Council Poised to Approve Summerfest Lease Extension

The Common Council’s Steering and Rules Committee today voted 7-0 to recommend approval of a new 20-year lease extension for Summerfest that ensures annual payments for public safety services and paves the way for a large-scale renovation of the south end of the Henry Maier Festival Grounds.

The lease extension will go the full Council tomorrow (Tuesday, December 22, 2009) for final approval. The full Common Council meets at 9 a.m. Tuesday in the third floor Council Chamber at City Hall, 200 E. Wells St.

Common Council President Willie L. Hines, Jr. said the deal – already approved by the city Board of Harbor Commissioners and the Milwaukee World Festivals Inc. board of directors – is good for Summerfest and the city. “Summerfest is a valued community asset that puts on a music festival known the world over, and this lease extension gives Summerfest the long-term security it was seeking, while protecting the interests of the taxpayers and citizens of the City of Milwaukee,” he said.

The extension adds 10 years to the current lease deal and gives Summerfest the long-term assurance it sought before moving ahead with a large-scale renovation totaling up to $20 million on 20 acres at the south end of the lakefront festival grounds. 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.

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Summerfest Lease/ADD ONE

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.

Alderman Michael J. Murphy, chair of the Common Council’s Finance and Personnel Committee, led the charge for the rent increase and helped put together the police and fire services fee as part of the city’s 2009 budget process. “After reviewing the lease and determining the significant cost of providing police and fire services, I felt strongly that Milwaukee World Festivals could pay more for those costs,” Alderman Murphy said.

“With the current economic conditions, I’m pleased the public safety services fee is included in this lease, and the city will receive more than $3.3 million from the fee through 2030,” he said.

Alderman Robert J. Bauman, chair of the Board of Harbor Commissioners, said the lease extension sets up a transition for Summerfest to host more events. “We look forward to the eventual large-scale upgrade and renovation at the south end, which will allow Summerfest to host events and attractions throughout the year,” said Alderman Bauman, whose 4th Aldermanic District includes the Maier Festival Grounds.

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