

To: Tisbury Select Board

From: Tisbury Finance and Advisory Committee

Date: October 5, 2023

Re: Beach Road Weekend and Special Event costs

Beach Road Weekend is a popular event for many and anecdotally has been said to boost meals and lodging tax revenues around the island and embarkation fees collected by port towns. We can appreciate its popularity among attendees and look forward to seeing the numbers for tax and embarkation revenues. However, the Finance and Advisory Committee is concerned about potential costs to taxpayers related to special events such as Beach Road Weekend which are held on town property and are not free and open to the public.

We think it is important to recognize that in hosting a music festival of the scale of Beach Road Weekend, our small town is hosting an event that would be considered large by cities that regularly host music festivals in their municipal parks.¹ We were unable to find a comparable situation to ours in any other small town in the country; the large festivals in rural areas that we were able to identify are all held on private property.

The promoter of Beach Road Weekend currently pays the town roughly \$40,000 for the use of the park. It is not clear to the Finance Committee that this is a sufficient fee. Many of the cities that allow large special events on municipal parklands charge significantly higher use fees.² Like in our situation, these fees are separate from reimbursement costs associated with the public safety, public health and public works personnel required for the event and from the permit fees for road closures, tents, stages, food service, gas hook-ups and the like.

The Chicago parks department has one fee structure for events with fewer than 10,000 in attendance, another for events with more than 10,000. We use Chicago as an example because like Tisbury, Chicago allows festivals to be held on athletic fields – many communities do not. The city has also experienced some of the same challenges with the dual use that Tisbury has experienced. The Chicago formula for 10,000+ events factors in the square footage of the park used for the event and the number of days required for load in, the event and load out, the attendance expected and the number of event days, plus a park factor depending on which city park is host to the event. Using the Chicago formula, the park use fee for an event with specifics matching those of Beach Road Weekend ranges from \$138,025.73 to \$183,782.16. (These figures are based only on the days the Beach Road Weekend festival has exclusive use of Veteran's Park. Fees would be much higher if the total number of days in which the park is encumbered by event equipment and personnel were factored into the calculations.) The City of Chicago also has a 9% amusement tax, which is collected on each ticket sold for festivals held in the city.

¹ For example, the New York parks department considers any event with 8,000 or more to be a very large event requiring extra evaluation and additional user fees.

² We note the Boston Parks Department does not charge such fees, but the Boston Parks Department does not allow special events that are not free and open to the public.

Based on our research and discussions, the Finance and Advisory Committee believes the town should incorporate the following in a future license agreement for Beach Road Weekend or any other similar event:

1. Compensation. The town should be compensated for all days that the park is used by the concert promoter, meaning we should be charging for all load in and load out days as well as event days. These charges should reflect that the special event is taking away the public's access to public resources -- open space and recreational space, including the town's primary athletic fields and a basketball court, volleyball court and playground with mixed-use equipment. Access to the park's resources continues to be limited during the period required for park restoration following the event, a loss which should also be reflected in the fee. The event also impacts public parking areas during the time of year when demand for parking in the downtown is at peak so loss of parking should also be factored into our fee. What we charge in rent for our valuable resources should be in line with what cities more experienced in hosting large-scale festivals charge. This money should go to the general fund as it is compensating the townspeople for loss of use of public amenities and resources.

2. Dates of use. The license agreement should spell out exactly what days the park is available for load-in, event and load-out. The dates allowed for load-in, event and load-out should be limited -- we suggest a two-week maximum -- as each day takes away the public's access to public property.

3. Reimbursement. The town should be reimbursed for all staff time and resources used related to the event, not just for the time and resources used on event days. The current license agreement for Beach Road Weekend has provisions related to reimbursement of public safety and public works personnel. We will be asking the applicable departments about their accounting of the time during the upcoming budget season. Taxpayers should not be subsidizing the event by paying for any time spent by public safety, public health or public works personnel related to the event.

4. Preparation and Restoration. All costs associated with preparing the town's property for the event and for restoring the town's property following the event should be borne by the licensee. The town should be the entity to determine what work is needed and to arrange for it to be done.

5. Insurance. The town should be named in the liability insurance policy required, as is the case currently.

6. Deposit. The deposit required should equal 100% of the anticipated costs to the town, plus an additional 20% contingency.

7. Enforcement. A contract is only as good as its enforcement. It should be very clear who has the responsibility to enforce the different aspects of the contract. The contract is executed by the Select Board on behalf of the town. On the town's behalf, the Finance and Advisory Committee expects the contract to be enforced.

8. Transparency. The current situation is very confusing. The town's license agreement is with a for-profit company and there is a clause in the contract regarding additional payments to the town based on net profit. To truly know what the profit level of the event is, the town needs access to the licensee's books. Has that access been granted? If not, why not? There also needs to be complete transparency about the costs the town has incurred – both staffing and otherwise – related to the event and how those costs were reimbursed. Both the public and the licensee should be able to follow the accounting.

9. Better messaging. Messaging needs to be clear and consistent to avoid situations similar to this year, in which there was confusion regarding access to the park, use of the parking lots and more. Better communication among the town departments and other agencies involved with the event and better communication with the neighbors and the general public is the goal. Messaging also needs to match facts. The public notice put forth by the Select Board following this year's event refers to a charity and the town as partners in the event. The town's license agreement is not with the charity. The town has no relationship with the charity other than it was granted a permit to sell alcohol at the event. The town's license agreement is with a for-profit business. The agreement specifically states the event IS NOT a partnership between the town and the licensee. (NOTE: We believe any such partnership would require a town meeting vote.) Those kinds of inconsistencies between the agreement and the public announcement following the festival are confusing and bring up all kinds of questions. Adding to the confusion: the charity named in the public notice has publicized it is giving "110%" of the profits to island groups. How can the charity give away 110% of the profits to others when the license agreement calls for a share of the net profits to be paid to the town as additional compensation? Was the charity only referring to the profits from the alcohol sales? If so, why was that not stated? Does the town have any say as to the beneficiaries of the charity's profits? Communication from the town to the public about the event should not trigger this kind of questioning.

The Finance and Advisory Committee has two recommendations going forward. First, the town needs to develop policies and fee schedules for the use of town parks and recreation facilities. Having these policies will invite appropriate use of these public resources and establish an agreed upon framework of conditions, responsibilities and compensation. Second, if the town executes another contract with Beach Road Weekend or any large event, the select board should have the contract reviewed by a lawyer who specializes in contracts between a municipality and an entertainment production company and has expertise in the requirements for public parklands.