

Memo



To: Bob Bartelt
From: Burt R. McIntyre - President
CC: Paul Evert, Chris Haltom
Date: August 26, 2011
Re: Room Tax Meeting

This morning I attended a meeting with the following community leaders.

Green Bay Mayor - Jim Schmitt
Ashwaubenon President - Mike Aubinger
Brown County Exec. - Troy Streckenbach
DePere Mayor - Mike Walsh
Allouez Representative
Suamico Representative
Green Bay Chamber - Fred Monique (*meeting facilitator*)

The point of the meeting was to discuss the recommendation of the Room Tax Commission to increase the county room tax from 8 to 10% with the stipulation that the 2% (*est. to be annually \$850,000*) go to the Greater Green Bay Convention & Visitors Bureau (GBCVB).

The GBCVB – Brad Toll gave a presentation to the HALO (monthly municipal breakfast) meeting August 23rd on how it needed additional finances to do a better job of marketing the greater green bay area. They felt the 2% would make Green Bay more competitive with other convention & visitors organizations around the state. NOTE: I will forward the power point presentation of the HALO meeting in a separate email.

What has clouded this matter somewhat is the request of Green Bay Mayor, Jim Schmitt to have 1% of the proposed increase go to support Green Bay's KI Convention Center expansion. The mayor discussed some of the details of the improvements as well as showing an artist drawing of what it will look like. Mayor Schmitt's big concern was the plans and timing of Outagamie County's plan for a convention center.

President Mike Aubinger advised the meeting that Ashwaubenon, last meeting, supported the recommendation of 2% and added as well the stipulation that the monies go to the GBCV.

(over)

The discussion went on to include not only the KI Center but the management group EMI who manages the county Resch Center as regards maintenance, operation and etc. The meeting became very convoluted and everyone agreed that there was more here than this gathering could deal with as regarding supporting the facilities that contribute to the economics of the regional communities. There was a recommendation that the MECCA group, as it was called, that was formed some time ago to deal with a similar situation be reactivated. We all agreed that the KI improvements are important but not quite sure how to contribute to the financial need as well as the other related (visitor dollars) considerations.

I will put before the board, September 12th, the matter of the 2% increase and recommend approval. In support of the agenda item I will have our Room Tax Commission representative Bruce Wolf make a presentation to the board. I have already contacted Bruce.

Obviously, prior to the meeting I would like to meet with all of you to discuss this matter as I'm sure it will fall to administration to represent Howard on the MECCA group as well as implementing other related matters.

Regards,

A handwritten signature in black ink that reads "Burt". The letters are cursive and connected, with a large, sweeping initial "B".



Resolved:

WHEREAS tourism is the third largest industry in the state of Wisconsin and generates more than \$12 billion in annual spending;

WHEREAS tourism is vital to the economic health of the Greater Green Bay area with visitors spending an estimated \$498 million in Brown County in 2010;

WHEREAS the Greater Green Bay Area Lodging Association is an important component in the success of the tourism industry in Brown County as each overnight visitor spends an estimated \$135 per person, per day;

WHEREAS the room tax collected in the Greater Green Bay area is currently used to meet the bonding obligations for the KI Convention Center and Resch Center as well as administrative costs for the cities and municipalities collecting the tax;

WHEREAS the most common use of room tax collections in a community is to market tourism to out-of-town visitors to bring new (non-resident) tax dollars into the economy;

WHEREAS no room tax collection dollars are currently being used to market our community and tourism marketing is under-funded compared to communities we compete with for tourism dollars throughout Wisconsin and the Midwest;

WHEREAS the mission of the Greater Green Bay Convention & Visitors Bureau is to serve as the regional destination marketing organization committed to improving the visitor experience and increasing the economic impact of tourism to its communities;

WHEREAS the Greater Green Bay Lodging Association expects that an increase in room taxes would result in increased hotel revenue;

THEREFORE the Board of the Greater Green Bay Area Lodging Association does hereby support increasing our community's room tax rate from 8% to 10% as long as 100% of this increase is directed to the Greater Green Bay Convention and Visitors Bureau to use for marketing and promoting tourism.

Signed:

Aaron Wolf
President



Tourism PAYS For Greater Green Bay & the Lakeshore!

