

MILWAUKEE COUNTY FISCAL NOTE FORM**DATE:** 8/18/2023Original Fiscal Note Substitute Fiscal Note

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

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	\$487,043	\$0
	Revenue	\$487,043	\$0
	Net Cost	\$0	\$0
Capital Improvement Budget	Expenditure	\$0	\$12,474,238
	Revenue	\$0	\$5,513,122
	Net Cost	\$0	\$6,961,116

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 Zoo is requesting authorization to enter into an Adventure Africa Phase 3 Project Agreement with the Zoological Society of Milwaukee for the purpose of constructing a new Rhino habitat for the Milwaukee County Zoo in an amount not to exceed \$22,209,691.
- B. The Adventure Africa Phase 3 Rhino Construction project cost is \$22,209,691 with the Zoological Society of Milwaukee contributing \$6,000,165 and the County's share being \$16,209,526. Based on a construction project cashflow analysis prepared by The Concord Group and Gilbane Building Company, funding for this project is requested over a two-year cycle beginning in 2024. It is requested that the 2024 Capital Budget include \$12,474,238 in expenditures including \$5,513,122 in revenues from the Zoological Society with \$9,248,410 budgeted 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 and the funds will be credited towards the Society's contribution of \$6,000,165.

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.

The 2021 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 generate \$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.

- C. The Office of Strategy, Budget and Performance and the Office of the Comptroller are authorized to provide an administrative transfer creating budget authority for new Capital Project WZ0141 Adventure Africa – Rhino (project) and to recognize revenue of \$487,043 from the Zoological Society contribution to be applied towards the project pursuant to adoption of Resolution File No. 23-781.
- D. The agreement with the Zoological Society of Milwaukee is contingent upon approval of capital project WZ014 in the 2024 and 2025 Capital budgets.

Department/Prepared By Milwaukee County Zoo, Vera Westphal

Authorized Signature *vera westphal*

Did DAS-Fiscal Staff Review? Yes No

Did CBDP Review?² Yes No Not Required