

DOOR COUNTY TOURISM ZONE COMMISSION



Annual Meeting
June 16, 2011



WHY ARE WE HERE?

- ✕ DCTZ Commission
 - + Explain Mission
 - + Review 2010 performance
 - + Discuss 2011 issues & continuation of the Tourism Zone
- ✕ Door County Visitor Bureau
 - + Review 2010 trends
 - + Review current marketing initiatives
- ✕ Answer questions

COMMISSION BACKGROUND...

- 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 encompasses all of Door County.

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

PURPOSE OF THE ROOM TAX GOVERNED BY WISCONSIN STATE STATUTE

66.0615(1)(fm)

(fm) "Tourism promotion and development" means any of the following that are significantly used by transient tourists and reasonably likely to generate paid overnight stays at more than one establishment on which a tax under sub. (1m)(a) may be imposed, that are owned by different persons and located within a municipality in which a tax under this section is in effect; or, if the municipality has only one such establishment, reasonably likely to generate paid overnight stays in that establishment:

66.0615(1)(fm)1.

1. Marketing projects, including advertising media buys, creation and distribution of printed or electronic promotional tourist materials, or efforts to recruit conventions, sporting events, or motorcoach groups.

66.0615(1)(fm)2.

2. Transient tourist informational services.

66.0615(1)(fm)3.

3. Tangible municipal development, including a convention center.

WI STATUTES GOVERN CREATION OF A “ZONE” AND A “COMMISSION”

- ✘ 66.0615(1m)(b)2
2. If 2 or more municipalities in a zone impose a room tax under par. (a), the municipalities shall enter into a contract under § 66.0301 to create a commission under par. (c). If no tourism entity exists in any of the municipalities in the zone that have formed a commission, the commission shall contract with another organization in the zone to perform the functions of the tourism entity. Each municipality in a single zone that imposes a room tax shall levy the same percentage of tax . If the municipalities are unable to agree on the percentage of tax for the zone, the commission shall set the percentage.
- ✘ 66.0615(1m)(b)3
3. A commission shall monitor the collection of room taxes from each municipality in a zone that has a room tax.
- ✘ 66.0615(1m)(b)4
4. A commission shall contract with one tourism entity from the municipalities in the zone to obtain staff, support services and assistance in developing and implementing programs to promote the zone to visitors.

COMMISSION MISSION STATEMENT

- ✘ 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 reasonably likely to generate paid overnight stays.
 - Keep all parties and businesses associated with the Tourism Zone and the Room Tax informed on the Commission's activities.

THE COMMISSION'S TASKS

- ✖ Collect the tax
- ✖ Contract with a tourism marketing agency
- ✖ Disburse the funds
- ✖ Review and monitor marketing plans & results
- ✖ Enforce the tax ordinance

VISITOR BUREAU PURPOSE

- ✖ Develop annual marketing plan and budget
- ✖ Evaluate and hire vendors
- ✖ Execute the plan
- ✖ Evaluate results

AND NOW A WORD ABOUT THE TAX...

- ✖ All municipalities have a 5.5% room tax rate
- ✖ 30% of collections go to municipalities to use for any purpose
- ✖ 66% goes to DCVB for marketing
- ✖ 4% remains with Commission for expenses
 - + All Commissioners are volunteers
 - + The Zone has a part-time Administrative Assistant

COMMISSION YEAR IN REVIEW - 2010

- ✖ At Year End 2010, the Tourism Zone had 888 permit holders. In 2010, 92 new permits were issued, *all* of which were single units (houses/condos).
- ✖ Due diligence to ensure all Door County lodging owners are aware of tax obligations has led to less than 1% noncompliance (more than 30 days late). Pursuit by the Commission itself, accountants Kerber Rose & Associates, attorney William Vande Castle, and Associated Collectors has resulted in solidified policies to bring non-permitted properties, non-filing, and late paying properties into compliance.
- ✖ The Tourism Zone Commission is completing its fifth year of existence. The purpose for creating the Tourism Zone Commission was to collect a 5.5% room tax that could fund a greatly expanded marketing program through the Door County Visitor Bureau. By the end of 2011, the TZC expects to have collected \$14,539,900 in room tax and will have turned over \$9,593,000 to the Visitor Bureau for marketing for the period 2007–2011.
- ✖ Because of the efforts of the Door County Visitor Bureau (DCVB), tourism continues to grow in Door County. The 2010 room tax collections were up 7.4% over 2009 collections.

SHOW ME THE MONEY...

