

MILWAUKEE COUNTY FISCAL NOTE FORM

DATE: 06/23/2023

Original Fiscal Note

SUBJECT: Authorization to enter into a Lease Agreement with Two Weathervanes, LLC for the restoration and use of the Loomis Barn and Guest House in the Root River Parkway in Greendale, WI.

FISCAL EFFECT:

- | | |
|--|---|
| <input type="checkbox"/> No Direct County Fiscal Impact | <input type="checkbox"/> Increase Capital Expenditures |
| <input type="checkbox"/> Existing Staff Time Required | <input checked="" type="checkbox"/> Decrease Capital Expenditures |
| <input type="checkbox"/> Increase Operating Expenditures
(If checked, check one of two boxes below) | <input type="checkbox"/> Increase Capital Revenues |
| <input type="checkbox"/> Absorbed within Agency's Budget | <input type="checkbox"/> Decrease Capital Revenues |
| <input type="checkbox"/> Not Absorbed within Agency's Budget | |
| <input checked="" type="checkbox"/> Decrease Operating Expenditures | <input type="checkbox"/> Use of contingent funds |
| <input checked="" type="checkbox"/> Increase Operating Revenues | |
| <input type="checkbox"/> Decrease Operating Revenues | |

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	\$0	(\$795,414)
	Revenue	\$0	\$0
	Net Cost	\$0	(\$795,414)

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.
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- A. A Lease Agreement with Two Weathervanes, LLC for the restoration of a vacant barn and former guest house building in the Root River Parkway corridor in Greendale. Two Weathervanes, LLC would fully fund the restoration of the buildings and conduct the ongoing maintenance under the term of the Lease which is 25 years with 5 ten-year renewal extensions.
 - B. The buildings are currently minimally maintained by Parks and there would be a minimal savings if that maintenance were provided by Two Weathervanes, LLC. If the buildings were to be restored it is estimated that the barn and guest house would require \$514,001 and \$281,413 each in repairs or \$795,414 in total. If the buildings were to be demolished the cost savings would likely be much less than the cost of restoration but would still be in the range of \$50,000-\$100,000. The Lease would also grant to Parks a new revenue stream of 15% of net revenue, half of which (7.5%) would be cash and half would be dedicated to maintenance.
 - C. Milwaukee County Parks is not budgeted to incur the cost of restoration of buildings, nor is it budgeted to receive new revenue generated from this project. All savings and new revenue would be new positive impacts to the Parks' budget.
 - D. None

Prepared by: Jim Tarantino, Deputy Director, Milwaukee County Parks

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.

Authorized Signature: *Guy Smith*

Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required