



July 7, 2020

Dear Room Tax Commission Members:

We recognize these are hard times for our city, state and country and we thank the Room Tax Commission for your service to the community as you debate the tough decisions you must make. We have all reduced expenses, laid off staff and braced ourselves for the short term economic downturn followed by a multi-year recovery. We understand the Room Tax Commission must decide how to allocate a room tax fund that by city estimates will be 50% less in 2020, and 25% less in 2021. Most recipients of this room tax have at least some reserve funds, some are much larger than others.

We ask for your strong support to protect the community's investment in Monona Terrace Community and Convention Center. Room Tax funding has been an integral part of our financial base since construction in the 1990s. We respectfully request that with cuts coming to all recipients of the room tax, Monona Terrace receive the same equitable level of support budgeted for 2020, adjusted for the shortfall. This is the most fair and reasonable solution during these times of hardship for all.

The investment in Monona Terrace generates an average of \$33 million dollars in economic impact from conventions and conferences each year that helps feed the room tax, attracting visitors from Wisconsin, and beyond. Frank Lloyd Wright and his world renowned legacy draw local, state and international visitors.

Separate from the support we receive from Destination Madison for larger conventions that we know are not likely to occur in large numbers until Wisconsin's projected economic recovery happens (now targeted for 2025 according to the Wisconsin Fiscal Bureau analysis), Monona Terrace staff also books 400 to 500 state and local events each year. These are a major revenue stream for our budget and our community. Monona Terrace is the short term business booking engine, and the bridge between now and when the larger national and international conventions are projected to return to the industry and therefore Madison.

Local and State events will be the first events to return to our region. Monona Terrace is currently actively securing important future business that will help lift our economy. For example, to date for 2021, we already have 217 events on the books including 54 conventions and conferences, and 93 banquets and weddings. Monona Terrace won't be able to continue to generate this important future business that is booking now, without an adequate investment now.

We serve an important role connecting these businesses and industries who meet at our facility to advance their important work in medicine, sciences, technology, finance, agriculture, and the environment, which will be even more vital in the pandemic recovery economy.

As a benefit to our community we continue to serve its future, doing all we can with limited resources. Like other businesses and organizations, we've made drastic and unsustainable cuts to our operating budget expenses totaling over \$2.2 million dollars. We've also redeployed 28 staff to other City of Madison agencies, have left 8 positions vacant, and furloughed 23 employees through the workshare program.

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The entirety of our \$1.9 million reserve fund will be exhausted to help balance the 2020 budget. As prudent stewards during these tough fiscal times, we also plan to use \$750,000 in capital reserves to help balance our 2020 operating budget. We will have few capital dollars left should we have to deal with an unexpected expense to our building. Significant maintenance and improvements to Monona Terrace are being deferred. This will bring the total Monona Terrace reserves used during this pandemic crisis to \$2.65 million. The 2020 budget gap we are striving hard to close currently stands between \$350,000 and \$500,000.

Despite these very current challenges, Monona Terrace is fulfilling our promise to be both a convention and community center. Since inception, our mission drives three key mandates: To be a catalyst for economic activity, a community gathering place and a tourist destination for the City of Madison, Dane County, and the State of Wisconsin.

Our ability to continue to perform these important roles and maintain our operations rests heavily on your consistent financial support and an equitable and fair distribution of reduced available room tax funds for 2020, 2021 and likely beyond for the next few years. We respectfully ask your consideration for a sustained investment in Monona Terrace at current levels, adjusted for the shortfall. Your support will help us continue our investment in our community and it will pay tremendous dividends for our local economy and our community as we navigate this recovery.

Thank you in advance for your consideration.

Sincerely,

M Alice O'Connor
Monona Terrace Board Chair

Judy Karofsky
Monona Terrace Board Vice-Chair

Jim Ring
Monona Terrace Board Secretary