

# THE SUMMERFEST FOLLIES

STEVEN J. KORRIS

**M**ilwaukee Mayor John Norquist does not like what he cannot control, and he never liked Summerfest. As a state Senator, he introduced a bill that would have opened its financial reports to the public. He resented the policies of his predecessor, Mayor Henry Maier, who promoted and protected Summerfest, and after replacing Maier he chose an opposite course.

First he tried to entice the Walt Disney Company to develop a theme park on Summerfest's grounds. When that idea flopped, he ran a surprise slate of candidates in an effort to take over the board that runs the festival. When that tactic failed, he dragged the board through four years of hostile lease negotiations with the festival's landlord, the Board of Harbor Commissioners.

His approach was almost literally backwards. Summerfest pulls a mighty tide of dollars into the regional economy, while the harbor commissioners lose money every year on their nearly dead port operation, yet Norquist pushed for rent increase that would perpetuate the port's inefficiency and put the festival at risk.



"The money that you would pay for rent is simply money that would not go back into infrastructure," said William Drew, who as city development commissioner helped to write the festival lease that Maier signed in 1985. "The grounds require constant renewal, new buildings, upgrades, and stages. If you don't do that, your place rapidly falls apart."

The old lease set a low rent, but it required a compromise that added Milwaukee's mayor and other politicians to the Milwaukee World Festival Board, which runs the annual 11-day festival. Drew did not anticipate the trouble that the compromise would cause, but over time he has realized that it was a time bomb.

Retired Wisconsin AFL-CIO president John Schmitt, who signed the lease as president of the festival board, said, "There was no problem until Norquist, who, for reasons known to him, decided to stick his nose into Summerfest."

Summerfest sprang from the mind of Mayor Maier on a German tour in 1961, as he

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walked the raucous streets of Munich during Oktoberfest. He could have drunk the beer and let it go at that, but instead he made up his mind that Milwaukee would put on an equally grand celebration.

He helped to set up a private World Festival Board, which spent three years in planning and endured three years of delays. On November 24, 1967, the board announced that it would sponsor nine days of entertainment the following July. They named their event Summerfest.

They forgot one thing. To the surprise of the board, Black musicians did not want to sign contracts with an all-white organization. When board members resisted integration, secretary George Watts resigned. Properly shamed, the board made room for WAWA Radio general manager O. C. White and city schoolteacher Bennie Graham.

Summerfest opened on July 20, 1968, to the thunder of aerial bombs. Visitors crowded into the Arena for the National Folk Festival, and swirled among dozens of activities all over the city. One night, high winds on the lakefront toppled a Youth Fest tent with 2,800 inside, and sixty suffered minor injuries.

In 1969, uncommon heat spoiled the fun, and rain completely washed out the last day. When the bookkeepers finished their work, they found a debt of \$164,000.

Maier would not give up. He asked hotel owner Ben Marcus for help, and they recruited a 12-man rescue squad from business, labor and the professions. Midland National Bank loaned Summerfest \$150,000, without collateral, and festival board members elected bank president John H. Kelly as their president.

Together, Maier and Kelly visited executives of Milwaukee's big companies. They laid out a plan to bring the scattered events to the lakefront, charge an admission fee, and shower corporate sponsors with publicity and free tickets. The executives paid \$335,000 for sponsorships. Kelly told reporters that, "There is no reluctance to contribute, partly due to the new approach

and partly due to the pride in the community. Nobody wants to see the festival flop."

The board unveiled a smiling sun logo, but the 1970 Summerfest opened under clouds that lingered for five days. When the sun burst through on the sixth day, masses swarmed to the lakefront, according to *The Summerfest Success Story, 1968-89*, by William C. Carey. Additional ticket booths were set up, several more portable toilets were rushed to the grounds, and more security was added near the main stage area.

Summerfest caught on at once, and the excitement nearly boiled over. More than 100,000 young fans showed up for a Sly and the Family Stone concert, and they turned rowdy when the show did not start on time. As police in riot helmets began making arrests, O. C. White took the microphone and pleaded that the group would not appear until the crowd settled down. The fans cooled off and the show went on.

