

# DOOR COUNTY TOURISM ZONE ANNUAL MEETING

REPORT  
2016



# Why are we here?



## Tourism Zone Presentation



Explain Mission



Review 2016 Performance



Discuss What's Next for 2017



## Door County Visitor Bureau Presentation



Review 2016 Trends



Review Current Marketing  
Initiatives



## Answer Questions



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.

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



# 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 numbers 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, 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 DCVB for marketing. These dollars are spent on items which the state statute says qualify, such as marketing, promotion, and staff expenses.

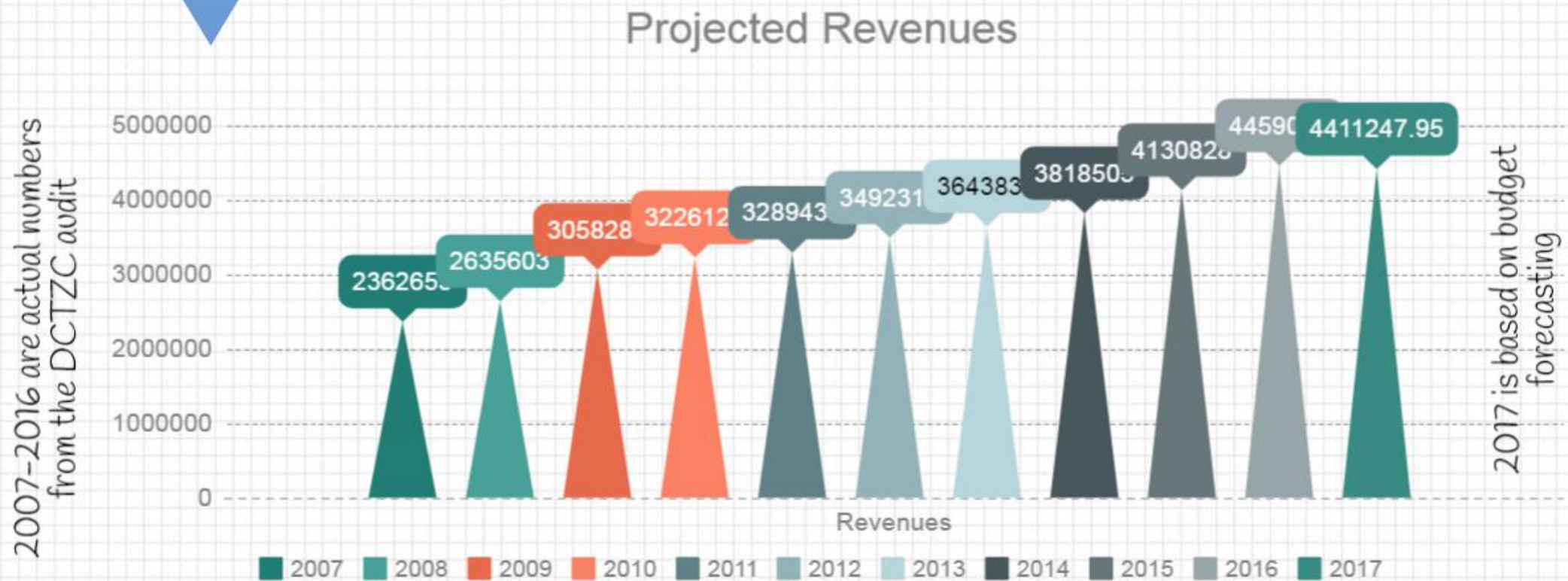


4% DCTZC

4% remains with the Tourism Zone for expenses  
All Commissioners are volunteers.  
The Zone has full time Administrator.  
Collection and enforcement is handled by the Tourism Zone.



# Projected Room Tax Revenues through year end 2017



By the end of 2017, the Tourism Zone expects to have collected \$38,527,866 in room tax and will have turned over \$25,428,392 to the Visitor Bureau for marketing for the period 2007-2017.

Local municipalities through year end 2017 are estimated to receive \$11,558,360 for the period of 2007-2017.

Because of the marketing efforts of the Door County Visitor Bureau (DCVB), tourism continues to grow in Door County. The 2016 room tax collections were up 8.0% over 2015 collections.

