



FACT SHEET

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VACATION PURCHASING TIPS FOR CONSUMERS

A vacation ownership purchase is a significant commitment, not only financially, but also in terms of future vacations. You should be sure that the resort or club in which you purchase an interest will provide many pleasant vacations for years to come and can evolve with your lifestyle. Here are some important tips to consider when making a purchase:

Buy to use. Buy because you plan to use the vacation ownership product in the future. Consider your vacation ownership purchase as an investment in future vacations, not in terms of an investment for financial profit.

Choose a vacation that fits your lifestyle. Think carefully about what you value most in a vacation and travel experience, then explore the wide variety of vacation ownership products and options available and choose those which best suit your needs. In addition to visiting a resort and talking to industry professionals, a friend or relative who owns a timeshare may be a great resource as you gather information about the timeshare experience.

Visit a timeshare resort on your next vacation. Take a tour of a local resort. While there, talk to existing owners about their ownership experiences at the resort. Many resorts offer mini-vacations that provide opportunities to experience the resort first-hand.

Read all documents carefully and understand what type of product you are being offered. Is it a fee simple or right-to-use plan, fixed or floating time, or a vacation club, etc.?

Ask if the resort is an ARDA member. Members of ARDA agree to follow the ARDA Code of Standards & Ethics and are expected to adhere to the highest standards of quality and service.

Look for signs of good management, such as well-maintained facilities and resort amenities, good housekeeping, and friendly service.

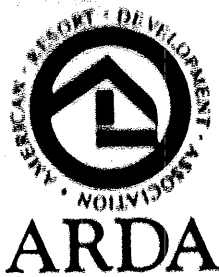
If you are purchasing primarily to take advantage of the exchange benefit, buy the largest unit in the most popular season, or the largest points package you can afford, as this will provide greater exchange potential.

How is the resort managed? Does the developer manage the resort or has a management company been hired? Does the homeowners association make management decisions? How often do they meet? Is the association budget adequate to maintain the resort and its amenities? Ask to see recent resort and HOA newsletters to learn more.

Verify the resort's affiliation with an exchange company and learn about the resort's exchange policies and member benefits.

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Source: *A Consumer Guide to Vacation Ownership*
© 1996 by the American Resort Development Association



BACKGROUND

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THE AMERICAN RESORT DEVELOPMENT ASSOCIATION

The American Resort Development Association (ARDA) is a not-for-profit trade association representing the segment of the leisure industry that deals with ownership of resort and vacation products. Based in Washington, D.C., ARDA is the only international trade association representing all facets of the resort industry. ARDA serves approximately 1,000 member companies from around the world and represents more than 4,000 resorts, including timeshare and second-home resorts, community development properties, vacation ownership resorts and fractional interests.

ARDA Mission Statement. It is the mission of ARDA to foster and promote the growth of the industry and to serve its members through:

- Ethics Enforcement
- Education
- Legislative Advocacy
- Membership Development
- Public Relations

ARDA Code of Standards & Ethics. ARDA and its members are committed to the highest standards and ethics in resort, vacation, recreational, residential, and community development for the benefit of the public. As an example of that commitment, ARDA adopted a Code of Standards & Ethics and strictly enforces it amongst its membership. The strongest of any found in the housing or hospitality industries, ARDA's Code outlines detailed professional guidelines for all facets of industry practices, from real estate development to marketing to hospitality management. It consists of general requirements, solicitation requirements and sales requirements.

ARDA Resort Owners Coalition (ARDA-ROC). Established in 1989, the Resort Owners Coalition directly represents the needs and concerns of vacation owners. ARDA-ROC is funded through the voluntary contributions of individual owners and, while affiliated with ARDA, is a separate legal entity. Through legislative and regulatory advocacy and research, ARDA-ROC serves the unique role of placing the concerns of owners at the top of the vacation ownership industry agenda.

The ARDA Education Institute (AEI). The ARDA Education Institute (AEI) creates learning and professional advancement opportunities for professionals currently working in the vacation ownership industry, and professionals who seek to enter it. AEI offers educational sessions, management seminars, publications, and tests that assess an individual's knowledge of industry standards and practices.

Once industry professionals have passed the AEI Qualification Test, ARDA offers them the opportunity to earn the certification of Associate Resort Professional (ARP) and Registered Resort Professional (RRP). The ARP and RRP certifications are awarded to individual members of ARDA who have earned the requisite AEI Credits and who have demonstrated long-term professionalism and a commitment to excellence and ethics in the vacation ownership industry. Through AEI's Seal of Achievement program for company designation and the individual resort professional designations, ARDA awards the dedication of its membership to the highest standards of resort development and hospitality management.

Legislative Advocacy. Established in 1969 as the American Land Development Association, ARDA began as a lobbying organization and has continued throughout its history to emphasize government relations. ARDA continues to voice industry concerns at the Federal and state levels through an integrated program of proactive and reactive legislative initiatives. ARDA's national network of representatives speak for developers and vacation owners across the country on such diverse issues as tax policy, labor and employment law, and land use policy. Central elements of ARDA's legislative advocacy are its efforts to protect the ownership rights of industry consumers and enhance the growth of the vacation ownership industry.

Communications. Communicating the many aspects of the vacation ownership industry is a core function of ARDA. Through annual studies of industry performance and consumer satisfaction with the vacation ownership experience, ARDA provides up-to-date information to consumers, the media, financiers, legislators, regulators and others.

Meetings and Membership. ARDA plays an integral role in fostering interaction between resort developers and industry professionals. Through its three annual meetings and symposia, ARDA brings together leaders and young professionals in the vacation ownership industry to share information and experiences. Through these meetings, both veterans of and newcomers to the industry learn of the many elements that contribute to success in the vacation ownership industry.

At the core of each ARDA meeting is its volunteer leadership. In addition to the extensive public workshops, roundtables and informal discussions, ARDA's leaders participate on more than twenty specialized committees which address common issues among the membership. From education and legislation to sales and marketing to ethics, ARDA's leaders work together to build the industry and to provide consumers enjoyable experiences, quality products, and good value.

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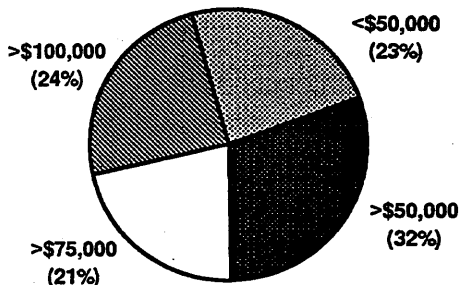


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VACATION OWNERSHIP: A DEMOGRAPHIC PROFILE OF US OWNERS

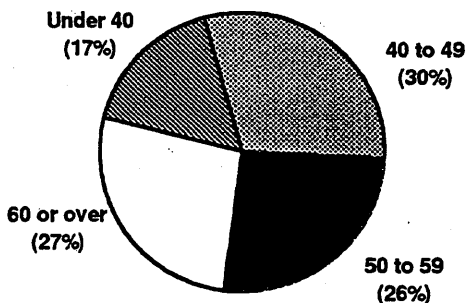
Household Income of U.S. Owners



A total of 1,767,000 households own timeshares in the United States, and the number of timeshare intervals owned by consumers is growing at a compounded rate of 9% per year, according to a 1997 study of the US timeshare industry.

Compared to all households in the United States, vacation owners have higher incomes, are older, and have higher levels of formal education than those of the average American consumer. As an aggregate profile, the typical vacation owner is an upper-middle-income, middle-aged, well-educated couple. Increasingly important segments of the market include high-income households, singles, older consumers, and those with higher educational attainment.

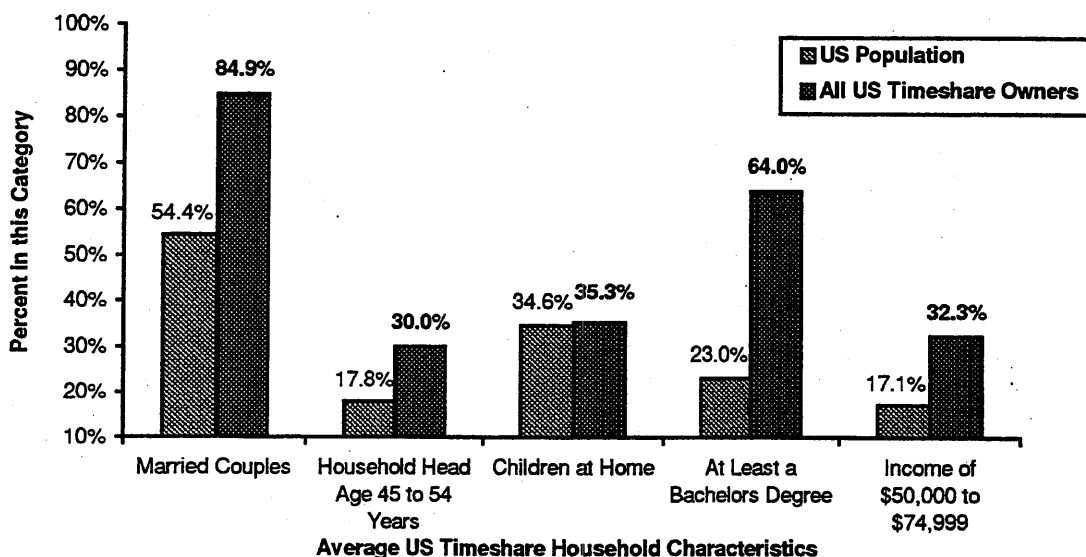
Age of Household Head



The consumer profile of US timeshare owners continues to move up the socio-economic ladder. Of US vacation owners, 77% have incomes over \$50,000, compared to the 69.5% reported in 1993; 69.2% are 45 years of age or older, compared to 67.5% in 1993; and 64% have at least a bachelor's degree, compared to 55.7% in 1993.

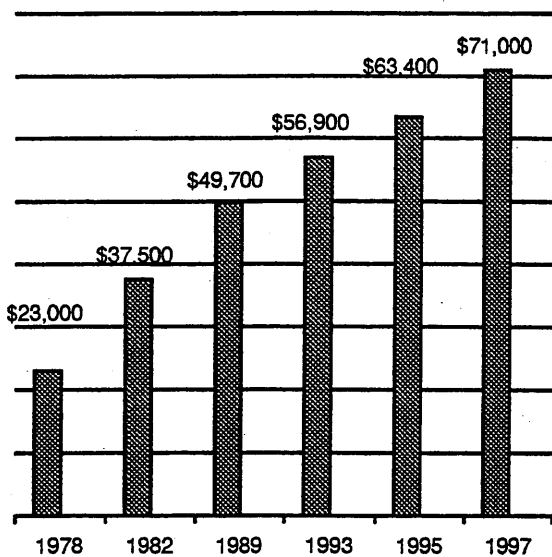
Some 86.5% of all vacation owners are couples, and 11.2% are single individuals. The percentage of singles has increased from only 7.4% in 1978. Only 35.3% of owners have children under 18 years of age living at home, down from 44.2% in 1993.

