



DOOR COUNTY TOURISM ZONE COMMISSION

Annual Meeting Minutes

Minutes of June 21, 2018 – 9 a.m.

Baileys Harbor Town Hall, 2392 CTH F, Baileys Harbor

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6 **Committee Members Present by Roll Call:** Mary Boston, Kathleen Maci-Schmidt, Bryan
7 Nelson, Ryan Heise, Myles Dannhausen, Keith Krist, Nancy Robillard, Dick Skare, Elizabeth
8 LeClair, Cathy Ward, Hugh Mulliken, Richard Young, Jim Nellen, Linda Wait Josh Van Lieshout
9 and Linda Elmore.

10 **Excused:** Fred Anderson, Jeff Larson and Bill Weddig

11 **Absent:** Mike Johnson, Nate Bell and Andy Stimers

12 **Also in Attendance:** Dianne Lensert/**Kerber Rose & Assoc.**, Mary Horton/**Kerber Rose &**
13 **Assoc.**, Kim Roberts/**Administrator DCTZC**, Jack Moneypenny/**DCVB**, Jon Jarosh/**DCVB**,
14 Michelle Rasmussen/**DCVB**, **Pam Sieler/Sturgeon Bay Visitor Center**, Jackson Parr/Peninsula
15 Pulse, Representative Joel Kitchens and Robert Baudo.

16 **Call to Order**

17 Chair Van Lieshout called the meeting to order at 9:00 a.m.

18 **Approval of Agenda**

19 Le Clair moved and Robillard seconded to approve the Annual Meeting agenda. Motion
20 carried.

21 **Roll Call**

22 **Presentation of the 2017 Annual Report**

23 Van Lieshout asked Roberts to present the Annual Report. Roberts proceeded with the
24 Annual Meeting PowerPoint presentation by reviewing: The purpose of the Annual Report,
25 the Mission statement, and the differences between the Tourism Zone and the DCVB.
26 Roberts explained the history of room tax and the loss of market share between the years of
27 2001-2005 which was the motivation behind room tax. She went on to review the split of
28 room tax distributions.

29 By the end of 2018, the Commission expects to have collected \$43.5 million and will have
30 then turned over \$28.7 million to the DCVB for the marketing period 2007-2018. Municipalities
31 through year end 2018 are estimated to receive \$13 million for the period of 2007-2018.
32 Room tax collections 2009-2017 grew \$1.6 million or 52.72%.

33 Roberts continued by looking back at 2017: She reviewed that room tax collections were up
34 4.2% over 2016, available nights increased 23,428 room nights over 2016, occupied room
35 nights increased 7,498 nights and average daily rate increased \$4 or 2.7% over 2016. She
36 went on to say that the occupancy rate dipped slightly due to more available rooms to
37 44.06%, she stressed occupied room nights were up 1.35% over 2016. She noted that unpaid

1 taxes, fees and penalties at year end totaled \$1,906 on room tax collections of \$4.6 million
2 which is .04% of room tax collections.

3 Roberts reviewed from the 2017 Tourism Zone Audit Municipal Impact Report and the
4 Statement of Revenue and Municipal Impact Report.

5 Roberts reviewed 2017 compliance: The 2017 Aging Report shows that 83.8% of 1-2 unit
6 properties pay on time and 86% of 3+ unit properties pay on time. The Tourism Zone was
7 granted four (4) judgments in Door County Circuit Court. The Tourism Zone handled six (6)
8 cases of under-reporting in 2017 and completed an enforcement action against a Town of
9 Gibraltar property that resulted in the recovery of all legal fees, unpaid room tax, interest
10 and penalties amounting to \$31,287.

11 Roberts reviewed 2017 outreach and education: Outreach efforts included a permit holder
12 survey, survey response emails, monthly reminder emails, newsletters and need to know
13 bulletins. Roberts went on to say that she had continued to work closely with local
14 property management companies and rental agents to prepare them for season by
15 updating permits, ensuring all properties are permitted and serving as a resource for the
16 changing landscape of short term rentals. Additionally, she said through over the phone
17 and in office training, online filing has increased from 39.7% in 2016 to 51.35% in 2017 for 1-2
18 unit permit holders.

19 Roberts reviewed 2017 Municipal Representation and Partnership: Three municipalities
20 gained additional representatives: The Town of Liberty Grove, Town of Sevastopol and Town
21 of Baileys Harbor. Roberts went on to say that the partnership with the municipalities to
22 complete the WDOR Room Tax filing had continued.

23 Roberts reviewed 2017 permitting: As of May 5th, 2018 there were 1,121 permits. 134 new
24 permits were issued in 2017 compared to the 116 in 2016. Roberts went on to say that 63 or
25 47% of the 134 newly permitted properties were found due to compliance efforts. Roberts
26 added that 129 of the 134 newly permitted properties were 1-2 unit properties.