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Nationally Accredited



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DMO Mission



Market to out-of-town visitors

Advocate for visitor needs

Link visitors to our partners

Generate business and tax revenue

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The Customers Targeted



Leisure Visitors

**Convention/Meetings
Delegates**

Sports Athletes and Fans

Group Tours

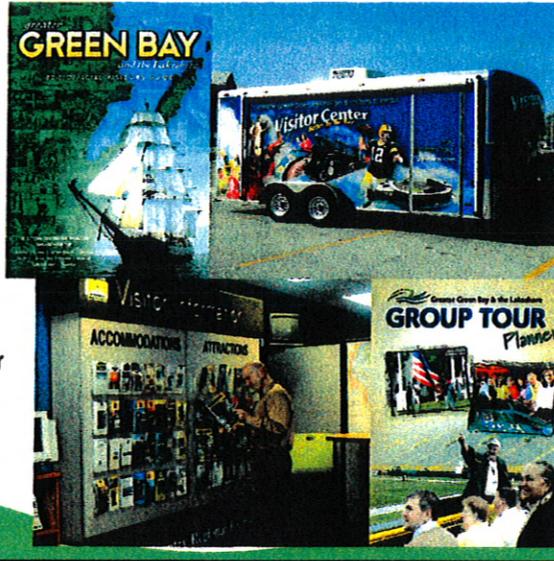


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How We Market Tourism



- Advertising
- Direct Mail
- Media Relations
- Tradeshows
- Familiarization Tours
- Mobile Welcome Center
- Website
- Electronic Marketing
- Visitor Guide, Maps
- Visitor Information Center

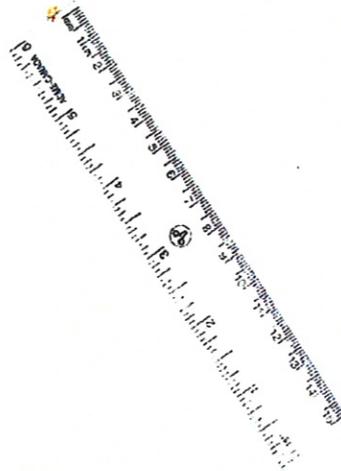


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Measurements We Use



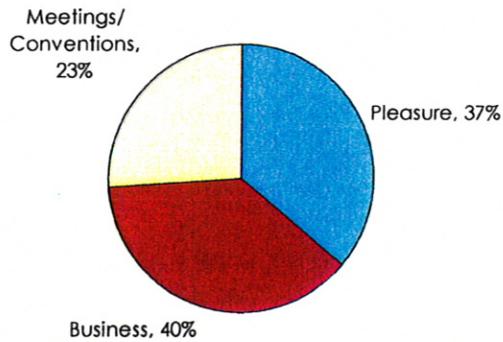
- Increases economic impact through visitor expenditures
- Strengthens destination image
- Enhances the visitor experience
- Provides life enriching experience for residents/community
- Provides sufficient returns given available resources



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2010 Impact Study

Trip Purpose



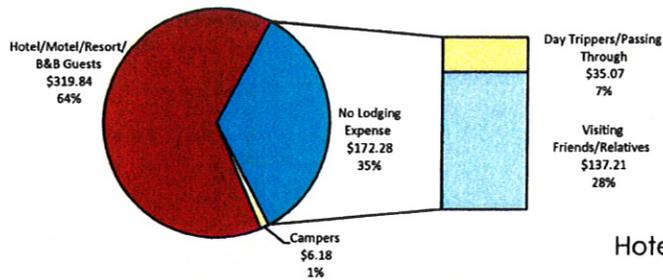
Wisconsin

| | |
|---------------|-----|
| Meetings/Con. | 19% |
| Business | 35% |
| Pleasure | 46% |

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2010 Impact Study

Accommodations



Day Trippers/Passing Through
\$35.07
7%

Visiting Friends/Relatives
\$137.21
28%

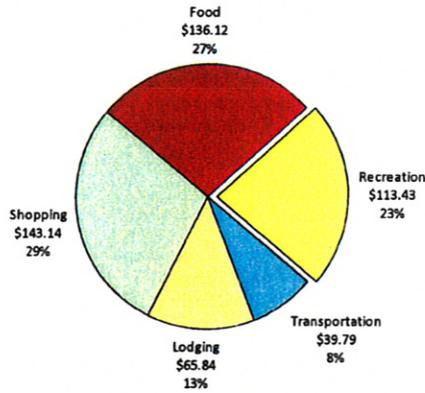
Wisconsin

| | |
|----------------|-----|
| Hotel/Motel | 52% |
| Friends/Family | 30% |
| Day Trippers | 7% |
| Campers | 5% |

