# BUSINESS IMPROVEMENT DISTRICT NO. 21 MILWAUKEE DOWNTOWN YEAR TWENTY-FIVE OPERATING PLAN 

SEPTEMBER 9, 2021

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## I. INTRODUCTION

Under Wisconsin Statutes section 66.1109, cities are authorized to create Business Improvement Districts ("BIDs") upon the petition of at least one property owner within the proposed district. The purpose of the BID statute 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 Wis. Act 184, Section 1, legislative declaration. See Appendix A.

On or about July 16, 1997, the City of Milwaukee (the "City") received a petition from property owners which requested creation of a BID known as the Milwaukee Downtown Management District (the "District"). On October 14, 1997, the Common Council of the City adopted resolution no. 970900, creating the District and approving the initial operating plan for the District (the "Initial Operating Plan"). On November 4, 1997, the Mayor of the City appointed members to the board of the District (the "Board") in accordance with the requirements set forth in Article III.D. of the Initial Operating Plan.

On or about August 20, 2008, owners of additional properties on the fringes of the District's original boundaries petitioned the City to expand the District to include their properties. On October 29, 2008, the Common Council of the City adopted resolution no. 080617, expanding the District boundaries.

The original purpose of the District was to sustain the competitiveness of Downtown and ensure a safe, clean environment conducive to business activity. In connection with strategic planning conducted in 2011 and updated in 2014, a new mission and vision for the District surfaced. The District adopted as a new mission "to lead and inspire believers in Milwaukee to engage in efforts that build Downtown as the thriving, sustainable, innovative and vibrant heart of the community". The District's vision is "to be an economic catalyst. . ." causing Downtown to emerge as a premier destination of choice and Milwaukee to become a renowned world-class region.

Pursuant to the BID statute, this Year Twenty-Five Operating Plan (the "Operating Plan") for the District has been prepared to establish the services proposed to be offered by the District, proposed expenditures by the District and the special assessment method applicable to properties within the District for its twenty-fifth year of operation. This Plan has been developed by the District Board with technical assistance from the Department of City Development, the Department of Public Works and the Police Department.

## II. DISTRICT BOUNDARIES

When created in 1997, the District boundaries covered approximately 120 square blocks and encompassed the City's Downtown. The original District boundaries extended to North 4th Street and North 10th Street to the west; West St. Paul Avenue, the Menomonee River, and West Clybourn Street to the south; Lake Michigan to the east and Schlitz Park to the north. As a result of an expansion in 2008 and subsequent adjustments of taxable parcels, the District's current boundaries include expansion areas adjacent to its original boundaries and approximate 110 square blocks. The District's current boundaries extend to I-43 on the west; West St. Paul Avenue, the Menomonee River and West Clybourn Street to the south; Lake Michigan and North Van Buren Street to the east; and Schlitz Park and McKinley Street to the north, as shown in Appendix B of this Operating Plan. A narrative listing of the properties now included in the District is set forth in Appendix C.

## III. PROPOSED OPERATING PLAN

## A. Plan Objectives

The historic objectives of the District are to increase pedestrian traffic Downtown and to better enable Downtown to compete for customers with suburban residential and commercial areas. As a result of strategic planning, the District has committed to elevate its role in Downtown economic development.

Since its inception, the District has attempted to achieve its objectives by, among other methods, supplementing the maintenance and security services provided by the City in order to increase the safety and cleanliness (and the perceived safety and cleanliness) of Downtown. The City will continue to provide its current level of maintenance and policing services. The City and the District have entered into the cooperation agreement on file in the District's office (the "Cooperation Agreement"). For several years, the District also has sought to achieve its objectives by marketing Downtown as a great place to live, work and play and by working with like-minded associates to attract and retain businesses.

The District's recent strategic planning update articulates new objectives, including: (1) to reposition the District as a driver of economic prosperity in Downtown; (2) to play a leadership role on catalytic projects, including the HOP MKE Streetcar, West Wisconsin Avenue renaissance, Sculpture Milwaukee, Brighten the Passage, the first Downtown dog exercise area, the Cathedral Square Park "Frame the Square" Project and various public art and space making projects; and (3) to harness the energy and vibrancy
of diverse Downtown residents, young professionals and other Downtown believers to position them for leadership roles in the Downtown community. A summary of the District's objectives and priorities arising out of its 2014 strategic plan and 2018 rapid refresh are attached hereto as Appendix E.

In addition, since its creation in 1997, the District has championed Downtown's equity and diversity. The District will continue to advocate, listen and build bridges to help end systemic racism and to create an exceptional quality of life environment for all members of its community regardless of age, race, gender or sexual orientation. The District pledges to do its part in advancing and advocating for a community of tolerance, peace and understanding.

## B. Proposed Activities

The District offers Downtown owners and occupants additional safety personnel, enhanced sidewalk cleaning, supplemental public space maintenance and integrated marketing and promotional services to complement the base level of services currently being provided by the City. As a supplement to City services, the District retains and manages its own safety and maintenance contracts and develops and implements its own marketing initiatives. The District has hired a chief executive officer (or CEO), who reports to the Board, to implement and manage the day to day activities of the District, to supervise all District staff and independent contractors and to spearhead updated 2014 strategic planning objectives. District staff supervised by the CEO may include an economic development director, a marketing/events/social media coordinator, an environment specialist, an executive assistant and/or up to four interns or other support staff. The following are the activities proposed by the District for calendar year 2022. The District may, from time to time and as it deems necessary, adjust the size and scope of the activities and staffing levels described below, but only so long as such adjustments in activities and staff are part of the activities identified in this Operating Plan. Following the 2021 impacts from COVID-19, the District continues to stress "MKE It Back" activities and initiatives. The District may not undertake new activities except as included in duly approved operating plans for future years.

1. Public Service Ambassadors Program. The District will continue to sponsor a Public Service Ambassador Program to provide safety and goodwill services to Downtown, supplemental to existing City police services. The aim of the program is to increase the public's comfort and sense of security through a visible, uniformed presence in addition to law enforcement.

The District may implement this program either by hiring staff directly or by hiring independent contractors to provide staff. In either case, a PSA director, who will report to the CEO, will be hired to manage this program, hire and supervise staff and maintain communications with police. Public Service Ambassadors ("PSAs"), including shift supervisors, will be retained to provide approximately 30,160 on-duty hours subject to dictates from the District. The District, in cooperation with the City Police Department, Visit Milwaukee and other City departments and resources, will develop an intensive initial training program, as well as on-going in-service and field training, for PSAs. Training will focus on available City services, preventing and reporting crime, dealing with panhandlers and the homeless, applicable sanitation and building codes, radio communications, first aid and CPR, Milwaukee history and local attractions, general retailing, communications skills and interactions with residents and visitors. For a portion of their training PSAs will be paired with police officers or experienced PSAs patrolling their beats. Training will be supplemented by a book of Operating Rules and Procedures serving as a guide for handling both common and unusual incidents.

Following their training, uniformed but unarmed PSAs will be assigned "beats" to patrol on foot. Beat assignments will be based on the amount of foot traffic in the area, hours of business operation, special event schedules, police beat assignments, crime statistics and trends, and Responsible Hospitality Task Force recommendations for night-time economy management. Generally, PSAs will be deployed on beats to maximize the provision of security services during peak hours like weekday lunch hours, before and after business hours at burgeoning nighttimes and for special events. PSAs shall employ smart phone/GIS tracking technology to determine appropriate PSA deployment. A schedule for deploying PSAs on their beats shall be developed by the District's CEO together with the PSA director and altered as appropriate for weather, redeployment for special events and for changing circumstances.

PSAs' primary responsibilities will be to assist and direct workers, shoppers, diners, sports fans, club-goers and visitors, and to observe and report suspicious behavior. PSAs must familiarize themselves with the businesses and residents in their beats and be able to recognize suspicious behavior. PSAs will be supplied with uniforms to create an official but approachable appearance and will be
equipped with smart phone-type devices to report any incidents to a PSA supervisor/dispatcher linked directly to the City Police Department. One PSA supervisor/dispatcher shall be on duty or on call whenever PSAs are on patrol. Using handheld smart phone-type devices, the PSA supervisor will maintain communications among PSAs, other Downtown security personnel and City police.

The City Police Department shall provide the District with the ability to monitor police calls for service. The District will permit any on-duty police officers assigned to the Downtown area to work out of the District office. The agreement between the District and the City Police Department regarding services to be provided is more fully described in the letter from Chief of Police Arthur L. Jones dated July 17, 1997 on file in the District's office.

The District will pursue partnerships with other service providers. These partnerships may include development of a policy for referring panhandlers and the homeless to appropriate resources and/or working with other Downtown security resources to share information and develop response strategies. The District also intends to designate one PSA position specifically to coordinate homelessness outreach.
2. Clean Sweep Ambassadors Program. The District will continue to sponsor a Clean Sweep Ambassador Program to provide additional sidewalk cleaning and public space maintenance, to implement special projects and, more generally, to introduce an active, positive force in Downtown.

The District may provide cleaning, maintenance, graffiti removal and landscaping services in any manner deemed reasonable by the District Board, including hiring staff directly or hiring independent contractors to provide staff. In any event, a CSA director will be selected, who will report to the District's CEO, to manage this program, hire and supervise staff and serve as a liaison among City departments and property owners and businesses. During the summer months, a minimum of 12.5 full-time equivalent Clean Sweep Ambassadors ("CSAs") will report directly to the CSA director. Fewer CSAs may service the District during the winter months. Full-time CSA staff will be trained in maintenance, safety and informational services and furnished with identifiable uniforms. In addition, the District may retain other staff and/or independent contractors as it deems reasonable to perform the tasks necessary to implement the program.

The maintenance efforts of CSAs, other staff and independent contractors retained, paid and uniformed by the District will complement the efforts of the City Department of Public Works. CSAs will manually sweep sidewalks and riverwalks, pick up litter and remove graffiti each day. Weather permitting, CSAs will mechanically sweep public sidewalks and riverwalks in a rotation consistent with the City's street sweeping schedule--with approximately one fifth of the District being swept each working day. From April through October, CSAs will also power wash and steam clean sidewalks and clean, maintain, water, plant and weed tree wells and planters. CSAs will be assigned "beats" depending on the public use of the area and the need for services. A schedule for deploying CSAs and their tasks, shall be developed by the District's CEO and the CSA director and altered as appropriate for restrictions imposed by weather and redeployment as necessary in the judgment of District staff.

In addition to their daily cleaning and maintenance duties, the District may deploy CSAs to accomplish special projects. These projects may range from the installation and removal of holiday lights to set up and clean up for special events to "Super-Block" clean up.

In servicing all aspects of the CSA program, CSAs and other staff servicing this program will maintain a friendly and helpful presence Downtown. Working during busy hours in recognizable uniforms, they will create an aura, not only of cleanliness, but also of safety. CSAs will be trained in crime resistance and to furnish helpful information and directions to residents and visitors. CSAs will remain in contact with the District office and its other resources using handheld PDA-type devices.
3. Economic Development; Marketing; Business Recruitment and Retention. In furtherance of its 2018 strategic planning objectives, District staff, generally, and an economic development director, in particular, shall strive to attract, retain and grow businesses paying family-supporting wages in Downtown Milwaukee. District efforts shall include, but not be limited to, maintaining relevant market and demographic data, linking business and government resources and providing and/or identifying expertise to assist in business growth.

District staff will coordinate and/or contract to implement public relations programming to promote the cleaner, safer, friendlier Downtown being created through District efforts. Marketing and
programming will aim to encourage increased use of Downtown, to attract businesses to locate, remain and expand in Downtown and to convince both constituents of the District and potential users that Downtown is a positive destination with unique qualities and amenities.

District staff will continue the District's marketing campaign based on a fresh "Downtown" theme. District staff will continue an internal communications program to inform members about District activities and benefits. Internal communications may include a semi-annual newsletter, an annual report, various print and e-mail notices and increased social media. District staff will maintain an umbrella-advertising theme, graphics package and media relations program. District staff will cross sell Downtown's assets with various seasonal promotions.

In addition, District staff will develop and/or contract for other marketing initiatives, attractions and/or events promoting Downtown. These marketing initiatives may include a comprehensive marketing campaign targeted at appropriate constituencies and/or traveling information kiosks and/or similar devices which may be staffed and deployed at various events (inside and outside of Downtown) to increase District visibility and outreach.

District staff will strive to attract and retain synergistic businesses. District staff will administer, together with the City of Milwaukee, a program of grants and forgiveable loans for retailers and landlords to upgrade storefront spaces within the District. The District also will allocate up to $\$ 95,000$ for catalytic economic development special projects, provided that each project must be approved by the District Board consistent with criteria adopted and applied by the Board.

The District may also sponsor or co-sponsor recurring special events such as the Holiday Lights Festival, Downtown Dining Week, Taste and Toast, Downtown Employee Appreciation Week and Tunes at Noon.

The District will continue its sponsorship of the annual holiday lighting each November. Each year, the District will cause lighting purchased by the District in previous years and remaining in good condition to be reinstalled. In addition, the District may spend and/or solicit additional money as it deems necessary to purchase additional and/or replacement holiday lighting. For the winter of

2021-2022, the District will sponsor the twenty-third annual Holiday Lights Festival in Downtown. This festival will continue previous year's street lighting efforts and implement intense lighting displays in select Downtown parks such as Pere Marquette Park, Zeidler Union Square and Cathedral Square.

The District may undertake other economic development and/or marketing initiatives and programming reasonably estimated to attract and retain businesses, residents and tourists to Downtown as deemed appropriate by the District Board.

The District may contract with Milwaukee Downtown, Inc. to coordinate and implement the marketing initiatives described above, as well as related activities. In connection with contracting with Milwaukee Downtown, Inc., the District intends to donate approximately $\$ 1,598,162$ to Milwaukee Downtown, Inc. to provide operating funds necessary to implement marketing initiatives and related activities.
4. Initiative to Combat Homelessness. Based on concerns raised by its stakeholders, the District seeks to spearhead initiatives to address chronic homelessness and aggressive panhandling. One such initiative is securing dedicated recurring funding to help end long term chronic homelessness through fundraising efforts such as "Key to Change" and contributions from Downtown residents and stakeholders. Funds raised are intended to allow Milwaukee County to retain a Downtown Homeless Outreach Coordinator and a Downtown Community Prosecutor.
5. Contracting to Extend Activities/Services Outside of the District. Given the District's success, various constituencies periodically request the District to extend activities or provide services outside of the District boundaries. The District is authorized to contract to extend its activities and/or services outside District boundaries and/or to area residents so long as, by majority vote of the Board, any such contract is deemed to (a) advance the District's objectives and (b) provide activities and/or services on a revenue-neutral basis such that the District avoids incurring any costs not directly benefiting properties within the District.

