

Memo

To: Members of the Room Tax Commission

From: Connie Thompson, Executive Director

Date: 8/26/2024

Subject: Overview of the 2023 Economic Impact Study of Monona Terrace Community & Convention Center

Dear Members of the Room Tax Commission,

I am pleased to present an overview of the 2023 Economic Impact Study of Monona Terrace Community and Convention Center, conducted by the world-renowned Oxford Economics and Tourism Economics. This comprehensive study, commissioned and funded by Friends of Monona Terrace, provides an in-depth analysis of the economic contributions Monona Terrace has made to Madison and the surrounding region.

Key Findings

Gross Economic Impact:

In 2023, Monona Terrace's gross economic impact exceeded \$53 million. This figure encompasses direct spending, as well as the broader economic influence generated through operational expenses, business purchases, and employee wages. Direct spending alone contributed \$32.1 million, which includes \$15.5 million from event participants and \$16.6 million in operational expenses.

Net Economic Impact:

Monona Terrace's net economic impact, which focuses on events that would not have been hosted in Madison without the facility, totaled \$46.2 million in 2023. This impact supported 656 full and part-time jobs and generated \$2.2 million in local and state taxes. Of the \$27.1 million in direct spending, \$10.5 million came from event participants, with the remainder attributed to operational expenses.

Participant Spending:

The study highlights the significant contributions of out-of-area visitors attending conventions, conferences, and public shows at Monona Terrace. In 2023, nearly 250,000 participants and 2,400 exhibitors attended 544 events. Of these, 61 were classified as incremental events, meaning they would not have occurred in Madison without Monona Terrace. Notably, 58% of attendees at these events were from outside the area, spending a total of \$10.5 million across various local industries, including lodging, dining, retail, transportation, and recreation.

The findings of this independent study underscore Monona Terrace's pivotal role as an economic catalyst for Madison and the broader community. With a total economic impact surpassing \$53 million in 2023, Monona Terrace continues to be a significant driver of economic growth, job creation, and tax revenue generation.

The summary report is attached for your review. We're grateful for the Room Tax Commission's continued support.

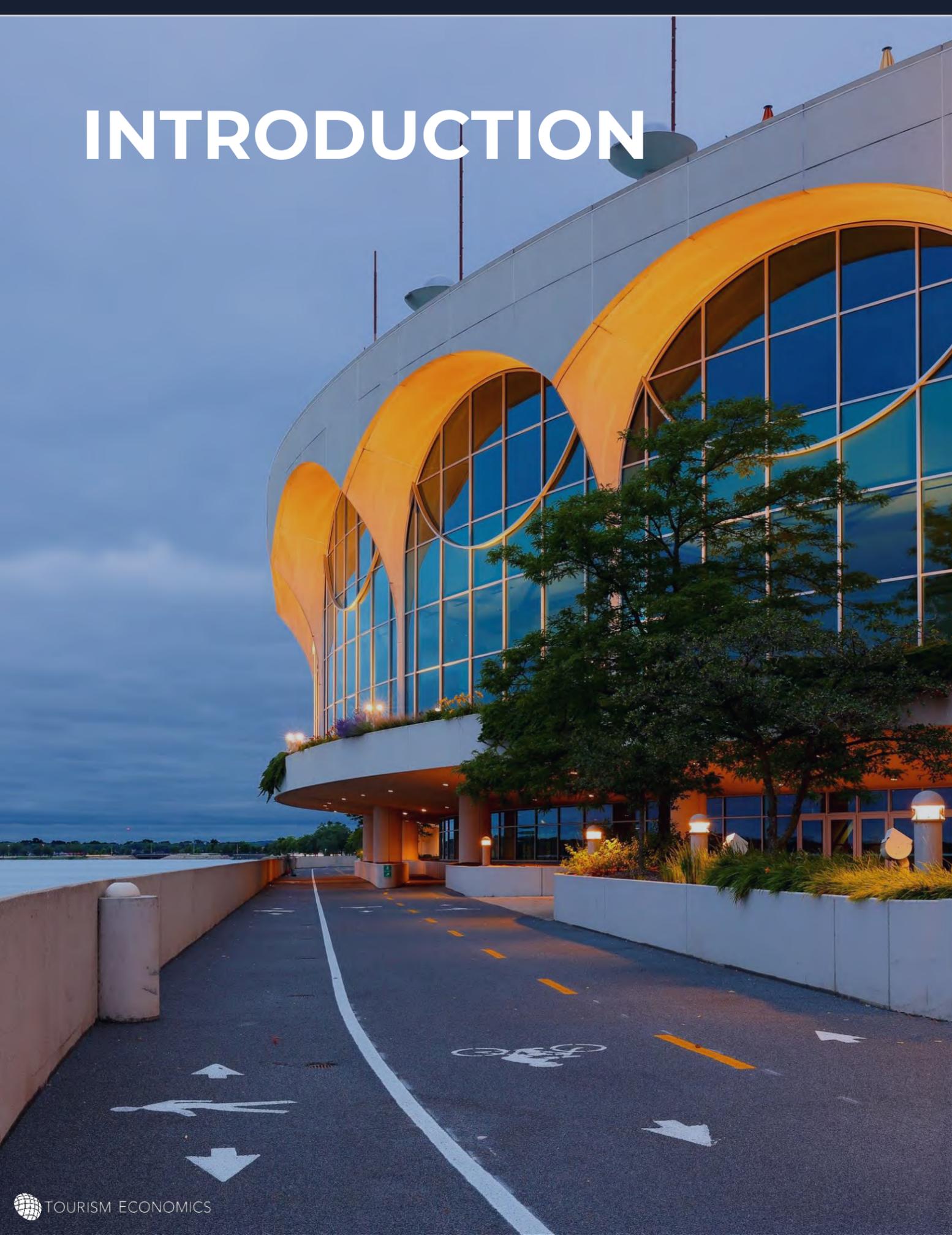
Monona Terrace Community & Convention Center

