

KALISPELL TOURISM  
BUSINESS IMPROVEMENT  
DISTRICT

BOARD OF DIRECTORS MEETING

Wednesday, January 5, 2011

3:00pm – 5:00pm

Kalispell Chamber of Commerce

**Board of Directors Meeting**  
**Kalispell Tourism Business Improvement District**  
**Wednesday, January 5, 2010**  
**3:00 pm – 5:00 pm**  
**Location: Kalispell Chamber of Commerce**

**AGENDA**

3:00 pm Meeting Called to Order: Chris Walters, Chairman of the Board

1. Hear from the Public  
Member of the public are invited to present information related to the Tourism Business Improvement District. Presenters are limited to three (3) minutes each.
2. Consent Agenda
  - a. Approval of minutes: December 8, 2010 board meeting
  - b. TBID financial statement as of 11/30/10
3. Board Discussions

CVB Updates

- KCVB Strategic Plan
- Alternative revenue generation, distribution of leads
- Lethbridge Shopper – spring break issue
- Canada's "Family Day" Holiday, February 21<sup>st</sup> – hotel discount used in e-marketing
- Recap of Business Days At The Capitol – [www.TourismMattersMT.com](http://www.TourismMattersMT.com)
- Expansion of air service
- Events: KDA February Chocolate Walk – February 11<sup>th</sup>, 5-7pm, Music 7-10pm  
Outlook 2011, February 11, Hilton Garden Inn, [www.bber.umt.edu](http://www.bber.umt.edu)  
2011 Governor's Conference on Tourism, March 27-29, Helena, [www.travelmontana.mt.gov/conference](http://www.travelmontana.mt.gov/conference)

5:00 pm Meeting adjourns

Enclosures: December 8, 2010 minutes  
TBID financial statement  
City of Kalispell Gross Lodging Tax Revenue  
2011 Legislature – tourism & hospitality bill watch list  
Kalispell Chamber VIC 2010 Reports  
Delta Sky Magazine – KCVB ad included in the 25 page special section on Montana  
Press Clippings

For Further Information, Please Contact:

Chris Walters, Board Chairman, [chris.walters@hilton.com](mailto:chris.walters@hilton.com) or 406-758-2570  
Diane Medler, CVB Director, [dianem@kalispellchamber.com](mailto:dianem@kalispellchamber.com) or 406-758-2808

Board Meeting Schedule for 2011 - 3:00 pm, Kalispell Chamber of Commerce

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



**Board of Directors Meeting  
Kalispell Tourism Business Improvement District  
Wednesday, December 8, 2010 – 3:00 PM  
Kalispell Hilton Garden Inn**

# Minutes

**Board Members Present:** Chris Walter, David Ginepra, Bryan Scott, Janet Clark, Lori Fisher and Gib Bissell

**Board Members Absent:** Arlinna Wolfe

**Staff Present:** Diane Medler

**Staff Absent:** Joe Unterreiner

**Guests Present:** Winnie Storli

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Meeting was called to order by Chris Walters, Chairman of the Board at 3:09 PM.

1. Hear from the public- none
2. Consent Agenda
  - a. Approve Minutes from the November 10, 2010 Meeting:  
Discussion: None  
Action: Motion was made by Janet Clark to approve the minutes as written. Motion seconded by Gib Bissell. Board approved unanimously.
  - b. TBID proposed expenditures for remainder of fiscal year:  
Diane Medler provided the board with a spreadsheet showing the TBID proposed revised revenue and expenditures showing a reallocation of funds with an increased emphasis put on the branding and marketing plan and website.  
Discussion: David & Winnie suggested that we should piggy back on other existing websites such as Glacier Park and the Kalispell Downtown instead of putting so much money into a new website. Gib stated that website and branding are the highest priority for the CVB. Lori stressed that a good website is very important when marketing to visitors out of this area.  
Action: Motion was made by Gib Bissell to accept proposed budget. Motion seconded by Janet Clark. Board approved unanimously.
  - c. Recording of minutes:  
Chris Walters clarified that this is a notification item, not consent agenda. Bryan Scott has recorded the last two TBID board meetings and will continue to record the meetings for his personal use. He travels a lot and by recording he can listen to the meeting when convenient. The official minutes will be taken by the CVB. No action taken.
3. Board Discussions
  - a. Kalispell Chamber visitor center hours:  
David suggested that the visitor center should have coverage on holidays and weekend when most tourists are in the area. He suggested that the TBID could fund extra coverage through a CVB assistant. Chris stated that the visitor center is the Chamber's responsibility and is partially funded by bed tax dollars. He recommended that we wait and look at increasing hours in the summer. The group questioned why the current visitor center staffing hours aren't adjusted so evenings and weekends are covered, for example staff on Saturday instead of Monday.

