



### Grant Details

#### 125123 - FY24 DMO Plan

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#### 128725 - FY24 Kalispell DMO Plan

#### DOC Office of Tourism

**Grant Title:** FY24 Kalispell DMO Plan  
**Grant Number:** 24-52-OOT-DMO-020  
**Grant Status:** Underway

**Comments:**  
**Applicant Organization:** Kalispell Area Chamber of Commerce

**Grantee Contact:** Diane Medler

**Award Year:** FY24

**Program Area:** DOC Office of Tourism

**Amounts:**

<b>Contract Dates:</b>	Contract Sent	Contract Received	Contract Executed
<b>Project Dates:</b>	06/13/2023	07/01/2023	06/30/2024
	Proposal Date	Project Start	Project End

**Grant Administrator:** Barb Sanem

**Contract Number:** 24-52-OOT-DMO-020

**Award Year:** FY24

**Contract Dates**

Contract Sent	Contract Received	Contract Executed	Contract Legal
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**Project Dates** 07/01/2023

06/30/2024

Project Start	Project End
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**Comments**

**Amendment Comments**

## **DMO Plan Narrative**

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### **1. Describe Your Destination**

*Describe your destination (who you are, who you wish to attract and why they would come) addressing your strengths, opportunities, and potential challenges.*

**Kalispell** is an unfiltered mountain town that remains true to itself. Kalispell is a place that believes in living with intention, supporting one another and making the most of every day. It's a place that accepts you as you are and encourages intentional exploration, all while soaking up fresh mountain air, playing on our glacial-fed waters, tasting Montana's culinary offerings and rubbing elbows with the locals.

In Kalispell **VentureBOLDLY** is our mantra, it's a call that grounds us in and to this beautiful corner of the world we call home. To truly understand what venture boldly means in Kalispell, we invite you to learn more about its three-pronged definition:

**Intention** – Our roots and traditions run deep. We live with intention and make bold moves with a firm understanding of who we are, where we come from and how we'll grow.

**Stewardship** – As residents of Montana, we serve as stewards of this special place. Whether you're here for a minute or a month, we ask visitors to be mindful of the impact they have on this place, from public lands to local businesses.

**Stronger Together** – As with anything in life, we know we're better together. Kalispell is a place for dreamers, makers, doers, creators and intrepid spirits to live fully and boldly embrace adventures. A community known for coming together to solve problems, putting collective energy around getting things done.

**Discover Kalispell** is a Destination Marketing, Stewardship and Development organization. The organization serves to develop a tourism economy using a community-first approach while being an active participant in a multi-stakeholder approach to maintain the cultural, environmental and economic integrity of Kalispell.

#### **Kalispell's Strengths**

- **Downtown Kalispell:** The new Parkline Trail, a two-mile linear trail running through downtown completed spring 2022. This project has spurred redevelopment in the area, adding to the goal of 18-hour vibrancy and walkability throughout the heart of the city.
- **Arts and Culture:** Conrad Mansion Museum, Hockaday Museum of Art, Northwest Montana History Museum, Wachholz College Center, Glacier Symphony and Chorale, art galleries, street art and juried arts & crafts shows and events.
- **Wachholz College Center:** located at the Flathead Valley Community College, the performing arts center includes a 1,000-seat auditorium and lecture hall and flexible event space. Since opening in November 2022, the center has featured a star-studded line up of national-caliber performances and events.
- **Glacier Range Riders:** Pioneer league baseball team playing at Glacier Bank Park at Flathead Field in Kalispell.
- **Iconic Natural Landmarks:** 32 miles from the entrance to Glacier National Park, 10 miles to Flathead Lake, surrounded by 2 million acres of Flathead National Forest.
- **State Parks:** Kalispell is surrounded by eleven state parks providing trails, activities, interpretative visitor services, and water-based activities.

