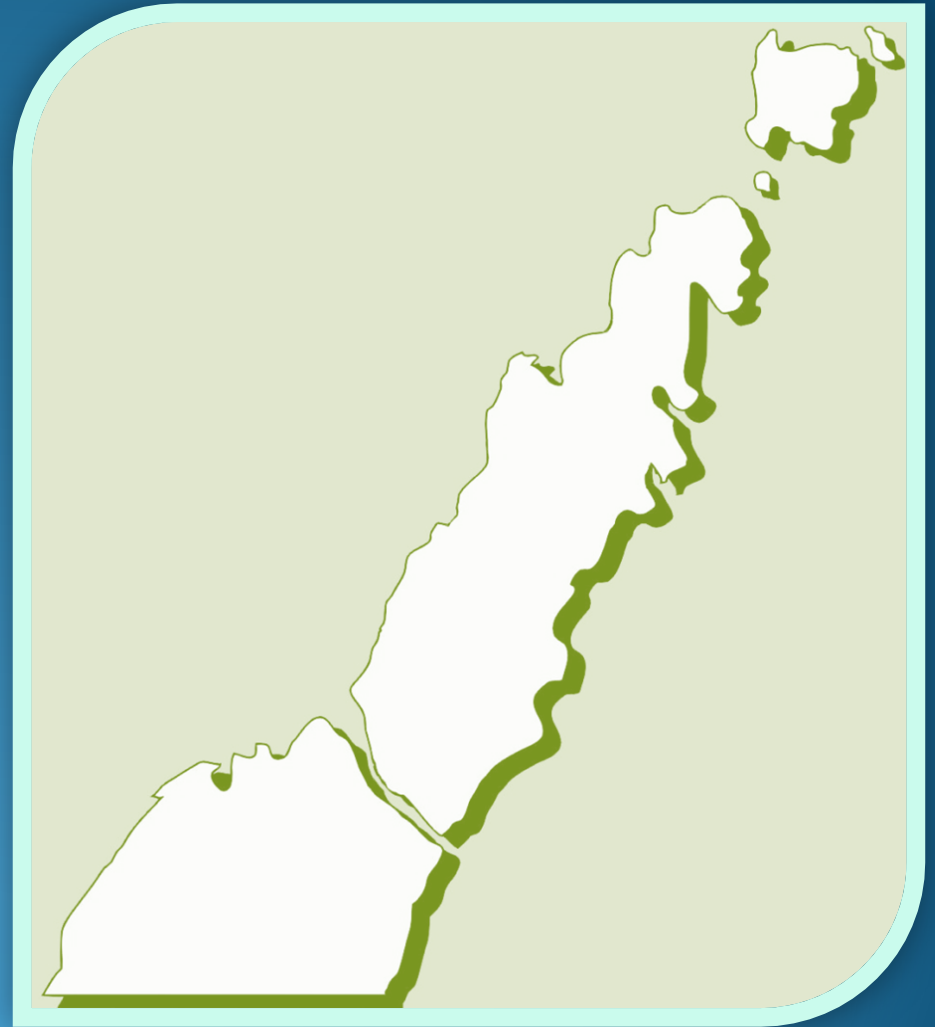


Door County Tourism Zone Commission



Annual Meeting
June 16, 2016



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 19 municipalities 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 | |

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.

Room Tax: The partnership between the DCTZC and the DCVB

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 full time Administrator
 - Collection and enforcement is handled by the DCTZC

- The Tourism Zone Commission began collecting room tax in May of 2007, with all communities on board in 2009. 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 2016, the TZC expects to have collected \$33,793,182 in room tax and will have turned over \$22,303,500 to the Visitor Bureau for marketing for the period 2007–2016.
- Because of the marketing efforts of the Door County Visitor Bureau (DCVB), tourism continues to grow in Door County. The 2015 room tax collections were up 8.5% over 2014 collections.