Household Characteristics by Groups



Median Income of US Owners on the Rise

Median Income of Owners



As of 1997, the median household income of vacation owners is \$71,000 annually, having risen dramatically from \$63,000 in 1993 and \$23,000 in 1978. By comparison, the median income of US households is \$33,000 per year. The range of incomes among timeshare owners is also quite wide: 10.6% of owners have household incomes under \$40,000, while 16.8% have incomes over \$100,000.

The increasingly broad spectrum of household incomes stems in part from the wide variety of types and prices of timeshare intervals available for purchase today. This trend is expected to continue as price segmentation and product differentiation are increasingly employed as competitive tools by developers targeting specific segments of the consumer population.

**Vacation Owners
By State**

State	Vacation-Owning Households	% of all US Owners
Alabama	14,136	0.8
Alaska	3,534	0.2
Arizona	54,777	3.1
Arkansas	7,068	0.4
California	270,351	15.3
Colorado	49,476	2.8
Connecticut	35,340	2.0
Delaware	1,767	0.1
Florida	95,418	5.4
Georgia	47,709	2.7
Hawaii	3,534	0.2
Idaho	12,369	0.7
Illinois	51,243	2.9
Indiana	31,806	1.8
Iowa	14,136	0.8
Kansas	10,602	0.6
Kentucky	17,670	1.0
Louisiana	12,369	0.7
Maine	33,573	1.9
Maryland	38,874	2.2
Massachusetts	65,379	3.7
Michigan	42,408	2.4
Minnesota	35,340	2.0
Mississippi	5,301	0.3
Missouri	26,505	1.5
Montana	7,068	0.4
Nebraska	8,835	0.5
Nevada	19,437	1.1
New Hampshire	12,369	0.7
New Jersey	65,379	3.7
New Mexico	12,369	0.7
New York	91,884	5.2
North Carolina	49,476	2.8
North Dakota	0	0.0
Ohio	54,777	3.1
Oklahoma	12,369	0.7
Oregon	15,903	0.9
Pennsylvania	93,651	5.3
Rhode Island	10,602	0.6
South Carolina	22,971	1.3
South Dakota	3,534	0.2
Tennessee	33,573	1.9
Texas	58,311	3.3
Utah	14,136	0.8
Vermont	5,301	0.3
Virginia	79,515	4.5
Washington	53,010	3.0
West Virginia	12,369	0.7
Wisconsin	38,874	2.2
Wyoming	1,767	0.1
District of Columbia	8,835	0.5
Total	1,767,000	100%

—more—

Vacation Ownership Attracts Consumers From Across the Country

Vacation owners reside in all 50 states and the District of Columbia. Twelve states have more than 50,000 timeshare owners in their population. The ten states with the highest population of owners, listed at right, represent 53% of owners nationwide.

With 270,351 owners, representing 15.3% of owners nationwide, California dramatically leads the nation in number of owners. By region, the largest percentage of owners resides in the Northeast, which accounts for 38% of all owners.

Owners of timeshares located in the Northeast and Central regions are most likely to live in their region of purchase. By contrast, only 13.9% of owners of Florida timeshares reside in the state. Owners from the Northeast and Central region account for 67.1% of timeshares in Florida.

Top 10 States Where Owners Live	
California	
Florida	
Pennsylvania	
New York	
Virginia	
New Jersey	
Massachusetts	
Texas	
Ohio	
Arizona	

Where US Timeshare Owners Own							
Region	U.S. (%)	Northeast (%)	Southeast (%)	Florida (%)	Central (%)	Mountain (%)	Pacific (%)
Northeast	23.4	86.5	18.5	31.0	4.4	6.2	7.12
Southeast	14.8	3.6	54.2	13.0	9.0	1.7	3.21
Florida	5.4	4.4	4.8	13.9	4.4	3.4	0.92
Central	27.1	3.5	18.2	36.0	75.7	25.5	12.0
Mountain	9.7	1.0	2.5	2.5	3.1	41.2	5.6
Pacific	19.6	1.0	1.8	3.6	3.4	23.0	71.2

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Source: *The United States Timeshare Industry 1997: Overview and Economic Analysis*
© 1997 by the American Resort Development Association

Timeshare Purchasers: Who They Are, Why They Buy, 1995 Edition
© 1995 by the American Resort Development Association



BACKGROUNDER

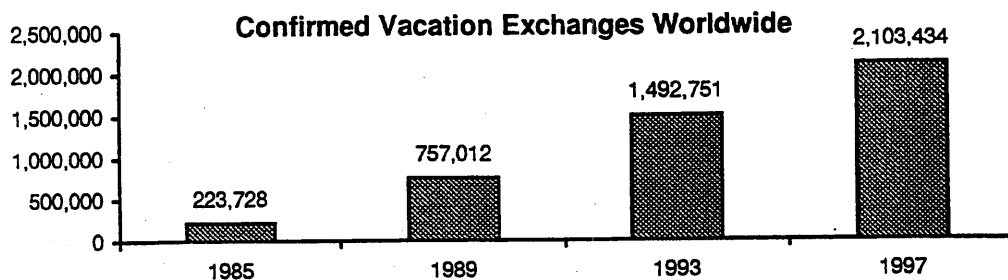
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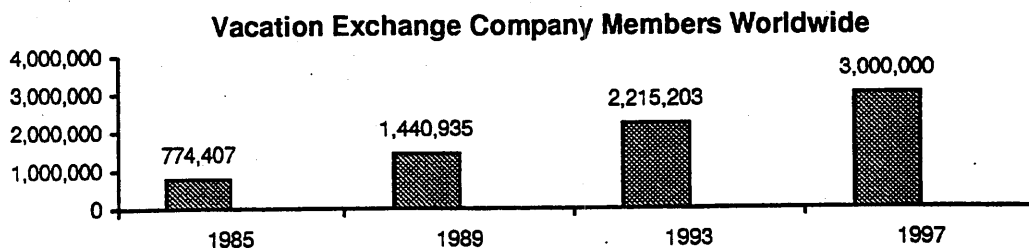
VACATION OWNERSHIP: THE EXCHANGE OPPORTUNITY

One of the major benefits of vacation ownership is that use is flexible: the time may be used personally, given away to friends or relatives, rented out, or exchanged for time in other resorts. In 1997, 42% of intervals owned in the US were exchanged, representing the largest type of use associated with timeshare intervals. By comparison, 39% of intervals were used by the owning household.

Vacation exchange allows the purchaser of a vacation interest at one resort to exchange it for another week owned by someone else at another time or place. Vacation ownership resorts are affiliated with an exchange company, which administers the exchange service for owners at the resort. Over 99% of US resorts are affiliated with an exchange company.

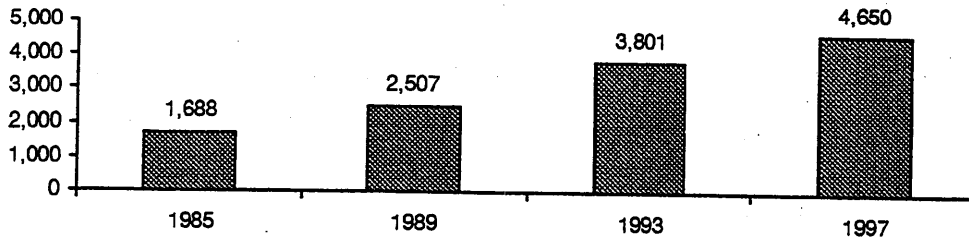


Dominating the vacation exchange business are two major companies: Interval International (II), based in Miami, Florida, and Resort Condominiums International (RCI), based in Indianapolis, Indiana. Worldwide, II and RCI together have 4,650 affiliated resorts and more than three million consumer members. Over 97% of all exchange requests made to RCI and II are confirmed. Over two million exchanges were confirmed in 1997 alone. To date, more than ten million exchanges have been confirmed worldwide.



Timeshare owners individually elect to become members of the exchange company affiliated with their resort. At many resorts, the developer pays for each new owner's first-year membership in the exchange company; thereafter, the exchange company directly solicits renewals of its consumer memberships.

Exchange Company Resort Affiliations Worldwide

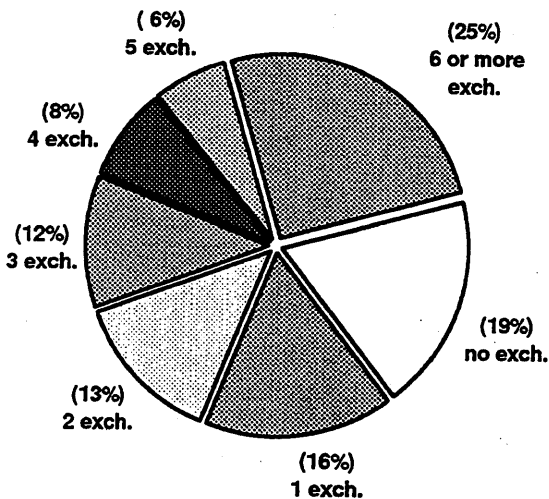


How the vacation exchange works. The vacation owner places his/her unit into the exchange company's pool of weeks available for exchange, and in turn takes another week from that pool. The exchange companies charge a small transaction fee, in addition to an annual membership fee, for performing a computer search to complete an exchange.

Two types of exchanges exist: *internal* and *external*. An *internal exchange* takes place when an owner exchanges a week at his/her home resort for another at the same resort, or at a different resort developed and/or managed by the same company. An *external exchange* occurs when an owner trades up his/her week at the home resort in return for a week at a different resort with which the owner has no connection. External exchanges make up the vast majority of the millions of exchanges which occur each year worldwide.

Both RCI and II have US and overseas offices and sophisticated computer systems with databases that store information and match members' desires with available exchange weeks. Each exchange company publishes an annual printed and CD-Rom directory of resorts complete with full-color illustrations from which members can make exchange selections.

Number of Exchange Vacations Taken by U.S. Owners



Steady Rise in Use of Vacation Exchange

The average vacation owner has made 5.2 exchange requests and has taken four exchange vacations. According to a recent survey, over three quarters (81%) of all current US timeshare owners have taken an exchange vacation, up from 50% in 1989 and 45% in 1982.

Of the more than 2,000 US vacation owners surveyed, 74% responded that they have belonged to an exchange company since their purchase and that they plan to maintain their membership.

Of US vacation owners, 25% have taken six or more exchange vacations. Approximately 32% of US owners have taken five or more exchange vacations.

Vacation Patterns

According to a 1997 survey of US owners, the type of timeshare use differs slightly by the region in which the resort is located:

- **Florida:** Owners with timeshares in Florida report the highest use by the household itself (44%).
- **Northeast:** The Northeast has the highest percentage of owners renting out their units (10%).
- **Southeast:** Only 2% of owners with timeshares in the Southeast report renting out their units. Owners from this region also have one of the lowest percentages of owners who have exchanged their intervals (37%).
- **Central:** In contrast to Florida, the Central region reports the lowest percentage of timeshare use by the owning household. Only 32% of households who own intervals in this region actually used that timeshare, but instead chose other options, such as exchanging.
- **Mountain:** Owners of timeshares in the Mountain region have the highest percentage of exchanging for time in other timeshare resorts (47%).
- **Pacific:** The Pacific area has the second highest use by the household itself, at 43%.