When the music stopped, the bookkeepers tallied the accounts and declared a surplus of \$136,476. Summerfest had turned the corner. It posted a surplus of about \$48,000 in 1971, and came out about \$31,000 ahead in 1972.

Still, rampant abuse of alcohol and other drugs kept the festival teetering on the brink of chaos. On July 21, 1973, fans waiting for the rock group Humble Pie went berserk. "All hell broke loose," Carey wrote, "when youths started throwing bottles and cans, tore down tents, ripped up beer stands, vandalized parts of the main stage, stole more than 50 half barrels of beer, broke into food buildings and scattered supplies." Roaming youths set bonfires and fueled them with chairs and fences. Some climbed the towers of a tram ride. Others invaded the circus area and beat two carnival workers who tried to keep them from swinging on trapezes. Police cleared the grounds with clubs and tear gas. The mob injured seven officers and two security guards.

The riot forced the World Festival Board to reinvent Summerfest as a family event for 1974. First, the board declared that visitors

could no longer bring bottles or cans into the festival. Next, it signed Gladys Knight and the Pips, Johnny Cash, Helen Reddy, Charlie Pride and Sha Na Na. Workers paved the dirt walks and planted grass, flowers and trees. The changes paid off, barely, and Summerfest closed with a surplus of \$4,695.

But the cleaner and quieter festival soon captured the public's heart. Attendance stayed above 500,000 a year, and the annual surplus grew. In 1979, under the leadership of board president John Schmitt, Summerfest made \$423,034, bringing its cash balance to \$1,101,385. This result so pleased board members that they discarded a tradition of rotating the presidency and started a tradition of electing Schmitt. Looking for ways to invest the hefty balance in continued growth, he decided that a big amphitheater would attract the best possible shows. He convinced his members, and they announced in 1983 that they would build it.

They had spoken too soon, however, for their lease on the grounds would run out within two years. They could not secure a long-term loan without a long-term lease, so they would have to make a deal with their landlord, the Board of Harbor Commissioners. Unfortunately, they had put their success in the hands of an organization with an unbroken record of failure.

In the midst of the greatest trading opportunities the world has known, the port is virtually dead as a passageway for raw materials and manufactured goods. Milwaukee ranks 26th on the U.S. side of the Great Lakes in commerce, between Marblehead, Ohio, and Alpena, Michigan. (See table.) Its meager traffic consists mostly of inbound shipments of salt and coal. At its origin, the harbor held great promise. After the Civil War, Milwaukee

exported more wheat than any other port on earth, according to *The Quest for Milwaukee's Port Policy*, a dissertation that University of Wisconsin-Milwaukee historian Mackie Gilbert Westbrook wrote in 1965.

"When railroads came to the West, however, their owners chose Chicago as their hub, leaving Milwaukee 100 miles from the mainline. The first railroads built out of Milwaukee ended in Chicago," Westbrook wrote, "and every mile of track they added merely strengthened Chicago's commerce." Milwaukee also lost trade to Duluth, which was as close to the East by water, and closer to wheat-growing regions. Manufacturers and

merchants thought they could reverse the swift decline of harbor commerce, with help from local taxpayers. In 1881, they called for construction of a new harbor, extending beyond the small area already in use. The U.S. Army Corps of Engineers rejected a series of outer harbor proposals, but in 1910, the engineers reversed their stance.

Milwaukee's leadership took this occasion to initiate a decade of agitation favoring fanciful and

ill-conceived attempts to recapture the city's past greatness, Westbrook wrote. The mayor set up a Board of Harbor Commissioners, the Common Council approved a plan, voters passed a bond issue, and workers built an outer harbor. Unfortunately this was a beginning which should have been made in 1881, he wrote, for by 1920, Milwaukee's ship had already sailed.

