To Assess Madison’s Market Possibilities, We Analyzed EmpowerMINT database

ANALYTICAL PROCESS

**STEP 1**
Started with approximately 25,000 rows of data from the Destination Marketing Association International’s collaborative database, EmpowerMINT

**STEP 2**
- Removed data with missing Room Night information
- Removed events appearing to be duplicates
- Maintained all market segments (future analysis could narrow the focus)

**STEP 3**
- Wound up with 16,700 events in sample
- Compared national EmpowerMINT data to Monona Terrace data on events, total room nights generated, and peak room night demand

LIMITATIONS OF EmpowerMINT DATA
1. Data is self-reported by meeting planners (many people entering data)
2. Data is a sample of national events
Conferences and Conventions Drive 50% of Monona Terrace’s Revenue

MONONA TERRACE EVENTS

10% of events...

...drive 50% of revenue

MONONA TERRACE REVENUE

$1.9 M
Banquets
Meetings
Consumer Shows
Entertainment
Community Meetings

$2.0 M
Conferences

Sources: Monona Terrace
Moreover, the Larger Events Drive Monona Terrace Revenue and Economic Impact

MONONA TERRACE CONFERENCES AND CONVENTIONS BY SIZE, MONONA TERRACE REVENUE, AND ROOM NIGHT GENERATION

In other words, 5% of all events are driving disproportionate impact and 40% of Monona Terrace Revenue.

Average convention demands 370 peak room nights (2009-2013)

Sources: Monona Terrace
Monona Terrace Market Penetration Increases as Event Size Grows

Smaller Events have numerous options where larger events require larger, more specialized facilities.

Monona Terrace’s national penetration suggests Madison’s current sweet spot is competing for events requiring between 250 and 900 Peak Room Nights.

Sources: EmpowerMINT database, Monona Terrace, analysis
Unfortunately, Monona Terrace is Becoming Less Competitive for Larger Events

CONVERSION RATE OF CONVENTION LEADS BY PEAK ROOM SIZE

Madison is becoming less competitive in the Conference/Convention market, especially for events demanding over 300 Peak Room Nights.

Sources: Greater Madison Convention and Visitors Bureau
Madison Can Compete for Most Events but Small Portion of Potential Room Nights

PERCENTAGE OF MARKET ADDRESSED AT 200% OF CURRENT AND PROPOSED ROOM BLOCK

**Percentage of Market Events**

- **150 Room Block**
  - Within 200% of Room Block: 32%
  - Outside 200% of Room Block: 68%

- **400 Room Block**
  - Within 200% of Room Block: 11%
  - Outside 200% of Room Block: 89%

**Percentage of Market Room Nights**

- **150 Room Block**
  - Within 200% of Room Block: 79%
  - Outside 200% of Room Block: 21%

- **400 Room Block**
  - Within 200% of Room Block: 55%
  - Outside 200% of Room Block: 45%

A 400 Room Block will expand the market Monona Terrace can chase by 31% measured by number of events and 214% as measured by total number of room nights.

Sources: EmpowerMINT database, analysis
Monona Terrace has comparatively few attached rooms relative to meeting space.

<table>
<thead>
<tr>
<th>Hotel</th>
<th>Rooms/1000 SF of Meeting Space</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monona Terrace</td>
<td>2.9</td>
</tr>
<tr>
<td>Concourse</td>
<td>13.1</td>
</tr>
<tr>
<td>Inn on the Park</td>
<td>10.7</td>
</tr>
<tr>
<td>Edgewater</td>
<td>13.9</td>
</tr>
<tr>
<td>Marriott</td>
<td>4.8</td>
</tr>
<tr>
<td>Crowne Plaza</td>
<td>21.5</td>
</tr>
<tr>
<td>Sheraton</td>
<td>13.6</td>
</tr>
<tr>
<td>Kalahari</td>
<td>7.5</td>
</tr>
<tr>
<td>Milwaukee Center</td>
<td>4.0</td>
</tr>
<tr>
<td>LaCrosse Center</td>
<td>1.7</td>
</tr>
<tr>
<td>KI Center - GB</td>
<td>5.3</td>
</tr>
<tr>
<td>Grand Geneva</td>
<td>10.6</td>
</tr>
</tbody>
</table>

**Source:** Monona Terrace

**Graph:**
- **X-axis:** Square feet of meeting space (1000s)
- **Y-axis:** Rooms per 1000 SF of meeting space
- **Legend:**
  - Rooms/1000 SF of Meeting Space
  - With Judge Doyle Hotel
Goal is to Compete Less and Attract More of the Business that Helps Everyone

MARKET SEGMENT

| 5%  | Conferences & Conventions with over 150 Peak Room Nights |
| 95% | Small Conferences & Conventions, Banquets, Weddings, Meetings, other, etc. |

COMPETITIVE SITUATION

| Typically creates spillovers for other hotels, restaurants, etc. |
| Typically competitive with other Madison hotels and facilities |
| Less Monona Terrace competition in this category (new conventions and conferences projected to displace 161 events per year) |

Monona Terrace Business
(by size of event)
Conclusions from Monona Terrace Market Analysis

- Monona Terrace’s business is predominantly smaller events with 52% of conferences and conventions demanding less than 150 peak room nights and 75% demanding less than 250 peak room nights.

