

**COUNTY OF MILWAUKEE**  
Inter-Office Communication

Date: 12/21/2023

To: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

From: Amos Morris, Executive Zoo Director

Subject: From the Executive Zoo Director of the Milwaukee County Zoo requesting \$450,173 from Agency 194-1945 Appropriation for Contingencies (2023 Fiscal Year) and \$1,042,556 from Agency 194-1945 Appropriation for Contingencies (2024 Fiscal Year) to allocate additional funds for Capital Project WZ018501 Humboldt Penguin Exhibit Renovation

File Type: Action Report

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**REQUEST**

The Executive Zoo Director is requesting \$450,173 from Agency 194-1945 Appropriation for Contingencies (2023 Fiscal Year) and \$1,042,556 from Agency 194-1945 Appropriation for Contingencies (2024 Fiscal Year) to allocate additional funds for Capital Project WZ018501 Humboldt Penguin Exhibit Renovation.

**POLICY**

Wisconsin State Statutes:	
Milwaukee County Code of General Ordinances:	Chapter 56.03
Specific Adopted Budget:	
Specific Adopted Budget Amendment:	
Specific Adopted Capital Project:	

**BACKGROUND**

Related File No's:	File No. 22-335; File No. 23-492
Associated File No's (Including Transfer Packets):	File No. 23-492
Previous Action Date(s):	File No. 22-335

File No. 22-335 authorized the Executive Zoo Director to accept the State of Wisconsin Department of Administration Tourism Capital Grant in the amount of \$3.5 million to renovate the Humboldt Penguin Exhibit (Penguin Project). Design for the Penguin Project began on February 02, 2023 using a Construction Manager at Risk delivery method. The strategy developed was to competitively engage one Construction Manager for the Penguin Project and Adventure Africa Phase 3 - Rhino (Rhino Project), to overlap construction to minimize cost burden of General Requirements and General Conditions to Milwaukee County.

The Penguin Project's design was completed on November 13, 2023, and construction bids were due on December 15, 2023. In anticipation of increased costs for the Penguin Project, File No 23-942 approved a \$250,000 fund transfer from Zoo funds to the Penguin Project for a total project cost of \$3,750,000. The fund transfer was submitted prior to knowing the cost of construction bids but was done to keep the Project on track.

After preliminary review of the construction bids, the cost for the Penguin Project is \$5,242,729, which is \$1,492,729 over the revised budget of \$3,750,000.

The cost overages can be explained by two contributing factors. Critical design errors caught in the late-stage design phase and unfavorable market conditions in specialized trade divisions.

The Penguin Project will be delayed if the stated additional funding is not approved in the January 2024 County Board cycle. These delays have the following negative outcomes:

1. Jeopardy of the State of Wisconsin Department of Administration Tourism Capital Grant Funds - The Project will be at risk of being completed within the allocated Performance Period. The estimated amount of \$420,000 would have to be refunded to the Grant Program.
2. Additional cost burden of General Requirements and General Conditions - The Penguin and Rhino Projects would not fully overlap. The estimated increase in General Requirements and General Conditions to the Penguin Project budget is \$495,000.
3. Additional cost of temporary winter conditions - The start of Construction would be delayed. The result would require the Penguin Project to allocate additional funding for temporary winter conditions to ensure proper curing of concrete. This adds additional risk. The estimated increase in temporary winter conditions is \$255,000.
4. Additional escalation costs of re-bidding - Due to the Milwaukee County Board calendar, the next potential Board Action is March 2024. If additional funding was authorized then, the Penguin Project could be required to rebid, as current bids are valid for 60 days. The projection of escalation would be 3.33% of Construction Costs. The estimated increase in escalation is \$145,000.

Delaying the approval for additional funds has a negative impact on the Penguin Project budget. If approval for the requested funds is delayed until the March 2024 County Board cycle, an amount of \$895,000 comprised of negative outcomes #2-4 listed above, would be required in addition to the requested \$1,492,729 for a total of \$2,387,729. Any further delay past the March cycle would have a greater negative impact on the budget and project viability.

Zoo management is requesting funds of \$450,173 from the 2023 Appropriations for Contingencies and \$1,042,556 from the 2024 Appropriations for Contingencies to proceed with the Penguin Project.

### **ALIGNMENT TO STRATEGIC PLAN**

Describe how the item aligns to the objectives in the [strategic plan](#):

- 1C: Increase the number of County contracts awarded to minority and women-owned businesses
- 3B: Enhance the County's fiscal health and sustainability
- 3C: Dismantle barriers to diverse and inclusive communities

### **FISCAL EFFECT**

Approval of this request allows the Penguin Project to continue without incurring any additional expenses beyond the request and reduces Agency 194-1945 Appropriation for Contingencies (2023 Fiscal Year) by \$450,173 and reduces the Agency 194-1945 Appropriation for Contingencies (2024 Fiscal Year) by \$1,042,556. The additional funds allow the Penguin Project to continue without having to return \$420,000 to the State of Wisconsin Department of Administration and Tourism.

### **VIRTUAL MEETING INVITES**

Amos Morris, Executive Zoo Director, [Amos.Morris@milwaukeecountywi.gov](mailto:Amos.Morris@milwaukeecountywi.gov)  
Vera Westphal, Deputy Zoo Director, [Vera.Westphal@milwaukeecountywi.gov](mailto:Vera.Westphal@milwaukeecountywi.gov)

### **PREPARED BY:**

Vera Westphal, Deputy Zoo Director  
John Teppler, Senior Project Manager, The Concord Group

### **APPROVED BY:**

Amos Morris, Executive Zoo Director *Amos D Morris, Jr.*

### **ATTACHMENTS:**

Resolution, Fiscal Note

cc: Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors  
Janelle M. Jensen, Legislative Services Division Manager, Office of the County Clerk  
David Crowley, County Executive  
Mary Jo Meyers, Chief of Staff, County Executive  
Scott Manske, Comptroller  
Aaron Hertzberg, Director, Department of Administrative Services  
Joseph Lamers, Director, Budget and Management  
Michelle Nate, Deputy Comptroller  
Steve Cady, Research and Policy Director, Comptroller's Office  
Ciara Miller, Research Analyst, Comptroller's Office  
Pamela Bryant, Capital Finance Manager  
Vincent Masterson, Capital Budget Coordinator  
Anthony Rux, Budget and Management Analyst  
Justin Rodriguez, Budget and Management Coordinator  
Vera Westphal, Deputy Zoo Director