

MARATHON & MIDDLE KEYS
TOURISM TRENDS AND PROSPECTUS



Visitor Data: **2016**
 >4.5 Million Total FL Keys Visitors Annually

Marathon & Middle Keys District:

758,100 total annual visitors
 545,400 stayed in overnight in hotel/motel/resort
 33,200 in vacation rentals
 65,500 in campgrounds

 = 644,100 total visitors staying overnight
 +114,000 day-trippers

= 758,100 total visitors in 2016

Visitor Spending: -Average Keys visitor spends \$200.00+/day (includes accommodations)
 -Average visitor arriving from Marathon Airport spends \$1,000.00/day (includes accommodations)

Visitor Demographics:

-Traveler Makeup for Marathon/Middle Keys:
 -2 adults & 2 children (minimum/conservative)
 -Minimum HHI (House-Hold Income) = **\$100,000+ (many higher-end properties only market/cater to HHI of \$150,000+)**

→ **Min HHI of travelers arriving into Marathon Airport = \$500,000.00+**

-Average length of stay = +/- 4.5 days (*longest in keys due to large vacation rental inventory*)

-Interests:

Boating Dining/Entertainment
 Fishing Attractions
 Cultural/Arts Rest & Relaxation

Keys District	Overall Market Share %					
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017 Bed Tax Market Share
Key Largo	11.69%	11.78%	12.01%	12.30%	12.02%	12.87%
Islamorada	11.02%	11.27%	10.99%	10.73%	10.64%	10.47%
Marathon	14.08%	14.00%	14.33%	15.03%	15.90%	15.62%
Lower Keys	4.80%	4.92%	5.89%	5.96%	5.33%	6.52%
Key West	58.16%	58.15%	56.85%	55.98%	56.12%	54.51%

*Marathon consistently ranks #2 in County for % of bed tax market share

→ See other handouts for additional bed tax statistics as well as occupancy, ADR's, and such comparisons to other Florida and tourist destinations

*** Average traffic-count in Marathon on Hwy US1 is about 10,000-20,000/day total (includes both North & South-bound traffic/vehicles)**

SWOT ANALYSIS for Marathon

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • Unique destination (high demand) • Accessible via drive, fly (Marathon Airport; longest runway in Monroe Cty), and <u>boat</u> • Caribbean feel within USA (<i>paradise without the passport</i>) • Point of Entry/Customs/Immigration at MTH Airport • Affordable (better prices than Key West) • Family-Orientated Destination • Quality activities (fishing, diving, boating, attractions) • Geographically positioned well within Keys (1 hour drive to Key West, 1.8 hour drive to MIA Airport) • Same distance to Havana, Cuba as Key West • Largest inventory of waterways and dockage in Keys • Competitive dockage & commercial rates • Low tax rate (one of the lowest in the State) • Infrastructure in-place (sewers, healthcare, shopping/retail, other support industries) • Marathon as a City is poised for growth • <u>Keys as a whole have highest Occupancy-rate and ADR's in state/region</u> • <u>New Hyatt & Marriott Resorts (220 new rooms)</u> • Recognized Marathon Yacht Club • Longest length of stay (due to vacation rental market) • Hampton Inn open as of Q3 2018 (80 new rooms) • Isla Bella Beach Resort est. completion by Q1 2019 (199 new rooms) • Workforce housing (250+ units) approved for development in Q3 2018 	<p style="text-align: center;">Weaknesses</p> <ul style="list-style-type: none"> • Tourism not year-round (although this is slowly changing with stronger Spring & Summer seasons) • Current lack of commercial air service (will change as more hotel rooms come back online/built as well as marina slips) • Post Irma cleanup and temporary loss of hotel rooms and housing (not expected to affect our market longer than 12-24 months)
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • Cuba opening up, loosening travel restrictions • Marathon still has Room to Grow (attractions, etc.) • New developments in progress and others on horizon (hotels: high-end developments: Knight's Key 200 room resort, Country Club renovation, new businesses, etc.) • Land/space for accommodation properties available • *Commercial Air Service (potential to add 50,000+ visitors annually) • Name Brand recognition (flag properties, restaurants, retail, etc) • All-Inclusive (hotel, restaurant, marina) Resort Model appears to be successful in Keys (ie: Hawks Cay, Tranquility Bay, Holiday Inn Express) • Costs of building/construction less than international island destinations • Premier destination properties in Marathon for visitors and locals using restaurants, shopping, etc. • Finding potential investors, partners, etc: favorable exchange rate for US dollar; US still safe place to invest-in (European Union, China, Brazil investors should be targeted) • Property valuations on the rise • Redevelopment of our 18 Hole Championship Golf Course/Country Club (adding boutique hotel and villas) 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • Competition of other Keys areas developing • Key West (as always) • Other destination markets in Florida (east & west coast) as well as nationwide • Economy weakening again (price of gas/oil, international economies & currencies) • Consumer faith in economy (resulting from economy) • Potential future damages from storms