Traffic did not increase at all. In a 1952 book, *The Port of Milwaukee*, University of Chicago geographer Edward Hamming wrote that commerce had remained remarkably stable at about seven million tons a year since 1910. He ranked Milwaukee 16th among Great

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**GREAT LAKES COMMERCE, 1998 — PORTS WITH MORE THAN 2,000,000 TONS**

<b>Port</b>	<b>Thousands of tons</b>
1. Duluth-Superior	42,443
2. Chicago	25,958
3. Detroit	19,454
4. Cleveland	17,865
5. Ashtabula, Ohio	15,602
6. Indiana Harbor	14,910
7. Lorain, Ohio	14,166
8. Toledo, Ohio	13,229
9. Two Harbors, Minnesota	13,223
10. Presque Isle, Michigan	10,483
11. Calcite, Michigan	9,389
12. Stoneport, Michigan	9,114
13. Gary, Indiana	9,083
14. Burns Waterway Harbor, Indiana	9,006
15. Taconite Harbor, Minnesota	8,761
16. Escanaba, Michigan	8,530
17. Conneaut, Ohio	7,786
18. Saginaw, Michigan	5,609
19. St. Clair, Michigan	5,533
20. Port Inland, Michigan	5,489
21. Silver Bay, Minnesota	5,182
22. Sandusky, Ohio	4,334
23. Marine City, Michigan	4,252
24. Port Dolomite, Michigan	4,095
25. Marblehead, Ohio	3,975
26. Milwaukee	3,108
27. Alpena, Michigan	3,078
28. Fairport, Ohio	2,880
29. Green Bay	2,353
30. Buffalo, New York	2,341

Source: U.S. Army Corps of Engineers

Lakes ports, and first in exports of heavy machinery and equipment. He admired the variety of commerce, which included grain, building materials, coal, petroleum, car ferries, a luxury liner, and Nash automobiles made in Kenosha. On the other hand, he found only one industrial concern on the harbor, and no shipyard or dry dock in the city.

Westbrook, 13 years later, found commerce diminishing in volume and variety. Summarizing 55 years in a sentence, he wrote that, "The harbor commission's failure since 1910 to formulate realistic policies based on accurate research has nullified most of its own efforts and propelled the city on a fruitless course to commercial lassitude."

Commissioners compounded the error, spending millions to get ready for European trade that they believed would move through the new St. Lawrence Seaway. In a 1967 Ford Foundation study, Eric Schenker wrote that, "In the long run, it seems quite obvious that the port's growth prospects depend on its ability to utilize the St. Lawrence Seaway." He was right, because the Seaway fizzled, and the port did not grow.

When genuine opportunity knocked at last, the commissioners tried to chase it off the property. In 1970, after the first successful Summerfest, they arranged to lease the festival grounds to a company that wanted to build an import center for foreign cars. According to Carey, port director John Seefeldt suggested that Summerfest search for an alternate site.

Commissioners asserted that only they could plan the future of the harbor. The city had received the land from the state of Wisconsin in the 1930s, and state law required that it be used for harbor purposes. Commissioners insisted that the land would

revert to the state if not used for navigation and they asked the city attorney to back them up. Deputy city attorney Harry Slater answered that the city could use it for other purposes, but only on a temporary basis.

This gave Kelly and Maier a leg to stand on, and they swiftly killed the import center plan. The commissioners meekly gave Summerfest a year's extension, at \$1. They did the same for 1972, but Maier wanted a lasting arrangement. If the law would not allow a permanent festival, the law would have to change. In 1973, the Wisconsin legislature gave him the freedom he wanted.

The commissioners and the Summerfest board soon signed their first two-year lease. A

few months later, they tore it up and signed for five years at low rent, with an option for five more years. Summerfest president Sydney Kohl announced that the board would spend up to \$1 million on permanent stages and seats, dining areas, landscaping and plumbing. Seefeldt, according to Carey, conceded that Summerfest was here to stay. The port director's sour attitude did not improve, for

Summerfest continued to thrive and the port continued to wither. Commerce dropped below five million tons in 1974, and plunged to 3,500,000 tons in 1975. A ship full of cement plunged, too. The E. M. Ford sank in the harbor on Christmas Eve, 1979, in a mishap for which the city would pay millions in damages.

