

STATE OF WASHINGTON TOURISM PROGRAM UPDATE

David Blandford, CEO
State of Washington Tourism

September 18, 2024



INDUSTRY RECOVERY AND DEVELOPMENT

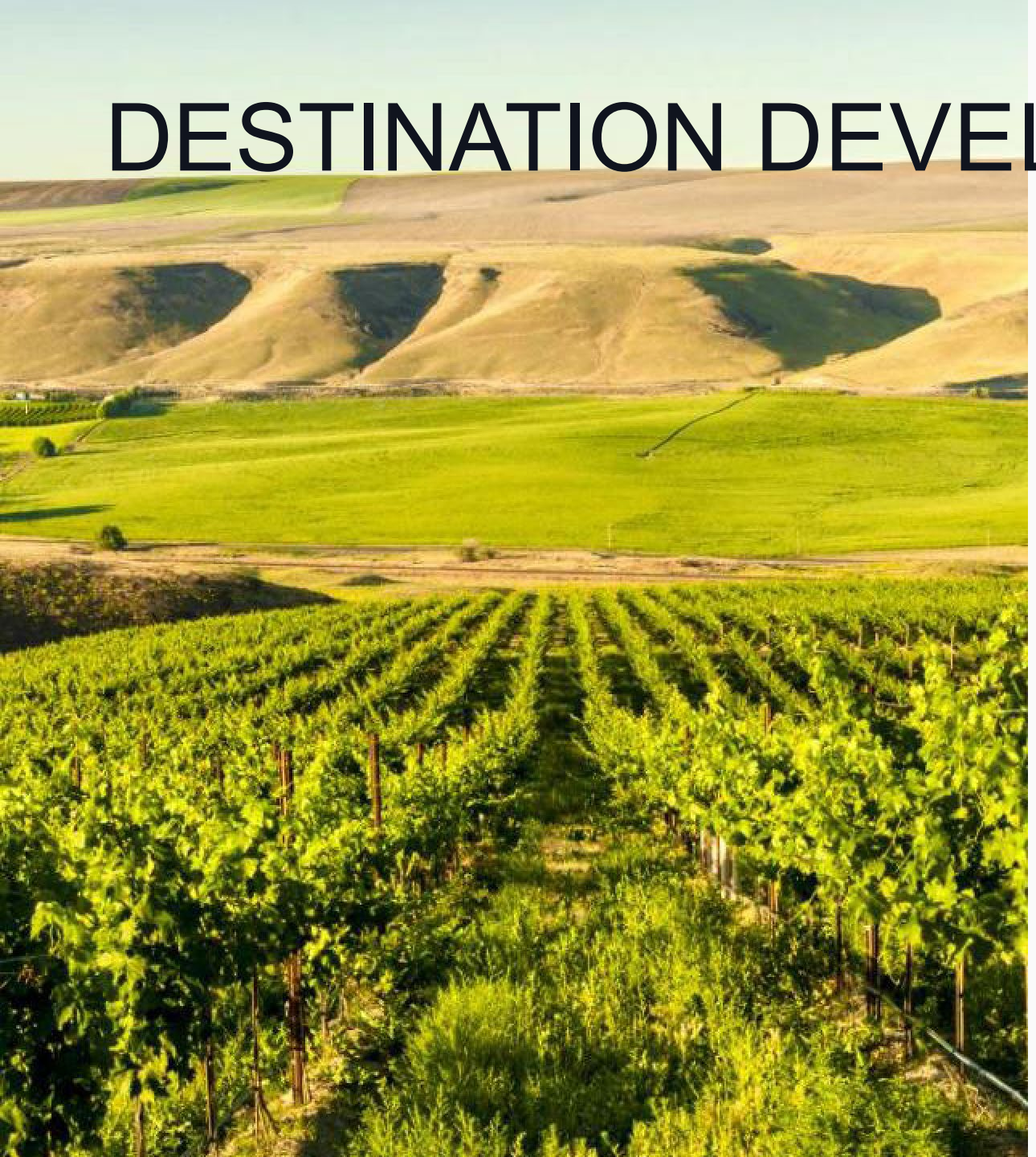
- ✓Rural Tourism Support program
- ✓Technical assistance & development grants
- ✓DMO recovery grants
- ✓Agritourism grants
- ✓Industry co-op programs – consumer data and research
- ✓$3.5 million distribution of in federal recovery funds for Washington's tourism industry in 2024-2025 (contracted by Dept. of Commerce)

