

COUNTY OF MILWAUKEE
INTEROFFICE COMMUNICATION

DATE: March 20, 2017

TO: Supervisor Theo Lipscomb, Chairman, Board of Supervisors

FROM: James Tarantino, Director, DAS-Economic Development

SUBJECT: Ballpark Commons – The Rock Sports Complex Project Informational Update

REQUEST

There is no request at this time, this report is for informational purposes.

BACKGROUND

- File 12-495 - Crystal Ridge Lease - The Rock Sports Complex - authorization to enter into a lease agreement with The Rock Sports Complex, LLC for that portion of the Root River Parkway (South), commonly known as Crystal Ridge
- File 15-682 - an informational report related to The Rock Sports Complex

Milwaukee County is the owner of a former landfill that is operated as a multi-use sports complex in Franklin, WI which has been referred to as the “Franklin Landfill”, “Crystal Ridge”, and “The Rock Sports Complex”. The Rock Sports currently operates under a Maintenance and Operations Service Agreement between Milwaukee County Parks and Mike Zimmerman, the CEO of The Rock Sports Complex LLC.

PROJECT

This informational report, and the attached PowerPoint presentation, outline the proposed Ballpark Commons development and the potential impact on Milwaukee County. The Ballpark Commons development would integrate a portion of the existing Rock Sports Complex into a mixed use sports and entertainment district. This new development leverages sports and recreation as an anchor to draw visitors to Franklin and create new tax base, increase consumer spending, and provide new housing and retail opportunities.

Ballpark Commons is centered on a minor league baseball stadium and outdoor sports complex. It is anticipated to generate \$101,167,000 in new taxable use in the area North and South of Rawson Avenue, West of S. 76th St, and Northwest of Loomis Road. The development that is anticipated to be generated would occur on the County-owned property, as well as an adjacent site north of Loomis Road and a larger development site south on Loomis south of Rawson, as more fully described in the attached PowerPoint.

The current Maintenance and Operations Service Agreement between the County and the Operator did not envision the level of investment and recreational activity that is currently being proposed for the site. When executed in 2012, the current Agreement identified a new operator of what had been a County-run sports facility. This new

operator, Mike Zimmermann who is the lead developer of Ballpark Commons, installed newly improved baseball fields, an outdoor patio, new bmx and mountain bike trails, and new signage and infrastructure throughout the former Crystal Ridge.

The site is a former landfill that has been closed since 1980. As a condition of its closure, Milwaukee County is responsible for collecting and monitoring landfill gas, monitoring offsite environmental conditions, and maintaining the landfill cap. The Wisconsin Department of Natural Resources (DNR) has the ultimate oversight over the management of the site to ensure that protections are in place and that the methane gas collection infrastructure on site is adequately protecting public safety. Currently, Milwaukee County is responsible for maintaining the methane gas collection infrastructure, upgrading and replacing the assets, and reporting to DNR.

Under the terms of the existing Agreement, Milwaukee County would be exposed to additional risk if the proposed development would be completed. The Agreement obligates the County to improve and install new methane gas infrastructure as may be needed. The current methane collection system was designed to accommodate the existing use of The Rock but not the anticipated new development. It is expected that the cost to maintain and improve the existing methane collection system is \$3,700,000 which would need to be allocated on the same competitive basis against other competing Milwaukee County capital requests. Simply put, there is no predictable way to ensure that Milwaukee County could provide adequate funding to enhance the methane collection system given the anticipated new development.

It is however possible achieve and support a successful Ballpark Commons project, but that success would need to protect Milwaukee County's financial position, and ensure that the public is safely guarded against environmental risk while allowing for the maximum growth in tax base that is generated by the project.

Terms

The current Agreement cannot be reworked to accomplish these goals, it is recommended that a replacement agreement be pursued that would contain at least the following terms –

1. Given the increased liability that is placed on the methane collection system created by the new development, the Developer should pay for the maintenance and operation of the system.
2. The capital costs to improve and replace the methane collection system should be shared by the County, Developer, and City of Franklin TID which has already allocated \$1,530,000 towards the estimated \$3,700,000 project.
3. A trust fund should be created to ensure the replacement of the methane collection system occurs at least once every 20 years.
4. The Developer will indemnify the County for any new liability created by the proposed development.
5. The property in the Village of Greendale which is the ski hill and is outside of the scope of the Ballpark Commons project would be operated by the Developer under an agreement that is similar to the existing agreement.

REQUEST

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James Tarantino, Director, DAS-Economic Development

Attachments: Project Overview Powerpoint 3/6/17

cc: Chris Abele, County Executive
Parks, Energy and Environment Committee Members
Teig Whaley-Smith, Director, Department of Administrative Services
Raisa Koltun, Chief of Staff, Office of the County Executive
Kelly Bablitch, Chief of Staff, County Board of Supervisors
Scott Manske, Comptroller
Steve Cady, Research & Policy Director
Allyson Smith, Committee Coordinator
Paul Kuglitsch, Deputy Corporation Counsel