



JOEL KITCHENS

STATE REPRESENTATIVE • 1ST ASSEMBLY DISTRICT

Testimony for the Assembly Committee on Ways and Means Assembly Bill 185 April 30, 2025

Thank you, Chairman O'Connor, and members of the committee, for holding this public hearing on Assembly Bill 185.

For more than 50 years, Door County's Northern Sky Theater has delighted summertime audiences with original musical shows performed in one of Wisconsin's most beautiful state parks. Probably their best-known musical is the hit, "Guys on Ice." It is a Northern Sky Theater production that has played to sold-out crowds across Wisconsin and the nation. For many years, Northern Sky was known as American Folklore Theater.

The Town of Gibraltar hosts three of Door County's largest professional non-profits: Northern Sky, Peninsula Players, and the Door County Auditorium. Only Northern Sky pays property taxes. Under Wisconsin law, several qualifiers have been used to exempt some theaters from paying property tax, including being in a historic building and being exempt from federal income taxes. The Legislature used those qualifiers to exempt the Pabst Theatre in Milwaukee and, in 2003, Peninsula Players. Despite being a non-profit, Northern Sky Theater doesn't currently qualify under state law.

Northern Sky's outdoor theater draws thousands every year, generating significant sales tax revenue for the state and county. Additionally, Northern Sky pays the DNR 6% on ticket sales, snacks, and merchandise for shows in Peninsula Park.

Unfortunately, the shows are vulnerable to rain. A rainout on a two-show night can cost the company as much as \$20,000 in losses, making their financial situation precarious. This bill would help that significantly.

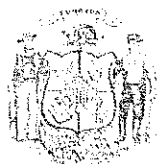
AB 185 would exempt Northern Sky Theater from property taxes, adding it to the existing group of theaters in Wisconsin that are exempt from property taxes and removing a competitive disadvantage. The bill follows current statutes and does not specifically name Northern Sky, but it is the only theater that would qualify under its language.

While everyone is aware of the natural beauty of Door County, our citizens understand that the arts are also a major contributor to our tourism economy. The arts are one of the reasons so many choose to make Door County their permanent home, and this bill is overwhelmingly supported within our county. It has the support of all of the local taxing

authorities that would be affected. The Town of Gibraltar, the school district of Gibraltar, and the Door County Board have all voiced their support.

We have one amendment to AB 185 that clarifies the date Northern Sky was deemed exempt from income taxes by the IRS. The Wisconsin Department of Revenue alerted us that they had a different date on file than what the bill originally had. Because of name changes over the years and a difficult-to-read hand stamp by the IRS, we have changed the date to ensure the theater is covered.

Thank you for your time, and I hope you consider supporting Assembly Bill 185.



ANDRÉ JACQUE

STATE SENATOR • 1st SENATE DISTRICT

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Testimony before the Assembly Committee on Ways and Means

Senator André Jacque

Assembly Bill 185

April 30, 2025

Chairman O'Connor and Members:

Thank you for the opportunity to testify in support of Assembly Bill 185, a property tax exemption for nonprofit theaters.

The Northern Sky Theater, located at the corner of County Highways A and F in the Town of Gibraltar, has been a summer tradition in Door County for 50 years. Many town residents might assume the theater is already property-tax exempt. But of the three professional non-profit theaters in Door County - Northern Sky, Peninsula Players, and the Door County Auditorium - only Northern Sky pays property taxes.

Now, Northern Sky's outdoor amphitheater at Peninsula State Park does not pay property taxes and would not be covered by this legislation. However, that facility has a 15-year agreement with the park and the Wisconsin Department of Natural Resources that requires it to pay 6 percent royalties on everything - including ticket sales, concessions, and merchandise, etc. - at that venue. That amounts, on average, to about \$35,000 annually.

In addition, because Northern Sky cannot own property within the state park, any improvements must be gifted to the state. One of the most recent examples is a \$220,000 restroom facilities project. Over the years, Northern Sky has gifted nearly \$2 million to the State of Wisconsin. In addition, while the theater is tax-exempt when it comes to donations, it pays sales tax on tickets, concessions, and merchandise, which amounted to about \$57,000 in 2023.