DESTINATION DEVELOPMENT GRANTS

- 9 Programs total:
  - Rural Tourism Marketing and Production Grant
  - Sports Incentivization Grant
  - Rural Tourism Data and Research Grant
  - Indigenous Marketing and Production Grant
  - Arts and Culture Grant
  - Technical Assistance Grant
  - Tourism Regeneration Grant
  - Rural Tourism Support Program
  - Indigenous Tourism Support Program



DESTINATION DEVELOPMENT GRANTS



2024 Grants:

- 215 Applicants
- $4.92M in applications
- 55 grants awarded
- $1,062M allocated
- $750,000 Tourism Regeneration grant open in September

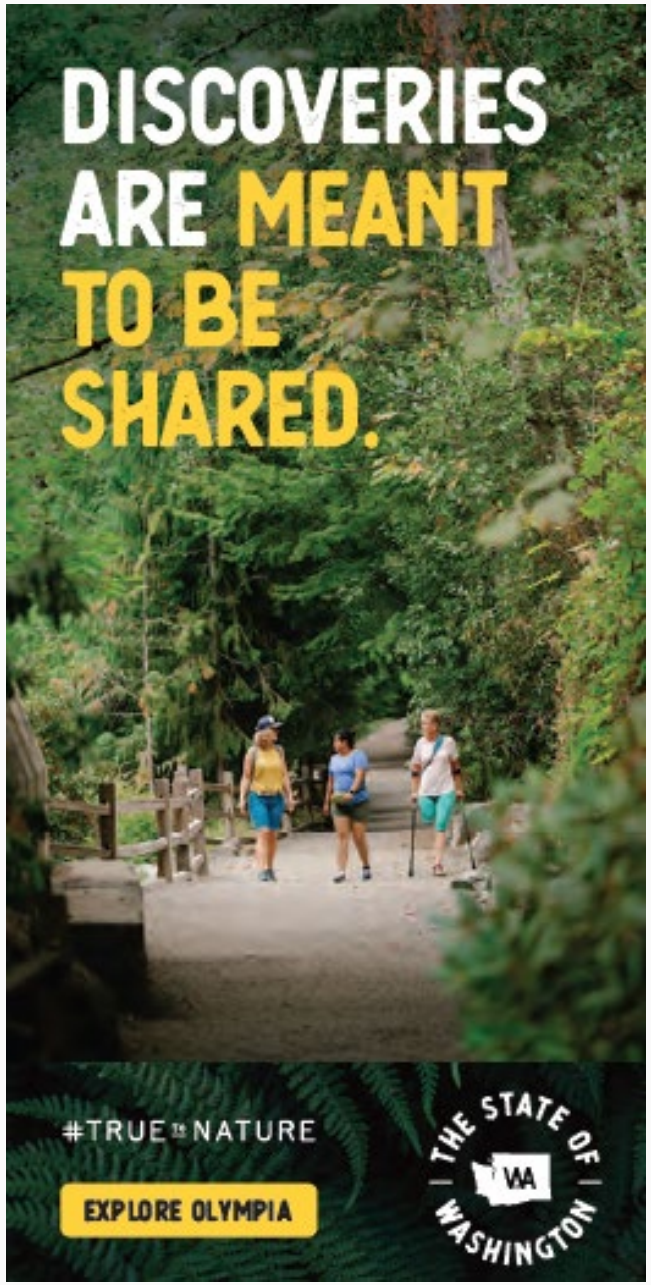
Photo via Port of Seattle

MARKETING CAMPAIGN RESULTS

- 2022 launch: **$33:1 ROI**
- 2022-2023: **$69:1 ROI**
- 2023-2024: **$184:1 ROI**

Time in market has increased campaign efficiency, but that stands to be lost without sustainable funding