Commission Year in Review - 2015

- At Year End 2015, the Tourism Zone had 982 permit holders. In 2015, 102 new permits were issued, 88 (86%) of which were 1-2 unit (houses/condos).
- 45 (44%) of the newly permitted properties (102) in 2015 were found through investigative work by the Commission and permitted through compliance channels. Investigative compliance is up from 38% in 2014 to 44% in 2015.
- Due diligence to ensure all permitted Door County lodging owners are aware of tax obligations has led to less than 3.0% (4.7% in 2014) noncompliance in reporting (more than 30 days late).

Commission Year in Review - 2015

- In 2015 the DCTZC worked diligently to obtain recognition from Airbnb as a travel destination that has requirements for transient rental. The goal of the effort was to be listed among the communities that require occupancy tax collection and remittance. All 19 municipalities joined the DCTZC in writing Airbnb so that local hosts would have another outlet to be educated about the local requirements for transient rentals.
- A surplus check was distributed to the DCVB on August 25th, 2016 in the amount of fifty two thousand dollars (\$52,000).
- The Commission has actively engaged in the pursuit to bring non-permitted properties, non-filing, and late paying properties into compliance. In 2015, the DCTZC was granted two judgments in enforcement proceedings in Door County Circuit Court.

Show me the money...

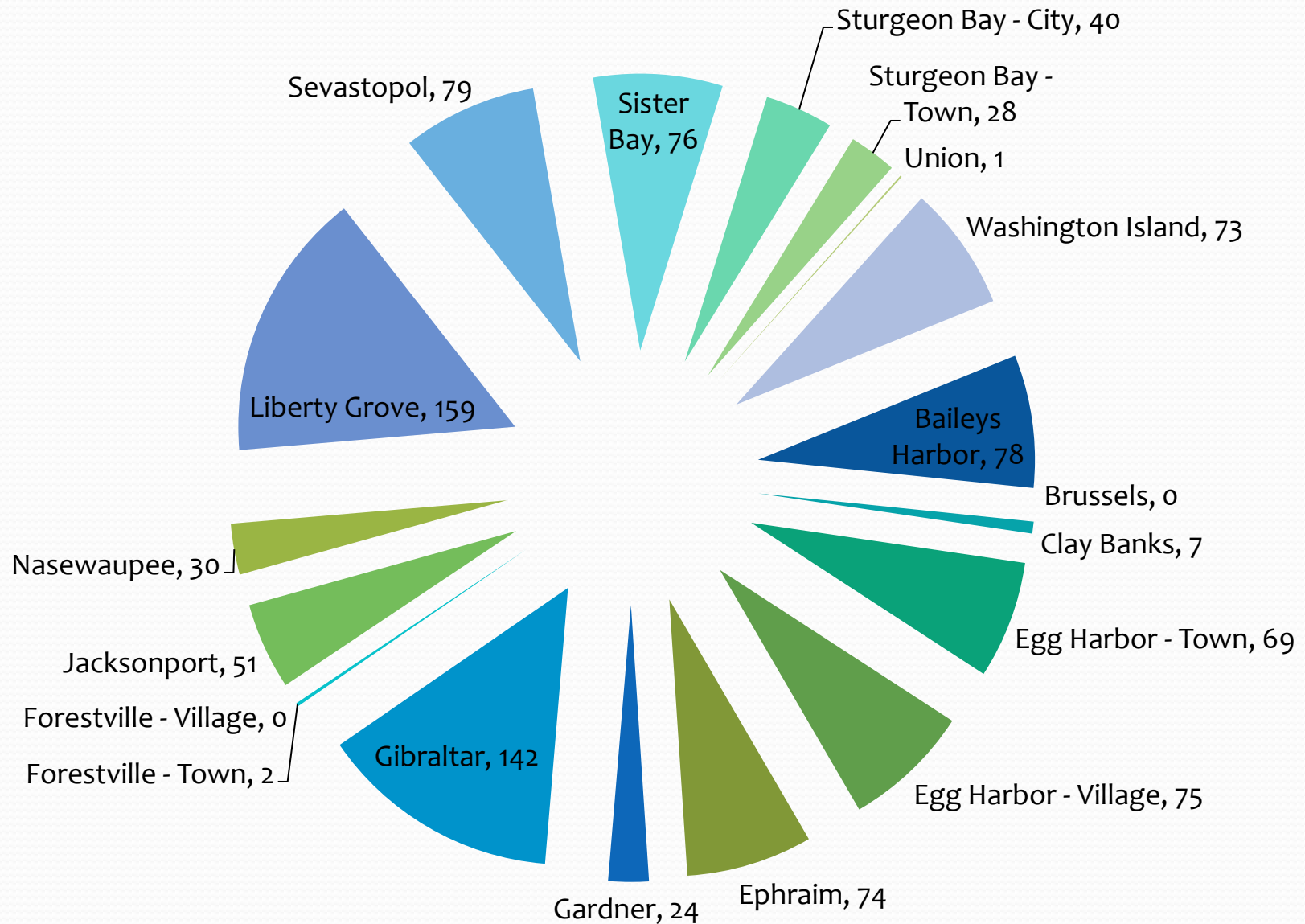
| Statement of Revenues, Expenses, and Changes in Net Assets | | |
|--|---------------|----------------------------|
| Operating Revenues | 12/31/2015 | <u>Percent Allocations</u> |
| Room tax | \$ 4,130, 828 | |
| Operating Expenses | | |
| Administration | \$ 123,403 | 4% |
| Payments to DCVB | \$ 2,778,346 | 66% |
| Distribution to Municipalities | \$ 1,239.249 | 30% |
| | | |
| Total Operating Expense | \$4,140,998 | 100% |
| | | |
| Total Net Assets 12/31/2015 | \$ 195,509 | |
| | | |

