

STRENGTHENING WASHINGTON'S VISITOR ECONOMY

TOURISM INVESTMENT & COMPETITIVENESS, SELF-ADVISORY GROUP RECOMMENDATIONS, AND POLICY FRAMEWORK

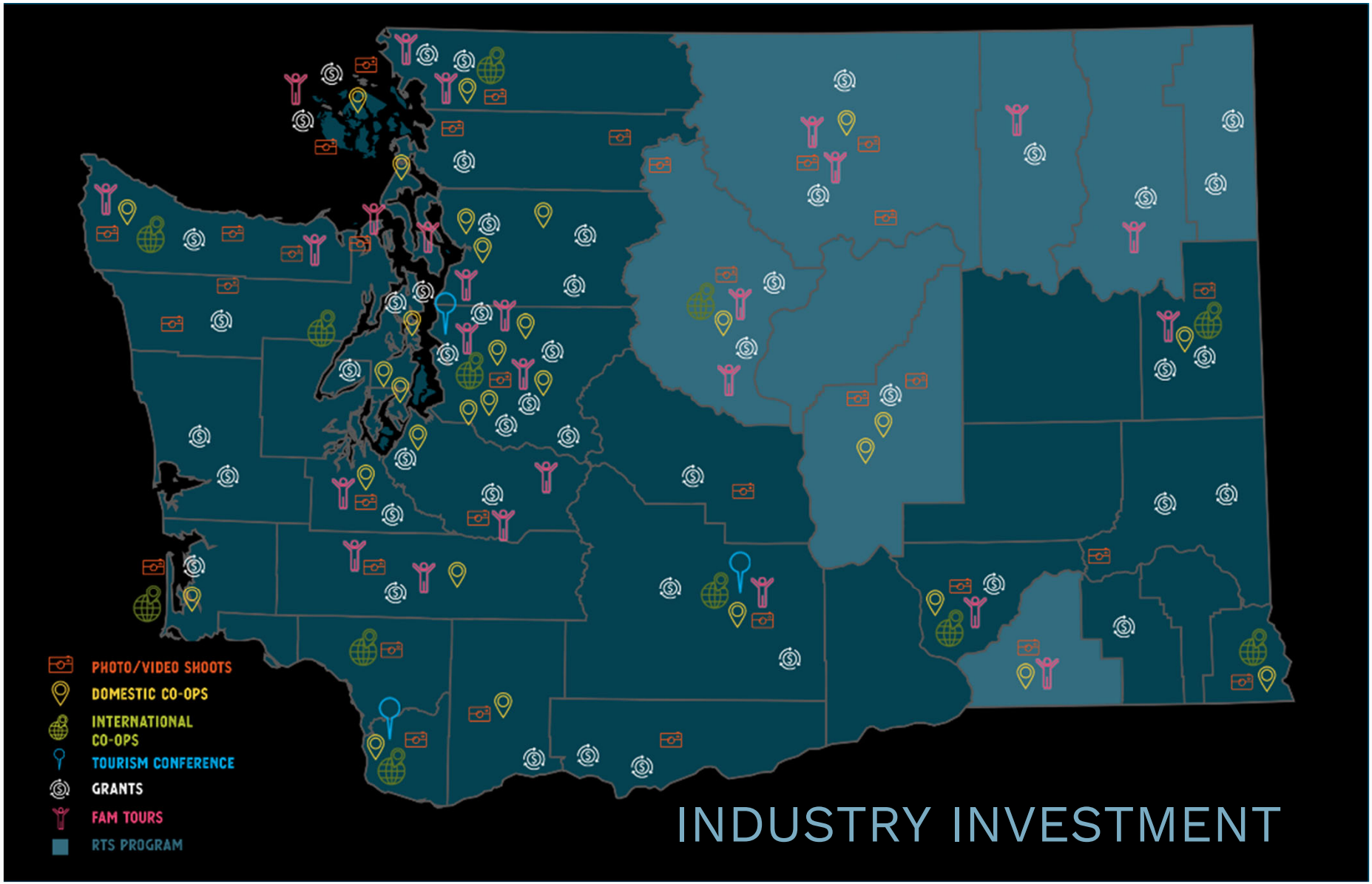
January 20, 2026

DAVID BLANDFORD
CEO
STATE OF WASHINGTON TOURISM

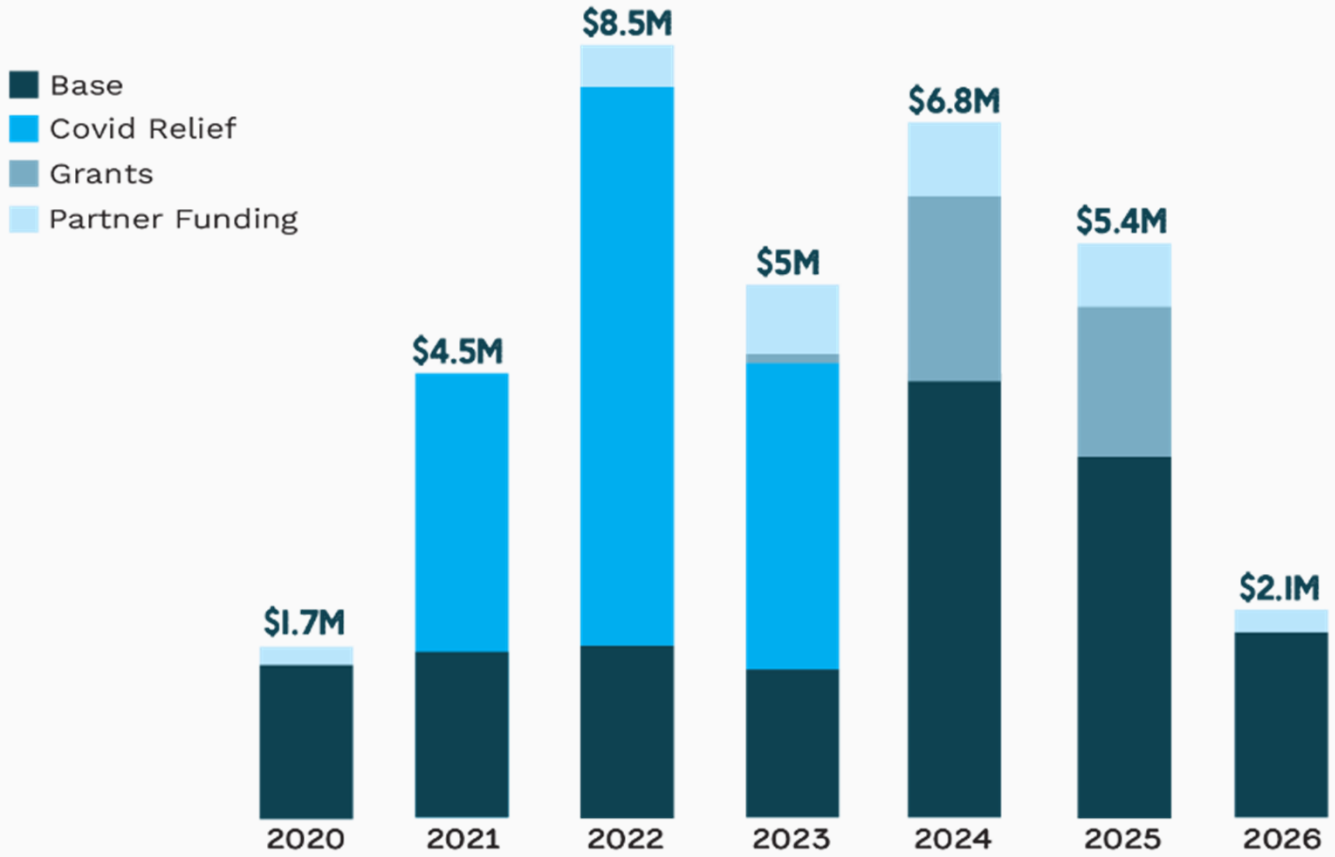


THE ROAD TO HERE: FUNDING INNOVATION

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
2025-27	Port of Seattle Int'l Program = $1.5M
2025-27	State base funding cut from $4.5M to $1.5M per year


PHOTO/VIDEO SHOOTS
DOMESTIC CO-OPS
INTERNATIONAL CO-OPS
TOURISM CONFERENCE
GRANTS
FAM TOURS
RTS PROGRAM
INDUSTRY INVESTMENT

SWT FUNDING TRAJECTORY (WITH CURRENT MODEL)



FY 24/25 ANNUAL STATE TOURISM BUDGETS

	Operating Budget	Marketing Budget
California	$180M	$154M
Oregon	$49M	$17.9M
Arizona	$31M	$32.5M
Utah	$24.5M	$16.6M
Wyoming	$17.M	$13.4M
Idaho	$20M	$9.7M
Washington	$4.5M	$3.3M

