

Monona Terrace

Capital Improvement Plan

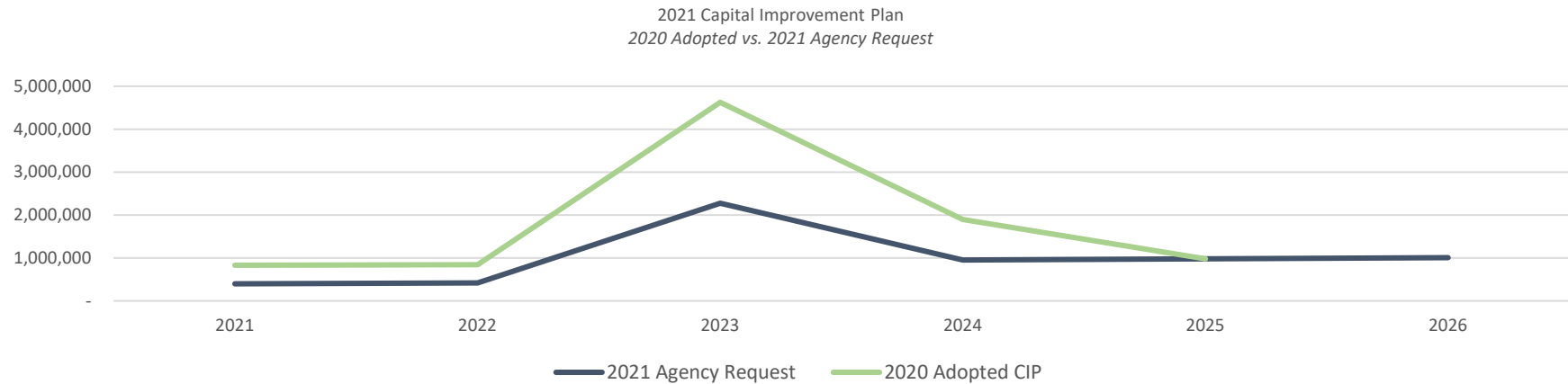
	2020 Adopted	2021 Request	Change
2021 Capital Budget	830,000	397,500	(432,500)
2021 Capital Improvement Plan	9,175,000	5,635,500	(3,539,500)

2020 Adopted	2021 Request
2	2

Project Summary: Agency Request

	2021	2022	2023	2024	2025	2026
Building and Building Improvments	180,000	295,000	1,445,000	800,500	275,000	735,000
Machinery and Other Equipment	217,500	125,000	830,000	150,000	705,000	275,000
Total	\$ 397,500	\$ 420,000	\$ 2,275,000	\$ 950,500	\$ 980,000	\$ 1,010,000

Changes from 2020 CIP



Major Changes/Decision Points

- Building and Building Improvments
 - Program budget decreased by \$210k in 2021 due to a projected reduction in Room Tax revenue
 - Funding source for 2023-2024 changed from borrowing to Room Tax and decreased by \$3,010,000. Funding for 2023-2024 is for Monona Terrace's 10-year renovation.
- Machinery and Other Equipment
 - Program budget decreased by \$222k in 2021 and by \$822k in years 2021-2025 due to a projected reduction in Room Tax revenue



MONONA TERRACE COMMUNITY AND CONVENTION CENTER

ONE JOHN NOLEN DRIVE MADISON, WI 53703 TEL 608 261-4000 FAX 608 261-4049

Date: June 11, 2020

To: David Schmiedicke, Finance Director

From: Connie Thompson, Monona Terrace

Subject: Monona Terrace 2021 Capital Budget

2021 Goals for Capital:

To improve the overall experience and optimize revenue opportunities by purchasing AV equipment and technology that we are consistently renting to accommodate client requests.

To replace inefficient, high maintenance equipment, and continuing the upkeep of a 23+ year old building.

To maintain Monona Terrace as a nationally renowned iconic building in order to increase business revenue and leisure visits.

Summary of Changes from 2020 Capital Improvement Plan:

With direction from City Finance, Monona Terrace was informed that the amount of funding that would be available from the Room Tax Fund would be estimated at 50% of the adopted 2020 budget. As a result of that directive, we eliminated or rescheduled much of our initial 2021 projects. This has reduced our 2021 request FROM \$830,000 in 2019 for 2021, to a request of \$397,500. We have also reduced our budget requests for the years 2022 – 2024 based on the information we have received from City Finance.

