

NEIGHBORHOOD IMPROVEMENT DISTRICT NO. 1:  
THE BREWERY DISTRICT  
YEAR 13 OPERATING PLAN

September 23, 2020

## TABLE OF CONTENTS

	<b>Page</b>
I. INTRODUCTION .....	1
II. DISTRICT BOUNDARIES .....	1
III. PROPOSED OPERATING PLAN .....	1
A. Plan Objectives .....	1
B. Proposed Activities .....	2
C. Proposed Expenditures and Financing Method .....	3
D. Organization of the District Board .....	4
IV. METHOD OF ASSESSMENT .....	6
A. Annual Assessment Rate and Method .....	6
B. Excluded and Exempt Property .....	6
V. PROMOTION OF ORDERLY DEVELOPMENT OF THE CITY .....	7
A. Enhanced Safety and Cleanliness .....	7
B. City Role in District Operation .....	8
VI. PLAN APPROVAL PROCESS .....	8
A. Public Review Process .....	8
B. Petition to Terminate the District .....	9
VII. FUTURE YEAR OPERATING PLANS .....	9
A. Changes .....	9
B. Amendment, Severability and Expansion .....	9

## APPENDICES

- A. Wisconsin Statutes section 66.1110
- B. District Boundaries
- C. Listing of Properties Included in the District and District Assessments
- D. Proposed 2021 Budget

## I. INTRODUCTION

Under Wisconsin Statutes section 66.1110, municipalities are authorized to create Neighborhood Improvement Districts ("NIDs") upon the petition of at least one property owner within the proposed district. Similar to the statute governing Business Improvement Districts (Wisconsin Statutes section 66.1109), the purpose of the NID statute is to allow owners of real property, at least some of which is used for residential purposes, within the 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.

The District was created by the Common Council of the City of Milwaukee (the "City") on May 13, 2009, by the adoption of Resolution No. 080615; the District is known as the Brewery Neighborhood Improvement District (the "District"). The purpose of the District is to promote and sustain the development and operation of the former historic Pabst Brewery as a thriving mixed-use development known as The Brewery, A Joseph J. Zilber Historic Redevelopment (the "Brewery"). In this regard, the District shall be authorized to manage, maintain and contract for services which supplement those services currently provided by the City to owners and occupants in the District.

Pursuant to the NID statute, this Year 13 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.

## II. DISTRICT BOUNDARIES

The District boundaries cover approximately eight (8) blocks and encompass the former Pabst Brewery properties now known as "The Brewery District." The proposed District boundaries include Interstate 43 to the west, West Highland Avenue to the south, North 7th Street to the east and West Winnebago Street to the north. Boundaries of the NID are shown in Appendix B of this Operating Plan. A narrative listing of the properties included in the District is set forth in Appendix C.

## III. PROPOSED OPERATING PLAN

### A. Plan Objectives.

The objectives of the District are to promote and sustain the area of The Brewery District as a thriving mixed-use development and a clean, safe and friendly environment in which to live, work and play. The District proposes to achieve its objectives by 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 The Brewery District area. The District also shall provide maintenance and utility cost of the neon Pabst sign over Juneau Avenue, maintenance and utility cost for Zilber Park and Preservation Park, maintenance of public art, maintenance including snow removal of common areas, maintenance of streetscapes and other landscaping features including the roundabout on W. Juneau Avenue as well as maintenance of stormwater management improvements including bio-swales.

**B. Proposed Activities.** The District will offer The Brewery District owners and occupants additional safety services, enhanced day portering activities, supplemental public space maintenance, Zilber Park and Preservation Parks operation and maintenance, streetscape maintenance, stormwater management maintenance, W. Juneau Avenue roundabout maintenance and integrated marketing and promotional services to complement a base level of services currently being provided by the City. As a supplement to City services, the District may employ and manage its own safety and maintenance staff and develop and implement its own marketing initiatives or contract with reputable third-party service providers to do so. 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 or a subsequently approved or amended Operating Plan.

1. Security Program. The District proposes to undertake a variety of strategies to enhance the safety and perception of safety throughout the District. Activities could include installation of security cameras and related signage, additional security staff and other activities as the board may determine from time to time.
2. Day Porter. The District proposes to sponsor a Day Porter Program to provide additional day portering services, public space maintenance, stormwater management maintenance, Zilber Park and Preservation Parks operation and maintenance, alley maintenance (including snow and ice removal), and streetscape maintenance in the area of The Brewery District.

The District may hire directly, or engage through a contract with a reputable third party vendor, personnel to perform the services described above. These maintenance efforts will complement the efforts of the City Department of Public Works. Day Porters will manually sweep sidewalks, parks and other green spaces, pick up litter and remove graffiti. They will also maintain parks, alleys

(including snow and ice removal from November through March) and maintain other green spaces as well as maintain stormwater facilities within the District boundaries.

3. Marketing Initiatives. Marketing will aim to encourage increased use of The Brewery District neighborhood and to convince both constituents of the District and potential users that The Brewery District neighborhood is a positive destination with unique qualities and amenities.

C. Proposed Expenditures and Financing Method. The 2021 proposed annual operating budget for the District is \$234,678. See Appendix D. 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. 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 2020 assessed valuation of all property subject to assessment within the proposed District boundaries was \$170,037,800. This includes a PILOT assessment for UWM's Joseph J. Zilber School of Public Health of \$8,192,900. 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 4/5 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.

D. Organization of the District Board. Upon creation of the District, the District shall hold annual meetings to elect members to the District Board (the “Board”) consistent with the terms of this subsection. 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 66.1110(4)(a)(1) requires that the Board be composed of at least five members, all of whom shall own or occupy real property within the District.

The Board shall be structured and operate as follows:

1. Board Size. Five (5) members.
2. Composition.
  - (a) Commercial Property Group
    - (i) One member shall represent the ‘largest property owner’ within the District as defined below.
    - (ii) One member shall be a representative of a multi-tenant office building in the District.
    - (iii) One member shall be the owner or operator of a non-parking, non-office commercial business located within the District (which business may include, without limitation, a restaurant, hotel, brewery or mixed-use property).
    - (iv) One member shall be a representative of a parking structure or surface parking lot within the District including at least 100 spaces.
  - (b) Residential Property Group
    - (i) One member shall be a representative of a residential building within the District.

‘Largest Property Owner’ shall be defined as the managing member or general partner of the single largest property tax key as measured by assessed valuation.

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 and consistent with Wisconsin Statutes section 66.1110(4). Notwithstanding anything herein to the contrary, the number of Board members who represent commercial and residential property, respectively, shall be set, as closely as possible, in the same proportion as is the aggregate valuation of commercial property in the 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.

3. Term. All members elected to the Board shall serve for a period of one year, except that members may be re-elected.
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 records 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. The Board may also maintain an office for the District, which shall be located within the District.
8. Meetings. The Board shall meet regularly, at least once every six months. The Board shall adopt rules of order (bylaws) to govern the conduct of its meetings.
9. Method of Electing Members to District Board. An annual meeting at which members of the Board will be elected shall be held in August of each year of the District’s existence. Prior to the meeting, the City shall publish a Class 2 notice that contains the time and place of the annual meeting. The notice shall specify that all

individuals who either own or occupy real property within the District are eligible to serve on the Board and vote at the election.

At the meeting, the individuals who own or occupy real property within the District shall be divided in 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 pursuant to this or a subsequent operating plan. Please see Appendix C for a detail listing of these properties by classification.

10. Executive Committee. The Board shall elect from its members a chair, a secretary, and a treasurer who shall comprise an Executive Committee of the Board. The Executive Committee shall be authorized to oversee the day to day operations of the District, subject to the bylaws adopted by the Board.
11. Changes. Any change in the Board size, composition or election methodology must be approved by a 4/5 majority of the entire District Board.]

#### 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 current assessed value of each property for real property tax purposes. Thus, the amount of a special assessment against a particular property may change from year to year if that property's assessed value changes relative to other properties within the District.

Appendix C identifies each property included in the District and shows the proposed District assessment for each property for the 13th year of operation. Such proposed assessments are based on the assessed value and classification estimated in 2021 pursuant to the foregoing formula.

- B. Excluded and Exempt Property. The NID statute requires explicit consideration of certain classes of property. In compliance with the law, the following statements are provided.
  1. In accordance with the interpretation of the City Attorney regarding Wisconsin Statutes section 66.1110(7)(a), property exempt from general real estate taxes has been excluded from the District unless they are subject to a PILOT Agreement which addresses this issue.

Owners of tax-exempt property adjoining the District and expected to benefit from District activities will be asked to make a financial contribution to the District on a voluntary basis. Funds collected in this manner in any given year shall be used to reduce the assessment against taxable property in the District for the following year. In addition, those tax-exempt properties adjoining the District which are later determined no longer to be exempt from general property taxes shall automatically become included within the District and subject to assessment under any current operating plan without necessity to undertake any other act.

