

Assessing the needs of major arts, cultural, recreational and entertainment assets in Milwaukee County

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Key Research Questions

How much (if any) public funding is needed?

Which institutions and how should \$\$ be allocated?

How have other regions approached problem?

Scope

Milwaukee County-owned arts and cultural institutions and Milwaukee County Parks.

Six major arts and cultural institutions that are not publicly-owned; key criterion is that they own or aspire to own their own facility.

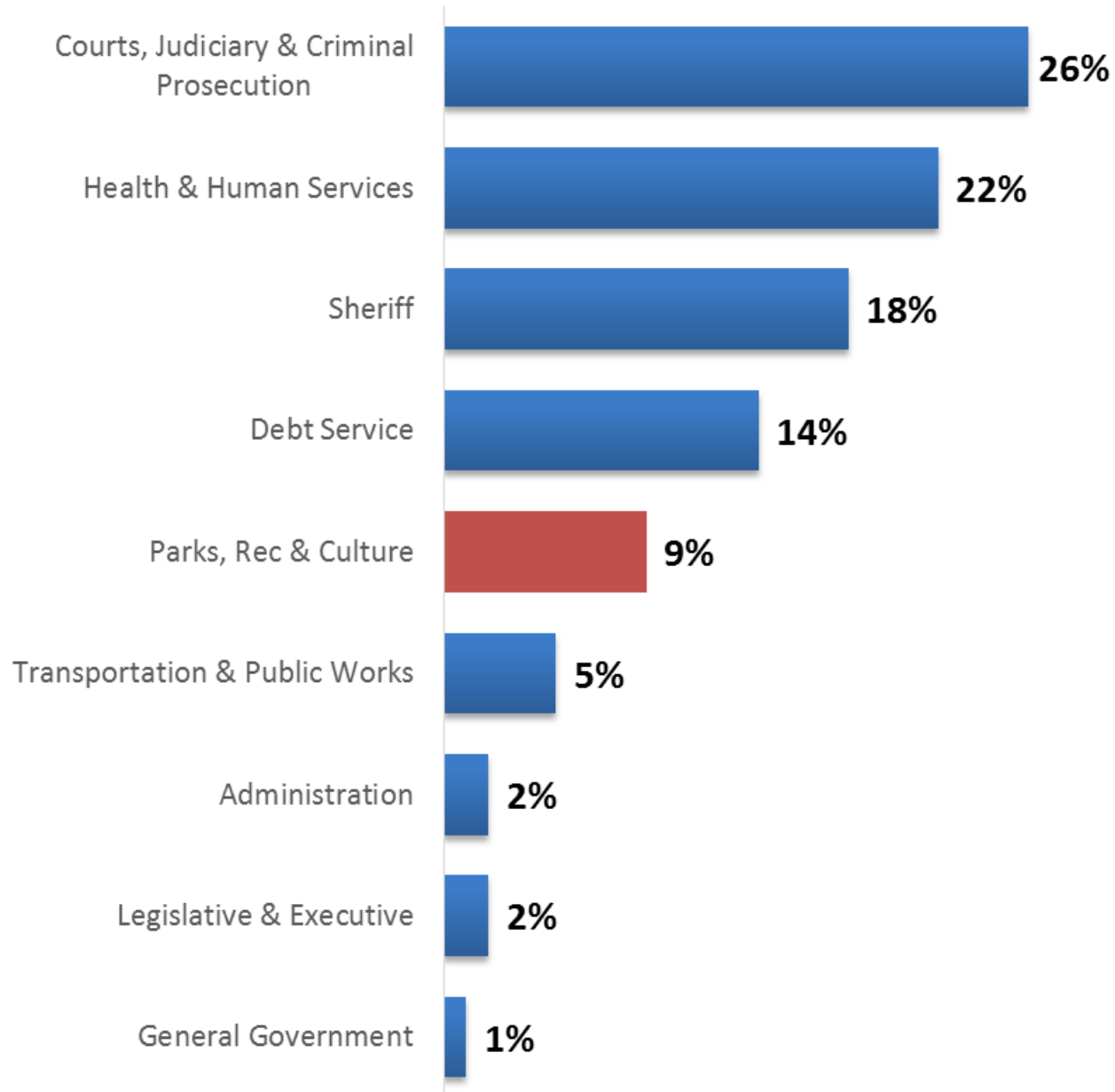
Three major sports and convention facilities.