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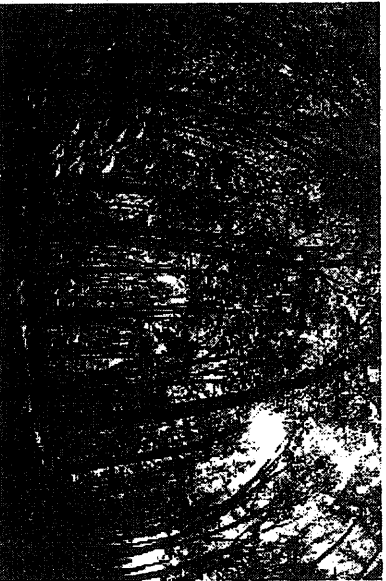
Source: *The United States Timeshare Industry 1997: Overview and Economic Analysis*
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Timeshare Purchasers: Who They Are, Why They Buy, 1995 Edition,
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The Worldwide Vacation Ownership Industry

*The fastest growing segment of the travel
and tourism industry*

- 900% worldwide growth since 1980
- Estimated continuing annual growth rate: 12% to 15%
- Global sales volume in 1997: \$6 billion
- There are over 1,200 resorts in the U.S. alone — representing 64,300 units — and close to 5,000 resorts worldwide
- The average vacation ownership unit sells for \$10,500 and features two bedrooms
- Timeshare's contribution to the U.S. annual economy: \$18 billion
- 98% of timeshare owners say their purchase is a good value



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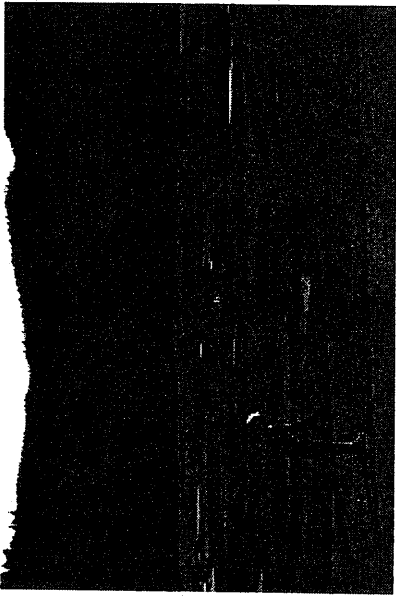
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Timeshare . . .

Just the Facts



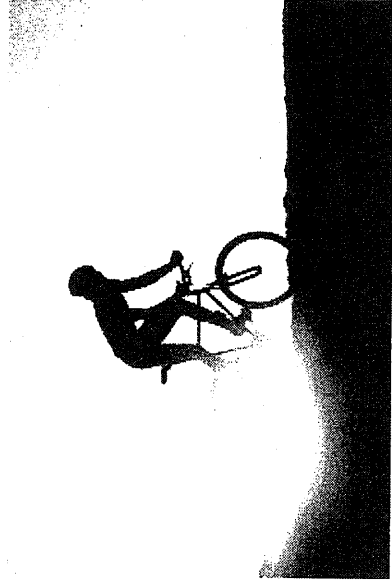
Timeshare vacationers exchanging into Wisconsin contributed approximately \$13.7 million to the Wisconsin resort communities in 1996. Since then, this figure continues to grow.



- 38,874 timeshare owners reside in Wisconsin.
- Approximately 20,000 individuals own timeshare weeks in Wisconsin.
- In 1996, approximately 12,105 families exchanged into Wisconsin.
- Timeshare owners exchanging into Wisconsin spend approximately \$1,130 per week in the local area at restaurants and bars; and on rental cars and gasoline, groceries, entertainment and sports, shopping, admissions to museums, movies, tours, state parks, etc.
- 72 percent of timeshare owners in the region have annual incomes between \$40,000 and \$100,000.

- When purchasing a timeshare unit under the Condominium Ownership Act, Chapter 703 of the Wisconsin Statutes, each timeshare unit is conveyed by a deeded real estate interest to the timeshare owner, *and each owner pays their proportion of real estate taxes.*

- The timeshare industry is a three billion dollar a year business in the United States. Wisconsin is a factor in contributing to this success.
- Timeshare owners generally are permitted to deduct the interest on their mortgage loans, under federal regulations.



- Buying a timeshare interest allows a consumer — who does not want or cannot otherwise afford a whole vacation home or condo — to own part of one at a reasonable price.

- Timeshare owners provide a stable year-round tourism base. The average year-round occupancy rate for timeshare resorts in the North Central states is 82 percent, which far exceeds average year-round hotel occupancy for the area.



**PHENOMENAL GROWTH IN THE
U.S. TIMESHARE INDUSTRY**

The Baby Boomer Way to Vacation!

Fall 1998

American Resort Development Association

Cynthia Huheey, President (202) 371-6700

PHENOMENAL GROWTH

- The U.S. Timeshare industry is booming, with two million Americans owning Timeshares.
- The industry enjoyed a 25% increase in 1997, with total sales volume of \$2.72 billion.
- There are now over 1,204 resorts in the U.S. with 64,300 units.

WHO ACCOUNTS FOR THE PHENOMENAL GROWTH?

The Average Timeshare Buyer is:

- **A Baby Boomer.** The 35-to-55 age group makes up 59% of the buyer market.
- **Middle Income or Higher.** The average median income is \$71,000 and over 90% have income of over \$40,000.
- **Well Educated.** Over 64% of buyers have at least a college degree, and over 31% have a graduate degree.
- **Married With Children.** The vast majority of vacation owners (85%) are married, most with kids.

CUSTOMER SATISFACTION

A 1998 survey of Timeshare Owners Found:

- 81% of Timeshare owners said they are satisfied with their purchase.
- 75% said they recommend Timeshares to friends.
- 98% said Timeshares are a good value.
- 73% said since buying a Timeshare they enjoy vacations more.

* 1,695 respondents are U.S. Timeshare Owners.

WHY ARE THEY SATISFIED?

- **Flexibility.** Timeshare Owners have increasing flexibility over when, where and how they vacation.
- **Certainty.** Vacation Owners don't have to worry about the quality of their lodgings or being locked out of popular resorts. It's a guaranteed First-Class vacation.
- **Safety.** Timeshare resorts offer safe and secure environments for family vacationing.
- **Economic Sense.** Timeshare ownership saves money over the long term and assures a trouble-free vacation.

WHAT ARE THEY BUYING?

- Timeshares are tailored to fit various budget and family needs.
- The average Vacation-ownership package includes two bedrooms and costs about \$10,000.

SALES FACTS

	<u>Studio</u>	<u>One Bedroom</u>	<u>Two Bedroom</u>	<u>Three Bedroom</u>
Off Season	\$6,225	\$6,530	\$8,270	\$11,835
Middle Season	\$7,285	\$8,505	\$10,370	\$13,365
Prime Season	\$8,635	\$10,825	\$13,730	\$16,395
Average	\$7,380	\$8,620	\$10,790	\$13,925

HOW ARE THEY BUYING?

- **With Deliberation.** Timeshare owners have attended an average of 3.5 presentations.
- **Financing.** With the increased acceptance of vacation ownership by major lending institutions, it is becoming easier for companies to offer on-the-spot financing. Many consumers now buy with a 10% down payment and finance the rest over 7 years.

WHERE ARE THEY BUYING?

Over 24% of the Timeshare industry is located in Florida, with Orlando the most concentrated city.

Breakdown of Timeshare Industry in The United States:

Florida	24%
California	7%
South Carolina	7%
Hawaii	6%
Colorado	6%
North Carolina	4%
Texas	4%

The United States dominates the world Timeshare market, accounting for 37% of worldwide sales.

HOW TIMESHARES FIT INTO THE CORPORATE WORLD

- Urban Timeshares are changing the way America does business. Timeshares are becoming a new travel option for company executives.
- Timeshare developments are in major cities such as New York, San Francisco, New Orleans, Boston, San Diego and Miami.
- New Timeshare developments are underway in the San Francisco, New Orleans, Los Angeles and Washington, D.C. markets.

HOW VACATION OWNERSHIP BENEFITS THE U.S. ECONOMY

- The Vacation Ownership industry directly employs 50,000 people.
- An additional 220,000 jobs are indirectly generated by the industry.
- The Timeshare industry contributes \$18 billion to the U.S. economy through employment, consumer and business expenditures and federal, state and local taxes.

AMERICAN RESORT DEVELOPMENT ASSOCIATION

- ARDA, created in 1969 and based in Washington, D.C., is the only international trade association exclusively representing the resort industry.
- Over 900 companies belong to ARDA.
- ARDA's ethics committee has set new standards for excellence within the growing industry.

American Resort Development Association
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HALL of FAME INFORMATION

- Only 8% of our business is local. Majority of visitors are from the midwest with a majority % being Wisconsin residents who live outside of Brown County.
- Busiest month is July, followed by August.
- Last week of August is our slowest week of our peak period. Attendance drops more than half from the previous week.
- August attendance drops each week during the month although pre-season football games are being played.
- Packer hysteria grows as the regular season gets closer, yet our attendance drops dramatically each week. We feel that some of this drop can be attributed to an early start of school and we would be better served by a later and uniform school start date.

'93 tourism brought \$5.58 billion into state

BY STEVEN WALTERS
Sentinel Madison Bureau

Madison — Tourism was a \$5.58 billion Wisconsin industry in 1993, with \$1 of every \$5 spent in Milwaukee County, according to a study by Gov. Tommy G. Thompson's staff to release Monday.

Statewide, Wisconsin tourism grew by 2.6% last year, despite Mississippi River flooding that soaked the economies of five counties along the river, the report said.

Five flooded counties along the Mississippi River — Crawford, Pierce, St. Croix, Trempealeau and Buffalo — lost tourist spending. Tourism gains in La Crosse and Grant counties were less than the statewide average.

State Tourism Director Richard Speros said good fall weather helped many communities "rebound from heavy spring rains and early summer flooding."

The report said tourism supported 147,393 full-time Wisconsin jobs last year, a 1% decline. However, the \$2.94 billion those workers were paid was up about 2.7%.

Of the \$5.58 billion, spending at hotels, motels and resorts totaled \$2.91 billion. About 55% of tourists at those sites were from Wisconsin; 45% lived outside the state.

The peak summer months — June, July and August — remained the most popular for tourism, followed by September through December.

Of the \$5.58 billion, 14% was spent in the three summer months.

Overall, Thompson said the report proved that the state's tourist industry is a worldwide attraction.

"The friendliness, hospitality, hard work and quality of our tourism industry has made Wisconsin the Midwest's premier vacation destination," the governor said.