27 Roberts reviewed 2017 operations: Roberts discussed efforts to demonstrate the Tourism
28 Zone's understanding of concerns from the lodging community in making sure all vacation
29 rentals are permitted and in order to demonstrate our commitment to our compliance
30 efforts, Roberts said that she had been posting a complete list of permit holders twice a year
31 and monthly Airbnb lists to the website. Roberts reviewed the Airbnb programming error that
32 occurred in July of 2017 which resulted in communication with permit holders to keep them
33 up to date and provide assistance in getting the issue resolved. Additionally, Roberts said
34 the issue opened the door to discuss directly with Airbnb the complexities of room tax
35 collection with regards to a Tourism Zone Commission. Roberts stressed that while the
36 programming issue posed an initial challenge in getting direct communication with Airbnb,
37 the resulting contact with Midwest Airbnb representatives allowed us to understand how
38 Airbnb located properties (zip code) and to understand they that don't locate properties by
39 municipal lines.

1 Review of 2017 Legislation: 2017 was a lively year with regards to legislative activity, Roberts
2 said. She discussed the WI State Budget for 2017-19- WI ACT 59, which had legislation,
3 inserted with regards to short term rentals. Roberts stressed that the Tourism Zone strongly
4 supported the new requirements which provided the same regulations for short term rentals
5 as traditional lodging such as obtaining a DTACP health inspection and a WI DOR Seller's
6 Permit. She went on to say that the Tourism Zone actively worked via local and state
7 representatives as well as legal counsel to request that the legislation have further
8 clarifications and definitions. The Tourism Zone kept permit holders and municipalities
9 informed as the legislation began to take shape and as the actual impact became more
10 apparent. Roberts added that the Tourism Zone continues to research and watch for model
11 legislation with regards to short term vacation rentals and continue to stress to local and
12 state representatives that the regulatory authority needs to stay at the local level.

13 She went on to review graphing that showed: By Property Type Total of Permits and By
14 Property Type by Units. She detailed the importance of the graphs by explaining resorts only
15 have 4.0% of permits but hold 1919 units or 39.5% of units. Roberts added that homes hold
16 72% of all permits and are gaining in the percentage of units at 21.9% of all units, only 161
17 units less than hotels.

18 Roberts reviewed Statistics by Municipality Graph and the top 5 Municipalities by Number of
19 Permits.

20 Roberts reviewed 2009-17 Room tax metrics and summarized some of the highlights since
21 2009: Room tax collections have grown \$1.6 million, available rooms have increased 63,731
22 since 2009, occupancy has grown 7.5% and municipal distributions have grown 52.72% or
23 \$482,689.

24 Roberts shared a look at a comparison of residential and commercial units and permits. She
25 noted that commercial units have decreased since 2009 but residential permits and units
26 have both grown.

27 Roberts concluded the DCTZC portion of the PowerPoint with goals for 2018. Looking ahead
28 for 2018: The completion of a back office upgrade with BLIS which will result in improved
29 efficiency, ease of reporting for permit holders and property management companies and
30 improved internal controls, maintain the data project begun in 2016 and watch for trends in
31 each of the metrics, watch the Legislative front to look for potential legislation that could
32 have consequences on room tax and funding the marketing of Door County, and continue
33 to help other areas in the state by providing information support and guidance. In 2017,
34 Roberts noted that the Tourism Zone was able to assist and support Hayward Lakes in
35 establishing room tax. Roberts continued with the roundup of 2018 goals: Outline goals for
36 succession planning in all areas of Tourism Zone operations. She went on to say the Tourism
37 Zone would continue to reach out to permit holders via monthly email reminders to prompt
38 permit holders to complete their room tax reporting, quarterly newsletters, information

1 bulletins and press releases. The Tourism Zone office will continue to work extensively with
2 any permit holder who wishes to learn more about room tax, request training to file online
3 and be a resource for information regarding transient rentals. Roberts stressed that our
4 ongoing dedication to compliance and enforcement would continue. It is of utmost
5 importance to the Tourism Zone that it is a level playing field for lodging providers who
6 partner with the Tourism Zone who collect and remit room tax. Our goal is that all required
7 room tax is collected and all properties engaged in transient rentals are permitted. Roberts
8 added that she would continue to develop relationships countywide; she used the example
9 of Holly Hansen in land records who has become an invaluable contact. Roberts spoke to
10 creating and providing a reference binder on room tax for municipalities and outlining
11 record keeping strategies and guidelines. Finally, Roberts said that the Tourism Zone would
12 continue to watch Airbnb and VRBO for developments with regard to tax collection in effort
13 to not only be a resource for permit holders but to keep permit holders informed of any
14 developing changes that might change the reporting of room tax in Door County.

15 Jack Money Penny of the DCVB took over the PowerPoint presentation. He reviewed the
16 2017 room tax accomplishments: Room tax has given Door County a deeper reach into
17 regional markets and the ability to continue efforts with travel writers to receive national
18 earned media coverage. Media placement and PR took a multi-dimensional approach
19 through a combination of advertising mediums that solidified the brand promise that "Those
20 who visit Door County will find a breathtakingly scenic, water centric landscape that is
21 perfectly conducive to the purist of relaxation and rejuvenation."