Part II – February or March

Explore funding mechanisms used by: Oklahoma City, Pittsburgh, Denver, Cleveland, and St. Louis.

Model four of those approaches for Milwaukee County.

Overview of Milwaukee Cty Finances – Use of Local Revenue



Overview of Milwaukee County Finances

County's borrowing caps = inability to meet repair and maintenance needs

Zoo and parks impacted by health care and pension obligations



Milwaukee County-owned institutions

MILWAUKEE PUBLIC MUSEUM



MARCUS CENTER FOR THE PERFORMING ARTS



WAR MEMORIAL CENTER & MILWAUKEE ART MUSEUM



MILWAUKEE COUNTY HISTORICAL SOCIETY



CHARLES ALLIS & VILLA TERRACE MUSEUMS



MILWAUKEE COUNTY ZOO



MILWAUKEE COUNTY DEPARTMENT OF PARKS, RECREATION, AND CULTURE



Milwaukee County Parks Department

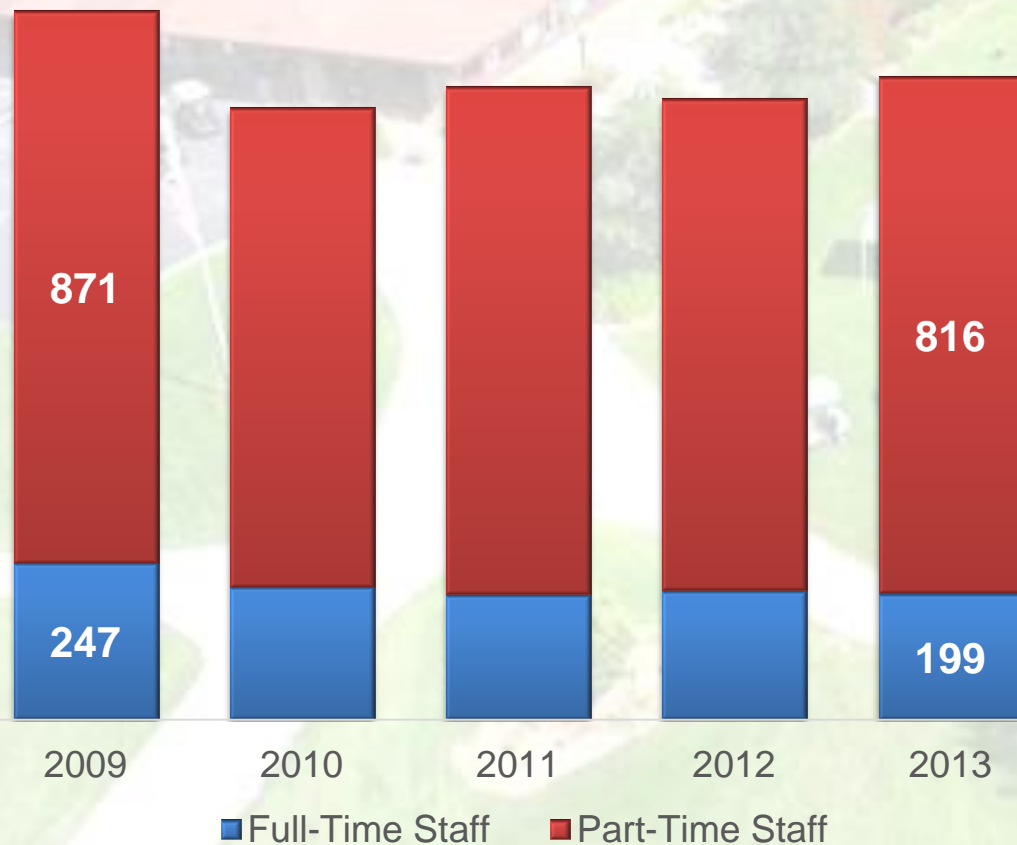
Annual Budget: \$40.4 million



Public Funding – 59%
Private Funding – 0.1%
Earned Revenue – 41%

- **Staffing reductions have contributed to maintenance backlog – returning staffing to 2008 level would cost \$3 million.**
- **\$82.5 million in capital needs over next five years is \$25 million more than actual amount spent from 2008-2012.**
- **Vast majority of capital needs related to repairs and replacement, as opposed to big improvements.**

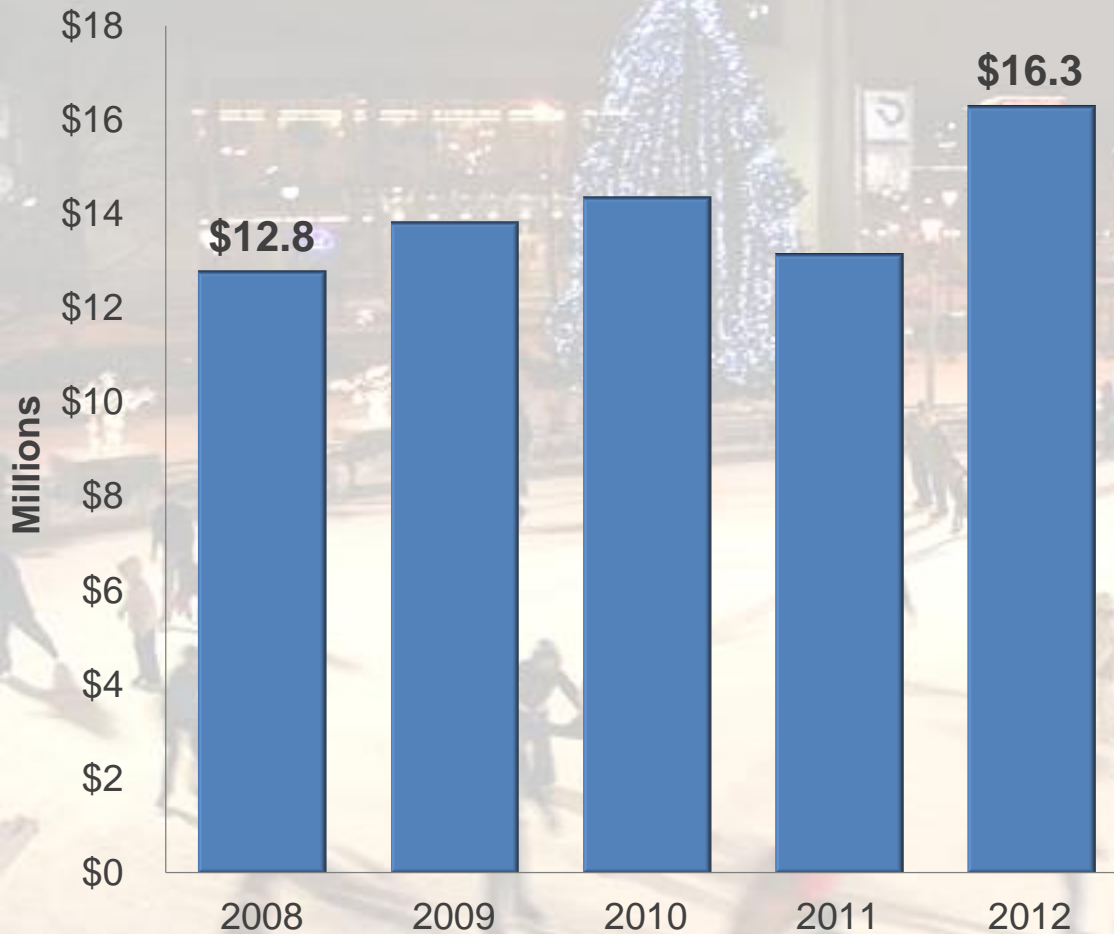
Parks department mid-summer staffing levels



2009 Audit report noted connection between staffing declines and maintenance backlog.

Mid-summer staffing down 9% since 2009.

