



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
- Project Planning Timeline
- 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

Office of Performance,
Strategy, & Budget (PSB)

Procurement Division

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 CON'T

- **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.

**The Facilities Management Division is working with Graef to update their original estimates through 2026.*

- ❑ 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 CON'T

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



PROJECT PLANNING TIMELINE

| Task | Description | Completion Date | Timeframe | Responsible Person(s) |
|------|--|--|---|--|
| 1 | Agreement by all internal stakeholders to pursue discrete independent reviews based on Board's decisions | August 6 | Two weeks after initial meeting on 7/23 | Project Team |
| 2 | Project Team members present the proposed path forward using an incremental decision-making approach to the Parks and/or Finance Committees, depending on the Chairwoman's referrals (submit report in mid-August) | September 14 (Parks) September 17 (Finance) | Seven weeks | Project Team |
| 3 | Secure vendors to perform independent reviews for discrete components of the Domes project (under \$50,000)- contracts will include required meetings with project team and/or technical experts within Milwaukee County | October 22 (Departments can begin identifying potential vendors for work under \$100,000 as of Jul 30) | Seven weeks | Respective Department staff Procurement |
| 4 | Contracts completed for the vendors | December 3 | Six weeks | Respective Department staff Procurement |
| 5 | Project Team members provide an update to the Parks and/or Finance Committees (submit report in early November) | December 7 (Parks) December 9 (Finance) | < One week | Project Team |

PROJECT PLANNING TIMELINE CON'T

| Task | Description | Completion Date | Timeframe | Responsible Person(s) |
|------|---|--|----------------------|---|
| 6 | Vendors submit final reports to Milwaukee County (site visits with vendors and meetings with Milwaukee County staff to occur throughout the development of the reports) | December 31 | Six weeks | Respective Department staff Project Team |
| 7 | Department staff and Project Team review final reports and make recommendations for the Domes project to Dept. Leaders and Administration | February 11 | Six weeks | Respective Department staff Project Team |
| 8 | Project Team members provide an update to the Parks and/or Finance Committees (submit report in mid-January) | February (Parks) February (Finance) 2022 committee meeting dates not yet available | Concurrent to item 7 | Project Team Project Team Vendors (as requested) |
| 9 | Dept. Leaders and Administration review and approve recommendations; meet with Project Team as needed | April 8 | Seven weeks | Dept. Leaders Administration |
| 10 | Project Team members report final recommendations on the path forward for the Domes to the Parks and/or Finance Committees (submit report in mid-April) | May (Parks) May (Finance) 2022 committee meeting dates not yet available | Approx. Five weeks | Project Team Dept. Leaders/Administration (as requested) |



PROJECT PLANNING TIMELINE CON'T

| Task | Description | Completion Date | Timeframe | Responsible Person(s) |
|------|--|------------------|----------------------|--|
| 11 | Board approval of path forward for the Domes | May 2022 | Concurrent to item 9 | Board of Supervisors |
| 12 | Issue RFPs for work (RFPs in development throughout project timeline) | June 17, 2022 | Four weeks | Project Team Procurement |
| 13 | Engage with County residents to explain the path forward and process through a series of in-person and virtual meetings in conjunction with the Board of Supervisors | June-August 2022 | Twelve weeks | Respective Department staff Project Team Dept. Leaders Administration Board of Supervisors |
| 14 | Timeline to be assessed and continued at a later date. | | | |



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 CON'T

FACILITIES MANAGEMENT DIVISION

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

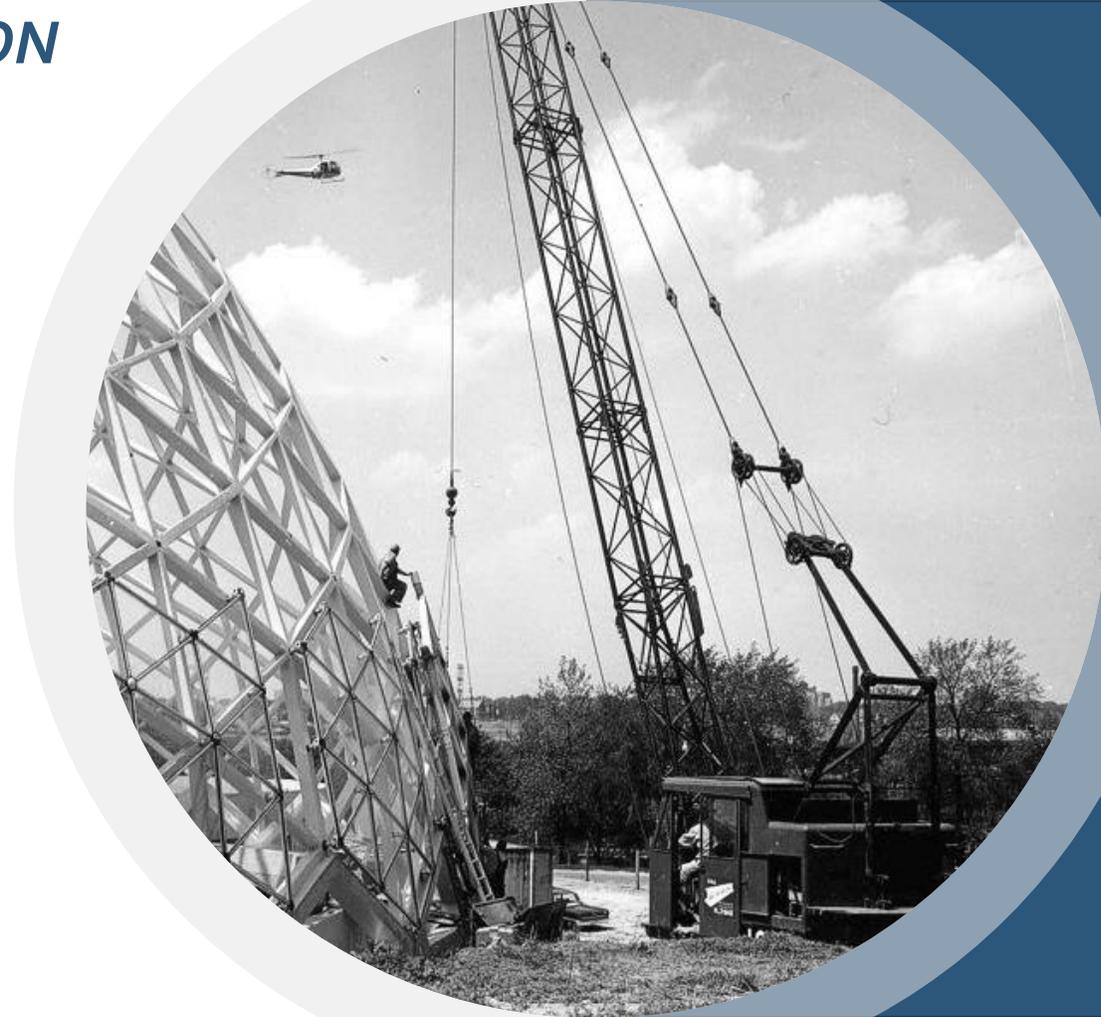
- Inspections and repairs to the stainless-steel mesh that was installed in all three domes in 2016 as a temporary safety measure; beyond the estimated life of 5 years.
- ZS proposal showed savings if the mesh replacement can be combined with the mock-up study (both projects require the use of specialty 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 CON'T

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.



QUESTIONS



THANK YOU