

MILWAUKEE COUNTY FISCAL NOTE FORM**DATE:** 6/24/22Original Fiscal Note Substitute Fiscal Note **SUBJECT:** Approval to Modify Contribution Agreement and process Appropriation Transfers Associated with the 2nd Amendment to the Lease between Milwaukee County and the Marcus Center for Performing Arts**FISCAL EFFECT:**

- No Direct County Fiscal Impact Increase Capital Expenditures
- Existing Staff Time Required Decrease Capital Expenditures
- Increase Operating Expenditures (If checked, check one of two boxes below) Increase Capital Revenues
- Absorbed Within Agency's Budget Decrease Capital Revenues
- Not Absorbed Within Agency's Budget
- Decrease Operating Expenditures Use of contingent funds
- Increase Operating Revenues
- 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		See Explanation
	Revenue		
	Net Cost		
Capital Improvement Budget	Expenditure	(\$23,000)	\$282,488
	Revenue	0	
	Net Cost	(\$23,000)	\$282,488

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. The Director of Department of Administrative Services requests approval to modify the Contribution Agreement and process appropriation transfers needed to modify budgets associated with changes resulting from the 2nd Amendment to the lease between Milwaukee County and the Marcus Center for Performing Arts.

The MCPA would also take over responsibility of managing the new projects (“Premises Work”) included in the Proposed Lease. The MCPA will exercise reasonable and good faith efforts to assure that the Targeted Business Enterprise (“TBE”) goals below are achieved.

Project	Preliminary Development Summary	Budget
Phased Building Electrical Service	Electrical infrastructure and enclosure renewal, as described on Attachment 1 to this Exhibit 9.A.iii	\$750,000
Phased Building Electrical Service	Electrical infrastructure and enclosure renewal, as described on Attachment 1 to this Exhibit 9.A.iii	\$762,181
Phased Building Exterior Stone Cladding	Restoration of exterior stone cladding, as described on Attachment 2 to this Exhibit 9.A.iii	\$757,852
Phased Building Exterior Stone Cladding	Restoration of exterior stone cladding, as described on Attachment 2 to this Exhibit 9.A.iii	\$713,430
Phased Building Exterior Stone Cladding	Restoration of exterior stone cladding, as described on Attachment 2 to this Exhibit 9.A.iii	\$757,295

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.

- B. The Resolution would modify the contribution amounts to reflect the change to the project list in the Proposed Lease. In total the 2022-2026 budget amounts would increase by \$259,488 from \$3,481,270 to \$3,740,758 compared to the Current Lease². The Proposed Lease would change the party responsible for overages from the County to the MCPA. Conversely should the total costs for these projects be less than the \$3,740,758 then the County would provide the surplus amount to the MCPA after all projects are completed. The MCPA would use the surplus funds to perform capital improvement work on the facility as it sees fit.

- C. The fiscal impact to the 2022 Budget is a net decrease of \$23,000 of capital expenditures. The resolution will lapse \$773,000 of expenditure authority and general obligation bond budget from Project WO054101 Pedestrian Pavement Replacement – 2022. The resolution will also Create \$750,000 of expenditure authority for a new capital project Phased Building Electrical Service. The resolution will also allocate \$750,000 of cash from the Debt Service Reserve to Org Unit 9960 General County Debt Service to pay debt service expenses and allocate \$750,00 of levy from Org. Unit 9960 to the Phased Building Electrical Service project.

The amount for future capital contributions (2023-2026) is increasing by \$282,488 from \$2,708,270 to \$2,990,758.

- D. This fiscal note assumes that the County would have completed the original project list in the Current Lease on Budget.

Department/Prepared By Justin Rodriguez/Office of the Comptroller

Authorized Signature Aaron Hertzberg

Did DAS-Fiscal Staff Review? Yes No

Did CDBP Review?² Yes No Not Required

² The Current Lease amount includes the change to the 2026 capital support amount as directed in County Board Resolution 18-544