

- JAMES A. GRAASKAMP COLLECTION OF TEACHING MATERIALS
- X. COMMUNITY INVOLVEMENT - CITY, STATE, AND NATION
 - C. Graaskamp and the Convention Center Controversy
 - 5. Miscellaneous Correspondence Regarding the Future Site of a Convention Center, August 15, 1986 - March 29, 1988



August 15, 1986

Ms. Eve Galanter
109 North Roby Road
Madison, WI 53705

Dear Eve:

I fear we may be in the process of building an Edsel.

You remember the Edsel -- the car that not enough people bought so it disappeared. Its makers said, "here it is, come and get it" rather than, "what do you want, consumer? We'll develop something for you."

Building a convention center on the south side of the square would be, in my professional marketing opinion, like building an Edsel. It will not attract enough customers to be a self-supporting, viable business.

I urge you and the entire City Council to seriously reconsider Block 82.

Before you read any farther, I must call attention to my business address. It is 100 State Street, one block from the proposed north side site. You may immediately presume I have a vested interest in the Block 82 location.

Although we rent space on State Street, neither our business nor our clients would have anything to gain from the north side site. Our clients are not local retailers or hoteliers. Most are located outside of the downtown or do their business outside of Madison.

In fact, having the convention center a block away would actually be an inconvenience for Lindsay & Stone offices because of increased traffic, parking and crowd congestion.

My support of Block 82 is purely based on business experience. I've not only started and built a successful 10 million dollar business, but the business of Lindsay & Stone is to make other businesses successful, too. We do it, in great part, with marketing. And it appears to me that proven marketing principles are not being applied to the decision on where to locate the convention center.

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What is marketing and what does it have to do with the convention center?

Marketing is determining the wants and needs of the ideal consumer for your product (in Madison's case, this is conventioners and convention planners) and then designing a product to meet their needs and wants. As Theodore Levitt put it in his classic article "Marketing Myopia" in the Harvard Business Review: "Selling focuses on the needs of the seller; marketing on the needs of the buyer." And Peter Drucker stated: ". . . the aim of marketing is to make selling superfluous. The aim of marketing is to understand the customer so well that the product or service fits him and sells itself."

Historically, Madison as a city, has suffered from not being marketing oriented. We have frequently said, "let the wants and needs of the people be damned. The public will adapt."

We call this inside-out thinking. The city (i.e., the City Council) has taken what it thinks is best and has tried to sell the marketplace.

I believe many of our current problems with the downtown are a direct result of Madison's non-marketing orientation. The mall, the lack of parking, etc., were all strategies to sell the consumer what the city wanted. One of the major results? Businesses died because consumers went elsewhere -- to Hilldale, East Towne and West Towne where their needs and wants were filled. Businesses who were marketing oriented followed the consumer.

Now, the city has a plan to further develop the south side of the square. The strategy appears to be that to build the facility on Block 89 will help to draw further development to that area. This is inside-out thinking and it has a fatal flaw. For although there is no doubt that the center on the south side would help to build business in the neighborhood, business will build there only if the convention center is terrifically successful, and only 2 - 3 years after it has proven itself.

By concentrating on what will happen if and when the center is successful, you are jumping the gun. The first question should be how to make a convention center successful. And that is where marketing comes in. You must first get the convention center booked. And booked regularly. And that requires the best site from a marketing point of view.

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What are the needs and wants of the convention planner and conventioneer? The evidence is indisputable. The National Feasibility Corporation rated the Block 82 site as "superior" and as substantially preferable to the Block 89 site for attracting conventions. DMI, whose mission is to encourage development anywhere downtown, has recommended Block 82 over Block 89. And any survey of conventioners will tell you overwhelmingly that they prefer a location that has:

- An exciting/fun atmosphere (near restaurants, movie theaters, plays)
- Recreation for spouses (shopping, plays, THEATERS, restaurants)
- Extra, adaptable meeting space, banquet space and extra hotel rooms.

These things are all on the north side in substantially greater quantity than on the south side. And they all exist now, to help the convention center be successful from the start.

