

Strategic Plan Report
Jones Lang LaSalle Incorporated

Pierce County Tourism Funding

November 10, 2017

Tourism Funding Strategic Plan



Executive Summary

Pierce County's future tourism efforts will be focused on generating incremental overnight stays through leveraging agreed upon assets.

In 2016, the Board of the Tourism Promotion Area (TPA) and the Lodging Tax Advisory Committee (LTAC) determined there was value in embarking on a strategic planning process to determine the most effective overall approach to tourism funding over the next five years. The process is in its final stages and the following is the summary of the background, overall approach and key recommendations. The full report has been developed which further details these overarching recommendations. The results and recommendations contained in this report will create a baseline as the standard moving forward for both LTAC and TPA Boards to start the planning process and will be refined on an annual basis.

Background

Lodging Tax and Tourism Promotion Area fees are collected across the county, with only a portion of the total tax being administered directly through the county. Over \$3.4 million was collected by the County between both funds in 2016. Both funds have specific guidelines from the state and county codes governing how the dollars can be administered with TPA funds strictly used for marketing and the operations to support such marketing initiatives, while LTAC funds can be used for broader purposes including marketing attractions and events and even capital projects. Pierce County's Economic Development Department (EDD) assumed the administration of the County's portion of LTAC funding program in 2012 and has administered the TPA funding program since its inception in 2010. Taxes are assessed on hotel rooms, cabins and campgrounds throughout the county; however, multiple jurisdictions retain their LTAC funds and do not participate in the countywide application process. TPA funds are administered and collected countywide for all participating hotels and lodging establishments with 40 or more rooms.

Mount Rainier



Source: Pierce County

Stakeholder Engagement

In this process, a broad cross section of tourism stakeholders throughout the county were engaged to understand their needs and the wide variety of tourism development opportunities. Meetings were conducted in many different areas of the county with a cross section of organizations as well as a separate survey sent to over 800 tourism stakeholders.

All in all, over 1,100 different stakeholders were contacted and informed throughout this process through a 700-person sample county wide survey, regular stakeholder updates, 20 focus groups or meetings and many additional individual phone calls. The boards of both LTAC and TPA have also participated in two facilitated sessions. The input that has been received in this process has been invaluable in gaining insight on both past practices and future opportunities.

The stakeholder communication that began with this process, including regular updates and email outreach, should continue as the County moves to the implementation phase of the strategic planning process. The recommendations and proposed approach of this plan require consistent communication and engagement.

Benchmarking

A key aspect of this process was comparing the current Pierce County practices with others who are engaging in similar activities. Several in-state and out-of-state destinations were reviewed. The focus was uncovering both innovative overall approaches and studying those whose funding sources are similar to Pierce County and how they functioned within the current guidelines.

This benchmarking analysis uncovered common issues across Washington State destinations and others nationally when it came to effective tourism grant funding. Some of these issues included conflicts of interests, measurement and metrics. Other destinations have crafted their respective programs to include key foundational priorities. From this exercise, recommendations have been developed that incorporate certain best practices to help elevate Pierce County's program in the future.

Summary of Recommendations

The recommendations contained in this report aim to transform the current process in terms of functionality and accountability as well as support informed decision making through new strategically based initiatives. Pierce County has separate funds and boards for LTAC and TPA and it is important that both boards support the plan and move forward together. This may be difficult as board composition and enabling legislation are very different for each fund. The boards will have to make a commitment to work together to ensure the funds entrusted to them

are invested strategically for the betterment of the tourism industry. Based on the current restrictions of each fund, it is recommended that approaches are adopted by each to both support the guiding principles while adhering to the legislative requirements. The overall direction of this plan is to holistically determine with the combined funds how to achieve the most effective overall investment. The high-level recommendations can be summarized as follows:

1. **Shift the model to be guided by agreed upon priorities** – This process has galvanized stakeholders to come to the table and agree on key principles. Creating the priorities to determine how the funds are strategically deployed will make the process transparent for stakeholders and applicants. A key platform that supports this is developing a “balanced investment” approach that encompasses agreed upon funding priorities and informs potential participants of the types of projects and focus that will receive funding going forward.
2. **Governance must be elevated and engaged** – In order for the future program to be successful, the boards will need to be more engaged in a process that includes determining priorities, educating potential applicants, reviewing research and program results and coming together more regularly to develop and review strategic priorities.
3. **Create a shared research platform** – Throughout this process, stakeholders and many applicants gave input about what would be important to them in the future. One key item that surfaced was the need for data and the interest in creating future programs that are based on research. Both boards placed an emphasis on increasing their understanding of what the highest priority markets are for Pierce County. Including research as a foundational component of every application will support the desired outcomes and inform the direction for future expenditures. It is recommended that the boards develop an annual research effort, with allocated resources, that includes both collecting and sharing data with partners as well as investing in new research as a resource for future decision making and that the research results are required components for future funding applications.
4. **Develop a standardized reporting effort for measurement and metrics** – It was understood from the onset of this process that there has been historic frustration between both stakeholders and applicants and the boards because of the lack of consistent measurement practices. Creating a standard baseline for key metrics in this process is important. The primary metric for all applicants in the future should be penetration into their target market and overnight stays generated directly by their program. These metrics would be reported out by the applicants and aggregated by EDD to the boards, stakeholders and participants on a quarterly basis. In addition, recommendations related to requiring target markets and direct marketing approaches which support effective measurement are included.
5. **Expand opportunities for funding** – The current funding program has been primarily focused on marketing with allocations for administration and staff support around those programs. It was made clear during this process that stakeholders are interested in creating new programming around events and other

assets, however they need development funding to support this type of effort. A “balanced investment” approach is presented which will expand the areas of focus for future funding. The TPA funding does not allow funding of capital projects, however LTAC funds can be used for this purpose with certain guidelines. These restrictions have been taken in consideration in determining how to effectively implement this recommendation.

6. **Create a platform for specific categories for applications** – The current funding system is structured as two separated funds across a general application process. The proposed program of the future provides distinctive categories with specific funding priorities and established performance metrics. The funding categories include marketing across all target market segments, development, and capital/infrastructure investment. Within those categories there would be further breakdown into subcategories ranging from leisure marketing to sports and event development.

Executive Summary Conclusions

This report and plan provides a transformative approach to increasing return on investment (ROI) out of the LTAC and TPA dollars through measurable recommendations. This plan will move the funding mechanism to a proactive, board-driven process that will encourage a wider spectrum of targeted projects that have the potential of driving overnight stays in both the short and long-term for Pierce County. Implementation of these results will establish Pierce County as having a best practice tourism funding program both within Washington State and also across the U.S. As mentioned above this report will set the baseline for both the LTAC and TPA Boards to make decisions on an annual basis for strategic priorities going forward.

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Current Situation

Introduction

Jones Lang LaSalle (JLL) was engaged in February 2017 to assess the tourism landscape in Pierce County and create strategic recommendations with a plan for the future of the tourism funding program. JLL reviewed both the Lodging Tax Advisory Committee (LTAC) and Tourism Promotion Area (TPA) funding programs over the course of this process. JLL is proud to have been part of this project in conjunction with the County's Economic Development Department (EDD). This plan is representative of a collaborative process and engagement with the County and key stakeholders in terms of recommendations and direction for the future of the tourism funding efforts. The overarching goal of this process was to develop a plan and approach that would drive more overnight visitors to Pierce County. JLL would like to thank Pierce County, the Economic Development Department staff and stakeholders for providing valuable insight and guidance during this process.

Current Tourism Funding Situation

Pierce County, similar to many Washington State destinations, assesses a Lodging Tax and Tourism Promotion Area fee on overnight accommodations. The taxes and fees collected are used to promote tourism and market Pierce County as a destination for visitors.

