

Monona Terrace HQ Hotel Analysis Madison, Wisconsin

Presented By:
Charles H. Johnson IV, Johnson Consulting
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HQ Hotel Experience

National Qualifications - HQ Hotel Projects

Austin, TX (Public Project)	Kansas City, MO (Public/Private Partnership)
Baltimore, MD (Private Project)	Louisville, KY (Public/Private Partnership)
Boston, MA (Private Project)	Lancaster, PA (Private Project)
Broward County, FL (Private Project)	Myrtle Beach, SC (Public Project)
Charlotte, NC (Public/Private Partnership)	Nashville, TN (Public/Private Partnership)
Coralville, IA (Public Project)	Osceola County, FL (Public Project)
Corpus Christi, TX (Public/Private Partnership)	Overland Park, KS (Public/Private Partnership)
Dallas, TX (Community Development Advocate)	Sacramento, CA (Public Project)
Detroit, MI (Public/Private Partnership)	Salem, OR (Public/Private Partnership)
Des Moines, IA (Public/Private Partnership)	San Juan, PR (Public Project)
Erie, PA (Public/Private Partnership)	Schaumburg, IL (Public Project)
Fort Wayne, IN (Public/Private Partnership)	St. Charles, MO (Public/Private Partnership)
Fort Worth, TX (Public/Private Partnership)	Syracuse, NY (Public/Private Partnership)
Houston, TX (Public/Private Partnership)	Tri-Cities, WA (Public/Private Partnership)
Indianapolis, IN (Public/Private Partnership)	Virginia Beach (Private Project)
Irving, TX (Private Project)	Washington, D.C. (Public Project)
Jackson, MS (Public/Private Partnership)	Wilmington, NC (Private Project)

Over \$8 billion in Headquarter
Hotel implementation



Questions to be Answered

- Is Madison an Attractive Location for Meetings and Conventions?
- How is Madison Compared to Its Competition?
- How Competitive is Monona Terrace as a Facility?
- What Size Hotel is Indicated?
- Is the Judge Doyle Square Site Attractive?

Madison's Attractiveness as an Event Location

- Rich in assets
 - State capital
 - University of Wisconsin at Madison
 - Strong and diverse employment base
 - Strategic Midwest location
- Competes at a tier above its position, with
 - Minneapolis/ St. Paul
 - Kansas City/ Overland Park
 - Providence
 - Des Moines
 - Ft. Worth
 - Grand Rapids
- Continues efforts to improve the downtown area, including Judge Doyle Square
 - Two city blocks
 - Mixed-use: hotel, residential, office, retail, restaurants, entertainment, parking
 - Close to Monona Terrace



Comparable Analysis: Regional

Key Characteristics of Regional Facilities								
Location	Madison, WI	Wisconsin Dells, WI	Milwaukee, WI	Chicago, IL**	St. Paul, MN	Des Moines, IA	Grand Rapids, MI	Average
Facility	Monona Terrace	Kalahari Resort	Frontier Airlines Center	Schaumburg	St. Paul River Centre	owa Events Cente	DeVos Place	-
Distance From Madison (miles)	-	54	79	147	270	292	325	194.5
Demographic Characteristics								
Metropolitan Area Population (2011)	575,000	173,000*	1,560,000	9,506,000	3,317,500	581,500	776,108	2,719,351
Rank	6	7	3	1	2	5	4	-
Median Household Income (2011)	\$56,000	\$47,009*	\$52,075	\$59,321	\$62,630	\$55,283	\$48,964	\$55,712
Rank	3	7	5	2	1	4	6	-
Hotel Supply Characteristics								
# of rooms within 1 mile of Convention Cent	1,035	756	2,862	474	1,377	1,694	1,411	1,373
Rank	5	6	1	7	4	2	3	-
Exhibit Space (SM/ SF)								
Exhibit Space	37,200	-	188,695	97,200	-	146,926	162,000	126,404
Ballroom	13,524	37,850	37,506	39,833	27,111	28,800	37,809	31,776
Meeting Room(s)	12,106	23,582	39,640	8,152	18,684	30,825	32,163	23,593
Total Function Space (SF)	62,830	61,432	265,841	145,185	45,795	206,551	231,972	145,658
Rank	5	6	1	4	7	3	2	-

*Includes the Counties of Columbia, Sauk, Adams, Juneau
 **Schaumburg Profiled. Chicago also has McCormick Place, Donald E. Stevenson, and hotels with significant meeting space
 Source: Relevant Facilities/CVB, Demographics Now, Johnson Consulting

Comparable Analysis: Mid-Market, Lower Tier

Key Characteristics of Lower Tier Mid-Size Markets						
Location	Madison, WI	Columbia, SC	Boise, ID	Tacoma, WA	Jackson, MS	Average
Facility	Monona Terrace	Columbia Metropolitan Convention Center	Boise Centre	Tacoma Convention & Trade Center	Capital City Convention Center	-
Demographic Characteristics						
Metropolitan Area Population (2011)	575,000	796,438	633,388	3,500,000	542,932	1,209,552
<i>Rank</i>	4	2	3	1	5	-
Median Household Income (2011)	\$56,000	\$47,399	\$49,768	\$61,639	\$42,978	\$51,557
<i>Rank</i>	2	4	3	1	5	-
Hotel Supply Characteristics						
# of rooms within 1 mile of Convention Cent	1,035	1,080	1,320	481	489	881
<i>Rank</i>	3	2	1	5	4	-
Potential Room Block @ 40% Participation	414	432	528	192	196	352
<i>Rank</i>	3	2	1	5	4	-
Potential Room Block @ 70% Participation	725	756	924	337	342	617
<i>Rank</i>	3	2	1	5	4	-
Potential Room Block @ 80% Participation	828	864	1,056	385	391	705
<i>Rank</i>	3	2	1	5	4	-
Average Distance from CC	0.4	0.6	0.5	0.1	0.2	0.4
<i>Rank</i>	3	5	4	1	2	-
Exhibit Space (SM/ SF)						
Exhibit Space	37,200	24,700	-	50,000	60,000	42,975
Ballroom	13,524	17,135	24,426	13,376	25,000	18,692
Meeting Room(s)	12,106	15,190	7,914	14,255	28,001	15,493
Total Function Space (SF)	62,830	57,025	32,340	77,631	113,001	68,565
<i>Rank</i>	3	4	5	2	1	-

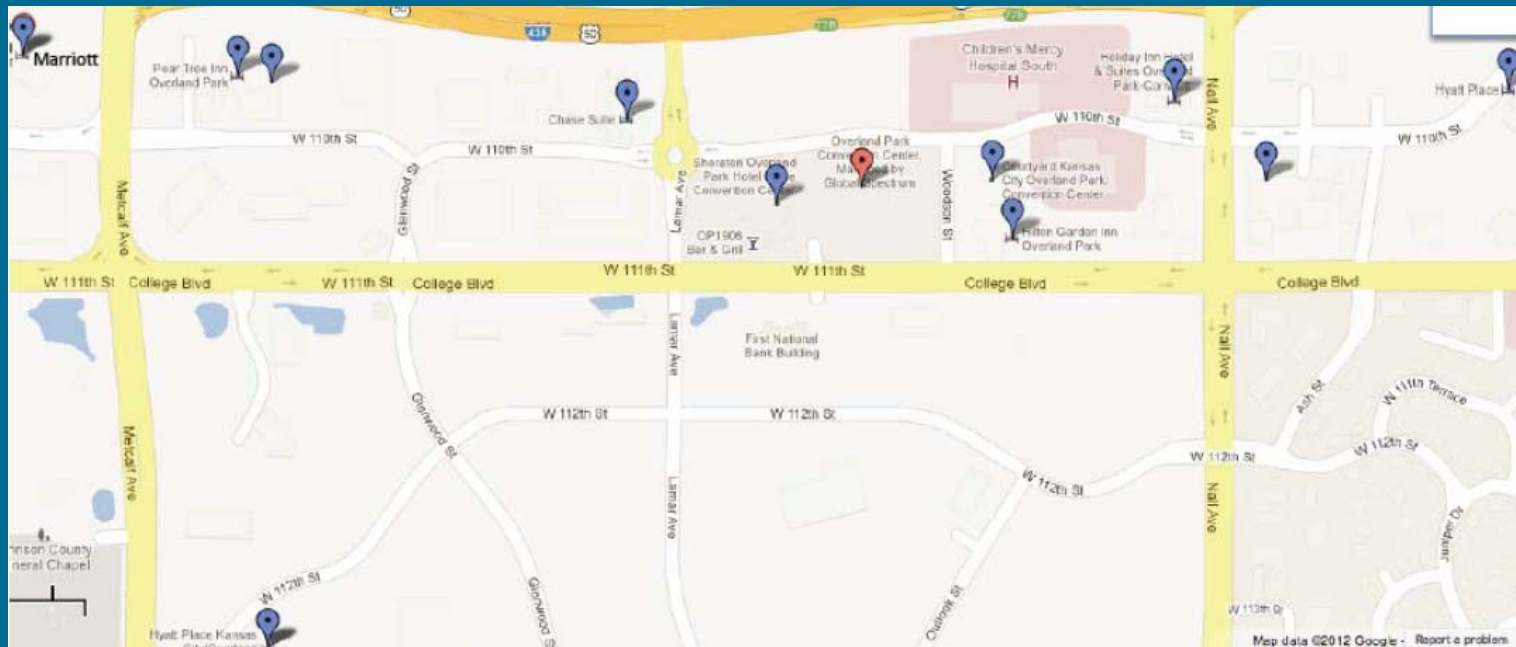
Source: Relevant Facilities/CVB, Demographics Now, Johnson Consulting

