

Door County Tourism Zone 2018 Annual Meeting Report June 20, 2019





TOURISM ZONE ANNUAL MEETING

Tourism Zone Presentation:

- ✓ Explain Mission
- ✓ Review 2018
- ✓ Discuss What Is Next For 2019

Door County Visitor Bureau Presentation:

- ✓ Review 2018 Trends
- ✓ Review Current Marketing Initiatives.



In April 2007, ten Door County communities formed a Tourism Zone according to Wisconsin State Statutes. Washington Island joined on August 1, 2007, and Gardner joined on May 1, 2008. The seven remaining municipalities joined by the end of 2008. The Tourism Zone now includes all 19 municipalities of Door County.

Town of Brussels	Town of Egg Harbor	Village of Egg Harbor
Town of Baileys Harbor	Town of Clay Banks	Village of Ephraim
Town of Gibraltar	Town of Forestville	Village of Forestville
Town of Nasewaupee	Town of Jacksonport	Town of Liberty Grove
City of Sturgeon Bay	Town of Sturgeon Bay	Town of Sevastopol
Town of Gardner	Town of Union	Town of Washington
	Village of Sister Bay	

THE DOOR COUNTY TOURISM ZONE COMMISSION'S MISSION IS TO:



- ✓ Collect the room tax on behalf of its member municipalities in a fair and efficient manner.
- ✓ Work in partnership with the Door County Visitor Bureau to support its marketing efforts in tourism promotion and development for the Tourism Zone as a single destination for transient tourists who are reasonable likely to generate paid overnight stays.
- ✓ Keep all parties and business associated with the Tourism Zone and the room tax informed on the Commissions activities.



Tourism Zone



Do you know the
difference between
the Tourism Zone and
the DCVB?

Disburses 30% of room tax revenues collected to the municipality in which the tax was collected.

Disburses 66% of the room tax collected to the DCVB, the designated marketing agency for Door County.

4% is retained by the Tourism Zone for operations.

The Tourism Zone is audited annually by an outside municipal accounting firm.

All money collected by the Tourism Zone from permit holders is handled by an accounting firm.

Visitor Bureau



The Tourism Zone disburses 66% of the room tax collected to the Door County Visitor Bureau "DCVB", the designated Marketing Entity for Door County.

The DCVB then distributes 11% of the 66% to the Strategic Community Partnership Program.

All remaining room tax revenues are used to market Door County to increase interest in visitor-ship and generating overnight stays. The DCVB develops and executes the Annual Marketing plan and budget.

The DCVB hires and evaluates vendors.

VS.

The Tourism Zone was formed as a response to a downward trend in the number of visitors to Door County.

One clear measure of this came from the State of Wisconsin's statistics for the years 2001 – 2005. During that period, when State tourism revenue rose by 15%, Door County's declined, resulting in a 4.2% loss of our State tourism market share.

Today, twelve years after the formation of the Door County Tourism Zone Commission and the corresponding collection of room tax, the picture is very different.

About Room Tax

All municipalities have a 5.5% room tax



30 %
Municipalities

30% of collections go to municipalities to use for any purpose.



66% DCVB

66% goes to the DCVB for marketing. These dollars are spent on items which the state statute says qualify, such as marketing, promotion, and staff expenses.



4% DCTZC

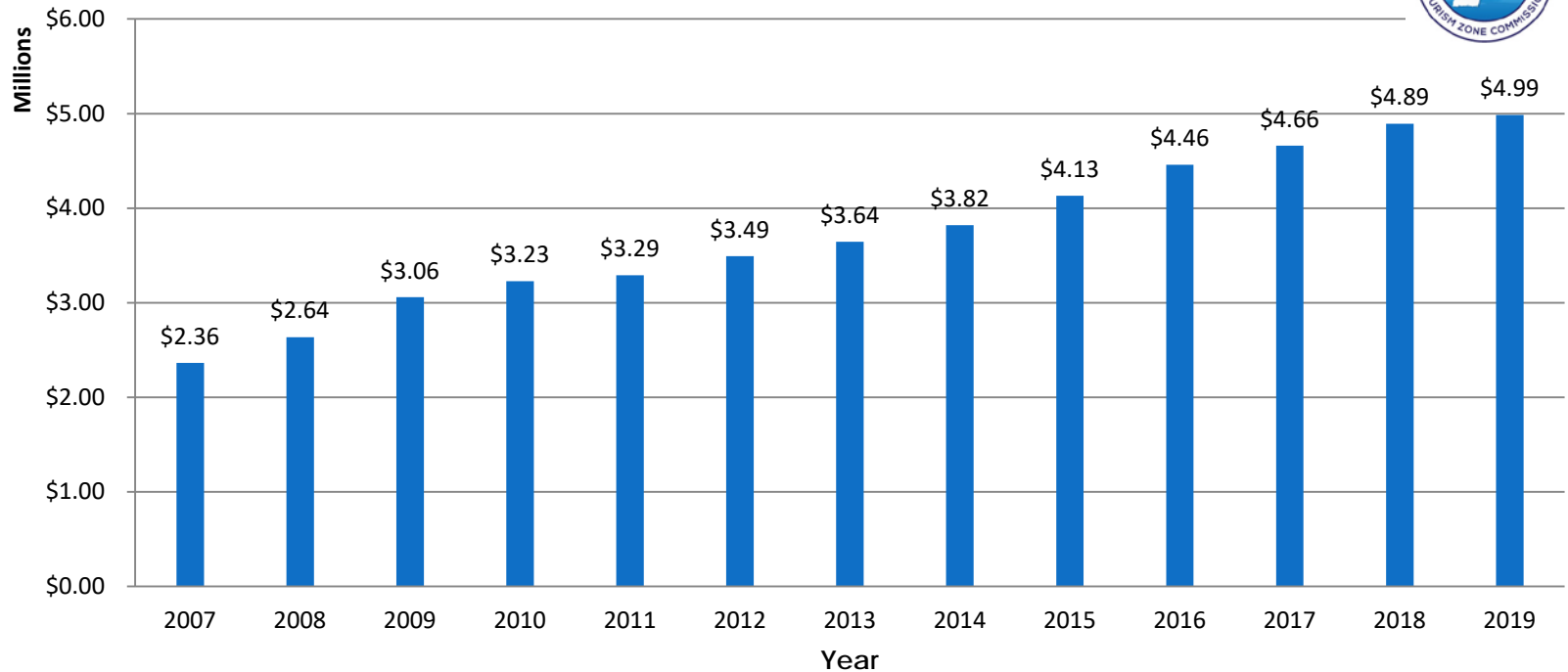
4% remains with the Tourism Zone for expenses
All Commissioners are volunteers.
The Zone has a full time Administrator.
Collection and enforcement is handled by the Tourism Zone.

2007-2018 numbers are based on actual audit numbers.
2019 is based on projected revenue.

Millions

Collections

Projected Room Tax Revenue Through Year End 2019



By the end of 2019, the Tourism Zone expects to have collected an estimated \$48.6 million in room tax and will have turned over an estimated \$32.1 million to the Visitor Bureau for marketing for the period 2007–2019. Local municipalities through year end 2019 are estimated to receive \$14.5 million for the period of 2007-2019.

Because of the compliance and collections efforts of the Tourism Zone and the marketing efforts of the Door County Visitor Bureau (DCVB), tourism continues to grow in Door County.

Room Tax Collections 2009-2018 grew \$1,840,500 or 60.31%

2018 -YEAR END REVIEW



2018 Room Tax Collections

- Door County Room Tax Collections were up 4.9% over 2017 collections to \$4,892,212

Average Daily Rate

- The ADR increased from \$153 in 2017 to \$162 in 2018. A \$9 or 5.88% increase.

Occupied Room Nights:

- In 2018 occupied room nights were 555,735* compared to 560,968.
*See footnote on 2018 year end numbers.

Available Nights

- In 2018 available nights increased to 1,279,692 from 1,273,109 in 2017 which was an .5% increase over 2017.

Occupancy Rate

- The 2018 occupancy rate was 43.43% compared to 44.06% in 2017.
- As available rooms rise it has the potential to impact the occupancy rate.

Unpaid Tax, Fees & Penalties

- At year end 2018, there was \$1,212 in unpaid tax, fees and penalties. Unpaid tax, fees and penalties were .02% of 2018 room tax collections: \$4,892,212.

2018 - MUNICIPAL IMPACT



Municipality	2018	Share	Rank	30% to Municipality	2017
Town of Gibraltar	\$ 733,021	14.98%	1	\$ 219,906	\$ 708,336
City of Sturgeon Bay	\$ 646,494	13.21%	2	\$ 193,948	\$ 639,604
Village of Sister Bay	\$ 607,588	12.42%	3	\$ 182,276	\$ 584,855
Village of Ephraim	\$ 603,597	12.34%	4	\$ 181,079	\$ 567,201
Town of Egg Harbor	\$ 441,745	9.03%	5	\$ 132,524	\$ 401,485
Village of Egg Harbor	\$ 428,685	8.76%	6	\$ 128,606	\$ 419,627
Town of Baileys Harbor	\$ 370,553	7.57%	7	\$ 111,166	\$ 347,880
Town of Liberty Grove	\$ 356,367	7.28%	8	\$ 106,910	\$ 321,833
Town of Sevastopol	\$ 334,449	6.84%	9	\$ 100,335	\$ 322,325
Town of Nasewaupée	\$ 104,257	2.13%	10	\$ 31,277	\$ 103,726
Town of Jacksonport	\$ 96,810	1.98%	11	\$ 29,043	\$ 92,832
Town of Washington	\$ 84,055	1.72%	12	\$ 25,217	\$ 79,408
Town of Sturgeon Bay	\$ 37,806	0.77%	13	\$ 11,342	\$ 29,416
Town of Gardner	\$ 36,483	0.75%	14	\$ 10,945	\$ 34,129
Town of Clay Banks	\$ 6,009	0.12%	15	\$ 1,803	\$ 5,931
Town of Union	\$ 3,902	0.08%	16	\$ 1,171	\$ 1,862
Town of Forestville	\$ 390	0.01%	17	\$ 117	\$ 197
Town of Brussels	\$ -	0.00%	18	\$ -	\$ -
Village of Forestville	\$ -	0.00%	19	\$ -	\$ -
TOTALS	\$ 4,892,211	100%		\$ 1,467,663	\$4,660,647

* Municipal Impact from the 2018 Tourism Zone audit.