Lodging Tax (LTAC Funds)

The lodging tax is a tax on lodging charges for periods of less than 30 consecutive days for hotels, motels, rooming houses, private campgrounds, RV parks, and similar facilities. Lodging tax can be used for activities, operations and expenditures designed to increase tourism. Specifically, lodging taxes are authorized at the state level for use in general tourism marketing, marketing and operations of special events and festivals designed to attract tourists, operations and capital expenditures of tourism-related facilities owned or operated by a municipality or a public facilities district or, operations of tourism-related facilities owned or operated by nonprofit organizations. Pierce County Code does not allow LTAC funds to be used for festival or event operations. Activities defined as "tourism promotion" in state law include:

- Advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists;
- Developing strategies to expand tourism;
- Operating tourism promotion agencies; and
- Funding the marketing or operation of special events and festivals designed to attract tourists.

Tourism Promotion Area (TPA Funds)

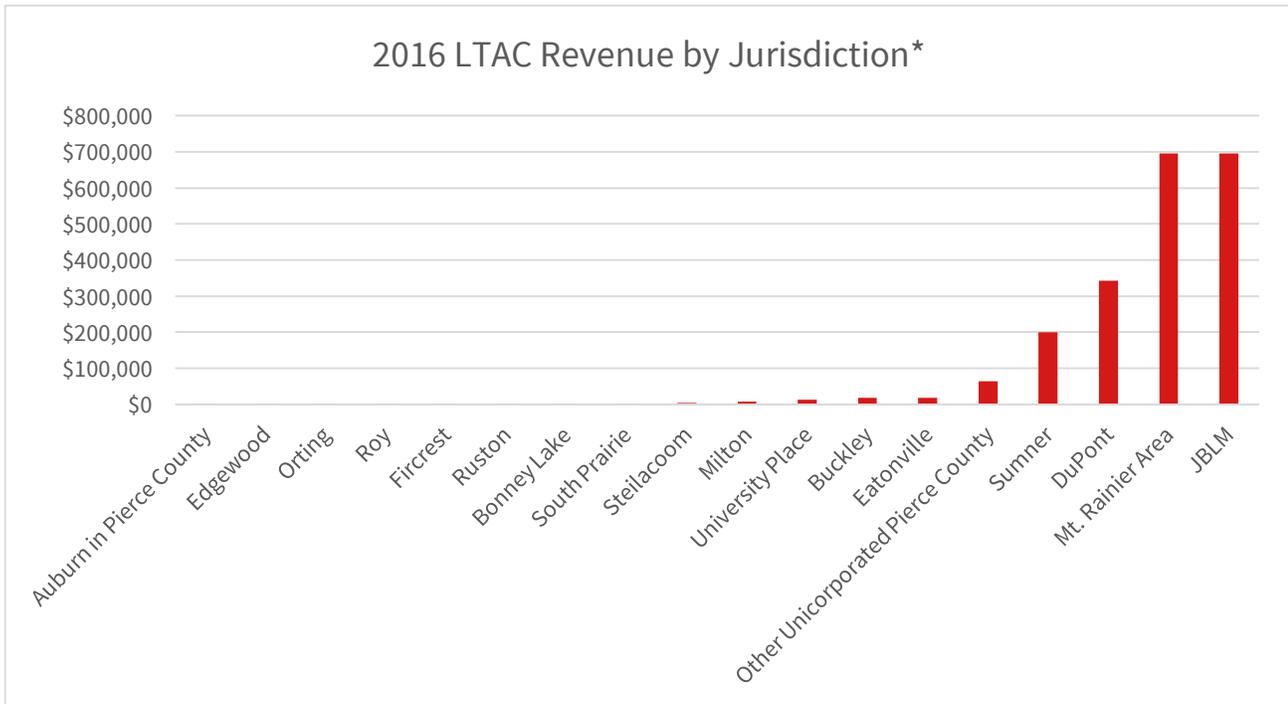
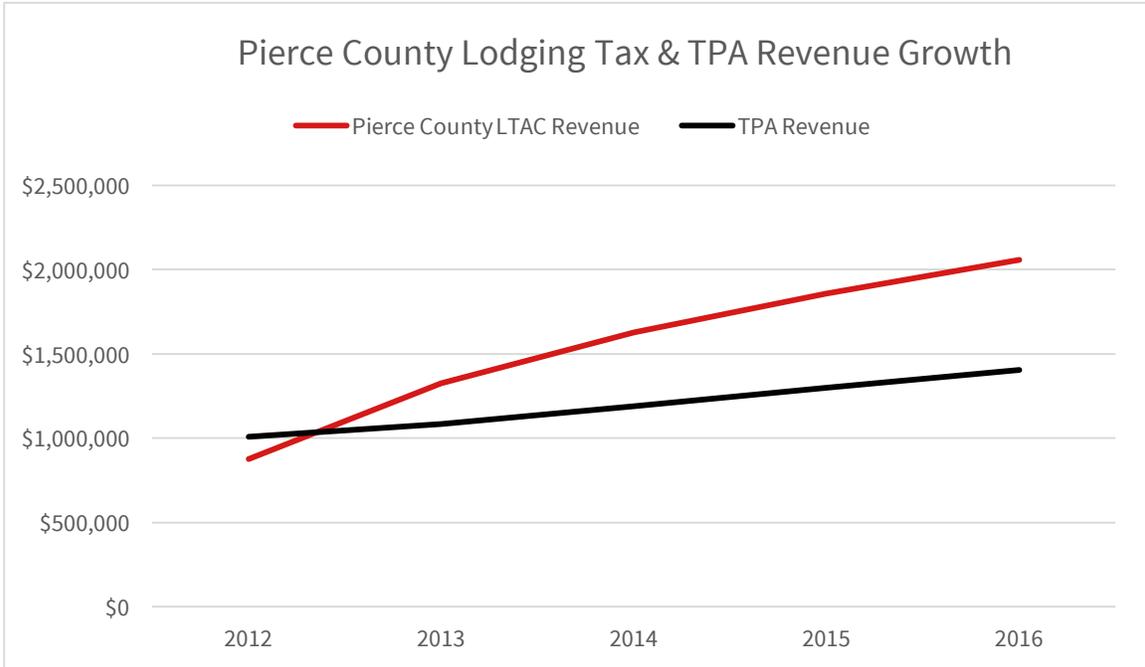
The Tourism Promotion Area fee is a flat fee charged to hotel guest rooms on properties with 40 rooms or more. The Pierce County TPA encompasses the Cities of Tacoma, Puyallup, Lakewood, DuPont, Fife, Gig Harbor, Sumner, and the unincorporated areas of Pierce County. Pierce County TPA is broken up into three zones with Zone A including Tacoma assessing a fee of \$1.50 per room night, Zone B including Puyallup and Lakewood assessing a fee of \$1.00 per room night, and Zone C including the remaining incorporated and unincorporated communities assessing a fee of \$0.50 per room night. According to the Pierce County Code, TPA funds can be used for the following:

- The general promotion of tourism within Pierce County;
- The marketing of convention and trade shows that benefit local tourism and the lodging businesses in the Pierce County Tourism Promotion Area; and
- The marketing of Pierce County to the travel industry in order to benefit local tourism and the lodging businesses in the Pierce County Tourism Promotion Area; and
- The marketing of Pierce County to recruit sporting events in order to promote local tourism and to benefit the lodging businesses and tourism industry within the Pierce County Tourism Promotion Area; and
- Direct administration costs associated with management and maintenance of the TPA program, including but not limited to staff costs, public notice advertising, accounting and auditing, as approved by the TPA Hotel Commission and the Pierce County Council, provided no funds will be used for the general operations of the TPA Manager or other costs not directly related to operation of the Tourism Promotion Area.