Municipal Impact

| Municipality | 2015 | Share | 30% To Municipality | 2014 |
|------------------------|--------------|---------|---------------------|--------------|
| City of Sturgeon Bay | \$ 586,918 | 14.21% | \$ 176,075 | \$ 567,932 |
| Village of Egg Harbor | \$ 388,306 | 9.40% | \$ 116,492 | \$ 353,730 |
| Village of Ephraim | \$ 507,218 | 12.28% | \$ 152,165 | \$ 455,470 |
| Village of Sister Bay | \$ 491,513 | 11.90% | \$ 147,454 | \$ 455,657 |
| Town of Baileys Harbor | \$ 297,971 | 7.21% | \$ 89,391 | \$ 271,034 |
| Town of Brussels | \$ 223 | 0.01% | \$ 67 | \$ 247 |
| Town of Clay Banks | \$ 5,582 | 0.14% | \$ 1,675 | \$ 4,461 |
| Town of Egg Harbor | \$ 344,628 | 8.34% | \$ 103,388 | \$ 317,505 |
| Town of Forestville | \$ 297 | 0.01% | \$ 89 | \$ 88 |
| Town of Gardner | \$ 34,660 | 0.84% | \$ 10,398 | \$ 26,823 |
| Town of Gibraltar | \$ 632,299 | 15.31% | \$ 189,690 | \$ 608,540 |
| Town of Jacksonport | \$ 76,351 | 1.85% | \$ 22,905 | \$ 73,645 |
| Town of Liberty Grove | \$ 285,354 | 6.91% | \$ 85,606 | \$ 247,327 |
| Town of Nasewaupee | \$ 94,595 | 2.29% | \$ 28,379 | \$ 82,252 |
| Town of Sevastopol | \$ 289,239 | 7.00% | \$ 86,772 | \$ 266,313 |
| Town of Sturgeon Bay | \$ 25,723 | 0.62% | \$ 7,717 | \$ 26,874 |
| Town of Union | \$ 539 | 0.01% | \$ 162 | \$- |
| Town of Washington | \$ 69,412 | 1.68% | \$ 20,824 | \$ 60,607 |
| TOTALS | \$ 4,130,828 | 100.00% | \$ 1,239,248 | \$ 3,818,505 |