What is more, in this day and age of heavy competition, it is not good enough to have a convention center that is just as good as as someone else's, or even 10 - 15% better. As William Davidow of Intel experienced, "slightly better is dangerous. You must be significantly better." Implicit in sound marketing principles is a healthy concern for our competition -- other convention sites. We cannot operate under the assumption that Madison is the only choice for convention planners. In fact, we can bet that with Madison's plan to build a site here, other cities will work even harder to keep their business and be even more competitive -- with strategies such as cheaper pricing, more amenities and heavier promotion. We cannot operate in an ivory tower, ignoring our competition. Look what happened to General Motors when it ignored Honda.

In designing its convention center, Madison must assess its competition's strengths, and develop an advantage. We need to be able to offer the end user something he needs or wants in a way the competition cannot.

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What does Madison have to differentiate itself from Green Bay, La Crosse and Milwaukee that also meets the needs and want of conventioners? It can be only one thing -- the environment of State Street and the campus. It is truly something we can offer that no one else can. Unlike Block 89's environment, we can offer State Street immediately upon the opening of the convention center. Unlike Block 89's site, it will not take 3 - 4 years of a convention center in the neighborhood to develop retail and restaurants, if a convention center in and of itself could force an environment comparable to State Street in the first place.

We can market State Street as a credible, tangible, existing benefit before the doors of the convention center even open and thus use it to help us get our first business in the center. We don't have to proceed to conventioners and planners that "someday" a dynamic neighborhood will exist around the convention center.

Atlanta found out all of this the hard way. The Omni Center (hotel and convention floor) was built several years ago, 6 - 7 blocks from the main shopping and entertainment artery of Peachtree. Even six blocks distance hurt their business and they suffered critically, because visitors to Atlanta preferred to be closer to Peachtree. The Omni has struggled ever since, trying to force retail and restaurant development in their neighborhood in order to help their situation and attract conventioners. But with few people at the Omni facility in the first place, retailers and restaurateurs couldn't afford to locate there. Unless Madison selects the best site, Madison, too, could relive Atlanta's nightmare.

Conventioners will not be as attracted to the south side of the square as they will be to the north side. This is no doubt why all the professionals whose business it is to help us attract conventions to Madison (i.e., the Greater Madison Visitors and Convention Bureau, National Feasibility Corporation, and Bowen, Williamson, Zimmerman) are recommending the north side.

Why isn't anyone listening to the experts?

Ms. Eve Galanter
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By supporting the Block 89 site, the same City Council members are not realizing that the convention center is just like starting up a business. You choose the product mix with the highest probability of success, because you might not be around to change it later. And when you are talking about a multi-million dollar investment in a facility, it sure can't be changed once it is up and built.

Although a north side location may cost a little more up front, in the long run it should easily be worth it:

- Less financial risk for the city, because there will be substantially less chance it will need to be subsidized. Its chance of success is greater because it is a more desirable site for conventioners and convention planners. It is competitive, with a unique edge, over our competition.
- Less risk for the taxpayer, who is already frustrated with having to subsidize the Civic Center and a host of other city services.
- More money overall to the local retail and hospitality community because a north side location would get more bookings.
- Increased use of the Civic Center, lessening or eliminating the taxpayer subsidy.
- More visitors to our city, who will then have a positive experience, and thus, more return business.
- Kudos for the City Council, who will have a big success on their hands and not another big, visible, costly eyesore as so much of the square has been.

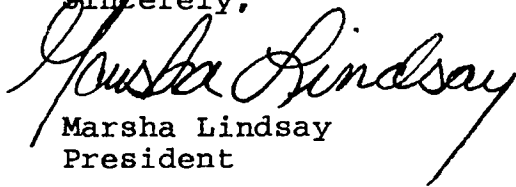
So please, consider the marketing logic of locating the convention center on the north side of the square.

A convention center on the south side of the square may be an urban planner's dream for the area, but it is putting the cart before the horse. Few cities, if any, can afford the luxury of using a multi-million dollar convention center to try to force development of a neighborhood.

Ms. Eve Galanter
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Please reconsider your choice of Block 89. The logic is there. The emotional preference for Block 82 is overwhelming. You can't lose. Madison can't lose.