Debt payments for parks projects



Parks debt service = 74% of Parks operating levy and 22% of overall county debt service.

Debt service amount not included in Parks operating budget and not delineated in countywide debt service budget.

Milwaukee Public Museum

Annual Budget: \$14.6 million



Public Funding – 23%
Private Funding – 41%
Earned Revenue – 35%

- **Huge operating challenges alleviated by new agreement with county.**
- **\$27.7 million in capital repair and improvement needs; \$4 million commitment from county over next four years.**
- **Private sector commitments for some new exhibits and theater improvements; may need to depend heavily on private sector for other facility needs, as well.**

Marcus Center for the Performing Arts

Annual Budget: \$8.5 million



Public Funding – 15%
Private Funding – 5%
Earned Revenue – 79%

- **Cuts in county operating support accommodated through greater earned revenues and efficiencies.**
- **Need for new parking structure (\$25 million) eclipses other capital needs (\$11.6 million).**
- **Expanded parking structure requires county and city approvals and bank loans; intended to enhance long-term operating stability.**

Dedicated funding for capital vs. operations

County-owned entities have offset flat or reduced county operating support by boosting earned revenues and private support, and reducing costs.

Conversely, it is difficult to “innovate one’s way out” of the needs associated with aging buildings and facilities.

Difficult to raise private funds for basic repair and upkeep of *county-owned* buildings.

Capital investment in county-owned facilities ensures continued public ownership and access, while operations support becomes entangled with staff salaries and benefits.