## C. Proposed Expenditures and Financing Method

The 2022 proposed annual operating budget for the District is $\$ 4,249,000$. $\$ 4,170,000$ will be the amount received from District assessments from
properties within the District. $\$ 79,000$ is additional income that is anticipated to come from several sources. See Appendix D. Of these amounts, $\$ 866,673$ will finance the Public Service Ambassadors Program, $\$ 1,187,661$ will fund the Clean Sweep Ambassadors Program, $\$ 1,804,371$ will pay for economic development, marketing, promotions and business retention and recruitment efforts, including retail marketing efforts, and $\$ 390,295$ will be reserved for administrative expenses and a contingency (including, without limitation, the salaries of a full-time CEO, an economic development director, a marketing/events/social media coordinator, an environment specialist, an executive assistant, interns and other District staff, legal fees, insurance costs and office expenses). In the event that the Board reasonably determines that amounts allocated to any particular program are not needed for that program, unneeded amounts for one program may be used for another program. In addition, any funds collected but unspent pursuant to previous years' operating plans and any unanticipated voluntary contributions or other income will be made available in 2022 (for any purpose set forth in this Operating Plan, including without limitation for public information, marketing, promotions and/or economic development efforts). The Board shall have the authority and responsibility to prioritize expenditures and to revise the budget as necessary to match the funds actually available.

The Board shall approve an annual operating budget for the District each year. Prior to approving any annual operating budget, the District will mail a public hearing notice and make available a copy of the proposed annual operating plan and budget to all owners of real property within the District. In addition, a Class 2 notice of the public hearing will be published in a local newspaper of general circulation, and the notice, annual operating plan and budget will be posted on the District's website. The District Board will hold a public hearing and approve the annual operating plan and budget for the District for that year. If any year's annual operating budget exceeds the prior year's annual operating budget by $4 \%$ or more, such budget must be approved by a $2 / 3$ majority of the entire District Board. (This Year Twenty-Five Operating Plan was unanimously approved by twelve (12) Board members in attendance at the Board meeting of September 9, 2021. Any capital improvements costing more than $\$ 15,000$ each or $\$ 40,000$ in the aggregate for any one year must be approved by a $2 / 3$ majority of the entire District Board. For the purposes of this Operating Plan, "capital improvement" means any physical item that is permanently affixed to real estate including, without limitation, street lighting and sidewalk improvements. The term "capital improvement" shall not include, among other things, any maintenance equipment or supply, any communications equipment, any vehicles, any seasonal improvement or
any holiday lighting or decorations. After the District Board has approved the annual operating plan and budget, they will be sent to the City for approval, adoption and inclusion in the City's annual budget for that year.

The 2021 assessed valuation of all property subject to assessment within the original District boundaries was approximately $\$ 2,782,381,525$. The method of assessing annual operating expenses against properties located within the District is set forth in Article IV of this Operating Plan. Any change in the method of assessing annual operating expenses against properties located within the District must be approved by a $3 / 4$ majority of the entire District Board and a majority of the Common Council of the City. Subsequent revisions to this Operating Plan will specify any additional assessment methodologies and amounts for operating expenses. In addition, if any year's annual aggregate assessment to property owners exceeds the prior year's annual aggregate assessment by $6 \%$ or more, such increased assessment must be approved by the owners of property assessed by the District having a property tax assessed valuation equal to at least 3/4 of the aggregate property tax assessed valuation of all property assessed by the District.

The District may not borrow funds without approval of a $2 / 3$ majority of the entire District Board.

## D. Organization of the District Board

The Mayor shall appoint members to the District Board. The Board shall be responsible for implementation of this Operating Plan. This requires the Board to negotiate with providers of services and materials to carry out the Operating Plan; to enter into various contracts; to monitor the effectiveness of the District's activities; to ensure compliance with the provisions of applicable statutes and regulations; and to make reimbursements for any overpayments of District assessments.

Wisconsin Statutes section 66.1109(3)(a) requires that the Board be composed of at least five members and that a majority of the Board members be owners or occupants of property within the District.

The Board shall be structured and operate as follows:

1. Board size - 19 members.
2. Composition -
(a) Three members shall be representatives of each of the three largest (as measured by assessed valuation) multi-tenant
office buildings in the District. In 2022, U.S. Bank Center (777 and 811 East Wisconsin Avenue), 411 East Wisconsin Avenue and 833 East Michigan Avenue are the three largest office buildings.
(b) Two members shall be representatives of the fourth through the ninth largest (as measured by assessed valuation) multi-tenant office buildings in the District. In 2022, 790 North Water Street, 100 East Wisconsin Avenue, Schlitz Park (at the intersection of 2nd and Pleasant Streets), The Milwaukee Center ( 107 East Kilbourn Avenue), 875 East Wisconsin Avenue and Plaza East (330 East Kilbourn Avenue) are the fourth through the ninth largest multi-tenant office buildings.
(c) Three members shall be representatives of any multi-tenant office buildings in the District.
(d) Three members shall be representatives of owner-occupied or single tenant buildings in the District with assessed valuations in excess of $\$ 5,000,000$. One member from this category shall be a representative of The Northwestern Mutual Life Insurance Company.
(e) One member shall be an owner or operator of a street-level retail business located within the District (which business may, but need not, be a restaurant).
(f) Two members shall be representatives of hotels located within the District. Such hotels shall not be owned or controlled by the same or related entities or individuals.
(g) One member shall be a representative of a tax-exempt entity making a voluntary contribution to the District of not less than $\$ 45,000$ annually.
(h) Two members shall be "at large" members who shall not represent any particular constituency but who shall be owners or occupants of real property located within the District used for commercial purposes.
(i) Two members shall be the immediate two past chairs of the District Board.

For purposes of measuring the assessed valuations of any building or site set forth above, all contiguous buildings and/or sites connected above- or below-ground, separated only by an intervening street and with identical ownership shall be included as one building or site. (For example, the U.S. Bank Center, consisting of property located at 777 and 811 East Wisconsin Avenue, constitutes one site.) Each year, the Board shall reconfirm the assessed valuations, ownerships and occupancies of all properties located within the District. If the assessed valuation, ownership or occupancy of any particular building or site in any year ceases to satisfy the criteria set forth above, the Board shall rearrange such building or site in the appropriate category. In addition to the composition requirements set forth above, one member of the Board shall also be a member of the board of directors of Westown Association as long as the Westown Association remains in existence, and one member of the Board shall also be a member of the board of directors of East Town Association as long as the East Town Association remains in existence. In satisfying the categories for Board members set forth above, the geographic representation of Board members shall be varied to the extent possible.
3. Term - Appointments to the Board shall generally be for a period of three years. To the extent possible, the terms of members representing each of the categories set forth in subparagraph (2) above shall be staggered so that the terms of not more than $60 \%$ of the representatives of any one category shall expire simultaneously. Despite the expiration of a Board member's term, the member shall continue to serve, subject to the by-laws adopted by the Board, until the member's successor is appointed.
4. Compensation - None.
5. Meetings - All meetings of the Board shall be governed by the Wisconsin Open Meetings Law if and as legally required.
6. Record Keeping - Files and records of the Board's affairs shall be kept pursuant to public record requirements.
7. Staffing and Office - The Board may employ staff and/or contract for staffing services pursuant to this Operating Plan and subsequent modifications thereof. In 2022, the Board may employ a full-time CEO, a full-time executive assistant, an economic development director, a marketing/events/social media coordinator, an environmental specialist and/or up to four interns and other support
staff. The Board shall maintain an office for the District, which shall be centrally located in Downtown. The District's current office is located at 301 West Wisconsin Avenue, Suite 106. All District staff, including PSAs and CSAs, may work out of the District office or other approved spaces.
8. Meetings - The Board shall meet regularly, at least once quarterly. The Board has adopted rules of order (by-laws) to govern the conduct of its meetings. In the event of a tie in any matter on which an even number of Board Members vote, the vote of the Chair shall be deemed the tie-breaker.
9. Executive Committee - The Board shall elect from its members a chair, a vice-chair, a secretary, a treasurer and an assistant secretary who, together with the immediate past Chair of the Board, shall comprise an Executive Committee of the Board. At least one member of the Executive Committee shall be elected from the category of members set forth in subparagraphs (2)(a) or (b) above. Moreover, the member representing The Northwestern Mutual Life Insurance Company under subparagraph (2)(d) above shall be elected to some office on the Executive Committee. The immediate past chair of the Board shall serve on the Executive Committee until the current Chair ceases to serve as Chair, in which case the immediately past serving Chair shall become immediate past Chair. The Executive Committee shall be authorized to oversee the day to day operations of the District, subject to the by-laws adopted by the Board. In the event of a tie in any matter on which all officers vote, the vote of the Chair shall be deemed the tie-breaker.
10. Non-voting Members - At the option of a majority of the members of the Board, representatives of Visit Milwaukee, the Milwaukee Development Corporation, the Metropolitan Milwaukee Association of Commerce, and one or more significant Milwaukee arts venues (and/or similar organizations) may be invited to attend meetings of the Board or Executive Committee as nonvoting members.
11. Emeritus Members - By resolution of a majority of the members of the Board, former Board members who have demonstrated extraordinary service to the District may be appointed "emeritus" members in honor and recognition of their exceptional contributions.
12. No public bidding - Notwithstanding anything herein to the contrary and/or any contrary decisions by the Board relative to specific contracts, the District shall not be subject to any prevailing wage
and/or public bidding requirements under either Wisconsin Statutes and/or City of Milwaukee ordinances.

## E. RELATIONSHIP TO MILWAUKEE DOWNTOWN, INC. AND

 ALLIANCE FOR DOWNTOWN PARKING AND TRANSPORTATION, INC.The District is a separate entity from Milwaukee Downtown, Inc., a private, not for profit corporation, exempt from taxation under section 501(c)(3) of the Internal Revenue Code, notwithstanding the fact that some or all of the members, officers and directors of each entity may be shared. Milwaukee Downtown, Inc. shall remain a private organization, not subject to the open meeting law, and not subject to the public records law except for its records generated in connection with the Board. The Board may contract with Milwaukee Downtown, Inc. to provide marketing and promotional services to the District and to retain an economic development director. The Board shall donate operating funds to Milwaukee Downtown, Inc. to facilitate the provision of such services and staffing, all in accordance with this Operating Plan.

The District and Milwaukee Downtown, Inc. are also separate entities from Alliance for Downtown Parking and Transportation, Inc. (the "Alliance"), a private, not for profit corporation, notwithstanding the fact that the District Board appoints all members to the board of directors of the Alliance. The Alliance shall remain a private organization, not subject to the open meeting law, and not subject to the public records law except for its records generated in connection with the Board. The Board may work in tandem with the Alliance and other Downtown commercial organizations to improve and mitigate adverse parking and transportation issues impacting Downtown Milwaukee and to promote positive parking and transportation options within the area, consistent with the purposes of this Operating Plan.

## IV. METHOD OF ASSESSMENT

## A. Annual Assessment Rate and Method

The annual assessment for District operating expenses will be levied against each property within the District in direct proportion to the commercial assessed value of each property for real property tax purposes on record with the District as of the date the District held the public hearing regarding its Year Twenty-Five Operating Plan (September 16, 2021). No owner of property within the District 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. The Board may, however, at its sole option, consider updated assessment information until the Common Council approves this Operating Plan. In addition, the amount of an assessment against a particular property may change from year to year if that property's assessed value changes relative to other properties within the District.

Appendix C identifies each property included in the District and shows the proposed BID assessment for each property for the twenty-fifth year of operation. Such proposed assessments are based on the assessed value and classification estimated in 2021 pursuant to the foregoing formula.

In addition, any amounts due to the District from a property owner pursuant to a contract between the District and the property owner may, at the option of the District Board, become a special assessment or special charge against that property upon 30 days' prior written notice to the property owner.

## B. Excluded and Exempt Property

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

1. Wisconsin Statutes section 66.1109(1)(f)(1m): The District will contain property used exclusively for manufacturing purposes, as well as properties used in part for manufacturing. These properties will be assessed according to the method set forth in this Operating Plan because it is assumed that they will benefit from development in the District.
2. Wisconsin Statutes section $66.1109(5)($ a): Property used exclusively for residential purposes will not be assessed. Mixed use properties containing some residential use will be assessed by the District consistent with applicable law.
3. Consistent with Wisconsin Statutes section $66.1109(5)(a)$, property within the District boundaries but exempt from general real estate taxes under Wisconsin Statutes section 70.11 may not be specially assessed by the District but will be asked to make a financial contribution to the District on a voluntary basis. Funds collected in this manner in any given year may be used in any manner deemed appropriate by the Board. In addition, consistent with Wisconsin Statutes section 66.1109(1)(b), those tax exempt properties within the original or amended boundaries of the District which later become taxable shall automatically become included within the

District and subject to assessment under any current operating plan without necessity to undertake any other act.

## V. PROMOTION OF ORDERLY DEVELOPMENT OF THE CITY

## A. Enhanced Safety and Cleanliness

Under Wisconsin Statutes section 66.1109(1)(f)(4), this Operating Plan is required to specify how the creation of the District promotes the orderly development of the City. The District will enhance the safety and cleanliness of Downtown and, consequently, encourage commerce in the City. Increased business activity in the City will increase sales tax revenues and property tax base.

## B. City Role in District Operation

The City has committed to assisting owners and occupants in the District to promote its objectives. To this end, the City has played a significant role in creation of the District and in the implementation of this Operating Plan. In furtherance of its commitment, the City shall:

1. Perform its obligations and covenants under the Cooperation Agreement.
2. Provide technical assistance to the District in the adoption of this and subsequent operating plans and provide such other assistance as may be appropriate.
3. Collect assessments, maintain the same in a segregated account and disburse monies to the Board.
4. Receive annual audits as required per Wisconsin Statutes section 66.1109(3)(c).
5. Provide the Board, through the Office of Assessment, on or before July 1 of each year, and periodically update, with the official City records on the assessed value of each tax key number within the District as of January 1 of each year for purposes of calculating the District assessments.
6. Promptly appoint and confirm members to the Board, consistent with this Operating Plan.

## VI. PLAN APPROVAL PROCESS

## A. Public Review Process

The BID statute establishes a specific process for reviewing and approving operating plans. Pursuant to the statutory requirements, the following process will be followed:

1. The District shall submit its proposed Operating Plan to the Department of City Development.
2. The Community and Economic Development Committee of the Common Council will review the proposed Operating Plan at a public meeting and will make a recommendation to the full Common Council.
3. The Common Council will act on the proposed Operating Plan.
4. If adopted by the Common Council, the proposed Operating Plan is sent to the Mayor for his approval.
5. If approved by the Mayor, this Year Twenty-Fifth Operating Plan for the District is approved and the Mayor will appoint, in accordance with Article III.D., new members to the Board to replace Board members whose terms have expired or who have resigned.