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2010 Impact Study

Activities

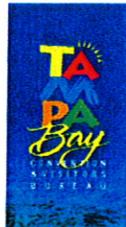


Wisconsin

| | |
|----------------|-----|
| Shopping | 30% |
| Food | 27% |
| Recreation | 22% |
| Lodging | 13% |
| Transportation | 8% |

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Every Destination Markets to Visitors



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2010 Impact Study

Total Expenditures



| | | |
|--------------------|-------------------------|---------------|
| • Wisconsin | \$12,303,015,785 | +1.75% |
| • Milwaukee | \$1,644,668,195 | +7.25% |
| • Dane | \$1,186,978,064 | +0.62% |
| • Sauk | \$1,038,437,195 | +2.45% |
| • Waukesha | \$616,938,631 | +6.28% |
| • Brown | \$498,309,816 | +1.89% |
| • Walworth | \$414,223,646 | +11.80% |
| • Door | \$382,233,373 | +1.28% |

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2010 Impact Study

Full-Time Job Equivalent



Brown County

| | | |
|--------|-------|---------|
| • 2010 | 8,015 | + 2.15% |
| • 2009 | 7,846 | -12.11% |

Wisconsin

| | | |
|--------|---------|--------|
| • 2010 | 189,979 | +1.98% |
| • 2009 | 186,283 | -7.67% |

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2010 Impact Study

Wages, Salaries & Proprietary Income



Brown County

| | | |
|--------|---------------|---------|
| • 2010 | \$138,232,000 | +2.07% |
| • 2009 | \$135,427,000 | -12.30% |

Wisconsin

| | | |
|--------|-----------------|---------|
| • 2010 | \$3,449,782,000 | + 1.98% |
| • 2009 | \$3,382,842,000 | - 7.76% |

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2010 Impact Study

State Government Income



Brown County

| | | |
|--------|--------------|---------|
| • 2010 | \$30,278,000 | +1.52% |
| • 2009 | \$29,825,000 | -12.15% |

Wisconsin

| | | |
|--------|---------------|---------|
| • 2010 | \$800,123,000 | +1.20% |
| • 2009 | \$790,640,000 | - 7.74% |

