

1 Supervisor James "Luigi" Schmitt, Chairperson
2 From the Committee on Finance, Personnel, and Audit, reporting on:

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4 File No. 16-229

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6 (ITEM) A resolution by Supervisors Lipscomb, Sr., Broderick, Dimitrijevic, Jursik,
7 and Haas, authorizing transfer of the Kahler Building, the 2015 East Addition, portions
8 of the Saarinen Building, and the O'Donnell Park parking structure improvements (but
9 not the underlying land on any of them) to the Milwaukee Art Museum; and authorizing
10 transfer of portions of the Saarinen Building (but not the land) to Milwaukee County War
11 Memorial, Inc.; and related actions, consistent with the attached term sheet, by
12 recommending adoption of the following:

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14 **A RESOLUTION**

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16 WHEREAS, Milwaukee County (the County) and the Milwaukee Art Museum
17 (MAM) have had a long fruitful relationship, and share many of the same goals in
18 promoting public use and enjoyment of the County's property along Lake Michigan in
19 downtown Milwaukee for cultural and recreational use; and

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21 WHEREAS, the Milwaukee County War Memorial, Inc. (MCWM) is a treasured
22 and prized landmark that has shared space and history with MAM in the Saarinen
23 Building since 1957 and deserves the continued support and protection offered by the
24 County; and

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26 WHEREAS, a majority of the MCWM Board has responded in favor of the term
27 sheet, as evidenced by the signature on Appendix A; and

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29 WHEREAS, the Betty Brinn Children's Museum (BBCM) is an important member
30 of the County's cultural community and its interests are of concern to the County; and

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32 WHEREAS, the County's support of cultural institutions like MAM is a worthy
33 public effort and should continue for a period of years but becomes increasingly difficult
34 as public resources become increasingly scarce; and

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36 WHEREAS, the County will continue to own the land beneath the Kahler Building
37 the 2015 East Addition, the Saarinen Building, and the O'Donnell Park parking
38 structure; and

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40 WHEREAS, the provisions of the term sheet require that in areas that are a
41 public park, the public's access, ability to assemble, or ability to exercise free speech in
42 a manner that is consistent with public parks that are owned by the County will not be
43 limited; and

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45 WHEREAS, the provisions of the term sheet require that MAM and MCWM shall
46 continue to comply with the requirements of the Public Trust Doctrine; and

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WHEREAS, ownership and control of the Kahler Building, the 2015 East Addition, and portions of the Saarinen Building by MAM would relieve the County of many burdens of capital maintenance and repair of those structures at a cost savings to taxpayers of \$28.8 million (net present value), while placing the buildings in the hands of a public-spirited owner; and

WHEREAS, a condominium sale of the O'Donnell Park parking structure (but not the land underneath) by the County to MAM would prove beneficial to both parties and the public by providing a long-term parking solution to the museum, providing long-term management and maintenance for the structure at no cost to the County, while maintaining County ownership of the underlying park land; and

WHEREAS, the parks-only deed restrictions on the northern half of O'Donnell Park and the O'Donnell structures will remain in place, and a parks-only deed restriction will be added to the southeast quadrant of O'Donnell Park; and

WHEREAS, the entire O'Donnell area, including the structures in the southwest quadrant will be transferred subject to the City of Milwaukee's (the City) Parks Zoning District and Lakefront Overlay Zone, and any future change on the southwestern quadrant would require full consideration and approval by both the County (as owner) and the City; and

WHEREAS, MAM would acquire the O'Donnell improvements subject to the County's existing lease obligations with the food vendor; and

WHEREAS, MAM would acquire the O'Donnell improvements subject to the County's existing lease obligations with BBCM or subject to modifications as described in Appendix B of the attached term sheet; and

WHEREAS, through additional condominium provisions, in order to save and protect the interests of MCWM, ownership of portions of the Saarinen Building now occupied by MCWM will be transferred to MCWM, which will maintain the transferred area, and the remainder of the Saarinen Building will be retained by the County, while ownership of MAM areas in the base of the Saarinen Building will transfer to MAM; and

WHEREAS, Quarles and Brady LLP, the County's bond counsel, has provided a written opinion (attached) that based on the current terms the transfer of the Kahler Building, the 2015 East Addition, portions of the Saarinen Building, and the O'Donnell Park parking structure to MAM would not adversely affect the tax status of the outstanding debt obligations; therefore, the County does not have to defease the bonds; and

WHEREAS, the County is committed to supporting the operations and continued success of MCWM and will therefore contribute additional financial support from 2024 to 2033; and

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94 WHEREAS, the Committee on Finance, Personnel, and Audit, at its meeting of
95 March 10, 2016, recommended adoption of this resolution (vote 7-1); now, therefore,
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97 BE IT RESOLVED, the Milwaukee County Board of Supervisors hereby
98 authorizes the County Executive, Office of the Comptroller, County Clerk, Corporation
99 Counsel, and any other Milwaukee County (the County) officials deemed necessary to
100 prepare, execute, and record any and all documents, instruments, leases, and rights of
101 entry, including without limitation Special Warranty Deeds for property to be transferred,
102 and to perform all actions required to complete transactions with the Milwaukee Art
103 Museum, Inc. (MAM), the Milwaukee County War Memorial, Inc. (MCWM), and other
104 entities as needed, consistent with the attached signed term sheet dated March 8, 2016;
105 and
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107 BE IT FURTHER RESOLVED, the authorization for the sale or lease of County
108 property and the related actions described above are subject to determination by the
109 County's Comptroller, based on advice from the County's bond counsel, that the County
110 is able to satisfy or to take action approved by the Comptroller to preserve the tax-
111 advantaged status of the outstanding and future County obligations related to the Kahler
112 Building, the Saarinen Building, the 2015 East Addition, and the O'Donnell Park parking
113 structure or otherwise protect the County against adverse financial consequences with
114 respect to those obligations; and
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116 BE IT FURTHER RESOLVED, the Office of the Comptroller is authorized to pay
117 professional fees charged by the County's financial advisor, bond counsel, and any
118 other professionals connected with services provided for this transaction; authorized
119 fees will include but are not necessarily limited to the following:
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121 O'Donnell Due Diligence and Fiscal Analysis
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123	Corporation Counsel Outside Counsel	\$50,000
124	MCWM Outside Counsel	\$25,000
125	Bond Counsel	\$40,000
126	Financial Advisory Fees	\$4,175
127	Demolition Estimate	\$20,000
128	Patrick Engineering	\$10,950
129	Contingency (10%)	\$14,875
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131	Total	\$165,000

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133 ; and
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135 BE IT FURTHER RESOLVED, the sum of \$190,000 is authorized to be paid
136 during 2016 as the first annual payment of the County's arbitration settlement with
137 MAM, as described in the term sheet; and
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BE IT FURTHER RESOLVED, the Office of Performance, Strategy, and Budget, Department of Administrative Services, working in conjunction with the Office of the Comptroller and Corporation Counsel, shall submit a proposed appropriation transfer as soon as practicable from Org. Unit 1800-1945 – Appropriation for Contingencies to pay the amounts described in the previous two paragraphs, which are currently estimated to be \$355,000.

jmj
03/10/16
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