## VII. FUTURE YEAR OPERATING PLANS

## A. Changes

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

Wisconsin Statutes section $66.1109(3)(b)$ 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 proposed activities, information on specific assessed values, budget amounts and assessment amounts are based solely upon current conditions. Greater detail about subsequent years' 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 Operating Plan and the BID statute.

In later years, the District 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 approval of a $3 / 4$ majority of the entire District Board and consent of the City of Milwaukee. In addition, if any year's annual aggregate assessment to property owners exceeds the prior year's annual aggregate assessment by $6 \%$ or more, such increased assessment must be approved by the owners of property assessed by the District having a property tax assessed valuation equal to at least $3 / 4$ of the aggregate property tax assessed valuation of all property assessed by the District. Further, as set forth in Article III.C. above, a $2 / 3$ majority of the entire District Board must approve increases in the District operating budget exceeding $4 \%$ of the prior year's budget and capital improvement expenditures of over $\$ 15,000$ in any one instance or of $\$ 40,000$ in the aggregate in any one year.

## B. Early Termination of the District

The City shall consider terminating the District 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 District. 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 District 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 District shall be sent by certified mail to all owners of real property within the District.

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 District or, if the owner did not sign the petition, that the owner requests termination of the District.

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 District, the City shall terminate the District on the date that the obligation with the latest completion date entered into to implement the Operating Plan expires.

## C. Amendment, Severability and Expansion

This District has been created under authority of Wisconsin Statutes section 66.1109. Except as set forth in the next sentence, should any court find any portion of this statute invalid or unconstitutional its decision will not invalidate or terminate the District and this Operating Plan shall be amended to conform to the law without need of re-establishment. Should any court find invalid or unconstitutional the organization of the entire District Board, any requirement for a $2 / 3$ or $3 / 4$ majority vote of the District Board, the budgeting process or the automatic termination provision of this or any subsequent Operating Plan, the District shall automatically terminate and this Operating Plan shall be of no further force and effect.

Should the legislature amend the statute to narrow or broaden the definition of a BID so as to exclude or include as assessable properties a certain class or classes of properties, then this Operating Plan may be amended by a $2 / 3$ majority of the entire District Board and a majority of the Common Council of the City of Milwaukee as and when they conduct their annual Operating Plan approval and without necessity to undertake any other act. This is specifically authorized under section $66.1109(3)(b)$.

## D. Automatic Termination Unless Affirmatively Extended.

The District Board shall not incur obligations extending beyond twenty-five years from the date on which the District was created. At the end of the twenty-fifth year of the District's existence, the District Board shall prepare an operating plan for the twenty-sixth year that contemplates termination of the District at the commencement of the twenty-sixth year as set forth in Wisconsin Statutes section $66.1109(3)(b)$, unless the owners of property assessed by the District having a valuation equal to $60 \%$ of the valuation of all property assessed by the District affirmatively vote to continue the District.

In addition, the Board may elect by majority vote to terminate the District if the City is in default of any obligation or covenant of the City set forth in the Cooperation Agreement. In such event, the District shall terminate as set forth in Wisconsin Statutes section 66.1109(4m).

## APPENDIX A

## Wisconsin Statutes section

Updated 2017-18 Wis. Stats. Published and certified under s. 35.18. August 1, 2020.
(b) Designation by the planning commission of the boundaries of a reinvestment neighborhood or area recommended by it to be designated and submission of the recommendation to the local legislative body.
(c) Adoption by the local legislative body of a resolution which:

1. Describes the boundaries of a reinvestment neighborhood or area with sufficient definiteness to identify with ordinary and reasonable certainty the territory included in the neighborhood or area. The boundaries may, but need not, be the same as those recommended by the planning commission.
2. Designates the reinvestment neighborhood or area as of a date provided in the resolution.
3. Contains findings that the area to be designated constitutes a reinvestment neighborhood or area.
History: 1977 c. $418 ; 1979$ c. 361 s. 112; 1985 a. 29 s. 3200 (14); 1999 a. 150 s. 479; Stats. 1999 s. $66.1107 ; 2001$ a. 104.

### 66.1108 Limitation on weekend work. (1) DEFINITIONS

 In this section:(a) "Construction project" means a project involving the erection, construction, repair, remodeling, or demolition, including any alteration, painting, decorating, or grading, of a private facility, including land, a building, or other infrastructure that is directly related to onsite work of a residential or commercial real estate development project.
(b) "Political subdivision" means a city, village, town, or county.
(2) CONSTRUCTION PROJECTS; WEEKEND WORK. (a) A political subdivision may not prohibit a private person from working on the job site of a construction project on a Saturday. A political subdivision may not impose conditions that apply to a private person who works on a construction project on a Saturday that are inapplicable to, or more restrictive than the conditions that apply to, such a person who works on a construction project during weekdays.
(b) If a political subdivision has enacted an ordinance or adopted a resolution before April 5, 2018, that is inconsistent with par. (a), that portion of the ordinance or resolution does not apply and may not be enforced.
History: 2017 a. 243.
66.1109 Business improvement districts. (1) In this section:
(a) "Board" means a business improvement district board appointed under sub. (3) (a).
(b) "Business improvement district" means an area within a municipality consisting of contiguous parcels and may include railroad rights-of-way, rivers, or highways continuously bounded by the parcels on at least one side, and shall include parcels that are contiguous to the district but that were not included in the original or amended boundaries of the district because the parcels were tax-exempt when the boundaries were determined and such parcels became taxable after the original or amended boundaries of the district were determined.
(c) "Chief executive officer" means a mayor, city manager, village president or town chairperson.
(d) "Local legislative body" means a common council, village board of trustees or town board of supervisors.
(e) "Municipality" means a city, village or town.
(f) "Operating plan" means a plan adopted or amended under this section for the development, redevelopment, maintenance, operation and promotion of a business improvement district, including all of the following:

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

1 m . Whether real property used exclusively for manufacturing purposes will be specially assessed.
2. The kind, number and location of all proposed expenditures within the business improvement district.
3. A description of the methods of financing all estimated expenditures and the time when related costs will be incurred.
4. A description of how the creation of the business improvement district promotes the orderly development of the municipality, including its relationship to any municipal master plan.
5. A legal opinion that subds. 1. to 4 . have been complied with.
(g) "Planning commission" means a plan commission under s. 62.23 , or if none a board of public land commissioners, or if none a planning committee of the local legislative body.
(2) A municipality may create a business improvement district and adopt its operating plan if all of the following are met:
(a) An owner of real property used for commercial purposes and located in the proposed business improvement district designated under par. (b) has petitioned the municipality for creation of a business improvement district.
(b) The planning commission has designated a proposed business improvement district and adopted its proposed initial operating plan.
(c) At least 30 days before creation of the business improvement district and adoption of its initial operating plan by the municipality, the planning commission has held a public hearing on its proposed business improvement district and initial operating plan. Notice of the hearing shall be published as a class 2 notice under ch. 985. Before publication, a copy of the notice together with a copy of the proposed initial operating plan and a copy of a detail map showing the boundaries of the proposed business improvement district shall be sent by certified mail to all owners of real property within the proposed business improvement district. The notice shall state the boundaries of the proposed business improvement district and shall indicate that copies of the proposed initial operating plan are available from the planning commission on request.
(d) Within 30 days after the hearing under par. (c), the owners of property to be assessed under the proposed initial operating plan having a valuation equal to more than 40 percent of the valuation of all property to be assessed under the proposed initial operating plan, using the method of valuation specified in the proposed initial operating plan, or the owners of property to be assessed under the proposed initial operating plan having an assessed valuation equal to more than 40 percent of the assessed valuation of all property to be assessed under the proposed initial operating plan, have not filed a petition with the planning commission protesting the proposed business improvement district or its proposed initial operating plan.
(e) The local legislative body has voted to adopt the proposed initial operating plan for the municipality.
(2m) A municipality may annex territory to an existing business improvement district if all of the following are met:
(a) An owner of real property used for commercial purposes and located in the territory proposed to be annexed has petitioned the municipality for annexation.
(b) The planning commission has approved the annexation.
(c) At least 30 days before annexation of the territory, the planning commission has held a public hearing on the proposed annexation. Notice of the hearing shall be published as a class 2 notice under ch. 985. Before publication, a copy of the notice together with a copy of a detail map showing the boundaries of the territory proposed to be annexed to the business improvement district shall be sent by certified mail to all owners of real property within the territory proposed to be annexed. The notice shall state the boundaries of the territory proposed to be annexed.
(d) Within 30 days after the hearing under par. (c), the owners of property in the territory to be annexed that would be assessed under the operating plan having a valuation equal to more than 40 percent of the valuation of all property in the territory to be
annexed that would be assessed under the operating plan, using the method of valuation specified in the operating plan, or the owners of property in the territory to be annexed that would be assessed under the operating plan having an assessed valuation equal to more than 40 percent of the assessed valuation of all property in the territory to be annexed that would be assessed under the operating plan, have not filed a petition with the planning commission protesting the annexation.
(3) (a) The chief executive officer shall appoint members to a business improvement district board to implement the operating plan. Board members shall be confirmed by the local legislative body and shall serve staggered terms designated by the local legislative body. The board shall have at least 5 members. A majority of board members shall own or occupy real property in the business improvement district.
(b) The board shall annually consider and may make changes to the operating plan, which may include termination of the plan, for its business improvement district. The board shall then submit the operating plan to the local legislative body for its approval. If the local legislative body disapproves the operating plan, the board shall consider and may make changes to the operating plan and may continue to resubmit the operating plan until local legislative body approval is obtained. Any change to the special assessment method applicable to the business improvement district shall be approved by the local legislative body.
(c) The board shall prepare and make available to the public annual reports describing the current status of the business improvement district, including expenditures and revenues. The report shall include one of the following:

1. If the cash balance in the segregated account described under sub. (4) equaled or exceeded $\$ 300,000$ at any time during the period covered by the report, the municipality shall obtain an independent certified audit of the implementation of the operating plan.
2. If the cash balance in the segregated account described under sub. (4) was less than $\$ 300,000$ at all times during the period covered by the report, the municipality shall obtain a reviewed financial statement for the most recently completed fiscal year. The statement shall be prepared in accordance with generally accepted accounting principles and include a review of the financial statement by an independent certified public accountant.
(cg) For calendar years beginning after December 31, 2018, the dollar amount at which a municipality is required to obtain an independent certified audit under par. (c) 1. and the dollar amount at which a municipality is required to obtain a reviewed financial statement under par. (c) 2 . shall be increased each year by a percentage equal to the percentage change between the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August of the previous year and the U.S. consumer price index for all urban consumers, U.S. city average, for the month of August 2017, as determined by the federal department of labor. Each amount that is revised under this paragraph shall be rounded to the nearest multiple of $\$ 10$ if the revised amount is not a multiple of $\$ 10$ or, if the revised amount is a multiple of $\$ 5$, such an amount shall be increased to the next higher multiple of $\$ 10$.
(cr) The municipality shall obtain an additional independent certified audit of the implementation of the operating plan upon termination of the business improvement district.
(d) Either the board or the municipality, as specified in the operating plan as adopted, or amended and approved under this section, has all powers necessary or convenient to implement the operating plan, including the power to contract.
(4) All special assessments received from a business improvement district and all other appropriations by the municipality or other moneys received for the benefit of the business improvement district shall be placed in a segregated account in the municipal treasury. No disbursements from the account may be made except to reimburse the municipality for appropriations other than
special assessments, to pay the costs of audits and reviewed financial statements required under sub. (3) (c), or on order of the board for the purpose of implementing the operating plan. On termination of the business improvement district by the municipality, all moneys collected by special assessment remaining in the account shall be disbursed to the owners of specially assessed property in the business improvement district, in the same proportion as the last collected special assessment.
( 4 g ) 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).
( 4 m ) 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

2017-18 Wisconsin Statutes updated through 2019 Wis. Act 186 and through all Supreme Court and Controlled Substances Board Orders filed before and in effect on August 1, 2020. Published and certified under s. 35.18. Changes effective after August 1, 2020, are designated by NOTES. (Published 8-1-20)
under s. 70.11 may not be specially assessed for purposes of this section.
(b) A municipality may terminate a business improvement district at any time.
(c) This section does not limit the power of a municipality under other law to regulate the use of or specially assess real property.
(d) If real property that is specially assessed as authorized under this section is of mixed use such that part of the real property is exempted from general property taxes under s. 70.11 or is residential, or both, and part of the real property is taxable, the municipality may specially assess as authorized under this section only the percentage of the real property that is not tax-exempt or residential. This paragraph applies only to a 1st class city.