Economic and Fiscal Impacts



TOURISM
ECONOMICS

INTRODUCTION



Research Overview

Monona Terrace Community and Convention Center (“Monona Terrace”) is a convention center located on the shores of Lake Monona in Madison, Wisconsin. It was first designed by Wisconsin native and internationally-renowned architect Frank Lloyd Wright in 1938 as a cultural, governmental, and recreational building.

Monona Terrace has five levels of meeting space that includes 30 rooms that range from 350 to nearly 40,000 square feet, including a 37,200 square foot exhibit hall, a 13,524 square foot ballroom, the 7,000 square foot Grand Terrace, and a rooftop garden, among others.

As a host of conventions, conferences, public shows, and other events, Monona Terrace attracts attendees and exhibitors to Madison, Wisconsin. In 2023, Monona Terrace hosted 61 conventions, conferences, and public shows that attracted 135,800 attendees and exhibitors.

Monona Terrace generates significant economic impact as venue operators spend money in the local economy to sustain operations of the center. In addition, attendees and exhibitors attending events at Monona Terrace spend money while at the center and also at off-site establishments in the local economy, including local restaurants, hotels, retailers, and recreation / entertainment venues.

Tourism Economics prepared a comprehensive model using multiple primary and secondary data sources to quantify the impacts arising from the operations and visitor spending generated by Monona Terrace.

Impact modeling was based on an IMPLAN Input-Output (I-O) model for the Dane County economy. The results of this study show the scope of Monona Terrace’s impact in terms of operations and visitor spending, as well as total economic impacts, including business sales, employment, household income, and fiscal (tax) impacts.

Impacts Analyzed

	Net	Gross
Participant Origin		
Dane County residents (locals)		X
Outside Dane County	X	X
Event Type		
Conventions	X	X
Conferences	X	X
Public shows	X	X
Other events		X

Monona Terrace Impacts (Net)



Provided **\$46.2 million** in sales to local businesses



Supported **656** jobs



Generated **\$2.2 million** in state and local taxes

Economic Impact Model Framework



Direct Business Sales

Operational spending & spending by participants



Indirect Business Sales

Purchases from supplier industries

+



Induced Business Sales

Employee spending in the local economy



Total Economic Impact

Total business sales in the regional economy

Monona Terrace Direct Spending (Net)

(\$ millions)



\$16.6M

Operating
Expenditures



\$10.5M

Spending by
Participants



\$27.1M

Total
Direct
Spending

Direct Spending by Industry (Net)

(\$ millions)



\$27.1M

Monona Terrace Direct Spending Impact (Net)