2. In accordance with Wisconsin Statutes section 66.1110(7)(c), real property used exclusively for less than eight (8) residential dwelling units has been excluded from the District.
3. Pursuant to State Statute (66.1110(2) (e) NID No. 1 authorized taking title to the parcel known as Zilber Park and has the legal description of Lot 2 of CSM No. 8078, Tax Key No. 362-0502-000 and the address of 1217 N. 10<sup>th</sup> Street. The purpose of the NID No. 1's ownership is to operate and maintain an improved park for the benefit of the neighborhood. If NID No. 1 is terminated this real property will be transferred to Brewery Project LLC which has agreed to assume this responsibility.
4. Pursuant to State Statute (66.1110(2) (e) NID No. 1 authorized taking title to the parcel known as Preservation Park and has the legal description of Lot 1 of CSM No. 8688, Tax Key No. 391-0871-000 and the address of 925 W. Juneau Avenue. The purpose of the NID No. 1's ownership is to operate and maintain an improved park for the benefit of the neighborhood. If NID No. 1 is terminated this real property will be transferred to Blue Ribbon Suites LLC which has agreed to assume this responsibility.

## V. PROMOTION OF ORDERLY DEVELOPMENT OF THE CITY

- A. Enhanced Safety and Cleanliness. Under Wisconsin Statutes section 66.1110(2)(d), 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 The Brewery District area and, consequently, encourage positive commercial and residential activity in the City. Increased activity in the City will increase property tax base and sales tax revenues.

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 the initial Operating Plan. In furtherance of its commitment, the City shall:

1. Provide technical assistance to the District in the adoption of this and subsequent operating plans and provide such other assistance as may be appropriate.
2. Collect assessments, maintain the same in a segregated account and disburse monies to the Board.
3. Receive annual audits as required per Wisconsin Statutes section 66.1110(4)(c).
4. Provide the Board, through the Office of Assessment, on or before July 1 of each year, 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.

## VI. PLAN APPROVAL PROCESS

A. Public Review Process. The NID statute establishes a specific process for electing NID Board members and annually making changes to the Operating Plan. Pursuant to the statutory requirements, the following process will be followed:

1. A time and place for an annual meeting at which members of the Board will be elected shall be set and a Class 2 notice of such meeting shall be published.
2. At the meeting, Board members shall be elected consistent with Wisconsin Statutes section 66.1110(4) and section III(D) above, and the Board shall consider the District's annual Operating Plan.
3. The Operating Plan shall be submitted to the City's Common Council for approval.

- B. Petition to Terminate the District. The City shall consider terminating the District if a petition to terminate is filed with the City Plan Commission in conformity with Wisconsin Statutes section 66.1110(6)(a).

## 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 66.1110(4)(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 NID 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 and the board composition shall not be materially altered, except with the approval of a 4/5 majority of the entire District Board and consent of the City of Milwaukee.]**

- B. Amendment, Severability and Expansion. This District has been created under authority of Wisconsin Statutes section 66.1110. 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 4/5 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.

APPENDIX A

Wisconsin Statutes section 66.1110

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.

2. 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.

3. 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.

4. 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.

5. 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,

based on the calculation described in subd. 2., may be reallocated by the local legislative body to the greatest extent possible to be consistent with the proportion described under subd. 2.

6. Annually, board members shall be elected under the procedures contained in this paragraph. If a vacancy occurs during the term of a board member, an individual shall be elected to fill the unexpired term of the member under the procedures contained in this paragraph.

(b) The board shall annually consider and may make changes to the operating plan, which may include termination of the plan, for the neighborhood 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 neighborhood 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 neighborhood improvement district, including expenditures and revenues. The report shall include an independent certified audit of the implementation of the operating plan obtained by the municipality. The municipality shall obtain an additional independent certified audit upon termination of the neighborhood 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 of the powers necessary or convenient to implement the operating plan, including the power to contract.

**(4m)** A municipality may annex territory to an existing neighborhood improvement district if all of the following conditions are met:

(a) An owner of real property subject to general real estate taxes 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, 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 neighborhood 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), one of the following has not filed a petition with the planning commission protesting the proposed annexation:

1. 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.

2. 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.

**(5)** All special assessments received from a neighborhood improvement district and all other appropriations by the municipality or other moneys received for the benefit of the neighborhood 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 required under sub. (4) (c) or on order of the board for the purpose

of implementing the operating plan. On termination of the neighborhood 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 neighborhood improvement district, in the same proportion as the last collected special assessment.

**(6)** (a) Subject to pars. (b) and (c), a municipality shall terminate a neighborhood improvement district if one of the following occurs:

1. 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, file a petition with the planning commission requesting termination of the neighborhood improvement district.

2. 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 neighborhood improvement district.

3. 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 fail to file a petition with the planning commission to continue the neighborhood improvement district within one year of the date on which the membership of the board changes from a majority which represents commercial properties to a majority that represents residential properties, or vice versa, as described under sub. (4) (a) 3.

(b) 1. A petition may not be filed under this subsection earlier than one year after the date on which the municipality first adopts the operating plan for the neighborhood improvement district.

2. On and after the date on which a petition is filed under par. (a) 1. or 2., or on and after the date on which a petition must be filed under par. (a) 3., 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 the hearing under subd. 3. and unless the neighborhood improvement district is not terminated under par. (c).

3. Within 30 days after the filing of a petition under par. (a) 1. or 2., the planning commission shall hold a public hearing on the proposed termination. Within 30 days after the deadline for filing a petition under par. (a) 3. passes, 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 a detail map showing the boundaries of the neighborhood improvement district, shall be sent by certified mail to all owners of real property within the neighborhood improvement district. The notice shall state the boundaries of the neighborhood improvement district and shall indicate that copies of the operating plan are available from the planning commission on request and are posted in the building in which the municipality's governing body regularly holds its meetings.

4. Within 30 days after the date of the hearing under subd. 3., 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 par. (a) 1. or 2., that the owner retracts the owner's request to terminate the neighborhood improvement district, or, if the owner did not file or sign a petition under par. (a) 1. or 2., that the owner requests termination of the neighborhood improvement district under par. (a) 1. or 2.

5. Within 30 days after the date of the hearing under subd. 3., 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 par. (a) 3., that the owner retracts the owner's request to continue the neighborhood improvement district, or, if the owner did not file or sign a petition under par. (a)

3., that the owner requests continuation of the neighborhood improvement district under subd. 3.

(c) After the expiration of 30 days after the date of the hearing under par. (b) 3., and after adding any additions and subtracting any retractions under par. (b) 4. and 5., the municipality shall terminate the neighborhood improvement district on the date on which the obligation with the latest completion date entered into to implement the operating plan expires if the owners who have signed the petition requesting the termination of the neighborhood improvement district under par. (a) 1. or 2. constitute the required groups specified in par. (a) 1. or 2., or if an insufficient representation of owners, as described under par. (a) 3., petition to continue the neighborhood improvement district under par. (a) 3.

(7) (a) 1. Except as provided in subd. 2., any parcel of real property used exclusively for less than 8 residential dwelling units and real property that is exempted from general property taxes under s. 70.11 may not be specially assessed for purposes of this section.

2. In a 1st class city, real property that is exempted from general property taxes under s. 70.11 may not be specially assessed for purposes of this section.

(b) A municipality may terminate a neighborhood 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.

**History:** 2005 a. 186; 2009 a. 147; 2017 a. 70.

**66.1111 Historic properties. (1) DEFINITIONS.** In this section:

(a) “Historic property” has the meaning given under s. 44.31 (3).

(b) “Political subdivision” means a city, village, town or county.

(2) **ACQUISITION OF PROPERTY.** A political subdivision may acquire by gift, purchase or condemnation any property right in historic property, whether the property is real or personal.

(3) **OWNERSHIP, USE AND DISPOSITION OF PROPERTY.** (a) A political subdivision may preserve or rehabilitate any historic property which it owns, construct buildings on that property, own and maintain that property for public purposes or lease or convey that property.

(b) If a political subdivision leases to another person historic property, the political subdivision shall include provisions in the lease which protect the historic character and qualities of that property. If the political subdivision conveys historic property, the political subdivision shall obtain a conservation easement under s. 700.40 to protect the historic character and qualities of the property.

(4) **CONSIDERATION OF EFFECTS ON HISTORIC PROPERTIES.** (a) In the earliest stage of planning any action related to the following, a political subdivision shall determine if its proposed action will affect any historic property which is a listed property, as defined under s. 44.31 (4), or which is on the list of locally designated historic places under s. 44.45:

1. Long-range planning for facilities development.
2. Any action under sub. (3).
3. Razing any historic property which it owns.

(b) A political subdivision shall notify the state historic preservation officer of any proposed action which it determines under par. (a) would affect any historic property.

(5) **GRANTS.** A political subdivision may make grants of funds to any public or private entity for the purpose of preserving or rehabilitating historic property.

**History:** 1987 a. 395; 1989 a. 31; 1999 a. 150 s. 88; Stats. 1999 s. 66.1111.

**66.1113 Premier resort areas. (1) DEFINITIONS.** In this section:

(a) “Infrastructure expenses” means the costs of purchasing, constructing, or improving parking lots; access ways; transportation facilities, including roads and bridges; sewer and water facilities; exposition center facilities used primarily for conventions, expositions, trade shows, musical or dramatic events, or other events involving educational, cultural, recreational, sporting, or commercial activities; parks, boat ramps, beaches, and other recreational facilities; fire fighting equipment; police vehicles; ambulances; and other equipment or materials dedicated to public safety or public works.

(b) “Political subdivision” means a city, village, town or county.

(c) “Premier resort area” means a political subdivision whose governing body enacts an ordinance or adopts a resolution under sub. (2) (a).