Sincerely,


Marsha Lindsay
President

ML/cw

P.S. Eve, let's get together to talk about how not to build an Edsel in the downtown. I live close to you in your district. Give me a call.

cc: Mayor Joseph Sensenbrenner
Gerald Born
David Wallner
Robert W. Dye
Michael Blumenfeld
Rosa H. Escamilla
William Feitlinger
Susan J.M. Bauman
Tammy Baldwin
Nicole Gotthelf
Eve Galanter
Judith Kay Olson
Larry Olson
Sally S. Miley
Timothy Bruer
Warren E. Onken
Henry S. Lufler, Jr.
S. Michael Shivers
Phillip W. Uekert
Judith A. Bowser
Jean Stewart
Ronald Trachtenberg
Carole A. McGuire

February 2, 1987

MEMORANDUM

TO: Bill Belden
Joe Hildebrandt
Harold Langhammer
Gordon Rice
Marty Rifken
Ken Welton
Darrell Wild

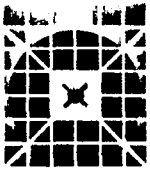
FROM: James A. Graaskamp

RE: Alternative Convention Center for North Square

Joe Hildebrandt has made available a meeting room at Foley and Lardner for 3:00 Tuesday afternoon, February 10 at First Wisconsin Plaza.

Subject for discussion:

1. Brief presentation of development plan for Convention Center on Woolworth/Brathaus site.
2. Discussion of a proposal that a Block Development Corporation be formed to include partners in The Concourse, 30 On the Square, 14 W. Mifflin, Brathaus II, and Woolworth Building concept would be to trade callable preferred stock for equity value of partner interests. Voting control to be with preferred one for one with common. Common stock would be purchased for cash by State Street merchants, downtown Madison and other vested interests such as Convention Bureau.
3. Financing would include existing North Square skyway allowance, \$2.5 million TIF grant, \$1.5 million parking utility grant, plus refinancing of renovated Concourse and 30 On the Square with an economic development or an industrial loan.



Neviaser Investments, Inc. *Commercial Real Estate*

25 West Main Street, Suite 465 • Madison, Wisconsin 53703
Telephone (608) 257-3777

February 16, 1987

Mr. Charles Dinauer
City Planning Department
210 Martin Luther King Drive
Madison, WI 53709

Subject: Convention Center and Hotel

Dear Chuck:

I understand that your group will be analyzing the new proposal by Professor Jim Graaskamp. It certainly has advantages in as much as it does not require that a new hotel be built downtown.

No convention center can be successful unless it is attached or in close proximity to a first class hotel. By the same token, there isn't really enough business to justify another downtown hotel, and there would have to be at least a three year lag time for that to happen on the south side of the Square.

I would like to suggest that as an alternate that a convention center be built on Block 90 between Manchester Place and 44 on the Square utilizing all of the land that the Strand Theatre occupies plus that property which is behind 44 on the Square. This would be substantially more space, but I propose this only if the Graaskamp suggestion is not feasible because I do believe theirs is better since it connects to the Concourse Hotel. In addition, of course, this is only a suggestion if we find that the south side of the Square does not work out. I remain, however, convinced, that side is the wrong location for reasons cited before.

Sincerely Yours,

Daniel H. Neviaser

DHN:lbr

cc: Mayor Joseph Sensenbrenner
William Belden, Downtown Madison, Inc.
George Austin, City Planning Department
Professor James Graaskamp

Landmark
Research
Inc.

James A. Graaskamp, Ph.D., S.R.E.A., C.R.E.

Jean B. Davis, M.S.

February 20, 1987

Ms. Carole Badger
Executive Vice President
Board of Realtors
413 West Washington Avenue
Madison, WI 53703

Dear Ms. Badger:

The Mayor's Committee for Convention Site Criteria will meet at 7:45 AM on Thursday, February 26, 1987, in Room 3C on the first floor of the City-County Building behind the City Clerk's office. At that meeting, Professor Graaskamp's team will demonstrate that the feasibility of a convention center is determined by its 1) location, 2) original size and cost, 3) ability to reinforce surviving downtown businesses, 4) use of existing financing resources, and 5) ability to avoid any city liability for operating losses.

