

# Door County Tourism Zone 2020 Annual Meeting Report July 15, 2021





**THE TOURISM ZONE...** In May of 2007, 10 Communities formed a Tourism Zone according to **WI State Statute 66.0615**. By the end of 2008, all 19 communities were a part of the Door County Tourism Zone.

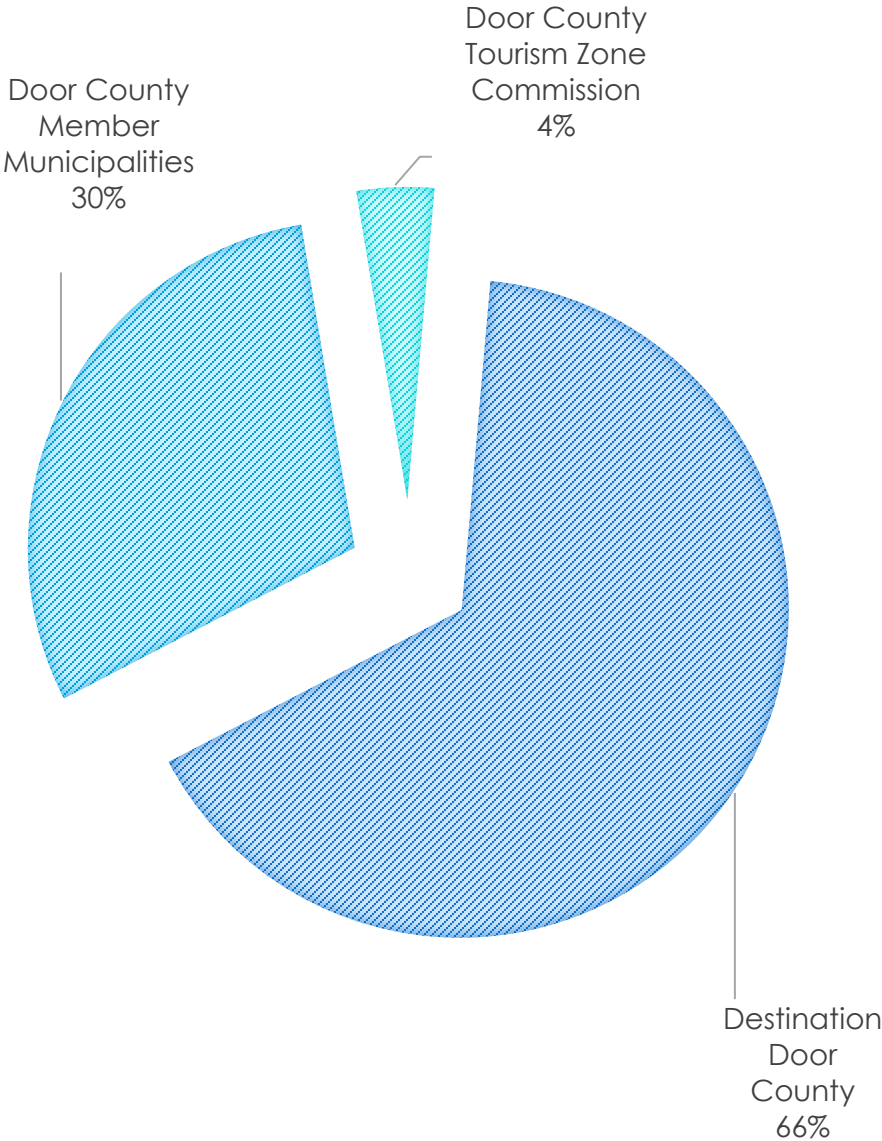
**WHY AND WHEN...** In 2007 the Door County Tourism Zone Commission was established via grass roots efforts by a group of concerned citizens called "Door County Peninsula Strategic Marketing Coalition." They fundraised and volunteered their time to raise money for a market study. This idea didn't originate with local government officials; it began with the very people who make their livelihood in the tourism and hospitality industry in Door County.

**WHAT DID THE MARKET STUDY SHOW?** Door County needed new revenue sources to create and implement effective marketing to stop losing tourism market share. Membership dues simply weren't enough to effectuate a modern marketing program. For Door County to remain a sought-after destination, the only option was to generate money for a broad and unified marketing campaign.

**TOURISM WORKS FOR US: HOW IS MARKETING PAID FOR?** ROOM TAX revenue provides the mechanism that ensures the ongoing funding for the marketing of Door County. In the competitive marketplace where travelers have many options, Destination Marketing Funds allow Door County to be marketed and represented. Prior to 2007, Door County's marketing entity, DDC, had marketed Door County with a marketing budget of less than \$200,000.



# ABOUT ROOM TAX... ALL MUNICIPALITIES HAVE A 5.5% LOCAL MUNICIPAL ROOM TAX



## ROOM TAX IS DIVIDED THREE WAYS:

**30%** of Room Tax Collections are distributed back to the municipality in which they were collected. These funds can be spent for any use deemed necessary by that community's municipal body.

**66%** of Room Tax Collections are distributed to Destination Door County for marketing. These funds are spent on items which under state statute qualify, such as marketing, promotion, and staff expenses.

**4%** is retained by the Door County Tourism Zone for expenses to cover the cost of tax collection, distribution and enforcement. All Commissioners are volunteers.



# THE TOURISM ZONE “DCTZC” AND DESTINATION DOOR COUNTY “DDC” PARTNERSHIP

## DOOR COUNTY TOURISM ZONE

Distributes 30% of room tax collected back to the municipality in which it was collected

Distributes 66% of room tax collected to Destination Door County, the designated marketing entity for Door County.

4% is retained by the DCTZC for operations.

The DCTZC is audited annually by an outside municipal accounting firm.

The DCTZC is responsible for permitting, collections, distribution and enforcement of local room tax ordinances.

## DESTINATION DOOR COUNTY

Receives 66% of room tax collected for funding as the designated marketing entity for Door County.

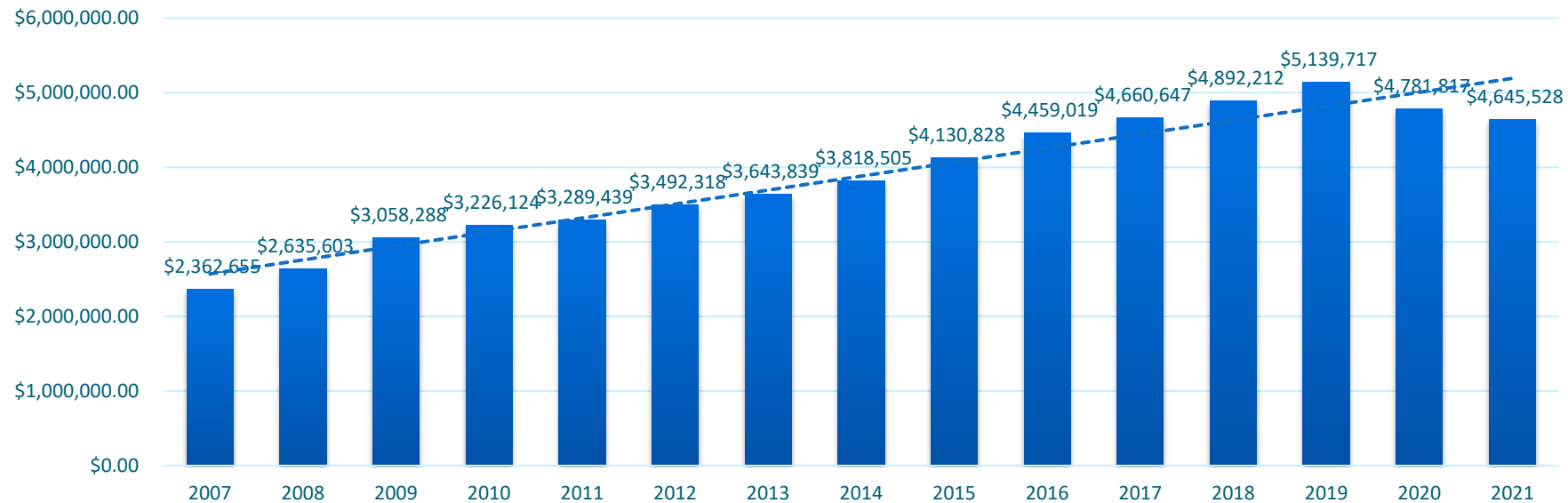
DDC distributes 11% of the 66% to the Strategic Community Partnership Program.

All remaining room tax revenues are used to market Door County to increase interest in visitor-ship and generating overnight stays.

The DDC develops and executes their Annual Marketing plan and budget.