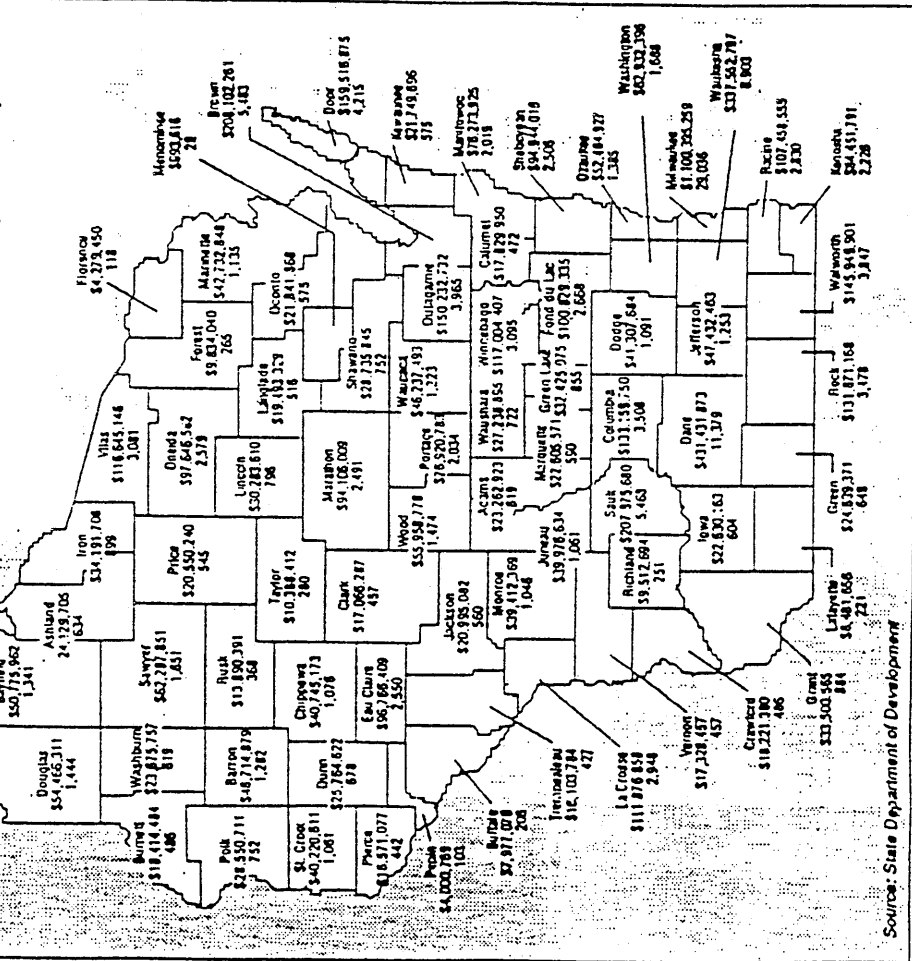
"We're also luring more and more people from around the nation and world."

Thompson was to release the latest study on tourism in a State Capitol ceremony Monday, the start of National Tourism Week.

The study was compiled by a Maine consulting firm, Davidson-Peterson Associates, based on

Economic impact of tourism

1993 income from and number of full-time equivalent jobs created by tourism.



Source: State Department of Development

port called the drop in the number of campground sites "serious."

Other conclusions of the report were:

- Tourists paid \$630.6 million in state taxes, and local governments collected \$319.3 million, including local sales taxes and local property taxes paid by tourism businesses.

- Hotels, motels and resorts had an average occupancy rate of 59% last year, charged an average of \$57.97 for a double room, and hosted parties that averaged 1.8 visitors who stayed two days.

About 44% of those visiting these facilities were on business trips, 39% were on personal vacations and 17% were at meetings or conventions.

- Owners of tourist cabins, cottages and condominiums reported an average occupancy rate of 52% last year, charged an average of \$74.30 per unit, and saw parties that averaged 3.9 people who stayed 4.5 days.

A majority of visitors to tourist cabins, cottages and condominiums lived outside Wisconsin, and 95% of them were on personal vacations.

- Owners of campgrounds were 29% filled on average last year, charged an average of \$11.67 per camp site, saw parties that averaged 3.3 people who stayed 2.6 days.

Two out of every three visitors to Wisconsin campgrounds last year lived in the state, the report added.

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county in the same region. Sheboygan, fell the most in a year: 8.1%, to \$94.1 million. No explanation was given for the drop.

Figures in the report say campground owners may have been hurt the most by record Mississippi River floods last year.

For example, total campground sites available fell by 4.2% last year, from 9.1 million nights to 8.7 million.

When polled, campground owners listed poor weather, floods and publicity about bad weather as reasons for the drop.

But, at another point, the re-

state in increased tourism spending, with a 26.9% one-year jump, no explanation for the change.

Tourists spent \$100.8 million in Fond du Lac County in 1993.

Tourism spending in another

statewide surveys and telephone interviews with business operators.

The 1993 report also estimated tourism spending by county. Overall, 56 counties saw gains last year, while tourism spending dropped in the 16 other counties.

But only 10 counties got 53% of all tourism spending statewide, the report said.

Those 10 counties, what the report said tourists spent in 1993 and the one-year change, were: Milwaukee, \$1.1 billion, 2.2%; Dane, \$431.4 million, 3.4%; Wau-

Sentinel graphic



BACKGROUND

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VACATION OWNERSHIP: A GLOSSARY OF TERMS

Biennial Interval. A type of interest which provides the buyer with a week of use every second year. In recent years, there has been substantial growth in biennial intervals. They are now one of the most common types of interest, ranking after single weeks and points programs in popularity.

Camping Site. A space designated and promoted for the purpose of locating a trailer, tent, pop-up camper or other similar device used for camping.

Condominium. A common interest subdivision project in which individual owners get fee title to the air space located within the walls of their individual units as well as a percentage ownership interest in the balance of the project which may include recreational facilities. Many timeshare projects are developed as part of condominiums. Condominiums may be either fee interest or leasehold. In the fee interest condominium, an owner has absolute title in perpetuity to his/her unit and undivided interest in the common area facilities. In a leasehold condominium, the ownership interests end when the leasehold is terminated, often for a term of 40 to 58 years.

Contract for Deed or Real Estate Purchase Agreement. A purchase contract by which the seller agrees at some future point in time, when the purchaser has paid the full price of the real estate, to convey title to the purchaser. Contracts for deed or real estate purchase agreements may be coupled with escrow arrangements where title is held by an escrow agent to assure conveyance to the purchaser at the end of the term, notwithstanding the status of the original seller. Escrow arrangements are especially recommended in long-term purchase agreements.

Deed. The instrument used to convey interest in real property. The three types of common deeds in use today are general warranty or grant deed, special warranty deed, and quitclaim deed.

Deeded Week. The standard type of timeshare ownership is the deeded week, offered by 89.8% of US timeshare resorts. Florida has the highest percentage of deeded week intervals offered. For many years, the deeded week intervals were one of the only products offered.

Fee Simple. Ownership is tied to a particular unit and is owned in perpetuity or until sold by the owner. Owner receives a fee-simple deed with title insurance. Close to 70% of US timeshare resorts currently sell on a fee-simple basis.

Fee Simple Camp Resort. Purchaser receives a deed to a specific campground complex and has the exclusive right to use this campsite at any time. Most fee simple projects include such common area amenities as swimming pools, showers and recreational centers that are managed by an owners' association.

Fee Title. A common law term used to describe the status of absolute title as opposed to leasehold or other interest less than a full ownership interest in real estate. It is commonly used in reference to "fee simple title" or "fee simple absolute."

Fixed Week Shared Interest or Fixed Time. A type of fractional ownership in which the owner knows the specific weeks within a given year that he/she will have access to the accommodations year after year. The majority of US timeshare resorts include some weeks on a fixed-week system. It was the norm among new developments until the mid-1980s. Given its mature market, Florida has the highest percentage of resorts using a fixed time in their plans. However, fixed time is generally now limited to special events or holidays rather than throughout the year.

Floating Time within Seasons. The second most widely utilized plan, where consumers may book any time they choose within a given seasonal time frame (and usually within a given unit type) at their resort, subject to availability. This type of plan is most common in both the Mountain and Pacific regions.

Floating Time Year-Round. This access arrangement allows consumers to reserve time in their resort without seasonal restrictions. The percentage of resorts offering this type of plan has increased from 12.7% in 1993 to 20.3% in 1997. This type of use plan is more popular in the Pacific region, especially Hawaii.

Fractional Interest. Intervals longer than a traditional timeshare unit-week. Typically one-quarter, one-eighth, or one-tenth share in the accommodation. Generally, fee title ownership is conveyed. Only 8% of US timeshare resorts currently sell fractional interests, or interests in multi-week packages.

Leasehold Product. All ownership rights in the real property are assigned for a specified number of years.

Membership Camp Resort. The type of camp resort in which owners have rights of use based on membership certificates that are generally effective as long as the member pays the dues and assessments required. The developer retains ownership of the real property and improvements.

One-Week Interest or Points Offering. The majority of US timeshare resorts (93.7%) provide interval interests sold either in increments of one week of use each year or as points offerings. Florida has the highest percentage of resorts which offer one-week interests or points programs, at 99%. The Mountain region reports the lowest percentage, at 84.6%.

Owners' Association (OA). A body of owners created by statute or by filing of articles of non-profit corporation that administers the rules and regulations of a project. Membership in the owners' association is generally mandatory in projects where multiple interests are involved. Such associations are also sometimes known as a *Homeowners' Association (HOA)*, a *Condominiums Association (COA)*, a *Property Owners' Association (POA)*, or a *Common Interest Realty Association (CIRA)*.

Points. Under a points-based access plan, the consumer obtains a type of vacation credit redeemable each year for a varying number of accommodation nights depending upon the season, day of week, size of unit, and resort location chosen. Because points programs have entered general use only in recent years, only 5.9% of resorts currently offer them, however they are rapidly becoming more common. Points programs are most widespread in Florida, followed by the Pacific, where the concept originated.

Private Camp Resort. A camp resort which typically provides a broader range of amenities and activities for campers, more stringent security measures, and a more wholesome, family-oriented environment than public campgrounds. Many of these camp resorts offer on-site camping trailers and/or cabins.

Property Report. The legal disclosure document, issued by the state in which a project is located or sold, which provides information to the buyer regarding the purchase as required by state law. It is also known as the *Public Offering Statement* or *Public Report*, depending upon the jurisdiction. The information contained in the report has been decreed by the legislature of the particular state to be important for a purchaser to know before making a decision to participate in a resort development. Such a report generally sets forth the rights of purchaser with respect to rescission and information regarding the background experience of the developer as well as detailed information regarding the project itself.

Rescission. The period of time guaranteed under federal or state law during which a purchaser can cancel the purchase contract without penalty and receive a complete and full refund.

Right to Use or Timeshare Use. A license or contractual or membership right of occupancy in a timeshare or other common interest subdivision which confers no ownership of the underlying real estate. This form gives buyers access to the property for a specified amount of time. Currently, 10.1% of US timeshare resorts offer right-to-use interests, up from 4% in 1993. Right-to-use programs are most common in the Pacific region.

