

JAMES A. GRAASKAMP COLLECTION OF TEACHING MATERIALS

X. COMMUNITY INVOLVEMENT - CITY, STATE, AND NATION

C. Graaskamp and the Convention Center Controversy

4. Convention Center Criteria Committee Minutes,
June 27, 1986 to November 5, 1987



CONVENTION CENTER CRITERIA COMMITTEE

MINUTES

July 1, 1986

7:30 a.m. - 9:30 a.m.

Room 259, Courtroom A, Municipal Building
215 Monona Avenue

- I. APPROVAL OF THE MINUTES
- II. REPORT FROM RON BOWEN

Discussion on the constraints of the half-block proposal. Bowen described most convention center users as being in the range of 100 to 2,000 attendees. Note: This accounts for approximately 85% of the proposed convention center business in Madison. Bowen indicated that "more was not necessarily better", i.e. a facility that was too large could jeopardize its liability. He felt that tailor-made exhibition space that could accommodate 100 to 125 exhibit booths would be appropriate. Eve Galanter asked about exhibit space configuration. Bowen responded that a single exhibit area was preferable on the first floor. Galanter further asked about MATC opposition to the half-block. Bowen responded that the issues of concern were: 1) compatibility between students and conventioners, 2) traffic congestion, 3) additional costs, and 4) timing. Galanter asked what Bowen might do given a larger space to work with. He indicated: 1) there were greater choices with a whole block, 2) exhibition/receiving would both be on the first floor, and 3) a full block would allow for adjoining breakout and meeting rooms adjacent to the exhibit exhibition room. Bowen felt that the ballroom/banquet areas could be on another level. Bowen further talked about the possibility of interconnections between buildings based on a multi-story facility. Another aspect, if given a full block to work with, would be the availability to put parking within the block.

Bowen felt that a hotel would be compatible as a part of a block containing the Convention Center. Ald. Lufler asked the question of how would you provide for immediate area parking if MATC stayed at their present location? Bowen answered:

- 1.) use shuttle bus
 - a. connect to the outer ring
 - b. connect to a McCormick Ramp skywalk
 - c. connect with Dayton Ramp skywalk

Dave Wallner expressed concern about minimizing traffic problems. Bowen felt that the receiving/unloading could be accommodated by taking parking off of North Dayton. Bowen felt that a drop-off location for conventioners could be accommodated on Wisconsin Avenue. Bowen further indicated that there was an approximate need of 500 to 700 cars for a convention center facility.

III. PRESENTATION BY BILL BELDEN

A. Site Dynamics/Location

Bill Belden proposed a full Block 82.

1. Proximity to adjacent hotels.
2. Adjacent to State Street/Civic Center.
3. Additional development potential.
4. General consensus from meeting planners of Block 82 location.

Belden further mentioned that with the removal of MATC, there would be a savings of approximately 492 spaces that would not have to be constructed for a total savings of approximately \$2.9 million. His position that a partial block solution would make the parking situation unworkable.

Belden followed with some general discussion on the Wisconsin Avenue site and areas of concern as follows:

1. Conflict with Manchester Place
2. Additional utility costs
3. Parking concerns

Ald. Lufler commented that with the MATC move to the new Truax site, wouldn't there be a corresponding drop in parking space needs anyway? Belden responded there likely would be, however, the intent was to relocate MATC downtown and not move the entire facility out to Truax. Lufler then asked if DMI could take a look at a half-block proposal for a Convention Center and do a cost analysis on that.

B. Acquisition/Demolition Cost Overview

Eve Galanter requested that numbers be provided for a one-half block MATC Convention Center proposal. Joe Hildebrand mentioned that in looking at a full-block analysis, the Committee should take into account that the remaining half-block would have economic value.

Lufler asked about air rights and what other factors might impact a proposed operating deficit of a Convention Center. Belden replied that Paul Reilly was looking at operational expenses.

Belden then gave an overview of proposed MATC relocation sites. The focus of DMI was on the 99,000 square foot Klein-Dickert site. Bill Belden provided an economic analysis. He indicated that there could be a \$24.00 per square foot increase in retail sales as a result of a Convention Center. Mike Blumenfeld asked for an explanation of a parking space cost of \$6,500 versus \$9,000. Belden responded he was being conservative in using the \$6,500 number as applied to the 492 spaces that might become available for a Convention Center if MATC relocated. Blumenfeld further asked about private sector contribution. Bill Belden will be discussing this with his DMI group.



Mayor Sensenbrenner indicated at this point that he has asked Jim Graaskamp and Bill Strang from the School of Business to coordinate with Paul Reilly in taking a look at numbers, proformas, etc for a Convention Center.

Fred Mohs of DMI then provided a wrap-up of the DMI presentation. He felt a site selection would be parking-driven.

1. Easy to get to
2. Easy to use

He felt that this would then necessitate a whole block solution which would also allow the possibility of a hotel on the block. Mr. Mohs indicated that a selection of the Klein-Dickert site for MATC relocation would be very beneficial and help in the revitalization of the West Washington area.

Blumenfeld then asked a question of Fred Mohs about timetable. He indicated that DMI was moving as fast as it could, and he felt within two months that the DMI group and the Committee might be in a position to talk specifically about operational numbers, request for proposals, air rights, and parking. Sue Bauman asked about Block 88 and Block 89 and wouldn't that be able to be redeveloped? Fred Mohs responded that location was very important, therefore, DMI was focusing on Block 82 he felt for the following reasons:

1. Location to hotels which would allow for a staging and transition during the start-up of the Convention Center.
2. Proximity to State Street.

3. Proximity to the Civic Center.
4. A pleasant neighborhood to walk in, i.e. Lake Mendota.
5. Proximity to the University of Wisconsin.

Eve Galanter asked about what could happen to the South side of the Square. Fred Mohs responded that with development on the North side of the Square that hopefully retail would follow a Convention Center which would then increase the demand for more housing downtown. Mr. Mohs felt that the best use of Block 89 would likely be for office space with financial service companies.

Mayor Sensenbrenner then indicated that Dr. Alan Rosenthal, the MATC Board Chairman, would be supplying us with information on program content and also with the fiscal impact on a time delay. Alderman Lufler asked for an impact statement on the West Washington/Klein-Dickert site. What would additional City cost be that could be associated with this site? He asked the Planning and Development staff to prepare information.

Respectfully submitted,

Steve Anderson

SA/cb



CONVENTION CENTER CRITERIA COMMITTEE

AGENDA

July 3, 1986

7:30 a.m. - 9:30 a.m.

Room 259, Courtroom A, Municipal Building
215 Monona Avenue

- I. APPROVAL OF MINUTES OF July 1, 1986
- II. REPORTS
 - A. John Urich/Paul Reilly
 - 7:30 a.m. 1. Comparison To Other Convention Centers
 - 8:00 a.m. 2. Financing Mechanisms Used by Other Cities
 - 8:30 a.m. B. Presentation by Upper State Street Representative
 - 1. Harold Langhammer
 - 8:35 a.m. C. Ralph Sandler
 - 1. Impact of a Convention Center on the Civic Center
 - 8:40 a.m. D. Bill Belden, DMI
 - 1. Available to Answer Questions



CONVENTION CENTER CRITERIA COMMITTEE

MINUTES

July 3, 1986

- I. MINUTES of July 1, 1986 were approved.
- II. PRESENTATIONS

Paul Reilly, City Controller

Mr. Reilly's presentation was a summary of financing, operating, and ownership information from selected convention centers (see attached). Mr. Reilly further indicated that the operating expenses per square foot for many civic centers is in the range of \$13.50 to \$25.00. The proposed Madison Convention Center would be in the range of \$11.00 to \$12.00 per square foot. A general comment was made concerning the Eau Claire Convention Center. The director of that facility indicated that having a two-floor facility was "not competitive". Mr. Reilly will be taking a look at Columbus, Ohio where a \$40 million gift was supplied to the Convention Center. Mr. Reilly noted that most cities usually keep control of the concessions operation. It was also noted that in Eau Claire the adjacent hotel initially did the food management, however, that has been changed now so that the food operations are more competitive. Mayor Sensenbrenner asked Lynn Russell if she could supply us with a report on any changes in room tax rates as a result of convention centers being built in other cities in the State of Wisconsin.

Bill Jansen, City Attorney's Office

Bill Jansen spoke briefly on Statute 66.431 regarding the possibility of a Redevelopment Authority to build and operate a convention center. Mr. Jansen indicated that there may be the need for enabling legislation at the State level to allow for a financing mechanism for a proposed convention center.

Warren Onken asked for a room tax report from Paul Reilly. He indicated that in 1985 the room tax was approximately \$1,750,000, and in 1986 it was projected at \$1,800,000 at a 7% room tax rate. Approximately \$210,000 of the amount in 1986 went to the Convention Bureau for their operations. There was some discussion on a state-wide cap on room tax and apparently there is none. Dave Wallner asked if the room tax impacted on the decisions of meeting planners. Lynn Russell said that generally yes it did, particularly in light of the fact that we have the 5% sales tax on top of the 7% room tax. Mayor Sensenbrenner asked what the room tax increment might be if we added approximately 350 rooms. Mr. Reilly responded approximately \$268,000. Lynn Russell commented that she thought her Board would oppose a room tax hike.

John Urich, Department of Planning & Development

The Mayor asked John to supply us with the terms of the \$900,000 UDAG grant on the Oshkosh project. John indicated there were two areas he felt might be important to a financing package: 1) A convention/hotel facility would be important for UDAG dollar applications because of the job spin-off from the hotel facility. 2) He indicated that the State of Wisconsin might be interested in participating in some fashion. John Urich indicated that he would also be looking at Modesto, California and the operations of their convention Center.

 General comments were then made about financing, and Mr. Reilly indicated that he would be looking at DMI numbers as well as his own in conjunction with Professor James Graaskamp and Bill Strang of the School of Business.