\$16.6M

OPERATIONS

Monona Terrace salaries and wages and purchases from local vendors



\$3.5M

LODGING

Hotels, motels, private home rentals, RVs



\$2.8M

FOOD & BEVERAGE

Full-service restaurants, fast food, convenience stores



\$2.2M

RETAIL

Souvenirs, general merchandise, malls, local retailers



\$1.3M

LOCAL TRANSPORTATION

Gas, car rentals, ride share, parking

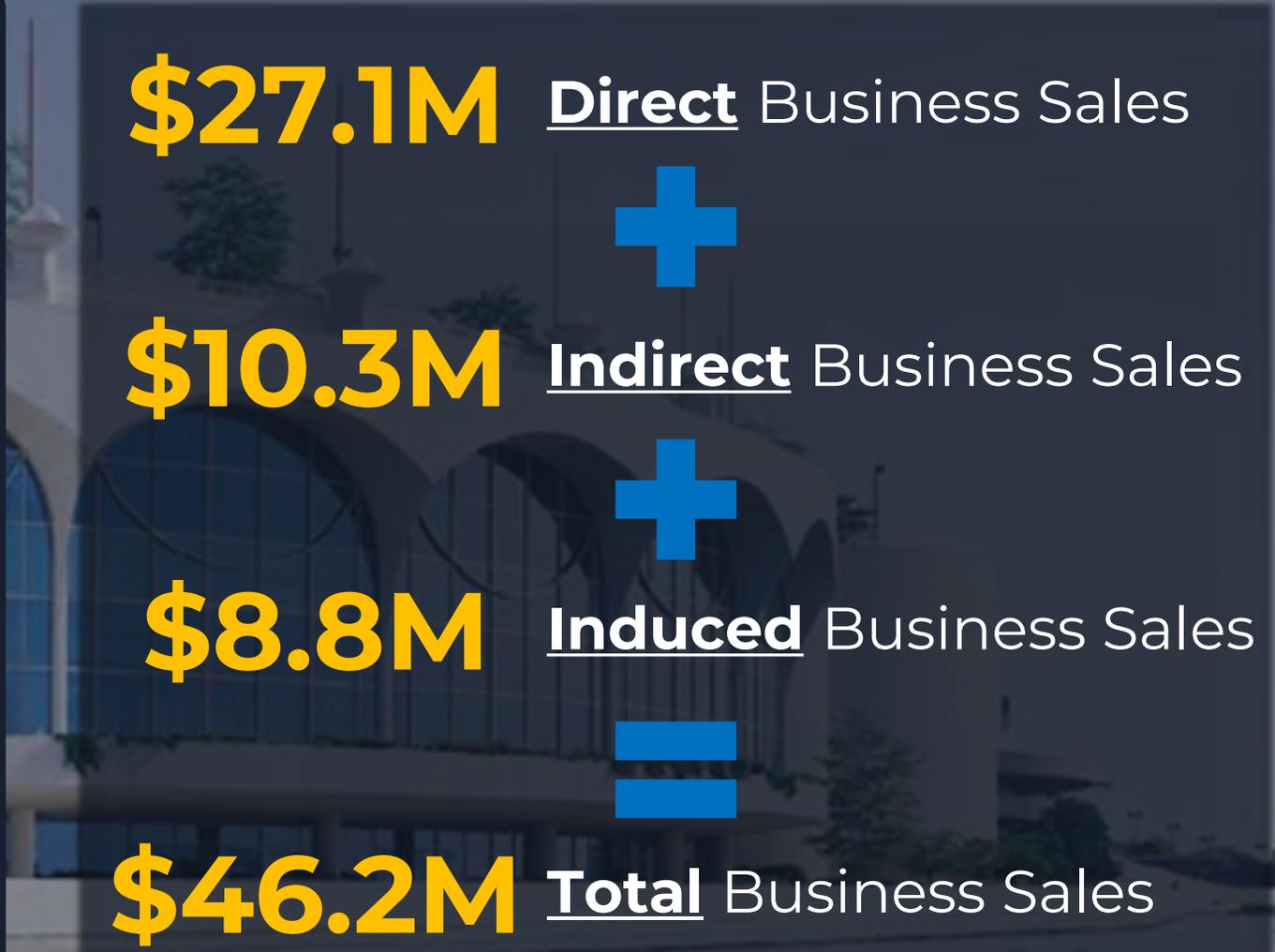
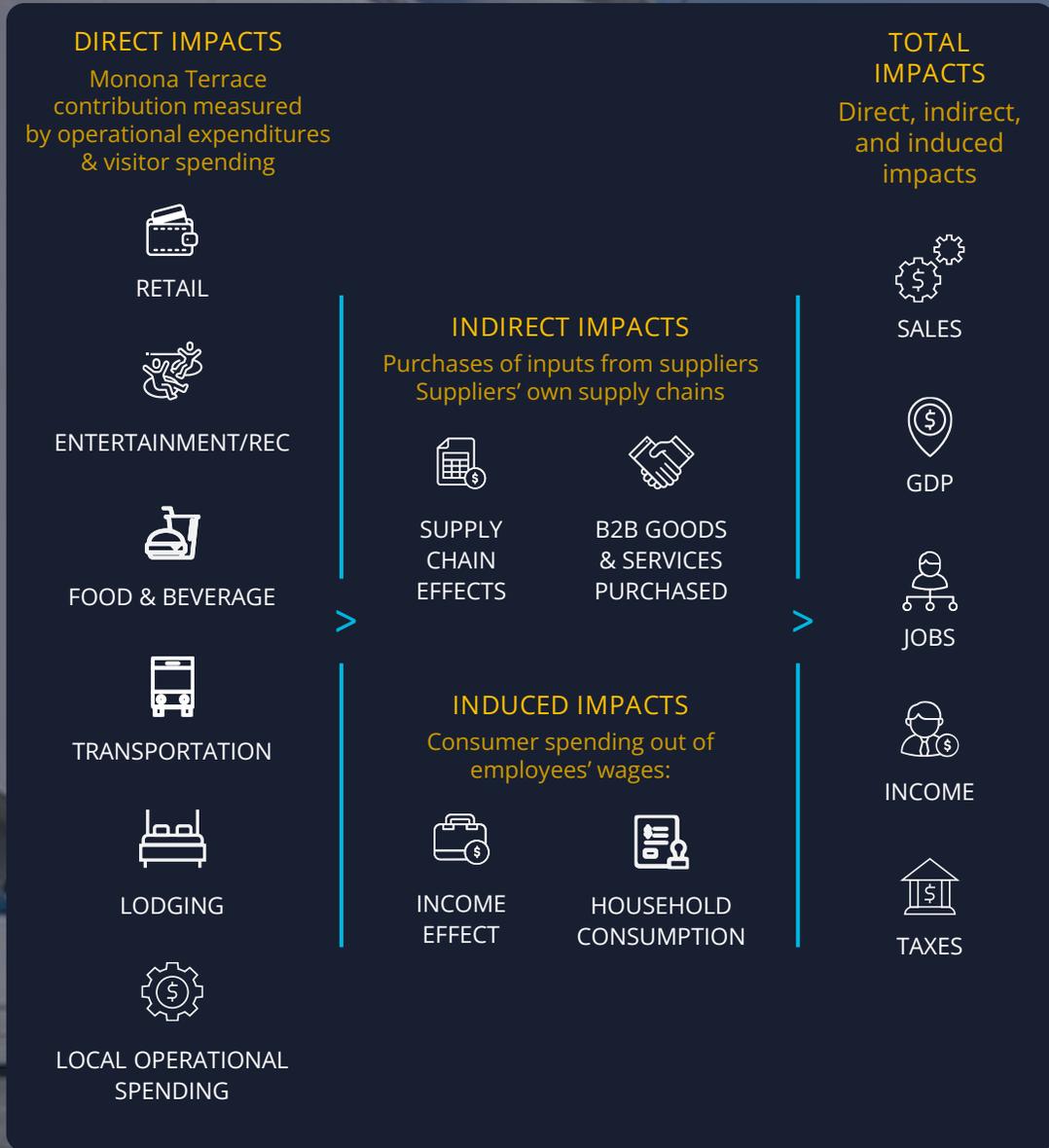


