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Soaring Kitsap County tourism spending pushes lodging rates up

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Seattle's explosive growth and the rise of Instagram are boosting Kitsap County's tourism industry in a big way.

Tourism spending in Kitsap County increased 45 percent between 2010 and 2017, from \$263 million to \$363 million, according to an economic analysis by [Dean Runyan Associates](#).

Spending has increased in Kitsap since 2010 in nearly every sector measured by the tourism report. Money spent on accommodations nearly tripled, food service more than doubled, and retail market spending increased by 34 percent.

Visit Kitsap Peninsula Director [Patricia Graf-Hoke](#) cited Seattle's booming economy and increasing use of social media as a destination discovery tool for the increase in tourism.



VISIT KITSAP PENINSULA

Kitsap County collected \$11.6 million in local tax receipts for tourism in 2017.

Visit Kitsap Peninsula started promoting Kitsap as a destination to leisure travelers and outdoor recreation enthusiasts in 2009. Graf-Hoke said people used to tell her that Kitsap isn't Disneyland or Las Vegas.

"Our 371 miles of water, these are our Disneylands," she said. "What really makes us special and different (is) our geographic profile of being completely surrounded by water and all of these trees and trails, but being 25 miles from the 13th-largest metro in the United States."

Kitsap Peninsula has Washington state's only National Water Trail, a designation that allows it to receive funding and support from the government to conserve rivers and shorelines and promote outdoor recreation on waterways.

Port Orchard is working to provide more access to the waterways and revitalize areas of its downtown with its Bay Street Pedestrian Pathway project, connecting the Port Orchard and Annapolis ferry terminals with parks and walking and cycling paths.

The project is part of the larger Mosquito Fleet Trail that will eventually connect Kingston to Southworth along the eastern shore of Kitsap County.

"Our shoreline and the access to the waterfront is a benefit not just to visitors, but to residents too," Port Orchard Mayor Robert Putaansuu said.

Tourism is vital to local businesses and to the city's coffers, Putaansuu said. Tourism-related revenue in Kitsap generated \$11.6 million in local tax receipts and \$25 million in state receipts in 2017, according to the Runyan report, which was prepared for the Washington Tourism Alliance.

Kitsap's casinos are another draw. The Suquamish tribe's Port Madison Enterprises owns the nearly 200-room Suquamish Clearwater Casino Resort and the Port Gamble S'Klallam Tribe owns the Point Casino & Hotel.

While the casinos weren't included in the Runyan report because they're on tribal land, their concerts and events create a ripple effect that increases tourism spending at large and small businesses across the county.

“As a casino property we want them here for the casino and for our business,” said Jeff Kline, hotel director at the Clearwater Resort. “But the reality is we only have 183 rooms. We can put a whole lot more people in our events center and on our lawn than we can in our hotels, so there is some overflow, and that’s a positive for sure.”

Graf-Hoke estimates that the influx of leisure travelers has increased hotel room prices from an average of about \$95 per night in 2009 to \$115 per night in 2017, while rates can often be much higher during peak summer months.

Before the rise in leisure travelers, most visitors to Kitsap were in town for business related to Naval Base Kitsap. Employers reimbursed those travelers an average of \$77 per night for hotel stays in 2011, Graf-Hoke said.

Occupancy rates have also increased during that same time period. In 2009, area hotels reported occupancy rates averaging 40 percent, but that figure climbed to 97 percent in August 2018, Graf-Hoke said.

The number of Kitsap County lodging units — hotels, motels and rentals such as those offered on Airbnb — increased from 78 units to 117 units since 2010, according to data reported to the Washington state Department of Revenue.

Steven Gear, the general manager at Oxford Suites in Silverdale, has been working in hospitality in Kitsap since 2007. He said he now has to turn away business travelers during peak season.

“I feel bad because I’m turning away government travelers — the military — in the summertime,” he said. “But it’s a sign of a healthy lodging community when you have a diverse set of people coming to an area. It’s just healthier.”

Jasmine Spearing-Bowen

Staff writer

Puget Sound Business Journal



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