(d) “Tourism-related retailers” means retailers classified in the standard industrial classification manual, 1987 edition, published by the U.S. office of management and budget under the following industry numbers:

1. 5331 — Variety stores.
2. 5399 — Miscellaneous general merchandise stores.
3. 5441 — Candy, nut and confectionary stores.
4. 5451 — Dairy product stores.
5. 5461 — Retail bakeries.
6. 5541 — Gasoline service stations.
7. 5812 — Eating places.
8. 5813 — Drinking places.
9. 5912 — Drug stores and proprietary stores.
10. 5921 — Liquor stores.
11. 5941 — Sporting goods stores and bicycle shops.
12. 5946 — Camera and photographic supply stores.
13. 5947 — Gift, novelty and souvenir shops.
14. 7011 — Hotels and motels.
15. 7032 — Sporting and recreational camps.
16. 7033 — Recreational vehicle parks and campsites.
17. 7948 — Racing, including track operation.
18. 7992 — Public golf courses.
19. 7993 — Coin-operated amusement devices.
20. 7996 — Amusement parks.
21. 7999 — Amusement and recreational services, not elsewhere classified.

(2) **PREMIER RESORT AREA CREATION.** (a) The governing body of a political subdivision, by a two-thirds vote of the members of the governing body who are present when the vote is taken, may enact an ordinance or adopt a resolution declaring itself to be a premier resort area if, except as provided in pars. (e), (f), (g), (h), (i), and (j), at least 40 percent of the equalized assessed value of the taxable property within such political subdivision is used by tourism-related retailers.

(b) Subject to pars. (g), (h), (i), and (j), a political subdivision that is a premier resort area may impose the tax under s. 77.994.

(c) If 2 or more contiguous political subdivisions that are premier resort areas each impose the tax under s. 77.994, they may enter into a contract under s. 66.0301 to cooperate in paying for infrastructure expenses, in addition to any other authority they have to act under s. 66.0301.

(d) The proceeds from a tax that is imposed under s. 77.994 and this subsection may be used only to pay for infrastructure expenses within the jurisdiction of a premier resort area.

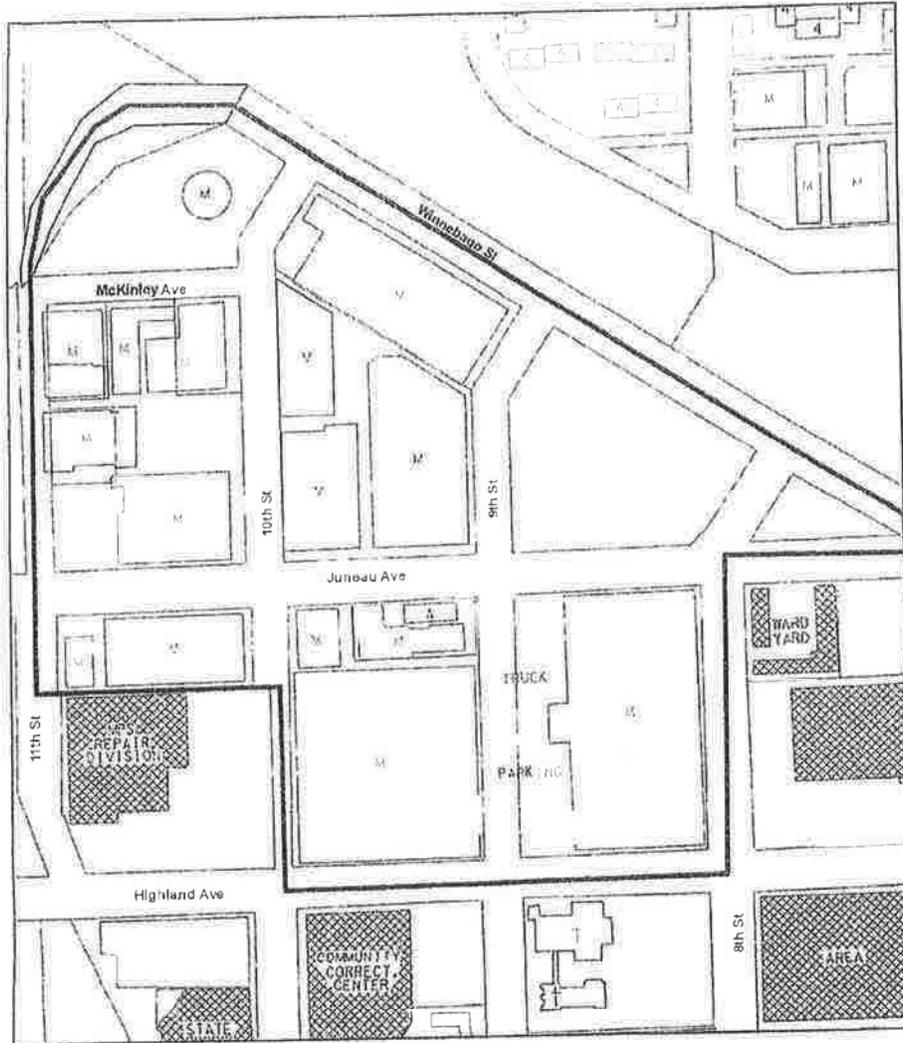
(e) 1. The legislature finds the following with respect to the city of Eagle River:

a. That it has an atypical percentage of tax-exempt land within its boundaries that is used for tourism-related purposes.

b. That it is the site of national recreational competitions that draw tourism business to the entire northern region of this state.

## APPENDIX B

### District Boundaries



**The Brewery**  
Neighborhood Improvement Boundary (NID)

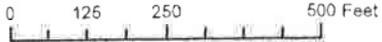
 Potential NID Boundary

Produced by:  
Department of City Development Information Center RTW

Project File:  
W:\Map Requests 2009\the brewery nid\the brewery nid.mxd

Map File:  
W:\Map Requests 2009\the brewery nid\the brewery nid.pdf

Scale: 11/17/2009, 10:00 AM - 1:2,000

## APPENDIX C

### Listing of Properties Included in the District and District Assessments

Taxkey	Address	Owner1	Building Description	total		<b>2021 Assessment</b>
<b>Commercial</b>						
3620452000	1243 N 10TH ST	J. VOLLRATH LLC	Office Building - Class B	\$ 5,603,900.00	\$	7,734.23
3620453000	1220 N 11TH ST	BREWERY SILO LLC	Bulk Storage	\$ 495,800.00	\$	684.28
3620501000	1017 W MC KINLEY AV	BREWER SILO LLC	Parking Lot	\$ 903,500.00	\$	1,246.97
3620502000	1217 N 10TH ST	NEIGHBORHOOD IMPROVEMENT		\$ 1,800.00	\$	2.48
3620508000	1036-1042 W JUNEAU AV	BLUE RIBBON REDEV FUND III	Office Building - Class B	\$ 6,995,800.00	\$	9,655.27
3620509000	1203-1211 N 10TH ST	BREWERY HOUSE LLC	Hotel - Extended Stay	\$ 14,860,900.00	\$	20,510.30
3620512000	902-910 W JUNEAU AV	BREWERY PARKING	Parking Garage, Parking Ramp	\$ 7,082,900.00	\$	9,775.48
3620541000	1037 W MC KINLEY AV	JONJA HOLDINGS LLC	Office Building - Class B	\$ 4,473,400.00	\$	6,173.97
3620551000	1240 N 10TH ST	BOARD OF REGENTS OF THE	Office Building - Class B	\$ 8,192,900.00	\$	11,307.45
3620601000	800 W JUNEAU AV	MKE HOTEL LLC	Hotel - Select Service	\$ 17,341,900.00	\$	23,934.46
3910751000	901-923 W JUNEAU AV, Unit .	BREW CITY REDEVELOPMENT	Office Building - Class D	\$ 1,388,100.00	\$	1,915.79
3910861000	1037 W JUNEAU AV	BLUE RIBBON REDEVELOPMENT	Sit Down Restaurant	\$ 667,100.00	\$	920.70
3910871000	925 W JUNEAU AV	NEIGHBORHOOD IMPROVEMENT DISTRICT NO 1 -		\$ 6,900.00	\$	9.52
3910891000	1131 N 8TH ST, Unit 1	WICNN BLUE RIBBON LLC	Mini Warehouse	\$ 4,325,300.00	\$	5,969.57
3910892000	1128 N 9TH ST	SSL MILWAUKEE LLC	Office Building - Class B	\$ 5,878,300.00	\$	8,112.95
<b>Residential</b>						
3620441100	925-945 W WINNEBAGO ST	BLUE RIBBON LOFT APTS LLC	Subsidized Apartments	\$ 6,072,400.00	\$	8,380.83
3620521000	1244 N 9TH ST	BREWERY POINT APTS LLC	Subsidized Apartments	\$ 1,662,000.00	\$	2,293.81
3620531000	1003 W WINNEBAGO ST	BLOCKS 4 AND 5 LLC	AP4 (Conv Apt with 21 or more Units)	\$ 26,440,200.00	\$	36,491.49
3620552000	926 W JUNEAU AV	BLOCKS 4 AND 5 LLC	AP4 (Conv Apt with 21 or more Units)	\$ 16,359,700.00	\$	22,578.87
3620561110	840 W JUNEAU AV	MLG/PF FREDERICK LOFTS INVESTMENT LLC	AP4 (Conv Apt with 21 or more Units)	\$ 15,001,500.00	\$	20,704.35
3910862000	1009 W JUNEAU AV	MILWAUKEE PABST HOLDINGS LLC	AP4 (Conv Apt with 21 or more Units)	\$ 13,574,200.00	\$	18,734.46
3910872000	1125 N 9TH ST	BLUE RIBBON SUITES LLC	AP4 (Conv Apt with 21 or more Units)	\$ 12,709,300.00	\$	17,540.77
Budget		\$234,678.00	Total	\$ 170,037,800.00	\$	234,678.00
Rate		0.0013801519426857	Commercial	\$ 78,218,500.00		
			Residential	\$ 91,819,300.00		

