



1025 South Moorland Road, Suite 200
Brookfield, WI 53005

To: Members of the Dane County Health & Human Needs Committee
Elizabeth Doyle, Chair

From: Bill Elliott, President & CEO
Wisconsin Hotel and Lodging Association

Date: April 15, 2021

Re: 2020 RES-424 Authorizing a Contract with Dane Buy Local Foundation, Inc. for an Emergency Small Business Grant Program

Thank you for the work you have done to support small businesses in Dane County throughout the COVID-19 crisis. As you consider contracting with the Dane Buy Local Foundation, Inc. to administer additional aid for the county's small businesses, we urge you to make one major fix to the methodology used to determine funding in previous rounds of this grant program.

The resolution before you states that to be eligible for the grant "a business must be for-profit, independently owned, and have a main office based in Dane County." Unfortunately, the resolution for the previous round of the grant program also included the term "independently owned", which was implemented by Dane Buy Local to mean franchised properties were not eligible. While I'm sure that the intent was a noble one, this prohibition shows a lack of understanding of how the franchise model works, and small business owners in Dane County are being impacted negatively due to this restriction of the grant program.

Being a "franchise" simply means an entrepreneur purchased a franchise brand to assist with the advertising and promotion of their businesses. Oftentimes franchise hotels are owned by local members of the community and their families. In fact, several members on the WH&LA board of directors are those very people - folks who are trying to serve their communities, raise their families, and employ Dane County residents. Many franchise hotel owners are people of color and ethnic minorities. The requirement that grant funding can only go to non-franchised businesses is truly devastating to many of your community members who need it most.

Our internal survey from earlier this year showed that more than 1 out of 3 hotels say that if they no longer received loans and grant assistance, they couldn't survive for another 6 months. The same survey shows well over half of our member properties anticipate group business to be down by more than 75% in the first quarter this year compared to the same quarter in 2019. The life-blood of Dane County hotels is group business and business travel.

The American Hotel & Lodging Association recently released a report showing that business travel is anticipated to be down 85% this year. That's a gigantic number, and it's even worse when you add in the fact that business travel oftentimes comprises the largest source of hotel revenue. We are seeing this play out in a particularly depressing manner in the state's metro areas like Madison, where large conferences and events have been postponed and cancelled and where many independently owned hotel and lodging facilities serve travellers to businesses and institutions that are headquartered in Dane County.

We urge you to not include a provision that prohibits franchise hotels from qualifying for any future grant programs for small businesses. Please feel free to contact us if you would like to learn more about how this is affecting hoteliers in Dane County, as we would be happy to arrange a meeting for you. Thank you for your consideration.