



City of Madison

City of Madison
Madison, WI 53703
www.cityofmadison.com

Meeting Minutes - Approved MONONA TERRACE COMMUNITY AND CONVENTION CENTER BOARD

*Consider: Who benefits? Who is burdened?
Who does not have a voice at the table?
How can policymakers mitigate unintended consequences?*

Thursday, February 18, 2021

4:00 PM

via Virtual Meeting

CALL TO ORDER / ROLL CALL

Present: 10 - Michael E. Verveer; M. Alice O'Connor; Mark J. Richardson; Aureliano Montes; Andrea R. Nilsen; Steven Peters; Judith F. Karofsky; Glenn R. Krieg; Eric A. Rottier and James Ring

Absent: 1 - Brent McHenry

Excused: 1 - Jane Richardson

APPROVAL OF MINUTES

A motion was made by Karofsky, seconded by Krieg, to Approve the Minutes. The motion passed unanimously.

PUBLIC COMMENT

1. [64237](#) 3 minutes per comment

None.

DISCLOSURES AND RECUSALS

Glenn Krieg and Mike Verveer are both members of the Room Tax Commission, Alice O'Connor and Mike Verveer are both members of the Monona Terrace Booking Assistance Advisory Committee

PRESENTATIONS

2. [64211](#) Hotel and Meeting Space Demand Study: Jorge Cotte, Senior Director, Brian Harris, Senior Director, and Tom Hazinski, Managing Director, HVS

Attachments: [HVS_execsum.pdf](#)

HVS presented a high-level look at the findings of their study. In a comparative analysis with competing venues they found that Monona Terrace is at a size disadvantage statewide and nationally. Regionally, even smaller Wisconsin towns have larger venues than Madison does.

They determined that there are 12 primary hotels that support Monona Terrace.

These hotels have had occupancy rates of 70% consistently since recovering from the 2008 recession, along with a steady increase in ADR. This is an indication that the hotel market was very healthy. HVS projects demand to return to pre-COVID levels by 2023 restoring the hotel market. Additionally, there are 3 hotel properties in planning stages that will add approximately 500 room nights in support of Monona Terrace.

In a survey sent to event planners, they identified the deterrents to booking at Monona Terrace and Madison include lack of air access, parking and transportation options, and overall cost of the destination. The strengths included entertainment and recreation opportunities and dining options, along with the quality of function spaces. Planners were asked to choose 5 of their most important criteria when choosing a meeting venue. 78% indicated that availability of facility event space was most important criteria. The survey showed almost all of the planners want hotels within walking distance, with rooms under one roof, in upscale brands. When asked if they would be interested in booking at Monona Terrace given the development of a headquarters hotel and an expansion, 65% said they would be likely or very likely. This potential 65% represent 155 events and 150,000 attendees.

In examination of MT operations they found the biggest reason for lost business is lack of available dates. Lack of function space was also high on the list. The lost business represents the large events with the highest amount of attendees who currently cannot find dates or cannot fit in Monona Terrace.

HVS recommends a 42,250 sq. ft. expansion. This undertaking should be considered in parallel with the development of Law Park and the Nolen waterfront. An expansion will allow MT to host larger events and host more events at the same time. They project an increase of approximately 150 events annually, representing 77,500 attendees and 19,000 room nights.

Financially, an expansion could reduce operating losses by 20% and could increase Economic Impact in Madison by \$32.7M. It would potentially increase the room tax fund by \$480,800 and provide an additional 290 jobs in Madison.

HVS concluded that the project is worthwhile. They think the city should consider how this can be done in conjunction with the Law Park and Nolen waterfront development.

3. [64213](#)

Introduction to New Destination Madison CEO and 2020 Year-End Report: Ellie Westman-Chin, President and CEO, Diane Morgenthaler, Executive Vice President, and John Leinen, Vice President of Convention Sales and Services, Destination Madison

Attachments: [DM_2020YE.pdf](#)

Industry recovery has been the priority for Destination Madison (DM), with active engagement with Public Health, work on reputation management, safety and resident sentiment. Additionally, staff continues to pursue Cares Act and grant funding.

Hotel occupancy for 2020 did pick up a little in the summer but was significantly lower due to COVID. Recent research says that most American Travelers anticipate getting vaccinated by June of 2021. Possibly due to this,

there has been a noted increase in travel planning for June and the following months. Corporate travel is expected to pick up toward the fourth quarter of the year.

DM is marketing the ongoing efforts Madison is taking to protect safety and comfort of visitors. They are focusing on regional and state meeting clients.

2020 had 93 cancelled events with a direct spending impact of \$56.4M. DM launched marketing campaigns to support masking, shopping local, staying home/safe and outdoor activities. They also worked designing virtual experiences with business partners in Madison.

