

DOOR COUNTY TOURISM ZONE COMMISSION



Annual Meeting
June 19, 2014



WHY ARE WE HERE?

- ✕ DCTZ Commission
 - + Explain Mission
 - + Review 2013 performance
 - + Discuss 2014 issues
- ✕ Door County Visitor Bureau
 - + Review 2013 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	Washington	Gardner
Brussels	Clay Banks	Town of Forestville
Village of Forestville	City of Sturgeon Bay	Town of Sturgeon Bay
	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 motor coach 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 TASKS

- ✕ 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 - 2013

- ✘ At Year End 2013, the Tourism Zone had 937 permit holders. In 2013, 97 new permits were issued, of which 41 (42%) of the newly permitted properties were found by the Commission through investigative work and permitted through compliance channels.
- ✘ Due diligence to ensure all Door County lodging owners are aware of tax obligations has led to less than 2.4% noncompliance (more than 30 days late). Pursuit by the Commission itself, accountants Kerber Rose & Associates, attorney William Vande Castle, and Credit Management Control has resulted in solidified policies to bring non-permitted properties, non-filing, and late paying properties into compliance.
- ✘ The Tourism Zone Commission has completed its eighth 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 2014, the TZC expects to have collected \$25,248,022 in room tax and will have turned over \$16,663,695 to the Visitor Bureau for marketing for the period 2007–2014.
- ✘ Because of the efforts of the Door County Visitor Bureau (DCVB), tourism continues to grow in Door County. The 2013 room tax collections were up 4.1% over 2012 collections.

SHOW ME THE MONEY...

Statement of Revenues, Expenses, and Changes in Net Assets		
Operating Revenues	12/31/2013	Percent <u>Allocations</u>
Room tax	\$3,643,839*	
Operating Expenses		
Administration	\$ 81,276	4%
Payments to DCVB	\$ 2,405,049	66%
Distribution to Municipalities	\$ 1,093,204	30 %
Total Operating Expense	\$3,629,997	100 %
Interest earned	\$ 0	
Total Net Assets 12/31/2013	\$ 145,537	
* includes late collections		