Criteria used prioritize projects:

Key personnel, including Senior Managers and Mid-Managers, meet to identify the key goals and objectives for the upcoming budget cycle. The goals and objectives are established and a list of projects are established and prioritized. Next, we meet to confirm the goals and projects that have been identified and the justification behind each project. For the purposes of identifying projects, we use product life expectancy, maintenance records, energy efficiency, and current technology expectations among other analysis tools.

Prioritized list of 2021 Capital Projects:

1. Replacement of video cameras
2. Purchase of Virtual Meeting equipment
3. Re-caulking Building Seams
4. Repair exterior loading docks and approach areas
5. Window replacement
6. Replace Curtains (Shades) – Level 2
7. Exhibition Hall lighting upgrade
8. Lectern replacement
9. Network storage for client presentations
10. Tractor and Snow removal equipment

Potential for Scaling Capital Requests:

With the direction to reduce our Capital budget by 50%, the projects listed have been scaled down, and determined to be the priority for 2021.

Impact of COVID-19 on Capital Funding:

The dramatic decrease in travel, whether leisure or business related, has had a dramatic impact on the number of events we are hosting at Monona Terrace. Additionally, the reduction in hotel stays throughout the City has had, and will have, a lasting effect on the Room Tax fund, which helps to fund Monona Terrace's Capital Budget. As a result, we have eliminated or rescheduled many Capital projects that had been identified during this process last year, to bring our requests down to a level of approximately 50% of the amounts we had put in last year's program for 2021 – 2024.

2021 Capital Improvement Plan Capital Budget Proposal

Identifying Information

Agency	Monona Terrace	Proposal Name	Building and Building Improvements
Project Number	10031	Project Type	Program
Project Category	Facility	Priority:	1
2021 Project Number			

Description

This program funds building improvements at the Monona Terrace Convention Center. The goal of the program is to increase efficiency, reduce maintenance costs, and improve customer experience at the Monona Terrace. Progress will be measured by reduction in costs and service hours. Planned projects for 2020 include ceiling refinish of the north hall, escalator and elevator upgrades, re-caulking building seams, LED lighting exchange for the parking lot poles and rooftop, rooftop and lakeside planter refurbishment, and telephone system upgrades. Increased budget in 2023 and 2024 is for a major renovation of the Monona Terrace which is completed on a ten year cycle. Funding to ensure the Monona Terrace major capital needs are addressed will require long-range planning by the Room Tax Commission, including setting aside revenue in capital reserves and identifying potential private and business sources of support.

Budget Information

Prior Appropriation*

*Based on Fiscal Years 2015-2019

\$2,827,281

Prior Year Actual*

\$2,053,317

Budget by Funding Source

<i>Funding Source</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>
Room Tax	180,000	295,000	1,445,000	800,500	275,000	735,000
Total	\$180,000	\$295,000	\$1,445,000	\$800,500	\$275,000	\$735,000

Budget by Expenditure Type

<i>Expense Type</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>
Building	180,000	295,000	1,445,000	800,500	275,000	735,000
Total	\$180,000	\$295,000	\$1,445,000	\$800,500	\$275,000	\$735,000

Explain any changes from the 2020 CIP in the proposed funding for this program.

Per the direction of City Finance, Monona Terrace's entire Capital submission for 2021 - 2024 has been modified to reflect a 50% cut in potential Room Tax funding. 2021's request has been reduced from \$830,000 (2020 CIP) to \$397,500 in this year's submission. 2022 - 2024 have also been reduced in a similar manner.

Priority

Citywide Element Culture and Character

Strategy Create vibrant and inviting places through creative architecture and urban design.

Describe how this project advances the Citywide Element:

LEED-EB (Sustainability) certification, programming for Community events, and a destination for all residents, clients, guests, and visitors.

Project Schedule & Location

2021 Projects

<i>Project name</i>	<i>Est Cost</i>	<i>Location</i>
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Project name	Est Cost	Location
Building & Building Improvements - individual projects include: Window replacement; upgrade to the Exhibition Hall lighting; Re-caulking building seams; and upgrading Network storage for client presentations. In the 2019 submission, this amount was \$390,000.	\$180,000	One John Nolen Drive

Explain the justification for selecting projects planned for 2021:

With a 23+ year old building, many of these projects are needed to maintain the building's exterior, improving the client experience, and upgrading the lighting in the Exhibition Hall. The re-caulking of the building was actually identified in the 2020 budget, but moved due to the reduction in Capital funding from the Room Tax.

2022 Projects

Project Name	Est Cost	Location
Building & Building Improvements - individual projects currently identified for 2022 include: replacing tile on Olin Terrace; a building audio system upgrade; landscaping upgrades; and exterior building cleaning. In the 2019 submission, this amount was \$405,000.	\$295,000	One John Nolen Drive

Explain the justification for selecting projects planned for 2022:

Keeping up the appearance of the building and grounds, the replacement of tile on Olin Terrace is also done to replace broken and chipped tiles.

