



September 12, 2019

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 properly used for tourism promotion and tourism development and are likely to generate significant overnight rooms stays. The funds generated by the room tax help create a flourishing tourism economy in Madison, one that excites visitors and creates thousands of jobs. With this in mind, we respectfully ask for your support to honor the contract with the Greater Madison Convention & Visitors Bureau, dba Destination Madison in 2020.

The Greater Madison Hotel and Lodging Association is a chapter of the Wisconsin Hotel and Lodging Association. Locally, we represent a majority of the 90 lodging properties in the greater Madison area. Our lodging businesses collect millions of dollars in local room tax revenue each year for the municipalities where they are located. In addition, we pay significant municipal property taxes and employ thousands of full-time and part-time employees. Lodging properties invest heavily in the sales and marketing of our hotels and our destination to actively bring overnight visitors and their tourism spending to our area. All of these activities and investments contribute significantly to the economic vitality of the greater Madison area. Our members and our teams are wholly committed to the health and vitality of our destination.

As we face hotel inventory growth and a flattening economy, the importance of presenting, promoting and marketing Madison to event professionals and leisure visitors is critical to our ability to remain in business. In addition to the excellent direct sales activities Destination Madison stages on the City and our behalf, their work in hosting and garnering editorial coverage from travel writers, creating campaigns such as Hotel Week and their latest 608 campaign, are critical to keeping Madison's name in front of consumers and event planners.

Regarding the City's investment in destination marketing, after many years of analysis under both Mayor Cieslewicz and Mayor Soglin, it was clear that the GMCVB needed additional dollars to generate the level of business that is needed to have a chance to compete for business. The first multi-year agreements were agreed upon, but in 2017, when the City was facing more budget challenges and the possibility that destination marketing funding could be reduced, our association stepped forward to see how it could assist the City of Madison and ensure the GMCVB could continue its destination marketing work and, the subsidy needed for Monona

Terrace was available. Our suggestion and agreement to increase the room tax from 9% to 10% was given after careful consideration to ensure our total checkout tax would be acceptable to clients and, the dollars that would be generated from the additional 1% would a) assist the city with its tightening budget; b) provide the necessary funds to move the GMCVB closer to a competitive funding level with other regional and national markets and c) ensure the estimated subsidies were available for Monona Terrace.

Working with the City and the GMCVB, in 2017, we designed the current contract, agreeing to a new, multi-year agreement with “steps” to move the dedicated % of room tax to the competitive level of 34% of total room tax collections (this amount was based on the projected amount in the room tax fund). In the spirit of collaboration and to further assist the city, the GMCVB agreed to hold the growth flat the first year of the new agreement, ensuring the city could achieve its budget goals.

With your support and investment, Destination Madison will be able to continue to work aggressively and creatively in attracting visitors and events to Madison. The increased investment the City has made has already had great results with events such as CrossFit coming to Madison for multiple years, generating revenues for Monona Terrace and, keep commitments in hosting WIAA, Ironman and other events at our hotels and the Alliant Energy Center and, generating room nights, expanding marketing to leisure visitors and expanded economic impact for our community and local businesses.

The hotels and lodging establishments in our region are active in shaping the future of our communities. Of course, we believe that bold investment in tourism marketing is wise and helps our local economy grow while reducing the burden on local tax payers. Our members offer enthusiasm, experience and expertise and are eager to share and work with you.

We ask for your support to approve the 2020 Destination Madison funding at 28% of the 2019 collections

Warmest regards,



Charlie Eggen, President  
Greater Madison Hotel & Lodging Association  
608.347.1323  
[contact@greatermadisonlodging.org](mailto:contact@greatermadisonlodging.org)