

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: June 18, 2025

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

From: Celia Benton, Economic Development Director, Department of Administrative Services

Subject: From the Economic Development Director, Department of Administrative Services, providing an update on the disposition of the Charles Allis Art Museum and Collection and the Villa Terrace Decorative Arts Museum and Collection

File Type: Informational Report

REQUEST

The Director of Economic Development, Department of Administrative Services, providing an update on progress carrying out the term sheet in adopted County Board File No. 24-490 for the disposition of the Charles Allis Art Museum and Collection and the Villa Terrace Decorative Arts Museum and Collection.

POLICY

Villa Terrace is zoned Parks District, so Wisconsin Statute § 59.17(2)(b)3 applies, which states that the “county board may continue to exercise the authority under s. 59.52(6) with regard to land that is zoned as a park...”. In the law of property, authority over “land” includes authority over all rights appurtenant to the land.

Per Wisconsin Statutes, 2013 Act 14 and 2015 Act 55, full County Board review is required for certain contracts exceeding \$300,000, and for any multi-year budget contract.

Milwaukee County Code of General Ordinances 56.10 requires that Parks leases over one year require County Board approval.

Wis. Stat. § 66.1111 outlines requirements for a political subdivision’s ownership, use and disposition of property. If the County conveys historic property, Wis. Stat. § 66.1111 applies and the County “shall obtain a conservation easement under s. 700.40 to protect the historic character and qualities of the property.”

Milwaukee County Code of General Ordinances Chapter 13 requires that “all county department and agency heads in interacting with private support organizations (friends groups) formed to provide financial support and volunteer services for an activity of the county or any of its departments or agencies” shall enter into a written agreement with

the support group.

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| Wisconsin State Statutes: | Wis. Stat. 59.17(2)(b)3, Wis. Stat. 59.52(31)(c), Wis. Stat. 66.1111, Wis. Stat. 700.40, |
| Milwaukee County Code of General Ordinances: | 56.10, 13 |
| Specific Adopted Budget: | 2024 |
| Specific Adopted Budget Amendment: | 39 |
| Specific Adopted Capital Project: | |

BACKGROUND

The Charles Allis Art Museum and the Villa Terrace Decorative Arts Museum were operated by the nonprofit, CAVT, from 2012 until 2024. Previously, the museums had been under the umbrella corporation, Milwaukee County War Memorial, Inc. Both the buildings and art collections are owned by Milwaukee County.

CAVT and Villa Terrace Museum & Gardens (VTMG) (formerly Friends of Villa Terrace), and County negotiated the provisions of a term sheet, which was adopted in County Board File No. 24-940, and which contemplates the transfer of the Charles Allis Art Museum and collection to CAVT and the transfer of the Villa Terrace Decorative Arts Museum and collection to VTMG with both entities continuing to operate the buildings in part as museums. The museums are now entirely separate with VTMG operating the Villa Terrace and CAVT operating The Allis.

The Villa:

Lease: Agreement is executed. VTMG entered into a three-year lease for \$1.00 per year to manage and operate the Villa Terrace Decorative Arts Museum. County is not responsible for any maintenance of the property during the lease period. County will continue to provide property insurance during the term of the lease.

Option to Purchase: In progress. The option fee will be \$1.00.

Contribution Agreement: Agreement is executed. County will provide VTMG operating dollars in the amounts of \$112,554 in 2025 and \$40,000 in 2026, 2027, and 2028 to ensure fiscal sustainability of VTMG’s operations. Operating dollars for 2025 have been provided.

Capital Funding: The County will contribute \$1.2 million over three years, 2026, 2027, and 2028 in the amount of \$400,000 each year. To be eligible to receive this funding VTMG will annually provide proof of capital/maintenance funds totaling \$400,000 by July 2025, \$800,000 by July 2026, and \$1.2 million by July 2027. To date VTMG have raised \$3,114,585 in cash and pledges toward its \$5 million goal.