MUNICIPAL IMPACT

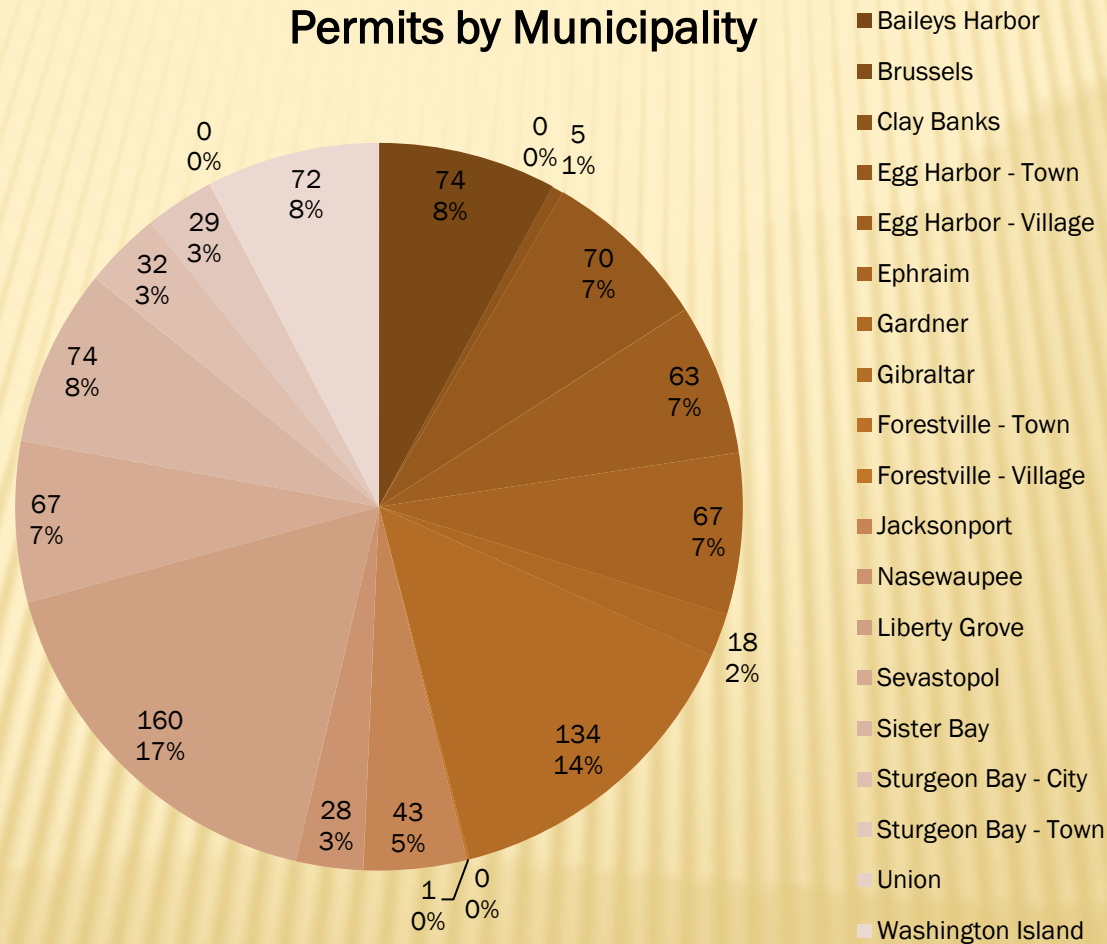
Municipality	2013	Share	30% To Municipality	2012
City of Sturgeon Bay	\$ 530,735.00	14.57%	\$ 159,220.50	\$ 486,348.00
Village of Egg Harbor	\$ 337,418.00	9.26%	\$ 101,225.40	\$ 325,745.00
Village of Ephraim	\$ 455,180.00	12.49%	\$ 136,554.00	\$ 453,616.00
Village of Sister Bay	\$ 431,823.00	11.85%	\$ 129,546.90	\$ 419,953.00
Town of Baileys Harbor	\$ 256,274.00	7.03%	\$ 76,882.20	\$ 246,503.00
Town of Clay Banks	\$ 3,143.00	0.09%	\$ 942.90	\$ 2,387.00
Town of Egg Harbor	\$ 301,351.00	8.27%	\$ 90,405.30	\$ 298,948.00
Town of Forestville	\$ 78.00	0.00%	\$ 23.40	\$ 44.00
Town of Gardner	\$ 23,484.00	0.64%	\$ 7,045.20	\$ 23,234.00
Town of Gibraltar	\$ 573,775.00	15.75%	\$ 172,132.50	\$ 538,808.00
Town of Jacksonport	\$ 69,299.00	1.90%	\$ 20,789.70	\$ 68,167.00
Town of Liberty Grove	\$ 241,693.00	6.63%	\$ 72,507.90	\$ 227,348.00
Town of Nasewaupee	\$ 75,942.00	2.08%	\$ 22,782.60	\$ 70,969.00
Town of Sevastopol	\$ 259,452.00	7.12%	\$ 77,835.60	\$ 251,109.00
Town of Sturgeon Bay	\$ 22,101.00	0.61%	\$ 6,630.30	\$ 16,578.00
Town of Union	\$ 84.00	0.00%	\$ 25.20	\$ 405.00
Town of Washington	\$ 62,007.00	1.70%	\$ 18,602.10	\$ 62,156.00
	\$ 3,643,839.00	100.00%	\$ 1,093,151.70*	\$ 3,492,318.00