Room Tax Collections 2009-2016 grew \$1,407,307 or 46.12%

# Year in Review - Permits

**1040**

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The number of permits as of 5/22/17

**116**

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The number of new properties permitted in 2016

**60**

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The number of properties permitted by compliance efforts in 2016 (51.7%). Up from 44% in 2015 and 38% in 2014.



# 2016 Year in Review



The Tourism Zone actively engaged in the pursuit to bring non-permitted properties, non-filing, under-reporting and late paying properties into compliance.

In 2016 the Tourism Zone was granted a judgment in Door County Circuit Court bringing closure to a case of under-reporting. In November of 2016, a judgement was granted in the amount of \$25,091.31.

Two other compliance issues were found via investigative efforts involving under-reporting properties and were resolved in 2016 out of court:

1) A case of under-reporting resulted in the recovery of \$1,268.43 in previously uncollected room tax.

2) The discovery of an un-permitted and non-reporting property resulted in the recovery of \$20,000 in previously unreported lodging sales (\$1,797.12 in tax, penalties and interest paid) was settled out of court.

# 2016 Year in Review



The Tourism Zone created and executed a permit holder survey with the goal of listening to permit holder's needs, suggestions and concerns.

The survey offered invaluable insight to the Tourism Zone Commission. While not all suggested changes could be implemented due to fiscal or statutory concerns, the Tourism Zone was able to reach out to permit holders with a survey response email series.

The email series covered: Reminder Emails, Choice of Filing Method, Communication, How Does Room Tax Benefit us all, Why Destination Marketing is Important, What you can do to Support Tourism in Door County, Monthly Reporting, What is the Difference Between the Tourism Zone vs. DCVB, and Monitoring Online Rental by Owner sites.

Many suggestions from the survey were implemented: Better (more) communication via newsletters and emails, reporting reminders and valuable education opportunities to work towards a better understanding of the Tourism Zone role.



# 2016 Year in Review



The Tourism Zone Survey served as a catalyst to forward responses to the Door County Visitor Bureau (DCVB) in effort for our contracted Marketing Entity to consider the misunderstanding and frustrations held by Tourism Zone permit holders. The DCVB analyzed and discussed permit holder concerns and responded by creating the DCVB "Silver Membership" to better meet the needs of permit holders. Thank you to the DCVB for listening and responding to the Tourism Zone permit holders.



The Tourism Zone made considerable efforts in public outreach in 2016: Permit Holder Reminder Emails, Press Releases, Requests for Information, and work with various media outlets.



The Tourism Zone purchased an office that created a professional, dedicated space for Tourism Zone operations.



The Tourism Zone continued to work towards its goal of ongoing education by completing a digital brochure and an explainer video. Significant SEO work with keywords and linking was completed on the Tourism Zone website.

# 2016 Year in Review



Partnership with each municipality to complete the WDOR Room Tax filings as a result of ACT 55.



Completion of a year long project entering data to be used ongoing for analysis that includes for each year by property type: Lodging sales, available nights, occupied nights, occupancy % and ADR.



The 2016 Aging Payment report shows that for 1-2 unit properties 94.5% (up from 80.40% in 2015) pay on time. Consistency with notices and reminders has resulted in an increase of on-time payments. 3+ unit permit holders pay their room tax on time 87.4% of the time.



116 properties were permitted in 2016. 110 of the newly issued permits were for 1-2 unit properties.

Hotel Motel - 2 permits

Resort - 2 permits

B&B - 1 permit

Condo - 22 permits

Cottage/Cabin/House - 86 permits

Other - 1 permit



Statement of Revenue, Expenses and Changes in Net Assets			
		12/31/2016	Percent Allocations
Operating Revenues			
	Room Tax	\$ 4,459,050.00	
Operating Expenses			
	Administration	\$ 176,154.00	4%
	Payments to the DCVB	\$ 2,942,952.00	66%
	Distribution to Municipalities	\$ 1,337,709.00	30%
Total Operating Expense		\$ 4,456,812.00	100%
Total Net Assets 12/31/2016		\$ 218,619.00	