The DDC hires and evaluates their vendors

## Room Tax Revenue 2007-21



### 2007-20 Actual Revenue/2021 Budgeted Revenue

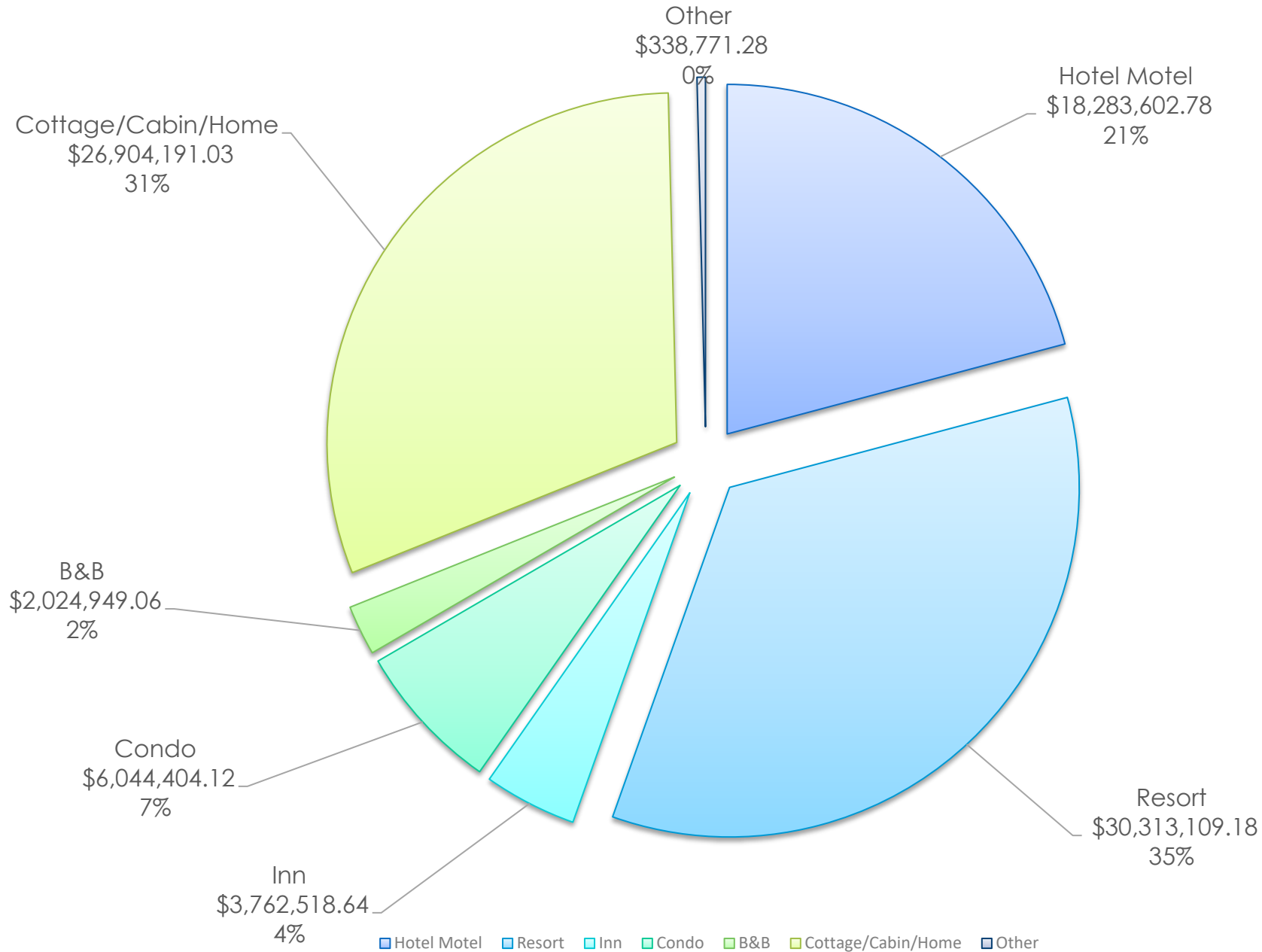
For the period of 2007-2021 the Tourism Zone projects to have collected \$58.2 million in room tax.

For the same period, the Tourism Zone projects to have distributed:

- \$38.4 million to Destination Door County.
- \$17.4 million to member municipalities.

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

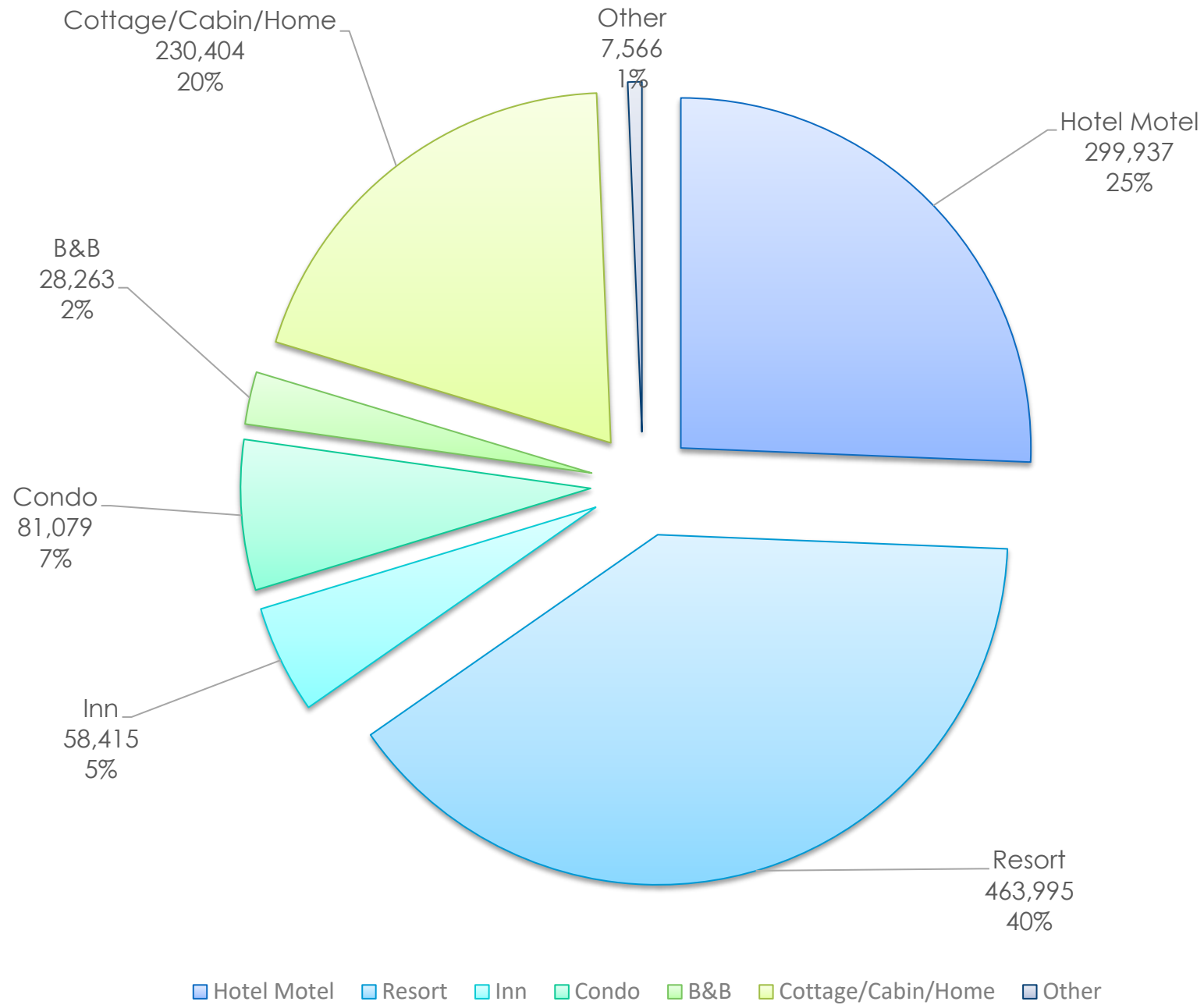
# 2020 METRICS- Revenue by Property Type