U.S. TRAVEL ASSOCIATION®

2024 STATE TOURISM OFFICE BUDGET REPORT

An annual overview of how State Tourism Offices fund and allocate their budgets

FY 23-24 BUDGET INSIGHTS REPORTED BY 46 STATES AND 2 U.S. TERRITORIES

TOTAL STATE TOURISM BUDGETS GREW BY 7%

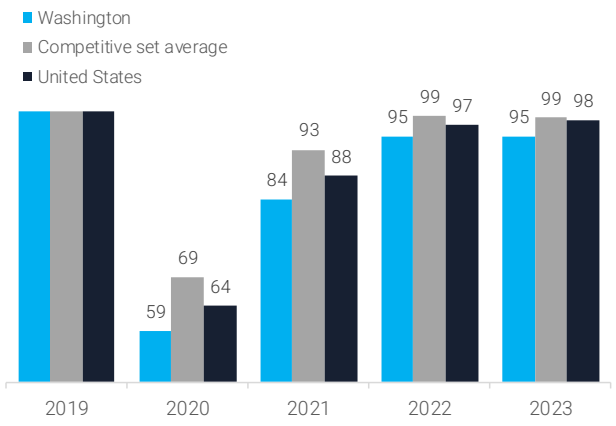


AVERAGE: $39.0 MILLION | MEDIAN: $28.6 MILLION

COMPETITIVE ANALYSIS

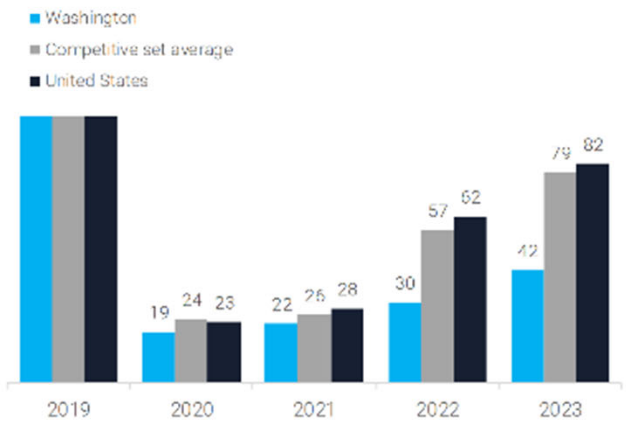
LODGING PERFORMANCE

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



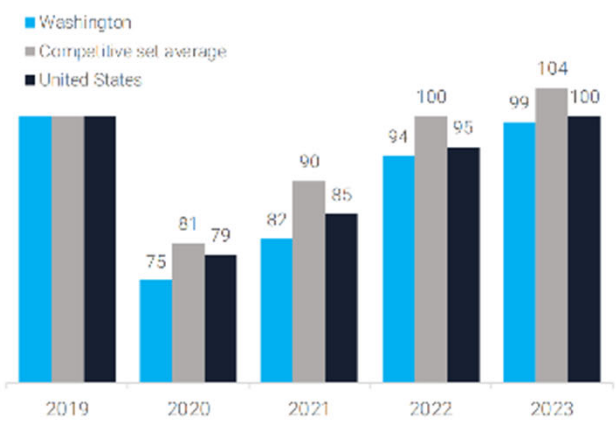
INTERNATIONAL MARKETS

International visitation recovery in Washington trailed competitive set by 37%



TOURISM-SUPPORTED EMPLOYMENT

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





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*

Visit California

$164 million annual budget
Derived from visitor fees
30-year industry self-supported assessment
97% favorability of participating businesses

Tourism Promotion Areas

200+ created in past two years
Generate significantly more demand & revenue for destinations

INDUSTRY SELF-ASSESSMENT:
EXPLORATION, REFINEMENT AND INDUSTRY OUTREACH

- 18-month stakeholder outreach and listening sessions
- 200+ funding model presentations
- Robust DMO engagement
- All trade and business associations
- Business leader meetings in all sectors
- Legislative and gubernatorial presentations
- Best practices and case studies: US Travel Association, state tourism directors

U.S. TRAVEL ASSOCIATION ~ CIVITAS ADVISORS
2025 TAX STUDY KEY FINDINGS

- U.S. destinations experienced steady increases in tax and assessment rates in the past year
- Approximately half of the rate increases were dedicated back to the destination industry
- Call out to **Washington's sustainable funding proposal**:

"We expect more states follow suit in the next several years. The economic case for statewide tourism promotion has strengthened as states recognize the substantial revenue potential from coordinated destination marketing, and the consistency enabled by centralizing state-wide marketing under one roof."

