

CHAPTER 7

COMPETITIVE AND COMPARABLE DESTINATIONS

This chapter includes an analysis of destinations across the country that are comparable or competitive to Madison in terms of their convention center size, market characteristics, and destination package. Some have developed quality hotel packages, while others have not. Most importantly the majority of the convention and hotel packages in this chapter are competing against Madison for event business, so each individually and all together as a group offer implications for the future development of hotels in Madison.

Competitive Cities

This section describes each of the convention center and hotel packages that are competitive regionally and nationally with Madison, based on discussions with the GMCVB and Monona Terrace staff.

The following table shows the regional and national comparable hotels.

Table 7-1

Competitive Facilities										
Meeting Facility	City	Headquarter Hotel/ Adjacent Hotel	Adjacent or Connected Rooms	Hotel Rooms within 1,200 FT	Convention Center				**Total Meeting Facility Function Space (SF)	Function Space Per Adjacent Room (SF)
					Exhibit Space (SF)	Ballroom Space (SF)	Meeting Space (SF)	Auditorium/ Theater (SF)		
Regional										
Kalahari Resort Convention Center*	Wisconsin Dells, WI	Kalahari Resort	750	750	0	37,760	23,659	0	61,419	82
Midwest Airlines Center	Milwaukee, WI	Hilton Milwaukee City Centre	730	1,903	188,695	37,506	39,364	24,000	289,565	239
		Hyatt Regency	484	--	--	--	--	--	--	--
Minneapolis Convention Center	Minneapolis, MN	Hilton Minneapolis	821	1,908	475,200	27,522	97,915	n/a	600,637	444
		Hyatt Regency	533	--	--	--	--	--	--	--
McCormick Convention Center	Chicago, IL	Hyatt Regency	800	800	2,700,000	199,000	700,000	0	3,599,000	4,499
Saint Paul RiverCentre	St. Paul, MN	Holiday Inn RiverCentre	194	541	67,996	27,111	19,237	44,800	159,144	820
KI Convention Center	Green Bay, WI	Holiday Inn	147	486	17,346	0	26,294	0	43,640	297
Iowa Event Center	Des Moines, IA	Marriott	415	754	218,923	0	59,218	0	278,141	670
<i>Average</i>			<i>696</i>	<i>1,020</i>	<i>524,023</i>	<i>46,986</i>	<i>137,955</i>	<i>9,829</i>	<i>718,792</i>	<i>1,007</i>
National										
DeVos Place	Grand Rapids, MI	JW Marriott	340	1,022	162,000	40,000	31,056	0	233,056	228
		Amway Grand	682	--	--	--	--	--	--	--
Greater Columbus Convention Center	Columbus, OH	Hyatt Regency	631	1,716	426,000	39,729	58,132	0	523,861	563
		Crown Plaza Hotel	300	--	--	--	--	--	--	--
Walter E. Washington Convention Center	Washington D.C.	Renaissance	807	2,572	703,000	52,000	118,710	0	873,710	1,083
Colorado Convention Center	Denver, CO	Hyatt Regency	1,100	2,634	579,000	94,720	91,652	0	765,372	696
Rhode Island Convention Center	Providence, RI	Westin Hotel	564	1,259	100,000	20,000	14,216	0	134,216	238
Albuquerque Convention Center	Albuquerque, NM	<i>To Be Built</i>	500	1,190	166,546	31,164	47,447	0	245,157	490
Oregon Convention Center	Portland, OR	<i>To Be Built</i>	600	1,022	212,000	59,400	51,891	0	323,291	539
Austin Convention Center	Austin, TX	Hilton Austin	800	2,980	125,972	23,418	46,964	0	196,354	245
Qwest Center	Omaha, NE	Hilton Omaha	450	450	194,300	41,876	22,050	0	258,226	574
<i>Average</i>			<i>753</i>	<i>1,649</i>	<i>403,588</i>	<i>45,776</i>	<i>93,280</i>	<i>4,914</i>	<i>547,269</i>	<i>748</i>
Monona Terrace Convention Center	Madison, WI	Hilton Monona Terrace	240	453	37,200	13,524	33,646	0	84,370	352
*Hotel and convention center are one facility										
**Foyers, Atriums, and Terraces are not included in function space.										
Source: HSP, STR, Mpoint.com, Respective Hotels										

What is immediately apparent is that Madison competes with destinations that are much larger and/or have much larger convention facilities and hotel packages, along with larger destination marketing budgets (not shown). This immediately puts it at a disadvantage, as many of these locations will beat Madison in every measure (including airfare costs) except perhaps the cost of renting the convention facility and hotel rooms. Regionally, Madison competes with Minneapolis, Chicago, Milwaukee, the Wisconsin Dells (occasionally), Des Moines, Green Bay and St. Paul. All but Green Bay have larger convention facilities and nearly all have more hotel rooms within 1,200 feet (four blocks) of the convention center than Madison.

The regional competitors average 696 hotel rooms connected to the convention center (nearly triple what Madison offers) and 1,020 rooms within walking distance (more than double Madison).