- However, this business is highly mobile and more easily accommodated by other venues. And it accounts for only 42% of Monona Terrace’s conference and convention revenue and 33% of its conference and convention economic impact (as measured by total room nights generated).

- Monona Terrace is currently most competitive trying to win business with 250 to 900 peak room nights. However, competitiveness is declining.

- Compared to other venues, Monona Terrace has comparatively few adjacent rooms relative to its meeting space capacity.

- Increasing the adjacent room block substantially expands both the number of events Monona Terrace can compete for and, more importantly, the number of room nights it can generate. This expanded impact will spillover to other hotels and will likely displace additional smaller events into the marketplace.

- Shifting Monona Terrace’s business mix toward conferences and conventions will increase revenue in a cost-effective way and stabilize and/or improve their bottom-line.

- Analyzing the Monona Terrace impact with this new dataset largely reconfirms earlier analysis by Charlie Johnson.
APPENDIX SLIDES & ADDITIONAL DETAIL
Moreover, the Biggest 5% of Monona Terrace Events Drive 40% of Revenue

MONONA TERRACE CONFERENCES AND CONVENTIONS BY SIZE, ROOM NIGHT GENERATION, AND MONONA TERRACE REVENUE

Conferences and conventions with over 250 Peak Room Nights drive 24% of Monona Terrace Revenue

And conferences and conventions with 130 to 250 Peak Room Nights drive an additional 16% of Revenue

Sources: Monona Terrace
National Conference and Convention Market Composed of Small Events

NUMBER OF EVENTS BY PEAK ROOM NIGHT DEMAND

Based on sample of MINT database (N=16,700)

Monona Terrace is punching above its weight, probably due to size and quality of meeting space

Note: Monona Terrace data scaled by factor of 10 in order to be visible

Sources: EmpowerMINT database, Monona Terrace, analysis
However, Room Night Generation (and Economic Impact) Depends on Larger Events

**ROOM NIGHTS GENERATED BY SIZE OF EVENT AS MEASURED BY PEAK ROOM NIGHT DEMAND**

Total Room Nights is a better measure of economic impact reflecting impact on other hotels, retailers, restaurants, etc.

Sources: EmpowerMINT database, Analysis
Indeed, these 25% of Conferences and Conventions Drive Most of the Impact

MONONA TERRACE CONFERENCES AND CONVENTIONS BY SIZE, ROOM NIGHT GENERATION, AND MONONA TERRACE REVENUE

Conferences and Conventions with more than 250 Peak Room Nights generate 68% of the Conference/Convention room nights and 48% of the Monona Terrace Conference and Convention Revenue.

Sources: Monona Terrace
Current Room Block allows Madison to address 42% to 68% of the events in the market.

At 200% of the current Room Block, 68% of events can be accommodated today.

Sources: EmpowerMINT database, analysis
Proposed Room Block Expands Reach to 76% to 89% of Events in Market

Madison can expand their targets by approximately 50% with a 400 Room Block versus 150

Current Room Block accommodates 42% of conference/convention market

Proposed Room Block addresses 76% of the market

200% of Proposed Room Block addresses 89% of market

Sources: EmpowerMINT database, analysis
Current Room Block Allows Madison to Address 8% to 21% of Room Nights

At 200% of the current Room Block, 21% of market room nights can be addressed.

Current Room Block big enough to address 8% of the market’s room nights.

TOTAL ROOM NIGHTS BY PEAK ROOM NIGHT SIZE

Sources: EmpowerMINT database, analysis
Current Room Block Allows Madison to Address 8% to 21% of Room Nights

The pool of Room Nights Madison can compete for can expand by 100 to 200%

Current Room Block big enough to address 8% of the market’s room nights

Proposed Room Block addresses 27% of room nights

200% of Proposed Room Block addresses 45% of market

Sources: EmpowerMINT database, analysis
Substantial Opportunity to Expand Madison’s Market but with Diminishing Returns

MARPET ADDRESSED BY ROOM BLOCK (MEASURED BY NUMBER OF EVENTS)

<table>
<thead>
<tr>
<th>Available Room Block</th>
<th>150</th>
<th>200</th>
<th>250</th>
<th>300</th>
<th>350</th>
<th>400</th>
<th>450</th>
<th>500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market addressed at Room Block size</td>
<td>42%</td>
<td>54%</td>
<td>62%</td>
<td>68%</td>
<td>73%</td>
<td>76%</td>
<td>79%</td>
<td>81%</td>
</tr>
<tr>
<td>Market addressed at 200% of Room Block</td>
<td>68%</td>
<td>76%</td>
<td>81%</td>
<td>85%</td>
<td>87%</td>
<td>89%</td>
<td>91%</td>
<td>92%</td>
</tr>
</tbody>
</table>