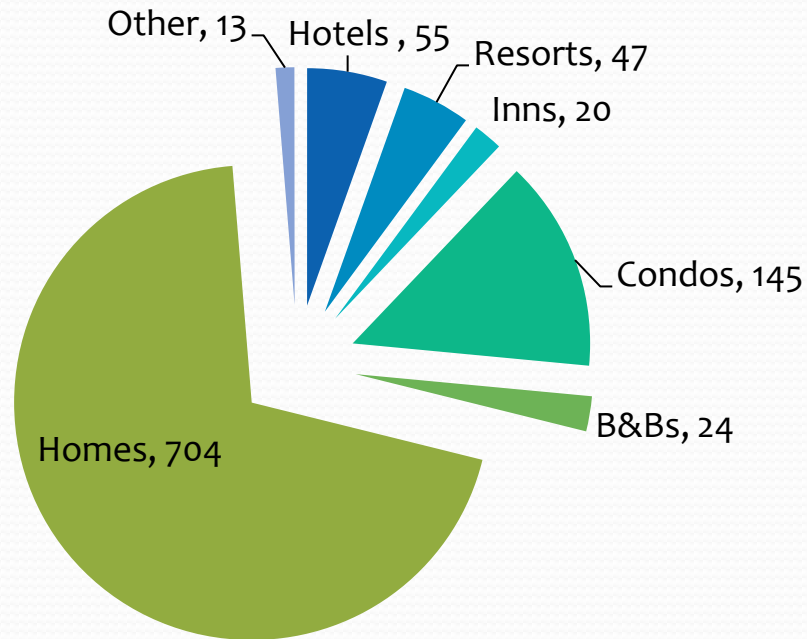
Lodging Statistics - Number of Permits by Municipality

As of 5/27/16



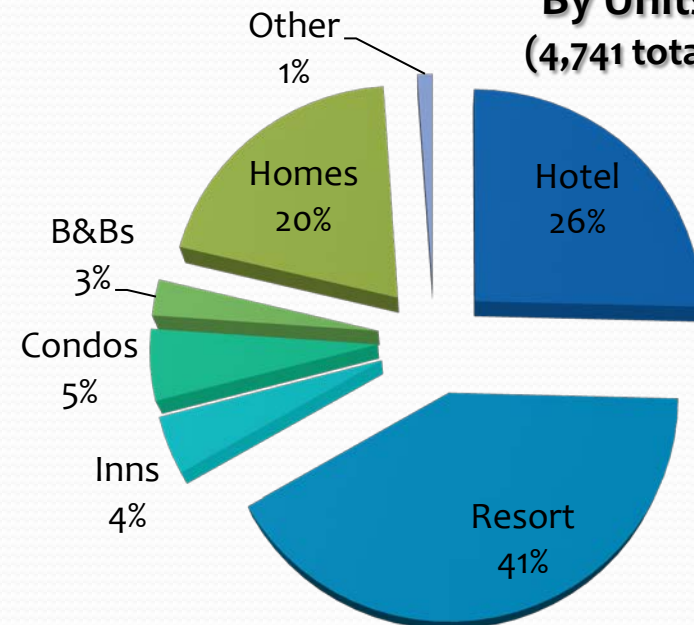
Lodging Statistics – By Property Type & Unit

By Property Type



As of 5/27/2016

By Units (4,741 total)



Next Steps 2016

- **Enhanced online capabilities and value-added functions:**
 - The DCTZC back office system will undergo an upgrade to meet the needs of permit holders and the DCTZC.
 - 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.
- **Commencement of a Educational Marketing Campaign with Tweak Marketing:**
 - The campaign will include two (2) explainer videos: “Are you thinking of renting your home in Door County” and “How to file online”.
 - Tweak will create a digital brochure to provide details about the tax, how to's and assist the property owners in fulfilling their duties.
 - Finally Tweak will create sponsored ad's on Facebook to target the audience of homeowners that may be considering renting or might be already without a permit.
- **Establishment of a relationship with Hillstrom PR:**
 - As a means to drive value back to our customers Hillstrom PR will assist with: A permit holder survey, press releases, annual report assistance, message training and improved website language.
- **Finalization of Ordinance Amendment**
 - With ACT 55 and AB714 now signed into law, the updated ordinance can be finalized and approved by the DCTZC and it's member municipalities.
 - The changes reflect the practical realities of the ever changing dynamic definition of lodging and closes the loopholes on compliance and enforcement.

Next Steps 2016 Cont.