APPENDIX D

Proposed 2021 Budget

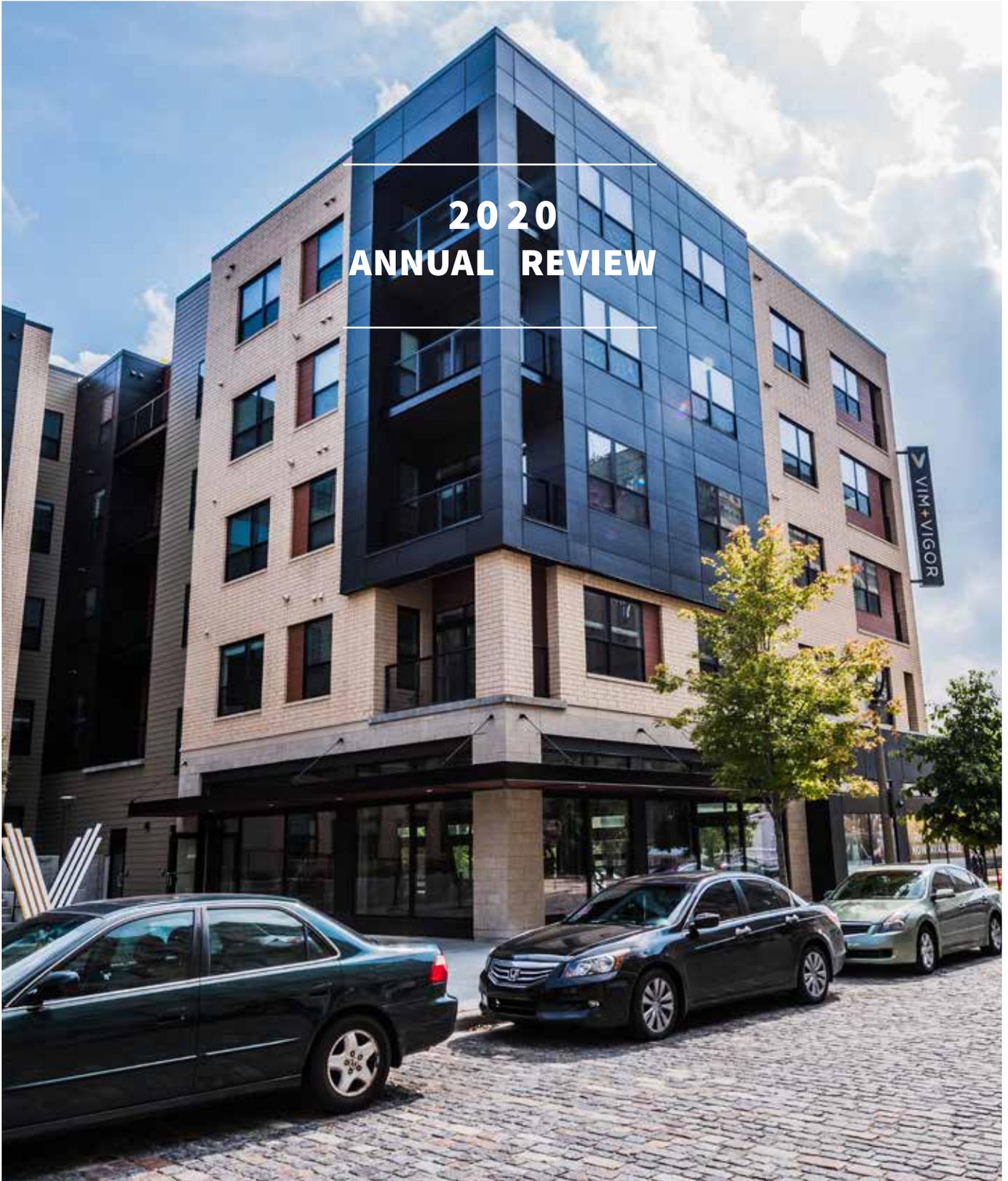
<b>NID No.1 - 2021 Budget</b>			
<b>Category</b>	<b>2020</b>		<b>2021</b>
Snow Plowing	\$ 10,000		\$ 10,000
Pabst Sign Electric	\$ 1,000		\$ 1,000
Pabst Sign Repairs	\$ 2,500		\$ 2,500
Legal Fees	\$ 1,000		\$ 1,000
Admin Fees	\$ 32,000		\$ 24,000
Audit Fee	\$ 7,000		\$ 6,000
Storm Water Retention Main	\$ 10,000		\$ 10,000
Public Art Maintenance	\$ 2,000		\$ 2,000
Day Porters	\$ 18,500		\$ 18,500
Security	\$ 40,000		\$ 40,000
Property Identification	\$ 500		\$ 500
Directors/Officers and Liab Ins	\$ 2,000		\$ 17,645
Commercial Property Insurance	\$ 3,500		\$ 4,033
Preservation Park Water	\$ 1,000		\$ 1,000
Zilber Park Water	\$ 1,000		\$ 1,000
Preservation Park Property Tax	\$ 150		\$ 150
Zilber Park Property Tax	\$ 50		\$ 50
Landscaping	\$ 35,000		\$ 35,000
Preservation Park Electricity	\$ 1,500		\$ 1,500
Zilber Park Electricity	\$ 2,500		\$ 2,500
Lamp Post Electricity/Meters (Holiday)	\$ 2,000		\$ 2,000
Park maintenance	\$ 1,300		\$ 1,300
Marketing & PR	\$ 12,500		\$ 23,000
Holiday Lighting	\$ 25,000		\$ 25,000
Community Outreach (BID 21 Housing Coordinator Donation)	\$ -		\$ 5,000
<b>Total</b>	<b>\$ 212,000</b>		<b>\$ 234,678</b>

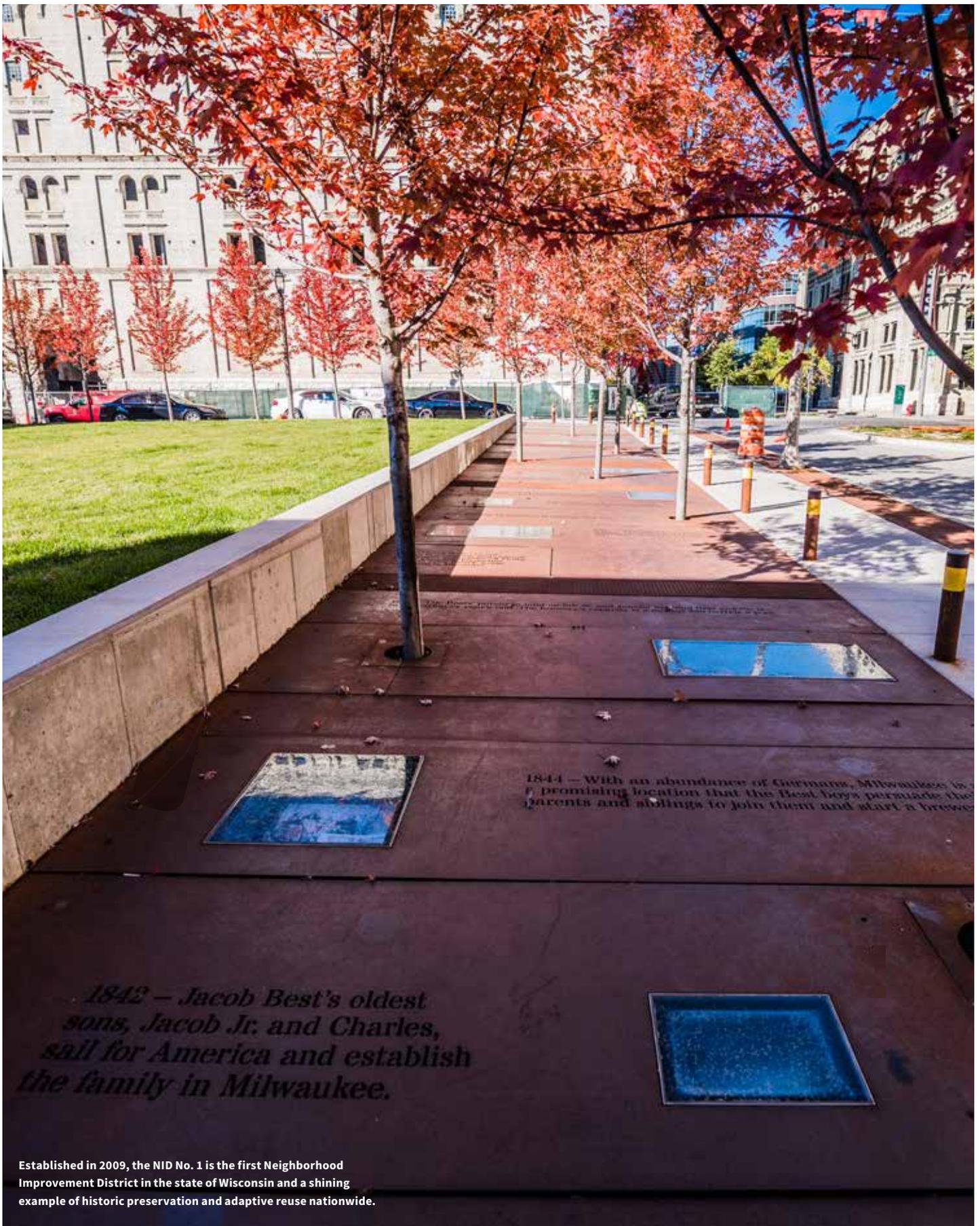
# THE BREWERY

DISTRICT

№ MILW 01

2020  
ANNUAL REVIEW





Established in 2009, the NID No. 1 is the first Neighborhood Improvement District in the state of Wisconsin and a shining example of historic preservation and adaptive reuse nationwide.