ECONOMIC IMPACT: 2009-2018



Key Door County Measurements: 2009 - 2018

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Growth 2009 - 2018	% Increase 2009 - 2018
Room Tax Collections	\$3,051,712	\$3,233,733	\$3,270,684	\$3,500,714	\$3,644,013	\$3,815,722	\$4,130,827	\$4,459,019	\$4,660,677	\$4,892,212	\$1,840,500	60.31%
30% to Municipalities	\$915,514	\$970,120	\$981,205	\$1,050,216	\$1,093,205	\$1,144,716	\$1,239,248	\$1,337,706	\$1,398,203	\$1,467,664	\$552,150	60.31%
Total Room Revenues	\$55,013,656	\$59,105,965	\$60,228,436	\$64,216,442	\$66,825,167	\$69,169,622	\$75,876,813	\$82,467,213	\$85,632,987	\$89,826,889	\$34,813,233	63.28%
Available Rooms	1,209,378	1,215,559	1,198,604	1,209,559	1,203,063	1,213,890	1,232,712	1,249,681	1,273,109	1,279,692	70,314	5.81%
Occupied Rooms	442,111	463,591	463,861	479,562	486,977	508,272	532,798	553,470	560,968	555,735	113,624	25.70%
Occupancy %	36.56%	38.14%	38.70%	39.65%	40.48%	41.87%	43.22%	44.29%	44.06%	43.43%	6.87%	18.80%
Average Daily Rate (ADR)	\$124	\$127	\$130	\$134	\$137	\$136	\$142	\$149	\$153	\$162	\$38	30.65%
0.5% County Sales Tax Collections	\$2,903,389	\$2,867,741	\$2,991,834	\$3,081,689	\$3,157,479	\$3,350,013	\$3,658,093	\$3,914,091	\$3,962,457	\$4,115,300*	\$1,211,911	41.74%
Visitor Spending (in millions)	\$257.1	\$266.9	\$271.2	\$289.0	\$298.8	\$314.6	\$332.8	\$347.8	\$358.7	\$366.6	\$109.5	42.59%

In 2007 the Door County Tourism Zone formed and implemented a 5.5% room tax. 2009 was the first full year of room tax collections when all 19 municipalities were a part of the Door County Tourism Zone. As a result, 2009 is used as the base year for comparisons.

*Represents gross sales of taxable goods and services of \$823,059,920 (2018 sales tax collections number).

2018 Footnote: 2018 will serve as a benchmark year. A local reservation software company made enhancements to their room tax report which impacted nights rented and available nights for 2018, in effort to provide more accurate reporting.

2018 YEAR IN REVIEW: OUTREACH & EDUCATION



- The Tourism Zone remains committed to serving permit holders as a resource for information, how-to and education. Outreach efforts included: Monthly filing reminder emails, a newsletter and email bulletins with need-to-know information.
 - Continued support for those utilizing the Airbnb platform which does not offer the ability to collect local room tax. Focus on giving permit holders the tools to navigate and collect local room tax on the Airbnb platform through reference materials, over the phone help and in office support.
- The Tourism Zone Administrator continued work with area agents in preparing them for season by updating permits, ensuring all properties are permitted and serving as a resource for the changing landscape of short term rentals.
- Participated in generating specific information and reporting for the AECOM team for the Housing Study.
- The Tourism Zone Administrator reviewed the Door County room tax model with Community Coordinators via a presentation on Door County Room Tax.
- In March of 2018, The Administrator and a board member attended the Wisconsin Governors Conference on Tourism.
- Chair and Administrator attended a Green Bay Room Tax Commission meeting in October 2018 at the request of Ken Bukowski of Ashwaubenon. Gave a presentation, "Door County Tourism Zone Overview for the Green Bay Room Tax Commission."
- Chair and Administrator attended the WACVB Conference in November 2018 – Created presentation, "Door County Tourism Zone-Managing the New Normal of Airbnb-Lodging Platforms"
- Attended the Towns Association meeting in November of 2018.

2018 YEAR IN REVIEW: OUTREACH & EDUCATION



Outreach efforts are working. Consistent communication of, "this works because it is a partnership" has fostered a partnership with permit holders. In turn, we are seeing them encourage compliance in social networking groups. A strong community of Airbnb/ VRBO hosts who help each other and share their experience in working with the Tourism Zone has resulted in permit holders advising prospective hosts/permit holders with the requirements for short term rentals and who to contact.

 **Lauren Hinkston Hintzsche**
13 hrs

Really enjoy this site. Even though we have been coming to a Door County for years, we have found new things to do via this site!
My apologies if my question is not appropriate for this site... we have recently acquired a property in Door County and would like to rent it when we are not using it. What has been your experiences with rental companies vs. VRBO OR ARBNB. Feel free to private message me.

 You and 1 other 4 Comments

 Like  Comment  Share

 **Peggy Linzmeier** I'm sure you will get lots of feedback. Make sure you contact Door County Tourism Zone to get a permit and also the state. These are required prior to renting out. We utilize VRBO and also DoorCounty.com. The exposure is great on VRBO for not a lot of cost.


 **DOORCOUNTY.COM**
Door County Visitor Bureau | Door County Wisconsin

 1
Like · Reply · 13h


 **Lauren Hinkston Hintzsche** That is on our list.  1
Like · Reply · 13h

 **Peggy Linzmeier** Lauren Hinkston Hintzsche that's great! The people at both places are great to work with.  1
Like · Reply · 13h




 **Mary Flatley Zeller** This is our first year hosting. I would agree that the tourism zone is very helpful. I would be happy to talk with you about what we learned to do and wish we had done differently.


Like · Reply · 4h

 **Lauren Hinkston Hintzsche** That would be great. Can I send you my number via pm.?

Like · Reply · 4h

 **Pam Jorns** Contact J R Vacation Rentals. They are a property management company and they do a great job!

Like · Reply · 3h

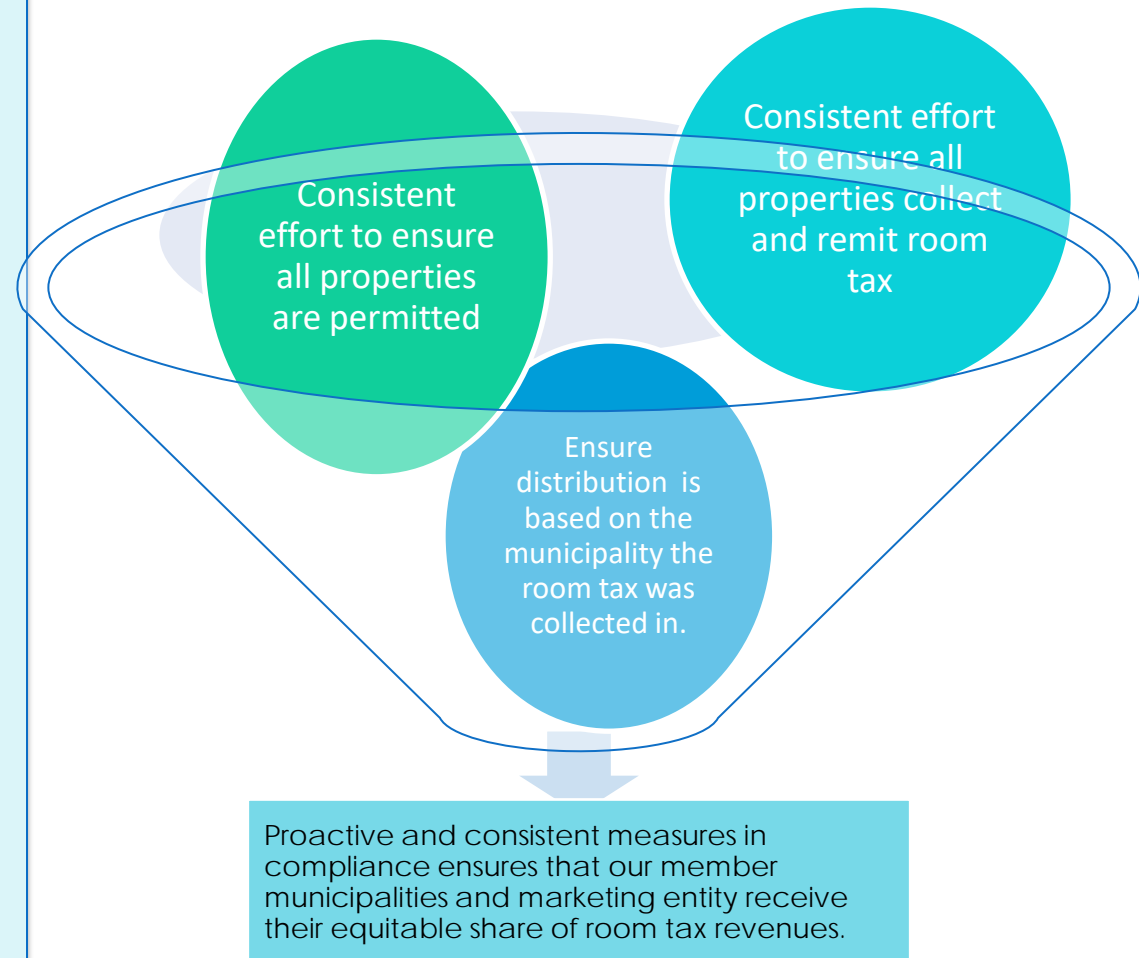
 **Lauren Hinkston Hintzsche** Pam Jorns. We have been talking with you Pam... just looking at all the options... 😊

Like · Reply · 2h

2018 YEAR IN REVIEW: COMPLIANCE

- The 2018 Aging Payment report shows that for 1-2 unit properties 84.8% pay on time (83.8% in 2017). Consistency with notices and reminders has resulted in very consistent percentage of on-time payments.
- 3+ unit permit holders pay their room tax on time 85.1% of the time (86.0% in 2017).
- The Tourism Zone has actively engaged in the pursuit to bring non-permitted properties, non-filing, under-reporting and late paying properties into compliance. In 2018, the Tourism Zone was granted five (5) judgments in enforcement proceedings in Door County Circuit Court. One (1) of these cases stemmed from under-reporting.
- The Tourism Zone also resolved a number of smaller compliance issues that were resolved in 2018 related to under-reporting or improper use of exempt sales claims.

Consistent policy and procedures ensure equity in every component of the room tax cycle



2018 YEAR IN REVIEW: MUNICIPAL PARTNERSHIP

- Continued partnership with each municipality to complete the WI DOR Room Tax filings as a result of 2015 WI ACT 55.
- Municipal Resource/Reference binder were completed for each municipality. There are a few Southern Door municipalities that have not received their binder as they filed their WI DOR Room Tax report over the phone or independently.

