

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: April 21, 2017

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: Accept the cancellation of the existing Sports Park Maintenance and Operations Services Agreement with The Rock Sports Complex LLC for the management of The Rock, pursuant to a new lease for the Ski Hill in the Village of Greendale.

FISCAL EFFECT:

- | | |
|---|---|
| <input type="checkbox"/> No Direct County Fiscal Impact
<input checked="" type="checkbox"/> Existing Staff Time Required
<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget
<input checked="" type="checkbox"/> Decrease Operating Expenditures
<input type="checkbox"/> Increase Operating Revenues
<input checked="" type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures
<input checked="" type="checkbox"/> Decrease Capital Expenditures
<input type="checkbox"/> Increase Capital Revenues
<input type="checkbox"/> Decrease Capital Revenues
<input type="checkbox"/> Use of contingent funds |
|---|---|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year (full year est.)	Subsequent Year
Operating Budget	Expenditure	\$20,000	\$20,000
	Revenue*	\$284,000	\$288,175
	Net Cost	(\$264,000)	(\$268,175)
Capital Improvement Budget	Expenditure	0	\$288,000
	Revenue	0	\$3,700,000
	Net Cost	0	(\$3,412,000)

*Costs avoided and transferred to Developer.

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated.¹ If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

- A. Cancellation of the existing Agreement between the County and The Rock Sports Complex LLC for the sports park on the Crystal Ridge landfill in Franklin. Doing so would enable the sale of the parcel to the Developer that significantly shifts the costs of operating the landfill from the County to Developer.
- B. The term sheet outlines the costs more completely, but in summary, cost to create a replacement reserve fund for the methane collection system would be split \$20,000 from the County and \$117,000 from the Developer every year going forward. The cost to upgrade the methane collection system would be supported by a previously allocated \$288,000 from the County and \$3,700,000 from the City of Franklin TID. The City of Franklin will also pay \$170,000 for the creation of a new Oak Leaf Trail extension. The cost to operate the system will shift completely to the Developer which is \$167,000 per year plus a 2.5% inflation.
- C. Current revenue collected by the Department of Parks, Recreation, and Culture of \$25,000 will no longer be collected if the property is sold. Currently allocated \$288,000 in DAS-A&E/E&S would be expended. Future operating and maintenance costs would no longer need to be budgeted.
- D. Revenue is actually deferred or shifted costs from the County to Developer. In the current year, a full year was projected but the sale may be effectuated in a partial year. The total costs avoided are the maintenance reserve costs plus operating expenses plus capital replacement covered by the City of Franklin TID.

Department/Prepared By James Tarantino, Director, DAS-Economic Development

Authorized Signature



Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.