- **Continued tracking of properties listed on rentals-by-owner sites.**
 - Continue to track permitted and unpermitted properties within the DCTZC database with online listing ID's.
 - Continue to track property owners moving away from VRBO due to service fees.
 - Stay up to date with changes with Airbnb and VRBO.
- **Continued pursuit of non-compliance**
 - Impose fines & penalties on late and non-reporting properties.
 - Instruct DCTZC legal counsel 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.



VISITOR BUREAU

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.
- ◆ Media placement and PR took a multi-dimensional approach through a combination of advertising mediums and 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 users grew to over 1.5 million (according to Google Analytics).
- ◆ We’ve hosted 664 travel journalists from 2007 through 2015.
- ◆ We spoke directly to our visitors by inviting them to discover and remember their own experiences with our “See Yourself in Our Light” campaign.
- ◆ Our social media has grown tenfold garnering nearly 12 million impressions on Facebook from a fan base of 72,156.



Primary Results

| | 2015 | 2014 |
|-----------------------------------|----------------|-----------------|
| Wisconsin Traveler Expenditures | \$11.9 billion | \$ 11.4 billion |
| Door County Traveler Expenditures | \$332,800,000 | \$314,600,000 |
| Wisconsin Tourism Market Share | 2.79% | 2.74% |

- 8th place in Wisconsin destinations
- Behind Milwaukee, Dane, Sauk, Waukesha, Brown, Walworth and Outagamie Counties
- The total impact of tourism on Door County's economy was \$424.3 million last year, an increase of 5.5% over 2014.



The Economic Impact of Tourism in Wisconsin - 2015

In Door County:

- \$332.8 million in direct spending
- \$35.9 million in local and state taxes
- 3,110 full-time equivalent jobs
- \$70.8 million in resident income
- Support to local lodging, restaurants, retail and attractions....enhancing the quality of life

