



City of Madison

City of Madison
Madison, WI 53703
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Meeting Minutes - Approved ECONOMIC DEVELOPMENT COMMITTEE

Wednesday, March 4, 2009

5:00 PM

215 Martin Luther King, Jr. Blvd
Room 313 MMB (Madison Municipal Building)

CALL TO ORDER / ROLL CALL

Also Present: Matthew B. Mikolajewski, Manager of the Office of Business Resources, Peggy Yessa, Office of Business Resources, Timothy Cooley, Director of Economic Development Division

Present: 9 -

Mark Clear; Gabriel A. Sanchez; Joseph W. Boucher; Douglas S. Nelson; Peng Her; Victoria S. Selkove; Susan M. Gleason; Richard A. Slone and Edward G. Clarke

Absent: 1 -

Sandra J. Torkildson

APPROVAL OF MINUTES - February 4, 2009

A motion was made by Slone, seconded by Selkove, to Approve the Minutes.
The motion passed by voice vote.

PUBLIC COMMENT - None

- 1 [13820](#) Introduction of Tim Cooley, Director of the Economic Development Division
5:15 pm

Mr. Cooley introduced himself and said he had been on the job for only two weeks. He has had a great reception in Madison by the media, Alders and community. He will be reviewing the proposed TIF Policy changes and the Economic Development Plan in the near future.

ROLL CALL at 5:15 p.m., Ms. Torkildson now present.

Present: 10 -

Peng Her; Mark Clear; Victoria S. Selkove; Susan M. Gleason; Richard A. Slone; Sandra J. Torkildson; Gabriel A. Sanchez; Joseph W. Boucher; Douglas S. Nelson and Edward G. Clarke

- 2 [13094](#) THRIVE Presentation

Mr. Rafael Carbonell, Executive Vice-President of THRIVE filled-in for Jennifer Alexander as presenter.

He explained that THRIVE was launched in 2007 to grow the economy, promote the area, and enhance the quality of life in the region. Eighty-five percent of THRIVE's funding is from private sector businesses. THRIVE looks at how to grow, not if we are going to grow.

THRIVE has three target sectors it is focusing on: Agriculture, Biotechnology and Health Care.

Mr. Carbonell explained the need to increase regional sales and consumption of locally grown produce and THRIVE's "Growers to Grocers" program aims to take locally produce foods to area grocers. He also mentioned UW Provisions; one of the nation's largest food distributors is now working with local grocers to sell locally produced foods.

Mr. Carbonell said ten percent of the nations biotechnology companies are in this area. The gap in this industry sector is access to workers and capital. THRIVE is working with the UW Alumni association to connect alumni with local jobs. THRIVE is also part of a statewide coalition supporting Act 255 which would provide tax credits to investors who invest in high technology firms.

In the Health Care sector Mr. Carbonell explained there is a shortage of workers, in particular nurses. THRIVE has helped form a Nursing Collaborative to look at training and educational issues.

Mr. Carbonell also explained THRIVE is working on building a regional economic development culture. THRIVE holds quarterly meetings of the Regional Economic Development Professionals Network and supported the development of the Regional Principals of collaboration, which were adopted in December of 2008.

THRIVE annually publishes a State of the Madison Region Report. Ms. Gleason is THRIVE's lead on compiling thirty indicators of the regions economy into this report.

Another THRIVE publication is "Madison Region Assets and Opportunities Initiative" available on their website: www.thrivehere.org/assetsandopps
<<http://www.thrivehere.org/assetsandopps>>

THRIVE is currently working on developing a master list of eleven counties' submissions for federal stimulus money.

Chairperson Nelson asked how well all the areas are working together? Mr. Carbonell said everyone is learning to work with each other, and the region is moving forward with a series of baby steps.

Mr. Clarke commented that most federal funds are dispersed in a regional context and working together is important to be competitive for these funds.

Ms. Selkove asked how THRIVE decides where to focus its work?

Mr. Carbonell explained it is difficult and project selection is based on regional, positive impacts, economic quality and quality of life factors.

3 [13817](#)

Early Childhood Care and Education and Economic Impacts Report

Jolene Ibeling, Child Care Coordinator from the Office of Community Services, introduced Professor Steven Deller, the author of the "Early Childhood Care and Education: Economic Impacts in Dane County Report".

Mr. Clarke asked why this report came to the EDC?

Ms. Ibeling explained the City's Office of Community Services is reviewing how it is supporting the infrastructure of child care in the City and the role of child care in economic development. Professor Deller added there are many anecdotal stories about child care and this report quantifies the economics of child care.

Professor Deller delivered his PowerPoint presentation (attached in Legistar # 13817).