Statement of Revenues, Expenses, and Changes in Net Assets		
Operating Revenues	12/31/2010	Percent <u>Allocations</u>
Room tax	\$3,243,982*	
Operating Expenses		
Administration	\$ 125,746	4%
Payments to DCVB	\$ 2,134,264	66%
Distribution to Municipalities	\$ 970,120	30%
Total Operating Expense	\$ 3,230,130	100%
Interest earned	\$ 0	
Total Net Assets 12/31/2009	\$ 54,741	
* includes late collections		

MUNICIPAL IMPACT

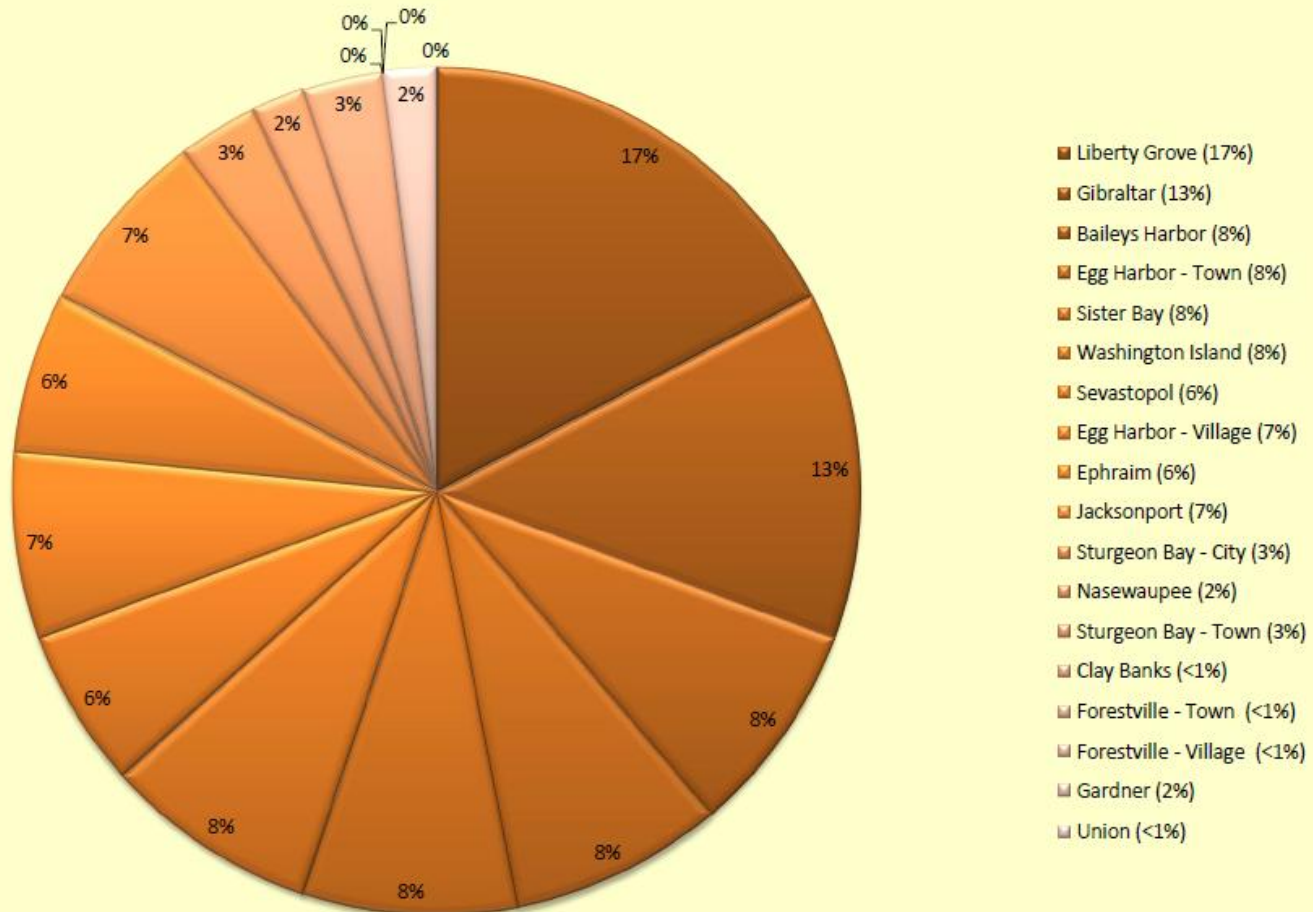
Municipality	2010	Share	30% to Municipality	2009
Baileys Harbor	\$ 232,955	7.2%	\$ 69,886	\$ 224,533
Brussels	\$ 0	0.0%	\$ 0	\$ 0
Clay Banks	\$ 1,044	0.0%	\$ 313	\$ 1,849
Egg Harbor – Town	\$ 265,708	8.2%	\$ 79,712	\$ 237,369
Egg Harbor – Village	\$ 306,895	9.5%	\$ 92,069	\$ 289,063
Ephraim	\$ 420,963	13.0%	\$ 126,289	\$ 391,087
Forestville – Town	\$ 0	0.0%	\$ 0	\$ 0
Forestville – Village	\$ 0	0.0%	\$ 0	\$ 0
Gardner	\$ 24,000	0.7%	\$ 6,386	\$ 24,795
Gibraltar	\$ 489,960	15.2%	\$ 146,988	\$ 462,374
Jacksonport	\$ 64,214	2.0%	\$ 19,264	\$ 58,864
Liberty Grove	\$ 205,584	6.4%	\$ 62,100	\$ 207,777
Nasewaupee	\$ 68,396	2.1%	\$ 23,190	\$ 67,074
Sevastopol	\$ 221,777	6.9%	\$ 66,533	\$ 207,222
Sister Bay	\$ 397,221	12.3%	\$ 119,166	\$ 385,098
Sturgeon Bay – City	\$ 455,019	14.1%	\$ 136,506	\$ 432,359
Sturgeon Bay – Town	\$ 15,315	0.5%	\$ 4,594	\$ 13,477
Union	\$ 744	0.0%	\$ 223	\$ 403
Washington Island	\$ 56,329	1.7%	\$ 16,898	\$ 58,689
TOTALS	\$ 3,226,124	100.0%	\$ 970,120*	\$ 3,062,033

