

# Door County Tourism Zone Annual Meeting Report 2017





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 19 municipalities of Door County.

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

# 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.



# 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, over ten 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.

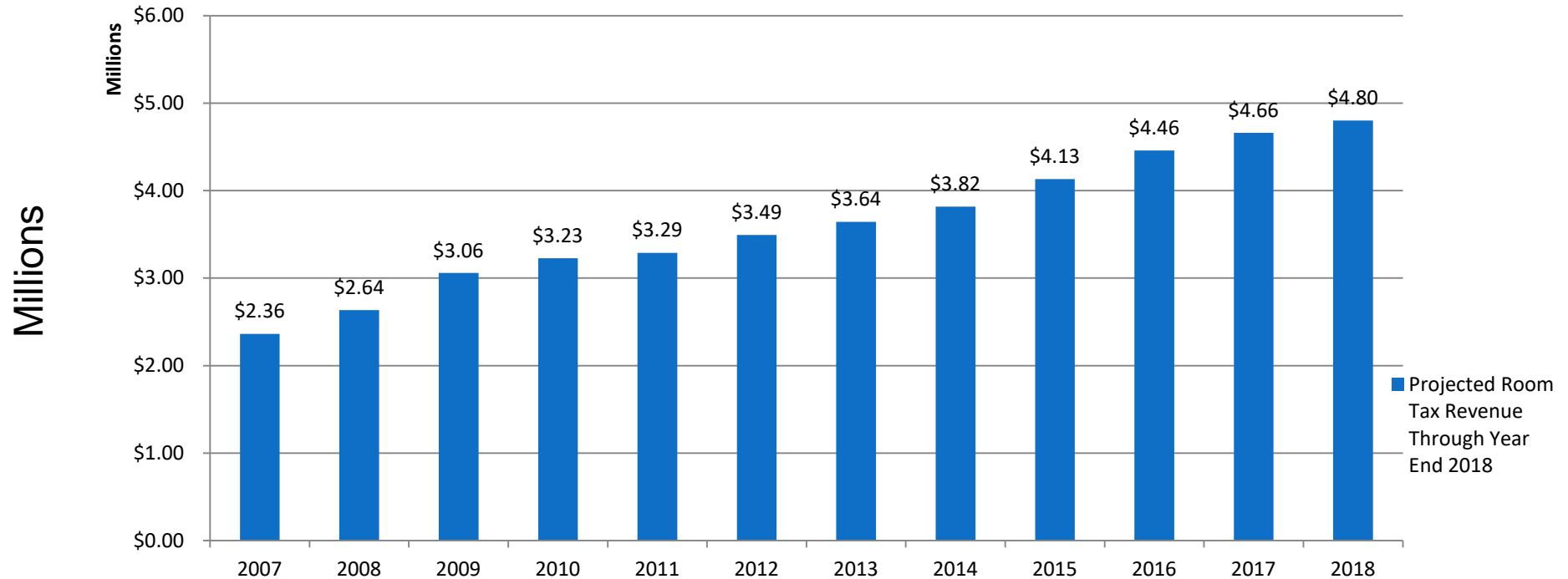


4% DCTZC

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.

## Projected Room Tax Revenue Through Year End 2018

2007-2017 numbers are based on actual audits.  
2018 is based on projected income



By the end of 2018, the Tourism Zone expects to have collected \$43.5 million in room tax and will have turned over \$28.7 million to the Visitor Bureau for marketing for the period 2007–2018. Local municipalities through year end 2018 are estimated to receive \$13 million for the period of 2007-2018.

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 2009-2017 grew \$1,608,965 or 52.72%

# 2017 Year End Review

## 2017 Room Tax Collections :

Door County Room Tax Collections were up 4.2% over 2016 collections.  
\$4,660,677

## Unpaid Tax/Fees/ Penalties:

At year end there was \$1,906 in unpaid tax , fees and penalties which is .04% of room tax collections \$4,660,677

## Average Daily Rate:

The ADR increased from \$149 in 2016 to \$153 in 2017. A \$4 or 2.7% increase YOY.

## Available Nights:

In 2017 available nights increased 23,428 room nights over 2016. (2017 had 1,273,109 room nights and 2016 had 1,249,681.