Recent Funds' Growth

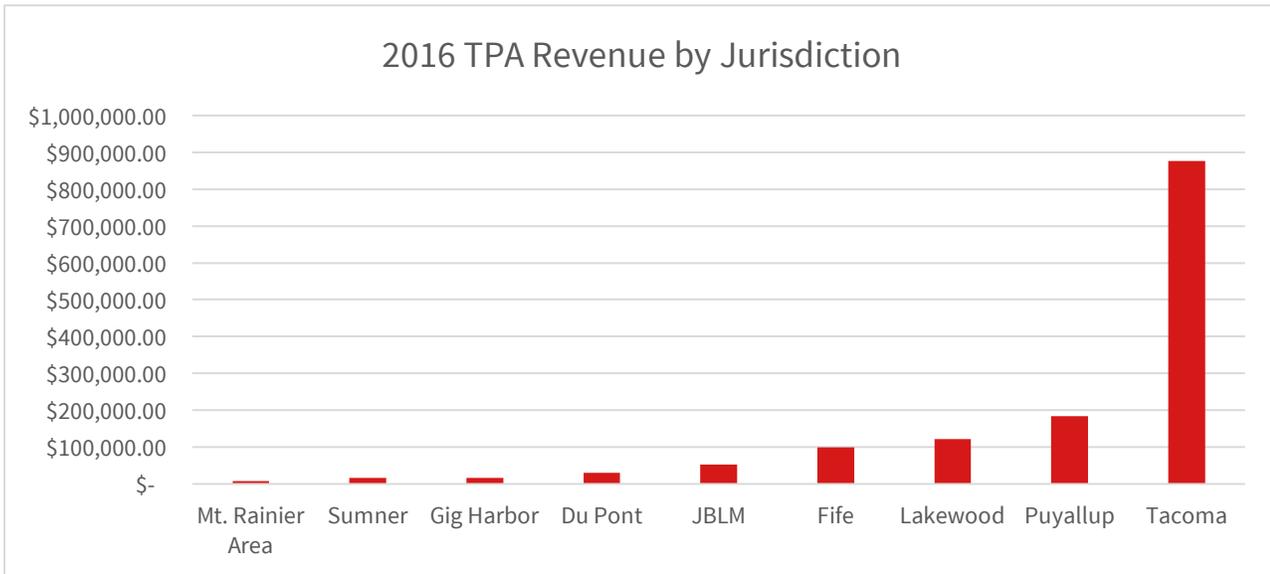
Five jurisdictions keep the LTAC dollars raised in their communities and two other communities keep a portion of their LTAC funds with the remaining dollars going to the County. In 2016, the portion of the LTAC funds administered by Pierce County under the governance of the LTAC Board of Directors represented 22% of the overall LTAC funds generated in Pierce County in total, while it administers 100% of the TPA funds generated.

The graph below shows the revenue growth of Pierce County's portion of the LTAC funds since 2012. The LTAC funds have grown 135% since 2012, which represents \$1.18 million in four years. TPA funds have grown 39% representing nearly \$400,000 in the same time frame. Hotel occupancy hit a record high in 2016 at 68.4%, an increase of 0.6% over 2015. The key contributors to growth in the two funds have been the privatization of the hotels on Joint Base Lewis McChord (JBLM), new hotels that have been built in DuPont and Lakewood and the recent addition of revenues from Airbnb and other shared accommodations.



*includes only jurisdictions where collected LTAC funds are administered by Pierce County, and excludes Fife, Gig Harbor, Puyallup, Tacoma, and Lakewood.

The chart above illustrates that the top contributors of LTAC revenue in 2016 were JBLM, Mt. Rainier area, DuPont and Sumner. The chart below represents the 2016 TPA revenue collection led by Tacoma, Puyallup, Lakewood and Fife recognizing that Tacoma’s rate is higher than the other jurisdictions.



Process

The LTAC and TPA funding programs are two separate funds, each with their own respective boards. The process to submit and receive funding is done through an annual process with applications released between March and May. The EDD must compile the anticipated amount being requested for funding by June 1st to include within the annual budget submission to the Pierce County Finance Department. In 2017, the boards reviewed applications over a period of 1 or 2 sessions between August and September through a process involving applicant interviews to decide whether or not to fund applications and at what level. The process for calendar year 2018 will shift to incorporate the recommendations of this strategic funding plan, but the June 1st deadlines remains constant.

Challenges

In previous years, the funds have not had specific and standardized criteria to award funding. The majority of the process was left to the applicant to qualify their requests for funding through an open-ended application. Many of the projects are being repeatedly funded without question and metrics are not consistent, not credible and in some cases not provided.

Additionally, the process has implications of conflicts of interest from start to finish. Many of the organizations that apply for funds have executives on the decision-making boards, which puts them in a conflicted position relative to other applicants and determining which proposals will have the highest return for Pierce County.

Current Research Initiatives

The TPA and LTAC Boards commissioned a Visitor Profile Study in 2015 and 2016 to understand the current profile of visitors coming to Pierce County over the course of a one-year period. The study was conducted across Pierce County through paper questionnaires distributed at hotels, special events and attractions. According to the report, the surveys were conducted on average 13 days a month between October 2015 and September 2016. The goals of the study were to survey and quantify the following:

- Characteristics of trips to the county;
- Visitor and travel party demographics;
- Visitor expenditures;
- The processes used for travel planning and information sources;
- Views toward Pierce County; and
- Satisfaction with the travel experience in the County.

This visitor profile study provided insight into what kinds of people are traveling to Pierce County. The results showed that the average household income of a Pierce County Visitor was \$98,000. Visitors were generally coming from within the state of Washington, Oregon or California with 64% of visitors driving to the county. Visitors were middle age with the average age being 46 and part of a family unit. The primary reason for traveling to Pierce County was to visit friends and family, with 70% having previously visited the County. 20% of the travelers surveyed cited their reason related to business with nearly 40% of those travelers going to Joint Base Lewis McChord.

In addition to questions about visitors' characteristics, the survey also asked travelers what activities they participated in with sightseeing, museums, cultural activities and special events making up the top activities. Visitors also engaged in entertainment and recreation activities with 43% of visitors engaging in outdoor activities.

This visitor profile study is a valuable tool for the LTAC and TPA funds to utilize as a platform of research moving forward. For purposes of this plan, the geographic points of origin and the demographic information are the focus. Moving forward applicants should utilize visitor profile studies and other research to expand on the data collected and determine the most viable target markets for their initiatives.

Future Research Based Application Sample

As an example of a more focused approach, if an applicant wanted to receive marketing funds they would need to cite existing research that has determined the following:

- Target markets
- Geographic point of origin
- Most effective direct marketing channel
- Call to action for activities or experiences that are of interest to the target markets

The following is a sample criteria outline required for a future request for funds:

Target Market	Geographic Target	Marketing Channel	Call to Action	Method of Measurement
Age 26-34 Leisure travel	Portland, OR + 50-mile radius using zip code data	Email direct marketing – purchased list	Purchase 2-day package for outdoor activities, dining and hotel stay	Package sales, room nights associated and web referrals to partner sites.

This type of outline will create the platform for a measurable, targeted approach with a specific call to action.

Research Driven Advocacy Recommendations

TPA and LTAC Fund Requirements

The TPA and LTAC funds have some specific restrictions based on the current legislative guidelines as governed by both the County and State of Washington. It is recommended that an advocacy plan is developed and initiated to remove the current restrictions that inhibit the overall effectiveness of the funding program. The following table provides an overview of those regulations and suggested actions to improve their impact on the Pierce County funding program:

Fund	Guideline	Governing Body	Comments	Action
TPA	Funds can be used for “activities and expenditures designed to increase tourism and convention business, including but not limited to advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists, and operating tourism destination marketing organizations.” - Revised Code of Washington	State enabled, locally enacted and overseen	TPA funding cannot be used for capital or infrastructure. This was part of the enabling legislation.	Develop an advocacy plan to approach the state to remove the capital or infrastructure restriction from the TPA process.
LTAC	“the committee membership shall include: (a) at least two members who are representatives of businesses required to collect the tax under this chapter; and (b) at least two members who are persons involved in activities authorized to be funded by revenue received under this chapter...” - Revised Code of Washington	State	Enabling legislation embeds conflict of interest	The Board and EDD should work together with other municipalities to revise the Code of Washington to remove the inherent conflict of having recipients on the board.

