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KALISPELL TOURISM
BUSINESS IMPROVEMENT
DISTRICT

BOARD OF DIRECTORS MEETING

Wednesday, November 10, 2010

3:00pm – 5:00pm

Hilton Garden Inn, Glacier II

**Board of Directors Meeting
Kalispell Tourism Business Improvement District
Wednesday – November 10, 2010
3:00 pm – 5:00 pm**

Location: Hilton Garden Inn, Kalispell, Montana, Seeley Board Room

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. Approval of minutes: October 13, 2010 board meeting

3. Board Discussions

- a. FY '11 Q1 Returns
- b. Business Days At The Capitol, Helena, Jan 3-4, 2011 – Joe
- c. Board meeting location and 2011 schedule
- d. Recap of expansion of air service meeting held October 27th

4. CVB Updates

- a. Recap of strategic planning session and process moving forward
- b. Recap of Calgary Trade Show

5. Other Business

5:00 pm Meeting adjourns

For Further Information, Please Contact:

Chris Walters, Board Chairman chris.walters@hilton.com or 406-758-2570
Diane Medler, CVB Director dianem@kalispellchamber.com or 406-758-2808

Board Meeting Schedule for 2010 (3:00 pm, location to be determined)

December 8

**Board of Directors Meeting
Kalispell Tourism Business Improvement District
Wednesday, October 13, 2010 – 3:00 PM
Kalispell Hilton Garden Inn**

Minutes

Board Members Present: Chris Walters, David Ginepra, Bryan Scott, Arlinna Wolfe, Janet Clark, Lori Fisher and Gib Bissell

Board Members Absent: None

Staff Present: Diane Medler and Joe Unterreiner

Guests Present: Pam Carbonari, Lisa Brown, Winnie Storli

Meeting was called to order by Chris Walters, Chairman of the Board at 3:00 PM.

1. Hear from the public- None
2. Approved Minutes from the September 1, 2010 Meeting.
 - a. Discussion: None
 - b. Action: Motion was made by Janet Clark. Motion was seconded by Gibb Bissell. The board approved motion unanimously.
3. Board Operations
 - i. Treasurer's Report- Diane and Bryan reviewed the TBID financials with the board. Bryan and Diane noted that the budget and actual expenses were not inline. They mentioned that they believed it did not make since to compare the actual versus the budget until such time that everyone could get a better feel on the marketing plan.
 1. Balance Sheet
 - a. Checking- \$10,894.91
 - b. Total Liabilities- \$6,911.40
 2. Profit and Loss
 - a. Total Revenue- \$16,492.52
 - b. Total Expenses- \$12,509.01
 - c. Net Income for Period- \$3,983.51
 3. Notations of Finances
 - a. Employee Search- This was unbudgeted but approved by the board.
4. CVB Update
 - a. STR Report- Together the board reviewed the first Star Report. Diane noted that the summer months of 2010 appeared to have a higher occupancy and higher ADR than the previous year. Diane encouraged all members to report to STR report. It was explained that the reports are free of charge by Smith Travel. It was clarified that the STR report and ITRR reports are two different reports and data collection avenues.
 - b. Recap of Billings TBID Meeting and Tourism Advisory Committee Meeting- Diane reported on topics of the meetings including, legislative thoughts and suggestions, Bed Tax Government affairs, TAC Advisory, TAC recommendation to excess funds, state branding initiative, and her meeting with Billings CVB. It was noted that the occupancy in August for Montana was the highest in the nation. Noted that printed material was being used less and less. ITRR Reports were reviewed and Diane emailed them the links.

- c. Strategic planning session and branding timeline- Diane asked all members to participate and to RSVP for the Planning Session on October 28. Meeting will be facilitated by Olson Communication. Diane asked all members to complete some pre meeting questions and return them before the meeting. During the session we will try to identify the niche, branding direction, identify partners, and some marketing goals. From this meeting they will create a strategic plan. Cost will be approximately \$4,300.
- d. Calgary Trade Show- Diane informed the board that she had enrolled and planned on attending the Calgary Trade Show on November 6th and 7th. It was noted that this trade show could be important and we could see positive results. Diane invited all hotels to participate. Cost of the trade show booth and Diane's travel expenses will be taken from Bed Tax which was already budgeted. Leads will be distributed to everyone.

