

THE BRADLEY CENTER

THE PEOPLE'S BUILDING, THE PEOPLE'S ROLE

EXECUTIVE SUMMARY

The Legislature's Joint Finance Committee has recommended providing \$5 million in state bonding over a two year period to support extending the life of the Bradley Center. This move comes after Governor Jim Doyle recommended and the State Building Commission approved on a bipartisan vote \$5 million in state bonding over a ten year period. This is the first time the state has supported the Bradley Center in the building's 21-year history. The funds will be used for seriously needed upgrades to preserve and maintain this one-of-a-kind gift to the people of Wisconsin. We applaud the JFC action, and we appreciate the Governor's request and the bipartisan support it received from the Building Commission. After discussing the Bradley Center's significant needs with legislators and other officials, we respectfully requested that state support be structured to provide a greater concentration of funding over the next two years. Providing \$5 million over the next two years would allow the Bradley Center to better address immediate, serious needs essential to preserving this community gift and to continuing the Bradley Center's important role as a significant economic development driver in Downtown Milwaukee.

History

The Bradley Center is a rarity among similar public assembly facilities in the United States—**it was built without tax dollars and has operated for 21 years with no public funding.** Every penny generated by the Bradley Center, with no taxpayer support, has been invested back into the facility, its tenants and the community.

The Bradley Center Sports and Entertainment Corporation was created by Chapter 232 of the Wisconsin State Statutes as an instrumentality of the State of Wisconsin. This quasi-governmental entity owns and operates the Bradley Center property, which by statute goes to the State upon dissolution.

Economic Impact

The Bradley Center is the No. 1 Downtown entertainment venue in Milwaukee and one of the top destinations in all of Wisconsin. An estimated 1.6 million people visit the Bradley Center every year, creating jobs; generating sales and income tax revenue; increasing business for nearby restaurants, bars, hotels and stores; and more.

Besides helping drive new economic development and a thriving Downtown, the Bradley Center's presence creates additional economic benefits for the Milwaukee, Southeast Wisconsin and the state as a whole.

- The Bradley Center and its tenants generated approximately \$3.5 million in sales tax in 2007.
- The Bradley Center's total payroll for 2007 was more than \$4.3 million. Along with its partners Levy, EMI and CPS, the Bradley Center creates jobs for approximately 1,200 people, including 75 full-time employees and seasonal employment equivalent to an additional 125 full-time positions.
- The Bradley Center and its tenants generated about \$5 million in state income tax in 2007.
- In 2007, the Bradley Center and its contractors spent almost \$5 million with Wisconsin businesses for such items as restaurant supplies, maintenance, custodial and more.
- In total, over the past 20 years, the Bradley Center and its tenants generated an estimated \$100 million in state tax revenues and spent an estimated \$50 million with Wisconsin businesses.

In addition to the economic benefits the Bradley Center has generated since it opened in 1988, the benefit to nonprofit groups has been tremendous. More than 150 Southeast Wisconsin nonprofits have earned approximately \$9.4 million through the opportunity that the Bradley Center gives them to operate concessions stands at Bradley Center events.

The Need

Technology, fan accommodations and the ability to generate revenue are key factors to attracting and keeping national acts and sports teams at a venue like the Bradley Center. The Bradley Center is the second-oldest arena in the NBA that has not been replaced or undergone a major renovation. It is about one-third smaller than most NBA facilities, and has the fewest lower-level seats. While parking is a major revenue-generator for public assembly facilities, the Bradley Center has only about half of the spaces needed for a building its size.

Amid a growing pool of competitors of indoor entertainment venues (30 U.S. markets when the Center opened and now 60 U.S. markets competing for the same shows), the Bradley Center and Wisconsin must do more to maintain its status as a “must stop” destination. Without the upgrades necessary to stay competitive, the Bradley Center would be in a weaker position to attract A-list shows, the State of Wisconsin would lose the revenue such a show would generate, area restaurants would forfeit concert-day business and fans would have fewer choices.

Building Challenges

Proceeds from the state Capital Budget will be used to improve various parts and systems of the Bradley Center. Physical and competitive challenges that need to be addressed include, but are not limited to:

- Seriously outdated mechanical and HVAC systems requiring major upgrades;
- An aging roof and exterior façade that requires ongoing maintenance;
- A severely outdated scoreboard that will need to be replaced to ensure the Bradley Center can continue to produce sports and special events while sustaining vital sponsorship revenue;
- Significant and increasing elevator and escalator maintenance;
- An obsolete hockey rink system that must be replaced;
- Parking structure repairs and structural maintenance;
- Substantial exterior grounds repair and maintenance
- Outdated event production technology required to produce live sports and special events;
- Aging and energy inefficient lighting, and worn out electrical and electronics components;
- Infrastructure of various types including an aging plumbing system;
- Replacement or refurbishing a substantial portion of 18,000 Bradley Center seats;
- Security and life safety systems; and more.

In addition, the Bradley Center currently has no formal team store or fan zone, no public sit-down restaurant and no family interactive area, all of which would be important revenue-generators for the facility.

The Bradley Center has had the opportunity in recent months to review these needs with legislators, Building Commission members and others. Much of the discussion has centered on the fact that a disproportionate amount of capital repair and replacement costs will fall in the next two years and addressing these essential requirements more promptly would assure better maintenance of the building in the longer term. For example, replacement of the antiquated, failing scoreboard next year is vital to the Center’s ability to present sports and other public events while reducing maintenance costs. Further, replacing obsolete electrical and HVAC components in the next two years will provide immediate and ongoing energy and operating cost savings. Providing state support to address these matters on a more prompt basis will better position the Bradley Center to most effectively meet its other numerous challenges in future years.

Conclusion

Public-funded upgrades at Lambeau Field in Green Bay ushered in a whole new era of championship football in Titletown. Tax-funded upgrades to Camp Randall Stadium have kept the Wisconsin Badgers bowl bound. All of it adds to the positive quality of life we enjoy in Wisconsin, and it also packs a positive economic punch.

The Bradley Center is a unique and valuable state asset. It was built without tax dollars and has operated for 21 years with no public funding, but has generated millions of dollars in state and local taxes and has been a significant driver of economic development in downtown Milwaukee. Every penny generated by the Bradley Center has been invested back into the facility, its tenants and the community.

We urge preservation of this very valuable state asset and support for the Bradley Center Sports & Entertainment Corporation provision in the budget.