Madison competes nearly as often for business with a collection of national competitors that include Grand Rapids, Columbus, Washington, DC, Denver, Providence, Albuquerque, Portland, Austin, and Omaha. In every case on a national level, the convention facilities are larger, although some are not as compelling as Madison's. Nearly all have larger walkable hotel packages than Madison except for Portland (which has been working to develop a large convention hotel for many years). The table shows the proposed convention hotels in both Portland and Albuquerque in order to show what Madison will likely compete with in the future.

On average, the national competitors have or will have 753 rooms connected to the convention center (compared with one-third of that amount in Madison) and 1,649 rooms within walking distance (again, compared with one-quarter of that amount in Madison).

The following discusses each regional and national destination in terms of its convention center and hotel package.

Regional Competitors

Wisconsin Dells, WI

The Kalahari Resort and Convention Center is an African-themed resort and water park located in Wisconsin Dells, Wisconsin. This 750-room resort opened in 2000 and has 37,760 square feet of ballroom space and 23,659 square feet of meeting space, totaling 61,419 square feet of function space. The Kalahari Resort has a 77,000-square-foot outdoor water park, a 125,000-square-foot indoor water park, seven restaurants, a spa, the 27-hole Trappers Turn Golf Course, and shopping outlets. The lobbies have artificial trees, fountains, animals, and other African-inspired decor. The resort has two main restaurants: The Great Karoo and Kahunaville.

The following figure shows a picture of the indoor water park.

Figure 7-1



The indoor water park is the largest in Wisconsin and the second largest in the United States. Admission is included in the daily room rate for guests, but the public is able to purchase tickets for the day. In 2002, the resort underwent a \$12 million expansion that included the first indoor FlowRider surfing attraction and the Master Blaster water roller coaster. The outdoor water park, Noah's Ark, is the largest in the U.S.

The amenities and number of rooms that this resort offers makes it attractive to meeting planners, however given the character and seasonality of the resort, it is not often that it acts as a true competitor with Madison. It is the closest competitor geographically, so it will always offer some competition for certain pieces of business. The addition of a 350 to 400-room hotel in Madison would help it pull away from the Kalahari as a competitor.

Milwaukee, Wisconsin

The Midwest Airlines Center (MAC) is located in Milwaukee, Wisconsin and has two hotels attached/adjacent to the center: the Hilton Milwaukee City Center and the Hyatt Regency Hotel. There are approximately 1,900 hotel rooms within 1,200 feet of the MAC. The MAC offers approximately 188,700 square feet of exhibit space, 37,500 square feet of ballroom space, approximately 40,000 square feet of meeting space, and a 24,000-square-foot auditorium, giving the facility a total of almost 289,600 square feet of function space.

The primary convention headquarter hotel is the Hilton Milwaukee City Center, which has 730-rooms, nearly 13,000 square feet of ballroom space, more than 16,000 square feet of meeting space, and an indoor water park. The Hilton opened in 1928,

formally known as the Schroeder Hotel, Schroeder Sheraton, Marc Plaza Hotel and Milwaukee Hilton. In 1995, after a multi-million dollar renovation, the hotel was re-branded as a Hilton property.

The following figure displays a picture of the Hilton.

Figure 7-2



The Hilton has three restaurants including the fine dining restaurant the Milwaukee ChopHouse. The Hilton is attached to the Midwest Airlines Center via a skywalk, making it a popular hotel for meeting planners.

The secondary headquarters hotel is also much newer than the Hilton. The Hyatt Regency has 484-rooms, approximately 15,200 square feet of ballroom space, and nearly 4,700 square feet of meeting space, totaling 19,865 square feet of function space. The Hyatt opened in 1980 and was recently renovated in early 2008.

The following figure shows a picture of the hotel.

Figure 7-3



The hotel has two restaurants, including the revolving roof top restaurant called Polaris, a business center, 24-hour gym, sports bar and retail shops. The Hyatt is also connected to the Midwest Airlines Center via skywalk.

While Milwaukee has considered an expansion of the MAC and development of other hotels nearby in the past, nothing appears to have gained traction. However, the area north of the MAC is undergoing significant redevelopment that will include a mix of uses, including proposed hotels. This will add to its competitiveness.

Milwaukee's Midwest Airlines Center is an example of how two hotels serve the same convention center, similar to what is being proposed in Madison. The two hotels together provide more than 1,200 connected rooms to the MAC and there are an additional 700 rooms within walking distance of the MAC. Since Milwaukee is the state's largest city, it has better air access and larger and more plentiful convention amenities; it is a very strong competitor to Madison, especially for state and regional business. In terms of safety and quality of life, Madison still has a perceived advantage to Milwaukee. Adding a large convention hotel to Madison would make it more competitive with Milwaukee, and provide a much better balance of hotel rooms to convention space.

Minneapolis, Minnesota

The Minneapolis Convention Center (MCC) is located in downtown Minneapolis, Minnesota. There are more than 1,900 rooms within 1,200 feet of the MCC, with the 821-room Hilton and 533-room Hyatt Regency serving as the headquarter hotels. The MCC has 475,200 square feet of exhibit space, 27,522 square feet of ballroom space, and approximately 98,000 square feet of meeting space, totaling over 600,600 square feet of function space.