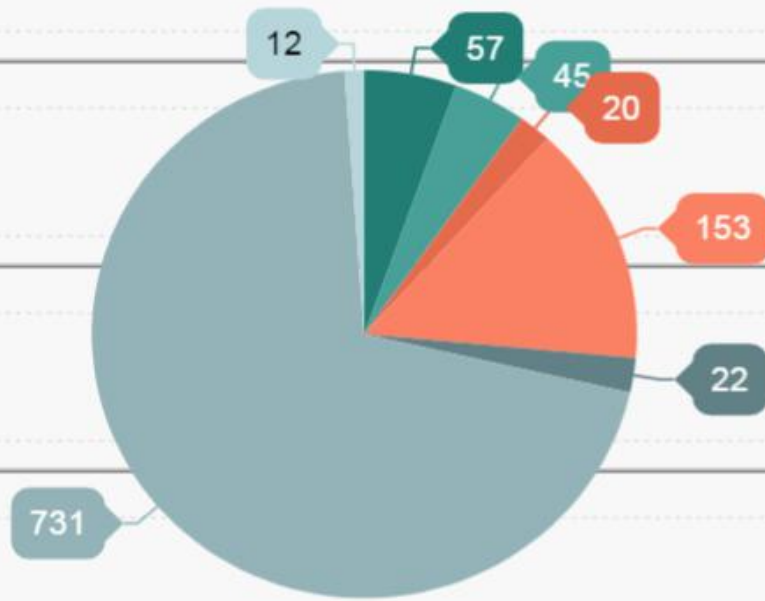
*\*Statement of Revenue, Expenses and Changes in Net Assets from the  
2016 Tourism Zone Audit*

# Municipal Impact

Municipality	2016	Share	30% to Municipality	2015
City of Sturgeon Bay	\$ 632,955	14.19%	\$ 189,886.50	\$586,918
Village of Egg Harbor	\$ 418,951	9.40%	\$ 125,685.30	\$388,306
Village of Ephraim	\$ 559,881	12.56%	\$ 167,964.30	\$507,218
Village of Sister Bay	\$ 528,374	11.85%	\$ 158,512.20	\$491,513
Town of Baileys Harbor	\$ 356,455	7.99%	\$ 106,936.50	\$297,971
Town of Brussels	\$ -	0.00%	\$ -	\$223
Town of Clay Banks	\$ 5,537	0.12%	\$ 1,661.10	\$5,582
Town of Egg Harbor	\$ 369,740	8.29%	\$ 110,922.00	\$344,628
Town of Forestville	\$ 422	0.01%	\$ 126.60	\$297
Town of Gardner	\$ 33,767	0.76%	\$ 10,130.10	\$34,660
Town of Gibraltar	\$ 643,310	14.43%	\$ 192,993.00	\$632,299
Town of Jacksonport	\$ 86,127	1.93%	\$ 25,838.10	\$76,351
Town of Liberty Grove	\$ 306,401	6.87%	\$ 91,920.30	\$285,354
Town of Nasewaupee	\$ 102,404	2.30%	\$ 30,721.20	\$94,595
Town of Sevastopol	\$ 317,830	7.13%	\$ 95,349.00	\$289,239
Town of Sturgeon Bay	\$ 25,662	0.58%	\$ 7,698.60	\$25,723
Town of Union	\$ 337	0.01%	\$ 101.10	\$539
Town of Washington	\$ 70,897	1.59%	\$ 21,269.10	\$69,412
<b>TOTALS</b>	<b>\$4,459,050</b>	<b>100%</b>	<b>\$ 1,337,715.00</b>	<b>\$ 4,132,843</b>

