

City of Madison Room Tax Commission

September 11, 2020

Greater Madison Tourism Today

To date 81 conventions and sporting events that we contracted for have cancelled:

- Loss of **\$54.5** million in direct spending
- Over **105,000** hotel room nights

...And over **160,000** visitors to our destination



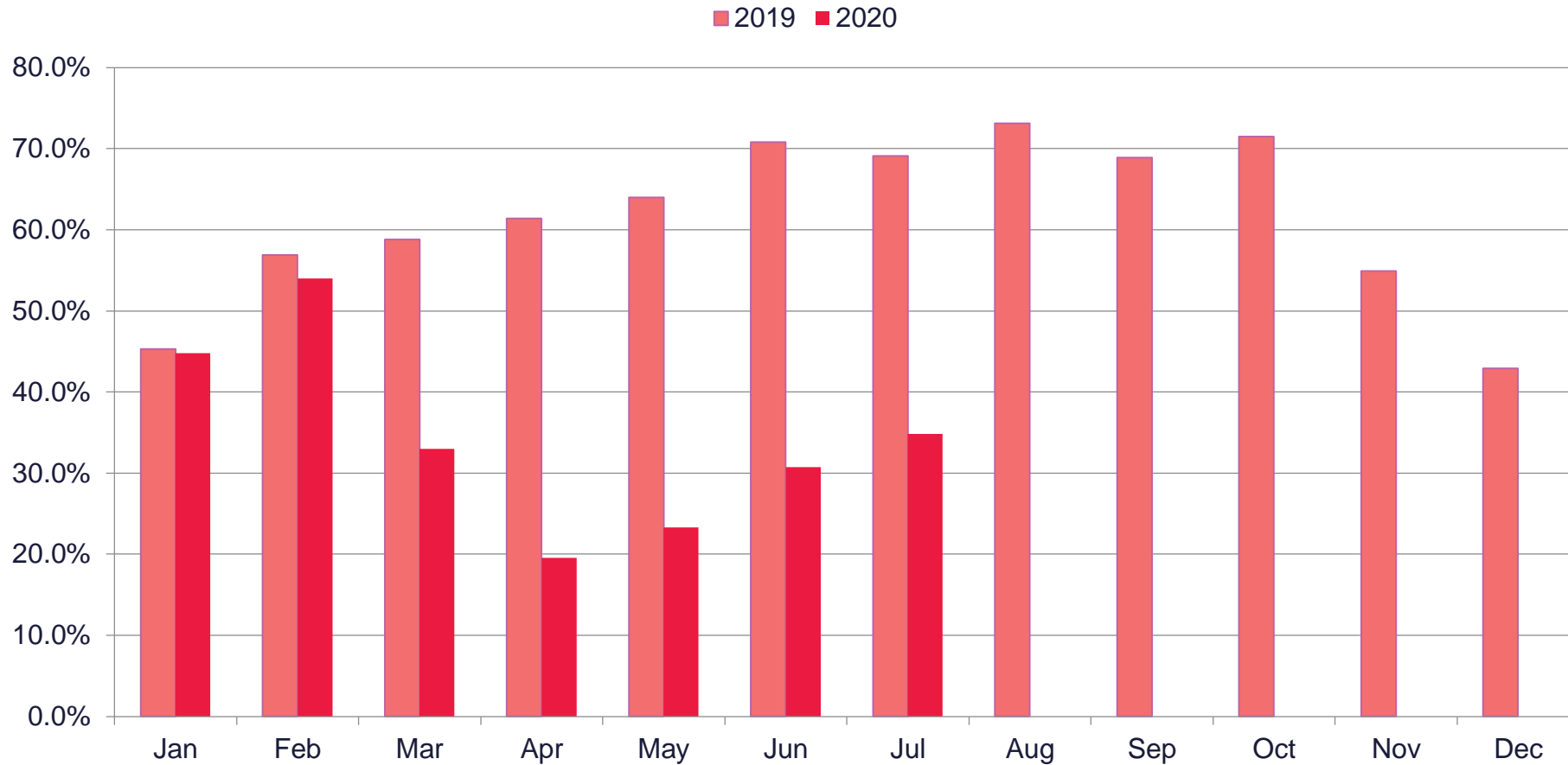


Operational Goals: 2020

1. Actively engage in event business development: comprehensive target account engagement program: current and prospective clients
2. Staffing – bringing staff back to full time as business needs dictate
3. Develop a destination “Reputation Management” strategy
4. Advocate for resources to protect our diverse & dedicated hospitality workers and businesses
5. Build consumer confidence: promote best practices businesses and venues can operate safely, “*Mask Up*” campaign, GBAC, etc.)
6. Advocate for Public Health to responsibly revisit/revise industry restrictions
7. Accelerate our Diversity, Equity and Inclusion initiatives
8. Invigorate and elevate the destination brand, e.g., *Explore Outdoor Madison*
9. Elevate public and private support and understanding of tourism and its value to community and our economic recovery

