



Spokane Valley Tourism Strategic Plan and Project Development Prioritization

October 2023



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Section 1

Introduction



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Introduction

Transmittal Letter

Re: Tourism Strategy Consultant Services

Dear Mr. Hohman:

C.H. Johnson Consulting, in partnership with Nichols Tourism Group and Destination Consultancy Group (the “Consulting Team”) are pleased to submit this report to you on the Spokane Valley Tourism Strategic Plan and Product Opportunity Prioritization for the City of Spokane Valley. Pursuant to our engagement, this report fulfills the scope of work outlined in the project proposal submitted by Johnson Consulting to the City on June 24th, 2022.

The Consulting Team has no responsibility to update this report for events, plan modifications, and circumstances occurring after the date of this report. As the ongoing impacts of the global COVID-19 pandemic impact is still uncertain, our report outlines our assumptions based on experience from previous economic disruptions, but the actual impact will not be known for the foreseeable future. The findings presented herein reflect analyses of primary and secondary sources of information. The Consulting Team used sources deemed to be reliable but cannot guarantee their accuracy. Moreover, some of the estimates and analyses presented in this study are based on trends and assumptions, which can result in differences between projected results and actual results. Because events and circumstances frequently do not occur as expected, those differences may be material. This report is intended for the Clients’ internal use and cannot be used for project underwriting purposes without the Consulting Team’s written consent.

We have enjoyed serving you on this engagement and look forward to providing you with continuing advisory services.

Sincerely,

C.H. Johnson Consulting, Inc.

C.H. Johnson Consulting, Inc.

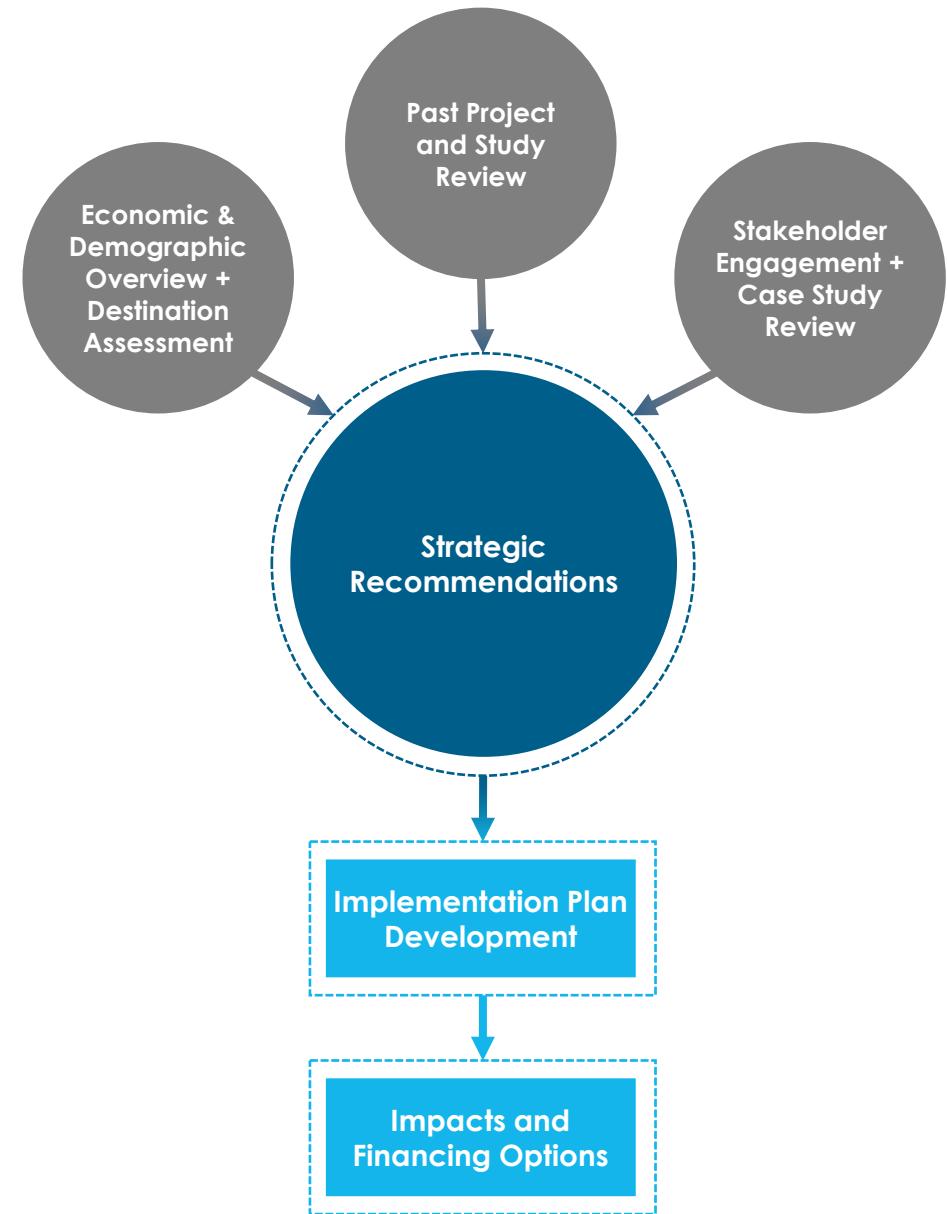
Introduction

Study Introduction & Methodology

The Consulting Team was retained by the City of Spokane Valley to update the City's Tourism Strategy and create a Tourism Strategic Plan and Project Development Prioritization. This report aims to guide the City and its visitor/hospitality industry as they continue to foster tourism in Spokane Valley, providing recommendations about the best way forward in the short, medium, and long terms. The proposal document submitted to the City of Spokane Valley by the Consulting Team outlines a detailed list of services for the study. The primary purpose of this study is to answer the following questions:

- Were the strategies, initiatives, and product opportunities recommended in the 2016/2017 tourism plan implemented? How effective were those strategies, and do they remain relevant today?
- What can broader industry trends and specific case studies offer in terms of best practices for Spokane Valley's hospitality industry?
- What new product opportunities could help enhance Spokane Valley's tourism offerings today?
- How do these strategies, trends, and product opportunities interact with Spokane Valley's new Tourism Promotion Area (TPA)?
- What objectives, strategies, and tactics should the City and its visitor/hospitality industry utilize to continue to bring more visitors to Spokane Valley?

In order to answer the questions above, the Consulting Team developed and executed a comprehensive methodology for the study, which is illustrated by the figure on the right. The observations, analysis, and conclusions of the study will be presented throughout the remaining sections of this report.



Introduction

Project Overview

Spokane Valley is a city located on the East side of Washington State, adjacent to the Cities of Spokane and Liberty Lake. Spokane Valley was incorporated in 2003 and as of 2023 has a population of just over 107,000 residents.

As a relatively new community, the City of Spokane Valley has worked to develop its destination brand and identity and differentiate itself from other locations in the wider region. In 2016 and 2017, the City published a two-phase tourism strategy produced by Community Attributes, Inc. This new report seeks to update that strategy and provide a clear implementation plan for the City and its visitor/hospitality industry.

It also takes into account changes in the local tourism landscape. On January 1, 2023, a new TPA went into effect which covers exclusively hotels within Spokane Valley, assessing a \$4 charge on every hotel room night. These fees are pooled and can be deployed by a Hotel Commission for destination marketing and development. Previously, Spokane Valley hotels fell under the purview of a broader TPA which covered the entirety of Spokane County. This new structure grants the City's hotels far more autonomy over how TPA funds are deployed, and is discussed in this report.

The following analysis provides an overview of the 2016/2017 tourism plan, the economic and demographic conditions of Spokane Valley and the broader region, and the existing conditions of Spokane Valley's hospitality industry. It then goes on to discuss findings from the Consulting Team's stakeholder engagement process, product opportunities for destination enhancement, and relevant case studies and comparables. Finally, the results of the analysis are synthesized into TPA implications, product recommendations, and an implementation plan for the overall tourism strategy.



Introduction

Executive Summary

Since its incorporation in 2003, Spokane Valley has worked to establish its own identity within the Eastern Washington region. As part of that work, the City has pursued numerous initiatives geared towards enhancing Spokane Valley's tourism industry. The most recent and relevant of those initiatives was the 2016/2017 *City of Spokane Valley Tourism Strategy* prepared by Community Attributes, Inc. (CAI). That document laid out various goals, strategies, and action steps as well as several prioritized product opportunities for the City to pursue as it builds its destination brand and identity. This document aims to build off of and update the work done by CAI, as well as examine new strategies and opportunities for the City and its tourism and hospitality industry.

Though Spokane Valley is not dynamic from an economic and demographic standpoint, it is in a fairly stable and strong position. Population growth has historically exceeded the national average and projects to continue that trend over the next five years, aided by the City's livability and easy access to transportation options, particularly I-90 and the Spokane Airport. The City does have some challenges, in particular higher unemployment rates, lower rates of educational attainment, and lower incomes relative to neighboring Spokane. However, these do not particularly hinder its tourism industry, which is targeted more towards visitors from outside the region.

This industry is currently in a stage of maturation, with the new Spokane Valley TPA providing an opportunity for the City and its hoteliers to exercise greater control over Spokane Valley's brand and destination identity. Spokane Valley as it stands today does have numerous tourism assets (such as CenterPlace, the Fair & Expo Center, Avista Stadium, and Plante's Ferry) and strategic differentiators (such as its family-friendliness, easy parking and transportation, food and beverage options, relative affordability, and proximity to outdoor adventure experiences). However, work needs to be done to change the perception of Spokane Valley both in the minds of visitors and of the city's own hospitality industry. Though many stakeholders engaged throughout the development of this report recognized the city's strengths as a destination, there was sentiment that Spokane Valley is merely an overflow market to Spokane, rather than one with identity in and of itself. It will take a cohesive and strategic effort on the part of the City and its hospitality industry to change these perceptions and create a strong destination brand for Spokane Valley.

Introduction

Executive Summary

One key component of this will be making strategic investments in products which enhance Spokane Valley's overall tourism offerings. Constructing a cross-country course is a fairly low-cost way of attracting out-of-town athletes to the city, while investing in upgrades to Plante's Ferry Sports Complex can help continue to cultivate Spokane Valley's sports tourism identity. Enhancing the existing Fairgrounds, Expo Center, & Entertainment District (which also includes Avista Stadium) as well as the surrounding area would make that asset more dynamic as well as help create more of the sense of place which Spokane Valley currently lacks. It would also provide an opportunity to collaborate with Spokane County and the City of Spokane, both of which ought to be key stakeholders and strategic partners. Constructing ice sheets would further advance the city's sports tourism specialization, while a whitewater course on the Spokane River would take advantage of Spokane Valley's natural beauty and provide a valuable supporting amenity to other tourism assets. Finally, the City should continuously evaluate the CenterPlace Regional Event Center and the role it plays in Spokane Valley's tourism industry. CenterPlace is a key civic asset which has the potential to serve more of a tourism purpose. It is important to ensure that is optimally positioned to created the greatest possible benefit the City as a whole.

Another key component will be the deployment of funds from Spokane Valley's new TPA. The greater autonomy provided by the new TPA structure will allow the City and its hospitality industry to be more deliberate in their marketing and visitor outreach efforts. Already, the City has taken positive steps in this regard, engaging with a marketing firm and developing a new website. These marketing efforts are crucial in ensuring that Spokane Valley's products, both new and existing, have the greatest possible impact on tourism in the city.

Destination development is a complex and multi-faceted process. In order to guide that process, this report lays out four strategic pillars which encompass objectives, strategies, and tactics for the City to follow as it continues maturing its brand: Position, Attract, Develop, and Elevate. Spokane Valley must clearly **position** itself in the minds of the traveling public, reinforcing its competitive strengths and differentiating characteristics. This, in tandem with new promotion and communication efforts, will help the city **attract** high-value visitor segments and generate more room nights. In order to provide a reason for these visitors to come in the first place, the city will need to **develop** products and experiences that complement one another and appeal to targeted customer segments. The result of all of these efforts, as well as of the autonomy provided by the new TPA, will be to **elevate** the visitor industry in the minds of both residents and hospitality stakeholders. These pillars form the framework of a plan which, if implemented effectively, will bear significant fruit for Spokane Valley's visitor industry in the coming years.

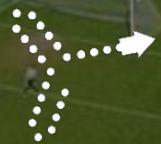


Section 2

Summary of 2016/2017 Tourism Strategy



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Summary of 2016/2017 Tourism Strategy

Introduction

In order to set the stage for the 2023 Spokane Valley tourism strategic plan, the Consulting Team began by examining previous plans, studies, agreements, and projects pertaining to tourism in the City of Spokane Valley. Those studies are detailed in the table to the right.

Of particular interest was the 2016/2017 tourism strategy prepared by Community Attributes Inc. (CAI). The following section presents an overview of those documents and their recommended goals and strategies. It then goes on to evaluate the City of Spokane Valley's progress towards those goals, as well as to assess whether the strategies and action steps detailed remain relevant. Finally, it examines the tourism product opportunities identified in the 2016/2017 report and provides an update on those opportunities as they stand today.

Recent Tourism-Related Studies and Documents		
Name	Year	Author
Special Event Agreements	Various	City of Spokane Valley, Various
Spokane Valley Ice Facility Feasibility Report	2023	SFA
Plante's Ferry Renovation Feasibility Study	2023	SFA
HUB Sports Center Expansion Study	2023	CSL
Spokane Valley Economy Overview	2022	Lightcast
The Spokane Indians & Avista Stadium: Economic Impact Analysis	2022	Johnson Consulting
Marketing Plan: A New Hope	2022	Visit Spokane
Spokane County Regional Expo Expansion	2022	City of Spokane Valley, Spokane County Fair & Expo Center, Spokane County
Avista Stadium Improvements: Master Plan Report	2021	ALSC
Beyond 2020: Visit Spokane Destination Business Plan	2020	Visit Spokane
Updated Analysis of Potential New Outdoor Sports Facilities in Spokane Valley, Washington	2020	CSL
The Economic Impact of Tourism in Spokane County	2019	Tourism Economics
Parks and Recreation Master Plan 2019 Update	2019	City of Spokane Valley
Plante's Ferry Renovation Business Plan	2019	Spokane County, Spokane Valley Junior Soccer Association
Spokane Valley Tourism Analysis: Phase II Project Profiles	2017	CAI
City of Spokane Valley Tourism Strategy	2016	CAI
City of Spokane Valley Retail Improvement Strategy	2016	CAI
Housing and Economic Trends Report	2015	ECONorthwest

Source: Johnson Consulting

Summary of 2016/2017 Tourism Strategy

Goals, Strategies, and Action Steps

The 2016/2017 tourism strategy prepared by CAI was built around the framework of goals, strategies, and actions, with a goal defined as a “high-level objective,” a strategy as an “approach to achieving a goal,” and an action step as a “critical step in pursuing a strategy.” The report recommended 4 high-level goals, each supported with strategies and action steps, summarized as follows:

Goal 1: “Sustain Spokane Valley’s Existing High-Value & High-Volume Tourism Segments”

This goal was focused on maintaining the City’s attractiveness to its existing tourism segments, identified as business and recreation travelers. The recommended strategies and action steps supporting Goal 1 were primarily focused on marketing and outreach to these two visitor groups, with a greater emphasis on the former group than the latter. Wayfinding and connectivity were also mentioned as important focus areas in support of this goal.

In some respects, the City has progressed towards this goal; room-night demand for hotels in Spokane Valley has seen growth since 2016, despite the ongoing impacts of the COVID-19 pandemic. However, these gains have been made despite the lack of effective Spokane Valley-specific marketing and outreach performed by Visit Spokane under the former TPA agreement. Though the city’s sprawl and lack of the kinds of distinct landmarks and districts which help create a sense of place (such as a downtown core) still significantly hinders wayfinding, this problem has been somewhat mitigated (albeit not completely) by signage around the city.

Many of these themes remain relevant today and were observed when developing this report. Particularly, the importance of marketing was emphasized throughout the engagement process, and Spokane Valley will have far more autonomy to undertake effective marketing campaigns under the new TPA agreement. However, this report contains more of an emphasis on recreation travelers, sports tourism, and families, as well as travelers from Canada – since the border has reopened from its pandemic-era closing, the Canadian market is returning and needs to be maintained and expanded. Business travelers are seen by many industry stakeholders as a secondary target market, though still an important one. Additionally, though wayfinding and connectivity are found to still be somewhat relevant, they are not seen by stakeholders as significantly hindering tourism, likely due in large part to the increasing ubiquity of GPS on smartphones; rather, Spokane Valley’s issues with wayfinding and connectivity are tied to an overall lack of a sense of place within the city, which was emphasized during stakeholder meetings.

Summary of 2016/2017 Tourism Strategy

Goals, Strategies, and Action Steps

Goal 2: "Grow Spokane Valley's Presence In Regional Events and Promote Local Destinations"

The second goal in the 2016/2017 study revolves around enhancing Spokane Valley's existing tourism-generating events and products. Particular strategies and action steps recommended include further developing sports tourism assets such as Plante's Ferry, improving access to the Spokane River to make it more of a tourism asset, expanding promotion and marketing of tourism-generating events and assets (i.e., events and assets that create overnight stays in Spokane Valley hotels), better promoting the City's winery cluster, and improving the County's Fair & Expo Center.

There have been steps taken towards achieving this goal, but none of the recommended strategies has been fully executed. The City of Spokane Valley and Spokane County are currently exploring a partnership to improve Plante's Ferry, and improvements along the Spokane River as well as to the Fair & Expo Center have been discussed but not enacted. These improvements, as well as the promotion and marketing side of things is currently being addressed by the new TPA, which will give the City more autonomy on how and to what degree its assets are promoted.

This goal remains extremely relevant today, and many of the strategies supporting it are discussed at length in this study. In particular, youth sports, outdoor recreation, and the Fair & Expo Center have been found to be key components of Spokane Valley's path forward as a tourism destination.

Goal 3: "Create New Attractions That Assert Spokane Valley's Position as a Tourist Destination"

The third goal is similar to the second goal but, rather than improving existing assets, it focuses on creating new ones. Specific assets that are suggested are a sports complex, a waterfront park, a whitewater course, an entertainment district surrounding Avista Stadium, a farmer's market, an arts venue, and a public art walk.

Like the strategies recommended in support of Goal 2, many of these strategies and action steps have been explored but only partially advanced. The exception to this is the arts and entertainment venue, which is moving forward in the form of the Idaho Central Spokane Valley Performing Arts Center (ICSPVAC), currently under construction. The \$48 million ICSVPAC is being primarily financed by a combination of State, County, City, corporate, and private funds and plans to open in 2024. Further, the TRU hotel and the attractiveness of Indiana Avenue are helping support the CenterPlace District, as is the Spokane Valley Farmers Market, which was established in 2019 and is hosted at CenterPlace.

Much of this goal remains applicable today and, in general, tourism attraction development is a significant component of this study. However, some of the assets are no longer seen as relevant: the performing arts center is under construction, while a farmer's market and a public art walk are not seen as driving sufficient tourism demand to be worthy of prioritization.

Summary of 2016/2017 Tourism Strategy

Goals, Strategies, and Action Steps

Goal 4: "Invest in Long-term Improvements to Create a More Attractive Tourist Destination"

The fourth and final goal recommended by the 2016/2017 report concentrates on continuing tourism-enhancement efforts, such as visitor feedback, branding & brand communication, development incentivization, and placemaking. Progress towards this goal has been somewhat of a mixed bag. The City of Spokane Valley has begun to establish a viable brand as a hub of outdoor recreation via its tagline, "Basecamp for Adventure," and this branding process is being further developed by the contents of this report and by the City's forthcoming tourism website. However, there has not been a formalized visitor feedback apparatus established, no catalytic development underway or planned, and no notable placemaking initiatives since the previous report's publication in 2016.

These strategies and goals continue to be pertinent, and are especially important to focus on in light of the new TPA. Not only does the TPA provide Spokane Valley with newfound autonomy over a considerable pool of tourism-focused funding, these monies could be used for initiatives such as tourism product development, marketing, or visitor feedback collection and represent an opportunity to establish a brand that is distinct from that of neighboring Spokane. As much as possible, that branding should work in tandem with placemaking and development, as well as the other initiatives discussed throughout this report, to position Spokane Valley as not just a component of the region, but as a destination itself.

Summary of 2016/2017 Tourism Strategy

Prioritized Product Opportunities

In support of its recommended goals, the 2016/2017 tourism strategy proposed numerous product opportunities that Spokane Valley could explore to drive more tourism. Those opportunities, where they stand today, and how they are viewed in the context of this report are summarized as follows:

Improvements to the Plante's Ferry Sports Complex

Plante's Ferry is a sports complex in Spokane County, just north of Spokane Valley's city limits. It has 13 grass rectangular fields (primarily used for soccer) and 5 baseball / softball diamonds. The facility is owned by Spokane County's parks department, but programming is managed by the Spokane Valley Junior Soccer Association, which also works with Spokane Indians Youth Baseball (which sublets the diamond fields) as well as East Washington Surf and Eastern Washington Soccer (which run many of the tournaments, and which are currently in the process of merging into one organization).

The 2016/2017 report recommended improvements to and expansion of Plante's Ferry as part of an overall strategy to increase the amount of sports tourism in Spokane Valley, as well as to emphasize the City's family-friendliness. A partnership with Spokane County, which owns the facility, was suggested.

This improvement and expansion remains relevant today, and is one of the product opportunities focused on in this report. Though nothing has come to fruition yet, there is momentum towards achieving this goal. The City of Spokane Valley and Spokane County are partnering on a study of possible expansion and / or renovation of Plante's Ferry, as well as examining the ownership and operation structure of the complex.

Whitewater and Waterfront Park

The Spokane River runs along the North side of Spokane Valley and connects to Spokane to the west and Idaho to the east. The 2016/2017 report recommended several projects that would turn the river into more of an amenity for both residents and tourists, including improving trail connections, cultivating commercial districts along the riverfront, creating a riverfront park, and creating a whitewater course in the river.

To this point, none of these products have been seriously pursued. However, a focus on the river as an outdoor recreation amenity does align with the outdoor recreation themes and branding recommended in this report. As such, a river-focused project, such as a whitewater course or riverfront park, remains relevant as a product opportunity.

Summary of 2016/2017 Tourism Strategy

Prioritized Product Opportunities

Trails and Arts Walk

Currently, Spokane Valley is directly served by the Centennial and Appleway Trails, and proximate to significant trail infrastructure in parks such as the Dishman Hills Natural Area, Iller Creek Conservation Area, Antoine Peak Conservation Area, and Mount Spokane State Park, among many others. The 2016/2017 report recommended expanding and better connecting existing trails to cultivate a more comprehensive trail network in the region, as well as locating art along the trails, thereby enhancing the outdoor recreation experience in and around Spokane Valley.

Though this initiative has not been significantly executed, it retains its pertinence in today's tourism environment, and is in alignment with this report's recommended outdoor recreation branding for Spokane Valley. However, this report explores more of a targeted trail product that would be oriented towards attracting cross country and cyclocross events. Though general trail expansion is undoubtedly a tourism amenity, trail infrastructure that supports specific events has greater capacity to drive visitation. It is very consistent with "Basecamp for Adventure," and can be implemented incrementally and with partnerships.

Special Events and Festivals

Spokane Valley is home to several prominent special events and festivals, such as Valleyfest, Cycle Celebration, and Crave! Northwest. These events are significant community amenities but are generally seen as only moderate tourism drivers, particularly with regard to generating overnight stays. The 2016/2017 tourism strategy recommended expanding and supporting Valleyfest and Cycle Celebration to make them more financially sustainable. It also recommended creating wine-themed events to promote Spokane Valley's cluster of wineries.

These events, and other special events and festivals in Spokane Valley, remain relevant tourism assets. However, due to their limited room-night generation potential they have a lower return on investment, and as such are not as highly prioritized in this report as other product opportunities. Rather, they are seen as complementary tourism amenities which primarily serve community members and help create local identity.

Summary of 2016/2017 Tourism Strategy

Prioritized Product Opportunities

Fairgrounds, Expo Center, & Entertainment District

The Spokane County Fair & Expo Center and Avista Stadium (home of the Spokane Indians Minor League Baseball team) form the Fairgrounds, Expo Center, & Entertainment District on the Western edge of Spokane Valley. As was pointed out in the 2016/2017 tourism strategy, the facilities themselves could use upgrades, as could the area surrounding them, which is run down and primarily industrial. Not only does that make it an unappealing entry point for Spokane Valley, but it means that there are few local options for dining, drinking, and shopping before or after events at the Fairgrounds or Stadium.

There has been some momentum towards facilities upgrades since the 2016/2017 report. Most notably, the Spokane Indians are currently working with Spokane County and the State of Washington to secure funding for an estimated \$22 million renovation that is required by Major League Baseball to be completed by 2025. Additionally, the City of Spokane Valley and Spokane County collaborated on an expansion plan for the Fair and Expo Center, though that plan has thus far failed to come to fruition.

There is still seen to be significant value in improvements to the Fairgrounds, Expo Center, & Entertainment District, both the facilities themselves and the area surrounding them. As such, this product opportunity remains a focus in this study.

Arts and Entertainment Venue

As part of a strategy to support the City's and Region's arts economy, the 2016/2017 report recommended developing an arts venue in Spokane Valley and working with local organizations to program and support it. The success of the Spokane Valley Summer Theatre, founded in 2016, inspired the construction of the \$48 million Idaho Central Spokane Valley Performing Arts Center (ICSVPAC). The ICSVPAC, which is being developed and operated by Spokane Valley Summer Theatre, with construction being financed in part by a \$780,000 American Recovery Plan Act (ARPA) grant from the City of Spokane Valley, broke ground in August of 2022 and is expected to be completed in 2024. The 59,000 square foot building will have two theatres as well as meeting and event space. Because the ICSVPAC is already underway, an arts and entertainment venue is not a prioritized product in this report.

Summary of 2016/2017 Tourism Strategy

Prioritized Product Opportunities

Balfour Park Redevelopment

The last product opportunity explored in the 2016/2017 tourism strategy was the redevelopment of Balfour Park. The Park is located on Sprague Avenue in the heart of Spokane Valley and directly across the street from its City Hall. At the time of the 2016/2017 report, Balfour Park was fairly simple, containing several trees, a small playground, a sand volleyball court, and restrooms. The strategy advocated redeveloping the property for civic purposes, and possibly utilizing a public-private partnership to do so.

Redevelopment of the Park is moving forward, with construction on the 1st phase beginning in Spring of 2023. Phase 1 includes sitework, lighting, pathway development, the construction of a new restroom / water pump building (to serve a future splash pad), as well as the construction of an events plaza with a veterans memorial. Future phases will include the aforementioned splash pad, an amphitheater, a playground, a miniature soccer pitch, picnic shelters, and sports courts. The project is a partnership with the Spokane County Library District, which is building a new library immediately adjacent to Balfour Park. The plan is to integrate the library with the park to create a library-park public campus, which seems to be an innovative approach for Spokane Valley, following along the lines of CenterPlace.

Though the project is still in an early enough stage to theoretically qualify as a product opportunity, it is not focused on in this study. Its scale, proposed uses, and distance from I-90 realistically make it, even in its fully built-out form, far more of a community amenity than a tourism asset.

Summary of 2016/2017 Tourism Strategy

Implications

Much of the 2016/2017 tourism strategy developed by CAI, which was structured around goals, strategies, and action steps, remains relevant today and is explored in this report. Retaining Spokane Valley's existing customer base, bringing more regional events into the City during shoulder and off-peak seasons, developing new tourism-generating assets, and investing in tourism-development infrastructure (such as marketing, visitor surveys, branding, and placemaking) are all goals that Spokane Valley ought to aspire to, and that it has begun to make progress towards. Many of the strategies and action steps supporting those goals also remain valuable, though some priorities may shift as an outcome of this study.

Many of the product opportunities identified in the 2016/2017 report, both new products and enhancements to existing products, are also examined in this study. In particular, improvements to Plante's Ferry, projects along the Spokane River, and the Stadium and Fairgrounds District remain extremely relevant to this study. However, some of the products in the 2016/2017 strategy have been reframed (such as general trail expansion morphing into more use-specific trails); some have been determined to be less relevant to room-night generation (such as special events and the Balfour Park redevelopment); and one, the performing arts center, is already under development and thus is not considered a product opportunity, though it will be a significant asset for Spokane Valley, both from a tourism and a community perspective. This report updates the product opportunities inventory presented in the 2016/2017 tourism strategy with a focus on room-night generation, overall tourism spending, and return on investment for the City of Spokane Valley.

The CAI report recommended many sound and cogent goals, strategies, and product opportunities which are considered in this study. The Consulting Team added to those goals, strategies, and product opportunities based on our own research and engagement process, before honing down our ultimate recommendations to a handful of prioritized initiatives and products, focusing on implementation.



Section 3

Economic and Demographic Analysis



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Economic and Demographic Analysis

Introduction

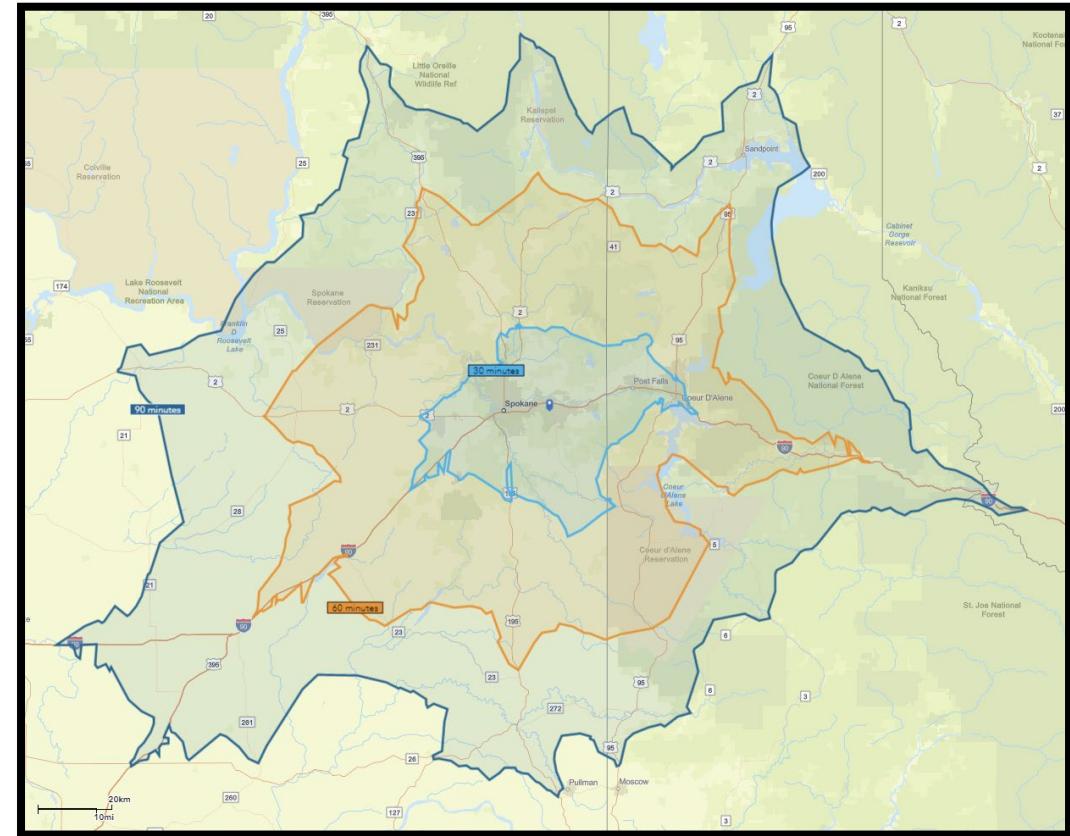
Spokane Valley, Washington, is situated on the East side of the state, directly next to Spokane and just a 15-minute drive from the Idaho border. The city incorporated in 2003, having previously been composed of unincorporated land in Spokane County. Spokane Valley is known as the location of the Spokane County Interstate Fair, Valleyfest, and the Spokane Indians Minor League Baseball team.

In 2016, the City of Spokane Valley commissioned a tourism strategy plan which provided recommendations for enhancing tourism within the City. This report updates that plan to include refined recommendations as well as implementation strategies for each recommendation.

It also takes into context the new Tourism Promotion Area (TPA) that has been instituted in the City of Spokane Valley by the City's council and its hoteliers. Spokane Valley was previously a member of a TPA that also included the City of Spokane and unincorporated areas of Spokane County. Under this new TPA, which adds a \$4 per room per night surcharge to every hotel bill and pools that money into a fund, the City of Spokane Valley and its hoteliers will have greater autonomy to invest in programs, assets, and initiatives that boost tourism in Spokane Valley itself. A key part of this study will be analyzing the implications of this new revenue stream.

The analysis in this section examines various economic and demographic indicators for Spokane Valley, 30-, 60-, and 90-minute drive time catchments from the center of the city, the State of Washington, and the United States as a whole.

The map to the right shows the 30-, 60-, and 90-minute drive time catchments from Spokane Valley.

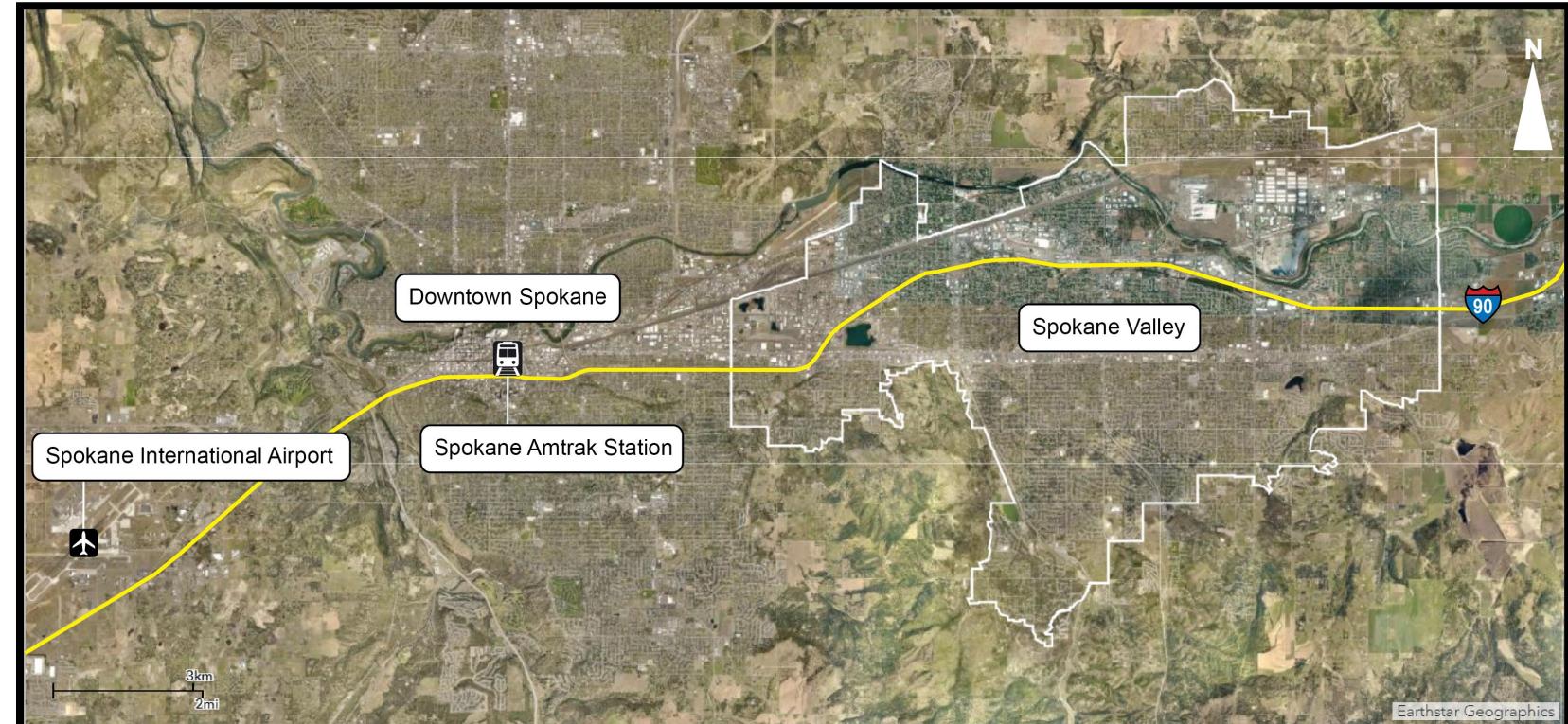


Economic and Demographic Analysis

Transportation Overview

The map below provides an overview of the transportation landscape in Spokane Valley. From a local and regional perspective, Interstate 90 (I-90), which runs right through Spokane Valley and Spokane, is the City's most important piece of transportation infrastructure. The interstate runs all the way to Seattle to the west and connects Spokane Valley to Post Falls, Coeur D'Alene, and Missoula to the east. The Spokane International Airport, the region's largest airport, is west of Spokane, roughly 15 miles from central Spokane Valley. It offers non-stop flights to 18 different destinations and is served by 6 commercial passenger airlines. The area has an Amtrak station, located in downtown Spokane (about 9 miles from central Spokane Valley), which provides access to Amtrak's Empire Builder line as well as several bus lines such as Greyhound and Trailways. Spokane Valley is also served by public buses from the Spokane Transit Authority. Locally, the Appleway and Centennial trails provide safe options for multi-modal travel via bicycle.

Though all of this theoretically adds up to a multi-modal transportation network, private vehicles remain the most practical, and most popular, way of getting around in the area. As is discussed in the City of Spokane Valley's 2017 *Comprehensive Plan*, gaps in the bikeway network make it difficult for cyclists to complete many journeys, and routes often require them to merge in and out of Traffic. Over 80 percent of trips in Spokane Valley occur in a single-occupancy vehicle, with just 0.4 percent occurring by bike and 1.1 percent by walking. Though the City has not achieved full multi-modality, it still has a fairly effective transportation network, especially thanks to Spokane Valley's ample free parking – something which is not as prevalent in neighboring Spokane.



Economic and Demographic Analysis

Population

According to data from the Washington State Office of Financial Management and Esri, in 2023, the population of Spokane Valley is 107,400. The City's population is projected to grow by a few thousand residents over the next 5 years, at a rate of 0.8 percent per annum. Looking beyond Spokane Valley itself reveals a much larger population in the broader Spokane region, with 875,248 people within a 90-minute drive time of the City. The region is projected to grow at roughly the same rate – 0.8 percent per annum – over the next 5 years, outpacing that of the U.S. as a whole (0.5 percent per annum) over that period. Though the region isn't growing particularly quickly, growth is projected to be strong relative to the National levels, suggesting regional stability.

The table below summarizes historical and projected population for the examined geographies.