LTAC	Lodging tax dollars can fund marketing for all applicants. In addition, event operations activities as well as capital improvements can be completed as long as the facility is owned by a municipality.	State/County	Legislation does not enable funds to support event infrastructure.	Pierce County should revise county code to enable applicant access to funds for additional event support.
LTAC	Lodging tax dollars can fund marketing for all applicants. In addition, event operations activities as well as capital improvements can be completed as long as the facility is owned by a municipality.	State/County	Legislation does not enable funds to support private capital projects.	Open to enable applicant access to funds for public-private capital projects.

The above restrictions and legislative mandates have been taken into consideration in developing the recommendations contained in this report. The recommended advocacy action items should commence as soon as possible due to the longer lead time typically needed to effect legislative change. Advocating for these legislative changes is not meant to imply that funding to current organizational recipients should be altered or eliminated. These changes seek to provide needed flexibility and greater efficiency to the programs under the direction of the boards to foster tourism growth across the county.

Stakeholder Engagement

Stakeholder Engagement

The process to develop this plan included a comprehensive stakeholder engagement plan. During the planning process, regular email updates were sent to over 800 stakeholders, 20 focus groups were conducted, and individual meetings and phone calls with over 30 stakeholders were held. In addition, a stakeholder survey was created and sent to the same audience to ensure that all stakeholders had an opportunity to have their opinions heard and considered. This input played a vital role in shaping the outcome and recommendations.

Stakeholder Survey

JLL distributed a comprehensive stakeholder survey to over 700 individuals and received 158 total responses. Stakeholders represented a broad mix of businesses and industries with hotels, motels, bed & breakfasts and other accommodations representing 22% of the overall responses. Cultural institutions and arts organizations were the second highest group representing about 14% of all responses and attractions were third with 12% of the overall responses. Other respondents included restaurants and bars, tourism organizations, government representatives, retail, sports, economic development organizations, an outdoor activity vendor, event organizers and wineries breweries and distilleries. The purpose of the stakeholder survey was to get a sense of industry perceptions so that their opinions could be considered when making recommendations.

Assets

When stakeholders were asked to state their perceptions regarding what county assets drive the most overnight visitors to Pierce County, the front runners were Mt. Rainier and the South Sound waterfront. Mt. Rainier becomes even more pronounced when Crystal Mountain, outdoor activities and natural resources are added to its destination mix. It is important to note that the results from this question about what assets drive overnight visitors displayed in the word cloud below is based entirely on stakeholder perceptions and not drawn from

actual visitor data on reasons for travel. The question is asked this way to gain an understanding of what assets the industry views as valuable for tourism promotion purposes.



In addition, when given assets to rank, Mt. Rainier topped the list, with Joint Base Lewis McChord following in second, golf and outdoor activities coming in third and fourth respectively. What was gleaned from these results is that stakeholders were consistent in their placement of Mt. Rainier as the primary overnight demand generator and that while the military and Joint Base Lewis McChord does drive overnight stays, it is not perceived by the industry as a leisure tourism asset.

Reasons for Travel

Stakeholders were asked why visitors are coming to Pierce County and staying overnight. Over 40% of respondents placed Friends and Family as the number one reason to come to Pierce County. This is a critical response because it emphasizes the need for the Pierce County funding program to diversify with specific targets to bring new overnight visitors who are staying in paid accommodations. The Visitor Survey that was conducted by the County illustrated that 52% of those visiting friends and family stayed in paid accommodations. The other 48% of travelers visiting friends and family could not be captured and did not contribute to the LTAC and TPA funds. For the future of Pierce County’s funding program, all of the dollars spent should be targeted to capture those visitors who will stay overnight in paid accommodations. Sustainable growth of LTAC and TPA funds is best achieved through targeted investment into program areas that drive future LTAC and TPA tax and fee collections.

Business meetings and military related travel scored similarly based on stakeholder perceptions, and while those travelers are staying in hotels that generate LTAC and TPA funds, they are coming for a dedicated purpose and are not necessarily making the decision to visit Pierce County as a leisure destination. There is however, an opportunity to leverage these kinds of travelers within conventions and meetings for military reunions or other

related group travel or business travel events. As an example, JBLM has the opportunity to attract military travelers for reunions and conventions and meetings related to military or defense markets. This is also included in the conventions and meetings section of the recommendations on page 45. Individuals qualified to stay in military hotels associated with JBLM are likely driving some level of leisure overnight business to Pierce County but details on this visitor profile, motivations and market size are unclear. Ultimately, the JBLM visitor mix needs additional study to help project an accurate understanding of its impacts and opportunities. An applied research-based strategy for JBLM can assist the area in better leveraging base related opportunities.

Marketing and Research

JLL also asked stakeholders about marketing and research. Stakeholders felt the most important marketing channels for generating overnight visitors were social media, destination websites and digital media. These stakeholders differed on the importance of independent destination websites and many stated that consolidation or coordination of destination online platforms promoting Pierce County would be beneficial and more impactful.

Most of the respondents stated that they participate in some form of research including visitor profile studies, zip code studies, marketing campaign results, Google analytics, visitor books and others. A theme within research emerged throughout this process that many stakeholders would like to participate in broader research, but do not have the staff or budget to make that investment on a regular basis. This is factored into a specific recommendation around investing in research from the County's perspective to create a centralized research plan. When asked what they would like to know about visitors, stakeholders ranked the following as important:

- Where visitors get their information
- How travel planning decisions are made
- Demographic information
- Geographic information
- Travel patterns
- Length of stay
- Seasonal travel

All of these items should be considered for the recommended future research effort from Pierce County's Economic Development Department on behalf of the TPA and LTAC boards.

Investment

Stakeholders were also asked about what investments would support tourism growth and how they see investment in the future. When asked about investments that would help increase overnight visitors, transportation was the dominate response with over 35% of the respondents' selections. With the limited funds available through LTAC and TPA sources, it is not recommended that these funds are used to solve transportation

issues, however, the EDD, CVB and industry partners could come together to advocate for transportation solutions.

In addition, stakeholders cited specific examples of infrastructure that would be valuable which included light rail and downtown connectivity. This issue of connectivity between points of interest became a theme throughout JLL's meetings with stakeholders across the county. One of the destination's challenges is the geographic distance it covers. From Mt. Rainier to the waterfront restaurants of Gig Harbor the drive covers over 60 miles and can take up to 2 hours. That is a lot of ground to cover. Creating a sense of connectivity between the assets including downtown Tacoma and even the infrastructure to move people easily would be a great benefit, according to stakeholders. Transportation infrastructure is an important consideration across numerous destinations. Stakeholder views on the topic provide an indication that it should be part of an overall advocacy consideration but not a funding priority within both the LTAC and TPA boards.

Cross Promotional Leverage

When asked about participation in cross promotional activity, 64% of respondents claimed to be actively involved in cross-promotional activity with other tourism related businesses. In addition, over 90% of respondents said that cross-promotional activity was somewhat or highly important to their businesses.

Leveraging partnerships and creating a collaborative environment for multiple organizations to create programs together helps address the prior mention of the County's geography. With assets as spread out as they are, creating programs that bring the experiences together in a cohesive offering for visitors requires increased collaboration and partnership.

