

COUNTY OF MILWAUKEE
Inter-Office Communication

Date: 8/18/2023

To: Marcelia Nicholson, Chairwoman, Milwaukee County Board of Supervisors

From: Amos Morris, Executive Zoo Director

Subject: From the Executive Zoo Director, requesting approval to enter into an agreement with the Zoological Society of Milwaukee for the construction of a new Rhino habitat for the Milwaukee County Zoo

File Type: Action Report

REQUEST

The Executive Zoo Director is requesting authorization to enter into an agreement with the Zoological Society of Milwaukee (Society) for the purpose of constructing a new rhino habitat for the Milwaukee County Zoo for an amount not to exceed \$22,209,691.

POLICY

Wisconsin State Statutes:	
Milwaukee County Code of General Ordinances:	
Specific Adopted Budget:	
Specific Adopted Budget Amendment:	
Specific Adopted Capital Project:	Capital 5-Year Plan, 2024 Capital Budget, 2025 Capital Budget

BACKGROUND

The table below includes all files related to the Adventure Africa complex renovations.

Related File No's:	15-478, 16-463, 17-496, 18-858
Associated File No's (Including Transfer Packets):	17-496
Previous Action Date(s):	August 5, 2015; November 11, 2016, August 3, 2017, January 1, 2019

The Zoo's 2013 Master Plan developed with the Society addressed the need to upgrade facilities to comply with the Association of Zoos and Aquarium's accreditation standards for a habitat complex called Adventure Africa. The Master Plan included a new habitat for elephants and upgrades to the old elephant and pachyderm habitats for hippos and rhinos. Adventure Africa – Phase 1 Elephants opened in May of 2019 and Phase 2 Hippos opened in May of 2020. As part of the 2020 Capital Budget, the County in association with the Society agreed to begin the design of Adventure Africa Phase 3

Rhinos for the replacement of the former elephant habitat and renovation of the remainder of the pachyderm complex including the addition of a new central pathway through the Zoo. Total design costs were \$902,100 with a 50/50 cost split with the Society.

The schematic design of Phase 3 Rhino is complete and through the use of a Construction Manager at Risk (CMAR) contracting, the construction costs are \$22,209,691, which based on a construction projection cashflow analysis, \$12,474,238 is needed in 2024 and \$9,248,410 in 2025. The Society will contribute up to \$6,000,165 of the construction cost and the County's share is \$16,209,526. This is a change from the 50/50 split agreements of the prior Adventure Africa projects. Since the 2013 Master Plan was developed, the Society kicked off a capital fundraising campaign raising over \$27 million for Adventure Africa, which exceeded the agreed upon amount by \$2.0 million. Based on prior cost estimates, the rhino project was projected at \$10 million. As part of the fund-raising campaign, the goal for the Society's share of the rhino project was \$5 million. There was no way to anticipate the escalation of prices from the impact of the pandemic and inflation. The Society has submitted a letter of commitment and an Audit of a Specific Element Report (Audit Report) demonstrating that \$6 million in funds are available for this purpose.

The 2021 the Capital Budget included \$4,040,071 to complete the Adventure Africa Elephant habitat by adding a waterhole filtration system. As planning began, it was determined that a more cost-effective way to provide water conservation and operational efficiencies doesn't require the scope of the proposed life support system (LSS). It is estimated that the changes to the project, while still providing water conservation savings and operational efficiencies, will give us \$3 million in savings to be applied towards the rhino project with a 50/50 split with the Society. Based on the estimate, the Society will contribute \$6,000,165 for construction along with the projected LSS savings of \$1.5 million for a total estimated contribution of \$7,500,165. Increases in the Society's contribution to the Adventure Africa Phase 3 Rhino construction project that are derived from the LSS project surplus will reduce the County's contribution by a like amount.

Once the LSS project is complete and closed out, the surplus will be verified by the Office of the Comptroller and Office of Strategy, Budget, and Performance prior to any transfer of funds to the Rhino Construction project. It is estimated that the surplus in the LSS project will reduce the County's share of the Rhino project in the 2025 Capital Budget.

The Society has agreed to allocate up to \$487,043 of its total commitment towards the cost of completing the construction bid documents in 2023, which will be credited towards the Society's financial commitment of \$6,000,195. With this change, the numbers in the Zoo's 2024 Capital Budget Request are revised and the table below shows the updated Capital Budget allocations.

Planned Appropriation Instrument & Year	County	Zoological Society	TOTAL
2023 Appropriation Transfer via Res #23-781	\$ -	\$ 487,043.00	\$ 487,043.00
2024 Capital Budget	\$ 6,961,116.00	\$ 5,513,122.00	\$ 12,474,238.00
2025 Capital Budget	\$ 9,248,410.00	\$ -	\$ 9,248,410.00
TOTAL	\$ 16,209,526.00	\$ 6,000,165.00	\$ 22,209,691.00

The old elephant and pachyderm habitats need to be replaced since they are the original habitats from the 1950s, moving the Zoo farther and farther away from best practices over time, and not aligning with research-supported best practices for habitat design identified to support the best animal welfare. The target is a habitat that better supports the needs of the rhinos and allows the animal care staff to deliver excellent care, as well as supporting participation in scientific research into questions about rhino nutrition, health, and reproduction in human care. Those studies inform wildlife conservation and ex situ projects. And finally, updated facilities will support the Species Survival Plan (SSPs) goals for successful reproduction of rhinos in human care, and will be needed to continue to house rhinos at the Milwaukee County Zoo when standards evolve beyond our current facilities.