- **Air Service:** Kalispell's Glacier Park International Airport ranked #3 in enplanements for airports in Montana in 2022. Passenger traffic totaled 420,000, a 1% increase over 2021 which was the previous record year. Residents and visitors have more options for business or leisure travel through increased seat capacity year-round. GPIA is undergoing a \$150 million terminal expansion to handle increased traffic over the next 20 years. Glacier AERO, a non-profit represented by Flathead Valley business and tourism industry, works to increase winter and year-round flights through revenue guarantees and other partnerships with the airlines.
- **Healthcare:** Logan Health is a 577-bed health system that services 13 Montana counties. Includes the nation's first rural air ambulance service, more than 4,300 physicians, nurses, health care professionals and support staff. Logan Health also includes Montana Children's Medical Center, the region's first pediatric hospital.
- **Workforce:** Workforce Flathead, led by the Discover Kalispell Chamber convenes students, job seekers, educators and employers to support the jobs of today and grow jobs for the future including for the travel and hospitality sector. Additionally, the Chamber-led Childcare Action Steering Council launched four childcare action teams resulting in identifying 500+ childcare slots over the next two years.
- **Infrastructure:** Community coalitions around infrastructure progress including the continued completion of the Kalispell bypass and the widening of West Reserve to improve freight and passenger vehicle mobility.

### Challenges for Kalispell and the Travel Industry

#### Hospitality Industry:

- With slowing ADR and rising operating costs, profitability in the hospitality sector will slow in 2023 before advancing stronger in 2024 (STR, 2023 CoStar Group).
- As business and event/convention travel continues recovery the industry projects to see occupancy growth. Strong leisure travel remains prevalent.
- During peak summer season 2022 570 short term rentals were active in 59901, a 3% increase over 2021. Flathead County entire place short term rental inventory peaks at 2,667 rentals in 2022, a 17.9% increase. (Source: AirDNA)

#### Community:

- Glacier National Park has continued the vehicle reservation pilot system for summer of 2023. Separate vehicle reservations are now required for the Going-to-the-Sun Road, North Fork/Polebridge entrance, Many Glacier and Two Medicine areas of the park, May 27 - September 11, 2023. In addition, the park is undergoing several construction projects creating traffic delays and diversions through the 2023 season.
- Kalispell has been identified as the fastest growing micropolitan area in America by the U.S. Census Bureau on March 24, 2022. This level of growth adds to already existing issues of workforce housing, traffic, and real estate prices. Resident sentiment towards tourism is negatively impacted by the increased number of new residents.
- Flathead County grew faster than any other of the larger Montana counties in 2022, adding 3,089 new residents, a 2.84% growth rate. causing continued challenges for workforce housing particularly during the peak visitor season.
- Weather conditions have deviated from historical patterns which poses a challenge when promoting outdoor recreation and outdoor events. The impact of national media headlines around wildfires in GNP, as well as the wildfire smoke from surrounding states impacts visitations to Kalispell and northwest Montana.
- Aquatic Invasive Species pose a threat to the Flathead Basin waterways. Introduction of non-native species disrupts the balance of native ecosystems threatening the recreation viability in our area. Discover Kalispell will continue to support FWP's communications of Clean, Drain and Dry and watercraft inspection stations.

### Opportunities for Discover Kalispell

- Partnership with Kalispell Chamber: Discover Kalispell and the Discover Kalispell Chamber function as one organization, each working to support the local economy, community vitality, business and industry. We serve to Venture Boldly while remaining Future Ready, assuring Kalispell is well-positioned for long-term sustainable economic strength.
- Community engagement study: Discover Kalispell and Chamber facilitated a community engagement study in November 2022. The input received through a survey, two community meetings and several one-on-one in-depth conversations provided our organization with valuable resident input around smart growth, sense of place, and how the tourism industry can contribute positively to the community. Those key findings will begin to be addressed during FY24.
- Ground transportation: Community development priorities include improved ground transportation to lessen traffic congestion particularly during the peak season. Visitors need options to get from the airport to city centers, to lodging and to Glacier National Park.
- Indoor sports facility: Discover Kalispell is providing the funding for a financial feasibility study to explore options to develop a tournament-quality facility to serve as a community recreation asset and generate economic impact year-round through sports tourism.