CHRIS STONE
DEPUTY DIRECTOR
WASHINGTON STATE WINE



PROMOTING & SUPPORTING WASHINGTON

MARKETING & EDUCATION

- 100+ domestic and international programs & events each year
- Educational seminars and engagement with wine trade
- Robust media relations
- Inbound tours & hosting
- Top notch social & digital media program
- **Open to ALL Washington wineries**

ECONOMIC IMPACT

- 51,400 jobs that support WA residents and families
- $1 Billion in annual state and local tax dollars



RESEARCH

World-class wine research program

- Washington's wine industry allocates 20% of its budget to support a groundbreaking viticulture and enology research program, along with the state-of-the-art WSU Wine Science Center.

- **Research priorities are 100% industry driven, and results are available to every winery and vineyard in the state.**

- Outreach is a major priority, to ensure farmers and winemakers have the most updated information to make even better wine and grow even better fruit.





WINERIES
1,000+

GROWERS
400+

TONS PRODUCED
150,000

ACRES PLANTED
50,000+



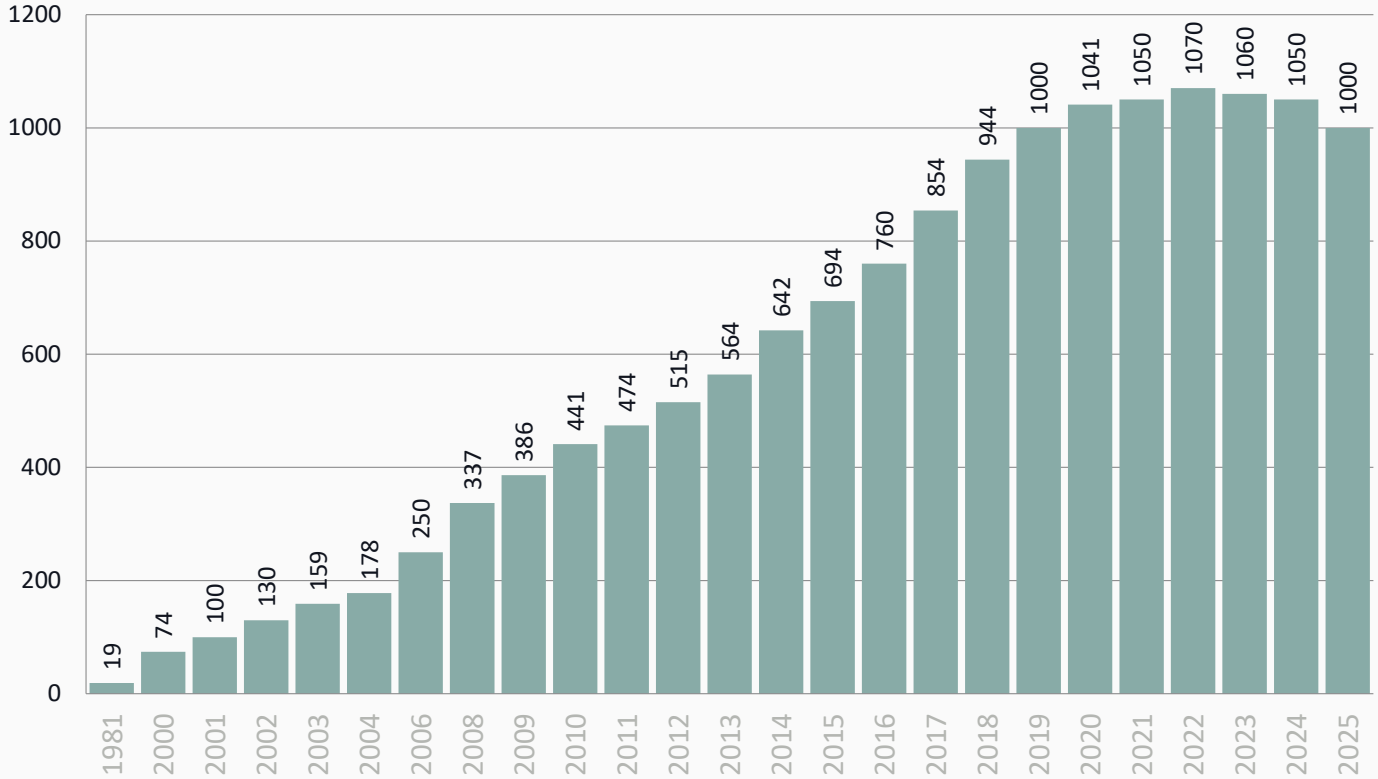
Ninety percent of Washington state's wineries are small, family-owned wineries who make fewer than 5,000 cases a year.

