



WISCONSIN AVE CORRIDOR PLAN

Steering Committee

5-31-17

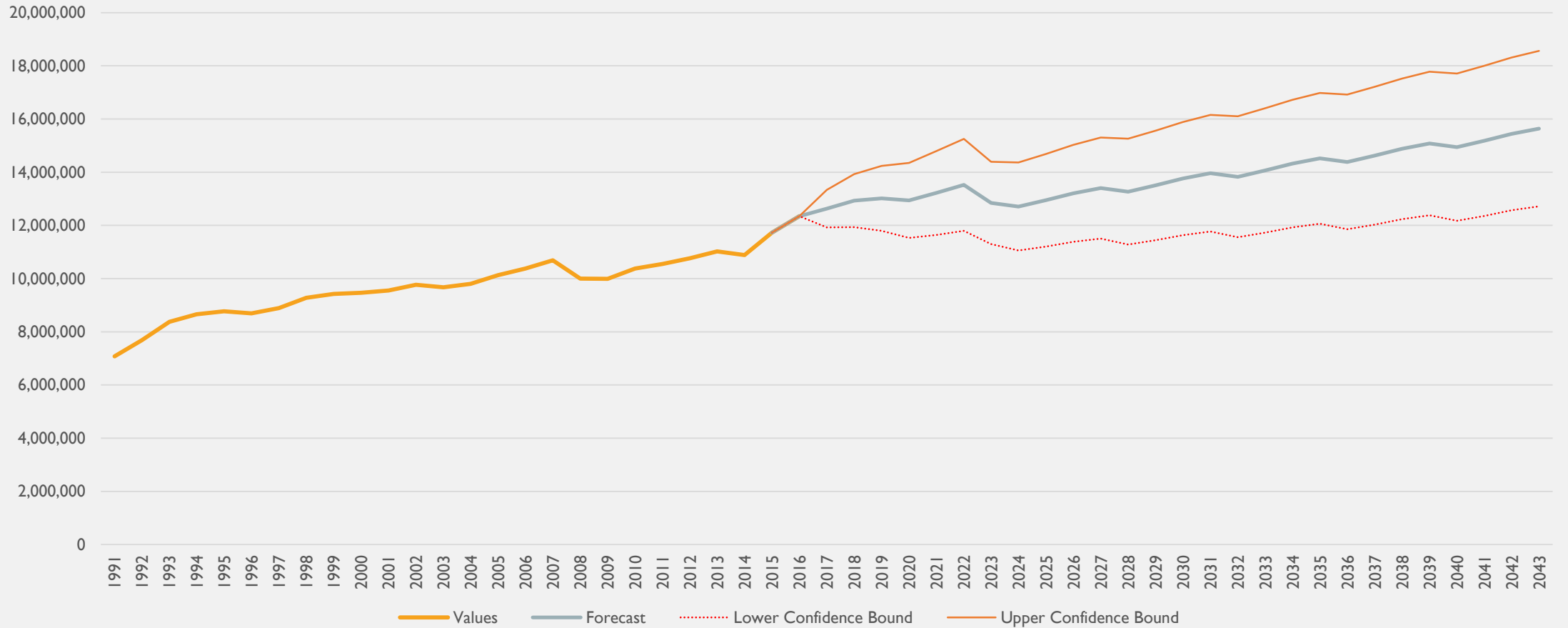
TOURISM – STATE OF MONTANA

- Number of visitors to Montana has grown by an average 2.2 percent each year over the last 25 years (1991 – 2016)
- During the same time period:
 - US population grew an average of 1.0 percent each year
 - Canadian population grew an average of 1.0 percent each year
 - Montana population grew an average of 1.0 percent each year
- 2016 state-wide lodging occupancy rates were down slightly (0.6 percent)
- 2016 revenue per available room (RevPAR) was 2.7 percent higher than 2015
- 2017 year to date (through March) lodging occupancy rates are up 2.6 percent and RevPAR 4.8 percent higher than 2016 year to date.