NEW BUSINESS

4. [64215](#) Sound Production and Lighting, LLC Contract Amendment: Bill Zeinemann, Associate Director Marketing and Event Services

Attachments: [SPL_contractamendment.pdf](#)

A motion was made by Krieg, seconded by Karofsky, to approve Sound Production and Lighting, LLC Contract Amendment. The motion passed unanimously.

5. [64219](#) Finance Subcommittee Report: Glenn Krieg, Committee Chair
A. 2022 Base Room Rental Fees and 2022 Guest Price List for Equipment and Services

Attachments: [2022GuestPrice.pdf](#)
[2022BaseRental.pdf](#)

A motion was made by Karofsky, seconded by Rottier, to approve the 2022 Base Room Rental Prices and Guest Price List for Equipment and Services. The motion passed unanimously.

DISCUSSION ITEMS

6. [64221](#) Room Tax Commission Report: Glenn Krieg and Mike Verveer, Commissioners

The fund for 2020 is projected to be down 68% in collections from 2019. In September, the allocations made by the commission were based on higher room tax revenue projections. Fortunately, several of the recipients have received grants and CARES funding in the meantime. DM and Overture have gotten significant sums, but Monona Terrace, as a municipal facility, does not qualify to apply for many of the grants and programs out there.

There is hope for municipalities because there is legislation in congress to fund cities. If it passes, Madison could receive as much as \$46M with allowance to use the funding for revenue replacement. The room tax fund deficit would qualify for revenue replacement in this scenario and could potentially be made whole. Without Federal intervention; however, the Room Tax Commission will have to reduce allocations by as much as 33% at their next meeting in June.

7. [64223](#) Monona Catering Year-End Report: Wendy Brown Haddock, General

Manager

Attachments: [mcrpt_2020YE.pdf](#)

Monona Catering revenue for 2020 was approximately 81% less than 2019. Lake Vista had a poor year opening late and closing early in the season. LVC revenues were down 90% from 2019.

Looking ahead, the first quarter revenues will be soft. The hope is that revenues will increase in the second half of the year. They are projecting 2021 revenues to top off at \$4M.

8. [64225](#) Finance Year-End Report: Jeff Boyd, Business Manager

Attachments: [YEfinances_2020.pdf](#)

At the end of November Monona Terrace was facing a \$900,000 deficit. December revenues including the recount event and the State DOA grant along with expense savings of \$100,000 made up about \$580,000 of that deficit. Between lost event and ancillary revenue along with reduction in room tax funding, 2020 was down approximately \$5.1M. With \$2.5M in savings and \$2.3M reserve and unspent capital, the year ended with a more manageable deficit of (\$321,000).

9. [64226](#) Booking Pace Update: Bill Zeinemann, Associate Director Marketing and Event Services

Attachments: [bp_01-31-21.pdf](#)

As 2021 progresses slowly, the business on the books erodes. For banquets, the projections last month was 130, now it's 110. Similarly, meeting booking projection has gone from 101 to 88, conferences are down from 13 to 12 and conventions from 18 to 16. For perspective if this were a normal year projections for banquets would be at 172, meetings at 168, conferences at 25 and conventions at 30.

Sales is doing what they can to be flexible with clients and when possible roll events forward into future years. The flexibility is paying off by solidifying relationships with clients which will be valuable in the long term.

10. [64227](#) Director's Report: Connie Thompson, Director

- A. Administration
- B. Operations
- C. Community Relations
- D. Gift Shop
- E. Sales and Marketing
- F. Event Services
- G. Business Office/Human Resources
- H. Catering

Attachments: [rpt_02-18-21.pdf](#)

AV technician John Klingelhoets resigned in January to pursue his other

business interests. He will be greatly missed.

The Room Tax Commission approved funding of the Optimization Study for Madison. DM and MT presented on the topic and the commission saw the importance of the study for the industry and other area business.

The Home Retail Store that was cancelled is now moving forward. It will be set up as a retail store, following PHMDC orders. MT Staff has worked diligently with the Department of Health to ensure the safety of this event for participants.

The Maker Faire event that normally occurs in the spring, has evolved into Madison Makes a virtual event. Makers from all over Madison were invited to share video of their “pandemic projects” or other craft. It will include a feature of the new Monona Catering Executive Chef demonstrating how to make sushi. The show will be streamed on March 6.

Redeployment of 8 staff is expected to continue until approximately June when we hope to see business returning to MT. In other cost saving measures, 22 staff are participating in a workshare program to reduce payroll costs.

11. [64228](#)

Announcement from the Chair: Alice O'Connor, Chair

- A. Appointment to the Nominating Subcommittee
- B. The Nominating Subcommittee will need to meet prior to the March 18 Board meeting.

Steven Peters has volunteered to join the Nominating Committee, which must meet prior to the March 18 board meeting.

ADJOURNMENT

A motion was made by Rottier, seconded by Karofsky, to Adjourn. The motion passed unanimously.