Annual In-state Economic Impact
$10+ Billion

Annual Wine Production
10 Million Cases

LICENSED WINERIES

NUMBER OF WINERIES



BRIAN FLAHERTY
CHIEF OPERATING OFFICER
COLUMBIA HOSPITALITY



INDUSTRY SELF-ASSESSMENT ADVISORY GROUP
ESTABLISHMENT AND SCOPE OF WORK

- Established by SSB 5492 in 2025
- 18 industry leaders
- 7 industry business segments
- Appointed by Chair of the Washington Tourism Marketing Authority (WTMA)
- Work period between August and October, 2025
- Report delivered to the legislature in late October (for November 1 deadline)

SELF-ASSESSMENT ADVISORY GROUP
FOUNDATIONAL PRIORITIES

- *Competitive* and *predictable* state tourism funding is critical to industry success
- The assessment program must be *by and for the industry*
- Industry leadership of the program is essential for industry wide support
- Tourism program must drive market development and visitor demand for WA
- Ensure adequate operating budget to competitively position WA ($25M target)
- Work collaboratively + strategically with industry and regional DMOs

REPORT RECOMMENDATIONS

1. Classification of Businesses to be Assessed - General and Broad Tourism business segments most likely to benefit from the industry

- Lodging (hotels, b&bs, RV parks, short term rentals)
- Travel services (transportation, sightseeing tours)
- Attractions (attractions, museums, performing arts and theme parks)
- Recreation (ski areas and golf courses)
- Beverage Industry (wine, beer, distilling and cider-making)
- Full-Service Restaurants and Drinking places (full-service)
- Retail (department stores and general merchandise)

REPORT RECOMMENDATIONS

2. Assessment Methodology and Ratification Ballot Process

- Uniquely ties assessment to concept of direct ratepayer benefit
- Industry run ratification process and renewal authority
- Type of assessment and proposed budget set in industry ratification rather than prescribed in statute, granting ratepayers significant influence over structure and scale of the program

REPORT RECOMMENDATIONS

3. Rate of Assessment

- Assessment rate based upon a percentage of gross revenue, (simple to apply across all business types and pass to customers)
- Businesses should have the option to incur assessment fees or to pass through to customers
- The amount of annual assessment collections should amount to $25 million to position the program competitively and sustain its statewide operations

REPORT RECOMMENDATIONS

4. Characteristics of Businesses that will Benefit

- Assessment should aid businesses that provide goods and services that benefit from direct visitor spending
- Business activity assessed is retail-facing, rather than wholesale

REPORT RECOMMENDATIONS

5. Assessment Term

- Six (6) year terms are recommended
- This duration has worked well in other destinations
- Allows for the maintenance of accountability and administration needed for the renewal process

REPORT RECOMMENDATIONS

6. Governance Structure

- Industry self-governance essential to industry support
- Modeled after proven effectiveness and impact of BIAs and TPAs, driven by nonprofit tourism program management
- Clear continued separation of state funds and assessment revenues

ANNIE MCGRATH
STATE GOVERNMENT AFFAIRS
LEONARD & KOLAN



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

SUPPORT OF FIRST BILL (SSB 5492)

- **State Government**
- Washington State Legislature
- Governor Bob Ferguson

- **Trade Associations**
- WSDMO
- Washington Hospitality Association
- Washington Wine Institute
- Washington Brewers Guild
- Washington Retail Association
- Maritime Wash. National Heritage Area
- Inspire Washington

- **Business Associations, Trade and Corporate**
- Association of Washington Business (AWB)
- Washington Economic Development Association (WEDA)
- Seattle Metropolitan Chamber of Commerce
- Greater Spokane, Incorporated
- Port of Seattle
- Greater Seattle Business Association (GSBA)
- Tri Valley EDD
- Wenatchee Chamber of Commerce
- Leavenworth Chamber of Commerce
- Expedia

- **DMOs**
- Visit Seattle
- Visit Spokane
- Visit Bellevue
- Yakima Valley Tourism
- Visit Tacoma
- Visit Walla Walla
- Explore Olympia & Beyond
- Explore Seattle Southside
- Olympic Peninsula Visitors Bureau
- Visit Bellingham
- Visit Kitsap
- Visit Skagit Valley
- Visit Vancouver Washington
- Visit Tri-Cities
- Visit Issaquah
- Visit Chelan County
- Visit Gig Harbor
- Okanogan Country
- San Juan Islands Visitors Bureau
- Seattle North Country
- Discover Lewis County
- Woodinville Wine Country

- **Sports Commissions**
- Seattle Sports Commission
- Spokane Sports
- Snohomish County Sports Commission
- Yakima Sports Commission
- Tri Cities Sports Commission