* includes uncollected

LODGING STATISTICS

As of 12/31/2010

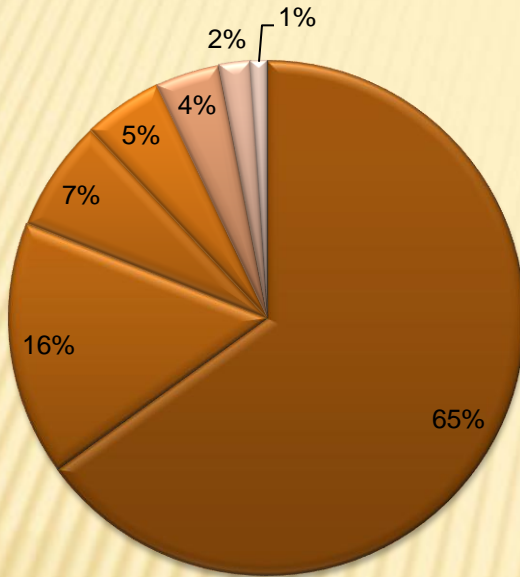
Permits by Municipality



Lodging Statistics

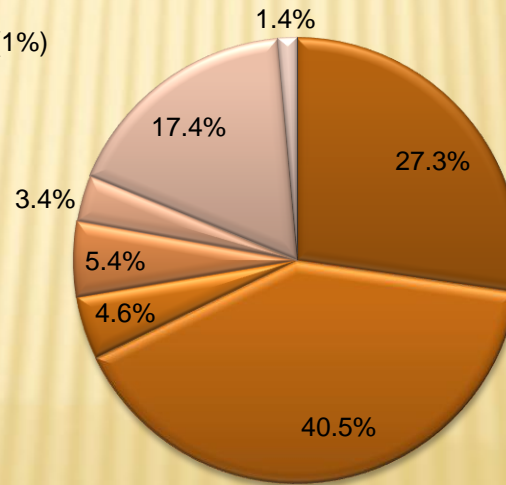
As of 12/31/2010

By Type



- Cottage/Cabin/House (65%)
- Condo (16%)
- Hotel/Motel (7%)
- Resort (5%)
- B&B (4%)
- Inn (2%)
- Other (1%)

By Units (4,702 total)



- Hotel/Motel (27.3%)
- Resort (40.5%)
- Inn (4.6%)
- Condo (5.4%)
- B&B (3.4%)
- Cottage/Cabin/House (17.4%)
- Other (1.4%)

NEXT STEPS 2011

✘ **Recommitment to Intergovernmental Agreement & Bylaws**

- + All 19 municipalities are considering Resolutions or have already passed Resolutions to continue the Tourism Zone concept and room tax collections beyond the initial five-year period (ending December 31, 2011).

