

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

Date: April 25, 2014

To: Supervisor Gerry P. Broderick, Chairman,
Parks, Energy & Environment Committee

From: Greg High, Director, AE&ES Section, DAS-FM

Subject: **War Memorial/Milwaukee Art Museum Renovation Project Budget Status
For Information Only**

Issue

At the April 16, 2014 Parks Energy and Environment Committee, the War Memorial Corporation (WMC) and Milwaukee Art Museum (MAM) submitted their 5-year capital improvement plan. Unfortunately, the submitted 5-year plan submitted by the WMC and MAM does not specifically address the current budget deficit issues and the potential impact it may have on the expansion project. This is an informational report to provide an update on the status of the County's \$10,000,000 budget commitment for the War Memorial/Milwaukee Art Museum expansion and repairs. The County's budgetary commitment was detailed in a Development Agreement authorized by County Board Resolution File No. 13-647. The Development Agreement is dated October 1, 2013.

Mechanical Systems Component

Planning and design have been progressing for the HVAC replacement. The current cost estimate for the HVAC improvements has greatly exceeded the estimated cost identified in the Development Agreement. The following details the major reasons for the increase in the estimated cost:

- The original cost estimate anticipated reusing the existing ducts. Investigation into the condition of the existing ducts has resulted in the need for replacement of all ducts. The existing ducts were found to have deteriorated internal insulation with a heavy presence of mold. The majority of dampers are broken and there are holes in many ducts.
- Access to the existing ducts is very difficult and the duct chases are very narrow. Access to replace the ducts will require removal and replacement of numerous sections of masonry walls.
- The duct chases are located at the north and south exterior walls. The existing insulation within the duct chases has deteriorated to a dried crumbling state. The insulation needs to either be replaced or stabilized with a surface treatment. Either option may require additional openings in the masonry walls for access necessary to complete the work.
- The configuration of the MAM addition has changed from a gathering area (lobby) with an open atrium to multiple floors with additional square footage of museum space and a separate air handling unit for the gathering area. The space in the addition requiring heating and cooling has

increased from the 5000 square feet to 17,500 square feet. This has required additional design effort from the County's HVAC consultant and will require an expanded construction scope to address conditioning the air in the added museum space.

- The capacity of the existing lake water system for chiller condenser needs to be upgraded by adding additional capacity, or as an alternative, adding a new cooling tower to increase the condenser water system capacity.

The HVAC improvements are currently estimated at \$4,500,000, which is \$1,140,000 above the estimate for HVAC improvements included in the Development Agreement.

Exterior Building Envelope Component

Other elements currently under design include concrete and masonry repairs to building exterior, window replacements and courtyard water proofing and resurfacing. These elements are anticipated to be within budget. However, this type of work is often difficult to estimate since the extent of the repairs are unknown until construction is underway. Deteriorated concrete will need to be removed to solid concrete, which makes it difficult to quantify the extent of the repairs.

Potential Deferral of Selected Items

Given the current cost estimate for the HVAC improvements, the \$10,000,000 County commitment will not cover all the improvements assigned to the County in the Development Agreement. Discussions have taken place with the WMC and MAM to prioritize the remaining County work items. The following items have been identified for possible deferral out of the \$10,000,000 commitment until future funding is identified. The items are listed in order of most important to be funded:

1. WM Roof Replacement	\$440,000
2. WM Penthouse Roof	\$ 48,000
3. Steel Rails on Rooftop Repairs	\$ 60,000
4. Penthouse Siding	\$ 21,000
5. Hydraulic Elevator Renovations	\$225,000
6. Clay Tile Repairs Under Bridge	\$ 58,000
7. Asphalt Lot Repairs	\$100,000
8. Restroom Renovations & ADA Compliance	\$110,000
9. <u>Emergency Generator Replacement</u>	<u>\$116,000</u>
	Subtotal \$1,068,000
	+15% A&E \$160,200
	<u>Total \$1,228,200</u>

Prepared by: Karl Stave, Civil & Site Development Engineer

Approved by:



Gregory G. High P.E., Director
AE&ES Section, DAS-FM Division
Department of Administrative Services

Attachment: WMC/MAM 5 Year Capital Improvement Plan Report, 2/17/14

cc: County Executive Chris Abele
Raisa Koltun, Interim Chief of Staff, County Executive's Office
Marina Dimitrijevic, County Board Chairwoman
Paul Bargren, Corporation Counsel
Don Tyler, Director, Department of Administrative Services
Kelly Bablitch, Chief of Staff, County Board of Supervisors