Historic, Current and Forecast Population Spokane Valley, WA						
	2000	2010	2023	2028	CAGR* 2010-2023	CAGR* 2023-2028
United States	281,421,906	308,745,538	337,470,185	342,640,129	0.7%	0.3%
Washington	5,894,140	6,724,540	7,951,150	8,327,864	1.3%	0.9%
Spokane Valley, WA	78,340**	89,755	107,400	111,566	1.4%	0.8%
30-Minute Drive Time	447,911	514,779	628,302	653,945	1.5%	0.8%
60-Minute Drive Time	557,941	644,364	783,348	816,832	1.5%	0.8%
90-Minute Drive Time	636,226	726,001	875,248	912,591	1.4%	0.8%

*Compounded Annual Growth Rate

**Data from block groups that is now Spokane Valley

Sources: Washington State Office of Financial Management, Esri, Johnson Consulting

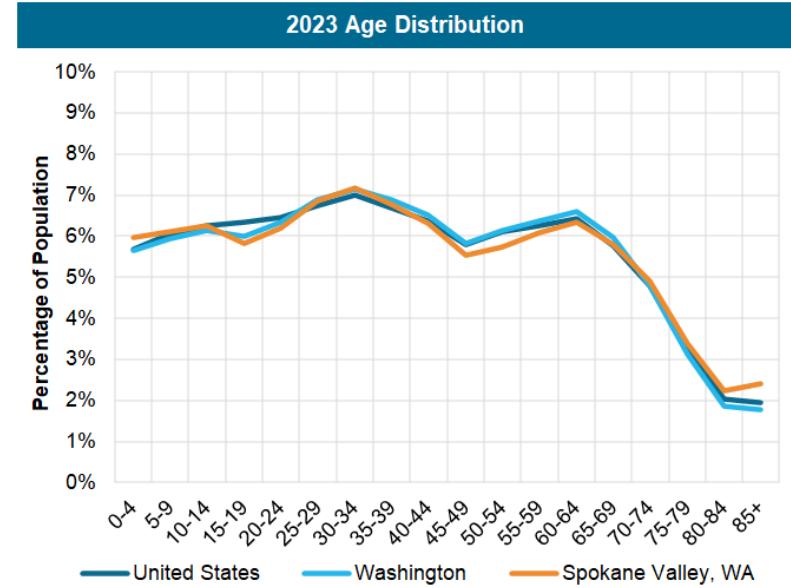
Economic and Demographic Analysis

Age

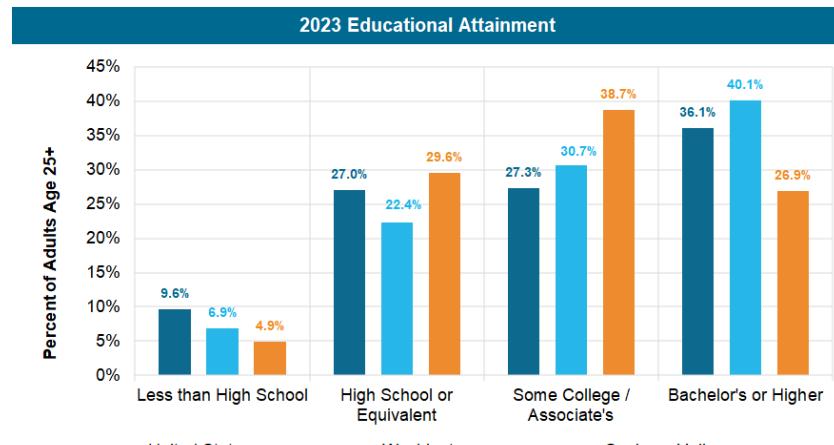
Generally, Spokane Valley tracks very closely with the United States and State of Washington in terms of age distribution. The exceptions are in the 15-19 range, where Washington and Spokane Valley sit slightly below the national average, and the 45-54 range, where Spokane Valley sits slightly below the state and national average. However, these exceptions are minor, and on the whole, there are no significant tourism implications to be drawn from Spokane Valley's age distribution. The chart on the top right shows the age distribution in Spokane Valley, the State of Washington, and the United States.

Education

As the chart on the bottom right shows, 26.9 percent of the residents of Spokane Valley over the age of 24 have a bachelor's degree or higher, a rate much lower than those of the State of Washington (40.1 percent) or the United States (36.1 percent). However, Spokane Valley's residents are far less likely to have less than a high school education than those of Washington or the U.S. Furthermore, 38.7 percent of Spokane Valley's residents have completed some college or have an associates degree, a rate much higher than the national or state averages. This suggests a workforce and population base that, while not highly educated, has overall educational stability.



Sources: Esri, Johnson Consulting



Sources: Esri, Johnson Consulting

Economic and Demographic Analysis

Income

As shown in the table on the top right, both 2023 income levels in both Spokane Valley and in the 30-, 60-, and 90-minute drive time catchments are significantly lower than those of Washington State, and somewhat lower than the national average. However, much of the State's high median household income is bolstered in the Seattle area, which is home to several large tech companies such as Microsoft and Amazon. Though Spokane Valley's median household incomes are relatively low now, they are projected to increase significantly over the next 5 years, growing by over \$10,000 in total at a rate of 3.2 percent per annum, which would outpace the projected National income growth rate. Clearly, the region is quickly becoming more affluent.

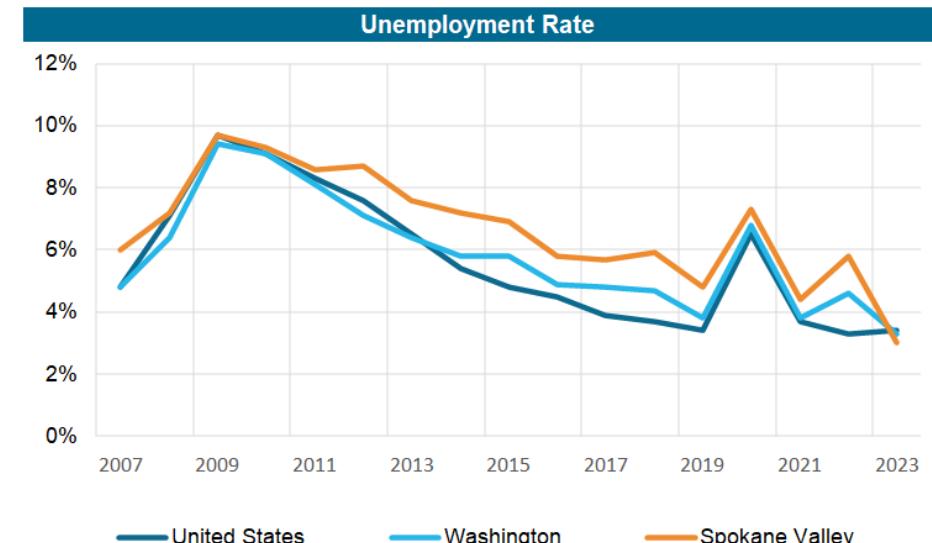
Unemployment

As is shown by the chart on the bottom right, the unemployment rate in Spokane Valley has historically tracked roughly a point above that of the State of Washington, and 1.5 to 2 points above the national unemployment rate. During 2020 and 2021, the two years most impacted by the COVID-19 pandemic, unemployment in Spokane Valley was very close to national and state averages. However, in 2023, it has decreased below the State and National rates and currently sits at roughly 3.0 percent. This is significantly lower than the rates observed prior to the pandemic, suggesting an overall strengthening of the economy.

Median Household Income			
	2023	2028	CAGR*
United States	\$72,603	\$82,410	2.6%
Washington	\$89,067	\$105,056	3.4%
Spokane Valley, WA	\$61,880	\$72,378	3.2%
30-Minute Drive Time	\$66,373	\$78,097	3.3%
60-Minute Drive Time	\$67,993	\$79,917	3.3%
90-Minute Drive Time	\$66,698	\$78,477	3.3%

*Compounded Annual Growth Rate

Sources: Esri, Johnson Consulting



Sources: Bureau of Labor Statistics, Johnson Consulting

Economic and Demographic Analysis

Employment

In 2023, there are 50,123 total employees in Spokane Valley. The top 5 industries by total employment were Health Care / Social Assistance, Retail Trade, Construction, Educational Services, and Manufacturing. Relative to employment distribution in the U.S. as a whole, the City has higher concentrations in wholesale trade, retail trade, admin / support / waste management services, health care / social assistance, and construction. In particular, wholesale trade is a stable industry that isn't showing any signs of imminent decline. However, it will be important to keep an eye on retail trade within Spokane Valley, as recent trends towards online shopping have harmed the sector on a national level. On the whole though, Spokane Valley has a relatively diverse employment base which protects it from shocks to any one sector.

These location quotient findings are presented in the table on the top right. Location quotients of 1 indicate a similar relative concentration of that industry in Spokane Valley compared to the nation as a whole, while values higher than 1 indicate higher concentrations, and values lower than 1 indicate lower concentrations.

Regionally, the largest individual employers are healthcare and government entities, both of which are two very stable industries. As per Advantage Spokane, other major employers include Providence Health Care, Gonzaga University, Kalispel Tribal Economic Authority / Northern Quest Resort & Casino, URM Stores Inc., Wal-Mart, MultiCare Rockwood Clinic, Avista Corp., and MultiCare Deaconess Hospital. In Spokane Valley, the largest employers are healthcare and educational institutions both of which provide stable employment to the people of Spokane Valley. As per the City of Spokane Valley, other large employers include Grow Op Farms, Keytronic, and Black Pearl Casino and Restaurant.

Sector	Employment Location Quotient by Industry Sector				
	Spokane Valley		United States		Location Quotient
# of Employees	% of Workforce	# of Employees	% of Workforce		
Health Care/Social Assistance	7,080	14%	22,116,242	14%	1.0
Retail Trade	7,021	14%	16,983,986	10%	1.3
Construction	4,295	9%	11,436,649	7%	1.2
Educational Services	4,284	9%	14,946,588	9%	0.9
Manufacturing	4,025	8%	16,270,228	10%	0.8
Accommodation/Food Services	3,520	7%	10,883,548	7%	1.1
Transportation/Warehousing	3,286	7%	9,030,322	6%	1.2
Professional/Scientific/Tech Services	3,249	6%	13,955,935	9%	0.8
Other Services (excl Public Administration)	2,235	4%	7,645,915	5%	1.0
Admin/Support/Waste Management Services	2,161	4%	7,195,390	4%	1.0
Finance/Insurance	2,000	4%	8,135,458	5%	0.8
Public Administration	1,905	4%	7,857,372	5%	0.8
Wholesale Trade	1,503	3%	3,029,991	2%	1.6
Real Estate/Rental/Leasing	876	2%	2,901,448	2%	1.0
Information	839	2%	3,143,967	2%	0.9
Arts/Entertainment/Recreation	731	1%	3,578,196	2%	0.7
Utilities	531	1%	1,335,596	1%	1.3
Agriculture/Forestry/Fishing/Hunting	415	1%	1,800,364	1%	0.7
Management of Companies/Enterprises	105	0%	216,593	0%	1.6
Mining/Quarrying/Oil & Gas Extraction	62	0%	572,355	0%	0.4
Total Employees		50,123		163,036,143	

Sources: Esri, Johnson Consulting

Major Employers (Metro Spokane)		Major Employers (Spokane Valley)	
Employer	Employment	Employer	Employment
Fairchild Air Force Base	5,616	Rockwood Urgent Care Clinic	1,500
Sacred Heart Medical Center	3,232	Community Colleges Of Spokane	567
U.S. Federal Government	3,174	Intercon Security Systems	539
Spokane School District 81	3,126	Multicare Valley Hospital	472
State of Washington	2,878	Kaiser Aluminum	450

Source: city-data.com, Johnson Consulting

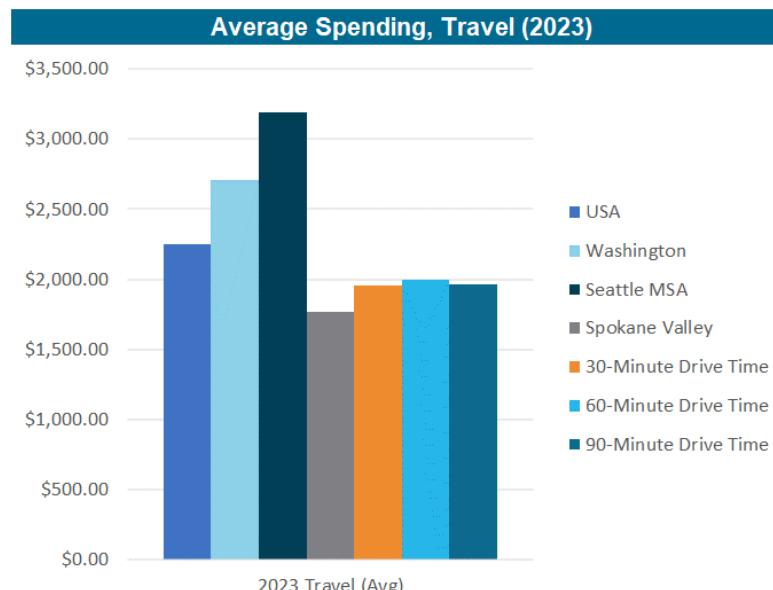
Source: City of Spokane Valley, Johnson Consulting

Economic and Demographic Analysis

Consumer Behavior

Understanding consumer behavior is crucial not only to evaluating a destination's potential to attract tourism, but to correctly positioning it to maximize its market. As is shown by the charts below, residents in Spokane Valley and within a 90-minute drive of the city tend to spend less than the national average on both travel and lodging. However, residents of the State of Washington as a whole spend dramatically more than the national average on travel and lodging, likely due in large part to the affluence of the Seattle area.

This is borne out by the numbers, with residents of the Seattle MSA spending far more on both travel and lodging than any of the other geographies examined. Clearly, the Seattle area is a target market from which Spokane Valley can draw tourists. Further supporting this is Spokane Valley's relative proximity to Seattle: 1 hour by plane or 4.5 hours by car. This distance is far enough that many prospective tourists would likely prefer to stay for several days, rather than just coming for a day trip as might be the case if the two cities were closer together. According to data from Placer.ai, roughly 14 to 15 percent of overnight visitors to Spokane Valley come from the Seattle MSA, a proportion which could be increased with more targeted marketing efforts and enhanced tourism assets. However, note that this proportion is relatively small overall, suggesting that the bulk of marketing efforts might best be expended elsewhere.



Source: Esri, Johnson Consulting



Source: Esri, Johnson Consulting

Economic and Demographic Analysis

Implications

Spokane Valley is a relatively new community, having only been incorporated since 2003. However, it is in a stable place from an economic and demographic perspective. The City, as well as the broader region, has been growing and projects to continue growing at a faster rate than the national average, albeit at a slower rate than was observed over the last 13 years. This growth is buoyed by strong transportation infrastructure; the Spokane area's very accessible airport, access to I-90, and regional rail and bus connections have helped it become the largest MSA in the Inland Northwest.

However, there are some challenges facing the area. Spokane Valley has historically had higher unemployment rates than State or national norms, and its residents are less likely to have graduated from a four-year college. These two factors contribute to relatively low incomes in both Spokane Valley and the region as a whole, though those incomes are projected to grow faster than State and national averages over the next 5 years.

From a tourism perspective, this means lower per-household spending on travel and lodging by residents within a 90-minute drive of Spokane Valley. Those people may be important to the Spokane Valley economy in some respects, but they shouldn't be the primary tourism target. However, travel and lodging spending is high in Washington as a whole, suggesting ample opportunity to attract regional visitors to Spokane Valley.

Section 4

Existing Conditions – Destination Assessment



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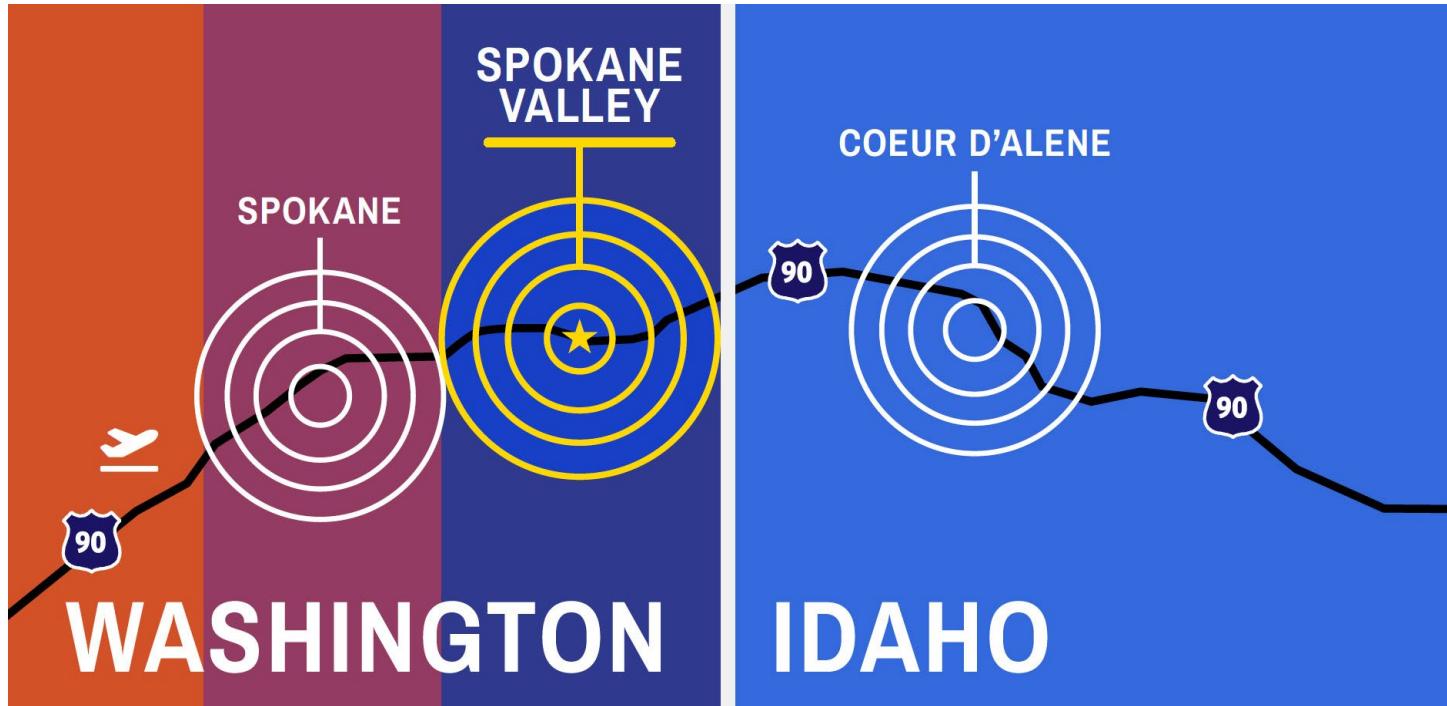
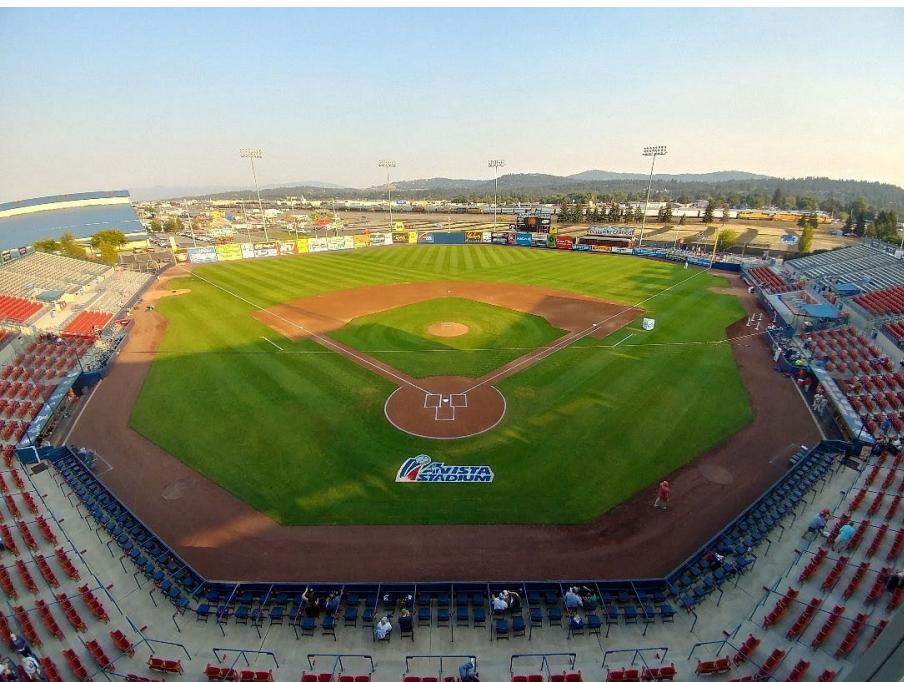
**DESTINATION
CONSULTANCY GROUP**

Existing Conditions – Destination Assessment

Introduction

This section provides an analysis foundation, evaluating Spokane Valley's tourism environment, its recent performance, key products and experiences, its current identity and visitor profile, and the range of organizations and resources available to support the visitor industry.

Findings from this analysis will play a critical role in the development of future strategies, tactical recommendations, and priorities in moving this planning process forward.



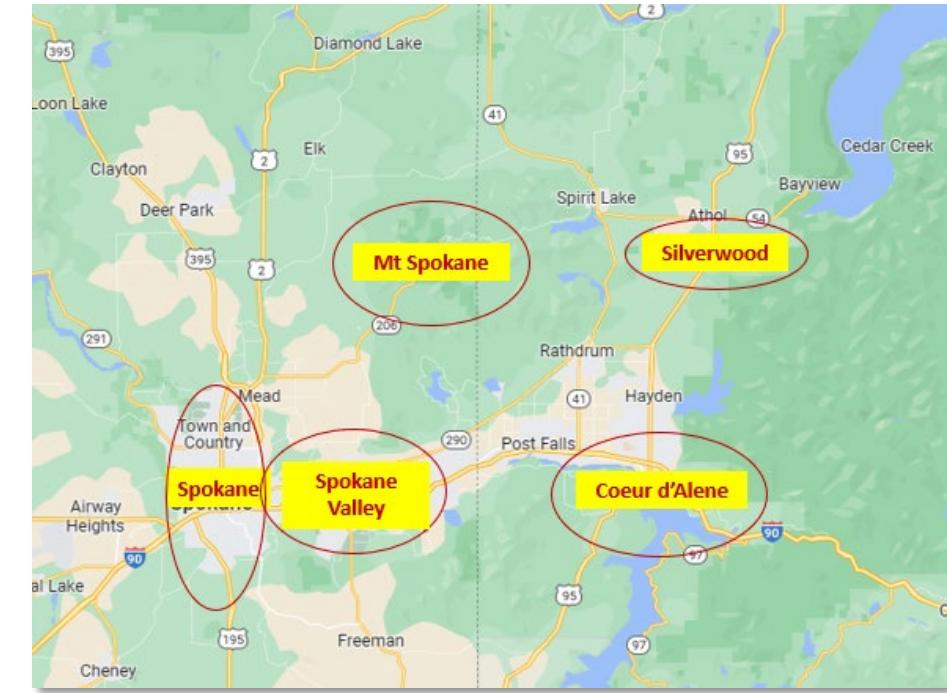
Existing Conditions – Destination Assessment

Study Area Description

The previous section provided economic and demographic data focusing on the City of Spokane Valley itself. When considering the Spokane Valley as a visitor destination, while the main area of focus continues to be the City of Spokane Valley, the destination operates in a wider regional context. Visitors often come to the region to experience a range of products and experiences and it is key that Spokane Valley keeps its position in this regional context top of mind.

While there are a variety of ways to frame this regional marketplace, five areas can be considered:

- 1. The City of Spokane** – likely the most recognized part of the region, with a vibrant downtown, mix of river-based tourism and community assets, and the most diverse and mature range of visitor elements,
- 2. Mt. Spokane** – one of the key outdoor recreation destinations for many visitors – home to Mt. Spokane State Park, the second largest state park in Washington and its 100 miles of hiking and biking trails, as well as the Mt. Spokane Ski and Snowboard Park,
- 3. The Silverwood Theme Park** – across the state border in Idaho, the region's largest themed attraction with over 65 rides, a water park and a range of retail and food & beverage options – a key family-oriented destination,
- 4. Coeur d'Alene** – also across the state line in Idaho, this highly regarded destination offers a mix of water-based experiences on Lake Coeur d'Alene, high quality golf, luxury accommodations, and a broad range of retail and food & beverage offerings in the downtown areas,
- 5. The City of Spokane Valley** – centrally positioned within the region, the city offers a mix of outdoor recreational assets, a fairgrounds and minor league baseball stadium, an array of moderately priced accommodations, a broad range of family-oriented food & beverage options, and easy transportation access via Interstate 90 and its central location.



Existing Conditions – Destination Assessment

Study Area Description

As future strategic opportunities are considered for Spokane Valley, it will be critical that not only the assets and experiences positioned within its city limits are considered, but also its positioning in this broader regional context.

The city itself is a horizontally positioned community located along Interstate 90, located east of Spokane and west of Coeur d'Alene. Its positioning along I-90 provides convenient access both within the city itself, as well as to the range of regional attractions located to its the east and west. While providing these advantages, it is also easy for a prospective visitor to "experience" Spokane Valley as a pass-through traveler along the interstate. This reality reinforces the importance of connecting with prospects in the trip planning stages and helping them understand the destination. In many instances, key decisions like length of time in an area, hotel selection and key activities are determined in these trip planning stages and thus its critical that Spokane Valley is increasingly on a visitor's mind long before they are actually driving along I90.

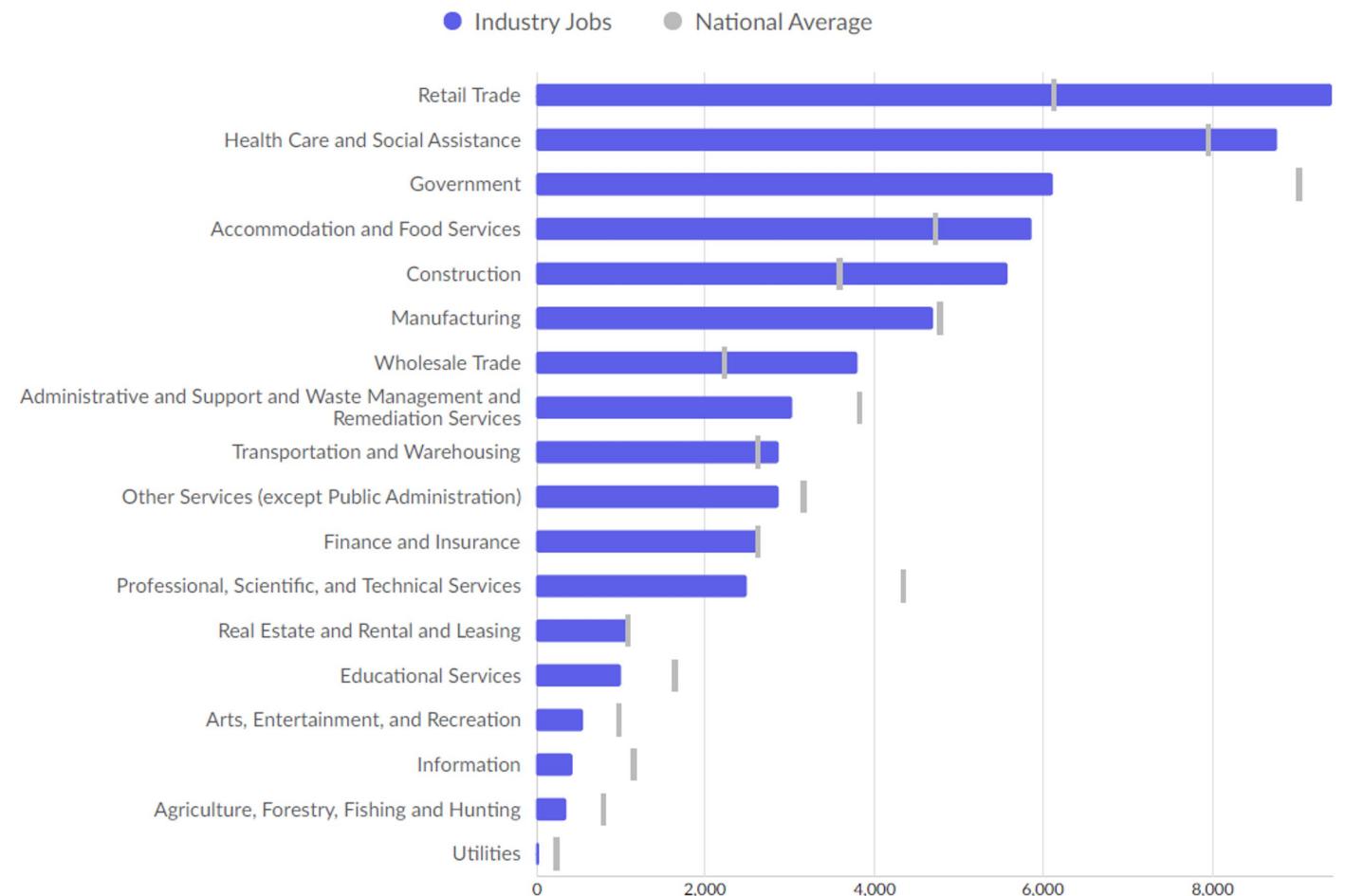


Existing Conditions – Destination Assessment

Scale of Industry and Lodging Performance

An overview of Spokane Valley's economic base was presented in the previous section, but additional insights can be gained by reviewing the recent Lightcast Spokane Valley Economy Overview study. As shown in the graphic, the Accommodation and Food Services economic cluster is very important to the area as it's the 4th largest sector in terms of employment and constitutes a level significantly above the national average. However, the Arts, Entertainment, and Recreation sector is less concentrated in Spokane Valley than the national average, indicating an area of opportunity for sports tourism and special events to bolster this area of the economy.

In addition to the sector's contribution to the City's economic base, the scale can also be considered in terms of how much visitor spending from the three regional cities are captured by Spokane Valley.



Source: Lightcast Spokane Valley Economy Overview

Existing Conditions – Destination Assessment

A June 2019 economic analysis conducted by Tourism Economics for Visit Spokane, demonstrated that when 2018 direct visitor spending in Spokane, Spokane Valley, and Liberty Lake is considered, Spokane Valley accounts for approximately one-quarter of total spending. It is important to note that population size is not directly correlated to tourism spending in a community – rather, tourism assets such as attractions and hotels are far more critical determining factors. Spokane has 3.34 times as many hotel rooms as Spokane Valley, but accounts for only 3.08 times as much direct visitor spending. This indicates the strong contribution of the hospitality and tourism industry in the City of Spokane Valley relative to the industry's size.

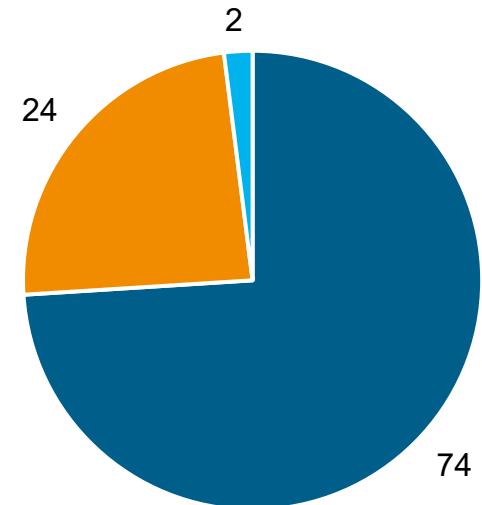
Scale of Industry and Lodging Performance

The Spokane Valley visitor industry is supported by 16 hotel properties, representing approximately 1,700 guest rooms. These properties are primarily moderately priced, limited-service properties, many carrying recognizable brands like Holiday Inn Express, Fairfield Inn, Comfort Inn, La Quinta, and many others. Furthermore, they are located in a Spokane Valley environment that is safe, attractive to families, and provides ample free parking.

The largest, full-service property is the Mirabeau Park Hotel with 235 rooms. It offers over 19,000 square feet of meeting space, including an 8,832 square foot ballroom, and Max at Mirabeau provides an extensive dining room serving food throughout the day.

The newest property in Spokane Valley is a 92-unit Tru Hotel which entered the marketplace in December 2020. Its positioning adjacent to the CenterPlace Regional Event Center provides an accommodation option with easy access to a broad range of meeting space. A 100-room Homewood Suites is planned for development next to the Tru.

Direct Visitor Spending - % of Total



Source: *Tourism Economics – spending in 2018*

Existing Conditions – Destination Assessment

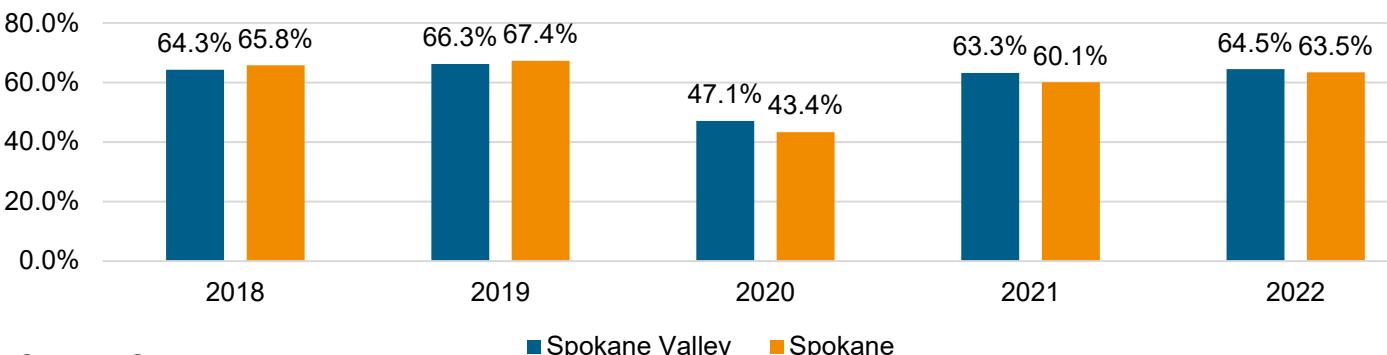
Scale of Industry and Lodging Performance

This roughly 1,700-room lodging base can be considered in relation to that existing in the City of Spokane of approximately 5,600 rooms. Thus, Spokane Valley accounts for approximately 23 percent of the region's hotel rooms.

Over the past five-year period, excluding the COVID impact year of 2020, hotel occupancy performance in Spokane Valley has averaged in the mid-60 percent range and experienced an average annual calendar year 2022 performance of 64.5 percent. This level was still approximately 2 points below levels achieved in 2019 – the last stabilized time period for comparison.

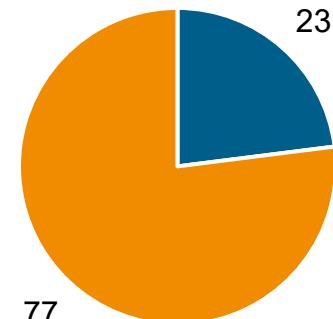
As shown in the graphic, when this occupancy performance is contrasted to that experienced in the City of Spokane, very similar performance trends are depicted, with Spokane Valley being 1 to 3 percentage points higher in the past two years.

Annual Average Occupancy Rates
City of Spokane Valley versus City of Spokane



Source: Costar

Percent of Room Base



■ Spokane Valley
■ Spokane

Source: Costar

Name	Address	Room Count
Mirabeau Park Hotel	1104 N. Sullivan Road	235
Oxford Suites	15015 E. Indiana Ave.	129
Fairfield Inn & Suites	8923 E. Mission Ave.	127
HomeTowne Studios	12803 E Sprague Ave	115
Hampton Inn and Suites	16418 E. Indiana Ave.	106
Comfort Inn & Suites	12415 E. Mission Ave.	103
Holiday Inn Express	9220 E. Mission Ave.	103
Super 8	2016 N Argonne Road	100
My Place Hotel	16106 E Indiana Ave.	94
Motel 6	1919 N. Hutchinson Road	92
Tru Hotel by Hilton	13509 E. Mansfield	92
Residence Inn by Marriott	15915 E. Indiana Ave.	84
Silverstone Inn & Suites	2020 N Argonne Road	80
Ramada by Wyndham	905 N. Sullivan Road	75
Rodeway Inn & Suites	6309 E. Broadway Ave.	73
La Quinta Inn	3808 N Sullivan Road	65
TOTAL ROOMS		1,673

Existing Conditions – Destination Assessment

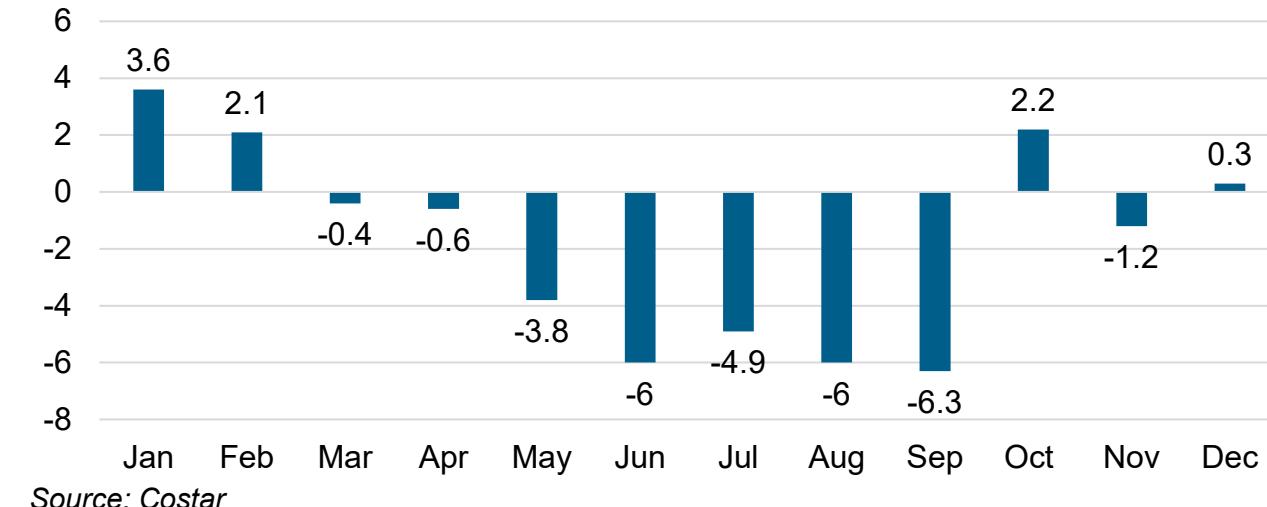
Scale of Industry and Lodging Performance

Looking more specifically at 2022 monthly hotel performance trends for Spokane Valley and comparing it to 2019 levels (the last stabilized year), occupancies showed concerning trends as the year progressed. While starting off strong, beginning in March Spokane Valley properties dropped to levels below the corresponding month in 2019 and continued with drops of approximately 4 to 6 percentage points between May and September. As will be discussed later, this is partially influenced by the slower recovery that is occurring in the business and international travel sectors.

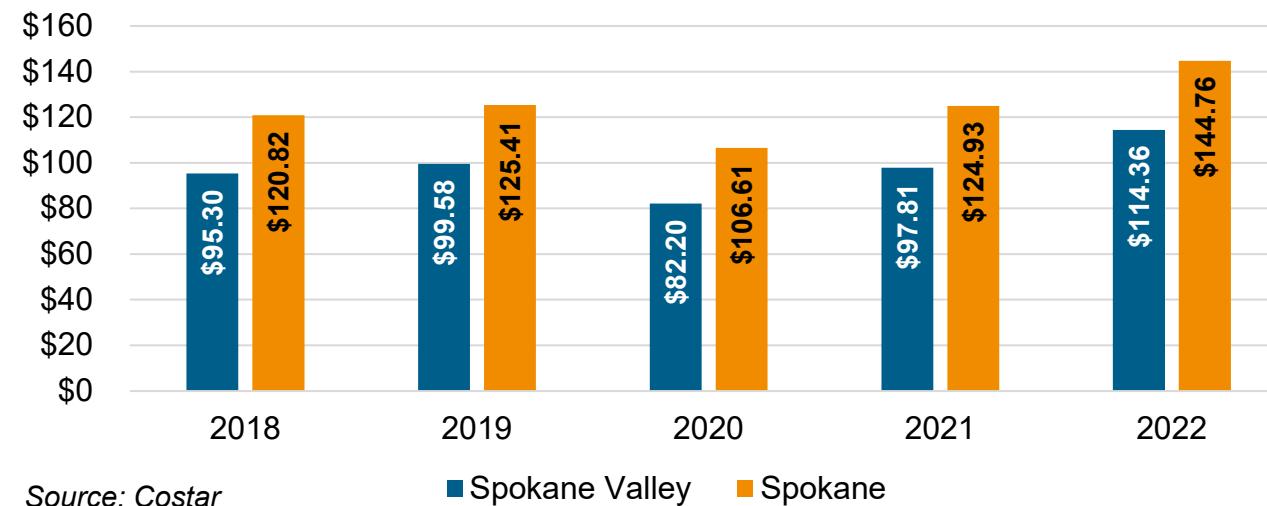
When average daily rates (ADRs) are considered, Spokane Valley has demonstrated strong improvements with ADRs hitting \$114 in 2022, a level approximately 15 percent higher than 2019. This increase in ADR despite a decrease in occupancy has been observed in many markets across the U.S., and particularly in rural or suburban areas. Room-night demand saw a post-COVID bump in 2021, bringing up ADRs and occupancies; though occupancies decreased in 2022, ADRs remained elevated.