## 2. Align with Montana Brand

***Briefly describe how your destination aligns with the Montana Brand.***

The 2023 Montana Brand Research Study demonstrates what sets Montana apart and the importance of staying true to our identity. The study stressed that it all comes down to nature. "It's what makes Montana unlike anywhere else. Not just the outdoors, but the way Montana's people, culture and food are unique because they are fostered and sustained by the state's landscape and natural resources." That identity is showcased in Kalispell through local artists and musicians, restaurants that feature locally raised meats and produce, and breweries and distilleries that include wild huckleberries and Flathead cherries in their craft beverages.

Kalispell offers the attributes that are a priority for Montana's target traveler as identified in the study:

- Wildlife viewing - Glacier National Park, Flathead National Forest and northwest Montana's state parks offer year-round opportunities to see a variety of wildlife.
- Unique landscapes - Flathead Lake is the largest freshwater lake in the west, Glacier National Park is the crown jewel with stunning peaks, waterways and geological formations.
- National, State or Local Parks - Kalispell is 32 miles from the entrance to Glacier National Park. The Kalispell area is home to seven state parks: Lone Pine and the Flathead Lake State Parks as well as numerous city parks including the new Parkline Trail through downtown Kalispell providing connection to other trail systems.
- Snowy weather outdoor activities - Kalispell is situated between two ski areas. The area also offers other ways to enjoy winter. From snowshoeing in GNP or Lone Pine State Park, snowmobiling in the Swan Mountains, ice fishing on numerous area lakes, cross country skiing on groomed trails at local nordic centers, and ice hockey or ice skating at Woodland Ice Rink in downtown Kalispell. And Frosty the Brewfest, an outdoor festival in January celebrating winter and community.
- Historic/cultural sites - Kalispell is home to three museums: Conrad Mansion Museum, Hockaday Museum of Art and the Northwest Montana History Museum. Each offers a glimpse into the past and remain an integral part of the community today.

### 3. What is the strategic role of your DMO?

*Select all that apply: Destination Marketing, Destination Management, Destination Stewardship, Destination Development).*

Destination Marketing, Destination Stewardship, Destination Development

**Based on the strategic role you serve, provide the following information.**

#### 3a. Define your audience(s) (demographic, geographic, and psycho-graphic).

While destination marketing is the traditional role of a convention and visitor bureau and will continue to be important to support the economic vitality of tourism businesses, Discover Kalispell recognizes the concerns around the growth our community is experiencing. By integrating destination stewardship, management and development initiatives Discover Kalispell will be part of the solution playing an important role in helping our mountain community and tourism driven economy thrive.

Destination Marketing – 60% of organization's operations:

Destination marketing is defined as promoting a town or city to increase the number of visitors to support the local lodging and visitor economy. It is not a one-size-fits-all approach. Promotions must be highly strategic and targeted to attract high value travelers that can play a role in supporting our community. Marketing includes designing campaigns that focus on visitor distribution - distributing demand not only by season but also by traveler types and weekend/mid-week demand. To uncover visitor demand not solely based on geographical markets but by passions, niche activities and interests.

Destination Stewardship/Management – 20% of organization's operations:

A destination stewardship and management approach balances the needs of the community while supporting tourism jobs and businesses. It's a coalition of many organizations and interests working together to preserve community culture while stimulating economic viability outside of the peak season. And serves to find solutions for peak-period tourism impacts including educating visitors, and directing them to guided adventures, local businesses, unique experiences and most importantly how to travel and recreate responsibly.

Destination Development – 20% of organization's operations:

Destination development strategies serve to enhance the visitor experience by enriching recreation amenities, visitor assets, and supporting non-profit tourism attractions. Development projects are also enjoyed by residents and support the reasons why they choose to live in a destination.

Define Our Audience:

2022 non-resident visitors that stayed at least one night in Kalispell (ITRR):

- Average group size - 2.38; average age 58
- Average length of stay – 5.9 nights (in Montana)
  - Top U.S. geographic markets of origin: WA, MN, IL, UT, TX, OH, WY, CA, WI, SD
  - 77% here for vacation, recreation, pleasure

- Top attractions/activities (near Kalispell): Glacier National Park, Flathead Lake State Parks; special events, hiking, mountains/forests, rivers, lakes, camping.