2018 YEAR IN REVIEW: PERMITTING

- As of 5/17/19 there were 1,210 permits.
- For the period of 5/10/18 - 5/17/19: 209 new permits were issued. While the permit may be new, the property may not have been new to the lodging market.
- For the period of 5/10/18 - 5/17/19: Compliance efforts resulted in 83 properties (39.71%) of the 209 permitted.
- Of the 209 newly permitted properties, 199 of the permits were issued for 1-2 unit properties.
 - Hotel/ Motel - 8 permits
 - Condo - 35 permits
 - Inn - 2 permits
 - Cottage/Cabin/House - 160 permits
 - Other - 2 permit
 - B&B - 2 permits

2018 YEAR IN REVIEW: OPERATIONS

- To assure the community of our commitment that all rentals are permitted (or in the process), we have continued to post a detailed accounting of online listings, by platform, on a monthly basis on the Tourism Zone website.
- Through over the phone guidance and in-office training, online filing has increased from 39.7% in 2016 to 51.35% in 2017 and 53.40% in 2018 for 1-2 unit properties.
- In 2018, Tourism Zone instructional and reference documents were updated. There was an effort to streamline the initial contact with property owners and the subsequent permit packet was re-designed. Lodging Platform specific FAQ's were created for Airbnb. There have been several comments about how easy it is to navigate the permitting process. An example:
 - Thank you, Kim. I really appreciate the website with helpful information to help people get this all started.
- In response to permit holder requests for a resource to prevent damage and balance neighborhood relations, a Good Neighbor Best Practices model was created. Distribution is still ongoing. All new permit holders receive this document in their welcome email.

2018 YEAR IN REVIEW: WI ACT 59 REVIEW



- On Thursday September 25, 2017 the Wisconsin State Budget for 2017-2019 "WI ACT 59" was signed by Governor Walker. Inserted into the budget was a motion for Lodging Marketplace Tax Collections which will impact the way room tax is collected and distributed in Door County.
- Via ACT 59 Wisconsin municipalities are essentially being forced into Collections Agreements with Lodging Marketplaces. The process only works if a municipality (or a Tourism Zone Commission) is able to identify the who, what and where of their lodging providers.
- Issues with transparency, collections and reporting that will most assuredly develop will likely fall on deaf ears. When municipalities are left in the unfortunate position of having to litigate because they don't have the information they need to distribute room tax, these large international companies would simply out spend and or allow Wisconsin municipalities to hemorrhage funds in legal fees. Without correcting legislation to directly address these issues, Wisconsin municipalities face the prospect of unaffordable litigation expenses when their budgets are already extremely stretched.
- At the local level, our concerns are the use of zip codes for location purposes, aggregate checks and the method of how room tax would be reported.
- The current language simply states that, "Lodging Marketplaces shall collect room tax from the occupants and forward it to the municipality." The language doesn't directly imply how Lodging Marketplaces would be required to remit room tax back to municipalities. Wisconsin has 1,851 municipalities per the Wisconsin Towns Association. It is not feasible that each Lodging Marketplace is going to work with each individual, local taxing authority to determine how to report room tax. Nor will they be able to correctly apply variable room tax rates.
- Lodging Marketplaces likely would remit an aggregate check to a taxing authority with little to no information just as they do with their Collections Agreements. An aggregate check generated by the use of zip codes would not provide for the statutory means for room tax distribution. Most importantly, the Door County Tourism Zone Commission is statutorily required to see that room tax proceeds are properly remitted to the proper municipality. We are not allowed to "guess" what a municipality should receive. Money that comes to us in an aggregate check would have to be placed in a "suspense account" and possibly held there indefinitely. There would be no method for the tax to be distributed back to the municipality in which it was collected as required by State Statute. For our municipalities, even a diminution in the amount of the room tax, because of an error in allocating receipts to the right municipality, would pose a real hardship. As you know, for many municipalities room tax proceeds are the largest single revenue stream after the levy, State shared revenues and road aids.

2018 YEAR IN REVIEW: LEGISLATIVE



What is the Door County Tourism Zone requesting from the State of Wisconsin?

*Door County requests correcting legislation to WI Stat. 66.0615 as amended by ACT 59.
(June 2019 bill: **AB251/SB243**)*

- Lodging Marketplaces will not, unless required by Statute, provide the crucial reporting data with payment. Wisconsin municipalities need data transparency and cooperation from Lodging Marketplaces; this will only happen if the State of Wisconsin takes the necessary steps to ensure the law provides these protections. The legislation is only feasible for implementation if the following is statutorily required to be provided by Lodging Marketplaces:
 - Property addresses and/or online listing #ID's for assurance that room tax generated in a municipality can be returned to that municipality.
 - Local municipal registration/permit numbers.
 - Corresponding room tax amounts being remitted for the report period for each property address/online listing ID.

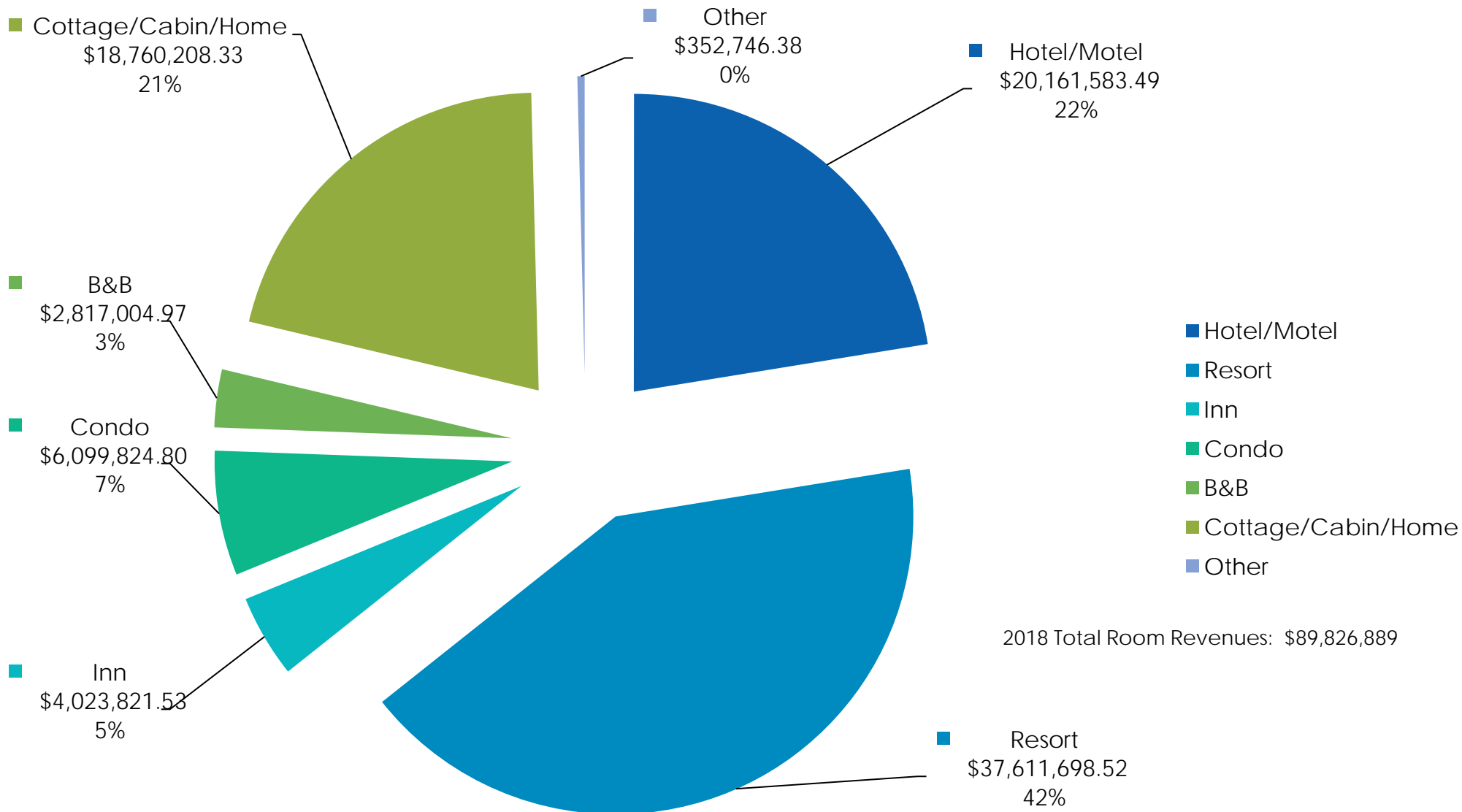
2018 YEAR IN REVIEW: LEGISLATIVE



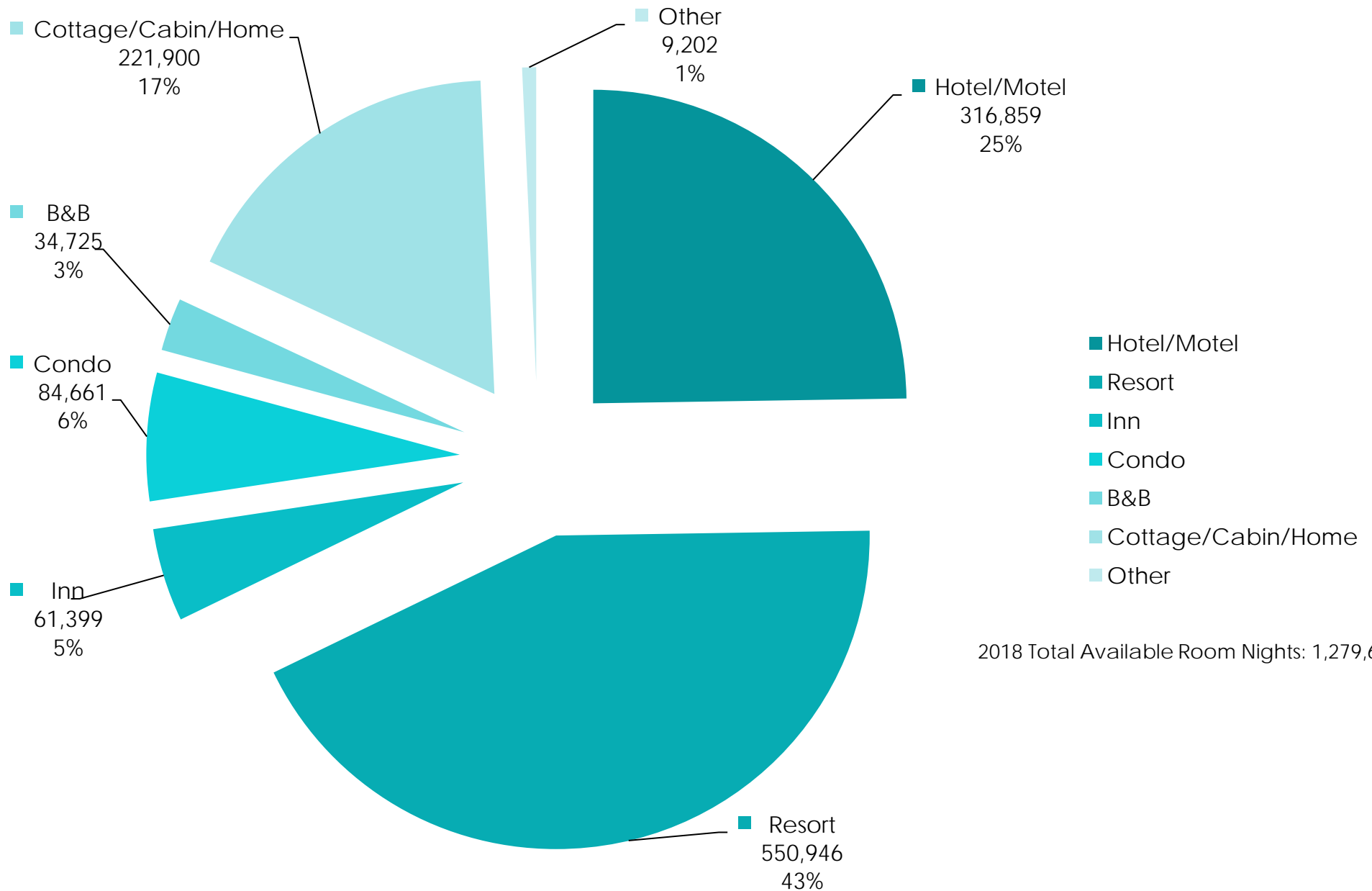
THE TOURISM ZONE HAS ADVOCATED ON BEHALF OF OUR MEMBER MUNICIPALITIES AS FOLLOWS:

- Submission of Public Comment to the Wisconsin Department of Revenue on 8-20-18.
 - Request of member municipalities to submit comment.
 - Request DCEDC submit public comment.
- Meeting with local representatives to discuss and move forward correcting language. (Senator Frostman and Representative Kitchens) 8-14-18.
 - Draft legislation generated by Representative Kitchens.
- Submission of Public Comment to the Wisconsin Department of Revenue on 9-10-18.
 - Request of member municipalities to submit comment.
 - Request DCEDC submit public comment.
- Meeting with the Wisconsin Hotel & Lodging Association to discuss correcting legislation 9-27-18.
- Presentation to Green Bay Room Tax Commission 10-17-18 .
- Update to the Wisconsin Towns Association Door County Chapter on 11-15-18.
- Submission of Public Comment to the Wisconsin Department of Revenue on 11-27-18.
 - Request of member municipalities to submit comment.
 - Request DCEDC submit public comment.
- Attendance and speech delivered at the Public Hearing on 12-3-18 at the Wisconsin Department of Revenue. Request of member municipalities to reach out to local representatives regarding the issues and to support correcting language.
- Talking points created and distributed.
- Participated in Door/Kewaunee Legislative Days to lobby for LRB 2153 – April 2019.
 - Requested sponsorship of bill.
- Legislative Action Sheet distributed at Legislative Days – April 2019.
- Agency Meeting with WI DOR during Door/Kewaunee Legislative Days -April 2019.
- Testified at the Ways and Means Hearing on AB251/SB243 – June 2019.

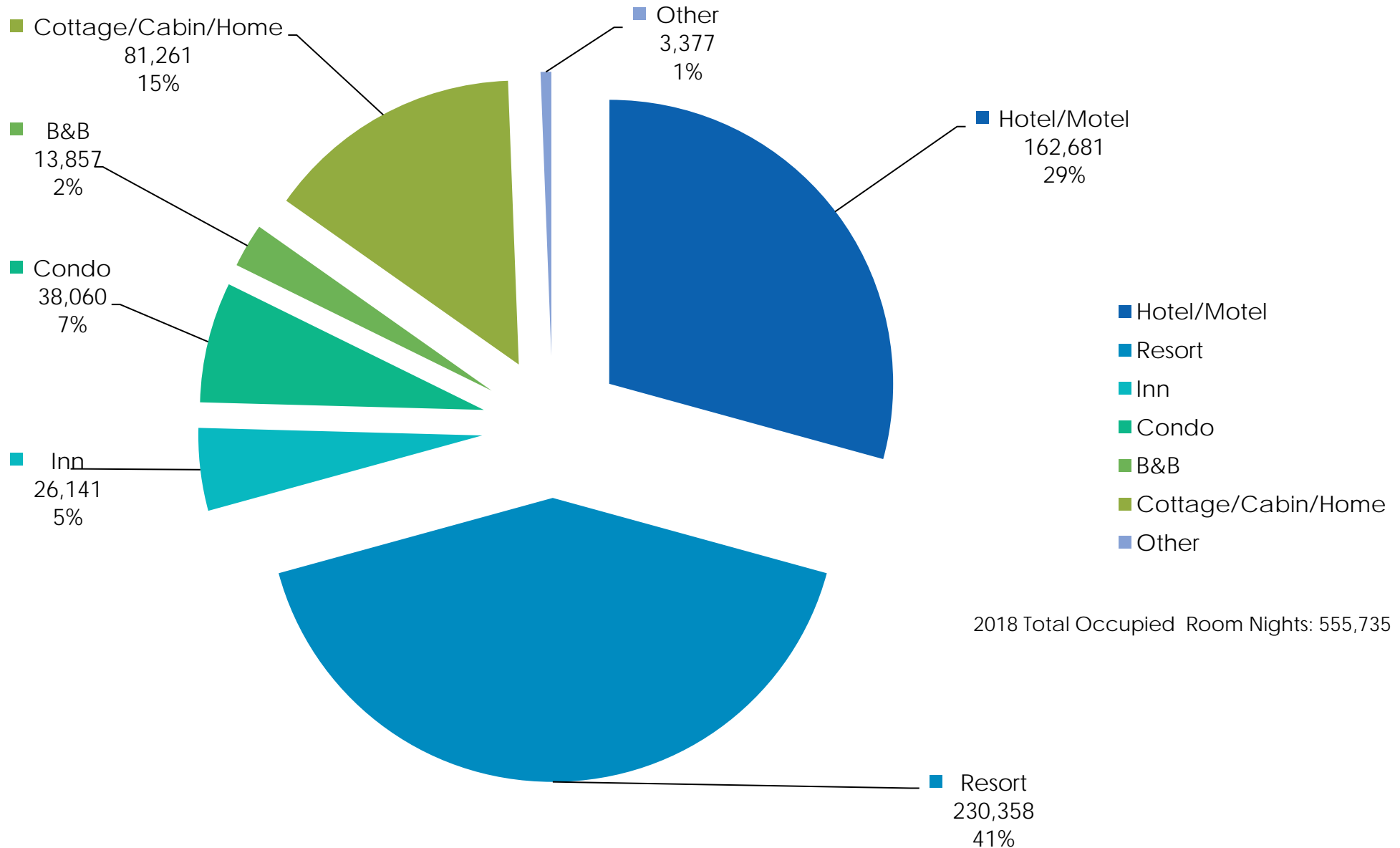
2018 YEAR END BY THE NUMBERS – REVENUE BY PROPERTY TYPE & PERCENT OF THE TOTAL



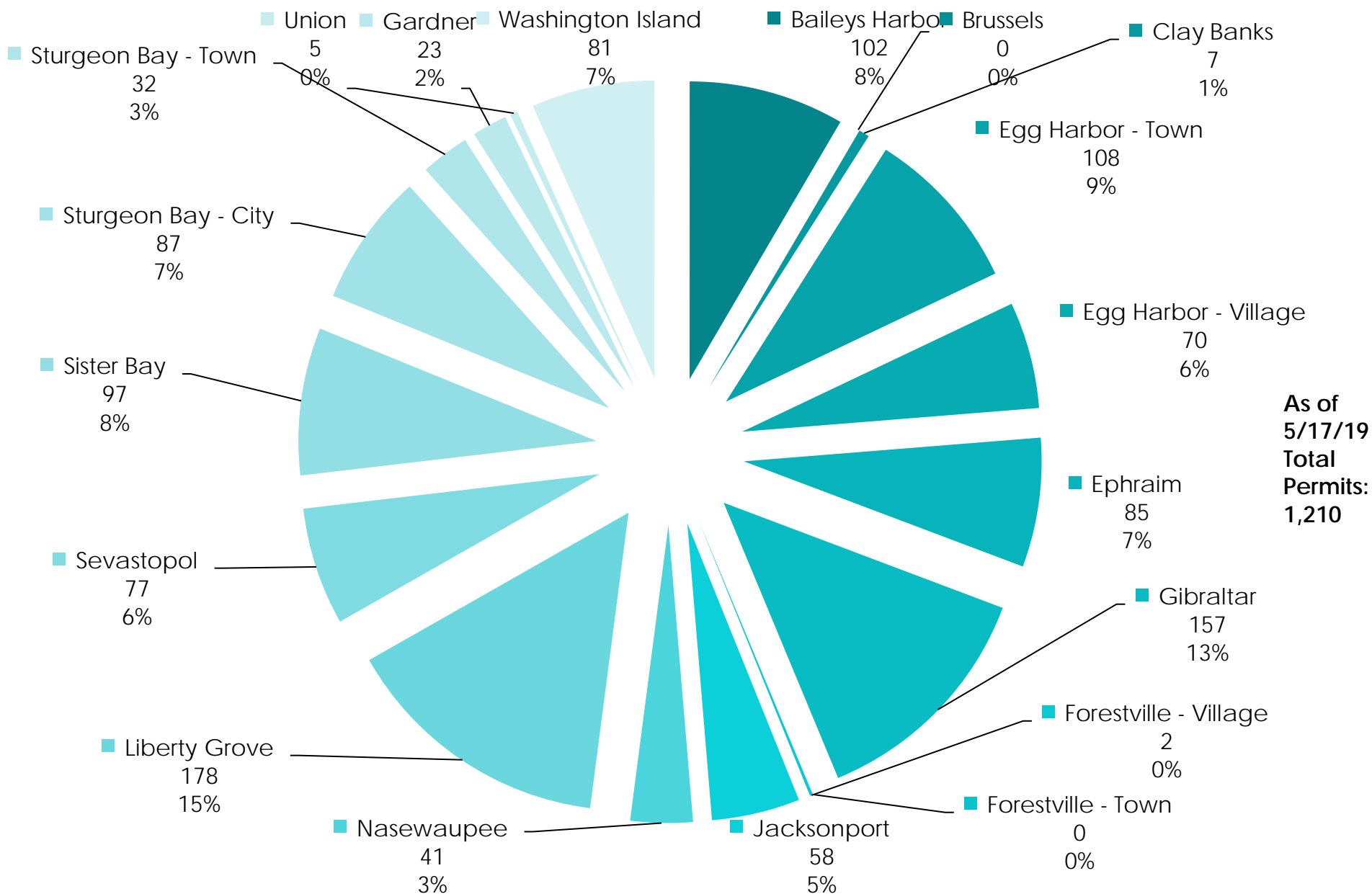
2018 YEAR END BY THE NUMBERS: AVAILABLE NIGHTS BY PROPERTY TYPE & PERCENT OF THE TOTAL



