
MILWAUKEE COUNTY

Summary of Domes Business Plan Analysis

Milwaukee County Committee on Parks,
Energy & Environment
June 14, 2022



**HUSCH
BLACKWELL**

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Project Process and Approach:

- Husch Blackwell and Baker Tilly coordinated approach January-May 2022
- Review of the 2019 Domes Task Force Business Plan and Conceptual Design as well as County documents and process following the 2019 Plan
- Specific focus of this work is on the proposed capital sources, capital stack approach, and the proposed legal entities and responsibilities
- Engagement concluded with deliverable memo –findings to be discussed today

The Plan, funding sources:

- Proposes more than renovation—looks to add additional revenue generation elements at Park to become self-sustainable destination
- Proposes total funding need of \$66 million with the following sources:

Figure 1. Capital Stack proposed in 2019 Business Plan	
Historical Tax Credits	\$7,000,000
New Market Tax Credits	\$15,000,000
Opportunity Zone Investment	\$12,000,000
PACE Loan	\$5,000,000
Private Sector Capital Campaign	\$13,500,000
County – Bond Financing	\$13,500,000
Total	\$66,000,000

The chart above shows the breakdown of the Capital Stack as shown in the Plan.



Capital Stack Analysis: Historic Tax Credits (HTC)

- Overview
- Plan Proposal
- Preliminary Findings:
 - Placement on National Register
 - Planned Amount
 - Organizational Structure
 - Timing



Capital Stack Analysis: New Markets Tax Credits (NMTC)

- Overview
- Proposed Use
- Preliminary Findings:
 - Qualifying Census Tracts
 - Securing a Sub-Allocation
 - Repayment Terms
 - Working Capital Expenses
 - Organizational Structure



Capital Stack Analysis: Opportunity Zone Investment (OZ)

- Overview
- Proposed Use
- Preliminary Findings:
 - Qualifying Census Tracts
 - Timing
 - Investor Appetite
 - The Exit
 - Organizational Structure



Capital Stack Analysis: Property Assessed Clean Energy “PACE” Loan

- Overview
- Proposed Use
- Preliminary Findings:
 - Organizational Structure
 - Financing Amount



Capital Stack Analysis: Private Sector Capital Campaign

- Overview
- Proposed Use
- Preliminary Findings:
 - Organizational Structure
 - Campaign Amount



Capital Stack Analysis: Bond Funds

- Overview
- Proposed Use
- Preliminary Findings:
 - Organizational Structure
 - Financing Amount

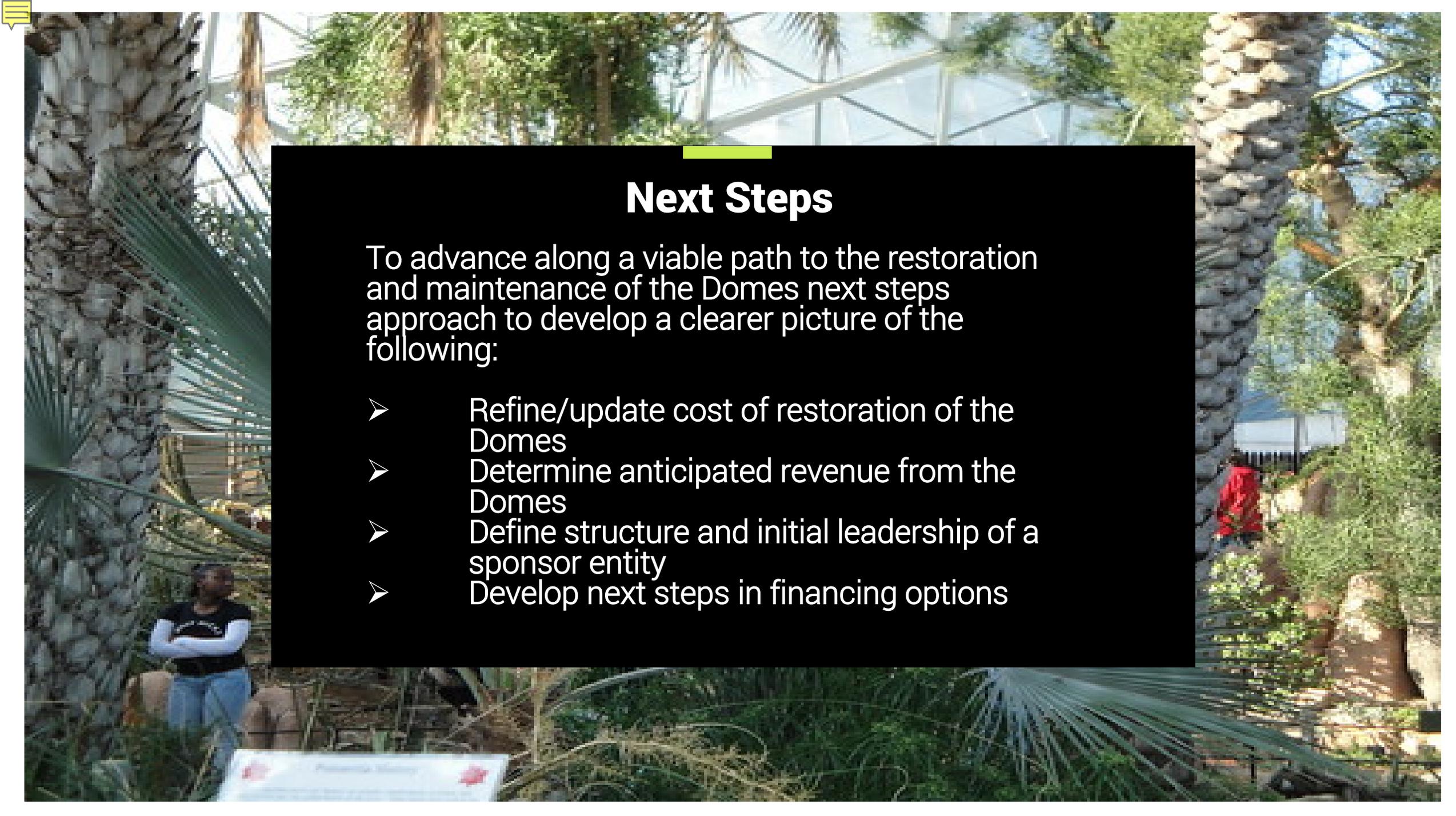
Conclusion

Each capital source may be available in some amount in isolation, we find it highly unlikely that all capital sources will be available in the amounts needed to pursue the Domes Redevelopment Project as envisioned in the Plan

Highly unlikely that the total OZ funds raised would come close to \$12,000,000

The fact that various capital sources require varied organizational structures means that pursuing one capital source may make it impossible to pursue another

This may be the case when we look at County bonding, which must support a public entity, and PACE financing which requires a non-public entity. Similarly, fundraising requires a 501(c)(3), but 501(c)(3)s present a structuring challenges for HTCs.



Next Steps

To advance along a viable path to the restoration and maintenance of the Domes next steps approach to develop a clearer picture of the following:

- Refine/update cost of restoration of the Domes
- Determine anticipated revenue from the Domes
- Define structure and initial leadership of a sponsor entity
- Develop next steps in financing options

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