Split time. Allows owners to split their weeks, generally into three-night weekends and four-night weekdays. This plan option has become more widely available, offered by 23.1% of resorts today, up from only 9.7% in 1993. Split weeks are most prevalent at resorts in the Mountain and Pacific regions, and are the least common in the Northeast and Florida. Many urban timeshares allow use by the night.

Three-Day Cooling-Off Rule. A Federal Trade Commission ruling that applies to non-fee timesharing (right-to-use) and camping membership sales made at a place other than the "place of business of the seller." In these instances, the sales contract must include a three-day right of rescission, and the seller must furnish the buyer with duplicate copies of the "Notice of Cancellation" with the appropriate information correctly filled in on the form. This rule does not apply to sales made at the seller's place of business, made totally by mail or phone, or the sale of real estate, insurance or securities. Nor does the rule apply to fee timesharing and other sales of interests in real estate.

Timesharing. Used to describe a method of use and ownership of real estate where purchasers get title to specific periods of time in units of real property in common interest subdivisions.

Timeshare Estate and Timeshare Interval. A real property concept that allows an owner of real property to convey intervals of time in a specific real estate project.

Timeshare Project. A project in which a purchaser receives the right in perpetuity for life or for a term of years to the recurrent exclusive use or occupancy of a lot, parcel unit or segment of real property, annually or on some other periodic basis. Such a timeshare project covers a specified period of time allotted from the use or occupancy periods into which the project has been divided.

Truth-in-Lending. Used to describe federal and state programs that require sellers in a consumer credit transaction to reveal to purchasers the total cost of credit.

Undivided Interest. With the undivided interest, shares are sold on a ratio of multiple members per unit. This interval format currently is available at only 6.7% of timeshare resorts. By far, the largest market providing undivided interests is the Mountain region, with 21.5% of resorts reporting the presence of this type of interval.

Vacation Club. A travel and use product which offers members great flexibility. The buyer receives a single ownership interest (deeded or right-to-use) which entitles the member the right to use accommodations at all resorts in the club's system. Membership may include priority reservation right to the member's home resort. Other typical attributes may include: finite term of membership; common use of "points" to get accommodations or other benefits; benefits other than lodging, such as travel services, hotel discounts, golf packages, health and city club memberships; and different types of lodging, such as condominiums, timeshares, hotels, campgrounds or cruise ships.

Vacation Ownership. Used to describe all forms of vacation property ownership, including resort timesharing, second homes, timeshares, fractional interests, membership camping interests, and recreational subdivision lots.

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A CONSUMER GUIDE TO VACATION OWNERSHIP



This brochure has been prepared to help consumers understand the various vacation ownership (timesharing) products and their benefits, what to expect during a sales presentation, and how to make an informed purchase decision. It has been created by the American Resort Development Association (ARDA), the professional trade association which represents over 850 members of the resort and vacation ownership industry from around the world.

THE GROWTH OF AN INDUSTRY

From its beginnings in the French Alps in the late 1960s, vacation ownership has become the fastest-growing segment of the U.S. travel and tourism industry, increasing in popularity at the rate of nearly 16 percent each year since 1993.

Today, more than three million households own vacation intervals at nearly 4,500 resorts located in 81 countries. Vacationers around the world are turning to vacation ownership resorts as their preferred travel destination, with timeshare owners hailing from 174 countries. North America remains the global leader with nearly half of all the resorts and approximately two million owners. Europe is the second most dominant region for vacation ownership, with approximately 22 percent of owners worldwide and more than 1,000 resorts. Timeshare resorts are found across the globe in popular vacation areas near beaches, rivers and lakes, mountains and even major cities.

By locking in the purchase price of accommodations, vacation ownership helps to assure future vacations at today's prices at luxurious resorts with amenities, service and ambiance that rival any of the world's top-rated vacation destinations. Through vacation exchange programs, timeshare owners can travel to other popular destinations around the world. With unparalleled flexibility and fully-equipped accommodations which offer the best in holiday luxury, vacation ownership puts consumers in the driver's seat, allowing vacationers to plan and enjoy vacations which suit their lifestyle.



Timeshare resort developers today include many of the world's leading hoteliers, publicly held corporations and independent companies. Properties that combine vacation ownership resorts with hotels, the increasingly popular urban vacation ownership resort in major cities, adventure resorts, and gaming resorts are among the emerging timeshare trends.

The reasons for purchasing most frequently cited by current timeshare owners are the high standards of quality accommodations and service at the resorts at which

they own and exchange, followed by the flexibility offered through the vacation exchange opportunities and the cost effectiveness of vacation ownership.

Nearly one-third of vacation owners purchase additional intervals after experiencing ownership. This trend is even stronger among long-time owners; 41.2 percent of those who have owned eight years or longer have purchased additional intervals within that time.

WHAT IS VACATION OWNERSHIP?

Vacation ownership offers consumers the opportunity to purchase fully-furnished vacation accommodations

sold in a variety of forms, such as weekly intervals and points-based systems, for only a percentage of the cost of full ownership. For a one-time purchase price and payment of a yearly maintenance fee, purchasers own their vacation either

in perpetuity or for a predetermined number of years. Owners share both the use and the costs of upkeep of their unit and the common grounds of the resort property.

Vacation ownership purchases are typically financed by consumer loans of five to ten years, with terms dependent upon the purchase price and the amount of the buyer's down payment.

HOW VACATION OWNERSHIP WORKS:

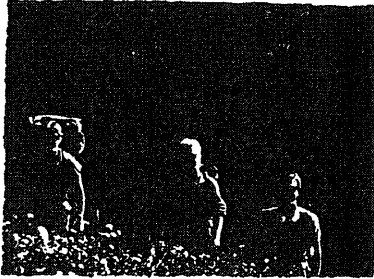
Each condominium, or unit, of a vacation ownership resort is divided into intervals, either by the week or points equivalent, which are sold separately. The condominiums are priced according to a variety of factors, including size of the unit, resort amenities, location, and season.

With timeshare, owning your vacation is considered a major benefit. Once a majority or other pre-set percentage is sold to vacation owners, the management of the resort is usually turned over to a Resort Property Owners Association (POA) or Homeowners Association (HOA). The vacation owners in turn elect officers and take control of expenses, upkeep and the future of their resort property, including the selection of a management company.



WHAT ARE MAINTENANCE FEES?

Yearly maintenance fees are fees paid each year to a HOA for the maintenance of the resort. Just like taking care of a home, resort maintenance fees help maintain the quality and future value of the resort property. In a vacation ownership resort, maintenance costs are shared by all owners. They pay for on-site management, unit upkeep and refurbishing, utilities and maintenance of the resort's common areas and amenities, such as



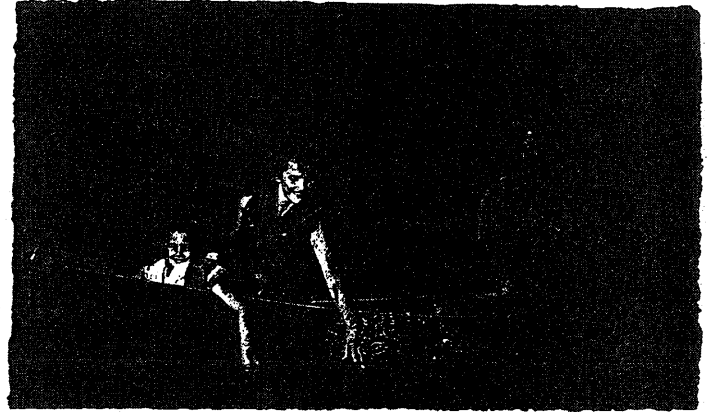
pools, tennis courts and golf courses. Just like residential condominium owners, after management has been turned over to vacation owners, they determine the fees through their

HOA Board of Directors. The amount of the yearly maintenance fee typically depends on the size, location, and amenities of the resort. Maintenance fees are assessed and paid annually by each vacation owner.

CHOOSE FROM A WIDE VARIETY OF VACATION OWNERSHIP PRODUCTS AND USES

Today, there are several types of timeshare programs from which to choose, enabling consumers to purchase the type of vacation ownership that best matches their lifestyle.

Timesharing or vacation ownership is a term which describes a method of use and ownership. It denotes exclusive use of accommodations for a particular number of days each year. Usually sold by the week, it is also called interval or vacation ownership.



The purchase of a timeshare interval can take various legal forms. Under a **fixed-unit, fixed-week deeded agreement**, the purchaser receives a deed allowing the use of a specific condominium at a particular time every year forever — just like buying a house. Benefits may include the tax advantages of ownership, plus a voice in the management of the resort. Under this agreement, the owner may rent, sell, exchange, or bequeath the vacation interval.

Under a **right-to-use plan**, ownership of the resort remains with the developer. The purchaser reserves the right to use one or more resort accommodations for a specified number of years, ranging generally from 10 to 50 years, after which all use rights return to the developer. These plans come in a variety of forms, most commonly as club membership.

Vacation intervals are sold as either **fixed or floating time**. With fixed time, the unit, or unit type, is purchased for a specific week during the year. That week is reserved for the owner every year, subject to cancellation if the vacation owner does not plan to use it in a given year. Floating time refers to the use of vacation accommodations usually within a certain season of the year, often within a three- to four-month period such as

spring or summer. The owner must reserve his or her desired vacation time in advance, with reservation confirmation typically provided on a first-come, first-served basis. The purchaser may also receive a deed under a floating time arrangement. According to a recent national study, approximately 70 percent of timeshare condominiums in the United States are sold as floating time. Some price differences are based on demand within each season.

Vacation clubs or points-based programs provide the flexible use of accommodations in multiple resort locations. With these products, club members purchase



points which represent either a travel and use membership or a deeded real estate product. These points are then used like currency to access the various size accommodations, season and number of days at the participating resort. The number of points needed to access the resort accommodations will vary by the members' demand for unit size, season, resort location, and amenities. A vacation club may have a specific term of ownership or be deeded in perpetuity.

Fractional ownership enables consumers to purchase a larger share of a vacation ownership unit — usually from five to 26 weeks. This type of ownership is popular in ski, beach and island resort areas.

“Lockoff” or “lockout” units allow vacation owners to occupy a portion of the unit and offer the remaining space for rental or exchange. These units typically consist of two bedrooms and two baths, or three bedrooms and three baths.

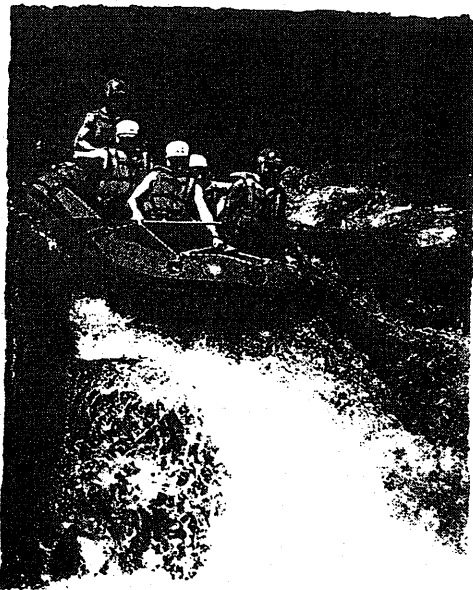
Split weeks are popular with consumers who prefer shorter vacations, as the owner may split use of the interval into two separate visits to the resort, such as one three-night and one four-night stay at two different times of the year. Reservations are usually granted on a first-come, first-served basis and are based on availability.