4. CVB Updates - Diane

- a. The RFP for branding and marketing services will be posted December 10<sup>th</sup> to be awarded the first week of February.
- b. The strategic plan will be sent to the board for review prior to the January board meeting and added as a discussion item on the agenda.
- c. The group discussed how the CVB could incorporate a hotel discount code in e-marketing campaigns to be able to track the effectiveness of the advertising. CVB will create the discount and send out to all TBID hotels enabling them to opt-in or out.
- d. The group discussed how leads garnered by the CVB should be distributed. Some had concerns that the email leads would be inundated with ads if both the CVB and hotels were utilizing the lists. Lori stated that an individual hotel may want to use the list to promote a special event at that hotel. It was suggested that TBID members receiving leads sign a Lead Use Policy to assure responsible use of the database. This will be added to next month's agenda.

5. Other Business

- a. Revenue Generation: Bryan suggested that as we move forward with the branding and marketing plan there will be opportunities to generate revenue to offset the costs. He suggested that it either becomes a regular discussion topic at the board meetings or a separate committee be formed to formulate ideas to bring to the board. It was suggested that the board give some thought to the concept of how a committee would be organized and what its function would be. This will be added to next month's agenda for action.
- b. Auditing of TBID collection returns: David asked if there was further action taken on the discussion from the November board meeting regarding possible irregularities in the latest returns. Chris informed the group that the executive committee felt that to insure fairness and objectivity any evaluation of a return should be done by a third party, not a TBID member or staff. The committee is researching options for contracting with an accounting firm to develop an audit process. Recommendations will be brought to the board when ready.

Meeting was adjourned by Chris Walters at 5:00 PM.

Respectfully Submitted: Diane Medler

For Further Information, Please Contact

Chris Walters, Board Chairman, [chris.walters@hilton.com](mailto:chris.walters@hilton.com) or 406-758-2570  
Diane Medler, CVB Director, [dianem@kalispellchamber.com](mailto:dianem@kalispellchamber.com) or 406-758-2808

Board Meeting Schedule for 2011 - Kalispell Chamber Conference Room at 3:00 Pm

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

Kalispell Tourism Business Improvement District  
Financial Variance Report  
January 5, 2011

Profit and Loss Statement November 2010:

Branding: Food and other supplies for the strategic planning session

Web Site Development: Deposit to Bigfork Web for modifications to the Visit Kalispell section of KalispellChamber.com and the creation of the hotel directory page.

Consumer Marketing: Includes Delta/Sky Magazine co-op ad, banner for trade show and hotel brochure used at Calgary Trade Show and distributed through Kalispell VIC and call center.

Public Relations: KCVB October e-newsletter and flowers to Winnie Storli

Profit and Loss Versus Budget July – November 2010:

Reflects original approved budget, not the proposed revised budget approved by TBID board December 8th

11:23 AM  
12/11/10  
Accrual Basis

**Tourism Business Improvement District**  
**Balance Sheet**  
As of November 30, 2010

	<u>Nov 30, 10</u>
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Checking	<u>112,992.80</u>
Total Checking/Savings	<u>112,992.80</u>
Total Current Assets	<u>112,992.80</u>
<b>TOTAL ASSETS</b>	<u><u>112,992.80</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	<u>8,010.21</u>
Total Accounts Payable	<u>8,010.21</u>
Total Current Liabilities	<u>8,010.21</u>
Total Liabilities	<u>8,010.21</u>
Equity	
Net Income	<u>104,982.59</u>
Total Equity	<u>104,982.59</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>112,992.80</u></u>

11:23 AM  
 12/11/10  
 Accrual Basis

**Tourism Business Improvement District**  
**Profit & Loss**  
 November 2010

	Nov 10	Jul - Nov 10
<b>Income</b>		
TBID Revenue	119,950.00	136,441.75
Interest Income	2.61	3.68
<b>Total Income</b>	119,952.61	136,445.43
<b>Expense</b>		
<b>Staffing</b>		
Wages	3,166.66	9,499.98
Benefits	400.91	1,177.74
<b>Total Staffing</b>	3,567.57	10,677.72
<b>Administrative Exp</b>		
Bookkeeping	90.00	450.00
Office Supplies	0.00	545.87
Postage & Copies	67.51	178.95
Rent	367.00	1,651.50
Telephone	172.94	512.35
Technology Support	0.00	425.00
<b>Total Administrative Exp</b>	697.45	3,763.67
<b>Web Site</b>		
Development	1,526.50	1,587.52
<b>Total Web Site</b>	1,526.50	1,587.52
Branding	95.00	1,229.25
City of Kalispell Admin Fee	2,998.74	3,411.01
Consumer Marketing	4,471.25	4,471.25
Employee Search Exp	0.00	3,360.12
Group Marketing	0.00	52.92
Public Relations	83.90	646.53
Research	0.00	2,400.00
Trade Show Booth	-137.15	-137.15
<b>Total Expense</b>	13,303.26	31,462.84
<b>Net Income</b>	106,649.35	104,982.59