Comparable Analysis: Mid-Market, Upper Tier

Key Characteristics of Upper Tier Mid-Sized Markets						
Location	Madison, WI	Overland Park, KS	Providence, RI	Des Moines, IA	Grand Rapids, MI	Average
Facility	Monona Terrace	Overland Park Convention Center	Rhode Island Convention Center	Iowa Events Cente	DeVos Place	-
Demographic Characteristics						
Metropolitan Area Population (2011)	575,000	2,047,000	1,600,000	581,500	776,108	1,115,922
Rank	5	1	2	4	3	-
Median Household Income (2011)	\$56,000	\$54,244	\$53,000	\$55,283	\$48,964	\$53,498
Rank	1	3	4	2	5	-
Hotel Supply Characteristics						
# of rooms within 1 mile of Convention Cent	1,035	2,187	2,071	1,694	1,411	1,680
Rank	5	1	2	3	4	-
Potential Room Block @ 40% Participation	414	875	828	678	564	672
Rank	5	1	2	3	4	-
Potential Room Block @ 70% Participation	725	1,531	1,450	1,186	988	1,176
Rank	5	1	2	3	4	-
Potential Room Block @ 80% Participation	828	1,750	1,657	1,355	1,129	1,344
Rank	5	1	2	3	4	-
Average Distance from CC	0.4	0.6	0.3	0.5	0.3	0.4
Rank	3	5	1	4	1	-
Exhibit Space (SM/ SF)						
Exhibit Space	37,200	58,494	100,000	146,926	162,000	65,231
Ballroom	13,524	24,991	20,000	28,800	37,809	19,505
Meeting Room(s)	12,106	15,015	16,540	30,825	32,163	14,554
Total Function Space (SF)	62,830	98,500	136,540	206,551	231,972	147,279
Rank	5	4	3	2	1	-

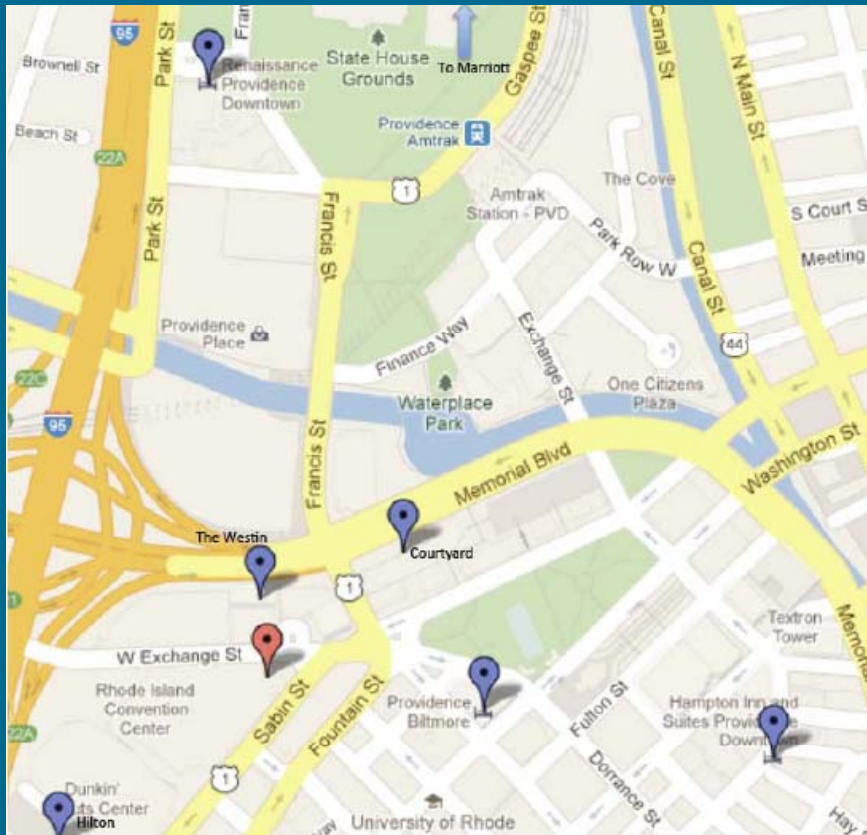
Source: Relevant Facilities/CVB, Demographics Now, Johnson Consulting

Overland Park, Kansas



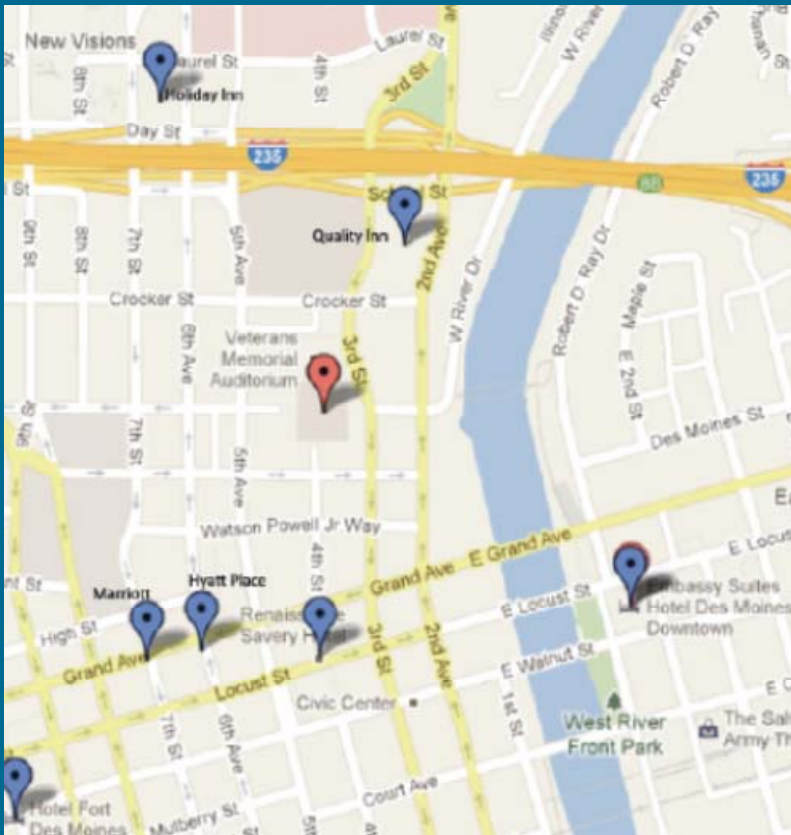
- Overland Park Convention Center
 - EXH 58,500 SF; BQT 25,000 SF; MTG 15,000 SF
- 2,187 hotel rooms within 1-mile radius from OPCC
- 1,067 hotel rooms within 0.5-mile radius from OPCC, most with shuttle services
- Sheraton Headquarters Hotel, 412 rooms, attached to OPCC