Biennial ownership, or alternate year ownership, allows use of a resort ownership product every other year and costs less than annual ownership at comparable resorts.

THE ADVANTAGES OF VACATION OWNERSHIP

Unlike a hotel room or rental cottage, which require payment for each use with rates that usually increase each year, ownership at a timeshare property enables vacationers to enjoy a resort, year after year, for the lifetime of their ownership with only a one-time purchase price and payment of yearly maintenance fees. Timeshare ownership offers vacationers an opportunity to save on the escalating cost of vacation accommodations over the long term while enjoying all the comforts of home in a resort setting.

Truly a home away from home, vacation ownership provides the space and flexibility to suit the needs of any size family or group. While most vacation ownership condominiums have two bedrooms and two baths, unit sizes range from studios to three or more bedrooms. Unlike hotel rooms, there are no charges for additional guests. Also, unlike hotels, most units include a fully-equipped kitchen with dining area, washer and dryer, linens, stereo, televisions, VCRs and more.



Timeshare resort amenities rival those of other top-rated resort properties and may include swimming pools, tennis, Jacuzzi, golf, bicycles and exercise facilities. Others feature boating, ski lifts, restaurants

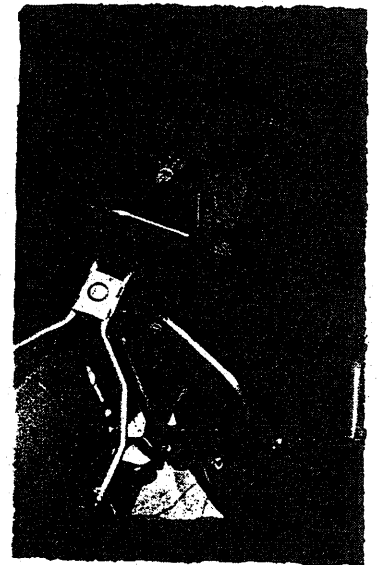
and equestrian facilities. Most timeshare resorts offer a full schedule of on-site or nearby sporting, recreational and social activities for adults and children. The resorts are staffed with well-trained hospitality professionals, with many resorts offering concierge services for assistance with visiting area attractions.

TRAVEL THE WORLD THROUGH EXCHANGE VACATIONS

Vacation ownership offers unparalleled flexibility and the opportunity for affordable worldwide travel through vacation ownership exchange. Through the international vacation exchange networks, owners can trade their timeshare interval for vacation time at comparable resorts around the world.

How vacation exchange works: Most resorts are affiliated with an exchange company that administers the exchange service for its members. Typically, the exchange company will directly solicit annual membership. Owners individually elect to become members of the affiliated exchange company. To exchange, the owner places his or her interval into the exchange company's pool of resorts and weeks available for exchange and, in turn, chooses an available resort and week from that pool.

The exchange companies charge an exchange fee, in addition to an annual membership fee, to complete an exchange. Exchange companies and resorts frequently offer their members the additional benefit of saving or banking vacation time in a reserve program for use in a different year.



IMPORTANT VACATION PURCHASING TIPS

A vacation ownership purchase is a significant commitment, not only financially, but also in terms of future vacations. You should be sure that the resort or club in which you purchase an interest will provide many pleasant vacations for years to come and can evolve with your lifestyle. Here are some important tips to consider when making a purchase:

Buy to use. Buy because you plan to use the vacation ownership product in the future. Consider your vacation ownership purchase as an investment in future vacations, not in terms of an investment for financial profit.

Choose a vacation that fits your lifestyle. Think carefully about what you value most in a vacation and travel experience, then explore the wide variety of vacation ownership products and options available and choose those which best suit your needs. In addition to visiting a resort and talking to industry professionals, a friend or relative who owns a timeshare may be a great resource as you gather information about the timeshare experience.

Visit a timeshare resort on your next vacation. Take a tour of a local resort. While there, talk to existing owners about their ownership experiences at the resort. Many resorts offer mini-vacations which provide opportunities to experience the resort first-hand.

Read all documents carefully and understand what type of product you are being offered.
Is it a fee simple or right-to-use plan, fixed or floating time or a vacation club, etc.?

Ask if the resort is an ARDA member. Members of ARDA agree to follow the ARDA Code of Standards & Ethics and are expected to adhere to the highest standards of quality and service.

Look for signs of good management, such as well-maintained facilities and resort amenities, good housekeeping, and friendly service.

If you are purchasing primarily to take advantage of the exchange benefit, buy the largest unit in the most popular season, or largest points package you can afford, as this will provide greater exchange potential.

How is the resort managed? Does the developer manage the resort or has a management company been hired? Does the homeowners association make management decisions? How often do they meet? Is the association budget adequate to maintain the resort and its amenities? Ask to see recent resort and HOA newsletters to learn more.



Verify the resort's affiliation with an exchange company and learn about the resort's exchange policies and member benefits.

HOW TO BUY A VACATION

The vacation ownership industry uses a variety of methods to reach out to potential owners. In many vacation destinations, off-property booths are located in areas highly populated by tourists and visitors. Representatives at these booths invite visitors to tour a resort, usually offering a gift as an incentive to take the tour. Direct mail programs are also utilized by many developers. Invitations are usually sent offering a brief vacation at the resort property with a reduction in price when the visitor tours the resort. Many resorts also offer incentive programs for referrals from existing owners.

Most resorts are sold on the resort property, or on-site. Others are sold from a sales center in a different location from the resort, or off-site. Vacation ownership sales presentations usually require one and a half hours, or more. During this time, the product and exchange system is explained, as well as details concerning the type of vacation ownership that is being sold and how it can be used. If the sales presentation occurs on-site, you will usually be given a tour of the resort and its facilities. The consumer is under no obligation to purchase after the presentation.

After a purchase has been completed, there is normally a period of time, mandated by the state, in which new owners may consider their purchase. Although regulations vary from state to state, this grace period generally ranges from three to fourteen days. Your purchase agreement should clearly state the duration of the refund period.

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AMERICAN RESORT DEVELOPMENT ASSOCIATION

The American Resort Development Association (ARDA) is a not-for-profit professional trade association representing the vacation ownership and resort development industries. Established in 1969 and based in Washington, DC, ARDA is the only international trade association representing all facets of the vacation ownership resort industry. The association now serves more than 850 member companies from around the world representing more than 4,000 resorts.



ARDA and its members subscribe to the highest standards of professionalism and ethics in resort development. The Association has adopted a Code of Standards & Ethics, which is strictly enforced among all members and is the most comprehensive code in the hospitality and real estate industries. In addition to providing education forums for its members, ARDA has played a major role in fostering responsible state and federal consumer protection laws. ARDA members represent the highest quality vacation ownership resorts in the world.



GINSENG BOARD OF WISCONSIN

16H MENARD PLAZA
WAUSAU, WI 54401 U.S.A.

TEL: (715)845-7300 FAX: (715) 845-8006

TO: MEMBERS OF THE JOINT FINANCE COMMITTEE

FROM: THE GINSENG BOARD OF WISCONSIN

DATE: APRIL 13, 1999

The Ginseng Board of Wisconsin works to achieve two primary objectives:

First, to conduct and promote research; *scientific research* to determine the health benefits of Wisconsin ginseng on the human body and *environmental research* for utilization by the growers to assist in producing a healthy and stable crop.

Second, to continually provide the ginseng industry with up to date, conclusive data to promote, educate, and create awareness of the existence of Wisconsin ginseng to assist in its marketability.

THE FOLLOWING IS AN OVERVIEW OF OUR GINSENG INDUSTRY

- ✓ The Wisconsin ginseng industry is in a severe economic depression.
- ✓ The price of Wisconsin ginseng has fallen from a high of \$63.00 to its current low of \$6.00 per pound.
- ✓ Wisconsin ginseng growers decreased from 1,476 to 1,102 with 374 growers going out of business in one calendar year 1997-1998.
- ✓ Local financial institutions estimate one-quarter to one-half of all loans to growers are in jeopardy.
- ✓ At one time, ginseng's contribution to the State's economy was \$120 million. Today, ginseng contributes only \$20 million to the economy.

- ✓ Related businesses indicate that their sales are down 50 to 75% because of the downturn in the Wisconsin ginseng market.
- ✓ The unemployment rate in the industry ranges from 25 to 35% with the most significant impact being on minorities.
- ✓ Increased competition from Korean and Canadian ginseng companies, all with large government subsidies, has made it difficult for Wisconsin growers to market products domestically.
- ✓ As a result, the State of Wisconsin has lost \$5 million in direct revenue because of the plight of the industry. This does not include the State's loss of indirect revenue or sales taxes.

TURNING THE INDUSTRY AROUND

- ✓ The Ginseng Board of Wisconsin is currently developing a comprehensive strategic plan.
- ✓ At one time, Asia accounted for 87% of Wisconsin ginseng sales. We are currently opening new American and European markets in an effort to provide growers with additional marketing opportunities.
- ✓ The Ginseng Board of Wisconsin has retained a professional marketing consultant to develop international and domestic marketing plans.
- ✓ The first sales of Wisconsin ginseng to European markets will be to Sweden and then Germany in May of 1999.
- ✓ In the year 2000, Norway, Finland and Denmark will be targeted for distribution.
- ✓ In the year 2001, Poland, Great Britain, Ireland and Italy are goaled to receive Wisconsin ginseng.
- ✓ The domestic market for botanical products is expected to reach \$4 billion by year 2002. All indications point to the market expanding at a rate of

18 to 20% past the year 2005. Unfortunately, Wisconsin ginseng has a negligible share of this market.

- ✓ A domestic marketing plan will begin in the year 2000.
- ✓ The first Wisconsin Ginseng Coop has been established, a result and an indication of the growers commitment to working together.
- ✓ The Ginseng Board has been reorganized to better meet the demands of the future.

OUR REQUEST

- ✓ We are requesting assistance from the State to assist the industry in research.
- ✓ Research is required to maintain and improve the quality of the ginseng root, to establish quality standards, and to conclusively prove that Wisconsin ginseng is vastly superior to products from Korea, China, Canada and Siberia.
- ✓ Research is also required to scientifically show the health benefits of Wisconsin ginseng on the human body.
- ✓ Therefore, The Ginseng Board of Wisconsin requests \$325,000 to be allocated for research that would be provided by the University of Wisconsin in cooperation and coordination with the Ginseng Board.
- ✓ As a direct result of these research efforts, as well as the opening of new markets, we project that the \$100 million loss of revenue in the industry per year will be fully recaptured by the year 2004.
- ✓ This is expected to result in increased tax payments to the State of Wisconsin of at least \$5 million annually.