To attract travelers that will be of value to our destination, Discover Kalispell invests in geolocation and spending data to determine who is here, when they visit, if they disperse to lesser-known activities and amenities, how much do they spend and where. That type of data enables us to target a high value visitor with specific messaging and to retarget for return visits. We know that *70% of visitors to Kalispell plan to return within 2 years (ITRR)*. But where will they go and what will they do? We have the ability to influence those decisions based on what would deliver the greatest positive impact to our destination.

Who we wish to attract – definition of a high-value visitor:

- Visitors that will stay more than one night in Kalispell.
- Visitors who are interested in fall, winter and spring travel.
- Visitors who are respectful of natural resources and strive to recreate responsibly.
- Visitors who are interested in local restaurants, craft beverages and shopping.
- Visitors who seek adventures outside of the heavily traffic activities and recreation areas.
- Visitors who are seeking sporting events, destination events and accessible travel resources.
- Business travelers
- Group travelers - meeting planners, domestic and international tour trade, other group travel such as reunions, incentive travel and niche interest groups.

### **3b. What research supports your DMO strategy?**

#### **What Research Supports The DMO Strategy**

Prioritize tourism marketing initiatives to increase visitations in the fall, winter and spring:

Occupancy data, as well visitor to resident ratio sentiment by residents, demonstrates there is capacity to increase visitations outside of the peak season.

- Average annual occupancy in Kalispell (2022): 57.3%
- Average occupancy October – May in Kalispell (2022): 47.6%

Occupancy and overall revenue declined for Kalispell's lodging industry during the summer of 2022. This is attributed to the American traveler's concern with cost of travel and economic uncertainty, and the complexity of Glacier National Park's vehicle reservation system. It further clarifies the importance of destination marketing to increase visitations in the shoulder and winter seasons, and that Discover Kalispell should continue to promote product development and activities outside of GNP during the warm season.

Who is the Kalispell visitor based on geographic markets and spending:

DMA (non-res)	avg spend	% of total visitors
Seattle-Tacoma	\$304	7.8%
Spokane	\$324	9.6%

Phoenix	\$353	4.4%
Los Angeles	\$352	3.8%
Salt Lake City	\$103	6.4%

Spending by category (% of total spend):

1. Food - 32.3%
2. Retail - 19.7%
3. Accommodations - 13.8%
4. Gas & service stations - 13.3%
5. Transportation - 10.5%
6. Outdoor Recreation - 1.5%

(Zartico)

Credit card spending by non-resident visitors: \$228.2 Million in 2022, a 7.5% increase YOY

Top CMAs per quarter (calendar) – Data support retargeting campaigns:

Q1: New York, Missoula, Salt Lake City, Seattle, Portland

Q2: Missoula, New York, Seattle, Salt Lake City, Phoenix

Q4: Missoula, Seattle, Salt Lake City, Bozeman, Los Angeles

(Visa Destination Insights)

ITRR – Montana Resident Attitudes Towards Tourism 2022

The ITRR resident attitude study demonstrated that residents want a balanced approach towards tourism in the state. Residents recognize that while overall benefits outweigh the negative, they feel the state is becoming overcrowded (57%) and don't agree that if tourism were to increase that the overall quality of life for Montana residents would improve.

Residents were asked if tourism increases in the Glacier Country region will the overall quality of life for residents improve? 35% agreed – 37% disagreed.

Data from the ITRR study, Glacier Country's Destination Stewardship Plan, and Discover Kalispell's Community Engagement Study, reinforces the importance of the destination stewardship and development initiatives by Discover Kalispell, to create a balanced, community-first tourism economy.

BBER The Future of Montana – What the New Wave of In-Migration Means For the State

“While Flathead County generally follows statewide trends of stagnant growth, industries like healthcare, construction, accommodations and food service are driving economic growth and remain strong locally compared to other counties in the state.” Patrick Barkey, BBER, (Flathead Beacon)

Key points from report:

- As interest rates continue to rise and inflation remains high, BBER predicts no statewide growth in 2023 followed by weak growth in 2024.
- The accommodation & food sector remains the most prominent industry for Flathead County.
- Nonresident travel is 21% of share income in basic industries, a leading driver of economic activity in Flathead County.
- Flathead County saw a sharp increase in net population migration from other states in 2022.