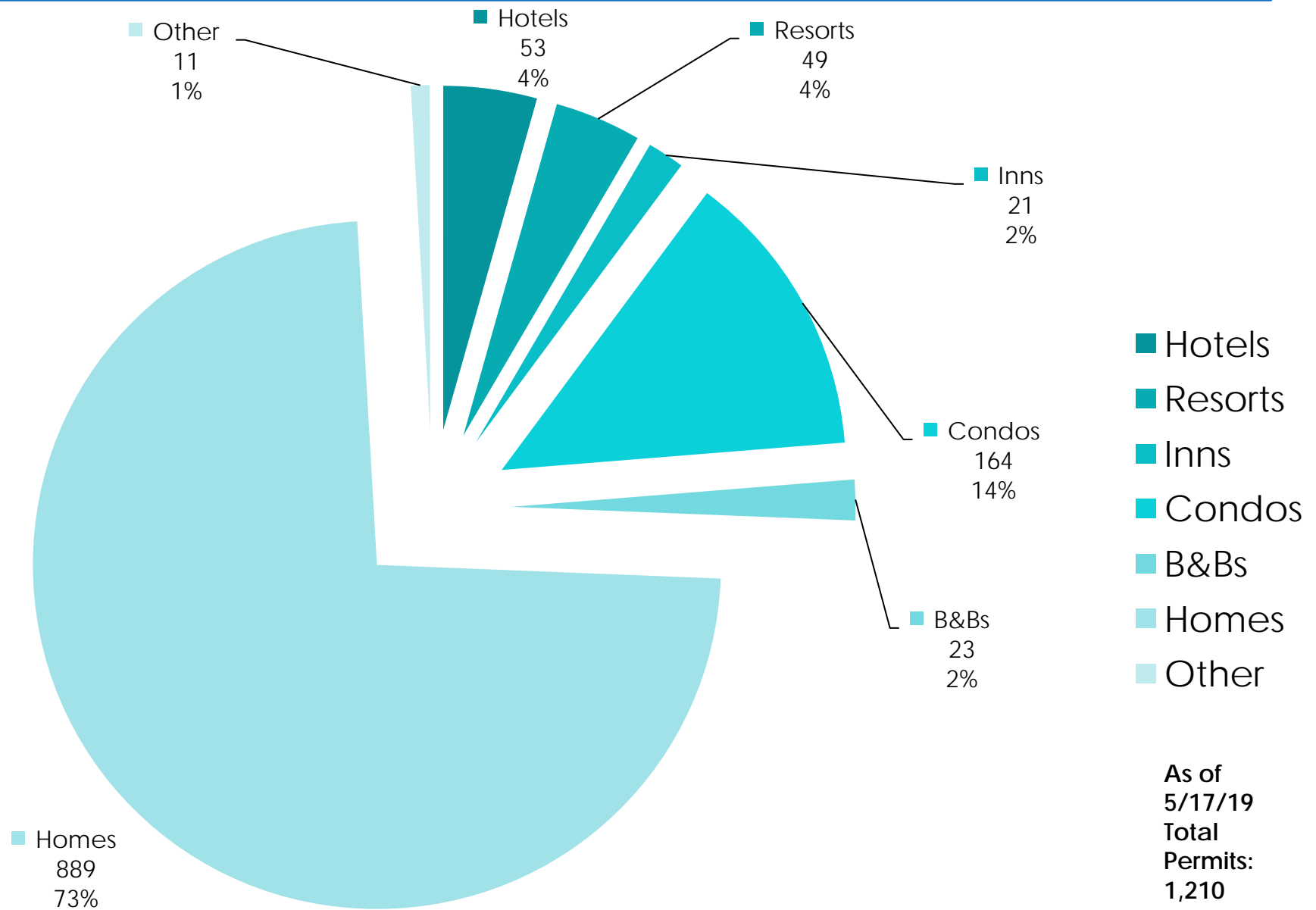
2018 YEAR END BY THE NUMBERS: OCCUPIED NIGHTS BY PROPERTY TYPE & PERCENT OF THE TOTAL



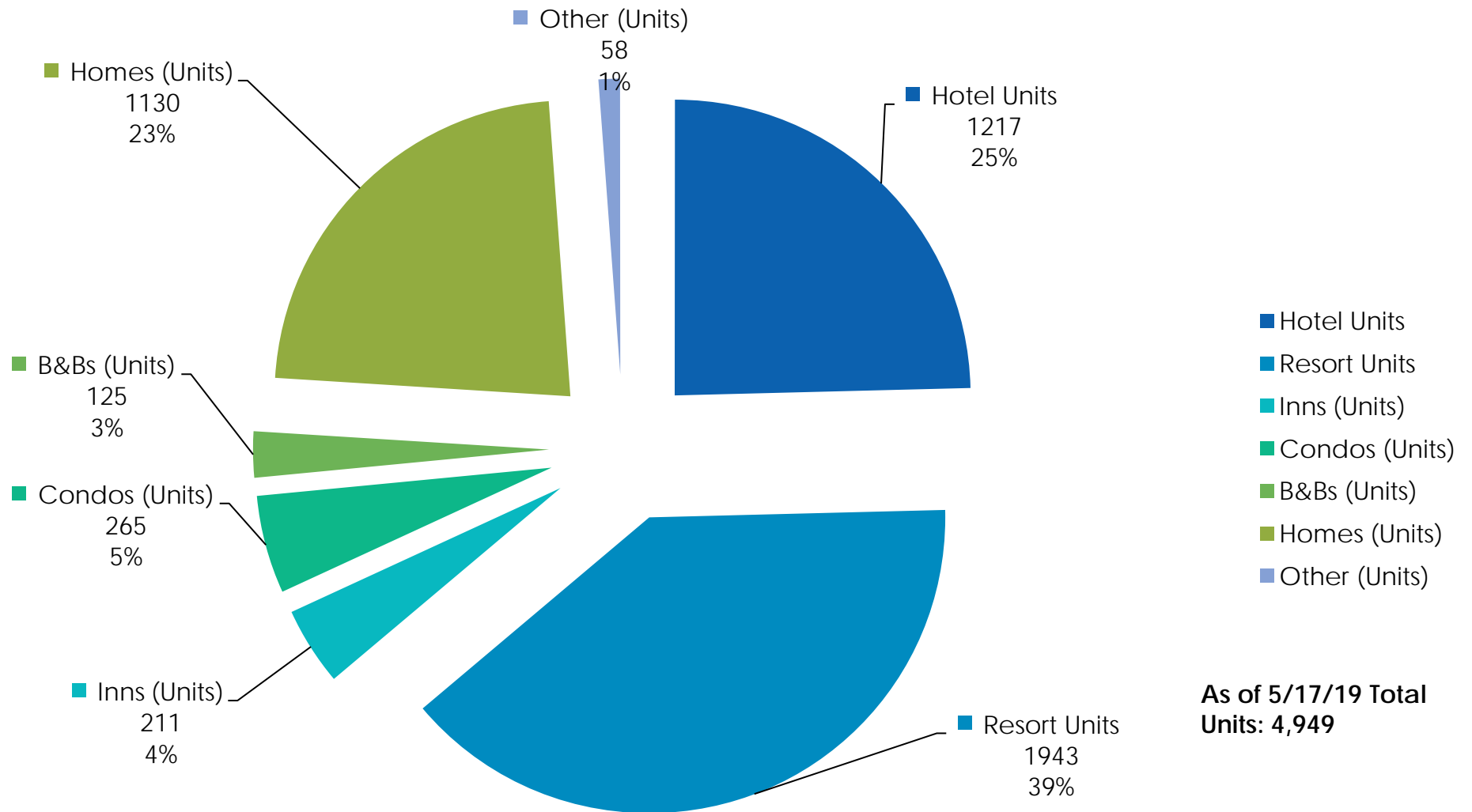
PERMIT STATISTICS - NUMBER OF PERMITS BY MUNICIPALITY & PERCENT OF THE TOTAL



PERMIT STATISTICS: BY PERMIT TYPE & PERCENT OF THE TOTAL



PERMIT STATISTICS – BY UNIT & PERCENT OF THE TOTAL



2008-2019: A HISTORICAL LOOK AT PERMIT TOTALS BY YEAR



Date of By Unit Report	Permits Total All Property Types	# of units	Hotel (50) Permits	Hotel (50) Units	Resort (51)	Resort (51) Units	Inn (52)	Inn (52) Units	Condo Permits (53)	Condo (53) Units	B & B (54)	B&B (54) Units	Cottage Cabin Homes/ Permits (55/56)	Cottage Cabin Homes (55/56) Units	Other (59)	Other (59) Units
11/18/2008	729	3945	49	945	43	1738	12	166	130	193	24	128	459	708	12	67
8/7/2009	856	4684	58	1255	44	1899	19	219	141	251	35	186	549	808	10	66
12/31/2010	888	4702	59	1285	48	1903	19	217	142	254	33	158	578	820	9	65
12/31/2011	879	4655	56	1190	50	1974	19	217	131	254	32	156	576	808	9	56
12/12/2012	903	4676	56	1190	51	1944	20	241	135	234	32	155	601	861	8	51
12/31/2013	937	4708	59	1265	48	1922	20	194	136	233	29	143	632	894	13	57
12/1/2014	956	4673	56	1212	46	1939	18	175	148	247	27	152	650	898	11	50
12/1/2015	980	4712	55	1222	47	1954	18	167	143	242	29	161	676	914	12	52
12/1/2016	1031	4773	55	1204	49	1967	18	194	157	264	24	126	716	964	12	54
11/27/2017	1078	4860	54	1226	48	1967	21	216	157	270	21	108	765	1020	12	53
12/12/2018	1169	4895	52	1217	48	1925	19	204	160	271	23	116	856	1104	11	58
5/17/2019	1210	4949	53	1217	49	1943	21	211	164	265	23	125	889	1130	11	58

Of permits

There are **481** more permits in 2019 than there were in 2008

Repeat properties permitted

At least **203** of the same properties have been deactivated and re-permitted to new owners since 2008.