Stakeholder Conclusions

As mentioned previously, JLL conducted two countywide tours and visited many of the key communities with tourism assets and received detailed feedback from the survey. Mt. Rainier continued to surface as the dominant tourism asset for overnight visitors. In having discussions with individual stakeholders, including board members, JLL believes the broader tourism community agrees that there are not currently many stand-alone, marketable tourism demand generators outside of high-profile events that are causing individual leisure overnight stays in Pierce County. Stakeholders agreed that creating consistency and connectivity between experiences anchored around key assets will be important to move Pierce County's tourism efforts forward in the future. Additionally, research must be a future priority across the county's tourism industry as stakeholders expressed the need and importance of additional information and data on the industry and its customers.

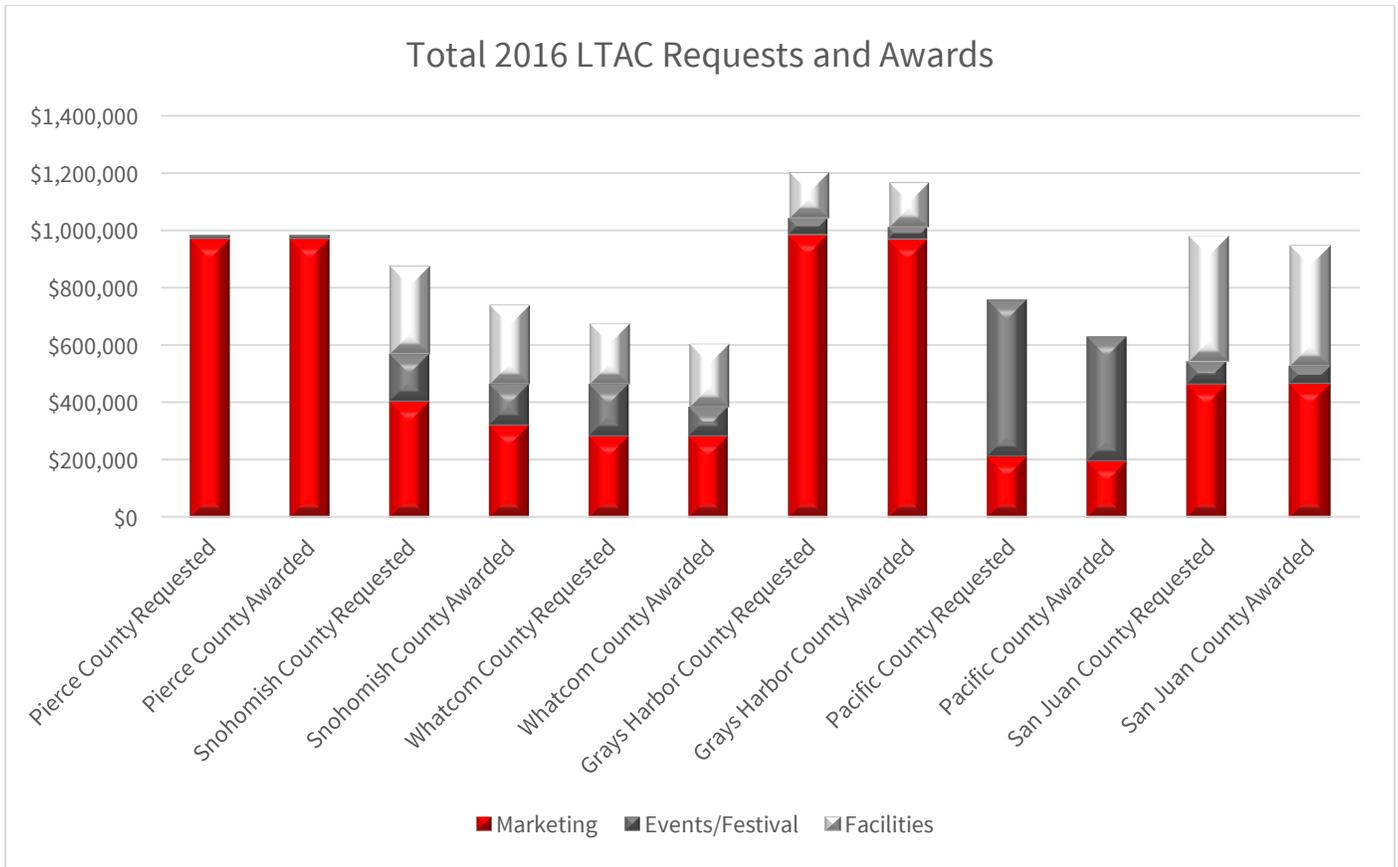
Benchmarking & Best Practices

Benchmarking & Best Practices Overview

Tourism funding programs within Washington State as well as other destination funding programs across the US were analyzed to understand common approaches and extract best practices. The full extent of this benchmarking work is included within the appendix, but relevant applications are presented within this section. It is important to note that the case studies included within the appendix offer unique elements which, if integrated within the Pierce County system, would greatly improve it. Not all of these case studies are meant to be emulated but there are valuable lessons for guiding the future of the program. Not every program is an LTAC or TPA fund, however, the fund itself is not as important as the practices that could be incorporated into the Pierce County future program.

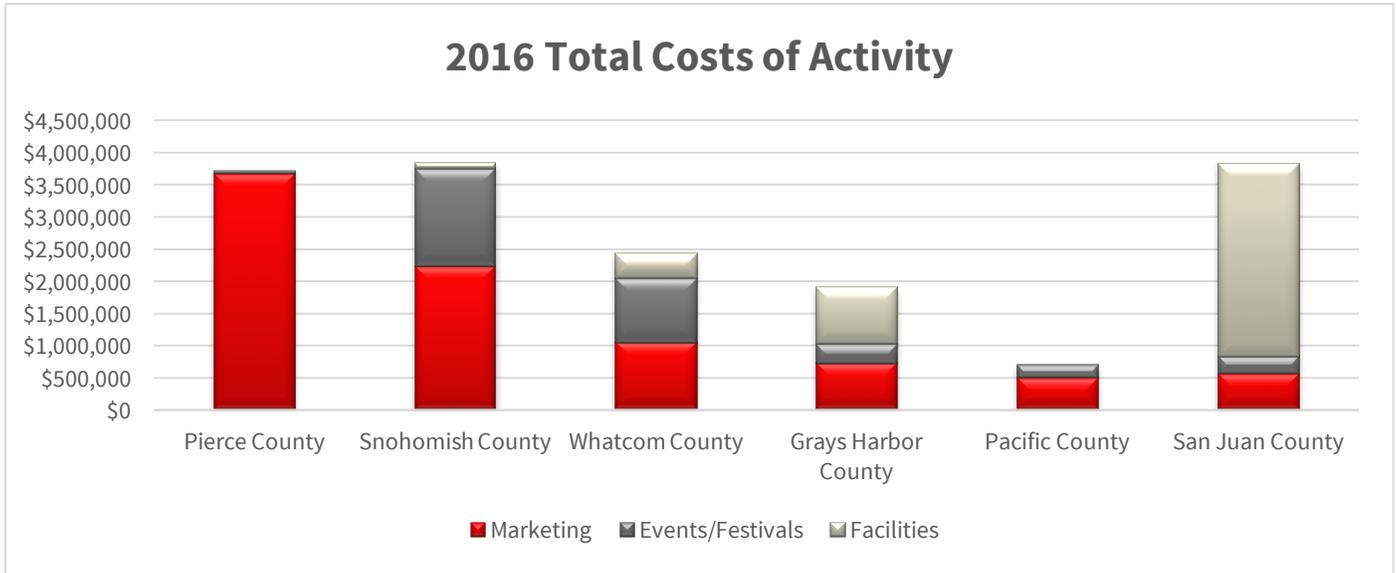
Washington State LTAC Benchmarks

Comparable sized LTAC funding programs across Washington State were reviewed to understand how others are collecting, awarding and measuring LTAC funds. In order to keep the comparisons equal, only county LTAC programs are included utilizing data reported to the state for the latest year available, 2016. The findings from this comparison showed that Pierce County is heavily skewed towards marketing requests and awards while other programs include a higher percentage of events/festivals and facilities that receive funding.



