822110	633 W MICHIGAN ST	FLORA REAL PROPERTIES LLC	Special Mercantile	Hotel - Limited Service	\$ 3,679,300.00	\$ 3,679,300.00	\$ 3,311.37
3610825120	525 N 6TH ST	MARQUETTE UNIVERSITY	Special Mercantile	Office Building - Class B	\$ 1,525,900.00	\$ 1,525,900.00	\$ 1,373.31
3610834112	547-ADJ N 9TH ST	MARQUETTE UNIVERSITY	Special Mercantile	Commercial Land	\$ 3,955,300.00	\$ 3,955,300.00	\$ 3,559.77
3610834210	545 N JAMES LOVELL ST	MARQUETTE UNIVERSITY	Special Mercantile	Parking Lot	\$ 172,700.00	\$ 172,700.00	\$ 210.00
3610835000	555 N JAMES LOVELL ST	MARQUETTE UNIVERSITY	Special Mercantile	Commercial Land	\$ 150,100.00	\$ 150,100.00	\$ 210.00
3610840111	803 W MICHIGAN ST	MARQUETTE UNIVERSITY	Special Mercantile	Office Building - Class B	\$ 4,712,000.00	\$ 4,712,000.00	\$ 4,240.80
3610849100	531-533 N 8TH ST	MARQUETTE UNIVERSITY	Special Mercantile	Parking Lot	\$ 297,900.00	\$ 297,900.00	\$ 268.11
3610850110	521 N 8TH ST	MARQUETTE UNIVERSITY	Special Mercantile	Commercial Land	\$ 274,500.00	\$ 274,500.00	\$ 247.05
3611713100	601 W WELLS ST	601723 LP	Special Mercantile	Parking Lot	\$ 1,470,100.00	\$ 1,470,100.00	\$ 1,323.09
3611715000	738-740 N JAMES LOVELL ST	HANSON & PAYNE LLC	Special Mercantile	Residence With Commercial Usage	\$ 311,400.00	\$ 311,400.00	\$ 280.26
3611716000	746 N JAMES LOVELL ST	STEVEN M LECHTER &	Special Mercantile	Tavern	\$ 229,000.00	\$ 123,609.26	\$ 210.00
3611717000	728 N JAMES LOVELL ST	COMMUNITY ADVOCATES INC	Special Mercantile	Office Building - Class B	\$ 1,748,100.00	\$ 1,748,100.00	\$ 1,573.29
3611718100	723 N 6TH ST	601723 LP	Special Mercantile	Parking Lot	\$ 492,400.00	\$ 492,400.00	\$ 443.16
3611721000	626-638 W WISCONSIN AV	THE CENTRAL MARKET PLACE CO	Special Mercantile	Parking Lot	\$ 652,600.00	\$ 652,600.00	\$ 587.34
3611722000	612-624 W WISCONSIN AV	WISCONSIN AVENUE PROPERTY	Mercantile Apt	AP4 (Conv Apt with 21 or more Units)	\$ 2,568,200.00	\$ 487,952.37	\$ 439.16
3612182000	700-738 W WISCONSIN AV	LIBRARY HILL LLC	Special Mercantile	Store Building - Multiple Tenants	\$ 749,500.00	\$ 749,500.00	\$ 674.55
3910101000	900 W WISCONSIN AV	WISCONSIN CITY CLUB	Special Mercantile	Sport, Health & Recreational Properties	\$ 5,130,000.00	\$ 5,130,000.00	\$ 4,617.00
3910761000	606 W WISCONSIN AV, Unit 101	WI TOWER LLC	Special Mercantile	Sit Down Restaurant	\$ 282,300.00	\$ 282,300.00	\$ 254.07
3910762000	606 W WISCONSIN AV, Unit 202	WI TOWER LLC	Special Mercantile	Office Building - Class B	\$ 36,100.00	\$ 36,100.00	\$ 210.00
3910763100	606 W WISCONSIN AV, Unit 203	KATHY LIGON	Special Mercantile	Office Building - Class B	\$ 9,000.00	\$ 9,000.00	\$ 210.00
3980117210	533-547 N 9TH ST	MARQUETTE UNIVERSITY	Special Mercantile	Parking Lot	\$ 647,600.00	\$ 647,600.00	\$ 582.84
3981202100	635-639 N JAMES LOVELL ST	RAUCH AND ROMANSHEK	Special Mercantile	Trucking Terminal	\$ 640,900.00	\$ 640,900.00	\$ 576.81
3981204100	701-721 W WISCONSIN AV	CIK LLP	Special Mercantile	Store Bldg - Multi Story (Store & Apt, Store	\$ 1,693,200.00	\$ 609,320.98	\$ 548.39
3981281000	735 W WISCONSIN AV	WISCONSIN AVENUE LOFTS LLC	Mercantile Apt	AP4 (Conv Apt with 21 or more Units)	\$ 12,121,800.00	\$ 363,624.54	\$ 327.26
3981282000	610 N 8TH ST	735 W WISCONSIN AVE LLC	Special Mercantile	Parking Lot	\$ 1,209,200.00	\$ 1,209,200.00	\$ 1,088.28
					\$ 207,181,006.00	\$ 127,673,208.16	\$ 83,088.90