While impressive gains, the variance in hotel composition and quality can be evaluated when ADRs achieved in the City of Spokane are considered. As depicted in the orange bars, Spokane hotels in 2022 achieved an ADR of approximately \$145, a level 27 percent above Spokane Valley.

Monthly Occupancy Rate Variance
Spokane Valley 2022 versus 2019



Annual Average ADRs
City of Spokane Valley versus City of Spokane

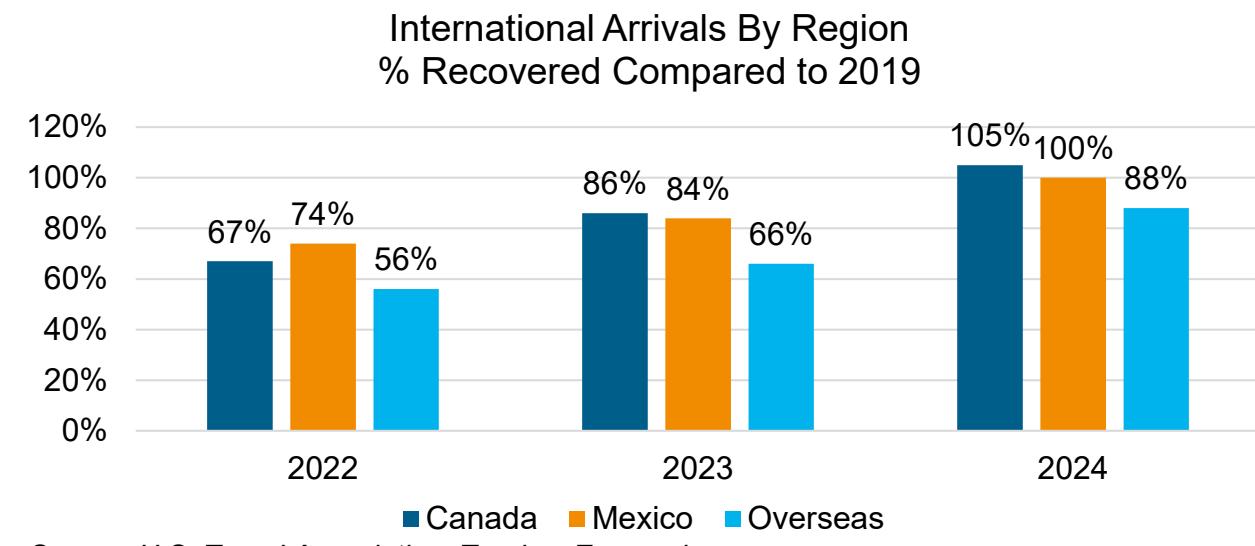
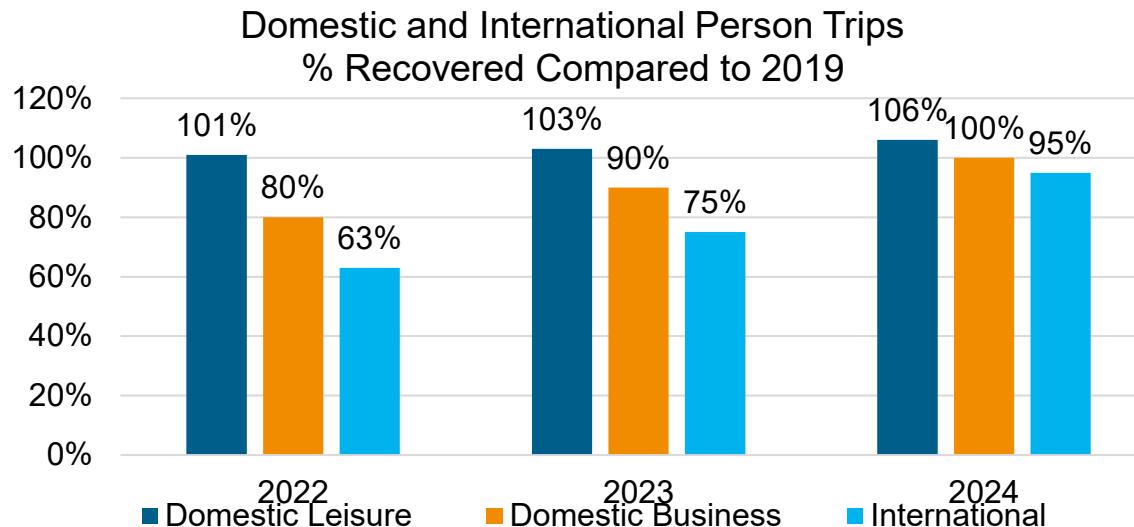


Existing Conditions – Destination Assessment

Scale of Industry and Lodging Performance

Insights regarding this recent lodging performance can be gained by looking at national trends in travel activity. According to the U.S. Travel Association and Tourism Economics, and again benchmarking to 2019 performance levels, domestic leisure travel in 2022 reached levels above 2019 in terms of person trips for the domestic leisure market. While strong performance was achieved in this sector, domestic business, an important demand component for Spokane Valley, only reached 80 percent of 2019 levels. Another important segment for Spokane Valley is the international traveler, particularly the Canadian market. International travel was the slowest market to recover, achieving only 63 percent of 2019 demand levels in 2022. Going into 2023, further improvement in both the domestic business and international markets is projected to occur, but again reach only 90 and 75 percent of their 2019 levels. By 2024, it is projected that both domestic leisure and domestic business will reach levels above 2019 and international travel will approach that at 95 percent.

Also relevant is that the Canadian market only hit 67 percent of its 2019 arrival levels in 2022. Again, they are expected to increase in 2023 to 86 percent and 105 percent by 2024.

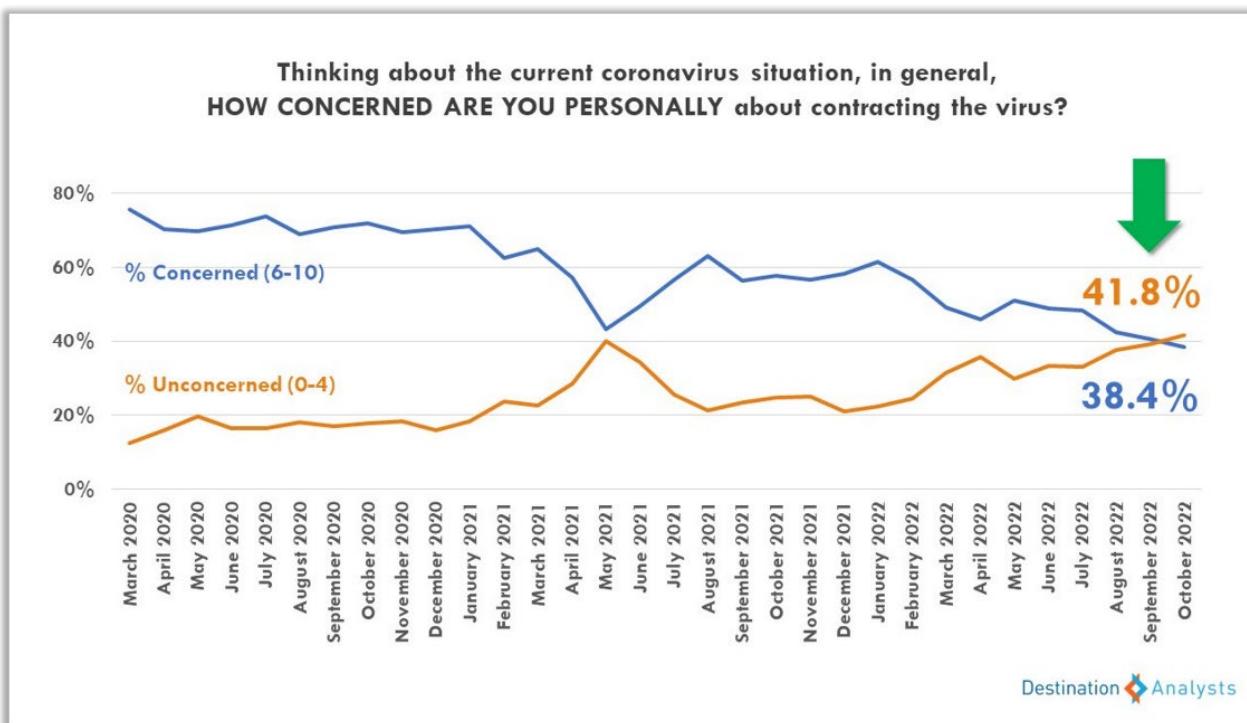


Existing Conditions – Destination Assessment

Scale of Industry and Lodging Performance

Another positive indicator of improving demand in travel is a traveler sentiment index related to concerns over COVID-19 undertaken by Destination Analysts. According to a study completed late last year, the level of travelers unconcerned about contracting the virus exceeded those who were concerned for the first time since the start of the pandemic. This is obviously good news in terms of continued rebounding in travel demand.

One final factor regarding future demand for travel is economic concern regarding a prospective recession in late 2023. While many are warning about a recession, it is unclear how significant it might be and the level of impacts it could have on travel related spending and demand.



Why everyone thinks a recession is coming in 2023



World Bank warns global economy could easily tip into recession in 2023



Recession 2023: What to Watch and How to Prepare

Existing Conditions – Destination Assessment

Visitor Product and Experience

There are a broad mix of visitor related products and experiences positioned in Spokane Valley. The more powerful attractions can be thought of as prospective “Destination Drivers” products that can stimulate the fundamental decision to choose Spokane Valley as a destination of choice.

These Destination Drivers are oriented around five main themes: Sports, Outdoor Recreation, Meeting and Event Centers, Retail, and Events themselves.



Existing Conditions – Destination Assessment

Visitor Product and Experience

Sports

Avista Stadium – a minor league ballpark, home of the Spokane Indians with a seating capacity of just over 6,800, located adjacent to the Spokane County Fairgrounds on the west side of the city.



Plante's Ferry Sports Complex – a 95-acre park positioned along the Spokane River; this multi-sport facility is best known for hosting a range of youth soccer clubs and both baseball and softball events.



Hub Sports Center – this is the third largest indoor sports venue in Spokane County and provides 5 full-sized indoor basketball courts and three large studios that can be used for dance, aerobics, or classroom settings.



Browns Park – the 8.2-acre park provides a mix of sand volleyball courts for both tournament and recreational purposes.



Existing Conditions – Destination Assessment

Visitor Product and Experience

Outdoor Recreation

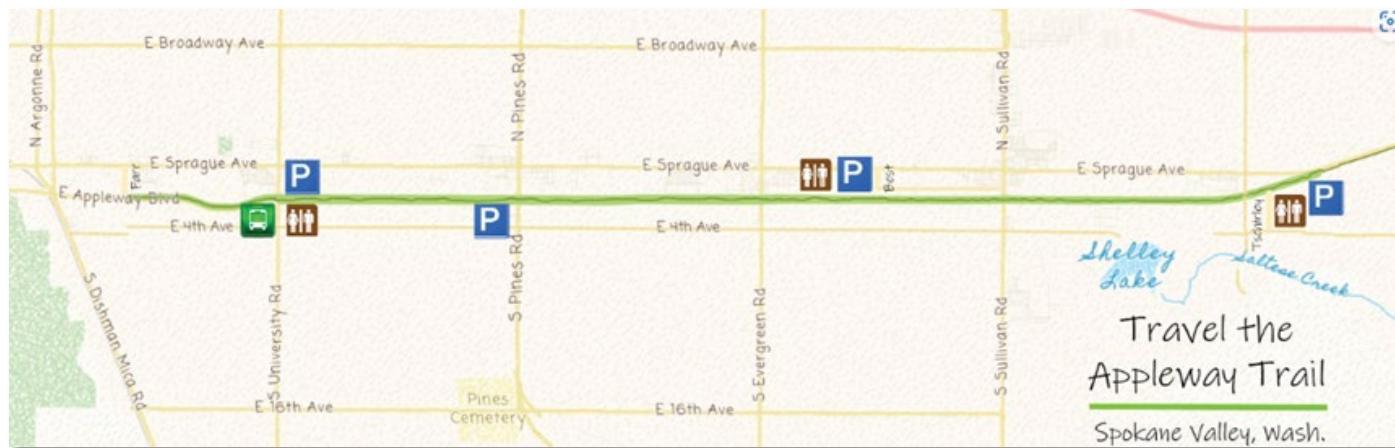
While any one of these outdoor recreational assets might not serve as a Destination Driver by itself, the combination of assets can be a key attraction for many outdoor recreation enthusiasts.

Centennial Trail Spokane Valley – the Spokane River Centennial Trail stretches for 40 miles with many of its elements positioned in the northern portions of the city along the Spokane River. The overall trail is used by approximately 2 million visitors annually.

The Spokane River – the river itself provides a range of water-based experiences particularly in the late spring through the summer months. Boulder Beach Park is great for swimming and there are multiple rafting, kayaking or floating options.

Dishman Hills Conservation Area – this diverse natural environment is an easily accessed area in the southern regions of the city. Its series of multiple short hikes makes it an easy option for hikers of many skill areas.

Appleway Trail – a 5.8-mile trail along the old Milwaukee Railroad which provides a shared-use, paved trail running east to west through Spokane Valley.



Existing Conditions – Destination Assessment

Visitor Product and Experience

Meetings & Event Centers

CenterPlace Regional Event Center – this city-owned center provides 11,932 square feet of conference space, a 100-seat auditorium, and a mix of meeting rooms. Its outdoor areas provide a quality setting for many of the city's key events.



Spokane County Fair and Expo Center – located on the west side of the city, the Fairgrounds hosts the annual Interstate County Fair and a wide variety of events ranging from the Big Horn Outdoor show to the Junior Livestock show.



Retail

Spokane Valley Mall – the mall is the key retail facility in the city and is anchored by 4 department stores (Macy's, J.C. Penny, Nordstrom Rack and T.J. Maxx) and provides over 100 other retail stores. A variety of big box warehouse stores also provide visitors with an array of options for food and other supplies that can be needed on a family vacation.



Existing Conditions – Destination Assessment

Visitor Product and Experience

Special Events

Crave – the Inland Northwest's premiere food and drink celebration is held over 3 days in July and is the largest culinary event in the Spokane region.

Winterfest – billed as the Pacific Northwest's brightest and largest illuminated lantern display is held at the Fair and Expo Center in December.

Spokane County Interstate Fair – held over 10 days beginning the Friday after Labor Day, it's one of the largest annual events in the region and provides a mix of exhibit animals, rodeo action, commercial vendors, rides, and educational elements.

Spokane Boat Show – held for the last 69 years, the show presents the latest array of boats and boating accessories and showcases boat dealers around the Inland Northwest.

Big Horn Outdoor Adventure Show – held in March, the show has run for more than 60 years and is sponsored by the Inland Northwest Wildlife Council. The latest in fishing, boating, shooting sports, hunting and backpacking is showcased.



Existing Conditions – Destination Assessment

Destination Identity

A challenge that has impacted Spokane Valley in the past is the general lack of identity as it relates to a visitor destination. While Spokane Valley is recognized as an attractive residential and retail suburb of the City of Spokane, it generally does not possess a clear visitor-oriented identity. Despite this, 25 percent of overall overnight visitors to the region stay in Spokane Valley and even more visit or pass through on their way somewhere else.

This reality was voiced in the many input sessions and one-on-one interviews held as the planning process progressed. Responses from the input process are covered more extensively in Section 5 of this report, but when industry representatives were asked to identify what the city should be recognized for, a variety of themes were noted on a recurring basis including:

- The city's central positioning relative to regional assets,
- The easy access via I-90 to many areas both within the city and around the region,
- The diverse and affordable lodging and dining options operating in the city,
- The strong retail offerings positioned in the city, ranging from malls to big box options,
- The many sports or outdoor recreation orientated facilities in and around the area,
- The mix of business / industrial-related operations that call Spokane Valley home and the business-related visitor demand they generate for the city,
- The clean and safe environment that the city provides, and
- Clarity in that the city is not trying to compete directly with Spokane or Coeur d'Alene – it needs to embrace its unique attributes.

Existing Conditions – Destination Assessment

Destination Identity

These competitive advantages can be used in considering prospective themes to position Spokane Valley as a visitor destination and differentiate itself from other regional alternatives. While this strategic planning effort is not meant to be a “Branding Analysis” for the destination, these themes hold the potential for use as Spokane Valley and its new TPA begins its marketing and promotional activities.

Prospective Spokane Valley Themes:

Basecamp for Adventure	Sports and Outdoor Recreation Host	A Family-Friendly Place	The Place for Business Travelers	The Other Option
Central positioning within a broader region that is rich with recreation opportunities	Diverse mix in and around Spokane Valley	Clean and safe, with affordable options	Diverse and affordable lodging, dining, and drinking options	We're not Spokane or Coeur d'Alene – try us out

Existing Conditions – Destination Assessment

Visitor Characteristics and Destination Positioning

One of the current challenges for Spokane Valley is that there is not a current survey of visitors to the City and thus detailed demographic, behavioral, and geographic source data is not available. Insights as to the key characteristics of visitors to the overall region can be gained considering a study done by Longwoods International and Tourism Economics in 2018 for Visit Spokane. In that analysis, they found almost 60 percent of visitors were coming to the region as day trippers. This is much higher than the approximately 30 percent average that most destinations experience.

This indicates a strong opportunity area. Many visitors are at Spokane Valley's front door, but they need to be convinced that there are good reasons to make the City part of the trip experience. In many instances, visitors are on a broader trip with multiple stopping destinations and the opportunity is to convince them to shift parts of their trip from other destinations to Spokane Valley or to emphasize the convenience of staying overnight in Spokane Valley.

This analysis also noted that regionally, approximately 13 percent of visitors were coming for business purposes. Given the diverse mix of corporate entities positioned in Spokane Valley, it would not be surprising if that percentage was quite a bit higher for Spokane Valley itself.

While a detailed visitor profile survey for Spokane Valley has not been conducted, insights as to what geographic areas are generating visitation to the city can be gained by using Placer.ai, a location analytics company using an extensive database of cell phone geo-location data. Four Spokane Valley hotels were selected to provide a representative sample of overnight guests (Tru, Mirabeau, Hampton Inn and Holiday Inn Express). Placer.ai estimates Washington state generates the largest percentage of overnight guests at an average of approximately 50%, followed by Montana at 13%, Idaho at 11% and Oregon at 7%. Collectively, these four states account for over 80% of overnight guests.

While there is limited existing survey data related to Spokane Valley, input on key demand segments was noted through the input and interview processes. This visitor composition input tracked closely to the previously noted Destination Driver products.

Existing Conditions – Destination Assessment

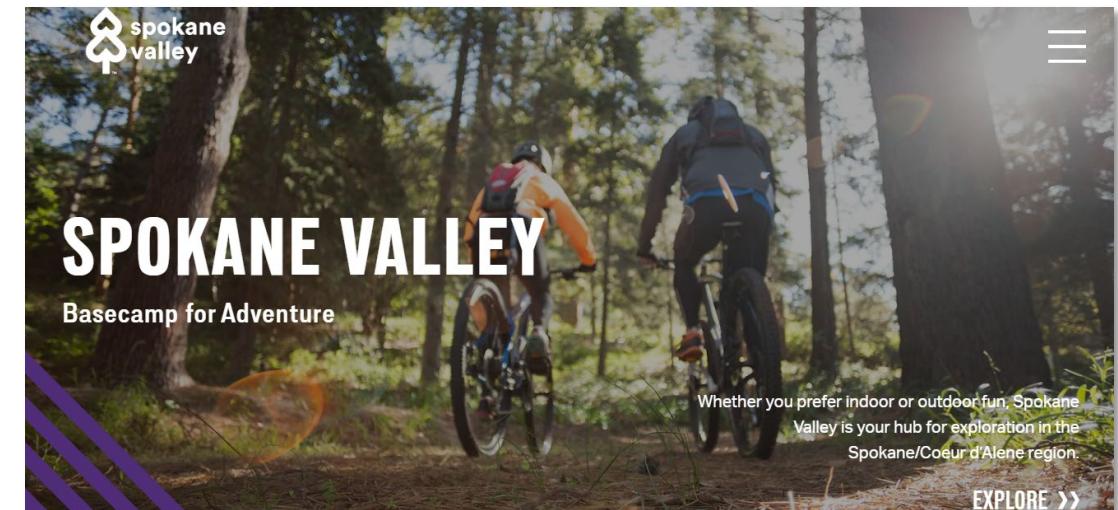
Visitor Characteristics and Destination Positioning

Summaries of key demand segments include:

- Sports-oriented families coming to participate in amateur tournaments, whether occurring in Spokane Valley or other parts of the region,
- Outdoor recreational enthusiasts looking for experiences both in Spokane Valley and in the greater region,
- Both vendors and participants coming for one of the destination events, like the County Fair or the Boat Show,
- Business-related travelers coming to service the many corporate entities positioned in Spokane Valley,
- Pass-through travelers going to another destination, either to the east or to the west, and overnighting in Spokane Valley because of its easy access, and
- Overflow demand from Spokane hotels when a major event is occurring in their Downtown area.

In the past, Spokane Valley has attempted to connect and engage with these visitors through a subsite on the Visit Spokane website. As noted in the adjacent landing page, a main theme that was incorporated was “Basecamp for Adventure.” It noted, “Whether you prefer indoor or outdoor fun, Spokane Valley is your hub for exploration in the Spokane / Coeur d’Alene region.”

This Basecamp theme is an effective way to position Spokane Valley, using the previously noted competitive advantages like central positioning, easy I-90 access, diverse and affordable lodging and food & beverage options, and a clean and safe environment to reinforce why to choose Spokane Valley.



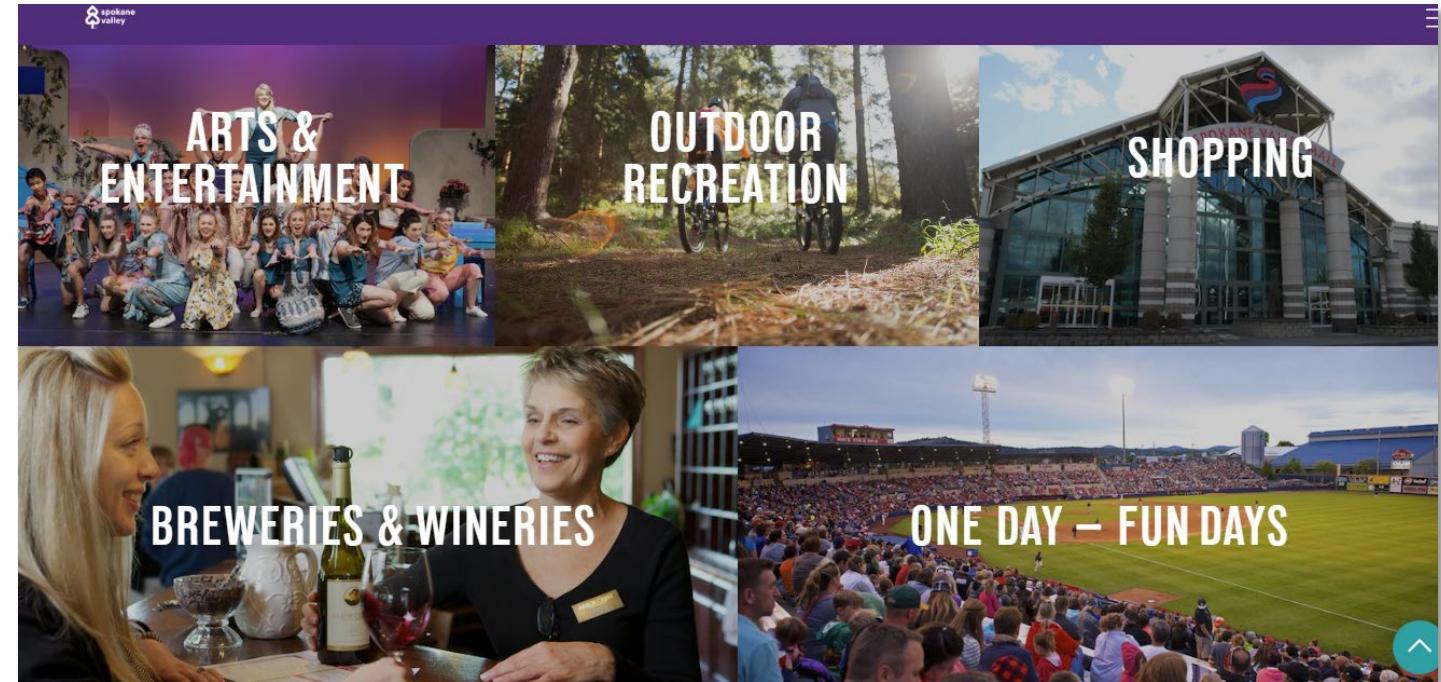
Existing Conditions – Destination Assessment

Visitor Characteristics and Destination Positioning

The previous website showcased the city's offerings focusing on:

- Arts and Entertainment
- Outdoor Recreation
- Shopping
- Breweries and Wineries, and
- Suggested itineraries that provided ideas on ways to integrate experiences whether for a single or multiple days.

Potential refinements on how and to whom to “serve up” Spokane Valley will be presented in the strategy and tactical portions of the plan.



Existing Conditions – Destination Assessment

Organizational Entities and Resource Deployment

A variety of organizations have had a role in Spokane Valley and its visitor environment, including:

Visit Spokane – the area's primary destination management organization. Visit Spokane historically had marketing responsibilities for Spokane Valley through the City's participation in the Spokane Tourism Promotion Area (TPA). Spokane Valley exited its participation in the Spokane Tourism Promotion Area at the end of 2022 and its partnership with Visit Spokane in the future is evolving.

Spokane Sports – the main organization charged with attracting national sports events to the region, while developing local clubs and advocating for local sports facility development. Spokane Valley's connection with and support for the organization came primarily through its participation with the Spokane Tourism Promotion Area and the funding that was generated from those resources. Future roles and partnering efforts with Spokane Sports are currently evolving.

The Greater Spokane Valley Chamber of Commerce – while the chamber does not have a direct role in the visitor industry, it represents businesses that cater to the industry and the organization has been active in many planning efforts related to the visitor industry.

Spokane Valley Tourism Promotion Area – after exiting from the Spokane TPA, Spokane Valley implemented its own TPA as of January 1, 2023. This new entity allows increased ability to make operational and resource deployment decisions that specifically relate to Spokane Valley. A five-person TPA Commission comprised of hoteliers has been established to help direct and manage the TPA.

Spokane County – Spokane County will have an important role as it controls some assets directly adjacent to Spokane Valley and will have important management roles in these assets.

State of Washington Tourism – The state's official DMO has been a prominent entity in bringing attention to the broader Spokane region through its travel guide and various co-op marketing efforts.



Spokane County
WASHINGTON



**Spokane Valley
TPA**



Existing Conditions – Destination Assessment

Organizational Entities and Resource Deployment

There are three main sources of funds that can be used in building and expanding Spokane Valley's visitor industry. Two are derived from lodging taxes applied to visitors staying in hotels and other overnight accommodations. As noted in the *Spokane Valley Hotel Taxation* table, the overall tax rate is 12 percent on hotel stays. Two percentage points of this tax can be used for any tourism related purposes and in 2022 this tax generated over \$900,000 in revenues. This is noted by the City as Fund #105.

An additional 1.3 percent of the tax can be used solely for capital expenditures for tourism related facilities. This is noted as Fund #4 by the City. In 2023, \$515,1987 was transferred from Fund #105 to Fund #104 for use by Avista Stadium for planned improvements.

The final source of revenue is not from a tax, but from a \$4 Spokane Tourism Promotion Area assessment Spokane Valley previously participated in. These funds were overseen by a separate TPA Commission and Visit Spokane had much of the management responsibilities for use of the resources. These funds are directed to marketing and promotional purposes. Spokane Valley's contribution to the Spokane TPA increased significantly in 2021 when the assessment was increased from \$2 to \$4 and \$846,000 was generated in 2022.

As previously noted, Spokane Valley exited the Spokane TPA at the end of 2022 and launched its own Spokane Valley TPA on January 1st, 2023. Funds from this assessment must be used for marketing and promotional efforts. Its five-person Hotel Commission will have responsibilities to recommend uses of these funds to the City Council on an annual basis. Additional discussion related to the new TPA will be presented later in the report.

1.3% Tax Collections		2% Tax Collections	
Year	Collections	Year	Collections
2018	\$415,296	2018	\$646,976
2019	\$454,283	2019	\$743,851
2020	\$283,720	2020	\$443,243
2021	\$481,320	2021	\$744,437
2022	\$591,848	2022	\$901,686
2023 (Budgeted)	\$600,000	2023 (Budgeted)	\$900,000

Source: City of Spokane Valley

Spokane Valley Hotel Taxation		\$4 TPA Assessment	
Sales Tax		Year	Collections
State of Washington	4.5%	2018*	\$347,000
Other Local	2.2%	2019	\$508,000
Total Sales Tax	6.7%	2020	\$382,000
		2021**	\$730,000
Lodging Tax		2022	\$846,000
City of Spokane Valley	2.0%	* 3 months of data missing	
City of Spokane Valley	1.3%	** Assessment increased from \$2 to \$4	
Spokane PFD	2.0%	Source: City of Spokane Valley	
Total Lodging Tax	5.3%		
Total Tax	12.0%		

Source: City of Spokane Valley

Existing Conditions – Destination Assessment

Organizational Entities and Resource Deployment

Use of these funds is overseen by the Lodging Tax Advisory Committee (LTAC). Applications are submitted to the LTAC by interested parties in late summer/early fall, the LTAC makes recommendations to City Council in late fall and the City Council makes their final decisions in December. The awards made for 2023 are shown below, and as depicted, most are directed to event related activities.

Spokane Valley LTAC Applications and Awards	
Applicant	Council Awarded
Applicants for 2% Tax:	
All Wheels Swap Meet	\$4,800
CNC Productions	\$7,500
Cody Productions	\$6,500
Family Guide	\$7,000
Filipino-American Northwest Association	\$9,000
Hatch Advertising	\$17,002
HUB Sports Center	\$55,000
JAKT - Crave!	\$35,000
JAKT - Farmers Market	\$11,000
Northwest Winterfest	\$33,000
Spokane Co Fair and Expo Center	\$73,000
Speed and Custom Productions LLC	\$8,000
Spokane Valley Summer Theatre	\$24,000
Valleyfest	\$14,800
Valleyfest Cycle Celebration	\$4,100
Subtotal	\$309,702
Transferred to Fund #104	\$515,198
Totals	\$824,900

Source: City of Spokane Valley

Existing Conditions – Destination Assessment

Implications

As noted through this section, the visitor industry in Spokane Valley is in a stage of maturation. The City is taking greater control of how its perceived in the visitor's mind and what products and services it "serves up" to visitors. Key implications of these findings include:

- The City must clarify its identity in the visitor's mind – how is it perceived both considering the City itself and in the broader regional context,
- Spokane Valley has largely recovered from pandemic related downturns and is likely to experience continued improvements, however national recessionary challenges may impact this continued recovery,
- There are a variety of important visitor related products that act as Destination Drivers centered around five broad themes – these should be reinforced in future marketing and branding efforts – further discussion on additional product development opportunities will be presented later in this report,
- The City has a variety of competitive strengths in competing for connections with prospective visitors – these strengths should be showcased through a Spokane Valley brand and identity, helping visitors distinguish it from other regional competitors,
- The new Spokane Valley TPA will provide a new opportunity for the City to control its messaging and outreach to prospective visitors – deployment of these resources and their role in the wider mix of tourism related tax uses must be refined,
- The role of the City itself and the new Spokane Valley TPA will need to be managed determining the integration and potential partnering efforts with other tourism related organizations operating in the region.



Section 5

Summary of Stakeholder Engagement



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Summary of Stakeholder Engagement

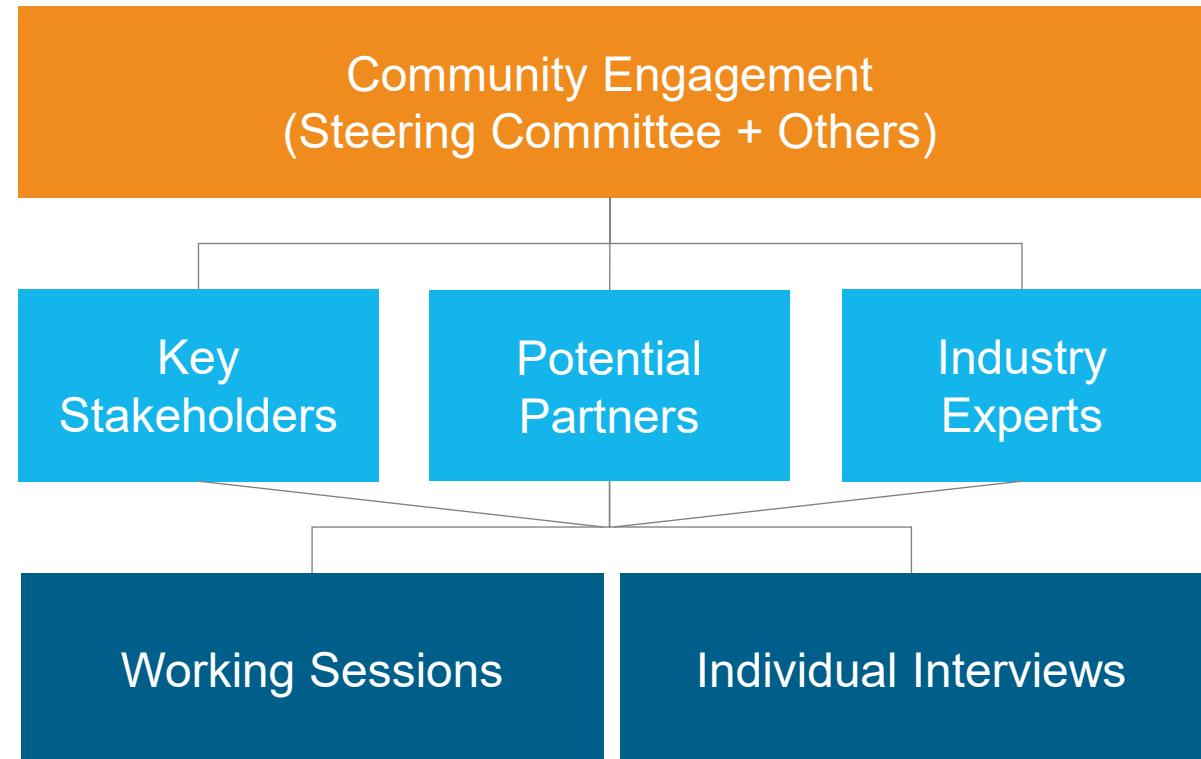
Stakeholder Engagement Overview

The engagement of the hospitality and tourism industry of Spokane Valley and its environs was emphasized as a priority of this study from the outset. As with any project of this importance, it is crucial to engage with a wide variety of individuals and organizations throughout the industry in order to foster a sense of buy-in and inform the study's observations, conclusions, and recommendations.

This engagement process, which began in November, 2022 and continued throughout the remainder of the study, followed a two-pronged approach. One major piece of it was the project steering committee, which brought together local stakeholders from across Spokane Valley's tourism industry for three working sessions. The steering committee included representation from hotels, arts & culture, parks & recreation, restaurants, events, sports, city administration, and the business community. During the work sessions, findings were presented by the consulting team and then the floor was opened for feedback and discussion from the steering committee.

The other aspect of the engagement process involved individual and group interviews, both with the members of the steering committee and with other key industry stakeholders. In total, 19 interviews and workshops were conducted with representatives from 23 distinct businesses and organizations.

The result of this process was an in-depth understanding on the part of the consulting team of Spokane Valley's tourism landscape from a broad, inclusive perspective. The diagram to the right outlines the scope of the stakeholder engagement process. Note that the information presented represents the opinions of the interviewees, and not necessarily the opinions of Johnson Consulting.



Summary of Stakeholder Engagement

What We Heard on Spokane Valley's Key Differentiators:

Retail Options

The Spokane Valley Mall attracts shoppers from all over the region, and even from Canada. However, retail tourism has taken a hit since the COVID-19 pandemic, and the strength of the Canadian Dollar relative to the U.S. Dollar significantly impacts the number of shoppers coming from Canada.

Affordability

Except during extremely large regional events (e.g., Hoopfest), Spokane Valley's hotels and restaurants tend to be more affordable than those in neighboring Spokane or Coeur D'Alene. This helps it attract families and sports teams who are trying to travel in a budget-conscious way.

Location

Spokane Valley is proximate to both Spokane and Coeur D'Alene, but more affordable than either location. This leads to lots of people visiting regional attractions – such as Silverwood Theme Park – but staying in Spokane Valley.

Accessibility

In contrast with Spokane, most places in Spokane Valley have ample amounts of free parking, making it fairly easy to access. However, the City's urban sprawl is somewhat of a challenge in this respect and it would benefit from more density and placemaking infrastructure, as well as better signage and wayfinding, to ease navigation.

Safety

Spokane Valley is seen as the safer alternative to Spokane. In particular, there are far fewer homeless people in Spokane Valley than in Spokane, which helps visitors feel more comfortable.

Outdoor Recreation

Spokane Valley is a hub for outdoor recreation. The river and cycling trails within the City drive tourism by giving it a sense of outdoor adventure, as do the rolling hills, mountains, and hiking options in immediate proximity to Spokane Valley.

Summary of Stakeholder Engagement

What We Heard on Spokane Valley's Key Customer Segments:

Families

Affordability, free parking, safety, and retail options make Spokane Valley preferable to Spokane for families traveling with children.

Sports Teams

Lower hotel rates means that teams often stay in Spokane Valley, even when they are competing in Spokane. Additionally, these teams have access to a range of affordable dining and retail options.

Outdoor Recreation Visitors

Proximity to mountain biking, skiing, hiking, and rafting, in tandem with its relative affordability, makes Spokane Valley a good place to stay and buy supplies for outdoor recreation. This fits with its branding as the "basecamp for adventure."

Business Travelers

Spokane Valley's business park is quite large and draws a lot of travelers, generating room nights and retail spending. Those travelers tend to be more middle-management "road warriors" than top executives, but provide considerable tourism value nonetheless.

Overflow Customers

Spokane Valley's location between popular tourism destinations such as Spokane and Coeur D'Alene means that it benefits from many overflow room nights when the hotels in those markets are full.

People Passing Through

Given Spokane Valley's location along I-90, it picks up a lot of business from people on longer road trips (such as from Seattle to Montana or vice versa) who want to stop and spend the night somewhere affordable. The key to retaining this segment is convincing people to stay in Spokane Valley rather than in the other cities along the interstate.

Summary of Stakeholder Engagement

What We Heard on Spokane Valley's Current Assets:

Plante's Ferry

Investing in lights, field repairs, more parking, etc. would open up opportunities to host more regional tournaments. Bringing in these tournaments would drive significant hotel, restaurant, and retail revenue because sports tournaments tend to attract entire families. Additionally, Plante's Ferry could be better utilized as a site for special events, such as fireworks. Note that a Master Plan for Plante's Ferry has been created at the same time that these interviews were occurring which considers many of these suggestions

Fairgrounds, Expo Center, & Entertainment District

There is an opportunity for the Fairgrounds, Expo Center, & Entertainment District to be the center of the region if housing, retail, and entertainment options are added, and if there were more collaboration between the fairgrounds and the stadium to take advantage of their proximity to each other.

