

KHMR Current Visitor Market at a Glance

In 2007, there were 163,147 documented visitors who purchased Gondola tickets. Using other resort data as well as some identified assumptions, the existing visitor base was broken down into identifiable customer segments with distinct seasonality and spending patterns in order to allow for the projection of future growth and changes to the commercial visitor market. What follows is a walk through of the breakdown of KHMR visitor segments and their visitation patterns today, which represent the base assumptions from which the Commercial Economic Study flows.

1. Seasonal Residents (Cold Bed Residents)

a) Seasonal Resident Population

There were 250 completed units at KHMR last year. 80%, or 200, of those units participate in the rental pool and are considered “warm beds”. The remaining 20%, or 50 units, are considered “cold beds.” Given an average of 2.7 people per unit, this translates into 135 cold bed residents, which the CES™ refers as “Seasonal Residents”.

Seasonal Residents (Cold Bed Residents)	
Total Units	250
Rental Participation	80%
Total Cold Bed Units	50
Avg. # People/Unit	2.7
Seasonal Residents (Cold Bed Residents)	135

b) Seasonal Resident People Days

70% of these Seasonal Residents live within driving distance of KHMR (Regional Owners). They spend on average 20 days per year at KHMR, presuming they come every 2nd weekend during the 4-month ski season and



2 weekends during the entire summer. The remaining 30% of Seasonal Residents have to fly to access their property (Destination Owners). They will, on average, use their property for 1 week (7 days) of vacation per year at KHMR. This calculates to Seasonal Residents spending a weighted average of roughly 16 days per year at KHMR.

Seasonal Residents	Days/Year @ KHMR	% of Seasonal Residents (Cold Bed Residents)
Regional Owners	20	70%
Destination Owners	7	30%
Total	16	100%

Despite staying at the resort for 16 days a year, the CES™ estimates that these visitors will spend 2 of those days away from the resort, so their commercial visitation is estimated to be only 14 days per year. This translates to a total of 1890 people days.

	2007
Seasonal Residents	135
Average Commercial Visitation at KHMR/Year	14
TOTAL Potential Seasonal Resident People Days	1,890

2. Overnight Visitors (Warm Bed Guests)

a) Overnight Visitor Population

Given an equivalent average of 2.7 people per unit for the 200 warm beds units, this translates into the equivalent of 540 warm bed guests. As these units participate in the rental pool and will be used primarily by overnight visitors, in addition to their usage by the actual owners. The CES™ refers to this group collectively as “Overnight Visitors”.

Appendix 4 – KHMR Current Visitor Market at a Glance

Overnight Visitors (Warm Bed Guests)	
Total Warm Bed Units	200
Avg. # People/Unit	2.7
Overnight Visitors (Warm Bed Guests)	540

b) Overnight Visitor People Days

In order to calculate the total # of Overnight Visitor People Days over the course of the entire operating season, the CES™ identified the occupancy levels of the warm bed units during the summer and winter seasons.

Given 122 winter operating days at 55% occupancy and 81 summer operating days at 12% occupancy, the weighted average annual occupancy for the entire 203-day operating season is 37.8%. In other words, each warm bed unit is occupied roughly 77 days per operating season.

Current Operating Season	# Days	% Occupancy	# Days of Occupancy/Warm Bed Unit/Year
WINTER (December 15 – April 15)	122	55%	67
SUMMER (a) weekends only mid June to 1st Friday in July; b) full-time until September 6; c) weekends until Thanksgiving)	81	12%	10
TOTAL Operating Season	203	37.8%	77

Is it estimated that these Overnight Visitors, who spend an average of 2.9 days at KHMR per visit (according the KHMR post-visit survey), will spend all of that time at KHMR, such that the commercial visitation for this group remains at 77 days per year. This translates into 41,483 Target Overnight Visitor People Days at KHMR.

	2007
Overnight Visitors (Warm Bed Guests)	540
# Days of Occupancy/Warm Bed Unit	77
TOTAL Target Overnight Visitor People Days	41,483

3. KHMR Employees

a) Employee Population

KHMR directly employs different numbers of employees during the Winter Peak season, the Winter Non-Peak season and the Summer season. Given the number of days associated with each season, the CES™ calculated a weighted average of 183 employees currently employed at any given time at KHMR.