MARPET ADDRESSED BY ROOM BLOCK (MEASURED BY ROOM NIGHTS)

<table>
<thead>
<tr>
<th>Available Room Block</th>
<th>150</th>
<th>200</th>
<th>250</th>
<th>300</th>
<th>350</th>
<th>400</th>
<th>450</th>
<th>500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market addressed at Room Block size</td>
<td>8%</td>
<td>13%</td>
<td>17%</td>
<td>21%</td>
<td>24%</td>
<td>27%</td>
<td>30%</td>
<td>33%</td>
</tr>
<tr>
<td>Market addressed at 200% of Room Block</td>
<td>21%</td>
<td>27%</td>
<td>33%</td>
<td>37%</td>
<td>41%</td>
<td>45%</td>
<td>48%</td>
<td>50%</td>
</tr>
</tbody>
</table>

Sources: EmpowerMINT Database, analysis
### Substantial Opportunity to Expand Madison’s Market but with Diminishing Returns

**PROJECTED ADDITIONAL EVENTS AT VARIOUS ROOM BLOCK SIZES & REVENUE IMPLICATIONS**

<table>
<thead>
<tr>
<th>Available Room Block</th>
<th>150</th>
<th>200</th>
<th>250</th>
<th>300</th>
<th>350</th>
<th>400</th>
<th>450</th>
<th>500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected Additional Conferences &amp; Conventions</td>
<td>0</td>
<td>6</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Cumulative Additional Conferences and Conventions</td>
<td>0</td>
<td>6</td>
<td>11</td>
<td>15</td>
<td>18</td>
<td>21</td>
<td>23</td>
<td>24</td>
</tr>
<tr>
<td>Monona Terrace Revenue Impact</td>
<td>0</td>
<td>$193,638</td>
<td>$355,003</td>
<td>$484,095</td>
<td>$580,914</td>
<td>$677,733</td>
<td>$742,279</td>
<td>$774,552</td>
</tr>
</tbody>
</table>

Analysis assumes current Monona Terrace market penetration remains constant (neither increasing nor decreasing relative to room block size); assumes capacity exists to accommodate additional events.

Sources: EmpowerMINT Database, analysis
Two Different Methods Produce Similar Estimates on Impact of 400 Room Block

COMPARISON OF MINT ANALYSIS WITH CHARLIE JOHNSON STUDY

Additional Conferences and Conventions

<table>
<thead>
<tr>
<th></th>
<th>MINT Analysis</th>
<th>Charlie Johnson Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>21</td>
<td>20</td>
</tr>
</tbody>
</table>

Additional Monona Terrace Revenue

<table>
<thead>
<tr>
<th></th>
<th>MINT Analysis</th>
<th>Charlie Johnson Study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$678,000</td>
<td>$461,000</td>
</tr>
</tbody>
</table>

Sources: EmpowerMINT Database, Charlie Johnson Study, analysis
Monona Terrace has Un-leased Capacity Available

PERCENT OF NON-ROOF SPACE LEASED BY EVENT TYPE

Source: Monona Terrace
Monona Terrace Projects Displacing 161 Events to Other Venues with n Room Block

**PROJECTION OF LOST BUSINESS TO ACCOMMODATE LARGER CONFERENCES & CONVENTIONS**

<table>
<thead>
<tr>
<th>Event Type</th>
<th>Displaced Count based on 2013 Calendar</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banquet</td>
<td>51</td>
</tr>
<tr>
<td>Meetings</td>
<td>86</td>
</tr>
<tr>
<td>Conference</td>
<td>11</td>
</tr>
<tr>
<td>Consumer Show</td>
<td>12</td>
</tr>
<tr>
<td>Entertainment</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>161</strong></td>
</tr>
</tbody>
</table>

Monona Terrace’s Conferences and Conventions average 214 Peak Room Nights (with an average of 370 Peak Room Nights for Conventions alone) served by the existing 150 Room Block

At the same ratios, a 400 Room Block could allow Madison to average 571 Room Nights (and 987 for Conventions). The Hilton and Judge Doyle Hotel could provide no more than 550 of these (and less in practice)

In addition, smaller events, meetings, weddings, etc. would likely be displaced

**NOTE:** This is a counter-factual analysis of the 2013 calendar assuming a 400 room block was available; assumes Saturdays remain available for booking; assumes first and last day of conventions lasting 5 or more days are available for booking

**NOTE:** Monona Terrace currently turns away $400,000 to $500,000 of business in a typical year making it available to other venues

Sources: Monona Terrace Projection