If passed, Assembly Bill 185 would exempt the Northern Sky Theater from property taxes, adding them to the existing group of theaters in Wisconsin that do not pay property taxes. The bill follows current statutes and as drafted limits the number of theaters that would qualify. This proposal has local support from the Town of Gibraltar, the school district of Gibraltar, and the Door County Board.

Northern Sky is a vital part of the local community. It contributes to the vital Door County tourism economy and community activities that are very positive for Northeast Wisconsin. Thank you for your consideration of Assembly Bill 185. I'm happy to answer any questions committee members may have.



NORTHERN SKY
T H E A T E R

April 29, 2025

Honorable Jerry O'Connor
Assembly Committee on Ways and Means
Wisconsin State Legislature
P. O. Box 8952
Madison, WI 53708

Dear Assemblyman O'Connor,

We're writing in support of 2025 Assembly Bill 185 providing a property tax exemption for Northern Sky Theater. We believe there are multiple reasons to endorse this bill due to Northern Sky's exceptional nature:

(1). To our knowledge, Northern Sky Theater is the only nonprofit professional theater in rural America that solely creates and produces original musicals. Since its founding in 1990, Northern Sky has produced over 65 original musicals, performing for an annual audience of 35,000 people in both indoor and outdoor venues.

(2). All Northern Sky's shows are designed to further knowledge and appreciation of the culture and heritage of the United States. In practice, virtually all Northern Sky productions are set in Wisconsin and focus on celebrating its culture and history. Its shows have helped increase awareness of a vast array of historical topics (e.g., the life of Wisconsin-raised naturalist John Muir, the role of women shipbuilders in Sturgeon Bay during World War II, the founding of the Wisconsin State Park system, the Civil War experiences of Wisconsin governor George Peck, etc.) Northern Sky shows have also cast a spotlight on multiple Wisconsin sub-cultures (e.g., the largest Belgian American community in the US) and pursuits (e.g., ice-fishing, farming, cheese manufacturing, etc.). Musical theater is an especially powerful and memorable way of conveying information, as anyone who has ever had a showtune stuck in their head can attest.

(3). Because Northern Sky Theater's musicals showcase Wisconsin-based themes, they earn stronger identification from audience members than those mounted by most theaters. Patrons "see themselves onstage" in shows that center on Packer fans, deer hunters, and so on. This generates a huge return audience and fierce loyalty to the troupe.

(4). Unlike most theaters which appeal largely to older audiences, Northern Sky writes its shows to be accessible to all ages. Its audience is multi-generational; every night grandparents who first saw shows as children attend with their own children and grandchildren. A significant percentage of its audience consists of children, helping to build theatrical interest among future generations.

(5). Despite doing the most expensive thing in the performing arts (i.e., creating and producing original musicals), Northern Sky has consistently maintained the lowest ticket prices of any professional theater in our state. A critical part of its mission is making its shows available to the widest possible audience, including campers and those of lesser means. Relief from property tax will assist the troupe in pursuing this commitment.

(6). Shows created at Northern Sky have had significant impact both within and beyond our state. Its show *Guys on Ice*, which explores Door County ice-fishing, has been one of the most successful in the history of the Milwaukee Repertory Theater and earned over 100 productions coast-to-coast, including on PBS-TV. *The Spitfire Grill*, set in small-town Wisconsin and created by two Northern Sky writers, has had over 700 productions worldwide including Off-Broadway, Los Angeles, Washington DC, London, Germany, Korea, etc.

(7). In addition to being highly entertaining, Northern Sky's original shows have been demonstrated in published psychological research to have direct social benefit. *Guys & Does*, its deer-hunting musical, is the first musical comedy empirically demonstrated to shift audience attitudes in favor of deer-hunting, an important way to thin overabundant herds (DOI: 10.1037/a0027574). Over 75% of patrons who see its hit musical *Belgians in Heaven* develop strong intentions to be kinder and more forgiving toward family members. The experience of attending NST has been shown to increase social cohesion and connectedness.

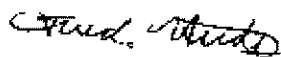
(8). Northern Sky Theater's shows have earned multiple awards and widespread critical acclaim. Four of its writers have won the prestigious Richard Rodgers Award for Musical Theater. Productions of their shows have been given the Drama Desk Award, Outer Critics Circle Award, Helen Hayes Award, LA Dramalogue Award, etc. *The Chicago Tribune* described Northern Sky as "one of the most exceptional professional troupes in the country."