2020 room tax  
revenues  
\$87,671,546.09

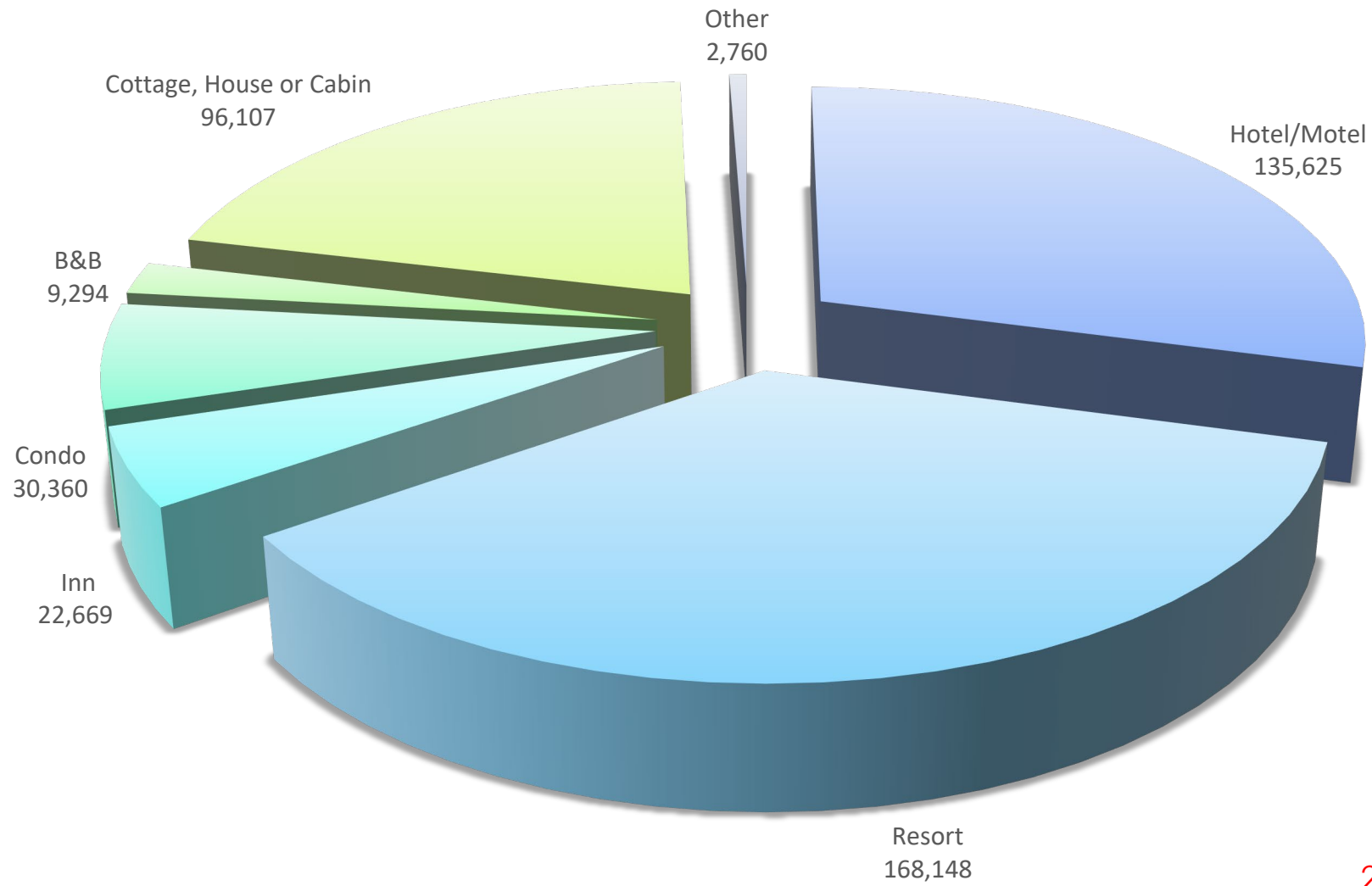


# 2020 METRICS– Available Nights



2020 Total  
Available  
Nights:  
1,169,659

# 2020 Metrics– Occupied Room Nights

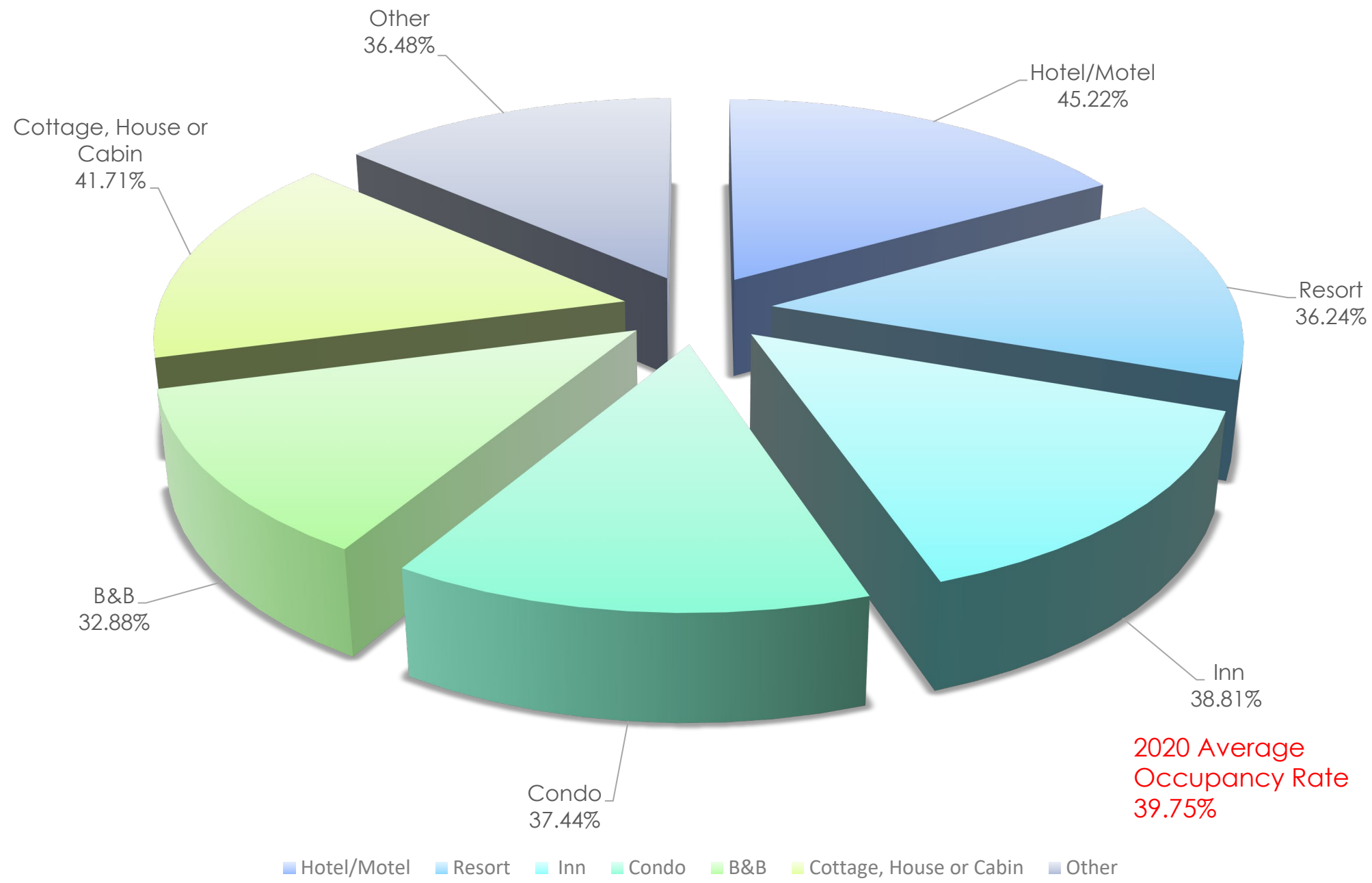


■ Hotel/Motel ■ Resort ■ Inn ■ Condo ■ B&B ■ Cottage, House or Cabin ■ Other

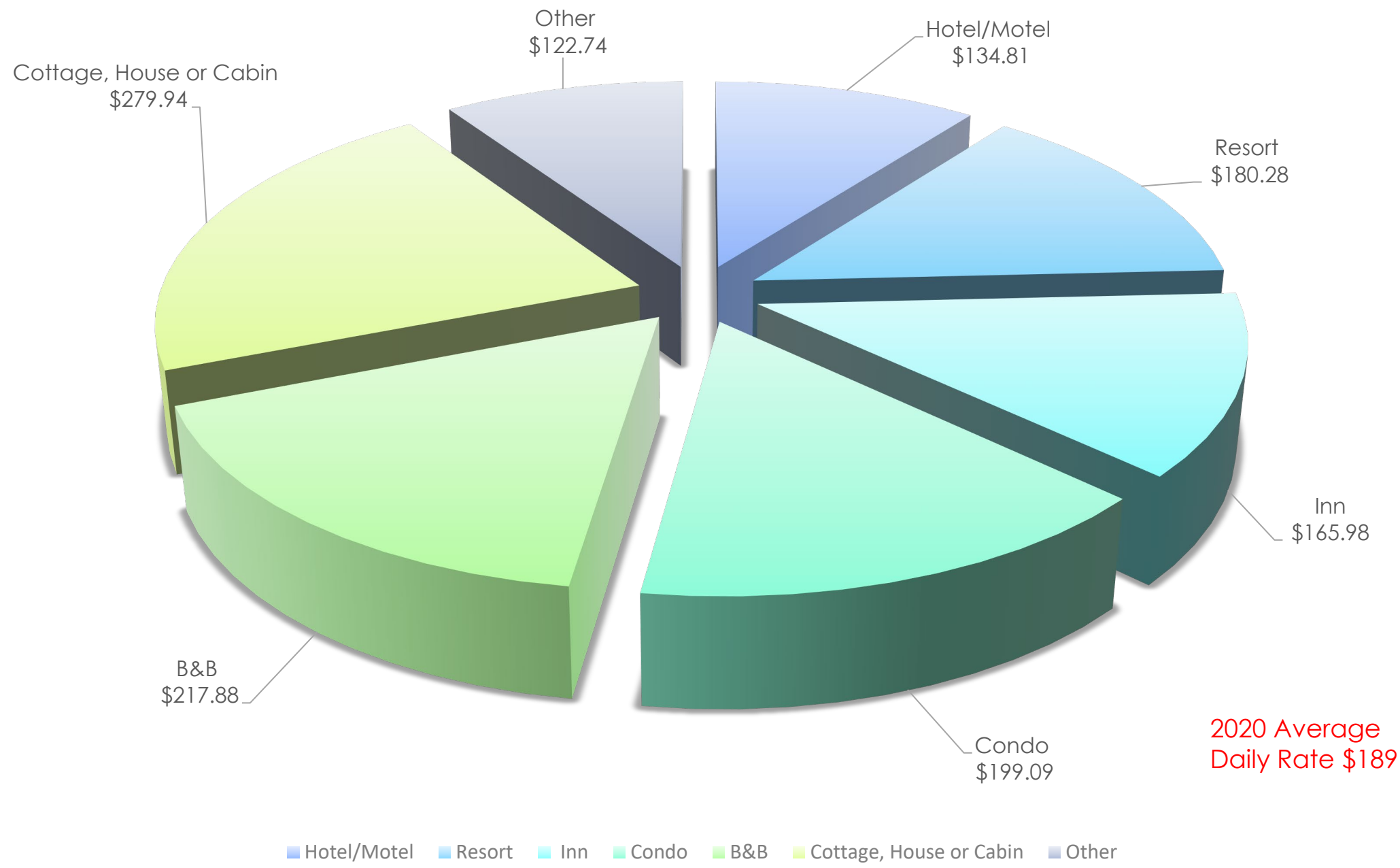
2020 Total  
Occupied  
Nights:  
464,963