UNIVERSITY OF MONTANA
INSTITUTE FOR TOURISM & RECREATION RESEARCH

- *“The growth in Montana’s travel and tourism continues at a slow, predictable rate. Data from 2016 will likely show a stable, but good year for Montana’s nonresident travel industry. ...*
- *Preliminary nonresident visitor numbers indicate a 2 percent increase in 2016, on par with preliminary numbers nationwide. According to the US Travel Association, projections for 2017 suggest a steady 2% increase over 2016.”*

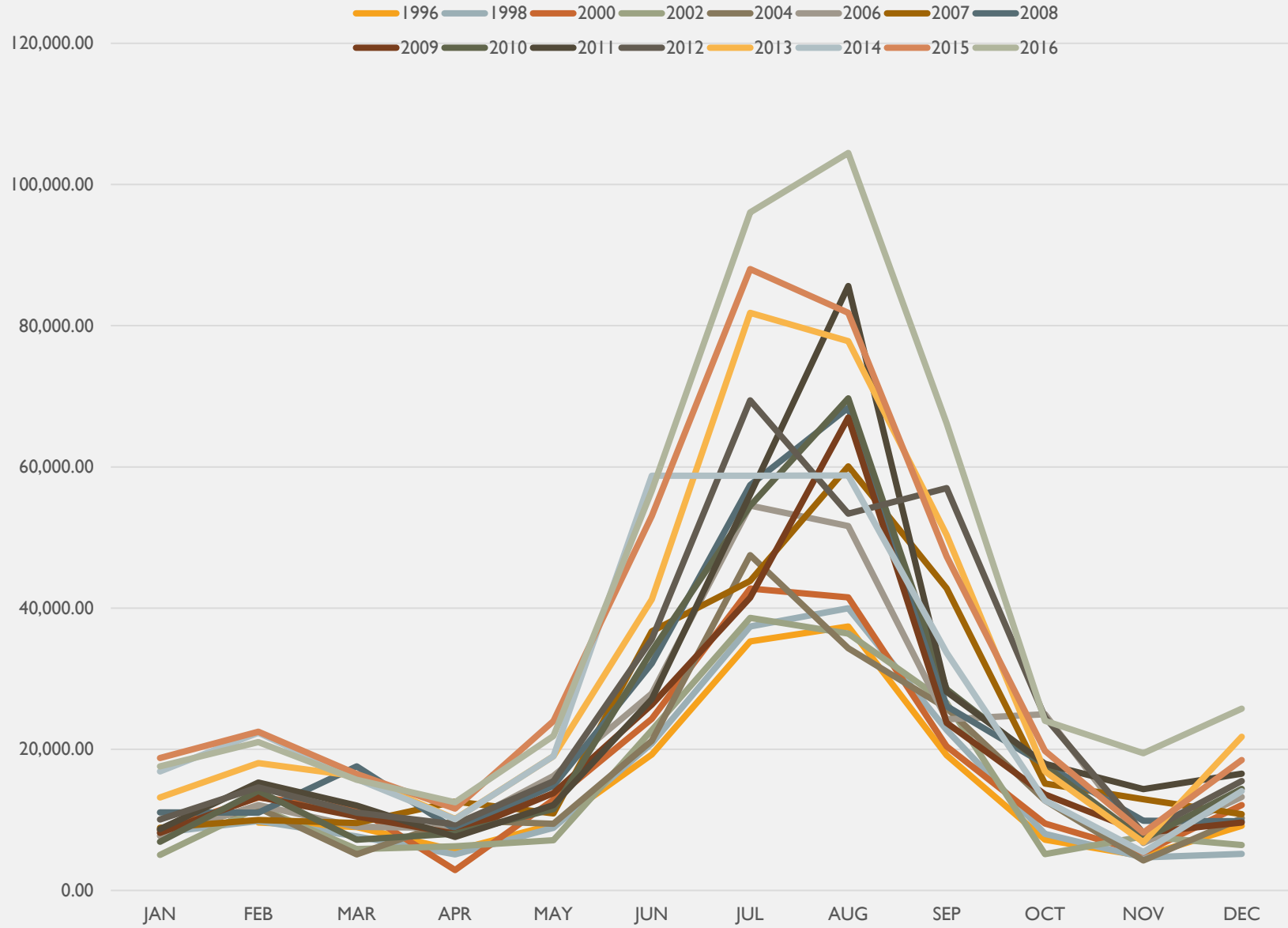
FLATHEAD COUNTY PROJECTED VISITS



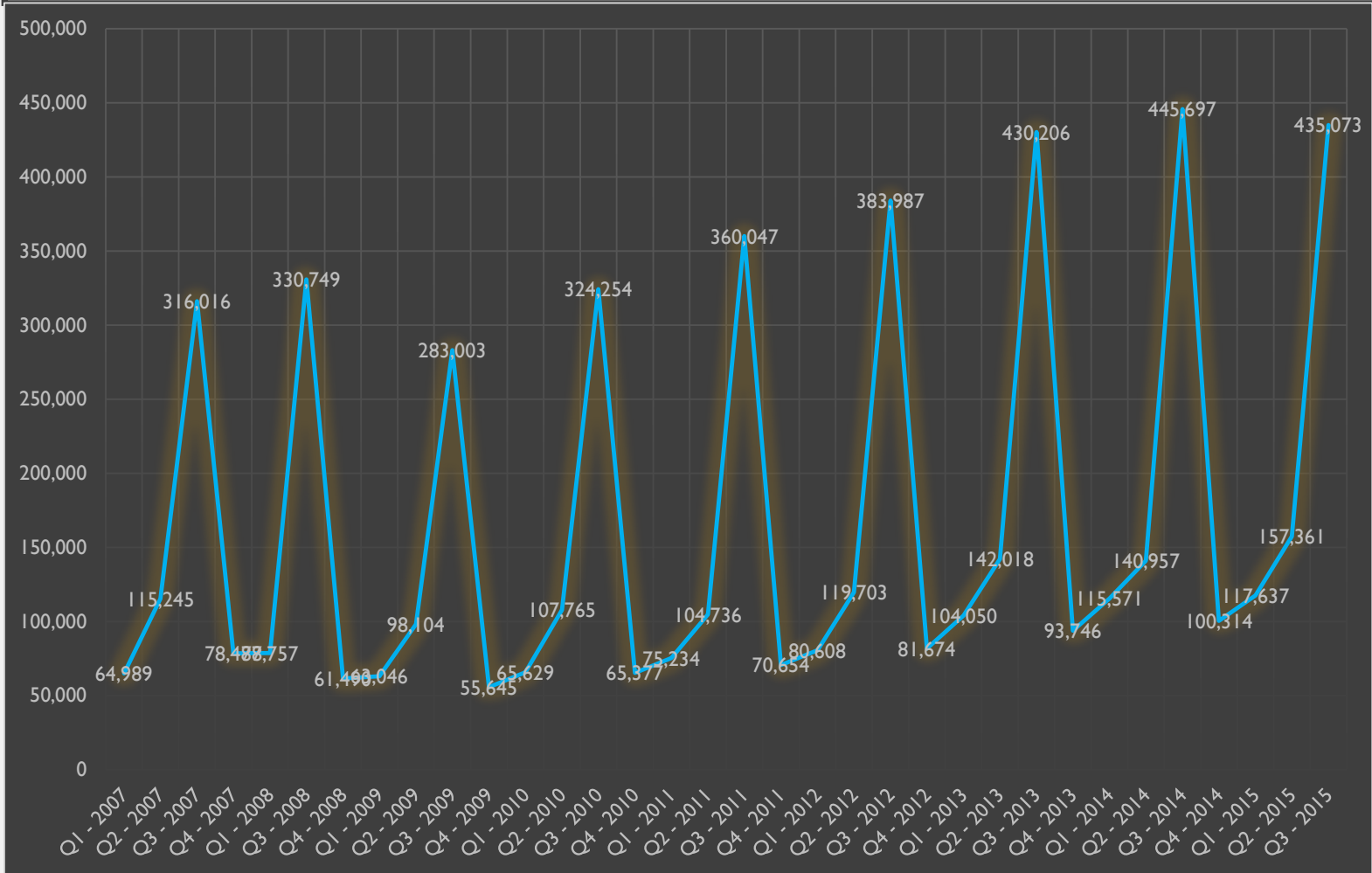
PROJECTED VISITS

- First projected at beginning of project using actual data through 2014
- Chart shows three possible projections – average, upper bound and lower bound
- Average is 1.5 percent average annual growth (1.2 million new visitors thru 2022)
- Upper bound is 3.6 percent average annual growth (2.9 million new visitors)
- Lower bound is -0.8 percent average annual growth (557 thousand fewer visitors)
- If the trends are extended to 2041 (25 years):
 - Average – 2.2 million new visitors annually
 - Upper bound – 5.6 million new visitors annually
 - Lower bound – 9,300 new visitors annually