## Tourism Business Improvement District Profit & Loss Budget vs. Actual July through November 2010

	Jul - Nov 10	Budget	\$ Over Budget	% of Budget
<b>Income</b>				
TBID Revenue	136,441.75	335,000.00	-198,558.25	40.7%
Interest Income	3.68			
<b>Total Income</b>	<b>136,445.43</b>	<b>335,000.00</b>	<b>-198,554.57</b>	<b>40.7%</b>
<b>Expense</b>				
Staffing	10,677.72	81,400.00	-70,722.28	13.1%
Administrative Exp	3,763.67	7,250.00	-3,486.33	51.9%
Web Site	1,587.52	8,000.00	-6,412.48	19.8%
Branding	1,229.25	10,000.00	-8,770.75	12.3%
City of Kalispell Admin Fee	3,411.01	6,800.00	-3,388.99	50.2%
Consumer Marketing	4,471.25	75,000.00	-70,528.75	6.0%
Employee Search Exp	3,360.12			
Event Sponsorship	0.00	5,000.00	-5,000.00	0.0%
Group Marketing	52.92	75,000.00	-74,947.08	0.1%
Opportunity	0.00	1,000.00	-1,000.00	0.0%
Public Relations	646.53	7,000.00	-6,353.47	9.2%
Publications	0.00	15,000.00	-15,000.00	0.0%
Research	2,400.00	4,600.00	-2,200.00	52.2%
Trade Show Booth	-137.15	2,000.00	-2,137.15	-6.9%
Travel	0.00	20,000.00	-20,000.00	0.0%
VIC Staff Funding	0.00	12,000.00	-12,000.00	0.0%
<b>Total Expense</b>	<b>31,462.84</b>	<b>330,050.00</b>	<b>-298,587.16</b>	<b>9.5%</b>
<b>Net Income</b>	<b>104,982.59</b>	<b>4,950.00</b>	<b>100,032.59</b>	<b>2,120.9%</b>

**CITY OF KALISPPELL**  
Gross Lodging Tax Revenue

Date of this Run: 12/27/2010

Please Note: Revenue collected is 4% of lodging price. The percentages listed below are affected by rate increases, delinquencies and other factors. They should not be considered an equal correlation of increase or decrease in the number of travelers.

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>
1/1 - 3/31	\$35,217	\$42,297	(+20%)	\$46,944	(+11%)
4/1 - 6/30	\$61,640	\$69,010	(+12%)	\$77,715	(+13%)
7/1 - 9/30	\$97,491	\$120,400	(+23%)	\$149,650	(+15%)
10/1 - 12/31	\$32,311	\$41,454	(+28%)	\$52,839	(+12%)
<b>Total:</b>	<b>\$129,802</b>	<b>\$258,711</b>	<b>(+25%)</b>	<b>\$289,309</b>	<b>(+12%)</b>

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>
1/1 - 3/31	\$54,695	\$50,216	(-8%)	\$50,401	(+0%)
4/1 - 6/30	\$99,907	\$96,014	(-4%)	\$99,876	(+4%)
7/1 - 9/30	\$184,217	\$190,909	(+4%)	\$194,166	(+2%)
10/1 - 12/31	\$51,009	\$56,433	(+11%)	\$56,053	(-1%)
<b>Total:</b>	<b>\$389,828</b>	<b>\$393,573</b>	<b>(+1%)</b>	<b>\$400,496</b>	<b>(+2%)</b>

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>
1/1 - 3/31	\$41,202	\$41,087	(-0%)	\$40,666	(-1%)
4/1 - 6/30	\$80,577	\$87,740	(+9%)	\$86,585	(-1%)
7/1 - 9/30	\$188,075	\$177,009	(-6%)	\$184,739	(+4%)
10/1 - 12/31	\$48,342	\$42,550	(-12%)	\$49,769	(+17%)
<b>Total:</b>	<b>\$358,196</b>	<b>\$348,386</b>	<b>(-3%)</b>	<b>\$361,759</b>	<b>(+4%)</b>

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
1/1 - 3/31	\$43,386	\$45,697	(+5%)	\$45,223	(-1%)
4/1 - 6/30	\$83,904	\$93,313	(+11%)	\$90,627	(-3%)
7/1 - 9/30	\$194,615	\$199,712	(+3%)	\$206,058	(+3%)
10/1 - 12/31	\$42,640	\$51,313	(+20%)	\$60,798	(+18%)
<b>Total:</b>	<b>\$364,545</b>	<b>\$390,036</b>	<b>(+7%)</b>	<b>\$402,705</b>	<b>(+3%)</b>