Source: Washington State Joint Legislative Audit Committee

The LTAC funding requests to Washington State county programs ranged from \$124,000 in Chelan County for facilities to \$1.2 million in Grays Harbor County for a mix of marketing, events and facilities. The chart above shows that Pierce County’s requests in calendar year 2016 reached about \$1 million with \$970,000 being marketing and only \$12,000 being event/festival marketing. According to the Washington State records in calendar year 2016, Pierce County funded 100% of the requests. Comparatively, the other Washington State county programs did not fund the requests to the full amount. On average, the comparable programs funded 11% less than the total requests. In addition, this chart illustrates that other counties have a different mix of funded programs with an average of \$126,000 going to events/festivals compared to \$12,000 in Pierce County. In addition, the comparative counties awarded an average of \$176,000 towards facilities in 2016 compared to \$0 in Pierce County. Tacoma’s LTAC funds dedicated to the Tacoma Convention Center, would adjust this figure and Pierce County has a few examples of facility related funding in DuPont and Ashford Park although these projects were not part of the 2016 funding cycle.



Source: Washington State Joint Legislative Audit Committee

The above chart shows the total amount of the application programs, defined as total costs of activity by the Washington State Joint Legislative Audit Committee. This total investment figure includes both the awarded amount from the grant fund as well as any additional funding invested by the applicant towards the specific project. When compared to the LTAC programs in the other counties, Pierce County’s activity costs are \$3.7 million compared to an average activity cost of \$2.5 million. Pierce County’s applicants are leveraging outside dollars at a higher rate than those in other counties, meaning their programs are receiving funding from other sources. The Total Costs of Activity chart when combined with the “Requests and Awards” chart shows that Pierce County is funding only 25% of the total activity costs compared to an average of 35% across the other county programs.

Washington State County Program Takeaways

The biggest takeaway from the comparable Washington State programs at the county level is that the others have a more varied mix of funding requests and awards between marketing, events/festivals and facilities while Pierce County is currently primarily funding marketing. Pierce County is funding events/festivals at 10% of the average. Qualifying events are an important factor of tourism plans and should be included in future funding and developments efforts. The Pierce County LTAC does stand out for leveraging other investments as the applicants are not simply applying for full funding of their proposed programs. Applicant projects in Pierce County are funded through grants at 25% of total overall investment compared to 35% dependence in other counties.

National Case Studies Best Practices Takeaways

JLL examined 18 different tourism grant funding programs across the country and multiple LTAC programs in Washington State to leverage key best practices for potential implementation and pitfalls to avoid in the future Pierce County model. A multitude of tourism grant models exist across the US and no two are identical. Even within Washington State where the LTAC and TPA funds are legislated along a similar set of regulations, there are subtle differences within program administration. Out of all funding programs, only a select few truly distinguish themselves with best practices. It should be noted that an even larger grouping of funding programs were considered for this review, but disparity in funding level, destination type or unimpressive program practices shortened the list to the group of eighteen. The following section is dedicated to providing insight into the structure, format and key takeaways from the programs studied even when the insight is not a best practice.

Governance

Governance of local tourism-related grant programs comes in various forms, yet the benchmarking research concluded that a consistent theme of those destinations having success with their programs were utilizing an independent, non-conflicted, appointed council to review and award tourism grants. Typically, the appointed council consists of a broad mix of elected officials, local business, organizational stakeholders, local interested residents, and subject matter experts on the tourism industry. The concept of the appointed council provides an objective panel to review and select appropriate project proposals; however, the objectivity can be beset with both perceived and blatant conflict of interest if it is not set-up and established appropriately. This conflict of interest reality is embedded at the heart of the Washington State LTAC program. Each county contacted specifically acknowledged conflict of interest as a component of their structure. The enabling legislation forces counties to have representatives of eligible applicant organizations serve on the boards for these funds. There is interest in changing this but substantial advocacy work with other counties combined with the state's hospitality industry would need to be mobilized. The plan recommends developing an advocacy plan to potentially change the current legislation in this area.

The Appointed Council model utilized in Pierce County is the most common and effective governance system for grant programs, but it is not perfect. The system utilizes individuals appointed by local governments and/or destination leaders to review and select funding recipients. The role of the local government(s) in selecting members of the council creates a fiduciary link to the public funds, while the engagement of business leaders and residents creates, in theory, a more tangible link to the community's tourism direction.

As mentioned above, the most prevalent and successful governance structure is the independent appointed council. The Pierce County model could benefit from a truly independent appointed council because of the current conflicts of interest on the boards as well as the political history associated with the funding program.

However, the Revised Code of Washington includes that LTAC boards must be populated with both collectors and potential recipients of LTAC funds which creates the conflicts of interest and removes the “independent” nature that is needed. As stated previously in this report, the boards along with the EDD should work with similar organizations in the state to advocate for changing the legislation to remove built-in stipulations that inherently cause the conflicts of interest. Inserting an independent appointed council would remove those conflicts, enable the boards to make decisions without the pressures of being part of the applicant community and ultimately award programs without bias. It is recommended that the boards and EDD confirms what can be implemented within the current county or state legislation and what will need legislative change.

Strengthening the Appointed Council leadership of the program requires active involvement and administration by the Pierce County EDD staff. There is an additional role needed to liaise between the boards and the applicants. The EDD staff is meant to play the role of educating and informing the board members while also making certain that applications are fully vetted before being provided for Board decision making. An active, objective staff helps the board understand connectivity between proposed projects and strategic priorities.

Funded Initiatives

Tourism grant programs usually accept project proposals within three different categories: Capital Investments, Marketing Programs, and Event Development. The majority of tourism grant programs focus on marketing initiatives and event expenses.

Capital Programs

Proposals that would need capital funding typically develop more traditional business models and an accurate financial prospectus must accompany the funding requests. The intricacy of the developed business plans often make it easier to gauge the potential success of the project proposals. Capital projects have funded a range of new developments across destinations in the US from athletic fields, convention center/arena improvements, wayfinding signage projects, physical trail development, and visitor centers. In many cases, some level of match is required for capital related grant investments.

In the case of Washington State, the legislation does not enable LTAC and TPA funds to support capital programs unless the applicant is a municipality or public facilities district which owns a facility. An example of this is the LTAC funds dedicated to the Tacoma Convention Center debt service. The results of the focus groups and stakeholder feedback supported expanding the program funding to include capital and infrastructure. While this potential to change legislation is being explored, the boards should work to formulate strategies that highlight targeted tourism related capital needs. Formulating a tourism development plan can often encourage creative approaches to aid in investment and implementation. In addition, projects with public sector ownership should be encouraged under the premise that they fit the priorities and recommendations in this report i.e. generate overnight visitors, match desired target markets, etc.

Marketing Programs

Grant programs funding marketing initiatives are available in destinations stretching all across the country. Some are state enabled programs and others are an internal program of the local DMO. The requirements and standards are equally as varied. Most tourism marketing grant programs predetermine a physical distance to consider someone coming to a destination a true visitor when they must travel more than 50 miles from home. The blitz of new marketing methods creates added challenges for reviewers to clearly understand the opportunity and potential return on investment being pitched within an application. Reviewers lacking tourism industry expertise can also be challenged when they encounter an application that includes a bold and creative marketing plan but lacks a direct correlation to increasing overnight stays. It is very easy for grant reviewers to be swayed by a great concept without putting it through a “does it drive tourism?” filter.