# 2020 Metrics– Occupancy Rate

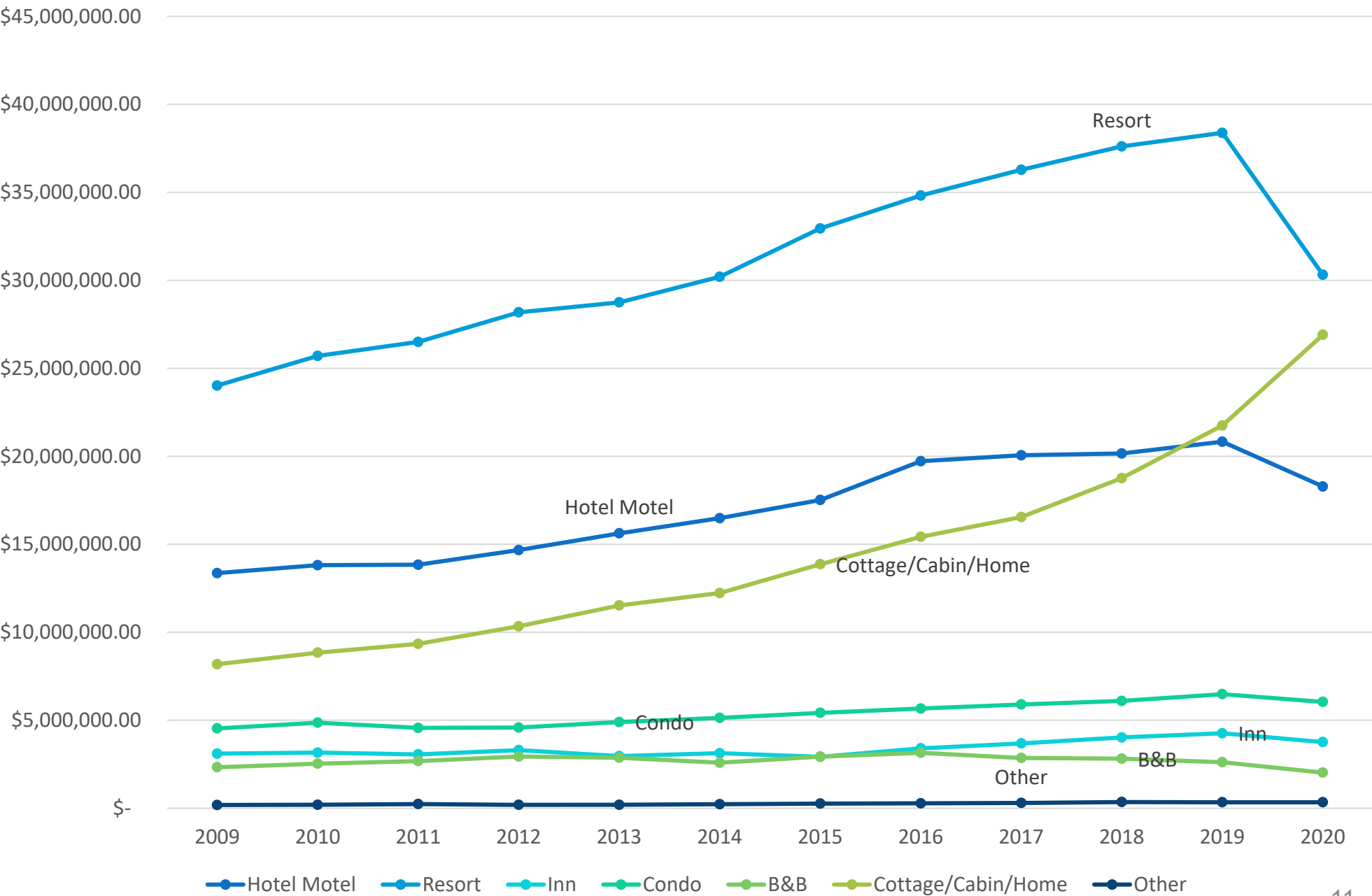


# 2020 Metrics– Average Daily Rate

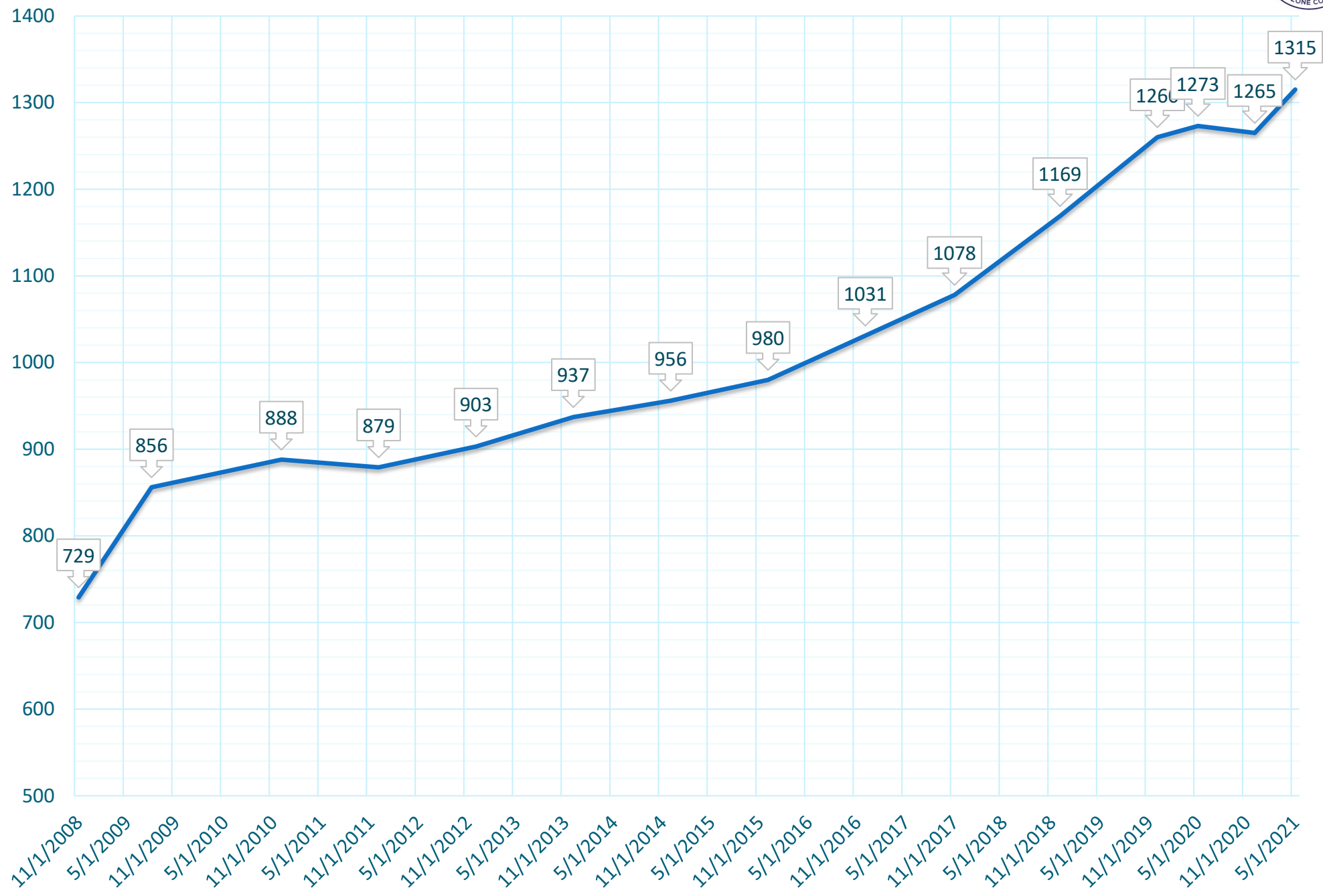




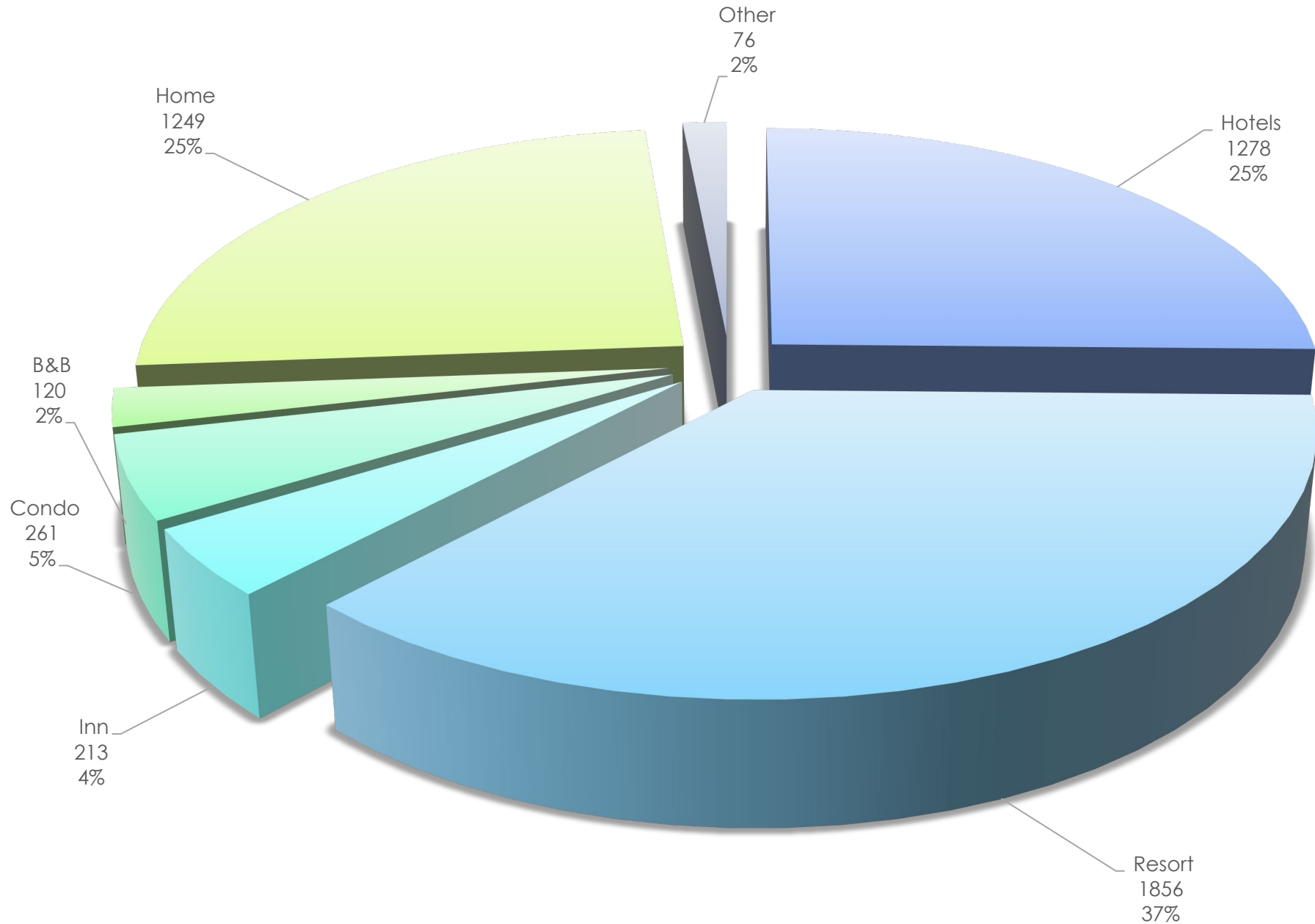
# 2020 METRICS- 2009-20 Trends/ Revenue by Property Type



# HISTORICAL