5. Other Business

- a. Pam Kennedy from the BID and Kalispell Downtown Association updated the board on their happenings.
- b. Info Share- After discussions about the possibilities of bringing in new flights and what the demands or requirements of the airlines have been, the board decided to hold a meeting on October 27th as a special meeting to discuss information concerning the new flights and how the TBID may be needed.

Meeting was adjourned by Chris Walters at 4:45 PM.

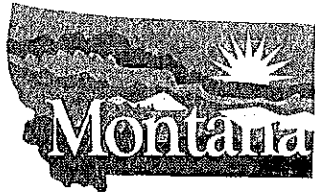
Respectfully Submitted: Bryan Scott (Treasurer-Secretary)

For Further Information, Please Contact

Chris Walters, Board Chairman, Chris.Walters@hilton.com or 406-758-2570
 Diane Medler, CVB Director, dianem@kalispellchamber.com or 406-758-2808

Board Meeting Schedule for 2010 (Kalispell Chamber Conference Room at 3:00 Pm)

September 1	September 15	October 13	November 10	December 8
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Chamber of Commerce

Your Business Advocate Since 1931

October 15, 2010

Governor Brian D. Schweitzer
Office of the Governor
Montana State Capitol Bldg.
P.O. Box 200801
Helena MT 59620-0801

Governor Schweitzer,

We appreciate your focus on ensuring that everyone doing business in Montana is subject to and paying the appropriate level of taxes. The Montana Chamber of Commerce has long adhered to that philosophy.

Regarding the online travel industry, we believe the price paid to the lodging facility should be subject to taxation, as is the practice now. We believe suggestions to add taxation based on the amount charged the consumer would be a detrimental expansion of taxation. This expansion would add costs to the consumer, complicate operations for online operators (whether *in-state* or out-of-state), and potentially limit or diminish Montana travel promotion and opportunities.

Because the tax is not being charged nor collected now, changing the application of taxes to the end consumer would simply add those costs to that consumer.

Calculating the appropriate level of taxes would be more complicated, with provisions for administration and other charges/fees, included in the package the end consumer pays. Some *Montana-based* companies use this scenario, as well.

Finally, we fear that some online companies may choose not to do business in Montana or with Montana properties, if this suggestion is followed. Travel is one of the brighter spots in our economy with some great partnerships in place and even greater opportunities in store. Our goal is to build on that.

We hope you will consider our thoughts. Please feel free to contact us at any time.

Sincerely,

Webb Brown
President/CEO
Montana Chamber of Commerce

Don Bennett, Chairman
Flathead County Economic Development Authority
314 Main Street
Kalispell, MT 59901

DRAFT

Dear Mr. Bennett,

Travel access to the Flathead Valley has long been a challenge due in large part to our geographic location being removed from large population centers by long distances. These long distances increase costs to visitors no matter their mode of transportation. The dynamics of air travel are such that this area struggles to increase available flights and decrease costs per flight at a time when the airlines, generally, are striving to reduce costs through reduced flights and increase revenue through limiting supply of seating.

Glacier Park International Airport serves both business and tourism travelers and is critical to the area's ability to serve these vital components of the economy. To increase Flathead County's ability to improve air service, we propose the development of an Air Bank to be modeled from those created in other, similarly situated communities that might be managed by Montana West Economic Development. Once created, the Air Bank would allow the Flathead Valley to respond in an efficient manner to opportunities in the air services market to increase and improve service for our travelers furthering multiple economic development goals.

We recognize this purpose to be well within the scope of the Flathead County Economic Development Authority (FCEDA) as the primary economic development agency in the County. The investment guidelines of FCEDA indicate an interest in funding for:

Marketing, retention and expansion of businesses, entrepreneurial support, ...public/private partnership projects....

Each of these is affected by the ability to travel in and out of the Flathead Valley in the most efficient manner possible: air travel.