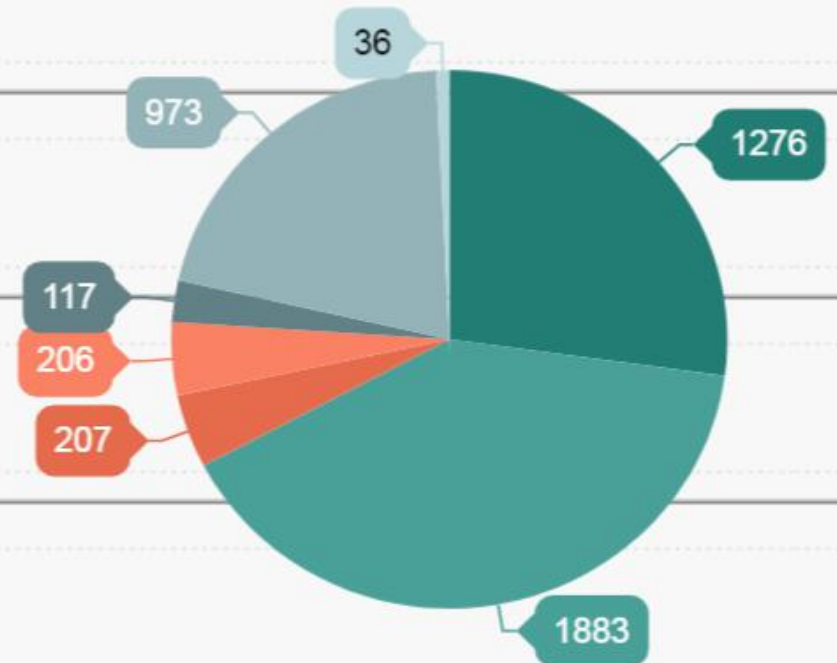


## By Property Type Total of Permits



Hotels (5.48%)   Resorts (4.33%)   Inns (1.92%)  
 Condos (14.71%)   B&Bs (2.12%)   Homes (70.29%)  
 Other (1.15%)

