

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE : March 22, 2011

TO : Supervisor Lee Holloway, Chairman, County Board of Supervisors

FROM : Pamela Bryant, Capital Finance Manager, Department of Administrative Services (DAS)

SUBJECT : 2011 University of Wisconsin- Milwaukee (UWM) Land Sale Funded Capital Projects-
(Informational Report)

Background

The 2011 Adopted Capital Improvements Budget includes capital projects that were to be financed with \$5,000,000 of UWM land sale revenue. These projects include: Project WP174 Parks Major Maintenance, Project WP186 Parks Naturalization, Project WZ600 Zoo Master Plan, Project WO114 Countywide Infrastructure Improvements, Project WO205 Fiscal Automation Program, Project WO444 BHD/MCSO Electronic Medical Records System, Project WO514 War Memorial Window Replacement and Reseal, Project WO515 War Memorial Window Ledge Leak Repairs, and Project WO949 Inventory and Assessment of County Facilities.

In February 2011, a Real Property Purchase Agreement with UWM Innovation Park, LLC for County-owned land located in the Northeast Quadrant of the County Grounds was approved. The purchase price was \$13.55 million. The payments were amended from the schedule originally adopted in May 2009. Instead of the second \$5 million payment being received by Milwaukee County in February 2012 (available for fiscal year 2011), it will be received in February 2014 (available for fiscal year 2013).

Issue

The \$5 million of UWM land sale revenue included in the 2011 Adopted Capital Improvements Budget will not be available to finance the 2011 capital projects.

The Department of Administrative Services (DAS) worked with the Department of Transportation and Public Works (DTPW) to refine cost estimates and forecast the cash flow needed for work that will occur in 2011 for projects that were being financed by the UWM land sale revenue. Any work that will not be able to be completed in 2011 will need to be completed in 2012.

Each of the individual projects listed below includes the 2011 budgeted UWM land sale financing amount and the amount cash financing necessary for work being completed in 2011.

Project WP174 Parks Major Maintenance (Domes HVAC Repair and Upgrades): Financing of \$100,000 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. Cash financing of \$56,248 is needed so that the work can be performed in 2011.

Project WP186 Parks Naturalization: Financing of \$61,000 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. The work will be temporally deferred until 2012. It is anticipated that work will begin in the Spring of 2012 rather than the Fall of 2011.

Project WZ600 Zoo Master Plan: Financing of \$200,000 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. It is estimated that \$200,000 will be spent in 2011; however, since half of the project is financed with revenue from the Zoological Society only \$100,000 of cash financing will be needed from Milwaukee County in 2011. The second half of the project will be completed in 2012.

Project WO114 Countywide Infrastructure Improvements: Financing of \$2,848,381 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. Approximately \$2.2 million in cash financing will be needed to perform work in 2011. One major item that will be performed in 2012 will be the re-caulking of the Criminal Justice Facility. It is anticipated that bid document preparation for the re-caulking will occur in late 2011 so that implementation can occur in 2012. The re-caulking is estimated to cost \$864,000.

Project WO205 Fiscal Automation Program: Financing of \$65,000 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. The work associated with the UWM land sale revenue will be deferred until 2012.

Project WO444 BHD/MCSO Electronic Medical Records: Financing of \$500,000 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. Staff is currently in Phase 2 "Request for Proposal (RFP) Process and Vendor Selection" and is in the process of evaluating proposals from vendors. It is unknown at this time how much cash financing will be required in 2011.

Project WO514 War Memorial Window Replacement and Reseal: Financing of \$42,000 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. Cash financing of \$42,000 is needed so that the work can be performed in 2011.

Project WO515 War Memorial Window Ledge Leak Repairs: Financing of \$15,300 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. Cash financing of \$15,300 is needed so that the work can be performed in 2011.

Project WO949 Inventory and Assessment of County Buildings: Financing of \$1,168,318 of UWM land sale revenue was included in the 2011 Adopted Capital Improvements Budget. The 2011 Budget includes property condition assessments for the Airport, Parks, Cultural, Criminal Justice, Fleet Maintenance, and Behavioral Health Facilities. Property condition assessments have begun with areas that are financed by Airport Revenue. Assessments for Parks, the Marcus Center, and the Milwaukee Public Museum will take place in 2011. The remaining facilities (Children's Court, House of Corrections, Fleet Central Garage, Fleet North Shop, and the CATC) will be assessed in 2012. The cash financing needed for the non-airport work being performed in 2011 is \$524,700.

Summary

Assuming work on these projects begins June 1, it is estimated that about \$3.5 million of cash financing will be needed to perform work on these projects throughout the remainder of 2011.



Pamela Bryant
Capital Finance Manager

cc: Marvin Pratt, County Executive
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