Providence, Rhode Island



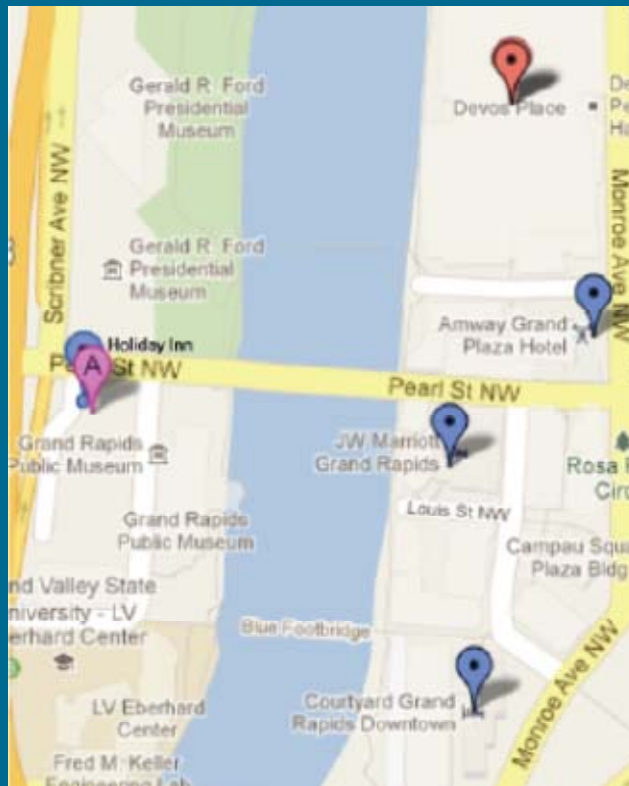
- Rhode Island Convention Center
 - EXH 100,000 SF; BQT 20,000 SF; MTG 16,500 SF
- 2,071 hotel rooms within 1-mile radius from RICC
- Westin Providence, 564 rooms, attached to RICC

Des Moines, Iowa



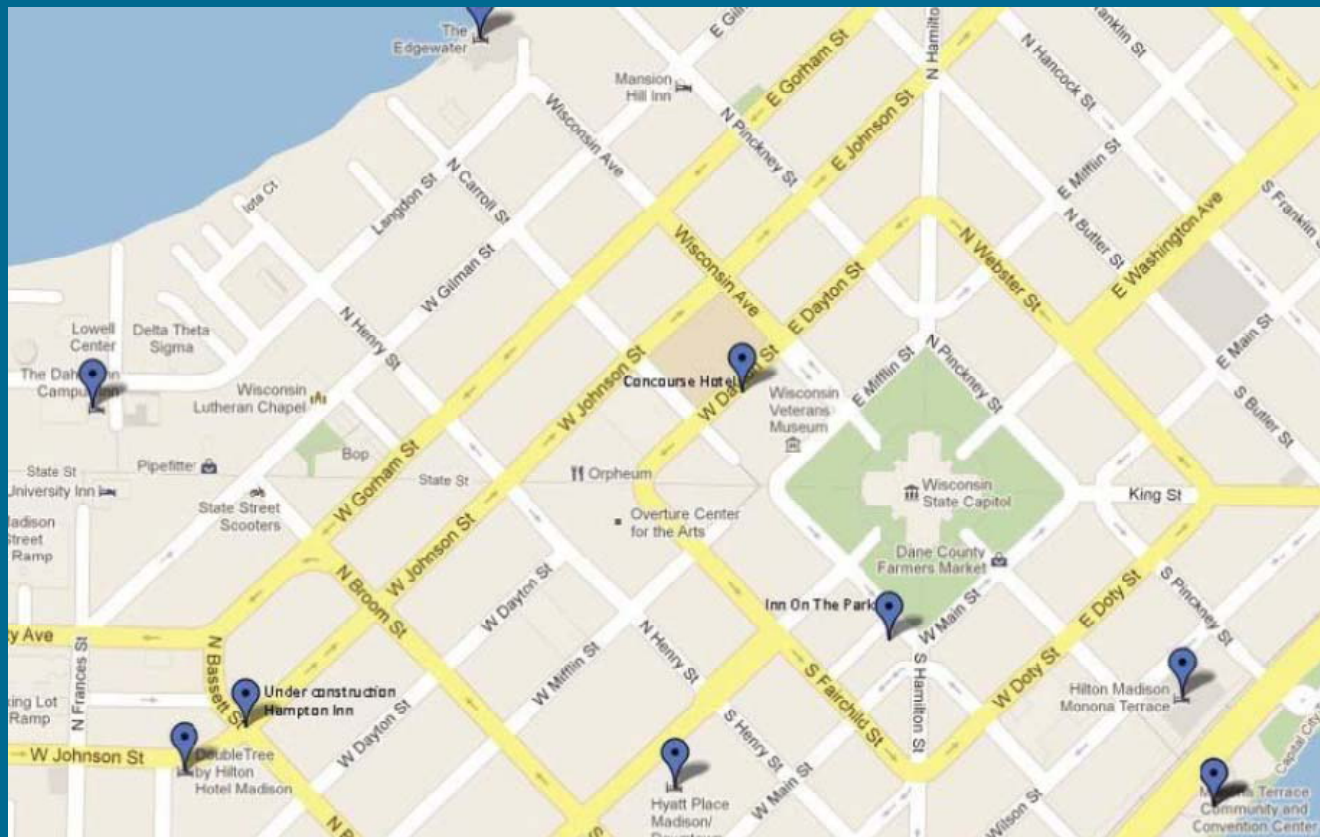
- Iowa Events Center:
 - Wells Fargo Arena
 - Hy-Vee Hall
 - Community Choice Credit Union Convention Center
 - EXH 146,900 SF; BQT 28,800 SF; 30,800 SF
- 1,486 hotel rooms within 1-mile radius from IEC
- Des Moines Marriott, 411 rooms, 0.4-mile from IEC

Grand Rapids, Michigan



- DeVos Place:
 - EXH 162,000 SF; BQT 37,800 SF; MTG 32,160 SF)
- 1,411 hotel rooms within 1-mile radius from DeVos Place
- Amway Grand Plaza Hotel, 411 rooms, connected to DeVos Place

Madison Hotel Market



- Monona Terrace
 - EXH 37,200 SF; BQT 13,500 SF; MTG 12,100 SF
- 1,035 hotel rooms within 1-mile radius from MT
- Closest is Hilton Madison, 240 rooms

