



*THE FUTURE OF THE CHARLES ALLIS AND
VILLA TERRACE MUSEUMS*



STRATEGY WITH CULTURAL INSTITUTIONS

- Based on the fiscal pressures faced by the County, the County must find long-term solutions to reduce its capital and operational needs.
- The arrangements with the Marcus Center, the War Memorial, the Milwaukee Art Museum, the Milwaukee Public Museum, and the Milwaukee County Historical Society reflect this strategy.
- The intent is to give an adequate transition period for these organizations to eventually become independent of the County.



CURRENT COUNTY SUPPORT & OPERATIONS

- The County owns both museums and is responsible for all maintenance and capital needs.
- Under Sarah Allis's Will, the County is required to provide public access to the Charles Allis home and collection.
- The museums are operated by the Charles Allis Villa Terrace, Inc., (CAVT) without an agreement.
- County contributes \$225,108 to CAVT's operations annually, approximately 25% of CAVT's budget.

FUTURE NEEDS

Over the next eighteen years the museums will need:

- \$4.5 million in operating funds at the current level of County funding of \$225,000/year
- Approximately \$18 million in capital needs
- Continuing emergency repairs



CURRENT STATE

NOVEMBER 2023 - The 2024 Adopted Budget, Amendment 39, requested that the Department of Administrative Services and Office of Corporation Counsel “review and negotiate a termination to the existing agreement between Milwaukee County and the Charles Allis Art Museum.”

MAY 2024 – DAS provided a report to the County Board on options for the Charles Allis and Villa Terrace Museums and recommended pursuing a Request for Information.

MAY-JULY 2024 – The RFI was completed. Four organizations responded.

SEPTEMBER 2024 – DAS provided a report to the County Board with its recommendation and was authorized to negotiate with Friends of Villa Terrace Arts Museum, Ltd., and continue discussion with Charles Allis and Villa Terrace Museums, Inc.

SEPT.-NOV. 2024 – DAS negotiated a term sheet with both nonprofits.



FINANCIAL TERMS

	OPERATING FUNDS		CAPITAL FUNDS	
	CAVT	FOVT	CAVT	FOVT
2025	\$112,554	\$112,554	-	-
2026	\$185,000	\$40,000	\$250,000	\$400,000
2027	\$165,000	\$40,000	\$250,000	\$400,000
2028	\$150,000	\$40,000	-	\$400,000
TOTAL	\$612,554	\$232,554	\$500,000	\$1,200,000

STRUCTURE OF THE DEAL WITH FOVT

Lease:

- FOVT will enter into a three-year lease for \$1.00 per year to manage and operate the Villa.
- County will not be responsible for any maintenance of the property during the lease period.
- County will continue to provide property insurance during the term of the lease.
- During the term of the lease FOVT will ensure public access to the museum and collection and provide programming aligned with the County's racial equity and community health initiatives.

STRUCTURE OF THE DEAL WITH FOVT

Option to Purchase: FOVT will enter into an Option to Purchase that will run consecutively with the Lease. The option fee will be \$1.00.

Contribution Agreement: County will provide FOVT operating dollars in the amounts of \$112,554 in 2025 and \$40,000 in 2026, 2027, and 2028 to ensure fiscal sustainability of FOVT's operations.

Development Agreement: FOVT will enter into a Development Agreement with the County for \$1.2 million in capital funding. **The County's contribution is contingent on FOVT raising a dollar-for-dollar match.** FOVT will use its best efforts to meet the community benefit goals.

STRUCTURE OF THE DEAL WITH FOVT

Reserve: Prior to closing, FOVT will establish and maintain a restricted capital reserve account in the amount of \$500,000 for ongoing capital and maintenance needs at the Villa Terrace. This amount is in addition to the \$1.2 million **FOVT will raise** in capital/maintenance funds.

Allis Collection: If CAVT does not take transfer of the building and collection per its option agreement, FOVT shall agree to take the Allis Collection with the trust monies at the County's request.

Restriction: **If for any reason after the transfer of the property to FOVT, the facility does not provide reasonable public access or is sold to a person or legal entity that does not provide public access, FOVT agrees to provide the County with the fair market value of the property at that time.**

STRUCTURE OF THE DEAL WITH CAVT

Lease:

- One-year lease for \$1.00 to manage and operate the Charles Allis Art Museum.
- County will not be responsible for any maintenance of the property during the lease period. County will continue to provide property insurance during the term of the lease.
- During the term of the lease CAVT will ensure public access to the museum and collection and provide programming aligned with the County's racial equity and community health initiatives.
- During the term of the lease, CAVT will be able to use trust funds for care of the Collection as approved by the County.

STRUCTURE OF THE DEAL WITH CAVT

Option to Purchase:

- CAVT will enter into an Option to Purchase that will run consecutively with the Lease.
- The option fee will be \$1.00.
- CAVT will take on the trustee relationship of the Allis home and collection
- If at the end of the option period, CAVT elects not to purchase the Allis, County will work with FOVT to sell the Allis and transfer the Collection to FOVT.

STRUCTURE OF THE DEAL WITH CAVT

Contribution Agreement:

- County will provide CAVT funds in the amount of \$112,554 in 2025. If the option is exercised, County will provide funds in the amount of \$185,000 in 2026, \$165,000 in 2027, and \$150,000 in 2028 to ensure fiscal sustainability of CAVT's operations. CAVT will need to meet funding goals of \$100,000 in 2025, \$125,000 in 2026, and \$150,000 in 2027 to receive the County's operating contribution the following year.

Development Agreement:

- If the option is exercised, CAVT will enter into a Development Agreement with the County for the capital funding of \$250,000 in 2026, and \$250,000 in 2027. CAVT will use its best efforts to meet the community benefit goals.
- County funding will only be used for projects that the County has identified as related to health and safety, ADA Accessibility, safety of the art collection, and structural integrity of the building.



QUESTIONS