State of the Tourism Industry

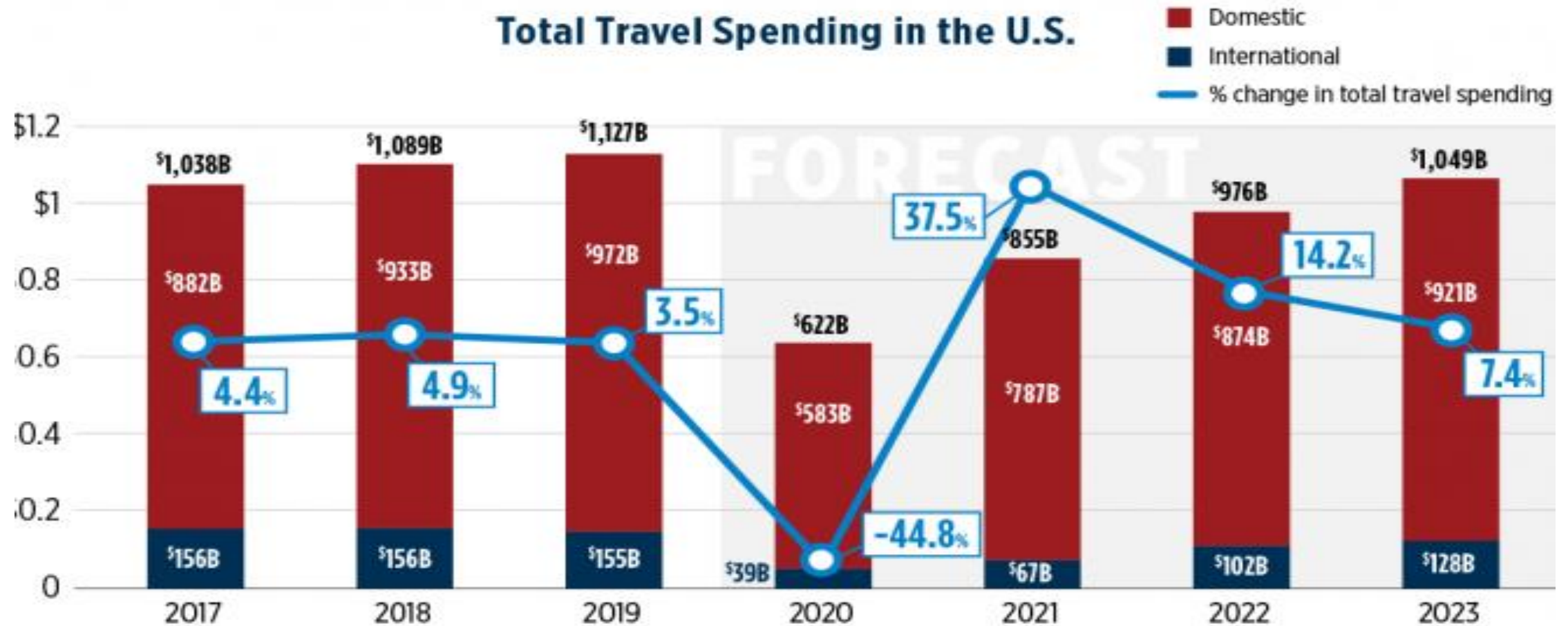
Dane County Hotel Occupancy



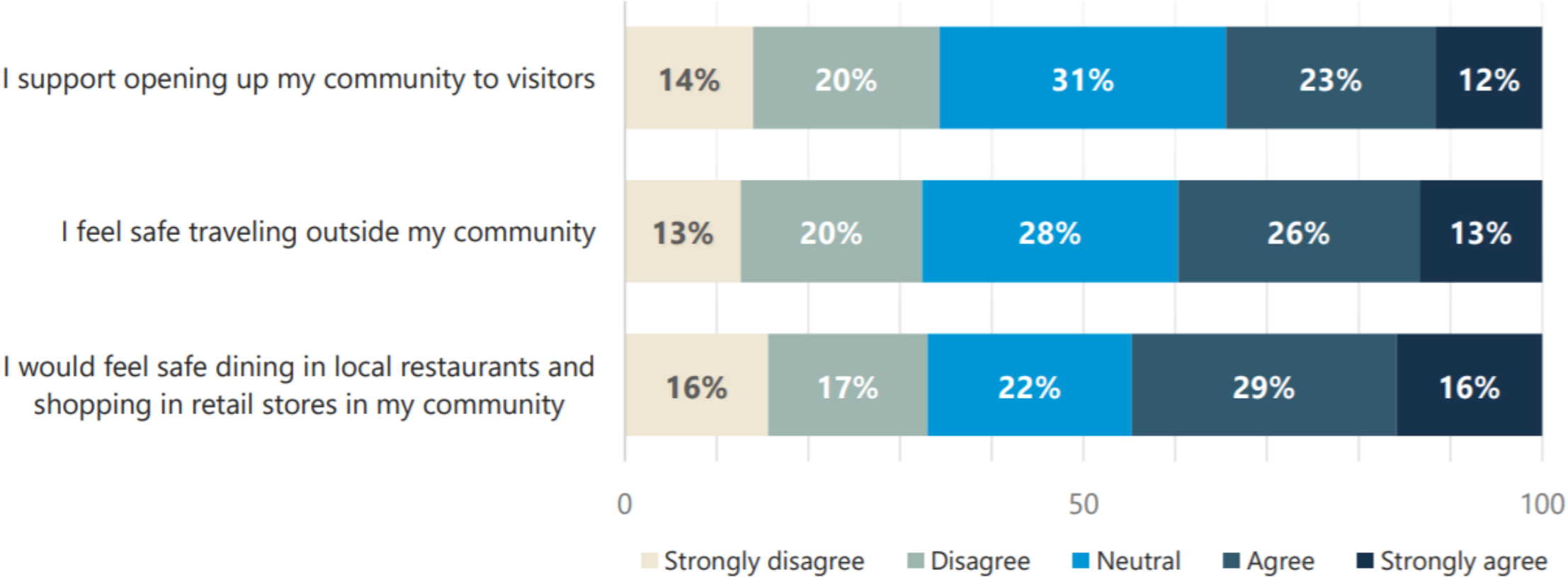
Note: Year over year does not reflect COVID related hotel closures

Source: STR

Traveler Spending: US Travel



Perceptions of Safety and Travel



Budget and Forecasts

- Initial reduction in 2020 staffing and programs made in response COVID
- Post-July Room Tax meeting reductions in expenses result of subsequent cancellations (CrossFit, Ironman, etc.)
- 2021 expenses reflect full year of current staff at FT, reinstatement of cancelled event support, B2B and B2C marketing and promotional programs/activity.