The Hilton Minneapolis, which opened in 1992, is the largest hotel in downtown and the entire market, with 821 rooms. It is located nearly two blocks from the MCC and is connected by skyway. Fifty-one suites are included in the total. It serves as the anchor headquarter hotel for the MCC and provides 45,000 square feet of function space, or 55 square feet per room. It was developed and opened in 1992 with substantial public financial support. The city profited from its investment in the facility and sold its stake at the height of the economic boom of the 1990s. The function space at the hotel is comparatively lower than many headquarter hotels in the US, especially as it relates to ballroom space. Most hotels of this size thrive with a grand and junior ballroom, but this hotel only has one large ballroom. In 2004 the hotel underwent a renovation, and remodeled all of the meeting space, restaurant, and bar.

The 533-rooms Hyatt Regency opened in 1957 and has undergone numerous renovations to keep it up to date. In 2009, the hotel is expected to undergo another full renovation. Each room features large picture windows that offer views of Loring Park and the Minneapolis skyline. The Hyatt has a 30,000-square foot exhibit hall, 23,356 square feet of ballroom space, and 4,500 square feet of meeting room space, totaling approximately 67,000 square feet of function space. Four restaurants are located on-site including the award-winning Manny's Steakhouse, an indoor pool and fitness center, spa and retail shops.

Minneapolis expanded its convention center always expecting that it would add another headquarter hotel to support it, however the political and financial pieces have not yet come together yet. HSP studied a 1,200-room convention hotel for Minneapolis in 2006 and as recently as this fall, the idea had yet to gain local political support. However, while this means Minneapolis suffers in its competition with major convention cities around the U.S., it also means that Minneapolis competes with smaller markets such as Madison for business, and does so very effectively. A convention hotel in Madison will help fend off advances from Minneapolis and similar sized markets.

Chicago, Illinois

Chicago is home to the largest convention center in the United States, McCormick Place with a total of 3.6 million square feet of function space, of which 2.7 million square feet is exhibit space. The newest expansion opened in August of 2007 and it added another 470,000 square feet of exhibit space, as well as a 100,000-square-foot ballroom, one of the world's largest. Attached to McCormick Place is the 800-room Hyatt Regency Hotel. A proposal for a 600-room expansion to the McCormick Place Hyatt to 1,400 rooms and a second proposal for a 1,500-room casino hotel across the street from McCormick Place provide additional opportunities to secure group business.

The following figure displays a picture of the Hyatt Regency.

Figure 7-4



The Hyatt Regency McCormick Place is attached to the McCormick Place and opened in 1998. The Hyatt has 45,866 square feet of ballroom space and 25,873 square feet of meeting space. The convention center and hotel are located on the south side of the city, approximately 1.5 miles from any meaningful downtown hotels. This puts Chicago at a bit of a disadvantage in some respects, although most of its competitors (Las Vegas, Orlando) have similar distance issues for many of their largest hotels.

Yet Chicago remains a competitor to Madison, not only due to the convention center and Hyatt, but primarily due to many of the large hotels that can offer more rooms and function space under one roof than the package that Madison can put together. This includes the Hilton Chicago, Palmer House Hilton and Hyatt Regency Wacker Drive, each with approximately 2,000 rooms and massive amounts of function space.

Chicago will always present a stiff challenge to regional competitors and adding a convention hotel adjacent to the Hilton in Madison will help, but will not eliminate the competition from Chicago. However, it will set up more of a fair competition between meeting packages, at least when competing with large Chicago hotels.

St. Paul, Minnesota

The \$250 million Saint Paul RiverCentre is located in downtown St. Paul, Minnesota. The RiverCentre has approximately 68,000 square feet of exhibit space, 27,111 square feet of ballroom space, 19,237 square feet of meeting space, and a 44,800-square foot auditorium, giving the facility a total of 159,144 square feet of function space. There are a total of 541 rooms within 1,200 feet of the RiverCentre, including the 254-rooms St. Paul Hotel adjacent to the facility.

The following figure displays a picture of the hotel.

Figure 7-5



The Saint Paul Hotel opened in 1910 and has 254 rooms. In 2005, the hotel underwent a renovation to give the rooms a classic décor and modern amenities. There are over 8,200 square feet of meeting space in the hotel as well as two restaurants.

Saint Paul has considered additional hotel development to support the RiverCentre (site of the 2008 Republican Convention), however no projects are in the works. Interestingly, most of the hotels in downtown St. Paul have had some form of public subsidy or ownership. Overall, St. Paul remains a competitor to Madison, but if Madison adds a 350 to 400-room convention hotel, it will be much stronger and out-compete St. Paul for many events.

Green Bay, Wisconsin

The KI Convention Center (KICC) is located in Green Bay, Wisconsin. The KICC has approximately 17,350 square feet of exhibit space, 26,300 square feet of meeting space, and no ballroom, totaling 43,640 square feet of function space. There are a total of 486 rooms within 1,200 feet of the KICC, with the 147-room Holiday Inn adjacent to the center.

The Holiday Inn has 4,620 square feet of meeting space and offers an indoor pool and fitness center. This hotel is not comparable to the hotel being proposed in Madison and the convention center is also not very competitive.

Any new development in Madison in terms of a convention hotel will continue to set Madison apart from Green Bay.

