



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?*

Wednesday, September 15, 2021

4:00 PM

via Virtual Meeting

CALL TO ORDER / ROLL CALL

Present: 11 - Jane Richardson; Michael E. Verveer; M. Alice O'Connor; Aureliano Montes; Andrea R. Nilsen; Steven Peters; Brent McHenry; Judith F. Karofsky; Glenn R. Krieg; Eric A. Rottier and Angela Bozo

Excused: 2 - Mark J. Richardson and James Ring

APPROVAL OF MINUTES

A motion was made by Nilsen, seconded by J. Richardson, to Approve the Minutes. The motion passed unanimously.

PUBLIC COMMENT

1. [67320](#) 3 mins. per person
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 Event Assistance Advisory Committee. Eric Rottier is a member of the Destination Madison Board of Directors.

PRESENTATIONS

2. [67325](#) Judge Doyle Square Hotel Update: Matthew Mikolajewski, Director of Economic Development for the City of Madison

Attachments: [RES_67902.pdf](#)
[Block 105 Monona Terrace Board 9-15-21.pdf](#)

The JDS hotel is set to be built on the Pinckney Street half of Block 105. Beitler Real Estate is interested in assigning the rights of this portion of the Block to Mortenson Development, whose plan is to build an Embassy Suites. Beitler will retain rights to the other half of Block 105, for development, until Dec 2022

The following five agreements must be passed by the Common Council to move the project forward.

1. **Development Agreement Amendment:** This assigns rights from Beitler to Mortenson Dev. Co. and shifts the deal from a lease of land to a sale of land.
2. **Purchase Agreement:** This lays out the terms of the sale of the land, valued at \$4.02M. This agreement also creates a 20-year term with the Embassy Suites franchise.
3. **Parking Lease:** Because the hotel will not have parking, it will lease parking stalls from the city owned Wilson St. Garage. The agreement allows flexibility to meet the needs of both entities.
4. **Room Block Agreement:** This 20-year agreement requires the hotel owner to guarantee availability of rooms for Monona Terrace and Destination Madison specific events. For bookings greater than 24 months out, the number of rooms guaranteed is 184 and for events between 18-24 months out, the block guaranteed is 150 rooms. The agreement also includes language that prevents the hotel owner from setting room rates meant to frustrate the city's rights.
5. **Temporary Construction Easement:** This allows Mortenson Dev. Co. to use the open half of block 105 to serve as construction staging for Embassy Suites project

The planned Embassy Suites Hotel will have 260 rooms, a restaurant, and meeting space. The hotel's estimated direct economic benefits to the city equals \$311M over 40 years. This impact calculation is made up of parking revenue, property tax, room tax and sales tax.

NEW BUSINESS

3. [67329](#) Block 105 Hotel Room Block Agreement: Bill Zeinemann, Associate Director Marketing and Event Services

Attachments: [RoomBlockAgreement.pdf](#)

A motion was made by Karofsky seconded by Nielsen to approve the Block 105 Hotel Room Block Agreement. The motions passed unanimously.

REPORTS

4. [67332](#) Room Tax Commission Report: Glenn Krieg and Mike Verveer, Commission Members

At the August meeting of the Room Tax Commission it was determined that with the allocations planned for 2021, the room tax fund will be short \$5M. In light of this, the city general fund will forego taking its allocation of \$2.7M. The mayor has also proposed to use a portion of the ARPA money to help shore up the room tax fund in both 2021 and 2022. She has marked \$5.1M for the Room Tax fund and an additional \$3.5M for Monona Terrace. Of the \$3.5M, \$2M is from ARPA and \$1.5M comes from the mandatory closure of TID #25. The commission has approved 2022 room tax allocations to stay about the same as this year's, with the hope that the fund will be in better shape. Council will vote on Sept 21 to approve the ARPA & TID reappropriations.

5. [67336](#) Booking Pace Update: Bill Zeinemann, Associate Director Marketing and Event Services

Attachments: [bkpc_08-31-21.pdf](#)

Concerns related to the delta variant have caused some slippage since last month's report.

2021	Year End Projection
Banquets	101 (-9)
Meetings	84 (+2)
Conferences	4 (no change)
Conventions	9 (-1)

2022	Year End Projection
Banquets	145
Meetings	139
Conferences	24
Conventions	25

Though the 2022 numbers are pacing behind a normal year, they do show things getting better.

6. [67340](#) Finance Report: Jeff Boyd, Business Manager

Attachments: [August finance 2021.pdf](#)

August was the second best month of 2021 and Dane Dances on Fridays added to the success, however, it remains well below pre-pandemic averages. The month had \$155,000 in event revenue, unfortunately, there was only 1 convention of the 4 budgeted and only 1 conference of the 2 budgeted. On a positive note, staff worked hard to limit spending and came in 13% under budget in expenses. To-date staff has been so diligent and conservative on spending that expenses are under budget by nearly \$900,000.

7. [67343](#) 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_09-15-21.pdf](#)

The mayor accepted the capital budget request without cuts. The executive budget must now be approved by council.

The Director has held one-on-one conversations with all but 2 of the common council members; the goal is to speak to all of them.

Staff is still working with Destination Madison on the city's contract with them. The goal is to have something both parties agree on by year-end.

The Director was asked to serve on the Mayor's COVID Taskforce. This team is currently working on the vaccination policy for city staff (which includes mandatory vaccination or weekly testing for those unvaccinated).

Unfortunately, Lake Vista had to close early for the season due to labor shortages.

ADJOURNMENT

A motion was made by Verveer, seconded by J. Richardson, to Adjourn. The motion passed unanimously.