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2010 Impact Study

Local Government Income



Brown County

- 2010 \$10,858,000 + 2.06%
- 2009 \$10,639,000 -12.31%

Wisconsin

- 2010 \$260,034,000 + 1.54%
- 2009 \$256,079,000 - 8.26%

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CVB Funding

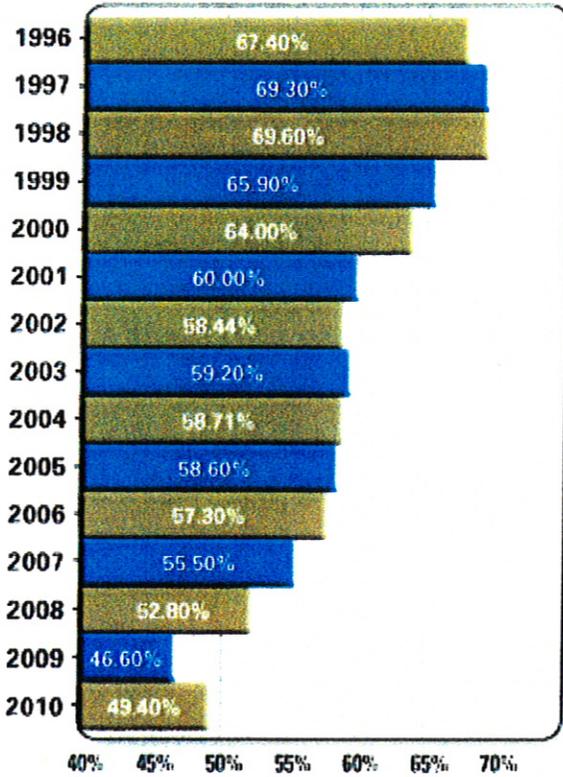
A Brief History



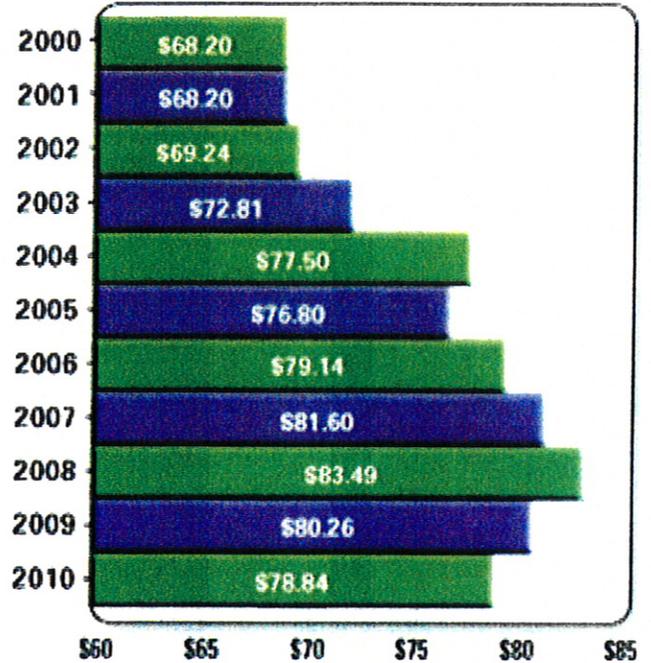
- 1963 - Tourism Bureau Founded**
- 1964 - VCB Organized as a division of the Chamber**
- 1969 - VCB Split from the Chamber**
- 1971 - Room Tax Initiated at 3%**
- 1986 - Shoko Hall Opens – Room Tax increased to 5%**
- 1994 - Room Tax Increased to 6%**
- 1999 - Room Tax Increased to 8% (current rate)**
- 2006 - CVB Funding Agreement Revised**

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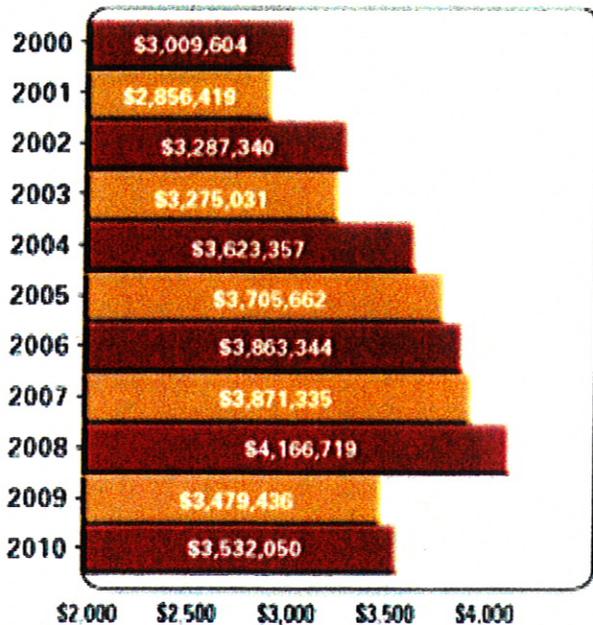
OCCUPANCY HISTORY



