

**TO:** Tourism Advisory Committee

**FROM:** David Kleitsch, Economic Development Director

**DATE:** August 8, 2012

**SUBJECT:** Director's Report

The TAC meeting for August was cancelled since there were no pending action items. This Director's Report is provided to help keep you informed of tourism related activities.

**Lodging Statistics**

Twice annually Lynnwood obtains the Smith Travel Report for Lynnwood hotels and Snohomish County hotels excluding Lynnwood. This data provides a year-to-date comparison of Lynnwood hotel activity with the rest of Snohomish County. The information is used to monitor Lynnwood's industry trends and relative market position.

The two tables below summarize Year to Date activity as of June 2012.

**Lodging Metrics YTD June 2012**

	<b>Lynnwood</b>	<b>Other Snohomish County</b>	<b>King County</b>
Occupancy	63.3%	61.0%	69.0%
Average Daily Rate	\$96.87	\$88.71	\$120.52
Revenue per Available Room	\$61.36	\$54.11	\$83.18
Demand	148,026	477,478	884,518

**Change from June 2011**

	<b>Lynnwood</b>	<b>Other Snohomish County</b>	<b>King County</b>
Occupancy	-4.2%	-0.1%	+4.5%
Average Daily Rate	+3.9%	+10.8%	+4.3%
Revenue per Available Room	-0.5%	+10.6%	+9.0%
Demand	-4.2%	-0.2	+4.5%

Lynnwood Occupancy, ADR and RevPAR remain higher than other parts of Snohomish County. However, other parts of the county are growing at a faster rate than Lynnwood. Most notable is Rev PAR where Lynnwood remained relatively unchanged and the rest of the county grew by over 10%. This may be due in part to Lynnwood's RevPAR being well above other parts of the county, and Lynnwood having a more mature market which limits its rate of growth.

Decreases in occupancy and demand in Lynnwood relative to elsewhere in the county are also being monitored. In Lynnwood, both of these metrics fell by over 4%, while in other parts of Snohomish County they remained relatively unchanged. Various factors may account for these differences, including, a change in visitor types, decrease in business travel or new lodging facilities developed outside of Lynnwood.

The current strength of King County is positive. As King County occupancy and room rates increase, Lynnwood and Snohomish County become attractive lodging options.

### **Lynnwood Lodging Tax Revenue**

Lodging tax revenues provide another metric to monitor the strength of the lodging industry. Lynnwood lodging tax revenues through July 2012 total \$260,220, which is \$6,000 more than the same time last year. Although revenues are basically flat, the 3<sup>rd</sup> and 4<sup>th</sup> quarters tend to be the strongest revenue periods for Lynnwood. If revenue trends continue as anticipated total revenue in 2012 will be approximately \$519,000. This compares to \$509,744 distributed in 2011.

### **Tourism Promotion Area Funds**

The Snohomish County Council has awarded \$528,330 to various cities and organizations to help promote overnight stays in Snohomish County. Most recently, \$4,875 was awarded to Snohomish to support Kila Ha Ya Days BBQ competition. On July 31, 2012, Snohomish County distributed information on the TPA grant program and encouraged that applications be submitted.

### **Snohomish County Tourism Brand**

The Snohomish County is well underway in the development of the countywide tourism brand. North Star Destination Strategies has been retained to develop the new brand. North Star has toured Snohomish County, conducted focus groups and one-on-one interviews, distributed electronic surveys asking about impressions of Snohomish County and have undertaken a review of past research, visitor requests and existing collateral. Once the research phase is completed, North Star will provide the county with a detailed findings report. The report is expected to be delivered in early fall.

### **Legacy Hotel**

The Legacy Development has initiated site grading for a Homewood Suites hotel at Alderwood Mall Parkway and 182<sup>nd</sup> St. SW. Plans have been submitted for building permit approval. The hotel will have approximately 155 rooms and be completed in October 2013.

### **Committee Membership**

LTAC and TAC committee positions are for one year terms. In November, the City Council will consider reappointments for 2013. Please let me know if you would like to continue to serve on the TAC/LTAC. Finding a Restaurant Representative to serve has been exceedingly difficult. If you know of a restaurateur who might be interested, please let me know.

**The next regularly scheduled TAC meeting is September 13, 2012.**