REVIEW: GROWTH OF PERMITS 2008-2021

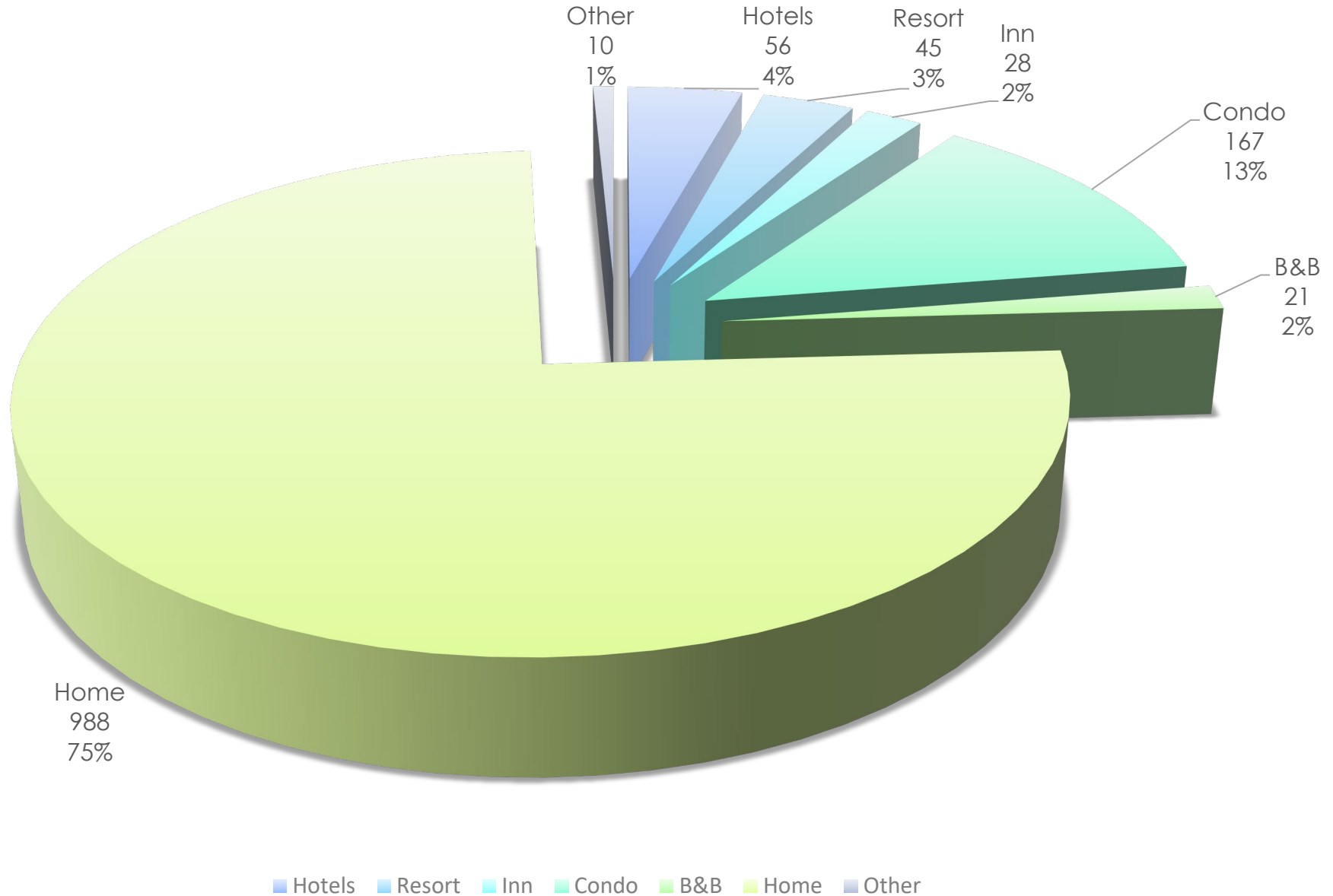


# PERMIT STATISTICS – BY UNIT & PERCENT OF THE TOTAL



As of 5/20/2021 Total Units: 5,053

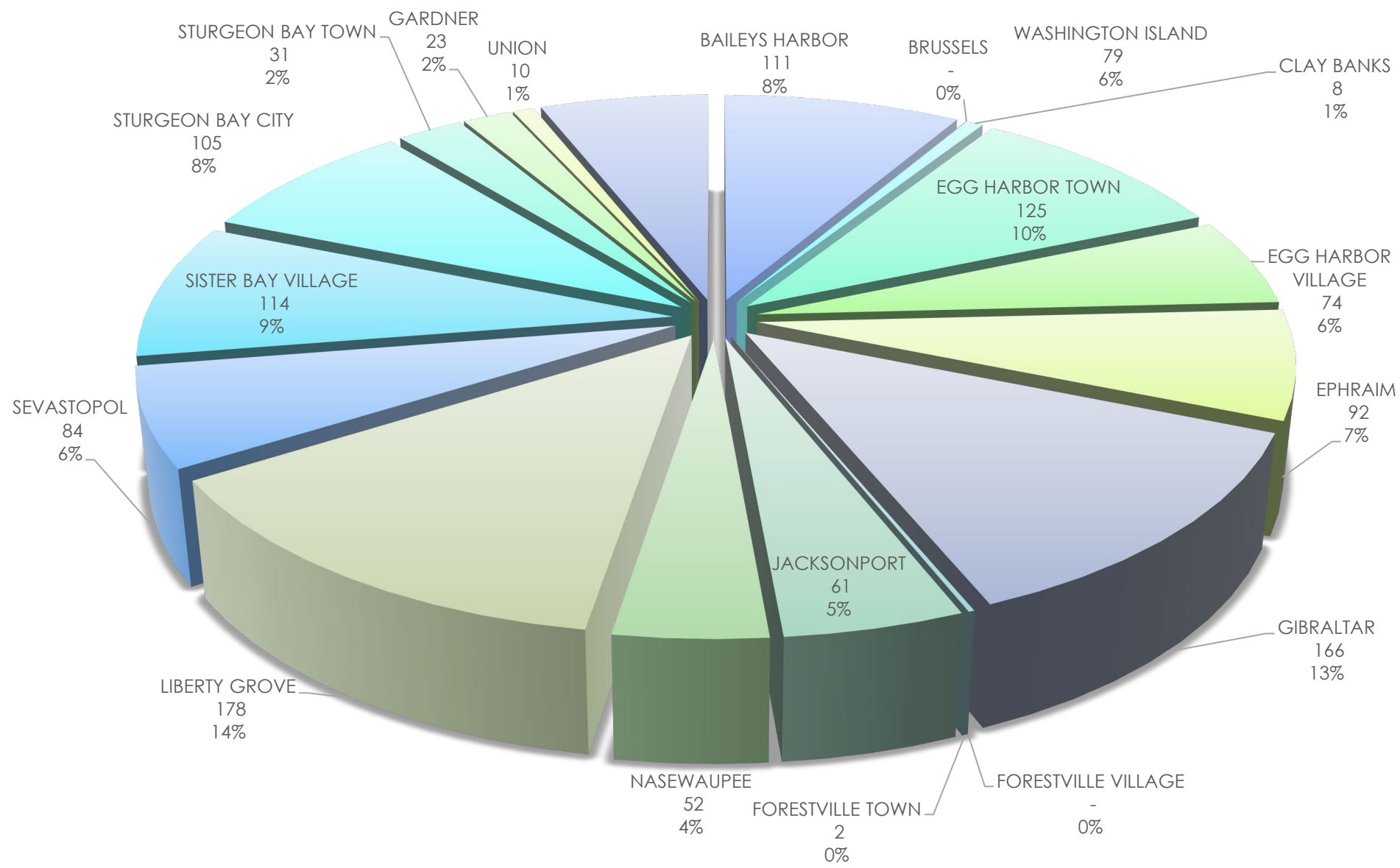
# PERMIT STATISTICS: BY PERMIT TYPE & PERCENT TO TOTAL



