

COUNTY OF MILWAUKEE  
INTEROFFICE COMMUNICATION

DATE : 1/18/2019

TO : Guy Smith, Director Milwaukee County Parks  
Chairman, Milwaukee Public Museum Task Force

FROM : Jeremy Lucas, Sr. Budget & Management Analyst (DAS-PSB)

SUBJECT : Fiscal Analysis of MPM and Mitchell Park Horticultural Conservatory

**Background**

The 2019 Milwaukee County budget included a taskforce intended to evaluate the possibility of collocating the Milwaukee Public Museum and the Mitchell Park Horticultural Conservatory (the “Domes”) at Mitchell Park. Subjects of study for the taskforce included governance, marketing, rentals, educational programs, feasibility studies and fiscal analysis. To begin the analysis of collocating the two facilities, a baseline forecast for the status quo finances for each facility was completed. A forecast for the preferred options of the Milwaukee County Task Force on the Mitchell Park Conservatory Domes was also completed.

**Forecast Models**

Twenty-year forecasts for the Milwaukee Public Museum (MPM), the Mitchell Park Horticultural Conservatory (Domes), preferred options by the Milwaukee County Task Force on the Mitchell Park Conservatory Domes number 4 and number 5A are provided as an attachment to this report. The models incorporated actuals for both MPM and the Domes and used data provided by ConsultEcon and HGA for proposed options 4 and 5A. The analysis considers operating expenses, operating revenues and capital contributions to determine a total Milwaukee County subsidy for each facility. Different assumptions were incorporated into the models for each facility and are detailed under the corresponding heading.

**Mitchell Park Horticultural Conservatory**

Forecast expenditure and revenue growth for the Domes are 2.3% and 1.5% respectively. The expenditure growth is derived from the Milwaukee County Office of the Comptroller five year forecast, the revenue growth reflects the average projected increase in revenue categories not related to state or federal aids. Capital investment for the facility is limited to inspection of the mesh protective system and underlying structure every 2-3 years with required repairs. No changes in programming or events are anticipated in this model.

**Milwaukee Public Museum**

Forecast expenditure and revenue growth for MPM is modeled at 2%. Milwaukee County and Milwaukee Public Museum, Inc. amended the existing Lease and Management Agreement in July of 2018 (File #18-532) and the County contribution in the model reflects base funding for years 2021 & 2022. Capital funding for years 2017-2019 are actual budget appropriations. Capital funding 2019 through 2023 are derived from five-year capital improvement plan included in the 2019 adopted budget. Capital forecast for the county-owned building through 2037 are derived from File #18-650, Exhibit 5, which was a report on the Milwaukee Public Museum Facility Assessment.

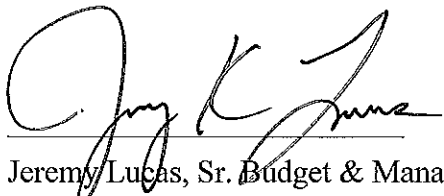
**Milwaukee County Task Force on the Mitchell Park Conservatory Domes (Options 4 & 5A)**

The Milwaukee County Task Force on the Mitchell Park Conservatory Domes has recommended two options for the future of the facility. Option 4 (Targeted Investments) and Option 5A (EcoDome Destination

Attraction) are outlined in the Mitchell Park Horticultural Conservatory Future Path and Feasibility Study dated August 3, 2018 (File #18-164). Origination for the forecast for options 4 & 5A are outlined in Figure II-4 Illustrative Financial Analyses and extrapolated using the same expenditure and revenue growth as the Mitchell Park Horticultural Conservatory model. Option 4 assumes \$5 million dollars in private donations and gifts, \$25 million in capital cash contributions over five years and \$15 million in debt service amortized over 20 years at a rate of 4%. Option 5A assumes \$30 million dollars in private donations and gifts, \$25 million in capital cash contributions over five years and \$30 million dollars in debt service amortized over 20 years at a rate of 4%. Both Options 4 & 5A assume Milwaukee County maintains ownership of the building and primary responsibility for operations.

**Recommendation**

This report is informational only.

A handwritten signature in black ink, appearing to read "Jeremy Lucas", is written over a horizontal line.

Jeremy Lucas, Sr. Budget & Management Analyst,  
Office of Performance, Strategy & Budget