To this end, the undersigned request a meeting with the FCEDA Board to discuss this Air Bank concept, a management model and the commitment of resources to such an endeavor. We would look to have Cindi Martin, Glacier Park International's Airport Director, at such a meeting as well because her expertise is paramount in this effort.

Thank you for your consideration of this request.

Sincerely,

Local News - Local News - November 04, 2010

Study finds \$116 million in event spending **EWU unit does analysis of attendance at venues owned, operated by PFD**

By Richard Ripley
Of the Journal of Business

Attendees at events at the three venues operated by the Spokane Public Facilities District accounted for nearly \$116 million in direct spending in the 12 months ended Jan. 31, 2010, a new study says.

The people who attended the events at the Spokane Veterans Memorial Arena, the Spokane Convention Center, and the INB Performing Arts Center spent \$31.9 million on tickets, \$31.7 million on food and drinks, \$21.7 million on lodging, \$14 million on transportation, \$13.7 million on retail shopping, and \$2.8 million that went to the PFD, says the study.

The study, done by the Eastern Washington University Institute for Public Policy and Economic Analysis, is the first evaluation of the broad economic effects of the PFD's operations since it took over ownership and operation of the INB Performing Arts Center and guided the construction of the Group Health Exhibit Hall, which is part of the Spokane Convention Center.

The PFD worked closely with Patrick Jones, the institute's executive director, to make sure the study captured such things as the pay that ushers and others receive during events, PFD Chairman Larry Soehren says.

"We got pretty engaged in making sure that we mined all the nuggets," Soehren says.

"It's good to have it done," says Kevin Twohig, executive director of the PFD. Some \$63 million of the direct spending is new money for the Spokane economy, and that activity led to an economic "contribution" of \$110 million in spending by local residents at activities on the PFD premises, which it called "existing dollars," leading to total economic output of \$173 million, the study found.

The study can help the PFD explain to the public why it wants to do such things as expand the Group Health Exhibit Hall to the number of seats and amount of meeting space anticipated before high materials costs forced it to cut back on the original project, Twohig says.

Of the \$116 million in direct spending, some \$24.5 million involved outlays made by local residents who said in surveys they weren't willing to travel elsewhere to attend regional or national events, while \$7.3 million involved spending by attendees at purely local events.

Another \$47.2 million in direct spending came from event attendees who don't live in Spokane County, and \$36.8 million was spent by local residents who said they were willing to travel elsewhere to attend events if they hadn't been held here. Those amounts reflected money that either was brought into the economy by nonresidents or that didn't "leak" out of it when residents went elsewhere for events, says Jones.

The study says the latter two chunks of spending led to 1,411 jobs here, with total labor income of \$38.9 million, and a total of \$63 million of "value added," or new money in the economy.

"These are not small sums," the study says. "However, as a share of the advanced estimate 2009 total earnings by place of work by the Bureau of Economic Analysis, total labor income attributed to PFD activities is a little more than 0.4 percent of the Spokane private economy."

Data obtained from the out-of-county residents and those who would travel elsewhere to attend regional and national events were gathered in "intercept surveys" conducted by Strategic Research Associates, of Spokane, which posed a set of questions to attendees at seven events. The events included the Lion King, the Nutcracker, the National Veteran Wheelchair Games, the Spirit Convention, and Disney on Ice, the Keith Urban concert, and the U.S. Figure Skating Champion-ships.

Information gathered from those attendees then was applied to crowds that attended a total of 140 events at the three venues, with staff members from the PFD and from the EWU research unit matching up the characteristics of the crowds at the seven events where the surveys were done with the types of crowds at those other events.

Attendees from out of the county who attended the skating championships had an average of 2.33 people in their party, and their party spent an average of \$1,764 during their stay, the study says. County residents who said they would have traveled elsewhere to attend the skating championships had an average of 1.74 people in their party, which spent an average of \$686.

The skating championships generated 77,000 "attendee days," 478 jobs, and \$20.9 million of new spending in the economy, the study says. The Lion King generated 58,000 attendee days, with 57 percent of that attendance by people who don't reside in the county, and some \$4.1 million in labor income and 161 jobs.