Des Moines, Iowa

The Iowa Events Center (IEC) is located in Des Moines, Iowa, and consists of the Veterans Memorial Auditorium, the Polk County Convention Center Complex, Hy-Vee Hall, and the Wells Fargo Arena. The IEC opened in 2004 at a cost of \$217 million. The convention center has nearly 219,000 square feet of exhibit space, no ballroom space, and over 59,200 square feet of meeting space, totaling 278,141 square feet of function space. There are 754 hotel rooms within 1,200 feet of the IEC, with the 415-room Marriott connected to the center.

The following figure shows a picture of the hotel.

Figure 7-6



The Marriott hotel was built in 1980 and was renovated in 2000. The hotel offers 9,800 square feet of exhibit space, 13,830 square feet of ballroom space and 45,000 square feet of meeting space. Amenities include the Rock River Grill and Tavern, a pool, sauna, and 24-hour gym. The city is considering adding another convention hotel and has studied the concept.

Des Moines has been surprisingly competitive in the last several years as it has developed its downtown. However, if Madison is able to develop a convention hotel as proposed, Madison will move ahead of Des Moines in terms of the hotel package available.

National Competitors

Grand Rapids, Michigan

DeVos Place is a state-of-the-art convention center with 1 million gross square feet of new and renovated space in downtown Grand Rapids. Initially DeVos Place was a 150,000-square foot facility that underwent an expansion of 85,000 square feet in 2005. The amount of current exhibit space is 162,000 square feet, 40,000 square feet of ballroom space, and over 31,000 square feet of meeting rooms. There are 1,022 hotel rooms attached and within 1,200 feet of the DeVos Place.

The Amway Grand Plaza is the largest hotel connected to the DeVos Place Convention Center. Originally opened in 1913 as the Pantlind Hotel, it was purchased by the Amway Corporation and reopened in 1981. It has 682 guest rooms and 35 meeting rooms. The hotel boasts all the modern amenities associated with a business hotel as well as first class dining and entertainment outlets and a walkway to DeVos Convention Center.

The following figure shows a picture of the hotel.

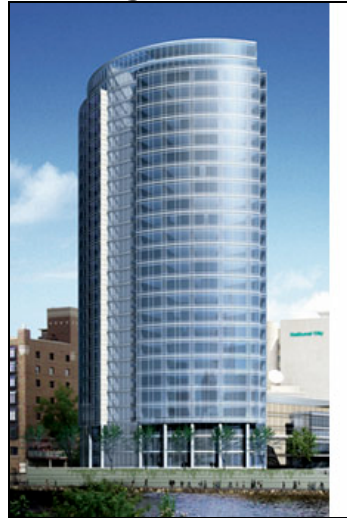
Figure 7-7



The JW Marriott, also owned by the Amway Corporation and connected to DeVos Place, is one of the newest hotels in town. It caters to the luxury traveler and has 340 rooms and suites as well as 20,000 square feet of meeting space. The Hotel has the JW signature six.one.six restaurant and lounge. At the other end of the spectrum, a Courtyard by Marriott is also attached to the center.

The following figure shows a picture of the JW Marriott.

Figure 7-8



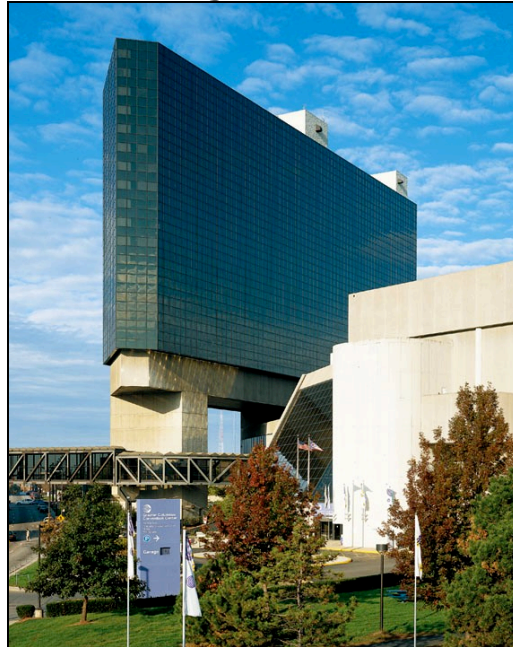
Grand Rapids suffers from similar airlift access and cost issues as Madison, but it has a much more compelling hotel and convention center package in terms of facilities and connectivity. If Madison builds a convention hotel, it will help to keep it competitive with Grand Rapids, although both its convention center and hotel package will still be smaller.

Columbus, Ohio

The Greater Columbus Convention Center (GCCC) is located in downtown Columbus, Ohio, and opened in 1993. The GCCC has 426,000 square feet of exhibit space, 39,729 square feet of ballroom space, and 58,132 square feet of meeting space, totaling nearly 524,000 square feet of function space. There are 1,716 hotel rooms within 1,200 feet of the GCCC, with the Hyatt Regency, which is connected to the center, serving as the headquarter hotel. There is also a 300-room Crowne Plaza Hotel adjacent to the facility.

The following figure shows a picture of the Hyatt Regency.

