

## LRB – FISCAL REVIEW SECTION ANALYSIS

**PUBLIC IMPROVEMENT COMMITTEE**

**ITEM 22, FILE 031530**

**MARCH 10, 2004**

**ANGELYN WARD**

File 031582 is a resolution approving the final design for Pier Wisconsin Improvement by the Port of Milwaukee.

### **Background and Discussion**

1. In Common Council File 030309, the Board of Harbor Commissioners and City officers, pursuant to Sec. 30.38(6), Wis. Stats, were authorized to enter into a development and lease agreement with Pier Wisconsin Ltd, located on the south side of the Municipal Pier.
2. The agreement required that Pier Wisconsin submit a design for the improvements to the Great Lakes Museum and Navigation Education Center that complies with following criteria:
  - a. *One or two structures may be built, not to exceed 120,000 sq. ft. combined, not to exceed the maximum in 65 ft. height nor an average 50 ft. height above the existing Municipal Pier dockwall, exclusive of masts or antennas. The total structure(s), excluding parking garage, will be approximately 60,000 sq. ft.*
  - b. *The structures may extend over or into the water of Lake Michigan consistent with the overall design.*
  - c. *A single level car parking garage that extends not less than 6 ft. below nor more than 4 ft. above the existing average grade of Michigan Street may be constructed.*
  - d. *Pier Wisconsin will work closely with the Harbor Commissioners and the City to develop and select an appropriate design within the criteria, and submit the final design for approval by the Board of Harbor Commissioners and the Common Council.*
3. The agreement also required that Pier Wisconsin prove they have sufficient funds to cover the cost of constructing the project and all related site costs. In a letter to the Harbor Commissioners from Comptroller W. Morics, dated March 2, 2004, (see attachment), states that:
  - a. *The construction budget is \$30,459,675 for the Discovery World building, Great Lakes Aquatorium and related site work and off-site improvements.*
  - b. *The donor commitment letters represent \$17,775,000, generally structured under two years with none exceeding 5 years. Verbal donor commitments represent \$8 million.*
  - c. *The potential proceeds from sale of the current Discovery World space is estimated at \$6 million.*
  - d. *Total from all sources is estimated at \$31,775,000.*
4. Pier Wisconsin submitted the final design project which was approved by to the Board of Harbor Commissioners on March 3, 2004. This resolution approves the description for the final design.

### **Fiscal Impact**

As stated in Common Council File 030909, the 30-year lease agreement provides \$390,000, a one-time rental payment, payable on approval of the final design of the project by the Harbor Commission and Common Council and City. The rent equates to \$13,000 per year. Furthermore, Pier Wisconsin will pay an additional annual rent of 5% based on net Pier Wisconsin income in excess of \$5 million.

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March 8, 2004