Ms. Selkove asked if the government subsidies to child care were factored in to the multipliers in this report?

Professor Deller said the total dollar amounts were factored in, not where the dollars came from.

Alder Clear asked if this report looked only at the direct economic impact of people employed in early childhood care?

Professor Deller said he only looked at the direct impact of early childhood care providers. He further explained that single parent households are growing, the number of commuters into Dane County is growing and the number of children under the age of six is growing. These three facts are issues in early childhood care and education.

Ms. Gleason asked if public subsidy is needed for early childhood care?

George Hagenauer, Associate Director at Community Coordinated Child Care (4-C), explained that public vouchers filled in the holes between market rates of child care and the cost of child care.

Mr. Slone asked what is the percentage of low-income people who get high quality child care?

Mr. Hagenauer said it is twenty-five percent. There are 4,000 children in low-income families in Dane County and 500 of them are in high quality child care.

Mr. Clarke appreciates the attempt to show the economic impact of early childhood care and education. He noted that the report focused on the economic contributions of ECE, which is the least important contribution of ECE. He added that ECE is a high-skill, low-wage industry and encouraged further study of ECE.

Professor Deller said this study is the start of the discussion on ECE and the

budget was zero.

Ms. Gleason encouraged him to think about ECE as an investment that pays off down the road.

Professor Deller said they would next pursue focus groups with area HR departments to learn more about ECE needs.

ROLL CALL: Alder Mark Clear left at 6:30 p.m.; a quorum was still present.

Present: 9 -

Peng Her; Victoria S. Selkove; Susan M. Gleason; Richard A. Slone; Sandra J. Torkildson; Gabriel A. Sanchez; Joseph W. Boucher; Douglas S. Nelson and Edward G. Clarke

Excused: 1 -

Mark Clear

4 [13561](#)

Accepting the recommendations contained in the Downtown Madison Hotel Feasibility Study prepared by Hunden Strategic Partners and dissolving the Downtown Hotel Feasibility Study Committee.

Mr. Mendoza explained the twenty-four page executive summary of the report does a good job. He said the City was approached by many parties to build another Downtown Hotel. A study was needed and was funded with room tax revenues.

Richard Slone represented the EDC on the Downtown Hotel Feasibility Study Committee.

Mr. Mendoza said the report validates what we suspected, that is, to further the success of Monona terrace more hotel rooms are needed close to Monona terrace. The report recommends 400 new, quality rooms with function space of its own. The report further suggested the new hotel be within 1200 feet of Monona Terrace and ideally to be physically connected to Monona Terrace.

Ms. Torkildson asked if national conventions are canceling at Monona Terrace and if there are any projections on groups canceling at Monona Terrace?

Jim Hess, Executive Director of Monona Terrace, responded that large convention groups are compressing their events but still having them. He said banks seem to be holding back on booking events. Monona Terrace hosts many educational events and biotech business events that are still booking events.

Mr. Slone said he was initially skeptical about a new downtown hotel but now realizes this is a slam-dunk, looking ahead two to three years. A new hotel is needed and it is a win-win situation.

Mr. Clarke was on the Hotel Room Tax Committee that made the point of how important the tourism industry is. He noted table 1-4 on page ten as critical, supporting the need to invest in this for Monona Terrace.

Mr. Cooley also noted another hotel and more conventions would benefit the local airport and promotes tourism which brings outside cash into the local

economy.

Ms. Selkove asked for the source of the data for the charts on page ten?

Deb Archer, President and CEO of the Greater Madison Convention and Visitors Bureau, said the chart is based on the conventions her organization bid on and lost to other cities.

Ms. Selkove suggested the source of the data be included in the report and asked about page 17.

Ms. Archer said fifty-nine percent of those surveyed said rooms were not available for their event.

Ms. Gleason asked what the budget for this study was.

Mr. Mendoza said it cost \$40,000.

Ms. Gleason asked what the occupancy rate of the Hilton is when no conventions are in town.

Ms. Archer said this information is proprietary. She noted often times her organization has to bargain with hotels to get blocks of rooms, which hotels can often charge higher corporate rates for rather than give them up for convention rates.

Mr. Clarke added the Hilton is a successful hotel.

Chairperson Nelson asked what the next step is.

Mr. Mendoza asked the EDC to accept the report and thanked Mr. Slone for his work on the committee and also Mr. Clarke for his past work on the Room Tax Oversight Committee.

Mr. Clarke asked about the difference between accepting the report and endorsing its recommendations?

Mr. Mendoza said accepting the report accomplishes that objective.

Mr. Mikolajewski noted the Legistar phrasing to accept the recommendations contained in the Report.

