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TO: Scott Manske, Office of the Comptroller

FROM: Paul Kuglitsch, Deputy Corporation Counsel PK

DATE: August 9, 2018

RE: Marcus Center for the Performing Arts: 2015 Wisconsin Act 60

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In 2015 Wisconsin Act 60 (“Act 60”), the state legislature included a nonstatutory provision<sup>1</sup> requiring Milwaukee County to transfer, unencumbered, the building that houses the Marcus Center for the Performing Arts (“MCPA”) to the Wisconsin Center District (“WCD”) should (1.) the Wisconsin Center District adopt a resolution requesting the transfer and (2.) the County Executive issue a written proclamation in support of the transfer. If these conditions were met, the transfer was to take place notwithstanding any policies issued, ordinances enacted, or resolutions adopted by the Milwaukee County Board of Supervisors to the contrary.

When Act 60 took effect, Milwaukee County was negotiating a long-term lease of the building to MCPA. As part of the negotiations MCPA agreed to take on significant responsibility for the building’s operation and maintenance. For MCPA to be successful, the County agreed to provide limited operating and capital support through 2026. After 2026, MCPA agreed to be solely responsible for any and all expenses.

Recognizing MCPA’s need for this short-term support, on March 17, 2016, the County Board adopted Resolution File No. 16-214, approving a Contribution Agreement between the County and MCPA. In addition to outlining the annual support, the Agreement specifically noted that should the building be transferred to WCD per Act 60, the County would be relieved of its obligations under the Agreement and for any other support to MCPA.

In 2017 Wisconsin Act 205, the state legislature repealed the nonstatutory provision of Act 60. This legislative act eliminated the transfer requirement, so the building will continue to be a county-owned asset.

To finalize the long-term lease and to assist MCPA in its efforts to raise funds and operate in a manner that would allow MCPA to become more self-sustaining, on July 26, 2018, the County Board adopted Resolution File No. 18-491, authorizing the issuance of a not to exceed amount of \$7,500,000 in Taxable General Obligation Refunding Bonds to refund current outstanding tax-exempt debt that was issued to finance capital improvements to the building.

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<sup>1</sup> A nonstatutory provision has the effect of law.

After that action, in August 2018, the County and MCPA came to terms on a long-term lease of the building to MCPA with an initial term that expires on December 31, 2066, and an extended term that expires on December 31, 2115.

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