Madison, Wisconsin
List of Properties as of December 2012

	Location	# of Rooms		Location	# of Rooms		
1	Madison Concourse Hotel	Madison	356	44	Super 8 Madison South	Madison	88
2	Hilton Madison Monona Terrace	Madison	240	45	Country Inn & Suites Madison	Madison	87
3	Sheraton Hotel Madison	Madison	239	46	Candlewood Suites Fitchburg	Madison	79
4	Crowne Plaza Madison	Madison	226	47	Campus Inn	Madison	74
5	Best Western Plus Inn On The Park	Madison	214	48	Extended Stay Deluxe Madison West	Madison	72
6	Howard Johnson Express Madison	Madison	197	49	Days Inn Madison Southeast	Madison	68
7	Hampton Inn & Suites Madison Downtown	Madison	194	50	Residence Inn Madison East	Madison	66
8	Best Western Plus InnTowner & The Highland Club	Madison	176	51	The Wisconsin Union Hotel Madison	Madison	60
9	Doubletree Madison Downtown	Madison	163	52	GrandStay Residential Suites Madison	Madison	53
10	Holiday Inn & Suites Madison West	Madison	157	53	Expo Inn	Madison	48
11	Radisson Hotel Madison	Madison	153	54	HotelRED	Madison	48
12	Hyatt Place Madison Downtown	Madison	151	55	University Inn	Madison	45
13	Comfort Inn & Suites Airport Madison	Madison	148	56	Budget Host Aloha Inn	Madison	39
14	Clarion Suites @ The Alliant Energy Center Madison	Madison	140	57	King's Inn Motel	Madison	38
15	Holiday Inn Madison @ The American Center	Madison	138	58	Capitol Motel	Madison	31
16	Hampton Inn Suites Madison West	Madison	132	59	Americas Best Value Inn Madison Mayflower	Madison	25
17	Fairfield Inn & Suites Madison East	Madison	130	60	The Spence Motel	Madison	20
18	Super 8 Madison East	Madison	130	61	Hotel Ruby Marie	Madison	15
19	Baymont Madison	Madison	129	62	AmericInn Madison Monona	Monona	61
20	Courtyard Madison East	Madison	127	63	Quality Inn & Suites Madison Fitchburg	Fitchburg	107
21	Best Western Plus East Towne Suites	Madison	122	64	Country Inn & Suites Madison Southwest	Fitchburg	69
22	Homewood Suites Madison West	Madison	122	65	Marriott Madison West	Middleton	292
23	Cambria Suites Madison	Madison	121	66	Courtyard Madison West Middleton	Middleton	136
24	AmericInn Madison West	Madison	120	67	Hilton Garden Inn Madison West Middleton	Middleton	133
25	La Quinta Inns & Suites Madison American Center	Madison	120	68	Residence Inn Madison West Middleton	Middleton	122
26	Hampton Inn Madison East Towne Mall Area	Madison	115	69	Fairfield Inn & Suites Madison West Middleton	Middleton	103
27	Red Roof Inn Madison	Madison	108	70	Staybridge Suites Middleton Madison West	Middleton	91
28	The Edgewater Hotel	Madison	107	71	Country Inn & Suites Madison West	Middleton	84
29	Extended Stay America Madison West	Madison	104	72	Holiday Inn Express & Suites Madison Verona	Verona	109
30	Magnuson Grand Hotel	Madison	102	73	Super 8 Madison South Verona Area	Verona	43
31	Best Western West Towne Suites	Madison	101	74	Baymont Inn & Suites Waunakee	Waunakee	38
32	The Fluno Center	Madison	100	75	Americas Best Value Inn Windsor Madison North	Windsor	55
33	Econo Lodge Madison	Madison	99	76	Days Inn Windsor Northeast	Windsor	54
34	Microtel Inn & Suites by Wyndham Madison	Madison	96	77	Water Tower Inn	Sun Prairie	64
35	Roadstar Inn Madison	Madison	96	78	Quality Inn Sun Prairie	Sun Prairie	62
36	Comfort Suites Madison	Madison	95	79	Super 8 Sun Prairie Madison East Area	Sun Prairie	58
37	Rodeway Inn & Suites Madison	Madison	94	80	McGovern's Motel & Suites	Sun Prairie	56
38	Baymont Madison	Madison	92	81	Comfort Inn & Suites De Forest	De Forest	79
39	Holiday Inn Express Madison	Madison	92	82	Holiday Inn Express Deforest Madison Area	De Forest	70
40	Motel 6 Madison North	Madison	91	83	Days Inn Stoughton	Stoughton	52
41	Staybridge Suites Madison East	Madison	90	84	Quality Inn & Suites Stoughton	Stoughton	50
42	Sleep Inn & Suites Madison	Madison	89	85	Karakahl Country Inn	Mount Horeb	76
43	Americas Best Value Inn Madison	Madison	88				
8,924							

Source: Smith Travel Research

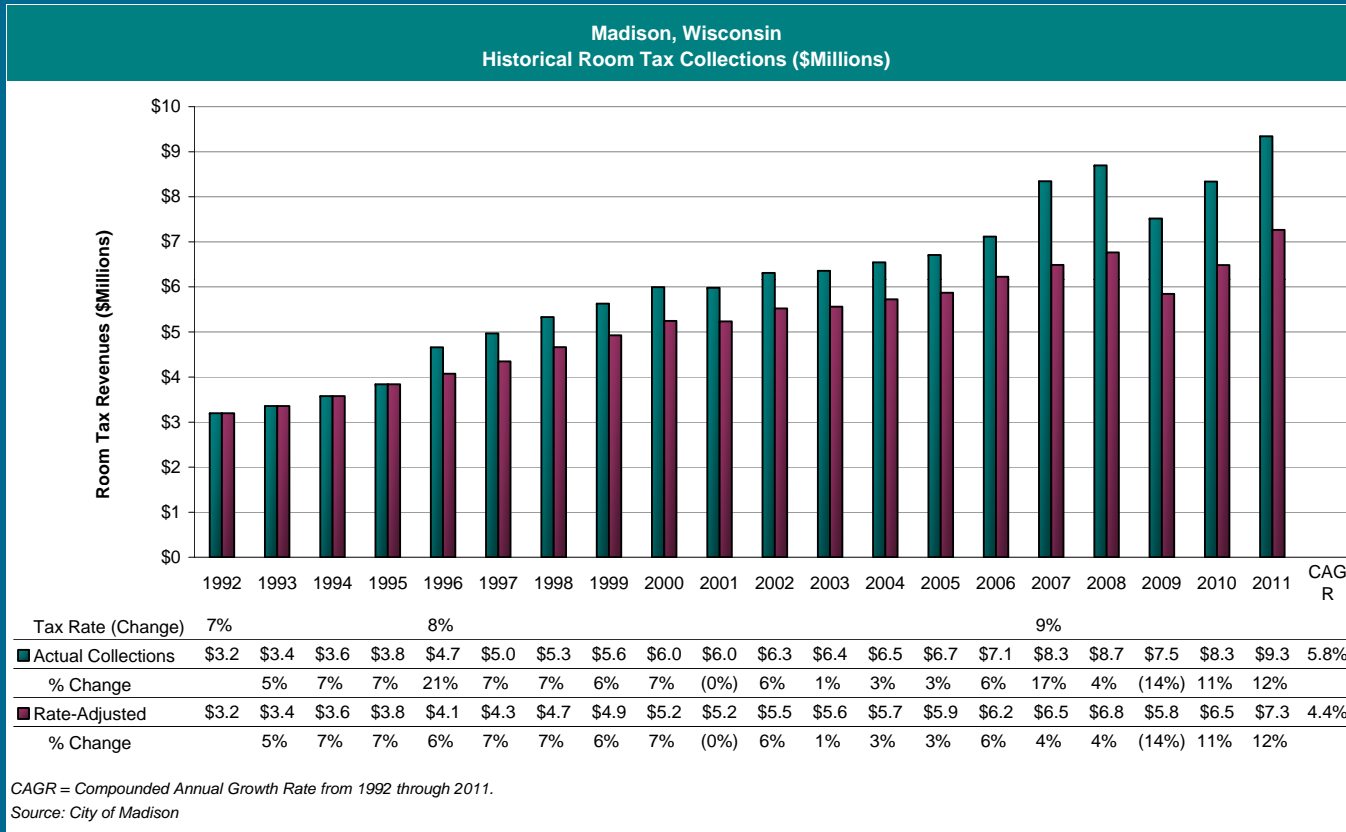
Madison Lodging Statistics

Madison, Wisconsin City-Wide Historical Lodging Statistics												
	RN Supply		RN Demand		Occupancy		ADR		RevPAR		Room Revenue	
	000	% Growth	000	% Growth	%	% Growth	\$	% Growth	\$	% Growth	\$Million	% Growth
2006	2,786	-	1,740	-	62.4%	-	\$84.01	-	\$52.45	-	\$146	-
2007	2,868	2.9%	1,725	(0.9%)	60.1%	(3.7%)	\$88.44	5.3%	\$53.19	1.4%	\$153	4.4%
2008	2,972	3.6%	1,773	2.8%	59.6%	(0.8%)	\$91.89	3.9%	\$54.81	3.0%	\$163	6.8%
2009	3,096	4.2%	1,607	(9.3%)	51.9%	(12.9%)	\$86.22	(6.2%)	\$44.76	(18.3%)	\$139	(14.9%)
2010	3,174	2.5%	1,790	11.3%	56.4%	8.6%	\$85.79	(0.5%)	\$48.38	8.1%	\$154	10.8%
2011	3,171	(0.1%)	1,940	8.4%	61.2%	8.5%	\$89.20	4.0%	\$54.56	12.8%	\$173	12.7%
CAGR*	2.6%		2.2%		(0.4%)		1.2%		0.8%		3.4%	

*CAGR = Compounded Annual Growth Rate 2006 thru 2011
Source: Smith Travel Research