(9). Finally, Northern Sky is being increasingly recognized for its unique role in the state. In 2012, it received the inaugural Wisconsin Governor's Tourism Award for Arts, Culture and Heritage from Governor Scott Walker. The Wisconsin History Museum currently under construction in downtown Madison will feature an exhibit about the troupe.

In combination with Northern Sky's clear economic impact detailed in Ms. Feldman's testimony, we believe these reasons more than justify passage of this bill.

Please feel free to contact us for clarification. Thanks for your consideration.

Sincerely,



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Jeffrey Herbst
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04/30/25 Talking points

Nancy Schmidt to State Assembly Ways and Means Committee

Introduction:

- As Holly said, my name is Nancy Schmidt. Thank you for inviting me today. Let me tell you a little about myself.
- My husband and I (who are both accounting/finance professionals) live on the east side of Madison. In the 32 years that we have been together, we annually travel to Door County, usually making the trek 4-6 times a year during prime season. One of our favorite activities there is to take in a show at Northern Sky Theater.
- In addition to being long-term fans, we are also long-term financial donors.
- Although there are several options for us to spend our entertainment dollars and our charitable contributions, we continually support Northern Sky Theater.

Why Northern Sky Theater?

- Northern Sky Theater is 100% original shows, which makes them unique. The creativity that is displayed every season combined with the highly talented professional actors who come to Door County make for an enjoyable experience every time. We have always walked away from the shows with a smile on our faces and a song in our hearts. In fact, we're often singing the songs for days after the shows.
- Where else can you enjoy shows titled Packer Fans from Outer Space, Naked Radio, When Pigs Fly, Sunflowered, and The Fish Whisperer? Just to name a few of my favorites – not a complete list of all the shows we have enjoyed over the years.
- Several of the shows we have seen are brought back every few years. We enjoy seeing shows like The Fisherman's Daughters, And If Elected, Cheeseheads the Musical, and Lumberjacks in Love multiple times. Each subsequent time is as much fun as the first time we saw the show. We actually saw Dad's Season Tickets, a show about being Packer season ticket holders, multiple times in the same season.
- I have to mention Guys on Ice as being one of my all-time favorites – seeing it in both Door County and Madison multiple times. It is always great with Doug Mancheski and his friends, and the snowmobile suit song is always hilarious.

Then Northern Sky has created spin-off shows in Guys and Does, and Girls on Sand – both of which are also outstanding.

- Later this year, we will re-see Dairy Heirs and The Bachelors, which I saw once when it was in Madison years ago. We're looking forward to seeing these shows again.
- Northern Sky Theater's mission to create new musicals is supported not only by the Fred Alley New Musical Fund but by their newest initiative, NOVA. NOVA, led by Lachrisa Grandberry, is an initiative to Nurture Original Voices and Artists. It is exciting for us to see this commitment to the next generation of writers and composers.
- Because Northern Sky Theater writes all original productions, it is important that money goes back to the organization to support the creative teams. Last year, there were multiple premieres, and we attended all six shows. It is fascinating to us to see how creative the shows are each and every year. If they had an exemption for property tax, more funds would be used for the creative work and attraction of professional performers, writers, composers, technical personnel, and stage management to continue the high-quality productions. And more resources would be brought back into the community.
- Northern Sky Theater also strives to introduce new factors to enhance the visitor's experience. The Gould Theater is a perfect example of how they expanded their offerings. In addition, shows were performed at both locations throughout the 2024 season and Saturday matinees were added – making it easier for people to attend the shows. There are also a handful of shows where the song lists are now streaming. I listen to these song lists numerous times throughout the year as it brings back great memories and brightens a dreary winter day. I think I know the songs from The Fish Whisperer by heart.
- So why Northern Sky Theater? Consistently high-quality shows that bring joy to me and my family, a mission that we support, and a strong community presence. I hope they can continue to thrive in Door County with professional, original productions and outstanding performers.
- We are looking forward to seeing all four shows this year, and many more in the years to come. I ask the committee to support this bill, not only on behalf of Northern Sky Theater, but for all those new and long-term fans, like me, who cherish what this organization offers. I hope to see you under the stars at Northern Sky Theater! Thank you

Testimony before the Wisconsin State Assembly Ways and Means Committee
RE: Property Tax Exemption for Northern Sky Theater
Presented by Holly Feldman
4/30/2025

Good afternoon Chairman O'Connor and members of the Committee. I thank you for the opportunity to speak with you today. I am Holly Feldman, Northern Sky Managing Director and I want to begin today by sincerely thanking Representative Joel Kitchens and Senator André Jacques for their leadership and advocacy in championing this bill.