2023 Projects

Project Name	Est Cost	Location
Building & Building Improvements - individual projects currently identified for 2023 include: replacing tile on the rooftop; lighting controls upgrade; additionally, 2023 is the ramp up year before our next 10 year renovation, currently scheduled for 2024. This includes the purchase of carpet for the entire building, restroom fixtures, re-grouting the main entrance to the building, and other building projects. In the 2019 submission, this amount was \$3,665,000.	\$1,445,000	One John Nolen Drive

Explain the justification for selecting projects planned for 2023:

Much of 2023's budget is in preparation for the anticipated 2024 renovation projects - purchase of carpet and other items that need to be at Monona Terrace prior to the actual renovations occurring.

2024 Projects

Project name	Est Cost	Location
Building & Building Improvements - individual projects currently identified for 2024 include: 2024 renovation projects, including installation of carpet; refinishing the Kitchen flooring; window replacement; elevator panel replacement, and other building improvements. In the 2019 submission, this amount was \$1,590,500.	\$800,500	One John Nolen Drive

Explain the justification for selecting projects planned for 2024:

2024's budget includes the completion of the anticipated renovations, which will be crucial in maintaining the appearance of the building for guests, clients, staff, and visitors.

2025 Projects

Project name	Est Cost	Location
Building & Building Improvements - individual projects currently identified for 2025 include: rooftop membrane repair; phone system upgrade; new Lecture Hall stage floor; and landscaping upgrades.	\$275,000	One John Nolen Drive

Explain the justification for selecting projects planned for 2025:

Maintaining Monona Terrace as a world-class destination, community gathering place, and tourism site. Additionally, upgrading our technology allows us to continue to provide exceptional service to customers, visitors, guests, and community members.

2026 Projects

Project name	Est Cost	Location
Building & Building Improvements - individual projects currently identified for 2026 include: Window replacement; fire alarm system upgrade; and Lecture Hall technology upgrade.	\$735,000	One John Nolen Drive

Explain the justification for selecting projects planned for 2026:

Maintaining Monona Terrace as a world-class destination, community gathering place, and tourism site. Additionally, upgrading our technology allows us to continue to provide exceptional service to customers, visitors, guests, and community members. Window replacement enhances the look of the building, and also helps us continue to be as energy efficient as possible.

Operating Costs

What are the estimated annual operating costs associated with the projects planned within this program?

Personnel

# of FTEs	Annual Cost	Description
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Non-Personnel

Major	Amount	Description
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Notes

Notes:

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2021 Capital Improvement Plan Capital Budget Proposal

Identifying Information

Agency	Monona Terrace	Proposal Name	Machinery and Other Equi
Project Number	10037	Project Type	Program
Project Category	Facility	Priority:	Select...
2021 Project Number			

Description

This program funds machinery and equipment purchases at Monona Terrace. The program's goal is to provide a safe environment for clients and guests and to increase overall customer satisfaction. Progress is measured by customer satisfaction and monitoring projector equipment performance. Projects planned in 2020 include repairing exterior loading docks and approach areas, purchasing new rooftop chairs, overhauling the chiller, replacing the Level 2 curtains/shades, replacing riding cleaning equipment, upgrading the large tier projector, replacing projection screens, replacing existing industrial equipment, and purchasing new wireless microphones and laptops with software for client rental.

Budget Information

Prior Appropriation*

*Based on Fiscal Years 2015-2019

\$1,497,882 **Prior Year Actual***

\$1,288,516

Budget by Funding Source

<i>Funding Source</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>
Room Tax	217,500	125,000	830,000	150,000	705,000	275,000
Total	\$217,500	\$125,000	\$830,000	\$150,000	\$705,000	\$275,000

Budget by Expenditure Type

<i>Expense Type</i>	<i>2021</i>	<i>2022</i>	<i>2023</i>	<i>2024</i>	<i>2025</i>	<i>2026</i>
Machinery and Equipment	217,500	125,000	830,000	150,000	705,000	275,000
Total	\$217,500	\$125,000	\$830,000	\$150,000	\$705,000	\$275,000

Explain any changes from the 2020 CIP in the proposed funding for this program.

Per the recommendation of City Finance, due to the reduction in the amount of funding that will be available from the Room Tax fund, we have reduced our requests for 2021 - 2024 by more than 50% each year.