However, while both Spokane Valley and Spokane would benefit from revitalization, the district has its disadvantages from a tourism perspective. The most significant is that, as stakeholders expressed, many of the events at the Fair and Expo Center don't tend to generate many room nights, with attendees either being locals or sleeping in RVs on the site. Additionally, given the district's proximity to Spokane, many of the room nights it does generate go to Spokane rather than to Spokane Valley.

CenterPlace

To understand CenterPlace's potential as a tourism asset, it is critical to clearly define whether it is an event center or a community center. From there, new initiatives, such as expansion, marketing improvements, and an emphasis on the outdoor hardscape space, can begin to be explored.

Valleyfest

Though Valleyfest often draws people from as far as Oregon, Boise, Idaho, and Montana, it isn't a significant room-night generator. However, it could become one, particularly with investments in better wayfinding, branding, and advertising to help scale up events.

Browns Park

With the outdoor volleyball season being so short, and indoor volleyball being so popular, Browns park has struggled to attract a significant number of tournament events. People don't want to spend limited summer weekends traveling to volleyball tournaments when they can play indoor volleyball throughout the winter.

Summary of Stakeholder Engagement

What We Heard on Spokane Valley's Tourism-related Product Opportunities:

Cross Country Running / Cyclocross Trails

A cross country and cyclocross facility would be one of the highest ROI projects the City could do, given the low cost to constructing and maintaining the trails. Furthermore, it would complement the Olympic sports niche that is being built in the Spokane region, most notably by the Podium in downtown Spokane

Whitewater Park

There is property near CenterPlace that would be perfect for kayak rentals, and the City of Spokane Valley owns property for put-in / take-out spots. Furthermore, a whitewater park would work well with the Centennial Trail. However, Riverfront Park in Spokane (also a whitewater trail) is more of a local amenity than a tourism draw, and there is concern that a similar park in Spokane Valley would be the same.'

Ice Sheets

Ice sheets are expensive to build and maintain, and ice sports are somewhat niche. Furthermore, there is some concern that the ice sheets wouldn't be a massive room-night generator. However, there is a significant undersupply of ice sheets in the region and, importantly, an ice facility would help generate business in the tourism offseason.

Waterpark

Doing something with the old Splashdown property in Spokane Valley would help eliminate an eyesore and would contribute to the City's family-friendly brand. However, if there were lodging attached to the waterpark, most of the new demand would likely flow into those rooms rather than other hotels in Spokane Valley.

Downtown Development

Spokane Valley's urban sprawl means that, in general, it lacks a sense of place. There used to be somewhat of a downtown district on Sprague Avenue to the east of I-90, but it has become unattractive and needs revitalization. Creating a walkable downtown area would help cultivate a sense of place and drive retail sales in that corridor.

Summary of Stakeholder Engagement

What We Heard on Spokane Valley's Brand Identity:

Spokane Valley has many unique assets and qualities. However, there is a perception that it lacks identity, and that it fails to differentiate itself from the rest of the region. There is enough money and interest in Spokane Valley to spur investments in density and walkability and bring the 'cool factor' to the City. This placemaking, in tandem with better wayfinding strategies (such as demarcating Spokane Valley into allied areas), will help convert more day visitors in overnight stays.



Summary of Stakeholder Engagement

Stakeholder Engagement Implications

The general sentiment among the stakeholders interviewed was that Spokane Valley has strong tourism attributes but lacks a strong tourism identity. Numerous stakeholders listed traits such as retail options, affordability, location, accessibility, safety (particularly in contrast with Spokane), and proximity to outdoor recreation as the City's differentiators. These attributes help bring in Spokane Valley's key customer segments such as families, sports teams, and outdoor recreation travelers, and also make it a destination for business travelers. However, the City's lack of tourism identity or 'cool factor' means that many stakeholders also see overflow traffic from Spokane and people passing through the region on a longer trip as key customer segments. This indicates that the perception of Spokane Valley as a day-visit place rather than a stay-over destination is held by both customers and stakeholders.

The stakeholders interviewed do see Spokane Valley as having quite a bit to offer in terms of existing assets. Plante's Ferry, CenterPlace, the Fairgrounds, Expo Center, & Entertainment District, and Valleyfest were all named as assets that currently bring in out-of-town visitors. However, stakeholders thought each of those assets would benefit from investment to be more optimally positioned – upgrades for Plante's Ferry and the Fairgrounds, Expo Center, & Entertainment District, a restructuring of CenterPlace's operating strategy, and better advertising and wayfinding for Valleyfest events were all common themes in discussions of the assets. Though Browns Park was named, many stakeholders saw it as more of a community asset than a tourism one. However, there is existing tourism infrastructure in Spokane Valley which could be enhanced with the right investments.

Stakeholders also saw numerous product opportunities that would complement existing assets, destination attributes, and customer segments. Most of these opportunities revolve around active recreation, a theme that came up several times throughout discussions with stakeholders. A new indoor ice facility, trails for cross country running and cyclocross, a whitewater park on the Spokane River, and a waterpark were all talked about as ways that Spokane Valley could lean into its accessibility, affordability, safety, and natural assets and attract families, sports teams, and outdoor recreation travelers. Additionally, many stakeholders mentioned the development of a denser, more walkable downtown as an important part of giving Spokane Valley a more distinct destination identity.

Throughout the engagement process, the overall message was clear: Spokane Valley's tourism industry has some strong attributes and assets, but needs cohesive and strategic investment to convert those attributes and assets into overnight stays. As the stakeholders see it, enhancing or developing products such as active recreation facilities and event spaces that emphasize Spokane Valley's biggest differentiators will help bring in more people from key customer segments such as families, sports teams, and outdoor recreation travelers.

A wide-angle, aerial photograph of a massive outdoor car show. The field is filled with thousands of classic and vintage cars of various colors, including red, blue, white, and yellow. People are scattered throughout the area, some walking between cars and others standing near specific vehicles. In the background, there are trees, a train track with a train, and some buildings, suggesting a rural or semi-rural setting.

Section 6

Product Opportunities



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Product Opportunities

Introduction

Building on the analysis of past prioritized projects presented earlier in this report, the Consulting Team has identified and analyzed six product opportunities that we believe would represent the greatest return on investment from a tourism and destination branding perspective. Those six product opportunities are, in no particular order:

- Renovations to Plante's Ferry Sports Complex
- New ice sheets
- CenterPlace Regional Event Center repositioning
- Fairgrounds, Expo Center, & Entertainment District enhancement
- Cross country and cyclocross trails
- Whitewater park development

Note that some of these products (Plante's Ferry, the Fairgrounds & Stadium District, and the Whitewater Park) were also identified in the 2016/2017 tourism strategy and discussed earlier in this report. This section will expand upon those products and discuss the other identified products. It is also recognized that SFA has recently completed in-depth feasibility studies for renovations to Plante's Ferry and the construction of new ice sheets and Spokane Sports has done significant feasibility analysis of the cross country and cyclocross course, while Johnson Consulting is in the midst of an in-depth operations review of CenterPlace. The more expansive scope of work that has been done with these products is reflected in the more robust demand, financial, and impact information found in this report.

Additionally, this section addresses some general recommendations on wayfinding infrastructure within the City of Spokane Valley. Though this is not a product opportunity in the same sense as the six products noted above, it does represent an important investment which would be made by the City of Spokane Valley to enhance tourism.

Product Opportunities- Renovations to Plante's Ferry

Market Summary and Product Opportunity Overview

As is detailed in Section 2, Plante's Ferry is a sports complex owned by Spokane County and operated by a combination of the Spokane Valley Junior Soccer Association, Spokane Indians Youth Baseball, East Washington Surf, and Eastern Washington Soccer. Presently, the 13 grass multipurpose fields at Plante's Ferry are operating at or near capacity from April through November. The vast majority of this is club soccer practices and matches, though there are three regional soccer tournaments each year hosted at the complex. The baseball and softball side of the facility – five diamonds – isn't quite as busy, but is still well utilized by youth baseball club practices and games. Additionally, there are two annual regiohosted track and softball tournaments hosted at Plante's Ferry, and three annual regional baseball tournaments split between Plante's Ferry and other local fields.

Overall, Plante's Ferry is in a strong position as a local asset. However, upgrades and renovations for the facility, such as lighting, field repairs, and more parking, could turn it into more of a destination for regional tournaments.

Though the market is served by numerous tournament-quality sports facilities, Plante's Ferry and HUB Sports Center are the only ones in or adjacent to Spokane Valley itself. As such, though the area does have a strong tournament sports concentration, Spokane Valley sees little of the tourism benefit, especially given Plante's Ferry's challenges when it comes to attracting tournaments. Notably, the HUB is currently exploring a renovation that would add five multipurpose fields, presenting the opportunity for Plante's Ferry to team with the HUB to host larger national tournaments once both facilities have been renovated.

Local Tournament Sports Facility Inventory						
Facility	Location	Type	Multipurpose Fields	Diamond Fields	Hardwood Courts	
Plante's Ferry Sports Complex	Spokane County, WA	Outdoor	13	5	0	
HUB Sports Center	Liberty Lake, WA	Indoor	0	0	5	
Spokane Convention Center	Spokane, WA	Indoor	0	0	12 (volleyball)	
The Warehouse Athletic Facility	Spokane, WA	Indoor	0	0	5	
The Podium	Spokane, WA	Indoor	0	0	9	
Southeast Sports Complex	Spokane, WA	Outdoor	3	3	0	
Spokane Shadow Soccer Complex	Spokane, WA	Outdoor	14	0	0	
Dwight Merkel Sports Complex	Spokane, WA	Outdoor	6	6	0	

Source: Relevant Facilities, Johnson Consulting

Product Opportunities- Renovations to Plante's Ferry

Site Analysis and Program Recommendations

The two most important upgrades to Plante's Ferry are lighting and field repairs. Presently, none of the fields at Plante's Ferry have lights. This severely limits the facility's usable hours, especially in the spring and fall, and contributes to the difficulty in scheduling tournaments because so much daylight time has to be dedicated to club practices and matches. Field conditions are also hampering tournament attraction. Several of the multipurpose fields are crowned to the point where they are not suitable for tournament-level competition. Furthermore, they are all grass, which leaves them susceptible to becoming muddy when there are rainy conditions.

The SFA study recommends two phases of upgrades to Plante's Ferry. The first phase, which is shown in the image on the right, would include the replacement of four existing multipurpose grass fields to three lighted multipurpose turf fields and a 185-space parking lot. Additionally, this phase would include a new entry drive that provides access from the Southeast corner of the site and new stormwater drainage and security fencing infrastructure. This phase is estimated to cost a total of \$4.9 million, though notably this omits any possible land cost as the State of Washington owns some of the land that would be required for the entry drive and the use of that land is currently under discussion.



Phase I Improvements

Product Opportunities- Renovations to Plante's Ferry

Site Analysis and Program Recommendations

The second phase would be more expansive. It would replace the five existing grass diamonds with five turf diamonds (albeit with grass outfields), three of which would be smaller and oriented towards younger players / softball. One of the smaller diamonds and both of the larger ones would be lighted. Furthermore, 10 more rectangular fields (three turf and seven grass) would be added, replacing the existing fields and some of the parking. Six of these fields would have lights. Complementing the fields would be three support buildings, various parking lots (which would add 1,416 more spaces to the site), site grading work, and a maintenance building. This phase would cost an estimated \$35.5 million, again with land costs excluded. In total, phases I and II would cost roughly \$40.4 million. Note that this phase is proposed to have two “sub-phases,” II-A and II-B, in order to accommodate continuous operations during the construction period.

Note that the SFA report also provides a lower-cost option for phase II, which would essentially keep some fields as grass, eliminate some of the lighting, and omit some supporting amenities (such as a playground and batting cage). However, due to the significant drop in projected economic impact relative to a cost savings of around \$3 million, this option is not recommended.

Wayfinding Implications

Plante's Ferry's is somewhat challenged in terms of physical accessibility. The complex is located on the north side of the Spokane River, outside the developed core of Spokane Valley and wedged between the River, the mountains, and the Trentwood residential neighborhood. The only points of ingress and egress by car are on E Upriver Drive / E Wellesley Avenue, which runs along the north side of the site but is not easily reachable via main arterials such E Trent Ave or N Pines Road, requiring visitors to pass through the local streets in the residential neighborhood. The new drive proposed in the SFA plan would mitigate these challenges significantly by directly linking Plante's Ferry to E Trent Avenue, and could be complemented by additional signage along N Pines Road which would help guide visitors who exit I-90 on their way to the facility. Furthermore, E Upriver Drive becoming E Wellesley Avenue as it passes Plante's Ferry – with one entrance on each named section of the road – could be a point of confusion to visitors unfamiliar with the facility. This could be ameliorated considerably by giving the entirety of the street one name, though this of course is complicated by the fact that part of the street does not fall within the boundaries of Spokane Valley.



Phase II Improvements

Product Opportunities- Renovations to Plante's Ferry

Demand and Financial Opportunities

The SFA study estimates that the proposed reconfiguration of Plante's Ferry would see it losing money in each of first 5 years of operation, projecting a year-5 EBITDA (earnings before interest, taxes, depreciation, and amortization) loss of \$449,840. This means that the facility would require annual governmental subsidy to break even. The table on the top right summarizes SFA's financial projections.

Fiscal & Economic Impact Opportunities

The SFA study projects that by year 5 of the proposed renovations, Plante's Ferry would be creating 101,618 non-local days in the market and 30,502 room nights annually. This would translate into a total economic impact of \$15.1 million in year 5. Note that SFA's economic impact projections only account for direct spending, and not indirect or induced spending.

The Consulting Team took those economic impact projections and translated them into fiscal impact projections, using the U.S. Federal Government's per diem rate (\$59 for meals and incidentals in 2023) and Spokane Valley's 2022 hotel ADR (\$114.36). For the purposes of this projection, it is assumed that 80 percent of hotel room nights and visitor spending would occur within Spokane Valley. Visitation induced by the proposed facility is projected to generate \$907,590 of total fiscal impact in its 1st year of operations and reach \$1.1 million by year 5. The combined tax and TPA revenue flowing directly to Spokane Valley would tally \$244,257 in year 5. If this fiscal impact is counted as revenue, the facility is projected to have a year-5 EBITDA loss of \$205,583.

Financial Summary – Plante's Ferry Operations					
	Year 1	Year 2	Year 3	Year 4	Year 5
Total Revenue	\$1,041,467	\$1,138,441	\$1,193,907	\$1,212,247	\$1,251,444
Total Cost of Goods Sold	(\$297,124)	(\$329,611)	(\$338,096)	(\$341,183)	(\$346,980)
Gross Margin	\$744,343	\$808,830	\$855,811	\$871,064	\$904,464
Total Operating Expenses	(\$1,264,270)	(\$1,277,815)	(\$1,303,826)	(\$1,327,955)	(\$1,354,304)
EBITDA	(\$519,927)	(\$468,985)	(\$448,015)	(\$456,891)	(\$449,840)

Source: SFA

Economic Impact Summary – Plante's Ferry Renovation					
	Year 1	Year 2	Year 3	Year 4	Year 5
Non-Local Days in Market - Overnight	90,705	100,681	101,150	101,150	101,618
Total Room Nights	27,238	30,252	30,377	30,377	30,502
Spokane Valley Room Nights*	21,790	24,202	24,302	24,302	24,402
Total Economic Impact	\$13,464,648	\$14,945,554	\$15,015,138	\$15,015,138	\$15,084,721

*Assumed to be 80% of total room nights

Source: SFA, Johnson Consulting

Fiscal Impact Summary – Plante's Ferry					
	Year 1	Year 2	Year 3	Year 4	Year 5
TPA @	\$4 / Room Night	\$87,162	\$96,806	\$97,206	\$97,206
State Retail Sales Tax @	6.50%	\$347,854	\$395,764	\$407,548	\$417,737
Spokane Valley Retail Sales* Tax @	0.85%	\$36,391	\$41,403	\$42,636	\$43,702
Spokane County Retail Sales Tax @	0.15%	\$8,027	\$9,133	\$9,405	\$9,640
Misc. Local Retail Sales Tax @	1.40%	\$74,922	\$85,242	\$87,780	\$89,974
Total		\$467,194	\$531,542	\$547,369	\$561,053
State Hotel Sales Tax @	4.50%	\$140,172	\$159,575	\$164,240	\$168,346
Misc. Local Hotel Sales Tax @	2.20%	\$68,529	\$78,014	\$80,295	\$82,303
Spokane Valley 2% Lodging Tax @	2.00%	\$49,839	\$56,738	\$58,396	\$59,856
Spokane Valley 1.3% Lodging Tax @	1.30%	\$32,395	\$36,880	\$37,958	\$38,907
Spokane PFD Lodging Tax @	2.00%	\$62,299	\$70,922	\$72,996	\$74,821
Total		\$353,234	\$402,129	\$413,885	\$424,232
Fiscal Impact to Spokane Valley		\$205,787	\$231,827	\$236,196	\$239,671
Total Fiscal Impact		\$907,590	\$1,030,477	\$1,058,460	\$1,082,491
					\$1,111,974

*Assumption is 80% of retail spending occurs within Spokane Valley

Source: SFA, Johnson Consulting

Product Opportunities- Renovations to Plante's Ferry

Ownership and Operating Models

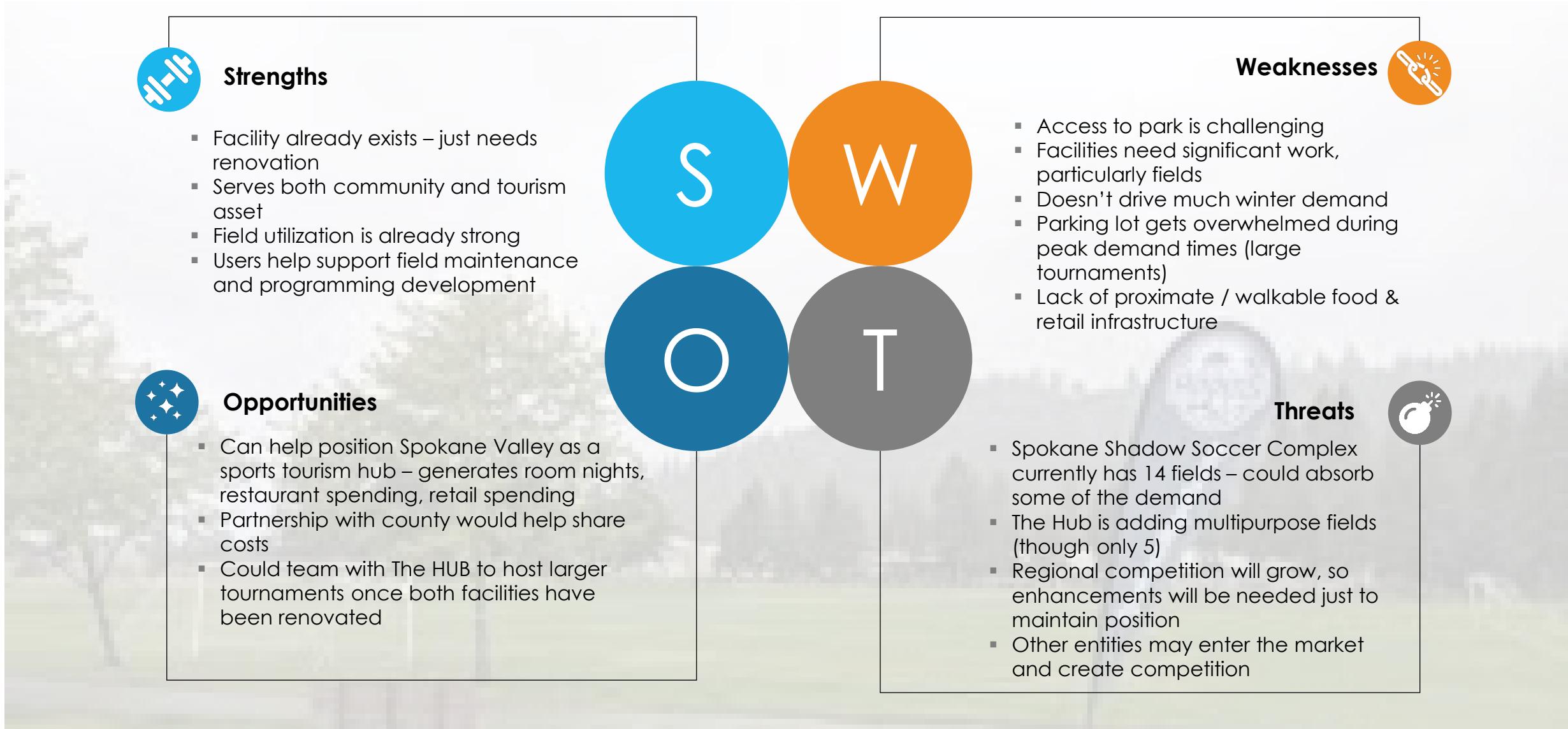
A publicly owned sports complex with a private operator – such as Sports Force Park on the Mississippi, owned by the City of Vicksburg and operated by Sports Force Parks – is a very common model within the sports tourism world. The private operator can also be a nonprofit entity, such as a regional sports commission. Spokane Sports, for instance, programs The Podium in Spokane, while the facility is owned by the Spokane Public Facilities District. This structure allows the public entity or entities to position the facility to serve public goods, such as attracting tourism, while leveraging the private entity's knowledge and connections to optimize operations and bring in regional and national tournaments. Though operation by the public entity is possible, it is typically more suited to facilities that primarily serve local residents than tourism needs.

The SFA study recommends 3rd-party management of the facility, paired with an intergovernmental ownership agreement between the City of Spokane Valley and Spokane County. Responsibility for maintenance would fall to the operator, while the government entities would provide some subsidy to account for the projected operating shortfall. The user groups that currently manage programming at the facility – Spokane Valley Junior Soccer Association, Spokane Indians Youth Baseball, East Washington Surf, and Eastern Washington Soccer – would become tenants, though certainly could still participate in the programming in some regard.

Funding Strategies

Though the ultimate funding strategy will depend heavily on the outcome of the aforementioned partnership discussions, there are many avenues available to financing the roughly \$40.4 million of recommended upgrades to Plante's Ferry. One option could be redirecting the funds collected via the City's lodging tax towards bond payments for the facility (particularly the 1.3 percent tax revenue set aside for tourism-enhancing capital projects, though this would not be enough to cover the entirety of the cost. Another possibility would be transferring ownership to the Spokane Public Facilities District, thereby opening up a new source of funding, though this would be complex given the current ownership model and depend on the PFD's own interest. Obviously, none of these strategies accounts for Spokane County's potential contribution to facility renovations at Plante's Ferry which would likely be significant if a partnership agreement is reached. With such options for possible funding strategies, financing upgrades to Plante's Ferry should be very achievable.

Product Opportunities – Renovations to Plante's Ferry



Product Opportunities – Ice Sheets

Market Summary and Product Opportunity Overview

Recently, there was a feasibility study completed for Spokane Sports for a new ice sheet facility in Spokane Valley to serve local and regional ice sport demand. In the study, the facility would be 104,788 SF and would contain 2 ice sheets: a primary sheet with seating for 1,000 spectators and a secondary sheet with seating for 600 spectators. Supporting the ice sheets would be 8 locker rooms for players, teams, and coaches, 4 locker rooms for referees, a Zamboni storage room, and an ice plant room. Additionally, the facility would include a general sports performance training area and a hockey-specific training area, flex and support spaces, and 420 parking spaces. The entirety of the complex would occupy 7.53 acres of land area.

Much of the impetus for a new ice facility comes from a perceived lack of tournament-quality ice arenas in the market. An inventory of regional venues bears that out, revealing that there are only 3 venues in the greater Spokane area, with only the Eagles Ice Arena equipped with enough ice sheets (2) to attract tournament events. Looking further, there are two other venues that might compete with the proposed facility for tournaments: Town Toyota Center in Wenatchee, WA and Glacier Ice Rink in Missoula, MT, each of which has 2 ice sheets. An in-depth feasibility study for the proposed facility published by SFA in 2023 found that this supply is inadequate to meet the demand for tournament-quality ice sheets in the region.

Regional Competitive Indoor Ice Venues			
Name	City	Distance (mi)	Ice Sheets
Eagles Ice Arena	Spokane, WA	14.2	2
Frontier Ice Arena	Coeur d'Alene, ID	23.2	1
Eastern Washington University	Cheney, WA	26.9	1
Town Toyota Center	Wenatchee, WA	181	2
Glacier Ice Rink	Missoula, MT	190	2

Source: Relevant Facilities, Johnson Consulting

Product Opportunities – Ice Sheets

Site Analysis and Program Recommendations

The key to the proposed ice facility's success, from a tourism development standpoint, would be to provide the facilities and infrastructure necessary to host regional or even national tournaments. With 2 ice sheets, 8 locker rooms, training areas, and ample parking, the facility should be well-positioned to compete for regional events, a finding which is consistent with the SFA study. This would be particularly true if it were to collaborate with other local ice facilities such as the Eagles Ice Arena, Frontier Ice Arena, or Eastern Washington University Recreation Center. However, one downside of spreading events across multiple facilities is that doing so could defray some of the room-nights and retail spending that might come to Spokane Valley if an event were to be solely hosted there.

As of the publication of this report, no site has been selected for this facility. Mirabeau Point Park and the surrounding area could be a potential location for the ice sheets, but no plans or concepts are currently being discussed. In any case, the facility would be located somewhere within Spokane Valley.

Wayfinding Implications

Given that there has been no site selected for this facility, there are no site-specific wayfinding implications of this product opportunity at this time. Generally however, it would be important for the facility to be highly accessible via I-90, both in terms of proximity and guiding signage. The interstate carries the overwhelming majority of tourism traffic to and from Spokane Valley and as such is a critical piece of support infrastructure for any tourism-focused facility, including the contemplated ice sheets. This dynamic should be weighed heavily as the City considers site options.

Product Opportunities – Ice Sheets

Demand and Financial Opportunities

The SFA study estimated that the proposed ice facility would lose money in its 1st year of operations, projecting a year-1 EBITDA (earnings before interest, taxes, depreciation, and amortization) of (\$181,291). Year 2 is also projected to have a negative EBITDA, but upon stabilization in year 4 the facility is forecasted to make an operating profit of \$50,543. The table on the top right summarizes SFA's financial projections.

Fiscal & Economic Impact Opportunities

The SFA study projected that, upon stabilization in year 4 the proposed ice facility would create a total of 31,939 non-local days in the market and 9,810 hotel room nights on an annual basis, the latter representing an increase of roughly 2.5 percent over current levels. This translates to an annual economic impact of nearly \$5.6 million. Note that SFA's economic impact projections only account for direct spending, and not indirect or induced spending.

The Consulting Team took those economic impact projections and translated them into fiscal impact projections, using the U.S. Federal Government's per diem rate (\$59 for meals and incidentals in 2023) and Spokane Valley's 2022 hotel ADR (\$114.36). Visitation induced by the proposed facility is projected to generate \$211,486 of total fiscal impact in its 1st year of operations and stabilize at \$345,552 in year 4. The combined tax and TPA revenue flowing directly to Spokane Valley would tally \$77,086 in year 4.

Financial Summary – Two-Sheet Model Facility Operations

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Revenue	\$1,377,667	\$1,588,866	\$1,761,429	\$1,870,184	\$1,954,724
Total Cost of Goods Sold	(\$341,448)	(\$404,123)	(\$450,261)	(\$480,693)	(\$500,475)
Gross Margin	\$1,036,219	\$1,184,742	\$1,311,168	\$1,389,490	\$1,454,248
Total Operating Expenses	\$1,217,510	\$1,251,620	\$1,297,105	\$1,338,948	\$1,379,104
EBITDA	(\$181,291)	(\$66,878)	\$14,063	\$50,543	\$75,144

Source: SFA

Economic Impact Summary – Two-Sheet Model

	Year 1	Year 2	Year 3	Year 4	Year 5
Non-Local Days in Market	20,903	26,674	29,306	31,939	31,939
Room Nights	6,420	8,190	9,000	9,810	9,810
Spokane Valley Room Nights*	5,136	6,552	7,200	7,848	7,848
Total Economic Impact	\$3,657,938	\$4,667,906	\$5,128,594	\$5,589,281	\$5,589,281

*Assumed to be 80% of total room nights

Source: SFA, Johnson Consulting

Fiscal Impact Summary – Two-Sheet Model

	Year 1	Year 2	Year 3	Year 4	Year 5
TPA @	\$4 / Room Night	\$20,544	\$26,208	\$28,800	\$31,392
State Retail Sales Tax @	6.50%	\$80,163	\$104,852	\$118,078	\$131,904
Spokane Valley Retail Sales Tax @	0.85%	8,386	10,969	12,353	13,799
Spokane County Retail Sales Tax @	0.15%	1,850	2,420	2,725	3,044
Misc. Local Retail Sales Tax @	1.40%	17,266	22,584	25,432	28,410
Total		\$107,665	\$140,825	\$158,588	\$177,157
State Hotel Sales Tax @	4.50%	\$33,039	\$43,201	\$48,661	\$54,366
Misc. Local Hotel Sales Tax @	2.20%	16,152	21,121	23,790	26,579
Spokane Valley 2% Lodging Tax @	2.00%	11,747	15,360	17,302	19,330
Spokane Valley 1.3% Lodging Tax @	1.30%	7,636	9,984	11,246	12,565
Spokane PFD Lodging Tax @	2.00%	14,684	19,200	21,627	24,163
Total		\$83,257	\$108,867	\$122,625	\$137,002
Fiscal Impact to Spokane Valley		\$48,313	\$62,522	\$69,700	\$77,086
Total Fiscal Impact		\$211,466	\$275,899	\$310,013	\$345,552

Source: SFA, Johnson Consulting

Product Opportunities – Ice Sheets

Ownership and Operating Models

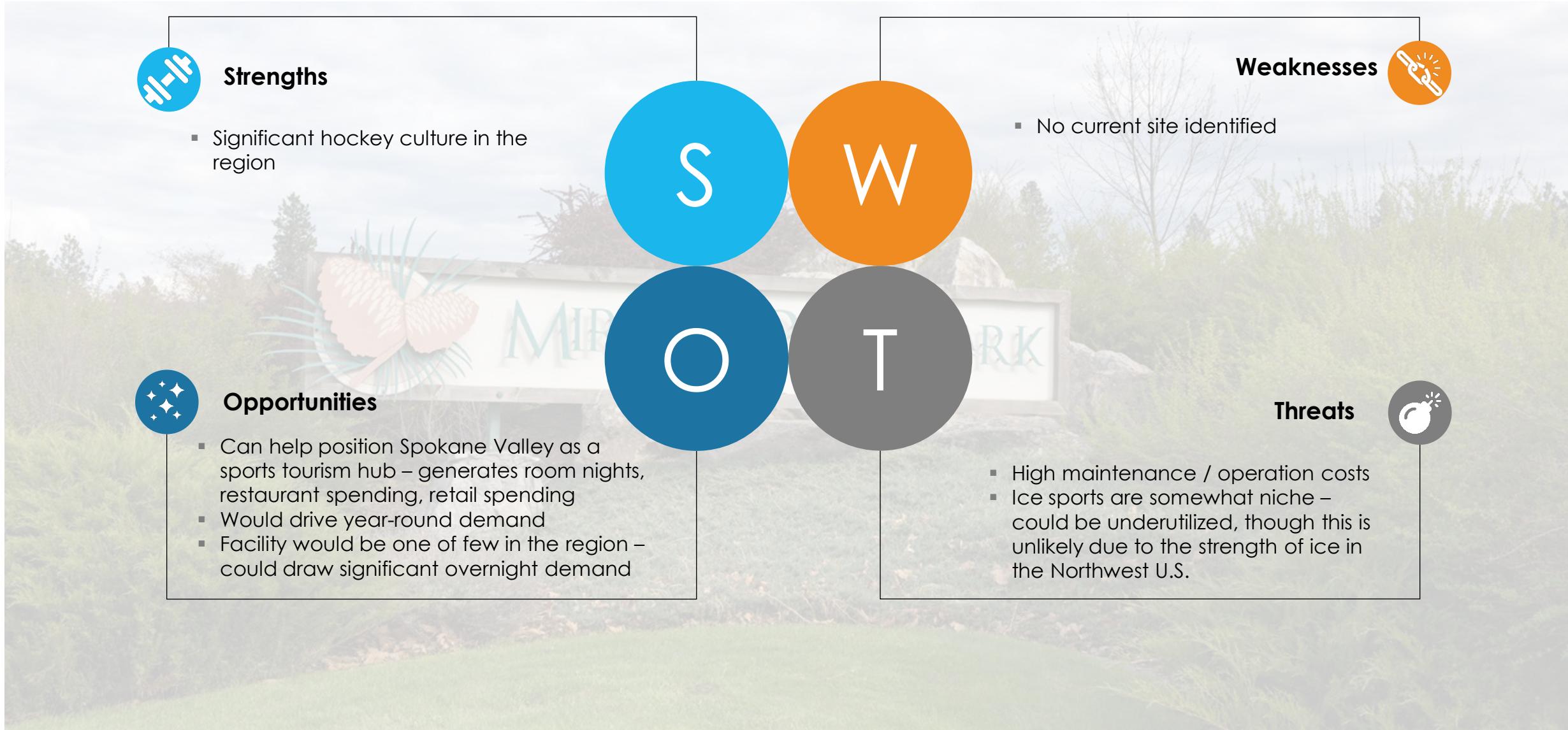
Similar to Plante's Ferry, the optimal ownership and operating model for the ice facility ultimately depends on its goals and target audience. Though the SFA study explores operations from the perspective of a programming and event mix, recommending a combination of in-house and outsourced event programming (leaning more towards the former than the latter), it does not comment specifically on what entity or entities should ultimately own and operate the proposed facility.

However, a structure wherein the Spokane PFD owns the ice complex and Spokane Sports runs the programming and events there would be logical for multiple reasons. Spokane Sports has shown interest in the facility (given that it commissioned the SFA study) and has demonstrated success in managing the sales, marketing, and event operations for The Podium in downtown Spokane, which is owned by the Spokane Public Facilities District. Furthermore, Spokane Sports' status as a non-profit would position it advantageously to achieve its goal of collaborating with existing ice venues in the market, most notably Eagles Ice Arena, which is operated by a non-profit. These circumstances and partnership precedent clearly indicate that such an ownership and operating model is viable.

Funding Strategies

Like renovations to Plante's Ferry, the proposed ice facility (estimated to cost between \$45-55 million to built) would qualify as a capital investment for tourism-related purposes, and as such is eligible for the 1.3 percent lodging tax collected by the City of Spokane Valley. However, that fund, which is budgeted to have a total of \$600,000 available for award in 2023, would be inadequate to cover the full cost of the facility, estimated by SFA to be between \$45 and \$55 million. Other funding sources that should be explored include the 2 percent lodging tax, private operator contributions, funding from the Spokane Public Facilities District, and a bond issue. Ultimately, it is likely that some combination of these sources, in addition to donations and private sponsorships, would be necessary to finance the proposed ice facility.

Product Opportunities – Ice Sheets



Product Opportunities- CenterPlace

Market Summary and Product Opportunity Overview

CenterPlace Regional Event Center is a 54,000 square foot facility with 20,882 square feet of indoor rentable space located in Mirabeau Point Park on the north side of Spokane Valley. The facility, which opened in 2005, is owned by the City of Spokane Valley and operated by its Parks and Recreation Department. Its largest space is its great room, which is 6,840 square feet and can seat 600 in a theater setup or 380 for a banquet. Catering is run by Le Catering, which is a private entity contracted by CenterPlace which operates out of the facility's full-scale commercial kitchen. CenterPlace also has a 97-seat auditorium, a 3,400 square foot fireside lounge, and 12 meeting rooms totaling 8,950 square feet. Adjacent to CenterPlace is the 10,540 square foot West Lawn, a hardscaped outdoor space which can host concerts, weddings, and other warm-weather events, as well as the North Meadow and Mirabeau Springs, which are grass covered but can also host events. In addition to its event space, CenterPlace houses, at no cost, the Spokane Valley Senior Center, which uses the East wing of the facility Monday - Friday from 8 a.m. to 4:00 p.m.

CenterPlace Summary of Function Space Size and Capacities						
	Size (SF)		Capacity (# of persons)			
	Smallest (Individual)	Largest (Combined)	Theater	Classroom	Banquet	Booths (10 x 10)
Event Spaces						
Great Room	6,840	-	600	-	380	-
Fireside Lounge & Deck	3,400	-	-	-	160	-
Auditorium	1,692	-	97	-	-	-
West Lawn	11,041	-	1,000	-	-	-
North Meadow	18,000	-	-	-	-	-
Mirabeau Springs	13,000	-	-	-	-	-
Total Indoor Event SF	11,932					
Meeting Rooms						
# of Rooms	12	-	-	-	-	-
Range of SF	468	1,482	60 - 125	45 - 100	40 - 100	-
Total Meeting Room SF	8,950					
Total Function Space SF	20,882					

Source: CenterPlace, Johnson Consulting

Product Opportunities- CenterPlace

Market Summary and Product Opportunity Overview

CenterPlace is one of 15 event facilities within a 90-minute drive of Spokane Valley with a largest space of at least 3,000 square feet. The largest event facility in the region is the Spokane Convention Center, which has 41 meeting rooms, 300,000 square feet of total space, and a 120,000 square foot largest space.

Given its relatively small size, CenterPlace rarely competes for events with the Spokane Convention Center and other large regional event facilities. However, its scenic location and flexible space makes it competitive for smaller events such as small and medium corporate events, weddings, banquets, and school dances. Facilities which are closer to CenterPlace in size include the Mirabeau Park Hotel & Convention Center in Spokane Valley, the Best Western Plus in Coeur d'Alene, the Historic Davenport in Spokane, and the Spokane Veterans Memorial Arena in Spokane. Note that though CenterPlace itself doesn't have any hotel rooms, the TRU by Hilton hotel across the street has 92 rooms.