Mary Lang-Solinger, On Behalf of the State Street Watch

She presented a petition in support of the MATC location. Ms. Solinger mentioned the stability of a convention center industry, and she felt that a trend was developing among convention-goers of extending their stay an additional day for shopping, etc. Eve Galanter asked Ms. Solinger if she might poll her members about their feelings on a room tax increase.

Harold Langhammer, On Behalf of the Upper State Street Merchants Assoc.

He suggested that if there was an increase in value of the properties and subsequent increase in real estate taxes and lease rates that perhaps the increment of increase would be attributed directly to a Convention Center to help in the financing. Mr. Langhammer's group is very supportive of a Convention Center in Block 82. He further indicated that himself and Mr. Bud Paunack have purchased the El Esplanade Building, and they would be willing to cooperate and offer assistance in any way that they can if, in fact, an MATC relocation might be necessary. He further indicated that he would need to release the building as of August 1987 and, consequently, will be looking for a long-term tenant in the relatively near future, i.e. 30 to 45 days. Mr.

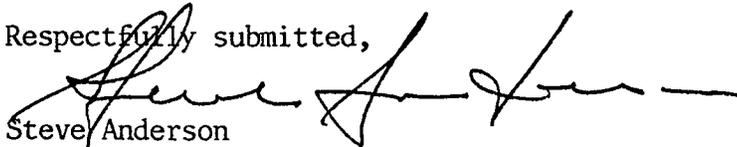
Langhammer then made a presentation of a schematic of a "mall-way" in the 100 block of State Street. The Mayor asked how this might be financed, and Mr Langhammer responded that a mall-way would in large part serve the public and that TIF funding might be a possibility. Mr. Langhammer also stated that Block 82 would be an ideal location for a convention center as it could tie into the Art Center, Civic Center, the Library, and perhaps a reuse of the Orpheum Theatre.

Ralph Sandler, Civic Center Director (See attached memo.)

Mr. Sandler had proforma numbers available which would indicate a positive economic impact on the Civic Center provided the Convention Center was located on Block 82. Eve Galanter asked what impact there might be in Mr Sandler's projections if the Convention Center were not located on Block 82. Mr. Sandler felt that his projections would not be near the figures that he has supplied on the attached memo. Mr. Sandler again suggested that the Committee consider a trip to Des Moines, Iowa to look at their facility. He noted that the Civic Center in Des Moines is owned by the City and leased to a private foundation with a subsidy of approximately \$100,000 per year provided by the City.

* Mayor Sensenbrenner then gave an overview of the agenda for the July 8 meeting with presentations by Kenton Peters, Jim Graaskamp, and Dr. Alan Rosenthal. There was some extended discussion on a Green Bay trip. The Mayor indicated that we were still looking at the possibility of utilizing an Oscar Mayer plane, and that we would probably leave mid-morning with a return in the late evening. He also indicated that meetings would be set up with Mayor Heleran, alderpersons, and the Director of the Community Development Authority. Eve Galanter then mentioned that she would not be at the July 8 meeting because she would be in St. Paul. She also indicated that while she was there she would be meeting with the Civic Center director to solicit additional convention center information.

Respectfully submitted,



Steve Anderson
Assistant to the Mayor

SA/cb

Memo

To: Convention Center Committee

From: Ralph E. Sandler, Managing Director, Madison Civic Center

Subject: Relationship between the Civic Center and a proposed Convention Center

There is, I believe, a potentially symbiotic relationship that could exist to the mutual benefits of both the Civic Center and a Convention Center built on the present MATC site. My sense is that the rewards of such a relationship would not be nearly as substantial were the Convention Center to be built on block 89 or another site on the South side of the Square. Distance, I believe, makes the typical conventioneer less likely to view the Civic Center as an integral part of his or her working or leisure time experience.

With a Convention Center located on block 82, I could see a number of very positive possibilities.

1. A Civic Center in close proximity to a Convention Center offers meeting planners added options for conference agenda:

a. A 2200 seat, elegantly furnished and technically superior, theatre for plenary sessions, opening welcomes, special guest speakers, etc.

b. A 330 seat theatre for smaller conference sessions that require a theatre set-up with already available audio/visual equipment.

c. An entertainment facility ready and willing to work with meeting planners to schedule special evening events (concerts, receptions, Broadway shows, etc.) specifically for delegates.

d. The opportunity to work with meeting planners, hotels, the convention bureau, etc. in making available tickets for already scheduled Civic Center events for convention delegates and spouses.

e. For conventions that include programs for spouses, the opportunity for tours of the Civic Center and the Madison Art Center.

2. The Civic Center, while a prime and important part of the overall area mix of downtown amenities, is still but one of a large number of entertainment, food and beverage and retail shopping outlets available for convention delegates. State Street is unique and as such should provide a significant incentive for conference planners to bring their meetings to Madison. From my experience there is nothing else like it in the State, perhaps even in the region.

3. Based upon discussions I have had with other Civic Center and Performing Art Center directors in other cities where there are also Convention Centers, and based upon discussions with the Director of the Madison Convention and Visitors Bureau, there are some specific, already scheduled, events that attest to my belief that a mutually beneficial relationship can exist between the Civic Center and a Convention Center.

Let me first mention several instances already in the works and then go on to suggest concrete revenue projections for the first five years that the Convention Center is in operation.

1. In the Fall of 1986 the National Grange Convention will be in Madison. All of their major events will occur in the Civic Center, primarily in the Oscar Mayer Theatre.
2. For the past two years, a national teleconferencing convention has been scheduled in Madison - again, all of their major sessions have been held in the Oscar Mayer Theatre.
3. There is a possibility that the Wisconsin Republican Party will hold its 1988 convention in Madison. While most of their sessions will be held in smaller hotel facilities, their major sessions will take place in the Oscar Mayer Theatre.
4. The 1985 national Barbershop Quartet conference probably would not have been held in Madison were it not for the availability of the Oscar Mayer Theatre for judging and performances.
5. There is a strong possibility that the National Sweet Adelines meeting will be held in Madison in 1989 - they also will use the Oscar Mayer Theatre for performances.

Based upon these already existing events together with the conversations I have had with other Civic Center directors, I will attempt to make revenue projections for the first five years that the Convention Center is in operation. These figures represent net revenue to the Civic Center (and, therefore, to the City) not presently planned for in the Civic Center's operating budget. The effect of this additional revenue will be to reduce the City's subsidy of the Civic Center by the quoted amounts.

First year:

The Civic Center should be able to schedule 6 daytime conference plenary sessions. Net income \$1000 per session = \$6000

The Civic Center, working with meeting planners and the Convention Bureau should be able to schedule 4 entertainment events specifically for conference delegates. Net income \$3000 per show = \$12,000

Because of the number of convention delegates in town with a free night looking for something to do, the Civic Center should be able to sell additional tickets to shows already a part of the Civic Center's season. 25 shows X 50 tickets X \$14 average ticket price = \$17,500

Total first year net \$35,500

This figure does not include additional revenue from sale of food and beverages at show intermissions or for specially arranged receptions.

Second year:

6 conference plenary sessions	\$ 6,000
6 entertainment events	18,000
Tickets for existing shows	<u>17,500</u>
	<u>\$41,500</u>

Third year:

8 conference plenary sessions	\$ 8,000
8 entertainment events	24,000
Tickets for existing shows	<u>28,125</u>
	<u>\$60,125</u>

Fourth year:

15 conference plenary sessions	\$15,000
10 entertainment events	30,000
Tickets for existing shows	<u>31,875</u>
	<u>\$76,875</u>

Fifth year:

20 conference plenary sessions	\$20,000
14 entertainment events	42,000
Tickets for existing shows	<u>40,000</u>
	<u>\$102,000</u>

Five year totals	\$316,000
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Hospitality:

Plenary session coffee and rolls, five year total of 55 sessions - net \$150 per session.	\$ 8,250
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Beverage service for entertainment events, five year total of 42 events - net \$300 per event.	12,600
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Five year total of 18 receptions - net \$400 per reception	<u>7,200</u>
	<u>\$28,050</u>

Five year totals including hospitality	<u>\$344,050</u>
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SUMMARY
 Financing, Operating and Ownership Information
 Selected Convention Centers

	Construction Costs (in thousands)	Financing	Source for Debt Service	Managed By	In Thousands			Paid From	Cost/Ft.
					Operating Revenues	Operating Expenditures	1985 Subsidy		
<i>200</i> Eau Claire-	\$ 1,700	G.O. Debt	General tax levy	City	\$ 67	\$ 297	\$230	Room taxes	\$21.21
LaCrosse	15,000	G.O. Debt - \$11,000 UDAG - \$ 4,000	T.I.F. General tax levy	City	493	657	120 ^(a)	Room taxes C.B. liquor sales	31.29
<i>51.</i> Green Bay 1985	7,500	G.O. Debt - \$6,500 UDAG - \$1,000	T.I.F.	Embassy Hotel	--	--	--		--
Oshkosh 1986	8,670	G.O. Debt - \$5,220 Fed. - \$3,450	Various	City	160*	250*	90*	Incremental room tax	16.13*
<i>61.</i> Milwaukee (Convention Center portion)	15,000	G.O. Debt	General tax levy	Auditorium Board	1,400	1,100	--	--	8.33
Austin, TX 1953	7,500	G.O. Debt	Taxes	City	1,150	1,920	770	General taxes	--
Des Moines, IA 1985	13,000	Contrib. - \$3,500 Debt - \$9,500	Room tax	City	280*	350*	70*	General taxes	25.00
Spokane, WA 1974	5,000	State bond issue (World's Fair) - \$4,000 G.O. Debt - \$1,000	Taxes	City	250	548	298	General taxes	13.70
Springfield, IL 1978	17,600	G.O. Debt	Operations	Separate authority	--	--	100 ^(b)	Room taxes	--

a) Reserves were used for the difference.

b) F amount contributed by City.