## Occupied Room Nights:

In 2017 occupied room nights increased 7,498 nights over 2016. In 2017 there were 560,968 occupied room nights while 2016 there were 553,470 occupied nights.

## Occupancy Rate:

In 2017, occupancy dipped due to the increase in available rooms. 44.29% in 2016 vs. 44.06% in 2017 (-.23%).

# 2017 Municipal Impact

Municipality	2017	Share	30% to Municipality	2016
City of Sturgeon Bay	\$ 639,604	13.72%	\$ 191,881	\$ 632,955
Village of Egg Harbor	\$ 419,627	9.00%	\$ 125,888	\$ 418,951
Village of Ephraim	\$ 567,201	12.17%	\$ 170,160	\$ 559,881
Village of Sister Bay	\$ 584,855	12.55%	\$ 175,457	\$ 528,374
Town of Baileys Harbor	\$ 347,880	7.46%	\$ 104,364	\$ 356,455
Town of Brussels	\$ -	0.00%	\$ -	\$ -
Town of Clay Banks	\$ 5,931	0.13%	\$ 1,779	\$ 5,537
Town of Egg Harbor	\$ 401,485	8.61%	\$ 120,446	\$ 369,740
Town of Forestville	\$ 197	0.00%	\$ 59	\$ 422
Town of Gardner	\$ 34,129	0.73%	\$ 10,239	\$ 33,767
Town of Gibraltar	\$ 708,336	15.20%	\$ 212,501	\$ 643,310
Town of Jacksonport	\$ 92,832	1.99%	\$ 27,850	\$ 86,127
Town of Liberty Grove	\$ 321,833	6.91%	\$ 96,550	\$ 306,401
Town of Nasewaupee	\$ 103,726	2.23%	\$ 31,118	\$ 102,404
Town of Sevastopol	\$ 322,325	6.92%	\$ 96,698	\$ 317,830
Town of Sturgeon Bay	\$ 29,416	0.63%	\$ 8,825	\$ 25,662
Town of Union	\$ 1,862	0.04%	\$ 559	\$ 337
Town of Washington	\$ 79,408	1.70%	\$ 23,822	\$ 70,897
<b>TOTALS</b>	<b>\$ 4,660,647</b>	<b>100%</b>	<b>\$ 1,398,194</b>	<b>\$4,459,050</b>

\* Municipal Impact from the 2017 Tourism Zone audit



# \*Statement of Revenue, Expenses and Changes in Net Assets from the 2017 Tourism Zone Audit

Statement of Revenue, Expenses and Changes in Net Assets		
	12/31/2016	Percent Allocations
Operating Revenues		
Room Tax	\$ 4,660,647.00	
Operating Expenses		
Administration	\$ 190,875.00	4%
Payments to the DCVB	\$ 3,076,047.00	66%
Distribution to Municipalities	\$ 1,398,202.00	30%
Total Operating Expense	\$ 4,665,124.00	100%
Total Net Assets 12/31/2017	\$ 255,137.00	

## 2017 Year In Review: Compliance

- The 2017 Aging Payment report shows that for 1-2 unit properties 83.8% pay on time (84.2% in 2016). 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 86.0% of the time.
- 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 2017, the Tourism Zone was granted four (4) judgments in enforcement proceedings in Door County Circuit Court.
- The Tourism Zone also undertook a number of smaller compliance issues that were resolved in 2017 – six (6) of which were cases of under-reporting.
- The Tourism Zone saw resolution of enforcement action against a Town of Gibraltar property. The action resulted in the recovery of all legal fees, unpaid room tax, interest and penalties amounting to \$31,287.

## 2017 Year In Review: Outreach & Education

- The Tourism Zone remained committed to serving permit holders as a resource for information, how-to and education. Outreach efforts included: Facilitating a permit holder survey, survey response emails, monthly filing reminder emails, newsletters and email bulletins with need-to-know information.
- Further outreach was achieved by focused, topic specific bulletins and newsletters to permit holders. The Tourism Zone office assisted with permit holder education by providing an email for education, "How to Protect Yourself from Online Rental Scams." The information was provided after reports of suspected fraudulent activity in the area.
- 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.
- Through over the phone guidance and in-office training, online filing has increased from 39.7% in 2016 to 51.35% in 2017 for 1-2 unit properties.