# The Brewery Neighborhood Improvement District No. 1



*Formerly the site of Pabst Brewery, the 21-acre campus and its historic structures spent over a decade deteriorating following Pabst's abrupt closing in 1996. Yet under the vision and leadership of early investors, real estate developer and philanthropist Joseph J. Zilber, and a public-private partnership with the city of Milwaukee, the once-abandoned area has transformed into one of downtown Milwaukee's great neighborhoods.*

The sustainable and walkable district consists of 16 adaptively reused buildings, and 14 historically preserved, totaling more than one million square feet; over 844,000 square feet of new construction; a phased streetscape reconstruction; and more than \$300 million in public and private investment. Infrastructure designed for stormwater management, aggressive landscaping, tree lawns, bioswales, Zilber Park and Preservation Park, and other commitments to sustainability make The Brewery District a LEED Platinum Neighborhood Development.

Residential and commercial property owners within the district remain committed to the forward momentum of the neighborhood and, therefore, support an annual assessment to enhance city services and enrich the quality of life within the district.

## *Mission*

To promote and sustain the development and operation of the former historic Pabst Brewery complex as a thriving mixed-use, safe and vibrant community in which to live, work, learn and

play.

## *District Boundaries*

The Brewery NID represents approximately eight blocks and is bounded by Winnebago Street at the north, Highland Avenue at the south, I-43 to the west and 7th Street to the east.

## *Core Programs & Activities*

The Brewery NID provides property owners and occupants safety and security services, enhanced day portering activities, public space maintenance, Zilber Park and Preservation Park operation, streetscape maintenance, stormwater management, public art maintenance, historic neon Pabst sign maintenance, holiday lighting programs, and integrated marketing and promotional services.



# Economic Development

*The Brewery District continues to grow with the Pabst Brewery Grain Silos as the only remaining property to be redeveloped.*

### New Construction

New construction accounts for 844,000 sq. ft. of total property while over a million sq. ft. has been adaptively reused. The final redevelopment under construction is The Malt House Lofts a 118 unit, 170,000 sq. ft. market rate residential development.

The Brewery Project LLC commissioned the new Juneau Avenue roundabout gateway signage in partnership with the city of Milwaukee in 2019. The Brewery NID No. 1 entered into a maintenance agreement with the city of Milwaukee to maintain the improvements when the project completed in early 2020.

### Live

The Brewery District is now home to 1,062,616 sq. ft. of residential space totaling 786 units in seven properties: Eleven25 at Pabst's luxury apartments for students; Brewery Point Apartment's affordable housing program for residents 55 or older; and Frederick Lofts, the two new Vim + Vigor developments and the Malt House Lofts are new market rate developments; Blue Ribbon Lofts provides a mix of market rate and affordable living apartment options.

### Work

Commercial developments provide over 312,000 sq. ft. of commercial space and more

than 40 tenant businesses in four office buildings: Boiler House, No Studios, Pabst Professional Center, and The 42.

### Learn

The Brewery District is home to the University of Wisconsin-Milwaukee Joseph J. Zilber Public School of Health. The 50,299 sq. ft. LEED Gold certified building currently houses nearly 60 School of Public Health faculty and students.

### Play

Dining, entertainment and hospitality account for 379,000 sq. ft. of space in ten properties: Best Place at The Historic Pabst Brewery, Brewhouse Inn & Suites, Captain Pabst Pilot House, Eleven25 at Pabst Restaurants, Glass + Griddle, Hyatt Place Milwaukee Downtown, Jackson's Blue Ribbon Pub, Milwaukee Brewing Company, No Studios, and Rooftop MKE.

### Green Space

The Brewery NID No. 1 owns and maintains 20,650 sq. ft. of green space in two public parks: Preservation Park and Zilber Park.

### Parking

The Brewery District has a centrally located LEED Gold certified, public parking structure with 908 parking stalls. There are over 500 private parking spaces, above ground and under, in addition to the public parking structure.



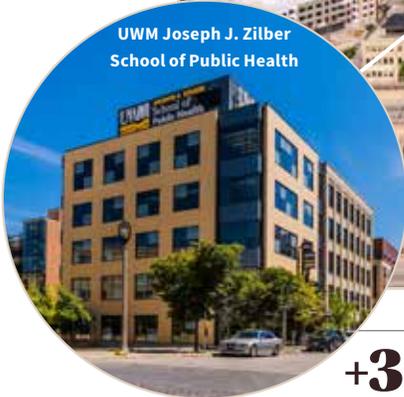
Juneau Avenue Roundabout Gateway Signage



Vim + Vigor



Brewhouse Inn & Suites



UWM Joseph J. Zilber School of Public Health



Pabst Professional Center

**+31%**

Property values in The Brewery District increased 31% from 2019 to 2020.

**\$35.8M**

Total assessed property values increased \$35,849,500 from \$113,051,000 in 2019 to \$148,900,500 in 2020.

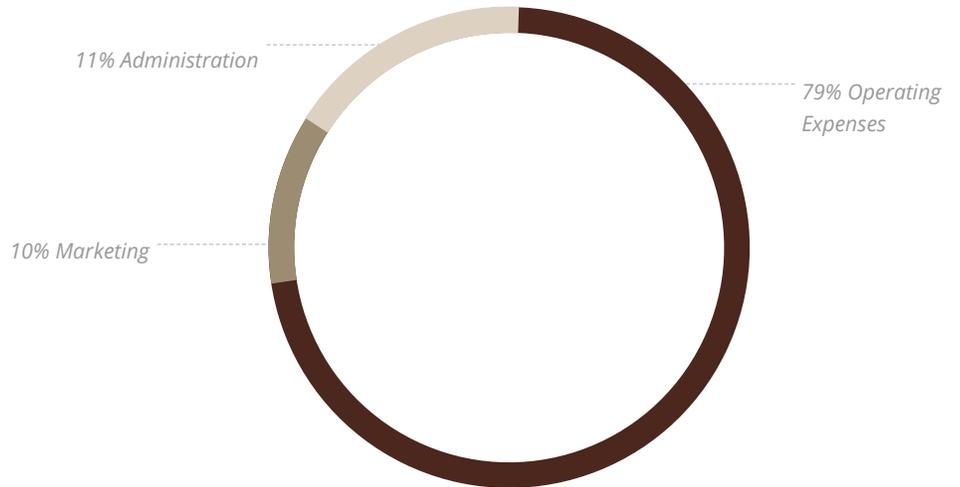
# Budget

The total assessed property valuation was \$148,900,500 in 2020.

The 2020 Operating Plan proposed spending \$212,000 in expenses, which included an increase in the District's day porter services, marketing and promotional services, and a three year commitment to support Milwaukee Downtown, Inc.'s initiative to fund a position for a Homeless Outreach Coordinator for District One.

District operations include Day Porter Services, Public Safety, Park Maintenance, Stormwater Management, Landscaping, Winter Maintenance, Public Art Maintenance, Historic neon Pabst Sign Maintenance and a Holiday Lighting Program. More details on the operations are on the following page.

## OPERATING BUDGET AT A GLANCE



**\$212,000**

In 2020, the Operating Budget was \$212,000, a \$12,000 increase from 2019 when the budget was \$200,000.

**85**

The Brewery District walk score increased from 77 in 2019 to 85 in 2020. The neighborhood is categorized as very walkable given its high accessibility to dining and drinking, groceries, shopping, errands, parks, schools, culture and entertainment.



# Brewery District Operations

*2020 was a year of continuing the NID No. 1's property management and maintenance responsibilities.*

## *Services Provided*

### *Response to the Global Pandemic*

The Brewery NID canceled major events for public safety, purchased and installed hand sanitizing stations in its public parks, disseminated important COVID-19 information for businesses and residents on safety, available grants, funding, testing, guidelines from the Milwaukee Health Department, and developed a marketing campaign to support business during their critical reopening period.

### *Day Porter Services*

To ensure the cleanliness of the neighborhood, the District's Day Porter Services remove on average, 240 gallons of trash each week.

### *Public Safety*

The Brewery District is committed to the safety of the neighborhood. Investment in a Security Officer, technology, communi-

cation with the community and MPD District One Community Officer Liaison, are part of the strategic proactive measures implemented by the District.

### *Park Operation*

The Brewery District maintains and operates 20,650 sq. ft. of green space, not including bioswales and tree lawns. Two parks, Zilber Park and Preservation Park further enhance the vibrancy of our neighborhood and sustainability commitments. The parks are used for wedding ceremonies and events.

### *Stormwater Management*

The Brewery District is designed to capture all stormwater from roof tops, and open areas before entering the combined sewer system. The stormwater is collected and purified through the implementation of underground detention reservoirs, porous pavement areas, 17 bioswales,

and the aggressive use of landscaping and native plantings. The Brewery District, once a 100% impervious site, infiltrates over 75% of the average annual rainfall and extracts 85% of its pollutants. The Brewery District is currently developing Stormwater BMPs to continue to maintain its stormwater management system and continue its LEED ND commitments.