* Estimated 1986.



CONVENTION CENTER CRITERIA COMMITTEE

AGENDA

July 8, 1986

7:30 a.m. - 9:30 a.m.
Room 259, Courtroom A, Municipal Building
215 Monona Avenue

- I. APPROVAL OF MINUTES OF JULY 3, 1986

- II. REPORTS
 - A. Discussion of the Proposed Sites For A Convention Center
 - 7:30 a.m. 1. Kenton Peters
 - 8:00 a.m. 2. Professor James Graaskamp

 - 8:30 a.m. B. Dr. Alan Rosenthal
 - 1. MATC Issues
 - a. Fiscal Note
 - b. Class Scheduling and Frequency



CONVENTION CENTER CRITERIA COMMITTEE

MINUTES

July 8, 1986

All members were in attendance except for Ald. Eve Galanter who had an excused absence.

I. MINUTES OF July 3, 1986 were approved.

II. PRESENTATIONS

Kenton Peters/James McPhadon

Why a convocation center? What is the goal? Build a new downtown.

What is the purpose of a Convention Center? It is a part of downtown. Use vision, foresight, and courage when making future decisions for the City.

By investing \$25 million, do you want a substantial return (south side) or a status-quo return (north side of Square)?

Why not the north side of the Square?

1. Limited spin-off development on the North side.
2. South side of the Square has greater potential for spin-off developments.
3. \$22 million in anticipated retail, recreation, and dining dollars could increase by \$50 per square foot the retail sales to a projected Lake Park Plaza.

MATC Issue:

1. Mr. Peters feels continuing education is important.
2. Doesn't feel that Klein-Dickert is a downtown site.
3. MATC site acquisition cost:

a. Land	\$ 2,613,600	
b. Building	3,380,000	(\$26 per square foot)
c. Asbestos Removal	672,710	
d. Demolition	1,325,210	
e. Architectural Fee	476,000	
f. Contract Buy-Out	1,800,000	
	<u>\$10,267,520</u>	

Block 88 Site Acquisition Costs

a. Land	\$ 0	
b. Demolition and Remodeling	200,000	
	<u>\$200,000</u>	

Questions were then addressed to Mr. Peters. Mayor: "What is the practicality of assemblage?" Mr. Peters feels it can be done. He has personally done this with five owners in the downtown area over the last year.

Mayor: "Is there enough of a market to support another shopping area downtown and what would the effect be on State Street?" Mr. Peters replied that the 1984 Real Estate Research Study indicated that the south side of the Square could be a very viable area for retail and was also close to cross-town transportation. Again, he reiterated the \$22 million of additional spending from a proposed Convention Center as alluded to earlier. Mr. Peters would see State Street and the south side of the Square as two anchor stores for a larger downtown retail area.

Ald. Dave Wallner asked if the conventioners would be willing to walk? Mr. Peters replied probably not, however, they face a considerable walk down State Street even if the Convention Center was located on Block 82 and, furthermore, they would face a similar walk from Block 89 through the Capitol Building eventually to State Street. His bottom line is that we need a climatized package.

Ald. Bob Dye asked the proximity to the Civic Center. Mr. Peters responded that the Oscar Mayer Theatre seats 2,200 people, and the statistics show that 94% of the conventions have less than 500 people. He further indicated that the numbers supplied by Mr. Ralph Sandler indicate an impact of \$35,000 in the first year and approximately \$100,000 in the fifth year. He didn't feel as that was a substantial number.



Professor James Graaskamp

He reiterated Mr. Peters' comment that Lake Monona is important, however, we need to work with our existing strengths and dynamics. He indicated that State Street, from the Capitol Square to the University Book Store, presently has \$31 million of assessed valuation and future development growth due to a Convention Center would increase this valuation and thereby create additional revenue for the City. Mr. Graaskamp indicated that there are currently several vacancies in the 100 and 200 blocks of Upper State Street. This area is not as strong as perceived. Mr. Graaskamp outlined some of the positive features of a Block 82 location.

1. State Street ambience
2. Existing hotel base (done with private dollars)
3. North side of the Square has good infrastructure
 - a. Why gamble?
4. Additional real estate taxes
5. Quisling Clinic and Jackson estates will be available in the near future
 - a. More sites available for development than meets the eye
6. Don't stretch the retail out geographically - reference to consolidation of retail in Milwaukee
7. Synergy of Manchester Place
8. Possible redevelopment of Emporium Building
9. Development potential in the middle of Block 90 i.e., Strand Theatre, etc.

Professor Graaskamp then talked about a fiscal impact measurement (second and third level benefits).

1. Additional room tax and real estate taxes
2. Approximately 600 parking stalls saved by the relocation of MATC to another site. This is the equivalent to approximately \$5 million in savings to the City.
3. A strong retail base eventually will lead to a residential base.

Mr. Graaskamp then talked in general terms about financing the Convention Center and indicated there may be merit to utilizing the existing 211 North Carroll Street structure:

1. Continuing education for the University
2. MATC continuing education
3. Convention Center continuing education

Mr. Graaskamp feels that the Common Council owes it to itself to ask MATC for a delay so that they can properly study all alternatives. Mr. Graaskamp then answered questions.

Mayor: "What about a sharing of Block 82 by MATC and a Convention Center?" Mr. Graaskamp felt that MATC's self-vision was important, and they may wish to be a clearly identifiable and distinct facility.

Mayor: "What would the impact of the Klein-Dickert site be in light of long-range goals?" Mr. Graaskamp responded that Klein-Dickert was a better regional site for three basic reasons: 1) it ties in with his railroad corridor plan, 2) it's close to bus depot, and 3) it's close to John Nolen corridor.

Ald. Lufler asked about spin-off benefits if MATC would locate at the Klein-Dickert site. Mr. Graaskamp responded that he envisioned residential housing facing Monona Bay and also noted the importance of preserving the green space along Proudfit Street.

Ald. Dave Wallner asked Mr. Graaskamp to respond to Mr. Peters' presentation about two anchor retail areas in downtown Madison. Mr. Graaskamp responded that the Capitol Square was too far to walk around, i.e. up and down hills. He felt a Convention Center located in Block 88 or 89 would not overcome this dynamic and thereby not draw more retail trade to the south side of the Square.

Ald. Mike Blumenfeld asked would there be the same economic spin-off in Block 89 as Block 82? Mr. Graaskamp responded no, there was a different sub-community of Block 89, and he felt the eventual use of the south side of the Square should be residential.

Ald. Wallner asked wouldn't the large government work force support retail on the south side of the Square? Mr. Graaskamp responded that most of the workers are Monday through Friday, 8 to 5, and most prefer to do their primary shopping at a suburban mall.

The Mayor asked about the practicality of locating on Block 82 versus Block 89. Mr. Graaskamp responded that on Block 82: 1) there was one owner, 2) Northwestern Mutual may ask for unreasonably high prices for their Block 89 holdings, and 3) a Convention Center by itself on Block 88 would not have the same synergism as if located on Block 82. The Mayor then asked if Mr. Graaskamp felt a six-month delay was reasonable, and he replied yes.

Dr. Alan Rosenthal and Norman Mitby, Representing MATC

Dr. Rosenthal gave an overview of the MATC Board position to date.

1. They would be willing to relocate in the "spirit of cooperation" with the City.
2. They intend to abide by the 1982 MATC-Common Council agreement, however, they will consider an amended agreement.

Mr. Mitby supplied the Committee with a rough calculation of \$200,000 for additional contract buy-out costs. Dr. Rosenthal indicated that a response from the Common Council by August 5, 1986 was within their timeframe, however, he indicated that after August 13, 1986 they need to make substitutive decisions regarding continuing work at 211 North Carroll. Mr. Rosenthal's comments on a shared block proposal were as follows:

1. Parking concerns
2. Traffic concerns
3. Expansion limitations
4. A threat of continued political pressure for the remaining half-block should the Convention Center be successful.

The Mayor then asked would a 100,000 gross square foot facility accommodate the educational mission of MATC? Dr. Rosenthal felt that that size facility would require some adjustment in classes and scheduling as they presently need 111,000 net square feet for the 31-course offerings.

Dr. Rosenthal gave an overview of the MATC Board's position on a relocation site. Presently, they have not focused on any of the five sites offered. Mr. Mitby indicated that a 4-6 month delay as possibly requested by the Common Council would mean an opening day of January 1, 1987, however, an environmental impact statement would likely be required for a relocated facility which would then add 6-9 months and extend an MATC-downtown reopening to January 1, 1989. This then poses a larger question of what MATC would do in the interim and how would they promote to reestablish the habits and patterns of their student population. Additionally, Mr. Mitby does not feel that the Klein-Dickert site is part of the Central City.

Ald. Lufler asked where do MATC students reside? Mr. Mitby responded that as part of a previous study supplied by MATC on page 31, there was zip code information. He further indicated that not a very substantial number of their students come from downtown Madison. 70% of their students work. James Graaskamp asked MATC if they would be interested in leasing. Dr. Rosenthal indicated that the MATC Board was not in favor of that. They would prefer to purchase.

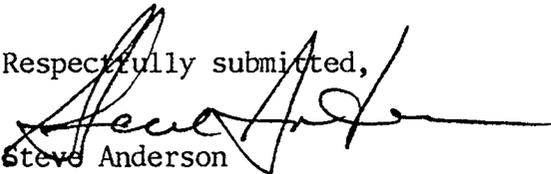
Ald. Blumenfeld asked about the 1982 agreement, and Mr. Rosenthal indicated it was the intention of MATC not to leave downtown, however, they would consider reduction in size alternatives. The primary reason for that being a fiscal impact on future budgets for MATC.

Ald. Bob Dye asked for a definition of Central City. Mr. Mitby responded that it was basically the Capitol Square with a 2-3 block radius.