Source: Tourism Economics

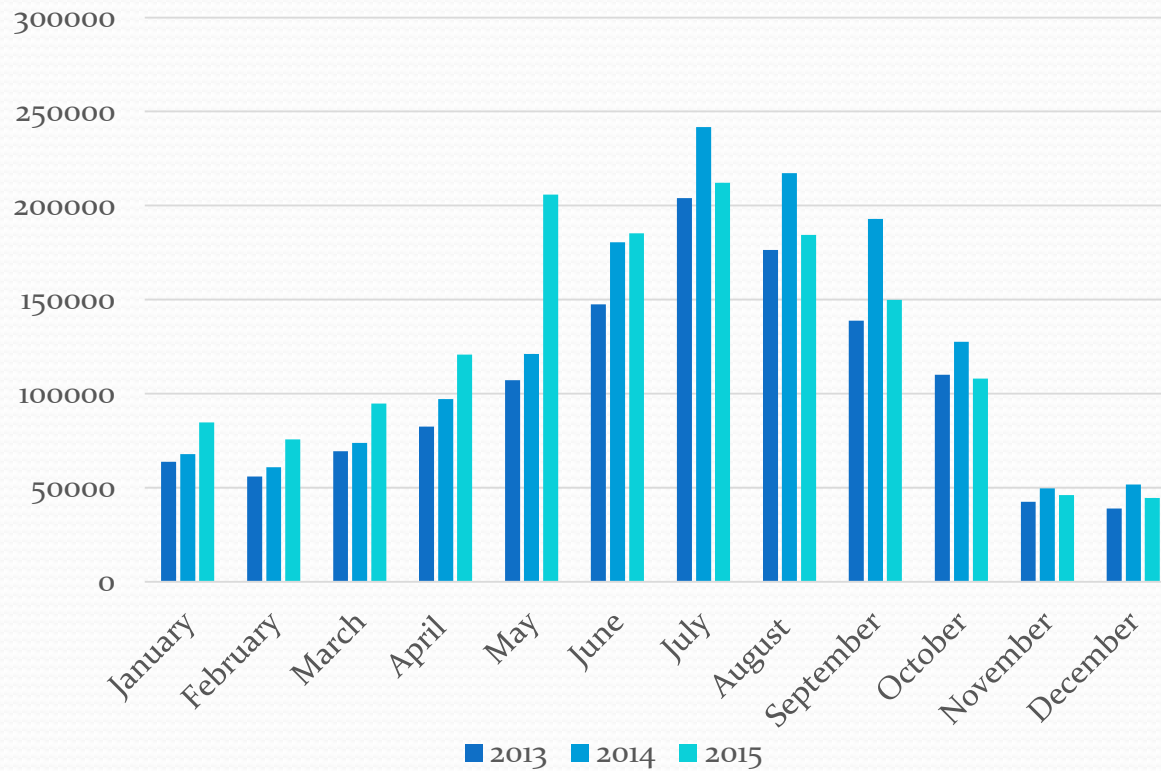


Marketing and Sales

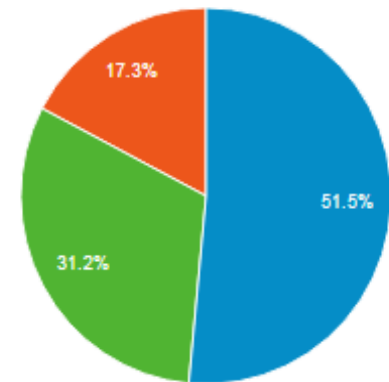
| Web Site Activity / Digital Marketing | | |
|---------------------------------------|------------|------------|
| | 2015 | 2014 |
| DoorCounty.com site visits | 1,512,097 | 1,481,900 |
| Enewsletter | 4,203,745 | 3,780,798 |
| Facebook/Twitter Impressions | 51,719,715 | 21,614,466 |
| Mobile Web Usage | 654,019 | 613,158 |



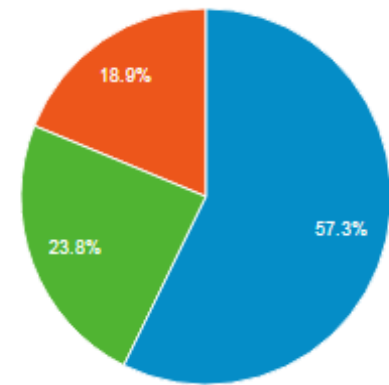
DoorCounty.com Site Visits



Jan 1, 2015 - Dec 31, 2015



Jan 1, 2014 - Dec 31, 2014





Group Sales

| | 2015 | 2014 |
|---------------------------|-------|-------|
| Group Tour Contacts | 1,875 | 1,747 |
| Group Tour Inquiries | 176 | 187 |
| Meeting Planner Contacts | 1,785 | 1,685 |
| Meeting Planner Inquiries | 548 | 637 |

- Continued to update lodging and attractions for marketing materials and website.
- Attended 7 trade shows.
- Worked with 368 brides/wedding planners, 23 meeting planners, 9 retreats, 23 RV/Bike/Car/etc Clubs, and 21 Reunions.
- Continued a motorcoach Meet & Greet Program at the Welcome Center.



Advertising Highlights

A small sampling of what was placed

- Increased our digital marketing efforts to include TripAdvisor, MNI Digital, Midwest Living, WVTM/WCGV and Pandora.
- Created :30 & :15 TV spots that aired in Milwaukee, Madison, Green Bay and Chicago/Northern Illinois on broadcast and cable.
- Continued to utilize eBrains to build our online database as well as Geiger & Associates to execute press trips for travel writers into Door County.
- Digital billboards ran in Milwaukee and Chicago providing significant market reach February-April.
- Developed co-op marketing opportunities to members in such publications as Midwest Living and the Wisconsin Gazette.
- Conducted a mix of newsfeed ads through our social channels that increased clicks to DoorCounty.com, our fan base, and post engagement.