\$0.7M

RECREATION

Amusements, theaters, entertainment, other recreation

Indirect and Induced Impacts (Net)



Note: total does not sum due to rounding

Monona Terrace Economic Impact (Net)

(\$ millions and jobs)



\$27.1M

Direct
Business
Sales



\$46.2M

Total
Economic
Impact



656

Total
Jobs
Supported



\$2.2M

Total
State & Local
Taxes

Monona Terrace Fiscal Impact (Net)

(\$ millions)



\$1.3M

State Taxes



\$0.9M

Local Taxes



\$2.2M

Total
State & Local
Taxes

Note: total does not sum due to rounding

Monona Terrace Economic Impact (Gross)

(\$ millions and jobs)



\$32.1M

Direct
Business
Sales



\$53.4M

Total
Economic
Impact



699

Total
Jobs
Supported



\$2.7M

Total
State & Local
Taxes

About the Research Team



Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modelling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

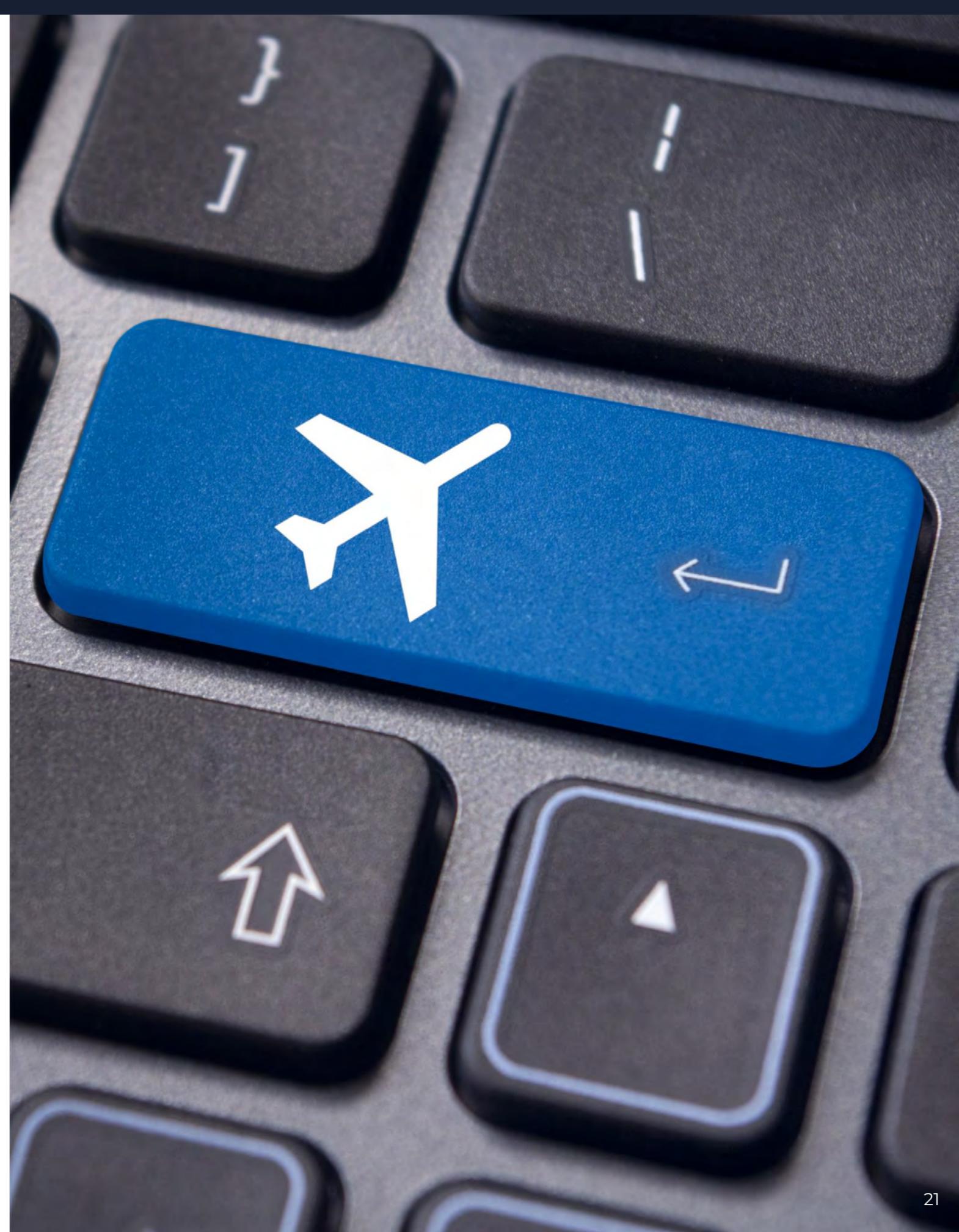
Oxford Economics is an adviser to corporate, financial and government decision-makers and thought leaders. Our worldwide client base comprises over 2,000 international organizations, including leading multinational companies and financial institutions; key government bodies and trade associations; and top universities, consultancies, and think tanks.

This study was conducted by the Tourism Economics group within Oxford Economics. Tourism Economics combines an understanding of traveler dynamics with rigorous economics in order to answer the most important questions facing destinations, investors, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, forecasting models, policy analysis, and economic impact studies.

Oxford Economics employs 400 full-time staff, including 250 professional economists and analysts. Headquartered in Oxford, England, with regional centers in London, New York, and Singapore, Oxford Economics has offices across the globe in Belfast, Chicago, Dubai, Miami, Milan, Paris, Philadelphia, San Francisco, and Washington DC.

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THANK YOU!

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