



May Board Cycle

Milwaukee County Parks
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Date: April 20, 2018
To: Theodore Lipscomb, Sr., Chairman, County Board of Supervisors
From: Guy Smith, CPRP, Interim Parks Director
Subject: **Potential Lease with the Urban Ecology Center in Washington Park (INFORMATION)**

Issue

Introduction of a potential long-term lease and Parks Investment with the Urban Ecology Center in Washington Park.

Background

The Urban Ecology Center (UEC) is a 501(c)3 non-profit formed in 1991 whose mission is to foster ecological understanding as inspiration for change, neighborhood by neighborhood, by providing outdoor science education; by protecting and using public natural areas; by preserving these areas and making them safe, accessible, and vibrant; by promoting community through offering resources that support learning, volunteerism, stewardship, recreation, and camaraderie; and by practicing and modeling environmentally responsible behaviors.

Since 2007, the UEC has leased from Milwaukee County the Washington Park Boathouse and has developed and operated educational, recreational, land stewardship, and community serving programs in the park. The Washington Park branch of UEC focuses on the neighborhood on the north and east of the park which is plagued by high crime rates, low employment, poor graduation rates, and other impacts of poverty. UEC seeks to work in urban neighborhoods that have been underserved by environmental education programming such as Milwaukee's Washington Park. Since beginning its presence in Washington Park, UEC's programs have led to a reduction in crime, ecological improvements, advancements in science education, and advancements in recreation within the park.

UEC and the County have been in discussion on plans to expand UEC's presence in the park and sustain their commitment over the long term. The current lease is scheduled to expire in 2019 and does not adequately



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address the planned new investment of the UEC, and in response these discussions have focused on a new long-term lease agreement and plan for the UEC to construct a new building at the location of the current Washington Park Boathouse.

Existing Building

The structure that is leased by UEC from the County is the Boathouse which has an address of 1859 N. 40th Street and is located adjacent to the lagoon and soccer fields. The structure was built in 1978 and is approximately 15,000 sf. It was built to provide recreational amenities within the park such as canoeing on the lagoon or ice skating in the winter. It is primarily a single-story structure with first floor offices, open space and an auditorium with a basement that contains the mechanical rooms and storage. From the basement floor to the first-floor level, the building envelope is reinforced concrete with concrete masonry units and brick above grade level. Some of the windows have expanded metal mesh security screens to protect the assemblies from vandalism. Generally, the interior ceilings are two by four foot suspended acoustical ceiling tiles and the walls consist of painted and unpainted concrete masonry and painted gypsum wall board. The floor coverings are carpet, vinyl tile, rubber gymnasium flooring and epoxy. Asbestos inspections were conducted in October of 2008 and in November of 2010 and April of 2012. The 2008 inspection found asbestos within the building. The 2010 inspection found asbestos within the building, but the 2012 inspection did not. Ventilation is provided by a basement unit with a gas fired heater for building heat. Supplementary heat is provided by electric duct heaters, unit heaters and radiant ceiling panels. Natural gas is supplied to the building by a 3-inch main located outside on the northeast elevation. Domestic water is supplied by a 6-inch service equipped with an isolation valve. The incoming line does not have a backflow prevention device. Domestic hot water is generated by a gas fired water heater located in the basement. Two float operated sump pumps are in the basement boiler room and evacuate building drains to either the sanitary sewer system or storm sewer system. The men's restroom on the first floor has 2 lavatories and 2 water closet and 2 urinals, the ladies has 2 lavatories and 4 water closets. Both restrooms are in partial compliance with ADA. The sanitary system is gravity return to PVC and hub cast iron piping to two sewage ejection pumps and sumps. Storm water is removed from the roof with roof drains on the flat roof and on the sloped roofs, gutters and downspouts to cast iron risers connected to the municipal storm water drainage system. The building is not sprinkler protected. Hand held ABC type fire extinguishers are provided throughout and carry current inspection tags.

An inspection of the building is recorded in the County's VFA system and assigns a deferred maintenance estimate at \$1,836,433 for the entire building. The primary drivers of deferred maintenance expense is an update of the HVAC air handling units (\$383,000), updating the electrical system (\$239,000), and replacing the roof (\$120,000). The annual cost to maintain the building is approximately \$11,000. These figures are just estimates, photos of the building are included in Attachment 1.

The County is responsible for major repairs and maintenance under the current lease with UEC. One of the largest risks to the County is the condition and age of the HVAC system, which is known to be at the end of its useful life with minimal opportunity to replace parts if they fail.



The Boathouse has served its purpose to enhance recreation in the park, primarily because it has been able to host the UEC for 10 years and enable their programming to grow. The mounting deferred maintenance and declining condition of the structure present challenges for the future growth of UEC and it is recognized that a new building will be needed to accommodate the future vision of the UEC.

Restoration Plan

UEC's presence in Washington Park extends beyond the bricks and mortar Boathouse or potential new building. They have been conducting habitat restoration work in defined areas of the park and would like to expand this restoration work. This habitat restoration work is a key aspect of UEC's mission and in meeting its educational and community goals. One component of the overall proposed project is to increase the acreage in the restoration plan from 8 to 20 acres, which is being developed with County Parks staff. This restoration work includes the conversion of mowed turf grass to natural areas and shifts the maintenance responsibility from County Parks staff to UEC staff. The restoration area in the proposed new plan is outlined in *Attachment 3*.

