

Response to Opposition

Recent opposition statements in response to the DuPage Coalition for Tourism's initiative reflect a lack of understanding not only of the challenges, but the opportunities at hand for DuPage County.

The Coalition was established to bring together a collective voice in which to educate our legislative leaders and the DuPage community about the importance of continued investment in this powerful revenue generator. At a time when our state and communities are faced with identifying solutions for growth and revenue, tourism is the silver lining: 9 to 1 return on investment in Illinois. But we are at a point where increased investment is critical if this industry is to remain healthy.

The tourism landscape has changed: DuPage is losing ground to its competitors. With more than 100 hotels and nearly 16,000 hotel rooms, DuPage has one of the larger suburban hotel markets in the United States – it is a significant economic resource for DuPage. The old adage “if Chicago does well, we all do well” no longer holds true. For decades, the DuPage hotel community relied on Chicago to perform well, with DuPage benefitting from an overflow of meeting attendees who could not be accommodated downtown. Fast forward to today where the current market is considerably different. Chicago's hotel inventory has increased dramatically to the point where rate is no longer a competitive advantage for DuPage hotels. The average yearly occupancy rate for DuPage hotels in 2017 was 64.4% and 65.1% in 2018. Annual occupancy rates in this range, if not addressed now, could produce disastrous economic consequences throughout DuPage.

The occupancy needs of our hotels go far beyond the overnight stays generated by local businesses. DuPage hotels need help to drive new demand, and they rely on the meetings and events secured in partnership with the DuPage CVB. Additional visitation generates important revenue needed by our communities.

This initiative is about bringing DuPage as a destination to parity level. No other entity can accomplish that other than the DuPage CVB. The DuPage CVB's tourism master plan is based on research and data, aimed at addressing key resource shortages. The plan includes support for the newly formed Sports Commission, an aggressive plan to secure larger and high-quality meetings and conferences through an expansion of the incentives fund, and an enhanced promotional program that targets new audiences regionally and nationally.

And while the DuPage CVB has a master plan and the right leadership to support the needs of the DuPage hotel community, its current funding sources simply are not enough. A new and dedicated revenue source is essential, and it is one that requires legislative authorization. Legislative authorization would allow the industry the opportunity to be proactive in addressing its future. And in choosing to tax itself, would also be serving the greater good of DuPage businesses and the County's nearly one million residents.

A one to two percent increase to the hotel occupancy tax, paid for by visitors, would generate funding that would be reinvested back into tourism and ultimately drive more visitors, more meetings, more events. This is a common solution for destinations invested in their tourism industry. It is an assessment that would be

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designated for tourism and economic development – nothing else. Our research shows that even with a one or two percent rate increase, DuPage hotel rates will remain competitive – without question. The current DuPage County check out rate (the rate guests pay on their hotel stay) is approximately 11%, below the national average of 13.75% and Chicago's 17.4%.

Contrary to opposition statements distributed throughout the business community, a tax has not been passed. In fact, a bill isn't even moving through the General Assembly. At this time, we are having conversations and educating all stakeholders about the immense opportunities that lie ahead for DuPage. Roundtables and town hall meetings will be scheduled to bring the industry further into this conversation.

When tourism thrives, so does business. People are attracted to areas with vibrant culture – our assets drive that vibrancy and they rely on tourism as part of their business plan; it's the economic cycle of building a community where people want to work, live and visit. If the DuPage tourism industry falters, you can be sure that local businesses will feel its impact.

Protecting and advancing this industry, and its tremendous impact on the local and state economy, must be a wholly collaborative effort supported not only by hotels, restaurants and attractions, but also by business and civic leaders.

At the end of the day, what we do to attract visitors is economic development, and what we do now is pivotal for the future of DuPage.

- DuPage Coalition for Tourism

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