



Legislation Text

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Title

Hotel Feasibility Study Update - Jim Hess, Director

The Committee met on January 13, 2009 to review the draft Executive Summary of the Hotel Study that was prepared by the consultant firm, Hunden Strategic Partners. The Committee voted to accept the report subject to the inclusion of comments captured at the meeting. Upon receipt of the final version, the report will be approved by Monona Terrace staff, and submitted to the Common Council for acceptance. The report may be referred back to Monona Terrace as well as the Board of Estimates and the Economic Development Commission.

Recommendations about the downtown hotel and other highlights from the report included:

- Optimum size is 400 rooms.
- Adjacency to Monona Terrace and the Hilton is key, preferably within 1,200 feet (the distance that most people feel comfortable and safe as a distance to walk).
- Branded hotels such as Hyatt, Westin, Intercontinental, etc. that have national booking systems.
- A survey of 300 meeting planners was conducted, and 80% of them said they would bring their groups to Madison / Monona Terrace if there was an adequate supply of hotel room blocks.
- Following construction of the Hilton, business increased at Monona Terrace.
- The Greater Madison Convention and Visitors Bureau estimates \$50,500,000 of economic impact has been lost because of the lack of hotel rooms. Approximately \$30,000,000 of that amount occurred in the last three years, indicating the rate of lost business is increasing.
- If a new hotel is not built, Madison will fall further behind the competition, and the monies invested in Monona Terrace would show a smaller return to the community.

Tom Ziarnik stated that occupancy would decline by 8-10% in other downtown hotels if the new hotel is built, and requested additional detail. Hunden Strategic Partners agreed to flesh out that information.