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FOR INFORMATION CALL

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Ald. Michael J. Murphy
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Council Approves Revenue Bond Financing for Summerfest Upgrade

Measure offered by Alderman Murphy and Alderman Bauman will go toward work on festival park's south end, bring in excess of \$600,000 in city revenue

The full Common Council today approved a “mutually beneficial” arrangement that will have the City of Milwaukee make a moral obligation pledge to provide credit enhancement for Redevelopment Authority of the City of Milwaukee revenue bond financing for up to \$25 million to finance a portion of the cost of improvements being made to the south end of the Henry Maier Festival Grounds, according to Alderman Michael J. Murphy.

The terms for the arrangement, whereby the revenue bonds would allow Milwaukee World Festival, Inc. to finance the project without seeking additional outside funding, were put together by City Attorney Grant F. Langley and Assistant City Attorney Thomas O. Gartner after Alderman Murphy asked if it would be feasible.

Over the term of the proposed bond financing, the city should receive in excess of \$600,000 in credit enhancement fee revenue, said Alderman Murphy, chair of the Finance and Personnel Committee. “City Attorney Langley and Assistant City Attorney Gartner have been intimately involved in negotiating agreements with Summerfest going back decades, and they again were able to use their expertise and insights to make this revenue bond financing work to the benefit of both the city and Milwaukee World Festival, Inc.,” he said.

Alderman Murphy said low interest rates the financing is able to provide “has very simply made this (revenue bond) option very attractive” to Milwaukee World Festival.

Earlier this year, the Council approved a new 20-year lease extension for Summerfest that ensures annual payments for public safety services and paved the way for the renovation of the south end of the Henry Maier Festival Grounds, said Alderman Robert J. Bauman, whose 4th District includes the festival grounds and who participated along with Alderman Murphy in negotiating the new deal.

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Summerfest Bond Financing/ADD ONE

Alderman Bauman, chair of the Council's Public Works Committee and a member of the Board of Harbor Commissioners, said the large-scale renovation is underway on 20 acres at the south end of the lakefront festival grounds.

Alderman Bauman has said the lease extension and renovations on the south end set up a transition for Summerfest to host more events, including ones held throughout the year.

As part of the extension agreement, the city will collect a six-figure fee from Summerfest for the police and fire services provided for the 11-day festival. Milwaukee World Festivals Inc. will add that fee to the annual rent it pays the city — roughly \$1.2 million in 2009 and increasing 3% annually.