Some discussion on the Brayton lot. Ald. Blumenfeld asked about the DMI projections about purchase costs for the MATC block. Mr. Rosenthal indicated that they would be discussing the possibility of appraisals at their next Board meeting which is scheduled for July 14.

III. General discussion on the Green Bay trip.

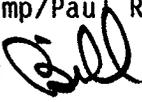
Respectfully submitted,



Steve Anderson
Assistant to the Mayor

SA/cb

M E M O R A N D U M

TO: ~~Tim~~ Graaskamp/Paul Reilly DATE: August 7, 1986
FROM: Bill Strang 
SUBJECT: Convention Center

I've read that the City Council may be under pressure to make sort of a decision on the Convention Center by August 13th. Because I am unavailable until the 18th, I wanted to pass on a few thoughts to you. My basis for comment is strictly the reports you've provided me for reading and my general understanding of Madison and its economy. I am by no means a "convention center expert".

Now, for my thoughts:

1. A convention center would be an asset to the city.
2. A downtown convention center would be an asset to downtown. It would stimulate important marginal business to hotels, restaurants and other retail businesses. The extra sales could add significantly to the profitability and stability of downtown businesses.
3. The best location for a downtown convention center, of those being debated, is the MATC block. It is relatively convenient to three major hotels (Inn on the Park, Concourse, Edgewater). It is near the Capitol Square (a major psychological draw), near State Street, the liveliest and most complete shopping district downtown, and near the Civic Center (a draw for visitor entertainment and a possible use facility for conventions).
4. Taxpayers will want an arrangement that will minimize or eliminate a need for subsidy. On that basis, the center should be located where it will most likely succeed on an operating cost basis, if acceptable investment costs can be arranged. The most attractive site from a convention sales viewpoint is the MATC block.
5. The private sector should contribute to the cost in proportion to the benefits that will accrue to it. Major beneficiaries are the present hotels (especially the Concourse) and any new hotel that might be built.

6. The economic benefits to the residents of the city are meaningful, but should not be overestimated. Most jobs added will be relatively low-level service, including retail jobs. One-time construction jobs would also, of course, be a factor.
7. The demand projections by the National Feasibility Corporation should be viewed with some suspicion, because no verifiable basis for those projections is included. On the NFC report, for example, demand is a function strictly of population (p. 38) or what other convention centers have done (p. 41).

Note: The NFC numerical ratings of the two principal sites are also suspect (p. 56) because no formula calculations are shown.

Projections and evaluations always must be subjective, but NFC keeps the details of such remarkably unclear. One is forced to accept their conclusions on faith.

I must say, however, that despite my criticism, my own subjective evaluation (no formulae) is that they are right about the best site and about the size of convention to target.

8. The best convention center solution would use the entire MATC block, moving the MATC operations to Block 89 or 88 and 89 across the square or elsewhere. Full development of Block 82 would allow for adequate space and design freedom to create a striking facility that could incorporate hotel and/or attractive green space or courtyard/plaza space. There is no reason for MATC to be located where it is (other than cost) or near the convention center.
9. The price of Block 89 seems unduly high. Use of that Block may not be possible with an \$11 million plus land cost.
10. The University could cooperate by contributing demand for the center. As I stated in our first meeting, I felt the university probably would be very willing to cooperate. This is one reason for the Block 82 site selection because of its access to the university.
11. The convention size group to be targeted should be 100 to 1,000-1,200. No attempt should be made to compete directly with Milwaukee or larger metro areas.

12. One report suggested that operating costs would grow slowly because of a learning curve. I'm a bit dubious and suggest caution in the use of those figures for a pro forma P&L.

If further study is done, I would suggest some more detailed evaluation of the specific convention groups that may be attracted (or those whom we would otherwise lose) to better estimate the revenue side of the operations equation.

13. It would be nice to be decisive and move to a firm decision with some dispatch. The act of deciding or not deciding says much about our city to the outside world. Time will produce more information, but the decision will involve uncertainty, nonetheless.

jgk

MINUTES

HOTEL CONVENTION CENTER CRITERIA COMMITTEE

Saturday, January 31, 1987

9:00 A. M.

Room GR-27, City-County Building

210 Monona Avenue

Madison, Wisconsin

I. ROLL CALL

Members Present: Mayor Sensenbrenner, Chair; Alderpersons Galanter, Lufler, Wallner, Dye, and Bauman.

Member Absent: Alderman Blumenfeld.

Other Alderpersons Present: Miley, J. Olson, and Gotthelf.

Staff Present: Austin, Gempeler, Reilly, Kenney, Williamson, and Urich.

II. APPROVAL OF MINUTES

No action taken.

- III. The Mayor explained the format for the meeting, namely, that the consultants would present the findings of their study followed by questions from the Committee, then other Alderpersons present and finally, questions from the audience. Kenton Peters discussed the scope of the study and how the consultants had arrived at their conclusions. Peters introduced Joe Borg and Paul Skiles of Brooks, Borg and Skiles, as well as James McFadden of Kenton Peters and Associates. At the Mayor's request, McFadden presented a fourth design option, the basis of which was to respond to the possibility that Pinckney Street could not be closed. This new option would retain access to the Doty Ramp at its present location. Ramp elevations would be upgraded. The Galleria would still exist at the second level between Doty and Wilson Streets.

Mayor Sensenbrenner inquired as to whether or not the Municipal Building would be linked to the Convention Center to which the consultants replied in the affirmative. The Mayor also asked whether or not it was reasonable to assume that the Brayton Ramp could substitute for the Doty Ramp. The consultants indicated that this would require staff analysis. McFadden reminded the Committee that it would be possible to construct all of the required parking on Blocks 88 and 89, but this solution would be more costly.

Alderperson Wallner questioned the consultants as to where the difference in square footage occurred between Options 3 and 4. McFadden indicated that the functional spaces, i.e., the exhibit hall and assembly rooms remained the same and that the difference occurred in the amount of support space provided. Alderman Wallner also asked

about the difference in cost between the two options. The consultants indicated that due to the fact that Option 4 provided less total square footage, it would result in a lesser construction cost. Wallner also asked about the visual impact on the project if Pinckney Street remained open. Peters stressed the importance of the Galleria and also suggested that differences in paving texture and color, as well as lighting would contribute to the aesthetics of the area.

Mayor Sensenbrenner asked the consultants why they felt exhibit space was so important. McFadden stated that their research had indicated that associations have recognized that they can pay for their annual conventions by renting exhibit space to vendors. He indicated that at the present time, only the Mecca in Milwaukee has exhibit space. Joe Borg interjected that it is important to remember that exhibit space is actually multi-purpose space and can be used for a variety of activities. McFadden stated that to eliminate the exhibition space would reduce the facility to a conference center and greatly limit the market segment that Madison could hope to attract. He indicated that across the country the trends are to expand the amount of exhibit space available.

Aldersperson Galanter asked about the revenue impact to the City of the exhibit space. McFadden replied that a conference center is used primarily by local groups, whereas the exhibit space expands the market to attract regional and statewide conventions.

Aldersperson Dye asked about the rationale for limiting the amount of exhibit space to 50,000 sq. ft. McFadden replied that 50,000 sq. ft. would allow Madison to establish itself in the convention market place. Once this is done, say in 5 or 10 years, expansion would most likely be justified. Aldersperson Dye inquired about the space available at the Forum and Coliseum. Lynn Russell of the Convention Bureau replied that the Forum contained 25,000 sq. ft. and the Coliseum 65,000 sq. ft. McFadden indicated that it was extremely important that this space be in one building.

Aldersperson Lufler commented that the size of the exhibit space will depend on what is cost effective and wondered when that type of data would be available. Peters agreed that this type of information was needed, but that it was not part of this study.

Mayor Sensenbrenner requested the consultants to discuss the details of their hotel recommendation. McFadden described the role played by Py-Vavra which developed the recommendations. He stressed the importance of an attached hotel in marketing the convention center and described similar projects in Little Rock, Arkansas and Columbus, Ohio. Aldersperson Galanter commented that the down sizing of the hotel from 350 to 250 was partially to minimize the impact on existing downtown hotels. Aldersperson Wallner asked about the impact of a hotel being constructed at the Dane County Expo Center. Peters answered that he did not think it would have an adverse affect.

Aldersperson Galanter asked if the consultants had obtained reaction to their development options from area meeting planners. McFadden stated that they had done this and that the reaction of the meeting planners had been very positive. Aldersperson Lufler asked whether traffic patterns in this area could be improved to serve the project. Peters indicated that this possibility should definitely be studied.

Following a short coffee break, the members reconvened to permit questions from the audience in attendance.



Professor James Graaskamp asked a number of questions focused on the hotel market demand. Aldersperson Galanter indicated that Py-Vavra had based the sizing of the facility on its hotel experience and had strongly recommended that a detailed market study be conducted prior to circulating an R.F.P. among the hotel development community.



Graaskamp asked if the tax increment from the hotel would be a principal funding source for the convention center. The Mayor and Aldersperson Lufler indicated that it would be one source and that others would be identified in the T.I.F. plan.

Aldersperson Lufler asked George Austin what information could be provided by staff related to the market. Austin indicated that whatever staff would provide would be limited and stressed the need to proceed with more detailed market studies. Aldersperson Wallner asked what the Convention Bureau's survey would be available to which Lynn Russell replied that the survey would be completed in two weeks.

Aldersperson Galanter cited a survey prepared by the International Association of Convention Managers, which could be a basis for staff research.

Mayor Sensenbrenner asked what additional information would be forthcoming from the studies being conducted by Professor Graaskamp's students. One student in the audience described the nature of the study, but stated that further discussions would be held with Professor Graaskamp before any information would be available.