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
1/1 - 3/31	\$67,314	\$99,707	(+48%)	\$86,438	(-13%)
4/1 - 6/30	\$135,517	\$181,802	(+34%)	\$161,548	(-11%)
7/1 - 9/30	\$321,914	\$349,355	(+9%)	\$319,082	(-9%)
10/1 - 12/31	\$101,837	\$101,222	(-1%)	\$94,862	(-6%)
<b>Total:</b>	<b>\$626,582</b>	<b>\$732,085</b>	<b>(+17%)</b>	<b>\$624,891</b>	<b>(+10%)</b>

## Introduced Bills Matching the Search Criteria

Current Logon ID - JUNTERREINER

## Preference List - Kalispell Chamber: Tourism &amp; Hospitality

\* after status indicates the bill is *probably* dead

Total number of Introduced Bills - 12

Total number of Introduced and Unintroduced Bills - 43

Bill Type - Number	LC Number	Primary Sponsor	Status	Status Date	Short Title	Note
HB4	LC0121	Robert (Bob) Mehlhoff	(H) Referred to Committee -- (H) Appropriations	12/20/2010	Appropriations by budget amendment	
HB9	LC0126	Galen Hollenbaugh	(H) Referred to Committee -- (H) Appropriations	12/20/2010	Cultural and aesthetic grants	
HB19	LC0295	Diane Sands	(H) Referred to Committee -- (H) Human Services	12/20/2010	Clarify that the Clean Indoor Air Act applies to smoking of medical marijuana	
HB50	LC0560	Ken Peterson	(H) Referred to Committee -- (H) Judiciary	12/20/2010	Revise requirements for civil actions against bars for dram shop liability	
HB98	LC0419	Jeffery W Welborn	(H) Referred to Committee -- (H) Fish, Wildlife and Parks	12/20/2010	Direct proceeds from sale of state parks; deposit in state parks spec. rev. fund	
HB111	LC0230	Wayne Stahl	(H) Referred to Committee -- (H) Taxation	12/20/2010	Improving tax administration by depositing state agency lodging tax in gen fund	
HB112	LC0233	Timothy Furey	(H) Referred to Committee -- (H) Judiciary	12/20/2010	Clarify liquor laws related to serving underage and intoxicated persons	
HJ2	LC0205	Roy Hollandsworth	(H) Referred to Committee -- (H) Taxation	12/20/2010	Revenue estimating resolution	
SB3	LC0245	Bob Hawks	(S) Referred to Committee -- (S) Education and Cultural Resources	12/14/2010	Require state agencies to report on heritage properties	
SB13	LC0448	John Brenden	(S) Referred to Committee -- (S) Finance and Claims	12/14/2010	Revise fee for state parks on light vehicle registration to require opt-in	
SB29	LC0367	Lynda Moss	(S) Referred to Committee -- (S) Judiciary	12/14/2010	Mandatory alcohol server and sales training	
SB43	LC0417	Jim Keane	(S) Referred to Committee -- (S) Fish and Game	12/27/2010	Revise the primitive parks act	

## Unintroduced Bills Matching the Search Criteria

\* after status indicates the bill is *probably* dead

Total number of Unintroduced Bills - 31

Bill Draft No. (LC No.)	Request Date	Requestor	Status	Status Date	Short Title	Note
LC0014	08/24/2009	John Brueggeman	(C) Draft On Hold	12/08/2010	Revise state procurement laws to identify outsourcing	