1. A 20,000 SF Convention Center and supporting facilities will fit on the corner of West Mifflin Street and Wisconsin Avenue, replacing Woolworth's, Brat Haus II, and 14 West Mifflin. The modern glass structure will bring visible activity to the Square, enjoy a powerful view of the Capitol, and be visible from East Washington Avenue to the Inn on the Park. There can be 246 parking stalls below grade, skybridges to the Dayton Street Ramp, the proposed Art Center, the Civic Center and the existing Madison Area Technical College (MATC) classroom building. The main automobile entrance is on Mifflin Street with easy access to all of the roads leading to the Square, but it does not block the main traffic circle around the Square.
2. Because the facility would be level with the existing ballroom and meeting rooms at the Concourse Hotel, it would offer 16,000 SF more meeting space than would need to be built on the south side. In addition, it would offer 14,000 SF of retail space, a new lecture hall, and 8,000 SF of pre-assembly area.
3. One four-day event brought to Madison by the Convention Center with 1,000 attendees, would produce 3,000 room nights. If 40 percent stayed at the Concourse Hotel it would improve their occupancy by 1 percent and their revenues by \$480,000, not including food and beverage returns. On the other hand, a new hotel with 275 rooms, starting from scratch, would need to market 275 rooms x 365 days x 60 percent or 60,225 room nights. It would have to capture 100 percent of 20 annual meetings never held in Madison before. If it received only 50 percent of persons attending, there would have to be 40 new conventions

Ms. Carole Badger
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averaging 1,000 persons each and lasting four days to make the hotel feasible. Otherwise, each of the other hotels would lose approximately 1 percent of the potential increase in occupancy for each meeting the new hotel fails to attract.

State Street would be connected to the Convention Center with a skybridge across Carroll Street to El Esplanade and to the Dayton Street Ramp via the existing skybridge. The covered pedestrian walk would be extended across the perimeter of the Dayton Street Ramp to the Orpheum Theater/proposed Art Center and by glass elevator to State Street directly across from the Civic Center, thus integrating key State Street facilities into the Convention Center.

4. The existing North Square TIF District has generated \$1.9 million for skybridges, \$2.2 million for general subsidy of new development and additional funds for street improvements. These funds are the result of Manchester Place, the expansion of the Concourse Hotel, and new housing behind the Masonic Temple. The Convention Center, as proposed for the Woolworth site, would be privately owned and it would add at least \$5 to \$7 million to the tax assessed value of that block. That, in turn, would add about \$750,000 more resources to the TIF fund. City assistance with underground parking would be required, not to exceed \$2.5 million, but changing tax laws make it unclear as to whether parking utility bonds, G.O. Bonds, or some build/lease arrangement would be best.
5. The Convention Center concept calls for merging all property interests in the block into a single corporation which would be owned as follows: approximately 60 percent by existing property owners, 20 percent by the city and 20 percent by downtown Madison businessmen who stand to benefit from a North Side Convention Center. Management of the Convention Center would be under the control of the Greater Madison Convention Bureau and food services to personnel would be provided by the Concourse Hotel on contract.

Sincerely,

James A. Graaskamp/jag

James A. Graaskamp, Ph.D., SREA, CRE
Urban Land Economist



Greater Madison Board of Realtors[®], Inc.
Madison MLS Corporation
413 West Washington Avenue
Madison, Wisconsin 53703
Telephone 608-255-8831



February 23, 1987

MEMO

TO: Madison REALTORS[®] and Affiliates
FROM: GMBR President Brian J. McGettigan GRI, CRS, CRB
RE: Potential Madison Convention Center

GMBR Member and Urban Land Economist James Graaskamp, will be testifying before the Mayor's Committee for Convention Site Criteria at 7:45 a.m., Thursday, February 26, 1987, in Room 3C of the City-County Building (on the first floor, behind the City Clerk's offices). Although many of you heard his well-researched presentation at our Board Luncheon last week, he would appreciate your attendance at this meeting and your support. He would also like you to alert your alderperson as to the opportunity to hear expert testimony on the matter.