Regional Event Facilities (Minimum 3k SF Largest Space, 90-Minute Drive Time)						
Facility	Location	# of Guest Rooms	# of Meeting Rooms	Largest Space	Total Space	
Spokane Convention Center	Spokane, WA	-	41	120,000	300,000	
Spokane County Fair & Expo Center	Spokane Valley, WA	-	9	28,140	144,608	
Coeur d'Alene Casino Resort Hotel	Worley, ID	300	10	20,000	33,500	
The Davenport Grand, Autograph Collection	Spokane, WA	716	32	18,079	62,547	
Coeur d'Alene Resort	Coeur d'Alene, ID	338	25	15,104	24,146	
Grant County Fairgrounds	Moses Lake, WA	-	5	12,000	21,400	
Red Lion Hotel Templin's On The River	Post Falls, ID	163	2	10,120	11,000	
DoubleTree by Hilton Hotel Spokane City Center	Spokane, WA	375	17	10,080	21,720	
Northern Quest Resort & Casino	Airway Heights, WA	250	2	10,000	15,000	
The Centennial	Spokane, WA	411	14	9,800	30,000	
Mirabeau Park Hotel & Convention Center	Spokane Valley, WA	236	16	9,000	17,000	
Best Western Plus Coeur d'Alene Inn	Coeur d'Alene, ID	122	8	8,000	13,000	
CenterPlace Regional Events Center	Spokane Valley, WA	-	11	6,840	20,882	
The Historic Davenport, Autograph Collection	Spokane, WA	284	18	6,540	36,836	
Spokane Veterans Memorial Arena	Spokane, WA	-	3	4,500	5,631	

Sources: CoStar, Relevant Facilities, Johnson Consulting

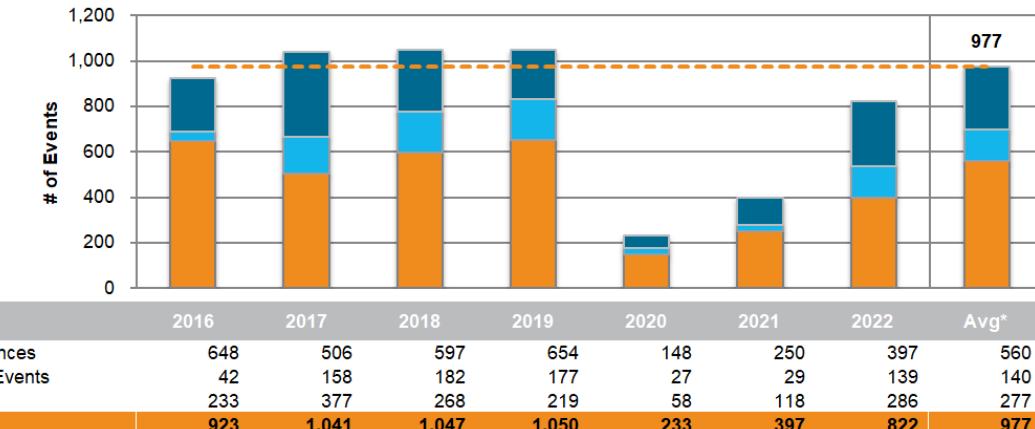
Product Opportunities- CenterPlace

Market Summary and Product Opportunity Overview

From 2016-2022 (excluding 2020 and 2021 as they were significantly impacted by the COVID-19 pandemic), CenterPlace hosted an average of 977 events per year, including 560 meetings / conferences, 140 community / civic events, and 277 social events. The number of events hosted at the facility peaked at 1,050 in 2019, the last year before the pandemic, before dropping in 2020. The numbers recovered somewhat in 2022, with CenterPlace hosting 822 events, and are now set to exceed pre-pandemic levels: As of July 1, 2023, there were already 1,035 events booked in CenterPlace for 2023, indicating that the facility has already surged past its 2022 events tally and will exceed the numbers seen in 2016-2019. Note that, as of midway through 2019 (June 30th), CenterPlace had 856 booked for the year. Furthermore, the rate of events booked at CenterPlace for 2024 (367 as of June 30th) has also exceeded the same figure observed in 2019 (191 as of June 30th).

Total attendance saw a similar hit due to COVID-19, dropping from a pre-pandemic high of 75,694 in 2018 to 5,124 in 2021. However, attendance saw a significant recovery in 2022, surging to 67,295, a higher figure than was observed in 2019. Though all three attendance categories increased between 2021 and 2022, the greatest increase was seen in attendance of community / civic events, which went from 340 attendees in 2021 to 27,264 in 2022. Much of this can be attributed to the return of Valleyfest, which alone brought in more than 10,000 attendees over 3 days. Overall, CenterPlace averaged 67,738 attendees per year from 2016 through 2022, excluding 2020 and 2021.

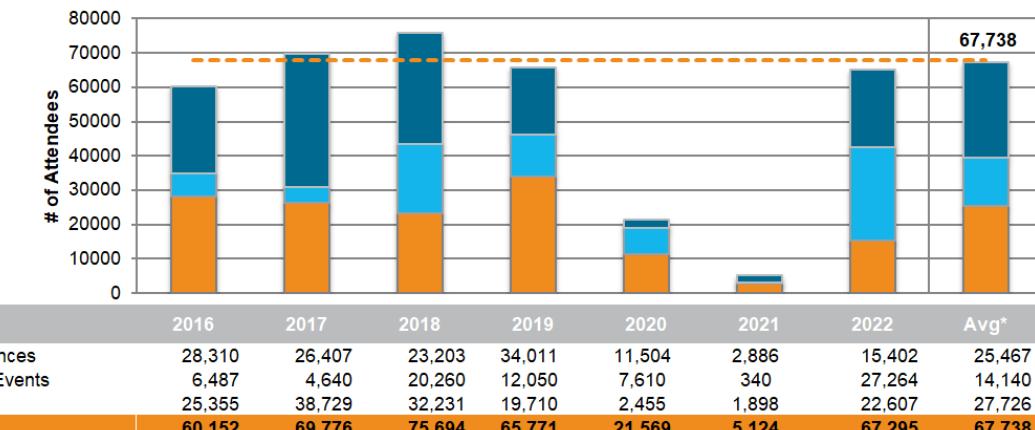
CenterPlace
Historical Event Demand



* Excluding 2020 and 2021 due to demand being severely impacted by the COVID-19 pandemic

Source: CenterPlace

CenterPlace
Historical Attendance



* Excluding 2020 and 2021 due to demand being severely impacted by the COVID-19 pandemic

Source: CenterPlace

Product Opportunities- CenterPlace

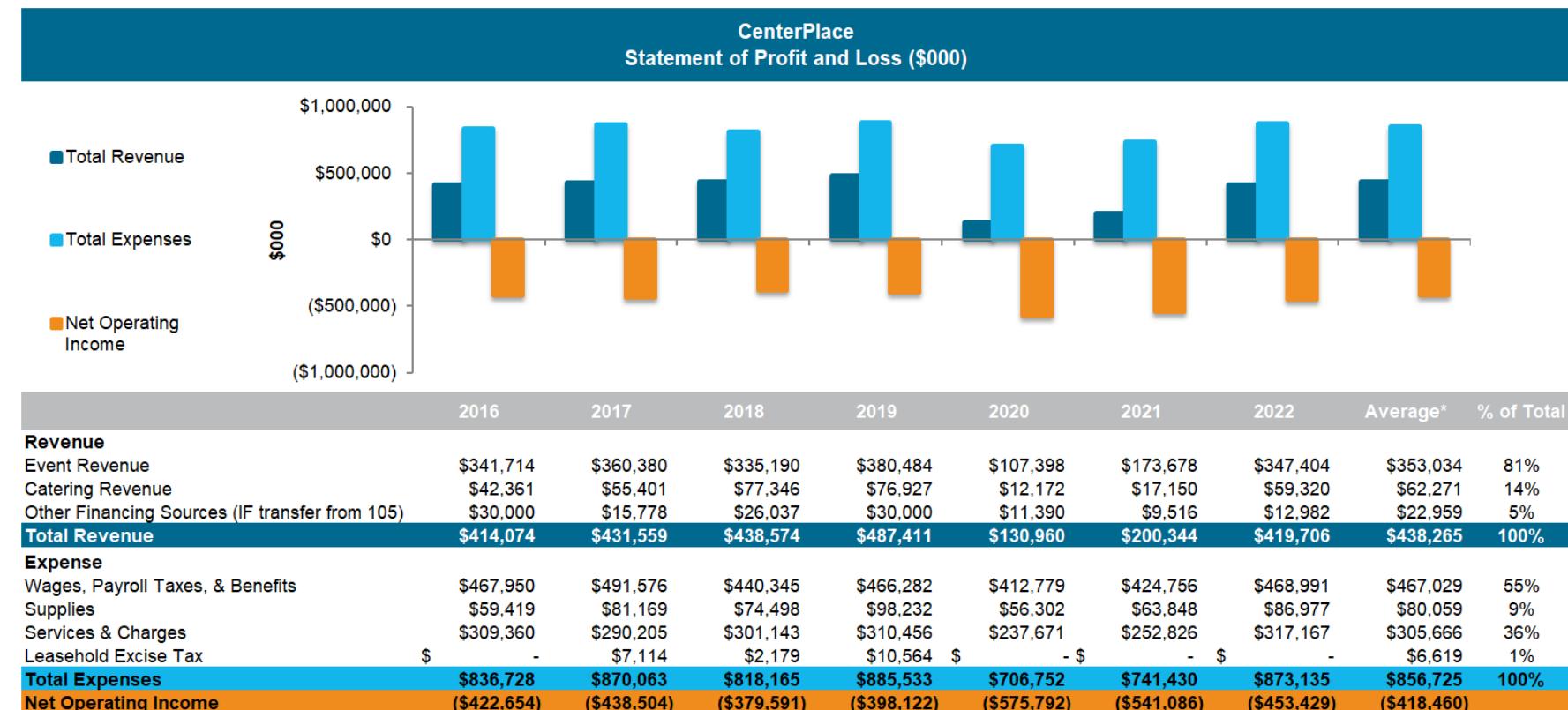
Market Summary and Product Opportunity Overview

CenterPlace has historically been operated out of the City of Spokane Valley's general fund, which covers all of the facility's costs. From an event revenue versus expenses perspective, the facility has operated at an annual loss every year since it opened in 2005. The most significant annual shortfall came in 2020, when CenterPlace reported a net operating income of (\$575,792), due in part to event cancellations caused by the COVID-19 pandemic. However, cost recovery trended up in both 2021 and 2022.

It is worth noting that CenterPlace does waive fees for some municipal events and Parks and Recreation programming. While waived fees were never previously tracked, in 2022 waived fees were \$72,000, accounting for a portion of the observed operating losses.

The preponderance of use is local, which for today is fine. The potential for increased use by room-night generating attendees is under study.

Notably, as of the end of July, CenterPlace's 2023 revenue had already exceeded 2019 levels with over \$500,000 in room rental and catering revenue.



* Excluding 2020 and 2021 due to demand being severely impacted by the COVID-19 pandemic

Source: CenterPlace

Product Opportunities- CenterPlace

Site Analysis and Program Recommendations

CenterPlace is a high-quality facility in a scenic location. Access to Mirabeau Point Park, the Centennial Trail, and the Spokane River, as well as its outdoor spaces, help make it a special venue for weddings, business meetings, and special events. Despite the perception of many that CenterPlace is primarily a wedding venue, weddings account for only five percent of its annual events. Furthermore, its facilities, though not particularly large, are relatively flexible and well maintained. This puts CenterPlace in a strong position to compete for state association meetings, trainings, banquets, and other small and medium corporate events. From a tourism perspective, these events tend to generate more room nights and as such ought to be formally prioritized.

Attracting such events is the outcome of targeted booking, marketing, and rental-rate strategies. Currently, CenterPlace does not have a codified booking strategy, though it generally tries to prioritize larger events by allowing repeat and multi-day events to book up to 3 years out, while only permitting other events, such as weddings, to book within a calendar year. Formalizing a booking policy that prioritizes not just multi-day events, but events that are likely to bring in a high number of out-of-town visitors and generate room nights for Spokane Valley hotels, would help begin to make CenterPlace more of an asset for the City's tourism and hospitality industry. Note that the facility's management is beginning to move it in this direction: CenterPlace recently booked an 8-day event which would bring 500 visitors to the facility, roughly 95 percent of whom are expected to be non-local.

For its marketing, CenterPlace currently buys advertisements in local publications and responds to leads through online platforms such as Eventective and Cvent. Its event space also advertised on its own website and on the TRU Hilton's website. Prior to Spokane Valley severing its relationship with Visit Spokane (the Spokane Convention and Visitors Bureau), CenterPlace did receive some leads from the CVB, though wasn't frequently able to capitalize on them. CenterPlace has re-established itself as a 2023 member of Visit Spokane and is currently receiving and cultivating leads through their services. Additionally, targeting advertising to corporate events and weddings, such as by placing advertisements in trade publications and bridal magazines, would attract more demand from those sectors. CenterPlace has increased investment in these marketing channels in 2023.

Product Opportunities- CenterPlace

Site Analysis and Program Recommendations

Finally, CenterPlace should consider amending its rental rate structure. Currently, rental rates for the facility are driven by room type rather than group or event type. Though a provision does exist to waive fees, it is primarily used for municipal events or Parks and Recreation programming. Additionally, the fee schedule is complex, making it difficult for potential users to understand and for CenterPlace staff to sell. Simplifying the fee schedule and orienting rental rates such that out-of-town business is prioritized would make marketing the facility easier and create more demand from non-local events. Furthermore, an analysis done by CenterPlace staff found that the facility currently charges roughly half as much as comparable facilities on average; simply raising rates would help generate more revenue that could be put towards increased staffing, enhanced marketing, and capital improvements.

Wayfinding Implications

As it currently stands, CenterPlace is in a strong position from a wayfinding perspective due to its proximity to I-90 – Exit 289 is only 1 mile away. However, accessibility could be aided by additional signage guiding visitors from the interstate to the facility. Such signage would have the ancillary benefit of raising CenterPlace's profile amongst community members and visitors alike. Additionally, the fastest way to drive to CenterPlace from I-90 currently involves turning left from E Indiana Ave onto Mirabeau Parkway, left again at E Mansfield Ave, and then right onto N Discovery Place before finally turning right into CenterPlace's parking lot. Providing an entrance to the parking lot at the intersection of Mirabeau Parkway and E Carlisle Avenue would eliminate two of these turns, making access to the facility more straightforward. It would also increase CenterPlace's visibility from the East and help better connect it to the district that is developing around the Tru by Hilton hotel, which includes the forthcoming Idaho Central Spokane Valley Performing Arts Center.

Demand and Financial Opportunities

The recommended operational changes to CenterPlace would present considerable demand and financial opportunities. Changing booking and marketing policies while also altering the facility's rate structure would help bring in more high-value events and increase the revenue associated with those events, bringing the facility closer to breaking even operationally. Overall demand may be similar, but the shape of the demand would reflect more out-of-town visitors and multi-day events. These opportunities will be explored further in the forthcoming performance assessment and business plan for CenterPlace.

Product Opportunities- CenterPlace

Fiscal and Economic Impact Opportunities

The room-night generation focus recommended by this report would increase CenterPlace's overall economic impact (in terms of spending coming from outside the market), while also generating greater fiscal impact via lodging tax, sales tax, and TPA funds. Again, these opportunities will be explored further in the forthcoming performance assessment and business plan for CenterPlace.

Ownership and Operating Models

It is common for event facilities such as CenterPlace which serve public purposes to be owned by governmental bodies, and the City's ownership of the facility is not hampering its ability to attract tourists. Thus, there is no current need for a change to the current ownership model.

The facility's operating structure on the other hand merits greater scrutiny. CenterPlace's mission statement is as follows: "To promote corporate and private events which will help stimulate our local economy. To produce customized, high quality events. To provide an experience that showcases the values of Spokane Valley." In theory, this mission statement would position CenterPlace as primarily a tourism asset. However, the facility currently functions as primarily a community asset, with event space which serves some tourism ends. Rather, this dynamic is more consistent with the Parks and Recreation department's stated mission: "To enrich the quality of life for everyone who lives, works in, or visits Spokane Valley through quality programs, parks, and events." Though this mission and focus is typical of parks and recreation departments, it is not fully aligned with the objective of tourism generation.

CenterPlace can serve a variety of purposes on the continuum between "purely a community amenity" to "purely a tourism asset." It is the opinion of the Consulting Team that the City of Spokane Valley ought to position CenterPlace as a tourism asset and manage it as such, because doing so would maximize its value from a room-night and revenue generation perspective. If the City chooses to do so, CenterPlace would benefit from an operator that is more aligned with those goals and the Consulting Team would recommend that the City develop an RFP for private management of the facility. As an additional option, the City would be well served to consider shifting CenterPlace's operations to the Economic Development department, as tourism generation is more aligned with economic development than it is with the provision of parks and recreation programming.

The Consulting Team will explore this topic in more detail in the forthcoming performance assessment and business plan for CenterPlace.

Product Opportunities- CenterPlace

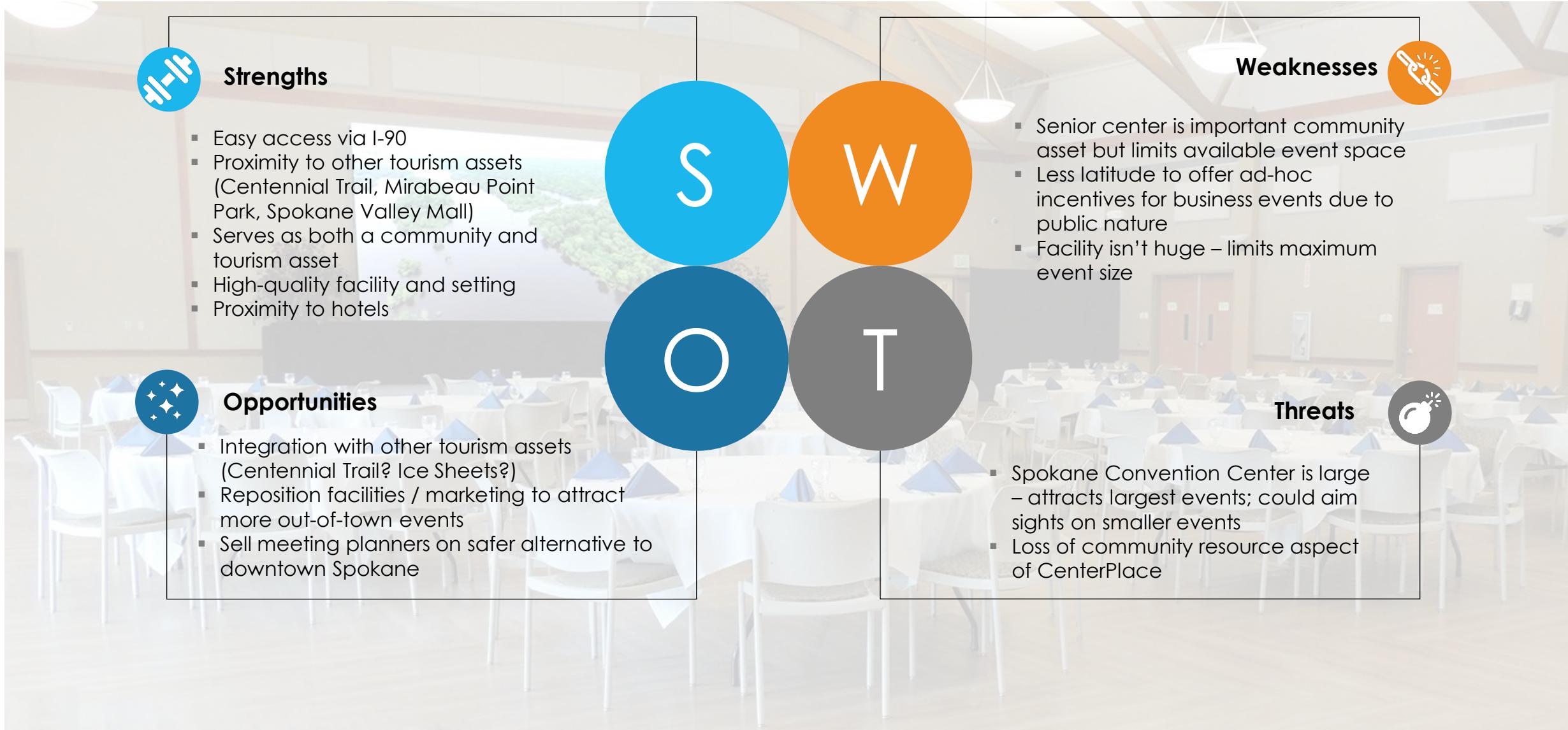
Funding Strategies

Given that no significant capital improvements to CenterPlace are currently being recommended by the Consulting Team, most of the funding required will depend on what the ultimate marketing and operating strategy for the facility ends up being. For the enhanced marketing efforts, the best funding source would be the proceeds from the new TPA, which are required to be spent on destination marketing and tourism promotion. TPA funds should be able to cover most or all of CenterPlace's marketing requirements, but additional resources can be allocated from lodging tax revenues if necessary. Longer term capital improvements may be recommended, so some funding may be needed, depending on the outcome of the analysis. An order-of-magnitude estimate for increased annual operating expenses, which would include increased staffing, marketing, and other operational enhancement, is roughly \$500,000.

Regardless of what operating structure is selected, increasing staffing would be key to securing and operating events that generate greater amounts of tourism. Obviously, this would involve additional operating expense. Though part of this increase would ideally be covered by additional revenue generated by an amended fee schedule, much of it would need to be covered by the City. Redirecting proceeds from the lodging tax towards increased staffing is one option, as is using money from the City's General Fund. Ultimately, the optimal funding strategy will come down to the selected operating structure and the costs associated with it. This topic will be explored in more detail in the forthcoming performance assessment and business plan for CenterPlace.



Product Opportunities – CenterPlace



Product Opportunities – Fairgrounds, Expo Center, & Entertainment District

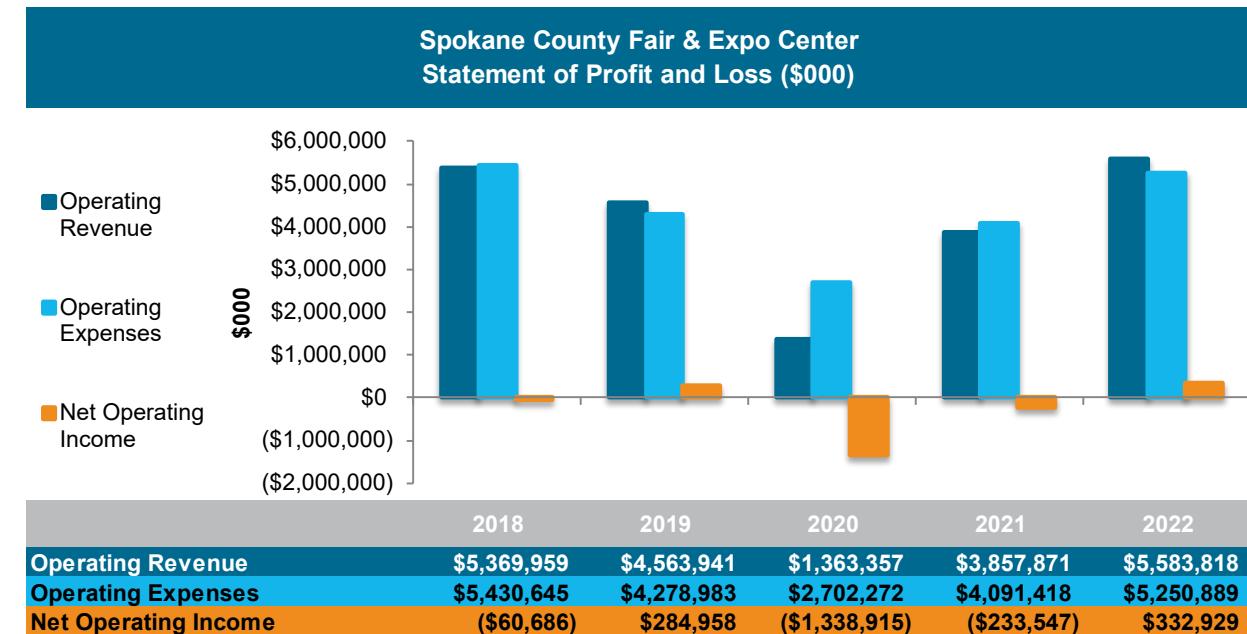
Market Summary and Product Opportunity Overview

As is detailed in Section 2, the Fairgrounds, Expo Center, & Entertainment District is comprised of the Spokane County Fair & Expo Center and Avista Stadium. The Fair & Expo Center hosted 75 events in 2022, accounting for 300 total event days. This represented a rebound from the pandemic-impacted 2020 and 2021, during which the facility hosted only 21, and 59 events, respectively. However, it was not a full recovery to the pre-pandemic peak of 98 events and 444 event days in 2019. Overall, the Fair & Expo Center averaged 70 events and 299 event days per year from 2018 through 2022. Shown below are operating expenses – the Fair & Expo Center is a \$5 million dollar business in the City.

This trend mirrors that of the facility's profit and loss statements. In both 2020 and 2021, the Fair & Expo Center reported significant operating losses. However, it rebounded well in 2022, posting a net operating income of \$332,929, which was its highest total in the last 5 years.



Source: Spokane County Fair & Expo Center



Source: Spokane County Fair & Expo Center

Product Opportunities – Fairgrounds, Expo Center, & Entertainment District

Market Summary and Product Opportunity Overview

The Fair & Expo Center does not track attendance for events held on its grounds. However, the table to the right lists attendance estimates provided by major recurring events at the facility. In a typical year, these events combine to attract nearly 370,000 people to the Fair & Expo Center. The biggest event by attendance, and the event for which the fairgrounds is best known, is the Spokane County Interstate Fair, which takes place over 10 days each September and attracts an estimated 200,000 attendees.

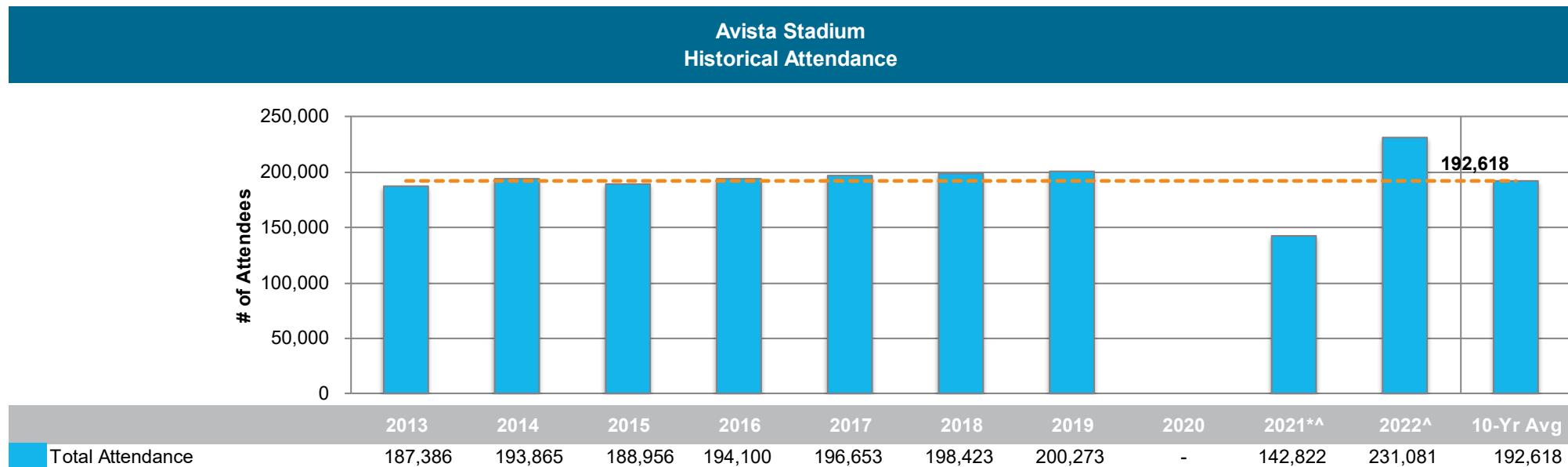
Spokane County Fair & Expo Center Major Event Attendance Estimates	
Event	Est. Attendance
Spokane County Interstate Fair	200,000
Big Horn Outdoor Adventure Show	30,000
Inland NW RV Show	10,000
Spokane National Boat Show	10,000
Custer's Home & Yard Show	10,000
The Farm Chicks	10,000
Custer's Christmas Arts & Crafts	10,000
International Auto Show	8,000
Custer's Spring Arts & Crafts Show	8,000
Goodguys Rod & Custom Show	8,000
Christmas Bureau	8,000
Inland Northwest Motorcycle Show	7,000
Custer's Fall Antique Show	7,000
Washington State Quilters Show	7,000
The Man Show	7,000
Spokane Gun Show	6,000
Custer's Spring Antique Show	6,000
Early Ford V8 Swap Meet	6,000
Just Between Friends	10,500

Source: Spokane County Fair & Expo Center

Product Opportunities – Fairgrounds, Expo Center, & Entertainment District

Market Summary and Product Opportunity Overview

From 2013-2019, Avista Stadium, which is home to the Spokane Indians Minor League Baseball team and has a seating capacity of 6,803, brought in an average of 194,237 fans per season. In 2020, the Minor League Baseball season was cancelled due to the ongoing COVID-19 pandemic, and capacity was restricted in 2021, leading to no attendees in 2020 and considerably fewer than usual in 2021. Attendance surged to 231,081 in 2022, as capacity restrictions were lifted and more fans returned to the ballpark. However, much of this surge can be attributed to the team being moved to High-A West (later rebranded as the Northwest League) by Major League Baseball, thereby expanding its schedule from 76 games in 2019 to 116 games in 2021 and beyond. Overall, Avista Stadium drew an average of 192,618 fans per season from 2013 through 2022, 2020 excluded).



¹ Capacity was restricted in the 2021 season due to the ongoing pandemic

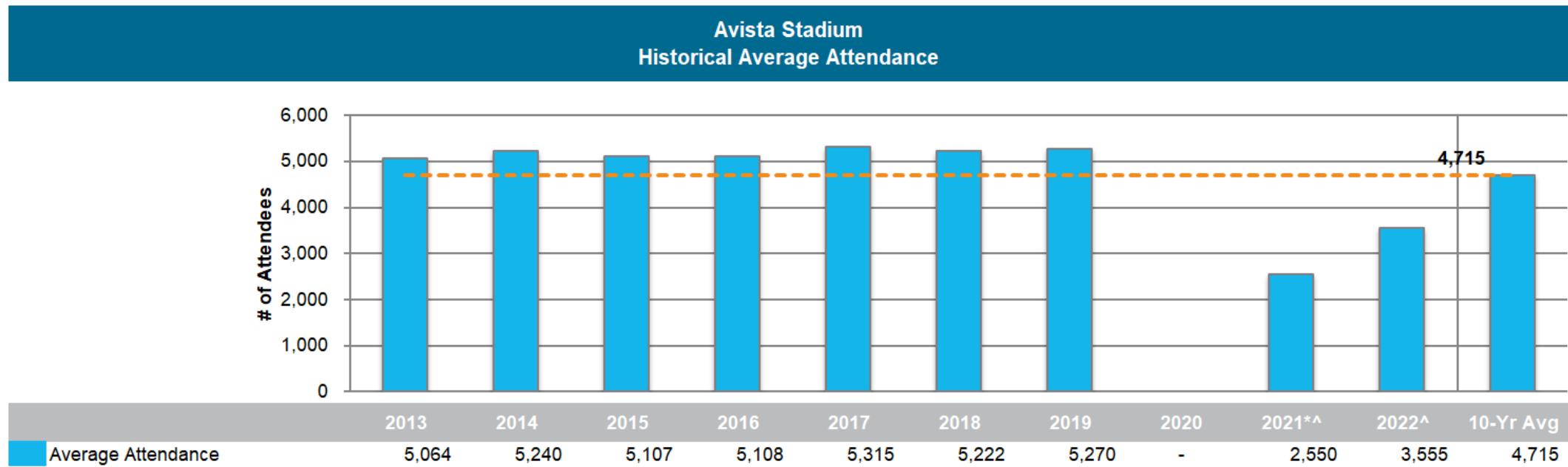
² In 2021, the Spokane Indians were moved to High-A West by Major League Baseball (later rebranded as the Northwest League), which expanded their schedule from 76 games to the current 116

Source: Spokane Indians, Sports Reference, Johnson Consulting

Product Opportunities – Fairgrounds, Expo Center, & Entertainment District

Market Summary and Product Opportunity Overview

Examining average attendance of games at Avista Stadium reveals that the 2022 bump was due to the increase in total games rather than to greater popularity. Attendance per game sat above 5,000 every year from 2013 through 2019, and event eclipsed 5,300 in 2017. However, the team only averaged 2,550 fans per game in 2021 and 3,555 in 2022, both of which are considerably lower than historic norms. Though capacity restrictions impacted attendance in 2021, they were lifted prior to the 2022 season, meaning that the low average attendance in 2022 can not be attributed to restrictions, but rather to some combination of wariness over the risk of COVID-19 and other factors which merit further study going forward. Over the last 10 years, not counting 2020, Avista Stadium averaged 4,715 fans per game.



* Capacity was restricted in the 2021 season due to the ongoing pandemic

[^] In 2021, the Spokane Indians were moved to High-A West by Major League Baseball (later rebranded as the Northwest League), which expanded their schedule from 76 games to the current 116

Source: Spokane Indians, Sports Reference, Johnson Consulting

Product Opportunities – Fairgrounds, Expo Center, & Entertainment District

Site Analysis and Program Recommendations

The Fairgrounds, Expo Center, & Entertainment District presents considerable opportunities for synergy in an area that is currently uninviting and industrial (note that “district” in this case is not defined legally but is considered to be the Fairgrounds, Expo Center, Avista Stadium, and the surrounding neighborhood). The two facilities’ proximity to each other makes it very conceivable that a family might, for instance, attend a car show in one of the expo halls and follow it up with a baseball game at the stadium, opening up the possibility of discounted tickets and concessions and collaborative marketing efforts. However, the area surrounding it has an uninviting industrial feeling and lacks the types of amenities, such as hotels, dining and drinking options, retail, and park space, that make visitors want to spend the whole day there.

The first step for solving this issue is investing in the District itself. Part of this is already underway, with the Spokane Indians currently working to secure funding for \$22 million in renovations to the stadium mandated by Major League Baseball. However, it will be important to build on those investments with a renovation of the fairgrounds, such as the one explored by the City of Spokane Valley and Spokane County in recent years, as well as with an enhancement of the public space surrounding the stadium (such as greening, landscaping, and repainting) to create a more welcoming entrance to the District and turn it into more of a “gateway” into Spokane Valley. The 2021 Avista Stadium Master Plan prepared by ALSC provides some insight into the cost of these enhancements. These improvements would open up more opportunities for quasi-retail uses such as a craft market and wine tasting events, which would bring greater vitality and visibility to the District. A sports training center could also be considered on the site, potentially in partnership with Spokane Indians Youth Baseball.

Addressing the area surrounding the Fairgrounds, Expo Center, & Entertainment District is also crucial. Incentivizing redevelopment of the low-density industrial properties immediately to the West of the District’s main entrance to convert them to more hospitality-oriented uses would go a long way towards making the area more of a destination. However, this comes with considerable complexities; Havana Street, which is the Western boundary of the District, is also the border between Spokane Valley and Spokane. As such, any development incentivization would need to be a partnership with Spokane.

However, both Cities should have a vested interest in improving the area, as the Fairgrounds, Expo Center, & Entertainment District represents a tourism asset for both Spokane Valley and Spokane, as well as for Spokane County, particularly if the right investments are made. Given the complexities represented by the multitude of jurisdictions as well as the private land ownership of the parcels to the West of the District, a wholesale reimaging of the area would have to happen over a long time horizon, but it has the potential to be a tremendous asset for tourists and residents alike.

Product Opportunities – Fairgrounds, Expo Center, & Entertainment District

Wayfinding Implications

The Fairgrounds, Expo Center, & Entertainment District is generally well-positioned from an accessibility standpoint. It is located less than a mile from I-90 and is bounded on the north and south by E Broadway Avenue and Sprague Avenue, respectively, both of which are major thoroughfares. However, the District would benefit from an additional entrance off of E Broadway Avenue to improve visibility and help improve ingress and egress. Wayfinding could also be improved via measures to make it feel like more of a “District” such as enhanced landscaping and a more prominent sign at the entrance off of N Havana Street. Additionally, redeveloping the area surrounding the District to make it feel more welcoming and less industrial would help better communicate to visitors that they are approaching a hub of activity and entertainment.



A prominent entrance to The Ranch Events Complex in Loveland, CO

Product Opportunities – Fairgrounds, Expo Center, & Entertainment District

Demand and Financial Opportunities

Upgrades to the Fairgrounds, Expo Center, & Entertainment District could significantly increase demand for the Spokane County Fair & Expo Center. A 2019 report on a proposed renovation of the Lane Event Center in Eugene, OR, which would include general grounds improvements, 25,000 square feet of supplemental meeting space, improvements to the livestock arena, and a new RV park, projected that the facility would see a 44 percent increase in events by stabilization in year 5, both due to greater capacity and greater attractiveness.

If upgrades of a similar scale were made to the Spokane County Fair & Expo Center, it could conservatively expect to see its annual events grow to roughly 120 from the 98 seen in 2019, which would represent a 22 percent increase. Though the upgrades recommended in this report would create additional revenue for the facility, it would likely be counterbalanced by increased operating expenses, leading to little overall financial impact for the Fair & Expo Center itself.

The baseball stadium, and specifically the Spokane Indians, would have even more to gain financially from upgrades to the Fairgrounds, Expo Center, & Entertainment District. In the case of Fort Wayne, the Tin Caps (then the Wizards) averaged 3,752 fans per game in the decade prior to leaving Memorial Stadium, their previous ballpark. In the decade after moving to their new ballpark, Parkview Field, which is located in the mixed-use Harrison Square district, the team averaged 5,782 fans per game, an increase of more than 54 percent. This demand increase can be directly attributed to the new stadium's higher-quality facilities and to the amenities present in Harrison Square, which help make attending a game more of an extended event by providing dining, drinking, and shopping options. In the case of Avista Stadium, upgrades of a similar quality (e.g., improving the stadium's facilities and adding more supporting amenities in the surrounding area) could see average attendance grow close to the stadium's seating capacity of 6,803. This increase would mean more ticket, merchandise, and concessions revenue for the team, as well as more tax revenue for Spokane County and Spokane Valley.

The recommended cross-promotion efforts would also help boost demand. In particular, the Spokane Indians' connections in the youth sports world and marketing expertise could help bring more athletics competitions and athletics-related events (e.g., baseball card shows, trade shows, conferences, etc.) to the district.

Fairgrounds and Stadium District - Demand Opportunity			
	2019	After Improvements	Change
Fair & Expo Center Events	98	120	+ 22%
Avista Stadium Per-Game Attendance	5,270	6,600	+ 25%

Source: Johnson Consulting

Product Opportunities – Fairgrounds, Expo Center, & Entertainment District

Fiscal and Economic Impact Opportunities

The increased demand due to the recommended improvements would bring about an increase in fiscal and economic impact. The Lane Event Center's improvements are projected to result in a 59 percent increase in room nights generated, a 62 percent increase in attendees, and a 43 percent increase in visits from exhibitors and performers by stabilization in year 5. The Fair & Expo Center doesn't currently track any of these numbers, but it conservatively be projected to see a 40 percent increase in room night generation, a 45 percent increase in attendees, and a 25 percent increase in visits from exhibitors.

A 2022 economic impact study of Avista Stadium estimated that visits from spectators generated \$23.188 million in total economic impact and \$1.260 million in total fiscal impact. Based off of the assumptions used in that study, the attendance increase estimated to come from the recommended upgrades would increase that spectator-driven economic impact to \$32.278 million and fiscal impact to \$1.811 million (the latter increase partially driven by \$57,420 of revenue from the new TPA). These impacts, which don't account for the impact of upgrades to the Fair & Expo Center as there is no baseline impact or attendance data to work from, are of the same general magnitude as those projected by CAI in their 2017 study, which recommended the replacement of the indoor arena to add a total of 26,000 square feet of additional space to the Fair & Expo Center. This expansion should be revisited in context of upgrades to the balance of the Gateway role this area can be. Further, the quality of improvements should be high to create image and brand for the City.