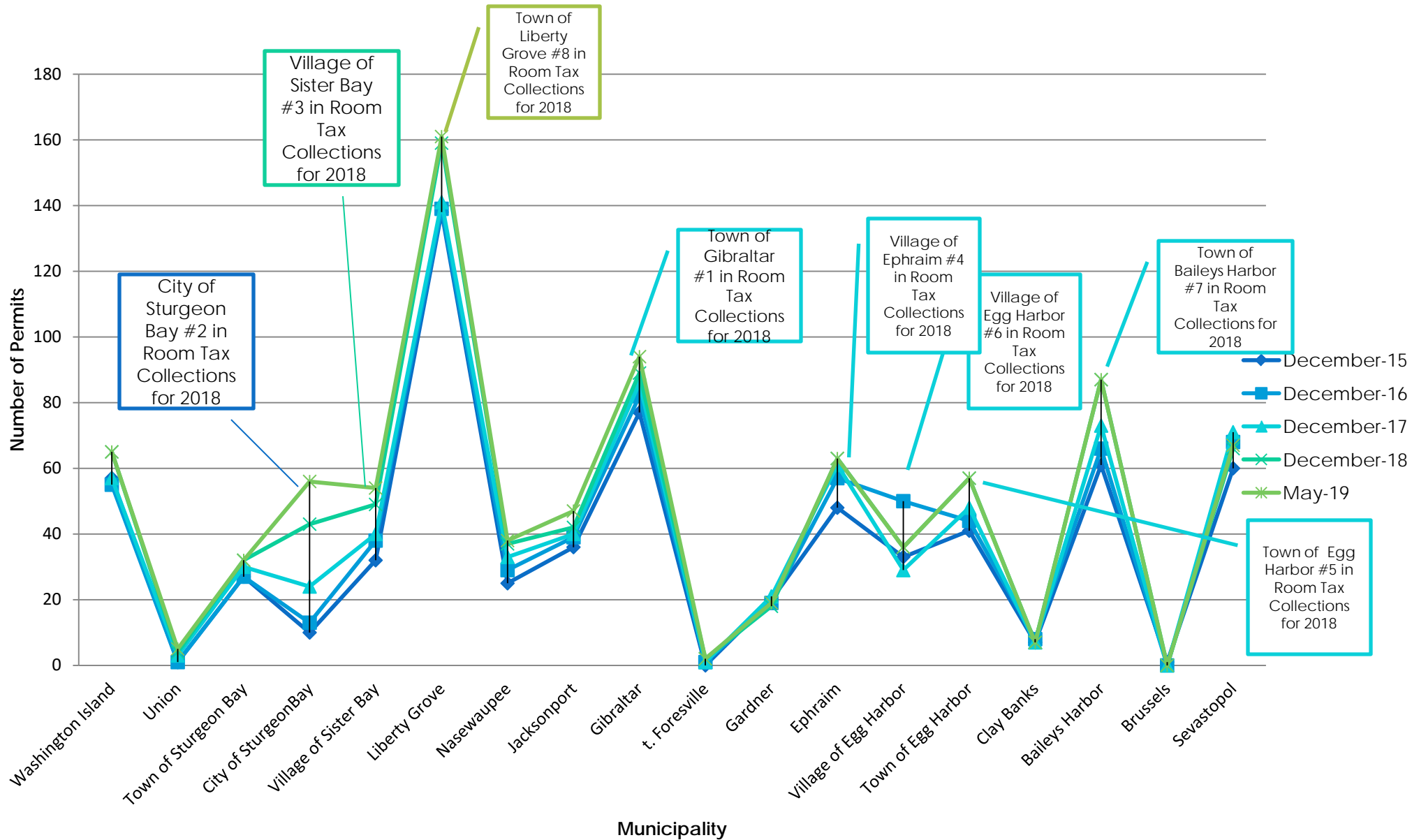
Active vs. Inactive properties

Property owners (same owner/same permit) deactivate and re-activate properties which has an impact year to year on available and rented nights.

Seasonal Shifts

Property owners change their months of operation from year-round to seasonal which can impact available and rented nights.

GROWTH OF PERMITS BY MUNICIPALITY 2015-19: TOP MUNICIPALITIES IN ROOM TAX COLLECTIONS COMPARED TO GROWTH OF COTTAGE/CABIN/HOMES PERMITS.



A FEW WORDS ABOUT SHORT TERM RENTALS (STR'S)



What are Short Term Rentals?

Short Term Rentals
< 30 days

Long Term Rentals
> 30 days

STR Terminology

- Short - Term Rental (STR) = Common, generic name
- Airbnb, VRBO & Homeaway = Trade Names
- Tourist Rooming House (TRH) = Wisconsin Legal Name
 - *In 2018, there was a significant shift in lodging platforms incorporating and seeking via sales efforts the push to list traditional lodging units along with typical STR units. Lodging platforms are now fairly diverse with traditional lodging, owner managed and agent managed properties.*

A FEW FACTS ABOUT SHORT TERM RENTALS (STR'S)... THE TWO SIDES OF A COMPLEX ISSUE.



POSITIVE CONTRIBUTIONS

- Additional income for hosts in a seasonal tourism destination.
 - 478 (39.5%) of the 1210 permit holders, the owner information provides a local zip code.
- Employs local residents for cleaning, maintenance, appliance repair, etc.
- Employs local residents via property management companies.
- Purchase supplies and equipment from local businesses.
- Provides tourists with a diverse supply of accommodation choices.
 - Keeps Door County relevant with consumer travel demands.
 - Serve different price points & communities.
- Supports tourism.
- Guests support local businesses.
- Airbnb: In 2018, Door County ranked #3 in the State only behind Milwaukee and Dane County.
 - \$3.2 Million in host income - \$176,000 in room tax revenues.
 - 21,000 guests hosted.
- Income through room tax revenues.
- Helps local residents keep/stay in their homes through supplemental income.
- Competition to traditional lodging can drive businesses to raise the bar or align their offerings to better compete.

CHALLENGES

- Disruptive to traditional Lodging.
- Neighbor/neighborhood complaints.
- Safety.
 - Sanitary concerns.
 - General safety.
 - Liability & insurance.
- Noise.
- Parking.
- Reduces homes available for long term rentals for workforce.
- Demand for real estate increases prices making it challenging for those who live and work in Door County to achieve the ability to purchase a home.
 - Average inland home sale in 2018 for Northern Door was \$283,080 (162 sales)*
 - Average inland home sale in 2017 for Northern Door was \$254,279 (185 sales)*
 - Average price of a home in Sturgeon Bay in 2018 was* \$149,950 (# of sales unavailable)
 - Average price of a home in Sturgeon Bay in 2017 was \$141,247 (111 sales)*

**from the Door County Board of Realtors*

A FEW FACTS ABOUT SHORT TERM RENTALS (STR'S)



WHAT ARE THE REQUIREMENTS THAT A PROPERTY OWNER MUST COMPLETE?

- Obtain Door County Tourism Zone permit (Only part of the process that the Tourism Zone has the authority to enforce).
- The Tourism Zone notifies property owners of the following additional requirements:
 - If in the City of Sturgeon Bay, obtain the TRH permit.
 - If renting over 10 days total annually, the property owner must obtain a DATCP license as a "Tourist Rooming House".
 - Part of the DATCP license requires that if on well water, a water test must be completed annually and kept on file for each three year inspection.
 - If not collected by the Lodging Marketplace, the property owner must collect and remit WI State Sales Tax.
 - PRAT tax is collected and remitted to the WI DOR for those municipalities with PRAT.

WHAT AUTHORITY DOES ACT 59 GIVE TO LOCAL MUNICIPALITIES TO REGULATE STR'S?

CAN:

- 1. Prohibit rentals for less than seven consecutive days.
- 2. Limit total consecutive days they rent to (180 days minimum).
- 3. Require local permit

CANNOT:

- 1. Prohibit rentals of 7-29 consecutive days

**Source WH&LA - Incorporates changes from Wisconsin Act 59 from September 2017 .*

There is no guarantee if restrictions are put in place that homes that are used for STR would be made available for long term housing.

TRH: Tourist Rooming House

DATCP: Department of Trade Agriculture & Consumer Protection

PRAT: Premier Resort Area Tax



WISCONSIN

SHORT-TERM RENTALS LAW

Incorporates changes from Wisconsin Act 59 from September 2017

Residential Dwelling Rental

Municipality

CAN:

1. Prohibit rentals for less than seven consecutive days
2. Limit total consecutive days they rent (180 days min.)
3. Require local permit

CANNOT: Prohibit rentals of 7-29 consecutive days

"Residential dwelling": any building, structure, or part of the building or structure, that is used or intended to be used as a home, residence, or sleeping place by one person or by two or more persons maintaining a common household, to the exclusion of all others

"Short-term rental": a residential dwelling that is offered for rent for a fee and for fewer than 29 consecutive days

"Lodging Marketplace": an entity that provides a platform through which an unaffiliated third party offers to rent a short-term rental to an occupant and collects the consideration for the rental from the occupant

"DATCP": state Department of Agriculture, Trade & Consumer Protection; the agency responsible for lodging licenses, or their authorized local health agents

"DOR": state Department of Revenue; the agency responsible for the collection of state tax revenue and for licensing lodging marketplaces

Short-Term Rental on own

1. The property must obtain a DATCP license as a "tourist rooming house" (subject to fees, inspections) and obtain municipal permits as required.
2. The owner/operator of the property must register with the DOR for a license to collect taxes (if the total sales revenue is \$2,000 or more). They must then collect and remit state & county sales taxes, local room tax, and any applicable special district or premier resort area taxes.

Short-Term Rental through registered Lodging Marketplace

1. The property must obtain a DATCP license as a "tourist rooming house" (subject to fees, inspections) and municipal permits as required.
2. The registered Lodging Marketplace collects and remits state & county sales taxes, local room tax, and any applicable special district or premier resort area taxes.

Lodging Marketplace Requirements

1. If the Lodging Marketplace has nexus in Wisconsin, they must register with the state DOR for a license to collect taxes imposed by the state related to short-term rentals now and to collect municipal room tax. Remote (out-of-state) sellers are deemed to have nexus if they sell taxable products and services from Wisconsin. There is a "small seller exception" for remote sellers who do NOT have annual sales into Wisconsin of more than \$100,000 OR 200 or more separate transactions annually.
2. Collect from buyer and remit to DOR sales and use taxes.
3. If rental is in a municipality with a room tax, collect from buyer and remit room tax to the municipality.
4. Notify short-term rental owners that above taxes were collected and remitted on the sales.

provided by:



Wisconsin Hotel & Lodging Association | 1025 S. Moorland Road, Ste. 200, Brookfield, WI 53005

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Contact: Trisha A. Pugal, CAE, President/CEO | pugal@wisconsinlodging.org

REVISED FEBRUARY 2019

LOOKING AHEAD IN 2019



- Completion of the Tourism Zone back office system upgrade to meet the needs of permit holders and the Tourism Zone.
 - Improvements include: Easier online filing, online filing capabilities for property owners with multiple properties via a secure site and improved functions to enhance tracking of lodging in Door County.
 - Encourage more permit holders to file online via continued education and technological upgrades. Internet access continues to be a challenge for some.
- Ongoing dedication to compliance and enforcement with the overall goal of making sure the playing field is level for those in the lodging industry who partner with the Tourism Zone by collecting and remitting room tax.
 - Impose fines & penalties on late and non-reporting properties.
 - Verify reporting for suspected under-reporting properties.
 - Instruct Tourism Zone legal counsel to audit under-reporting or suspect properties. As necessary, file charges in Circuit Court for full enforcement.
 - Credit Management Control has been assigned to carry out collection processes for delinquent and non-reporting properties, including liens through the Wisconsin TRIP program and reporting to credit agencies.
- Continued tracking of properties listed on rentals-by-owner sites.
 - Continue to track permitted and unpermitted properties within the Tourism Zone database with online listing ID's.
 - Stay up to date with changes to online lodging platforms.