**30% to Municipality does not include lates fees and interest*

LODGING STATISTICS

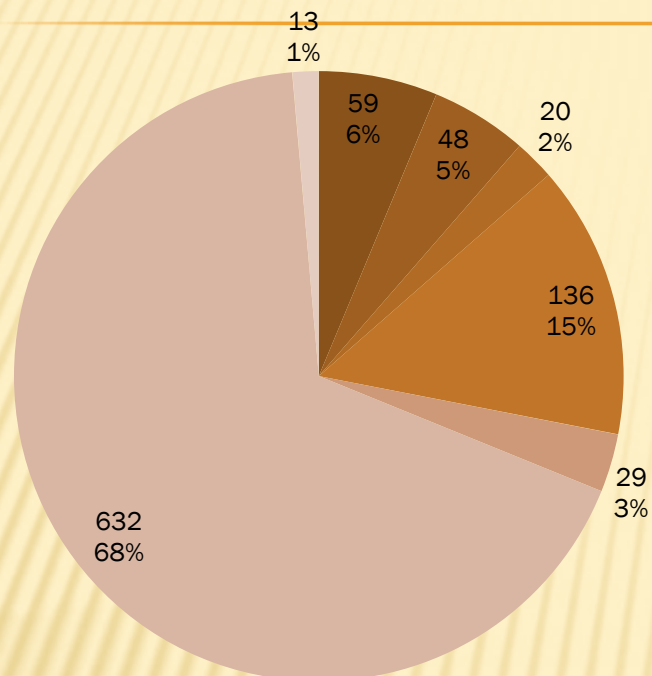
As of 12/31/2013

Permits by Municipality



Lodging Statistics

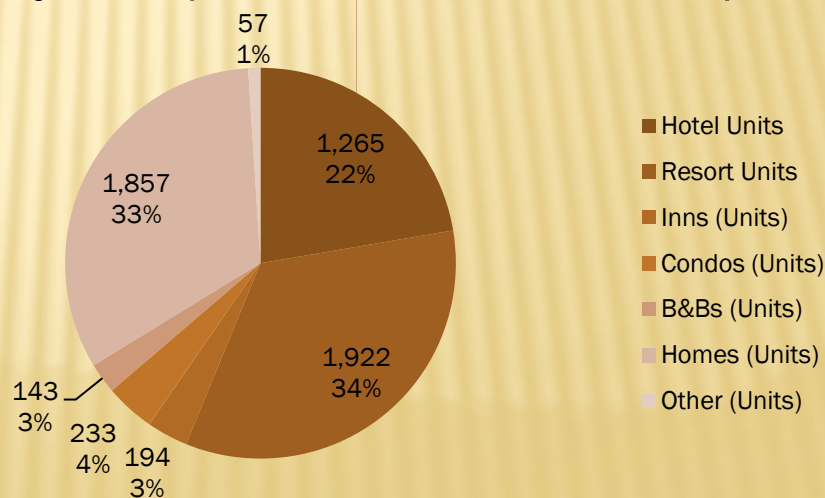
As of 12/31/2013



Percentage of Permits by Property Type

- Hotels
- Resorts
- Inns
- Condos
- B&Bs
- Homes
- Other

By Units (4,708 units total for 2013)



- Hotel Units
- Resort Units
- Inns (Units)
- Condos (Units)
- B&Bs (Units)
- Homes (Units)
- Other (Units)

NEXT STEPS 2014

✘ **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 or credit card.

✘ **Continued pursuit of non-compliance**

- + Impose fines & penalties on late and non-reporting properties.
- + Continue to actively search for unpermitted properties through various advertising channels and continue to make progress with the “word of mouth” advertisers.
- + Instruct attorney William Vande Castle to audit under-reporting or suspect properties and, 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.

✘ **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/international earned media coverage.
- ◆ We continued marketing/sales and PR/communication goals in our comprehensive marketing plan with a broader sweep to gain new visitors that may not have heard of us before, while also continuing some niche marketing to target specific groups.
- ◆ We integrated our brand promise of “a relaxing, restorative, maritime experience” in our advertising, social media and web site while redefining our tagline to a very clean cut “Like nowhere else.”
- ◆ We have grown web users to 1,236,727 *(according to Google Analytics)*.
- ◆ There were 11,723,392 impressions on the DCVB Facebook page in 2013.
- ◆ We’ve hosted 509 travel journalists from 2007 through 2013.



Primary Results

	2013	2012
Wisconsin Traveler Expenditures	\$10.85 billion	\$ 10.39 billion
Door County Traveler Expenditures	\$299 million	\$289 million
Wisconsin Tourism Market Share	2.76%	2.78%

- 8th place in Wisconsin destinations out of 72 counties in 2013
- Behind Milwaukee, Dane, Sauk, Waukesha, Brown, Walworth and Outagamie Counties
- In 2013, visitor spending in Door County increased by \$10 million, or 3.45%, over 2012.



Door County Tourism Economic Impact Numbers - 2013

- \$299 million in direct spending
- \$33.2 million generated in local and state taxes
- 3,001 jobs were supported by tourism
- \$64.6 million in labor income
- \$381.6 million in total impact of traveler spending *(direct & indirect)*
- Support to local lodging, restaurants, retail and attractions....enhancing the quality of life.