LC0026	10/28/2009	John Brueggeman	(C) Draft On Hold	10/19/2010	Revise microbrewery and microdistillery
LC0095	05/05/2010	Christine Kaufmann	(C) Draft Ready for Delivery	12/29/2010	Require bars to have outside cameras
LC0188	07/30/2010	Cliff Larsen	(C) Draft Canceled*	11/17/2010	Provide finance mechanism for energy improvements on homes and businesses
LC0223	08/05/2010	Jim Keane	(C) Draft On Hold	10/05/2010	Generally revise laws related to economic development
LC0305	08/31/2010	Mike Milburn	(C) Draft Taken Off Hold	11/10/2010	Generally revise workers' compensation
LC0346	09/13/2010	Legislative Finance Committee	(C) Draft Died in Process*	12/15/2010	Implement 5 percent reductions
LC0424	09/15/2010	Christine Kaufmann	(C) Draft On Hold	09/24/2010	Energy efficiency standards
LC0444	09/23/2010	John Brueggeman	(C) Draft On Hold	10/06/2010	Revise laws relating to boating
LC0475	10/13/2010	Lynda Moss	(C) Draft On Hold	11/11/2010	Develop preservation and interpretation strategies for historic sites in SE Mont
LC0504	10/15/2010	Llew Jones	(C) Draft Taken Off Hold	12/11/2010	Generally revise statutory appropriations
LC0506	10/15/2010	Llew Jones	(C) Draft On Hold	10/15/2010	Generally revise statutory appropriations
LC0525	10/19/2010	Roy Hollandsworth	(C) Draft On Hold	12/29/2010	Transfer certain state special revenue fund balances to general fund
LC0526	10/19/2010	Roy Hollandsworth	(C) Draft On Hold	10/19/2010	Transfer certain state special revenue fund balances to general fund
LC0527	10/19/2010	Roy Hollandsworth	(C) Draft to Requester for Review	01/03/2011	Redistribute certain revenue allocations to general fund
LC0532	10/20/2010	Roy Hollandsworth	(C) Draft On Hold	10/20/2010	Provide for deposit of certain funds to the general fund
LC0533	10/20/2010	Roy Hollandsworth	(C) Draft On Hold	10/20/2010	Provide for consolidation of certain state agencies
LC0535	10/20/2010	Roy Hollandsworth	(C) Draft On Hold	10/20/2010	Generally revise commerce programs
LC0539	10/20/2010	Roy Hollandsworth	(C) Draft On Hold	10/20/2010	Generally revise appropriation laws
LC0544	10/22/2010	John Brueggeman	(C) Draft On Hold	11/30/2010	Revise vacancy and election process within resort area districts
LC0617	11/04/2010	Art Wittich	(C) Draft Request Received	11/04/2010	Revise appeal process for unemployment claims
LC0659	11/09/2010	Bill Harris	(C) Draft On Hold	12/30/2010	Reinstate outfitter-sponsored hunting licenses
LC0700	11/15/2010	Greg Hinkle	(C) Draft to Requester for Review	12/31/2010	Revise carrying concealed weapon in prohibited places
LC0788	11/18/2010	Harry Klock	(C) Draft On Hold	12/22/2010	Generally revise liquor laws
LC0811	11/18/2010	Wayne Stahl	(C) Draft On Hold	11/22/2010	Revise recreational statutes
LC0862	11/19/2010	Llew Jones	(C) Draft On Hold	12/29/2010	Revise allocations of revenue
LC0864	11/19/2010	Llew Jones	(C) Draft On Hold	12/29/2010	Revise statutory appropriations
LC0970	11/23/2010	Mike Milburn	(C) Draft Request Received	11/23/2010	Sunset all statutory appropriations and special revenue over certain period
LC1075	12/01/2010	Ryan Zinke	(C) Draft to Requester for Review	12/22/2010	Allow non-brewery sale of beer in growlers for off premises consumption

LC1305	12/05/2010	Ryan Zinke	(C) Draft Request Received	12/05/2010	Provide for a made in Montana brewery act
LC1533	12/05/2010	Ryan Zinke	(C) Draft Request Received	12/05/2010	Revise laws on microbrewery and microdistillery laws

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"Probably Dead" is a Bill Progress Category, and is assigned to those bills that have been voted down or missed a transmittal deadline, and to those bill drafts that have been canceled.

To revive a bill that is "probably dead" typically requires a supermajority vote (usually a 2/3 vote) by the House or Senate.

# KALISPPELL CHAMBER VIC ACTIVITY - 2010

VISITORS	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	YTDTotal
PHONE	437	470	631	570	544	625	678	568	457	544	345	152	6021
WALK-IN	221	257	384	355	414	712	872	795	616	292	152	91	5161
VACATION													
Fee Packets	1	3	3	4	10	5	2	1	2	3	0	0	34
Basic Vac	61	77	93	95	79	93	76	1	0	0	0	0	575
MARRSSTOUT								34	58	60	66	39	257
Email Inquiries	12	4	11	4	20	41	14	26	19	6	56	31	157
MARRSSTOUT								32	64	46	56	31	229
Misc (student, foreign, map etc) non packet requests	2	1	2	5	1	0	0	1	3	1	1	1	18
RELOCATION													
Fee Packets	3	5	7	1	3	2	0	1	4	1	0	1	28
Basic Relo	42	30	34	27	34	40	38	27	50	33	29	22	406
Phone Book	3	4	2	2	3	0	2	0	1	2	0	3	22
WEB ACTIVITY													
Unique Visits-	3470	3245	3931	3974	4409	5706	6755	5202	3655	3054	3020	2995	49416
Kal Chamber	3470	3245	3931	3749	4098	5402	6486	4915	3304	2746	2745	2721	46812
Leadership Flathead				32	142	161	135	135	179	164	152	139	1239
SBDC				193	169	143	134	152	172	144	123	135	1365
BEAR													
Most visited page	Visit Kal	Visit Kal	Visit Kal	Visit Kal	Visit Kal	Visit Kal	Visit Kal	Visit Kal	Visit Kal	Prog/Evts	Prog/evts	Visit Kal	
# of visits	1421	1393	1718	1709	2260	2795	3295	2456	1324	1019	1035	892	21317
Total Visitors/Info Requests	7722	7341	9029	5037	5517	7224	8437	6692	4938	4058	3677	3350	62376



