



**City of Racine, Wisconsin
Common Council**

AGENDA BRIEFING MEMORANDUM

COMMON COUNCIL

ITEM 0560-26

AGENDA DATE: Common Council Agenda – June 16, 2026

DEPARTMENT: City Attorney's Office

Prepared By: City Attorney Scott R. Letteney

Reviewed By: N/A

SUBJECT: Communication sponsored by Mayor Mason, requesting that the Mayor and City Clerk be granted permission to execute a Management Agreement for the Racine Civic Centre between the City of Racine and 5KEvents.Org, LLC, under its subsidiary Festival Park, LLC, under the terms presented.

EXECUTIVE SUMMARY:

The proposed Management Agreement for the Racine Civic Centre between the City of Racine and 5KEvents.Org, LLC, under its subsidiary Festival Park, LLC, is for 2026 and 2027. The management fee paid by the City to 5KEvents.Org, LLC, shall be \$150,000 for each of 2026 and 2027. The operations subsidy paid by the City to 5KEvents.Org, LLC, shall be \$225,000 in 2026 and \$237,000 in 2027. These financial terms will formally require a budget amendment.

BACKGROUND AND ANALYSIS:

5KEvents.Org, LLC, under its subsidiary Festival Park, LLC, has been operating the Racine Civic Centre on behalf of the City of Racine under a management agreement since early 2024. That agreement expired December 31, 2025.

Since that time, 5KEvents.Org, LLC/Festival Park, LLC, has continued to operate the Civic Centre under the terms of the expired agreement. Representatives of 5KEvents.Org, LLC and the City's administration have been in discussions regarding a successor agreement. The

negotiating teams for 5KEvents.Org, LLC, and the City have reached an agreement for such successor agreement, pending approval of the Common Council.

The term of the contract shall be for 2026 and 2027, with an expiration date of December 31, 2027. There is no notice requirement for termination of the contract at its expiration date or an automatic renewal.

The City shall pay 5KEvents.Org, LLC, \$150,000 each year, 2026 and 2027, as a management fee.

In recognition that events at the Civic Centre may not provide all the financial needs for Civic Centre operations, the City shall pay 5KEvents.Org, LLC, a subsidy of \$225,000 in 2026 and \$237,000 in 2027 to support operational costs.

(Note that the Common Council, in the City's 2026 annual budget, approved a subsidy of \$200,000 for 2026. Because of the recommended \$25,000 increase in the 2026 subsidy, approval of this agreement would constitute a budget amendment. Budget amendments require a two-thirds affirmative vote of the entire Common Council. So, at least ten alders must vote in favor of the proposed agreement for it to be approved.)

5KEvents.Org, LLC agrees that it will not place any signs in violation of City of Racine ordinances. The City agrees that it will undertake a review of the provisions of the City of Racine Code of Ordinances related to signs as applied to the Racine Civic Centre.

The City may use the Civic Centre without cost for local, state, and federal elections; community events sponsored by CITY that are not sponsored in conjunction with other organizations, groups, or entities; and mass vaccination services necessitated by a public health emergency, epidemic, or pandemic.

Veterans groups may continue to use Memorial Hall meeting rooms for regular organization meetings without room charge. Veterans groups further may continue to use Memorial Hall for one day, plus reasonable time for set up and break down, for an annual Veterans Day commemoration and one day, plus reasonable time for set up and break down, for an annual Racine County Veterans Stand Down. The City will pay 5KEvents.Org, LLC, for its reasonable and actual out-of-pocket costs, i.e., not market rates, incurred in support of these two veterans events.

BUDGETARY IMPACT:

Approval of this item will constitute an amendment to the City of Racine 2026 annual budget.

61 The annual base management fee is \$150,000 per year. Funding for the 2026
62 management fee from Account 60686 52290 Management Fee, was authorized under the 2026
63 annual budget.

64 The annual operating subsidy is \$225,000 for 2026 and \$237,000 for 2027. Funding for
65 \$200,000 of the 2026 operating subsidy from Account 60686 52285 Operating Subsidy was
66 authorized under the 2026 annual budget. The additional \$25,000 for the 2026 subsidy, and an
67 additional \$30,000 for two specified veterans' events will be transferred from Account 11202
68 56200 Contingency to Account 60686 52285 Operating Subsidy.

69 The 2027 management fee and operating subsidy will be submitted for authorization
70 under the 2027 annual budget.

72 **OPTIONS/ALTERNATIVES:**

73 To approve the proposed management agreement.

74 To reject the proposed management agreement.

76 **RECOMMENDED ACTION BY MAYOR MASON:** To approve.

78 **ATTACHMENT(S):** None.