✘ **Renewal of Permits**

- + For continuity, permit holders will be notified that their permits will automatically renew after December 31, 2011, and will not lapse unless there is a change in rental status.

✘ **Enhanced online capabilities and value-added functions**

- + The Tourism Zone encourages the use of convenient online payment options through its website. Calculations are automatic, and payment can be made through electronic transfer, credit card, or by check.

✘ **Continued pursuit of non-compliance**

- + Impose fines & penalties on late and non-reporting properties.
- + Instruct attorney William Vande Castle to audit under-reporting or suspect properties and, as necessary, file charges in Circuit Court for full enforcement.
- + Associated Collectors, Inc. 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.

✘ **Evaluate success of marketing programs**

- + Compare year-to-year figures of occupancy statistics, room tax collections, and track the transient lodging economy in Door County.



Jack Money Penny, President/CEO



Room Tax Accomplishments

- ◆ The room tax has given Door County a deeper reach into our regional markets and the ability to continue our efforts with travel writers to receive national coverage.
- ◆ We continued marketing and sales and PR/communication goals in Year Two of a comprehensive three-year marketing plan, our Strategic Conversation, with a targeted direction, but continued to remain fluid enough to alter those directions if tourism trends should dictate.
- ◆ We have grown web users to over 1.1 million (according to Google Analytics).
- ◆ We've hosted 283 travel journalists from 2007 through 2010.
- ◆ We integrated our brand promise of "a relaxing, restorative, maritime experience" in our advertising, social media and web site while developing a new tagline, "Your stories. Our setting. Like nowhere else." and ad campaign.
- ◆ We began a presence in social media with 3,500 Facebook followers in 2010.



Primary Results

	2010	2009
Wisconsin Traveler Expenditures	\$12.3 billion	\$ 12.1 billion
Door County Traveler Expenditures	\$382,233,000	\$377,419,000
Wisconsin Tourism Market Share	3.1%	3.1%

- 7th place in Wisconsin destinations
- Behind Milwaukee, Dane, Sauk, Waukesha, Brown, and Walworth Counties
- During the first year of growth out of the recession, Door County showed a true growth of 7.4% increase in tax collections.



2010 Davidson-Peterson Economic Impact Study

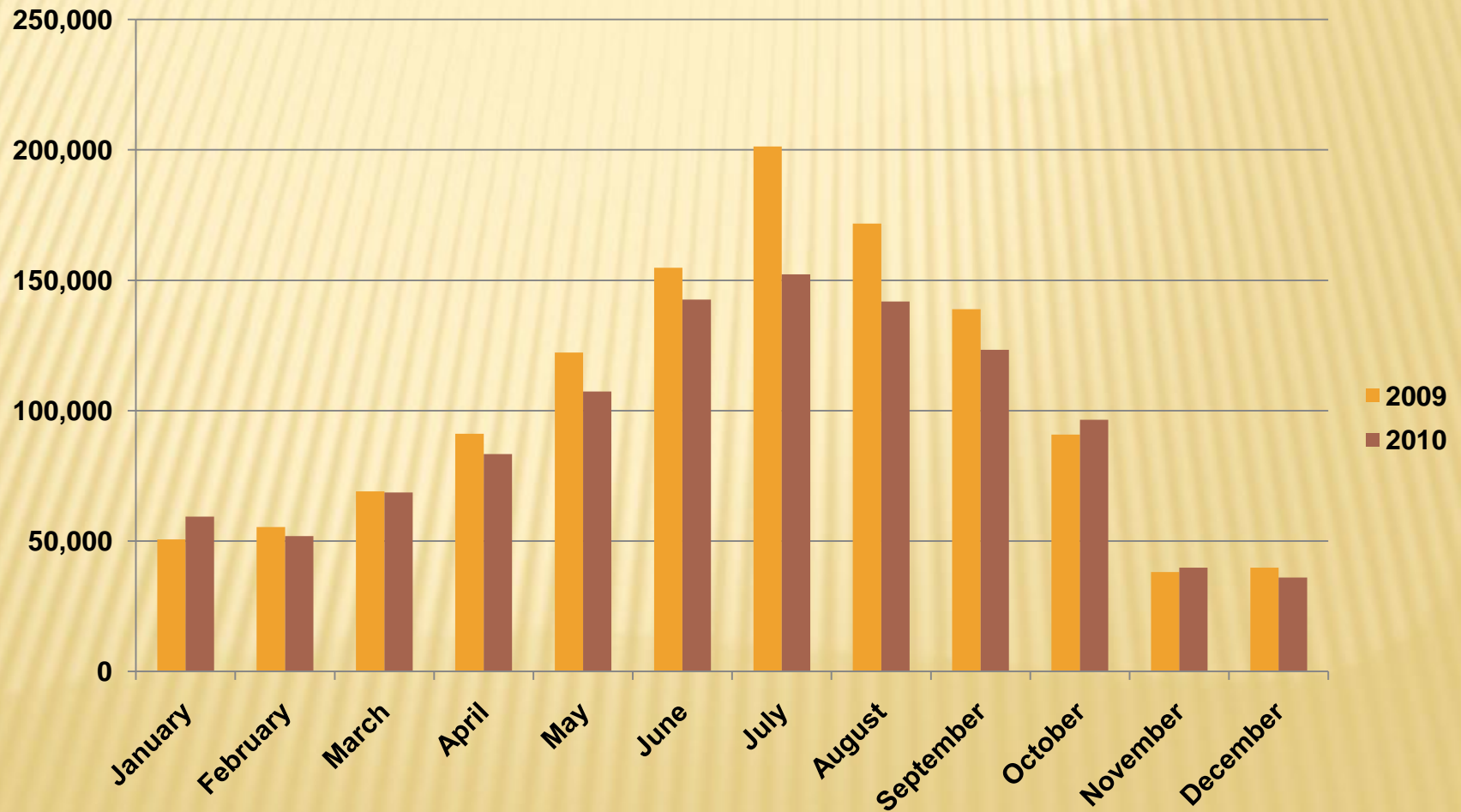
- \$382.2 million in direct spending
- \$50.9 million in local and state taxes
- 6,767 full-time equivalent jobs
- \$142.7 million in resident income
- Support to local lodging, restaurants, retail and attractions....enhancing the quality of life