History: 1983 a. 184; 1989 a. 56 s. 258; 1999 a. 150 s. 539 ; Stats. 1999 s. $66.1109 ;$ 2001 a. 85 ; 2017 a. $59,70,189$.
66.1110 Neighborhood improvement districts. (1) In this section:
(a) "Board" means a neighborhood improvement district board elected under sub. (4) (a).
(b) "Chief executive officer" means a mayor, city manager, village president, or town chairperson.
(c) "Local legislative body" means a common council, village board of trustees, or town board of supervisors.
(d) "Municipality" means a city, village, or town.
(e) "Neighborhood improvement district" means an area within a municipality consisting of nearby but not necessarily contiguous parcels, at least some of which are used for residential purposes and are subject to general real estate taxes, and property that is acquired and owned by the board if the local legislative body approved acquisition of the property under sub. (4) (d) as part of its approval of the initial operating plan under sub. (3) (e).
(f) "Operating plan" means a plan adopted or amended under this section for the development, redevelopment, maintenance, operation, and promotion of a neighborhood improvement district.
(g) "Owner" means the owner of real property that is located within the boundaries, or the proposed boundaries, of a neighborhood improvement district.
(h) "Planning commission" means a plan commission under s. 62.23 or, if none exists, a board of public land commissioners or, if none exists, a planning committee of the local legislative body.
(2) An operating plan shall include at least all of the following elements:
(a) The special assessment method applicable to the neighborhood improvement district.
(b) The kind, number, and location of all proposed expenditures within the neighborhood improvement district.
(c) A description of the methods of financing all estimated expenditures and the time when related costs will be incurred.
(d) A description of how the creation of the neighborhood improvement district promotes the orderly development of the municipality, including its relationship to any municipal master plan
(e) A statement as to whether the local legislative body authorizes the board to own real property and, if so, a description of the real property to be owned, the purpose of the ownership, and a statement of to whom the real property will be transferred if the neighborhood improvement district is terminated.
(f) A legal opinion that pars. (a) to (e) have been complied with.
(3) A municipality may create a neighborhood improvement district and adopt its operating plan if all of the following conditions are met:
(a) An owner of real property subject to general real estate taxes and located in the proposed neighborhood improvement dis-
trict designated under par. (b) has petitioned the municipality for creation of a neighborhood improvement district.
(b) The planning commission has designated a proposed neighborhood improvement district and adopted its proposed initial operating plan.
(c) At least 30 days before creation of the neighborhood improvement district and adoption of its initial operating plan by the municipality, the planning commission has held a public hearing on its proposed neighborhood 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 neighborhood improvement district, shall be sent by certified mail to all owners of real property within the proposed neighborhood improvement district. The notice shall state the boundaries of the proposed neighborhood 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), one of the following has not filed a petition with the planning commission protesting the proposed neighborhood improvement district or its proposed initial operating plan:

1. 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.
2. 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.
(e) The local legislative body has voted to adopt the proposed initial operating plan for the neighborhood improvement district. The local legislative body shall publish a class 2 notice under ch 985 regarding the meeting at which the local legislative body will vote on whether to adopt the proposed initial operating plan for the neighborhood improvement district. Before publication, a copy of the notice shall be sent by certified mail to all owners of real property within the proposed neighborhood improvement district.
(4) (a) 1. If the local legislative body adopts the proposed initial operating plan under sub. (3) (e), it shall determine the size of board, which shall consist of at least 5 members, all of whom shall own or occupy real property in the neighborhood improvement district.
3. The number of board members who represent commercial and residential property, respectively, shall be set by the local legislative body, as closely as possible, in the same proportion as is the aggregate valuation of commercial property in the neighborhood improvement district to the total assessed value of all property in the district, and the aggregate valuation of residential property in the district to the total assessed value of all property in the district.
4. The local legislative body shall set the time and place for a meeting at which members of the board will be elected, and shall publish a class 2 notice under ch. 985 that contains this information. The notice shall specify that all individuals who either own or occupy real property within the neighborhood improvement district are eligible to serve on the board and vote at the election.
5. At the meeting, the individuals who own or occupy real property shall be divided into 2 groups. One group shall consist of those individuals who own or occupy commercial property, and one group shall consist of those individuals who own or occupy residential property. Each group shall elect from among its members the number of board members set to represent its group by the local legislative body under subd. 2.
6. Board members elected under subd. 4. shall serve a one year term, and may be reelected. Annually, the number of board members who represent commercial and residential properties,

## APPENDIX B

## BID NO. 21: MILWAUKEE DOWNTOWN CITY OF MILWAUKEE

Prepared by the Dept. of City Development Planning Division, 8/12/2020 Source: City of Milwaukee Information Technology Management Division;


## APPENDIX C

Narrative listing of properties







# BUSINESS IMPROVEMENT DISTRICT \#21 

CLEAN*SAFE*FRIENDLY 2022 BUDGET

## INCOME

2022 BID \#21 Assessments
(Based on a mill rate of $\$ 1.54$ per $\$ 1,000$ of assessed value)

Additional Income
$\$ \quad 79,000$
TOTAL INCOME

EXPENSES
Clean Sweep Ambassador Program
Sidewalk Cleaning
Landscaping Graffiti Removal

Public Service Ambassador Program
Administrative

Economic Development/Marketing/Business
Retention/Recruitment
TOTAL EXPENSES
\$ 1,804,371 (42\% of total)
\$ 4,249,000
APPENDIX E

Section III(A)
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Section III(B)
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Section III(B)(1)
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Section III(C)
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Section III(D)(2)
(Page 11)
Section VII(D)
(Page 20)
Appendix D

- Highlighted Brighten the Passage, Frame the Square and public art as new catalytic projects.
- Updated staff titles and "MKE It Back" activities.
- Added homelessness outreach PSA position.
- Updated budget and assessment information.
- Updated $1^{\text {st }}-9^{\text {th }}$ largest office buildings to determine board categories.
- Note sunset must be extended next year (2022).
- Updated budget (mill rate projected at $\$ 1.54$ per $\$ 1,000$ ).




## MESSAGE FROM CEO + BOARD CHAIR

There's no doubt that the past 12 months have been unlike any period in recent history.
The unprecedented challenges facing individuals and businesses here (and around the globe) required a response that embodied the resilient spirit of our city and demonstrated that Milwaukee Downtown, BID \#21 remains a driving force behind the continued success of our community.
Ensuring positive perceptions of Downtown Milwaukee became more critical during a pandemic. Reinforcing messages of cleanliness, safety and friendliness were paramount in supporting a thriving environment.
Our rapid COVID-19 response included a variety of initiatives to reinforce those messages, including peer-city collaborations and discussions on best practices with cities around the globe, a reallocation of resources to support an "Active Streets" program and shifting of resources from in-person events to support local bars, restaurants and retailers through virtual programs and social media campaigns.
The development of COVID-19 webpages and implementation of safety and sanitation protocols, including ambassador deployment and installation of hand sanitizer stations and code of conduct signage were highly visible components of our efforts.
We quickly altered the messaging of our Downtown branding campaign to encourage people to "MKE It Back" Downtown and we are conducting ongoing consumer, business and employer research to help us develop innovative approaches to keep our Downtown constituency engaged.

The disintegration of the Democratic National Convention was both disheartening and financially devastating for many of our stakeholders, but we put our best face forward. Due to the lockdown and inability to bring together large groups of people, we needed to get creative and thus, virtual, with much of our event programming - including virtual Tunes@Noon and Downtown Employee Appreciation Week, adding Comeback Cuisine, and creating an interactive public art map.
Our public art initiatives and activations this past year were remarkable, including a new "I Love Downtown" event, digital screens, and multiple lighting and mural projects across the BID all designed to enhance the warmth, look and excitement of just being Downtown and having some type of community connectivity.

Our economic enhancement initiatives were critical, including the successful support of the "Active Streets" and "Brighten the Passage" projects, and providing direction to businesses navigating through a tangled web of COVID-19 information from multiple sources.
Thank you to our stakeholders, partners and cheerleaders for your unwavering support through these challenging times. Your resilience and enthusiasm for Downtown inspires us to keep moving forward!
Working together, we'll all MKE IT BACK safely in 2021.


Beth Weirick
CEO
Milwaukee Downtown, BID \#21


## Joseph G. Ullrich

CHAIR
U.S. Bank

## CORE PROGRAMS

## PUBLIC SERVICE AMBASSADORS

Milwaukee Downtown's team of Public Service Ambassadors (PSAs) contributes to the authentic hospitality our city is so well known for. The PSAs provide daily guest assistance and work closely with property owners and managers throughout the Downtown community.
Managed by Block by Block for the second year, we deployed 18 ambassadors in rotation, with staggered start times - to dovetail with visitor density.
Remaining nimble and assuming some new roles, the PSAs collected 14,460+ gallons of litter between March and August, and were a critical component in the activation of our COVID-19 response, providing daily disinfection of high-touch surfaces at Cathedral Square Park, Zeidler Union Square and Pere Marquette Park (cleaned over 1,100 times since summer). They also assisted with the set up of "Active Streets" and managed distribution, placement and daily upkeep of COVID-19 posters and hand sanitizing stations throughout Downtown.

Our PSAs also continued to serve as an extra set of eyes and ears for Milwaukee's police and fire departments and were in regular communication with the Downtown Security Network.

Last, but not least, we hired a dedicated full-time Homeless Outreach PSA to support our Downtown Homeless Outreach Coordinator.



## CLEAN SWEEP AMBASSADORS

Sidewalks continued to shine thanks to our Clean Sweep Ambassadors (CSAs). Cleanliness continues to be the hallmark of our district - no litter, no cigarette butts and certainly no gooey gum.
Managed by Modern Maintenance, the CSAs removed more than 301,050 gallons of trash while also providing daily disinfection of high-touch surfaces and maintaining sanitation stations throughout the BID. In addition, the CSAs wrapped picnic tables in vinyl and cleaned them regularly to provide sanitary seating for guests in Cathedral Square Park, Zeidler Union Square and Pere Marquette Park.
The CSAs also played a critical role in implementing the Milwaukee Holiday Lights Festival by installing and maintaining 500,000+ lights throughout Downtown.

## GRAFFITI REMOVAL TEAM

Like it was never even there... Milwaukee Downtown's Graffiti Removal Team responds rapidly to notifications of graffiti within 24 hours to be exact. In 2020, the team wiped away more than 624 graffiti tags and stickers, which brought our cumulative total to 23,016 tags since 2000 . While some eradication efforts require more extensive methods, $99 \%$ of all tags are removed by Public Service Ambassadors.


LANDSCAPE CREW
Making pedestrian pathways burst with seasonal flowers and foliage, the Landscape Crew lovingly maintained 377 beds and planters, and 75+ hanging baskets in targeted corridors on Wisconsin Avenue, the RiverWalk, Old World Third Street and the Court of Honor. Featuring spring, summer, fall and holiday arrangements, plus a special red, white and blue motif for the DNC, the Landscape Crew also assisted with plantings for the "Active Streets" program and transformed Postman Square with a new stone seat wall, old-world brick pavers, dog-friendly turf, electricity and aesthetic lighting.

## KEY TO CHANGE

Our partnership with Milwaukee County Housing Division addressing homelessness and public nuisance behaviors with Housing First has placed 2,300+ homeless Milwaukeeans into permanent supportive housing since 2015, including 469 placements between September 2019 and August 2020, with a 96\% retention rate.
Milwaukee Downtown's Key to Change public information campaign has successfully raised awareness of social service programs and supported Housing First, utilizing seven retrofitted parking meters designed to resemble keys and an online donation platform (keytochangemke.com). Over the last year, more than $\$ 80,000$ was raised for year-one funding of our Downtown Homeless Outreach Coordinator, including \$12,100+ in donations made through the Key to Change online platform.
The Downtown Homeless Outreach Coordinator serves as a liaison for Housing First placements and oversees wraparound services, which range from rehabilitation and counseling to job training and placement. Other responsibilities include identifying and building rapport with homeless individuals living on the streets, intervening in crisis situations and more. Fundraising continues to bring resources and support to this position.


## SPECIAL EVENTS



TASTE \& TOAST
Pre-COVID, Taste \& Toast, a first-quarter happy hour event designed to lure Milwaukeeans out of winter hibernation, continued to mix up weekday nights. This year, a total of 27 bars and restaurants

participated - each customizing their own menu and pricing. Customer feedback told us that $46 \%$ of all diners neither lived nor worked Downtown and a whopping 85\% rated food, beverages, service and environment as "excellent" or "good." Estimated attendance over the five-day promotion was 6,712 diners.


COMEBACK CUISINE
In an effort to support restaurants and our Downtown workforce, we developed the "Comeback Cuisine" promotion in partnership with Colliers. We engaged 18 restaurants to offer box lunch options

$$
\|_{\substack{\text { comeback } \\ \text { cuisine }}}
$$

for companies phasing staff back into the office over the summer months. By September 2020, 627 lunches had been purchased/pledged year-todate and at the request of participating restaurants, the promotion was extended to continue to engage returning workers.


DOWNTOWN EMPLOYEE APPRECIATION WEEK
In light of the pandemic, Downtown Employee
Appreciation Week featured virtual and distanced activities in mid-September to celebrate the Downtown workforce,

working both onsite and remotely. We offered a myriad of virtual programming, including virtual morning meditations, virtual "I Work Downtown" trivia, virtual painting lessons, virtual workout sessions and more! Virtual events earned over 10,000 video views.


PNC PRESENTS VIRTUAL TUNES@NOON
This popular event returned virtually via Facebook Live in July, supporting the hardhit local music industry. We streamed 10 concerts between July 2 and Sept. 17.


With increased sponsorship support from PNC, we fulfilled all 2020 musician contracts, while encouraging donations to musicians' virtual tip jars. The series garnered 10,000+ video views and reached 45,000+ virtually.

## MILWAUKEE HOLIDAY LIGHTS FESTIVAL

For 22 seasons, the Milwaukee Holiday Lights Festival has made spiritss bright with its animated sculptures, interactive displays and twinkling street décor. Even amid a pandemic, the festive backdrop continued to deliver oohs and aahs in a safe and "snowcially-distanced" environment.
One of our major pivots was transforming our in-person Kickoff Extravaganza into a pre-recorded 200-drone show that aired on WISN 12 alongside a highlights reel of past on-stage performances. The 15 -minute drone show garnered over 1.5 million views on social media platforms, shining a light on Milwaukee's beautiful lakefront for the entire world to see.

The festival's Jingle Bus service was also retooled. With the help of iHeart Radio, the tour was made into a podcast with five episodes available in both English and Spanish, which had over 2,500 downloads. Families enjoying the sights could also pick up a Jingle Joy treat bag, new in 2020, courtesy of Milwaukee Food \& City Tours on select nights in December.

Meanwhile, over 1,900 boys and girls in our community received a personalized letter from Santa, thanks to our North Pole connection at Cathedral Square - Santa's Mailbox. Festival goers even got a socially-distanced glimpse of Santa Claus aboard the Historic Third Ward fire truck on select nights.

## MARKETING

## SOCIAL MEDIA

In 2020, followers across Facebook, Twitter and Instagram grew by nearly $5 \%$, pushing us beyond 118,000 fans. Most notably, Instagram followers rose by $27 \%$. Our "MKE My Day" weekly photo contest garnered 380+ entries and a Gift Card Stimulus giveaway in partnership with the Downtown Neighbors Association in March generated 360 entries and 90,000+ impressions.
Our "MKE A Difference" campaign in April/May highlighted health and wellness, retail options and frontline heroes and gave away nearly $\$ 6,000$ in gift cards and generated 400+ entries across all social platforms as part of our Random Acts of Kindness campaign. Influencer partnerships continued with Milwaukee Mom and Estamos Unidos.


COVID-19 SURVEYS
To gauge consumer perceptions of safety and changing habits amid the pandemic, we released monthly polls via Instagram and email between May and August. We received 4,249 total responses reporting on top-priority safety measures, comfort with restaurants and bars, level of concern about the pandemic, retail habits, seasonal adaptations and more. We shared that data with Downtown businesses and used it to support Milwaukee Downtown's safety implementations, such as public sanitation stations, outdoor seating and signage.

## PUBLIC RELATIONS

Whether it was planning COVID-19 action steps, chatting about virtual Downtown events or raising awareness of Milwaukee Downtown's core programs, public relations continues to play a key role in shaping perceptions of Downtown Milwaukee.