Event Development

The role of events in driving incremental new business for a community cannot be understated. Event development has therefore become a funding priority for many tourism grant programs. However, as important as events are to a destination’s growth, many funding programs do not have an effective plan in place to score and measure their impact.

Destinations struggled to assess event applications because of the lack of a sophisticated model to require and score specific criteria. In many destinations, events submit applications for funding, but do not specifically relate them to visitors or the generation of overnight visitors. Rather, event promoters tend to base their requests on overall attendees.

Changing the model to focus event organizers on quantifying tourism impact including overnight visitors is critical. An event scoring matrix should be used to score event applications.

In addition, many destinations struggle with events because most tourism development grants have strict guidelines against funding operations. Events often create blurred lines between marketing and operations that can be challenging for tourism grant reviewers to discern. It is important to understand the distinction of needs existing between a new event concept that needs incubating and on-going events that seek to expand their visitor impact or reach. Some events like a triathlon, fan club, or hobby group have a built-in following and bring an audience to the area simply because of this dedicated group. Other events have a clear business plan that can show demonstrative potential but will require grant investment in order to reach stated goals. These events require initial investments in development more than marketing. The conflict created by not providing event development funding forces many event grant applicants to mask their need for operation support. As previously mentioned, feedback from stakeholders was received about the importance of events and the need to open funding up to support operations and development. Because of this feedback and the issues uncovered in comparable programs where applicants are disguising operations funds, a recommendation has been created to include operations and development for events within the parameters of funding eligibility.

Administration

The actual administration of the grant program touches on a number of different components including the physical application steps, the number of times throughout the year that grant applications are reviewed, metrics, and penalties for non-compliance. In most cases, the larger grant programs have developed comprehensive overviews on their websites. The level of proactive management of the program is really dictated by the size of the administering entity. The larger entities have dedicated staff to administer the program and provide support to the reviewing body. Several administrative related opportunities that should be considered for the future of the Pierce County grant programs are detailed in this section.

Application Submittal

Larger tourism grant application formats often utilize a fully digital application process to allow applicants to enter all required information into fields and upload ancillary information as specified by the online application. The resulting applications can be reviewed in electronic form or downloaded for printing. There are some programs that maintain a solely paper driven application process, but these are becoming less common and will continue to move into digital formats. The digital approach creates efficiencies in the following ways:

- Receiving applicant submittals - applicants submit all application elements through an application website
- Distributing them to board members - board members log-in to review pre-qualified applications in the same online system used by the applicants
- Scoring - board members pre-score the digital applications and the score is logged in the system prior to the board meeting and interview process
- Overall non-biased communication - lobbying by board members or applicants through the scoring meetings is after initial scores are already logged in the system

Presentations to Reviewers

The role of the presentation within the application process is highly mixed. Agencies that have a presentation format included in the process limit them to less than 10 minutes and the remaining time is devoted to interview style questions and answers. The review committee in this format benefits from the added insight on the proposal. Detractors of the presentation format point towards the potential for a great sales pitch to lead board members towards a low return investment. Many LTAC boards employ a system that encourages applicant presentations. This plan recommends continuing with a narrowly focused presentation to the reviewers, but calls upon the EDD staff to provide a preliminary review based on the established new parameters i.e. identified target markets, calls to action, detailed measurement plan for tracking overnight stays and a basis in research. This step intends to minimize the sales pitch, increase objectivity and strengthen the connection to desired results.

Timing

Programs fall into two different types of timelines for applications, those that are reviewed once annually and those that have multiple review cycles throughout the year. The multiple cycle format does create some additional opportunities for nimbleness particularly when it comes to event development. The downside of a multiple review cycle process is that it can become an administrative burden on staff and reviewers, particularly if the reviewers are having to devote large time blocks to reviewing applications during busy schedules. It also becomes difficult to incorporate into an annual municipal budget cycle requiring Council approval. Some event grant programs include a provision for a multiple year investment to allow for ease of grant processing and administration while ensuring the funded program has a certain level of sustainability. The strength of operating the program on an annual cycle with one application period can outweigh the benefits that would come from multiple reviews, but only if strategy development and applicant communication is part of the Board's annual work program. In the past, Pierce County has included a board approved "opportunity fund" for mid-year applicants that don't fit within the standard application process.

Metrics and Standards

Performance measures are enormously important for creating a truly results-focused tourism grant system. The most common metric used in tourism grants is the generation of room nights. Room night creation is a firm destination concept, but applicants can often struggle with showing direct correlation between program delivery and room nights generated.

The connectivity to destination development strategy allows more flexibility for the applicant and creates a strong, more unified tourism direction for the community, similar to the priorities laid out earlier in this report. Asheville, NC and Clackamas County, OR have seen positive outcomes by providing strategic priorities to guide the applicants towards solving needed gaps in tourism business. Using Asheville's program as an example, a strategic planning process was conducted and breweries were identified as a desired area for investment. Applications that involved brewery related development opportunities were direct matches to the established strategic priorities. Over time and through coordination of these investments Asheville became known as the "brewery capital of North Carolina". In addition, this effort has helped Asheville grow its culinary, beer and spirits scene for tourism successfully. This is in line with the priorities identified in this report i.e. sports, events and asset/product development as tied to the broader destination development strategy. Seasonality is often included within these priorities as grant dollars can be directed towards need periods within the tourism business year.

Penalties

The process for dealing with inappropriate spending or blatant disregard for the tourism grant program intent is very inconsistent. Most organizations do not operate with a claw back policy to force the recipient to return any unused funds and repay any previously spent funds because of a non-compliant practice or program. Many programs will ban penalized recipients from future application cycles. The challenge with monitoring and enforcing a penalty process is the level of administrator attentiveness that must be dedicated to the program.

Boards and review councils should have final say on enforcing a penalty for lack of delivery, but the staff review procedure must be well managed and very specific. This will ensure that applicants are delivering the services and programs as specified in their proposal for funding. This holds the program accountable for delivering the specifics they included in the application. An individual invoice may appear off-track but it is the applicant's job to tie it into the actual intent of the program. Recognizing that program staff must adhere to state and county auditing standards, the correlation of this program's future requires that the bulk of staff time with fund recipients be spent helping them reach the envisioned outcome of the program.

Best Practices

In examining tourism grant funding programs across the country and specifically in Washington State, certain best practices emerge from model programs. These common traits have helped transform these programs into more effective operations over time.

Strategic Priorities

Destinations that construct the tourism grant program around priorities that emerged through a specific strategic planning process see more satisfaction from the recipients and program reviewers/administrators. The strategic priorities can be simple or fully quantifiable, but they give an applicant a level of flexibility for developing a connection to end results that becomes more tangible for reporting. Establishing a strong set of priorities serves to highlight the multi-dimensional nature of a destination.

Management

Best practice programs routinely scrutinize and monitor grant recipient performance. The most effective programs have dedicated personnel that oversee the grant process, the applicants, the review committee, and the recipients. These programs begin the application process with workshops that walk through the steps of the application, the priorities being funded, the reporting requirements, and details on the actual exchange of dollars. The workshops are often a required first step for applicants to enter the grant process. These program managers become a liaison between the applicant and the review committee. The manager can often interpret, guide and answer questions from the review committee because of their personal level of innate knowledge of the program and each application.

Measurement

Establishing a quantifiable performance metric is one of the most difficult aspects of a tourism grant program. It is very difficult to track actual cause and effect from some tourism marketing campaigns, but new technologies are helping create new tracking capability. Some programs are very specific with their desired reporting. The City of Greenville, SC specifies that "each application/proposed project will be reviewed individually to determine its potential economic impact on local accommodation and restaurants" as the performance measure assigned to the recipient of funds. The responsibility of producing the required metrics rests fully on the funding recipient.