We've all heard the arguments as to the possibilities for site; politics and passion have played, and will probably continue to play, a role in the matter. However, your Board of Directors is in favor of a rational approach to the issue and an independent evaluator's view as to feasibility of the venture, based on the best answers to the following:

1. location
2. original size and cost
3. ability to reinforce surviving downtown businesses
4. use of existing financing resources
5. ability to avoid any city liability for operating losses

Please call your alderperson today. Ask him/her to look at the issue in the above light.

Thank you.



Neviaser Investments, Inc. *Commercial Real Estate*

25 West Main Street, Suite 465 • Madison, Wisconsin 53703
Telephone (608) 257-3777

March 27, 1987

Professor James Graaskamp
4610 University Avenue
Madison, WI 53705

Subject: Downtown Convention Center

Dear Jim:

I remain firmly convinced that the convention center should be on the north side of the square so no additional hotel need to be built downtown. I think the reasons are self-evident and do not need to be reiterated.

As an alternative to the location adjacent to the Concourse Hotel, may I suggest that you consider taking the Strand Theatre, all the buildings in front of it, and the total parking lot behind 44 On The Square. I believe this comes to 60,000 square feet which is large enough and is close enough to the Concourse Hotel to satisfy the requirements without a need for an additional hotel.

I certainly would be glad to join the fray because I feel so very strongly that we must have it on the north side of the square.

Sincerely Yours,

Daniel H. Neviaser

DHN:lbr
cc: Darrell Wild

Robin J. Erdmann
315 Island Drive, No.1
Madison, Wisconsin 53705
(608) 233-3380

April 20, 1987

Mr. David Fjelstad
Executive Director
University of Wisconsin-Extension
Conference Centers
602 Langdon Street
Madison, Wisconsin 53706

Dear Mr. Fjelstad:

I am currently conducting an analysis of conference center demand in Madison as part of my requirements for completing an M.S. degree in Real Estate Appraisal and Investment Analysis in the University of Wisconsin's Graduate School of Business. Specifically, the project is for Business 857--Real Estate Feasibility and Counseling, taught by Professor James A. Graaskamp.

Part of the analysis involves estimating the amount of excess demand generated by University departments that cannot be accommodated by the UW-Extension Conference Center system. To undertake this analysis, I need to know the current level of university Extension Conference Center demand and usage by department--data that is maintained in your record keeping system. With your consent, I would like to review these records.

I fully understand that any data you provide me access to will be used only for academic purposes and in the strictest confidentiality. The data will not be used by me, or anyone else, for commercial or political purposes, particularly in light of the current debate over convention center/conference center development in Madison.

Thank you for your support in my efforts to complete my academic degree requirements.

Sincerely,


Robin J. Erdmann

James A. Graaskamp, Professor
Advisor

May 3, 1987

Theodore R. Mandigo
Pannell, Kerr, Forster
150 N. Michigan Ave.
Chicago, IL 60611

Re: Madison Convention Center Study

The Mayor's office has sent me a copy of your convention center study contract which allocates \$10,000 to review of our northside of the Square proposal. Since there are various distortions of that proposal being promulgated by various interests, I thought I would provide you some preliminary information and invite you to query me on the missing pieces.

Enclosed is the brochure which my graduate students and I prepared hastily with the graphic assistance of architect Arlan Kay. He has been partially reimbursed by Gordon Rice and Darryl Wild. The students and I have received nothing and will receive nothing and have no interests in market research, appraisal, or consulting contracts that would result from the project, unlike architects and investment bankers advocating the south side.

Our first financial structure was to combine all the ownerships in the block into a single joint venture in which the city would be a partner and ultimate owner of residual control of the common stock after gradual retirement of the preferred stock. The object was to tap the significant cash flows created from increased occupancy of the Concourse Hotel and conversion of 30 On-The-Square to a medium priced \$40 a night motel without meeting facilities or food service. It would be tied to those elements in the Concourse Hotel and the convention center. The owners were willing to consider this but the city was impatient for a larger, single phase project.