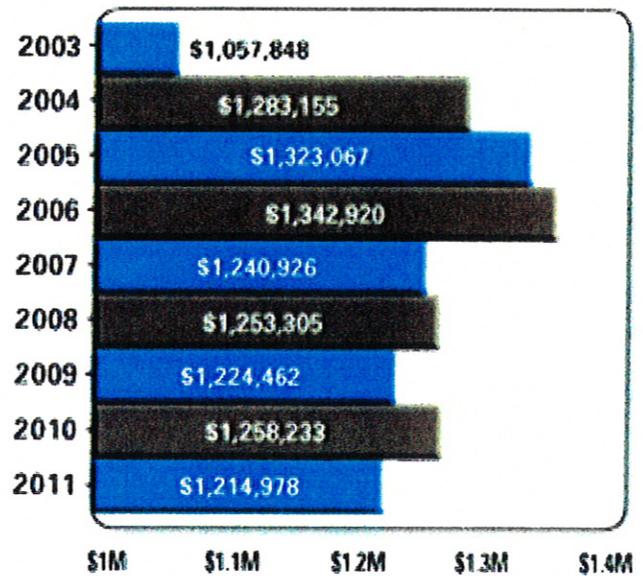
HOTEL AVERAGE DAILY RATE HISTORY



ROOM TAX COLLECTIONS HISTORY



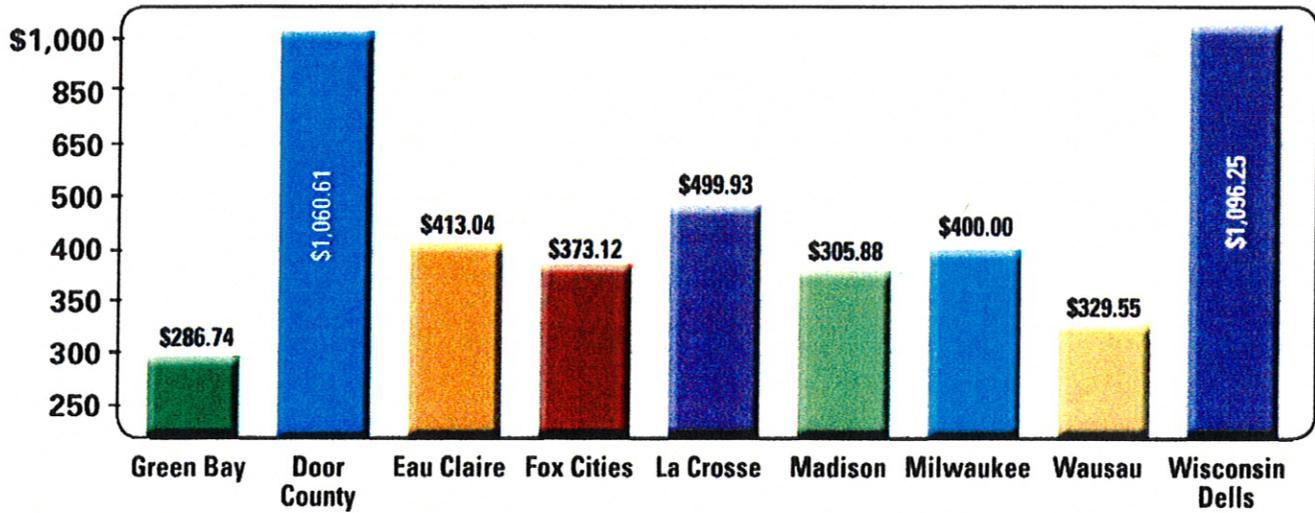
CVB/VCB TOTAL BUDGET HISTORY



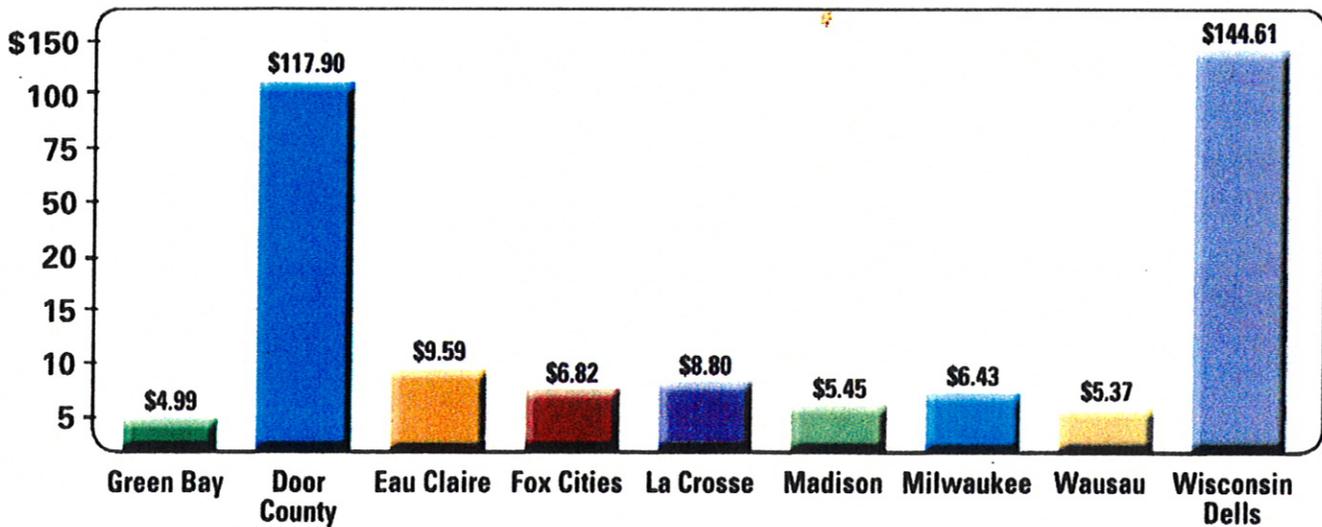
CVB Budget/Funding 2010 Comparison

| | HOTEL ROOMS (EST) | BUDGET (EST) | FUNDING/REVENUE BREAKDOWN (EST) | % OF ROOM TAX RECEIVED |
|---|-------------------|--|--|--|
| Green Bay/Brown County ROOM TAX RATE: 8% | 4,273 | \$1,418,233 -\$160,000 \$1,258,233 | PMI/County Contract (71%) Oneida Nation Contract (11%) Advertising (11%) Membership (4%) Lakeshore Contracts (2%) Fees (1%) | 0% Funding amt from PMI ranges from 20-25% of room tax equiv. |
| Door County ROOM TAX RATE: 5.5% | 3,300 | \$3,500,000 | Room Tax (66%) Membership (17%) Advertising/Fees (17%) | 66% |
| Eau Claire ROOM TAX RATE: 7% | 2,300 | \$950,000 | Room Tax (50.4%) Community Contracts (20%) Membership (20%) Grants/Misc. (10%) | 56% |
| Fox Cities ROOM TAX RATE: 5% or 6% | 3,210 | \$1,197,711 | Room Tax (90%) | 47.5% - 57% Varies by Community |
| La Crosse ROOM TAX RATE: 8% | 2,000 | \$699,850 | Room Tax (80%) Membership (7.5%) Advertising/Other (12.5%) | 44% |
| Madison ROOM TAX RATE: 9% | 8,500 | \$2,600,000 | Room Tax (60%) County General Fund (12%) Membership (23%) Community Contracts (3%) | Various Sources |
| Milwaukee ROOM TAX RATE: 9.5% | 15,000 | \$6,000,000 | Room Tax (75%) Sponsorships (5%) Membership (9%) Other (11%) | 50% |
