



MONONA
TERRACE

MONONA TERRACE COMMUNITY AND CONVENTION CENTER

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MONONA TERRACE SMALL BUSINESS AND EMPLOYMENT OPPORTUNITIES 2015 ANNUAL REPORT April 1, 2016

Background

This report is presented in accordance with the Monona Terrace Agreement between the City the County, the Monona Terrace Board Bylaws, and in Section 3.19 (17) of the City of Madison General Ordinances. These documents state that Monona Terrace shall "...seek to involve small business enterprises in the operations and development of the facility and shall also promote employment opportunities for economically disadvantaged persons throughout Dane County in all aspects of Monona Terrace employment and contracting." Additionally, the documents set forth this reporting requirement by the Monona Terrace Board.

As previously discussed with the Board, the City of Madison does not set specific goals regarding awarding contracts to small business enterprises or to economically disadvantaged persons. Further, as a city department, Monona Terrace does not have the authority to set our own goals for these areas. Nonetheless, supporting these initiatives is a high priority for the City, as well as for Monona Terrace and our Board of Directors. This report discusses our economic impact on small business enterprises and the economically disadvantaged.

Small Business Enterprises

Monona Terrace and Monona Catering have significant payrolls that are spent or saved mostly in Madison and Dane County. When employees spend these earnings locally, it supports innumerable small business enterprises. Also, Monona Terrace and Monona Catering purchase goods and services throughout the year that supports businesses and jobs. This purchasing power is broken down as follows:

- Monona Catering's 2015 payroll was about \$2,700,000.
- Monona Catering purchased approximately \$525,000 in 2015 from 80 Dane County vendors.
- Monona Terrace's 2015 payroll was \$4,874,827.
- Monona Terrace purchased a total of \$1,654,355 from local and state vendors - \$1,235,227 from vendors in Dane County and \$419,128 from vendors in the State of Wisconsin outside of Dane County. This represents 65% of our total expenditures (\$2,554,632).
- It should be pointed out that in many cases we are contracting with a local or state business, but the payments are sent out-of-state for collection, and do not count as a local expenditure.

- Therefore, our total 2015 direct spending impact, based on the above expenditures, was \$9,754,182.
- Finally, the economic impact from our 2015 conventions and conferences, calculated by the Destination Marketing Association International (DMAI) Event Impact Calculator, was \$38,800,000, and for the last eleven years it has totaled \$459,942,771. This economic impact to the community is widely disbursed, benefiting all types of businesses, big and small, creating employment opportunities for everyone.

Monona Terrace strictly follows City purchasing procedures, which provides a fair opportunity to all businesses interested in working with Monona Terrace. In addition to this, vendors that employ more than 15 employees, and whose aggregate annual business with the City is more than \$25,000, are required to provide equal employment opportunity to all, and will take affirmative action in its utilization of applicants and employees who are women, minority or persons with disabilities. Further, this contractor is to allow maximum feasible opportunity to small business enterprises to compete for any subcontracts. Small business enterprises are defined as independent businesses that are owned and controlled by a minority, women or other individuals that satisfy the following criteria:

1. Fewer than eleven (11) permanent full-time employees;
2. Gross revenues of less than \$500,000 annually when averaged over the past three (3) years;
3. Bonding capacity not exceeding \$50,000; and
4. Owner's personal net worth not exceeding \$100,000 excluding the value of the individual's primary residence.

Promote Employment Opportunities for Economically Disadvantaged Persons

Monona Terrace follows detailed City personnel procedures and is an equal opportunity employer. Vendors hired through the City contracting process must comply with the City of Madison Affirmative Action Ordinance, Section 3.58(8) within thirty (30) days of award of contract.

Summary

Monona Terrace and Monona Catering had a combined payroll of \$7,574,827 and combined purchasing power in the county and state of \$2,179,355 for a total direct spending impact of \$9,754,182. In addition to this, the economic impact from our 2015 conventions and conferences, as calculated by the DMAI Event Impact Calculator, was \$38.8 million.

It is not feasible to definitively quantify Monona Terrace's impact on Small Business Enterprises and Employment Opportunities for Economically Disadvantaged Persons with data currently available. However, our impact is widely disbursed, and we are confident that Monona Terrace and Monona Catering make a strong positive contribution to these two groups of stakeholders in our business operations.