

From: [Alex Saloutos](#)
To: [All Alders](#)
Subject: Request for equitable funding model for Breese Stevens Field, Legistar ID no. 82711, item number 37 on May 21, 2024 agenda
Date: Tuesday, May 21, 2024 4:32:26 PM
Attachments: [240520 BREESESTEVENS LETTER COMMONCOUNCIL.pdf](#)

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Hello, alders:

I hope you have time read the attached letter before considering item 37 on tonight's council agenda, Legistar ID no. 82711, a proposal to invest \$4 million in city funds in Breese Stevens Field, and which appears to be a down payment on \$30 million in improvements to the stadium that Big Top has asked the city to pay for. This proposal and the way it's being handled tells me a lot about how things roll at city hall. While Big Top does a great job managing Breese Stevens Field, the stadium is a wonderful community asset, and bringing a professional women's soccer team to town has many positive benefits, improvements should be paid for by users through a user fee and/or user tax on tickets sold to events at the stadium. Frankly, for many reasons I see approving the current proposal as a potential hot button issue in the next election.

Cheers,

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May 21, 2024

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Finance Committee
City of Madison

Re.: **Request for Equitable Funding Model for Breese Stevens Field Improvements, Legistar ID No. [82711](#)**

Dear Alders,

I am writing to express my strong opposition to the current proposal allocating \$4 million in city funds for improvements to Breese Stevens Field, which appears to be a down payment on \$30 million in improvements that Big Top Sports has asked for. While I support necessary investments in the stadium, I believe these costs should be covered by users through a user fee and/or user tax added to ticket prices to events there, not by taxpayers.

Big Top does an excellent job managing Breese Stevens Field, which is a thriving and valuable community asset. Recently, Big Top asked the city to make \$30 million in improvements to the stadium to attract a professional women's soccer team to Madison. This would be the only professional women's soccer team in the state, which will create tourism, and be a feather in the city's cap. Additionally, the enhancements will help attract concert acts.

On this subject, Mayor Rhodes-Conway stated, "The estimated total cost – if we really did everything that we wanted to do – is in the range of 30-plus million." She also remarked, "We're barely scratching the surface here of the basic items that really need to be done to the stadium – sort of regardless – and that are *clearly the city's responsibility*." While these improvements have some community benefits, it's clear that Big Top is not requesting these funds out of the goodness of their heart. Bottom line, these investments will generate significantly more revenue for Big Top and keep ticket prices artificially low, with taxpayers footing the bill. Therefore, the issue isn't whether to make the investment, but who pays for them.

Before committing additional public funds to Breese Stevens Field, the finance committee and common council should defer this proposal until a sustainable user-funded model is established. Specifically, the city should:

1. Have a complete and thorough accounting of the revenue and expenses for the stadium, a long-term capital plan, more detailed information on this proposal, and a non-partisan analysis of it.
2. Develop a policy on the use of city property by for-profit enterprises that is open, transparent, and equitable, ensuring rental fees are based on the value to the user.
3. Create a special committee or task force with expertise in sports and music venue management to develop policies on the use of city property by for-profit enterprises, value user agreements, and negotiate equitable agreements.

4. Utilize consultants who are subject matter experts in sports and music venues to help equitably value and negotiate use agreements of this size.
5. Create a sinking fund for maintenance and improvements at Breese Stevens Field, funded by a reasonable and equitable user fee added to the cost of tickets.

Lack of Transparency and Comprehensive Proposal Details:

There is a glaring lack of information in the public record to make an informed decision on a proposal of this magnitude. A proposal like this should include:

- A detailed needs analysis, plans, specifications, and cost estimates for the proposed work.
- A long-term capital plan outlining future investments required for maintenance and capital improvements.
- A thorough accounting of the investments made by the city and Big Top, including interest on general obligation borrowing and the net revenue the city has actually received.
- A staff report that objectively analyzes both the pros and cons of this proposal.