### *Annual Landscaping*

The District maintains 17 bioswales, park trees, seasonal flower beds, the public right-of-way native plantings along Juneau Avenue and the roundabout, as part of its landscaping maintenance plan. Debris and trash are removed, shrubs and trees are pruned, landscaping beds are weeded, mulch is installed, and leaves are removed each spring and fall under our year long Landscaping program. Lying outside of the District's

boundaries, The Brewery NID also maintains, as needed, the north side of Winnebago Street between 10th and 9th Streets.

### *Winter Maintenance*

Each winter, snow is removed and ice is maintained in public areas including Zilber Park, Preservation Park and a pedestrian walkway between the District's parking garage and 10th Street.

### *Public Art Maintenance*

The District's public art maintenance plan includes Zilber Park's bronze statue, a Gabion Ice Wall, Preservation Park's Artifact Gallery, and the Juneau Avenue roundabout gateway signage.

### *Historic neon PABST Sign Maintenance*

The Brewery District conducts regular engineering inspections and maintenance of the historic neon PABST sign over Juneau Avenue to preserve the sign's structural integrity and ensure it remains an iconic symbol of Milwaukee's brewing history for years to come.

### *Holiday Lighting Program*

The District's second annual holiday lighting program increased from 46 harp light poles to decorating 86 harp light poles throughout the neighborhood.

### *Board Meetings*

The Brewery District Board held 14 public meetings from September 2019 through August 2020 to insure the Operating Plan and its objectives are fully realized.

## Board of Directors

### *The Brewery NID No. 1*

#### **Michael Kelly**

Board Chair  
Blue Ribbon Management

#### **Patrick Noonan**

Board Secretary  
Colliers International

#### **Jim Haertel**

Board Treasurer  
Best Place at the Historic Pabst Brewery

#### **Erica Vaillancourt**

Board Member  
Interstate Parking

#### **Angel Rivera**

Board Member  
Hyatt Place Milwaukee Downtown

#### *Staff*

#### **Erin Stenum**

NID No. 1 Manager

# Magnificent Green Spaces



Zilber Park pictured here is one of two public parks owned and operated by the NID No. 1. It is a landmark to the legacy left by Joseph J. Zilber and his commitment to the redevelopment of The Brewery District. The park features trees, benches, and original brick pavers from the Pabst Brewing Company complex. The gabion rock wall has a hidden water feature that turns it to ice during the right winter conditions.

Contributing to the significant investment in the district's LEED Platinum Neighborhood Development Certification the park's unique design integrates pervious surfaces and storage for reducing stormwater runoff and filtering contaminants from surrounding buildings prior to entering the city's stormwater system.

# Brewery District Promotion Highlights

*The Brewery NID No. 1 increased marketing and public relations services from 2019 through 2020, the following are highlights from the last year.*



## Around the Corner with John McGivern

The Brewery District made its debut on Around the Corner with John McGivern on Season 9 Episode 8 on The Brewery and Deer Districts. John toured the neighborhood and interviewed Blue Ribbon Lofts resident Susanne Terry, Jim Haertel owner of The Best Place at The Historic Pabst Brewery, Beth Ridley with No Studios, Extra Space Storage,

Captain Pabst Pilot House, Ronald Perez at the UWM Joseph J. Zilber School of Public Health, Jim McCabe at Milwaukee Brewing Company and Alderman Robert Bauman. The episode was filmed August 2019 and scheduled to premiere on April 9, 2020 at Milwaukee Brewing Company, however the premiere was canceled due to the pandemic.



## WUWM Lake Effect On-Site Series

The WUWM 89.7 FM Lake Effect producers selected the Brewery District for one of their On-Site Series in November 2019. The broadcast was live taped with Lake Effect's host Bonnie North as she interviewed a panel of special guests discussing what makes the Brewery District unique. Special guest panelists

included former Milwaukee Journal Sentinel Architecture Critic Whitney Gould, Historian and Author John Gurda, Photographer Paul Bialas, Captain Pabst Pilot House Master Brewer Zach Krueger, Founder of Milwaukee Brewing Company, Jim McCabe, with Trapper & Tanner Schoepp, guest musicians.



## Roundabout Gateway Unveiling

Unveiling Ceremony and media event for the New Gateway Sculpture The Brewery District was held at Hyatt Place recognizing the formal completion of the historic Pabst Brewery District redevelopment project and unveiling of the new Gateway Sculpture, Nov. 12. The event featured a presentation of “Brewery District Day” proclamation by Mayor Tom Barrett and welcome by John Kersey,

Executive Vice President of Zilber. Free beer was provided by Pabst and Milwaukee Brewing Company, with music by Milwaukee’s Polka Kings. The sculpture was commissioned by the Brewery Project LLC in cooperation with the City of Milwaukee and is a collaborative design effort between Eppstein Uhen Architects, Ascend Design and David J. Frank.



## VINTERSKÖL Musik Fest

The Brewery District celebrated the nearing end of winter with a first edition VinterSköl Musik Fest on Sat., Feb. 15. Held in the beautiful, historic neighborhood, the Nordic-inspired winter celebration showcased an impressive lineup of Milwaukee musicians, craft and arts vendors, beer, brewery and beer history tours. More than 1,000 attendees joined

together to experience an exploration of Milwaukee music with a phenomenal lineup of 24 live performances across five venues: Best Place at The Historic Pabst Brewery, Captain Pabst Pilot House, Jackson’s Blue Ribbon Pub, Milwaukee Brewing Company, and No Studios.



## Explore The Brewery District Campaign

To support Brewery District businesses during a critical “reopening” period during the pandemic, the NID worked with Water Street Creative to develop a Social Media campaign to raise awareness of open businesses and operating hours to increase visitors to the District.

The objectives of the campaign were to attract visitors to the District, share the safety procedures businesses implemented, disseminate accurate information about current

hours of operation, update thebrewery.org/explore page with current information to share through newsletter, social media, Visit Milwaukee and OnMilwaukee, and to build social media followers and email database to grow audience for The Brewery District and for individual district businesses.

# Greatful for Community...

*Our community shares what they love about The Brewery District.*



“Life in the Brewery District is wonderful because we are close to the “happening” areas-the Forum, the Riverwalk, the Performing Arts Center-but in a peaceful neighborhood away from the crowds. Great living space, too.”

Suzanne Terry - Blue Ribbon Lofts Resident



“Being new to Milwaukee, working in The Brewery District has been an enriching adjustment. I’m so grateful to be a part of the neighborhood – the people that live and work here create a true sense of community.

The Brewery District is more than just a place to live, work, and play – it’s a living history that you’re a part of. The vintage charm and grandeur of The Brewhouse Inn & Suites sets the perfect stage. Housed in the original Pabst Blue Ribbon brewery, our boutique hotel celebrates Milwaukee’s beer-brewing heritage.”

Emily Rauber - The Brewhouse Inn & Suites



“We at Best Place at the Historic Pabst Brewery chose the Brewery District primarily for its unique History, Architecture, Downtown Location and Association with BEER! The later additions of Environmental Sustainability, Safety, Cleanliness and Proximity to our new Fiserv Forum have just been added bonuses. We truly believe we have found the ‘Best Place’ here at the Brewery District.”

Jim Haertel - The Best Place at The Historic Pabst Brewery



“Klement’s Sausage loves being part of the Brewery District. Surrounded by the historical Pabst Brewery campus, the Brewery District is a hidden gem with quaint cobblestone streets that hosts a diverse mix of offices, apartments, hotels and restaurants.”

Marnie Seidl - Klement Sausage Co., Inc.



**CONTACT**

info@thebrewery.org  
1125 N. 9th Street, Suite J  
Milwaukee, WI 53233

MORE INFORMATION AVAILABLE AT | [www.thebrewery.org](http://www.thebrewery.org)

**THE BREWERY NEIGHBORHOOD IMPROVEMENT DISTRICT NO. 1**  
Milwaukee, Wisconsin

**Audited Financial Statements**

For the Years Ended December 31, 2019 and 2018

**Table of Contents**

	<b><u>Page(s)</u></b>
Independent Auditors' Report	1 - 2
Management's Discussion and Analysis (Unaudited)	3 - 6
Statements of Net Position	7
Statements of Revenues, Expenses, and Changes in Net Position	8
Statements of Cash Flows	9
Notes to Financial Statements	10 - 12
Budgetary Comparison Schedule	13



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
The Brewery Neighborhood Improvement District No. 1  
Milwaukee, Wisconsin

We have audited the accompanying financial statements of The Brewery Neighborhood Improvement District No. 1 ("District") which comprise the statements net position as of December 31, 2019 and 2018, the related statements of revenues, expenses, and changes in net position, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Brewery Neighborhood Improvement District No. 1 as of December 31, 2019 and 2018, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise The Brewery Neighborhood Improvement District No. 1's basic financial statements. The budgetary comparison schedule on page 13 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The budgetary comparison schedule 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. Such 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 budgetary comparison schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Riilly, Penner & Benton LLP*

July 10, 2020  
Milwaukee, Wisconsin

**THE BREWERY NEIGHBORHOOD IMPROVEMENT DISTRICT NO. 1**  
Milwaukee, Wisconsin

**Management's Discussion and Analysis (Unaudited)**

This section of The Brewery Neighborhood Improvement District No. 1 ("the District") financial report presents a discussion and analysis of the District's financial performance for the years ended December 31, 2019 and 2018. The discussion has been prepared by management, along with the financial statements and related footnote disclosures, and should be read in conjunction with, and is qualified in its entirety by, the financial statements and notes. This discussion and analysis is designed to focus on current activities, resulting changes, and currently known facts.