In the last year, news about Milwaukee Downtown's projects and programs garnered 20.7 million impressions and $\$ 1.5$ million in earned media value.


## WEBSITE

Milwaukee Downtown's website has been an invaluable asset to visitors, as well as the business community, never more so than over the past year. A dedicated section to COVID-19 efforts has garnered significant traffic, while an ever-changing list of blogs geared toward places to visit and things to do coupled with a daily calendar of events powered by Milwaukee365.com has provided guests with a range of itinerary suggestions. Our "Get Around" section and interactive mapping pages allow businesses to shop available spaces and assess opportunity zones.

In the last year, the site welcomed over 130,500 users, $62 \%$ being female with $26.6 \%$ between the ages $25-34$ and $17.7 \%$ between the ages $35-44$. The blog page garnered $33,000+$ views. We also implemented an accessibility widget to provide information for differently abled visitors.

## PUBLIC ART MAP

When activities and programs transitioned digitally, so did Milwaukee's largest collection of free, accessible outdoor public art. A total of $145+$ murals, monuments and sculptures are featured on a new, interactive map that users can filter by category: murals, monuments, sculptures, Sculpture Milwaukee and RiverSculpture!, as well as by neighborhood: East Town, Westown, Walker's Point, Historic Third Ward and Lower East Side. There have been 6,200+ pageviews since March and $10,000+$ photo views of Milwaukee Downtown murals on Google Maps.

## MKE IT BACK CAMPAIGN

In light of the pandemic, Milwaukee Downtown decided to launch a new "MKE It Back" multimedia campaign targeting Southeast Wisconsin starting in late-July and running through mid-October. The campaign featured :15 and :30 radio and TV spots, and print, digital and outdoor ads across the Milwaukee market. In conjunction with those ads, Milwaukee Downtown collaborated with Imagine MKE and 88Nine on the "Milwaukee Strong" song/music video. Since July 27, the TV spots have had $48,000+$ views on YouTube, reached $52,800+$ people on Facebook and prompted over 1,000 engagements.

## NEIGHBORHOOD COLLABORATION

With support from the City of Milwaukee and CARES Act funding, Milwaukee Downtown, BID \#21 spearheaded a "MKE It Local" campaign just before the holidays. The campaign called attention to restaurants, bars and shops in 12 neardowntown neighborhoods. A website was developed with over 600 business listings categorized by neighborhood and operational status. Meanwhile, ad dollars boosted messages across print, broadcast, digital and out-of-home channels. In addition, $\$ 10,000$ in gift cards were purchased from local businesses and distributed to elevate awareness of Milwaukee's local gems.


## ECONOMIC DEVELOPMENT

## MARKET ANALYSIS

Keeping stakeholders and prospects informed on incentives, market research and growth opportunities is a primary objective of Milwaukee Downtown.
Last year, we engaged with developers and industry leaders to unofficially update Downtown's employee and resident populations:

- Estimate is 90,700+ employees, a $12.1 \%$ increase since 2010
- $30.6 \%$ of all jobs within the City of Milwaukee $(296,721)$ are located within Downtown
- Downtown residents now number 32,000+, a $26.5 \%$ increase since 2010
- Greater Downtown area makes up $3.5 \%$ of the City's landmass, yet produces $22.1 \%$ of the City's total property tax base
- Over $\$ 6.5$ billion has been invested in completed or is expected in under-construction and proposed private and public development projects during a decade of unprecedented growth



## BUSINESS RECRUITMENT WINS

We actively monitor development trends to implement new incentive programs. One new tool is the Opportunity Zone program, which provides federal tax incentives to encourage investors to put their capital to work in Qualified Census Tracts (QCTs). With several Opportunity Zone sites shovel-ready, we developed a marketing kit highlighting the possibilities.
City grants, Kiva Zip loans, PACE financing and our Business Development Loan Pool (BDLP) have also continued to be economic generators. Since inception, \$190,000 of BDLP funds have helped leverage more than $\$ 7.4$ million in private investment, which includes projects like Canary Coffee Bar where we provided site selection assistance, a BDLP loan and connection to City programs to assist in financing the space build-out. Other wins included Tupelo Honey, where we assisted in a downtown sales pitch to ensure a site selection within BID \#21; aiding HUB501 in their search for a local investor; and assisting Central Standard Distillery with a BDLP loan to support $\$ 4.4$ million in redevelopment and foster a connection with the City to assist with white-box grants.

## COVID-19 ECONOMIC

 RESOURCES WEBPAGEIn response to an avalanche of information spread across multiple platforms from various agencies, we developed an online COVID-19 economic resources page to serve as the go-to-resource for local, state and federal economic support programs. This page provided information on PPP, Milwaukee Restart Grants, We're All In Grants and more. The pages received over 8,300 views since March.

## COVID-19 EMPLOYEE RE-ENTRY SURVEY

At the request of stakeholders, we developed and disseminated a survey in June and October of 2020 and again in April of 2021 to assess employers' plans for resuming operations and bringing employees back Downtown.

In the latest survey, we targeted a sample of Downtown's office building managers and employers. Respondents represented an estimated 17,000 employees or nearly 19\% of Downtown's estimated 90,700+ workforce.
As of May 1, 2021, an estimated 26.9\% of Downtown's employee base has returned to the office with those numbers projected to increase as the year progresses.
Milwaukee Downtown will continue to monitor re-entry trends into 2021.

## ACTIVE STREETS

In response to public sentiment about indoor gatherings as well as mandated capacity limits, we advocated for expanded outdoor seating options for Downtown businesses. We partnered with TKWA UrbanLab to develop a model focused on Old World Third Street and, to date, more than a dozen expanded parklets have been implemented. As a result of our continued advocacy for this business recovery solution, the pilot program has been extended through 2021.

## BRIGHTEN THE PASSAGE

Connecting the central business district to the Historic Third Ward, the Broadway and Water Street corridors under the I-794 freeway were transformed with new large-scale artwork, over 75 aesthetic light fixtures and improved streetscaping. All part of the Brighten the Passage initiative, the multifaceted project was aimed at improving the connectivity between two neighborhoods severed from one another by a freeway structure.
The lighting component, designed by Ring \& DuChateau, installed by Lemberg and programmed by Main - Stage, can now be viewed nightly.


Taking a leadership position on catalytic projects is one of our top priorities.
Milwaukee Downtown advocates for small businesses, Bus Rapid Transit, bike lanes, the revitalization of Pompeii Square and the Broadway connection, expansion of The Hop streetcar line, and bringing new businesses and investors to the central business district.

Throughout the COVID-19 pandemic, our economic development staff participated in several panel discussions continuing to highlight Downtown's value proposition and competitive advantages relative to peer markets. We're an active member of the NAIOP Public Policy Committee. We assisted WEDC in coordinating the "We're All In" event and serve as a regular resource for media outlets on Downtown developments and best practice research in pres- and post? COVID environments!


## PROJECTS ADVANCING

There are a variety of projects advancing that will add significant quality of life improvements across the BID and beyond. We are advancing Downtown's first dog recreation area with tentative implementation scheduled for Summer/Fall 2021. Design is underway on the $\$ 1.85$ million "Frame the Square" beautification effort for Cathedral Square Park. It includes new sidewalks, trees and landscaping, benches, trash receptacles and other pedestrian-friendly elements and is targeted to start in Spring 2021. Finally, Historic Third Ward Association, BID \#2 and Milwaukee Downtown are working together to improve the larger Pompeii Square area with landscaping, stone seat walls and new lighting among the enhancements.


## PLACEMAKING PROJECTS

## WAYFINDING

( WilWaukee Street
Milwaukee Downtown worked with VISIT Milwaukee, Corbin Design, Poblocki Sign Company and the City of Milwaukee to update Downtown's existing wayfinding system. The design integrates the authenticity of Milwaukee, including a header inspired by the iconic Milwaukee Public Market marquee; exposed rivets and steel frame structure, a nod to our city's manufacturing industries; and a red ribbon which reflects Pabst Blue Ribbon or the Wisconsin State Fair. The project encompassed providing retrofit solutions for 20 existing vehicular signs and eight information kiosks 1 IH on Wisconsin Avenue; and installing 40 pedestrian trailblazing signs ( 20 in East Town and 20 in Westown) with walk times.

## "KINDRED" MURAL

This 92 -foot-long by 15 -foot-tall mural was implemented in partnership with The Avenue on the 2nd Street skywalk. The Downtown Placemaking Task Force commissioned Wisconsin artist Jaime Brown, with assistance from Karim Jabbari, to create the mural. Completed in July 2020, it features 11 colors in a design inspired by a Native American quilt, telling a story of Milwaukee's past, present and future, including settlement, role in the Industrial Age and elements of the People's Flag of Milwaukee.

## "HEART \& SOL" MURAL

We worked with Community Advocates to secure a City of Milwaukee Community Improvement Project grant for a 5,000-square-foot mural on the same block as "Westown in Bloom." Created by artist Mauricio Ramirez, this mural depicts two young girls, portraying optimism for our city's future and serving as a symbol of Downtown's diversity and inclusion.

## "THE HERO IN YOU" MURAL AND MILWAUKEE STRONG

We worked with the Department of Public Works to commission a 620 -foot-long mural on the MacArthur Square parking structure. The Downtown Placemaking Task Force commissioned Milwaukee-based artist Ken Brown to create a mural that salutes Downtown's frontline heroes and essential workers during the COVID-19 pandemic.
In addition to the mural, we profiled 10 essential workers on Milwaukee Downtown's blog, the artist created a dozen coloring book-style pages available for download on our website and we partnered with Imagine MKE and 88 Nine Radio Milwaukee to bring 35 local musicians together to create an anthem for our city's recovery - resulting in the "Milwaukee Strong" song and music video.

The Mayor's Office declared Friday, July 24, 2020 as "Milwaukee Strong" Day for the virtual release of the song, music video and mural.

## BRIGHTEN THE PASSAGE

Downtown Milwaukee contracted four artists: Tia Richardson (Cosmic Butterfly Design), The Couto Brothers, Josephine Rice and Dave Watkins (Real Abstract) to create lively Broadway freeway pier murals. We launched the murals with a "Meet the Muralist" blog series, drone video for social media channels and arranged five live performances from local musicians over the lunch hour.

## POSTMAN SQUARE

After a successful "lighter, quicker, cheaper" pilot program to activate the Postman Square traffic triangle in 2019, Milwaukee Downtown collaborated with the City of Milwaukee to complete the transformation in 2020. Along with neighborhood partners Boyle Fredrickson, Germania Apartments and The Chalet at the River, we led fundraising efforts for construction, maintenance and programming. Improvements included a stone seat wall, old-world brick pavers, electricity, dog-friendly turf and aesthetic lighting.

## LANDMARK LIGHTING

Milwaukee Downtown created and administered the landmark lighting database, featuring 30 properties with special lighting capabilities. These were activated to highlight the community's resiliency during COVID-19 starting in March. Other campaigns included Share Lemonade with the Zizzo Group and FOX 6 in April, Pride month in June, \#MKEitShine for canceled cultural festivals, the DNC in August, Red Alert RESTART and World Suicide Prevention Day in September, and the Holiday Lights Festival in December.

Old World Third Street also shone brightly with new café lighting between harp lamps on the 1000 and 1100 blocks. The initiative enhanced the 2018-2019 roofline lighting project and further solidified the corridor as a nighttime entertainment district.

## MOVING FORWARD

By emphasizing the cleanliness, safety and friendliness of our city, Milwaukee Downtown has made the central business district a desirable place to live, work, play and conduct business. Despite challenges presented by exterior forces, the quality of life in Downtown Milwaukee makes the district a sought-after destination for everyone - from Gen Z to Boomers. Milwaukee Downtown will build upon its success while concentrating on the following priorities for 2021:

- Continued focus on quality-of-life initiatives
- Development of a refresh of the Downtown Master Plan
- Capitalizing on real estate opportunities with The Hop
- Diversity and inclusivity initiatives
- Implementing post-COVID-19 initiatives to continue establishing feelings of safety
- Strengthening the connections of catalytic corridors to neardowntown neighborhoods


## BUDGET

Representing approximately 150 square blocks and nearly 500 property owners, Milwaukee Downtown, BID \#21 collected $\$ 4.17$ million in assessments to fund its core programs and initiatives.


■ 2020 Assessments: \$4,170,000

- Additional Income: \$29,270

Total Income: \$4,199,270

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CHAIR
U.S. Bank

Kevin Kennedy
VICE CHAIR
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Tammy Babisch
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Front and back cover photography: Jon Mattrisch, JMKE Photography.


MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE COMBINED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED DECEMBER 31, 2020

(With Summarized Totals for the Year Ended December 31, 2019)

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## Independent Auditor's Report

## Board of Directors

Milwaukee Downtown Business Improvement District No. 21 and Affiliate
We have audited the accompanying combined financial statements of Milwaukee Downtown Business Improvement District No. 21 and Affiliate which comprise the combined statement of financial position as of December 31, 2020, and the related combined statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements.

## Management's Responsibility for the Financial Statements

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

## Auditor's Responsibility

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

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

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Milwaukee Downtown Business Improvement District No. 21 and Affiliate as of December 31, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Summarized Comparative Information

We have previously audited Milwaukee Downtown Business Improvement District No. 21 and Affiliate's December 31, 2019, financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 13, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combined schedules of activities by organization and functional revenue and expenses without donor restrictions are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.