Privately-owned institutions

DISCOVERY WORLD



MILWAUKEE BALLET



MILWAUKEE REPERTORY THEATER



MILWAUKEE SYMPHONY ORCHESTRA



MILWAUKEE YOUTH ARTS CENTER



SKYLIGHT MUSIC THEATRE

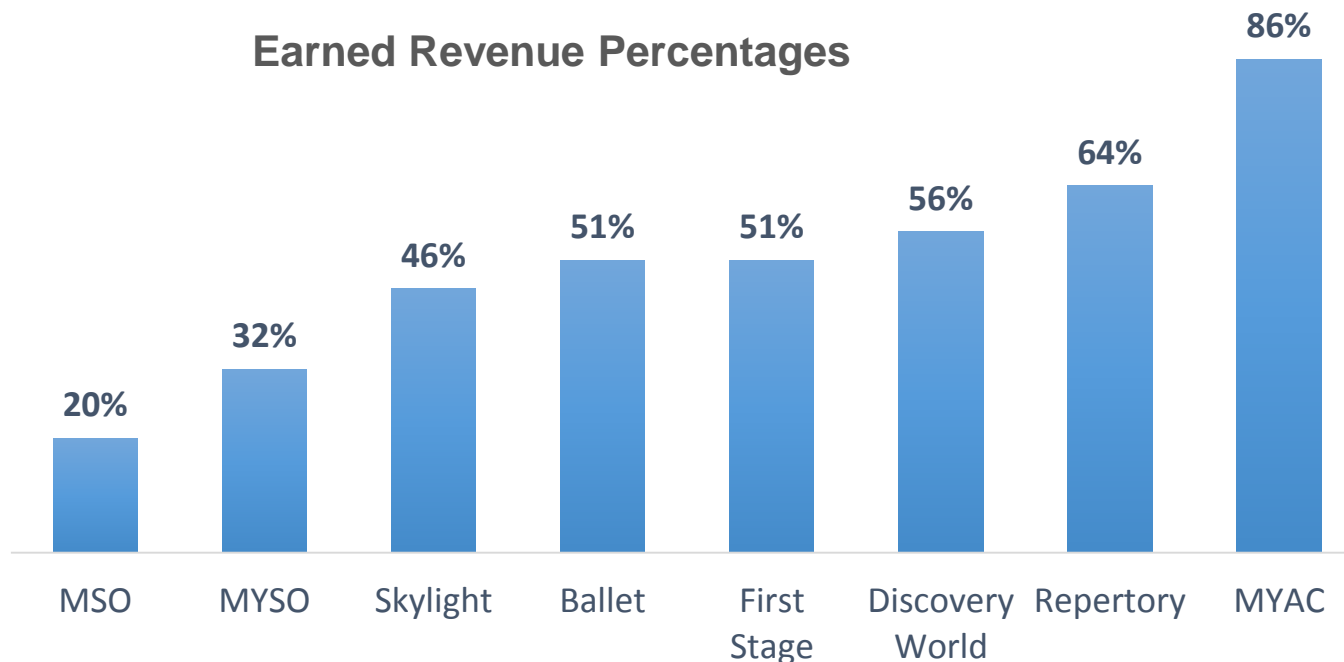


Comparing private to publicly-owned facilities

Organizations in private facilities more reliant on earned revenue, thus more susceptible to swings in local economy.

With exception of MSO, operating challenges of private entities are less severe; largely linked to low reserves and growing maintenance needs.

Both types of entities challenged to raise funds for basic infrastructure.