Property tax exemptions for cultural institutions like Northern Sky Theater are not unprecedented, but they are rare. I'd like to share a few key reasons why Northern Sky is uniquely qualified for this exemption and why it is so vital to our future sustainability.

First, our partnership with the State of Wisconsin through the Department of Natural Resources is unlike any other.

Our Gould Theater and Creative Center directly support our operations for our home in Peninsula State Park which is under a 15-year agreement with the DNR. As part of that agreement, we pay royalties to the state:

- 6% in years 6–10 (which in 2025 will amount to about \$45,000)
- And beginning next year, that rate increases to 9% onward, or about \$67,000 per year!
- Additionally, Northern Sky pays the State of WI approx. \$60,000 in sales tax on our ticket, merch and concessions revenue.

On top of that, any improvements we make in the park are gifted back to the state. That includes everything from our buildings to infrastructure like flush toilets—our latest facility upgrade, which cost \$220,000.

To date, Northern Sky has donated nearly \$2 million in capital improvements to the state of Wisconsin. None of the other organizations with this tax exemption have this same type of relationship with the state.

Second, like our peers, we are a major economic driver in Door County.

The nonprofit arts and culture sector in Door County generates \$21.8 million in audience-related spending annually. On average, a single audience member spends \$100 in the community in addition to the price of a ticket.

In addition to Northern Sky, it is worth noting that the township of Gibraltar is home to two more of Door County's largest professional performing arts nonprofits—Peninsula Players, and Door Community Auditorium, neither of which pays property taxes.

Third, we manage our resources with extraordinary care.

As confirmed by members of our board Northern Sky is diligent and frugal. We stretch every dollar, and that's getting harder.

We're supported by two award-winning volunteer crews, more than 200 people strong, as well as more than 1,000 annual donors, one of whom you will hear from today.

Still, we face risks that are entirely out of our hands. An outdoor season means that inclement weather can cancel a show and result in an \$8,000–\$10,000 loss—per night.

We are increasingly dependent on unearned revenue from those generous individual donors who expect us to be smart stewards of our finances. They want to see us do everything we can—including pursuing opportunities like this one—to ensure long-term sustainability.

Fourth, we already have local support.

The Town of Gibraltar and the Door County Board of Supervisors both back this exemption. In part, they support this bill because of the way it avoids unintentional loopholes and is mindfully drafted to minimize the impact it would have elsewhere.

The Door County Finance Director calculated that the fiscal impact locally would be just 28 cents annually on a \$350,000 property. This is a modest ask with a high return in cultural and community value.

Fifth, we've been recognized for our role in shaping Wisconsin's identity.

We were honored with the inaugural Arts, Culture, and Heritage Award by Governor Walker—a recognition that underscores our statewide impact.

Finally, what truly sets Northern Sky apart is our storytelling.

We are, quite literally, Wisconsin's history theater.

Our productions have featured Great Lakes seafarers, World War II veterans, shipbuilders, family farmers, Packers fans, and—of course—ice fishermen.

You may know our most famous show, *Guys on Ice*. That show was originally commissioned by the state to celebrate Wisconsin's sesquicentennial and has since become a cultural ambassador in its own right.

It's been produced in over 100 theaters across 16 states and even in Canada—with notable runs in Michigan, Minnesota, New York, and Texas.

Two years ago, the show received a proclamation from Representative Kitchens, Governor Evers, Speaker Vos, and Speaker Pro Tem Petersen honoring its 25th anniversary.

We're proud of what we do. We are proud to carry Wisconsin's stories across the country. And we are proud of the care we take with every dollar, every donor, and every performance.

This exemption would allow us to better weather tough seasons—literally and figuratively—and direct more of our limited resources toward programming, community engagement, and sustainability.

In short, the \$45,000 we expect to pay in park use royalties this year alone shows our ongoing commitment to the state. What we're asking for now is the opportunity to operate on a level playing field with our industry leading peer group.

Thank you for your time and consideration. I'd be happy to answer any questions.