SAVE THE STATE/COUNTY
PARTNERSHIP

Presented by: John C. Krizek
St. Croix County Administrative Coordinator

History at Your Door

SHARE YOUR MEMORIES

AS part of our 150th anniversary celebration, we invite you to tell us about your memories of the Pioneer Press and its people. We'll share many of them in our April commemorative issue. Please mail them to Pioneer Press Memories at 345 Cedar St., St. Paul, Minn. 55101, or e-mail us at history@pioneerpress.com

WISCONSIN

Inside

LOTTERY	4C
WISCONSIN QUIZ	4C
MATT POMMER	4C
DEATHS	9C

SUNDAY, MARCH 14, 1998

SECTION C

Booming St. Croix County outgrows all competitors

JENNIFER BATOOG ASSOCIATED PRESS

An influx of people from the Twin Cities area made St. Croix County Wisconsin's fastest-growing county last year, while Waukesha County gained the most people, a census report released Friday shows.

The U.S. Census Bureau information, based on population estimates, details rate of growth for each of Wisconsin's counties and also how many actual people the county gained from July 1997 to

July 1998.

The figures show St. Croix County in western Wisconsin had a population increase of 2.6 percent, to 58,936. That is the highest rate of growth among the state's 72 counties.

"That right there is the influence of the Twin Cities," said Marc Perry, a Census Bureau analyst. "That's where you have Minneapolis-St. Paul expanding outward, and it happens to have crossed the state line."

Waukesha County, west of Milwaukee, is experiencing similar growth, the fig-

ures show. In terms of overall new people in the community, the county added 4,730 people, bumping its population up to 353,110, the report said.

Officials from both counties said they are trying to balance the growth so that it does not diminish the quality of life in the communities.

"It's always a double-edged sword," said Waukesha County executive Dan Finley. "The growth is great. It means Waukesha County is dynamic and vibrant, but growth comes with costs, particularly in transportation and

schools."

Many school districts in the county have had to either add schools or classrooms over the past several years, Finley said.

The same is true for schools in St. Croix County, said planner Ellen Denzer. More people also means more demand for services such as road repair, snow plows and the courts, she said.

A growing population also has had good effects on the county, she said. Businesses are moving to the county, unemployment is low and the standard of

living has increased, she said. "We have growing pains that come along with growth and they can't be avoided," Denzer said. "I think the positive things have outweighed the negatives."

Both counties are working to prevent the growth from becoming urban sprawl. Waukesha County has a master plan that officials can use to determine where to build and St. Croix County is working on a similar plan.

GROWTH CONTINUED ON 6C ▶

GROWTH

▶ CONTINUED FROM 1C

At the other end of the spectrum, Milwaukee County saw a decrease in its population from 1997 to 1998 of 6,475, down to 911,713, or a loss of 0.7 percent.

Cities and central cities typically have a slow population growth, so Milwaukee County is not that unusual, said Paul Voss, a demographer at the University of Wisconsin-Madison.

As a whole, the state's population growth has been fairly steady over the last decade or so, said Donald Harrier, chief of the state's demography services.

"In Wisconsin the truth of the matter is we're not growing as fast as the overall country is," Harrier said. "That doesn't mean

"It's always a double-edged sword. The growth is great. It means Waukesha County is dynamic and vibrant, but growth comes with costs, particularly in transportation and schools."

DAN FINLEY
WAUKESHA COUNTY EXECUTIVE

we're growing slow. It doesn't mean we're growing stagnant. But we're still growing at a steady, moderate pace."

Overall, the Census Bureau estimates showed the state's population grew by 22,274 people to about 5.2 million, a rate of about 0.4 percent.

That puts Wisconsin 28th in the nation when it comes to the total number of new people in the state and 33rd in terms of rate of growth.

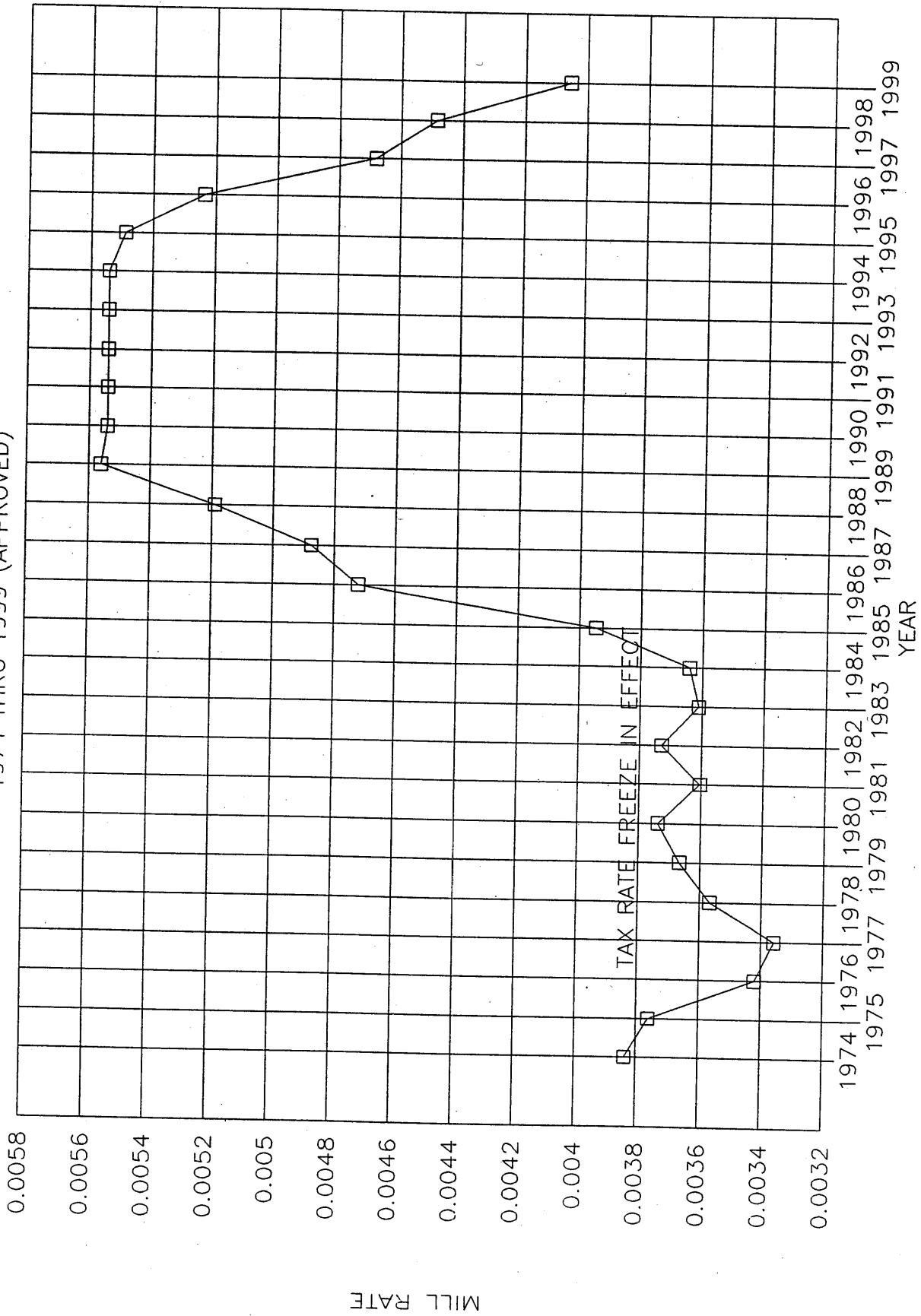
A slower growth rate is not all bad, said Brian Dixon, a spokesman for Zero Population Growth, a Washington, D.C.-based lobbying group that promotes spending on family-planning services as a way to keep the population from increasing.

That does not put stress on social services and allows businesses to provide jobs, Dixon said.

The fact that Wisconsin is growing slower than the rest of the country "is probably a good thing," he said. "I think people in Wisconsin like it that way."

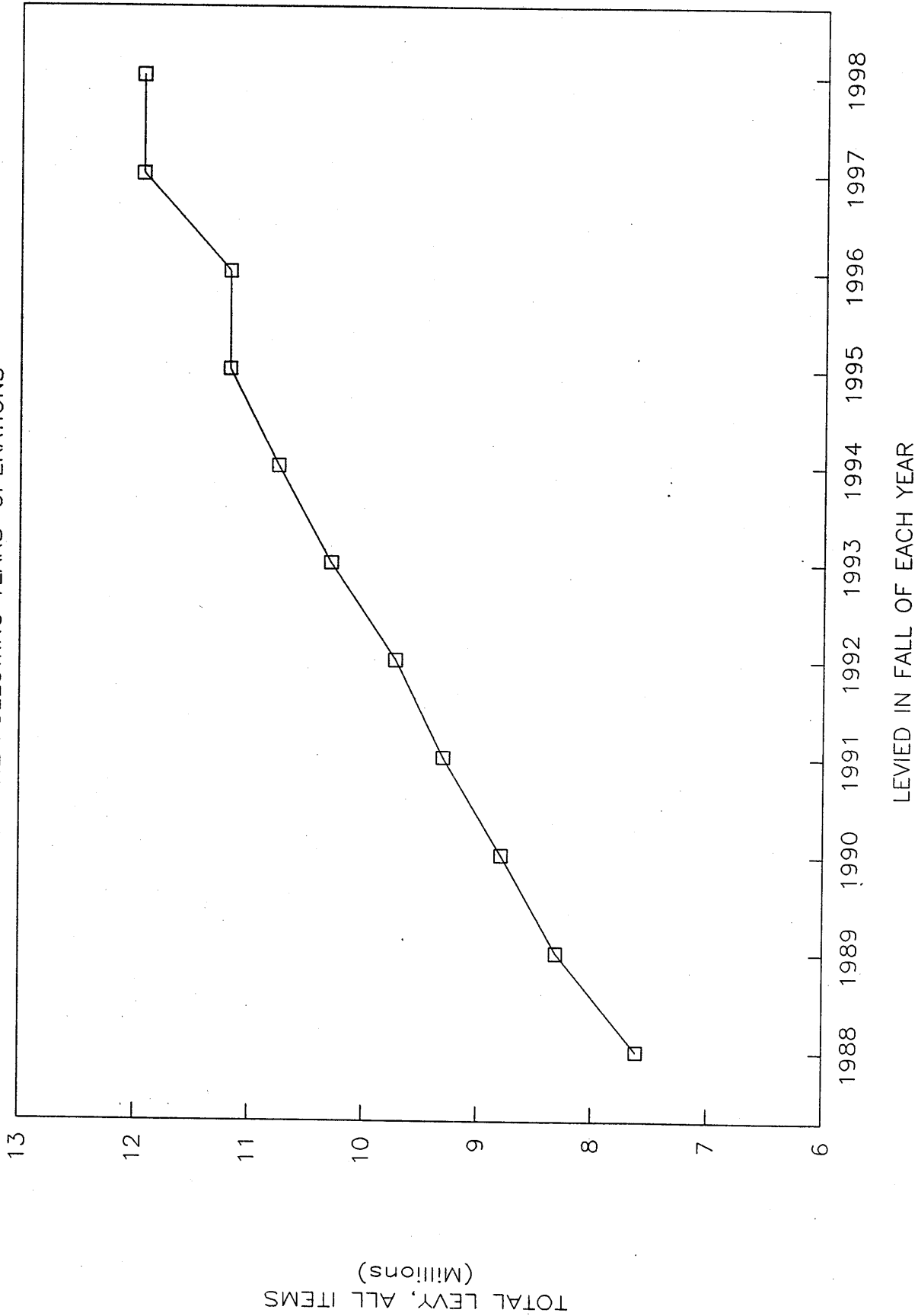
ST. CROIX COUNTY MILL RATE COMPARISON

1974 THRU 1999 (APPROVED)



ST. CROIX COUNTY LEVY HISTORY

FOR THE FOLLOWING YEARS' OPERATIONS



Problem: Shared Revenue frozen since 1995

Recommendation:

- Create an expenditure restraint program for counties
- Rather than “spend more, get more” as the aidable aids formula does, create a “save more, get more” environment
- increase the base by 3%

Problem: State Court Funding frozen since 1995

Recommendation:

- Live up to the promise of the State assumption of court operations;
- Or, allow counties to keep 100% of State fees, fines and forfeitures; and, further support C.C.A.P. enhancements to create greater efficiency in court operations.