**Using the Financial Report**

The financial report consists of three financial statements that focus on the financial condition of the District and the results of its operations as a whole.

One of the most important questions asked about governmental finances is whether the unit of government as a whole is better off or worse off as a result of the year's activities. A key to the understanding of this questions is the statement of net position, statement of revenues, expenses, and changes in net position, and the statement of cash flows which present financial information in a format similar to that used by business.

The statements of net position include all of the District's assets and liabilities. It is prepared using the accrual basis of accounting, whereby revenues and assets are recognized when the service is provided and expenses and liabilities are recognized when others provide the service, regardless of when cash is exchanged. The District's net position is one indicator of its financial health. Generally, over time, increases or decreases in net position will indicate the improvement or erosion the District's financial health.

The statements of revenues, expenses, and changes in net position present the revenues earned and the expenses incurred during the period. The District's activities are reported as operation. The District currently has only minimal operating activities, which are shown in detail in the statements of revenues, expenses, and changes in net position. Note that the amount for net assets at end of period on these statements agrees with total net assets on the statements of net position.

Other important factors to consider when evaluating financial viability are the District's ability to meet financial obligations as they are due and its ability to generate future net cash flows. The statements of cash flows present the information related to cash inflows and outflows summarized by operating, capital financing, and investing activities. In addition to information about cash transactions, the statements of cash flows reconciles the increase in net position on the statements of revenues, expenses, and changes in net position, with net cash provided by operating activities on the statements of cash flows.

**THE BREWERY NEIGHBORHOOD IMPROVEMENT DISTRICT NO. 1**  
Milwaukee, Wisconsin

**Management's Discussion and Analysis (Unaudited)**  
**(Continued)**

**Statements of Net Position**

December 31	2019	2018
<b>Assets</b>		
Current assets	\$ 160,969	\$ 154,701
Non-current capital assets	270,790	50,931
Other assets	48,152	65,079
<b>Total Assets</b>	<b>\$ 479,911</b>	<b>\$ 270,711</b>
<b>Liabilities</b>		
Current liabilities	\$ 26,518	\$ 23,533
<b>Net Position</b>	<b>453,393</b>	<b>247,178</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 479,911</b>	<b>\$ 270,711</b>

**Current Assets**

Current assets consist of cash in the District's bank account, accounts receivable, and prepaid insurance premiums for the District's business insurance policies.

**Non-current Capital Assets**

During 2019, the District received a donation of property that has a fair value of \$220,000. The District received no material donations during 2018. The District did capitalize a security guard bike during 2018. The historical cost of the bike was \$990.

**Other Assets**

During 2018, the District entered into an agreement with the City of Milwaukee and Midwest Bikeshare, Inc. d/b/a Bublr Bikes ("Bublr") to sponsor a Bublr Bike Station for a period of five years. The agreement totaled \$63,800, including the costs for the electrical installation for the bike station to operate. The total cost will be amortized over the 5 year period.

During 2018, the District entered into a project contract with Rev Pop Inc. to redesign the District's website. The total project cost was \$12,500. Due to the nature of this type of project, the cost will be amortized over a 3 year period.

**Current Liabilities**

Current liabilities consist of accounts payable and accrued expenses, which consist of expenses for goods and services received from vendors in the current year but paid for in the following year. The balance of accounts payable at December 31, 2019 and 2018 is predominantly made up of expenses incurred near the year end, snow removal fees, management fees, electricity, repairs and maintenance, and other miscellaneous items.

**THE BREWERY NEIGHBORHOOD IMPROVEMENT DISTRICT NO. 1**  
Milwaukee, Wisconsin

**Management's Discussion and Analysis (Unaudited)**  
**(Continued)**

**Statements of Revenues, Expenses, and Changes in Net Assets**

Year Ended December 31	2019	2018
<b>Revenues</b>		
Assessment income	\$ 200,000	\$ 187,500
Preservation park rental	-	250
Promotional event administration	21,425	-
Interest income	1,497	770
Contribution of land	220,000	-
<b>Expenses</b>		
Operating expenses	219,639	144,600
Depreciation and amortization expense	17,068	11,280
<b>Increase (Decrease) in Net Position</b>	<b>206,215</b>	<b>32,640</b>
<b>Net Position, beginning of period</b>	<b>247,178</b>	<b>214,538</b>
<b>Net Position, end of period</b>	<b>\$ 453,393</b>	<b>\$ 247,178</b>

**Revenues**

The District's revenue primarily consists of the assessment income earned annually from the City of Milwaukee. The District earned \$200,000 and \$187,500 in assessment income during 2019 and 2018, respectively. The annual assessment for the District's operating expenses is levied by the City of Milwaukee and remitted to the District annually.

The District held an event, Frühling Fest, to promote the neighborhood in 2019. Event revenues totaled \$21,425.

**Expenses**

The District incurred \$236,707 and \$155,880 in operating expenses in 2019 and 2018, respectively, primarily for professional fees, marketing and promotion, right of way landscaping, landscaping, snow removal, management fees, repairs and maintenance, security, insurance, utilities, depreciation, and amortization.

**Budget to Actual Amounts Significant Variance Comparison**

The District increased its marketing and promotion in 2019 through events, social media and public relations and an increase in management hours for marketing. The District held an event, Frühling Fest, in May 2019 to promote the neighborhood. The District also engaged with a public relations agency.

The District saw an increase in snow and ice maintenance services required during the 2019 winter season.

The District made a \$5,000 contribution to the Milwaukee Downtown Business Improvement District #21 Key to Change Program in 2019.

**Overall Financial Position**

Management believes the District is in good condition financially. Revenues derived from the City of Milwaukee's 2019 annual assessment, along with other revenues earned and reserves from prior year surpluses, are expected to be adequate to cover operating working capital requirements in 2020.

**THE BREWERY NEIGHBORHOOD IMPROVEMENT DISTRICT NO. 1**  
Milwaukee, Wisconsin

**Management's Discussion and Analysis (Unaudited)**  
**(Continued)**

**Requests for Information**

This financial report is designed to provide a general overview of the District. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Michael Kelly, Board President.

**THE BREWERY NEIGHBORHOOD IMPROVEMENT DISTRICT NO. 1**  
Milwaukee, Wisconsin

**Statements of Net Position**  
December 31, 2019 and 2018

<b>Assets</b>	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>Current Assets:</b>		
Cash	\$ 157,553	\$ 151,418
Accounts receivable	250	-
Prepaid expense	3,166	3,283
<b>Total current assets</b>	<b>160,969</b>	<b>154,701</b>
<b>Capital Assets:</b>		
Land	\$ 270,000	\$ 50,000
Other capital assets net of accumulated depreciation	790	931
<b>Net capital assets</b>	<b>270,790</b>	<b>50,931</b>
<b>Other Assets:</b>		
Deferred sponsorship	63,800	63,800
Web design and development	12,500	12,500
<b>Total other assets</b>	<b>76,300</b>	<b>76,300</b>
Less accumulated amortization	(28,148)	(11,221)
<b>Net other assets</b>	<b>48,152</b>	<b>65,079</b>
<b>Total assets</b>	<b>\$ 479,911</b>	<b>\$ 270,711</b>
<b>Liabilities and Net Position</b>		
<b>Current Liabilities:</b>		
Accounts payable	\$ 5,518	\$ 23,533
Accrued expenses	21,000	-
<b>Total current liabilities</b>	<b>26,518</b>	<b>23,533</b>
<b>Net Position:</b>		
Net investment in capital assets	270,790	50,931
Unrestricted	182,603	196,247
<b>Total net position</b>	<b>453,393</b>	<b>247,178</b>
<b>Total liabilities and net position</b>	<b>\$ 479,911</b>	<b>\$ 270,711</b>

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

**THE BREWERY NEIGHBORHOOD IMPROVEMENT DISTRICT NO. 1**  
Milwaukee, Wisconsin

**Statements of Revenues, Expenses, and Changes in Net Position**

For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
<b>Operating Revenues:</b>		
Assessment	\$ 200,000	\$ 187,500
Promotional event administration	21,425	-
Preservation park rental	-	250
<b>Total operating revenue</b>	<u>221,425</u>	<u>187,750</u>
<b>Operating Expenses:</b>		
Electric	3,888	3,583
Insurance expense	5,044	8,149
Landscaping	34,780	34,175
Website	381	-
Professional fees	32,890	21,985
Marketing and promotion	42,329	-
Real estate taxes	111	179
Repair and maintenance	19,752	20,054
Security	38,988	32,540
Holiday lighting	22,655	13,190
Snow removal	13,383	10,524
Depreciation	141	59
Amortization	16,927	11,221
Donation to others	5,000	-
Miscellaneous	438	221
<b>Total operating expenses</b>	<u>236,707</u>	<u>155,880</u>
<b>Operating income (loss)</b>	<u>(15,282)</u>	<u>31,870</u>
<b>Nonoperating Revenues and (Expenses):</b>		
Interest income	1,497	770
Contribution of land	220,000	-
<b>Increase in net position</b>	<u>206,215</u>	<u>32,640</u>
<b>Net position, beginning of year</b>	<u>247,178</u>	<u>214,538</u>
<b>Net position, end of year</b>	<u>\$ 453,393</u>	<u>\$ 247,178</u>