Product Opportunities – Fairgrounds, Expo Center, & Entertainment District

Ownership and Operating Models

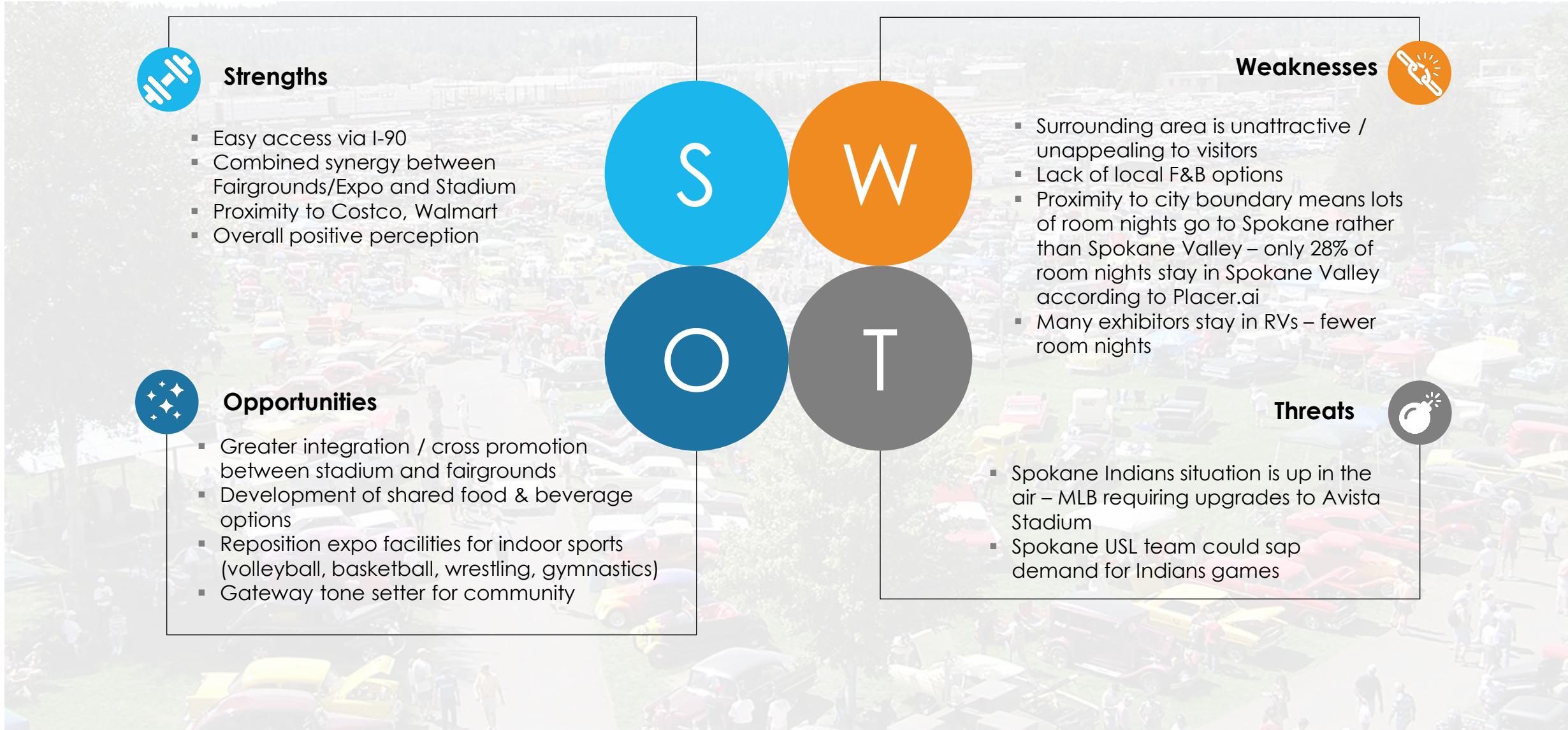
Currently, both the Fair & Expo Center and Avista Stadium are owned by Spokane County. The former is also operated by Spokane County, while the latter is primarily operated by the Spokane Indians, who lease it from the County. The Indians have been paying \$25,000 per year for use of the stadium, with Spokane County assuming most of the maintenance responsibility for the facility. However, as part of the agreement reached between the two parties in February 2023 to fund upgrades to Avista Stadium, that yearly rate will be increasing to \$100,000 per year and the team will be taking on all maintenance responsibilities, starting after the improvements are complete.

The Consulting Team sees this ownership and operating structure as sustainable and suitable for the types of upgrades being recommended. However, the Fairgrounds, Expo Center, & Entertainment District will function best as a tourism asset if the operating teams for both facilities fully “buy in” to the upgrades and actively seek out collaboration opportunities. Strategies such as cross promotion, discounted tickets and concessions, and events that utilize both facilities would help make the District more of a destination overall. For instance, a baseball card show could be hosted in one of the expo halls followed by an evening game in the stadium, and one ticket could be sold which would grant entry to both at a discounted rate. With more collaboration, these sorts of initiatives can be accomplished under the current ownership and operating model for the District elements. An in-depth operational and organizational review of the district could be helpful in maximizing its tourism-generation potential.

Funding Strategies

Given that the City of Spokane Valley, Spokane County, and the Spokane Indians all have an interest in the development of a special destination-type district, there are many possible avenues for financing upgrades within the district itself. On the City's side, the lodging tax and general fund both represent sources that could be drawn from to renovate parts of the district, while the County has its own tax revenues that could be contributed to the project. Another instrument could be a multi-jurisdictional Public Development Authority. Additionally, the Spokane Indians could be reasonably expected to contribute to the renovation of the district. An arrangement wherein the County contributes some of the land on the site to the team, which develops it into a mixed-use district (possibly with assistance from a City-provided subsidy), would help the District generate more tourism for the City and County while creating a valuable real-estate asset for the team and its owner, Brett Sports and Entertainment. This type of public-private partnership has become increasingly common at sports facilities around the country, as teams seek ways to further monetize their stadiums and governments look to create attractive entertainment districts. The full scope of recommended upgrades would be estimated to cost around \$40 million, though further study would be needed to generate a comprehensive estimate.

Product Opportunities – Fairgrounds, Expo Center, & Stadium District



Product Opportunities- Cross Country/Cyclocross Course

Market Summary and Product Opportunity Overview

One opportunity for new product development in Spokane Valley is a cross country (primary) and cyclocross (secondary) course. Cross country is a well-established running sport; elementary, middle, and high school, as well as club, masters, unattached, and college athletes across the country compete in it, often traveling for state, regional, and national races. Cross country is very closely associated with track and field, and the two sports have significantly overlapping athlete pools. With the recent construction of The Podium in Downtown Spokane, an indoor facility focused on hosting, among other things, indoor track and field events, the greater region has an opportunity to carve out a niche as the preeminent location for running events in the Pacific Northwest.

Cyclocross is a form of bicycle racing which typically takes place on short courses with a mix of terrain types, including pavement, grass, dirt, hills, and obstacles. Races are typically 40-60 minutes long with competitors completing as many laps as possible during that time frame. Courses are usually 2.5-3.5 kilometers and require riders to quickly dismount, carry their bikes while navigating obstacles, and remount. Course terrain is not standardized, offering a site the opportunity to vary the course from race to race and feature the unique terrain of the region. Cyclocross courses are typically 8 meters wide, with the start being 200 meters long before the first turn or obstacle. A chute is utilized at the start of a race and is typically 8 racers wide with 100 rows of racers in the queue. Though the sport is most popular in Western Europe, it has experienced significant growth in popularity in the United States since the mid 1990s. A cyclocross course could expect to attract events sanctioned by USA Cycling, as well as smaller regional circuit events and self-promoted events.

A purpose-built cross country and cyclocross course would be a boon to tourism in Spokane Valley, and potentially represent a significant return on investment for the City. The primary season for both cross country and cyclocross stretches from September into March, putting it squarely within the tourism offseason. Furthermore, many of the events that such a course would host are multi-day events, which mean more room-nights and retail spending. Neither cross country nor cyclocross are fair-weather events, and both embrace and often seek the cold, rain, snow, and other adverse conditions that are common in Spokane Valley during the Fall and Winter. Finally, the course, which would likely be located on a 60+ acre site, would cost relatively little to build and maintain and could function as a community asset when not being used for events. This facility has been proposed by Spokane Sports, which has made clear its interest to partner with the City of Spokane Valley to help the project come to fruition.

Product Opportunities- Cross Country/Cyclocross Course

Site Analysis and Program Recommendations

Given the necessarily rugged nature of a cross country and cyclocross course (though the former is somewhat less rugged than the latter), the most significant challenge to developing such a course would be finding a site large enough to accommodate it. Spokane Sports recommends a 60-acre parcel at the minimum. Perhaps the best option within Spokane Valley would be Flora Park, given its size, terrain, and location. Additionally, moving this project forward at the Flora Park Site would allow the City to meet the stipulations of the 2020 Washington Wildlife and Recreation Program's \$1 million grant which helped the City purchase the park and requires that development on the site must occur within five years of acquisition. The City owns the 46.13-acre park and the Washington State Parks Department owns an adjacent 15.98 acres located along the Spokane River; as such the two entities would need to work together to develop the site for this proposed use.

As far as programming on the site itself, part of such a facility's upside is that very little construction would be required. A 2-kilometer loop – which a preliminary analysis indicates would fit on the site – would be able to host local, regional, and national cross country events. The loop should be 10 meters wide throughout, with a start-line width of 50 meters at minimum. There should be 600 meters of straight path before the 1st turn and 200 meters of straight path before the finish, and the start and finish lines should be near each other. Permanent infrastructure is recommended by Spokane Sports, including a clubhouse with a timing suite, a broadcast and media room, permanent bathrooms, space for drug testing and medical care, meet management rooms, hospitality rooms, a public address system, and ample storage for lead / follow gators and event equipment. Also recommended is a site plan for parking, along with a thoughtful plan for lighting, electricity and water infrastructure, signage, tents, and portable restrooms.

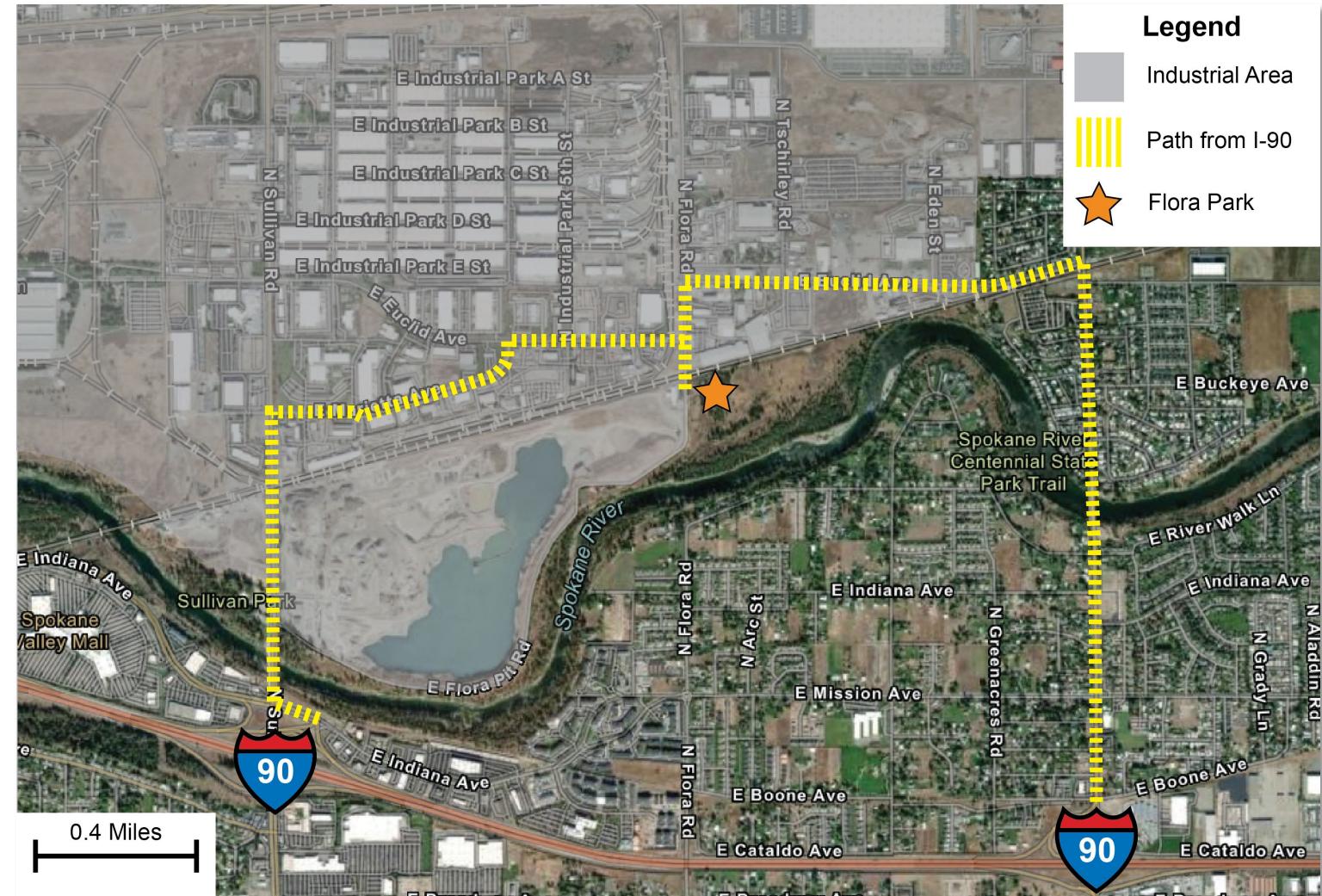
If the City chooses to explore this product opportunity further, the Consulting Team recommends that it work closely with Spokane Sports to find the combination of site and programming that will attract the most regional and national events.

Product Opportunities- Cross Country/Cyclocross Course

Wayfinding Implications

Though Flora Park is likely the best option within the City of Spokane Valley for a Cross Country and Cyclocross course, it does present some wayfinding challenges. The primary issue is that the site is surrounded by a large industrial district, which has to be passed through in order to access the park, potentially confusing visitors who are expecting to see a more rural or park-like setting surrounding the site. However, this can be mitigated by wayfinding signage guiding visitors from I-90 (which is fairly nearby) to Flora Park. Furthermore, the preferred route, entering the area from the west via Sullivan Road and Marietta avenue, is quite attractive with sidewalks, street trees, and green space.

Another challenge is the presence of the railroad tracks along the north side of Flora Park; a freight train passing by could disrupt traffic on N Flora Road for multiple minutes, which would be particularly inconvenient as visitors are arriving for or leaving from a large event at the park. However, this scenario would only occur only occasionally, and as such is a fairly minor issue overall.



Product Opportunities- Cross Country/Cyclocross Course

Demand and Financial Opportunities

Based on the data assembled by Spokane Sports, there are 35 events totaling 50 event days that could reasonably be targeted by a cross country and cyclocross course in Spokane Valley. The event pipeline includes existing and created events for youth, middle school, high school, club, masters, collegiate, and unattached athletes. The total pipeline indicates that, annually, 21,382 visiting athletes and 16,203 visiting spectators could be targeted by the creation of a purpose-built facility.

Of course, these events are highly sought after and often rotate locations each year. This, in tandem with the lead time required to secure events, which are often bid on five or more years out, means that the facility would likely ramp up activity fairly slowly. The table on the right presents Spokane Sports' estimated ramp-up period of 3 events in Year 1, 5 in Year 3, and 8 in Year 5.

The Consulting Team was unable to obtain robust data on rental rates for cross country and cyclocross events. However, anecdotes from similar facilities indicate that rental revenue is unlikely to exceed maintenance and operating costs. The most likely scenario is that the facility would run an operating deficit, though this would be made up for by the economic impact as well as by its community use as a public park. A daily use fee and leasing of the course for team and individual practice should be explored further as the City considers this opportunity.

Fiscal and Economic Impact Opportunities

Based on projections provided by Spokane Sports as well as Johnson Consulting's projections, in Year 5 a cross country and cyclocross course would 3,107 hotel room nights, \$1.5 million in total economic impact, and \$93,069 in total fiscal impact on an annual basis. Note that these demand, financial, and impact projections only account for major existing events that Spokane Sports would be targeting, but there are hundreds of local, regional and national events that could be hosted at the facility. Spokane Sports has also expressed interest in creating their own cross country and cyclocross events, which would represent guaranteed annual use for the facility.

Cross Country / Cyclocross Event Demand & Impacts					
		Year 1	Year 3	Year 5	
Events		3	5	8	
Event Days		6	10	16	
Visiting Athletes		600	1,200	1,800	
Visiting Spectators		900	1,800	2,700	
Total Visitors		1,500	3,000	4,500	
Total Visitor-Days		2,620	5,239	7,859	
Hotel Room Nights		1,036	2,072	3,107	
Economic Impact		\$500,204	\$1,000,408	\$1,500,612	
TPA @	\$4 / Room Night	\$4,143	\$8,286	\$12,430	
State Retail Sales Tax @	6.50%	\$10,047	\$20,093	\$30,140	
Spokane Valley Retail Sales Tax @	0.85%	1,051	2,102	3,153	
Spokane County Retail Sales Tax @	0.15%	185	371	556	
Misc. Local Retail Sales Tax @	1.40%	2,164	4,328	6,492	
Total Retail Sales Tax @	8.90%	\$13,447	\$26,894	\$40,341	
State Hotel Sales Tax @	4.50%	\$5,330	\$10,661	\$15,991	
Misc. Local Hotel Sales Tax @	2.20%	2,606	5,212	7,818	
Spokane Valley 2% Lodging Tax @	2.00%	1,895	3,791	5,686	
Spokane Valley 1.3% Lodging Tax @	1.30%	1,232	2,464	3,696	
Spokane PFD Lodging Tax @	2.00%	2,369	4,738	7,107	
Total Hotel Tax @	12.00%	\$13,433	\$26,866	\$40,299	
Fiscal Impact to Spokane Valley		\$8,507	\$17,014	\$25,521	
Total Fiscal Impact		\$31,023	\$62,046	\$93,069	

*It is assumed that 80% of hotel nights and retail spending will occur in Spokane Valley

Source: Spokane Sports, Johnson Consulting

Product Opportunities- Cross Country/Cyclocross Course

Ownership and Operating Models

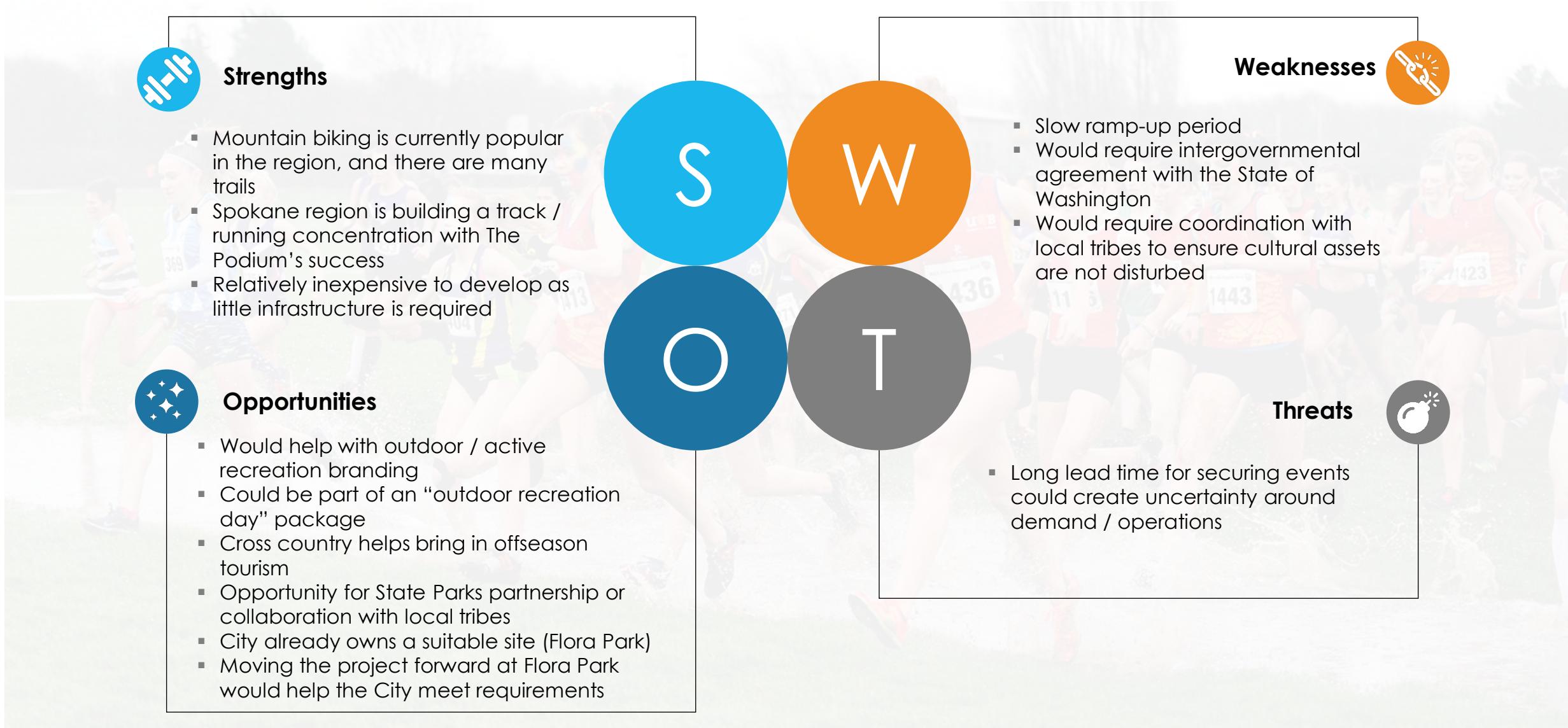
In its brochure on a potential cross country and cyclocross course in Spokane Valley, Spokane Sports proposed an ownership and operating structure wherein the City of Spokane Valley would own, manage, and maintain the facility while Spokane Sports would handle scheduling, event recruitment, marketing, partnerships, and event-day operations. This agreement would be similar to the agreement Spokane Sports currently has with the Spokane Public Facilities District to operate The Podium, which the PFD owns and maintains.

This arrangement is also recommended by the Consulting Team. Spokane Valley lacks the internal event-marketing expertise and connections necessary to effectively program major competitions at the proposed facility, making operation by the City sub-optimal. Spokane Sports, in contrast, is completely dedicated to recruiting, scheduling, and operating events, and could also leverage the connections in the competitive running world that it has developed from its work at The Podium. Furthermore, Spokane Sports operating both facilities presents opportunities for cross-promotion that could increase usage and help establish the region as a hub of running and cycling. Finally, Spokane Sports has demonstrated significant interest in this partnership, making this scenario a potential “win-win” for Spokane Sports and the City.

Funding Strategies

Given that the majority of the capital investment required to build a cross country / cyclocross facility would come in the form of land purchase and site improvements, cost would vary somewhat depending on what site was selected (though the Flora Park site appears to be the best available option). An order-of-magnitude estimate would be around \$7 million, though would merit detailed study once a site plan is developed. However, with few buildings required, the overall investment is likely to be relatively small, especially if the facility is built on land that is already City-owned. As such, the 1.3 percent component of the lodging tax that must be used for capital projects would likely be the best source of funding for this facility. Other funding partners could include the State of Washington as well as various grants.

Product Opportunities – Cross Country / Cyclocross Course



Product Opportunities- Whitewater Course

Market Summary and Product Opportunity Overview

One of the product opportunities suggested in the 2016 study which remains relevant today is the development of a whitewater course along the Spokane River. Urban whitewater courses, such as the ones found in Golden, CO or in Bend, OR, combine outdoor adventure with a city's convenient amenities. They typically involve one or multiple put-in and take-out points, as well as some sort of walking or cycling path to bring users up the river.

An urban whitewater course in Spokane Valley would be somewhat limited by the variable condition of the Spokane River, which is sometimes backed up by the Upriver Dam, reducing the rapids available within Spokane Valley, as well as constrained by weather and only relevant during the summer months. Furthermore, Spokane Valley, unlike Bend and Golden, does not have a dense, walkable downtown district that acts as a perfect complement to a whitewater park. Thus, the course would likely be more of a community amenity and secondary tourism asset than a primary tourism driver.

However, it would help continue to cultivate the City's image as a hub of outdoor recreation and adventure, while simultaneously capitalizing on one of Spokane Valley's most striking natural assets. A whitewater course could provide a summer amenity for sports tourists, creating synergies with Plante's Ferry Sports Complex and other regional sports tourism facilities. Other opportunities could also be considered, including integrating an educational component, constructing dwell points along the course, and partnering with the U.S. Rafting Association to bring competition and training events to Spokane Valley. Furthermore, the whitewater course would provide opportunities for integration with other assets, such as CenterPlace, the Spokane Valley Mall, and the Centennial Trail.

Product Opportunities- Whitewater Course

Site Analysis and Program Recommendations

The map below shows one possible route for the whitewater course, with the put-in location on a City-owned site to the southwest of the intersection of N. Flora Road and the Union Pacific Railroad, shown in orange, and the take-out location adjacent to Mirabeau Point Park, shown in blue. Note that, though the bulk of these sites are owned by Spokane Valley, the riverbanks are owned by the State of Washington. Users of the course could park at the put-in location and rent tubes and rafts, float down 2.75 miles of river to the take-out location, return their tubes and rafts, and walk, or possibly rent bicycles and bike, back to their cars via the Centennial Trail (shown in yellow). A concessionaire is often used to operate these tubing/kayaking enterprises.

Such a course would require relatively little infrastructure development. The put-in site would need parking, bathrooms, and some sort of structure to store and rent tubes and rafts, while the take-out site would only need bathrooms and tube and raft storage. A pedestrian and bicycle bridge would be needed to connect the Centennial Trail, which is on the South side of the Spokane River, to the put-in site, which is on the north. Additionally, some work may need to be done on the river itself to make it more conducive to rafting and / or tubing.

Note that the put-in site is the same site suggested for the cross country and cyclocross course. These two uses would both fit on the site, and would help create more year-round utilization (cross country and cyclocross in the winter, whitewater in the summer).

Wayfinding Implications

If the whitewater course were to have the put-in and take-out points suggested above, it would run into many of the same wayfinding issues discussed regarding the cross country / cyclocross course. However, these issues would be mitigated somewhat by the proposed connection to the Centennial Trail, which would provide another point of access to the site which doesn't require passing through the industrial area surrounding Flora Park.



Product Opportunities- Whitewater Course

Demand and Financial Opportunities

The proposed whitewater course would likely attract a fair amount of user demand. A 2020 study published in *Parks & Rec Business* analyzed several whitewater parks and found that annual users ranged from 14,000-75,000. Given Spokane Valley's relatively short summer, the variable conditions of the Spokane River, and the City's lack of an appealing walkable retail district to complement the park, annual use at the proposed course would be towards the low end of the range, between 15,000-20,000 users. This is somewhat lower than the demand projected by the 2017 CAI tourism study, which estimated that the park would attract 38,600 annual users. The Consulting Team's research and discussions with stakeholders have led us to the conclusion that the whitewater course would not be a destination driver itself. However, it would be a valuable complement to the evolving sports tourism concentration within Spokane Valley, providing an opportunity for families to cool off in midst of a hot day of outdoor competition. Given the proposed park's scale of operations and the overhead associated with managing the rafts and tubes, it would roughly break even in a typical year and doesn't present significant financial opportunity.

Fiscal and Economic Impact Opportunities

The demand challenges faced by the park carry over into its impact potential. The *Parks & Rec Business* study found a wide range of annual economic impact, from \$2.2 million to \$18.0 million. Again, the economic impact of such a park in Spokane Valley would be on the lower end of that range, likely \$2.5 million to \$3.5 million annually. Much of that impact would likely come from extending a stay that was driven by other purposes, rather than from visitation specifically for the whitewater park. For instance, a family might decide to stay an extra night after the completion of a tournament so that they could experience the park, but wouldn't come to Spokane Valley for the park exclusively. This estimated impact is within the range of the impact projected in the 2017 CAI tourism study.

Whitewater Park Demand and Impact				
City	River	Annual Users	Economic Impact (Millions of Dollars)	
Golden, CO	Clear Creek	14,000	\$2.2	
Hadley, NY	Sacandaga River	25,000	\$3.7	
Durango, CO	Animas River	37,000	\$18.0	
Steamboat Springs, CO	Yampa River	75,000	\$7.2	

Source: *Parks & Rec Business*

Product Opportunities- Whitewater Course

Ownership and Operating Models

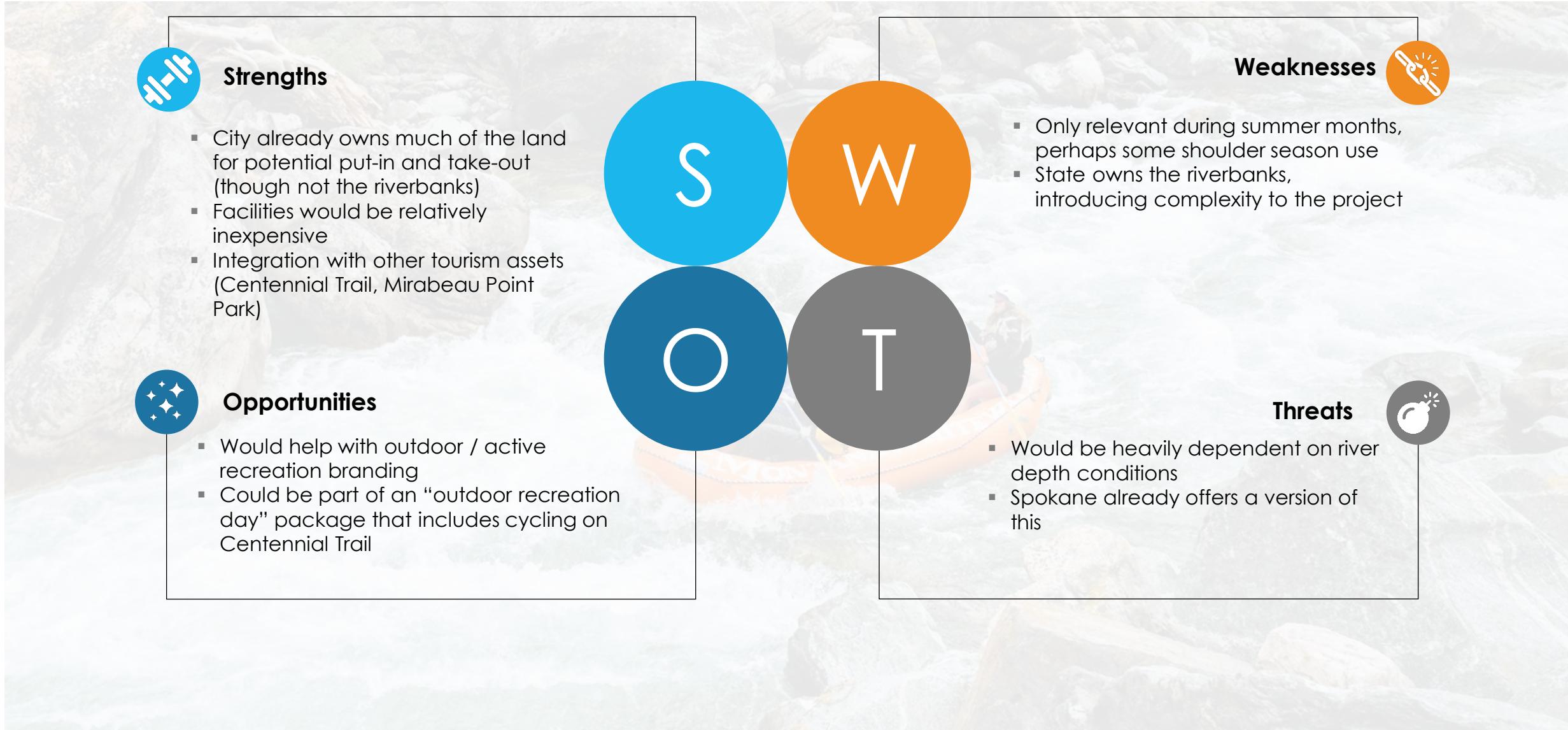
With the core of the whitewater course – the river itself – being public property, the only ownership question surrounds the suggested put-in and take-out points. Given that the riverbanks in those areas are currently owned by the State of Washington, the best route forward is for Spokane Valley to either purchase the land or to come to an agreement with the State for its use.

Spokane Valley would likely be the best entity to operate the tube and raft rental facility. Though partnering with an outdoor retailer such as REI or Dick's Sporting Goods would present an opportunity for further sales-tax generation and image development, such an arrangement would be challenging as the parcels immediately surrounding the put-in and take-out points are already developed or are planned to be so in the near future. Additionally, given the seasonal and river-condition-dependent demand for a whitewater course, finding a private operator for rentals is unlikely. As such, the City's Parks and Recreation Department would be well-positioned to operate the rental and return business as a combined public amenity and tourism asset.

Funding Strategies

The ultimate cost of a whitewater course is somewhat dependent on the amount of work required to improve the Spokane River, and should be studied in greater detail if the City of Spokane Valley elects to pursue this product. However, given that there is little physical infrastructure investment required the project (which would be estimated to cost around \$5 million) could likely be funded using contributions from the 1.3 percent lodging tax. The City could also explore a partnership with the County or State Parks and Recreation departments, which would open up additional sources of public funding.

Product Opportunities – Whitewater Course



Product Opportunities

Implications

Based on our assessment of each of the product opportunities detailed in this section, as well as of various other product opportunities throughout the study process, the Consulting Team has created the product opportunity matrix found on the following page. The prioritization, risk profile, estimated cost, projected benefit, and implementation timeline for each of the products are explored in depth in the matrix. Note that, though these projects are prioritized based on projected return on investment from a tourism-generation perspective, shifts in funding sources could impact that ROI; the implementation strategy should constantly be assessed as new information becomes available.

At a high level, the City of Spokane Valley's first focus from a product perspective should be on the cross country / cyclocross course, which presents a low-cost opportunity to bring in tourism and can be executed via a partnership with Spokane Sports. The renovations to Plante's Ferry should be the City's second priority, as they represent the greatest room-night generation potential of any of the opportunities explored.

Following those two projects should be improvements to the Fairgrounds, Expo Center, & Entertainment District, which can begin in earnest once the status of Avista Stadium's renovation funding becomes clear. Though the County has reached an agreement with the Spokane Indians to partially finance the upgrades, more funding is still needed to secure the team's future in Avista Stadium. The whitewater course should be fourth in priority, as more feasibility work needs to be done to better understand the Spokane River's suitability for such a project and the potential cost of river improvements. Finally, the ice sheets project should be the fifth-highest priority, as the high up-front cost relative to projected impact makes it a risky proposition.

The operational and marketing repositioning at CenterPlace should be ongoing throughout this product development process, as it will help reduce the facility's operating deficit and generate more room nights but is unlikely to require significant capital investment.



Product Opportunities

Product Opportunity Prioritization and Timing								
	Priority	Project Description	Risk Profile	Estimated Cost	Impacts of Investment	Year 1	Year 2-5	Year 6+
Opportunities Matrix	CenterPlace	Ongoing	A shift towards more tourism-generating events, such as state association meetings, weddings, and small to medium corporate events. Increased staffing and enhanced marketing, as well as possibly a re-established relationship with Visit Spokane and a new operating structure (private operator or economic development department). Refocused event operations policy and greater investment in staffing.	Low risk due to nature of investment (operating rather than capital) and low scale of cost relative to current facility operating deficit.	\$500k+ annual increase in operating expenses due to increased staffing.	Impact estimate TBD. Refocused booking, marketing, and event operations policy helps reduce operating deficit and drive more room-night generation.	Restructure booking, marketing, and operations to focus on room-night generation. Re-establish partnership with Visit Spokane. Increase investment in event sales and operations.	Explore 3rd-party management, possibly in an oversight role while maintaining city staffing.
	Cross Country / Cyclocross Course	1	Construction of trails on a large (60+ acre) site, possibly Flora Park. Bathrooms, parking also needed, plus some other supporting infrastructure would be recommended. Partnership with Spokane Sports for operations.	Low risk due to low scale of capital and operating investment, in tandem with strong assessed feasibility and demand.	Dependent on site, but likely minimal - roughly \$7M up front, \$30-\$100k per year for operations	3,100+ annual room nights, \$1.5M+ annual economic impact, 93k+ annual fiscal impact. Upside for more impact if operations are stronger than expected.	Identify a site for the course (determine whether Mirabeau Point Park is feasible) and formalize relationship with Spokane Sports.	Build site and begin bringing in cross country and cyclocross events.
	Renovations to Plante's Ferry Sports Complex	2	Renovations would include, at minimum, overhead lighting for some of the fields and repairs / conversion to turf for fields that have crowned. Options for increasing parking, adding seating, building a fieldhouse, improving fencing / dugouts, and converting more fields to turf. Potentially a new ownership / operating structure (private operator).	Low risk due to strong projected demand and shared responsibility with Spokane County.	\$40M up front, would require an operating subsidy of \$450k+ per year.	\$15.1M+ annual economic impact, \$1.1M+ annual fiscal impact, 30k+ annual room nights.	Formalize partnership with Spokane County and finalize plan for early-stage upgrades to ensure ARPA fund availability.	Continue and complete upgrades to facility and determine 3rd party operator.
	Fairgrounds, Expo Center, & Entertainment District	3	Renovation, expansion, and enhancement of public space. Possibly the addition of F&B options on campus, or incentivization for nearby F&B / entertainment options. Overall goal is to make district more attractive and integrated, so that it is more of a destination and customers spend more time there.	Medium risk due to uncertainty around Avista Stadium renovation fundraising creating possibility that Spokane Indians relocate.	\$40M total (\$24M for stadium upgrades, \$14M for Fair & Expo Center upgrades, \$2M for site greening / upgrades)	Additional \$9M+ annual economic impact, \$500k+ annual fiscal impact, 500+ annual room nights.	Implement streetscape upgrades to Sprague, Havana, and Broadway to make development more attractive.	Develop a masterplan for the district that includes recommended upgrades, plus business initiatives such as cross-promotion.
	Whitewater Course	4	Put-in on City-owned site along river, take-out at Mirabeau Point Park. City owns / operates rentals. Integration with Centennial trail. Requires parking, rental / storage structures, and possibly some work on the river itself.	Medium risk due to uncertainty around suitability of Spokane River for watersport activities.	Dependent on river upgrades, but roughly \$5M up front, break even operations.	15-20k annual users, but more as a complementary amenity than destination driver. \$2.5- \$3.5M annual economic impact.	Study feasibility of whitewater course within the river and scope of river upgrades needed.	Build put-in and take-out sites.
	Ice Sheets	5	An indoor facility with 2 ice sheets, seating for 1,600 spectators (across both sheets), locker rooms, storage, training areas, and flex spaces. Potentially located in Mirabeau Point Park and surrounded by 420 parking spaces.	Medium risk due to moderate projected demand relative to high up-front cost combined with niche nature of ice sports.	\$45 - \$55M up front, break even operations	\$5.6M+ annual economic impact, \$345K+ annual fiscal impact, 9,800+ annual room nights.		Seek financing / operating partner (County, private entity, etc.)

Source: Johnson Consulting



Section 7

Case Studies



JOHNSON
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NICHOLS TOURISM GROUP
Advisory services for an evolving tourism industry



DESTINATION
CONSULTANCY GROUP

Case Studies

Introduction

In order to gain insight from tourism development efforts in other cities, the Consulting Team examined several case studies. These case studies cast a wide net as tourism generation has a broad scope but generally focus on destination themes and product opportunities that are relevant to Spokane Valley. The categories of case studies examined are as follows:

- ▶ Tourism Destinations
- ▶ Sports Complexes
- ▶ Ice Arenas
- ▶ Cross Country / Cyclocross Courses
- ▶ Whitewater Parks
- ▶ Civic / Event Centers
- ▶ Fairgrounds Districts
- ▶ Stadium Districts

These case studies provide insight not just into the physical characteristics of these destinations and products, but into their ownership, operations, and tourism impacts. As such, they provide valuable context for the broader tourism landscape in which Spokane Valley is competing.

Case Studies – Tourism Destinations

Overview

Sports tourism is a destination theme that the Consulting Team has identified as important to Spokane Valley's overall tourism landscape. We selected 4 other sports tourism destinations as benchmarks for Spokane Valley:

- Rockford, IL,
- Fox Cities / Appleton, WI,
- Monroe-West Monroe, LA, and
- Panama City Beach, FL.