- 85 hotels/ motels, offering 8,924 rooms

Madison Room Tax Collections



Competitive Set and National Comparables

Madison, Wisconsin List of Competitive Sets			
Competitive Set #1	# of Rooms	Competitive Set #2	# of Rooms
1 Campus Inn	74	1 Campus Inn	74
2 Hyatt Place Madison Downtown	151	2 Hyatt Place Madison Downtown	151
3 Hilton Madison Monona Terrace	240	3 Hilton Madison Monona Terrace	240
4 Best Western Plus Inn On The Park	214	4 Best Western Plus Inn On The Park	214
5 Madison Concourse Hotel	356	5 Madison Concourse Hotel	356
		6 Doubletree Madison Downtown	163
		7 Clarion Suites @ The Alliant Energy Center Madison	140
		8 Holiday Inn Express Madison	92
		9 Sheraton Hotel Madison	239
		10 Best Western Plus InnTowner & The Highland Club	176
Total # of Rooms	<u>1,035</u>	Total # of Rooms	<u>1,845</u>
Room block at 50%	518		923
Room block at 60%	621		na

Source: Smith Travel Research, Madison WI Convention and Visitors Bureau

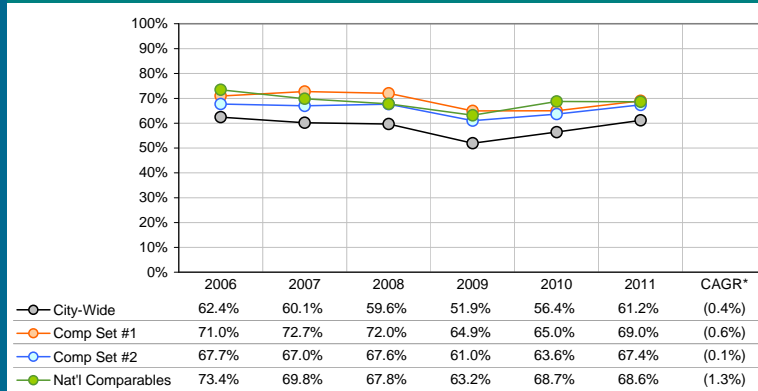
Madison, Wisconsin List of National Comparable Lodging Properties	
Competitive Set #1	# of Rooms
1 Renaissance Nashville Hotel	673
2 Hilton Omaha	600
3 Westin Providence	564
4 Marriott San Jose	506
5 Hilton Columbia Center	222
Total # of Rooms	<u>2,565</u>

Source: Smith Travel Research, Madison WI Convention and Visitors Bureau



Lodging Statistics Trends

Madison, Wisconsin
Historical Annual Occupancy 2006 thru 2011



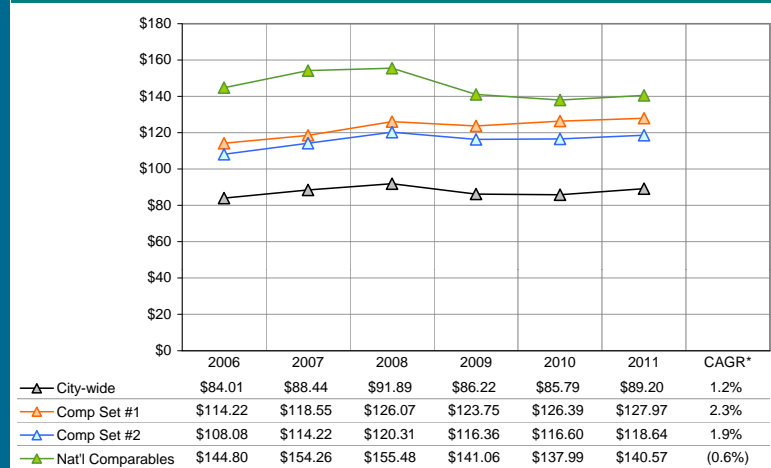
*CAGR = Compounded Annual Growth from 2006 through 2011.
Source: Smith Travel Research

Madison, Wisconsin
Historical Annual Revenue Per Available Room (RevPAR) 2006 thru 2011



*CAGR = Compounded Annual Growth from 2006 through 2011.
Source: Smith Travel Research

Madison, Wisconsin
Historical Annual Average Daily Rate (ADR) 2006 thru 2011



*CAGR = Compounded Annual Growth from 2006 through 2011.
Source: Smith Travel Research

- City-Wide
- Competitive Sets
- National Comparables



Monona Terrace

- Strengths
 - Well-known landmark building by a well-known architect
 - Well-managed
 - Popular and well-liked by attendees and residents
- Weaknesses
 - Too small for Madison
 - Insufficient hotel inventory in close proximity
 - Competing cities have larger convention facility and better hotel inventory
- Therefore, currently
 - MT mostly accommodates small- to medium-sized events
 - MT is losing larger events to better equipped destinations

Monona Terrace Events and Attendance

Monona Terrace, Madison, Wisconsin Summary of Event Demand						
	2007	2008	2009	2010	2011	% of Total
Banquets	275	274	233	231	210	37%
Meetings	213	238	193	206	207	32%
Conventions	30	33	28	26	30	4%
Conferences	38	49	40	36	32	6%
Consumer Shows	11	15	13	19	23	2%
Entertainment	33	27	26	30	30	4%
Community Events	72	69	76	61	82	11%
Community Meetings	19	23	23	13	16	3%
Total	691	728	632	622	630	100%

Source: Monona Terrace

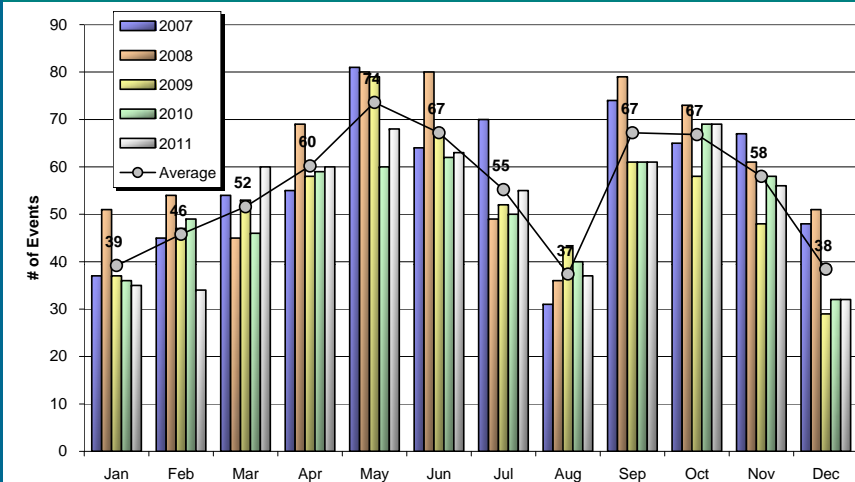
Monona Terrace, Madison, Wisconsin Summary of Actual Attendance						
	2007	2008	2009	2010	2011	% of Total
Banquets	32,287	44,061	51,174	54,530	49,805	26%
Meetings	18,006	26,956	31,811	33,023	36,535	16%
Conventions	15,119	18,232	17,241	30,242	31,151	13%
Conferences	6,013	9,138	9,918	10,659	9,725	5%
Consumer Shows	13,960	28,153	38,862	40,930	41,368	18%
Entertainment	1,542	7,060	15,279	13,457	9,045	5%
Community Events	28,572	28,610	24,759	30,608	35,345	17%
Community Meetings	197	185	381	252	327	0%
Total	115,696	162,395	189,425	213,701	213,301	100%