Financial Implications and Equity:

- Big Top Sports and ticket buyers are the primary beneficiaries of the city's multi-million dollar investment in Breese Stevens Field. The proposed improvements, such as additional seating, locker rooms, concession stands, restrooms, a green room, and a permanent stage, will significantly increase Big Top's revenue and artificially keep ticket prices low.
- From 2015 to 2028, the net rental fee the city will receive after adjustments is approximately \$369,000, or \$26,400 per year, far below the market rate for similar venues. This indicates an inequitable deal, especially since this is less than what a concert promoter would typically pay for a single concert at a similar venue.
- Since 2014, the city has invested \$3.324 million in Breese Stevens Field. An additional \$4 million brings the total city investment in the stadium to \$7.324 million. After accounting for this investment, the city's net rental fee (subsidy) for 2015 through 2028 will be -\$6.955 million. These figures do not include the interest expense on the city's borrowing, which will significantly increase the subsidy.
- The current 15-year agreement, negotiated privately without competitive bidding, is highly favorable to Big Top Sports, and worth tens of millions in revenue. This lack of transparency and competition undermines equitable and fair business practices, and short changes taxpayers.

Policy and Community Impact:

- This investment in and use agreement for Breese Stevens Field contradicts the city's policy that municipal golf courses be self-sustaining and generate revenue for the general fund. In 2024, the city's golf enterprise will generate about \$200,000, approximately 5% of revenues for the general fund.

- Despite generating tens of millions in revenue from their use of the stadium, Big Top Sports does not pay property taxes or a payment in lieu of taxes (PILOT) for their commercial use of the stadium.
- The current resolution proposes to use \$2,000,000 in TID #36 funding in lieu of GO borrowing for the upgrades to Breese Stevens Field, which is located in the Capitol Gateway Corridor. This area is booming and doesn't need more economic stimulation to grow. Meanwhile the city's most vulnerable face an affordable housing crisis. Although the city doesn't have a proposal on the table for affordable housing, there is an opportunity cost to using \$2 million in TIF funds for Breese Stevens Field. It is far more important to hold the \$2 million in TIF funds in reserve to create affordable housing.
- The proposed resolution amends the parks division capital budget to appropriate \$1,800,000 in park impact fees to Breese Stevens Field improvements. However, park impact fees are intended to create and improve parks that serve the entire community, especially in areas with the highest need. These parks provide free and open access year-round to all residents, offering essential recreational spaces and promoting community well-being. Investing these funds in Breese Stevens Field, which financially benefits a specific set of users and events, contradicts the purpose of park impact fees. It is crucial that we prioritize the development of parks that everyone in the community can enjoy daily, ensuring equitable access to recreational spaces for all.
- The use of park fees for this project raises significant equity and transparency concerns regarding which projects are funded. It appears that for some parties, a phone call to the parks division or the mayor's office is sufficient to quickly secure approval for their multi-million dollar projects with little to no due diligence or underwriting. This undermines fairness and accountability. It is crucial to ask: What steps have the parks division or mayor's office taken to solicit proposals for new parks or improvements in underserved areas? Ensuring an open and competitive process is essential to guarantee that park impact fees are allocated to projects that truly benefit the entire community.
- Instead of burdening taxpayers, other municipalities fund venue maintenance and improvements with user fees and use taxes on all tickets sold at a venue. Adopting a similar model would ensure that those who directly benefit from the venue contribute to its upkeep. For example, the city of Denver owns a thriving and busy venue that has a capacity similar to Breese Stevens Field. It generates revenue through a \$6.75 facility fee charged for each ticket sale for an event at the venue. The fee goes toward offsetting the costs of facility operations and maintenance and allows for parking. They also charge a 10% facilities development admissions (FDA) tax on the face value of each ticket sold for an event at the venue. The FDA tax revenues are used for venue upkeep, improvements, and debt repayment for large-scale projects. Based on public information on attendance and ticket prices for Forward Madison soccer games and ticket sales reported to Pollstar on rock concerts at Breese Stevens Field, a similar program would generate \$1.3 million in 2024 for maintenance and improvements at the stadium.

In conclusion, these steps are crucial to safeguard public funds, ensure the sustainability of Breese Stevens Field, and uphold the integrity of the city's financial decisions. I strongly urge the committee to defer this proposal and consider a funding model where users contribute through ticket fees, ensuring a fair and equitable solution for all Madison residents. The resolution should be referred until the five best practices outlined above are implemented.

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Thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to be 'A Saloutos', written over the word 'Sincerely,'.

Alex Saloutos