Marketing and Sales

Web Site Activity / Internet Marketing		
	2010	2009
DoorCounty.com site visits	1,103,053	1,224,110
Insider Tip emails	6,186,857	4,250,194
Pay-per-clicks	70,711	50,658
<i>Explore The Door</i> views/downloads	133,241	115,883

DoorCounty.com Site Visits





Group Sales

	2010	2009
Group Tour Contacts	1,344	994
Group Tour Inquiries	109	62
Meeting Planner Contacts	1,588	651
Meeting Planner Inquiries	235	45

- Continued to update lodging and attractions for marketing materials and website.
- Attended 7 trade shows.
- Worked with 155 wedding planners/brides, 38 meeting planners, 29 reunion planners, 10 bike/car/motorcycle clubs and 3 retreat planners.
- Continued a motorcoach Meet & Greet Program at the Welcome Center.



Advertising Highlights

A small sampling of what was placed

- Created an 8-page insert that was placed in 350,000 newspapers in the Midwest. The inserts were placed into targeted ZIP codes of newspaper subscribers in Northern Illinois/Chicago, Milwaukee, Appleton, Eau Claire, LaCrosse, Iowa, and Minneapolis.
- Created 7 new image ads for placement in newspapers and magazines in our primary feeder markets.
- Continued to utilize eBrains to build our online database as well as Geiger & Associates to execute press trips for travel writers into Door County.
- Created TV ads for distribution through Time Warner Cable in key markets of Milwaukee and the Fox Valley and online ads in Wisconsin and Illinois.
- Developed co-op marketing opportunities to members in such publications as a *Wisconsin Biker's Guide*.



Communications & Public Relations

Media Marketing Program		
	2010	2009
Ad Value Equivalency (AVE)	\$1,402,752	\$1,153,514
Impressions	24,543,202	15,643,233
Visiting Journalists	67	52

- Hosted 5 seasonally themed press tours in 2010: February 18–21, May 11–14, June 20–24, September 12–16, and October 17–21.
- 139 articles placed in print, radio, or online media from media marketing efforts.
- Through the end of 2010, the return on investment for the media marketing program was 386%. For every dollar spent, the DCVB received \$4.86 in AVE.

