

MILWAUKEE WORLD FESTIVAL, INC.

FACT SHEET

BENEFITS TO THE ENTIRE MILWAUKEE COMMUNITY:

- Summerfest, the ethnic festivals, and numerous other events held at the site attract an incredibly diverse group of loyal attendees (annual attendance – 1.5 million). Summerfest is, and always has been a premier Milwaukee attraction with the power to attract attention around the nation and the world.
- Its low-cost offerings add to Milwaukee's quality of life: Admission prices are the lowest of any major music festival in the country, and approximately 87,000 people, over 10% of the total patrons, attended Summerfest 2012 for free or discounted admission through various programs.
- As an enterprise, Summerfest has a \$180 million economic impact on this community, and employs 41 full-time and more than 2,000 seasonal workers, in addition to additional contract, vendor and construction jobs.
- Maintains and operates a site that benefits numerous ethnic festivals and charitable events, benefitting civic causes such as Hunger Task Force, Ronald McDonald House Charities of Eastern Wisconsin, Goodwill Industries, Children's Hospital, the Susan G. Komen Foundation and Feeding America.

ORGANIZATION STRUCTURE, POLICIES AND PROCEDURES:

- Milwaukee World Festival, Inc. (MWF) is a private, 501(c) (3) charitable, not for profit organization organized in June, 1965 and owns and operates Summerfest.
- MWF is subject to open meeting laws per lease agreement and files required disclosures annually in the IRS Form 990, which is available to the public.
- The Bylaws of the Corporation provide for 25 voting directors; 15 at-large members nominated by the Board; 3 members representing stage sponsors; and 3 members representing United Ethnic Festivals. The Mayor, the Common Council President and the County Executive, each may appoint 1 "citizen". Additionally, as long as MWF has outstanding bond financing, the City Comptroller is a member of the board. All members of the Board serve without compensation.
- The Board of Directors makes compensation decisions with the benefit of national compensation studies and research and following best practices and procedures followed by most major nonprofits in the greater Milwaukee community. MWF provides greater transparency than most by allowing for open meetings. The MWF Board has followed the same procedure for compensation decisions for the past 25 years.
- The entire MWF board approves the budget, inclusive of all costs of operations, wages and benefits.

ORGANIZATION LEASE AND RELATIONSHIP WITH THE CITY OF MILWAUKEE:

- The Organization's relationship with the City is governed by a Lease.
- The City's lease with Summerfest allows the City to maximize revenue on a parcel of land governed by the public trust doctrine and not available for private development.

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- Summerfest pays an increasing annual fee to the city of Milwaukee for the use of the lakefront property - considerably more than other City tenants on the North Harbor Tract.
 - MWF's average rent paid under the 2001 Lease (based on a Lease term of 2001-2020) was \$1,385,437.
 - MWF was required to "make a \$2,000,000 capital contribution in 2001 for the construction of the State Park or North Harbor Tract development..."
 - For 2013 MWF will pay rent of \$1,576,782, including a Supplemental Service fee of \$112,551.
 - The average annual rent is \$1,881,318 for the period from 2009 through December 31, 2030.
- Summerfest has also raised private funds to improve the grounds leased from the City.

ACCOMPLISHMENTS DURING THE SMILEY TENURE:

- New construction of property enhancements totaling \$57,449,373 in value over the last 8 years.
- New or enhanced sponsorship support of \$62,626,146, an increase of \$2.8 million per year over an 8 year period (2005-2012), compared to the previous 8 year period (1997-2004).
- Lease Extension until December 31, 2030
- Property Acquisition of the former Charter Wire properties which provided additional indoor storage and work areas for MWF's Operations Department, as well as parking for contractors, employees, sponsors and volunteers.
- Safety and Security Improvements designed to allow patrons to enjoy events in a comfortable atmosphere.
- Introduction of New Events – Rock 'n Sole in just two years has become a popular event for runners of all ages. In 2012 7,400 participants, from 41 states and 5 countries registered to run.
- Schedule Change – changing the opening date of Summerfest to a Wednesday and closing on Monday has proved to be popular with contractors, employees, sponsors, vendors and the general public, and led to improved financial results.
- Developing entertainment options to attract a more diverse audience.
- Introduced Summerfest to a National audience via performances broadcast on Country Music Television ("CMT") and Great American Country ("GAC").
- The accomplishment of goals via the activities referenced above improved the overall financial strength of MWF, including increases in cash generated from operations totaling \$45,668,738 between 2005-2012, as compared to \$27,215,386 from 1997-2004, or a 67.8% increase.