

**Board of Directors Meeting
Kalispell Tourism Business Improvement District
Wednesday – July 10, 2019
3:00 pm – 5:00 pm**

Location: Red Lion Hotel, Ballroom B

AGENDA

3:00 pm Meeting Called to Order: Dawn Hendrickson, Chair of the Board

1. Hear from the Public

Members of the public are invited to present information related to the Tourism Business Improvement District. Presenters are limited to three (3) minutes each.

2. Board Action Items

- a) Approval of minutes from June 5, 2019
- b) Approval of TBID financial statements for May, 2019
- c) Approval of application for board trustee position – to fill large property seat vacated by Sean Morris. Application submitted by Joseph Alexander, General Manager Red Lion Hotel.

3. Board Discussion

- a) Event updates - Montana Spartan Race recap
- b) Event grant updates
- c) Marketing updates
 - i. Recap of press trips and Beer Now conference excursion
- d) Group, M&C updates
 - i. Recap of IPW and M&C FAM
 - ii. Upcoming tour operator FAM
- e) Discover Kalispell Grant Program – review of expanded program for FY20
- f) Strategic plan discussion

Enclosures: June 5, 2019 minutes
TBID financial statements for May, 2019
Board application – Joseph Alexander
Discover Kalispell proposed FY20 grant program
KCVB reports

For Further Information Please Contact:

Dawn Hendrickson, Board Chairman dawn.hendrickson@hilton.com or 406-890-7021
Diane Medler, KCVB Director diane@discoverkalispell.com or 406-758-2808

2019 TBID Board Meeting Schedule (subject to change)

(Meetings are held at the Kalispell Chamber unless otherwise notified)

January-23	February-6	March-6	April-3	May-1	June-5
July 10	August 7	September 4	October 2	November 6	December 4

Note: Other than the meeting starting time, times listed are approximate and agenda items may be rearranged.
Action may be taken on any item listed on the agenda. Public comment is welcome on all items.

Board of Directors Meeting
Kalispell Tourism Business Improvement District
June 5, 2019
3:00 pm
Location: Kalispell Chamber Conference Room

Minutes

Board Members Present: Dawn Hendrickson, Lucy Weeder, Emily Schroeder, Janet Clark

Board Members Absent: Zack Ford, Bryce Baker, Sean Morris

Staff Present: Diane Medler, Joe Unterreiner, Vonnie Day

Guests: Scott Reike, Best Western PLUS Flathead Lake Inn & Suites

Meeting was called to order by Chair Dawn Hendrickson at 3:07 pm.

1. Hear from the Public – none
2. Board Action Items
 - a. Approval of minutes from May 1, 2019:

Motion was made by Janet Clark to approve the minutes. Motion was seconded by Emily Schroeder. Discussion: none. Board approved unanimously.
 - b. Approval of TBID financial statements for April, 2019:

Motion was made by Emily Schroeder to approve the financial statements. Motion was seconded by Lucy Weeder. Discussion: None. Board approved unanimously.
2. Board Discussion
 - a. Event updates:

Spartan Race – stats for this year’s event haven’t yet been received. Spartan is planning to add the Ultra Race which is 30 miles and 60 obstacles and will retain the Beast and Sprint races in 2020. The first and second weekends of May are being considered for next year. A decision on the date will be made soon.
 - b. **Event grants** - Rebecca Farm submitted a post event report for Skijoring. Unusually frigid March weather seriously reduced participation in the 2019 event. A decision will be made in the fall about scheduling the event in 2020. Northern Rodeo Finals issued a press release about their event in Kalispell in October which was picked up by eastern Montana news outlets.
 - b. Marketing updates:
 - On June 9, Discover Kalispell will host a post-event for 30 attendees of Beer Now, a conference held in Great Falls for beer bloggers from across the U.S. Their visit to Kalispell will start with the option of a boat ride, bike ride or nature walk in Glacier Park and will wrap up with a mini beer-fest featuring local breweries held at the Museum at Central School.
 - The American Airlines inaugural flights from Dallas and Chicago will arrive June 6. The flights will be greeted by a fire truck water tunnel, local press, the Glacier AERO board and airport management staff.

- As part of the promotion of the inaugural American Airlines flights, Discover Kalispell will host a press trip for three Dallas area media influencers and one from Chicago June 8 – 9. Their visit will include a visit to downtown, a kayak tour of Somers Bay, a visit to Purple Mountain Lavender, the Conrad Mansion and dinner at Desoto Grill.
- June 14 – 16, Discover Kalispell will host a travel writer with Northwest Living Magazine who will be covering bike trails around Kalispell and riding on Going to the Sun Road.
- Chuck Haney recently completed a photo shoot downtown that included several stores, galleries and a brewery. He also got beautiful hiking shots at Herron Park and Lone Pine showing territorial views.
- Clint Ekern will take motorcycle touring shots around Flathead Lake, scheduled for late June.
- The Kalispell Launch of Taste Our Place will take place June 17 at four downtown restaurants: Ceres Bakery, Montana Coffee Traders, Desoto Grill and Hops. Made in Montana will cover the cost of a videographer to record the event and Discover Kalispell will have use of the footage. Taste Our Place is a collaborative program between the Departments of Commerce and Agriculture to recognize food and beverage operations that commit to using significant Montana-sourced ingredients on their menus. Other local food and beverage businesses will be invited to apply for the program to take advantage of the marketing opportunities it provides.
- The Discover Kalispell 2020 Marketing Plan will be presented to the City Council Monday night.
- Diane will present the Marketing Plan to the Tourism Advisory Council for state approval next week in Helena.
- Montana Basecamp RV Park will be collecting bed tax but not the TBID fee, an unprecedented situation in Kalispell. CVB will review TBID statute and bylaws to see if the nightly rental RV Park can meet the requirements to join the TBID, or can join as an Associate Member.
- The Visitor Guide retargeting campaign continues to be successful with 1499 copies mailed YTD compared to 1369 for all of 2018. An almost equal number have been downloaded.

c. Group, M&C updates:

- Dawn is currently representing Kalispell at the IPW Meeting Planner Show in Anaheim California.
- Kalispell is a finalist for the Outdoor Media Summit Conference for May, 2020. A decision is expected by the end of June.
- POMA organizers have selected another location for their 2020 conference but would like to hold their 2021 conference in Kalispell
- MEDA MT Economic Development Association has chosen Kalispell for their spring 2020 conference.
- The Montana High School Lacrosse Association is evaluating whether there is enough interest among clubs to bid for the 2020 championship game.
- Dawn met with 40 international tour operators at International Roundup in Spearfish, SD, renewing old relationships and making new contacts. Tour operators emphasized that they're looking for activities that are bookable online and are especially interested in Native American, rodeo and other Western cultural experiences.
- The Herd Bull Powwow is taking place as far as we know. Concerning feedback has been received about organizer's conduct at a member property.
- The Future Conferences & Events list in the monthly TBID board packet is a great resource for information about upcoming groups.

e. FY20 Consumer Travel Show Schedule:

- The LA show is expensive and involves shipping backdrops and supplies at a significant cost. The show attracts 38,000 attendees. There's value in face to face contact but it's difficult to define a return on the investment. If a partner can't be found to share the cost of the booth, Discover Kalispell will skip the show in 2020.
- There may be an opportunity to partner with Billings for the Denver show, promoting visits to Glacier and Yellowstone. Billings sponsored a Montana photo booth at the show last year which attracted a lot of attention.

f. Strategic plan discussion – since the plan is an extensive document, 15 minutes of monthly board meetings will be devoted to discussion.

1. Branding Kalispell as its own destination (outside of its proximity to GNP and Flathead Lake) was advised and has been reflected in the visitor guide and the website through the introduction of Kalispell Discovery Guides, sharing the passion of the locals, telling stories, getting people engaged with the destination.

2. Discussion of the summary document:

Section 1 – occupancy is not a perfect way to judge the number of visitors considering the opening of new properties and increase in short term rentals. Consider other ways to quantify visitations.

Section 2 – we have a great product. We've used "discovery in every direction" with the key message that Kalispell is a hub. The plan recommends that we position Kalispell as a destination in itself which involves determining our unique value position and answers to:

- what separates us from Whitefish
- what are our most compelling assets
- which seasons to we need to focus on
- do we need to shift more resources to M&C, sports tournaments, tour groups
- downtown Kalispell is important in making us unique
- public art initiatives are value propositions
- our community friendliness is unique
- board discussed retaining and building on the image of Kalispell as the hub

Results from the survey at the Chamber tourism luncheon in May indicated attendees valued outdoor activities the most followed by community, downtown, and the arts in that order. When asked what is the most important thing for the tourism industry to consider when growing a sustainable economy, they indicated "more year-round activities and events" as the top priority.

Discussion evaluating seasonal focus: The strategic plan recommended rethinking our winter promotional strategy. Since the winter traveler is a small segment that will travel primarily for downhill skiing, our promotions may be creating additional room nights for Whitefish as they have the capacity in winter and now have two flagged properties.

- Does it make sense to continue to promote downhill skiing?
- Would it be a better use of those funds to promote name recognition/brand awareness?
- Would it be advisable to create a new winter event?
- Should non-skiing winter events be promoted?

The board discussed the importance of keeping M&C going, building group travel business and supporting sports tournaments.

Diane will issue an RFP for Public Relations soon and will combine services needed to include a brand content strategist to develop consistent brand messaging.

Meeting was adjourned a 4:15pm.

Respectfully Submitted: Diane Medler

For Further Information, please contact:
Diane Medler, CVB Director, diane@discoverkalispell.com or 406-758-2808

Kalispell Tourism Business Improvement District
Summary of Financials
July 10, 2019

TBID Funds – Expense Summary May 2019

Admin: Rent; bookkeeping; telephone (office, Verizon); postage; copies; email accounts

Website: SEO/SEM management and ad buy

Consumer: airport stocking fee; social media admin/adv; media buy (LA/Chicago campaign)

Events: transfer approved budget to KCVB account for Spartan Race

Meetings & Convention: IPW show expenses; POMA auction prize; NW Regional App conference incentive; M&C advertising campaign

PR/Publicity: Beer Now media conference

KCVB Event Funds - Summary May 2019

Spartan 2019: (\$29,000 FY19 TBID)

Balance forward from 2018: 0

Income: \$38,702.00

Expenses: \$34,711.23

Balance: \$3,990.77

Indoor Soccer 2019: (\$20,000 FY19 TBID) **used partial approved budget

Balance forward from 2018: \$3,059.90

Income: \$27,560.99

Expenses: \$22,191.47

Balance: \$8,429.42

ARes 2019:

Balance forward from 2018: \$3,250.00

Income: \$27.07

Expenses: \$0

Balance: \$3,277.07

Tourism Business Improvement District

Balance Sheet

As of May 31, 2019

	<u>May 31, 19</u>
ASSETS	
Current Assets	
Checking/Savings	
1010 · Checking	181,195.23
1020 · Whitefish Credit Union	56,768.74
Total Checking/Savings	<u>237,963.97</u>
Total Current Assets	237,963.97
Fixed Assets	
1710 · Office Equipment	3,967.64
1820 · Web Site Development	25,230.44
Total Fixed Assets	<u>29,198.08</u>
TOTAL ASSETS	<u>267,162.05</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	29,093.81
Total Accounts Payable	<u>29,093.81</u>
Total Current Liabilities	<u>29,093.81</u>
Total Liabilities	29,093.81
Equity	
32000 · Unrestricted Net Assets	152,830.05
Net Income	85,238.19
Total Equity	<u>238,068.24</u>
TOTAL LIABILITIES & EQUITY	<u>267,162.05</u>