Daryl Wild, Owner of the Concourse Hotel, questioned the projected hotel occupancy of 66% contained in the consultant's study. Mayor Sensenbrenner replied that the private sector would ultimately determine the size and market for the hotel facility. Aldersperson Lufler asked about the length of time that would be required to obtain staff input. Mayor Sensenbrenner indicated that the Department of Transportation had advised him that their response would take two to three months.

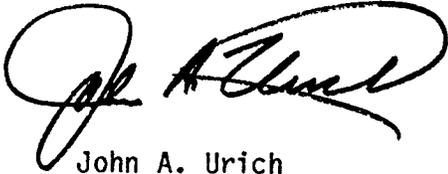
III. OTHER BUSINESS

The Committee agreed to meet again on Thursday, February 12 at 7:45 a.m., to receive staff input which might be available at that time, as well as to review a proposal for additional market studies.

IV. ADJOURNMENT

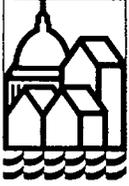
The meeting adjourned at 11:15 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John A. Urich". The signature is stylized with a large, looping initial "J" and a long, sweeping underline.

John A. Urich
Principal Planner

JAU:jlj/2/72



HOTEL/CONVENTION CENTER CRITERIA REVIEW COMMITTEE

AGENDA

Friday, February 13, 1987
7:45 a.m.
Room 103-A City-County Bldg.
210 Martin Luther King, Jr. Boulevard

- I. ROLL CALL
- II. APPROVAL OF MINUTES OF JANUARY 17 and 31, 1987
- III. REVIEW OF PRELIMINARY STAFF COMMENTS ON CONSULTANTS' RECOMMENDATIONS
- IV. REVIEW OF ALTERNATIVE PROPOSALS FOR ADDITIONAL ECONOMIC STUDIES
- V. OTHER BUSINESS

MINUTES
HOTEL CONVENTION CENTER CRITERIA REVIEW COMMITTEE
Friday, February 13, 1987
7:45 A. M.
Room 103A, City-County Building
210 Martin Luther King Jr. Blvd.

I. ROLL CALL

Members Present: Mayor Sensenbrenner-Chair, Alderpersons Dye, Galanter, Lufler, Blumenfeld, Wallner and Bauman.

Staff Present: Paul Reilly, Henry Gempeler, Warren Kenney, Warren Somerfeld, John Urich and Michael Williamson.

II. APPROVAL OF MINUTES

On a motion by Alderperson Dye, seconded by Alderperson Lufler, the minutes of the Committee meetings of January 17 and 31, 1987, were approved.

III. REVIEW OF PRELIMINARY STAFF COMMENTS ON CONSULTANT'S RECOMMENDATIONS

Alderperson Galanter moved that the Committee select Option No. 4 of those contained in the consultant's report. The motion was seconded by Alderperson Lufler. Both Alderperson Wallner and Dye expressed reluctance to foreclose Option No. 3. Kenton Peters of the consultant team suggested to the Committee that there was no need to eliminate Option No. 3 at this time. He described the basic differences between the two options and suggested that the market research consultants could prepare two pro-formas based upon the two options.

Alderperson Dye stated that Option No. 3 offered better opportunities for community-type activities to occur. Architect Peters agreed, but said that there other spaces in the building which could be altered to accommodate those needs. He also advised the Committee that their study was primarily conceptual and dealt with the sizing of the facilities. He indicated that aesthetic design decisions would normally occur at a later stage of planning process.

Alderperson Lufler asked if it wouldn't be necessary to make a decision on the street closing in order to advise the traffic consultant prior to his beginning the traffic study. In response, Warren Somerfeld stated that based upon today's information, he would have to recommend that Pinckney Street remain open. Further, he indicated that the consultant would study both options and that the work could be completed in three months. In response to questions concerning the present traffic using Pinckney Street, Somerfeld said that his department had taken traffic counts on Pinckney Street on days when Martin Luther King Jr. Blvd. was closed to accommodate the Farmer's Market. These counts indicated little increase in traffic volumes on Pinckney Street during those times. Somerfeld also stated

that the problem of access and egress to the Doty Ramp was a major issue that would have to be addressed in the Study. Alderperson Lufler inquired as to how large an area the consultant would analyze. Somerfeld stated that there would be two levels of analysis, one in which a broader area would be considered and a second level where more detailed analysis of a smaller area would occur.

Alderperson Lufler moved to amend the original motion to state that the Committee would be eliminating Options No. 1 and 2 from future consideration. Alderperson Galanter accepted the amendment as friendly. Mayor Sensenbrenner spoke in favor of the amended motion which was passed unanimously.

Alderperson Dye spoke in favor of using a traffic consultant to perform the traffic and parking studies. Mayor Sensenbrenner indicated that the decision on the traffic study, as well as the additional market research would be dealt with at a subsequent meeting. At this point, John Urich and Paul Reilly commented on the two proposals from consultants which had been received to perform additional market research. Both indicated that by the next meeting, the staff would be prepared to make recommendations.

X Mayor Sensenbrenner suggested that at the Committee's next meeting, Professor Graaskamp be invited to present his alternative concept for the North side of the Square. Alderperson Dye suggested that it would be timely to submit a formal report from the Committee to the Council to bring them up-to-date on what has transpired. Staff was directed to prepare such a report and send it along to the Council.

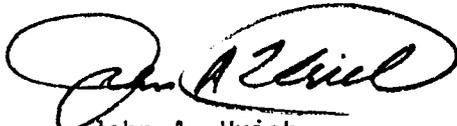
Alderperson Blumenfeld inquired as to the feeling of the Committee toward asking the design consultants to make a presentation to the Common Council. Mayor Sensenbrenner suggested that it might be better to consider a cable television program presentation prior to a Council meeting.

The Committee agreed to meet again on Thursday, February 26 at 7:45 a.m.

IV. ADJOURNMENT

The meeting was adjourned at 9:00 a.m.

Respectfully submitted,



John A. Urich
Principal Planner

JAU:jlj/72

Office of the Mayor

City of
Madison



F. Joseph Sensenbrenner, Jr., Mayor

HOTEL/CONVENTION CENTER CRITERIA REVIEW COMMITTEE

AGENDA

Thursday, February 26, 1987

7:45 a.m.

Room 103-A City-County Building
210 Martin Luther King, Jr. Boulevard

- I. ROLL CALL
- II. APPROVAL OF MINUTES
- III. PRESENTATION OF NORTH SQUARE ALTERNATIVE (Professor James Graaskamp)
- IV. REVIEW OF PROPOSALS FOR ADDITIONAL MARKET STUDIES
- V. OTHER BUSINESS
- VI. ADJOURN

MINUTES
HOTEL/CONVENTION CENTER CRITERIA REVIEW COMMITTEE
Thursday, February 26, 1987, 7:45 a.m.
Room 103A, City-County Building
210 Martin Luther King, Jr. Boulevard

I. ROLL CALL

Members present: Mayor Sensenbrenner - Chair, Alderpersons Dye, Galanter, Lufler, Blumenfeld, Wallner, and Bauman.

Staff present: Paul Reilly, Henry Gempeler, Warren Kenney, Warren Sommerfeld, George Austin, Jerry Tucker, Michael Williamson, William Jansen, and John Urich.

II. APPROVAL OF MINUTES

On a motion by Ald. Galanter, seconded by Ald. Dye, the minutes of the committee meeting of February 13, 1987 were approved.

III. PRESENTATION OF NORTH SQUARE ALTERNATIVE

Professor James Graaskamp, assisted by architect Arlan Kay, presented his proposal for constructing a convention center on a portion of Block 83 on the north side of the Capitol Square. Graaskamp advised the committee that he was not representing any of the owners, but was speaking as an interested citizen. He indicated that from a planning perspective, this solution was preferable to the one being presently considered, and could be accomplished with a minimum amount of public participation. Graaskamp stated that in the initial stage of construction 14,500 square feet of retail could be constructed on the first floor of a site on Mifflin Street extending from Wisconsin Avenue to the McDonald's restaurant property. At the second level, a 23,000 square foot exhibit area could be constructed. This space could eventually be expanded to provide an additional 10,000 square feet were the property occupied by the Hub and McDonald's acquired and redeveloped. As part of the second phase of construction, Graaskamp proposed that the existing 30 On The Square office building be converted to a moderately-priced hotel. The entire complex would be connected by skywalks to the El Esplanade, MATC, with the possibility to extend these connections to the present Orpheum Theater which is now being investigated by the Madison Art Center for its use. With these connections, Graaskamp noted that the linkage to the Madison Civic Center would be greatly improved. With respect to parking to serve the facility, Graaskamp stated that 246 spaces would be constructed beneath the facility, accessed from the Concourse Hotel parking area, and further indicated that if approximately one-third of the Concourse parking and one-third of the existing Dayton Street ramp could be reserved for convention center usage, a total of 516 spaces would be available. He stressed that this would not require the use of the Parking Utility's limited bond capacity to construct.

As to financing, Graaskamp described two methods. The first, the French Plan, would involve the creation of a special corporation made up of the owners of property within the block who would be given preferred stock in exchange for their equity in their properties. Graaskamp admitted that some property owners had expressed concern about this approach. For this reason, he informed the committee that he had developed a second financing scheme in which a key ingredient would be a special assessment against existing downtown hotels based upon the increased demand which would be generated by the convention center.

Mayor Sensenbrenner expressed the committee's appreciation to Professor Graaskamp and Architect Kay for their presentation, and suggested that they return at a subsequent meeting to discuss the concept further.

IV. REVIEW OF THE PROPOSALS FOR ADDITIONAL MARKET STUDIES

George Austin discussed the content of the two proposals to perform in depth market research submitted by the firms of Laventhol and Horwath and Pannell Kerr Forester. Austin explained to the committee the questions which would be addressed by the consultants and indicated that their proposals were apparently comparable. He noted that both firms were well-qualified to provide these services, but did acknowledge that the Laventhol and Horwath proposal was more expensive. At the request of the Mayor, Professor Graaskamp expressed his feelings about the relative merits of the two consulting firms, and agreed with Austin that both were qualified to perform the work. It was suggested by the Mayor that two resolutions be introduced for referral to the Board of Estimates, where a decision would be made as to which firm to engage. A motion to this effect by Ald. Lufler, seconded by Ald. Galanter, was passed unanimously.