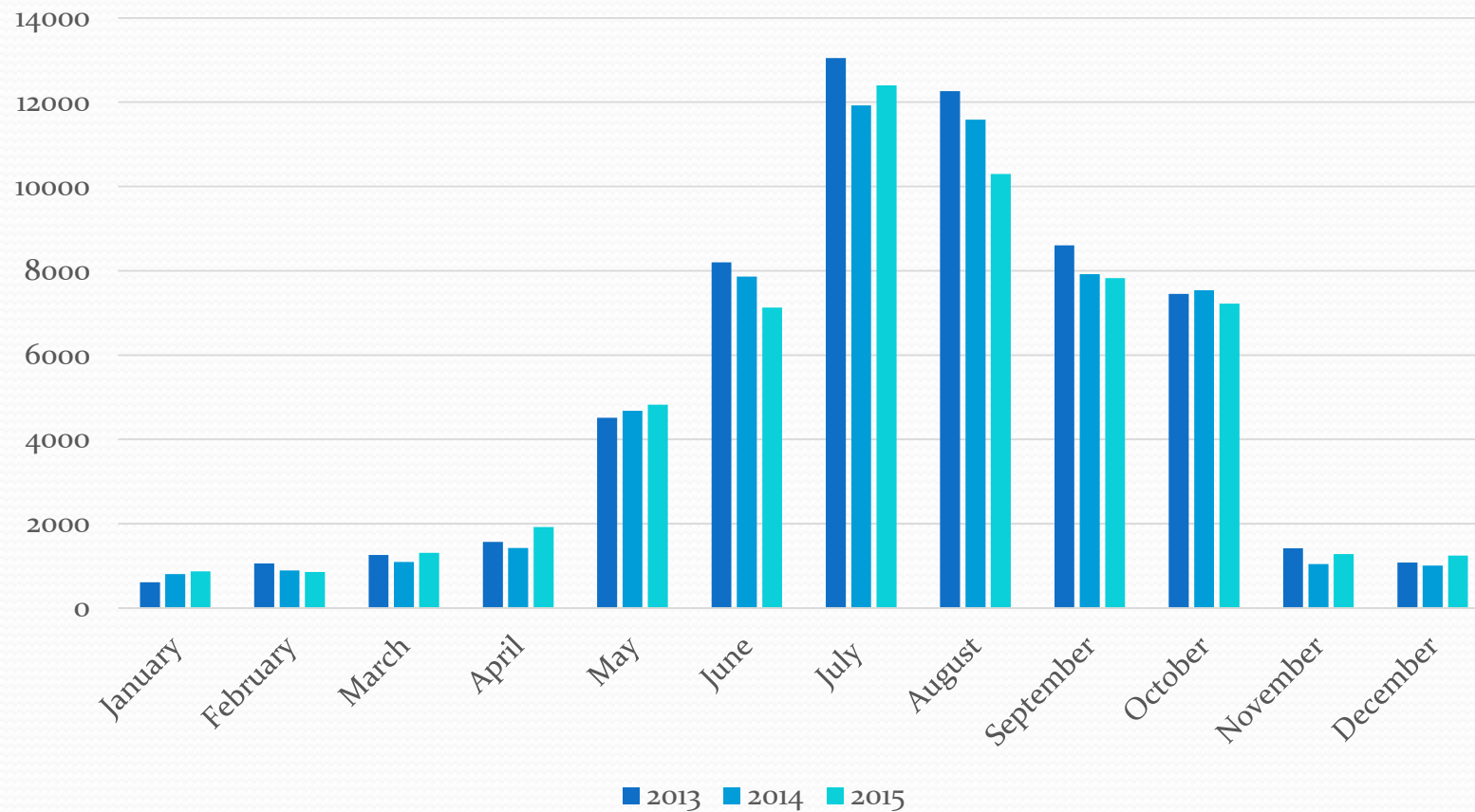
Communications & Public Relations

| Media Marketing Program | | |
|----------------------------|-------------|-------------|
| | 2015 | 2014 |
| Ad Value Equivalency (AVE) | \$2,734,267 | \$2,033,918 |
| Impressions | 197,786,241 | 401,761,475 |
| Visiting Journalists | 74 | 81 |

- Hosted 8 seasonally themed press tours in 2015 between February and October.
- 238 articles placed in print, radio, or online media from media marketing efforts.
- Through the end of 2015, the return on investment for the media marketing program was 880%. For every dollar spent, the DCVB received \$8.80 in AVE.

