



City of Madison

City of Madison
Madison, WI 53703
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Meeting Minutes - Approved MONONA TERRACE COMMUNITY AND CONVENTION CENTER BOARD

Thursday, October 16, 2008

4:30 PM

One John Nolen Drive
Meeting Rooms O-P

CALL TO ORDER / ROLL CALL

Present: 11 -

Mark M. Opitz; Thomas J. Ziarnik; Judy Sidran; Ann E. Kovich; Sheridan A. Glen; Jeffrey B. Bartell; Mona Adams Winston; Henry S. Lufler, Jr.; William DiCarlo; Anne Katz and Glenn R. Krieg

Excused: 3 -

Warren E. Onken; M. Alice O'Connor and Wayne Bigelow

APPROVAL OF MINUTES

A motion was made by Sidran, seconded by DiCarlo, to Approve the Minutes.
The motion passed by voice vote/other.

PUBLIC COMMENT

There were no citizens present who wished to address the Board.

REPORTS

- [12201](#) Hotel Feasibility Study Update - Jeff Bartell, Vice-Chair, Downtown Hotel Feasibility Study Committee

The Downtown Hotel Feasibility Study Committee met on October 6, 2008 to hear the preliminary findings. Chair Mario Mendoza convened the meeting, and turned it over to the consultants, Rob Hunden and T.J. Pavlov of Hunden Strategic Partners, Chicago, IL. Other Hunden projects include both convention centers and convention center hotels throughout the country.

Findings:
 - Monona Terrace needs a better downtown hotel package.
 - Current hotel portfolio is predominantly older and low-to-moderate quality compared to competitive markets.
 - There is significant unaccommodated demand indicating a new hotel would enlarge the "pie," not just slice up the same size "pie" differently.
 - Adjacency is the key, within one block or less of the Hilton and/or Monona Terrace.
 - Recommended size: 360 - 400 rooms, with banquet and meeting rooms, fitness center, other amenities, branded (e.g. Hyatt, Westin, Renaissance, Intercon) with a reservation system.
 - Estimated cost, with parking, is \$100 million, and will require City of

Madison involvement.

7. If such a hotel is built, the universe of business for Monona Terrace is estimated to grow 44+%.

8. If the hotel is not built, Monona Terrace business will decline over the next ten years.

The final report is being completed, and will be presented to the Mayor and the Common Council shortly. Mr. Bartell stated that he feels the Hunden report covered everything the committee wanted, and reached the expected conclusion. The challenge will be to keep the process moving.

2. [12202](#)

Finance Committee Update - Henry Lufler, Chair

Mr. Lufler reported that the Finance Committee met on Wednesday, October 15, 2008. Dean Brassler, City Comptroller, attended the meeting and reviewed documents illustrating how he projects TOT growth and growth patterns. The committee discussed possible avenues of support for the GMCVB regarding the TOT fund. They also discussed potential use of year-end funds to support the Event Assistance Fund and the purchase of a chiller unit.

Monona Terrace has three chillers; the one that needs replacing is the smallest of the three that is used during low load times when the building is not full. The other two chillers are larger and cost more to run. Staff alternates their usage to extend the useful life of the chillers. There are three options for replacement:

- Refurbishment of the current chiller - cost, \$75,000.
 - Purchase of a new, good quality chiller - cost, \$85,000.
 - Purchase of the best, most environmentally friendly chiller - cost, \$120,000.
- There is approximately a 5-7 year payback on the cost of this unit.

Two motions were made:

Mr. Lufler made a motion, seconded by Ms. Kovich, to work with the GMCVB in the future on the TOT and other related issues. The motion carried.

Mr. Lufler made a motion, seconded by Ms. Sidran, to ask the Monona Terrace Board of Directors to authorize expenditure of available funds to support the Event Assistance Fund, and purchase a replacement chiller unit, both projects upon approval of the Finance Committee. The motion carried.