Tourism Business Improvement District
Profit & Loss - FY19
May 2019

06/24/19

Accrual Basis

	May 19	Jul '18 - May 19
Income		
4000 · TBID Revenue	90,696.00	594,912.00
4100 · Interest Income	22.99	208.41
Total Income	90,718.99	595,120.41
Expense		
5000 · Staffing	17,652.71	218,385.20
5100 · Administrative		
5115 · Annual Report/Mtg	0.00	1,452.75
5199 · Other Admin	0.00	3,344.82
5350 · City of Kalispell Admin Fee	0.00	5,000.00
5110 · Bank Fees	2.80	27.30
5120 · Audit	0.00	1,163.00
5125 · Bookkeeping	220.00	2,790.00
5140 · Office Supplies	81.59	603.24
5150 · Postage & Copies	218.08	2,270.66
5160 · Rent	700.00	7,700.00
5165 · Storage Unit	0.00	215.69
5180 · Telephone	180.75	2,409.72
5185 · Travel & Entertainment	150.43	1,109.31
5190 · Technology Support	50.00	520.00
Total 5100 · Administrative	1,603.65	28,606.49
5200 · Research & Education		
5255 · Strategic Planning	0.00	26,422.86
5240 · Research	0.00	28.94
5210 · Smith Travel Reports	0.00	6,700.00
5230 · Organizational Memberships	0.00	3,565.00
5220 · Training & Education	0.00	1,223.38
Total 5200 · Research & Education	0.00	37,940.18
5250 · Web Site		
5260 · New Website	0.00	16,715.00
5270 · Maintenance & Enhancements	0.00	790.51
5280 · SEO & SEM	1,499.50	8,022.50
Total 5250 · Web Site	1,499.50	25,528.01
5400 · Consumer Marketing		
5405 · Photo and Video Library	7.00	2,806.00
5430 · Social Media Admin & Adv	845.00	4,653.88
5440 · Creative Services	0.00	20,000.00
5450 · Media Buy Online	6,800.00	32,683.84
5460 · Travel Show Attendance	0.00	7,689.72
5470 · Trade Show Booth	0.00	629.28
5480 · Airport Displays	75.00	625.00
5420 · E-Marketing	0.00	1,264.28
5496 · Visitor Guide & Niche Brochures	0.00	4,510.00
Total 5400 · Consumer Marketing	7,727.00	74,862.00
5500 · Event Marketing		
5548 · Events Operations Management	0.00	6,000.00
5501 · Dragon Boat	0.00	18,377.86
5502 · Spartan Event	29,000.00	29,000.00
5504 · Winter Event	0.00	17,100.23
5549 · Other Event Marketing	0.00	6,675.00
Total 5500 · Event Marketing	29,000.00	77,153.09
5550 · Meetings & Conventions		
5565 · Meeting Planner Shows	3,824.39	12,293.66
5567 · Meeting Planner FAM	115.00	335.17
5570 · Meeting Planner Incentive Progm	800.25	10,490.87
5574 · M&C Collateral, Website	0.00	94.00

Tourism Business Improvement District

Profit & Loss - FY19

06/24/19

May 2019

Accrual Basis

	May 19	Jul '18 - May 19
5583 · Customer Relationship Mgmt Syst	0.00	4,500.00
5575 · Advertising/Enews	4,119.19	8,906.46
Total 5550 · Meetings & Conventions	8,858.83	36,620.16
5650 · Publicity		
5660 · Travel Media Press Trips/FAM	1,621.68	4,031.46
5665 · Proactive & Reactive PR	0.00	1,492.93
5680 · Kalispell Branded Merchandise	0.00	1,024.41
Total 5650 · Publicity	1,621.68	6,548.80
Total Expense	67,963.37	505,643.93
Net Income	22,755.62	89,476.48

Tourism Business Improvement District
Profit & Loss Budget vs. Actual FY19
 July 2018 through May 2019

	<u>Jul '18 - May 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Income				
4000 · TBID Revenue	594,912.00	606,000.00	-11,088.00	98.2%
4100 · Interest Income	208.41			
Total Income	<u>595,120.41</u>	<u>606,000.00</u>	<u>-10,879.59</u>	<u>98.2%</u>
Expense				
5000 · Staffing	218,385.20	238,000.00	-19,614.80	91.8%
5100 · Administrative	28,606.49	29,000.00	-393.51	98.6%
5200 · Research & Education	37,940.18	18,500.00	19,440.18	205.1%
5250 · Web Site	25,528.01	37,000.00	-11,471.99	69.0%
5400 · Consumer Marketing	74,862.00	80,500.00	-5,638.00	93.0%
5500 · Event Marketing	77,153.09	93,000.00	-15,846.91	83.0%
5550 · Meetings & Conventions	36,620.16	80,000.00	-43,379.84	45.8%
5650 · Publicity	6,548.80	30,000.00	-23,451.20	21.8%
Total Expense	<u>505,643.93</u>	<u>606,000.00</u>	<u>-100,356.07</u>	<u>83.4%</u>
Net Income	<u><u>89,476.48</u></u>	<u><u>0.00</u></u>	<u><u>89,476.48</u></u>	<u><u>100.0%</u></u>

KALISPELL CONVENTION & VISITOR'S BUREAU

EVENT BALANCES

Accrual Basis

	SPARTAN RACE	INDOOR SOCCER	MTGS & CONV	VC MERCH	BWD BROCHURE	ARES	TOTAL
2018 Balance Forward	0.00	3,059.90	0.00	80.50	100.00	3,250.00	6,490.40
January 2019	0.00	500.95	0.00	0.00	0.00	0.00	500.95
February 2019	(20.00)	3,938.87	0.00	0.00	0.00	0.00	3,918.87
March 2019	(1,750.00)	(6,696.08)	0.00	0.00	0.00	17.75	(8,428.33)
April 2019	28,706.64	7,625.78	0.00	0.00	0.00	9.32	36,341.74
May 2019	(22,945.87)	0.00	0.00	0.00	(200.00)	0.00	(23,145.87)
June 2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00
July 2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00
August 2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00
September 2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00
October 2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00
November 2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00
December 2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00
EVENT BALANCES	3,990.77	8,429.42	0.00	80.50	(100.00)	3,277.07	15,677.76