RESPONSIBLE TRAVELER, ADVISORY & EDUCATION

- **Balanced promotions**
  - Seasons, need periods
  - Sensitive communities
  - Public and tribal lands
- **Coordination**
  - State agencies
  - Emergency management
- **Public/traveler education**
- **Responsible Outdoor Travel Summit**





IPW in LA


FAM Visit to Nordic Museum


Wild WA Wine Event, London

TRAVEL TRADE & OVERSEAS TOURISM

- ✓Year-round trade show promotion
- ✓Tour operator/media FAMs
- ✓Co-op programs for industry
- ✓In-market representation:
  - UK/Ireland, Germany, Australia
- ✓Project contracts:
  - Japan, South Korea, France, Benelux

COMPETITIVE ANALYSIS: OVERVIEW

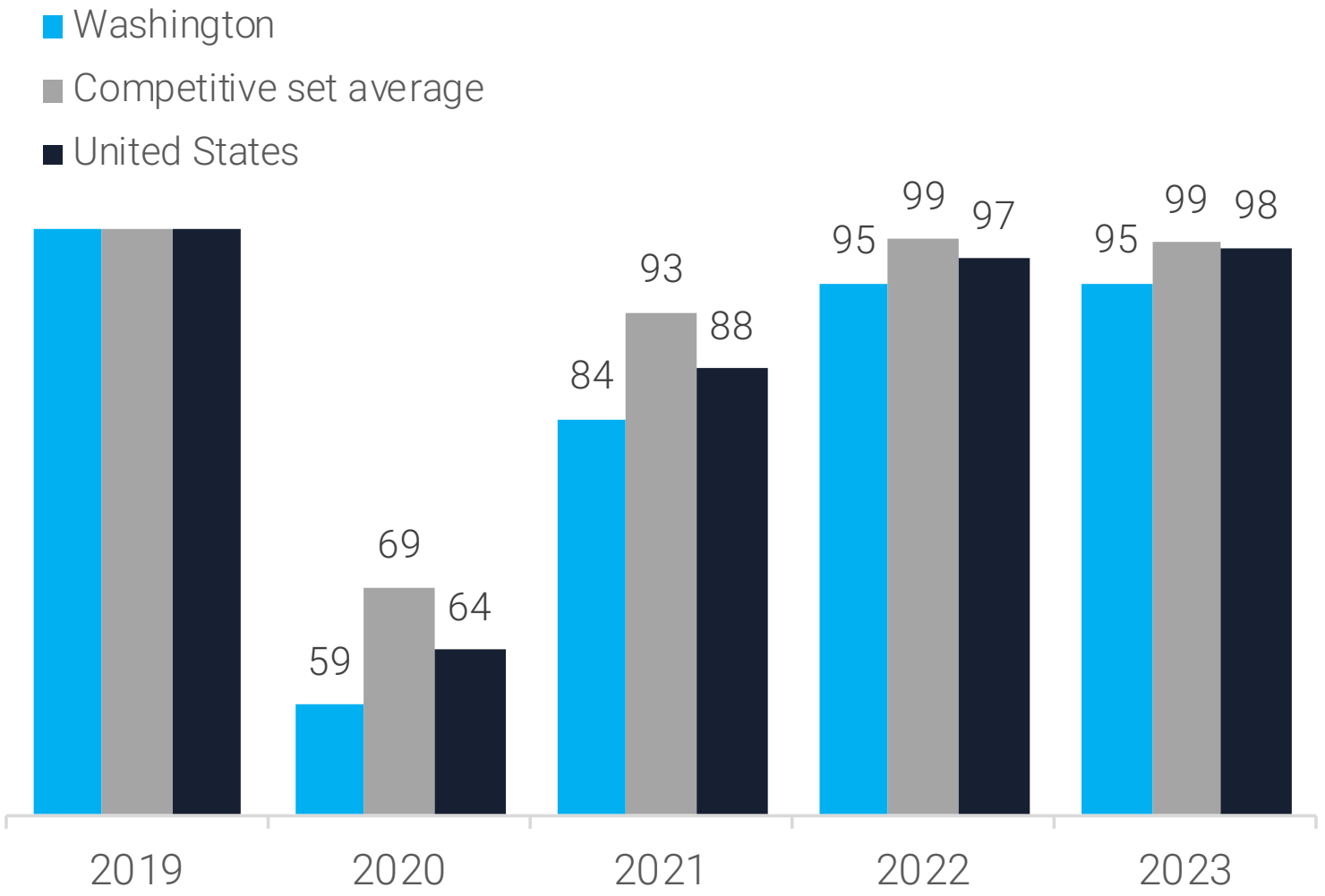
Washington ranked 5th in lodging industry size and last in tourism office funding