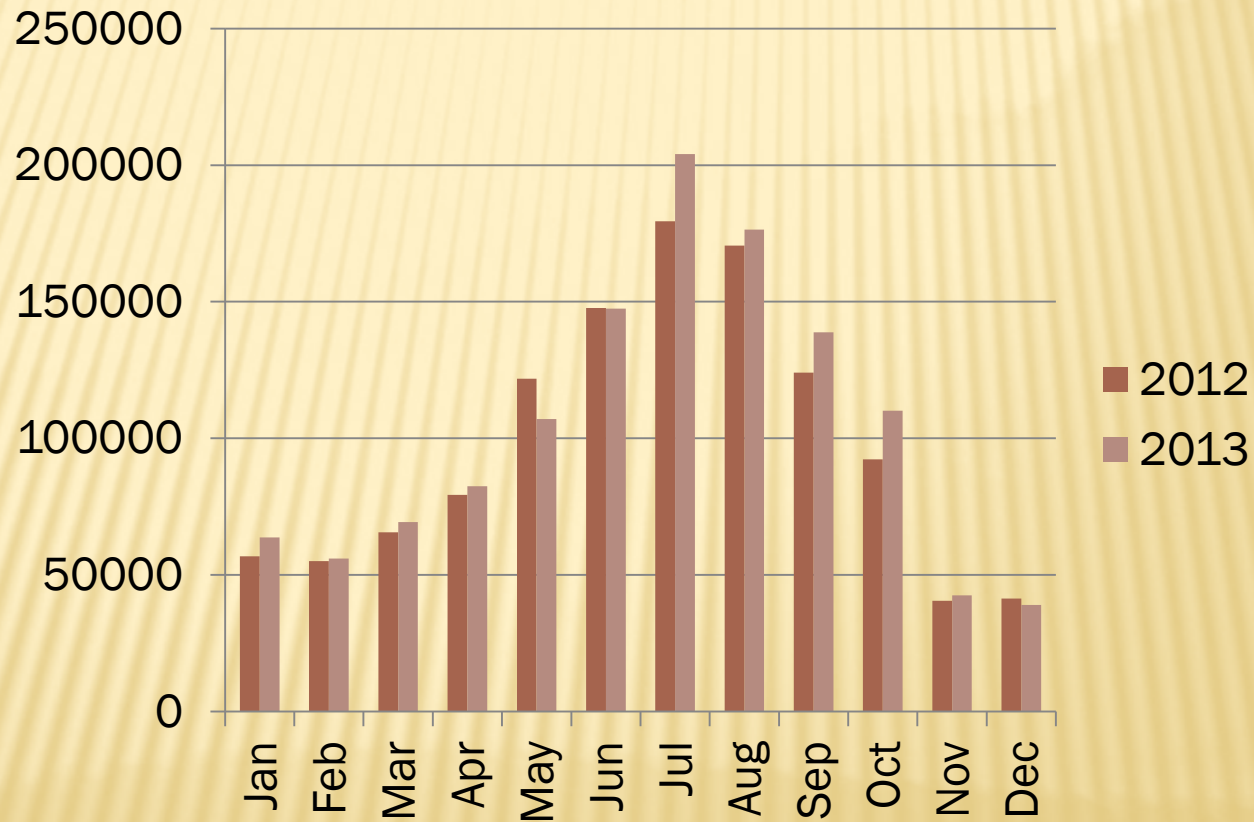
Source: Tourism Economics, The Economic Impact of Tourism in Wisconsin 2013



Marketing and Sales

Web Site Activity / Internet Marketing		
	2013	2012
DoorCounty.com site visits	1,236,727	1,174,567
E-newsletter emails	3,856,036	4,568,750
Pay-per-clicks	37,900	45,528
Mobile Web Site usage	376,878	214,336

DoorCounty.com Site Visits





Group Sales

	2013	2012
Group Tour Contacts	1,721	658
Group Tour Inquiries	187	188
Meeting Planner Contacts	1,407	1014
Meeting Planner Inquiries	619	514

- Continued to update lodging and attractions for marketing materials and website.
- Attended 7 trade shows.
- Highlights include working with 492 wedding planners/brides, 30 meeting/event planners, 82 reunion planners, 12 bike/car/motorcycle clubs, and 3 RV clubs.
- Continued a motorcoach Meet & Greet Program at the Welcome Center.



Advertising Highlights

A small sampling of what was placed

- Created experience focused print ads that spoke directly to our target demographic in key publications like Chicago Magazine, MNI Luxury and Silent Sports Magazine.
- Developed a high impact TV campaign that reached our core demographic in Chicago, Milwaukee, Green Bay and the lakeshore region.
- Continued to utilize eBrains to build our online database as well as Geiger & Associates to execute press trips for travel writers into Door County.
- Developed co-op marketing opportunities that allowed even the smallest businesses an opportunity to participate at a low cost.
- Redesigned and rebuilt the current website onto a WordPress based platform that allows changes to be made in house. Visual changes were made to allow for more eye catching real estate and better content. Multiple efforts were made to ease the use of the site for users like a new meganav and responsive platform.