Kalispell Chamber of Commerce
KCVB P&L by Class
January through May 2019

	Indoor				TOTAL
	Spartan	Soccer	Brochure	aRes	
Income					
4025.00 · Program Revenue	1,245.00	399.60	0.00	27.07	1,671.67
4700.00 · Special Events	8,457.00	17,161.39	0.00	0.00	25,618.39
4410.00 · TBID Revenue	29,000.00	10,000.00	0.00	0.00	39,000.00
Total Income	<u>38,702.00</u>	<u>27,560.99</u>	<u>0.00</u>	<u>27.07</u>	<u>66,290.06</u>
Gross Profit	<u>38,702.00</u>	<u>27,560.99</u>	<u>0.00</u>	<u>27.07</u>	<u>66,290.06</u>
Expense					
5000.00 · Direct Program	25,559.61	16,002.63	0.00	0.00	41,562.24
5060.00 · Bank Fees & Service Charges	206.87	156.87	0.00	0.00	363.74
5260.00 · Insurance	1,243.00	700.00	0.00	0.00	1,943.00
5160.00 · Contributions & Scholarships	4,207.00	0.00	0.00	0.00	4,207.00
5520.00 · Professional Fees	800.00	4,269.51	0.00	0.00	5,069.51
5500.00 · Printing & Publications	0.00	213.50	0.00	0.00	213.50
5400.00 · Miscellaneous	479.00	39.87	0.00	0.00	518.87
5420.00 · Office	395.10	310.10	0.00	0.00	705.20
5740.00 · Travel	1,820.65	498.99	0.00	0.00	2,319.64
5050.00 · Bad Debt	0.00	0.00	200.00	0.00	200.00
Total Expense	<u>34,711.23</u>	<u>22,191.47</u>	<u>200.00</u>	<u>0.00</u>	<u>57,102.70</u>
Net Income	<u><u>3,990.77</u></u>	<u><u>5,369.52</u></u>	<u><u>-200.00</u></u>	<u><u>27.07</u></u>	<u><u>9,187.36</u></u>

SAVE TO YOUR COMPUTER PRIOR TO FILLING OUT

CITY OF KALISPELL
APPLICATION FOR ADVISORY BOARDS,
COMMITTEES & COMMISSIONS



BOARD, COMMITTEE, COMMISSION APPLYING FOR: Select Board or Committee

NAME: *Joseph Alexander*

STREET ADDRESS: *20 N. Main St., Ste #150*

CITY: *Kalispell*

CONTACT PHONE #: *475-325-8968*

E-MAIL: *joseph.alexander@redlion.com*

PLEASE PROVIDE THE FOLLOWING INFORMATION
(attach a separate sheet if necessary)

Current Occupation: *General Manager*

Current Employer: *Red Lion Hotel Kalispell*

Organization(s) of which you are currently a board member:

N/A

Why are you interested in serving this board, committee, or commission:

I have held 11 different management positions for major hotel companies. With my current experience, fast learning, and superior adaptability I feel as if this would be a great symbiotic relationship to aid in the success of Kalispell.

Detail any education, knowledge, or experience you have which would be beneficial to this board, committee or commission:

My education is broad starting in Cornell University for Hospitality Management, Le Cordon Bleu where I learned the most efficient tactics to operate an F&B operation, and the Arizona School of business/real estate to understand not only operations but ownership as well.. I worked for 3 major hotel companies, in which I had the opportunity to experience each premier hotel brand.

DATE: *06/27/19*

SIGNATURE: 

** Please return your completed application to the Kalispell City Clerk, P.O. Box 1997, Kalispell, MT 59903. Applications may also be sent by email to cityclerk@kalispell.com, or submitted in person at 201 1st Avenue East.

Auto Email to City Clerk

Non-Resident Expenditure & Economic Contribution Report for 2018

Non-resident visitors to Flathead County spent \$614 million in 2018, a 15% increase over 2017. \$614M in local spending directly supports \$486.5 million of economic activity in the region and supports an additional \$338 million of economic activity indirectly.

Supports 11,460 jobs

Highest expenditure percentages ranked as:

Restaurant/Bar 22%; Retail Sales 13%; Outfitter/Guides 12%; Hotel 11%; Groceries/Snacks 9%; License/Entrance Fees 9%; Gasoline 8%; Rental Cabin/Condo 5%; Made in MT 4%; Auto Rental 3%

2019 Montana Spartan Race – May 4-5, 2019

7,005 adult racers; 812 kid racers = 7,812 racers (slightly down from 7,946 racers in 2018)

1,550 spectators (down from 2,150 spectators in 2018)

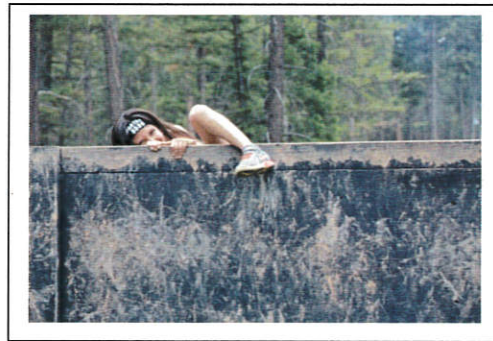
Beast – highest percentage of racers traveled over 500 miles to attend event

Sprint – highest percentage of racers traveled 200 miles or more to attend event

50 states and 5 provinces represented

Event received 60,671 digital advertising impressions and 1,779,942 social advertising impressions through advertising done by Spartan Race.

(Economic impact data forthcoming from ITRR)



Beer Now Kalispell Post Excursion – June 9

Discover Kalispell hosted 30 beer industry bloggers and influencers in Kalispell as a post-excursion, to the Beer Now conference held in Great Falls June 6-8. Following a bus ride from Great Falls, the group spent time in GNP for lunch and a short activity then to Kalispell for a private event at the Museum at Central School showcasing the Flathead Valley breweries. The attendees came from GA, AB, WV, VA, MA, NM, WI, TN, GA, CO, CA, TX, OR, IL and 2 from MT.