Development Agreement: Agreement in signing process. Agreement outlines the requirements related to the capital funding including, the qualifications and process for

approving projects, requirements for reimbursement, and meeting TBE goals of 25% for professional services and 17% for construction.

Allis Collection: If CAVT does not take transfer of the building and collection per its option agreement, VTMG agreed to take the building and Allis Collection with the trust monies at the County's request.

The Allis:

The Lease, Development Agreement, and Contribution Agreement have been negotiated and were approved by the CAVT Board on April 4, but execution is delayed. Prior to execution of the agreements, concerns were raised by former Board members and community members about the viability of the organization. Two Board members resigned and CAVT was left with five Board members, three staff, and no Executive Director. To ensure the viability of the organization, CAVT was requested to provide additional information to the County. Based on the information provided by CAVT, reasonable and measurable expectations have been outlined for completion by August 31, including:

- Hiring an Executive Director
- A minimum of eight active Board members
- Outlining a clear governance and operation structure
- A revised business plan with clear fundraising and revenue targets and key performance indicators
- Outlining a preliminary capital improvement plan.
- Public programming and use metrics

Lease: Agreement is in final draft form. CAVT will enter into a one-year lease for \$1.00 to manage and operate the Charles Allis Art Museum. County will not be responsible for any maintenance of the property during the lease period. County will continue to provide property insurance during the term of the lease.

Option to Purchase: In progress. The option fee will be \$1.00. The option must be executed by December 31, 2025.

Contribution Agreement: Agreement is being updated with the requirements outlined in the corrective action plan. As a show of support, the first and second quarterly payments for 2025 were provided to CAVT. County will provide CAVT the third and fourth quarterly 2025 payments as outlined in the agreement. Total operating dollars for 2025 are \$112,554. If CAVT meets the requirements in the Contribution Agreement, including exercising its option to take transfer of the Charles Allis home and Collection, County will provide operating dollars in the amounts of \$185,000 in 2026, \$165,000 in 2027, and \$150,000 in 2028 to ensure fiscal sustainability of CAVT's operations. CAVT will need to meet funding goals of \$100,000 in 2025, \$125,000 in 2026, and \$150,000 in 2027 to receive the County's operating contribution the following year.

Development Agreement: Agreement is in final draft form. CAVT will enter into a

Development Agreement with the County for the capital funding. The County will contribute \$250,000 in 2026 and \$250,000 in 2027 in capital funding, if CAVT exercises its option and takes transfer of the Charles Allis house and Collection.

RECOMMENDATION

No recommendation. This report is for informational purposes only.

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| Related File No's: | 23-889, 24-470, 24-767, 24-940 |
| Associated File No's (Including Transfer Packets): | |
| Previous Action Date(s): | |

ALIGNMENT TO STRATEGIC PLAN

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

3B: Enhance the County's fiscal health and sustainability by eliminating the ongoing costs of maintaining these two museums after an initial investment.

FISCAL EFFECT

None. Report is informational only.

MEETING INVITES

Marquayla Ellison, CAVT Board President, quay@ellasticdesigns.com

Doug W. Rose, VTMG Board President, dwr@rosegrouplaw.com

Barbara Velez, VTMG, At-Large, barbara.velez@yahoo.com

Alec Story, VTMG Executive Director, executivedirector@friendsofvillaterrace.org

PREPARED BY:

Erica Goblet, Economic Development Project Manager, Dept. of Admin. Services

APPROVED BY:

Celia Benton, Economic Development Director, Department of Administrative Services

Celia Benton

ATTACHMENTS:

Villa PowerPoint

CC:

David Crowley, County Executive

Liz Sumner, Comptroller

Parks and Culture Committee Members

MaryJo Meyers, Chief of Staff, Office of the County Executive

Aaron Hertzberg, Director, Department of Administrative Services

Kelly Bablitch, Chief of Staff, County Board of Supervisors

Kelsey Evans, Committee Coordinator

Sandy Saltzstein, County Board Research Analyst