



September 11, 2020

Dear Room Tax Commission,

Thank you for your consideration as you again begin the difficult process of allocating room tax funds that have been severely depleted due to the pandemic. We are grateful for your support and we ask you again to prioritize Monona Terrace as you make decisions for 2021.

COVID-19 has had a truly devastating impact on Monona Terrace, as it has on the entirety of our tourism industry and our local and national economies. With nearly 300 events canceled this year, our facility has been forced to make drastic, severe, and unsustainable cuts to our operating and capital budgets. Despite these cuts, we have been pressing on with fewer resources, focusing our energy and efforts on securing important future business so that we can help lead our local economy out of this dire situation.

As we look to next year, it's hard to completely anticipate the road ahead. In accordance with forecasts, we are anticipating business coming back to the convention center in 2021—slowly for the first third of the year, and then growing from there. As of right now we have 235 events on the books for 2021 including 53 conventions and conferences, and 107 banquets and weddings. This is important business that will help support our facility, our hoteliers, restaurants, and other local businesses that desperately need the influx of tourism dollars.

However, hosting these events will be challenging to say the least, in light of the untenable cuts we've had to build in to the 2021 budget we recently submitted to the City. Due to the COVID-19 pandemic, our anticipated revenues are over \$1.0 million less than what was submitted for our 2020 budget. Our capital budget for 2021 has been cut 52%, from the \$830,000 submitted last year to \$397,500. Our 2021 operating expense budget has been cut 18% from the originally budgeted 2020 amount of \$9.3 million to \$7.6 million. Additionally, the entirety of Monona Terrace's \$1.9 million in reserve funds will be used in 2020.

These are unprecedented times for Monona Terrace as we forge ahead to 2021. If our business comes back as anticipated next year, we will have some additional challenges in fulfilling our mission of delivering an exceptional and inspirational customer experience with far fewer resources. We are still committed to providing the same unparalleled service, but we will need to be extremely creative in doing more with less and your support is critical to our success.

With our submitted budget for 2021, we are anticipating not filling the 10 open positions we currently have, which is an 18% reduction in permanent staff positions. Additionally, we currently have 23 staff redeployed to other City agencies, but we will need them next year when business returns. We cannot generate this crucial future business and effectively host these important revenue generating events in 2021, without sufficient funding of our operations next year.

The City's room tax was increased in the early 1990's to primarily subsidize the construction and ongoing operation of Monona Terrace. I know you face difficult choices in dispersing these limited funds and I ask you again for your strong support of our ongoing operations so that we can continue to fulfill the promise that was made to this community when Monona Terrace was built—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..

Sincerely,

Connie Thompson
Executive Director

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