Visitor Guide Requests – through May

Postal = 1,470 (total for 2018 1,369)

Electronic download = 231

Bed Tax – Gross Collections for Kalispell

1/1 – 3/31/2019 = \$149,298 (+2%)

Digital Updates – May

- Overall website traffic was up 36% with over 10k unique users creating over 58k page views
- Average 3.5 pages/session
- Facebook generated 821k organic impressions and an organic reach of 528k
- Google Ads (SEM) generated over 1.2M impressions and 1,138 clicks
- Facebook ads generated 737k impressions with 11k clicks
- Instagram saw 125 new users / Twitter had 61 new followers
- Total impressions across organic social and digital ads were 2.761 million
- Website visits from key markets (% change May 2019 vs May 2018):
 - CA +247%; TX +53%; IL +260%



STR Report – May

Kalispell:

YTD May '19 vs May '18: OCC: 56.9% / -0.1%; ADR: \$87.10 / +4.9%; RevPAR: \$43.54 / +4.8.8%.

Three properties did not report.

STR Comp set data:

Current Month - May 2019 vs May 2018											
	Occ %		ADR		RevPAR		Percent Change from May 2018				
	2019	2018	2019	2018	2019	2018	Occ	ADR	RevPAR	Room Avail	Room Sold
Kalispell, MT+	56.9	57.0	87.10	83.03	49.54	47.29	-0.1	4.9	4.8	5.6	5.4
Missoula, MT+	69.6	74.9	108.77	106.99	75.66	80.12	-7.1	1.7	-5.6	5.6	-1.9
Butte, MT+	56.7	51.0	88.79	83.88	50.36	42.77	11.2	5.8	17.7	-0.4	10.8
Bozeman, MT+	73.4	68.8	117.66	107.62	86.32	74.05	6.6	9.3	16.6	1.3	8.0
Whitefish, MT+	59.6	54.3	94.49	92.89	56.36	50.48	9.8	1.7	11.7	9.1	19.8
Rapid City, SD	56.7	58.6	82.56	86.68	46.82	50.76	-3.1	-4.8	-7.8	4.0	0.7
Coeur D Alene, ID+	69.6	69.6	136.91	129.60	95.34	90.23	0.0	5.6	5.7	-0.1	-0.0
Bend, OR+	71.9	71.8	129.73	127.78	93.32	91.77	0.2	1.5	1.7	10.4	10.5
Spokane, WA+	73.5	73.0	121.09	114.29	89.01	83.44	0.7	6.0	6.7	1.0	1.7
Billings, MT+	58.4	68.1	96.40	92.37	56.25	62.91	-14.3	4.4	-10.6	-0.1	-14.4
Boise, ID+	76.1	76.5	113.55	110.05	86.43	84.21	-0.5	3.2	2.6	4.1	3.5
Great Falls, MT+	54.4	59.3	90.72	88.87	49.35	52.70	-8.3	2.1	-6.4	0.0	-8.3
Helena, MT+	64.2	62.1	102.30	104.21	65.67	64.75	3.3	-1.8	1.4	4.9	8.4
Lethbridge, AB+	62.5	52.2	82.34	85.76	51.45	44.81	19.6	-4.0	14.8	0.0	19.6
KALISPELL PROPERTIES:											
Economy Class+	50.0	50.1	60.55	60.50	30.29	30.30	-0.1	0.1	-0.0	0.0	-0.1
Mid/UpperMid/UpperUp/Upscale Class+	60.1	60.5	97.42	92.47	58.54	55.90	-0.6	5.4	4.7	8.4	7.8

June 2019 Sales Sheet

Dawn Jackson, Group Sales Manager

RFP's/RFI's Sent:

Proposals Sent:

Working leads:

- 2020 MT Ghost Town Preservation Society-September
- 2021-2022 MT DECA State Career Development Conference-2 year contract for February dates-group decided to go with Fairmont for 2020
- 2020-Fearless Living Institute (CVENT)-June 2020-Do not have a current update
- 2020 MEDA-MT Economic Development Association-Kalispell has been selected for their 2020 Spring conference and met with organizers-RFP's will go out in July.
- 2020 MT Newspaper Association Annual Conference (BIH)-June-have not decided 2020 location-will continue communication with them
- 2021 MT Training Conference (Council on Problem Gambling)-June-will be hosting their event in Kalispell-will start making plans following June conference
- 2021 Battalion Reunion (BIH)-May or June-Returned from their reunion and voted on Kalispell at April Board Meeting-location and dates tbd
- 2020 Athena Pack Conference (BIH)-March-typically held in Bozeman and will consider Kalispell following their May event-waiting to hear back

Working leads on hold:

- 2020 Regional or State Trails Symposium and Professional Trailbuilder's Association (BIH)-on hold
- 2021 MT Meat Processors Conference (BIH)-April-left message for contact – Have not heard back-Red Lion will follow up on
- 2021 Montana High School Lacrosse Association-will begin process of working with the clubs to see if there is enough support to bid on the 2020 Championship Game-the board has grown and they have engaged more and have asked that I come and do a presentation for a 2021 bid to present ways in which the CVB can help

Leads Lost:

- 2020 MT DECA State Career Development Conference-Decided to stay with Fairmont for 2020
- 2020 Outdoor Media Summit (OMS)-April or May-Kalispell has made the finalist list but the organizers decided to go with Estes Park, CO due to larger incentives-they are still very interested in 2021

Welcome Bags:

- NAPS – 50 Welcome bags

Groups Won:

- 2021 Battalion Reunion-Spring-Group has choose Kalispell-will send out RFP's in July to determine hotel
- 2021-POMA-June dates tbd & location tbd

Groups Assist:

- 2019 Haas Technical Education Class-working on specific spouse outing itineraries

June Highlights

- Attended IPW. Met with 38 domestic and international tour operators-recap and follow up will be available
- Attended Evergreen Luncheon and The Woodland groundbreaking ceremony
- Assisted with Beer Now Post Excursion events
- Organized and did a site tour with coordinators of the USS St Paul Association
- Organized and led Meet in Kalispell FAM
- Introduced speaker at the MT Area Young Professionals Summit

- Attended Homewood Suites UNWIND
- Attended Grand Opening at My Place
- Attended meeting with discussion about an Art Council
- Met with Jodi Smith at FVCC to discuss their conference registration platform

Future Conferences & Events:

- 2019 Under the Big Sky Festival-July 12-14-Whitefish
- 2019 Haas Technical Education Class-July 21-26, 2019-Hilton & Red Lion
- 2019 Event at Rebecca Farms-July 24-28, 2019
- 2019 MT Auto Dealers Association-August 9-11-Hilton
- 2019 Purpose Driven Tours-August 14-15, 2019-BW Flathead Lake Inn & Suites
- 2019 International Conference of Low Volume Roads-September 15-19, 2019-Hilton & Red Lion
- 2019 NWPPA Board of Trustees-September 11-12, 2019-Hilton
- 2019 MT Communicator Conference-September 27-28, 2019-Red Lion
- 2019 National Rodeo Association-October 24-26, 2019

2020

- 2020 WELD-Western Extension Leadership Development-May 17-23, 2020-Hilton
- 2020 MEDA-MT Economic Development Association-May dates tbd
- 2020 York Fun Club-July 21-22, 2020-Red Lion
- 2020 USS Saint Paul Association-August or September 2020-Kalispell confirmed-lodging/date TBD
- 2020 International Bear Association-September 19-26, 2020-Hilton & Red Lion
- 2020 MT League of Cities and Towns-October 6-10, 2020-Hilton & Red Lion
- 2020-State Cross Country-October 24, 2020

2021

- 2021 MT District #5350 Conference (Rotary)-April 23-25, 2021-Hilton
- 2021 Battalion Reunion-Spring-location tbd
- 2021-State Softball-May 27-29, 2021
- 2021-POMA-June dates tbd & location tbd

Strategic Plan – Summary document for June 5th TBID board meeting

Section 1 of report – Understanding

In this section of the report they outline the historic and current data used to understand all aspects of our destination, particularly what makes Kalispell different in feel and culture. How we compare to regional, state and local competitive destinations (pgs 16-17).

Key finding: Kalispell and WF occupancy has been similar through 2018, now that WF has three new properties (including two flag properties) they are capturing more room nights. Whitefish is an established resort community and can support pure resort pricing and ability to hold rate during off seasons. Kalispell is not a resort destination or a city destination. We are not achieving OCC or ADR of either type of destination, are positioned more as a “core resort “. We need to define our own space and promote our assets outside of the surrounding outdoors and GNP.

(Reference attached OCC & ADR graph)

Section 2 of report – Creating

Item A: Core Strategies

The core strategy involves the design and creation of marketing strategies to improve competitiveness of Kalispell. Kalispell’s weakness is not that we don’t have a sellable product, but that the focus has been more outward than inwards. “Discovery In Every Direction” was an appropriate brand guideline as Kalispell’s marketing was launched and to position Kalispell as a destination over the past 8 years.

- 1) Reposition Kalispell as a destination community as opposed to a hub
- 2) Better understand our assets and liabilities
- 3) Rethink the seasonal focus

Board Discussion Points: Our brand needs to be able to stand alone despite our surroundings: What is the unique value proposition that would drive visitation to Kalispell with or without proximity to Glacier National Park and Flathead Lake?

What is the best allocation of our marketing plan segments and staffing resources during FY20 to most effectively gain competitive advantage and define our differentiation from Whitefish: Consumer marketing, M&C, group travel, sports, and events?

Strategic Plan – Summary document for July 10th TBID board meeting

Section 2 - Continued

Item B: Marketing Strategy Integration/Transition

The plan recommends taking advantage of Kalispell’s pricing advantage in the short-term. While developing and repositioning the destination and expanding our target segments in the mid-term – achieving a clear point of differentiation - then Kalispell can raise rates in a ‘clear market space’.

1. The Price Advantage – goal is successfully promote Kalispell’s product attribute and price/value as a clear visitor benefit. Exploit our value (affordable variety) advantage that we have over other competitors. As repositioning gains traction, it will enable Kalispell to increase ADR based on a more differentiated and more competitive destination experience.

Pg 28 of the plan illustrates that average quality rating for the hotels as assigned by users in TripAdvisor: Kalispell - while rated slightly lower on quality - 4.3 versus 4.5 for Whitefish - holds a significant 15% price advantage over Whitefish.

2. Driving the website and visitor guide to influence potential visitors - Internet plays a prominent role in travel planning. DK is the best organization to create awareness and brand positioning to influence travel.

Website analytics enable us to measure success:

- How many users generated overall
- Can develop online surveys to determine how people got to the website, its influence to motivate travel, and ROI
- Can measure leads to hotels, attractions and local businesses

3. Projected Results – as a result of implementing the recommended competitive strategy these are projected results:

- Assume an increased annual growth of unique visitors between 10% and 20% over next five years.
- Assuming 10% are influenced to visit – potential lodging revenue between \$3.5M and \$8.8M generated through DK marketing efforts (does not include consumers influenced to visit that did not use DK.com). (Notes: Based on 2.0 avg length of stay, \$107 ADR and 2% inflation rate)

4. Phased Strategy Roll Out

Phase 1 – Utilize existing price advantage

Phase 2 – Differentiate Kalispell – define the destination community position

Phase 3 – As perceived value in minds of consumers increased lodging prices begin to consistently rise.

Board Discussion Points: Based on the ongoing conversations at TBID board meetings about TBID properties have rate integrity and not dropping rate particularly in the off-season, what are your thoughts on the price advantage strategy outlined above? If a rate-conscious traveler is choosing between WF and Kalispell would they chose Kalispell based on rate or based on what the community offers as compared to WF? Is that a choice they would make at this time or more valid after Kalispell’s downtown transformation moves forward and we can better define the destination’s community position?

B. Marketing Strategy Integration/Transition

The strategy integration and transition seek to take advantage of Kalispell’s pricing advantage in the short-term. By developing and implementing a repositioning of the destination and expanding its target segments in the mid-term and then raising rates once a clear point of differentiation is established, Kalispell can be seen in a “clear market space.”