	Sports Tourism Destination Case Studies				
	Spokane Valley	Rockford, IL	Fox Cities / Appleton, WI	Monroe - West Monroe, LA	Panama City Beach, FL
Market Overview					
Population (MSA)	631,925	334,434	246,645	206,832	178,134
Tournament Sports Participants (4-Hour Drive Time) [^]	383,009	3,456,245	2,699,826	1,259,320	746,835
Destination Attributes					
Tournament-Quality Facilities	8	6	2	4	2
Multipurpose Fields	36	45	15	4	19
Diamond Fields	14	23	4	22	18
Hardwood Courts	25	10	8	8	0
Major Event Facilities*	9	10	2	6	6
Major Performing Arts Venues**	12	8	5	2	2

[^]Participants in Baseball, Softball, Soccer, Football, Basketball, and Volleyball

^{*}Facilities with a largest event space larger than 5,000 square feet

^{**}Venues with capacity larger than 500

Source: Esri, Johnson Consulting

As the chart on the top right shows, the Spokane / Spokane Valley area already has a significant sports tourism concentration, with more tournament-quality facilities than any of the case studies examined. However, 6 of those 8 facilities are in Spokane, meaning Spokane Valley benefits from fewer of the room nights generated by the area's overall sports tourism industry. Continuing to build on the area's concentration while shifting more tourism towards Spokane Valley is a significant focus of this study.

Case Studies – Tourism Destinations

Rockford, IL

Since it opened its first tournament-quality facility, Mercyhealth Sportscore One, in the mid-1980s, Rockford, IL has become a national leader in sports tourism. The MSA, which has a population of 334,434, features 6 major tournament facilities offering a combined 45 multipurpose fields, 23 diamond fields, and 10 hardwood courts. In addition to common tournament sports such as soccer, football, volleyball, basketball, baseball, and softball, the Rockford region has venues for rowing, skiing, and track & field. Rockford's success in this realm goes beyond simply providing facilities. Go Rockford, the area's convention and visitors bureau, takes a very active role in soliciting events from 3rd-party organizers and organizing events itself. According to data from Go Rockford, sports events it booked or serviced in 2019 yielded over \$53.3 million in visitor-generated economic impact for Winnebago County, where Rockford is located.

Furthermore, the city provides an alternative entertainment and event destination to Chicago, while still being proximate to O'Hare Airport, with 10 major event facilities and 8 major performing arts venues.



MSA Population:
334,434



Tournament
Facilities:
6



Diamond Fields:
23



Regional
Participants:
3,456,245



Multipurpose
Fields:
45



Hardwood Courts:
10



Major Event
Facilities:
10



Major Performing
Arts Venues:
8

Case Studies – Tourism Destinations

Fox Cities / Appleton, WI

Located just 40 minutes southwest of Green Bay, the Fox Cities Region of Wisconsin is a destination for sport tournaments year round. During the summer, Scheels USA Youth Sports Complex hosts regional and national tournaments on its 15 multipurpose and 4 diamond fields, while the nearby Community First Champion Center hosts basketball, volleyball, and hockey events throughout the year. The latter facility, completed in 2019, is of particular importance to the market because it helps boost the tourism industry during the winter – the traditional off-season. According to the Sports Business Journal, the Champion Center was booked for 48 weekends in 2022, and 75% of its events required participants to travel. This has led to a significant increase in hotel revenue since 2019, despite the Covid-19 pandemic, and the facility's general manager has stated that its revenue in 2022 is expected to cover its operating costs.

Though nearby Green Bay boasts far more event space than the Fox Cities, they have positioned themselves as an arts destination in the region, with 5 major performing arts venues and numerous museums and galleries.



MSA Population:
246,645



Tournament Facilities:
2



Diamond Fields:
4



Hardwood Courts:
8



Regional Participants:
2,699,826



Multipurpose Fields:
15



Major Event Facilities:
2



Major Performing Arts Venues:
5

Case Studies – Tourism Destinations

Monroe / West Monroe, LA

With 4 multipurpose, 22 diamond, and 8 hardwood surfaces spread across 4 tournament-quality facilities, the Monroe / West Monroe area, in North-Central Louisiana, hosts many regional and national sporting events. The region's newest facility, which will be providing the 8 hardwood courts, is slated to open in 2023 and will double as an events center with a full-size kitchen and multiple concessions areas. In addition to common tournament sports, Monroe / West Monroe has brought in BMX bike events, fishing tournaments, and state championships for cheerleading, powerlifting, and tennis.

Monroe / West Monroe is also a regional hub for events, boasting 6 major events facilities, the largest of which, the Monroe Civic Center Complex, is the largest meeting facility in Northeast Louisiana.



MSA Population:
206,832



Tournament
Facilities:
4



Multipurpose
Fields:
4



Regional
Participants:
1,259,320



Diamond Fields:
22



Hardwood Courts:
8



Major Event
Facilities:
6



Major Performing
Arts Venues:
2

Case Studies – Tourism Destinations

Panama City Beach, FL

Panama City Beach, located on Florida's gulf coast, leverages its ocean access to complement its sport facilities. The city is home to 2 tournament-quality facilities, the newest of which (Publix Sports Park) opened in July of 2019. Between them, Panama City Beach is able to offer 19 multipurpose fields and 18 diamond fields. Though neither facility features indoor hardwood courts, this is not as severe a need in Florida's warm year-round temperatures. Panama City Beach has become a hub for regional and national tournaments. The city has hosted events organized by Perfect Game, Snap Soccer, Grand Slam Baseball, USFA Softpitch, and numerous others. In May of 2022, the GM of Publix Sports Park estimated that over 90% of the park's business had come from regional and national tournaments, a boon for the local hospitality industry.

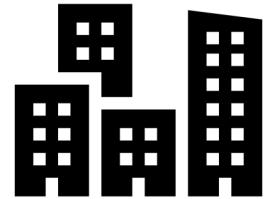
Panama City Beach's warm temperatures and ocean access also help it attract meetings, conventions, and other events. To support this demand, the city has 6 major event facilities, the largest of which is the 60,000-square-foot Sheraton Panama City Beach Golf & Spa Resort



MSA Population:
178,134



Regional Participants:
746,835



Tournament Facilities:
2



Multipurpose Fields:
19



Diamond Fields:
18



Hardwood Courts:
0



Major Event Facilities:
6



Major Performing Arts Venues:
2

Case Studies – Sports Complex

Sports Force Parks on the Mississippi

Sports Force Parks on the Mississippi was built in 2019 in Vicksburg, MS and primarily funded by a \$22.5M bond issue from the City of Vicksburg. The City owns the facility, but it is operated by Sports Force Parks, which also runs a sports complex in Sandusky, Ohio. Like the Plante's Ferry Sports Complex, Sports Force Parks on the Mississippi is entirely outdoors.

It has 6 multipurpose fields and 10 diamond fields, plus bullpens, batting cages, miniature golf, a zip line, concessions, and retail, ensuring that athletes and families are entertained even when games aren't going on. All of the field surfaces are synthetic turf, and 6 diamond and 4 multipurpose fields feature lighting so that athletes can play at night.

In 2019, the facility's first year of operations, it hosted 45 tournaments which drew roughly 135,000 visitors and created \$12.4 million of economic impact for the City of Vicksburg.



Sports Complex Case Studies		
	Plante's Ferry Sports Complex	Sports Force Parks on the Mississippi
Location	Spokane County, WA	Vicksburg, MS
Market Overview (4 Hour Drive Time)		
Population	2,462,028	9,930,610
Median Age	38.5	38.0
Median Household Income	\$63,424	\$53,182
Fees for Participant Sports	\$108	\$90
Facility Attributes		
Year of Construction (Last Expansion/Renovation)	1998	2019
Number of Multipurpose Surfaces	13	6
Number of Diamond Surfaces	5	10
Ownership & Management		
Owner	Spokane County	City of Vicksburg
Operator	Spokane Valley Junior Soccer Association	Sports Force Parks
Demand (Most Recent Year Available)		
Number of Tournaments	6	45
Event-Days	12	135
Total Tournament Attendance	11,096	135,000
Average Attendance per Tournament	1,849	3,000
Revenue & Expenses (Most Recent Year Available)		
Total Operating Revenue	\$479,527	-
Total Operating Expenses	\$750,536	-
Net Operating Income	(\$271,009)	-

Source: Relevant Facilities, Esri, Johnson Consulting

Case Studies – Ice Arena

Eagles Ice Arena

Eagles Ice Arena, located in Spokane, is a 2-sheet indoor ice venue built in 1973 and renovated in 1981. The facility is managed as a private business by 3 non-profits: Spokane Youth Hockey, Lilac City Figure Skating Club, and Old-Timers Hockey Association. In addition to its ice sheets, it features 18 locker rooms and a concessions stand.

The facility has a variety of user groups, including youth hockey clubs, adult hockey clubs, youth figure skating clubs, and public open skaters. It also hosts some tournaments, such as the Northwest Classic Hockey Tournament and Shamrock Showdown. As of this report's publication, the facility listed 5 tournaments, totaling 15 tournament days, scheduled for the first 3 months of 2023.



Ice Sheets Case Studies		Eagles Ice Arena
Location		Spokane, WA
Market Overview (4 Hour Drive Time)		
Population	2,408,251	
Median Age	38.4	
Median Household Income	\$63,632	
Fees for Participant Sports	\$109	
Facility Attributes		
Year of Construction (Last Expansion/Renovation)	1973 (1981)	
Number of Ice Surfaces	2	
Amenities / Other Facilities	18 locker rooms, concessions	
Use Groups	Public Use, Youth Hockey Clubs, Youth Figureskating Clubs, Adult Hockey Clubs	
Notable Events	Northwest Classic Hockey Tournament, Shamrock Showdown	
Ownership & Management		
Owner	Spokane Americans Youth Hockey Association, Spokane Oldtimers, Lilac City Figure Skating Club	
Operator	Spokane Americans Youth Hockey Association, Spokane Oldtimers, Lilac City Figure Skating Club	
Demand (Most Recent Year Available)		
Number of Tournaments	5	
Tournament Days	15	

Source: Relevant Facilities, Esri, Johnson Consulting

Case Studies – Cross Country/Cyclocross Trails

Overview

Fort Steilacoom Park in Lakewood Washington, the John Hunt Cross Country Course in Huntsville Alabama, and the Thomas Zimmer Championship Course were recommended to the Consulting Team as case studies due to their size and programming. These facilities primarily serve as public parks, but have also been outfitted with the trails and terrain necessary to host both cross country running and cyclocross events, the latter of which are bicycle races which occur on multiple surfaces and terrain types and often involve dismounting and carrying bikes for short periods of time. Such facilities typically have dedicated trails which can be used for both event types.

Cross Country / Cyclocross Courses Case Studies			
	Fort Steilacoom Park	John Hunt Cross Country Course	Thomas Zimmer Championship Course
Location	Lakewood, WA	Huntsville, AL	Madison, WI
Market Overview (4 Hour Drive Time)			
Population	9,881,971	18,316,579	17,353,473
Median Age	38.9	38.6	39.3
Median Household Income	\$88,972	\$64,411	\$74,214
Average Fees for Participant Sports	\$157	\$112	\$117
Facility Attributes			
Year of Construction (Last Expansion/Renovation)	1998	2018	2009
Overall Footprint (Acres)	340	150	115
Surface	Grass and Dirt	Grass and Rubber Trail	Grass
Amenities / Public Facilities	Permanent Shelters and Restrooms	Permanent Restrooms and Concessions	-
Use Groups	Public Use, Local HS / College Teams	Public Use, Local HS / College Teams	UW Cross Country
Notable Events	Lakes Invite, Steilacoom Invite	2020 Gulf Coast Conference Championships, open HS/Collegiate Events	Collegiate / USTAF Meets
Ownership & Management			
Owner	City of Lakewood	City of Huntsville	University of Wisconsin
Operator	City of Lakewood Parks and Rec	City of Huntsville Parks and Rec	University of Wisconsin Athletics
Demand (Most Recent Year Available)			
Number of Events	5	10	5
Total Attendance	900	-	-
Average Attendance per Event	180	-	-

Source: Relevant Facilities, Esri, Johnson Consulting

Case Studies – Cross Country/Cyclocross Trails

Fort Steilacoom Park

The 340-acre Fort Steilacoom Park is the largest park in Lakewood, Washington. The park is owned by the City of Lakewood and includes sports fields, dog parks, picnic shelters, bathrooms, and an extensive trail system. The City partners with the local school district to host several cross country running events in the park each year, the largest of which is the Steilacoom Invitational, which attracts roughly 7,000 people annually. However, these events are typically local in nature, and as such attract few out-of-town visitors.

The cyclocross events hosted at Fort Steilacoom Park are higher-impact from a tourism perspective. The City rents out the park for 2 regional cyclocross races each year, and 1 7-day national every 3-4 years. These events attract 200-500 people on average, the majority of whom are not local.



Case Studies – Cross Country/Cyclocross Trails

John Hunt Cross Country Course and Mountain Bike Course

Located in Huntsville Alabama, the John Hunt Cross Country Course and Mountain Bike Course comprise 150 acres of the 428-acre John Hunt Park, which also features 9 multipurpose rectangular fields, 4 diamond fields, 30 tennis courts, a playground, restrooms, concessions, and festival grounds. The cross country course features a 10-meter wide, manicured grass track with loop options for 2 miles and 5, 6, 8, and 10 kilometers. The dirt mountain bike course, which is used for cyclocross events, is 4.3 miles long and covers 239 vertical feet. Notable events held at the facility include the Rocket City Cross cyclocross race and the All-State Alabama Cross Country Championships.



Case Studies – Cross Country/Cyclocross Trails

Thomas Zimmer Championship Course

The Thomas Zimmer Championship Course, located in Madison Wisconsin, is the home of the University of Wisconsin-Madison's men's and women's cross country teams. The course is comprised of two loops – a 1,000-meter interior loop and a 2,500-meter exterior loop – and can be configured to accommodate races of up to 10 kilometers. A berm near the starting and finishing area provides elevated views for spectators. It opened in 2009 and is considered one of the premiere cross country courses in the United States, hosting major events such as the annual Nuttycombe Wisconsin Invitational, the 2018 NCAA Cross Country Championship, and the 2023 Big Ten Championship.



Case Studies – Whitewater Park

Clear Creek Whitewater Park

Clear Creek Whitewater Park in Golden, Colorado offers a whitewater course running nearly a mile through Golden's downtown. Dedicated in 1998, the park features 7 creek access points and 3 distinct sections, each with a different difficulty level. Natural boulders in the calmer parts of the course provide perfect opportunities for tubers to hang out for a while before continuing downstream, and the park serves visitors both interested in active recreation and outdoor relaxation. Bicycle and pedestrian trails flank the creek on either side, and retail and restaurants are easily accessible at the take-out points, helping tie together a comprehensive recreation experience.

In addition to the park's amateur users, it has hosted whitewater events, festivals, and competitions. A 2020 report in *Parks & Rec Business* estimated that the park annually attracts 14,000 users and generates an economic impact of \$2.2 million.



Case Studies – Civic and Event Center

Overview

Due to its size, location, and role within the community, the CenterPlace Regional Event Center is a somewhat unusual facility. To account for this uniqueness, the Consulting Team selected case studies which represent CenterPlace's competition for regional events in the Pacific Northwest, as well as the Palm Coast Community Center in Palm Coast, Florida, which serves a similar dual function as both a tourism and a community asset.

CenterPlace Regional Event Center						
Case Studies						
	CenterPlace Regional Event Center	Hilton Vancouver Washington Event Space	Three Rivers Convention Center	Wenatchee Convention Center	Seaside Civic and Convention Center	Palm Coast Community Center
Location	Spokane Valley, WA	Vancouver, WA	Kennewick, WA	Wenatchee, WA	Seaside, OR	Palm Coast, FL
Market Overview (1 Hour Drive Time)						
Population	760,120	2,645,060	431,355	130,674	53,945	1,412,876
Median Age	39.5	38.6	34.1	38.8	49.0	43.0
Median Household Income	\$65,140	\$86,211	\$73,826	\$66,399	\$63,463	\$67,956
Hotel Inventory within a Mile (Rooms)	10,756	31,896	4,980	3,066	3,482	10,985
Facility Attributes						
Year of Construction (Last Expansion/Renovation)	2005 (2021)	2005 (2015)	2004 (2025)	1980 (2015)	1971 (2019)	1975 (2018)
Exhibit Space (SF)	5,092	-	21,600	7,560	10,500	-
Ballroom Space (SF)	6,840	21,473	-	10,080	6,030	5,039
Meeting Space (SF)	8,950	8,338	11,532	11,988	7,573	6,178
Total Function Space (SF)	20,882	29,811	33,132	29,628	24,103	11,217
Largest Space (SF)	6,840	13,973	21,600	10,080	10,500	5,039
Ownership & Management						
Owner	City of Spokane Valley	Hilton Vancouver Washington	Kennewick Public Facilities District	Wenatchee Public Facilities District	City of Seaside	City of Palm Coast
Operator	City of Spokane Valley	Hilton Vancouver Washington	VenuWorks	Coast Hotels	City of Seaside	City of Palm Coast
Number of Employees	5	-	9	35	11	1 (for events)
Demand (Most Recent Year Available)						
Number of Events	820	700	249	60	87	36
Event-Days	-	837	385	300	245	77
Total Attendance	67,295	111,425	48,196	100,000	30,000	20,000
Average Attendance per Event	82	159	194	1,667	345	556
Revenue & Expenses (Most Recent Year Available)						
Total Operating Revenue	\$419,706	\$20,293,000	\$2,667,113	-	-	\$191,680
Total Operating Expenses	\$873,135	\$14,795,000	\$2,857,187	-	\$2,600,000	\$191,680
Net Operating Income	(\$453,429)	\$5,498,000	(\$190,073)	-	-	\$0
NOI per Total Function Space SF	(\$21.71)	\$184.43	(\$5.75)	-	-	\$0.00

Source: Relevant Facilities, Esri, Johnson Consulting

Case Studies – Civic and Event Center

Hilton Vancouver Washington Event Space

The Hilton Vancouver Washington is a 226-room hotel located in Downtown Vancouver, WA, which is directly across the Columbia River from Portland, OR. Attached to the hotel is 29,811 square feet of event space, including 8,338 square feet of meeting space, 21,473 square feet of ballroom space, and a largest space of 13,973 square feet. The event facility, built in 2005, is owned and operated by the Hilton Vancouver Washington and was last renovated in 2015.

According to a study published by CSL in 2022, in a typical year the facility hosts 700 events over 837 days and attracting 111,425 attendees, roughly 41,000 of whom are non-local. This produces a net operating income of nearly \$5.5 million for the facility's operator as well as a total economic output of over \$40 million.



Case Studies – Civic and Event Center

Three Rivers Convention Center

Located in Kennewick, WA and serving the Tri-Cities area, the Three Rivers Convention Center is a 33,132 square foot event facility owned by the Kennewick Public Facilities District and operated by VenuWorks. The Convention Center was built in 2004, is scheduled to be renovated in 2025, and includes 21,600 square feet of exhibit space and 11,532 square feet of meeting space. It is staffed by 9 full-time employees and, in 2019, hosted 48,196 attendees across 249 events and 385 event days. Though the Convention Center reported an operating loss that year, its executive director estimated in 2023 that it generates roughly \$31 million of annual economic impact for the Tri-Cities area.



Case Studies – Civic and Event Center

Wenatchee Convention Center

The Wenatchee Convention Center is located in Wenatchee, WA, owned by the City of Wenatchee and operated by Coast Hotels, which also owns and operates the adjoining 147-room Coast Wenatchee Center Hotel. It was built in 1980 and last renovated in 2015. Another \$14 million renovation is currently being discussed that would be completed by 2024. The convention center features 29,628 square feet of overall event space, including 7,560 square feet of exhibit space, 11,988 square feet of meeting space, and a 10,080 square foot ballroom, the facility's largest space. It is staffed by 35 full time employees and in a typical year hosts around 60 events across roughly 300 event days, with the preponderance being conferences and conventions. Those events attract roughly 100,000 people, about 40% of whom are non-local.



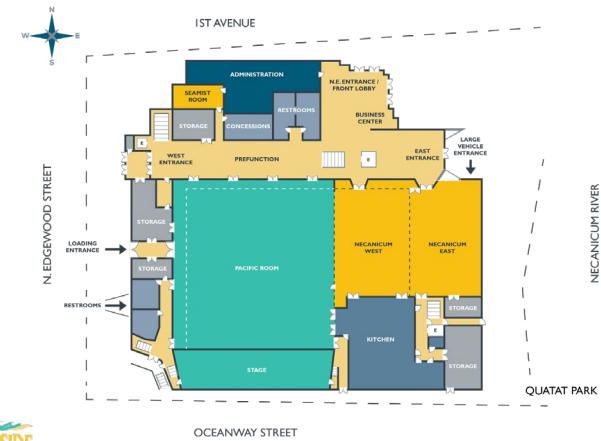
Case Studies – Civic and Event Center

Seaside Civic and Convention Center

The Seaside Civic and Convention Center is a 24,103 square foot facility located in Seaside Oregon. The convention center, which was built in 1971 but renovated in 2019, is owned and operated by the City of Seaside and is staffed by a team of 11 full-time employees. It has 6,030 square feet of ballroom space, 7,573 square feet of meeting space, and its largest space is its 10,500 square foot exhibit hall. In 2022, the facility hosted 87 events across 245 event days. Those events attracted roughly 30,000 attendees, or around 345 per event.



SEASIDE CIVIC AND CONVENTION CENTER MAIN LEVEL FLOOR PLAN



Case Studies – Civic and Event Center

Palm Coast Community Center

Like CenterPlace, the Palm Coast Community Center in Palm Coast, FL serves as both a tourism and community asset, though it leans more towards the latter than the former. The facility, which was built in 1975 and renovated in 2018, is owned and operated by the City of Palm Coast. Though the community center has several staffers for its operations, there is only one full-time employee dedicated to events. As a result, the facility only hosted 36 events in 2022, the vast majority of which were more community-oriented than tourism oriented. These events, across 77 event days, attracted roughly 20,000 attendees. The Palm Coast Community Center has 11,217 total square feet of event space, which is comprised by 6,178 square feet of meeting space and a 5,039 square foot ballroom, the facility's largest space.



Case Studies – Fairgrounds District

Overview

Though best known for the fairs they support, fairgrounds facilities can be much more, often containing event, entertainment, and commercial space. The Consulting Team examined two facilities as case studies for the Spokane County Fair & Expo Center: the Missoula County Fairgrounds in Missoula, MT and State Fair Park & Event Center in Yakima, WA. These fairgrounds were chosen because they are urban in nature and have seen investments target towards increasing vibrancy and hosting more events beyond the fairs themselves.

Fairgrounds Case Studies			
	Spokane County Fair & Expo Center	Missoula County Fairgrounds	State Fair Park & Event Center
Location	Spokane Valley, WA	Missoula, MT	Yakima, WA
Market Overview (2 Hour Drive Time)			
Population	1,059,218	340,961	989,160
Median Age	39.0	42.6	35.6
Median Household Income	\$63,129	\$58,887	\$71,053
Facility Attributes			
Largest Multipurpose Event Space (SF)	28,140	49,500	85,500
Max Seating Capacity	5,100	2,500	6,195
Indoor Pavilion	∅	Proposed	✓
Arena and Grandstands	✓	✓	✓
Full-Time Employees	14	8	15
Ownership & Management			
Owner	Spokane County	Missoula County	Yakima County
Operator	Spokane County	Missoula County	Central Washington Fair Association
Demand (Most Recent Year Available)			
Number of Events	75	78	-
Event-Days	300	365	-
Total Attendance	-	95,127	949,806
Average Attendance per Event	-	1,220	-
Revenue & Expenses (Most Recent Year Available)			
Total Operating Revenue	\$5,583,818	\$1,349,406	\$4,563,162
Total Operating Expenses	\$5,250,889	\$1,423,222	\$5,484,791
Net Operating Income	\$332,929	(\$73,816)	(\$921,629)

Case Studies – Fairgrounds District

Missoula County Fairgrounds

The Missoula County Fairgrounds (MCF) has been in its current site since 1913, when it was purchased by the County. At the time, the site was surrounded by farmlands, but the surrounding area has urbanized over time and is now a hub of activity. In 2019, the facility hosted 78 events over 365 event days, attracting 95,127 attendees in total. It did this with a relatively lean staff – just 8 full time employees. In its 2018-2019 fiscal year, the MCF reported an operating loss of (\$73,816).

In 2016, Missoula County adopted the MCF Implementation Plan, which recognized the need for reinvestment and redevelopment of the facility. The first phase, which is currently underway, includes the renovation of the historic Commercial Building and Culinary Building, construction of permanent concessions, an historic plaza, and a new trail network. The hallmark of Phase 1 is the new Rocky Mountain Gardens and Exploration Center, which will be home to the Missoula County Extension and Weed District, and the Missoula Butterfly House and Insectarium that will include Missoula's first tropical butterfly house and 2.5 acres of educational gardens. Subsequent phases include a proposed Livestock and Equestrian Pavilion and Arena and Grandstands to replace the existing rodeo and livestock facilities, as well as a possible ice arena.



Missoula County Fairgrounds
Schematic Plan



Legacy • Innovation • Agriculture • Tradition • Community



March 2018

Case Studies – Fairgrounds District

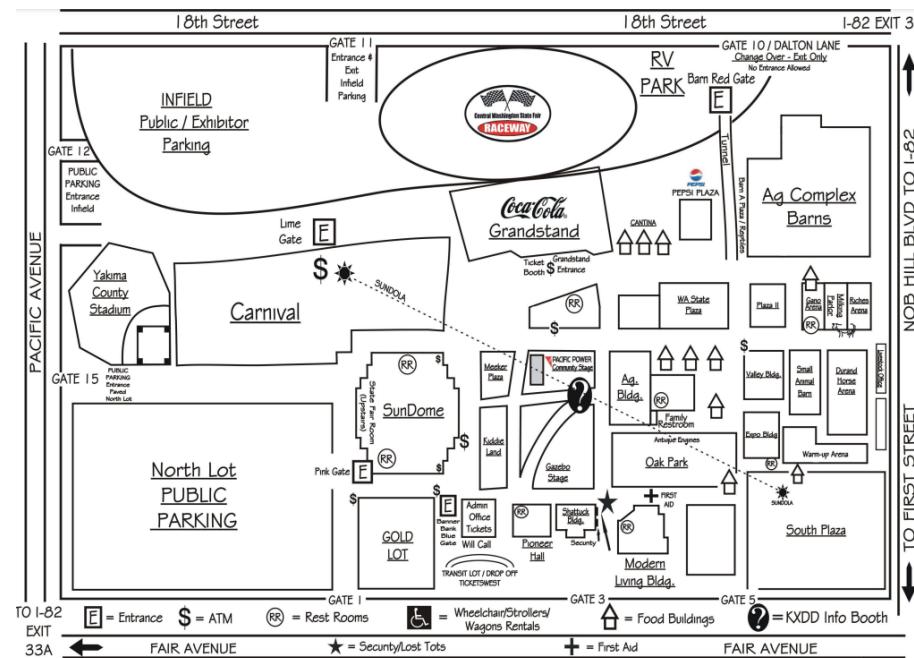
State Fair Park & Event Center

Located near downtown Yakima, a roughly 1.5-hour drive northwest of the Benton County Fairgrounds, the State Fair Park site has hosted the Central Washington State Fair since 1892. Since then, the site has undergone several expansions and renovations to become a regional event destination. The facilities are owned and operated by a non-profit organization created through a public-private partnership with Yakima County. Food service is managed by Spectra. State Fair Park employs 15 full-time staff.

State Fair Park's 120-acre campus includes about 35,000 SF of exhibit and meeting space, 116 stalls, a main plaza, a rodeo arena and grandstand seating for 2,000 people, the 2,800-seat Yakima County Stadium, and the 7,000-seat Yakima Valley SunDome. The campus also has parking for 2,000 and a chairlift that takes fair visitors across the site.

In 2019, State Fair Park facilities (excluding the SunDome) welcomed 505,134 visitors. The same year, the Central Washington State Fair welcomed 277,751 visitors. In 2019, the SunDome alone attracted 444,672 attendees, generated 20,681 room nights, and created \$19.1M in economic impact. In 2019, the Central Washington State Fair Association reported \$4.9M in revenues and \$5.5M in expenses, resulting in an operating loss of (\$561,043).

State Fair Park is an example of a historic Fairgrounds that has undergone many expansions and renovations over the years. State Fair Park is similarly sized to the Benton County Fairgrounds. However, State Fair Park has filled its grounds with more entertainment and recreation spaces that have helped solidify the grounds as a regional destination.



CENTRAL WASHINGTON STATE FAIR at STATE FAIR PARK

Case Studies – Stadium District

Parkview Field / Harrison Square

The 6,516-seat Parkview Field, located in downtown Fort Wayne, Indiana, is the home of the Fort Wayne Tin Caps and the keystone of the Harrison Square development, which also includes retail, offices, apartments, a hotel, a parking garage, and a park with an amphitheater and fountain. The project was a public-private partnership between the City of Fort Wayne, White Lodging Services, Hardball Capital, and Barry Real Estate, and cost roughly \$120 million in total.

Due to its vibrant, urban setting, the field serves as a venue for far more than just baseball. It attracts over 500,000 people annually, with more than 100,000 of those coming for the 600 non-baseball events hosted each year on average, such as weddings, concerts, corporate events, community events, and more. Game attendance failed to exceed 4,000 fans per game in the last 3 years of the previous ballpark, Memorial Stadium, but was over 5,000 per game every year from 2009-2019 in the new Parkview Field, despite the two stadiums having the same number of seats. Furthermore, the district serves as a complement to the nearby Grand Wayne Convention Center and Embassy Theater



Case Studies – Stadium District

Parkview Field / Harrison Square

BEFORE (2006)



AFTER (2021)



Parkview Field / Harrison Square

Year Opened: 2009

Owner: Hardball Capital

Operator: Fort Wayne Tin Caps

Ballpark Construction Cost: \$30.6 million

Total Real Estate Cost: \$100 million

Total Public Contribution: \$64.3 million

2022 Baseball Attendance: 303,680

Source: City of Fort Wayne, Ballpark Digest, Johnson Consulting

Case Studies

Implications

The most significant implication from these case studies is that destination development is a multi-faceted process. Many destinations have strong identities and concentrations, but also offer complementary amenities and activities; rarely is a destination completely one-dimensional. For instance, while the tourism destinations analyzed do have strong sports-tourism concentrations, they also offer event space, natural amenities, cultural resources, and other tourism-drivers which help enhance their core market. This applies to product opportunities as well. Though a single product – such as a sports complex, fairground district, or event center – can lead a market's tourism industry, it takes a host of complementary products to build a well-rounded, cohesive destination.

It also takes high-quality products. Facilities like Sports Force Parks on the Mississippi and the John Hunt Cross Country and Mountain Bike Course are competitive for regional and national events because those high-profile and high-stakes competitions seek out the best facilities, and are willing to travel to use them. That level of quality – synthetic turf, lighting, concessions, etc. – is what differentiates tourism-driving sports facilities from facilities, such as Fort Steilacoom Park, that mostly attract local users, and it should be kept in mind as the City considers assets such as Plante's Ferry or the proposed cross country / cyclocross course. The Eagles Ice Arena presents a different case of a successful facility, one driven less by overwhelming quality and more by its status as one of the few options in the market equipped to host tournaments. A new ice facility would have the opportunity to immediately be the best option in the Spokane-Spokane Valley area, and could also collaborate with the existing facilities to bring in larger events that neither could do alone.

Sports tournaments aren't the only tourism driver available to Spokane Valley. The civic and event center case studies demonstrate that smaller event facilities – such as the Hilton Vancouver Washington and Wenatchee Convention Center – can be significant tourism drivers despite not competing for the same scale of events as large convention centers, such as the one located in Downtown Spokane. Relative to the event centers studied, which can be seen as CenterPlace's competitive set, CenterPlace brings in more total events but averages far fewer attendees per event. This indicates that it is not targeting the types of events – state association meetings, medium corporate conferences and conventions, large weddings – that are optimal for tourism generation. However, note that doing so requires investment; CenterPlace is on the low end of this set when it comes to full-time employees, and would likely need to dedicate more resources to sales, marketing, and operations if it were to seriously compete for larger events.

Case Studies

Implications

Enhancing existing destination drivers by increasing their utilization and vibrancy is also an avenue worth exploring. The State Fair Park & Event Center in Yakima has seen numerous expansions and renovations over the years, including the addition of a baseball stadium and indoor arena, which have helped it become a regional hub of entertainment and activity that goes beyond the fair itself. The Missoula County Fairgrounds is pursuing a similar end in its implementation plan, giving the facility a facelift and adding permanent F&B options and educational space to make it a place where people want to spend time beyond fair events themselves. Meanwhile, Parkview Field and Harrison square demonstrate the boost in attendance that can result from an upgraded stadium complemented by nearby retail and entertainment. When visitors stay in a stadium or fairgrounds district for more than just their primary event – whether it is a fair, car show, concert, or baseball game – they spend more on food and drinks and are more likely to stay the night at a nearby hotel.

Finally, Clear Creek Whitewater Park shows the value of assets that fit within a destination's overall theme. Golden brands itself as a historic mountain town and a hub of outdoor adventure. Having a highly visible whitewater park running through its downtown emphasizes that branding. It also provides a complement to Golden's other outdoor adventure assets, fitting into a daylong agenda that might include a hike in the morning, a float down the river to cool off, some shopping, and then dinner at a downtown brewery. Though Spokane Valley lacks Golden's density and walkability, it could reap similar branding benefits from a whitewater park, helping reinforce the idea that it is the "basecamp for adventure."



Section 8

Spokane Valley TPA



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Spokane Valley Tourism Promotion Area

Past History

Spokane Valley historically participated as a partner in the Spokane Tourism Promotion Area (TPA). The Spokane TPA was established in 2004, with Spokane County, the City of Spokane, and the City of Spokane Valley as partners. An overnight TPA assessment (currently \$4 per night) generated resources which were used to "grow our tourism economy through increased visitor spending in Spokane County lodging establishments as well in retail, restaurant, transportation, attraction, and other hospitality establishments." The Spokane TPA contracted with Visit Spokane to act as the administrative manager for the TPA.

Over the years, the City of Spokane Valley questioned if they received an appropriate level of marketing and promotional representation for the resources they contributed to the TPA. In 2022, the City of Spokane Valley decided to exit the Spokane TPA and form its own Spokane Valley TPA.

Spokane Valley TPA Formation

As 2022 progressed, City representatives met with Spokane Valley hoteliers to develop an understanding of their interests and concerns regarding a separate TPA. Feedback from these meetings were incorporated in a petition to establish the TPA. Key provisions included:

- Qualifying lodging properties needed to have at least 40 units
- The petition must be signed and submitted by the operators of qualifying lodging businesses who would pay at least 60% of the special assessment
- The boundaries of the Spokane Valley TPA shall be the city limits
- The daily special assessment is set at \$4.00
- A five-person Hotel Motel Commission is to be formed to help direct use of funds
- Funds are to be used for general promotion of tourism within Spokane Valley, the marketing of conventions, meetings, special events, the marketing of Spokane Valley to the travel industry, and the marketing of Spokane Valley to recruit sporting events



PETITION TO ESTABLISH CITY OF SPOKANE VALLEY
TOURISM PROMOTION AREA

WHEREAS, pursuant to chapter 35.101 RCW, a tourism promotion area (TPA) may be formed within a defined area for the purpose of tourism promotion, and would have authority to levy special assessments to fund tourism promotion as defined in RCW 35.101.010(4); and

WHEREAS, the qualifying lodging businesses (40 or more lodging units) within the City of Spokane Valley desire now to present an initiation petition seeking to have the City Council establish a Spokane Valley TPA pursuant to chapter 35.101 RCW; and

WHEREAS, petitions must be signed and submitted by the operators of qualifying lodging businesses who would pay at least 60% of the special assessment as determined by the revenue from qualifying lodging businesses in the previous quarter; and

Spokane Valley Tourism Promotion Area

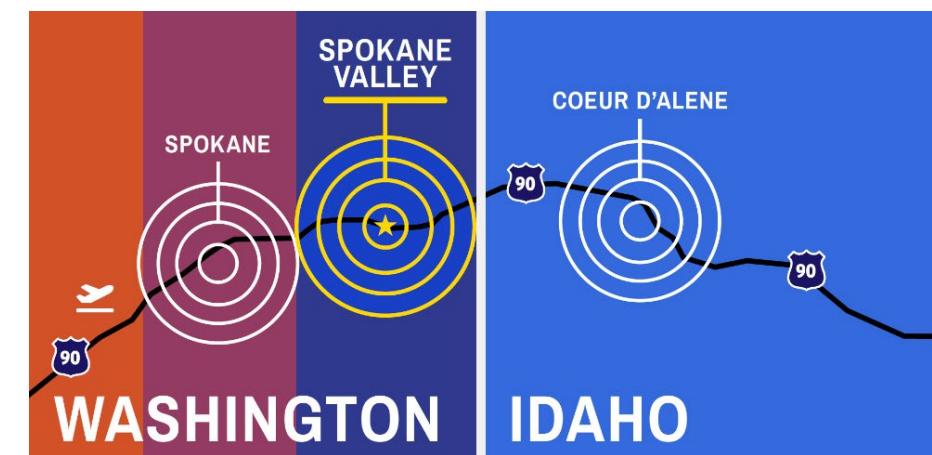
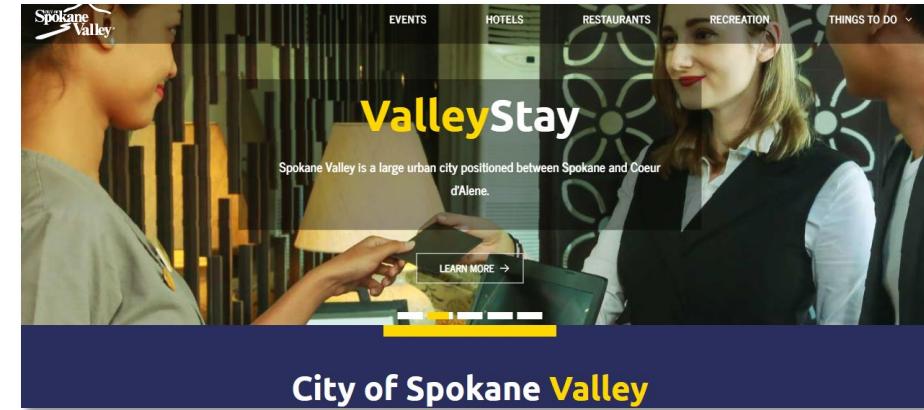
Spokane Valley TPA Formation

In September of 2022, the Spokane Valley City Council approved a resolution to establish a new Spokane Valley TPA. Spokane Valley officially exited the Spokane TPA as of December 31, 2022, and the new Spokane Valley TPA began as of January 1, 2023.

A five-person TPA Commission was formed with the following representation as defined by Smith Travel Research:

- a. one economy hotel;
- b. one midscale hotel;
- c. one upper midscale hotel;
- d. one upscale hotel;
- e. one full-service hotel with over 200 rooms.

The TPA Commission would develop a recommended annual budget for the use of Spokane Valley TPA revenues, including recommended activities and programmatic deployments for use of the funding TPA resources. This budget would be presented to the City Council for their review and approval on an annual basis.



