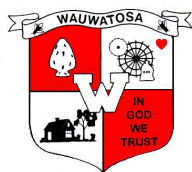


CITY OF WAUWATOSA  
MEMO



To: **Government Affairs Committee**

From: **Melissa Cantarero Weiss, Deputy City Administrator**

Date: **September 26, 2023**

Subject: **Visit Milwaukee contract renewal**

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**A. Issue**

Consideration of a Partnership Agreement with Visit Milwaukee for January 1, 2024 to December 31, 2028 for tourism promotion and development as permitted by State Statute.

**B. Background/Options**

State statute directs how the city can use hotel/motel tax revenue in Chapter 66.0615. Funds must be spent on tourism promotion and development. The revenue can be expended with a Destination Marketing Organization (DMO), the City's Tourism Commission, and/or a Chamber of Commerce to carry out tourism promotion or development for Wauwatosa.

Visit Milwaukee is the Destination Marketing Organization (DMO) for the greater Milwaukee region and is an eligible organization for the city to contract with to expend hotel tax revenue. The city has had a contract with them for over 40 years. The historic contract was vague in terms of deliverables and provided the majority of hotel revenue to Visit Milwaukee. Over the past six years, the city has created a Wauwatosa Tourism Commission providing the majority of hotel revenue to the Commission, and renegotiated the Visit Milwaukee contract five years ago. That contract had the first focus on providing a more specific list of deliverables for Wauwatosa.

The contract we are presenting for your review takes this to the next level. It has a more specific and robust scope of services than any previous agreement. It will provide greater benefits for Wauwatosa's tourism promotion and development than in the past. The contract itself has the following beneficial changes:

1. The past contracts had an annual allotment that increased by the percentage of increase in RevPar as of June 30 in the prior year (an industry term defined as revenue per available room). This led to variation in payment, without an accompanying change to the scope of services, which was not beneficial. The new contract transitions to a fee-for-service model where the city receives services directly tied to the amount of money we are providing to the organization as is typical in any other contract.
2. Payment changes from the first month of the quarter to the last to allow us to receipt more revenue before making payments.
3. New language regarding non-payment (page 4) to avoid recurring the financial challenges experienced during the pandemic: "The monies remitted to the GMCVB (Greater Milwaukee Convention and Visitor's Bureau) in any year shall in no case exceed 50% of the statutorily required amount of room taxes collected by the City and provided to the Wauwatosa Tourism Commission, collected during the payment year..."

The 2024 scope of services is significantly more robust than past contracts. All items are listed in the Scope of Services and new items are listed here:

1. Discover Wauwatosa website – a Simpleview child site using the existing DiscoverWauwatosa.com URL on Visit's Simpleview platform. Includes 8 hours/month of Visit Milwaukee website support, management fee for the site, the CRS and CRM.
2. Premium advertisement placement in Milwaukee's Official Visitor Guide, Visitor Map, and Group Tour Brochure, as well as a two-page spread highlighting Wauwatosa in the Visitor Guide.

3. Previously, Wauwatosa website content per the contract was limited to a nearby neighborhood page. In the new contract, in addition to that dedicated webpage on [visitmilwaukee.org](http://visitmilwaukee.org), Wauwatosa content will be woven through other content on the site.
4. Wauwatosa will be included in at least three meetings/conventions and/or leisure pitches to media outlets.
5. Wauwatosa will be included in the suggested itinerary for at least three travel writers.
6. Visit Milwaukee does press about events and attractions in Milwaukee. They will mention Wauwatosa at least ten times in television spots.
7. Feature Wauwatosa quarterly on Visit Milwaukee's Facebook (72,000 followers) or Instagram channel (104,000 followers) with the content produced by the Visit social team.
8. In collaboration with the Tourism Specialist, will create four unique content videos and post on Visit Milwaukee's Instagram (104,000 followers) or TikTok channel (20,000 followers).
9. Wauwatosa businesses and events featured quarterly in Visit's Leisure newsletter, includes featured content and banner ad.
10. Wauwatosa businesses and events featured quarterly in Milwaukee365 newsletter.
11. Promote Wauwatosa's venues and meeting-related service partners as Milwaukee's premier suburb for the purpose of booking future events. Invite meeting planners to experience Wauwatosa's hotels, venues, restaurants, and hospitality.
12. Promote Wauwatosa as a leisure destination to markets outside of the Greater Milwaukee area, region, or state. Fully hosting media or social influencers to garner interest in Wauwatosa and all its amenities.
13. The Tourism Specialist will accompany Visit Milwaukee to regional trade shows to sell Wauwatosa as a location to bring your business meetings/events.
14. The Tourism Specialist will accompany Visit Milwaukee to Madison and Chicago sales missions to represent Wauwatosa.
15. Visit Milwaukee will conduct an Expedia Media buy to increase out-of-state hotel stays during off-peak periods (quarter 4 and quarter 1 are the target seasons). In 2022 this type of media buy resulted in the booking of 645 room nights in Wauwatosa hotels, representing \$100,000 in gross booking dollars. All 9 Wauwatosa hotels saw bookings as a result of the campaign, showing it promoted the city as a whole vs individual properties.
16. Provide a monthly 30-minute 1:1 tourism industry consultation for Wauwatosa's tourism staff.

The Tourism Commission reviewed the Scope of Services at a recent meeting and unanimously recommended that the Common Council adopt the contract. A letter explaining the Commission's opinion about the value to Wauwatosa from Chairperson Dave Amoroso is attached.

### **C. Strategic Plan (Area of Focus)**

The proposed budget aligns with the following items in the city's adopted Strategic Plan:

- Economic Development and Financial Resilience:
  - Promote and support local businesses and anchor institutions

### **D. Fiscal Impact**

The 2023 payment to Visit Milwaukee under the old contract model was \$222,609.22. Under the previous contract terms, our 2024 contract would have been \$258,671.91 in 2024 and would not include the 16 items listed above. The 2024 contract is for a total fee of \$300,000.

### **E. Recommendation**

Staff recommends adopting the contract with Visit Milwaukee as presented.