	DMO Budget	Room Revenue	Budget Share of Revenue	Budget Share Rank
Montana	$37.5	$1,109.3	3.4%	1
Oregon	$38.3	$2,166.4	1.8%	2
Utah	$29.6	$2,134.3	1.4%	3
Idaho	$10.9	$834.0	1.3%	4
Arizona	$44.0	$4,745.1	0.9%	5
California	$164.1	$26,401.7	0.6%	6
Nevada	$47.3	$10,263.9	0.5%	7
Colorado	$20.5	$5,053.8	0.4%	8
Washington	**$7.0**	**$3,733.8**	**0.2%**	**9**

Source: State of Washington Tourism, U.S. Travel Association, STR

COMPETITIVE ANALYSIS: LODGING PERFORMANCE

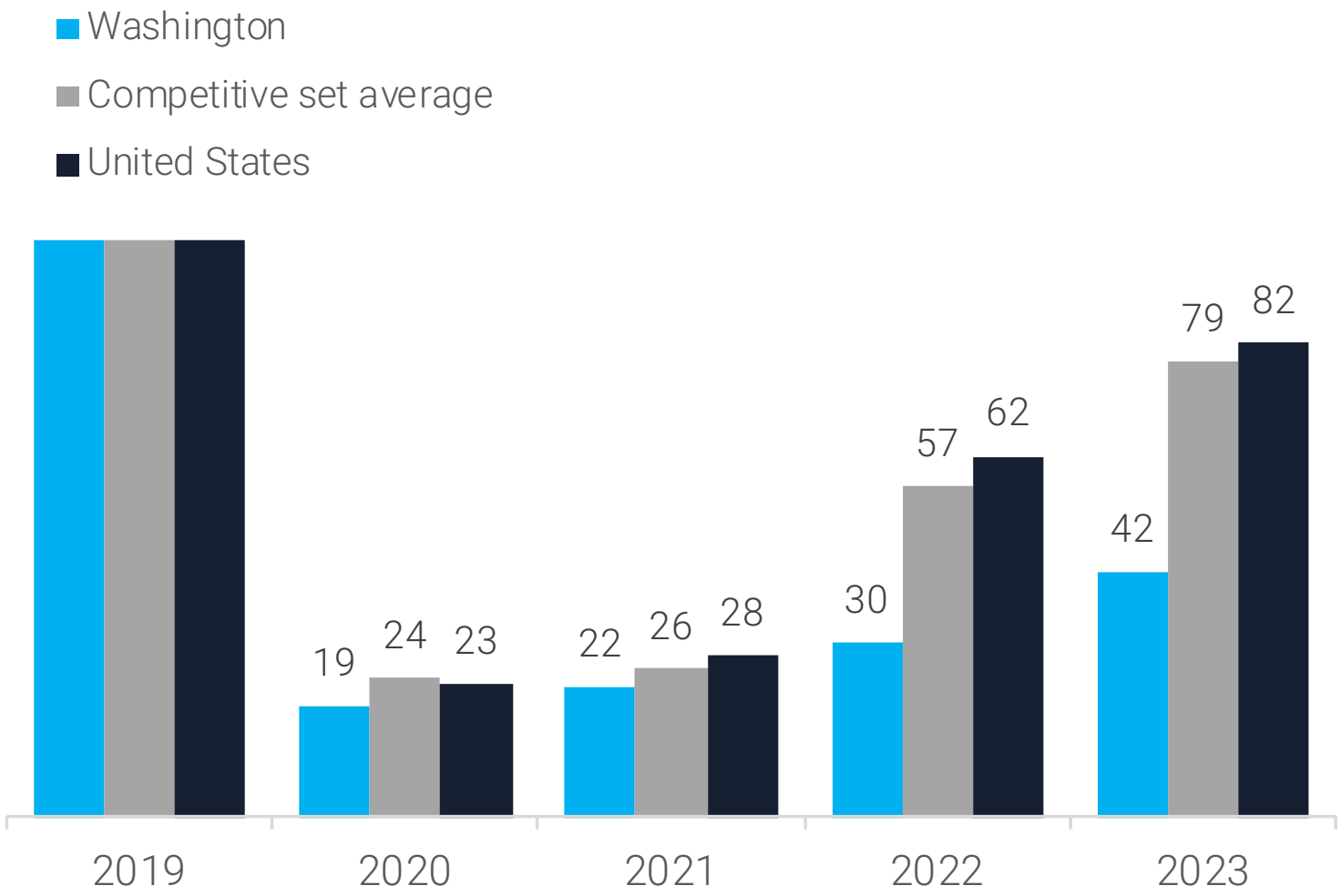
Washington trailed pre-pandemic levels by 4% more than its competitive set in 2023