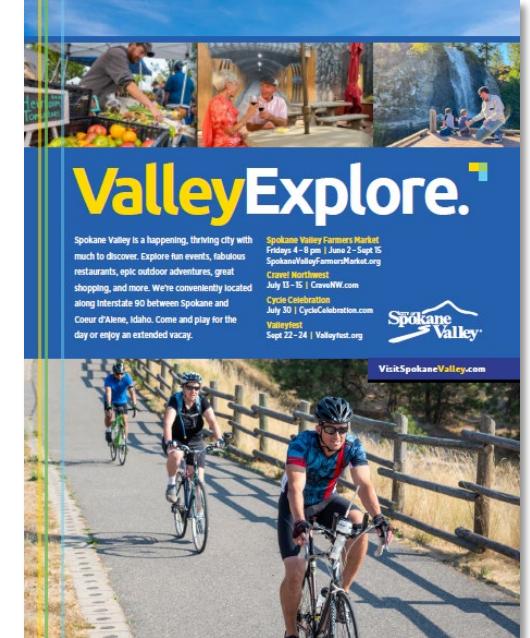
Spokane Valley Tourism Promotion Area

Spokane Valley TPA Management

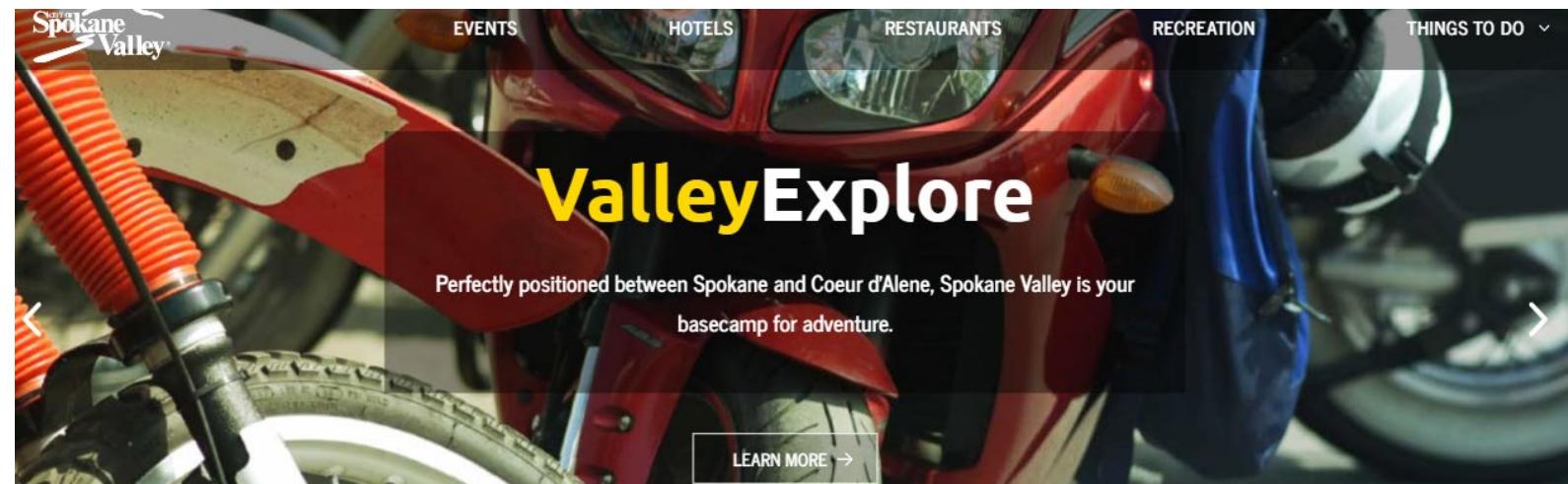
The City of Spokane Valley and its Economic Development Department will serve as the primary entity overseeing management of the Spokane Valley TPA. Through the addition of new tourism-related professionals, the department will take a leadership role in industry connections, TPA oversight, and marketing/engagement with external visitors.

Spokane Valley already developed a new website that showcases the City's range of visitor attractions and guides visitors in how to think about and experience it as a destination. In addition, City staff have also developed a full-page ad that will run in the Visit Spokane Travel Guide, using a Valley Explore theme.

These early-stage efforts will be further enhanced by the expertise of 116 & West. This regional ad agency has knowledge and background in the Spokane region and will be able to help develop new branding and creative elements that will further cultivate a distinct identity for Spokane Valley. They will develop a 5-year marketing plan that outlines the most compelling messages to connect and engage prospective visitors, presenting recommendations on electronic and print placements. Additionally, the agency will help refine the visitor-oriented website to carry through new branding and messaging elements, ensuring prospects see a visually stimulating destination with compelling reasons on why to choose Spokane Valley.



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Section 9

Implementation Strategies and Tactics



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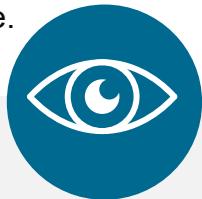


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Strategies and Tactics Implementation

Overview

Using the findings presented through this report as a foundation, this section outlines how Spokane Valley should strategically position itself for the future. It outlines new Vision and Mission statements and identifies four strategic Pillars that incorporate a mix of objectives, strategies, and tactics. Successful implementation of the plan's strategies and tactics will result in Spokane Valley achieving the ultimate goal of this new strategic tourism plan for Spokane Valley's visitor industry: to define and fully maximize its competitive advantage.



VISION STATEMENT

Throughout this planning process, a wide variety of perspectives were gathered on Spokane Valley's tourism potential in the coming years. This Vision is intentionally aspirational and focused on how the city will be regarded in the future as a visitor destination.

Spokane Valley is a year-round destination that embodies a diversity of outdoor adventure, youth sports, event, and retail offerings, attracting a vibrant, multi-generational mix of audiences and serving as a family-friendly basecamp for experiencing all the Spokane Region has to offer.



MISSION STATEMENT

The Mission reflects the City's role in both promotion and community placemaking in Spokane Valley, and the importance of ongoing collaboration with an array of entities to achieve the desired impacts.

The City of Spokane Valley will guide sustainable tourism promotion and placemaking initiatives to achieve economic vitality and enhanced quality of place through diverse affiliations and collaborations.

Strategies and Tactics Implementation

Strategic Pillars

To help achieve this Vision and Mission, four strategic Pillars will serve to organize the objectives, strategies and tactics that form the plan's framework. These communicate the essence of the new strategic directions recommended in this plan.

- ▶ **Position:** Spokane Valley must clearly position itself in the minds of the traveling public, reinforcing its competitive strengths and differentiating characteristics.
- ▶ **Attract:** New promotion and communication efforts will be undertaken, targeting high value segments for the City and engaging them to consider Spokane Valley as their destination of choice.
- ▶ **Develop:** New efforts to expand and / or enhance the array of products that are valued by targeted customer segments should be undertaken. These efforts will be strategically prioritized and fit within a broader tourism strategy.
- ▶ **Elevate:** The role of the visitor industry will be elevated among Spokane Valley's residents and leaders. Through direct control, the City will chart its course and develop partnering connections with other regional entities to maximize the economic benefit of the industry to the City.

The remainder of this section considers each of the following Pillars in greater detail.



Strategies and Tactics Implementation – Position



Position – Effectively Position Spokane Valley in Visitors' Minds

Position Spokane Valley as a desirable distinctive destination. To do so, Spokane Valley must clearly position itself in the minds of the travelling public, reinforcing its competitive strengths and differentiating its characteristics.



OBJECTIVE 1: Develop a distinct Spokane Valley tourism identity that differentiates the city from surrounding destinations.

It is vitally important that Spokane Valley own and promote an authentic destination brand positioning and promise. Relevant audiovisuals and messaging will be crucial in influencing visitors to come and / or stay in the city and area.

STRATEGY 1: Build consensus on a near-term tourism brand identity.

Partnership formations and subsequent mutual advantages in tourism brand utilization are needed to expand the impact of brand promotion and understanding.

Tactic 1: Use key themes identified through the planning process for brand identity.

Use competitive advantages and prospective themes determined in the planning process to build agreement around near-term key brand attributes. Acknowledging tourism themes and competitive advantages from initial fieldwork and stakeholder discussions will aid in determining main brand trait differentials. Their listing will be vetted against consumer responses to reinforce top destination brand attributes.

Tactic 2: Incorporate themes in brand design.

Incorporate design expertise to develop creative that reinforces key brand attributes. Credible brand design expertise will be required to interpret and apply the primary tourism brand characteristics in relation to internal / external consumer imagery and perception research.

Tactic 3: Engage the visitor industry to reinforce brand embrace.

Engage a broad group of members of the Spokane Valley visitor industry to assist in brand creative acceptance and use. Local support is to be solicited and developed in the acceptance of the brand creative by leading visitor industry and community proponents.

STRATEGY 2: Evolve with longer-term branding decisions and development.

While Strategy 1 provides a near-term approach for Spokane Valley's branding, the destination should delve deeper into current attitudes and image perceptions of current and prospective audiences through a more formal brand-research and strategy effort. A formalized, quantitative-based brand research and strategy needs to be undertaken to comprehend fully the current attitudes and image perceptions of consumers in relation to local qualitative focus group discussions.

Tactic 1: Undertake a brand imagery analysis.

A new brand imagery analysis will likely be undertaken by 116 & West that investigates current perceptions of prospective audiences regarding Spokane Valley. Specific online brand imagery surveys of current and potential visitors, and applicable group organizers / planners, stakeholders and / or residents could be utilized to help ensure effective results.

Tactic 2: Refine brand positioning.

Using findings from the brand analysis, 116 & West should craft new approaches that will provide Spokane Valley with a unique identity, while at the same time reinforce its location and role in the broader region.

Tactic 3: Launch a formal brand throughout the community.

Launch the brand platform with influential messaging in conjunction with a dedicated promotional program that engages the industry and community at large. With agreed-to brand creative, a proactive brand launch will be activated in tangent with strong visitor industry and community support.

OBJECTIVE 2: Expand acceptance of the brand with partners.

Form tourism partner relationships in the Spokane region that can enhance visitor by adopting the same brand presence.

STRATEGY 1: Create effective tourism brand partnerships.

Development of a destination-wide group of public and private sector organizations supportive of the tourism brand will be important to expand its reach.

Tactic 1: Identify key tourism partners.

The full range of prospective tourism partner organizations and their mutually supporting roles and responsibilities should be identified. This could include partnership roles with Visit Spokane, Spokane Sports, the Spokane Valley TPA, and the Spokane Valley Chamber of Commerce, establishing agreed-upon roles and responsibilities.

OBJECTIVE 3: Build a Spokane Valley image library.

A Spokane Valley brand image library and associated content that aligns with the brand strategy and can be used in future visitor communications should be developed / expanded. Creating this brand image library for use internally and for community partners will provide the opportunity for a consistent and reinforcing visual and messaging presence.

STRATEGY 1: Compile a tourism brand cybrary.

A tourism brand cybrary should be developed and added to on an ongoing basis. Through its development and use throughout the visitor industry, effective community tourism brand images can be used in targeting prospective visitors.

Tactic 1: Setup a digital library with relevant audio-visual materials.

Provision of a digital library with appropriate photography, videos and other related audio-visual materials is paramount to ensuring consistent brand usage and deployment.

Tactic 2: Promote the use of the digital library assets to industry and community partners.

Dedicated frequent communications of digital library materials to targeted users, (considering the geographic origin sources noted earlier in the report and key thematic segments like youth sports, value sensitive travelers and visitors planning to experience a range of experiences around the region) should be enacted, along with ideas of how they can integrate.

Strategies and Tactics Implementation – Attract



Attract – Attract Targeted Segments to Spokane Valley

New promotion and communication efforts will be undertaken, targeting high value segments for the City and engaging them to consider Spokane Valley as their destination of choice. This will build off the work done in the Position Pillar and strive to connect key Spokane Valley themes and messages to prospective visitors.



Spokane Valley Tourism Strategy

OBJECTIVE 1: Coordinate marketing priorities with the Spokane Valley TPA and its Hotel Commission.

The Hotel Commission is in its early stages of evolution, but they need to develop an Annual Business Plan that outlines plans for the TPA and its resource deployments. Efforts should be taken to ensure the Commission considers strategies and tactical recommendations outlined in this plan, including the near-term and longer-term brand identities that are developed and agreed to.

STRATEGY 1: Undertake meetings with City staff and the Hotel Commission.

As the Hotel Commission works to build their Business Plan, City staff should coordinate with them to identify anticipated budget levels, key Strategic Plan recommendations relating to their efforts, and positioning themes that have consensus among a broad group of participants.

Tactic 1: Integrate near-term web and ad placement decisions.

City staff have undertaken efforts to launch a new Spokane Valley website and have created ads for use in travel guides, particularly the Visit Spokane Guide. Steps should be taken to ensure the Hotel Commission plans integrate these early-stage efforts and reinforce these materials.

Tactic 2: Prioritize best offline / online promotional collateral / distribution channels.

General allocations of marketing resources should be agreed to which consider a range of prospective channels: website, destination guide, social media, public relations, content database, etc. Additionally, resources required to be dedicated to other partners (i.e., Sports Commission or others) need to be determined to ensure appropriate representation of Spokane Valley is presented in outreach to youth sports opportunities. The city will play an important oversight role in ensuring the use and deployment of TPA resources conforms with provisions of the TPA ordinance. Ongoing dialogue will be required between the City, the TPA Commission and 116 & West to both chose the best use of the funds and align with all TPA ordinance requirements. City staff will likely need to speak to their oversight role and steps they have taken in a public meeting setting.

STRATEGY 2: Consider co-op tourism partnering opportunities.

While much of the new marketing and promotional activities will consider Spokane Valley as a stand-alone destination, some outreach efforts might take the form of co-op opportunities. Outreach efforts should be undertaken to consider ways that a regional, cooperative message could be beneficial.

Tactic 1: Identify and pursue co-op tourism marketing.

There are a variety of opportunities that could make sense to pursue with others, showcasing the collective power of attraction when multiple partners join arms. These partners could include Visit Spokane, Spokane Sports, and others. Placements in state travel guides or in outreach to targeted sports programs should be evaluated.

Tactic 2: Consider thematic product segments in a regional context.

Identify Spokane Valley thematic strengths (youth sports, outdoor recreation, etc.) and inventory other products or experiences located outside of the city. Through development of this inventory, new opportunities to partner in cooperative approaches to showcase the collective mix of experiences can be elevated.

OBJECTIVE 2: Deepen understanding of visitors attracted to Spokane Valley.

As new marketing and communication efforts evolve, new visitor profile research should be undertaken, helping to clarify high-value segments and their associated personas. Going forward, this baseline understanding will allow deeper evaluation of effectiveness in driving greater demand and measurable returns on investments.

STRATEGY 1: Launch new visitor profile research.

Through new survey research, a clearer understanding of who is currently coming, their geographic and demographic makeup, and their reasons for choosing Spokane Valley will be understood.

Tactic 1: Undertake a visitor profile survey.

The new survey effort should focus on key feeder markets for Spokane Valley and consider both what did, or could, draw them to the City. Their consideration of other destination options in the region should also be investigated. Through the survey, visitor segment behaviors, psychographics, and demographics can be outlined.

Tactic 2: Pursue a recurring survey effort to allow for benchmarking.

A similar survey effort should be undertaken every two to three years to evaluate the effectiveness of visitor industry efforts, be it new marketing, product development, or cooperative programming efforts.

STRATEGY 2: Agree on destination metrics.

As new survey instruments are designed, clarify what metrics will be used in evaluating performance and integrate questions and responses that will speak to the metrics.

Tactic 1: Identify range of possible metrics and their attributes.

Consider factors like lodging performance, visitor tax volumes, changes in visitor perceptions of Spokane Valley, sport tournament volumes, etc. and ensure questions are formulated to help understand how marketing and engagement efforts affected them.

OBJECTIVE 3: Engage the broader visitor industry to ensure message reinforcement.

While the City and Hotel Commission will be the prime entities in marketing and engagement efforts, the broader industry will play an important role in reinforcing themes and messaging through their own efforts. Steps should be taken to ensure the range of visitor industry participants are aware of TPA efforts and how they can reinforce them.

STRATEGY 1: Develop an ongoing outreach plan to connect with the industry.

A formal outreach plan should be developed and agreed to allowing ongoing education of industry participants on new marketing-related efforts and the rationale behind them. Examples of ways they can reinforce these key messages and themes should also be presented.

Tactic 1: Identify channels for connection.

These outreach efforts could entail formal meetings once or twice a year in which presentations are used to communicate key decisions and findings of new research or cooperative efforts. More frequent outreach with newsletters or brief videos could also keep these participants informed.

Tactic 2: Present ways to reinforce and provide a feedback loop.

Specific recommendations on how industry participants can help reinforce key messaging or themes important to Spokane Valley should be developed. The goal would be to multiply and reinforce the marketing and promotional efforts of the TPA. This outreach should also allow for feedback from the industry providing ideas on how to increase effectiveness.



A collage of images and text from the ValleyExplore website. It includes a banner for the Spokane Valley Farmers Market, event details for Crave Northwest and Cycle Celebration, and a photo of people cycling. The website header "ValleyExplore." is prominently displayed in yellow and blue. Below the header, there is a section for "Spokane Valley is a happening, thriving city with much to discover. Explore fun events, fabulous restaurants, epic outdoor adventures, great shopping, and more. We're conveniently located along Interstate 90 between Spokane and Coeur d'Alene, Idaho. Come and play for the day or enjoy an extended vacay." The website footer includes the "VisitSpokaneValley.com" logo.

Strategies and Tactics Implementation – Develop



Develop – Develop and Enhance Products that Generate Visitation and Overnight Stays for Spokane Valley Hotels

New efforts to expand and / or enhance the array of products that are valued by targeted customer segments should be undertaken. These efforts will be strategically prioritized and fit within a broader tourism strategy.



OBJECTIVE 1: Capitalize on the region's sports-tourism concentration.

The Spokane region has a considerable sports-tourism concentration, but 6 of its 8 tournament-quality facilities are in Spokane, leaving Spokane Valley with a lesser share of the tourism benefit. By investing in sports-tourism facilities in or near Spokane Valley, the City can build on the region's overall identity and capitalize on the high-value visitor segments associated with sports tourism.

STRATEGY 1: Develop a cross country / cyclocross course.

Develop an outdoor course with landscaped trails designed specifically for cross country running and cyclocross events.

Tactic 1: Identify a suitable site.

60+ acres of contiguous land is required to support this project. Furthermore, the site should be either in or near Spokane Valley so that as many room nights as possible flow to Spokane Valley's hotels. The Flora Park site would appear to be a viable option, though this is still being explored.

Tactic 2: Collaborate with Spokane Sports on design and programming.

The idea for this project comes from Spokane Sports, which should be consulted extensively throughout the design process. Spokane Sports has expressed an interest in programming this facility and, given its proven success programming The Podium and connections in the cross country and cyclocross world, would be well-positioned to do so. Note that the City has established a formal relationship with Spokane Sports and sees it as a crucial part of this opportunity.

STRATEGY 2: Upgrade and reposition Plante's Ferry Sports Complex.

Implement upgrades to Plante's Ferry, including turf fields, lighting, and increased parking, that put it in a better position to compete for regional and national tournaments.

Tactic 1: Formalize a partnership with Spokane County.

The City of Spokane Valley should enter into a partnership with Spokane County, which currently owns Plante's Ferry, to share in capital and operating costs for the facility. The nature of this partnership will be influenced by the outcome of the ongoing SFA study.

Tactic 2: Transition Plante's Ferry to a 3rd-party private operator.

Rather than having the facility be operated by local user groups as is currently the case, the City of Spokane Valley and Spokane County should outsource operating responsibility to a 3rd party and allow the user groups to rent the fields. Doing so would help bring in more tourism-generating events by leveraging the professional operator's expertise and connections, as well as by eliminating the conflicts of interest that arise from users controlling the facility's programming.

STRATEGY 3: Evaluate the viability of ice sheets.

Given the high up-front cost relative to projected economic impact, in tandem with the niche nature of ice sports, the City of Spokane Valley would be well served to make the proposed ice sheets a tertiary priority and continue to evaluate their viability while investing higher-ROI products.

Tactic 1: Seek a financing and operating partner.

Partnering with another entity on the construction and operations of the ice sheets would help the City of Spokane Valley defray capital and operating costs, and reduce its risk. Possible partners could include Spokane County, the City of Spokane, the Spokane Public Facilities District, or a private owner / operator.

OBJECTIVE 2: Extend visit durations.

During the stakeholder engagement process, Spokane Valley's high ratio of day visits to overnight visits was cited as a challenge facing its hospitality industry. Developing products that, while not necessarily destination drivers on their own, help extend visit durations would convert some of those day visitors to overnight visitors, as well as convince visitors to extend their trip by one or more days. The result of all of this would be to increase the total quantity of room nights flowing to Spokane Valley hotels.

STRATEGY 1: Enhance the Fairgrounds, Expo, & Entertainment District.

The Fairgrounds, Expo Center, & Entertainment District, which includes the Spokane County Fair & Expo Center and Avista Stadium, has significant potential as a destination driver for Spokane Valley. However, the District is unattractive and lacks the types of amenities and initiatives that would entice many visitors to spend a long enough time there to merit an overnight stay.

Tactic 1: Implement site and streetscape improvements.

Making streetscape improvements along Sprague Avenue, Broadway Avenue, and Havana Street (e.g., planting trees and widening sidewalks) would create a better gateway to the district while site improvements (e.g., enhanced landscaping, repainting, and the addition of more plant elements) would make the District more attractive to users.

Tactic 2: Partner with Spokane County to develop and implement a District masterplan.

A Fairgrounds, Expo Center, & Entertainment District masterplan should include upgrades to both facilities which help them generate more room nights, such as increased event space, enhanced food & beverage options, and a more integrated business model. The County currently owns the district, and a partnership would help defray costs for both parties.

Tactic 3: Implement cross-promotion efforts.

Even prior to the construction of physical upgrades to the facilities, cross-promotion efforts such as events that use both the Fair & Expo Center and Avista Stadium can be implemented to keep visitors in the District for longer periods and make them more likely to stay overnight in Spokane Valley.

Tactic 4: Partner with the City of Spokane to redevelop neighborhood west of Havana Street.

The neighborhood directly to the west of Havana Street is dilapidated and industrial and presents an unattractive entrance to the District and the City of Spokane Valley. Given the District's location on the edge of Spokane Valley and Spokane, both Cities have a vested interest in it as a tourism asset. Collaborating with the City of Spokane to redevelop that neighborhood to include more District-supporting amenities (such as restaurants, retail, and entertainment) could further enhance the district itself and create a hub of activity benefiting both Cities. An intergovernmental PDA, including Spokane, Spokane Valley, and Spokane County, could be one instrument for achieving this end.

STRATEGY 2: Explore the potential of a whitewater park.

A whitewater park along the Spokane River would contribute to the City's identity as a hub of outdoor recreation while also representing a supporting amenity for other outdoor recreation assets, allowing visitors to cool off after soccer games at Plante's Ferry or a bike ride on the Centennial Trail. By creating a "second place" for these users to go, it would extend visits and lead to more room nights.

Tactic 1: Study the Spokane River to understand feasibility and cost.

The conditions present in the Spokane River will determine whether a whitewater park is even possible, how many months out of the year conditions will be suitable for recreation, which stretches of river are best suited to which types of boating (i.e., rafting vs. tubing), and the scope and cost of river improvements needed to implement a successful park.

Tactic 2: Identify put-in and take-out points.

Put-in and take-out points should be selected which complement the stretches of river identified as ideal for recreation, connect to other amenities (such as the Centennial Trail), and are relatively inexpensive to acquire and develop.

OBJECTIVE 3: Bring more room-night generating events to Spokane Valley.

Spokane Valley's location along I-90, proximity to a major commercial airport, safety, convenient parking, and abundance of dining and lodging options position it well to attract small to mid-size conferences, conventions, and other multi-day events. Capitalizing on these advantages would help the City of Spokane Valley generate more overnight stays and tourism spending.

STRATEGY 1: Reposition CenterPlace to focus on room-night generating events.

The CenterPlace Regional Event Center is a high-quality facility in an optimal location. Repositioning it such that it is more of a commercial event space and less of a community center would allow it to attract more room-night generating events and create a greater economic impact in Spokane Valley.

Tactic 1: Restructure booking, marketing, and operations.

The City of Spokane Valley should codify and implement booking, marketing, and operations policies at CenterPlace which target room-night generating events. For instance, setting booking windows such that multi-day events have priority, marketing to state associations and regional conferences, and dedicating more resources to sales and marketing are among the policy changes that would help the facility create more room nights for Spokane Valley hotels.

Tactic 2: Increase investment in event sales and operations.

In order to maximize the leads and opportunities provided by Visit Spokane, as well as to generate more non-local business in general, the City of Spokane Valley should invest more resources in event sales and operations such that there are dedicated staff members to respond to leads in addition to staff members focused on facilitating events.

Strategies and Tactics Implementation – Elevate



Elevate – Elevate the Recognition of the Visitor Industry and Optimize its Performance

Through this new strategic planning effort, the new Spokane Valley TPA, and increased focus by the City on the visitor industry, the potential for tourism to play an increasingly important role for the City exists. It will be key that Spokane Valley residents and leaders understand this evolving role and the steps being taken to maximize the industry's effectiveness.



OBJECTIVE 1: Develop and launch an internal tourism advocacy plan.

Not only should new external marketing and promotional efforts be undertaken, but internal advocacy efforts should also occur that heighten residents' understanding of the industry and its city-wide impacts.

STRATEGY 1: Showcase ways that residents benefit from tourism.

A mix of examples should be developed to demonstrate the benefits tourism has on the average Spokane Valley resident.

Tactic 1: Consider a range of approaches to demonstrate impacts.

Typical resident benefits could take the form of reduced resident tax burden resulting from visitor spending, the greater diversity of assets important to them (e.g., quality restaurants, retail, and recreational amenities) that could not be supported without the incremental spending of visitors, or the ways that tourism-supported events help add to their quality of life.

Tactic 2: Produce varying ways to deliver messages.

While some of these benefits can be presented in "quantitative" fashion using facts and figures, others can better be delivered using "qualitative" stories. This could take a name-recognizable chef or retail entity telling their individual story and their reduced ability to serve residents if they needed to operate without visitor dollars.

OBJECTIVE 2: Refine internal city capabilities to manage and direct the visitor industry.

The new Spokane Valley TPA will provide a foundation for expanded efforts to attract and engage prospective visitors. An expanded role of the Economic Development Department will be the key management entity to build cohesion between the TPA Commission, visitor industry participants throughout the city, and residents themselves.

STRATEGY 1: Work to develop additional capabilities within the Economic Development Department.

As the city takes on the key role of directing and managing the city's evolving visitor industry, new initiatives will need to be undertaken.

Tactic 1: Build internal staffing capabilities.

Additional staff will likely be needed to help direct and manage activities of the range of entities that make up Spokane Valley's visitor industry. Adding staff that has previous experience in the visitor industry will be helpful, allowing the city to demonstrate their knowledge of the industry and additionally being able to effectively discuss destination-wide decisions and associated rationale.

Tactic 2: Communicate effectiveness of a City-centered model.

The city should develop a mix of factors supporting a city-centered management model, such as significant moderation of operational and personnel costs, close knowledge of TPA requirements, and deep understanding of other city-wide activities that could impact the visitor industry. This messaging should not only be directed to the TPA Commission, but also to the broader range of visitor industry participants.

OBJECTIVE 3: Refine uses of tourism-related resources.

Spokane Valley has three main revenue sources to support building and managing the visitor industry and these were reviewed in the Destination Assessment portions of the report. Additional requirements should be considered in prioritizing uses of the resources.

STRATEGY 1: Refine uses of the 2.0 percent Bed Tax funds.

These resources can be deployed for a range of tourism related uses and have primarily been used to help support a variety of events occurring in Spokane Valley. Increased evaluation of the return on investment of the funds should be undertaken and used in future award decisions.

Tactic 1: Consider requestor's ability to drive overnight stays.

As new requests are received for use of these resources, increased evaluation of their ability to attract external visitors, particularly those who would stay overnight in Spokane Valley, should be undertaken. This would likely require that new survey-related efforts be undertaken to better understand the makeup of guests. Additionally, awards should consider the ability of the proposed use of funds to reinforce key elements of a desired Spokane Valley brand.

Tactic 2: Evaluate awardee's ability to reinforce key themes and brand messaging.

Spokane Valley and its TPA will be expending significant resources on branding and differentiating the city from other destination alternatives. Awardees from the 2.0 percent bed tax fund should be evaluated on their ability to integrate these themes and demonstrate how they are reinforcing them to visitors while they are in Spokane Valley.

Tactic 3: Consider funds for use of prioritized product opportunities.

This plan considers and has prioritized a variety of new tourism related product opportunities that will help Spokane Valley increase its competitive offerings and reinforce its attractiveness to key visitor segments. Given the flexibility of this portion of resources, its use to help support the development of prioritized capital projects should also be considered.

STRATEGY 2: Expand and continue to support Signature Events.

Though signature events (such as ValleyFest, Cycle Celebration, and Crave! Northwest) rarely translate directly into room nights, they are very important for creating civic identity and a sense of place. This placemaking helps attract tourists who are interested in visiting a cohesive community and having authentic, local experiences. Expanding support of Signature Events will help build Spokane Valley's identity and continue to differentiate it as a destination within the region.

Tactic 1: Dedicate funding support for Signature Events.

Historically, Signature Events have received support from the City of Spokane Valley's LTAC funds. Transitioning this financial support to a recurring budgeted line item would give event organizers greater certainty as to how much budget they will have to work with, thereby improving their ability to plan their events, while simultaneously freeing up LTAC resources. Additionally, allowing Signature Events to use CenterPlace for free could help decrease overhead for those events, thereby providing indirect financial support.

OBJECTIVE 3: Refine uses of tourism-related resources.

Spokane Valley has three main revenue sources to support building and managing the visitor industry and these were reviewed in the Destination Assessment portions of the report. Additional requirements should be considered in prioritizing uses of the resources.

STRATEGY 3: Ensure TPA resources are deployed effectively.

The TPA assessment resources will provide a new source of revenue to help market and promote the destination. Efforts should be made to ensure key deployments are directed in ways that increase Spokane Valley's competitiveness.

Tactic 1: Consider uses beyond direct marketing and promotional efforts.

While much of the resources will be used in traditional marketing and public relations efforts, some portions should be directed to the attraction and outreach efforts of groups like the Spokane Sports. The sports and outdoor recreation segments are key to Spokane Valley and the support and partnering abilities with Spokane Sports will be important to maximize the city's potential.

Tactic 2: Evaluate uses to assist in bid fees.

The ability to provide resources to secure prospective group events will be an important element in marketing and successfully attracting those events. Some portion of the TPA resources should be considered for these purposes and used selectively for events that bring high-value visitor segments to Spokane Valley.

Section 10

Appendix



JOHNSON
CONSULTING



NICHOLS TOURISM GROUP
Advisory services for an evolving tourism industry



DESTINATION
CONSULTANCY GROUP

1- Palm Beach County, FL Lodging Tax Application Document

APPLICANT INFORMATION

PALM BEACH COUNTY TOURIST DEVELOPMENT COUNCIL SPECIAL PROJECTS FUND

Purpose: The Palm Beach County Special Projects fund is reserved for special projects and events which arise from time to time offering the County the opportunity to sell more room nights and generate national publicity. The intent of this program is to incentivize new events that have large initial impact on Palm Beach County. Organizations who receive this funding cannot receive funding from the TDC agencies, the Sports Commission, the Cultural Council or the Convention and Visitors Bureau for the same event or project. However, this requirement may be waived by a vote of the TDC for major multi hotel use projects of major significance to Palm Beach County.

Eligibility:

1. The program can only be funded from Special Projects for a total of three years maximum.
2. The organization is expected to contact the other TDC agencies to determine if funding is available for the project or program through their grant cycles.
3. Be a nonprofit organization, part of an organization or a unit of government which produces the event or project. This requirement may be waived by the TDC Board.
4. Complete the attached application and submit it with 9_copies to the TDC office at 1555 Palm Beach Lakes Boulevard, Suite 900, West Palm Beach, Florida 33401.
5. Submit the application and all copies no later than 60 days prior to the event for which you are seeking funding.
6. Staff will review the application for completeness and set up a meeting for the review panel. Applicant will be notified of the meeting date and time and be invited to attend to present a brief presentation and answer questions.
7. TDC agency heads, the Executive Director, Deputy County Administrator or their representatives, and a TDC representative will review the application and make the determination to present it to the TDC with recommendations for funding at a regular board meeting or return to the applicant for further information or detail.
8. TDC Board will review the application as part of a regular meeting agenda. The applicant will be notified of the meeting date and time and be invited to attend.
9. Once the TDC Board has voted to fund the program or project, a contract will be developed by the TDC staff. This contract will follow the requirements of Palm Beach County including insurance requirements, retroactive payments for the program/project, required reporting on meeting of program/project goals and objectives and so forth.

9. The contract will be sent to the applicant for signature. Three originally signed copies of the contract are to be returned to the TDC offices along with the proper insurance certificate.

10. The signed contract will be reviewed by the PBC attorney assigned to TDC and once approved by the County Attorney's office the TDC staff will place the contract on the BCC agenda for final approval.

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APPLICANT INFORMATION

PALM BEACH COUNTY TOURIST DEVELOPMENT COUNCIL SPECIAL PROJECTS FUND



A TOURIST DEVELOPMENT COUNCIL FUNDED PROJECT

Applicant Information

Applicant (legal name of organization)	Federal Employer ID number	
Address	Location of Event	
City	Zip Code	Grant Contact Name/Title (Print)
Legal Signatory (Print Name)	Website	
Signature	E-mail address of Contact	
Telephone and Extension	Fax Number	

Circle the program you are applying for

Major Event	<ol style="list-style-type: none">1. Budget of at least \$500,0002. 2,000 room night minimum3. Off season (May to October) gives 10% more funding4. Long term impact is substantial and can be projected and measured.
Tourism Special Project	<ol style="list-style-type: none">1. Has a budget of at least \$200,0002. 300 room nights minimum
Environmental Tourism Special Project	<ol style="list-style-type: none">1. Program does not meet the criteria of typical funding sources such as ERM, county, state, and local agencies. See Section 5 for required documentation.2. Must be specifically endorsed by the Director of the Palm Beach County Environmental Resources Management Department.3. Serves to promote an environmental experience in Palm Beach County primarily to our visitors.

1- Palm Beach County, FL Lodging Tax Application Document

Program Information

Title of Program	Current Budget	Previous Budget
	\$	\$
Dates of Event(s)	Total Request Amount	
Total estimated Audience	Total estimated Tourists(1) to attend	
# of Actual Participants such as athletes, coaches, performers, etc	Estimated Room Nights based on previous event or anticipated hotel bookings (2)	
(1) Overnight visitors (2) Include condo rentals and campground nights		

Funds requested from another TDC Grant Program or PBC funds. Circle if pending, awarded or denied.

Agency	Amount	Pending / Awarded / Denied
Agency	Amount	Pending / Awarded / Denied
Agency	Amount	Pending / Awarded / Denied

Include Brief History of Organization: Half Page or less

Proposed Program and/or Festival Half Page or less

1. Detailed Out-of-County Marketing Plan

A. The Organization's plans to market the program to out-of-county visitors. Include strategic approaches, the target audience, specific plans, and measurable goals or objectives. Be specific and highlight any plans for collaboration with other organizations, businesses, media, hotels, or the travel industry.

Please address these marketing areas, if appropriate to your plans.

1. Collateral materials and distribution
2. Print advertising including newspapers, magazines, travel guides, etc.
3. Special promotions
4. Group Sales, FAM tours, Trade shows, etc.
5. Public Relations
6. Electronic media including website, TV/Radio, Internet marketing, film, etc.

B. Include your audience survey results if you do one.

2. Budget Information

A. Attach current budget and expense statement for program. Note which income is in-kind versus cash. (If program's budget is part of a larger organization, break out program budget separately.)

B. Must show projected profit and loss. Separately, show what you would use the TDC funds for.

3. Economic Impact

A. Number of room nights expected to be sold to both _____ participants and others. Hotel room block agreements should be included if available.

B. Room nights X Average Rate (see chart below. Select month)= \$ _____

C. If event previously held, how many room nights were generated? _____

Estimated Average Daily Rate by Month, 2013		
January, 2013	\$168	
February, 2013	\$197	
March, 2013	\$192	
April, 2013	\$160	
May, 2013	\$127	
June, 2013	\$113	
July, 2013	\$112	
August, 2013	\$107	
September, 2013	\$101	
October, 2013	\$121	
November, 2013	\$131	
December, 2013	\$162	
Based on current Smith Travel Research for 12 months		

4. General Tourism Impact

A. Attach information on how the program promotes tourism not already detailed in Section 1.A.

5. ENVIRONMENTAL TOURISM SPECIAL PROJECTS PROGRAM

Include information requested above as appropriate, plus the following:

A. Endorsement, in writing, by the Director of the Palm Beach County Environmental Resources Department.

B. Impact project will have on the environmental experience of Palm Beach County visitors.

C. Does this project publicize Palm Beach County beaches, reefs, or freshwater areas? Explain.

D. What economic value will the project have to tourism?

E. Explain the percentage of funding from other major sources, by source. (List only those of \$3,000 or more)

6. Logos

A. All printed material and electronic material must include the proper Palm Beach County Tourist Development Council Funded Project logo as shown and the Palm Beach County Seal.

TDC logo



1- Palm Beach County, FL Lodging Tax Application Document

Palm Beach County Seal



7. Final Report

- A. Room nights actually sold as verified in writing by hotels or reservation service, or individual surveys of those renting them.
- B. Approximate Value of media and PR based on advertising rates for that media.

C. Final Budget

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Special Project Fund Palm Beach County Tourist Development Council Submit with Application

Applicant Name:

Budget Report

	Actual Year 2013	Proposed Year 2014	Proposed Year 2015
Expenses			
<i>Personnel: Administration</i>			
Personnel: Tech/Artistic			
Personnel: Marketing			
Outside Professional Services: Artistic			
Outside Professional Services: Marketing/PR			
Outside Professional Services: Legal			
Outside Professional Services: Other			
Travel			
Rental Fees			
Office Space			
Postage			
Printing			
Supplies			
Equipment			
Insurance			
Security			
Marketing / Promotions (in County)			
Marketing / Promotions (Out of County)			
Miscellaneous			
TOTAL EXPENSES	\$	\$	\$
Revenue			
<i>Admissions/Tickets</i>			
Membership Revenue			
Contracted Services Revenue			
Other Revenue			
Corporate/Private Contributions			
Foundation Grants			
Governmental Grants (Federal)			
Governmental Grants (State)			
Governmental Grants (Local)			
This Grant Request - TDC Special Project			
Applicant Cash			
In-Kind			
Personnel			
Outside Professional Services			
Site Fees			
Equipment			
Marketing			
TOTAL REVENUE	\$	\$	\$
NET REVENUE	\$	\$	\$

7

Palm Beach County Tourist Development Council Submit with Final Request for Payment

Applicant Name:

Budget Report

	Actual Year 2013	Proposed Year 2014	Actual Year 2014
Expenses			
<i>Personnel: Administration</i>			
Personnel: Tech/Artistic			
Personnel: Marketing			
Outside Professional Services: Artistic			
Outside Professional Services: Marketing/PR			
Outside Professional Services: Legal			
Outside Professional Services: Other			
Site Fees			
Rental Fees			
Office Space			
Travel			
Postage			
Printing			
Supplies			
Equipment			
Insurance			
Security			
Marketing / Promotions (in County)			
Marketing / Promotions (Out of County)			
Miscellaneous			
TOTAL EXPENSES	\$	\$	\$
Revenue			
<i>Admissions/Tickets</i>			
Membership Revenue			
Contracted Services Revenue			
Other Revenue			
Corporate/Private Contributions			
Foundation Grants			
Governmental Grants (Federal)			
Governmental Grants (State)			
Governmental Grants (Local)			
This Grant Request - TDC Special Project			
Applicant Cash			
In-Kind			
Personnel			
Outside Professional Services			
Site Fees			
Equipment			
Marketing			
TOTAL REVENUE	\$	\$	\$
NET REVENUE	\$	\$	\$

tdc/SpecialProjects2014/Applicant Information

8

9