V. OTHER BUSINESS

George Austin, Henry Gempeler, and Paul Reilly were asked to present a preliminary draft of the financing component of the tax increment finance project plan. Reilly discussed both the estimated project cost as well as the possible sources of funding. This information was contained in a handout which was distributed to the committee. Ald. Lufler commented that in view of the financing analysis it was obvious that there was need for additional information, and asked if it would be forthcoming in the aforementioned consulting studies. Austin indicated that the studies should provide a great deal of information on economic impact and spin-off resulting from the construction of the convention center. Professor Graaskamp reminded the committee that the study should also contain an analysis of the negative impact that the addition of the new hotel would have on the existing hotels in the city. Austin then went on to describe the general content of the remainder of the TIF plan, and indicated that a draft of that plan should be available for the committee at its next meeting.

The committee agreed to meet again on March 12.

Hotel/Convention Center Criteria Review Committee, February 26, 1987

VI. ADJOURNMENT

The committee adjourned at 9:18 a.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "John Urich".

John Urich
Principal Planner

JAU:jlj/2/72

MINUTES
HOTEL/CONVENTION CENTER CRITERIA REVIEW COMMITTEE
Thursday, March 12, 1987
7:45 A. M.
Room 103A - City-County Building
210 Martin Luther King Jr. Blvd.

I. ROLL CALL

Members Present: Mayor Sensenbrenner-Chair, Alderpersons Galanter, Blumenfeld, Wallner, Bauman, Lufler, and Dye.

Staff Present: Paul Reilly, George Austin, William Jansen, Warren Kenney, Jerry Tucker, Henry Gempeler, and John Urich.

II. APPROVAL OF MINUTES

On a motion by Alderperson Galanter, seconded by Alderman Lufler, the minutes of the Committee meeting of February 26, 1987, were approved.

III. DISCUSSION OF T.I.F. PROJECT PLAN DRAFT

Copies of the Project Plan draft for Tax Increment District No. 15 were distributed to the Committee. George Austin emphasized that it was a draft Plan and that when information was available from the Pannell, Kerr, Forster Market Study, it would be added. He stressed the importance of proving in the Project Plan that the benefits will surpass the public costs identified in the Plan. Austin stated that the statutory process for approving the Plan would begin on June 15 and would be completed prior to September 30.

Austin pointed out that the District was smaller than had originally been contemplated. This was due to the inability to meet the statutory blight criteria in the larger geographic area. He indicated that the assessed value within the proposed District was \$34,000,000 and estimated an increase in value to \$66,000,000. Alderman Blumenfeld asked about the possibility of including lands on the North side of East Washington Avenue within the District boundaries. Austin said it would be better to create a separate district at such time as development of those lands was proposed.

Austin then described the public improvements contained in the plan. He cited street improvements of 1.39 million dollars and a pedestrian circulation system including bridge structures at a cost of \$2,000,000. Alderperson Galanter asked about the status of the Ad Hoc Pedestrian Linkage Committee. Alderman Blumenfeld replied that the appointments had not yet been made. Mayor Sensenbrenner indicated that he would look into the matter.

Austin discussed the refurbishing of Olin Terrace. The Parks Department had estimated improvements there to cost \$540,000. Austin described the role of the Community Development Authority in implementing the Tax Increment Plan. He also summarized the project costs which totaled \$45.9 million dollars.

With respect to anticipated private development, Austin categorized it as either planned development or additional development. The planned development which was estimated at \$18.8 million dollars included the proposed hotel, the redevelopment of One East Main Street and the redevelopment of Machinery Row. In the category of additional development, 600 new housing units developed at a rate of 30 units per year would account for \$26,000,000 of new development. Between 800,000 and 1,000,000 sq. ft. of additional commercial development projected over 20 years at an absorption rate of 25,000 sq. ft. per year would total \$21.4 million dollars. This anticipated private development would produce tax increments in the amount of \$6.6 million dollars.

In addition, Austin projected that the proposed development would result in the creation of between 2,400 and 3,600 new jobs. Alderman Lufler asked if the projected development in the Plan was somewhat conservative to which Austin replied that while it may be he did not want to mislead the other taxing entities. Paul Reilly summarized the value increases in other tax increment districts. Alderman Lufler asked if calculations could be made to demonstrate how quickly the school district would recover losses of tax increases during the life of a T.I.F. district. Reilly said that no such calculations had been made, but that it would be possible to do so.

Alderman Wallner inquired as to whether or not the Committee would be able to discuss the T.I.F. Plan on its next meeting. The Committee agreed that this would be an agenda item.

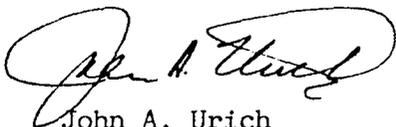
IV. OTHER BUSINESS

The Committee agreed to meet again, if necessary, at 7:45 a.m. on March 26 in the remodeled conference room in the Municipal Building.

V. ADJOURNMENT

The meeting was adjourned at 8:53 a.m.

Respectfully submitted,



John A. Urich
Principal Planner

JAU:jlj/72

EXCERPT FROM PANNELL, KERR, FORSTER CONSULTANT CONTRACT EXECUTED ON
APRIL 9, 1987.

ATTACHMENT NO. 1

SCOPE OF SERVICES

PHASE I - APPROACH TO THE STUDY

The study would be concerned with the determination of current and potential future demand for the project in the market area; assessment of existing and potential future competitive supply; and the share of the market that could reasonably be attained by the proposed project. The approach to such a study would be in several phases, as follows.

Site Analysis

Evaluate the following factors regarding the proposed site.

- Access
- Visibility
- Ambiance
- Present utilization
- Topography
- Relationship to demand generators
- Relationship to area amenities
- Advantages/disadvantages of the site versus the major competitors
- Availability of, or provision for, adequate parking

Area Review

Gather and analyze relevant economic data regarding the market area to determine whether the overall economic environment in the area appears suitable for one of these proposed developments. This data would be collected and analyzed for the City of Madison, the State of Wisconsin and for the nation, and comparisons would be made regarding economic conditions and growth rates for each of these three entities. Among the data to be analyzed would be:

- Population growth trends
- Income trends
- Employment trends
- Air and highway traffic trends
- Office space occupied
- Retail sales trends
- Eating and drinking place sales trends
- Levels of meeting activity
- Local state, regional and national associations located in the area

Examine potential correlations between each of these key factors and the demand for and utilization of these facilities, and utilize any available forecast of these indicators in our evaluation of potential future demand.

Primary Market Research

Conduct primary market research in the site area consisting of interviews with key demand generators, inspection of and evaluation of competition, and discussions with persons familiar with development patterns and the local market.

- Major employers in the market area
- Travel agents
- Managers of tourist attractions
- City officials in zoning, development, transportation
- Convention bureau authorities
- Bankers, editors, development organizations
- Chamber of Commerce
- Association officers
- Operators of competitive meeting and convention facilities
- Civic and social organizations that are potential users of the facility
- Officials at the University of Wisconsin

These interviews, together with the inspection of potentially competitive meeting facilities, will facilitate the gathering of statistical data regarding historical and likely future growth in supply and demand, and the formulation informed judgments regarding potential demand for the proposed projects.

Conduct telephone interviews on a state, regional and national level to provide sufficient size and related information for the proposed facility as well as determining potential demand from these sources for the proposed project.

Evaluation of Supply and Demand for Proposed Meeting Facility

Prepare estimates of current and potential support for the proposed facility, using estimates of future growth in demand and current unsatisfied demand in the market area. The analysis would cover the following potential users of the facility:

- The market for a meeting facility would be evaluated by reviewing the demographic profile of the community, the current supply of similar facilities in the area and its utilization by the residential population.
- The potential utilization of the facility by associations meetings, civic organizations and other potential markets for meeting space.

Estimate the basic level of existing and potential demand for such facilities from the above sources, and then project growth rates in potential utilization

for the next five years. "Latent" or presently unsatisfied demand found in the market would, of course, be included in the estimate and discussed in the report.

Contact those cities within the market region which now achieve a measurable share of the total regional market. In these cities, analyze existing conference/meeting facilities and inventory them by size, scope of operation and ancillary services. Inventory the number and size of complementary support facilities (primarily hotel accommodations) in each of these competitive cities.

Perform a comparative analysis of other factors contributing to the relative attractiveness of Madison in relation to competitive cities in the regional market area concerning:

- Transportation to the city
- Transportation within the city
- Economic health and growth patterns
- Climate
- Primary visitors attractions other than the proposed facility

Analyze future proposed additions to the market that would represent potential competition to the facility as proposed, and discuss the probability of completion of each of the projects.

Market Share Estimates of Proposed Meeting Facility

Upon completion of the estimate of market area supply and demand for the future, estimate the share of the market which the proposed project could reasonably be expected to capture from the meeting sectors of the market. This is a qualitative assessment based on an evaluation of the attributes of the proposed project in relation to competition in terms of location, quality of amenities and services, and other similar factors, utilizing the concept of "fair" market share, and adjusting from the base. "Fair" market share is defined as the weighted ratio of available meeting activity to population compared with the level of activity on a statewide basis.

Prepare tables showing the demand and utilization estimated the proposed project can capture, by market segment, for the next five years.

Preparation of Supply and Demand Estimates for the Proposed Hotel

Based on research conducted, prepare estimates of future growth in demand for, and the supply of, hotel accommodations in the market area.

Analyze historical growth in demand, and the characteristics of each of the principal segments of demand. Using the information gathered, estimate growth rates in demand for each market segment. Demand for hotel room nights will then be projected for the next five years.

