



THE DOMES PROJECT

UPDATE AND PROPOSED PATH FORWARD
SEPTEMBER 2021

PRESENTATION OVERVIEW

- ☐ Project Team
- ☐ Historical Timeline of the Domes Project
- ☐ Factors
- ☐ Proposed incremental decision-making process with the Board of Supervisors
- ☐ Revenue and partnership analysis update
- ☐ Materials update
- ☐ Questions



Original Mitchell Park Horticultural Conservatory (1898-1955)

DOMES PROJECT TEAM



Parks Department



**Department of
Administrative
Services (DAS)**

Facilities Management
Division

Grants & Special Projects
(GSP) Division

Procurement Division

Office of Performance,
Strategy, & Budget (PSB)

Risk Management Division



**Office of the
Corporation
Counsel**



**Office of the
Comptroller**

HISTORICAL TIMELINE

- **2013**
 - Quarter-sized, sharp-edged chips begin to fall from the Domes structure
- **2014**
 - Milwaukee County issues RFP for a vendor to assess costs and options related to the Domes structure
- **2016**
 - Domes Task Force is formed
 - Stainless steel mesh is installed in all three domes as a safety precaution
 - Original costs and options report (Graef)
- **2017**
 - Peer review of Graef report (Wiss, Janney, Elstner Associates)
- **2018**
 - “Phase I” report (ConsultEcon + HGA)
 - Comptroller issues audit report about the Domes
 - “Phase II” report- community engagement (Quorum Architects, Inc., HGA, + ConsultEcon)





HISTORICAL TIMELINE

▪ 2019

- “Phase III” report (Arts Market, Engberg Anderson Architects, Saikia Design, Preserve, LLC, + Durkin Associates)
- Precast Concrete Frame Testing report (Pierce Engineers)
- Task Force Business Plan & Conceptual Design is released (“Plan”)
- Office of Corporation Counsel (OCC) issues a memo re: the Task Force Plan highlighting risks to the County and advising a feasibility analysis of the Plan

▪ 2020

- Milwaukee County urgently responds to the COVID-19 public health crisis; non-essential projects are placed on hold

▪ 2021

- Internal Domes Project Team is formed
- Materials testing (glazing testing and mesh) are scheduled to be updated
- Cost estimates from the 2016 Graef report are scheduled to be updated (Graef)
- Securing independent analyses of the capital funding stack and possible partnership structures from experienced accounting and legal firms is in progress

FACTORS

REPAIR AND PRESERVATION COSTS



- ❑ The estimated costs for restoration, upgrades to be in compliance with various codes, and targeted investments in the Task Force Plan are not high enough.
- ❑ Cost estimates are outdated (expired in 2019), which renders all reports relying on the outdated cost estimates to be invalid.

- ❑ Incorrect calculation of tax credits in the Task Force Plan as a percentage of the total qualified expenses (according to WHEDA)
- ❑ Lack of (non-debt cash) equity that is going into the project; **WHEDA advises that 50% of the total revenue should be non-debt cash** to meet underwriting criteria for investors and loan programs
- ❑ Revenue projections based on attendance and sales are speculative, which places scheduled payments at risk and leaves only the tax levy to absorb operational revenue shortfalls under the private non-profit partnership that is proposed in the Task Force Plan.



REVENUE

FACTORS

PARTNERSHIP STRUCTURE



- ☐ Milwaukee County is not eligible to receive tax credits.
- ☐ The two proposed tax credit sources and investment-based revenue totaling \$29 million **require Milwaukee County to work with a private partner.**
- ☐ Unlike other public-private partnerships in the County's experience, the County must be the first to fund **and** the funder of last resort.
- ☐ Parties outside of the County's control will have a determinative impact on the ultimate success of the project

- ☐ Plant conditions
 - ☐ Current conditions are “sub-optimal”
- ☐ Useful life of the original structure
- ☐ Functional space of current structure
- ☐ Energy inefficient design
- ☐ Activities that will take place in the current structure
- ☐ Financial stability/profitability
 - ☐ Currently losing money every year (see audit report)
- ☐ Five-year horizon for addressing deferred maintenance will end in 2024



OTHER CONSIDERATIONS

PROPOSED INCREMENTAL DECISION-MAKING PROCESS



REVENUE AND PARTNERSHIP ANALYSIS UPDATE

GRANTS & SPECIAL PROJECTS (GSP) DIVISION

- GSP Division, in conjunction with the Office of the Comptroller, is pursuing an independent feasibility **analysis of the proposed revenue sources** from an **experienced accounting firm** that will include a request for a new capital funding stack
- To be completed/received by no later than December 31, 2021.
- GSP Division, in conjunction with the Office of Corporation Counsel, is pursuing an independent **analysis of partnership structure options** from an **experienced legal firm**
- To be completed/received by no later than December 31, 2021.

MATERIALS UPDATE

FACILITIES MANAGEMENT DIVISION

■ **Project A: The Glazing System Renovation Investigation**

- Mock-up and testing of a six-panel piece of the glazing system
- Two-part proposal was awarded to ZS, LLC, a local engineering firm that has teamed up with Stutski Engineering and Supersky, Inc.
- Part 1 study was completed early in 2020; preliminary estimates were developed at a cost of just under \$20 million to repair the glazing system.
- Work will be completed in Fall of 2021 and will be followed by a written evaluation.



MATERIALS UPDATE

FACILITIES MANAGEMENT DIVISION

■ **Project B: The Safety Mesh Inspection and Repairs Project**

- Inspections and repairs to the stainless-steel mesh that was installed in all three domes in 2016 as a temporary safety measure; beyond the estimated life of 5 years
- ZS proposal showed savings if the mesh replacement can be combined with the mock-up study (both projects require the use of specialty lifts, removals of the mesh system, a contractor, and closing a dome to complete).
- Work will be completed in Fall of 2021 and will be followed by a written evaluation.



MATERIALS UPDATE

FACILITIES MANAGEMENT DIVISION

■ **Project C: The Concrete Material Testing and Study**

- Completed late in 2019 by Pierce Engineering.
- Concrete members are sound, it has good design strength, and is not showing signs of progressive deterioration from any of the common distress mechanisms
- The problems identified stem from initial design and construction.
- Repair of the glazing system is key in determining the future life of the concrete.



THANK YOU

