



May 29, 2020

City of Madison  
Room Tax Commission  
210 Martin Luther King Jr. Blvd  
Madison, WI 53703

Dear Commission Members,

Thank you for serving on the City of Madison Room Tax Commission. You are tasked with the important role of ensuring room tax expenditures are used properly for tourism promotion and tourism development and are likely to generate significant overnight rooms stays. I respectfully ask for your support to honor the contract with the Greater Madison Convention & Visitors Bureau, dba Destination Madison.

The COVID-19 pandemic and resulting economic injury sustained by the tourism industry is unprecedented. The funds generated by the room tax helped to create a flourishing tourism economy in Madison, one that created and supported thousands of jobs. These local dedicated workers are depending on this industry recovering. Supporting the visitor economy will be vital to saving businesses and jobs in Madison.

Prior to the pandemic, it had been apparent for many years that the GMCVB needed additional funding to be competitive. In 2017, the Greater Madison Hotel & Lodging Association (GMHLA) suggested and recommended increasing the room tax from 9% to 10% after careful consideration to ensure the total taxes would be acceptable to clients and, the dollars that would be generated from the additional 1% would provide the necessary funds to move the GMCVB closer to a competitive funding level with other regional and national markets.

Clearly, the current economic reality demands hard decisions. I recommend maintaining the current and projected funding for Destination Madison, while also adjusting the funding mechanisms for other recipients of the Room Tax Fund to either 1) change the funding from a flat dollar amount to a percentage of the collections as this would evenly reduce the reduction for all recipients or, 2) eliminate funding for all other recipients to focus on marketing and promotion uses that are the most likely to generate significant overnight rooms stays.

With the commitment of your support and investment, Destination Madison will be able to continue to work aggressively and creatively through the coming recovery period to attract visitors and events to Madison. The importance of presenting, promoting, and marketing Madison to visitors is critical to hospitality businesses ability to remain open and continue supporting thousands of jobs. The investment the City makes with Destination Madison will show returns through generating room nights, expanding marketing to leisure visitors and expanded economic impact for our community and local businesses.

I ask for your support to maintain full funding for Destination Madison in 2020 and beyond.

Warmest regards,

Charlie Eggen, Vice-President  
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