Current Operating Season for Employees	# Days	# Employees
Winter Peak (December 26 - March 30)	95	240
Winter Non-Peak (December 15-25 + March 31-April 15)	27	170
Summer	81	120
Total	203	183

In addition, 3rd parties operating at KHMR (which include retailers, hotels, and construction companies) also have employees, the total number for which is estimated to be roughly 25% of the number employed directly by KHMR. This translates to 46 more employees, or a grand total of 229 employees at the resort on any given day during the operating season.

b) Employee People Days

The CES™ estimates that the average employee works 5 days a week but that each employee will spend money on commercial goods only 4 of those 5 days. So overall, they are spending money 4 out of every 7 days that they are employed at the resort. This translates into an overall commercial visitation of 116 days out of the 203 in the operating season.

Given an average of 229 employees with commercial visitation of 116 days per operating season, this translates into 26,507 Target KHMR Employee People Days.

	2007
KHMR Employees	229
Commercial Visitation	116
Total Target Employee People Days	25,507

4. Golden and Surrounding Area Permanent Residents

The permanent population of the Town of Golden is currently estimated at 4,373 people, while the population of the Rural Area surrounding Golden is estimated at 3,155 people. This makes for a total area permanent population of 7,528 people.

Assuming that these residents are in Golden all 203 days of the operating season, The CES™ estimates that these local residents will spend money on commercial goods 2 days per week (2 out of every 7 days) during that time. This translates into annual commercial visitation of 58 days, or 436,624 target annual people days.

	2007
Golden & Surrounding Area Permanent Residents	7,528
Annual Commercial Visitation (Days)	58
Total Target Permanent Resident People Days	436,624

5. KHMR Visitors Staying Overnight Off-Mountain

According to KHMR data analyzed by Michael Dalzell, KHMR received 35,400 visits in 2007 from vacationers staying overnight somewhere other than KHMR. KHMR considers these visitors to be overnight visitors for the purposes of its

internal statistics, but *the CES™* has separated them out due to the fact that these visitors have different spending patterns than the Overnight Visitors segment described above who stay at the mountain. 5,700 of these visits were in the summer, while 29,700 were in the winter. This is the equivalent of 35,400 people days.

	2007
Summer Off-Mountain Overnight Visits	5,700
Winter Off-Mountain Overnight Visits	29,700
Total KHMR Overnight Off-Mountain Visits	35,400

6. Destination Day Visitors

The CES™ estimates the number of day visitors to KHMR in 2007 to be the residual Gondola visits unaccounted for by any other visitor group. More specifically, the CES™ identified the total number of documented Gondola visits (163,147) and subtracted those visits that were specifically attributable to other groups of visitors, namely Seasonal Resident People Days (1,890), Overnight Visitor People Days (41,483), KHMR Visitors Staying Overnight Off-Mountain (35,400), and Golden and Surrounding Area Permanent Residents, which we calculated based on data provided to us by KHMR:

	Winter	Summer	TOTAL
Golden Area Season Ticket Holder Visits	30,940	1,000	31,940
Special Golden Ticket Rate Tickets	1,100	0	1,100
Off-Site Regional Ticket Purchases(Visits) Attributable to Golden Area Residents	0	9,495	9,495
Total Golden Area Visits	32,040	10,495	42,535

In subtracting all other visitors from the Gondola visit total, the CES™ is left with 41,839 Destination Day Visitors, which represent an equivalent number of people days at KHMR.

Appendix 4 – KHMR Current Visitor Market at a Glance

Total Gondola Visits	163,147
(Seasonal Resident People Days)	(1,890)
(Overnight Visitor People Days)	(41,483)
(Golden Area Visits)	(42,535)
(KHMR Overnight Off-Mountain Visits)	(35,400)
Total Destination Day Visitors	41,839

7. Trans Canada Passersby

Using vehicle traffic data from the year 2006, obtained from the British Columbia Ministry of Transportation, the CES™ estimates that a total of 1,126,287 vehicles pass through Golden on the Trans-Canada Highway during the KHMR operating season., The percentage of trucks is subtracted from that number, resulting in 858,355 passenger vehicles.

Vehicular Traffic During Current Operating Season	Total Traffic	% Trucks	Total Non-Trucks
Summer	699,544	20%	559,635
Winter	426,743	30%	298,720
Annual (2006)	1,126,287	23.8%	858,355

Presuming, conservatively, that each passenger vehicle holds an average of 1.5 people, this translates to 1,287,533 people passing through Golden on the Trans-Canada during KHMR's operating season every year.

The CES™ estimates that any existing spontaneous visits from these people are negligible. As a result, the total number of people days attributed to this group at present is zero. As the signage for, access to, and reputation of KHMR improve, however, it is expected that the number of day visits from this group will increase.