



DOOR COUNTY TOURISM ZONE COMMISSION

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TOURISM ZONE COMMISSION: Reflection on Success with the Completion of Data Project

Sister Bay, WI – On April 12, 2007 the elected officials of 10 Door County municipalities met to sign the Inter-Governmental Cooperation Agreement that formed the Door County Tourism Zone. By August of that year Washington Island had joined the Zone and by the end of 2008 all 19 Door County municipalities were on board. The Tourism Zone was created to collect room tax which, in turn, is the primary funding source for the marketing efforts of the Door County Visitor Bureau.

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.

Currently, there are approximately 1033 permit holders countywide, from single owners renting cabins or condos to bed & breakfasts to large resort complexes. The

5.5% room tax is mandated by local ordinances to be distributed as follows: 30% to the municipalities, 66% to the Door County Visitor Bureau for tourism marketing and promotion, and 4% for Commission administrative costs.

Door County is recognized on a regular basis by organizations and media outlets as a wonderful place to live and visit. We make the best-of-lists for vacation and getaway destinations and attractions that include: Fall colors, fishing, and our small town vibe. As with any consumer product or service, destinations must be marketed in order to obtain awareness and consideration within the mindset of potential visitors. In order to compete we have to offer more: The vacation traveler needs to know what they can do once they arrive. Destination Marketing is essential to attracting visitors and protecting Door County's Tourism Economy.

We can tell you room tax is doing its job, but the numbers do a better job of reflecting the economics of tourism that are impacted by room tax funding. Recently efforts were undertaken to compile the wealth of data for each room tax report year into a valuable historical look at room tax in Door County.

The historical look was completed by looking at each property type in Door County with the following metrics for the report years 200-2016: available room nights, filled room nights, occupancy percentage (dividing the total number of room nights filled by the total number of room nights available times 100), average daily rate (ADR) and revenue.

- **Hotel and Motels** available room nights decreased 1.78%, but gained 20.59% in filled room nights. Occupancy grew 22.78% and ADR increased 22.38%. Revenues increased 47.59% for Hotels and Motels.
- **Resorts** gained 4.91% in available room nights and gained 34.18% in filled room nights. Occupancy grew 27.90% and ADR increased 8.02%. Revenues grew 44.95% for Resorts.

- **Inn's** available room nights decreased 7.07% and decreased by 17.46% in filled room nights during the period of 2009-2016. Occupancy decreased by 11.18% and ADR grew 33.02%. Revenues increased 9.80% for Inn's.
- **Condo's** gained .18% in available room nights and increased 17.00% in filled room nights. Occupancy increased 16.79% and ADR grew 6.76%. Revenues increased 24.91% for Condo's.
- **B&B's** decreased 22.25% in available room nights, but gained 10.14% in filled room nights. Occupancy grew 41.64% and ADR grew 22.65%. Revenues increased 35.07% for B&B's.
- **Cottage, Houses and Cabins** gained 23.15% in available room nights and gained 41.22% in filled room nights. Occupancy increased 14.80% and ADR increased 33.46%. Revenues increased 88.47% for Cottages, Houses and Cabins.
- **The other category** (other types of lodging not covered by the defined categories) decreased 1.37% in available room nights, increased 20.65% in filled room nights, increased 22.31% in occupancy, increased 26.26% in ADR. Revenue increased 52.32%.

In summary, for all property types in Door County from 2009-2016:

- Available room nights increased 3.33%
- Occupied room nights increased 25.19%
- ADR increased 18.22%
- Occupancy increased 21.14%
- Revenues increased 47.99%

The project demonstrates the growth from 2009-2016 across the lodging industry in Door County; most notably the increase in occupied rooms across all but one property type. Prior to room tax in Door County other state and regional

communities continued to grow their marketing budgets to produce a greater share of customer attention and resulting market share; the DCVB marketing program lacked funding. Room tax revenue provides the mechanism that ensures the ongoing funding for the marketing of Door County. Destination Marketing that is funded by ROOM TAX is essential to growing and sustaining tourism. In the competitive marketplace where travelers have many options, Destination Marketing Funds (room tax revenue) allows Door County to be marketed and represented. Prior to 2007, Door County's marketing entity, the DCVB, marketed Door County with a marketing budget of less than \$200,000 in comparison to 2016's budget of \$2.8 million from room tax revenues. The analysis shows that with the partnership of permit holders, municipalities and the DCVB, Door County has succeeded in bringing brand awareness to consumers through publicity and advertising funded through room tax.

The Tourism Zone would like to thank all permit holders for their efforts in collecting and remitting room tax. 2016 room tax collections were up over 8.0% over 2015. The data project is now available on the website for review under the Tourism Zone tab by selecting Historical Data Project. Ordinance language, the Commission Bylaws, and room tax reporting can be found on the Tourism Zone's website, doorcountytourismzone.com.