Appendix D - BID #5 Board of Directors

1	John	Hennessy	President	St. James Court Apts.
2	Erica-Nicole	Harris		WISPARK, LLC
3	Lisa	Kurszewski		Zilber Property Group
4	Jeff	Sherman		Wisconsin Club/Onmilwaukee.com
5	Mahesh	Reddy		Hilton Milwaukee
6	Bill	Scholl		Marquette University
7	Jeff	Welk		Doubletree



WESTOWN ASSOCIATION, BID #5 2019



The Westown Association, BID #5 is a downtown business association that promotes, programs and enhances the area of downtown Milwaukee west of the Milwaukee River. The association does this through implementing successful special events such as River Rhythms, the Westown Farmers' Market and St. Patrick's Parade, as well as by being actively engaged in economic development, business outreach and advocacy initiatives.

During 2019, the momentum in the Westown area continues to grow resulting in some significant changes altering the landscape of downtown Milwaukee. Some of those changes include the MSO's Grand Theater renovation, the Milwaukee Bucks new home at the Fiserv Forum, developments at The Avenue and completion of the Westown Gateway Mural at James Lovell St. & Wisconsin Avenue. As an organization, Westown BID #5 continues to act as an advocate for our property and business owners as these projects moved forward in 2019.

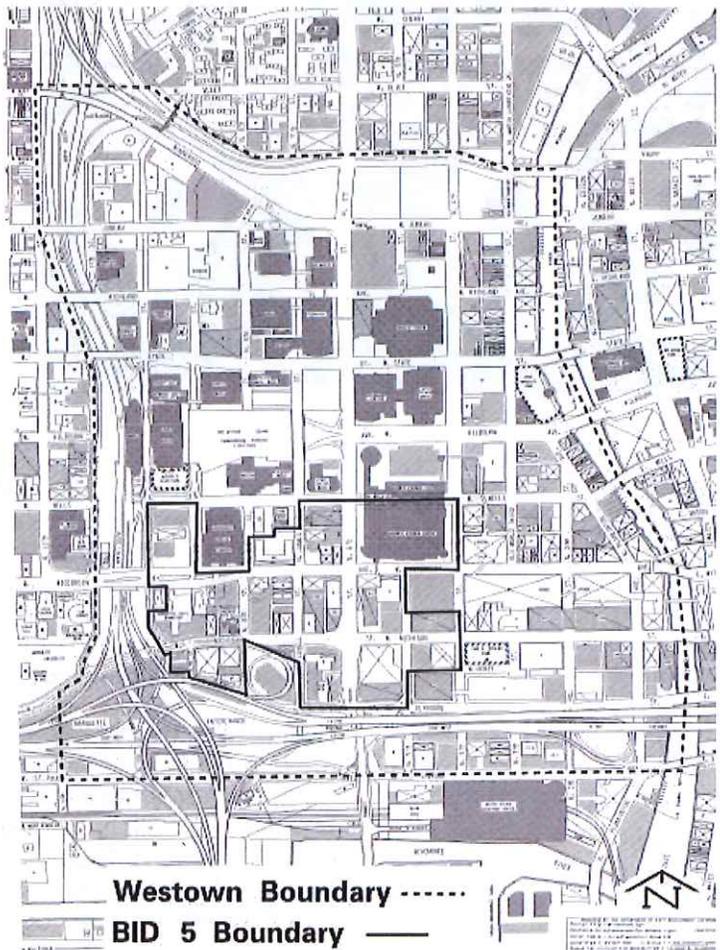
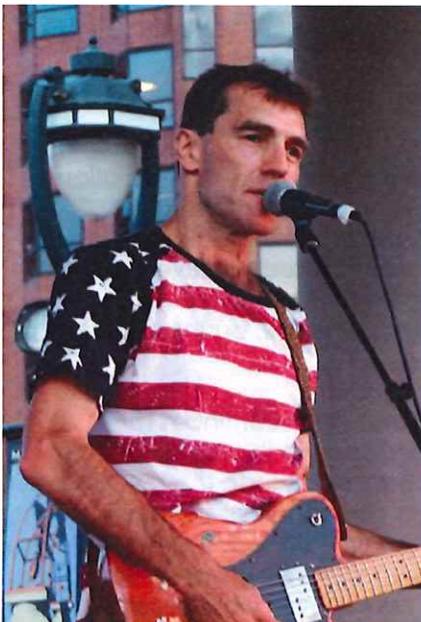


Westtown Mission

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

Westtown Vision

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



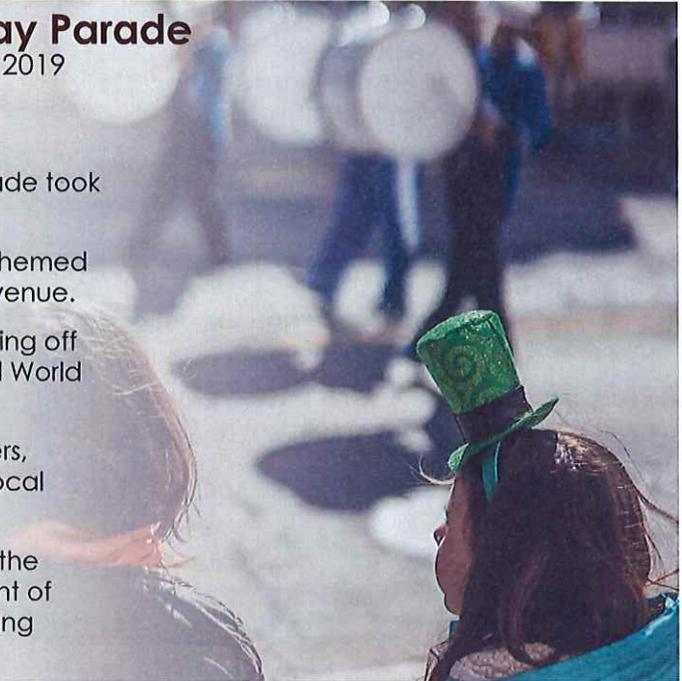
2019 Special Events Recap

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



St. Patrick's Day Parade Saturday, March 9, 2019

- The 2019 Shamrock Club of Wisconsin St. Patrick's Parade took place on Saturday, March 9.
- The parade was preceded by an entire week of Irish-themed activities and entertainment held on West Wisconsin Avenue.
- The 2019 parade took place on a 1.5 mile-route stepping off at Third and Wisconsin and encompassed both the Old World Third Street and Water Street entertainment districts.
- The parade featured over 100 units including bagpipers, Irish dancers, floats from the business community and local dignitaries.
- The parade attracted an estimated 40,000 people to the streets of downtown – helping drive a significant amount of revenue to the area's bars, restaurants, hotel and parking facilities.



