



October 1, 2020

Honorable Tim Walz
Governor of the State of Minnesota
130 State Capitol
St. Paul, MN 55155

Honorable Peggy Flanagan
Lt. Governor of the State of Minnesota
130 State Capitol
St. Paul, MN 55155

Dear Governor Walz and Lt. Governor Flanagan,

On behalf of the hundreds of members of the Minnesota tourism industry, we thank you for your efforts to keep all Minnesotans safe during this unprecedented global pandemic. We understand the priority is to protect each citizen, ensure necessary and adequate supplies to frontline and health care workers, and more.

As you know, the tourism and travel industry has been the hardest hit sector of Minnesota's economy during this pandemic. While travel within the state, stays at resorts and campgrounds picked up over the summer; meetings, conventions, group travel, hotel stays, and restaurant/food service business continues to lag significantly below previous levels. Convention and Visitor's Bureaus (CVBs) and Destination Marketing Organizations (DMOs) across the state have worked to balance health and safety, together with a message encouraging Minnesotans to visit their regions. Many areas reported at least 75% cancellation of spring and summer events, with those same numbers expected for fall, winter and likely next spring. Even in areas where tourism improved over the past few months, the timeline for full recovery of the industry is unknown and will likely take several years.

The core mission of tourism marketing organizations is to foster economic growth, benefiting not only their region but the entire state. In past years, tourism has accounted for \$1.04 billion in state sales taxes— 18% of the total state sales tax revenue. The hospitality industry provided 273,000 full and part-time jobs, 11% of total private sector employment and provided \$6.1 billion in wages. However, unemployment remains above 25% in the tourism sector.

Tourism and travel are the best way to restart the economy by educating visitors on safe travel practices, and thus safely returning people to work, increasing visitor spending, bringing in state and local taxes and fostering a positive impression of the state.

In order to save the tourism industry, we are urging you to designate a portion of Minnesota's federal coronavirus relief (CARES) funds to aid in the recovery of the tourism industry. The Department of Treasury has stated state governments may provide these funds to destination marketing organizations to re-market convention facilities and the tourism industry. The funds may be used to market the resumption of activities and steps taken to ensure a safe experience. Across the country, many Governors have already taken this action.

For example, Wisconsin Governor Tony Evers recently designated \$8 million of CARES for the "Wisconsin TRAVEL Stimulus Grant Program" which provides grants to tourism promotion organizations. In Alabama, the Governor designated \$10 million of CARES funding to support

the "Tourism Industry Recovery Program." In Indiana, \$10 million of CARES funding has been set aside to help destination marketing organizations impacted by the pandemic and in Missouri \$15 million of CARES funding was designated to aid in tourism recovery. In addition, South Dakota \$5 million of CARES funding will aid a state tourism marketing campaign.

Working with Explore Minnesota Tourism, the statewide tourism destination marketing organizations and associations, we believe directing CARES funds to tourism recovery efforts will be a significant step in aiding the tourism and hospitality industry.

Thank you for your consideration of this request, please do not hesitate to reach out to any of our organizations with questions, ideas or concerns. We value the partnership we have with you, Explore Minnesota Tourism and everyone working to make Minnesota a top tourism, hospitality and travel destination again in the future.

Sincerely,

Anna Tanski, President
Minnesota Tourism Growth Coalition
Visit Duluth

Nort Johnson, Chair
MN Association of Convention & Visitors Bureaus
Faribault Area Chamber of Commerce & Tourism

Liz Rammer, President & CEO
Hospitality Minnesota

Clint Mueller, President
Community of Minnesota Resorts
Balsam Beach Resort, Bemidji

cc: Jim Schowalter, Commissioner, Minnesota Management and Budget
Steve Grove, Commissioner, Department of Employment & Economic Development
John Edman, Director, Explore Minnesota Tourism
Chris Schmitter, Chief of Staff Governor Walz
Sophie Leininger, Chief of Staff Lt. Governor Flanagan
Charles Sutton, Policy Staff