



THE DOMES PROJECT

UPDATE ON THE PROPOSED PATH
FORWARD
JUNE 2022

PRESENTATION OVERVIEW

- Project Team
- Historical Timeline of the Domes Project
- Factors
- Incremental decision-making process
- Questions



Original Mitchell Park Horticultural Conservatory (1898-1955)

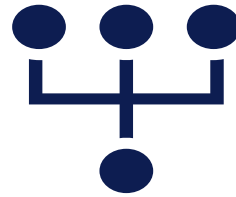
DOMES PROJECT TEAM



**Parks
Department**



**Office of the
Corporation
Counsel**



**Department of
Administrative
Services (DAS)**

**Facilities
Management Division
Procurement Division
Risk Management
Division**



**Office of the
Comptroller**



**Office of Strategy,
Budget &
Performance (SBP)**

HISTORICAL TIMELINE

- **2013**
 - Quarter-sized, sharp-edged chips begin to fall from the Domes structure
- **2014**
 - Milwaukee County issues RFP for a vendor to assess costs and options related to the Domes structure
- **2016**
 - Domes Task Force is formed
 - Stainless steel mesh is installed in all three domes as a safety precaution
 - Original costs and options report (Graef)
- **2017**
 - Peer review of Graef report (Wiss, Janney, Elstner Associates)
- **2018**
 - “Phase I” report (ConsultEcon + HGA)
 - Comptroller issues audit report about the Domes
 - “Phase II” report- community engagement (Quorum Architects, Inc., HGA, + ConsultEcon)





HISTORICAL TIMELINE CON'T

- **2019**
 - “Phase III” report (Arts Market, Engberg Anderson Architects, Saikia Design, Preserve, LLC, + Durkin Associates)
 - Precast Concrete Frame Testing report (Pierce Engineers)
 - Task Force Business Plan & Conceptual Design is released (“Plan”)
 - Office of Corporation Counsel (OCC) issues a memo re: the Task Force Plan highlighting risks to the County and advising a feasibility analysis of the Plan
- **2020**
 - Milwaukee County urgently responds to the COVID-19 public health crisis; non-essential projects are placed on hold
- **2021**
 - Internal Domes Project Team is formed
 - Materials testing (glazing testing and mesh) are scheduled to be updated
 - Cost estimates from the 2016 Graef report are scheduled to be updated (Graef)
 - Securing independent analyses of the capital funding stack and possible partnership structures from experienced accounting and legal firms is in progress

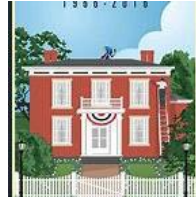


FACTORS

REPAIR AND PRESERVATION COSTS

- ❑ The estimated costs for restoration, upgrades to be in compliance with various codes, and targeted investments in the Task Force Plan are not high enough.
- ❑ Cost estimates are outdated (expired in 2019*), which renders all reports relying on the outdated cost estimates to be invalid.

**The Facilities Management Division is working with Graef to update their original estimates once the glazing mock-up analysis is completed.*



- ❑ Incomplete calculation of tax credits in the Task Force Plan as a percentage of the total qualified expenses.
- ❑ Lack of (non-debt cash) equity that is going into the project (for underwriting and investor confidence).
- ❑ Revenue projections based on attendance and sales are speculative, which places scheduled payments at risk and leaves only the tax levy to absorb operational revenue shortfall under the Plan.

REVENUE

FACTORS CON'T

PARTNERSHIP STRUCTURE



- Milwaukee County is not eligible to receive tax credits.
- The two proposed tax credit sources and investment-based revenue totaling \$29 million **require Milwaukee County to work with a for-profit partner.**
- Unlike other public-private partnerships in the County's experience, the County must be the first to fund **and** the funder of last resort.
- Parties outside of the County's control will have a determinative impact on the ultimate success of the project.



- Plant conditions
 - Current conditions are “sub-optimal”
- Useful life of the original structure
- Functional space of current structure
- Energy inefficient design and materials
- Activities that will take place in the structure
- Financial stability/profitability
 - Currently losing money every year, including pre-COVID (see audit report)
- Five-year horizon for addressing deferred maintenance will end in 2024 (according to reports)

OTHER CONSIDERATIONS



INCREMENTAL DECISION- MAKING PROCESS

INCREMENTAL DECISION- MAKING PROCESS

Less risky method of decision-making, as complex questions are broken down into smaller decisions, stage by stage.

Allows learning and discovery with the experience of each (previous) stage.

Enables adjustments to be made easily and minimizes the cost of failure.



QUESTIONS



THANK YOU!