3. [11554](#)

TOT Study Committee Update - Tom Ziarnik

Mr. Ziarnik stated that it was his understanding that the Monona Terrace Board intended to respond to the Mayor regarding transferring of room tax funds to the General Fund. He expressed concern that if a position is not taken, it could negatively affect Monona Terrace in the future. The Innkeepers organization will continue their efforts to restore the funds.

Ms. Kovich said the Finance Committee discussed the right way to carefully proceed, and try to find something that works for all parties concerned. Monona Terrace is trying hard to be an effective partner with the GMCVB and the Innkeepers. The committee will continue to study the situation and work with the GMCVB, but not take a formal position at this time. Mr. Lufler said the

national economy is a factor as well as the presidential election in November. Ms. Kovich invited all interested Board members to attend future Finance Committee meetings.

4. [12203](#)

Friends of Monona Terrace Update - Jim Hess, Director

The organization's financial status is as follows:

- o Approximately \$100,000 in the Community Foundation account.
- o \$50,000 in certificates of deposit.
- o \$4,295.34 in a checking account.
- o Total available capital is \$54,295.34, there are no liabilities.

FOMT held a meeting on 9/24/08 to review requests for funding of community events, and approved payment of \$5,842.26 for expenses associated with the 2008 Terrace Town event.

City of Madison APM 1-6 requires agencies to spend no more than \$100 for employee recognition events. Therefore, FOMT was asked to fund recognition events for Monona Terrace staff up to \$800, but they declined, saying they felt their monies should be used for community outreach only.

George Nelson, former chair of the Monona Terrace Board of Directors, suggested another tile campaign with the purpose of raising funds for community programming. FOMT met on 10-14-08 to discuss this suggestion and invited Mary Lang Sollinger, chair of the original tile campaign, to attend. She is interested in participating, and will write a tile campaign proposal and act as the chair, for which she would want to receive compensation. She is unavailable to work on the proposal until mid-November due to prior commitments. Ms. Kovich stated she felt the tile campaign would be a good opportunity to further educate the public about the missions of Monona Terrace. Maximum profit potential if all tiles are sold is \$337,000, the minimum potential is \$133,000.

After a recent review by the City Legal Department, The Friends of Monona Terrace are considered a non-quasi-governmental group, and therefore exempt from open records requirements.

5. [11555](#)

Finance Report - Kathi Hurtgen, Finance Director

Monona Terrace hosted 79 events instead of the budgeted 64 events during the month of September.

Revenues were + 2%, year-to-date expenses are -1% (green efficiencies are paying off - Mr. McManners complimented Connie Thompson and Jeff Griffith for their leadership in this area, and constantly looking for ways to offset costs).

Revenue over expenditures is \$270,000 year-to-date.

6. [11556](#)

Director's Report - Jim Hess, Director

Kathleen Falk, County Executive, left a voice mail with her compliments to the catering staff because she had attended the Fund for Women event at Monona Terrace recently, and thought it was an outstanding event with delicious food.

Board Report: There were no questions on the Board Report.

Lake Vista Cafe Update: Monona Terrace is withholding the final payment to the contractor because the project is behind schedule. If the contractor wishes to pursue the issue, it would have to be discussed with the Board of Public Works.

State Parking Ramp Contract: The State parking ramp at Monona Terrace is out for bids, and the State is looking for cost saving measures to implement. Monona Terrace staff is concerned about service issues for clients, and staff is writing up requirements. Monona Terrace may have to minimally staff the ramp in order to provide the desired level of service. Client ratings on surveys regarding parking have improved greatly, and Monona Terrace staff wants that trend to continue.

Comments: Mr. DiCarlo thanked Monona Terrace for their assistance during the stem cell conference by providing equipment for their use.

7. [11557](#) Announcements from the Chair - Ann Kovich, Chair

There were no announcements from Chair Kovich.

ADJOURNMENT

A motion was made by Bartell, seconded by Sidran, to Adjourn. The motion passed by voice vote/other.