2020 - 2021 Forecasts	Original Budget 2020	2020 City per RTC Amendment 07.07.20	Est. 2021
Revenues			
City of Madison	\$ 4,789,500	\$ 2,950,000	\$ 3,800,000
Incentive	\$ 360,500	\$ 59,426	\$ -
Monona Terrace Reimbursed Marketing/Sales			
Booking Assistance	\$ 200,000	\$ 50,000	\$ 150,000
	-		
Union South Pilot	\$ 40,000	\$25,250	\$20,000
Dane County	\$ 274,250	\$ 303,508	\$ 303,508
Sales contract	\$ 125,000	\$ 95,000	\$ -
DCRA contract	\$ 57,693	\$ 16,000	\$ -
Other Municipal Revenues	\$ 488,000	\$ 191,000	\$ 290,000
Partnership dues	\$ 370,000	\$ 320,000	\$ 225,000
Programs and Sponsorships	\$ 102,500	\$ 49,000	\$ 17,000
JEM Grants	\$ 18,000	\$ 50,000	\$ -
Other (includes DMF, investment income)	\$ 109,500	\$ 68,000	\$ 46,500
Housing Assessments	\$ 210,230	\$ 14,400	\$ 50,000
Projected revenues	\$ 7,145,173	\$ 4,191,584	\$ 4,902,008
Expenses			
Personnel	\$ 3,753,528	\$ 2,484,153	\$ 2,852,750
Programs	\$ 2,558,631	\$ 829,289	\$ 1,952,500
Operations	\$ 850,375	\$ 1,000,300	\$ 926,500
Projected Expenses	\$ 7,162,534	\$ 4,313,742	\$ 5,731,750
Net Operating Profit /(Loss)	\$ (17,361)	\$ (122,158)	\$ (829,742)
DMF	\$ 94,200	\$ 94,200	\$ 94,200
Net Profit/(Loss)	\$ (111,561)	\$ (216,358)	\$ (923,942)



2021 Room Tax Investment Requests:


- Overall scope of services request: \$ 3.8 million
- Booking Event Assistance: \$150,000

Needed to secure business in anticipated, highly competitive market


- Special request from Booking Event Assistance Fund:
\$50,000 for “Optimization Study”

Study would develop booking space optimization recommendations to benefit Monona Terrace and room tax revenue generation. The program merges booking data from both Monona Terrace and Destination Madison creating data driven strategies, policies, and sales processes.

Factors Impacting Outlook for 2021

- Status of pandemic, vaccine
 - Public health guidelines/restrictions
 - Economy
 - Status of destination attractions (museums restaurants, etc.)
 - Status of accommodations
 - Status of air service/lift
 - Traveler sentiment/consumer confidence
 - Competition
 - Resources for destination marketing activities
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Outlook for 2021

- Sports events will be quickest to recover
 - Leisure travel will continue to recover as traveler sentiment improves (road trips continue in popularity)
 - Convention/tradeshow business will become hybrid (in-person + virtual)
 - Convention/tradeshow business begins to recover late Q2
 - Business travel will begin to recover late in Q1
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Priorities for 2021

Innovative Sales and Marketing

1. Business Development:

- Keep Your Meetings and Events Home: Encourage local businesses and higher education leaders to host their events in Madison
- Build prospect pipeline: research and identify events to pursue
- Optimization modelling in conjunction with hoteliers and Monona Terrace

2. Client and prospect communications and engagement: virtual events; safe site visit protocols and implementation

3. Brand awareness and messaging: residents; staycations; leisure visitor; regional visitors

4. B2B marketing: destination awareness; safety; bring/keep events in Madison

5. Support local safety campaigns

6. Develop and execute a destination-wide reputation message




Priorities for 2021

Authentic Placemaking

1. Develop and execute virtual and allowable in-person events
 2. Support and engage in Downtown recovery
 3. Engage in visitor product development initiatives:
 1. Judge Doyle Square
 2. Alliant Energy Center and Destination District
 3. Lakefront development initiatives
 4. BRT
 4. Continue to expand Essential Madison Experiences product including virtual experiences
 5. Event creation
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Priorities for 2021

Intentional Community Engagement

1. Complete Diversity Equity and Inclusion Plan
 - Ensure organization policies and processes are inclusive
 - Expand community engagement
 - Ensure messaging and marketing reflect diversity of our community
 2. Implement resident sentiment survey
 3. Promote and facilitate regional collaboration
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Priorities for 2021

Organization and Industry Stability and Sustainability

1. Advocate for resources and policies that will support industry and workforce recovery
 - Support industry associations advocacy efforts (Destinations International, US Travel, Destinations Wisconsin)
 - Support hospitality association efforts (WH&LA, WRE, NACE)
 2. Develop a Business Continuity Plan
 3. Solicit public sector and private corporate partnerships
 4. Enhance and expand communications to residents and community stakeholders
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Questions