

From the Economic Development Director, requesting approval to modify the Contribution Agreement, process appropriation transfers needed to modify budgets, and commit to capital funding in 2027 and 2028 associated with changes resulting from the 3rd Amendment to the lease between Milwaukee County and the Marcus Center for Performing Arts, by recommending adoption of the following:

A RESOLUTION

WHEREAS, in 2016, the Milwaukee County Board of Supervisors (County Board) and County Executive adopted a Contribution Agreement (adopted File No. 16-214) that committed Milwaukee County (the County) to ten years of capital support (2017-2026) for the Marcus Center for the Performing Arts (the Marcus Center); and

WHEREAS, in July 2018, the County Board and County Executive adopted File No. 18-544 that reduced the 2026 capital support amount to reflect half of the incremental costs from the County advance refunding all outstanding tax-exempt debt associated with the Marcus Center; and

WHEREAS, in August 2018, the County entered a Lease (the Current Lease) with the Marcus Center, which was amended in 2018 and 2022; and

WHEREAS, the Current Lease, as Amended, includes the following:

- Term
 - The initial term of the Current Lease is through 2066. The Marcus Center may extend the term to 2115.
- Maintenance
 - The Marcus Center agrees to take on the maintenance and repair costs of the building, except for the:
 - Utilities outside the building,
 - The Riverwalk,
 - Work required by the 2016 Contribution Agreement, and as amended by the 2022 2nd Amendment,
 - Any pre-existing Americans with Disabilities Act conditions.
- Capital Reserve
 - The Marcus Center is required to maintain a Capital Reserve of at least \$100,000.
- The 2022 2nd Amendment
 - The Marcus Center is responsible for managing the capital projects, and the County reimburses the Marcus Center for work completed. Additionally, all project overages became the responsibility of the Marcus Center.

- 46 • Future Capital Expenses
- 47 ○ The Current Lease includes a mechanism for future capital
- 48 expenses whereby if such expenses cannot be covered by the
- 49 Marcus Center, then the Marcus Center may request the
- 50 required funds from the County Board, and if approved, will be
- 51 repaid as Additional Rent. If said request is denied, then the
- 52 Marcus Center may use the Lease as collateral with a bank to
- 53 borrow the funds.
- 54 • Other Provisions
- 55 ○ The Current Lease includes other standard provisions
- 56 protecting the County, including permitted uses, limitations on
- 57 material alterations, limitation on assignment, limitation on
- 58 encumbrances, insurance requirements, environmental
- 59 compliance, indemnification, default, right to audit,
- 60 nondiscrimination, conflicts of interest, and public records.
- 61 • Contribution Agreement
- 62 ○ The 2016 Contribution Agreement is included as an addendum
- 63 to the Current Lease.

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66 WHEREAS, in the Current Lease, as Amended, the operating contribution from
67 the County ends in 2025, after which time the County and the Marcus Center are to
68 evaluate the potential need for a level of continued financial support solely for the
69 Marcus Center's function as a County War Memorial; and

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71 WHEREAS, in reviewing the current financial position of the Marcus Center, and
72 the actions it is taking to reduce expenses and increase revenues, it is apparent that a
73 continued level of funding from the County is necessary to ensure adequate transition
74 time for the Marcus Center to become independent of County support; and

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76 WHEREAS, the 3rd Amendment to the Lease will include the following:

- 77 • Provide continued, declining operational support for five years, on the
- 78 following schedule:
- 79 ○ 2026 - \$450,000
- 80 ○ 2027 - \$450,000
- 81 ○ 2028 - \$400,000
- 82 ○ 2029 - \$225,000
- 83 ○ 2030 - \$225,000
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- Changes to the 2024-2026 Projects in the Current Lease, as Amended
 - The Stone Cladding project scheduled for 2024-2026 is removed from the list of projects and replaced by the projects that reduce annual expenses, increase revenue opportunities, or deal with an immediate need. These projects include security screening equipment, upgraded building security, Uihlein Hall Orchestra shell removal, peck drain line and campus paving, and digital signage. The Marcus Center is responsible for any future repair/maintenance associated with the projects being removed.
 - Commitment of additional capital funding of \$755,000 in 2027 and \$800,000 in 2028 for projects identified by the Marcus Center, which reduce expenses, increase revenue, or provide for an immediate safety or property need.
 - The Marcus Center will study the feasibility of becoming independent from County support and will report the results to the County Board within the next three years.

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107 WHEREAS, the Committee on Parks and Culture, at its meeting of July 8, 2025,
108 considered File No. 25-467 for informational purposes only per Section 59.60(8),
109 Wisconsin State Statutes; and

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111 WHEREAS, the Committee on Finance (Finance), at its meeting of July 17, 2025,
112 laid over File No. 25-467 for one meeting (vote 4-3); and

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114 WHEREAS, Finance, at its meeting of September 11, 2025, recommended
115 adoption of File No. 25-467 (vote 4-1); now, therefore,

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117 BE IT RESOLVED, the Milwaukee County Board of Supervisors (County Board)
118 authorizes changes to the 2016 Contribution Agreement to allow continued declining
119 operational support for five years to the Marcus Center for the Performing Arts (the
120 Marcus Center) on the following schedule:

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- 2026 - \$450,000
 - 2027 - \$450,000
 - 2028 - \$400,000
 - 2029 - \$225,000
 - 2030 - \$225,000

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BE IT FURTHER RESOLVED, the Office of the Comptroller (the Comptroller) and the Office of Strategy, Budget, and Performance are authorized and directed to process an administrative appropriation to reallocate \$1,292,663 of budget authority from Project WU020104 - Phased Building Exterior Stone Cladding (2024) and WU020105 - Phased Building Exterior Stone Cladding (2025), and create new budget authority totaling \$1,292,663 for projects identified by the Marcus Center, which reduce expenses, increase revenue, or meet an immediate safety or property need, as approved by Milwaukee County (the County); and

BE IT FURTHER RESOLVED, the Phased Building Exterior Stone Cladding (2026) will be replaced in the 2026 Capital Budget with projects identified by the Marcus Center, which reduce expenses, increase revenue, or meet an immediate safety or property need, as approved by the County, in an amount not-to-exceed \$757,295; and

BE IT FURTHER RESOLVED, the County Board hereby commits to funding \$755,000 of New Capital Projects in 2027 and \$800,000 in 2028 for projects identified by the Marcus Center, which reduce expenses, increase revenue, or meet an immediate safety or property need; and

BE IT FURTHER RESOLVED, the Marcus Center will continue to be responsible for any project overages, pursuant to the 2nd and 3rd Amendments to the Current Lease; and

BE IT FURTHER RESOLVED, the Marcus Center will study the feasibility of becoming independent from County support and will report the results to the County Board within the next three years; and

BE IT FURTHER RESOLVED, the County Board hereby authorizes the County Executive, the Department of Administrative Services, the Comptroller, the County Clerk, Corporation Counsel, and any other County official deemed necessary to prepare and execute all documents, instruments, agreements, or otherwise, including without limitation one or more amendments to the Contribution Agreement attached to the Lease Agreement as Addendum I, and to perform all actions necessary to effectuate changes to the Contribution Agreement and project list, in conformance with this resolution.

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