Source: Monona Terrace



Monona Terrace Seasonality

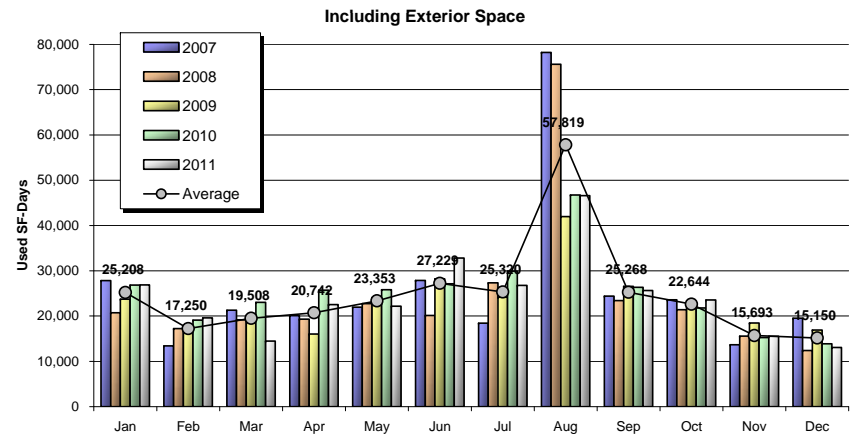
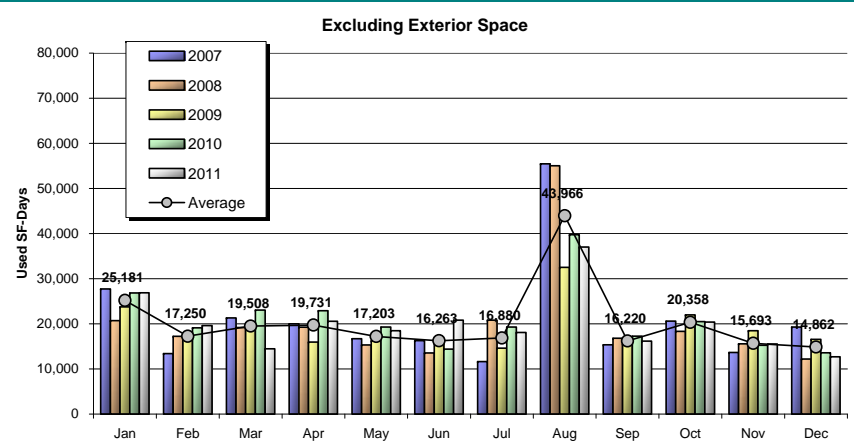
Monona Terrace, Madison, Wisconsin
Monthly Event Demand 2007 thru 2011



Source: Monona Terrace, Johnson Consulting

- Chart above is deceptive, because August is the busiest and most productive month.
- August events are significantly larger and longer than those in other months
- Strategy: to fill other months as closely to August as practically possible

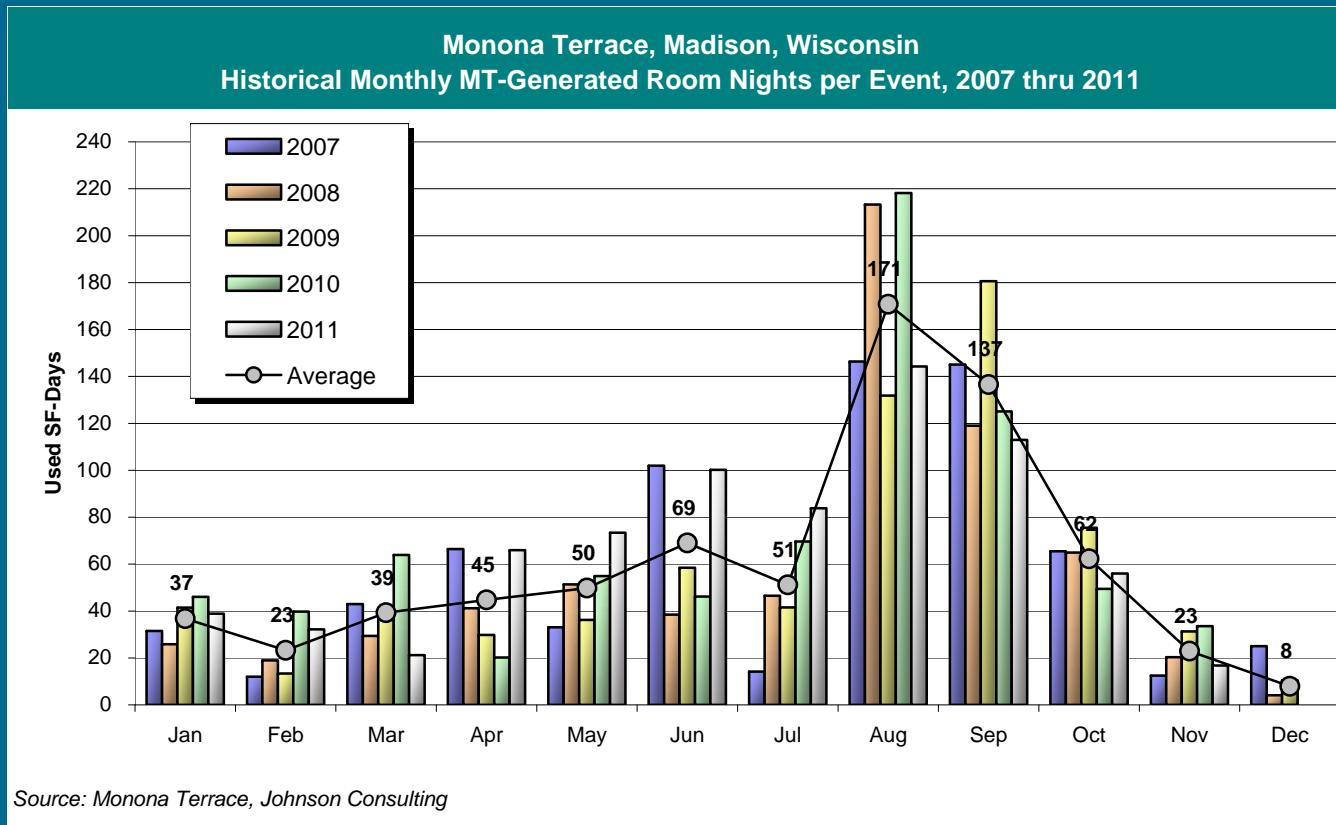
Monona Terrace, Madison, Wisconsin
Historical Monthly Utilized Square Foot Days per Event, 2007 thru 2011



Source: Monona Terrace, Johnson Consulting

Experts in Convention, Hospitality,
Sport and Real Estate Consulting

Convention Room Nights



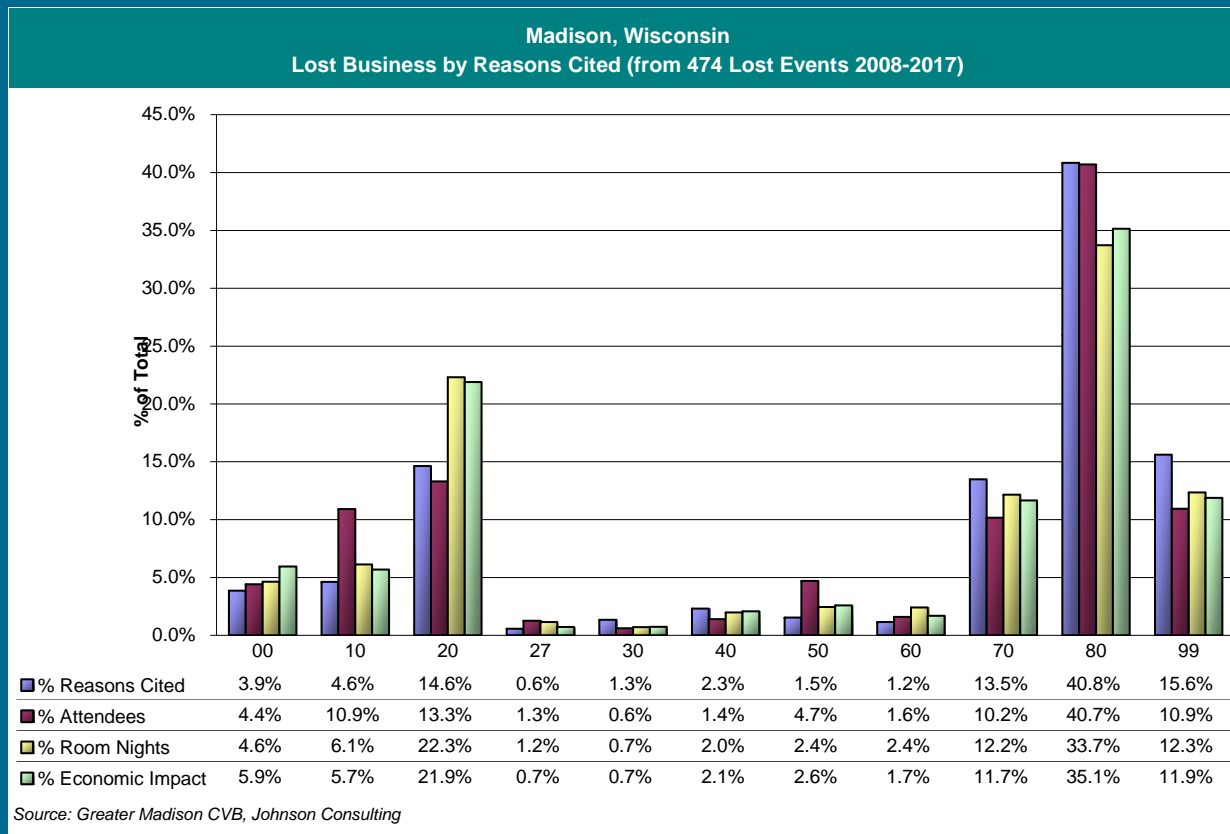
- August events generate more room nights than those of other months