Whitefish Hotels/Motels Resort Tax Revenue

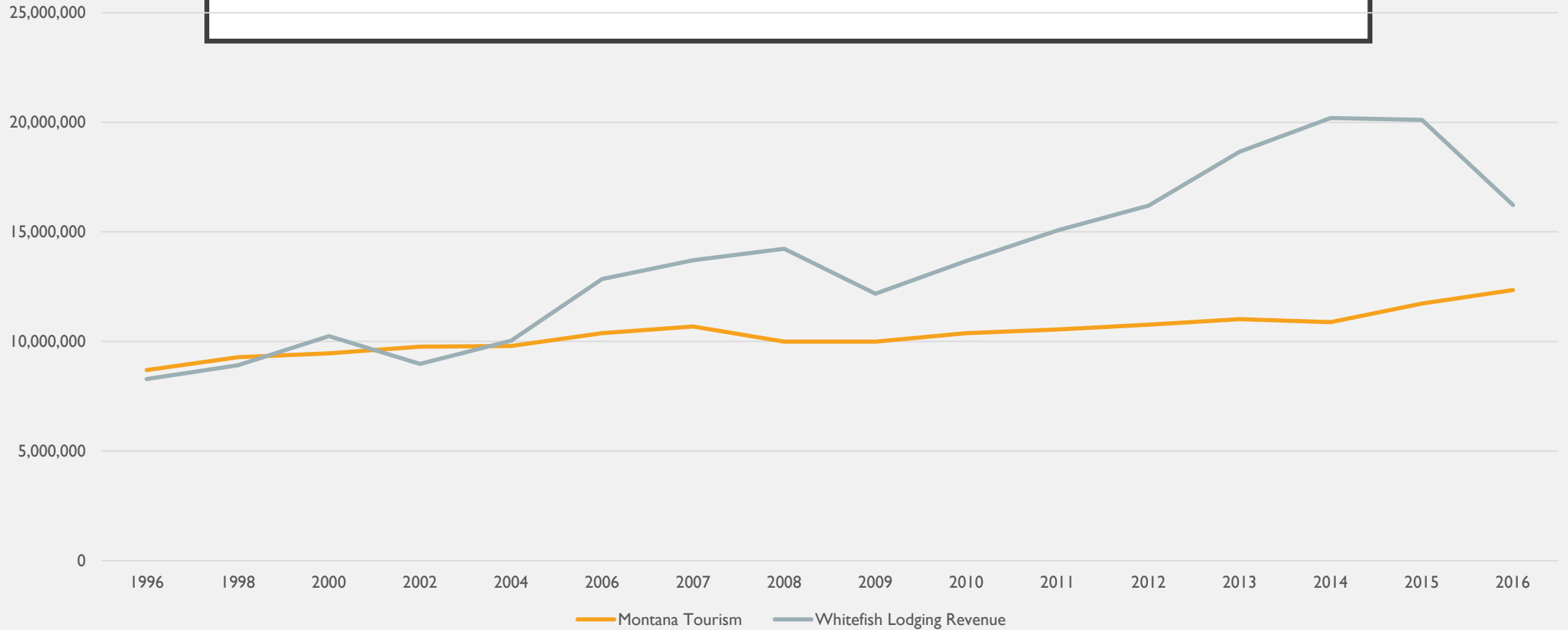


STATE LODGING USE TAX WHITEFISH CVB



Source: Montana Office of Tourism and Business Development

COMPARISON OF STATEWIDE VISITS TO WHITEFISH LODGING



MARKET STUDIES

- Return on Investment – Financial models account for peaks (peak season/off season pricing...)
- Room Inventory is Dynamic – Older properties redevelop, consumer demand changes,
- Market Segment by Type (Full service, boutique, bed & breakfast, suites,)
- Market Segment by Price (Economy, Mid-range, High end luxury/high amenity...)
- Market Segment by Location (Lake, mountain, golf, downtown, medical campus, university campus, interstate,



MARKET FLUCTUATIONS

- Canadian Visitation
- Fuel Prices
- Climate – Snow & Fire
- State/regional marketing
- National Economy

SUMMARY

- ❑ The economic analysis takes a long view (15-20 year history and 15-20 year look).
- ❑ Actual opportunity for private investment will be determined by market forces.
- ❑ The Whitefish lodging market has absorbed 160 new rooms in the last year and the effect of those rooms will have to be evaluated by future potential investors.
- ❑ The analysis indicates that in the long-run (15-20 years), with current trends and policies, the private market could add rooms in this area based on anticipated growth in demand.
- ❑ Whitefish is part of a larger tourism region that will add rooms overall as growth occurs. Whitefish should be prepared to capture the market share where appropriate.