Assess the historical growth in the competitive supply of hotels in the market area and the future growth in the supply.

Prepare an estimate of future supply of hotel rooms, the demand for hotel accommodations and the expected occupancies of the competitive rooms supply.

Market Share Estimates and Market Position of the Proposed Hotel

Upon completion of the estimate of the market area's future rooms supply and demand for rooms, estimate the share of the market which the proposed hotel should reasonably be expected to capture, by market segment, for its five years of operation, and estimate occupancy percentage and average rates for the property for each of those years.

Examine correlations between key economic factors and the demand for hotel rooms, and utilize any available forecasts of these indicators in the evaluation.

An inspection and evaluation of competitive hotels will also be conducted.

Evaluation of Food and Beverage Supply and Demand

During the fieldwork interviews, include questions regarding food and beverage preferences, dining habits and attitudes.

Facilities Recommended

Evaluate the facilities recommended and make comments on them. These recommendations will serve as the basis for estimating of operating results.

Estimated Operating Results

Using market research as a basis, estimate occupancy, average rate, sales and operating expenses for each of the first five years of operation for the hotel. In addition, estimate utilization, rate structure and sales and operating expenses associated with the meeting facility. This statement will include all revenues and expenses and result in a "bottom line" of Income Before Rent, Depreciation, Interest and Taxes on Income.

Since the estimated operating results will be based on estimates and assumptions which are subject to uncertainty and variation, they will not be represented as results that will actually be achieved.

PHASE II - ESTIMATED BENEFIT TO COMMUNITY

Upon completion of our research and analysis for the proposed projects, detail the various benefits of a new meeting facility to the community. The economic benefits arise in the form of increases in employment and overall business activity. The end result is increased tax revenues to the community. The entire economic community is also strengthened through new dollars that will be spent in the area each year. In addition, examine a number of intangible

factors which will contribute to the sociopolitical well-being of the community.

Address the following direct and indirect factors that contribute to the economic benefit of the community.

- Short-run impact on sales taxes from construction of new meeting facilities and from ancillary construction, such as new hotel rooms.
- Short-run impact from above construction on wage taxes.
- Long-run impact from increased delegate expenditures on sales tax and transient occupancy taxes (multiplier effect).

These estimates will, therefore, show the tax revenues which can be expected by the City of Madison.

This direct impact can be used to formulate conclusions as to the financial feasibility of the proposed project, as it is assumed that the City would expect the incremental tax revenues received to service the debt.

Economic Feasibility

Perform a financial benefit cost analysis.

Methodology for the analysis will involve the projection of all costs for developing and operating the facility, and evaluating the costs against the projected benefits. This projection would be calculated on an annual basis over a five-year period. Make certain assumptions regarding construction costs and the cost of debt. These costs, along with the projected operating losses of the proposed facility, would be subtracted from the projected benefits (i.e., the increased tax revenue). Total benefits for the period, divided by the total costs, then yield a benefit - cost ratio.

To determine the feasibility of a new meeting facility in Madison, estimate the construction cost for the project. Estimate this cost based on a review of construction costs of other recently completed centers across the country. We would estimate the cost per square foot for each of the facilities recommended.

Report

The foregoing information will be presented in a report suitable for use in obtaining financing, a franchise or management agreement. Though the exact format of the report will evolve as the engagement progresses, the following topic headings will provide an overview of the expected final report.

- Introduction
- Executive Summary
- Site Location Analysis
- Area Review

- Rooms Supply and Demand
- Convention Center Supply and Demand
- Conference Center Supply and Demand
- Food and Beverage Supply and Demand
- Five-Year Statement of Estimated Annual Operating Results

- Estimate of Benefit to Community
- Economic Feasibility

Three hundred fifty copies of the report will be delivered at the conclusion of the study.

Presentations

In addition to visits to Madison in conjunction with data collection and interviews, the Consultant agrees to make two (2) presentations to the City's Hotel/Convention Center Criteria Review Committee. The first appearance will be made at the completion of field work to present the Consultant's preliminary conclusions. The second will be for the purpose of discussing the content of draft of the final report.

ATTACHMENT NO. 2

ALLOCATION OF TOTAL COMPENSATION
TO TECHNICAL WORK ACTIVITIES

<u>Technical Work Activity</u>	<u>Allocation</u>
Feasibility Study for Convention Center and Hotel	\$22,000
Additional Analysis for Proposed North Square Conference Center	10,000
Economic Benefit Analysis	5,000
SUBTOTAL	<u>37,000</u>
Reimbursable Expenses @ 15%	5,550
SUBTOTAL	<u>42,550</u>
Printing Allowance for 350 Copies of Report	2,450
TOTAL	<u>\$45,000</u>

PAYMENT SCHEDULE

Retainer Payable Due upon Contract Execution	\$18,500
Progress Payment due upon Completion of Field Work	13,000
Balance Due upon Delivery of Final Report	13,500
TOTAL	<u>\$45,000</u>

ATTACHMENT NO. 3

PERSONNEL ASSIGNMENT & RESPONSIBILITIES

Study Director	Theodore R. Mandigo
Technical Advisor	L. Clarke Blynn
Technical Advisor	Lauren Schlau
Research & Support	Eric Stotz Ellen Janus William Kuzel Mary Ellen Hogan Brenda Patek

CITY OF MADISON
INTERDEPARTMENTAL
CORRESPONDENCE

Date: April 14, 1987

TO: Hotel/Convention Center Criteria Committee

FROM: George E. Austin, Director, Department of Planning and Development

SUBJECT: Staff Activities on the Convention Center planning through the month of May, 1987.

I am writing to provide you with a list of the activities the staff will be pursuing on the Convention Center project through the month of May. On Wednesday, April 8th, Planning and Development staff and the City Attorney met to discuss the activities the staff will be pursuing over the next six weeks on this project. These activities can be basically broken down into three areas: (1) Pannell Kerr Forster Contract; (2) Hotel Request for Proposals; and (3) Tax Increment Finance Plan.

As you know, the contract with Pannell Kerr Forster (PKF) was executed by the Mayor on Thursday, April 9th. The consultants plan to begin work immediately and have the draft reports prepared within 8 weeks of the signing of the contract. We've asked the consultant to be present at the April 23, 1987 meeting of the Committee to introduce themselves to you and to field any questions you may have regarding the contract. Staff will assist PKF to the extent they need background information and planning data. In addition, staff will work with the Downtown Madison Partners, Inc. Committee as may be needed or requested by DMPI.

It is anticipated that the hotel market study component will be available in mid-June from PKF. It is our intent to have the Criteria Committee review and approve a hotel Request for Proposals process and packet which will be ready to be distributed at approximately the same time as the hotel market study is available. The RFP development will be a principal area of staff involvement over the next six weeks, and we plan to have draft material to you for your consideration at your meeting in early May. Our goal is to utilize successful formats and processes that have been successfully used elsewhere and not to "reinvent the wheel."

The final area of staff activity will be the Tax Increment Finance Plan, a draft of which was presented to you in March. In particular, we plan to brief the Capital Neighborhood Association, the new alderperson from the Sixth District, Mr. Simon Carter, as well as any other groups that are interested in the draft plan. As information is received from Pannell Kerr Forster, we will update the Plan with that information to improve the document. Following the receipt of the PKF report in early June, we will finalize the Plan and bring it to you in order to authorize the statutory review processes to begin. Should you have any additional questions or comments regarding staff activities, please feel free to call me at 266-4635.

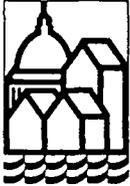


George E. Austin, Director
Department of Planning and Development

GEA:pah/15.1

Office of the Mayor

City of
Madison



F. Joseph Sensenbrenner, Jr., Mayor

City-County Building
210 Martin Luther King, Jr. Boulevard
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608 266 4611
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AGENDA

HOTEL/CONVENTION CENTER CRITERIA REVIEW COMMITTEE
Thursday, September 17, 1987, 7:30 a.m.
Room 260, Municipal Building

- I. Roll Call
- II. Approval of Minutes - September 10, 1987
- III. Draft Resolution Concerning Hotel Proposal - Discussion
- IV. Other Business
- V. Negotiation Strategy and Parameters*
- VI. Adjourn

* The Committee may go into Closed Session pursuant to Chapter 3, Section 3.44(1) of the Madison General Ordinances and Subsection 19.58(1)(e) of the Wisconsin Statutes for the purpose of deliberating or negotiating the purchasing of public properties, investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a Closed Session.

REVISED MINUTES
Hotel/Convention Center Criteria Review Committee
Thursday, September 3, 1987
Room 103A, City-County Building
7:30 A. M.

I. ROLL CALL

Members Present: Mayor Sensenbrenner-Chair, Alderpersons Galanter, Lufler, Wallner, Dye and Blumenfeld.

Absent: Alderperson Bauman.

II. APPROVAL OF MINUTES OF AUGUST 27, 1987

On a motion by Alderman Lufler, seconded by Alderperson Galanter, the minutes of the Committee's meeting of August 27, were approved.

III. REPORT ON JOINT SPACE UTILIZATION - CIVIC CENTER SITE

John Urich described those spaces in the Madison Civic Center which would be available at least part of the time for functions related to the Convention Center. These included meeting room space, the Oscar Mayer Theater, the Isthmus Playhouse, as well as portions of the back of house space. He indicated that the availability of any of these spaces would depend on scheduling. Ralph Sandler and Architect John Glad responded to a variety of questions on both management and design of the joint facility. At one point, Alderman Dye expressed his feeling that the Committee was spending too much time and energy trying to develop definitive costs for the project on the basis of extremely preliminary information. He suggested that it was time for the Committee to select a site and move on with the process.