As of 5/20/2021 Total Permits: 1,315



# PERMIT STATISTICS - NUMBER OF PERMITS BY MUNICIPALITY



1,315 permit as of 5/20/2021

# 2020 A Year In Review...



## OPERATIONS DURING COVID

The Tourism Zone Commission successfully transitioned to remote meetings with excellent attendance, while also meeting weekly during the height of the pandemic.

The office met the challenges of the pandemic by moving to “bill pay” check payments for payables as well as adapting to remote operations. Meeting packets evolved into an electronic format, which not only has been a time saver, but also has reduced the postage and printing costs.

The Tourism Zone distributed the American Hotel & Lodging Association guidelines for cleaning lodging establishments that were supported by Door County Medical Center.

The Tourism Zone had sufficient funds to operate through the pandemic which reinforces that the strategy for long-term planning for operations and maintain a Reserve Fund is essential.

While other areas in the state suffered staggering losses in tourism, Door County was resilient through partnerships through marketing (Destination Door County) and all lodging providers going the extra mile to provide a safe environment to welcome visitors back to the area.

## Audit

The Tourism Zone delivered another clean audit for the report year of 2019.

## Compliance

The Door County Tourism Zone filed in Circuit Court on behalf of member municipalities eleven (11) times in 2020 – all with successful outcomes.

**Number of properties were permitted due to compliance efforts:** Of the one hundred thirty (130) properties permitted from 12/2/2020-5/21/2021, forty-eight (48) or 36.9% were permitted through the Tourism Zone office compliance efforts.





## **ROOM TAX INCREASE:**

In September, the Town Chair of Baileys Harbor brought forth a proposal to raise room tax to 8% which included changes to how the Tourism Zone would be funded.

The Tourism Zone Commission contracted with the Fiscal Economic Research Center "FERC" at the University of Whitewater "UWW" to conduct a study on the impact of the proposed increase to the room tax rate to 8%.

While UWW FERC studied the issue, the Tourism Zone created an Ad-Hoc Committee of varied types of lodging providers from all over the County to weigh in on the proposed increase to the room tax rate.

The Ad-Hoc Committee had three (3) formal meetings with a good cross section of representation from all over the county as well as different types of lodging. The committee voted six (6) to two (2) in favor of recommending room tax be raised to eight percent (8%). The Chair of the Ad Hoc Committee, Bryan Nelson, stressed that there had been thoughtful dissent and deliberation with concerns about the economic downturn and the optics of the raise during a pandemic. The Ad Hoc Committee therefore recommended to the Full Commission to support the increase in room tax.

The Full Commission voted as follows: Nelson moved and Zoschke seconded to endorse the proposal to increase the room tax rate from 5.5% to 8.0%. Robillard, Le Clair, and Elmore were opposed. Representatives of the Tourism Zone Commission worked with member municipalities to gain support for the increase and pass a resolution of intent. Once 2/3 or thirteen (13) of the member municipalities have registered their support for the increase, an amended Room Tax Ordinance and Intergovernmental Agreement will be distributed for approval to implement the increase of room tax to 8%.

# **2019 WI ACT 10- Marketplace Provider Issues**

Leading up to the effective date of 2019 WI ACT 10, the office worked to create a foundation to handle the changes created by the newly enacted legislation. A process was created to deal with the bulk payments received from Marketplace Providers. The permit holder reporting of the Marketplace Sales and associated payments has allowed the Tourism Zone to adapt exceptionally well while providing the essential paper trail of how the money was distributed to each member municipality.

In addition to numerous permit holder communications, a new report form went live on 2/6/2020 for online reporting, updated back-office programming, reporting, and new reference materials were created to assist with meeting the challenges created by 2019 WI ACT 10. The office also became a resource for other areas in the state.

The office began a documentation process in which the detail proved useful in demonstrating why changes to 66.0615/2019 WI ACT 10 were necessary through [SB198/AB189](#). In summary we have documented:

- At least 40 listings indicate room tax being allocated to the wrong municipality.
- At least 60 listings lack or have incorrect programming to collect local room tax.
- An entire municipality lacks room tax programming for any of their listings on one Marketplace Provider site.
- For the report month of June 2020 for one of our municipalities, a Marketplace Provider remitted room tax revenue to a municipality not located in Door County.
- A Marketplace Provider submitted revenue for one of our municipalities that has no permitted lodging operators; therefore, this revenue could not be for the indicated municipality.
- No payments were made by one Marketplace Provider for the report year 2020. Permit holders reported payments paid on their behalf by this Marketplace Provider.

# LOOKING AHEAD IN 2021



- Continue to 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.
- 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.
- Continue to look ahead to next steps of correcting legislation to deal with Marketplace Providers while dealing with the changes that [SB198/AB189](#) will bring to this organization.
  - Quarterly Payments from Marketplace Providers – prep municipalities for change in revenue stream.
  - WI DOR created report for Marketplace Reporting.
- Continue to assist and partner with 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.
- Continue to develop the partnership between permit holders and the Tourism Zone office by serving as a resource to permit holders. By aiding with support and education, the task of collecting room tax becomes less daunting and compliance increases. Post 2019 WI ACT, correctly filed room tax is essential.
- Outline record keeping strategies and guidelines.
- Continue to document and work on Marketplace Provider issues related to room tax collection and remittance.
- Continued participation of all nineteen (19) municipalities in the Door County Tourism Zone. We are stronger together.
- Outreach and education to our member municipalities to create a better understanding of what the Tourism Zone does on behalf of each member municipality.

DESTINATION  
**DOOR COUNTY**

Jon Jarosh, Interim CEO



## Room Tax Accomplishments

- ◆ Room tax continues to provide Door County a deeper reach into our regional markets and the ability to work with media contacts and other influencers to receive regional & national coverage.
- ◆ Media placement and PR took a multi-dimensional approach through a combination of advertising mediums and public relations outreach which 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.”
- ◆ Due to the pandemic, messaging was adjusted strategically throughout the year speaking directly to those that chose to visit or postpone their trip, as well as county residents and stakeholders.
- ◆ In 2020 we were able to kick off our Leave No Trace partnership to develop and promote sustainable tourism practices through our 7 Leave No Trace principles.
- ◆ DoorCounty.com had over 1.7 million visits *(Google Analytics)*.
- ◆ We’ve hosted 1,010 travel journalists from 2007 through 2020, which has resulted in 2,356 published articles and stories about Door County and reached an audience of more than 3 billion readers/listeners/viewers.

## Pandemic Related Pivots

- Our strategies and tactics took on many revised forms in 2020 as we responded to ever changing conditions from March through the end of the year. We had to keep visitors and residents informed of what was happening in Door County and utilized a special *Travel Updates* page on DoorCounty.com to share whatever was happening at the time.
- We worked with Door County Public Health, Door County Medical Center, the County of Door and others to roll out a community wide *Commitment to Cleanliness and Safety* initiative and a corresponding public information campaign. We also surveyed visitors to understand how they were feeling about traveling last year and passed along the insight we gained to our tourism industry.
- Our marketing and media relations efforts highlighted responsible travel and outdoor opportunities, along with the expanded outdoor spaces that our resilient businesses created in response to both demand and health safety concerns for visitors and staff.
- We kept our tourism industry informed through themed tip sheets we shared on communicating with visitors, social media tips, business COVID tips and we hosted virtual meetings for business owners to ask questions and support each other.