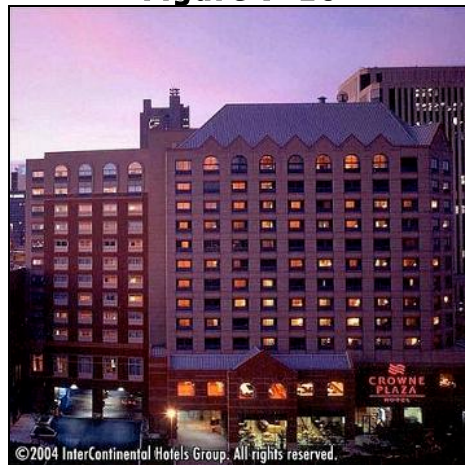
Figure 7-9



The 631-room Hyatt Regency, built in 1980, is connected to the GCCC via skywalk. The Hyatt has 22,550 square feet of ballroom space and approximately 37,800 square feet of meeting space, totaling 60,306 square feet of function space. The hotel has two restaurants, a fitness center and indoor pool.

The following figure shows a picture of the Crowne Plaza Hotel.

Figure 7-10



The 300-room Crowne Plaza Hotel is located adjacent to the GCCC and was renovated in 2005. The hotel has 19,676 square feet of meeting space including a 7,500 square foot ballroom, an indoor pool and fitness center, and two restaurants.

Columbus is an attractive, walkable convention city, with easy airport access and competitive fares. While it has been seeking a new convention hotel of at least 600 rooms for many years, it still has not achieved this goal. However, because it is already providing more than Madison can in its current or future state (with a new hotel), Madison will only work to be relatively more competitive with Columbus.

Washington D.C.

The Walter E. Washington Convention Center (WCC) is located in downtown Washington, D.C. The WCC has 703,000 square feet of exhibit space, 52,000 square feet of ballroom space, and 118,710 square feet of meeting space, totaling nearly 874,000 square feet of function space. There are 2,572 hotel rooms within 1,200 feet of the WCC with the 807-room Renaissance Hotel, which is adjacent to the center, serving as the headquarter hotel.

The following figure shows a picture of the Renaissance Hotel.

Figure 7-11



The Renaissance Hotel, a luxury hotel, has 807-rooms and is located adjacent to the WCC. Built in 1989, the hotel underwent a renovation in 1999. There is approximately 55,000 square feet of function space, including 39,000 square feet of ballroom space, 12,400 square feet of meeting space and a 4,500 square foot auditorium. The hotel also has a spa, fitness center, and an indoor pool.

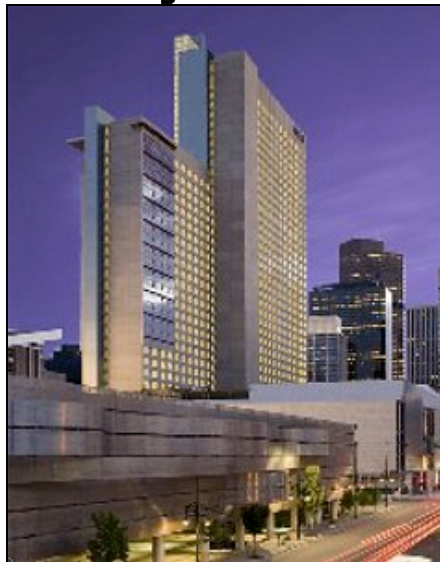
Washington, DC is always a strong competitor for national meetings business as it is the nation's capitol and is home to more association headquarters than any other city. Madison can improve its relative strength with a new hotel, but will not make Washington, DC any less competitive. Interestingly, efforts to build a 1,500-room convention hotel in Washington have not been successful, after several years of effort.

Denver, Colorado

The Colorado Convention Center (CCC) is located on the west side of downtown Denver. In 2004, the CCC underwent a \$340 million expansion to double its function space to over 765,300 square feet. The CCC has 579,000 square feet of exhibit space, 94,720 square feet of ballroom space, 91,652 square feet of meeting space, and the 5,000 seat Wells Fargo Theatre. There are 2,634 hotel rooms within 1,200 feet of the CCC with the 1,100-room Hyatt Regency serving as the headquarters hotel.

The following figure shows a picture of the Hyatt Regency.

Figure 7-12



The 1,100-room Hyatt Regency has is located across from the CCC and was built in 2005 via a tax-exempt bond funding model. The hotel has 8,500 square feet of exhibit space, 36,000 square feet of ballroom space, and 7,848 square feet of meeting room space, totaling 62,207 square feet of function space. Amenities include three restaurants; including a roof-top lounge on the 27th floor, and a 6,700-square-foot fitness center that features an indoor lap pool, spa, sauna, and hot tub.