MT Department of Labor & Industry - Montana's Outdoor Economy, Logan Hendrix

In Discover Kalispell's 2022 Community Engagement Study, outdoor recreation was identified by residents as the second leading industry, after healthcare, based on importance to Kalispell's economy. As such Discover Kalispell will identify ways to expand our organization's support to this high valued economic sector that is so closely aligned with tourism.

The Montana Department of Labor & Industry report on Montana's Outdoor Economy states that outdoor recreation generates \$2.5 billion of annual domestic product and accounts for 4.4% of Montana's total GDP in 2021. Only Hawaii has a greater concentration of outdoor recreation. About half of the state's \$2.5 billion in GDP comes from recreation activities, while the other half is generated through services that support outdoor recreation (food, lodging, transportation, construction). Outdoor recreation employs over 27,000 people in Montana, 5.4% of the workforce.

Top outdoor activities in Montana as percent of total GDP:

1. Boating/fishing
2. RVing
3. Hunting
4. Equestrian
5. Snow activities

Other outdoor recreation activities that increased in GDP from 2019 to 2021 include:

1. Canoeing/kayaking
2. Rafting/SUP
3. Bicycling
4. Guided tours/outfitted travel
5. Motorcycling

### **3c. What are your emerging markets?**

Marketing - Travelers new to recreating outdoors in large landscapes and those seeking accessible travel resources. Winter traveler, both ski enthusiast and those wanting to try other winter activities.

Stewardship/Development – Increase awareness of Discover Kalispell's community development grant program. Build on the findings from the 2022 Community Conversations Study done as a partnership with Discover Kalispell and Kalispell Chamber. Gather additional resident input around community growth and how tourism can be part of the solution to offset the negative impacts of tourism during the peak travel season.



Tourism sales – Shift in priorities to focus more on domestic tour groups and the return of international travelers. Continue to service the meetings and conventions market through existing and new RFP's.

#### **4. Define and describe your overall goals.**

*A goal is an idea of the future or desired result that a person or group of people envisions, plans and commits to achieve.*

Goals:

1. Increase visitation to meet the needs of the Kalispell's visitor distribution goals – seasonality, niche markets, diverse audiences.
2. Tourism sales initiatives to attract sports, events, group travel, tour trade, and meetings and convention segment bookings.
3. Public relations earned media strategy focused on media that match Kalispell's marketing goals, aligns with the Discover Kalispell brand and the high-value target audience.
4. Encourage residents and visitors to travel and recreate responsibly and respectfully. Align visitor education programs with community values.
5. Support guides and outfitters and land manager partners who provide services and education to visitors fostering safe and responsible recreation.
6. Work with local stakeholders to develop and enhance community projects that serve to enhance the visitor and resident experience in Kalispell.
7. Develop programs for community outreach and tourism and hospitality training.
8. Be an active partner on initiatives for natural resource sustainability.

***4a. Describe proposed tactics and projects as related to overall goals and controlled by the organization in its financial statements.***

Tactics and sample projects related to overall goals:

- Destination promotion – paid media, website marketing, owned media (social media, newsletters, brand content) and digital asset acquisition.
- Earned media – hosted influencer and press trips, media outreach, destination reputation monitoring, crisis communications, and FAM trips.
- Tourism sales - meetings, conventions, domestic tour groups, international FIT, group incentives and sales calls.
- Travel & trade shows that support Kalispell's target markets for leisure and group travel segments.
- Equity, Inclusion and Diversity: create a welcoming environment for all, both to the community and the outdoor recreation landscape.
- Visitor services and visitor education.
- Fund and execute tourism and hospitality training.
- Be involved in efforts to improve ground and air transportation in the Flathead Valley.
- Support arts and culture assets – public art, arts and performance arts events and Kalispell's museums.