Problem: Increased State administration fee for sales tax collection

Recommendation:

- Counties are charged 1.5% fee for collection, the actual cost for the State to collect the tax is 1.3%;
- Therefore, lower the fee to collect for counties to 1.3%, NOT raise it to 1.75%.

Problem: Tobacco money is being used to balance the State Budget

Recommendation:

- Share these proceeds with counties who have been, and are, the front line that deals with people who have smoking related illnesses.
- The State, in Wisconsin's settlement with tobacco interests, waived counties' right to sue for our damages. The State did this without the counties' consent.

Problem: The Governor's Budget provides for Income Tax Relief when local governments need Property Tax Relief. People may bleed slowly with the income tax, but they hemorrhage when they get their property tax bill.

Recommendation:

- Place "Q.E.O" limitations on the wage and fringe benefits of local government employees
- Send additional State aid to local governments which categorically must be used for property tax relief.

WHERE THE PARTNERSHIP IS BREAKING DOWN:

WHEN counties were either mandated or consented to provide programs for the State, counties knew the scope of the program and the level of State funding to provide it.

TODAY, WHEN we still must provide services, the funding to provide them from our partner ("The STATE") is frozen or decreased.

PLEASE TAKE THIS ISSUE SERIOUSLY!

- Either provide counties with a level of funding equal to the amount provided at the inception of the program, including adjustments for inflation and program use;

OR,

- Release counties from the mandates that dictate what must be provided, and how we must provide it.

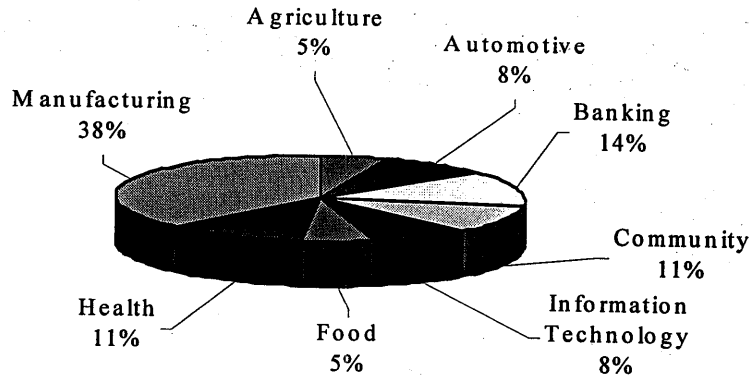
SAVE THE STATE/COUNTY PARTNERSHIP,

IT IS IN YOUR HANDS!

The following Western Wisconsin businesses will create a regional, business-led consortia:

Region	Industry Type	Business	Contact	No. of Employees
Westby	Agriculture	Accelerated Genetic	Dave Larson/Roger Hanson	25-49
Arcadia	Agriculture/ Manufacturing	Gold 'N Plump Poultry	George Hanson	500-999
La Crosse	Auto	Bob's Auto Techno	Bob Marconi	Less than 10
New Lisbon	Auto	Rudig Jensen Ford-Mercury	Mark Rudig	20
Viroqua	Auto	Jim Olson Ford-Mercury Inc.	Jim Olson	10-20
La Crosse	Banking	Coulee State Bank	Dirk Gasterland	25-50
La Crosse	Banking	State Bank of La Crosse	Lisa Arndt	100-249
Mauston	Banking	Bank of Mauston	Lynn Erickson	25-50
Westby	Banking	Fortress Bank	Shirley Hagen	25-50
Whitehall	Banking	Associated Bank	Viola Jacobson	10-49
La Crosse	Community	Business & Student Education Committee	Jerry Berns/Paul Winans	NA
La Crosse	Community	LADCO	Jim Hill	Less than 10
Sparta	Community	Sparta Chamber of Commerce	Sharon Folcey	Less than 10
Tomah	Community	Tomah Chamber of Commerce	Eric Prise	Less than 10
Caledonia, MN	Information Technology	Winnebago Software Co.	Nancy Hager	250-499
La Crosse	Information Technology	Electronic Data Systems	Dawn Davis	50-100
La Crosse	Information Technology	Firstlogic	Kevin Murtha	250-499
La Crosse	Food	Kwik Trip	Amy Hansen	500-999
Whitehall	Food	Whitehall Specialties	Kristy Abrahamson	100-249
La Crosse	Health	Mayo/Franciscan Skemp Healthcare	Joan Mueller	1,000+
La Crosse	Health	Gundersen Lutheran Medical Center	Jill Blokhuis	1,000+
Mauston	Health	Hess Memorial Hospital	Carol Purvis	250-499
Tomah	Health	VA Medical Center	Kathy Fasbender	100-249
Arcadia	Manufacturing	Ashley Furniture	Lara Mc Rae	1,000+
Arcadia	Manufacturing	Nelson Muffler	Dave McKeeth	100-249
Black River Falls	Manufacturing	D&S Manufacturing Co.	Larry Hessen	100-249
La Crosse	Manufacturing	Badger Corrugating	Mike/Katherine Sexhauer	100-249
La Crosse	Manufacturing	Trane	Art Scheskie	1,000+
Mauston	Manufacturing	Brunner Manufacturing	Ron Brunner Sr.	100-249
Mauston	Manufacturing	Vacuum Platers Inc.	Vivian Gbower	100-249
Necedah	Manufacturing	Necedah Screw Machine	Kelly Jump	50-99
Tomah	Manufacturing	CARDINAL IG	Oak Moser	250-499
Tomah	Manufacturing	CARDINAL TG	Marshall Bosworth	100-249
Tomah	Manufacturing	MECA SPORTS	Debra Vrana	100-249
Tomah	Manufacturing	OCEAN SPRAY	Mike Scott	100-249
Tomah	Manufacturing	UNION CAMP	Ann Kelley	100-249
Tomah	Manufacturing	USEMCO Inc	Pat Rezin	100-249

Percentage of Industry Mix in Business-Led Consortium



Labor market needs of the area indicate a shortage of employees in jobs that are needed to sustain and grow the economic health of western Wisconsin. Other than La Crosse County, the population of surrounding counties is classified as rural, small town and the economy is highly dependent on these industries.

Western Wisconsin's Largest Employers

County	Top Industry	Employers	Employment
Buffalo	Motor Freight Transit	22	1,192
Buffalo	Health Services	4	372
La Crosse	Health Services	187	8,229
La Crosse	Eating and Drinking Establishment	385	4,990
Trempealeau	Furniture and Fixtures	12	2,076
Trempealeau	Health Services	29	990
Vernon	Health Services	34	932
Monroe	Health Services	37	1,782
Jackson	Motor Freight Transit	25	691
Juneau	Electronics & Electrical Equipment	5	1,109
Juneau	Fabricated Metals	15	994

Consortia Offers Career Pathways

Members of the business-led consortia offer jobs that provide pathways to high-wage careers. Those employers participating in the consortia represent a variety of employment opportunities—both large and small companies. Those industries represented include: agriculture, automotive, banking, computer, food service, health, and manufacturing. By including employers from all of these fields, this project will afford students opportunities to experience work-based learning in a variety of areas.



WISCONSIN STATE SENATE

April 5, 1999

The Honorable Brian Burke, Co-Chair
Joint Committee on Finance
The State Capitol
Room No. 316 South
VIA INTER-DEPARTMENTAL MAIL

The Honorable John Gard, Co-Chair
Joint Committee on Finance
The State Capitol
Room No. 315 North
VIA INTER-DEPARTMENTAL MAIL

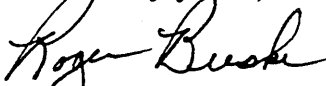
Dear Colleagues:


We write to express our concern about potential amendments to the State Budget Bill (Senate Bill 45) that would expand environmental regulation of the cranberry industry. We are opposed to inclusion of this non-fiscal issue in the state budget process and urge you, as members of the Joint Committee on Finance, to oppose any such efforts during your budget deliberations.

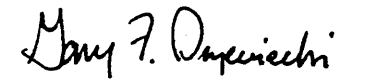
We feel strongly that expanded regulation of the cranberry industry, or any other industry, is not the type of fiscal matter that is best addressed in the hectic budget process. Instead, we believe that these subjects should be presented as stand alone bills. As stand alone legislation, this proposal would almost certainly be afforded a better opportunity for a free, open and thorough public debate that best serves the public interest. We also trust our colleagues on the appropriate substantive standing committees who have the expertise necessary to make sound policy judgements on the merits as part of this more deliberative process. Our concerns are not based on any particular environmental regulatory concept. We simply wish to preserve the established process of separating from the budget these type of non-fiscal issues on which reasonable people may disagree.

We urge you to resist any efforts to include expanded environmental regulation of the cranberry industry in the current budget debate. We are confident in both the legislative process and our colleagues on the appropriate standing committees to best address these and other non-fiscal policy matters.


Sincerely yours,


ROGER BRESKE
State Senator


ALBERTA DARLING
State Senator


GARY DRZEWIECKI
State Senator


ALAN LASEE
State Senator



GWENDOLYNNE MOORE
State Senator

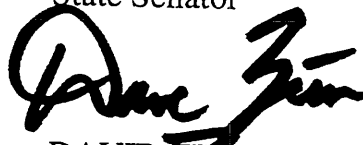

BRIAN RUDE
State Senator


DALE SCHULTZ
State Senator


KEVIN SHIBILSKI
State Senator


ROBERT WELCH
State Senator


ROBERT WIRCH
State Senator


DAVID ZIEN
State Senator