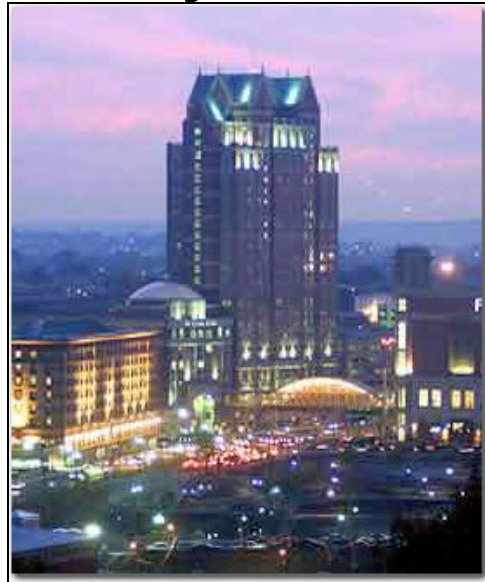
Denver took a major leap forward with the CCC's expansion and development of the Hyatt. As such, it competes favorably with Madison, however, whenever large facilities get even bigger, it provides an opportunity for smaller, quality venues like Madison. In smaller market, as long as the hotel package is appropriate, a meeting or event can 'own' the facility and hotels during its stay, whereas in a big city it is just one of many simultaneous events. If Madison provides the appropriate package, it can compete for business that is now too small for Denver.

Providence, Rhode Island

The Rhode Island Convention Center (RICC) is located in downtown Providence, Rhode Island and was built in 1994. The RICC has 100,000 square feet of exhibit space, 20,000 square feet of ballroom space, and 14,216 square feet of meeting space. There are 1,259 hotel rooms within 1,200 feet of the RICC, with the 564-room Westin serving as the headquarter hotel.

The following figure shows a picture of the Westin Hotel.

Figure 7-13



The 564-room Westin is connected to the RICC. The Westin has 15,700 square feet of ballroom space and 4,500 square feet of meeting space. Amenities include an indoor pool, fitness center, and the Agora Restaurant. The hotel was expanded by 200 rooms in 2006 in an effort to provide a better rooms package.

Providence took the necessary steps to improve its hotel package and so can compete very well with Madison. However, if Madison builds a hotel as proposed, it will come closer to competing evenly with Providence.

Albuquerque, New Mexico

The Albuquerque Convention Center (ACC) is located in downtown Albuquerque, New Mexico. The ACC has over 166,500 square feet of exhibit space, 31,164 square feet of ballroom space, and 47,447 square feet of meeting space. There are 690 hotel rooms within 1,200 feet of the center, but like Portland, no hotel serves as a headquarter hotel. The City of Albuquerque recently hired a consulting firm to do a study on a hotel and the study found that if the convention center gets the recommended renovations and the 12,000-square-foot event center is built, then the market can support a 550-room headquarter hotel.

Albuquerque has many similarities to Madison and it is logical that the city would be considering a convention headquarters hotel. The reason for the larger convention hotel is the larger convention center. If either city builds its proposed hotel, it will significantly enhance its position relative to the other.

Portland, Oregon

The Oregon Convention Center (OCC) is located Portland, Oregon, across the Willamette River from downtown. Built in 1990, the OCC underwent an expansion in 2003. The OCC is located adjacent to the Rose Quarter Campus, which includes the Memorial Coliseum complex. The OCC has 255,000 square feet of exhibit space, 59,400 square feet of ballroom space, and 28,100 square feet of meeting room space. The OCC does not have a headquarter hotel, but a 600-room headquarter hotel has been proposed for many years, and has been the subject of many studies and developer and financing proposals.

Figure 7-14



Oregon Convention Center

The lack of a convention center hotel has vexed the Oregon Convention Center and the City of Portland for many years, especially since its 2003 expansion. Madison will be able to extend its competitiveness over Portland with a new hotel, especially if no hotel is built attached to the OCC.

Austin, Texas

The Austin Convention Center (ACC) is located in downtown Austin, Texas. The ACC was built in 1992 and is owned and operated by the City of Austin. The facility completed a \$110 million dollar expansion in 2002. The ACC has 246,100 square feet of exhibit space, 66,700 square feet of ballroom space, and 54,500 square feet of meeting room space. There are 1,540 hotel rooms within 1,200 feet of the ACC with the 800-room Hilton Hotel serving as the headquarter hotel.

The following figure displays a picture of the Hilton.

Figure 7-15



The 800-room tax-exempt bond financed Hilton opened in 2003 and is located adjacent to the ACC in the Warehouse District. The Hilton has 43,000 square feet of ballroom space and 12,465 square feet of meeting room space. Amenities include a spa, fitness center, outdoor pool and sundeck, three restaurants, a business center and flat screen TV's in each room.

With the addition of the Hilton, Austin became a national mid-sized convention center destination with many similar attributes to Madison. If Madison can add a hotel to balance out its function space at Monona Terrace and provide it with a competitive hotel package, it will compete better against cities like Austin.

Omaha, Nebraska

The Qwest Center is a convention center and arena located in the NoDo ("North of Downtown") area of Omaha, Nebraska. The Qwest Center was built in 2003 and has 194,300 square feet of exhibit space, approximately 42,000 square feet of ballroom space, and 22,000 square feet of meeting space. There are 809 hotel rooms within 1,200 feet of the Qwest Center with the 450-room Hilton Hotel as the headquarter hotel.

The following figure displays a picture of the Hilton.

Figure 7-16



The tax-exempt bond financed Hilton, built in 2003, has 450-rooms and is connected to the convention center.. The Hilton is the only luxury property in Nebraska, and has 10,000 square feet of ballroom space, and 13,200 square feet of meeting space. Amenities include one restaurant, a pool and fitness center.

