

The Rock Sports Complex/Ballpark Commons

“Between The Rock and a Hard Place: Former Landfill Becomes Entertainment Center with Unresolved Community Concerns Beyond the County’s Ability to Solve”

Economic Development Audit Response Update

Issue 1:

Did ROC Ventures, developer of The Rock Sports Complex and Ballpark Commons, achieve the Community Benefits Compliance goals outlined in the Development Agreement between them and Milwaukee County?

Master Site Work

Construction Project Cost: \$22,425,228.00

Construction TBE Goal: 25%

Reported TBE: 0.2%

Projected TBE Spend: \$5,606,307.00

Reported TBE Spend: \$38,895.00

Professional Services Cost: \$3,106,079.00

PS TBE Goal: 17%

Reported PS TBE: 58.5%

Projected PS TBE Spend: \$528,033.43

Reported PS TBE Spend: \$1,815,673.00

Apprenticeship Goal: 10% of construction hrs

Reported Apprenticeship Hire: 16.5%



Reporting note: project estimated to be completed summer/fall 2019. No new reporting since summer 2019, Several subcontractor payments disputed and/or unconfirmed.

Baseball Stadium

Stadium Construction Project Cost: \$7,898,667.00

Construction TBE Goal: 25%

Reported TBE: 0.3%

Projected TBE Spend: \$1,974,666.75

Reported TBE Spend: \$26,340.00

Stadium Support Buildings Construction Project Cost: \$4,929,493.00

Construction TBE Goal: 25%

Reported TBE: 10.0%

Projected TBE Spend: \$1,232,373.25

Reported TBE Spend: \$493,028.00

Stadium Apprenticeship Goal: 10% of construction hrs

Reported Apprenticeship Hire: 7.6%

Support Bldgs Apprenticeship Goal: 10% of construction hrs

Reported Apprenticeship Hire: 0.3%



Reporting note: project estimated to be completed summer 2019 (stadium)/early 2020 (support buildings). No new reporting since summer 2019, Several subcontractor payments disputed and/or unconfirmed.

Office Building

Construction Project Cost: \$6,018,817.00

Construction TBE Goal: 25%

Reported TBE: 23.7%

Projected TBE Spend: \$1,504,704.25

Reported TBE Spend: \$1,427,145.00

Professional Services Cost: \$273,021.00

PS TBE Goal: 17%

Reported PS TBE: 4.6%

Projected PS TBE Spend: \$46,413.57

Reported PS TBE Spend: \$12,495.00

Apprenticeship Goal: 10% of construction hrs

Reported Apprenticeship Hire: 5.2%



Reporting note: project estimated to be completed summer/fall 2019. No new reporting since summer 2019, Several subcontractor payments disputed and/or unconfirmed.

Luxe Golf Bays

Construction Project Cost: \$10,021,626*

Construction TBE Goal: 25%

Projected TBE Spend: \$2,505,406.50

***Developer provided no reporting on this project. Construction cost estimate based on information from the City of Franklin.**



MOSH Performance Center

Construction Project Cost: \$8,500,000*

Construction TBE Goal: 25%

Projected TBE Spend: \$2,125,000.00

***Developer provided no reporting on this project. Construction cost estimate based on information from the City of Franklin.**



Overall Impact

- The total cost of Developer's reported construction/professional services payments, subject to TBE reporting, was \$44,651,305.00.
- If TBE goals had been achieved on these projects, approximately **\$10,892,498.25** would have been subcontracted to TBE firms.
- Per Developer's reporting, only **\$3,813,576.00** was subcontracted to TBE firms from these contracts, **\$7,078,922.25** short of TBE goals.
- While there is no reporting on if/how much subcontracting was done to TBE firms on unreported projects, an estimated **\$4,630,406.50** should have been subcontracted to TBE firms for these projects.

Developer Actions Since Audit Report

- Despite additional attempts by County to reach out to Developer in October 2021, January 2022, and April 2022, no further project updates or reporting has been received.
- In May 2022, Developer sent County a letter indicating that they would no longer be following the Community Benefits Compliance Plan and were aware that they would likely forfeit the \$10,000 compliance deposit and the opportunity to work with Milwaukee County for up to three years.

Issue 2:

Despite failing to achieve Community Benefits Compliance goals, did Developer utilize “good faith efforts” to achieve those goals?

Good Faith Efforts

Compliance Plan Definition of “Good Faith Efforts”

- Utilize a public process to solicit bids
- Publish notice of the opportunity to bid in local publications, as well as contact the minority chambers of commerce with the submittal information
- Meet with CBDP prior to issuing bid packets to gain a better understanding of current TBE capacities and get assistance structuring project packages to encourage participation
- Hold pre-bid meetings so TBE firms are able to ask questions, connect with larger firms who may serve as primes (if the TBE would be a sub), or otherwise

The Rock/Ballpark Commons Efforts*

- Developer utilized a public bidding process
- Developer and Cross Management identified TBE firms and ethnic chambers and organizations; ensured these firms and organizations received Invitation to Bid notices as well as plans and specifications
- Developer met with CBDP to discuss possible ways to include TBE firms in bidding process; worked with Cross Management to help identify such firms for participation
- Developer held at least one pre-bid meeting

** With no additional communication from the developer, we are unable to determine if these steps were taken only for initial phases of the project or also completed for later phases.*

Requests for Exemptions in Cross Management Report

Developer requests several standard construction costs be exempted from TBE calculations	Compliance Benefit Plan defines costs for TBE calculation. Exempting \$10m in construction costs achieves 6.9% TBE on construction projects overall
Developer requests all Master Site Work be exempted from TBE calculations	If all Master Site Work project was exempted, Developer achieves 12.3% TBE – less than half the 25% goal for construction projects
Developer requests that costs paid to TBE firms on a related project “count” toward TBE calculation (not as a portion of that project but a net addition)	Adding TBE payments from another project to this one, without calculating in the overall cost of that project, still achieves 17.3% TBE

Issue 3:

What are the next steps going forward?

Economic Development Next Steps

- Economic Development is working with the Office of Corporation Counsel explore legal avenues for the contract deficiencies.
- Economic Development has also set up process to track any Developer material noise violations. Note that there was one material violation in 2020, one in 2021, and none confirmed yet in 2022.
- Economic Development is also creating further internal processes for contract management practices and procedures and standardizing the department's community benefits goals and penalties in all agreements, to mitigate future issues.