2010	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Canada, AB		7	14	13	22	24	164	145	63	22	2		476
Canada, BC	1		8	7	10	7	38	22	54	15			
Canada, MB					4	2	2	119	3				130
Germany					4	25	3	12	8	2			54
Australia	2			2	8	8	4	12	14				50
England/Wales/UK					5	4	6	6	8	2			31
Canada, SK						4	14	9	2				29
Canada, ON			2	4	2	2	4			4			18
Canada								13		2			15
Holland/Netherlands						8		2	2				12
New Zealand				2		5		2			1		10
Switzerland					2		4	2	1				9
Canada, QC						2	1	2					5
Italy							5						5
Canada, NS						2		2					4
Denmark						2			2				4
France						2			2				4
Japan							3						3
Spain					3								3
Vietnam								3					3
Austria									2				2
Belgium						2							2
Costa Rica							2						2
India					2								2
Norway						2							2
Puerto Rico								2					2
Scotland				2									2
Sweden											2		2
Africa						1							1
Africa-S							1						1
Ireland-N							1						1
Lebanon						1							1





## Destination MISSOULA

The Official Convention & Visitors Bureau  
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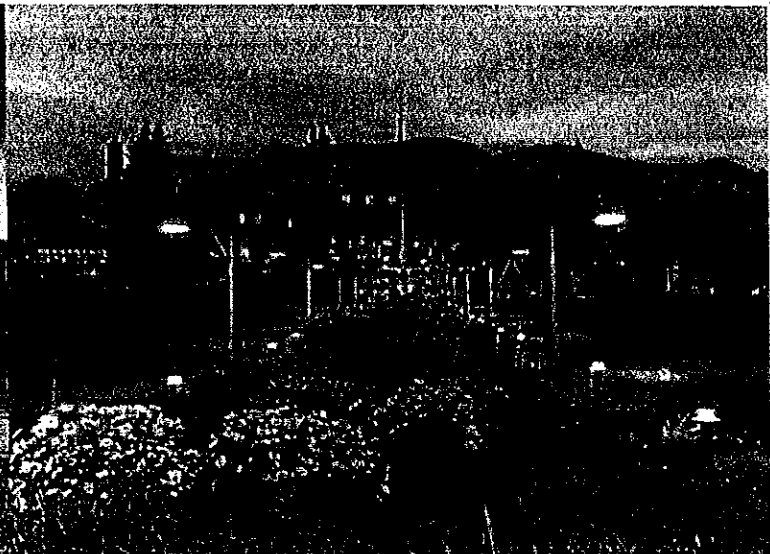
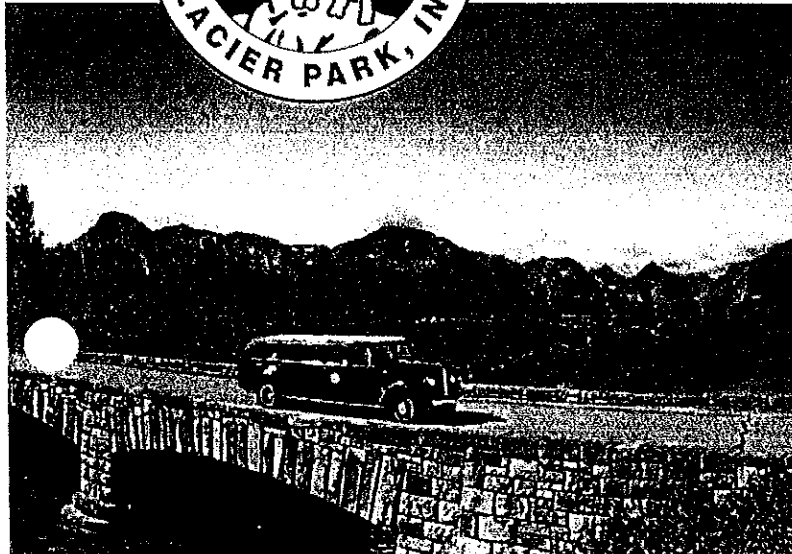


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# Missoulian

Flathead Valley looks to retail, tourism and education in navigating recession

## Kalispell stays afloat on allure

By TRISTAN SCOTT Missoulian | Posted: Sunday, December 19, 2010 12:15 am

**KALISPELL** – As the go-go years of the Flathead Valley's building boom settle in for a sustained economic slump, business leaders have an eye toward retail and tourism to buoy the city through its recession.