LOOKING AHEAD IN 2019 CONTINUED...



- Monitor activity both at the state and national level for potential legislation that could have consequences on the impact that room tax has on Destination Marketing and the budgets of our local municipalities. Continue to stress that the regulatory authority of room tax needs to stay with local municipalities. Local government is best able to handle local registration of short term rentals, levy fines for compliance and handle the collection and distribution of room tax.
- Continue to set the example for other Tourism Zone Commissions and municipalities in the State. Assist with requests, education and partnership as other Tourism Zones and municipalities aim to model Door County room tax collection.
- Maintain Data Project begun in 2016 in order to compare year-to-year figures of occupancy statistics, room tax collections, and track the transient lodging economy in Door County.
- Outline goals for succession planning in all areas of Tourism Zone operations.
- Education and communication will remain a top priority by continuing to reach out to permit holders via monthly reminder emails to prompt permit holders to remember monthly reporting and Quarterly newsletters . As needed bulletins and press releases will also continue with the focus of providing information to assist lodging providers with short term rentals.
- Continue to develop the partnership between permit holders and the Tourism Zone office by serving as a resource to permit holders. By providing assistance, support and education the task of collecting room tax becomes less daunting and compliance increases.
- Continue to develop contacts and resources in Door County municipal and County departments to assist with property owner identification.
- Outline record keeping strategies and guidelines.



Jack Money Penny, President/CEO



Room Tax Accomplishments

- ◆ The room tax continues to give Door County a deeper reach into our regional markets and the on-going ability to work with travel writers and other influencers to receive national coverage.
- ◆ Media placement and PR took a multi-dimensional approach through a combination of advertising mediums and public relations outreach that solidified our brand promise that “Those who visit Door County will find a breathtakingly scenic, water-centric landscape that is perfectly conducive to their pursuit of relaxation and rejuvenation.”
- ◆ DoorCounty.com had nearly 1.4 million (according to Google Analytics).
- ◆ We’ve hosted 878 travel journalists from 2007 through 2018, which resulted in 2,074 published articles and stories about Door County.
- ◆ We spoke directly to our visitors by inviting them to discover new experiences with our tagline “Live Life Well”.
- ◆ Our social media has grown tenfold garnering over 25million impressions through Facebook, Twitter and Instagram.



Primary Results

	2018	2017
Door County Traveler Expenditures	\$366.6 million	\$358.5 million
Wisconsin Traveler Expenditures	\$13.3 billion	\$12.7 billion
Wisconsin Tourism Market Share (Door County)	2.75%	2.82%

- 7th place in Wisconsin destinations for visitor spending
- Behind Milwaukee, Dane, Sauk, Waukesha, Brown, and Walworth Counties
- The total impact of tourism on Door County's economy was \$469 million last year.



The Economic Impact of Tourism in Wisconsin - 2018

In Door County:

- \$366.6 million in direct spending
- \$38.8 million in local and state taxes
- 3,237 full-time equivalent jobs
- \$81.2 million in resident income
- Support to local lodging, restaurants, retail and attractions....enhancing the quality of life

Source: Tourism Economics

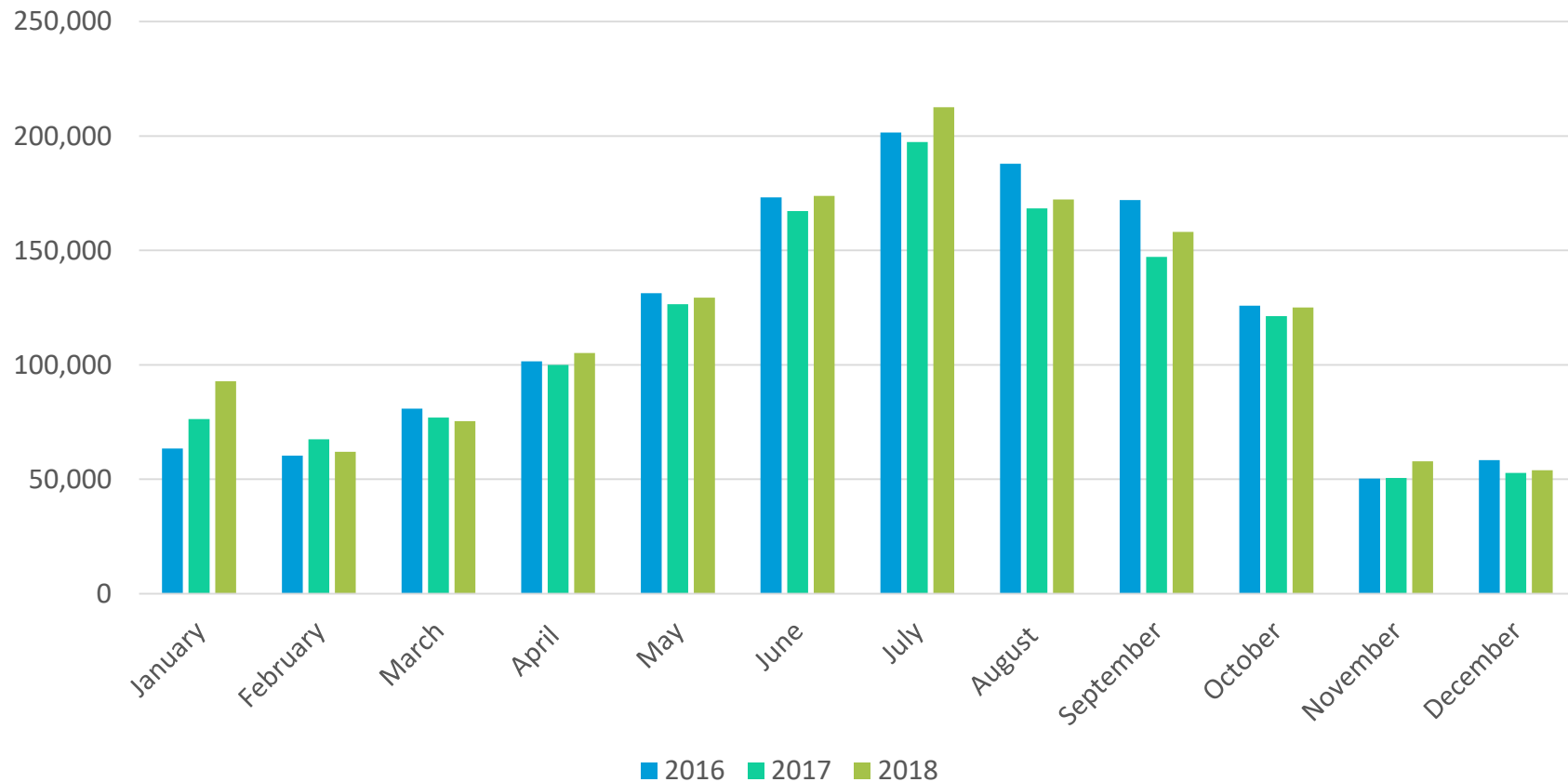


Marketing and Sales

Web Site Activity / Digital Marketing		
	2018	2017
DoorCounty.com site visits	1,418,550	1,352,123
DoorCounty.com unique visits	1,051,676	995,860
E-newsletter Subscribers	236,007	215,634
Facebook Engagement	625,659	532,213



DoorCounty.com Site Visits

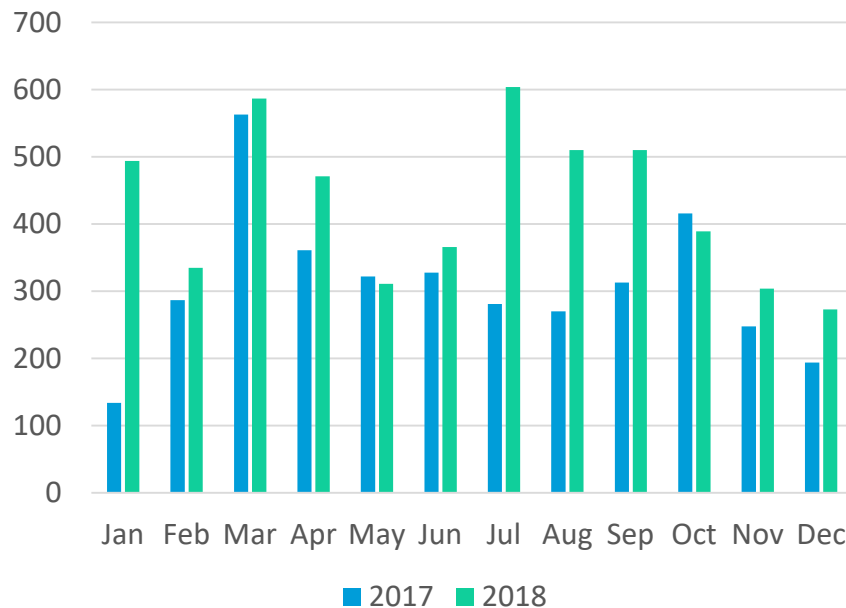




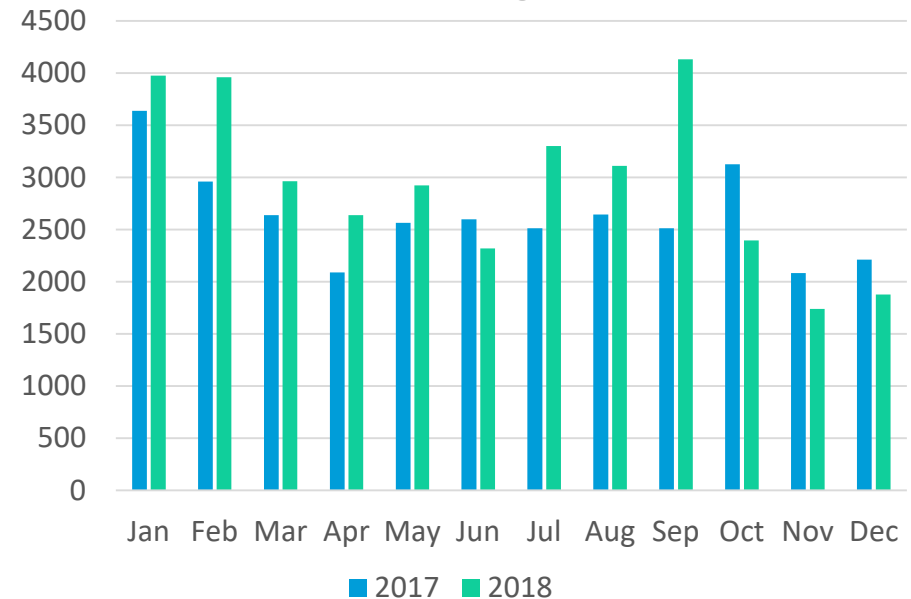
Group Sales

	2018	2017
Group Tour & Meeting Site Visit	5,154	3,717
Wedding Web Visits	35,330	31,577