Source: STR

COMPETITIVE ANALYSIS: INTERNATIONAL MARKETS

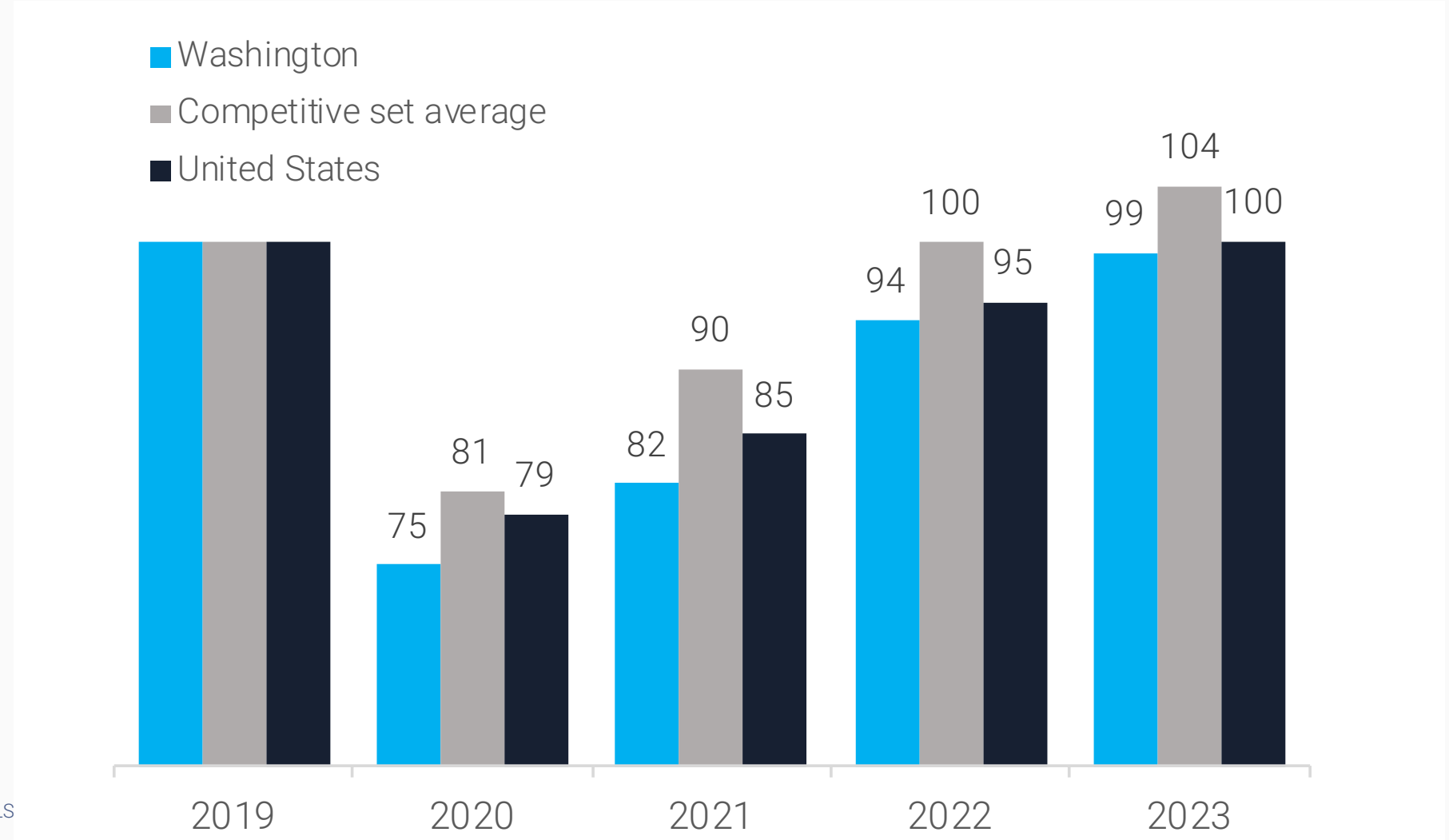
International visitation recovery in Washington trailed competitive set by 37%