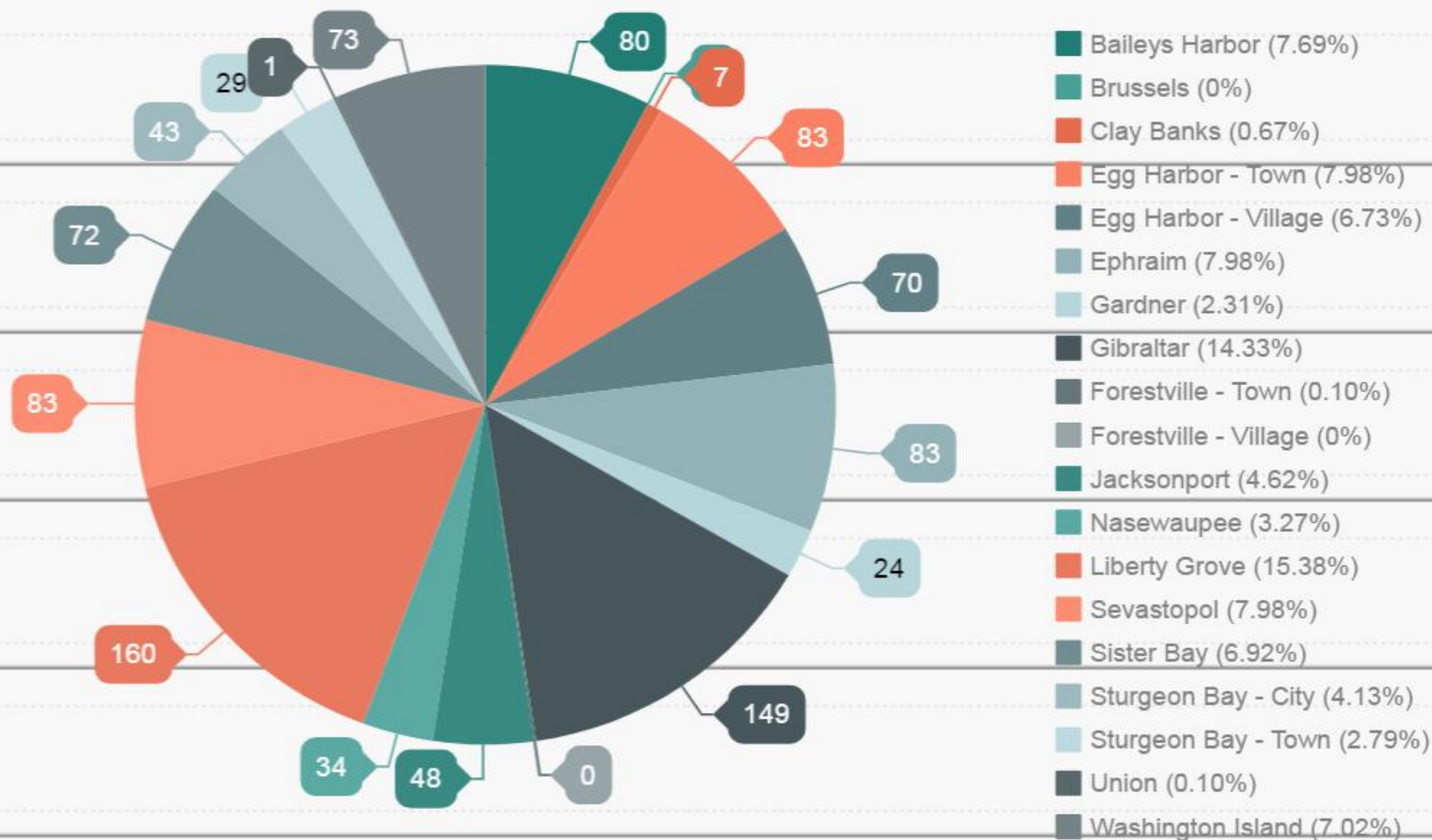
## Property type by Units



Hotel Units (27.16%)   Resort Units (40.08%)  
 Inns Units (4.41%)   Condos Units (4.38%)  
 B&Bs Units (2.49%)   Homes Units (20.71%)  
 Other Units (0.77%)

# Statistics by Municipality

1040 Permits





# Next Steps 2017



The completion of the back office upgrade which will result in improved efficiency, ease of reporting for permit holders and property management companies and improved internal controls.



Maintain Data Project begun in 2016 and continue to watch for trends in each of the metrics.



Watch Legislative front in order to finalize the Ordinance Amendment.



Outline goals for succession planning in all areas of Tourism Zone operations.



Continue to reach out to permit holders via monthly reminder emails to prompt permit holders to remember monthly reporting, quarterly newsletters and press releases.



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.

# Next Steps 2017



Continue to set the example for other Tourism Zone Commissions in the State. Assist with requests, education and partnership as other Tourism Zones aim to model Door County.



Continue to work on how to educate and communicate the requirements for transient rentals. Work with municipalities and Town Web Design for a seamless re-direct to the Tourism Zone website from municipal websites. Property owners may search a municipal website for rental requirements; currently most have no information for property owners about room tax or the requirements for transient rentals.



Continue to watch the developments with VRBO and Airbnb. Currently there is a group of property owners that have petitioned the Senate Judiciary Committee to investigate collusion between Expedia (parent company of VRBO & Homeaway) and TripAdvisor. There is also a class action lawsuit involving Homeaway. Airbnb's negotiations continue to provide new developments that will be monitored to see if we can revisit a Voluntary Tax Collection Agreement with Airbnb.

powered by





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 nearly 1.5 million (according to Google Analytics).
- ◆ We’ve hosted 736 travel journalists from 2007 through 2016.
- ◆ We spoke directly to our visitors by inviting them to discover new experiences with our tagline “Live Life Well”.
- ◆ Our social media has grown tenfold garnering nearly 21 million impressions on Facebook from a fan base of 87,199.





## Primary Results

	2016	2015
Wisconsin Traveler Expenditures	\$12.3 billion	\$11.9 billion
Door County Traveler Expenditures	\$347,800,000	\$332,800,000
Wisconsin Tourism Market Share	2.83%	2.79%

- 7th place in Wisconsin destinations for visitor spending
- Behind Milwaukee, Dane, Sauk, Waukesha, Brown, and Walworth Counties
- The total impact of tourism on Door County's economy was \$442.8 million last year.



# The Economic Impact of Tourism in Wisconsin - 2016

In Door County:

- \$347.8 million in direct spending
- \$37.5 million in local and state taxes
- 3,1178 full-time equivalent jobs
- \$75.1 million in resident income
- Support to local lodging, restaurants, retail and attractions....enhancing the quality of life