In 1982, commissioners asked maritime economist Nat Simat to recommend changes that could reverse their fortunes. He stunned them by declaring that commerce could triple in ten years, if they would disband. He urged them to take the initiative in creating a regional harbor board. "The port is a valuable regional asset that must be managed as a business,

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without political pressure," Simat wrote. "The current city agency form of port administration is inappropriate; because the city cannot afford to subsidize the port and it will be only a matter of time before the city begins to see the port as a financial liability." The commissioners ignored every word.

They listened more closely when the Summerfest board announced its amphitheater plan in 1983. If the festival could afford that, they figured, it could afford to solve the port's problems. The commissioners recommended a 30-year lease, at \$464,000 a year.

Maier again knocked them back into line. Within a month, he signed a Common Council measure directing the commissioners to renegotiate the old lease and extend it at \$1 a year. To boost the \$12 million amphitheater project, he directed development commissioner Drew to arrange for the city to issue tax-exempt industrial revenue bonds.

Maier's generous guardianship infuriated some Council members. According to Carey, they were leading a drive to open all Summerfest records to the public, protesting the board's lack of accountability and that no elected officials served on the 20-member executive board. Carey did not name the snipers, but he identified the state senator who introduced a bill that would have compelled the board to open its records — John Norquist.

The future mayor and the Council critics may have wanted to see the records, but they did not need to see them. The city would not spend a penny on the project. There was no direct subsidy by the city, Drew said in a recent interview. It was a federal government tax break. Indeed, members of Congress had grown weary of giving up revenue every time a city issued tax-exempt bonds. They passed a law that set a limit on the volume of industrial revenue bonds, effective January 1, 1986. Lease negotiations, which had stalled for two and a half years, suddenly turned urgent. If the Summerfest board and the harbor commissioners did not agree by the end of 1985, the amphitheater plan would fall apart.

On the last hectic day, the festival board cracked. In return for easy rent, at two percent of net income, the board agreed to dissolve. A new board would take over, with seats for the mayor, the Common Council president, the comptroller, an alderman picked by the Council president, two department commissioners, a citizen picked by the Council president, and the Milwaukee County Executive. These eight would elect 13 other board members.

The politicians had the good sense to bring along most of the old board, and when the new board assembled, the members elected Schmitt to continue as president. The 24,000-seat amphitheater, named for Ben Marcus, lived up to Schmitt's expectations, and Summerfest ran more smoothly as ever.

After Maier ended his 28-year reign, the lease continued to produce the results he wanted. Attendance climbed 30 percent in ten years, from 671,412 in 1986 to 873,235 in 1996.

As the festival continued to grow, board members began planning a new round of capital improvements. Once again, they would need a long-term loan. Once again, they would need a long-term lease. This mayor, however, would not cooperate.

First, he went looking for a tenant more to his liking. After meeting Walt Disney Company chairman Michael Eisner, Norquist sent him a fawning letter on December 18, 1996. "Frankly, we'd like you to consider merging your design expertise with Milwaukee's traditional urban strengths by letting us help you locate a Disney entertainment property here," he wrote.

To convey his eagerness to please, Norquist sent Eisner a Harley-Davidson motorcycle jacket. "It would give me great pleasure for you to wear a Harley jacket while taking a first-hand look at Milwaukee with me," he wrote. Eisner sent it back with a statement of company policy and a gentle admonition that, "Being a government official, I trust you will understand." Thus it came to pass that the private ethics of Hollywood surpassed the public ethics of Milwaukee.

Next, Norquist launched a sneak attack on the festival board. At a meeting on February 27, 1997, after the board's nominating committee recommended candidates for four vacant at-large positions, a surprise slate popped up. Public works director Jim Kaminski nominated Norquist fundraiser Barb Candy, businessman Anthony Palermo, and Police Chief Arthur Jones. Alderman Wayne Frank nominated Greater Milwaukee Committee president Bob Milbourne.

Board president Valerie Daniels-Carter called a recess, so that someone could prepare ballots. After 33 minutes, the meeting resumed and 20 members made their choices. Two of Norquist's picks got eight votes, and two got seven. The nominating committee's candidates, Mike Houser, Keith Mardak, Jim McKenna and Joan Stein, prevailed.