## Primary Results

	2020	2019
Door County Traveler Expenditures	\$304.2 million	\$374.4 million
Wisconsin Traveler Expenditures	\$9.8 billion	\$13.7 billion
Wisconsin Tourism Market Share (Door County)	3.1%	2.74%

- Despite a global pandemic that greatly disrupted the travel industry in 2020, tourism remained a resilient keystone in Door County's economy
- 7th place (by county) in Wisconsin destinations for visitor spending
- Behind Milwaukee, Sauk, Dane, Waukesha, Brown, & Walworth Counties
- The total impact of tourism on Door County's economy was \$396.9 million last year.

## The Economic Impact of Tourism in Door County - 2020

- \$304.2 million in direct spending
- \$32.5 million in local and state taxes
- 2,743 full-time equivalent jobs
- \$80.4 million in total labor income
- \$396.9 million in total business sales
- Support to local lodging, restaurants, retail and attractions....enhancing the quality of life for residents

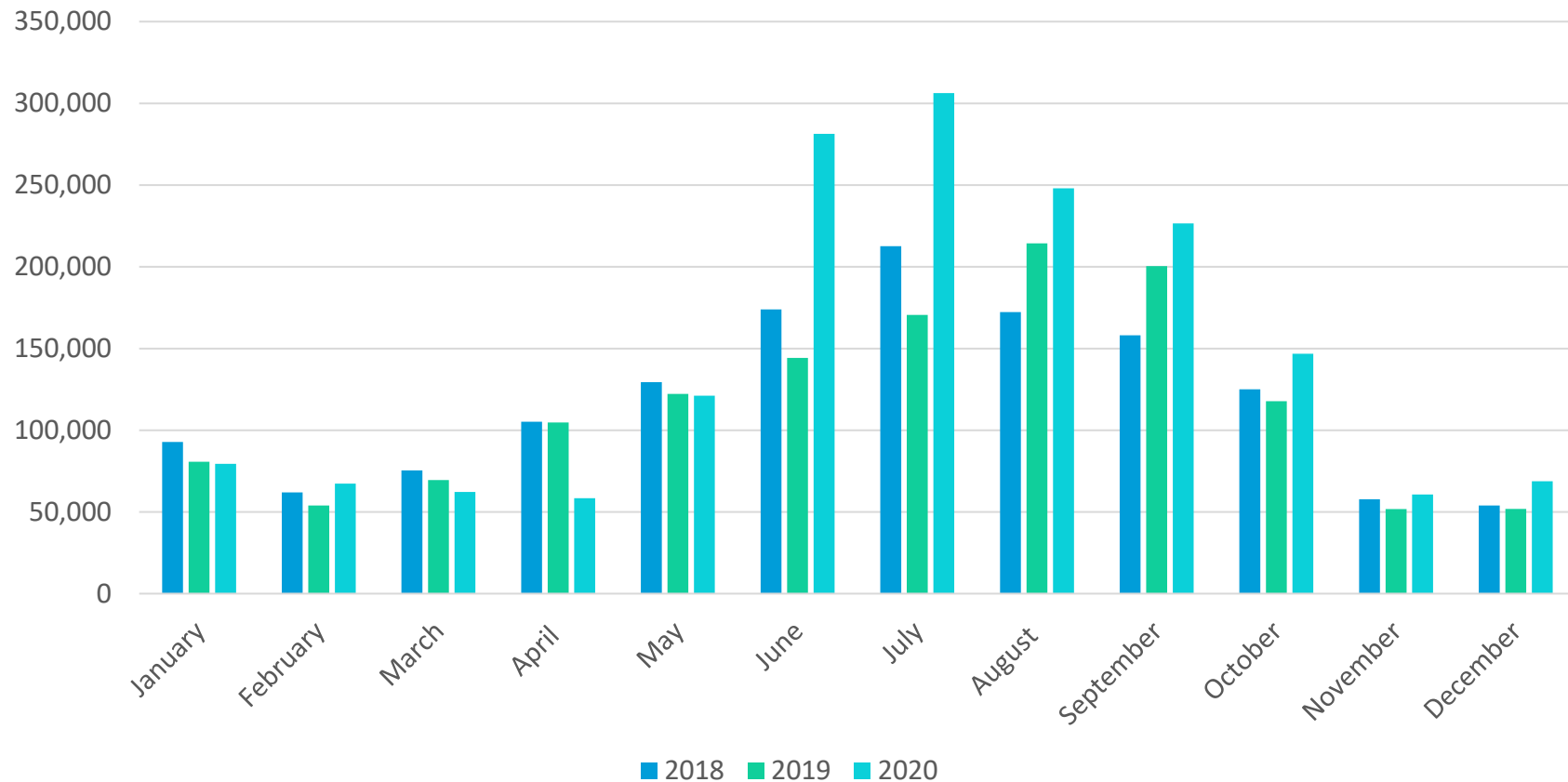




## Marketing and Sales

Web Site Activity / Digital Marketing		
	2020	2019
DoorCounty.com site visits	1,727,230	1,526,804
DoorCounty.com unique visits	1,255,020	1,106,111
E-newsletter Subscribers	231,570	237,757
Facebook Engagement	623,070	623,522

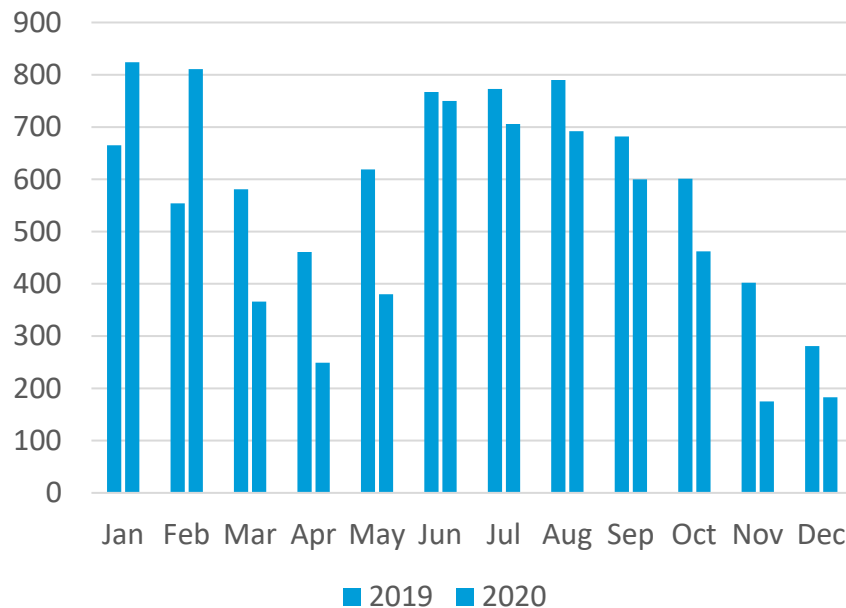
## DoorCounty.com Site Visits



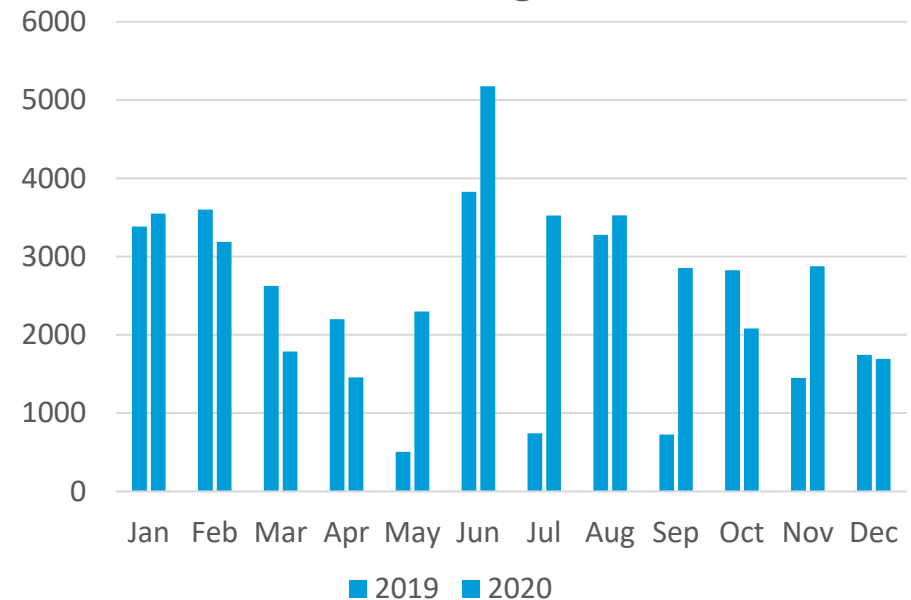
## Group Sales

	2020	2019
Group Tour & Meeting Site Visit	6,198	7,176
Wedding Web Visits	34,015	32,909

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, particularly outdoor opportunities, 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 and maintained to ensure the best possible outcome for an evolving 2020. Targeted marketing and public relations efforts provided up-to-date information on what was happening in Door County while focusing on outdoor opportunities in the county. New photo and video initiatives featured wide open spaces and highlighted the eco-tourism side of the county while also supporting our new Leave No Trace initiative.
- A new creative campaign was all about showing a level of relaxation that was more than just restful; it's rejuvenating. The campaign was redefined by the pandemic to encourage visitors to spread out, be patient and be kind.