Priority

Citywide Element Culture and Character

Strategy

Create vibrant and inviting places through creative architecture and urban design.

Describe how this project advances the Citywide Element:

Upgrading equipment can assist in our LEED-EB certification, programming for Community events, and continuing to be a destination for all residents, guests, clients, and visitors.

Project Schedule & Location

2021 Projects

<i>Project name</i>	<i>Est Cost</i>	<i>Location</i>
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Project name	Est Cost	Location
Machinery and Other Equipment - projects identified for Monona Terrace in 2021 include: replacing tractor and snow removal equipment; replacing Level 2 curtains; repair of exterior loading docks; upgrading video cameras; and purchasing Virtual meeting equipment. The 2019 submission for this project was \$440,000.	\$217,500	One John Nolen Drive

Explain the justification for selecting projects planned for 2021:

The curtains and loading dock repair projects were originally planned for 2020, but moved a year due to a reduction in Capital budget for 2020. The purchase of equipment allows us to upgrade outdated equipment, increase employee efficiency, and provide state of the art technology for our clients, visitors, and guests to the building. With COVID-19, the need for virtual meeting capabilities will be greater than ever.

2022 Projects

Project Name	Est Cost	Location
Machinery and Other Equipment - projects identified for Monona Terrace in 2022 include: replacement of event tables; replacement of building heat exchanger. The 2019 submission for this year was \$440,000.	\$125,000	One John Nolen Drive

Explain the justification for selecting projects planned for 2022:

The purchase of equipment allows us to upgrade outdated equipment, increase employee efficiency, and provide state of the art technology for our clients, visitors, and guests to the building.

2023 Projects

Project Name	Est Cost	Location
Machinery and Other Equipment - projects currently identified for Monona Terrace in 2023 include: purchase of event banquet chairs; audio/visual equipment upgrades; Pipe and Drape and table skirting purchase; and the purchase of new stage skirting. The 2019 submission for this year was \$960,000.	\$830,000	One John Nolen Drive

Explain the justification for selecting projects planned for 2023:

The purchase of equipment allows us to upgrade outdated equipment, increase employee efficiency, and provide state of the art technology for our clients, visitors, and guests to the building. Many of the purchases in 2023 are done in conjunction with the planned renovation in 2024.

2024 Projects

Project name	Est Cost	Location
Machinery and Other Equipment - projects presently identified for Monona Terrace in 2024 include: Stage steps and railings; rope and stanchion for the interior and exterior; purchase of new easels and white boards for event use. The 2019 submission for this year was \$304,500.	\$150,000	One John Nolen Drive

Explain the justification for selecting projects planned for 2024:

The purchase of equipment allows us to upgrade outdated equipment, increase employee efficiency, and provide state of the art technology for our clients, visitors, and guests to the building.

2025 Projects

Project name	Est Cost	Location
Machinery and Other Equipment - projects currently identified for Monona Terrace in 2025 include: Chiller upgrade; new HVAC drive units; purchase of new building cleaning equipment; and A/V upgrades, including wireless microphones, headsets for clients, and LCD screens.	\$705,000	One John Nolen Drive

Explain the justification for selecting projects planned for 2025:

The purchase of equipment allows us to upgrade outdated equipment, increase employee efficiency, and provide state of the art technology for our clients, visitors, and guests to the building.

2026 Projects

Project name	Est Cost	Location
Machinery and Other Equipment - projects initially identified for Monona Terrace in 2026 include: building cleaning equipment; projection screen replacement; and the purchase of large tier projectors.	\$275,000	One John Nolen Drive

Explain the justification for selecting projects planned for 2026:

The purchase of equipment allows us to upgrade outdated equipment, increase employee efficiency, and provide state of the art technology for our clients, visitors, and guests to the building.

Operating Costs

What are the estimated annual operating costs associated with the projects planned within this program?

Personnel

# of FTEs	Annual Cost	Description
<input type="text"/>	<input type="text"/>	<input type="text"/>

Non-Personnel

Major	Amount	Description
<input type="text"/>	<input type="text"/>	<input type="text"/>

Notes

Notes:

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City of Madison 2020 Authorized Projects

Summary Status

Agency : Monona Terrace

of Projects on Schedule

2

of Projects Delayed

0

Project	2020 Budget	Status	Notes
Building and Building Improvments	315,000	On schedule	Reduced from \$315,000 to \$50,200 due to R/T reduction Reduced from \$555,000 to \$278,260 due to R/T reduction; already spent \$228,260, have \$50,000 for chiller overhaul project
Machinery and Other Equipment	555,000	On schedule	
TOTAL	\$ 870,000		