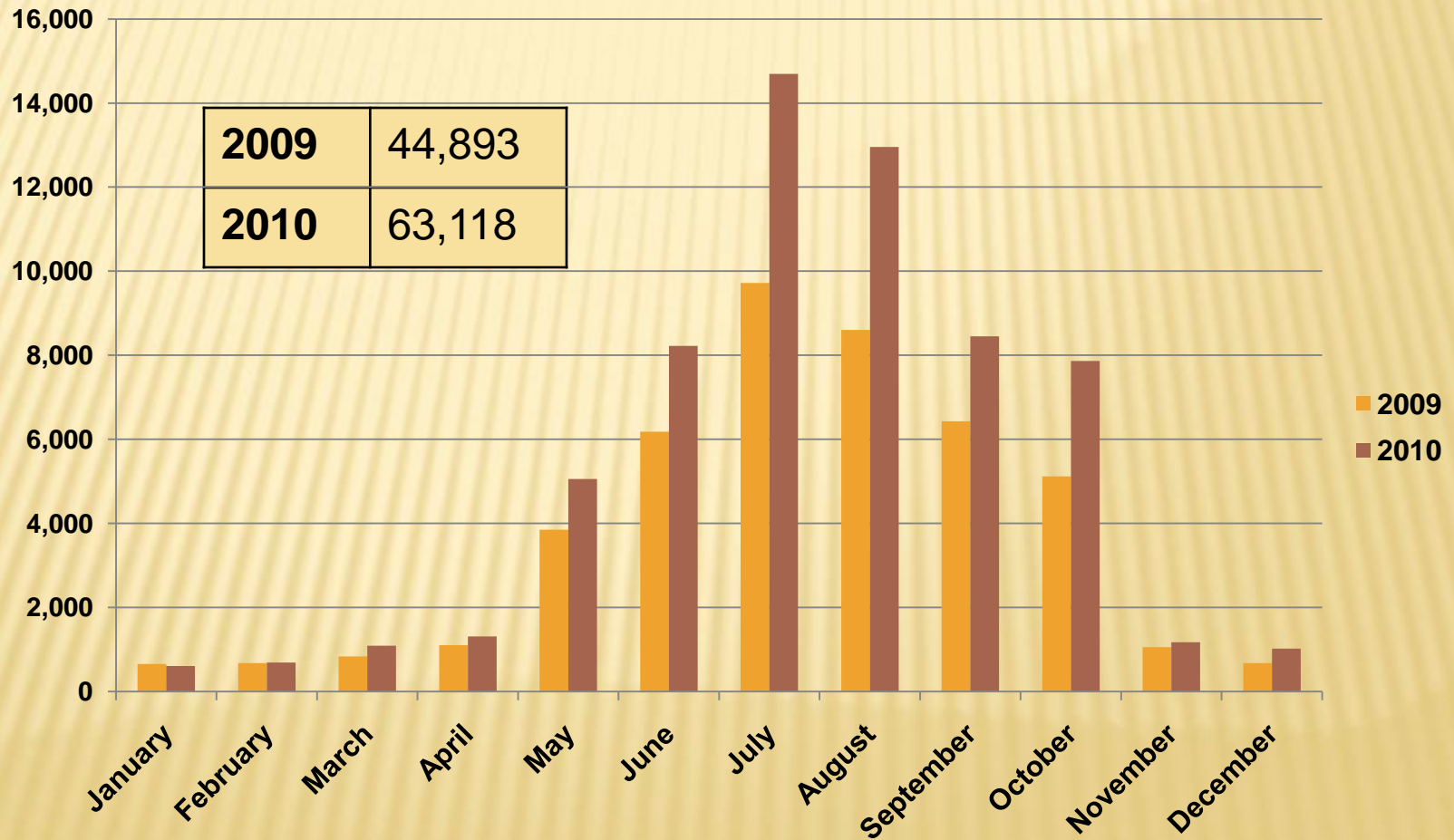


Communications & Public Relations

Media Monitoring		
	2010	2009
Publicity Value	\$2,707,803	\$2,163,619

- In 2010, the DCVB tracked a total of 2,718 articles/stories about Door County in print, broadcast, and online through its media monitoring vendor, Cision. Those 2,718 articles/stories generated 834,111,498 impressions and had a publicity value of \$2,707,803.

Welcome Center Visitor Traffic





Looking Ahead

A small sampling of what will take place

- Working with our advertising agency Noise, Inc., the Door County Visitor Bureau put together an integrated plan for print, radio, TV and, most importantly, the online component to capitalize on social marketing.
- The tagline “Your Stories. Our Setting. Like Nowhere Else.” was developed to tie all components of the campaign together and connect to the customer on an emotional level. This complements our social media and scrapbooking on our web to encourage visitors to post their stories and share with their friends and family.
- 2011 gives us the opportunity to continue shooting photographs and capturing video footage to use for PR, videos, commercials and as B-roll.
- Began Phase One of the development of the Mobile Web Site.