Source: Tourism Economics

COMPETITIVE ANALYSIS: TOURISM-SUPPORTED EMPLOYMENT

Washington leisure and hospitality industry jobs recovery trailed competitive set by 5% in 2023

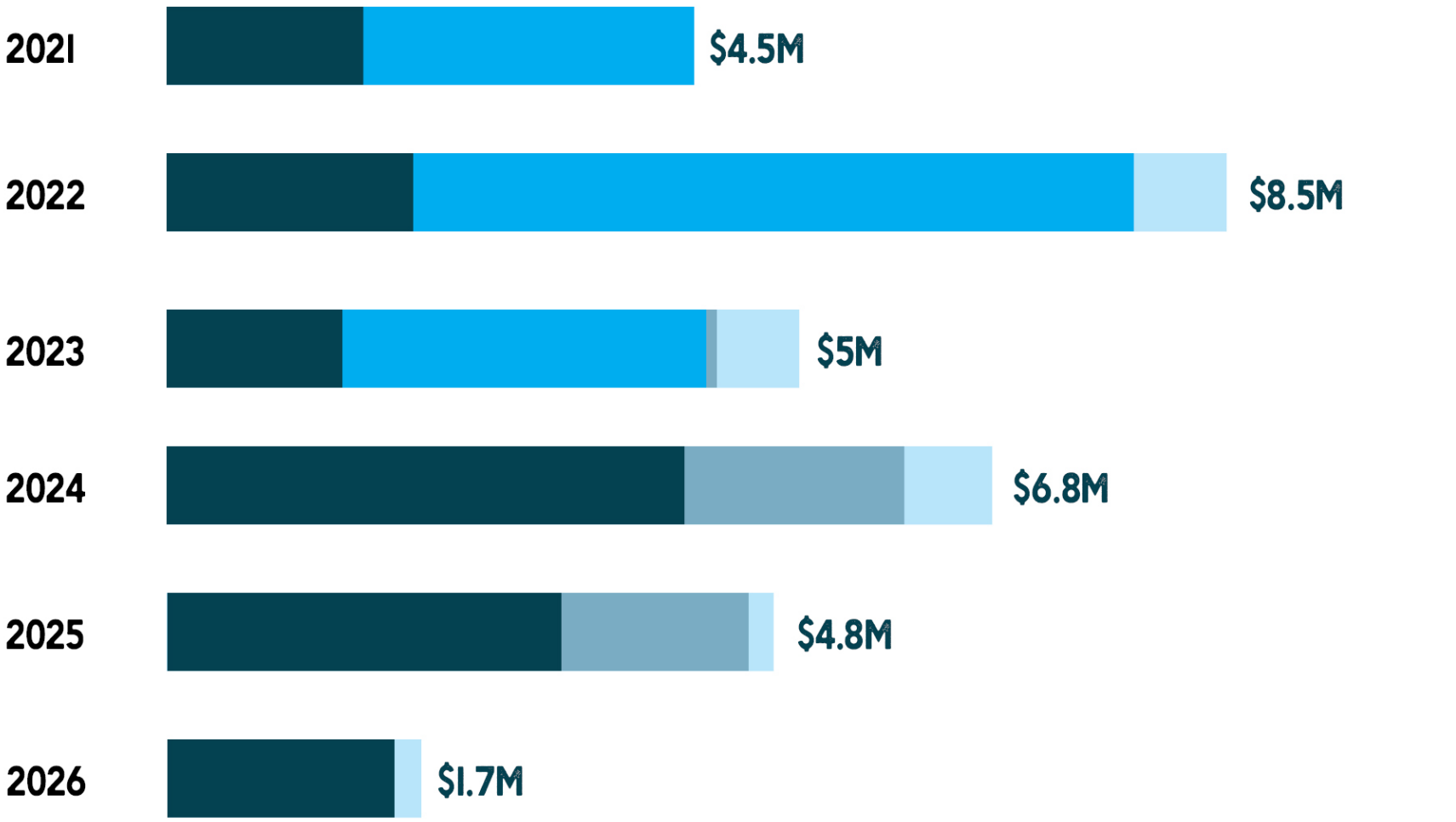


Source: BLS

THE ROAD TO HERE:
COBBLING TOGETHER FUNDS TO RE-BUILD

2011	State tourism office closed in Great Recession
2018	Base funding/2:1 private/public match = $1.5M annually
2021-22	Port of Seattle recovery partnership = $1.5M
2021-23	Legislative proviso (federal relief funds) = $12M
2023-24	Port of Seattle overseas marketing contract = $800,000
2023-25	Biennial base funding increase/industry 1:1 match = $4.5M

FUNDING A STATE TOURISM PROGRAM





BENCHMARK STATE TOURISM STUDY

- SWT ROI: 29:1
- WA significantly under-funded relative to market size
- WA stands to gain $14.6 billion in next decade with budget comparable to competing western states

SUCCESSFUL DESTINATIONS *TAP USER FEES*

Brand USA	**$250 million annual budget** Fees paid by Visa Waiver country visitors to U.S. Matched 1:1 by travel industry/corporations Re-authorized by Congress every six years
Travel Oregon	**$38 million annual budget** Tax paid by hotel guests via 1.5% transient lodging tax
Visit California	**$164 million annual budget** Fees of visitors via a Tourism Improvement District 30-year success, 97% favorability of TID businesses

VISIT CALIFORNIA TID

Tourism businesses across multiple segments *pass on fees at 0.2% of a dollar (two tenths of a cent)* to customers:

- Hotels/motels
- Food service