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

**THE BREWERY NEIGHBORHOOD IMPROVEMENT DISTRICT NO. 1**  
Milwaukee, Wisconsin

**Statements of Cash Flows**

For the Years Ended December 31, 2019 and 2018

	<u><b>2019</b></u>	<u><b>2018</b></u>
<b>Cash Flows From Operating Activities:</b>		
Assessment receipt	\$ 200,000	\$ 187,500
Preservation park rental	-	250
Promotional event administration	21,175	-
Payments to vendors	<u>(216,537)</u>	<u>(212,462)</u>
<b>Net cash provided (used) by operating activities</b>	<u>4,638</u>	<u>(24,712)</u>
<b>Cash Used by Capital and Related Financing Activities:</b>		
Purchase of capital assets	-	(990)
<b>Cash Provided by Investing Activities:</b>		
Interest income	<u>1,497</u>	<u>770</u>
<b>Net increase (decrease) in cash</b>	6,135	(24,932)
<b>Cash, beginning of year</b>	<u>151,418</u>	<u>176,350</u>
<b>Cash, end of year</b>	<u><u>\$ 157,553</u></u>	<u><u>\$ 151,418</u></u>
<b>Reconciliation of Operating Income (Loss) to Cash Provided (Used) by Operating Activities:</b>		
Operating income (loss)	\$ (15,282)	\$ 31,870
<b>Adjustments to reconcile change in net assets to net cash provided (used) by operating activities</b>		
Depreciation	141	59
Amortization	16,927	11,221
<b>Changes in assets and liabilities:</b>		
Accounts receivable	(250)	-
Prepaid expenses	117	3,225
Other assets	-	(76,300)
Accounts payable	(18,015)	11,213
Accrued expenses	<u>21,000</u>	<u>(6,000)</u>
<b>Total adjustments</b>	<u>19,920</u>	<u>(56,582)</u>
<b>Net cash provided (used) by operating activities</b>	<u><u>\$ 4,638</u></u>	<u><u>\$ (24,712)</u></u>
<b>Supplementary Information:</b>		
Non-cash donation of land	<u><u>\$ 200,000</u></u>	<u><u>\$ -</u></u>

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

**THE BREWERY NEIGHBORHOOD IMPROVEMENT DISTRICT NO. 1**  
Milwaukee, Wisconsin

**Notes to Financial Statements**  
December 31, 2019 and 2018

**1. Nature of Operations**

The Brewery Neighborhood Improvement District No. 1 ("District") was created by the Common Council of the City of Milwaukee on May 13, 2009 under the provisions of Wisconsin Statute Section 66.1110. The purpose of the District is to sustain the development and operation of the former historic Pabst Brewery as a thriving, mixed-use development to be known as The Brewery, a Joseph J. Zilber Historic Redevelopment.

The District is governed by a five-member board appointed by the mayor and approved by the city council. All of the board members represent commercial and residential property owners as defined in the District's bylaws.

**2. Summary of Significant Accounting Policies**

The District complies with U.S. generally accepted accounting principles ("GAAP"). GAAP includes all relevant Governmental Accounting Standards Board ("GASB") pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

**Measurement Focus and Basis of Accounting**

The statements of net position and the statements of revenues, expenses, and changes in net position are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash receipts or cash disbursements.

**Use of Estimates**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Equivalents**

For purposes of the statements of cash flows, the District considers all demands deposits and highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Currently the District holds only demand deposits which are subject to custodial risk, the risk that in the event of a financial institution failure, the District's deposits may not be returned to the District. As of the years ended December 31, 2019 and 2018, the District's deposits were fully insured by FDIC coverage. The District does not have a policy on custodial risk.

**Net Position**

Net position represents the difference between assets and liabilities. Net position is reported as restricted when there are limitations imposed on their use either through legislation or other external restrictions. Net position related to property and equipment is classified as invested in capital assets, and the remainder of the District's net position is classified as unrestricted.

**THE BREWERY NEIGHBORHOOD IMPROVEMENT DISTRICT NO. 1**  
Milwaukee, Wisconsin

**Notes to Financial Statements**  
December 31, 2019 and 2018  
(Continued)

**2. Summary of Significant Accounting Policies (Continued)**

**Capital Assets**

Capital assets are recorded at cost if purchased and fair value at the time of receipt if donated. Depreciable capital assets consist of equipment, which is stated at cost and depreciated using the straight-line method over the estimated useful life, which ranges between 3 and 7 years. Land is not depreciated.

**Budget**

The budget for the District for 2019 and 2018 was \$200,000 and \$187,500, respectively, in operating expenses. In 2020, an annual operating budget of \$212,000 was adopted.

**Operating Revenues**

The District considers its assessment income and any rental income generated from the use of its assets to be operating income. The District also manages neighborhood promotional events. The revenues generated are recorded as operating income.

**Subsequent Events**

Management has evaluated subsequent events for possible recognition or disclosure through the date the financial statements were available to be distributed, July 10, 2020. As a result of the spread of the COVID-19 coronavirus, uncertainties have arisen as they relate to the financial position of the District. Although the District does not expect any major impacts due to COVID-19, the District has cancelled the planning of the 2020 spring promotional event. The District is also investing in the purchase of hand sanitizing stations for its parks but does not expect this to be a substantial expense. There were no other subsequent events that required recognition or disclosure in the notes to the financial statements.

**3. Assessment Income**

The annual assessment for the District's operating expenses is levied against each property within the District in direct proportion to the current assessed value of each property for real estate purposes. The City of Milwaukee levies the assessment and remits payment to the District annually. During 2019 and 2018, the District received \$200,000 and \$187,500, respectively, in assessment income.

**4. Commitments**

The District entered into a lease on June 2, 2016 which expired on June 30, 2019, for a vacant parcel of land located at The Brewery. In lieu of the District paying any monetary rent under the lease, the District was responsible for all costs and expenses related to the development and use of the land as an urban pocket park. Upon the termination of the lease on June 30, 2019, the parcel of land was transferred to the District with a fair market value of \$220,000.

The District has pledged to contribute \$5,000 per year for three years, starting in 2019, to support Milwaukee Downtown Business Improvement District 21's efforts to raise funds to secure a Community Prosecutor and Homeless Outreach and Housing Coordinator.

**THE BREWERY NEIGHBORHOOD IMPROVEMENT DISTRICT NO. 1**  
Milwaukee, Wisconsin

**Notes to Financial Statements**  
December 31, 2019 and 2018  
(Continued)

**5. Capital Asset Activity**

The following tables summarize capital asset activity for the years ended December 31, 2019 and 2018:

	<u>Balance</u> <u>January 1</u>	<u>Addition</u>	<u>Disposals</u>	<u>Balance</u> <u>December 31</u>
<b>2019 Activity:</b>				
<b>Nondepreciable capital assets:</b>				
Land	\$ 50,000	\$ 220,000	\$ -	\$ 270,000
<b>Depreciable capital assets:</b>				
Equipment	11,385	-	-	11,385
Less accumulated depreciation	<u>(10,454)</u>	<u>(141)</u>	<u>-</u>	<u>(10,595)</u>
<b>Net depreciable capital assets</b>	<u>931</u>	<u>(141)</u>	<u>-</u>	<u>790</u>
<b>Net capital assets</b>	<u>\$ 50,931</u>	<u>\$ 219,859</u>	<u>\$ -</u>	<u>\$ 270,790</u>

**2018 Activity:**

**Nondepreciable capital assets:**

Land	\$ 50,000	\$ -	\$ -	\$ 50,000
------	-----------	------	------	-----------

**Depreciable capital assets:**

Equipment	10,395	990	-	11,385
Less accumulated depreciation	<u>(10,395)</u>	<u>(59)</u>	<u>-</u>	<u>(10,454)</u>
<b>Net depreciable capital assets</b>	<u>-</u>	<u>931</u>	<u>-</u>	<u>931</u>
<b>Net capital assets</b>	<u>\$ 50,000</u>	<u>\$ 931</u>	<u>\$ -</u>	<u>\$ 50,931</u>

Depreciation expense for the years ended December 31, 2019 and 2018 was \$141 and \$59, respectively.

**6. Deferred Sponsorship Costs**

During the year ended December 31, 2018, the District entered into an agreement with the City of Milwaukee and Midwest BikeShare, Inc. d/b/a Bublr Bikes ("Bublr") to sponsor a Bublr Bike Station for a period of five years. If the Bublr Bike Station is removed from the District location within five years from the date the station became operational (May 2018), the District is entitled to a refund of its sponsorship costs, on a pro rata basis, over the five-year term. The District was also required to install an electrical connection for the bike station. Therefore, the sponsorship costs and electrical installation costs are being amortized over this five-year period. Amortization of these costs were \$12,760 and \$8,443 during the years ended December 31, 2019 and 2018, respectively.

**7. Website Development Costs**

During the year ended December 31, 2018, the District entered into an agreement with Rev Pop, Inc. to redesign the District's website. The total project cost amounted to \$12,500. Due to the nature of this asset as developing computer software, the total cost is being amortized over a three-year period. Amortization of these costs were \$4,167 and \$2,778 during the years ended December 31, 2019 and 2018, respectively.