Financial structure #2 was to leave the Concourse Hotel as a single entity, leave 30 On-The-Square as a second ownership entity, and develop the convention center as a private capital venture with benefit of assessment of the hotels for 80% of any deficit and a maintenance assessment via the existing concourse mall assessment district of all property owners on the Square and State St. for 20% of the deficit not to exceed \$150,000. The details are in the enclosed brochure; because we proposed a two phase development with a 22,000 square foot exhibit center to be expanded with an additional 10,000 square foot center later, we have been criticized as proposing too small a facility.

If constructed in a single phase, the underground parking could be expanded and exhibit space of 32,500 square feet would be easily accomplished in addition to conference center space at ground level, including sloped floor, executive conference auditoriums. The facility would pay real estate taxes and would utilize only existing balances in the North Square TIF district. Note that we would finance parking conventionally to avoid hassels with the new tax law and the financially weak Madison Parking Utility.

You will find that we have recognized minimal net income from the total exhibition center in the form of a \$2,000 daily net rental fee since there was neither time nor data with which to forecast all manner of revenues and operation expenses. I'm sure you can correct those deficiencies of our pro bono work.

I was happy to add my recommendations to the reviews in the Mayor's office and planning department as I expect you will provide an objective and fair minded analysis of the opportunities available to Madison.

During the summer break at the University I can be traced through my office at Landmark Research (608-233-6400) or at my home office (608-238-8452).

Look forward to meeting with you and your study team.

Sincerely,



James A. Graaskamp
Chairman, Real Estate and Land Economics

CONSIDERATIONS FOR SITING OF DOWNTOWN CONVENTION CENTER

Action is needed. Every effort should be directed toward the expeditious development of this much needed facility. In order to keep up the "pace", site selected should have the least possible encumbrances of political conflict.

Every vital element is important to the total vitality of Downtown. The price of selecting the MATC site is to sacrifice an institution which does make a positive contribution to life in Downtown. Let's seek a "WIN-WIN" situation. Work for the development of the Convention Center-Hotel Complex, but at a location that does not impose the expense of losing an important educational center and drawing card.

Other attractive sites are readily available. They offer the "win-win" solution. They portend little, if any, political controversy. Their actual cost would be significantly less than the MATC site.

The site with greatest overall potential is the joint Block 88-89 site. The commitment by the City to the development of a Convention Center and accompanying hotel is a major investment. The City is entitled to, and should, receive the maximum return from this investment. The long-term beneficial impact of utilizing this Block 88-89 site would be far greater than any other site.

Block 89, a stagnant area directly on the Square, would be developed and would stimulate further activity and investment in the Olin Place sector of the Downtown. This would be a major step in achieving the goals of the 1981 council resolution to "Maintain the Madison Central Business District as the center of Government, financial, and professional office activity and as a specialized retailing complex serving the region as well as the general retail needs of downtown residents, workers, and students."

Functions and activities in a vibrant downtown are mutually dependent and mutually supportive. Connections and linkages are vitally important to make the various parts of Downtown economically healthy and attractive.

This successful linking of facilities can be seen in cities such as Green Bay, where the convention center is linked to both a hotel and to a large retail shopping area. This example illustrates a very positive response to the demands of the market place - a place to meet, a place to stay and recreate, and a place to shop - easy to reach, with plenty of places to park. Numerous other cities have successfully used this formula.

In Madison, development of the Block 88-89 site would produce this desired "linkage". A hotel in Block 89 right on the Square, connected with a large convention center on Block 88, connected in turn with a large, exciting, lake front Festive Marketplace on the shore of Lake Monona. The entire complex would be served by ample parking areas.

With the playing of this one "trump card", the convention center on Block 88, the revitalization of our Downtown would take a gigantic step forward.