Lost Event Business

Madison, Wisconsin Summary of Lost Convention/ Meeting Business						
Year	# of Events Lost	Attendance		Room Nights		Est. Economic Impact (\$Millions)
		# of Attendees	Average Attendees	# of Room Nights	Average Room Nights	
2008	13	12,010	924	4,760	366	\$3.6
2009	71	61,480	866	37,904	534	22.1
2010	97	66,050	681	83,683	863	37.3
2011	94	78,375	834	91,773	976	44.1
2012	94	116,531	1,240	111,988	1,191	54.2
2013	50	50,651	1,013	76,314	1,526	33.4
2014	29	58,420	2,014	36,156	1,247	18.8
2015	15	24,750	1,650	44,148	2,943	22.4
2016	9	15,510	1,723	34,575	3,842	15.4
2017	2	1,300	650	2,535	1,268	1.6
Total	474	485,077		523,836		\$253.0
<i>Average in 2010 and 2011</i>	96	72,213	756	87,728	919	\$41

Source: Greater Madison CVB, Johnson Consulting

Reasons Cited for Lost Event Business



- Loss Code Group 20 is hotel-related reasons
- Loss Code Group 80 includes specified other reasons such as demographics, area population, chose to remain in current facility or city, weather, considering Madison for different year, entire event canceled, client is unresponsive, lack of decision maker interest, geographic or rotation (beyond community's control to change/ improve)



Target Event Size for Monona Terrace

Madison, Wisconsin Lost Business by Peak Room Nights (2010 and 2011 Average)						
Peak Room Nights	# of Lost Events	# of Attendees	# of Room Nights	Est. Economic Impact		
1 - 100	33	6,013	4,483	\$2.7		
101 - 200	24	9,145	11,140	5.9		
201 - 300	13	7,035	9,769	4.8		
301 - 400	10	16,250	18,655	7.6		
401 - 500	9	10,475	11,358	6.5		
501 - 600	2	3,050	4,129	1.8		
601 - 700	3	5,770	13,301	3.7		
701 - 800	2	3,600	5,385	2.8		
801 - 900	1	1,375	2,958	1.5		
901 - 1,000	1	2,500	2,013	0.6		
1,001 or more	1	7,000	4,540	2.8		
Total	96	72,213	87,728	\$40.7		

Source: Greater Madison CVB, Johnson Consulting

Impact of HQ Hotel to Monona Terrace Events

Monona Terrace, Madison, Wisconsin									
Estimated Impact of New Headquarters Hotel to Monona Terrace Event Demand									
	Current Stabilized Year of Operation			w/ 300-Room HQ Hotel		w/ 400-Room HQ Hotel		w/ 500-Room HQ Hotel	
	2010	2011	Average Attendance	Incremental	Total	Incremental	Total	Incremental	Total
# of Events									
Banquets	231	210		(5)	216	(10)	211	(15)	206
Meetings	206	207		(10)	197	(15)	192	(20)	187
Conventions	26	30		10	38	15	43	24	52
Conferences	36	32		10	44	15	49	24	58
Consumer Shows	19	23		0	21	0	21	0	21
Entertainment	30	30		0	30	0	30	0	30
Community Events	61	82		0	72	0	72	0	72
Community Meetings	13	16		0	15	0	15	0	15
Total	622	630		5	633	5	633	13	641
# of Attendees									
Banquets	54,530	49,805	236	(1,200)	50,968	(2,361)	49,807	(3,500)	48,668
Meetings	33,023	36,535	168	(1,700)	33,079	(2,520)	32,259	(3,400)	31,379
Conventions	30,242	31,151	1,096	12,100	42,797	19,320	50,017	32,900	63,597
Conferences	10,659	9,725	300	3,300	13,492	5,280	15,472	9,000	19,192
Consumer Shows	40,930	41,368	1,959	0	41,149	0	41,149	0	41,149
Entertainment	13,457	9,045	375	0	11,251	0	11,251	0	11,251
Community Events	30,608	35,345	458	0	32,977	0	32,977	0	32,977
Community Meetings	252	327	19	0	290	0	290	0	290
Total	213,701	213,301		12,500	226,003	19,719	233,222	35,000	248,503
# of Incremental Room Nights				14,300		22,500		40,000	

Notes:

- Incremental events assume a 50% recovery rate from lost business.
- Incremental events are assumed to fill two high-impact events equally: conventions and conferences.
- Average attendance for incremental events reflects a 25% increase over stabilized year's average.
- Average room nights for incremental events are based on lost business statistics.

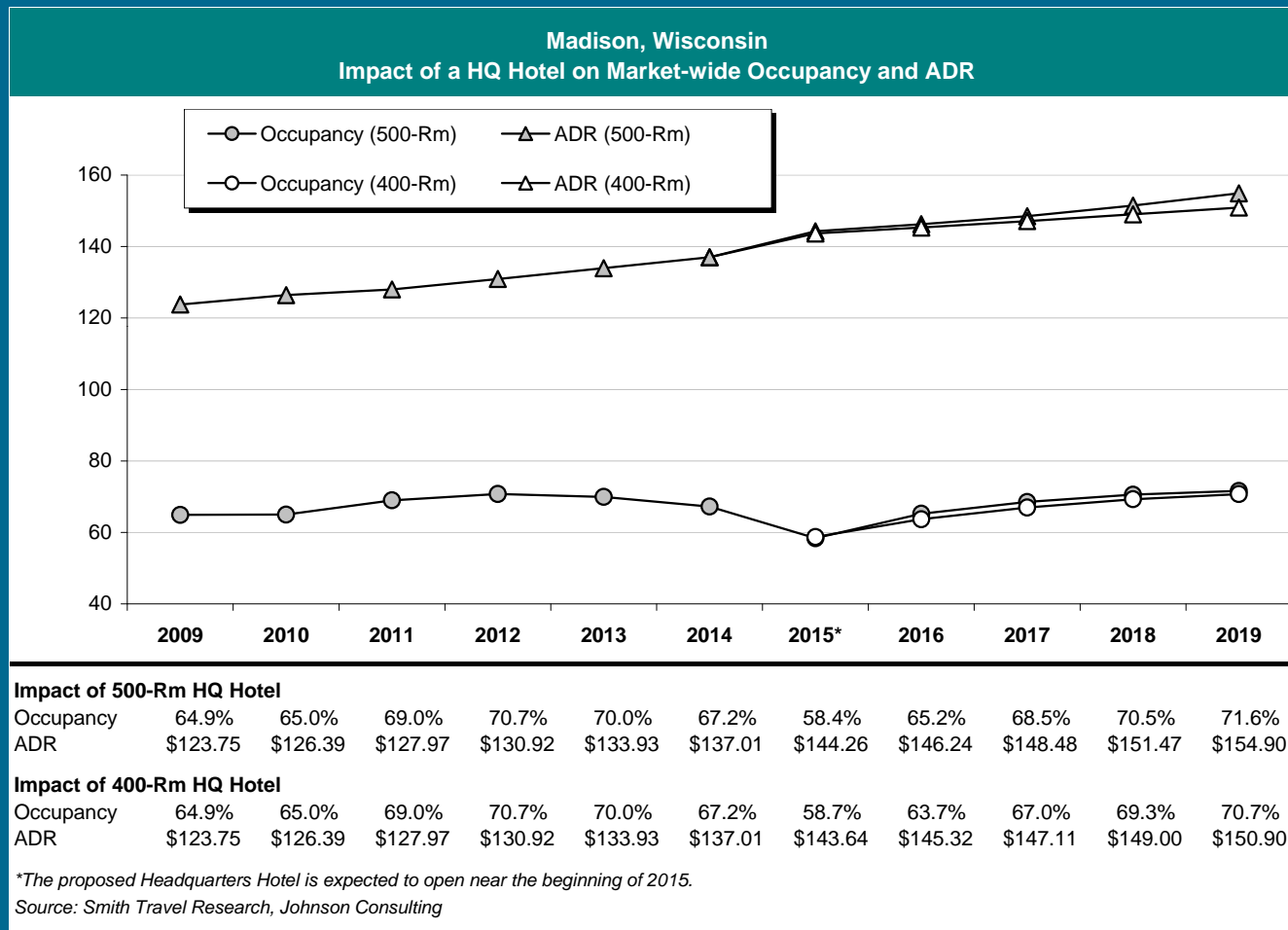
Source: Monona Terrace, Johnson Consulting

