

County of Milwaukee
Interoffice Communication

Date: July 7, 2015

To: Supervisor Marina Dimitrijevic, Chairwoman, Board of Supervisors

From: Steven Kreklow, Director, Office of Performance, Strategy, and Budget

Subject: Due Diligence Report for agreement with The UWM Real Estate Foundation (UWM Foundation) for Lincoln Park ballfield improvements

Issue & Background

I respectfully request that this report be forwarded to the appropriate standing committee(s).

The Department of Parks, Recreation, and Culture (Parks) requests passive review of a one-year development agreement with the UWM Foundation to make improvements

The Department of Administration – Office of Performance, Strategy, and Budget (DAS-PSB), Corporation Counsel, and Risk Management (Risk) have reviewed the draft agreement.

Analysis

Based on the recommendation of Parks, applicable portions of the requirements of MCGO 32.88(4) are listed below:

Letter of Full Disclosure

UWM Foundation provided a letter outlining their intention to comply with the provisions of MCGO 32.88 and attached the required documentation.

County Operating Budget Impact

Per the terms of the proposed agreement, the UWM Foundation will provide all funds related to project construction. Operating maintenance of the amenity will be the responsibility of the County. An estimate of the annual maintenance costs was not provided.

Legal Liability

The attorney for the UWM Foundation provided a letter stating that there are no pending legal claims.

Right-To-Audit Provisions

The UWM Foundation states that the County may audit its record related to the ballfield improvement project. The proposed agreement does not contain any section related to right-to-audit provisions.

Project Feasibility

There were no feasibility studies conducted.

Employee/Labor Relations Impacts

The proposed agreement has no impact on employee/labor relations.

Environmental Concerns

Parks and the UWM Foundation are not aware of any environmental concerns regarding the proposed site or improvements.

Governance Structure and Procedures / Tax Consequences

The UWM Foundation is a 501(c)(3) tax-exempt organization.

Capital Management/Maintenance

The UWM Foundation is responsible for all costs of construction and improvements to the facility. The plans must be approved by the Architecture and Engineering Section of DAS-Facilities Management prior to the start of work. The County is responsible for ongoing maintenance to the facility.

The Capital Finance section of the Comptroller’s Office is conducting a review to determine if any private activity will occur on premises where bonds were used to fund improvements. As of the July 7, that review is ongoing.

Conflict of Interest/Ethics

The UWM Foundation states that to their knowledge no potential conflicts of interest exist.

Recommendation

Upon review of the available information, and upon consultation with Corporation Counsel, and Risk Management, DAS-PSB recommends approval of the draft agreement. DAS-PSB further recommends that no construction work begin until the Capital Finance section of the Comptroller’s Office completes their review of the bonding on the premises.



Steven Kreklow, Director, Office of Performance, Strategy, and Budget