- Wineries/breweries
- Passenger car rental
- Sightseeing
- Transportation
- Attractions
- Amusement parks
- Museums/performing arts
- Tour operators/outfitters
- Ski operations
- Golf operations

SAMPLE TID ASSESSMENT FEES AT .2% OF A DOLLAR

$200 hotel folio	40 cents
$20 attraction ticket	4 cents
$400 car rental	80 cents
$100 restaurant bill	10 cents
$150 guided tour	30 cents

Administrative Ease:

DOR collects assessments in alignment with tax collections/schedules

A SUSTAINABLE + COMPETITIVE STATE TOURISM FUNDING MODEL FOR WASHINGTON

$4.5M **Maintain general fund appropriation**

Critical operational base funding
Align with Dept. of Commerce, regional resiliency programs

$23M **Tourism improvement District (TID)**

No General Fund impact
Industry self-assessment within state BIA law (not tax)
Nominal fees passed to visitors (0.2% of a dollar)
Balanced across broad business segments and geographies

RESULTS: STATEWIDE, YEAR-ROUND IMPACT



Always-on marketing campaigns



International markets fully activated



Niche campaigns nationwide



Visitor management programs



Off-season and need periods

OUTCOME: MORE BUSINESS FOR WASHINGTON

Projected Returns with a $25M budget, 2025–2034
(source: Tourism Economics):

- **$14.6 billion** Additional visitor expenditures
- **2.1 billion** Additional room revenue ($250M/year average)
- **$1.4 billion** Additional state and local tax revenue
- **$116 million** Additional lodging tax revenue

STATE OF WASHINGTON TOURISM

THANK YOU

ANY QUESTIONS?