The Hilton was developed by the public sector, and Omaha immediately became a tough competitor for smaller and even large cities in the middle third of the U.S., including Madison. Without a new convention hotel, Madison will not be able to offer as compelling a package as Omaha.

Comparable Cities

HSP reviewed information from cities comparable to Madison with convention center hotel properties that have similar attributes to those of Monona Terrace. These facilities may not necessarily be competitive yet, but they have many amenities that place them in a competitive and comparable position. The following cities are considered to be comparable to Madison in terms of being a capital city, meeting space availability, university population, and hotel proximity to the convention center:

- Columbia, SC
- Little Rock, AR
- Boise, ID
- Raleigh, NC

The following table displays the comparable facilities convention space and hotel.

Table 7-2

Comparable Destinations								
City	Meeting Facility	Exhibit Space (SF)	Ballroom Space (SF)	Meeting Space (SF)	Theater/ Arena Space (SF)	Total Facility* (SF)	Adjacent Hotels	Rooms
Columbia	Columbia Metro CC	24,700	17,135	13,650	0	55,485	Hilton	222
Little Rock	State House CC	82,892	18,362	8,164	0	109,418	Peabody DoubleTree	418 287
Boise	Boise Center on the Grove	24,426	0	19,204	7,645	51,275	Hotel 43 The Grove Hotel <i>Adjacent Hotel to New CC</i>	112 253 250
	<i>New Facility Discussed</i>							
Raleigh	Raleigh CC	29,900	28,560	15,933	19,600	93,993	Sheraton Marriott (new)	355 400
<i>Average</i>		<i>161,918</i>	<i>64,057</i>	<i>56,951</i>	<i>27,245</i>	<i>310,171</i>		<i>574</i>
<i>*Foyers, Atriums, and Terraces are not included in function space.</i>								
<i>Source: HSP, Respective Properties</i>								

Of the four cities in the table above, total function space averaged approximately 107,061 square feet with adjacent hotel rooms (one or more hotels) averaging 574 rooms.

Columbia, South Carolina

The Columbia Metro Convention Center (CMCC) in Columbia, South Carolina is located in downtown Columbia next to the University of South Carolina. Columbia has an MSA population of approximately 704,000 people with its largest university, USC having a student population of 23,730.

The following table displays the breakout space at the CMCC.

Table 7-3

Columbia Metropolitan Convention Center Function Space			
	Total (SF)	By Division (SF)	Divisions
Exhibit Space			
Exhibit Hall	24,700	24,700	1
Ballroom Facilities			
Columbia Ballroom	17,135		3
Columbia Ballroom Salon A		5,375	
Columbia Ballroom Salon B		5,470	
Columbia Ballroom Salon C		6,290	
Meeting Rooms	13,650	13,650	9
	<u>55,485</u>	<u>55,485</u>	<u>13</u>
Adjacent Hotel Rooms	222		
Total Exhibit Space	24,700	Per Guest Room	111
Total Ballroom Space	17,135		77
Total Meeting Space	13,650		61
Other Space	0		0
Total Function Space	<u>55,485</u>		<u>250</u>
Total Exhibit Space Divisions	1	/100 Guest Rms	0
Ballroom Divisions	3		1
Meeting Room Divisions (incl. audit/ampl)	9		4
Total Divisions (including Ballroom)	<u>13</u>		<u>6</u>

Source: Columbia CVB, mpoint.com, HSP

The CMCC has 24,700 square feet of exhibit space, approximately 17,100 square feet of ballroom space, and approximately 13,650 square feet of meeting room space totaling 55,485 square feet of function space. The CMCC has a 222-room Hilton Hotel adjacent to the center, which has one ballroom of 3,600 square feet and four meeting rooms totaling 2,356 square feet.

With such a small facility, it may not need many more hotel rooms to suit it, however as with most such facilities, expansion is likely to occur, which will suggest additional hotels.

Little Rock, Arkansas

The Statehouse Convention Center (SCC) is located in downtown Little Rock, Arkansas, near the historic River Market District. The River Market District has a large concentration of shops, entertainment venues and restaurants. Little Rock,

Arkansas, has an MSA population of approximately 657,400 people. The largest university in Little Rock is the University of Arkansas-Little Rock, with a student population of approximately 13,000.

The following table displays the breakout space at the SCC.

Table 7-4

Statehouse Convention Center Function Space			
	Total (SF)	By Division (SF)	Divisions
Exhibit Space			
The Governor's Exhibition Hall	82,892		4
The Governor's Exhibition Hall I		19,991	
The Governor's Exhibition Hall II		20,997	
The Governor's Exhibition Hall III		20,882	
The Governor's Exhibition Hall IV		21,022	
Ballroom Facilities			
Statehouse Ballroom	18,362		3
Ballroom A		9,959	
Ballroom B		4,516	
Ballroom C		3,887	
Meeting Rooms	8,168	8,168	11
	<u>109,422</u>	<u>109,422</u>	<u>18</u>
Adjacent Hotel Rooms			
Adjacent Hotel Rooms	418		
Total Exhibit Space	82,892	Per Guest Room	198
Total Ballroom Space	18,362		44
Total Meeting Space	8,168		20
Other Space	0		0
Total Function Space	109,422		262
Total Exhibit Space Divisions	4	/100 Guest Rms	1
Ballroom Divisions	3		1
Meeting Room Divisions (incl. audit/amph)	11		3
Total Divisions (including Ballroom)	18		4