| Oshkosh ROOM TAX RATE: 10% | 950 | \$688,500 | Room Tax (89%) | 44% |
| Racine (County) ROOM TAX RATE: 8% | 1,200 | \$806,050 | Room Tax (95.4%) | 75% |
| Wausau-Central Wisconsin ROOM TAX RATE: 8% | 2,220 | \$725,000 | Room Tax (75%) Advertising/Fees, Etc. (25%) | 40% |
| Wisconsin Dells ROOM TAX RATE: 5% RESORT TAX: 1% | 8,000 | \$8,770,000 | Room Tax (82%) Membership (11.3%) Co-op Revenue (5.9%) | 90% |

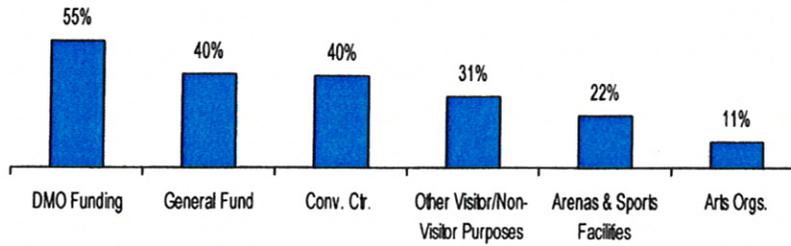
TOURISM MARKETING FUNDING per Available Room



TOURISM MARKETING FUNDING per Capita in County



How is Room Tax Used? (This is what our competition is doing)



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How Do We Compare?



2010

Room Tax Revenue Collected

\$3,532,050.00

If Greater Green Bay was Average (55%):

\$1,942,627.00

Currently:

\$850,000.00

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Proposed Solution



Increase Room Tax By 2%
Dedicate the Dollars to CVB
Renegotiate PMI Contract to Equivalent of 1% Room Tax

| | |
|--------------------------|-----------------------|
| Room Tax Funding: | \$883,012.50 |
| PMI Funding | \$441,506.25 |
| Total | \$1,324,518.75 |
| Increase of: | \$474,518.75 |

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Questions?

Brad Toll – brad@greenbay.com or 405-1138

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