The rhino construction design project has strategically renovated the existing robust concrete buildings to minimize demolition, modestly renovate behind the scenes keeper areas, and include a year-round public viewing spaces for multiple animal species.

It is projected that the project costs would incur more than \$1,000,000 per year of additional inflation and escalation if not approved in the 2024 Capital Budget. Not renovating the old elephant and pachyderm complex will still require improvements because the old habitats are outdated and can only be used for large mammals. The current boilers and associated HVAC equipment need to be replaced regardless of the renovation. This will be mandatory as the current complex houses the indoor hippo pools and stalls. Demolishing this area is complex as a major electrical junction runs through this area supplying both the giraffe and big cat buildings. Converting the space to accommodate smaller animals will require a substantial amount of funding and may even cost more to demolish the old footprint to begin a new vision for the area. This area does not fit in with modern zoo practices and if not renovated, it will not be available for public viewing.

Per the 2020 Memorandum of Understanding between the County and Society, both entities are required to enter into individual project agreements for all joint funded capital projects. The Zoo is requesting approval of the \$22.2 million Rhino construction agreement in the September cycle to stay on track with finalizing the construction bid documents in 2023 to begin construction in March of 2024.

ALIGNMENT TO STRATEGIC PLAN

Describe how the item aligns to the objectives in the strategic plan:

1A: Reflect the full diversity of the County at every level of County government

- 1B: Create and nurture an inclusive culture across County government
- 1C: Increase the number of County contracts awarded to minority and women-owned businesses
- 2A: Determine what, where, and how we deliver services to advance health equity
- 2B: Break down silos across County government to maximize access to and quality of services offered
- 2C: Apply a racial equity lens to all decisions
- 3B: Enhance the County's fiscal health and sustainability
- 3C: Dismantle barriers to diverse and inclusive communities

The project team consistently viewed all design decisions through the lens of three guiding principles: staying true to the Zoo's mission, designing the most cost-effective reuse of space, and providing year-round engagement to the public. The renovation includes sustainable, energy efficient practices and brings the complex up to current building codes that ensures public safety. It also brings the facility back to international animal care standards.

FISCAL EFFECT

The total cost of the Adventure Africa Phase 3 Rhino construction project totals \$22,209,691. The Society has committed to funding \$6,000,195 of the construction cost with the County contributing \$16,209,526. Based on a construction project cashflow analysis, expenditures in an amount of \$12,474,238 are requested including \$5,513,122 in revenues from the Zoological Society of Milwaukee in the 2024 Capital Budget and an amount not to exceed \$9,248,410 in the 2025 Capital Budget.

In order to complete the construction bid documents in 2023 to ensure the construction of the Rhino habitat can stay on track to begin in March of 2024, the Zoological Society of Milwaukee is contributing \$487,043, as included in Milwaukee County Board of Supervisors Resolution File No. 23-781. This will provide the additional funding to continue the Rhino construction bid documents and will be credited towards the Society's contribution of \$6,000,165.

There will be savings in capital project WZ119 Adventure Africa Elephants Water Filtration System to help fund the rhino project. Fifty percent of the project was funded by the Society. The Society has agreed that their share of the surplus can be applied to the rhino project. Once the LSS project is complete and closed out and the surplus is verified by the Office of the Comptroller and Strategy, Budget and Performance, any surplus funds will be requested to be transferred to the Rhino project to reduce the County's share of the project.

The current LSS surplus is estimated at \$3 million. Combining the Society's construction contribution of \$6,000,195 along with the projected \$1.5 million surplus puts the Society's contribution at \$7,500,165 with the County's share at \$14,709,526. Any additional savings in the LSS project will be moved on a 50/50 split with the Society to the rhino project.

Any surplus in the Adventure Africa – LSS project will reduce the County’s commitment in the 2025 Capital Budget.

TERMS

The term begins with the signing of the agreement and runs until the rhino project is complete which is tentatively scheduled to finish in spring of 2025.

VIRTUAL MEETING INVITES

Amos Morris, Executive Zoo Director, Amos.Morris@milwaukeecountywi.gov
Vera Westphal, Deputy Zoo Director, Vera.Westphal@milwaukeecountywi.gov

PREPARED BY:

Vera Westphal, Deputy Zoo Director

APPROVED BY:

Amos Morris, Executive Zoo Director *Amos D Morris, Jr.*

ATTACHMENTS:

Resolution, Fiscal Note, DRAFT Agreement

cc: Kelly Bablitch, Chief of Staff, Milwaukee County Board of Supervisors
Janelle M. Jensen, Legislative Services Division Manager, Office of the County Clerk
David Crowley, County Executive
Mary Jo Meyers, Chief of Staff, County Executive
Scott Manske, Comptroller
Aaron Hertzberg, Director, Department of Administrative Services
Joseph Lamers, Director, Budget and Management
Michelle Nate, Deputy Comptroller
Steve Cady, Research and Policy Director, Comptroller’s Office
Ciara Miller, Research Analyst, Comptroller’s Office
Pamela Bryant, Capital Finance Manager
Vincent Masterson, Capital Budget Coordinator
Anthony Rux, Budget and Management Analyst
Justin Rodriguez, Budget and Management Coordinator
Vera Westphal, Deputy Zoo Director
Kari Williams, Interim Director of Animal Management and Health