

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: December 29, 2017

Original Fiscal Note

Substitute Fiscal Note

SUBJECT: From Corporation Counsel requesting approval of a resolution authorizing a settlement of the Grandview Management, Inc. litigation, as well as claims related to the closure of the Domes at the Mitchell Park Horticultural Conservatory.

FISCAL EFFECT:

- | | |
|---|--|
| <input type="checkbox"/> No Direct County Fiscal Impact

<input checked="" type="checkbox"/> Existing Staff Time Required

<input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below)
<input type="checkbox"/> Absorbed Within Agency's Budget
<input type="checkbox"/> Not Absorbed Within Agency's Budget

<input type="checkbox"/> Decrease Operating Expenditures

<input type="checkbox"/> Increase Operating Revenues

<input type="checkbox"/> Decrease Operating Revenues | <input checked="" type="checkbox"/> Increase Capital Expenditures

<input type="checkbox"/> Decrease Capital Expenditures

<input checked="" type="checkbox"/> Increase Capital Revenues

<input type="checkbox"/> Decrease Capital Revenues

<input type="checkbox"/> Use of contingent funds |
|---|--|

Indicate below the dollar change from budget for any submission that is projected to result in increased/decreased expenditures or revenues in the current year.

	Expenditure or Revenue Category	Current Year	Subsequent Year
Operating Budget	Expenditure	0	0
	Revenue	0	0
	Net Cost	0	0
Capital Improvement Budget	Expenditure	≤ \$200,000	0
	Revenue	≤ \$200,000	0
	Net Cost	0	0

DESCRIPTION OF FISCAL EFFECT

In the space below, you must provide the following information. Attach additional pages if necessary.

- A. Briefly describe the nature of the action that is being requested or proposed, and the new or changed conditions that would occur if the request or proposal were adopted.
- B. State the direct costs, savings or anticipated revenues associated with the requested or proposed action in the current budget year and how those were calculated. 1 If annualized or subsequent year fiscal impacts are substantially different from current year impacts, then those shall be stated as well. In addition, cite any one-time costs associated with the action, the source of any new or additional revenues (e.g. State, Federal, user fee or private donation), the use of contingent funds, and/or the use of budgeted appropriations due to surpluses or change in purpose required to fund the requested action.
- C. Discuss the budgetary impacts associated with the proposed action in the current year. A statement that sufficient funds are budgeted should be justified with information regarding the amount of budgeted appropriations in the relevant account and whether that amount is sufficient to offset the cost of the requested action. If relevant, discussion of budgetary impacts in subsequent years also shall be discussed. Subsequent year fiscal impacts shall be noted for the entire period in which the requested or proposed action would be implemented when it is reasonable to do so (i.e. a five-year lease agreement shall specify the costs/savings for each of the five years in question). Otherwise, impacts associated with the existing and subsequent budget years should be cited.
- D. Describe any assumptions or interpretations that were utilized to provide the information on this form.

- A. Request to execute a settlement agreement with Grandview Management, Inc. to resolve litigation related to the 2010-2011 closure of the O'Donnell Park parking structure, and claims related to the 2016 closure of the Domes at the Mitchell Park Horticultural Conservatory.
- B. Grandview will pay Milwaukee County 8% of gross sales (food and beverage) for sales between \$0 - \$600,000, and 10% of gross sales in excess of \$600,000. Milwaukee County and Grandview will also split room rental revenue in excess of \$50,000 in a contract year 50/50 – County to retain the first \$50,000. Milwaukee County and Grandview will each contribute up to \$200,000 to pay for an HVAC unit to be installed at the Annex. The \$200,000 contribution from the County will come from a settlement related to the O'Donnell Park parking structure that the County recently received. The County and Grandview will each pay their respective utility charges related to using the HVAC. A percentage of the room rental revenue will be used by Grandview to establish a maintenance fund to pay for the service and/or replacement of the unit at the end of the unit's useful life. If at the end of the operating agreement a new agreement is not reached, the maintenance fund will be split between the parties on a 50/50 basis.
- C. No impact.
- D. None.

Department/Prepared By Paul D. Kuglitsch, Deputy Corporation Counsel

Authorized Signature 

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required

¹ If it is assumed that there is no fiscal impact associated with the requested action, then an explanatory statement that justifies that conclusion shall be provided. If precise impacts cannot be calculated, then an estimate or range should be provided.

² Community Business Development Partners' review is required on all professional service and public work construction contracts.