22 DoorCounty.com users grew to 1.4 million per Google Analytics. Money Penny went on to
23 say that the number of travel journalists hosted from 2007-2017 was 808. He added the "Live
24 Life Well" campaign invited visitors to discover new experiences. Social media has grown
25 tenfold, said Money Penny, garnering nearly 27 million impressions on Facebook from a fan
26 base of 101,720.

27 Money Penny went on to review primary results: Door County ranked 7th place in Wisconsin
28 destinations out of 72 counties in 2017. Door County held 2.82% of the Wisconsin tourism
29 market share. Door County traveler expenditures total \$358.7 million in 2017. The total
30 impact on Door County's economy was \$456.9 million last year.

31 Door County economic impact of tourism resulted in the following: 358.7 million in direct
32 spending, \$38.5 million in local and state taxes, 3,225 full time equivalent jobs, \$78.5 million in
33 resident income according to State Tourism Economics and support to local lodging,
34 restaurants, retail and attractions all enhancing the quality of life.

35 Doorcounty.com earned 1,352,123 website visits in 2017. E-newsletter subscribers totaled
36 189,246 and Facebook engagement added up to 532,213 in 2017. Mobile web usage
37 resulted in 745,195 users.

38 Money Penny reviewed DoorCounty.com site visits. Group sales resulted in the attendance
39 of 5 trade shows, work with 36 general tour groups, 5 car clubs, 34 brides/weddings, 20 family
40 reunions, 10 association meetings, 4 church groups, 12 senior center groups, 4 business
41 retreats, 1 RV group, 1 garden group, 1 military group, 1 cruise ship group, 1 art group, 2 bank

1 groups, 1 student group and 2 quilting groups. He went on to say that 7 meet and greets
2 were conducted through the "meet & greet" program.

3 Money Penny reviewed the advertising highlights for 2017: Multi-dimensional approach to
4 media planning which allowed Door County to be showcased through the visual aspects of
5 Door County through print, television, digital, mobile and outdoor in key target markets.
6 New audiences were reached with video through Hulu, YouTube and apps on connected
7 devices. He added that they continued to reach an online audience through video on
8 Hulu, YouTube, and apps on connected devices.

9 Targeted public relations campaigns brought Door County blossoms and fall colors into the
10 households in some of our largest television markets of Madison, Milwaukee and northern
11 Illinois. A creative campaign that was all about showing a level of relaxation that was more
12 than just restful; it's rejuvenating. We defined that idea with our tagline "live life well", he
13 said.

14 7 seasonally themed press trips were held in 2017 resulting in 109 articles placed in print, radio
15 or online media from media marketing efforts. Through the end of 2017, the return on
16 investment for the media marketing program was 995%. For every dollar spent, the DCVB
17 received \$9.95 in Ad Value Equivalency (AVE).

18 Money Penny went on to discuss welcome center traffic; and while traffic has leveled off
19 many feel that mobile usage has accounted for decreased traffic because information is
20 readily available to visitors through their phone. He noted that the DCVB is watching closely
21 what the future of the Visitor Center should be; clearly it will move beyond a paper
22 distribution center and become more of an experience center. He stressed that Visitor
23 Guide requests were still very strong.

24 Money Penny concluded the DCVB portion of the annual presentation by looking ahead:
25 Working with key partners to produce a well rounded media buy that includes print,
26 television, digital, mobile and outdoor. Television will evolve to include multiple screens and
27 devices. He added that they will be developing the current tagline that supports the brand
28 promise while promoting a level of revitalization, Live Life Well. He went on to say they will
29 continue to shoot photographs and capture video footage to use for PR, videos,
30 commercials and as B-roll. Finally, he said, they will continue to increase their online and
31 social media presence with new and enhanced video initiatives and through social influencer
32 partnerships.

33 Van Lieshout invited questions for both Roberts and Money Penny.

34 Mulliken said if he understood correctly that for every \$1 invested in media, \$120 is returned.
35 He asked if this is advertising for Door County we are talking about.

36 Money Penny said yes, we are talking about the marketing budget.

37 Mulliken felt that it was important to point out that six cents (\$.06) or six dollars (\$6.00) in taxes,
38 for every dollar we invest here and I think it would behoove the state to help us there. Thank
39 you.

40 Ward asked if there is any way to tell how many new visitors are coming to the area.

1 Moneypenny said they get an idea via the unique new visits to the web site. He added that
2 the return on the marketing investment is for every dollar spent, there is a \$120 return to the
3 county for visitor spending. He believes that there are a lot of new visitors each year who
4 come to try us on for size, but the repeat visitors can see that there are a lot of new products
5 for them to experience each year they return and through video initiatives they can now
6 experience and be aware of the new products prior to their visit.

7 **Adjournment**

8 **Schmidt moved to adjourn; Mulliken seconded. Motion carried.**

9 Respectfully submitted,

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11 Kim Roberts
12 Administrator

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