Group & Meeting



Wedding





Advertising Highlights

A small sampling of what was placed

- Media planning was strategic and research based. A multi-dimensional approach delivered a combination of mediums, ad sizes and formats, which allowed us to showcase the visual aspects of Door County through print, television, digital, mobile and outdoor in our key target markets. We also continued to reach an online audience through video on Hulu, YouTube and apps on connected devices.
- Key partnerships were formed. To ensure the best possible plan for 2018, we formed key partnerships with some of the best in the industry. Targeted public relations campaigns brought Door County cherry blossoms and fall colors into the households in some of our largest television markets of Madison, Milwaukee, Minneapolis and northern Illinois. Social media was for partner employers to schedule timesaving appointments to get their J-1 students registered for Social Security numbers here in Door County.
- A creative campaign that was all about showing a level of relaxation that was more than just restful; it's rejuvenating. We defined that idea with our tagline live life well.



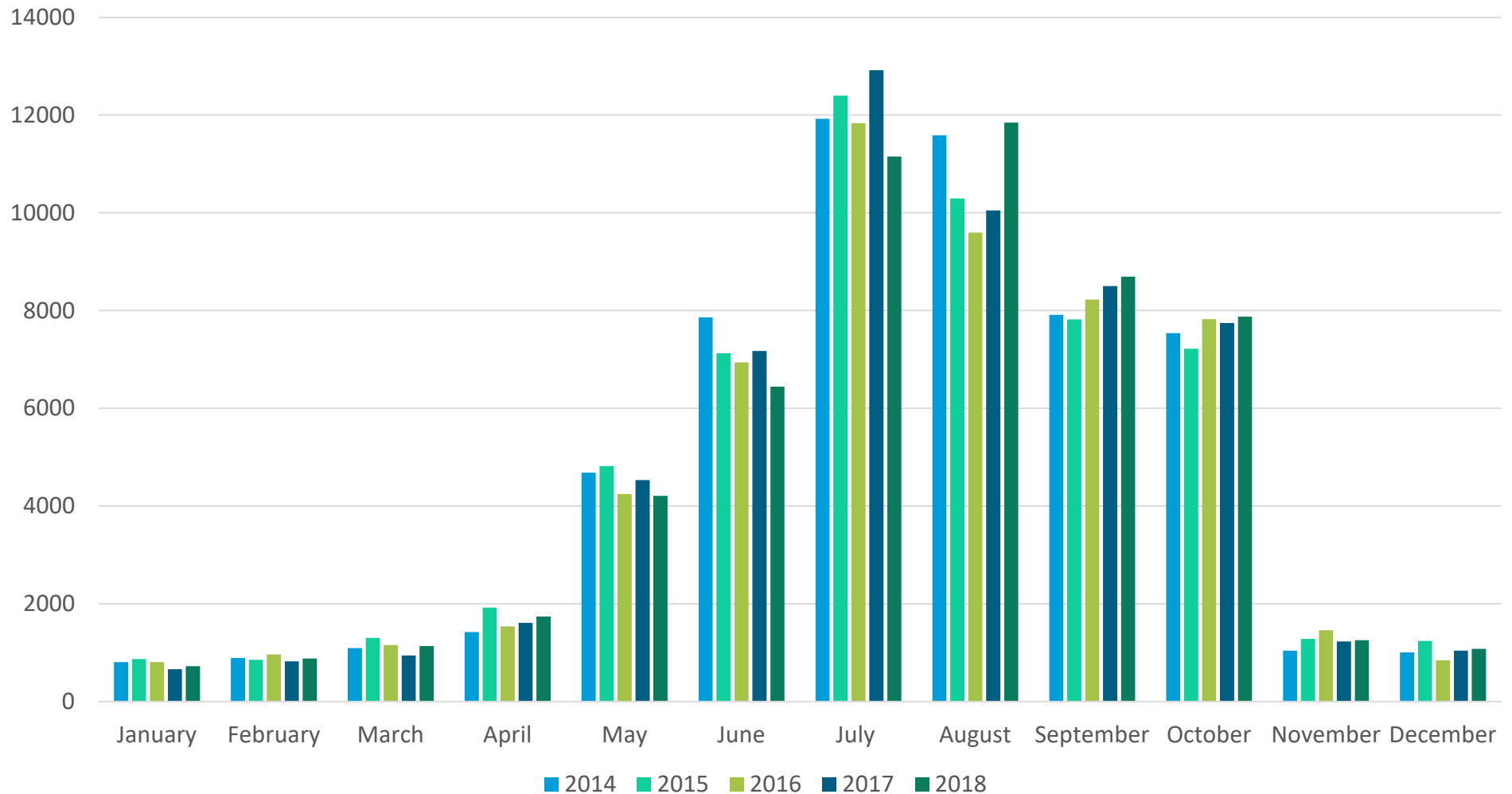
Communications & Public Relations

Media Marketing Program		
	2018	2017
Ad Value Equivalency (AVE)	\$3,504,314	\$3,241,951
Impressions	369,505,267	314,257,432
Visiting Journalists	70	72

- Hosted 7 seasonally themed press tours in 2018 between January and October.
- 196 articles placed in print, radio, or online media from media marketing efforts.
- Through the end of 2018, the return on investment for the media marketing program was 1074%. For every dollar spent, Door County received \$10.74 in AVE media coverage.

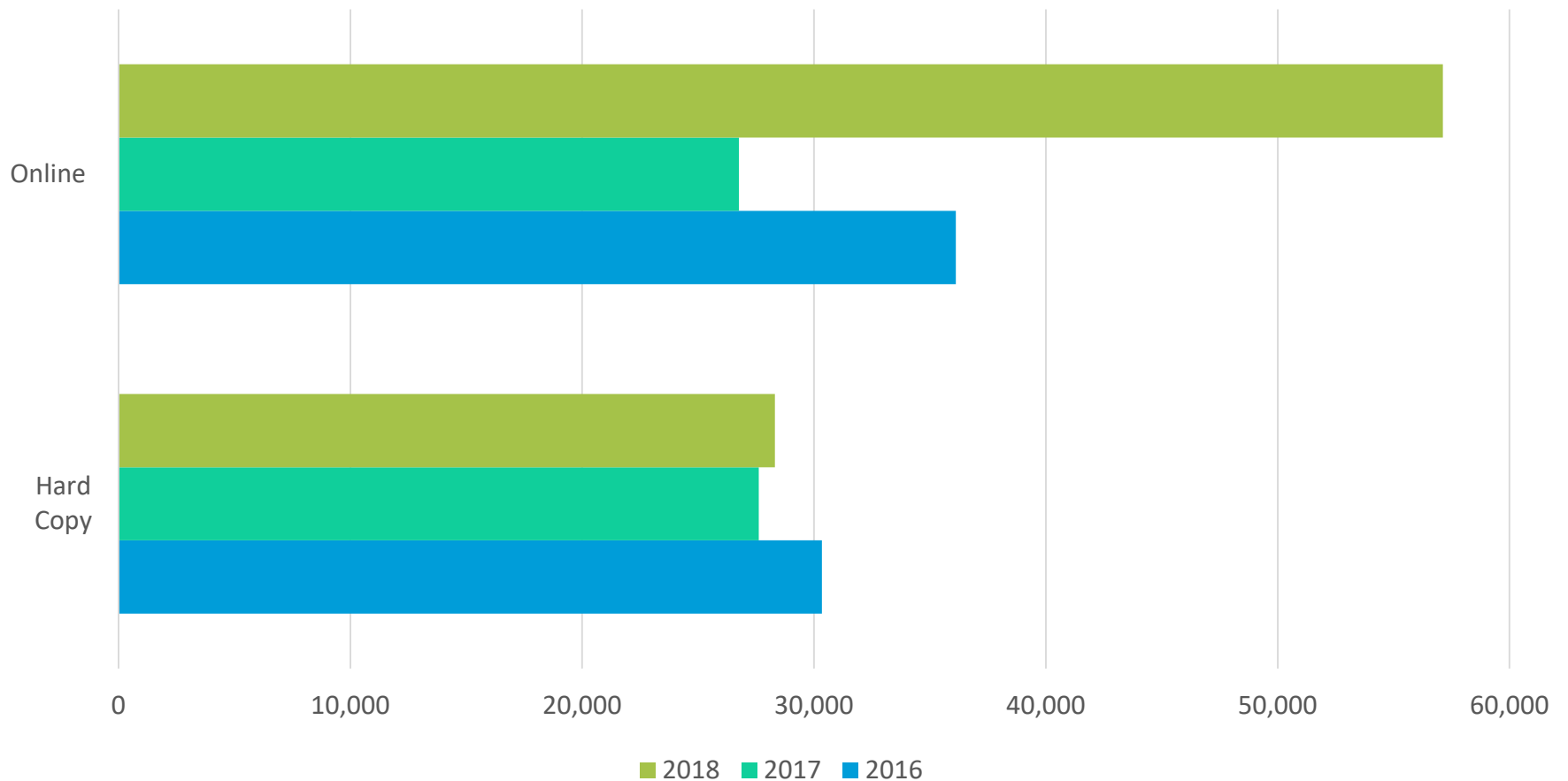


Welcome Center Visitor Traffic





Visitor Guide Requests





Looking Ahead

A small sampling of what will take place

- Working with our key partners to produce a well-rounded media buy that includes print, television, digital, mobile, and outdoor. Television will continue to include multiple screens and devices.
- Developing our current tagline that supports the brand promise while promoting a level of revitalization, *Live Life Well*.
- Continue shooting photographs and capturing video footage to use for PR, videos, commercials and as B-roll.
- Continue PR initiatives to highlight Door County through media coverage and other communications based projects.
- Continue to develop our online and social media presence with new and enhanced video initiatives and through social influencer partnerships.