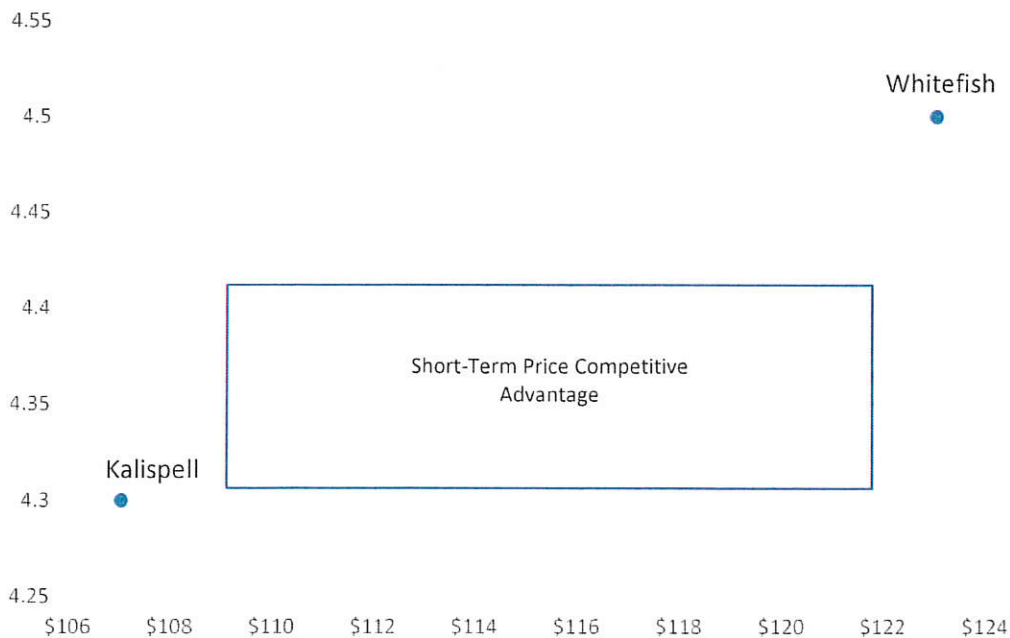
1. The Price Advantage

Properly promoted, Kalispell’s product attributes and price/value translate into a clear visitor benefit. The core strategy is to fully exploit the price/value advantage Kalispell has with regard to its other competitors in the short-term, while building a clearer point of differentiation that will facilitate increased average daily rate over the mid to longer term.

The figure below illustrates this price advantage and compares the 2018 Average Daily Rate for Whitefish and Kalispell for one night. The figure also illustrates the average quality rating for the hotels in each destination as assigned by users in TripAdvisor. As can be seen, Kalispell - while rated slightly lower on quality - 4.3 versus 4.5 for Whitefish - holds a significant 15% price advantage over Whitefish.

This short-term advantage should be used while Kalispell repositions the destination as outlined. As repositioning gains traction, it will enable Kalispell to increase ADR based on a more differentiated and more competitive destination experience.

Figure 8: Kalispell Lodging Pricing and Rating vs. Competitive Set



Source: Trip Advisor property ratings, Smith Travel Research, SMG Consulting

2. Focus on Driving the Website and Influencing Potential Visitors

Given the prominent role that the Internet plays in travel planning, Kalispell's marketing efforts should continue to drive potential visitors to its website. At the core of the strategy are two basic principles:

- The **best organization to create awareness and brand positioning** to influence visitors to choose Kalispell is the Destination Marketing Organization.
- The **best organization to book a room or make a sale** is a lodging property or an online travel agency (OTA).

How the strategy works (see the model on following page)

- Marketing programs (advertising, SEO, social media, public relations) are executed to attract target market segments and to increase the existing database for future tourism marketing efforts. Once the target segment is attracted, they either show interest (go to the Discover Kalispell website) or not.
- Once they go to the website, at some point, they may link to a lodging property, Glacier National Park or outfitter. They may book directly, or they may book through an online travel agency or some other channel. This sequence of events may happen all at once or over a period of time.
- Based upon their experience, new visitors either become repeat visitors going back to the lodging property/attraction directly or back to Discover Kalispell's website to choose another lodging property or attraction, or they fall out of the entire system.
- The DMO can measure its effectiveness and accountability at several points.
 - First, it will be able to measure **how many website users are generated overall** by its marketing efforts.
 - Second, it can **develop online surveys to determine how people got to the website**, its influence to motivate them to book a vacation, and the return on investment (ROI).
 - Third, it can measure **how many visitors (leads) it provides to its TBID members, attractions, and local businesses**.

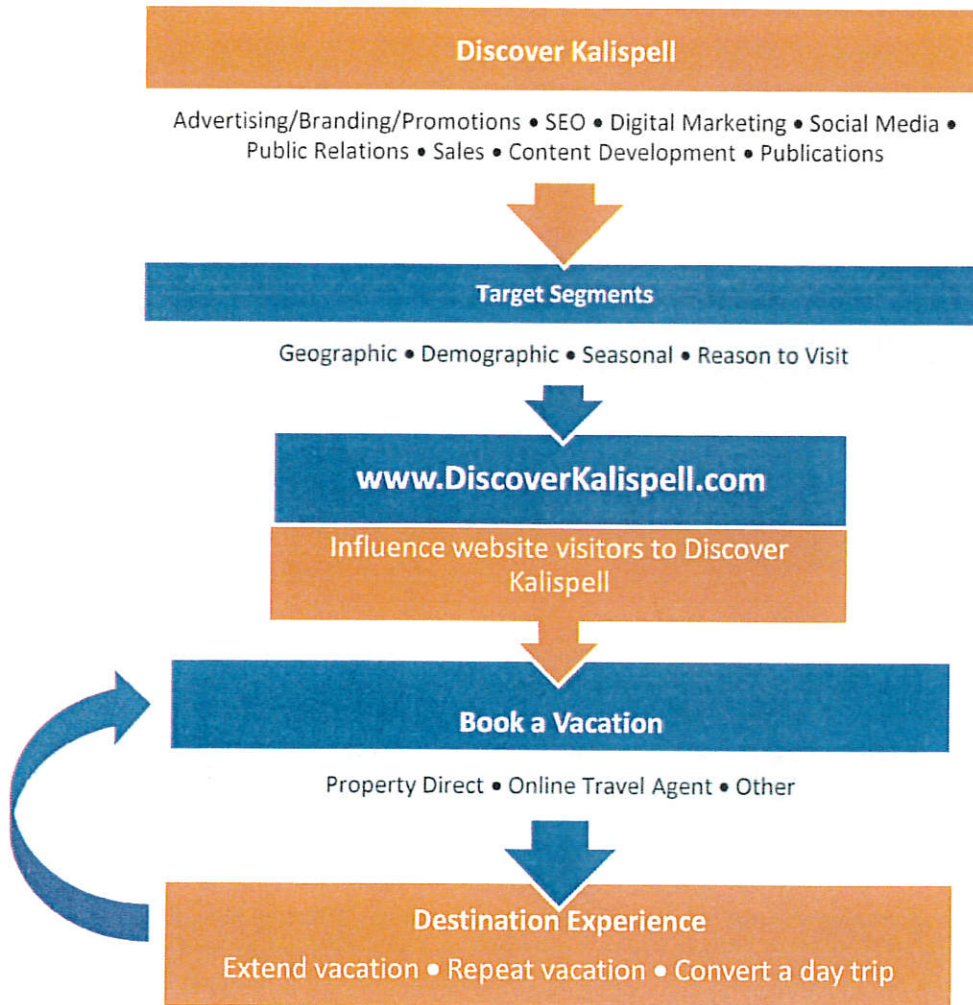
Discover Kalispell must concentrate its efforts on **repositioning the destination and creating awareness to drive potential visitors to its website** in order to educate and encourage them to visit the destination. In doing so, it is important to remember two key priorities:

1. Tourism promotion efforts must concentrate on **the marketing elements that individual organizations/businesses cannot do (or do as well) for themselves; and**
2. Stakeholders must work together to support the "Destination Community" strategy.

COMPETITIVE STRATEGY

“Destination Community”

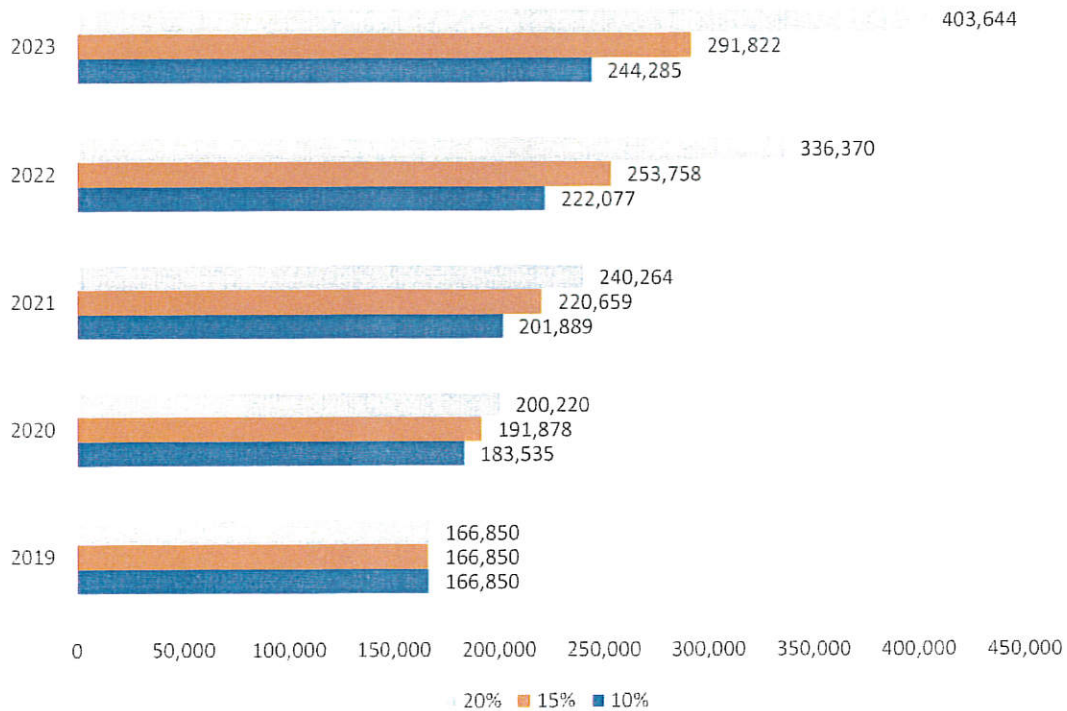
Montana has a soul. Discover it in Kalispell.



3. Kalispell Projected Results

As a result of implementing the strategy it is expected that Discover Kalispell will increase interest in the destination with the intent to drive more potential visitors to the website. Current unique visitors to the website are approximately 166,850 annually. The figure below projects unique visitor growth at 10%, 15% and 20% between a five-year timeframe.

Figure 9: Discover Kalispell Unique Visitors to Website | Annual Projections



Source: Google Analytics, SMG Estimates

In the figure above, assuming a range of annual growth rates between 10% and 20% of website visitors over the next five years, there would be an incremental increase of website visitors. Assuming 10% are influenced to visit, it would mean potential lodging revenue between \$3.5M and \$8.8M generated just through the Kalispell tourism marketing efforts. Visitors can be tracked through the website. This does not include consumers that might have been influenced to visit but did not use the Kalispell website.

Table 3: Lodging Revenue Projections

	2019	2020	2021	2022	2023
10% Growth	\$3,570,590	\$4,006,202	\$4,406,833	\$4,807,115	\$4,410,260
15% Growth	\$3,570,590	\$4,188,313	\$4,816,545	\$5,539,030	\$6,369,891
20% Growth	\$3,570,590	\$4,370,402	\$5,244,483	\$7,342,284	\$8,810,741

Source: SMG Consulting Estimates

Notes: Projections are based on website user growth using an estimated 10% influence to visit rate, 2.0 average length of stay, \$107 Average Daily Rate (ADR), and 2% inflation rate.

Phased Strategy Roll Out

The key toward leveraging this competitive advantage is to not only communicate the pricing, but to promote Kalispell's outdoor recreation, downtown, and local culture through curated experiences that end with a transaction.

The figure below illustrates the roll out of the strategy in three phases.

The end result is a more competitive destination that is distinguished from Whitefish with a different value perception for different market segments. This strategy allows the lodging industry to create its own favorable (higher) pricing differential based on a different value proposition.

Kalispell Destination Strategy Roll Out