IV. ADDITIONAL COST REPORTS ON CIVIC CENTER SITE

Warren Somerfeld distributed a memorandum containing information on ingress and egress to both sites under consideration, the cost of providing directional signing to the sites, traffic volumes and capacity information, street lighting improvements, and finally, parking costs. Bill Bakken presented cost estimates for demolition associated with each site. His report indicated that Civic Center site demolition would cost \$328,000 compared to \$70,000 for the South Square site.

V. CONTINUED DISCUSSION OF DECISION-MAKING QUESTIONS

The Committee agreed that at its next meeting the question of whether or not to circulate a Request for Proposals for the Hotel/Convention Center complex would be the first order of business.

VI. OTHER BUSINESS

None.

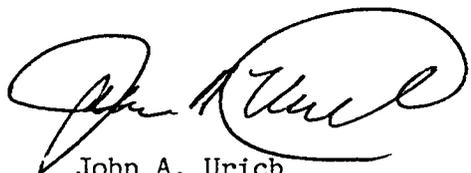
VII. SCHEDULING OF MEETING

The Committee agreed to meet again on Thursday, September 10 at 7:30 a.m.

VIII. ADJOURN

The meeting adjourned at 8:45 a.m.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "John A. Urich". The signature is written in black ink and is positioned above the printed name.

John A. Urich
Principal Planner

JAU:jlj/72

MINUTES
Hotel-Convention Center Criteria Review Committee
Thursday, September 10, 1987
Room 260, Madison Municipal Building
7:30 A. M.

I. ROLL CALL

Members Present: Mayor Sensenbrenner-Chair, Alderpersons Galanter, Lufler, Dye, Bauman, Blumenfeld and Wallner.

Members Absent: None.

II. APPROVAL OF MINUTES - SEPTEMBER 3, 1987

On a motion by Alderperson Galanter, seconded by Alderman Dye, the minutes of the Committee's meeting of September 3, 1987, were approved subject to a change requested by Alderman Lufler that the demolition costs for both the Civic Center site and the South Square site submitted by staff be included.

At this point, Mayor Sensenbrenner suggested, that in view of the events of the past few days, specifically, the proposal by Jerome Mullins & Associates and Barberg & Associates to develop a hotel on Block 89, the agenda be modified to permit a report concerning actions taken by the Boards of Directors of both Downtown Madison Inc. and Downtown Madison Partners Inc.. Martin Rifken and William Belden informed the Committee that at a meeting of the Boards of Directors of Downtown Madison Inc. and Downtown Madison Partners Inc., a resolution was adopted recommending that the City of Madison proceed to develop the proposed South side convention site contingent on:

1. Jerome Mullins & Associates and Barberg & Associates having 90-day priority for working with the City on the project before cooperating with other potential developers; and
2. An agreement is entered into with the selected developer to develop and construct the hotel by January 10, 1988, which will involve no direct City subsidy with the developer's lease payments covering all City costs, including land acquisition, parking acquisition and construction costs.

Alderman Lufler inquired as to the precise meaning of the term "priority". Rifken indicated that the intent was that the negotiations would be exclusively with Mullins & Associates and Barberg & Associates. Alderman Wallner asked why the City shouldn't consider circulating a Request for Proposals during the 90-day period. Rifken replied that unless the arrangement were exclusive, the developer has no incentive to expend monies to refine the proposal.

Mayor Sensenbrenner called upon Jerome Mullins to clarify his proposal for the Committee. Mullins indicated his intent to develop the hotel to be attached to a City-constructed Convention Center. Under his proposal, the City would acquire the land and lease it to the developers for an amount sufficient to cover the City's cost of land acquisition, demolition, and relocation. Similarly, the developer would lease parking constructed by the City at a lease price sufficient to cover all City costs.

Mayor Sensenbrenner inquired as to the management arrangements contained in the proposal. Mullins replied that his group was prepared to manage and market the Convention Center facility. Alderman Lufler asked Mullins to describe the proposed hotel. Mullins said that the hotel would include 260 suites, with supporting amenities and would be attached to the Convention Center which would be sized according to the recommendations of Pannell, Kerr, Forster and Brooks, Borks and Skiles.

Alderman Wallner asked about the possibility of a management oversight committee for the Convention Center. Mullins expressed a strong preference for exclusive hotel management of the facility, but indicated that he would entertain suggestions for other management structures.

Alderman Wallner asked Mullins for his estimate of the cost of the land for the hotel facility. Mullins replied that he thought it would be in excess of \$1,000,000. Alderman Galanter asked Mullins what type of action he expected from the Committee. Mullins replied that he needed an indication that the Committee would negotiate exclusively with Mullins & Associates and Barberg & Associates.

Alderman Wallner asked why the proposal was being made in view of the findings of the Pannell, Kerr, Forster Study. Mullins replied that the Hotel/Convention Center in his opinion will generate 70,000 room nights, significantly more than the estimate by Pannell, Kerr, Forster. Alderman Dye asked if the proposal contained a guarantee to absorb any operating subsidy that might result at the convention center. Mullins indicated that their proposal did include such a guarantee.

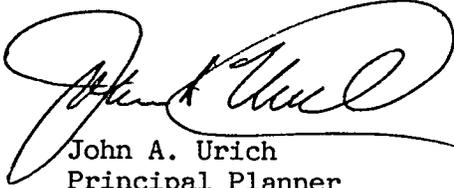
Alderman Galanter reminded the Committee that it had been one year since initial planning began on the Block 88, 89 complex and thanked Mullins for coming forward with the proposal at this time.

On a motion by Alderman Galanter, seconded by Alderman Lufler, the Committee directed City staff to draft a resolution affirming the City's intent to pursue exclusive negotiations with Mullins & Associates and Barberg & Associates for a period of 90 days. Alderman Lufler indicated his support for the concept of a staff negotiating team and Alderman Dye requested that that be included in the resolution.

III. ADJOURN

On a motion by Alderman Lufler, seconded by Alderman Blumenfeld, the Committee meeting adjourned at 8:38 a.m.

Respectfully submitted,



John A. Urich
Principal Planner

JAU:jlj/72.1

Office of the Mayor

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Madison



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210 Martin Luther King, Jr. Boulevard
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AGENDA

Hotel/Convention Center Criteria Review Committee
November 5, 1987

- I. Roll Call
- II. Approval of Minutes - Meeting of September 17, 1987
- III. Discussion of Project Timetable
 - A. Architect Selection Process
 - B. Financing Alternatives
- IV. Other Business
- V. Hotel Negotiations - Status Report
- VI. Adjourn

*The Committee may go into Closed Session pursuant to Chapter 3, Section 3.44(1) of the Madison General Ordinances and Subsection 19.58(1)(e) of the Wisconsin Statutes for the purpose of deliberating or negotiating the purchasing of public properties, investing of public funds, or conducting other specified public business, whenever competitive or bargaining reasons require a Closed Session.

MINUTES
HOTEL/CONVENTION CENTER
CRITERIA REVIEW COMMITTEE
THURSDAY, SEPTEMBER 17, 1987
ROOM 260 - MADISON MUNICIPAL BUILDING
7:30 A.M.

I. ROLL CALL

Members Present: Mayor F. Joseph Sensenbrenner, Jr., Chair; Alderperson Eve Galanter, Alderperson Henry Lufler, Alderperson Robert Dye, Alderperson Sue Bauman, Alderperson Michael Blumenfeld, Alderperson David Wallner.

Members Absent: None

II. APPROVAL OF MINUTES

By consent, the Committee approved the minutes of the September 10, 1987 meeting.

III. DRAFT RESOLUTION CONCERNING HOTEL PROPOSAL

Mayor Sensenbrenner presented a draft resolution which would reaffirm the City's commitment to a Hotel/Convention Center Complex on Blocks 88 and 89 and direct a City staff team to exclusively negotiate with Jerome Mullins and Associates a development agreement for said hotel. The Mayor reviewed the parameters in structuring a preliminary agreement which include:

1. The City will acquire the land on Block 89, demolish the existing properties and relocate the existing tenants and subsequently lease the land to the developer at no cost and no risk to the City;
2. The City will construct an underground parking ramp beneath the proposed hotel and will lease the stalls to the developer and other private parties at no cost and no risk to the City, and the financial structure for said parking will be a financially separate parking facility;
3. If the lease does not meet the objectives of cost and risk protection, the hotel developers have the option to purchase the land and construct the parking beneath the hotel at no cost or risk to the City;
4. It is understood by the City that the management of the convention center must be controlled by the hotel developers. The Greater Madison Visitor and Convention Bureau shall have membership on the decision making body for the management of the convention center. Equal access must be provided to all appropriate users. In return, the developer will be responsible for paying annual operating loss (subsidy), if any, of the facility;
5. Incremental taxes generated by the hotel will be available to the City to use at its discretion for the convention center or other uses.

Mr. Jerome Mullins then discussed the resolution with the Committee. In response to questions, Mr. Mullins indicated that any tax increment financing proceeds generated by the hotel would not be used for the hotel development, and that it would be necessary for there to be private control of the day to day management of the convention center. Alderperson Wallner indicated that he felt that an umbrella organization should be put in place to provide long term policy direction for the operation of the convention center. In response to a question from Alderperson Dye, the Committee agreed to change the date by which the negotiations must be completed from January 10, 1988 to February 10, 1988. Following discussion, on a motion by Ald. Galanter, seconded by Ald. Lufler, the Committee voted unanimously to recommend adoption of the Common Council resolution.

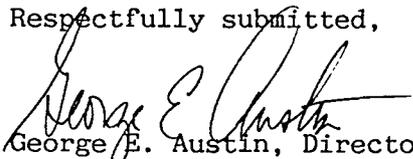
IV. OTHER BUSINESS

None.

V. ADJOURN

The meeting was adjourned by the Chair at 8:20 a.m.

Respectfully submitted,



George E. Austin, Director
Department of Planning and Development

GEA:jkj/37.2