

Lake Tahoe summer tourism heating up



The drive-up market continues to fuel tourism in Tahoe.
Photo/LTN

By Susan Wood

Just look around. After winter's peaks and valleys, visitors from the San Francisco Bay Area to the far reaches of the planet appear on track to bask on Lake Tahoe's shores and mountains.

South Lake Tahoe transient occupancy tax collections shot up as early as April this year to \$744,565, amounting to almost a \$200,000 gain from the previous year in revenue from lodging establishments such as hotels, motels, vacation home rentals and the city-owned campground.

To date, April is the city's last reported month in tax receipts (excluding audit collections). Through 2017's banner, albeit hard-to-travel winter at times, January TOT was up by about \$100,000 compared to the prior year. Tax revenues dipped in February and increased again in March year-over-year.

Aside from the obvious boost in the average daily rate lodging charges, the stats also coincide with rooms rented at 47,012 in April. That's almost 10,000 more rooms booked this year compared to last – not bad for the tail end of a winter that lingered longer than expected with snow falling in June at lake level.

And that's only half the story. The last few years show a strong July and August for rooms rented, with the last known significant decrease for these summer months being in 2012.

There are reasons for these upward trends, according to tourism officials.

With apologies to those who experience it, the stifling heat in another areas brings people to Tahoe's pleasant paradise, which often hovers in the mid-70s to 80s, yet hit 90 degrees in June's recent heatwave. The inland Bay Area has joined Sacramento in topping 100 degrees – prompting many people to seek refuge at the lake, no matter how cold.



Visitors to Tahoe can find a variety of outdoor activities. Photo/LTN

“We’re looking at a strong summer. June was good in both occupancy and rates,” Lakeland Village General Manager Jerry Bindel said. “We see a direct correlation with the heat (sending people here).”

The longtime South Lake Tahoe Lodging Association member viewed recent reports and found that occupancy is up between 8 and 10 percent in June from 2016 for most members.

Bindel points to a big, Tahoe specific factor beyond the heat. There has been a surge among international visitors who have placed Lake Tahoe on their list of preferred destinations such as San Francisco, Napa, Yosemite, Las Vegas and the California coast.

Plus, there has been a rebirth of sorts, especially on the South Shore.

You've heard "location, location, location" in respect to real estate. With South Lake Tahoe tourism, it's "infrastructure, infrastructure, infrastructure."

"In the last half decade, we've had a renaissance of the South Shore. We think the town looks better and presents better than we've ever seen it. The face lift continues to help us raise the level of experience," Lake Tahoe Visitors Authority Executive Director Carol Chaplin told *Lake Tahoe News*.

Chaplin has noticed booking windows are longer – meaning fewer last-minute reservations and spending overall appears up. And like Bindel, Chaplin embraces the increased international traveler interest because "they spend more days and typically spend more (money)."

The Bay Area market still represents the cash cow for this area, with San Diego contributing to the strong showing.

Phone calls to North Lake Tahoe Resort Association were unreturned.

Plus, the possibility of a record year in bookings and tax receipts involving auxiliary industries such as activities and retail could be in Lake Tahoe's future, according to national trends.

After all, AAA reports an anticipated record number of U.S. travelers ventured beyond their homes by 50 miles or more over the Fourth of July holiday.

It was estimated a total of 44.2 million people took to the roads, skies, rails and waterways to celebrate the holiday – an almost 3 percent increase of 1.25 million travelers over last year. That would be the most traveled Independence Day weekend since the Auto Club has been counting.

A combined strong employment, rising incomes, higher consumer confidence and low gas prices bode well for the travel

industry.



Brand USA films in Lake Tahoe to create promotional material for potential Chinese visitors. Photo/Brand USA

The numbers are soaring

The main aviation hub for Lake Tahoe tourism continues to climb in seat capacity over the last few years – with 2016 registering 4.6 million seats taken coming in and out of Reno-Tahoe International Airport. That’s about half a million more than 2014, with 2017 expected to hit a 5 million mark, airport spokesman Brian Kulpin highlighted in a recent report.

“Our load factors are strong,” he told *Lake Tahoe News*.

Kulpin also mentioned air service fares coming out of Orange County, Oakland, Long Beach, Atlanta, Dallas, San Jose and Chicago as contributing to the region’s boost in air traffic.

Passengers are not necessarily originating from these cities, as shown by tourism officials' repeatedly turning their attention to the lucrative international travel market.

International travelers spent \$20.8 billion on travel to and within the United States in April, a more than 3 percent increase from the previous year, the U.S. National Travel and Tourism Office reported.

And from January to April, international tourist spending totaled \$83.4 billion – a 2.5 percent increase from last year. The surge – a record first four months of the year – averaged out to nearly \$700 million per day.

The market seems to counteract an AP poll indicating that fewer Americans, 43 percent, plan to take a long term summer vacation because of the largest factor – money. The percentage goes up among those making less than \$50,000 a year.