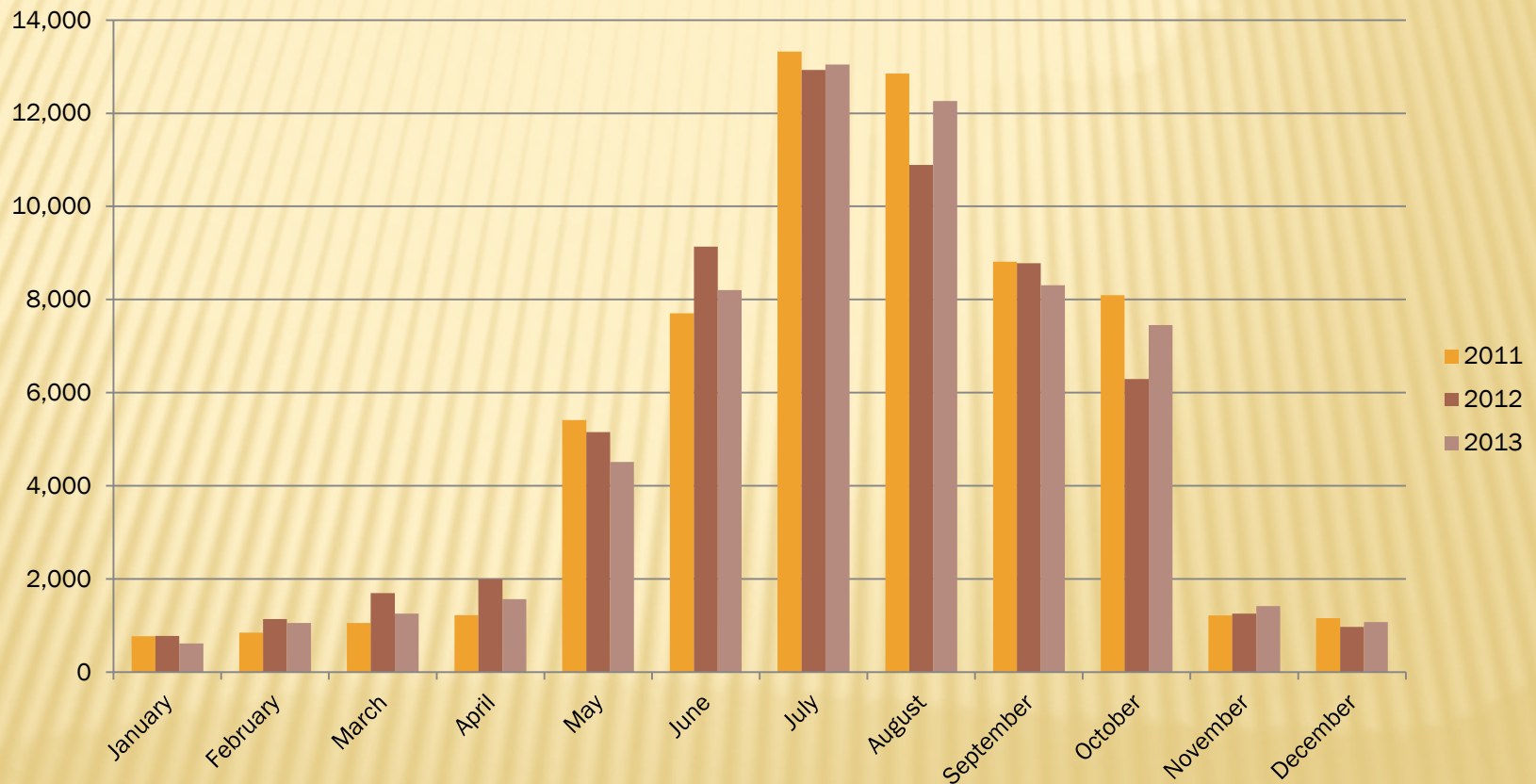
Communications & Public Relations

Media Marketing Program		
	2013	2012
Ad Value Equivalency (AVE)	\$1,977,828	\$3,216,892
Impressions	391,097,627	94,558,376
Visiting Journalists	78	72

- Hosted 8 seasonally themed press tours in 2013: Feb 21-24, May 9-12, June 13-16, June 24-28, July 23-26, Aug 19-22, Sept 26-29 and Oct 7-10.
- 186 articles were placed in print, radio or online media from media marketing efforts.
- Through the end of 2013, the return on investment for the media marketing program was 755%. For every dollar spent, the DCVB received \$7.55 in AVE.



Welcome Center Visitor Traffic





Looking Ahead

A small sampling of what will take place in 2014

- Work with our advertising agency and industry partners to put together an integrated plan for print, Out-of-Home, TV, digital, PR and social media.
- Build off of our tagline “Like Nowhere Else.” to emphasize how Door County is truly *Like Nowhere Else* and really play off the experience a visitor has when they get here.
- Conduct a TV campaign that will be engaging and energetic in Milwaukee, Green Bay, Madison and Chicago
- Execute a cohesive marketing and PR plan to highlight one of Door County’s greatest attributes, CHERRIES!