Source: Little Rock CVB, mpoint.com, HSP

The SCC has 82,892 square feet of exhibit space, approximately 18,362 square feet of ballroom space, and approximately 8,168 square feet of meeting room space totaling 109,422 square feet of function space. The SCC is attached to the 418-room Peabody Hotel, a luxury hotel with a fine dining restaurant Capriccio Grill Italian Steakhouse, with a 10,800 square foot ballroom, and 11 meeting rooms totaling 13,096 square feet. A 287-room Doubletree Hotel is adjacent to the facility as well.

The hotel and convention center package in Little Rock is balanced and competitive. It is another example of a convention center in a mid-sized market with multiple hotels attached.

Boise, Idaho

The Boise Center on the Grove is located in downtown Boise, Idaho. Boise has an MSA population of approximately 568,000 people. The largest university in the area is Boise State University with a student population of approximately 16,300.

The following table displays the breakout space at the Boise Center.

Table 7-5

Boise Centre on the Grove Function Space			
	Total (SF)	By Division (SF)	Divisions
Exhibit Facilities			
The Eyries	24,426		1
Meeting Rooms	19,204	19,204	8
	43,630	19,204	9
Summit Auditorium	7,645		
Adjacent Hotel Rooms	253		
Total Exhibit Space	24,426	Per Guest Room	97
Total Ballroom Space	0		0
Total Meeting Space	19,204		76
Other Space	7,645		30
Total Function Space	51,275		203
Total Exhibit Space Divisions		1 /100 Guest Rms	0
Ballroom Divisions	0		0
Meeting Room Divisions (incl. audit/amph)	8		3
Total Divisions (including Ballroom)	9		4

Source: Boise Center on the Grove, mpoint.com, HSP

The Boise Center has 24,426 square feet of exhibit space, 19,204 square feet of meeting room space, and a theater that holds 350 people, with a total square footage of 51,275. The 253-room Grove Hotel is located adjacent to the Boise Center and is the only full service luxury hotel in Boise. Hotel 43, a 112-room hotel is also adjacent to the Center. The hotel developer John Q. Hammons has proposed a new 250-room Marriott hotel and 130,000 square foot convention center in downtown at a cost of \$100 million, but plans have been put on hold.

Raleigh, North Carolina

The Raleigh Convention Center (RCC) is located in downtown Raleigh, North Carolina and opened in September 2008. Raleigh has an MSA population of approximately one million. The largest university in Raleigh is North Carolina State University at Raleigh with a student population of approximately 28,600.

The following table displays the breakout space at the RCC.

Table 7-6

Raleigh Convention Center Function Space			
	Total (SF)	By Division (SF)	Divisions
Exhibit Space			
Exhibit Hall	146,843		3
Exhibit Hall A		45,638	
Exhibit Hall B		54,269	
Exhibit Hall C		46,936	
Ballroom Facilities			
Ballroom	32,617		3
Ballroom A		10,105	
Ballroom B		12,440	
Ballroom C		10,072	
Meeting Rooms	32,601	32,601	20
	<u>212,061</u>	<u>212,061</u>	<u>26</u>
Adjacent Hotel Rooms	400		
Total Exhibit Space	146,843	Per Guest Room	367
Total Ballroom Space	32,617		82
Total Meeting Space	32,601		82
Other Space	0		0
Total Function Space	212,061		530
Total Exhibit Space Divisions	3	/100 Guest Rms	1
Ballroom Divisions	3		1
Meeting Room Divisions (incl. audit/ampl)	20		5
Total Divisions (including Ballroom)	26		7

Source: Raleigh CVB, mpoint.com, HSP

The RCC has approximately 146,800 square feet of exhibit space, approximately 32,600 square feet of ballroom space, and approximately 32,600 square feet of meeting room space, with a total square footage of approximately 212,000. A new 400-room Marriott Hotel was built connected to the Convention Center. The Marriott Hotel has 9,000 square feet of ballroom space and 5,950 square feet of meeting

room space. Also adjacent to the RCC is a 353-room Sheraton Hotel, which offers 18,000 square feet of meeting space.

With the opening of the new Marriott, Raleigh should move from a comparable market to a competitive market, as it has a strong package of hotel rooms and a new facility in a vibrant, temperate climate.

Conclusion

Madison has a challenge when it comes to remaining competitive with other meetings venues across the region and country. Madison is a city with great destination appeal, steady demand generators as the state capitol and the University of Wisconsin. However, it lacks adequate supply of quality hotel rooms that can be dedicated to attract group business from out of town. Therefore it cannot capture the revenue and economic benefits from those groups that now choose another location for their events and meetings.

The data shows that Madison loses enough business to its competitors that could justify a significant addition to the supply of rooms in close proximity to Monona Terrace. The cities with which Madison competes will continue to win more business as they improve themselves as meetings destinations if Madison chooses to continue offering an often unmanageable, inconvenient and somewhat outdated set of rooms for groups.