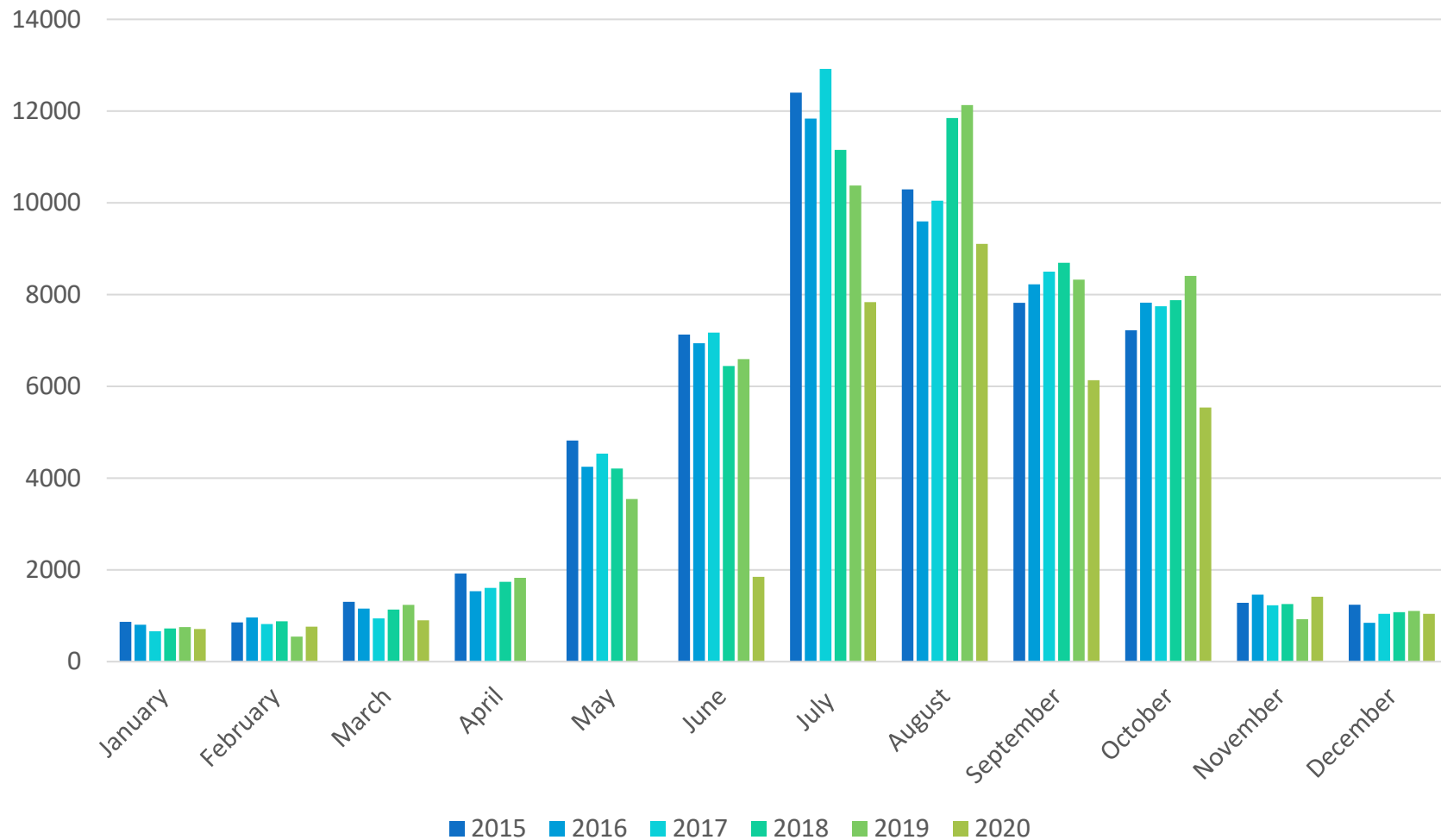


## Communications & Public Relations

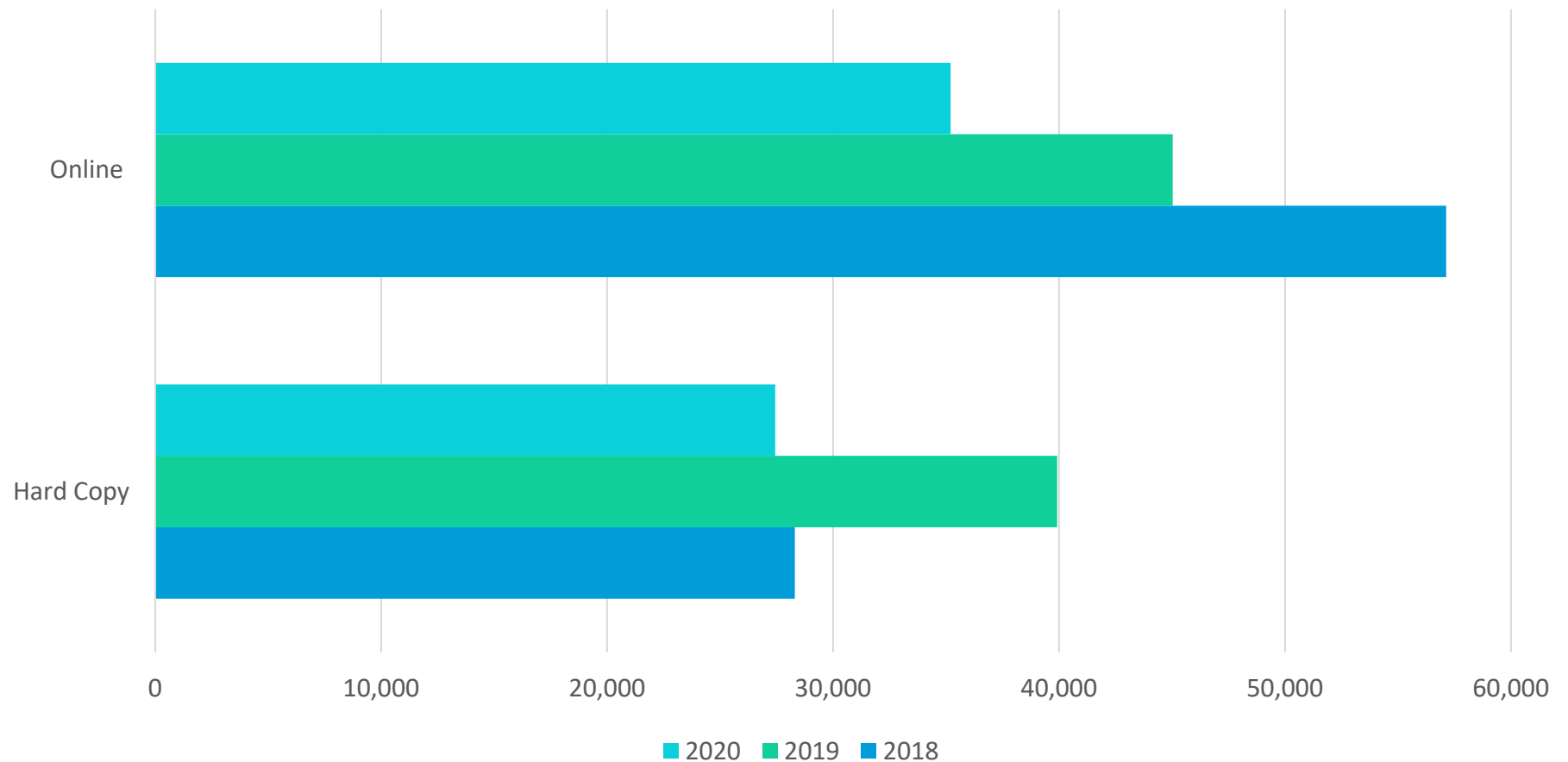
Media Marketing Program		
	2020	2019
Ad Value Equivalency (AVE)	\$3,019,571	\$2,682,843
Impressions	376,426,758	381,702,171
Visiting Journalists	60	72

- 🍷 Hosted 6 seasonally themed group press tours in 2020 between February and December. Even though the pandemic forced us to cancel 1 trip in May and move the June trip to October, we still welcomed 60 journalists to Door County in 2020.
- 🍷 156 articles placed in print, radio, or online media from media marketing efforts.
- 🍷 Through the end of 2020, the return on investment for the media marketing program was greater than 11:1. For every dollar spent, Door County received \$11.58 in AVE media coverage.

## Welcome Center Visitor Traffic



## Visitor Guide Requests





## Looking Ahead

*A small sampling of what will take place.*

*View the 2020-2022 3-year Strategic Marketing Plan [HERE](#).*

In 2021 we will continue to evolve as a Destination Marketing & Management Organization by recognizing new priorities, concerns and opportunities. The organizational progression from destination marketing to destination marketing and management reflects the changing landscape of Door County's tourism industry and the need for us to respond to current and future needs of the community we serve.

Future initiatives will embrace new and innovative ways to empower Door County's tourism industry. They will focus on the need for more sustainable and adaptive marketing and management approaches through better data intelligence, collaboration and community engagement.

By working collaboratively with county-wide partners and exploring new ways to serve our community, we will be well positioned to face whatever the future holds. This will help ensure Door County's resilience and long-term sustainability as a home for our seasonal and year-round residents and a top destination for visitors.