Impact of HQ Hotel to Monona Terrace Revenues

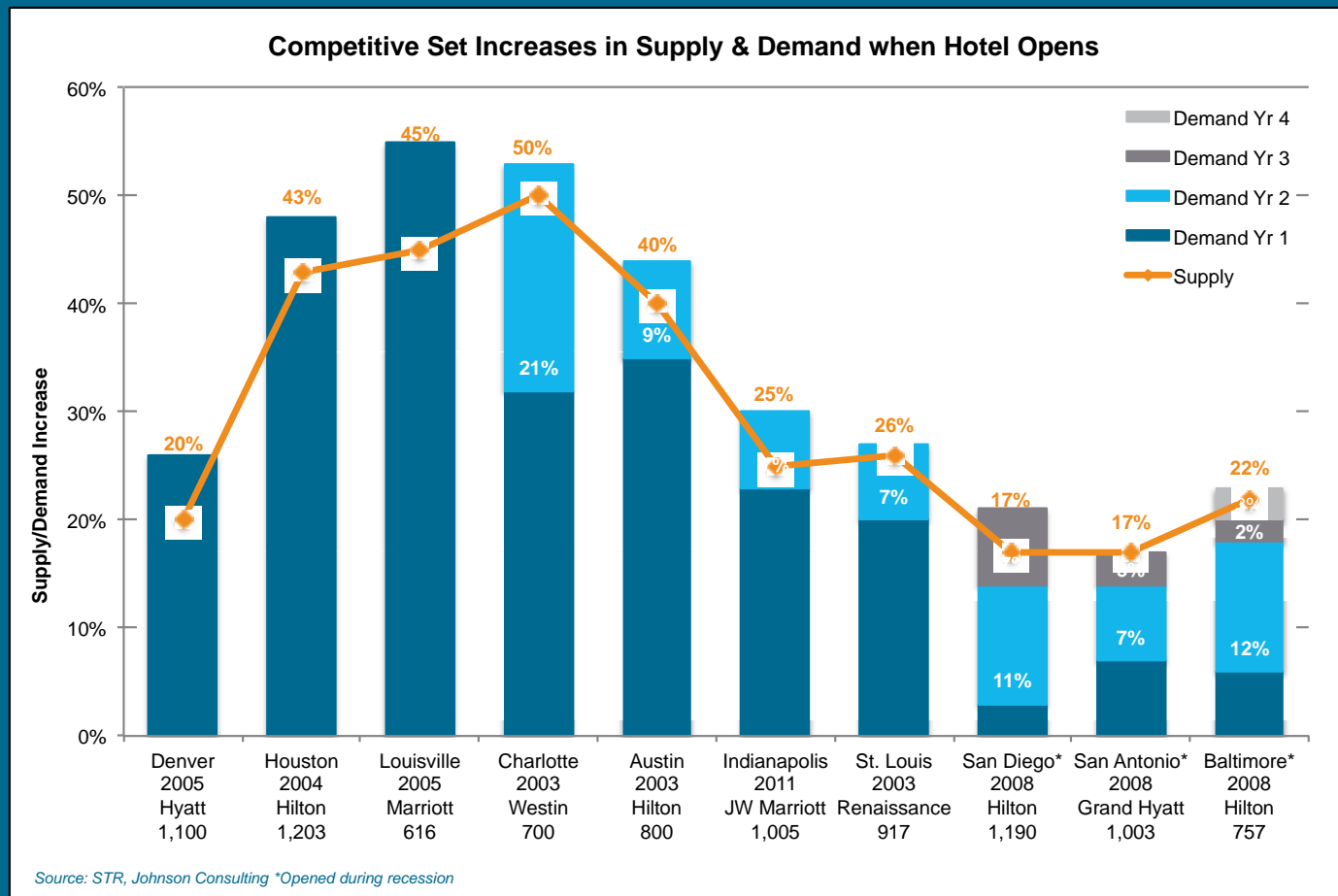
Monona Terrace, Madison, Wisconsin Estimated Impact of New Headquarters Hotel to Monona Terrace Events, Attendance, and Revenue									
	Current Stabilized Year of Operation			With 300-Room HQ Hotel		With 400-Room HQ Hotel		With 500-Room HQ Hotel	
	2010	2011	Average	Incremental	Total	Incremental	Total	Incremental	Total
# of Events									
Banquets and Meetings	437	417	428	(15)	413	(25)	403	(35)	393
Conventions and Conferences	62	62	62	20	82	30	92	48	110
All Others	123	151	138	0	138	0	138	0	138
Total	622	630	628	5	633	5	633	13	641
# of Attendees									
Banquets and Meetings	87,553	86,340	86,947	(2,900)	84,047	(4,881)	82,066	(6,900)	80,047
Conventions and Conferences	40,901	40,876	40,889	15,400	56,289	24,600	65,489	41,900	82,789
All Others	85,247	86,085	85,667	0	85,667	0	85,667	0	85,667
Total	213,701	213,301	213,503	12,500	226,003	19,719	233,222	35,000	248,503
# of Incremental Room Nights				14,300		22,500		40,000	
Monona Terrace Revenues (\$000)									
Event Revenue	\$3,914	\$3,921	\$3,919	\$461	\$4,375	\$734	\$4,648	\$1,267	\$5,181
Ancillary Revenue	247	243	245	9	257	15	262	26	273
Total	\$4,161	\$4,164	\$4,164	\$470	\$4,631	\$748	\$4,910	\$1,293	\$5,454

Source: Monona Terrace, Johnson Consulting

Impact of HQ Hotel to Market-Wide Lodging



Impact of HQ Hotel Development in Other Markets



- Majority of markets experienced greater demand than supply within 2 years of HQ Hotel opening
- The 3 properties that did not, opened during the height of the recession and were influenced by broader economic challenges in the industry

500-Room HQ Hotel Projections

Projected Market Demand Mix	
	2019
Commercial Transient	10%
Corporate Group	6%
Group related to Monona Terrace	37%
In-House Group	21%
Leisure Group	7%
Leisure Transient	19%
Total	100%

Source: Johnson Consulting

500-Room New Headquarters Hotel in Madison Operating Proforma			
	Year 1 2015	Year 5 2019	Year 10 2024
Occupancy Rate	63.1%	73.0%	73.0%
ADR	\$154.20	\$176.00	\$204.03
RevPAR	\$97.32	\$128.47	\$148.94
Revenues and Expenses (\$000's)			
Gross Revenues	\$24,857	\$33,882	\$39,279
Departmental Expenses	\$10,145	\$13,284	\$15,399
Departmental Operating Income	\$14,712	\$20,599	\$23,880
Undistributed Operating Expenses	\$6,686	\$9,521	\$10,998
Gross Operating Profit	\$8,025	\$11,078	\$12,882
Property Taxes	\$1,119	\$1,355	\$1,571
Insurance	249	339	393
Management Fee	746	1,016	1,178
Reserve for Replacement	646	881	1,021
Net Operating Income	\$5,266	\$7,486	\$8,718

Source: Johnson Consulting