Westown Farmers' Market

Wednesdays
June 5 - October 30, 2019
Zeidler Union Square

- Westown Wednesdays kicked off in 2019 with the Westown Farmers' Market on June 5 and ran for 21-weeks at Zeidler Union Square.
- The market is downtown's oldest and largest farmers' market.
- On average, 50 vendors attend each market and feature Wisconsin-grown produce, prepared food and handmade artwork.
- The market continues to be a major lunch time destination for downtown employees in 2019 – attracting an estimated 1,000 attendees each Wednesday.
- In 2019, the market increased vendor diversity and featured over 10 different ethnic cuisines including Mexican, Thai, Middle Eastern, Greek and Brazilian.
- The market entertained guests over the course of the season with 14 musicians of different genres.
- Special programming at the market included World Refugee Day, Customer Appreciation Day and Children's Day.



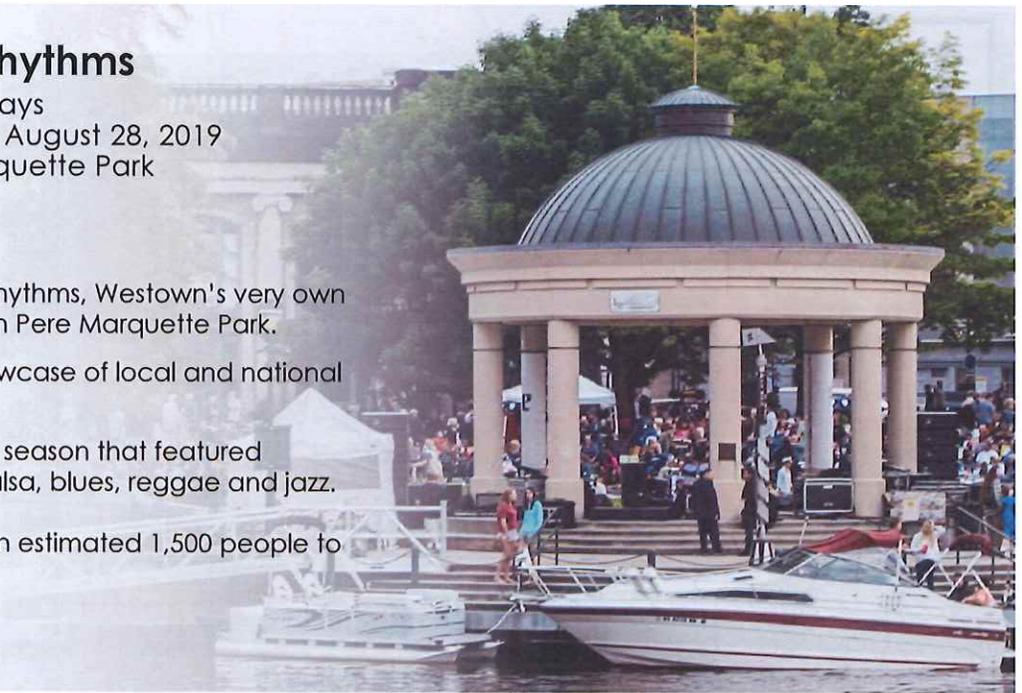
2019 Special Events Recap



River Rhythms

Wednesdays
June 12 – August 28, 2019
Pere Marquette Park

- The 23rd season of River Rhythms, Westtown's very own concert series, took place in Pere Marquette Park.
- The event is a diverse showcase of local and national music acts.
- 10 concerts were held this season that featured multiple genres including salsa, blues, reggae and jazz.
- Each concert attracted an estimated 1,500 people to the Westtown area.



Westtown Golf Open

September 10, 2018
Western Lakes Golf Club

- The 6th Annual Westtown Golf Open took place on September 9, 2019 at Western Lakes Golf Club.
- The event had 29 sponsors and 100 golfers.
- The golf open was a major success for the organization and helped raise \$20,000 to support the organization's mission.