After years of untold growth during an explosion of retail, homebuilding and development projects, the region is reeling from the housing market crash and a failed wood products industry. The poverty rate is expected to climb while building permits continue to decline and good-paying jobs are increasingly difficult to come by.

That might sound like a harsh assessment, but with an unemployment rate exceeding 10 percent – the state average is 6 percent, according to the Bureau of Labor Statistics – everyone agrees that Kalispell needs an economic driver, and few predict that it will soon arrive in the form of a rebounding construction industry.

At 0.9 percent, Kalispell's rate of job growth is the second-highest in Montana, behind Helena's 2 percent and above the national average of 0.2 percent, according to the BLS.

"I don't think that anybody is projecting a rebound of anything," said Kalispell City Manager Jane Howington. "I think there are some really positive things going on, but some of that is a new approach to solving problems."

Part of that new approach is nurturing solidarity among the Flathead Valley's communities and peddling the region's allure, rather than viewing cities and townships as individual satellites orbiting all alone in the economic stratosphere.

"There is more attention being paid to regional cooperation and regional issues, and that has been a tremendous benefit," Howington said. "We all recognize that we are in this together, and that if we are going to rebound, we are going to be rebounding together as opposed to individually."

In that regard, the Flathead Valley is falling back on its traditional components of growth, such as nonresident travel, education, medicine and recreation, and the future of its economy will likely depend on successfully selling its water quality, views and lifestyle.

Glacier National Park put up record-setting visitation numbers this year, admitting 2.2 million visitors in the first 10 months of 2010. That's 10 percent above last year's tally for the same period and is the highest total since the counting system was standardized in 1985.

The tourists were felt outside the park, too, as Kalispell enjoyed an increase in nonresident visitors staying in its hotels and added restaurants to its Hutton Ranch business district.

"Tourism is and will continue to be an economic driver for this economy," said Kellie Danielson, president of Montana West Economic Development.

**But even though tourism** was a saving grace in 2010, Danielson said business leaders are exploring other opportunities to diversify an economy that became too reliant on a single market.

"The Flathead was the hardest hit county in the state of Montana because of the downturn of the construction and real estate industries. They were the economic engine here for the past five years and now they've run out of gas," she said.

To branch out, Montana West Economic Development has been working aggressively with successful companies that already exist in the Flathead Valley and want to remain here, encouraging expansion projects in hopes of promoting job growth, and eventually drawing new companies to the area.

"...ing happens overnight, but we are hopeful that in 2011 we will see some real progress with new jobs being created in the Flathead," she said.

Kalispell Mayor Tammi Fisher said the collective efforts of Flathead Valley communities has improved out-of-state marketing tactics, extending the region's appeal beyond Montana for recreation and retail opportunities alike.

“The Canadian traffic that we’re seeing for shopping and retail has been a huge local boon to our economy, and without it some of our local retailers would not have been able to keep their doors open,” she said.

**Flathead Valley Community College** is also expanding “hand over fist,” said Howington, and is tailoring many of its programs to fit the needs of the community.

“They are serving a huge number of displaced workers in retraining and retooling their skill-sets,” Howington said. “One guy from the aluminum plant is being trained as a medical transcriptionist, and quite a few Plum Creek employees are being retrained as draftsmen and in GIS technologies.”

Tom Lund, incoming chairman of the Kalispell Chamber of Commerce board of directors and branch president of Rocky Mountain Bank, said it could easily take the Flathead Valley a decade before the building industry reaches even a fraction of its potential that the region enjoyed four and five years ago.

“We benefited from those projects, but we now have 10 years of residential land listings for sale and an equal number of properties for sale that are unlisted,” he said. “I don’t know the timeframe it will take to get us back in shape, but it’s going to take a long time.”

In the meantime, Lund said, Kalispell is returning to its fundamentals while tweaking and building on other niches, such as selling itself as a health care destination.

“We have to retrench and move away from the years of land and housing appreciation to more fundamental aspects of the economy,” Lund said.

Still, challenges remain, not the least of which is drawing out-of-state visitors to a region that is expensive to reach by airplane.

“We need to figure out better ways of getting them here,” he said. “It’s going to be tough, but there are solutions in the works.”

*Reporter Tristan Scott can be reached at (406) 260-4197 or at [tscott@missoulian.com](mailto:tscott@missoulian.com).*

# BUSINESS

## Visitor bureau geared to boost Kalispell tourism

By SHELLEY RIDENOUR  
The Daily Inter Lake

A new marketing effort to promote Kalispell, increase the number of visitors who stay in the city's hotels and motels and help boost the local economy is about to hit full stride.

Diane Medler is director of the new Kalispell Convention and Visitor Bureau, an arm of the Kalispell Chamber of Commerce.

