



MONONA TERRACE COMMUNITY AND CONVENTION CENTER

ONE JOHN NOLEN DRIVE MADISON, WI 53703 TEL 608 261-4000 FAX 608 261-4049

DATE: May 19, 2021

TO: Monona Terrace Finance Committee

FROM: Connie Thompson, Executive Director

SUBJECT: **CAPITAL BUDGET 2022**

Attached is the information packet for Monona Terrace's 2022 Proposed Capital Budget.

This Capital Budget for 2022 is consistent with the 10-year Capital Improvement Plan developed by staff. The 10 year plan is reviewed and updated annually by staff and is attached for your review. The Hotel Room Occupancy Tax and our operating revenues fund Monona Terrace debt service, and Monona Terrace operating and capital budgets. Per the direction of City Finance, Monona Terrace was given the task of reducing our capital budget requests for the years 2021 – 2024, due to the Room Tax fund being greatly diminished because of the COVID-19 pandemic, and the corresponding reduction in hotel stays. This will definitely result in less funding for Capital, and Operating budgets for the foreseeable future.

The marketability and competitiveness of Monona Terrace as a physical asset is an essential element to our success. There are many convention centers and hotels across the country that our customers can choose from. The 2022 Capital Budget will continue to prioritize replacement of obsolete or dated equipment and finishes. Competition for business is fierce and only those convention centers well maintained, and enhanced to meet current demands of the market will be successful. Additionally, with virtual meetings becoming more popular due to the pandemic, equipment can be purchased to capitalize on that segment of the market, and allow us to offer additional services to clients.

The Finance Committee should keep in mind that there is an upcoming 10 year renovation scheduled for 2023 and 2024. The City of Madison has previously voiced their concerns about their ability to pay for these improvements due to lack of funds.

Below is a description of each attachment.

Attachment #1 2021 Capital Projects

Funding of \$397,500 was approved by the Monona Terrace Board in June 2020, and then approved by the Common Council in November.

Attachment #2**2022 Capital Budget**

The projects are outlined in the attached document for your review. Some of the highlights are as follows:

Building and Building Improvements

Replacing tiles on Olin Terrace
Building Audio System upgrade
Landscaping Upgrades
Exterior Building Cleaning
Replacing Airwalls in the Ballroom and Exhibition Hall
Continuing to re-caulk Building Seams

Machinery and Other Equipment

Replacing Cabaret tables and 4 foot round tables
Replacing Heat Exchanger
Chariot I-Vac (Riding Vacuum)
Aqua Ride (Carpet Extractor)
Upgrading Battery backup for devices at end of life

Thank you for taking the time to review the attached information.



Total Adopted Capital Budget for 2021	\$ 397,500
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2022 Requested Capital Budget

Attachment 2

BUILDING and BUILDING IMPROVEMENTS	Requested Budget
Tile project (Olin Terrace)	100,000
Building Audio System upgrade	130,000
Landscaping Upgrades	40,000
Exterior Building cleaning	25,000
Airwalls – Ballroom and Exhibition Hall	540,000
Re-caulk Building Seams	150,000
Replacement of supported tiles on Olin Terrace	200,000
Total - Building and Building Improvements	1,185,000

MACHINERY AND OTHER EQUIPMENT	Requested Budget
Cabaret tables and 4 foot round tables	40,000
Heat Exchanger	85,000
Chariot I-Vac	20,000
Aqua Ride	20,000
Battery backup for devices at end of life	50,000
Total - Machinery and Other Equipment	215,000

Total Requested Capital for 2022	\$ 1,400,000
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