Additional 2019 Westown Activities

- Continued advocacy on issues that impacted quality of life, business environment and perception of downtown Milwaukee – such as licensing, nuisance issues and public safety.
- Worked with and supported the priorities of the Old World Third Street Association, which represents the neighborhood's largest entertainment district, home to more the 15 licensed premises, and driver of the night time economy.
- Continued to establish and highlight the neighborhood's brand identity and programs through the continued implementation of the street banner program, website Westown.org, social media and development of print collateral.
- Promoted and maintained comprehensive downtown parking website Parkmilwaukee.com which sees traffic of 10,000 users per month.
- Advocated for new developments and leverage impact of these developments - New arena, Shops of Grand Avenue, redevelopment of Grand Theatre by Milwaukee Symphony Orchestra, Brewery area and new residential development.
- Participated in existing and future efforts to address transit issues that affect Westown and Downtown Milwaukee such as the streetcar, bus rapid transit, BublR Bikes and bus system.
- Participated in continued growth of the Downtown Neighbors Association - downtown residents group as means to engage expanding neighborhood residential base which has now reached 2,536 total residential units with more then 1,266 being developed since 2014.
- Grew membership base by 15% to better engage business and property owners in the neighborhood.
- Advocated for further activation of public spaces in the Westown area such as Pere Marquette Park, Zeidler Union Square and MacArthur Square.
- Continued project to restore and fundraise for the Court of Honor – \$80,000 has been raised to help restore and maintain the three historically-significant bronze statues owned by the City and located in the boulevard on 8th and Wisconsin near Central Library. Work on the George Washington Statue was completed in early 2018. Fundraising for the Spanish-American War Hero is ongoing; \$25,000 still needs to be raised to complete the project.
- Contributed financial and programmatic support for the *Westown in Bloom* mural on the west side of the Dunkin' building at the corner of N James Lovell St. and W Wisconsin Ave.
- Contributed \$2,500 to support the full-time Homeless Outreach Coordinator for the Downtown area, who was onboarded this summer.

WESTOWN BUSINESS IMPROVEMENT DISTRICT NO. 5
Milwaukee, Wisconsin

Audited Financial Statements
Years Ended December 31, 2018 and 2017

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



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

Independent Auditors' Report

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

We have audited the accompanying financial statements of the Westown Business Improvement District No. 5 (a nonprofit organization) which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and cash flows for years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Westown Business Improvement District No. 5 as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Reilly, Penner & Benton LLP

September 16, 2019
Milwaukee, Wisconsin

Reilly, Penner & Benton LLP
1233 N. Mayfair Road Suite #302 • Milwaukee, WI 53226-3255 • 414-271-7800

WESTOWN BUSINESS IMPROVEMENT DISTRICT NO. 5
Milwaukee, Wisconsin

Statements of Financial Position
December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Assets:		
Current Assets:		
Cash	\$ <u>503</u>	\$ <u>502</u>
Liabilities and Net Assets:		
Current Liabilities:		
Due to Westown Association of Milwaukee, Inc.	\$ 503	\$ 502
Net Assets Without Donor Restrictions	<u>---</u>	<u>---</u>
Total Liabilities and Net Assets	\$ <u>503</u>	\$ <u>502</u>

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

WESTOWN BUSINESS IMPROVEMENT DISTRICT NO. 5

Milwaukee, Wisconsin

Statements of Activities

For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenues and Other Support:		
City of Milwaukee funds	\$ 81,969	\$ 83,665
Contributions	42,500	39,500
Interest income	1	1
Total revenues and other support	<u>124,470</u>	<u>123,166</u>
Expenses:		
Management fee paid to Westown Association of Milwaukee, Inc.		
Program	97,087	96,069
Management and general	23,649	23,402
Fundraising	3,734	3,695
Total expenses	<u>124,470</u>	<u>123,166</u>
Change in net assets	---	---
Net assets - beginning of year	<u>---</u>	<u>---</u>
Net assets - end of year	<u>\$ ---</u>	<u>\$ ---</u>

