

## MILWAUKEE COUNTY FISCAL NOTE FORM

**DATE:** June 13, 2017

Original Fiscal Note

Substitute Fiscal Note

**SUBJECT:** From the Director of Economic Development, Department of Administrative Services, requesting authorization to accept the cancellation of the existing Sports Park Maintenance and Operations Services Agreement with The Rock Sports Complex LLC for the management of The Rock, pursuant to a new lease for the Ski Hill in the Village of Greendale.

**FISCAL EFFECT:**

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| <input type="checkbox"/> No Direct County Fiscal Impact<br><input checked="" type="checkbox"/> Existing Staff Time Required<br><input type="checkbox"/> Increase Operating Expenditures<br>(If checked, check one of two boxes below)<br><input type="checkbox"/> Absorbed Within Agency's Budget<br><input type="checkbox"/> Not Absorbed Within Agency's Budget<br><input type="checkbox"/> Decrease Operating Expenditures<br><input type="checkbox"/> Increase Operating Revenues<br><input type="checkbox"/> Decrease Operating Revenues | <input type="checkbox"/> Increase Capital Expenditures<br><input type="checkbox"/> Decrease Capital Expenditures<br><input type="checkbox"/> Increase Capital Revenues<br><input type="checkbox"/> Decrease Capital Revenues<br><input type="checkbox"/> Use of contingent funds |
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*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
<b>Operating Budget</b>	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0
<b>Capital Improvement Budget</b>	Expenditure	\$0	\$0
	Revenue	\$0	\$0
	Net Cost	\$0	\$0

## 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.<sup>1</sup> 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. Approval of this substitute resolution will effectuate the following:
    1. Indicate that the Milwaukee County Board of Supervisors supports the Ballpark Commons Term Sheet and Lease Agreement Term Sheet ("Term Sheets") in concept only
    2. Authorize the Director of Economic and Community Development, together with Corporation Counsel and the Comptroller, to draft an Option to Purchase, Lease, and Maintenance Reserve Fund Trust Account Agreement ("Final Documents") which shall include the items in the Term Sheets
    3. Ensure that the County Board will review all of the Final Documents when presented, including the Option to Purchase
    4. Provide that only after the County Board finds all of the Final Documents acceptable, will it vote to approve the Lease, Maintenance Reserve Fund Trust Account Agreement, and any other documents which are under the County Board's authority ("Final Document Vote")
    5. The Term Sheets shall continue to be non-binding until the County Board takes a positive final action on the Final Document Vote

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<sup>1</sup> 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.

<sup>2</sup> Community Business Development Partners' review is required on all professional service and public work construction contracts.

- B. Approval of this substitute resolution will not obligate the County to consummate a final deal (referred to in the substitute resolution as "Final Document Vote") with The Rock Sports Complex, LLC. However, staff time will be required to continue the County's due diligence of the term sheets. An expenditure of funds will likely be necessary to continue the due diligence process. For example, the Department of Administrative Services – Economic and Community Development Division (DAS-ECD) entered into an agreement with Quarles and Brady for legal services regarding environmental issues at the site. The agreement is not-to-exceed \$10,000, and funding was available in the DAS-ECD operating budget. To the extent that other services are needed to continue the due diligence process, and funds are not available in the operating budget, a request will be made to the County Board.
- C. Approval of this substitute resolution is not expected to impact the 2017 or 2018 Budget, except as noted in Item B above to continue the due diligence process.
- D. No assumptions were used.

Department/Prepared By Steve Cady, Research and Policy Director, Office of the Comptroller

Authorized Signature




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Did DAS-Fiscal Staff Review?  Yes  No

Did CBDP Review?<sup>2</sup>  Yes  No  Not Required