Milwaukee, Wisconsin
September 8, 2021

## MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE COMBINED STATEMENT OF FINANCIAL POSITION <br> DECEMBER 31, 2020 <br> (With Summarized Totals for December 31, 2019)

| ASSETS |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
|  | 2020 |  | 2019 |  |
| CURRENT ASSETS |  |  |  |  |
| Cash and Cash Equivalents | \$ | 2,209,679 | \$ | 1,327,523 |
| Accounts Receivable |  | 307,327 |  | 10,628 |
| Pledges Receivable |  | 103,150 |  | 127,750 |
| Prepaid Expenses |  | 39,704 |  | 13,577 |
| Deposits |  | 3,183 |  | 22,885 |
| Due from Sculpture Milwaukee |  | --- |  | 698,229 |
| Inventory |  | 83,093 |  | 83,030 |
| Total Current Assets | \$ | 2,746,136 | \$ | 2,283,622 |
| FIXED ASSETS |  |  |  |  |
| Holiday Light Fixtures | \$ | 356,107 | \$ | 305,332 |
| Clean Sweep Equipment |  | 219,570 |  | 204,267 |
| Equipment |  | 234,043 |  | 144,579 |
| Leasehold Improvements |  | 17,766 |  | --- |
| Intangible Assets - Website |  | 59,544 |  | 59,544 |
| Assets in Progress |  | --- |  | 16,403 |
| Total Fixed Assets | \$ | 887,030 | \$ | 730,125 |
| Less: Accumulated Depreciation |  | $(413,098)$ |  | $(342,390)$ |
| Less: Accumulated Amortization |  | $(26,795)$ |  | $(14,886)$ |
| Net Fixed Assets | \$ | 447,137 | \$ | 372,849 |
| OTHER ASSETS |  |  |  |  |
| Pledges Receivable | \$ | 103,150 | \$ | 220,250 |
| Less Current Portion of Pledges Receivable |  | $(103,150)$ |  | $(127,750)$ |
| Total Other Assets | \$ | --- | \$ | 92,500 |
| TOTAL ASSETS | \$ | 3,193,273 | \$ | 2,748,971 |

LIABILITIES AND NET ASSETS

| CURRENT LIABILITIES |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: |
| Accounts Payable | \$ | 479,886 | \$ | 330,670 |
| Deferred Rent Abatement |  | 699 |  | --- |
| Current Portion of Long-Term Liabilities |  | 19,189 |  | 19,082 |
| Total Current Liabilities | \$ | 499,774 | \$ | 349,752 |
| LONG-TERM LIABILITIES |  |  |  |  |
| Capital Lease | \$ | 7,035 | \$ | 9,666 |
| Assessment Settlement Liability |  | 87,651 |  | 104,318 |
| Less Current Portion of Long-Term Liabilities |  | $(19,189)$ |  | $(19,082)$ |
| Total Long-Term Liabilities | \$ | 75,497 | \$ | 94,902 |
| Total Liabilities | \$ | 575,271 | \$ | 444,654 |
| NET ASSETS |  |  |  |  |
| Without Donor Restrictions |  |  |  |  |
| Operating | \$ | 1,923,852 | \$ | 1,371,242 |
| Board Designated |  | 468,459 |  | 342,292 |
| Total Net Assets Without Donor Restrictions | \$ | 2,392,311 | \$ | 1,713,534 |
| With Donor Restrictions |  | 225,691 |  | 590,783 |
| Total Net Assets | \$ | 2,618,002 | \$ | 2,304,317 |
| TOTAL LIABILITIES AND NET ASSETS | \$ | 3,193,273 | \$ | 2,748,971 |

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

## MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE COMBINED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2020 <br> (With Summarized Totals for the Year Ended December 31, 2019)

|  | Without Donor Restrictions |  | With Donor Restrictions |  | $\begin{aligned} & 2020 \\ & \text { Total } \end{aligned}$ |  | $\begin{array}{r} 2019 \\ \text { Total } \\ \hline \end{array}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| REVENUE |  |  |  |  |  |  |  |  |
| Assessment Income | \$ | 4,170,000 | \$ | --- | \$ | 4,170,000 | \$ | 3,937,725 |
| Contributions |  | 235,187 |  | 81,241 |  | 316,428 |  | 375,754 |
| Jingle Bus |  | --- |  | --- |  | --- |  | 16,655 |
| Special Events Income |  | 3,900 |  | --- |  | 3,900 |  | 29,050 |
| Key to Change |  | 6,067 |  | --- |  | 6,067 |  | 184,779 |
| Government Grants |  | 501,977 |  | --- |  | 501,977 |  | 20,000 |
| Sculpture Milwaukee |  | --- |  | --- |  | --- |  | 1,381,499 |
| Sculpture Milwaukee In-Kind Revenue |  | --- |  | --- |  | --- |  | 38,039 |
| In-Kind Revenue |  | 31,855 |  | --- |  | 31,855 |  | 80,579 |
| Interest Income |  | 27,141 |  | --- |  | 27,141 |  | 8,029 |
| Ornament and Merchandise Sales |  | 18,034 |  | --- |  | 18,034 |  | 10,369 |
| Gain (Loss) on Disposal of Fixed Assets |  | 600 |  | --- |  | 600 |  | $(21,809)$ |
| Miscellaneous Income |  | 3,415 |  | --- |  | 3,415 |  | 10,034 |
| Net Assets Released from Restrictions |  | 446,333 |  | $(446,333)$ |  | --- |  | --- |
| Total Revenue | \$ | 5,444,509 | \$ | $(365,092)$ | \$ | 5,079,417 | \$ | 6,070,703 |
| EXPENSES |  |  |  |  |  |  |  |  |
| Program | \$ | 4,455,078 | \$ | --- | \$ | 4,455,078 | \$ | 5,327,221 |
| General and Administrative |  | 272,271 |  | --- |  | 272,271 |  | 289,672 |
| Fundraising |  | 38,383 |  | --- |  | 38,383 |  | 94,002 |
| Total Expenses | \$ | 4,765,732 | \$ | --- | \$ | 4,765,732 | \$ | 5,710,895 |
| CHANGE IN NET ASSETS | \$ | 678,777 | \$ | $(365,092)$ | \$ | 313,685 | \$ | 359,808 |
| Net Assets at Beginning of Year |  | 1,713,534 |  | 590,783 |  | 2,304,317 |  | 1,944,509 |
| NET ASSETS AT END OF YEAR | \$ | 2,392,311 | \$ | 225,691 | \$ | 2,618,002 | \$ | 2,304,317 |

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

## MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE COMBINED STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2020 (With Summarized Totals for the Year Ended December 31, 2019)

|  | Program |  | $\qquad$ |  | Fundraising |  | $\begin{aligned} & 2020 \\ & \text { Total } \end{aligned}$ |  | $\begin{array}{r} 2019 \\ \text { Total } \\ \hline \end{array}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| EXPENSES |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages | \$ | 447,986 | \$ | 72,268 | \$ | 30,017 | \$ | 550,271 | \$ | 522,755 |
| Contract Services - |  |  |  |  |  |  |  |  |  |  |
| Public Service Ambassadors |  | 608,833 |  | --- |  | --- |  | 608,833 |  | 757,442 |
| Clean Sweep Ambassadors |  | 567,357 |  | --- |  | --- |  | 567,357 |  | 605,923 |
| Planter Maintenance |  | 351,695 |  | --- |  | --- |  | 351,695 |  | 349,155 |
| Consultants |  | --- |  | --- |  | --- |  | --- |  | 153,298 |
| Development and Fundraising |  | --- |  | --- |  | --- |  | --- |  | 30,000 |
| Other Program Services |  | 1,091,592 |  | 3,480 |  | 3,500 |  | 1,098,572 |  | 321,148 |
| Employee Benefits |  | 99,654 |  | 13,294 |  | 3,322 |  | 116,270 |  | 117,561 |
| Payroll Taxes |  | 31,019 |  | 3,209 |  | 803 |  | 35,031 |  | 33,075 |
| Postage and Shipping |  | 7,595 |  | 90 |  | 18 |  | 7,703 |  | 10,393 |
| Occupancy |  | 42,921 |  | 5,261 |  | 423 |  | 48,605 |  | 49,498 |
| Utilities |  | 22,275 |  | 658 |  | 131 |  | 23,064 |  | 19,766 |
| Equipment Rental and Maintenance |  | 33,401 |  | --- |  | --- |  | 33,401 |  | 39,791 |
| Insurance |  | 15,903 |  | 4,520 |  | 169 |  | 20,592 |  | 47,436 |
| Depreciation and Amortization |  | 67,478 |  | 15,140 |  | --- |  | 82,618 |  | 97,890 |
| Personal Property Tax |  | 5,804 |  | --- |  | --- |  | 5,804 |  | 4,883 |
| Event Entertainment |  | 8,566 |  | --- |  | --- |  | 8,566 |  | 1,430 |
| Event Decoration |  | 40,848 |  | --- |  | --- |  | 40,848 |  | 4,478 |
| Food and Beverages |  | 2,516 |  | 1,983 |  | --- |  | 4,499 |  | 55,305 |
| Supplies |  | 69,830 |  | 5,671 |  | --- |  | 75,501 |  | 71,515 |
| Accounting Fees |  | --- |  | 91,097 |  | --- |  | 91,097 |  | 106,785 |
| Legal Fees |  | 15,600 |  | 30,538 |  | --- |  | 46,138 |  | 37,409 |
| Dues, Licenses and Permits |  | 19,836 |  | 2,440 |  | --- |  | 22,276 |  | 31,342 |
| Sales Expenses |  | --- |  | --- |  | --- |  | --- |  | 54,444 |
| Bank Charges |  | 34 |  | 2,696 |  | --- |  | 2,730 |  | 3,508 |
| Cost of Goods Sold |  | 13,087 |  | --- |  | --- |  | 13,087 |  | 7,591 |
| Jingle Bus |  | --- |  | --- |  | --- |  | --- |  | 5,506 |
| Advertising and Marketing |  | 728,634 |  | 171 |  | --- |  | 728,805 |  | 1,308,611 |
| Donations to Others |  | 104,215 |  | --- |  | --- |  | 104,215 |  | 19,574 |
| Information Techonology |  | 10,200 |  | 10,199 |  | --- |  | 20,399 |  | --- |
| Programs and Community Engagement |  | --- |  | --- |  | --- |  | --- |  | 86,584 |
| Awards and Promotions |  | 11,939 |  | 2,107 |  | --- |  | 14,046 |  | 8,694 |
| Art and Exhibition |  | --- |  | --- |  | --- |  | --- |  | 704,603 |
| Board Meeting Expenses |  | --- |  | --- |  | --- |  | --- |  | 5,428 |
| Bad Debt Expense |  | 30,125 |  | --- |  | --- |  | 30,125 |  | --- |
| Travel |  | 2,547 |  | --- |  | --- |  | 2,547 |  | 21,712 |
| Interest |  | 1,118 |  | --- |  | --- |  | 1,118 |  | 1,601 |
| Miscellaneous |  | 2,470 |  | 7,449 |  | --- |  | 9,919 |  | 14,761 |
| TOTALS | \$ | 4,455,078 | \$ | 272,271 | \$ | 38,383 | \$ | 4,765,732 | \$ | 5,710,895 |

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

## MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE COMBINED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2020 (With Summarized Totals for the Year Ended December 31, 2019)

|  | 2020 |  | 2019 |  |
| :---: | :---: | :---: | :---: | :---: |
| CASH FLOWS FROM OPERATING ACTIVITIES <br> Change in Net Assets $\quad$ \$ $313,685 \quad \$ \quad 359,808$ |  |  |  |  |
|  |  |  |  |  |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities |  |  |  |  |
| Depreciation and Amortization |  | 82,618 |  | 97,890 |
| Unrealized Loss on Investments |  | 228 |  | 728 |
| (Gain) Loss on Disposal of Fixed Assets |  | (600) |  | 21,809 |
| Donated Capital Assets |  | $(18,646)$ |  | --- |
| Donated Stock |  | $(5,874)$ |  | $(11,399)$ |
| (Increase) Decrease in Accounts Receivable |  | $(296,699)$ |  | $(1,489)$ |
| (Increase) Decrease in Pledges Receivable |  | 117,100 |  | 28,485 |
| (Increase) Decrease in Prepaid Expenses |  | $(26,127)$ |  | 14,322 |
| (Increase) Decrease in Deposits |  | 19,702 |  | $(20,779)$ |
| (Increase) Decrease in Due from Sculpture Milwaukee |  | 698,229 |  | $(698,229)$ |
| (Increase) Decrease in Inventory |  | (63) |  | $(12,653)$ |
| Increase (Decrease) in Accounts Payable |  | 149,216 |  | $(224,437)$ |
| Increase (Decrease) in Deferred Rent Abatement |  | 699 |  | --- |
| Increase (Decrease) in Assessment Settlement Liability |  | $(16,667)$ |  | $(16,667)$ |
| Net Cash Provided (Used) by Operating Activities | \$ | 1,016,801 | \$ | $(462,611)$ |
| CASH FLOWS FROM INVESTING ACTIVITIES |  |  |  |  |
| Proceeds from Sale of Investments | \$ | 5,646 | \$ | 15,728 |
| Proceeds from Sale of Fixed Assets |  | 600 |  | 71,184 |
| Purchase of Fixed Assets |  | $(138,260)$ |  | $(34,939)$ |
| Net Cash (Used) Provided by Investing Activities | \$ | $(132,014)$ | \$ | 51,973 |
| CASH FLOWS FROM FINANCING ACTIVITIES |  |  |  |  |
| Payments on Capital Lease | \$ | $(2,631)$ | \$ | $(2,131)$ |
| Net Cash Used by Financing Activities | \$ | $(2,631)$ | \$ | $(2,131)$ |
| Net Increase (Decrease) in Cash and Cash Equivalents | \$ | 882,156 | \$ | $(412,769)$ |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR |  | 1,327,523 |  | 1,740,292 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | \$ | 2,209,679 | \$ | 1,327,523 |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION |  |  |  |  |
| Donated Stock | \$ | 5,874 | \$ | 11,399 |
| Interest Expense |  | 1,118 |  | 1,601 |

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

MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE NOTES TO THE COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2020

# MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE NOTES TO THE COMBINED FINANCIAL STATEMENTS DECEMBER 31, 2020 

## NOTE A - Summary of Significant Accounting Policies

## Organization

The Milwaukee Downtown Business Improvement District No. 21 (MDBID) was created by the Common Council of the City of Milwaukee pursuant to Wisconsin Statutes. The mission of MDBID is to lead and inspire believers in Milwaukee to engage in efforts that build Downtown as the thriving, sustainable, innovative, and vibrant heart of the community.

Milwaukee Downtown Business Improvement District No. 21 is exempt from tax as an affiliate of a governmental unit under Section 501(a) of the Internal Revenue Code.

## Combined Financial Statements

The combined financial statements include the accounts of Milwaukee Downtown Business Improvement District No. 21 and Milwaukee Downtown, Inc. (MDI). MDI is incorporated as a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is not classified as a private foundation. MDI's board of directors is appointed by MDBID. All significant intercompany transactions and accounts are eliminated.

## Accounting Method

The financial statements of Milwaukee Downtown Business Improvement District No. 21 and Affiliate have been prepared on the accrual basis of accounting.

## 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.

At December 31, 2020, the Organization had $\$ 225,691$ of net assets with time and purpose donor restrictions.

## Contributions and Grant Revenue

Contributions received and unconditional promises to give are measured at fair value and are reported as increases in net assets. Contributions are considered available for the Organization's general operations and included in net assets without donor restrictions unless specifically restricted by a donor. A restricted contribution is reported in revenue and net assets without donor restrictions when the restriction is met within the same reporting period as the contribution is received. Contributions received restricted for a purpose not yet met or to support a future period are included in net assets with donor restrictions. When a donor restriction from a prior year 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. Conditional contributions are not recognized as revenue 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 if the barrier is not overcome.