Medler oversees the expenditure of money raised through the tourism business improvement district, which was established in mid-August.

Money has been collected from city hotels since June 17. Hotels assess a \$1.25-per-night

charge on rented rooms. That money is paid quarterly to the city of Kalispell, which disburses it to the chamber. The city keeps 2.5 percent of the collections for its administrative fee.

Taxes have been collected for one full quarter — July through September — and \$116,951 paid to the visitor bureau.

In the two weeks of June that the fee was in place, another \$16,079 was collected and distributed to the bureau. Annual anticipated revenue from the new fee is \$335,000.

Medler's job is to "figure out how to market Kalispell." She plans to do that by creating a tourism website, a logo and other marketing tools.

A request for proposals for marketing the community has

been issued, she said, with proposals due by Jan. 10. Plans call for awarding a contract in early February.

Firms have been asked to brand the Kalispell bureau, to develop a message, logo, tagline and a brochure.

A second request for proposals to develop a website will be released later, Medler said.

Medler plans to develop a strategic plan "to identify what is Kalispell." She wants that plan to specify what about Kalispell is unique (but not in competition with other

Flathead Valley communities), what the community's strengths and weaknesses are, which visitors to target, what visitors want in the valley and what they see once they're here.

While the specific message

hasn't been developed, Medler sees it focusing on telling visitors they can base their Northwest Montana vacation in Kalispell.

Kalispell has plenty of selling points to promote, Medler said, including its proximity to Glacier National Park and Flathead Lake, the diversity of lodging options, a variety of restaurants and a mix of shopping opportunities.

Shopping is especially attractive to Canadian visitors, she said.

Kalispell's tourism business improvement district came about after lodging property officials presented a petition to the Kalispell City Council asking that such a district be created.

The council approved the petition, paving the way for a

seven-member board of hoteliers to be established and Medler to be hired.

Tourism districts were allowed after the state Legislature amended a statute to allow a business improvement district to encompass lodging facilities to raise money to encourage and promote tourism. Business tax districts previously were constrained by geography.

"By spring we should be up and running and promoting tourism," Medler said.

In addition to development of the marketing plan, in the next few months Medler will look for promotional opportunities such as trade shows to attend, public relations opportunities, print advertising and social

See BUREAU on Page A8

# Tourism optimism abounds

**BUREAU/From A7**

media opportunities.

Much of the marketing effort will focus on bringing people to Kalispell between October and May, she said, because summer visitation "is working well on its own." That's not to say the district's efforts will ignore summer, but summer won't be the main focus, she said.

She will help promote events and the availability of facilities such as the fairgrounds and the race track for events.

And, she'll cooperate with marketing efforts of other communities in the valley.

**THERE'S A LOT** of optimism regarding tourism right now, Medler said.

Officials at two of Kalispell's larger hotels concur with Medler's assessment about optimism in the industry.

Debbie Catlett, director of sales at the Holiday Inn Express, said that property has had a very busy 2010. Occupancy was above 90 percent all summer, she said, and business hasn't tapered off much this winter, with many skiers and visitors from Canada staying there.

Sports teams and corporate travelers also help fill the 111 rooms at the Holiday Inn Express, Catlett said.

"We were sold out so many days this summer it was unbelievable," she said.

She couldn't determine how many of the guests were in Kalispell because of Glacier National Park's centennial celebration, but speculated at least some were.

"Location is everything," Catlett said. "This property is easy to sell, it's near shopping and other places people want to visit."

**ACROSS TOWN**, Lisa Brown, general manager at Red Lion Hotels, said "people were ready to travel" in 2010. And, she said, being close to a national park celebrating its 100th birthday "didn't hurt" business at their property.

In July, the Red Lion was full all but six nights and occupancy was between 95 and 99 percent on those six days. Most summer travelers were vacationers, she said, but business travelers always constitute a good percentage of their hotel guests. The Red Lion has 170 guest rooms.

Many Canadians stay at the Red Lion, she said, in part because the hotel is connected to Kalispell Center Mall and a lot of Canadians come to the city to shop because of the positive trade value of the Canadian dollar.

Bookings at the Red Lion near Christmas were up from a year ago, Red Lion Hotels Director of Corporate Communications Pam Scott said.

While the entire year's data isn't compiled yet, Scott said, 2010 looks to be back to 2007 levels, a good benchmark because that's the year two new large hotels opened in Kalispell.

All Kalispell hotels reported increased occupancy for June, July and August, compared to 2009, Medler said. Overall occupancy was at 65.4 percent in June, 87.6 in July and 84.9 in September.

Montana registered the second-highest hotel occupancy rate in the nation in July, 85.1 percent, according to the state Department of Commerce. In August, Montana's hotel occupancy rate was 83.3 percent.