Source: Tourism Economics



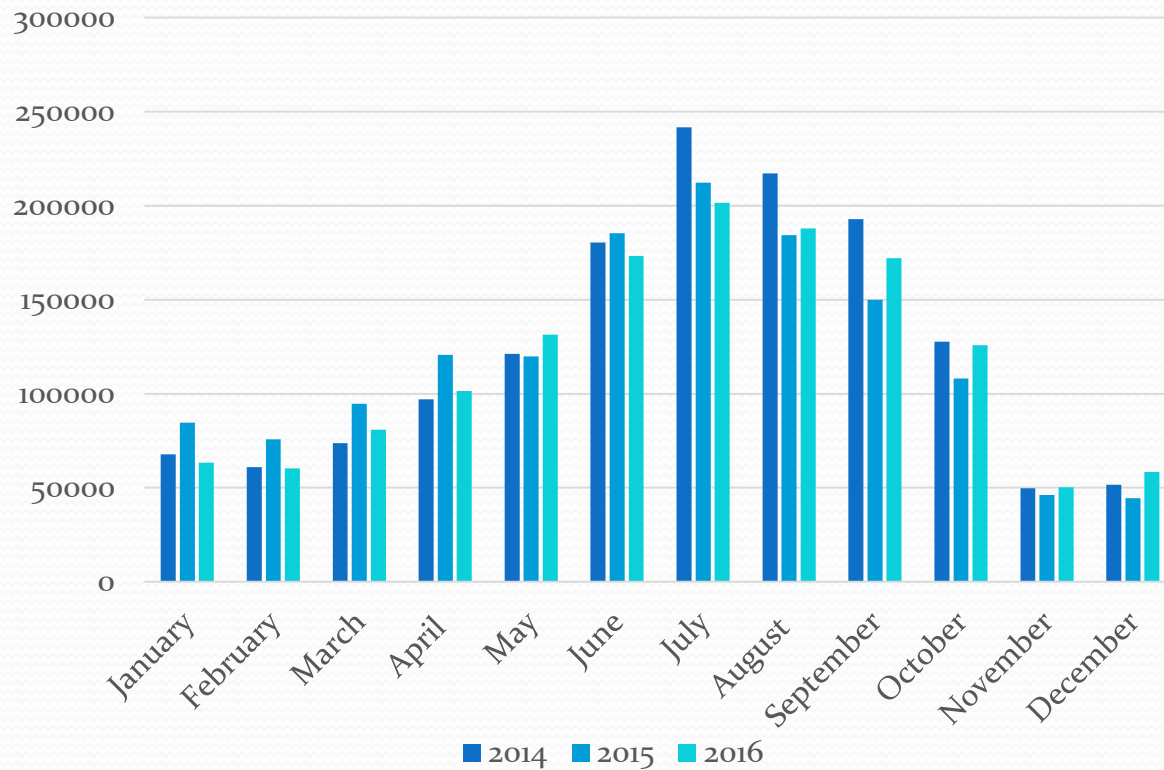


## Marketing and Sales

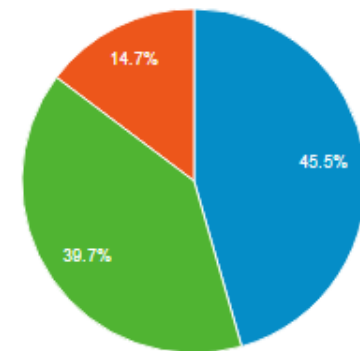
Web Site Activity / Digital Marketing		
	2016	2015
DoorCounty.com site visits	1,406,710	1,426,060
Enewsletter	4,696,047	4,203,745
Facebook/Twitter Impressions	111,221,533	51,719,715
Mobile Web Usage	766,096	654,019



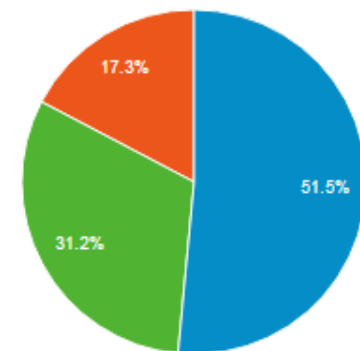
## DoorCounty.com Site Visits



Jan 1, 2016 - Dec 31, 2016



Jan 1, 2015 - Dec 31, 2015



■ desktop ■ mobile ■ tablet





## Group Sales

	2016	2015
Group Tour Contacts	1,893	1,875
Group Tour Inquiries	178	176
Meeting Planner Contacts	1,803	1,785
Meeting Planner Inquiries	554	548

- Attended 4 Tradeshows
- Worked with 56 general tour groups, 20 Associations, 15 Family Reunions, 1 Military Reunion, 3 Church Groups, 6 Business/Corporate Retreats, 3 Senior Center Groups, 1 RV Club, 4 Car Clubs, 75 Brides, 6 Bank Groups
- Conducted 5 Meet and Greets through our Meet & Greet Program



## 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 through print, television, digital, mobile and outdoor in our key target markets. We were able to reach a new audience through video on Hulu, YouTube and apps on connected devices.
- Key partnerships were formed. To ensure the best possible plan for 2016, we formed key partnerships with some of the best in the industry. A targeted public relations campaign brought Door County cherry blossoms and fall colors into the households in our largest television markets of Madison, Milwaukee and Chicago. Social media was for partner employers to schedule timesaving appointments to get their J-1 students registered for Social Security numbers here in Door County.
- A creative campaign that was all about showing a level of relaxation that was more than just restful; it's rejuvenating. We defined that idea with the new tagline live life well.