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.

# MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE NOTES TO THE COMBINED FINANCIAL STATEMENTS DECEMBER 31, 2020 

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

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.

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.

## Cash and Cash Equivalents

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

## Estimates

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

## Inventory

Inventory consists of holiday ornaments which are recorded at cost.

## Fixed Assets

Fixed assets are recorded at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of assets. The Organizations capitalize items greater than $\$ 1,000$

## Allowance for Uncollectible Accounts

Management believes all receivables will be collected in accordance with the terms of the agreement. Thus, no allowance for uncollectible accounts is necessary at year-end.

## Functional Expenses

The Organization allocates costs based on their functional and natural classification in the statement of functional expenses. Program costs are those associated with carrying out the mission of the Organization; management costs are those for management of the Organization including accounting, office expense, human resources, budgeting or board of directors costs; and fundraising costs are those attributed to the solicitation of contributions. Whenever possible, the Organization allocates costs directly to program, management or fundraising. The cost of individuals that participate in more than one function are allocated to each function based on that individual's time in each function. Other costs that relate to more than one function are allocated based on their estimated share in each function.

# MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE NOTES TO THE COMBINED FINANCIAL STATEMENTS DECEMBER 31, 2020 

## NOTE B - Comparative Financial Information

The financial information shown for 2019 in the accompanying financial statements is included to provide a basis of comparison with 2020. The comparative information is summarized by total only, not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity to generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

## NOTE C - Accounting Changes

Accounting Standards Update 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958) will be effective for fiscal years beginning after June 15, 2021. The amendments in this update are required and provide new presentation and disclosure requirements about contributed nonfinancial assets to nonprofits, including additional disclosure requirements for recognized contributed services. Contributed nonfinancial assets will be required to be reported as a separate line in the statement of activities. A financial statement note will be 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, required to be presented retrospectively to all periods presented, will not change the recognition and measurement requirements for those assets.

Accounting Standards Update 2016-02, Leases (Topic 842) will be effective for fiscal years beginning after December 15, 2021. This update requires the recognition of lease assets and lease liabilities on the statement of financial position measured at the present value of lease payments and requires disclosure of key information about the leasing arrangements.

Accounting Standards Update 2020-08, Receivables - Nonrefundable Fees and Other Costs (Topic 310-20) will be effective for fiscal years beginning after December 15, 2021. The amendments in this update represent changes to clarify the codification. An organization shall apply the amendment prospectively. This amendment impacts the effective yield of an existing individual callable debt security.

Accounting Standards Update 2016-13, Financial Instruments - Credit Losses (Topic 326) will be effective for fiscal years beginning after December 15, 2023. 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 GAAP 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 forwardlooking alternatives.

## MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE NOTES TO THE COMBINED FINANCIAL STATEMENTS DECEMBER 31, 2020

## NOTE D - Liquidity

The Organization has financial assets available to meet cash needs for general expenditure consisting of the following:

| Cash and Cash Equivalents | $\$ 2,209,679$ |
| :--- | ---: |
| Accounts Receivable | 307,327 |
| Pledges Receivable | 103,150 |
| Total Financial Assets | $\$ 2,620,156$ |

Financial assets of $\$ 225,691$ are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the combined statement of financial position date. The accounts and pledges receivable are subject to implied time restrictions but are expected to be collected within one year. The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

## NOTE E - Pledges Receivable

Pledges receivable consist of the following at December 31, 2020:

| Source | Amount |
| :--- | ---: |
| Economic Development | $\$ 10,000$ |
| Holiday Lights | 49,750 |
| Key to Change | 37,500 |
| Other | 5,900 |
| Total | $\$ 103,150$ |

## NOTE F - Assessment Income

In order to provide revenues to support the MDBID's mission, the Common Council of the City of Milwaukee enforced an assessment on property located within a specified downtown area. The assessment is calculated based on the assessed values of the properties as of every fall. The assessment levied on the downtown properties was $\$ .00159$ for every dollar of assessed property value for the year ended December 31, 2020. Resulting assessment revenues recorded in 2020 were $\$ 4,170,000$.

## NOTE G - Commitments

MDBID has various management contracts for landscaping, holiday street decorations, public service ambassadors, and clean sweep ambassadors which expire December 31, 2021.

Future payments for the year ended December 31, 2020, are as follows:

| Year | $\underline{\text { Amount }}$ |
| :---: | ---: |
| 2021 | $\underline{\$ 1,988,107}$ |
| Total | $\underline{\$ 1,988,107}$ |

## MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE NOTES TO THE COMBINED FINANCIAL STATEMENTS DECEMBER 31, 2020

## NOTE H - Grants to Others

The Organization awards grants to its affiliate, Milwaukee Downtown, Inc. The grant for the year ended December 31, 2020, was $\$ 1,752,670$ and is for the accomplishment of the Affiliate's objectives.

The Organization also provided donations to others of $\$ 104,215$ for the year ended December 31, 2020, consisting of:

| Purpose | Amount |
| :--- | ---: |
| Key to Change | $\$ 81,090$ |
| Equestrian Center | 15,625 |
| Other | 7,500 |
|  |  |
| Total | $\underline{\$ 104,215}$ |

## NOTE I- Operating Leases

In January 2019, the Organization had an operating lease for the rental of a building in Milwaukee, Wisconsin. Starting August 1, 2019, the Organization occupied the building. Due to leasehold improvements in the new location, the lease was amended so that payments begin on February 1, 2020, and expire on January 1, 2030. Total occupancy expense for the year ended December 31, 2020, was $\$ 48,605$.

During 2019, the Organization signed a non-cancelable postage meter lease with monthly payments of $\$ 151$ to FP Mailing Solutions. The lease ends on October 31, 2024.

Future minimum lease payments under operating leases that have remaining terms in excess of one year for the year ended December 31, 2020, are as follows:

| Year | Amount |
| :--- | ---: |
| 2021 | $\$ 53,275$ |
| 2022 | 54,553 |
| 2023 | 55,874 |
| 2024 | 56,943 |
| 2025 | 56,803 |
| Thereafter | $\underline{247,036}$ |
| Total | $\underline{\$ 524,484}$ |

## MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE NOTES TO THE COMBINED FINANCIAL STATEMENTS DECEMBER 31, 2020

## NOTE J - Capital Lease

The Organization signed a lease for a copier under a capital lease with capitalized cost of $\$ 12,922$. Accumulated depreciation for the year ended December 31, 2020, relating to this copier was $\$ 6,891$. Depreciation expense reported in the statement of activities includes $\$ 2,584$ for the copier under the capital lease.

Total future payments are as follows:

| For the Year Ending December 31, | Principal | $\underline{\text { Interest }}$ | $\underline{\text { Total }}$ |
| :---: | :---: | :---: | :---: |
|  |  |  |  |
| 2021 | $\$ 2,522$ | $\$ 682$ | $\$ 3,204$ |
| 2022 | 3,102 | 393 | 3,495 |
|  | $\underline{1,412}$ | $\underline{45}$ | $\underline{1,457}$ |
| Total | $\underline{\$ 7,036}$ | $\underline{\$ 1,120}$ | $\underline{\$ 8,156}$ |

## NOTE K - Assessment Settlement Liability

The Organization entered into another settlement agreement with the City of Milwaukee regarding business improvement property tax assessments. The Organization has agreed in good faith partnership to pay a total of $\$ 120,985$ beginning in 2019 with 7 equal installments and a final payment in 2026. The balance of the obligations is $\$ 87,651$ as of December 31, 2020.

Future minimum settlement payments for the year ended December 31, 2020, are as follows:

| Year | $\underline{\text { Amount }}$ |
| :--- | ---: |
| 2021 | $\$ 16,667$ |
| 2022 | 16,667 |
| 2023 | 16,667 |
| 2024 | 16,667 |
| 2025 | 16,667 |
| Thereafter | 4,316 |
| Total | $\underline{\$ 87,651}$ |

## NOTE L - Concentration of Risk

The Organization maintains its cash balances in one financial institution. The combined account balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to $\$ 250,000$ at each financial institution. At December 31, 2020, the Organization's uninsured cash balances total $\$ 725,341$.

The Organization received property assessment income from the City of Milwaukee. The Organization's operations rely on the availability of these funds. For the year ended December 31, 2020, $82 \%$ of the Organization's revenue was from the City of Milwaukee.

## MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE NOTES TO THE COMBINED FINANCIAL STATEMENTS DECEMBER 31, 2020

## NOTE M - Board Designated Net Assets

Board designated net assets as of December 31, 2020, consist of the following:

| Designation | Amount |
| :--- | ---: |
| Holiday Lights | $\$ 293,480$ |
| Office Equipment | 10,913 |
| Economic Development | 55,069 |
| Website | 20,000 |
| Clean Sweep Equipment | $\underline{88,997}$ |
| Total | $\underline{\$ 468,459}$ |

## NOTE N - Net Assets With Donor Restrictions

Net assets with donor restrictions as of December 31, 2020, consist of the following:

| Purpose-Restricted | Amount |
| :--- | ---: |
| Holiday Lights | $\$ 49,750$ |
| Imagine MKE | 5,900 |
| Brighten the Passage | 20,633 |
| Schlitz Park Mural | 18,750 |
| Economic Development | 10,000 |
| Postman's Porch | 2,000 |
| Key to Change | $\underline{118,658}$ |
| Total | $\$ \mathbf{\$ 2 2 5 , 6 9 1}$ |

## NOTE O- In-Kind Revenue

The Organization received $\$ 31,855$ of goods, prize packages and services, which consisted of the following as of December 31, 2020:

| Source | Amount |
| :--- | ---: |
| Office Furniture | $\$ 17,130$ |
| Utility Vehicle | 1,515 |
| Taste and Toast Week | 750 |
| Matthews Building Office Space | 6,290 |
| City Hall Lighting | 4,600 |
| Brighten the Passage | 1,000 |
| Other | 570 |
| Total | $\underline{\$ 31,855}$ |

# MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE NOTES TO THE COMBINED FINANCIAL STATEMENTS DECEMBER 31, 2020 

## NOTE P - Revenue From Contracts with Customers

## Special Events Income

The Organization holds multiple special events throughout the year. The event revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing access to events and event activities. Revenue from these events are recognized at the point in time the event is held and the Organization's performance obligation to hold the event is completed. The Organization also provides the opportunity to sponsor events. Sponsorships for the Organization's events open months before the events are scheduled to be held and are recognized as revenue when the event is held.

At December 31, 2020, there were no assets or obligations related to revenue from contracts with customers for special events income. For the year ended December 31, 2020, special event revenue was $\$ 3,900$.

## NOTE Q - Conditional Contributions

The Organization has several contracts with governmental agencies which include specific use stipulations requiring funds be used only on qualifying expenses determined by the grant contract and allowable cost policies. The Organization will not receive the grant funds unless spent on the required activity and within the allowable cost guidance. As of December 31, 2020, the Organization has grant funds of $\$ 65,000$ available for its programs through December 31, 2021. In addition, the Organization has $\$ 1,711,595$ available for its programs through May 1, 2022.

## NOTE R - Paycheck Protection Program

The Organization was granted a $\$ 44,425$ loan under the Paycheck Protection Program ("PPP") administered by a Small Business Administration (SBA) approved partner. The loan is uncollateralized and is fully guaranteed by the Federal government. The Organization initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. The Organization has recognized $\$ 44,425$ as grant revenue for the year ended December 31, 2020.

## NOTE S - Advertising and Marketing

The Organization uses advertising and marketing to promote its programs among the audiences it serves. Advertising and marketing costs are expensed as incurred. Advertising and marketing expense for the year ended December 31, 2020, was $\$ 728,805$.

## NOTE T - SEP Retirement Contribution

The Organization has a SEP plan that covers all employees who worked at MDBID for at least one year. Eligible wages are based on total calendar year wages. The Organization made a contribution of $10 \%$ of eligible wages and incurred expenses of \$53,002 during 2020.

## MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE NOTES TO THE COMBINED FINANCIAL STATEMENTS DECEMBER 31, 2020

## NOTE U - Income Tax

The MDI is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Management has reviewed all tax positions recognized in previously filed tax returns and those expected to be taken in future tax returns. As of December 31, 2020, MDI had no amounts related to unrecognized income tax benefits and no amounts related to accrued interest and penalties. MDI does not anticipate any significant changes to unrecognized income tax benefits over the next year.

## NOTE V - Subsequent Events

The Organization has evaluated events and transactions occurring after December 31, 2020, the date of the most recent statement of financial position, through the date financial statements are available to be issued, September 8, 2021, for possible adjustment to the financial statements or disclosures. The Organization has determined that the following subsequent event needs to be disclosed:

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of many businesses and nonprofit organizations. While the disruption is expected to be temporary, there is considerable uncertainty around the duration of the closings. The Organization may be affected by reduced funding or donations as well as postponement or cancellation of fundraising events. It is unknown at this time what, if any, negative impact on the Organization's financial position may be.

## MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE COMBINED SCHEDULE OF ACTIVITIES BY ORGANIZATION <br> FOR THE YEAR ENDED DECEMBER 31, 2020 <br> (With Summarized Totals for the Year Ended December 31, 2019)

|  | Milwaukee <br> Downtown Business Improvement District No. 21 |  | Milwaukee Downtown, Inc. ("Affiliate") |  | $\begin{aligned} & 2020 \\ & \text { Total } \end{aligned}$ |  | $\begin{aligned} & 2019 \\ & \text { Total } \end{aligned}$ |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| REVENUE $\quad$ - (A) |  |  |  |  |  |  |  |  |
| Assessment Income | \$ | 4,170,000 | \$ | --- | \$ | 4,170,000 | \$ | 3,937,725 |
| Contributions |  | 2,500 |  | 313,928 |  | 316,428 |  | 375,754 |
| Holiday Lights |  | --- |  | --- |  | --- |  | 16,655 |
| Special Events Income |  | --- |  | 3,900 |  | 3,900 |  | 29,050 |
| Key to Change |  | --- |  | 6,067 |  | 6,067 |  | 184,779 |
| Government Grants |  | 20,000 |  | 481,977 |  | 501,977 |  | 20,000 |
| Sculpture Milwaukee |  | --- |  | --- |  | --- |  | 1,381,499 |
| Sculpture Milwaukee In-Kind Revenue |  | --- |  | --- |  | --- |  | 38,039 |
| In-Kind Revenue |  | 6,290 |  | 25,565 |  | 31,855 |  | 80,579 |
| Interest Income |  | 14,363 |  | 12,778 |  | 27,141 |  | 8,029 |
| Ornament and Merchandise Sales |  | --- |  | 18,034 |  | 18,034 |  | 10,369 |
| Loss on Disposal of Equipment |  | --- |  | 600 |  | 600 |  | $(21,809)$ |
| Miscellaneous Income |  | 3,415 |  | --- |  | 3,415 |  | 10,034 |
| TOTAL REVENUE | \$ | 4,216,568 | \$ | 862,849 | \$ | 5,079,417 | \$ | 6,070,703 |
| EXPENSES |  |  |  |  |  |  |  |  |
| Salaries and Wages | \$ | 299,276 | \$ | 250,995 | \$ | 550,271 | \$ | 522,755 |
| Contract Services - |  |  |  |  |  |  |  |  |
| Public Service Ambassadors |  | 608,833 |  | --- |  | 608,833 |  | 757,442 |
| Clean Sweep Ambassadors |  | 567,357 |  | --- |  | 567,357 |  | 605,923 |
| Planter Maintenance |  | 351,695 |  | --- |  | 351,695 |  | 349,155 |
| Consultants |  | --- |  | --- |  | --- |  | 153,298 |
| Development and Fundraising |  | --- |  | --- |  | --- |  | 30,000 |
| Other Program Services |  | 8,871 |  | 1,089,701 |  | 1,098,572 |  | 321,148 |
| Employee Benefits |  | 66,433 |  | 49,837 |  | 116,270 |  | 117,561 |
| Payroll Taxes |  | 16,050 |  | 18,981 |  | 35,031 |  | 33,075 |
| Postage and Shipping |  | 1,799 |  | 5,904 |  | 7,703 |  | 10,393 |
| Occupancy |  | 48,605 |  | --- |  | 48,605 |  | 49,498 |
| Utilities |  | 13,143 |  | 9,921 |  | 23,064 |  | 19,766 |
| Equipment Rental and Maintenance |  |  |  | 33,401 |  | 33,401 |  | 39,791 |
| Insurance |  | 16,918 |  | 3,674 |  | 20,592 |  | 47,436 |
| Depreciation and Amortization |  | --- |  | 82,618 |  | 82,618 |  | 97,890 |
| Personal Property Tax |  | --- |  | 5,804 |  | 5,804 |  | 4,883 |
| Event Entertainment |  | --- |  | 8,566 |  | 8,566 |  | 1,430 |
| Event Decoration |  | --- |  | 40,848 |  | 40,848 |  | 4,478 |
| Food and Beverages |  | 2,833 |  | 1,666 |  | 4,499 |  | 55,305 |
| Supplies |  | 9,788 |  | 65,713 |  | 75,501 |  | 71,515 |
| Accounting Fees |  | 40,898 |  | 50,199 |  | 91,097 |  | 106,785 |
| Legal Fees |  | 40,718 |  | 5,420 |  | 46,138 |  | 37,409 |
| Dues, Licenses and Permits |  | 5,843 |  | 16,433 |  | 22,276 |  | 31,342 |
| Sales Expenses |  | --- |  | --- |  | --- |  | 54,444 |
| Bank Charges |  | --- |  | 2,730 |  | 2,730 |  | 3,508 |
| Ornament and Merchandise Purchases |  | --- |  | 13,087 |  | 13,087 |  | 7,591 |
| Jingle Bus |  | --- |  | --- |  | --- |  | 5,506 |
| Advertising and Marketing |  | --- |  | 728,805 |  | 728,805 |  | 1,308,611 |
| Donations to Others |  | --- |  | 104,215 |  | 104,215 |  | 19,574 |
| Information Technology |  | 20,399 |  | --- |  | 20,399 |  | --- |
| Other Events |  | --- |  | --- |  | --- |  | 86,584 |
| Awards and Promotions |  | 14,046 |  | --- |  | 14,046 |  | 8,694 |
| Art and Exhibition |  | --- |  | --- |  | --- |  | 704,603 |
| Board Meeting Expenses |  | --- |  | --- |  | --- |  | 5,428 |
| Travel |  | 1,681 |  | 866 |  | 2,547 |  | 21,712 |
| Bad Debt Expense |  | --- |  | 30,125 |  | 30,125 |  | --- |
| Interest |  | --- |  | 1,118 |  | 1,118 |  | 1,601 |
| Miscellaneous |  | 5,937 |  | 3,982 |  | 9,919 |  | 14,761 |
| TOTAL EXPENSES | \$ | 2,141,123 | \$ | 2,624,609 | \$ | 4,765,732 | \$ | 5,710,895 |
| CHANGE IN NET ASSETS BEFORE TRANSFER | \$ | 2,075,445 | \$ | $(1,761,760)$ | \$ | 313,685 | \$ | 359,808 |
| TRANSFER |  | $(1,752,670)$ |  | 1,752,670 |  | --- |  | --- |
| CHANGE IN NET ASSETS | \$ | 322,775 | \$ | $(9,090)$ | \$ | 313,685 | \$ | 359,808 |

MILWAUKEE DOWNTOWN BUSINESS IMPROVEMENT DISTRICT NO. 21 AND AFFILIATE
COMBINED SCHEDULE OF FUNCTIONAL REVENUE AND EXPENSES WITHOUT DONOR RESTRICTIONS

|  | Holiday Lights |  | Events and Marketing |  | Retention Recruitment and Economic Development |  | Recovery Efforts |  | Key to Change |  | $\qquad$ |  | Clean Sweep Public Service Ambassadors, and$\qquad$ Landscaping |  | Total Program |  |  |  | Fundraising |  | Total |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| REVENUE <br> Property Assessments | \$ | --- | \$ | --- | \$ | --- | \$ | --- | \$ | --- | \$ | 4,170,000 | \$ | ---- | \$ | 4,170,000 | \$ | --- | \$ | --- | \$ |  |
| Program Revenue | \$ | 18,034 | \$ | 3,900 | \$ | --- | \$ | --- | \$ | --- | \$ | 4,170,000 | $\uparrow$ | --- | \$ | 21,934 | \$ | --- | \$ | --- | \$ | -21,934 |
| Contributions and Grants |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Unrestricted |  | 24,750 |  | 7,400 |  | 521,720 |  | 99,900 |  | 6,067 |  | 8,425 |  | 20,000 |  | 688,262 |  | 54,924 |  | 45 |  | 743,231 |
| Investment Income |  | --- |  | --- |  | --- |  | --- |  | 228 |  | --- |  | --- |  | 228 |  | 26,913 |  | --- |  | 27,141 |
| In-Kind Revenue |  | 400 |  | 910 |  | 5,600 |  | --- |  | --- |  | --- |  | 21,790 |  | 28,700 |  | 3,155 |  | --- |  | 31,855 |
| Miscellaneous Income |  | --- |  | --- |  | --- |  | --- |  | --- |  | --- |  | --- |  | --- |  | 3,415 |  | --- |  | 3,415 |
| Gain on Disposal of Assets |  | --- |  | --- |  | ---- |  | --- |  | ---- |  | ---- |  | 600 |  | 600 |  | --- |  | - |  | 600 |
| Net Assets Released from Restriction |  | 45,000 |  | --- |  | 309,733 |  | --- |  | 75,000 |  | 16,600 |  | --- |  | 446,333 |  | --- |  | --- |  | 446,333 |
| TOTAL REVENUE | \$ | 88,184 | \$ | 12,210 | \$ | 837,053 | \$ | 99,900 | \$ | 81,295 | \$ | 4,195,025 | \$ | 42,390 | \$ | 5,356,057 | \$ | 88,407 | \$ | 45 | \$ | 5,444,509 |
| EXPENSES |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Salaries and Wages | \$ | 18,341 | \$ | 36,683 | \$ | 165,750 | \$ | 2,755 | \$ | --- | \$ | 119,710 | \$ | 104,747 | \$ | 447,986 | \$ | 72,268 | \$ | 30,017 | \$ | 550,271 |
| Contract Services - |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Public Service Ambassadors |  | --- |  | --- |  | --- |  | --- |  | --- |  | --- |  | 608,833 |  | 608,833 |  | --- |  | --- |  | 608,833 |
| Clean Sweep Ambassadors |  | --- |  | --- |  | --- |  | --- |  | --- |  | --- |  | 567,357 |  | 567,357 |  | --- |  | --- |  | 567,357 |
| Planter Maintenance |  | --- |  | --- |  | --- |  | --- |  | --- |  | --- |  | 351,695 |  | 351,695 |  | --- |  | --- |  | 351,695 |
| Other Contracted Services |  | 118,340 |  | 56,235 |  | 823,192 |  | 64,628 |  | --- |  | 23,797 |  | 5,400 |  | 1,091,592 |  | 3,480 |  | 3,500 |  | 1,098,572 |
| Employee Benefits |  | 4,080 |  | 8,160 |  | 36,871 |  | 613 |  | --- |  | 26,629 |  | 23,301 |  | 99,654 |  | 13,294 |  | 3,322 |  | 116,270 |
| Payroll Taxes |  | 1,270 |  | 2,540 |  | 11,477 |  | 191 |  | --- |  | 8,289 |  | 7,252 |  | 31,019 |  | 3,209 |  | 803 |  | 35,031 |
| Postage and Shipping |  | 2,991 |  | 1,455 |  | 1,455 |  | 3 |  | --- |  | 1,691 |  | --- |  | 7,595 |  | 90 |  | 18 |  | 7,703 |
| Occupancy |  | --- |  | --- |  | --- |  | --- |  | --- |  | 42,921 |  | --- |  | 42,921 |  | 5,261 |  | 423 |  | 48,605 |
| Utilities |  | 9,921 |  | --- |  | --- |  | --- |  | --- |  | 12,354 |  | --- |  | 22,275 |  | 658 |  | 131 |  | 23,064 |
| Equipment Rental and Maintenance |  | 4,449 |  | --- |  | 19,163 |  | 3,134 |  | --- |  | --- |  | 6,656 |  | 33,401 |  | --- |  | --- |  | 33,401 |
| Insurance |  | --- |  | --- |  | --- |  | --- |  | --- |  | 15,903 |  | --- |  | 15,903 |  | 4,520 |  | 169 |  | 20,592 |
| Depreciation and Amortization |  | 27,278 |  | 20,975 |  | --- |  | 1,648 |  | --- |  | --- |  | 17,577 |  | 67,478 |  | 15,140 |  | --- |  | 82,618 |
| Personal Property Tax |  | --- |  | --- |  | --- |  | --- |  | --- |  | --- |  | 5,804 |  | 5,804 |  | --- |  | --- |  | 5,804 |
| Event Entertainment |  | 1,546 |  | 6,620 |  | 400 |  | --- |  | --- |  | --- |  | --- |  | 8,566 |  | --- |  | --- |  | 8,566 |
| Event Decoration |  | 38,190 |  | 994 |  | 414 |  | 1,250 |  | --- |  | --- |  | --- |  | 40,848 |  | --- |  | --- |  | 40,848 |
| Food and Beverages |  | 292 |  | 802 |  | 340 |  | 75 |  | --- |  | 157 |  | 850 |  | 2,516 |  | 1,983 |  | --- |  | 4,499 |
| Supplies |  | 17,593 |  | 6,037 |  | 3,038 |  | 19,805 |  | --- |  | 22,257 |  | 1,100 |  | 69,830 |  | 5,671 |  | --- |  | 75,501 |
| Accounting Fees |  | --- |  | --- |  | --- |  | --- |  | --- |  | --- |  | --- |  | --- |  | 91,097 |  | --- |  | 91,097 |
| Legal Fees |  | --- |  | --- |  | 5,420 |  | --- |  | --- |  | 10,180 |  | --- |  | 15,600 |  | 30,538 |  | --- |  | 46,138 |
| Dues, Licenses and Permits |  | 4,462 |  | 2,100 |  | 9,740 |  | --- |  | 312 |  | 3,222 |  | --- |  | 19,836 |  | 2,440 |  | --- |  | 22,276 |
| Bank Charges |  | 14 |  | --- |  | --- |  | --- |  | 20 |  | --- |  | --- |  | 34 |  | 2,696 |  | --- |  | 2,730 |
| Cost of Goods Sold |  | 12,265 |  | 822 |  | --- |  | --- |  | --- |  | --- |  | --- |  | 13,087 |  | --- |  | --- |  | 13,087 |
| Advertising and Marketing |  | 181,975 |  | 414,364 |  | 8,972 |  | 105,087 |  | 2,138 |  | 16,098 |  | --- |  | 728,634 |  | 171 |  | --- |  | 728,805 |
| Donations to Others |  | --- |  | 7,500 |  | --- |  | --- |  | 81,090 |  | 15,625 |  | --- |  | 104,215 |  | --- |  | --- |  | 104,215 |
| Information Technology |  | --- |  | --- |  | --- |  | --- |  | --- |  | 10,200 |  | --- |  | 10,200 |  | 10,199 |  | --- |  | 20,399 |
| Awards and Promotions |  | --- |  | --- |  | --- |  | --- |  | --- |  | 11,939 |  | --- |  | 11,939 |  | 2,107 |  | --- |  | 14,046 |
| Bad Debt Expense |  | 125 |  | --- |  | --- |  | --- |  | 30,000 |  | --- |  | --- |  | 30,125 |  | --- |  | --- |  | 30,125 |
| Travel |  | --- |  | 260 |  | 606 |  | --- |  | --- |  | 1,681 |  | --- |  | 2,547 |  | --- |  | --- |  | 2,547 |
| Interest |  | --- |  | --- |  | --- |  | --- |  | --- |  | --- |  | 1,118 |  | 1,118 |  | --- |  | --- |  | 1,118 |
| Miscellaneous |  | 1,995 |  | 475 |  | --- |  | --- |  | --- |  | --- |  | --- |  | 2,470 |  | 7,449 |  | --- |  | 9,919 |
| TOTAL EXPENSES | \$ | 445,127 | \$ | 566,022 | \$ | 1,086,838 | \$ | 199,189 | \$ | 113,560 | \$ | 342,653 | \$ | 1,701,690 | \$ | 4,455,078 | \$ | 272,271 | \$ | 38,383 | \$ | 4,765,732 |
| CHANGE IN NET ASSETS | \$ | $(356,943)$ | \$ | (553,812) | \$ | $(249,785)$ | \$ | $(99,289)$ | \$ | $\underline{(32,265)}$ | \$ | 3,852,372 | \$ | $(1,659,300)$ | \$ | 900,979 | \$ | $(183,864)$ | \$ | $(38,338)$ | \$ | 678,777 |