THE
CONCOURSE
HOTEL



One West Dayton Street
Madison, WI 53703-2582
(608) 257-6000

October 1, 1987

Mr. Tim Downey
Laventhol Horwath
300 S. Riverside
Chicago, IL 60606

Dear Tim:

I have enclosed several recent newspaper articles in hopes of keeping you abreast of the latest developments regarding the Madison Convention Center and the impact that it will have on the Concourse Hotel. The City of Madison's Common Council has approved an exclusive time period for the city to negotiate for a hotel/convention center with Jerome Mullins & Associates. These articles describe community leader's enthusiasm to have the city provide any assistance necessary for the project to be built. Only in passing do any of these articles refer to the Pannell, Kerr, Forster study which states a hotel should not be built in conjunction with the convention center. I would also like to mention that the south side location was neither first nor second choice and should this hotel be constructed, occupancy of downtown hotels (Park, Concourse, and the projected new hotel) would average 41%. I have included our political cartoon of the planned hanging of the Concourse Hotel as well.

I honestly feel our only defense on this issue is a strong offense. You will find past room occupancy growth records indicating a strong growth since the opening of the Governor's Club as well as the Landmark Research projections for 1988 and 1989. In addition are future projections through 1992 that I feel are viable. These projections contemplate future expansion of the Concourse on the south half of the block towards the Capitol. This projection anticipates assembling the land, receiving approvals and financing secured in 1988. Construction would be completed by December 1989 with a projected opening date of January 1, 1990 for a full year's operation.

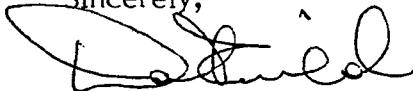
The additional projection divides the income of the first projection into separate entities. With an addition of 200 guest suites, 150 parking stalls, 10,000 square feet of meeting space and 35,000 square feet of exhibit space, this expansion would be capable of carrying its own debt service by 1992 based upon an occupancy rate of 55% at \$94. A.D.R. to the best of my estimations.

Obviously, the partners of Madison Hotel Associates (owners of the Concourse Hotel) would have to agree to any expansion plans regardless of financing arrangements. With secured financing and approvals, the proposed additions to the Concourse would increase our existing space to 576 guest rooms; 35,000 square feet of exhibit space; 465 parking stalls; and 28,000 square feet of meeting space. Dealing from this strong point of competition, I feel that our proposed facility may give pause and reconsideration to Mr. Mullin's current plans for a new hotel/convention center and its realistic ability to sustain and support itself.

I have discussed this addition with J. Edward Shaw, Director of Development for Quality International. He has indicated we would be able to obtain a Clarion All-Suite Hotel Franchise, independent of room revenue derived from our Governor's Club and Concourse Hotel. This franchise could boost the projected room occupancy ratios and rates.

I trust the enclosed literature is informative and look forward to your proposal for a feasibility study for the all-suite addition. In my discussions with Mr. Eric Stotz of Pannell, Keer, Forster, I have secured his cooperation in discussing their firm's experiences with the study that was done for the city of Madison. I am sending him (as well as several other persons whom I feel would be interested) a copy of this letter of update.

Sincerely,



Darrell R. Wild
Managing General Partner

DRW:jek

Enc.

CC: James Grasskamp, Landmark Research
Lyman Precourt, Foley & Lardner
Timothy Hamilton, TCF Banking & Savings, F.A.
Eric Stotz, Pannell, Kerr, Forster
Carter Page, Baird & Warner



One West Dayton Street
Madison, WI 53703-2582
(608) 257-6000

March 16, 1988

Professor James Graaskamp
202-A Breese Terrace
Madison, Wisconsin 53705

Dear Professor Graaskamp:

I am sorry you could not be present for the March 15 presentation of our hotel/convention center expansion plans. I wanted you to have a copy of the architectural design proposal developed by Perkins & Will. If you have any questions about the proposal please feel free to call.

Sincerely,

Darrell R. Wild
Managing General Partner

enclosure

March 29, 1988

Frank H. Stumpf
L.W. Ellwood & Co.
652 Franklin Turnpike
Ridgewood, NJ 07450

James A. Graaskamp
202A Breese Terrace
Madison, WI 53705

Dear Jim:

Thank You for all your help and information on the Madison hotel market. I enjoyed being back in Madison, I only wish we had more properties in the Midwest.

If there is anything that I can do for you please feel free to give me a call. If you are ever in New York give me a call and we can try to get together for dinner.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Frank', written in dark ink.

Frank H. Stumpf