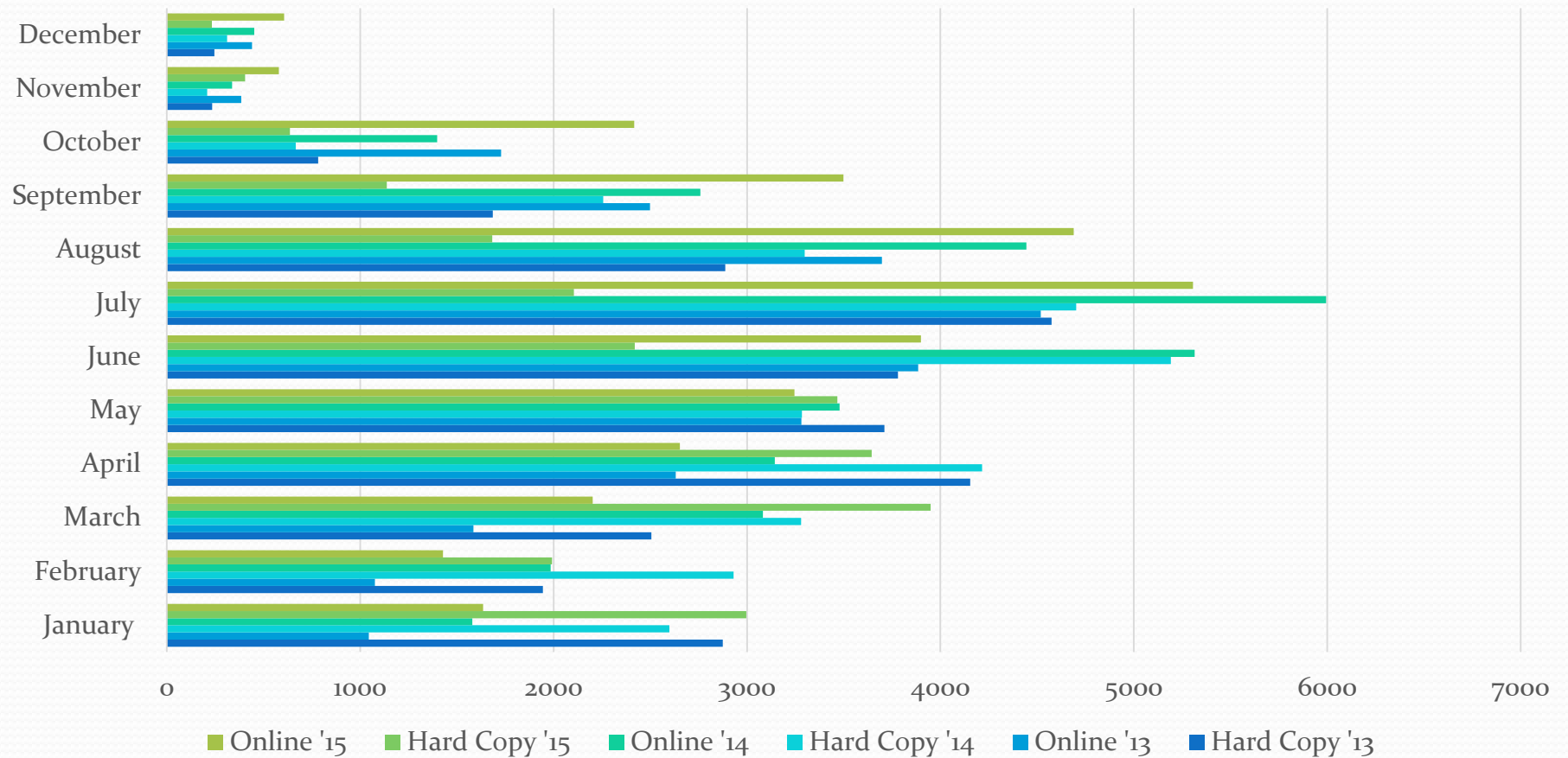


Welcome Center Visitor Traffic





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 evolve to include multiple screens and devices.
- Developing a new 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.
- Increase our online presence with a more robust video initiative.