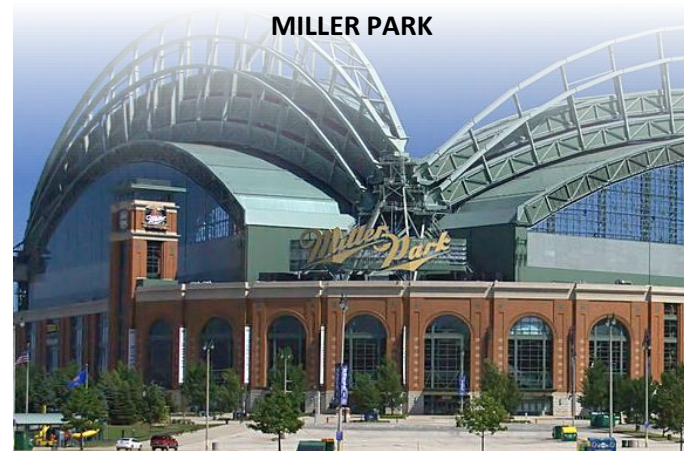


Major sports and convention facilities

BMO HARRIS BRADLEY CENTER



MILLER PARK



WISCONSIN CENTER



BMO Harris Bradley Center

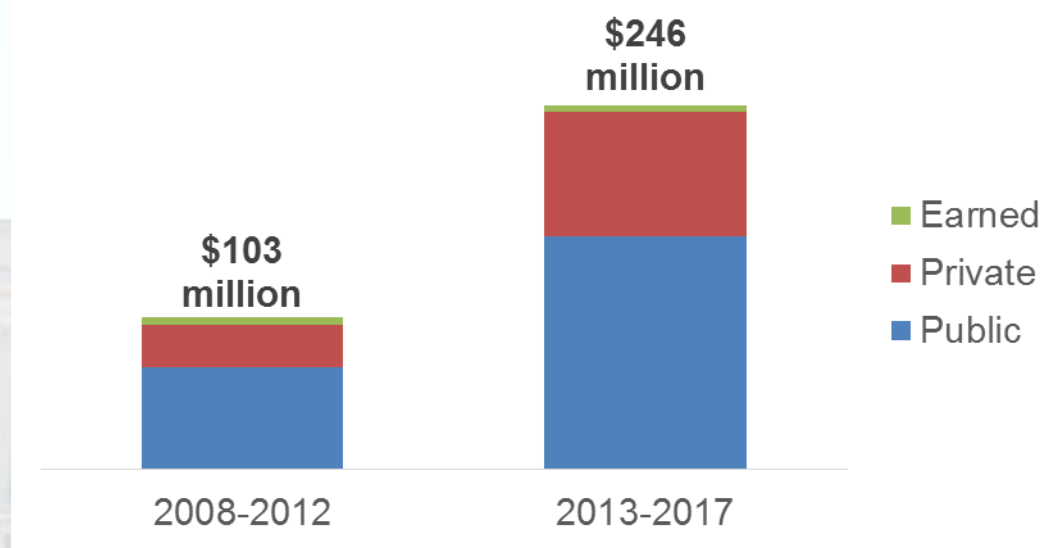
Annual Budget: \$13.1 million



- **Recent operating deficits averted only because of state grants; now leaning on business and philanthropic support.**
- **Lack of earned revenue options and potential loss of Bucks creates extremely precarious outlook.**
- **Deferred maintenance needs estimated at \$25-\$30 million.**

Key findings for county-owned entities

Five-year capital needs are immense.



Operating needs generally less acute than capital needs.

- Most acute for parks and zoo, but recent MPM and WMC/MAM agreements have relieved operating stress.

Key findings for privately-owned entities

Five of the six organizations in sound fiscal health.

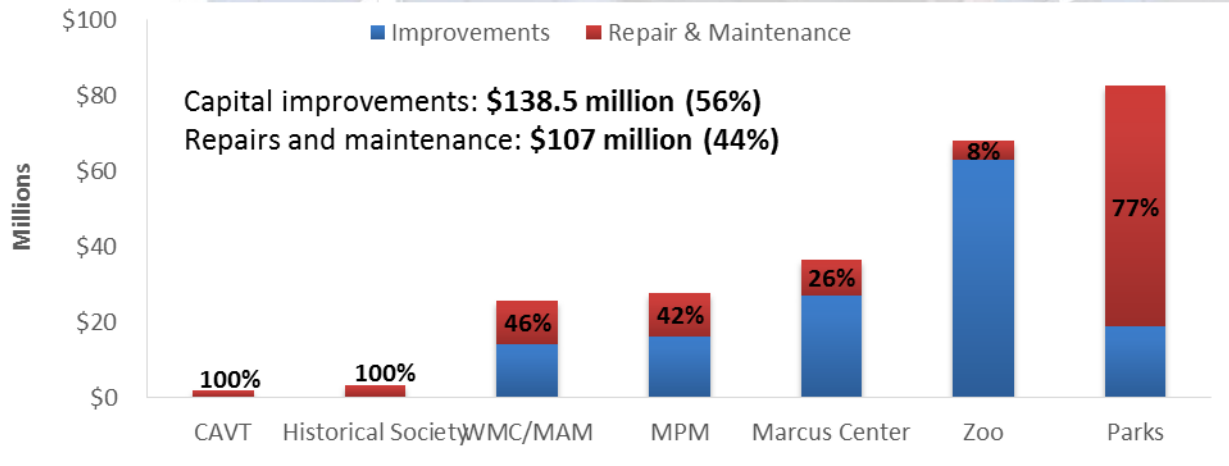
- Biggest concerns are reserves and ability to address basic maintenance/repairs.

Private fundraising for major capital projects generally successful but will be tested in the future.



Other key findings

Wide divergence in terms of basic repairs/replacement vs. capital improvements.



Long-term stability for BMO Harris Bradley Center and Wisconsin Center may be tied to major capital investment.

- Whether the BHBC could survive without the Bucks – and options for the building if it cannot – should be contemplated.

Conclusion

Milwaukee County's public and private arts, cultural, recreational, and entertainment facilities have substantial facility needs.

Whether the needs and challenges facing these institutions rise above those facing other important community assets is beyond our scope but worthy of consideration.

If Milwaukee wishes to build upon its reputation as a city "that strikes the right balance between big city verve and small town friendliness," then additional public investment in its existing array of arts, cultural, and entertainment venues likely will be required.