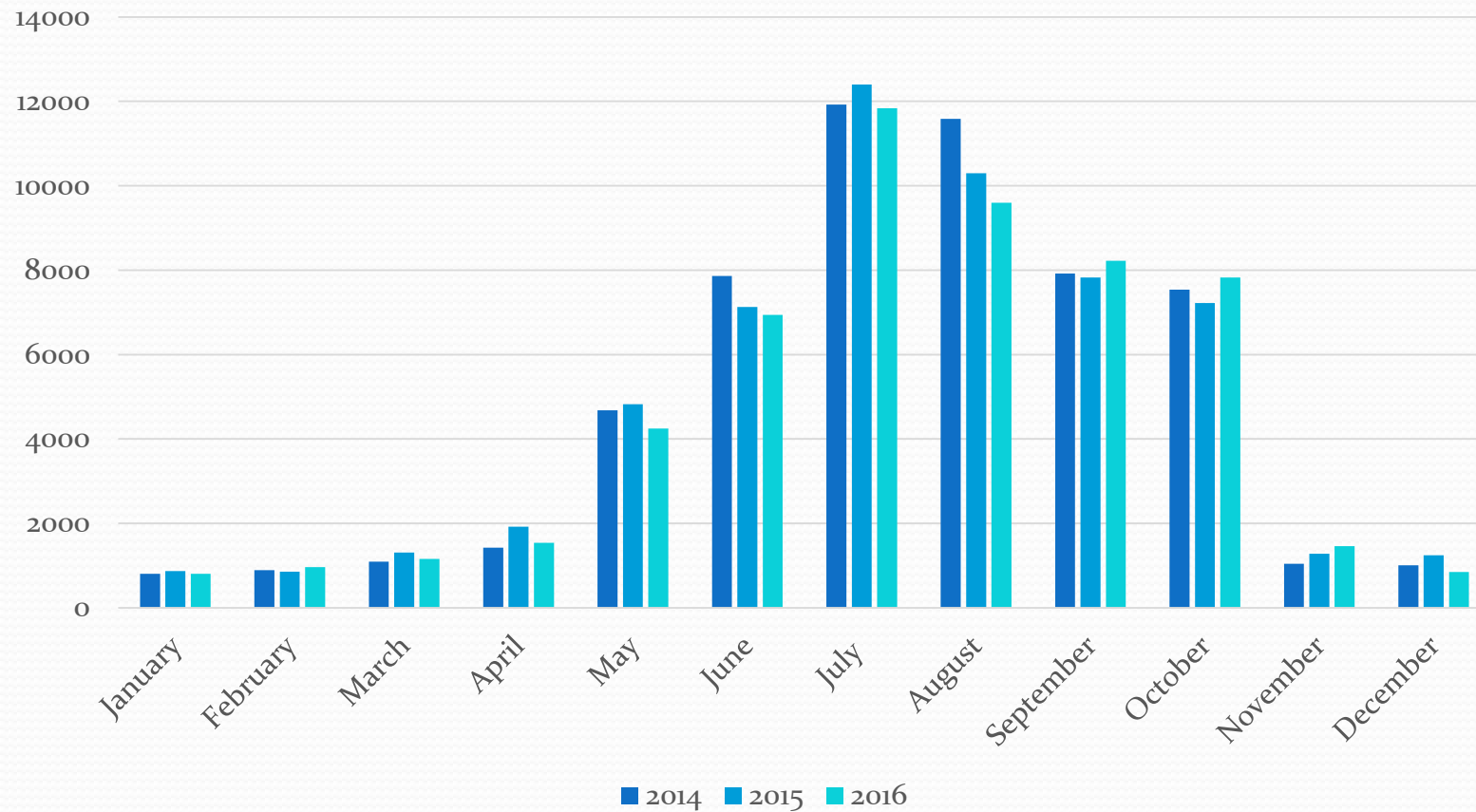
## Communications & Public Relations

Media Marketing Program		
	2016	2015
Ad Value Equivalency (AVE)	\$2,238,422	\$2,734,267
Impressions	401,893,430	197,786,241
Visiting Journalists	72	74

- Hosted 7 seasonally themed press tours in 2015 between February and October.
- 214 articles placed in print, radio, or online media from media marketing efforts.
- Through the end of 2016, the return on investment for the media marketing program was 916%. For every dollar spent, the DCVB received \$9.16 in AVE.