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

WESTOWN BUSINESS IMPROVEMENT DISTRICT NO. 5
Milwaukee, Wisconsin

Statements of Cash Flows
Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Changes in net assets	\$ ---	\$ ---
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Due to Westown Association of Milwaukee, Inc.	<u>1</u>	<u>1</u>
Net cash provided by operating activities	<u>1</u>	<u>1</u>
Cash at beginning of year	<u>502</u>	<u>501</u>
Cash at end of year	<u>\$ 503</u>	<u>\$ 502</u>

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

WESTOWN BUSINESS IMPROVEMENT DISTRICT NO. 5
Milwaukee, Wisconsin

Notes to Financial Statements
December 31, 2018 and 2017

1. Summary of Significant Accounting Policies

A. Nature of Organization

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

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

Operating plans for 2018 and 2017 were submitted by the Westown BID and approved by the City of Milwaukee. To fund the plans, assessments were added to the property tax bills of the Westown area businesses, as outlined in the 2018 and 2017 operating plans.

B. Method of Accounting

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

C. Financial Statement Presentation

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

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor restrictions.

Net assets with donor restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

There were no net assets with donor restriction as of December 31, 2018 and 2017.

D. Estimates

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

E. Income Taxes

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

WESTOWN BUSINESS IMPROVEMENT DISTRICT NO. 5
Milwaukee, Wisconsin

Notes to Financial Statements
December 31, 2018 and 2017
(Continued)

1. Summary of Significant Accounting Policies (Continued)

F. Allocation of Functional Expenses

Westown BID contracts with The Westown Association of Milwaukee, Inc. to provide all of the services outlined in the operating plan. As a result, the functional expenses of the BID are allocated based on the functional expense allocation of The Westown Association of Milwaukee, Inc.

G. Subsequent Events

Management of the Westown BID has evaluated all subsequent events through September 16, 2019, the date the financial statements were available to be issued, for possible inclusion as a disclosure in the notes to the financial statements. The Westown BID has identified no subsequent events that require disclosure in the notes to the financial statements.

H. Change in Accounting Principle

On August 18, 2016 the Financial Account Standards Board issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The Westown BID has adjusted the presentation of its financial statements, accordingly, applying the changes retrospectively to the comparative period presented. The new standards change the following aspects of the Westown BID's financial statements:

- The unrestricted net asset class has been renamed net assets without donor restrictions.
- The financial statements include a new disclosure about liquidity and availability of resources (Note 2)
- The expenses as listed on the statement of activities are now broken out by functional classification.

2. Liquidity and Availability

The following table reflects the Council's financial assets available to meet cash needs for general operating expenditures within one year of the statement of financial position date of December 31:

	<u>2018</u>	<u>2017</u>
Cash	\$ 503	\$ 502
Total financial assets	<u>503</u>	<u>502</u>
Less amounts not available to be used within one year for general expenditures	<u>---</u>	<u>---</u>
Financial assets available to meet general expenditures within one year	<u>\$ 503</u>	<u>\$ 502</u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Westown BID operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures.

WESTOWN BUSINESS IMPROVEMENT DISTRICT NO. 5
Milwaukee, Wisconsin

Notes to Financial Statements
December 31, 2018 and 2017
(Continued)

3. Related Party Transaction

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

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

During 2018, assessments totaling \$81,969 and interest income of \$1 were transferred to Westown Association of Milwaukee, Inc. Also, Westown BID received \$42,500 of program sponsorships that were transferred to The Westown Association of Milwaukee, Inc.

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

At December 31, 2018 and 2017, \$503 and \$502, respectively, was still held by the Westown BID and was payable to The Westown Association of Milwaukee, Inc. These amounts represent a surplus from prior years that is kept in the account to minimize bank service charges.

In accordance with this agreement, all services outlined in Section III of the operating plans were fulfilled by Westown Association of Milwaukee, Inc. for 2018 and 2017.

4. Concentrations of Credit Risk

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