In response, the mayor's aides suggested that they might fire Summerfest's staff. "Everything is up for grabs," Kaminski told the *Milwaukee Journal-Sentinel*, "This event could be put on by any number of different people." Norquist's chief of staff, Bill Christofferson, said that, "If the city is to be a partner, it has to be a full partner. We have to play a real role in setting policy. If that doesn't work, we are willing to look at others to run Summerfest."

These comments poisoned the lease negotiations before they started. Summerfest's board nevertheless pushed ahead with its Millennium Momentum Plan, prepared by Eppstein Uhen Architects of Milwaukee and presented to the public on February 25, 1999. The plan called for an indoor amphitheater with 4,000 seats, two-story restaurants, an amusement park, a pavilion near the main gate, lights, benches, restrooms, paths, kiosks and fences.

Board members apparently expected the plan to inspire city officials to get the lease talks rolling. Executive director Bo Black told the *Journal-Sentinel* that, "We are hoping they won't be able to help themselves. They will be begging us for a lease."

Norquist and his harbor commissioners did not budge. The Summerfest board waited for two months and then formally requested lease negotiations in a letter to Norquist and the Common Council. The mayor and the council adopted a resolution by which they would appoint a special committee to research the lease and start negotiations. For some reason, however, the committee did not meet until January 14, 2000.

As the committee inched forward, festival president Frank Busalacchi dropped a bomb. He announced that Summerfest would begin looking for a new home. Maybe one of these communities is willing to come in and subsidize this thing and share costs, fifty-fifty, he told the *Journal-Sentinel*.

George Watts, who was running for mayor against Norquist, told the newspaper that if elected, he would direct the harbor commissioners to meet the festival's needs and give it a new lease. Speaking of Norquist, he said that, "Anything he cannot control, he seems to be envious of. I will leave success alone and cheer."

Christofferson responded by mocking Watts and practically accusing Summerfest of trying to rip off the city. "Summerfest would just roll right over him," he said. "Who is going to look out for the taxpayers? That's supposed to be the mayor's job."

In May, the special committee called for the harbor commissioners to work quickly on a new lease. In June, the commissioners voted to

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start negotiating. Their president, Daniel Steininger, said, "We will get this lease done." Busalacchi said, "This is not rocket science. Once you get the parties together and everyone knows the issues, I think it would take a day to do."

Still, the talks went nowhere. In September, Norquist repeated the rip-off refrain in an interview with the *Journal-Sentinel*. The festival has grown and become more successful over the years, so it doesn't need subsidies like it used to, he said. I think it is fair for the city to defend its financial position. He spoke pure hogwash, for the city has not subsidized Summerfest.

In December, the harbor commissioners proposed to collect a 25-cent tax on every beer, a 50-cent tax on every admission ticket, and a \$1 tax on every Marcus Amphitheater ticket. When the festival board said no, the commissioners announced the proposal to the public, apparently expecting the community to applaud. The community did not applaud.

But pressure on the Summerfest Board continued to mount.

Even though Norquist was widely seen as politically weakened after he confessed to an affair with a former aide, board members believed that they had no choice but to give the city most of what it wanted if Summerfest was to survive.

Amid smiling faces on both sides, the city and Summerfest announced in March that it reached agreement on a 20-year lease. The lease dramatically raised the festival's annual rent payment, from \$30,000 or less to more than a \$1 million a year. In turn the festival got borrowing help from the city and fewer city-appointed board members. The city also backed away from plans to impose specific ticket or beer fees on Summerfest, leaving it up to the festival board to decide how to find the additional revenue.

But the Summerfest Board had apparently approved the new deal over the objections of its own executive director, Bo Black.

Appearing on a radio show hosted by the editor of this journal, Black said that the Summerfest Board had been pressured into going along with the deal, believing that it had no choice but to accede to the city's demands. The price tag for that deal, Black warned, would be high. Not only would it mean scaling back Summerfest's \$75 million improvement plan, she said, it would also deplete the festival's financial reserves.

Should the festival be hit by the sort of bad weather than plagued it early years, warned Black, Summerfest could find itself at risk. And without the support from City Hall that had once saved the festival.