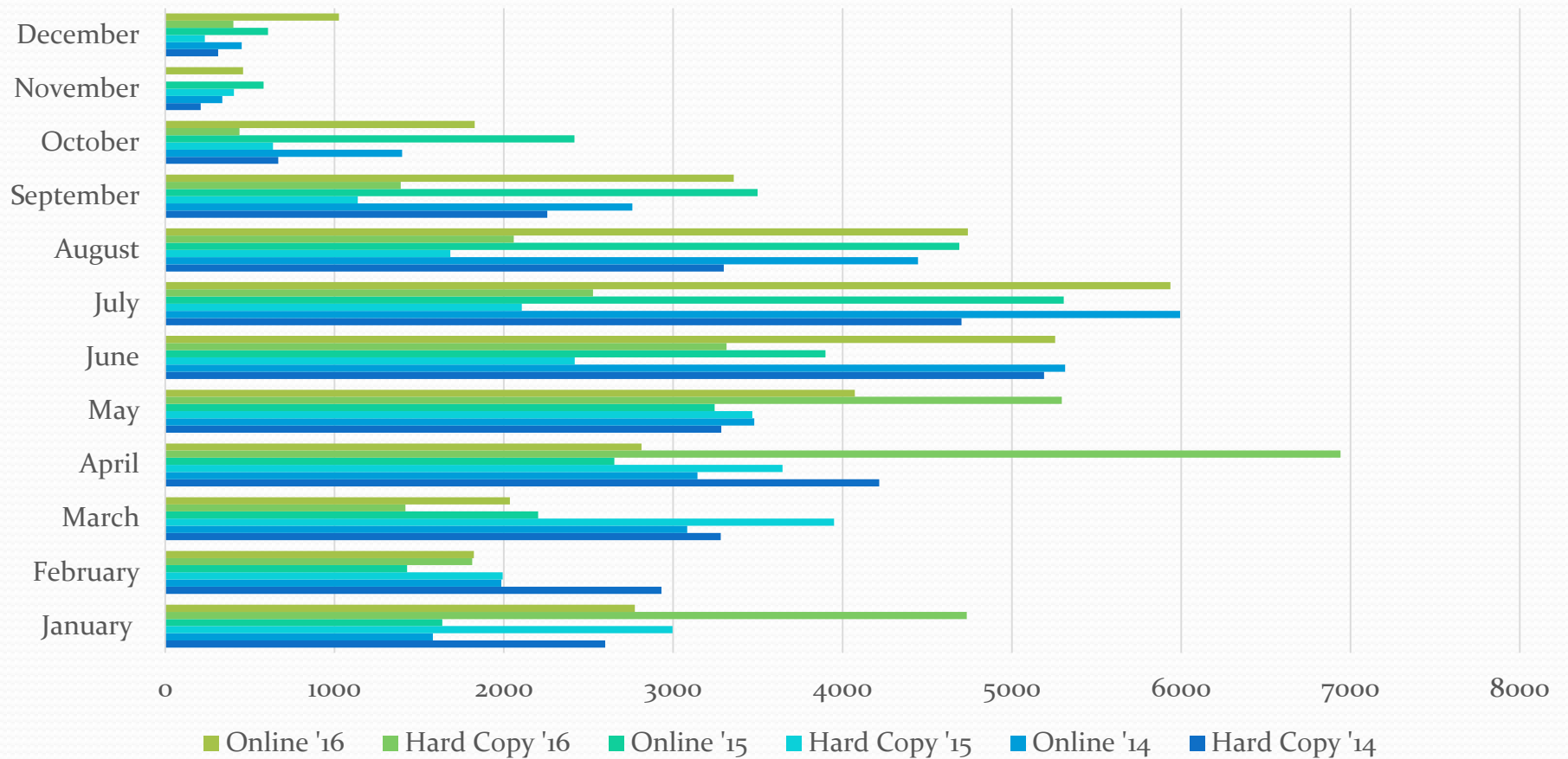
## Welcome Center Visitor Traffic







## 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 our current 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.