New Building

Construction of the new Boathouse will allow UEC to significantly enhance its programming in Washington Park which will benefit the park itself and the surrounding community. An example of this expanded benefit is that UEC currently provides environmental education to 14 schools located within 2 miles of Washington Park but would be able to serve an additional 19 schools in the same 2-mile radius if the facility was expanded and improved. UEC projects that youth and adult visits to the facility will increase from 30,000 to 65,000 per year once the new building is operational. UEC intends to build this new facility where the current Boathouse is located.

It is anticipated that the new building would cost over \$12 million to design, build, and construct. This estimate includes the improvement and replacement of approximately \$2 million worth of other public infrastructure in the park that is adjacent to the new building including:

- New parking lot on N 40th St
- New access road from the parking lot to the new building
- New sidewalks and lighting
- Repair pedestrian bridges over lagoon
- Study and design for a repair to the lagoon

In order to fund this project, UEC would lead a fund development campaign and Milwaukee County would support them in this effort. The new building would become the property of UEC while the other public infrastructure would remain Milwaukee County property. While the new building would be the property of UEC, it would remain open and accessible to the public.



It is proposed that a new lease agreement would be entered by the UEC and County to replace the existing lease. This new lease would reflect the new relationship where UEC would lease the land on which the new building is located rather than space within the existing Boathouse. This land lease would protect the County from any potential default of the UEC such as requiring maintenance of facility and ensuring public access. A conceptual rendering of the new building is included in Attachment 4. The Comptroller's Office is currently reviewing the implications of this project on bonded improvements to the Boat House.

Proposed Transaction

In support of the UEC-Washington Park project, the Term Sheet attached to this report outlines the specific aspects of the proposed transaction. If approved, the transaction would involve two primary documents –

1. Option to Purchase Agreement for the existing Boathouse

- UEC would be granted a one-year Option to purchase with two six-month extensions
- UEC must fundraise for the \$12 million in improvements including the public infrastructure
- UEC and County would enter into an MOU that guides the joint fundraising effort
- UEC would be required to include publicly accessible restrooms that serve the park in the new building
- UEC would have Targeted Business Enterprise goals of 25% on construction and 17% on professional services for the construction of the new building
- County would not be obligated for any repair or maintenance of the Boathouse
- Purchase price would be \$1

2. Land Lease

- UEC would lease the land under the new building from the County for 25 years with two 25-year extension options
- UEC would conduct the restoration plan work and restore and maintain 20 acres of the park
- UEC can only use the new building in support of the approved non-profit use of the land
- UEC would be responsible for maintenance of the new building
- UEC would be required to relocate their existing service operations that are in the County's maintenance facility that is north of the parking lot
- UEC must create a maintenance reserve account in the amount of \$500,000
- UEC must maintain public accessibility of the new building and surrounding areas
- Lease rate would be \$1



Fiscal Impact

The financial benefit to the County in this project will be realized on deferring expenses, receiving funding for new improvements as part of the capital campaign, and increasing positive activity in the park rather than profit from sale of the Boathouse or lease rental revenue. The estimated fiscal impact is as follows:

New Improvements	Estimated Value
N 40 th St Parking Lot	\$600,000
Sidewalks	\$150,000
Lighting	\$150,000
Public restrooms	\$400,000
Pedestrian Bridges over Lagoon	\$400,000
Lagoon renewal plan	\$300,000
Total Value	\$2,000,000

Replacement Expense - Boathouse	Estimated Expense
Distribution system renewal	\$29,000
Plumbing renewal	\$34,000
Heat system renewal	\$60,000
Electrical system renewal	\$239,000
Lighting	\$85,000
Communication system	\$49,000
HVAC Air handling units	\$383,000
Interior doors	\$100,000
ADA accessible bathrooms	\$24,000
Exterior structural	\$22,000
Roof	\$120,000
Exterior windows and doors	\$82,000
All other deferred capital	\$430,000
Total Deferred Maintenance	\$1,836,433



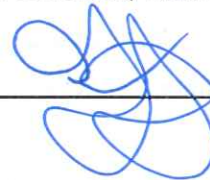
Maintenance Expense – Boathouse and Park	Estimated Annual Expense	Total Expense (25 years)
Roads	\$2,000	\$50,000
Supplies	\$1,500	\$37,500
Electrical	\$3,500	\$87,500
Paint	\$1,000	\$25,000
Grounds	\$4,000	\$100,000
Restoration Area - Turf Maintenance	\$1,000	\$25,000
Other maintenance	\$5,000	\$125,000
Total Operating Expense		\$450,000

Recommendation

There is no recommendation at this time, this report is for informational purposes only. This informational report is meant to provide background and solicit feedback for a future action item.

Prepared By: Jim Tarantino, Director of Recreation and Business Services, Milwaukee County Parks

Approved By: Guy Smith, CPRP, Interim Parks Director



Attachments:

- Attachment 1 – Photos
- Attachment 2 – Term Sheet
- Attachment 3 – Restoration Area
- Attachment 4 – New Building Concept Rendering

Copy:

- Chris Abele, County Executive
- Raisa Koltun, Chief of Staff, County Executive's Office
- Chairman, Parks, Energy & Environment Committee
- Vice-Chair, Parks, Energy & Environment Committee
- Kelly Bablitch, Chief of Staff, County Board of Supervisors
- Allyson Smith, Committee Coordinator, Office of the County Clerk
- Erica Hayden, Research & Policy Analyst, Office of the Comptroller



- Jeremy Lucas, Fiscal Mgt. Analyst, Admin & Fiscal Affairs/DAS