Still, markets that cater to visitors seeking a unique and improved experience made out.

“The West is such an international draw. If you look at Europe, it doesn't have as many open spaces. There's more public land and more open spaces (here),” said Anna Madison, chief strategist for Brand USA.

The United States destination marketing organization, which has been working on overdrive to spur and track visitation in U.S. markets since the nation has no government run department of tourism, wrapped up a recent tour of Tahoe to incorporate hot “draw” spots in the agency's videos. The customized videos filmed in partnership with the LTVA will be finalized in the coming weeks in Mandarin to speak to this international audience's specific point of view.

“The value is in the breadth of experience they can have in a single trip. It's vast in diversity,” Madison said of the Chinese market seeking an “all-in” excursion. Their travels

often involve a long trip including San Francisco, Napa, Yosemite and the California coast – with Lake Tahoe joining the mix as a hot travel commodity.

Madison admits boosting U.S. travel has been difficult at times when the dollar remains strong versus other currency. Add to that more restrictions on traveling abroad, and the agency has its work cut out for it. Still, Lake Tahoe – and other up-in-coming U.S. destinations in the West – is a huge draw if they know how to market.

This is something the Nevada Commission on Tourism knows all too well. The agency set the standard for wooing and appealing to the lucrative Asian market. The NCOT has long advocated attracting the international visitor because of its spending power.

“Tourism is the No. 1 industry in Nevada. It’s something we’re proud of; it’s serious business, not fun and games,” NCOT spokeswoman Bethany Drysdale told *Lake Tahoe News*.

The agency is keeping a close eye on practical issues for international travelers such as visa complications, given the current political climate.

“We’re doing everything we can to still welcome the visitor no matter what the Trump administration is putting out there in a message,” Drysdale said.

It helps that she has support of her ultimate boss – Republican Gov. Brian Sandoval, a longtime supporter of tourism in the state.

The NCOT-sponsored Governor Global Tourism Summit’s tagline is “Nevada Welcomes the World.”

Incline Village’s Crystal Bay Visitors Bureau is among a handful of grant recipients selected by the NCOT to receive \$10,000 to cover video production and other advertising costs

for promoting rural Nevada.



Most of the sand is spoken for on July 3 in Tahoe Vista. Photo/Ellie Waller

Life here can be a beach

Summer versus winter may be the thing for Tahoe now.

“For mountain travel, in most cases, the focus is on summer still being discovered, and it’s more affordable,” Inntopia Business Intelligence spokesman Ralf Garrison told *Lake Tahoe News*. Garrison manages DestiMatrix tourism data for the company formerly known as the Mountain Travel Research Institute.

The DestiMatrix director used a sample of about 290 property management companies in 20 mountain destination communities representing 30,000 rooms across California, Nevada, Colorado, Oregon, Wyoming, Montana, Utah and Idaho.

Garrison made the case that summer is more affordable because of the "barrier to entry" factor in which a visitor must learn to ski or snowboard in winter. Perhaps that's why one sees ski resorts expand into other areas. Summer travels often involve hiking and biking, which most people already know how to do.

"Tahoe as a summer destination is being discovered," Garrison said. He's referring to return visitors who may have not seen the new renovations and improvements.

"The Rocky Mountains not so much," he added. Visitors still associate Colorado with ski, ski, ski. The company should know. It hails from Denver.

He expects a surge of visitors to Tahoe a little later in the summer given blocked hiking trails from the Sierra Nevada's 60 feet of snowpack blanketing the mountains this winter.

"When you have a good winter with a lot of snow, it usually means summer starts slow," Garrison said. "It's almost too much of a good thing."

Of the visitors venturing here early, there lies a heightened call for "urbanism." People keep to lake level where they shop, walk, bike and conduct activities at a lower elevation.

So, retailers need to sharpen their marketing knives.

Garrison said DestiMatrix stats have also shown a propensity for potential visitors to book faster this year. May through October, reservations indicate a 1 percent growth and a possible 3 percent growth in revenue for the West.

And for tourist destinations like Lake Tahoe, gaining the visitor is Job 1.

Because of this, the South Shore has suspended its annual Labor Day fireworks show due to a survey of lodging properties believing it fails to drive overnight stays.

For one thing, most school districts send their students back much earlier. Then there's the cost and rising expenses to put on the fireworks show, which includes money involved in operations. The LTVA wants to replace the show with a different event.

In the meantime, activity-based purveyors such as Heavenly Mountain Resort continue to work on their own operations to bring in summer in grand style.

Spokesman Kevin Cooper said summer activities are shaping up at Heavenly and Kirkwood Mountain Resort despite the challenges that go into coming off a record snowfall winter.

"Mother Nature provided a solid week of above average temperatures, benefiting both teams at Heavenly and at Kirkwood," Cooper said recently.