- Support the local outdoor recreation industry: 1) Encourage visitors to Go With A Guide to assure safe and responsible recreation and to support local guides and outfitters. 2) Trail and water cleanup and other voluntourism opportunities. 3) Help to facilitate improved infrastructure on trails and at trail heads.
- Discover Kalispell grant program – new and expanding events outside of peak season and community tourism product development projects.
- Wayfinding, other signage and digital and printed maps to direct visitors to less crowded experiences.
- Destination events hosted by Discover Kalispell.

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## ***Objectives/Metrics/Evaluation***

<b>Objectives</b>	<b>Measurable Metrics for Success</b>	<b>Report the Metric Achieved</b>	<b>Evaluation of Measurable Metrics for Success</b>
Partner with local organizations such as Flathead Lakers, Flathead River Alliance, Glacier Conservancy, and FWP to support conservation projects related to visitor amenities and visitor impacts.	Support two projects led by local natural resource groups through sponsorships, messaging, and volunteering.		
Targeted advertising campaigns promoting fall, winter and spring travel and hotel lodging, niche activity, responsible travel or inclusivity through paid media, website marketing, owned media and digital asset acquisition.	Develop 1 targeted advertising campaign that delivers a CTR of 0.75% or greater for the following campaigns: hotel incentive, niche travel, and responsible travel.		

Tourism sales initiatives to attract events, group travel, tour trade and meetings & convention segment room nights.	Execute 20 in-market and out-of-market sales calls or client events. Produce 3 videos to use in group travel and tourism sales promotions.		
Host travel media to achieve earned media in targeted publications and channels on topics such as winter travel, fall travel, accessible travel, and responsible recreation.	Host 2 travel media whose audience aligns with Discover Kalispell's goals and definition of a high-value target audience.		
Provide visitor education and encourage responsible travel and recreation through the distribution of Discover Kalispell printed collateral at local events and high-traffic visitor locations.	Success is measured by receiving scans of a QR code included in printed collateral which leads the viewer to the visitor guide or campaign web page. Scans are measured through a trackable (paid) QR code. The rate of conversion will be determined per campaign to gauge the effectiveness of each promotion.		
Invest tourism dollars back in the community through Discover Kalispell's grant program to enhance the resident and visitor experience and Kalispell's brand as a unique destination.	Award Discover Kalispell grant funds to at least 2 new or expanding events and 1 community product development project.		

## DMO Budget

Allowable Methods	Amount Budgeted	% of Budget Allocated	Amount Expended	% of Budget Expended
Administration	\$42,600.00	16.38	\$0.00	0
Agency Services	\$20,000.00	7.69	\$0.00	0
Cooperative Marketing	\$2,500.00	0.96	\$0.00	0
Earned Media/Tourism Sales	\$7,000.00	2.69	\$0.00	0
Education/Outreach	\$6,000.00	2.31	\$0.00	0
Joint Venture	\$5,000.00	1.92	\$0.00	0
Marketing Resources	\$12,000.00	4.62	\$0.00	0
Opportunity Marketing	\$10,000.00	3.85	\$0.00	0
Paid Media	\$40,400.00	15.54	\$0.00	0
Marketing Personnel	\$24,000.00	9.23	\$0.00	0
Product Development	\$18,000.00	6.92	\$0.00	0
Research	\$12,000.00	4.62	\$0.00	0
Travel/Trade Shows	\$3,000.00	1.15	\$0.00	0
Visitor Services	\$57,500.00	22.12	\$0.00	0
	\$260,000.00	100.00	\$0.00	0.00

### ***Narrative Evaluation***

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This will be completed as part of the fiscal year end review process.

### ***DMO Plan Attachments***

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<b>Description</b>	<b>File Name</b>	<b>File Size</b>
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**Reg/CVB Required Documents**

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<b>Description</b>	<b>File Name</b>	<b>File Size</b>
Certificate of Compliance	Certificate of Compliance v2 Kalispell.pdf	34 KB
Current bylaws of the Kalispell Chamber	CURRENT Bylaws Chamber- 10.25.22.pdf	255 KB
Board approval	Kalispell Chamber board approval.pdf	216 KB