A motion was made by Richard Slone, seconded by Gabe Sanchez, to accept the recommendations contained in the Downtown Madison Hotel Feasibility Study prepared by Hunden Strategic Partners and dissolving the Downtown Hotel Feasibility Study Committee.

Mr. Boucher asked about the competing hotels across the Square from Monona Terrace?

Mr. Hess noted 400 rooms would be absorbed in the market in three years and Downtown Hotels are thriving.

Mr. Mendoza said he knows the Wisconsin Innkeepers Association will not support any City of Madison incentives, possibly TIF, to fund construction of a new downtown hotel.

A motion was made by Slone, seconded by Sanchez, to Return to Lead with the Recommendation for Approval to the BOARD OF ESTIMATES. The motion passed by voice vote/other.

5 [13505](#)

Discussion Regarding Possible Small Business Assistance

At their February meeting the EDC asked staff to check for data to help quantify the anecdotal stories about the local business climate and economy. Ms. Yessa was able to find some data to help quantify the condition of the local economy. Ms. Yessa explained the sales tax revenues for Dane County and the State of Wisconsin. She noted these revenues were not as low as the revenues in 2006, 2007 and 2008 for January and February. Form the Metropolitan Area Outlook indicates the highest unemployment forecast to be in 2010. Ms. Yessa also pointed out that Madison is ranked thirty-second nationally as a place to start a business.

Ms. Selkove said a public hearing for businesses to share their views and perhaps a survey of the local business climate would show the EDC is listening and cares about small business.

Mr. Cooley said he met with Alder Bruer, who wants to hold a meeting with businesses in his district. Other Alders are planning to do the same.

Mr. Clarke noted the Workforce Development Board is seeing an increase in layoffs in the area.

Ms. Gleason said THRIVE has purchased a database of employment information as of December 31, 2008 and would like to purchase an update in March 2009 to look for any trend in employment by business size and type.

She also noted THRIVE hears many positive things about the economy and asked how to highlight these? She thinks the EDC could play a role in this.

Ms. Torkildson said it is hard to get information from small business because they do not want their situation known. She thinks it is a good idea to keep track of the sales tax revenues. The small business conference would be a good place to gather data directly from businesses.

Mr. Her noted he hears many restaurants say their business is down 30-40% from last year. He agrees they do not want to share this type of information for fear of losing even more business. He thinks the real issue is how to get people to spend their money.

Mr. Sanchez calculated the drop in sales tax revenues from February 2008 to February 2009 is 22%.

Ms. Selkove said a survey to gather data anonymously could ask four or five key questions and some geographic information.

Mr. Her would like to ask "tell us how we can help you".

Mr. Cooley wants to meet with the neighborhood associations and the top 25 employers in Madison. The Alders are asking business people to talk about what can or should the City be doing? After his meetings he will report back

to the EDC.

Ms. Selkove said the EDC would like to be involved, perhaps as a co-sponsor of the Alders meeting.

Ms. Gleason noted the planning councils are another group to be contacted. The Northside Planning Council represents twenty neighborhoods.

Mr. Mikolajewski has noticed people need to be encourage to get out and support businesses. Ms. Gleason noted the recent backlash to Oprah Winfrey telling people to not go out to eat.

Mr. Mikolajewski said the media could encourage people to go out.

Chairperson Nelson said it is important for the EDC to find ways to help and to co-sponsor the alders meetings with businesses.

Ms. Selkove suggested the EDC reach out via a letter or email to the business community inviting them to give their input to the EDC.

Chairperson Nelson said a type of open mike night at the EDC might be an option.

6 [13499](#) Update on Economic Development Work Plan

Mr. Mikolajewski said it was re-referred to the Council for their March 31 meeting.

7 [13496](#) Update on the Small Business Conference

Mr. Mikolajewski said the conference will be May 12, with the first email notifications going out around March 16 and a website to follow.

Ms. Torkildson asked if the focus is on how a business could survive in hard times.

Mr. Mikolajewski said the four sessions: green business practices, finance, high impact entrepreneurship, and human resources would cover this.

Mr. Clarke mentioned the work he is doing with small manufacturers who are losing sales to their traditional buyers. They are being encouraged to work with the Small Business Procurement Center to sell their good to the government.

8 [13149](#) Update on Status of TIF Policv (Legistar #11531)

Mr. Mikolajewski explained this was also re-referred to the March 31st Council meeting.

INTRODUCTION OF FUTURE TOPICS FROM THE FLOOR

Mr. Clarke would like to have information about the federal stimulus funds that are coming to the City of Madison.

Ms. Gleason announced she is leaving the EDC, and the April meeting will

be her last EDC. She has served on the EDC for six years. She will bring in treats.

ADJOURNMENT

Chairperson Nelson adjourned the meeting at 7:20 pm.