



# Madison Parks Division

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DATE: May 7, 2018

TO: Board of Park Commissioners

FROM: Eric Knepp, Parks Superintendent

CC: Alder Ledell Zellers; Deputy Mayor Katie Crawley

**RE: Breese Stevens Field – Legislative Files #51427 and #51432**

## Introduction

This memorandum provides additional information to the Board of Park Commissioners as it considers the above referenced items at the May 9, 2018 meeting. These two items are the result of a significant process over a number of years that focuses on providing a stable and financially sustainable future for historic Breese Stevens Field. This process included developing a [Breese Stevens Field Facility Plan](#), prepared by Isthmus Architecture, Inc., that provides for priorities to continue investing wisely in this historic facility with an emphasis on historic preservation. In addition to the historic preservation, the Plan calls for modernizing the concession and restroom facilities, which is [a 2018 project](#) currently out to bid. The Plan also includes additional measures of improving the long-term vitality of the Stadium by increasing capacity whether or not we have a contract in place for operating the facility.

The City entered into the existing Use Agreement with Big Top Events in 2015 that covers the 2015-2022 timeframe, with a potential 5-year mutually agreeable extension through 2027. Prior to that time, the City operated Breese Stevens Field. After making improvements to the Facility over the prior seven years, the results of operations in 2013 and 2014 were an average of approximately 35 events occurring, with a total attendance of approximately 20,000. In 2014, the City earned approximately \$48,000 (appx. 60% of which is from the cell tower lease) and expended approximately \$105,000 for a net operating loss of about \$57,000 (not including capital), or \$2.71 per visitor. Under the existing agreement, approximately 170 events occurred in 2017, with a total attendance of approximately 95,000. The majority of these events were athletic contests, but did include six concerts and a number of other events. The net operating income from Breese in 2017 was \$45,000 (not including capital), or \$0.45 per visitor.

Big Top has managed its production of events well over the past three years. There have been concerns raised about activities at Breese, but it is important to note the responsiveness and willingness of Big Top to work with neighbors to address those concerns. Overall, since the existing Agreement took effect, Big Top has not had any sustained noise violations.

## Legislative File #51427 – Use Agreement

The Use Agreement before the Commission would take effect on January 1, 2019 and run through 2028, or if mutually extended, 2033. The contents of this Use Agreement are substantially different from the existing Agreement in a number of areas. These changes are the results of an extended negotiation with Big Top that was influenced by input received from the public and Tenney-Lapham Neighborhood Association. Key changes include a longer-term cap on concerts at the facility including maintaining a 10PM end time, limiting concerts on school nights, stricter sound limitations on non-concert events, and the potential for a professional soccer team at Breese beginning in 2019.

The current agreement allows for seven concerts per year, and the proposed new agreement does the same. It also maintains the 10:00 PM hard curfew for concert events. Additionally, the existing agreement allows for higher decibel levels for non-concerts than the proposed agreement does. The existing agreement also has no limitations on the number of school night concerts. The proposed agreement caps these at 20 over the ten-year period (avg. 2 per year) and a max of 3 in any given year. The proposed agreement also would allow the Facility to host a professional soccer team. This type of use will ensure that thousands will grow to know and love Breese. Additionally, given our role in the community of supporting recreational activity, this opportunity will allow more youth to grow an interest in the game. Finally, the proposed agreement incorporates a new component to the Agreement that provides at least eight free community access dates per year that the Board will approve annually as a part of the Fan Access Plan.

With the proposed changes, I estimate that the total number of events at Breese will increase to approximately 200 events annually, with around 150,000 visitors. Under the Agreement, I estimate the operating income from Breese will be approximately \$85,000 or \$0.57 per visitor in 2019. Incorporating the cost of G.O. borrowing associated additional capital improvements proposed under the Agreement, the net cash flow annually still projects positively for the City from the Facility. Using a Net Present Value (NPV) computation incorporating all of the additional capital puts the Agreement in the ballpark of break even if extended until 2033. In comparison, the projected NPV for the same 2019-2033 period if the City were to operate Breese is a negative \$1.6M.

#### Legislative File #51432 – Budget Amendment

The Budget Amendment before the Commission would increase the current project budget by \$1.3M. The Amendment would also eliminate the existing funding of \$700,000 in 2021 of the Capital Improvement Program. The Amendment would provide sufficient funding to fold the next two phases of planned work into the existing project, which will save staff time over the longer term. This will increase capacity at Breese more expeditiously, address issues with the PA system, invest in additional facility improvements, and ensure that adequate funding is available to complete additional historic preservation activities. This work ensures this Park Facility maintains relevance and we can avoid a repeat of other mistakes with historic facilities that have sat underutilized and later drove major costs (including bad public relations) to the Division.

#### Conclusion

I support these two items before the Commission based on the following factors:

- The Board of Park Commissioners maintains ownership status and significant oversight over the facility through the Fan Access Plan and Neighborhood Impact Plans.
- The Parks Division does not have the experience and staff to manage Breese in a manner that provides the diverse set of activities to the community that Big Top currently does.
- Big Top has been a responsive partner in managing the Facility.
- The City owns and has responsibility for Breese with or without Big Top. The Facility will require capital investment over the next 10 years under any model.
- Providing funding to allow the current project to be expanded to address the next phase in the Facility Plan will provide staff time savings to Parks in regard to limited Planning and Development staff.
- The Use Agreement balances many interests and voices in an attempt to give Breese a sustainable future at limited financial exposure to the City, while also providing a venue that the community can be proud of and many will visit annually.
- The Use Agreement creates a new group of Community Events that will include free access to the Facility on at least 8 days per year.
- The Use Agreement maintains priority access for East High School Athletics.