Fully Independent/Blind Review

The merits of the application need to stand on their own. When applicants have the ability to engage reviewers, the process becomes more difficult to manage and reviewers can be influenced to make decisions that place relationships over strategy. Best practices take the decision making behind closed doors. It is strongly encouraged to keep review committee members and applicants separated. Based on the existing legislation, representatives from eligible applicant organizations are required to be on the board, however, in an effort to keep the board independent, it is recommended the application process be moved to a digital format which would enable board members to conduct their first review of the applications independently. A better approach, and one that Snohomish County utilizes, is pre-meeting scoring of the applications by the board members shared only with the program administrator. Efforts should be made to have board members pledge to not discuss applications prior to the interview process to eliminate collusion of scoring even with a digital format. The interview results add another score and the final total of the two ranks each applicant. In addition, the digital process can utilize software that shows the reviewer the application without the organization's name, which furthers the notion of conducting a blind review. It is recommended that this is utilized as the first review. Understanding that the decisions on final scoring and awards must be done in public according to legislation, a digital process for at least the first round of review would lend itself to a more independent and blind review of applications.

Pitfalls

Best practice programs learn from the mistakes of others. There are a number of pitfalls that besiege tourism grant initiatives. In practice, the pitfalls can be easily avoided but the process and disruption required to do so can leave applicants, reviewers and administrators uncomfortable, particularly if they have spent years learning how to properly navigate the existing system.

Conflict of Interest

Avoiding some level of conflict of interest within tourism grant programs is extraordinarily difficult, especially considering the important role that tourism businesses need to play in advising the other reviewers. Time spent trying to eliminate conflicts of interest would be better placed into working to limit or reduce conflict of interest openings in the process. The most common conflict of interest type encountered in benchmarking other programs is allowing applicants to serve on the review committee. One confidential report relayed a situation where an applicant was also a reviewer and manipulated the scoring process for all other applications in a way that ensured her application would receive maximum funding. Recusal of applicant/reviewers is common practice, but it is not effective enough for truly limiting conflicts of interest. This pitfall can be overcome by not allowing direct applicants to serve on the review committee.

Small Grants

Many places try to make tourism grant programs as inclusionary as possible. Unfortunately, in many cases, this practice results in a grant pool that can only award small figure grants, typically less than \$25,000. When grants

become that small it truly becomes a challenge to spend the funds in an effective manner that drives demonstrative tourism growth. Small grants are typically harder to track and monitor performance metrics. Additionally, small grants have the potential to be monitored less closely than a larger amount. Establishing a minimum funded threshold that can be catalytic for meeting destination priorities needs to be a standard practice. Ideally, this pitfall can be avoided by only funding grants of no less than \$25,000.

Lobbying

Tourism grants are outlays of public tax dollars which implies the need for fiduciary transparency. In establishing a more transparent system, grant programs open channels for lobbying of review committee members. Best practice programs work to minimize the amount of verbal influence an applicant can leverage across the review committee. Some simple procedures can actively reduce the applicant's ability to guide the committee. Here are a few suggestions to help overcome applicant manipulation of the review committee:

- Build a preparatory education step into the process.
- Utilize a digital application process to require the applicant to have board members review applications without names or associations included.
- Limit presentations to only question and answers, if used at all.
- Score all applications individually prior to the review committee meeting.
- Hold review committee meeting in one session during one day.
- Use a grant administrator as liaison between the review committee and applicant, as mentioned on page 26. The grant administrator is not intended to argue for or against the applicant, but rather collect information either missing from the application or requested by the board reviewers. The grant administrator would also review all applications for objective compliance prior to board review.

Benchmarking & Best Practices Conclusions

Benchmarking research studied key best practices, pitfalls and administration of comparable tourism grant programs across the US. This process provided insight into those programs which have seen success and those that have struggled with typical issues. The current county program needs a plan that will position the board in a year-round role and become an active participant in setting the course. Washington's LTAC program has struggled to satisfy participants and board members alike because of the history of conflicts of interest, a lack of cohesive priorities, and lack of established measurements and metrics. Customizing some of the best practices studied, combined with creating new board-driven guidelines and policies for decision making, will support the evolution needed for Pierce County's tourism funding programs to be successful. The key best practices that have been uncovered from the benchmarking research have been incorporated in this plan's recommendations for Pierce County.

Balanced Investments

The Importance of Creating a Balanced Plan

The following section of this report is designed to set the course for the future of Pierce County's funding programs for both LTAC and TPA. A balanced tourism plan includes looking at both programs and their respective funds holistically and setting a course from the top down. This means, to set the boards and the applicants up for success, the plan must lay out a road map of how the funds will be used and ultimately having a proactive plan for awarding funds strategically based on this holistic view and each fund's allowed uses.

JLL's experience in supporting tourism destinations, convention & visitors bureaus, local, county and state governments is grounded in stakeholder support and creating balanced plans. Many destinations attempt to solve a problem by focusing on the problem and instituting a new practice or requirement. In contrast, this report creates strategic initiatives that balance marketing with tourism development. These initiatives create a broad framework that will make the process more strategic and clearer for applicants and decision makers alike.

Identify Potential Target Markets

The current funding process has not required applicants to identify who they are targeting with the requested funds, nor has it explained to applicants who the best candidates are for visitor markets. It is important for a destination to know its target markets and to craft experiences and messaging specifically for those audiences. As mentioned previously, the focus of this report is on overnight visitors. Other tourism plans across the country have validated that the level of effort that is needed to attract overnight visitors is higher than for day-trip visitors. To cite the Pierce County Visitor Profile Study, the average visitors on a day trip to Pierce County spends only \$49 per day in the county compared to an overnight visitor who spends an average of \$126 per day and spends an average of 3+ days in the county. In other words, to cause a visitor to spend their disposable income on a hotel and stay more than one day requires a higher level of attraction or draw than getting them to come for an afternoon as a day visitor. Pierce County is competing for those dollars with other regional destinations, so marketing efforts must make clear why having an extended stay is better here than somewhere else.

In order to cause visitors to stay overnight, resources should be focused on those markets that are most likely to convert to overnight stays. In other words, where there is a proven or research driven determination that the attraction or experience is compelling for the target audience, resources should be allocated to support that effort. Additionally, if a proposal from an applicant does not have a plan to demonstrate the desired return of overnight stays through data and tracking metrics, resources should not be allocated to support it.

The following audience groups are an overview of targeted visitor markets for future focus. These represent the markets that are the focus of the tourism plan. The purpose of delineating these is to direct all resources, whether future investment or current marketing, to be focused on one of these nationally-understood travel categories:

- Individual Overnight Leisure Travel
- Overnight Group Travel
 - Meetings and Conventions
 - Group Tour
- Event Driven Overnight Travel
 - Leisure Focus
 - Sports

The definitions of the target markets are:

Individual Leisure Travel

This is defined as leisure travelers who are coming to Pierce County to experience a physical tourism asset/experience. This effort will include those demand generators that have the potential of attracting overnight visitors based on their strength or draw. This could also include efforts to combine multiple tourism assets, which individually may not be substantial demand generators, to create an experience that has the ability to attract overnight visitors to Pierce County.

Group Travel

Meetings and Conventions

This is defined as a group that is associated with a common interest and will make a decision whether to locate their meeting in Pierce County through targeted marketing efforts.

Group Tour

This is defined as a group that is potentially staying in Pierce County based on a desirable trip that has been organized through a third party such as a tour operator or travel agent.

Event Driven

Leisure Focus

These overnight leisure travelers are visiting Pierce County with specific purpose of attending a particular event.

Sports Focus

These overnight visitors are participating in or attending sporting events in Pierce County.



It is important to note that neither individual business travel nor visiting friends and relatives are stated above as a target market. Visiting friends and relatives was the primary reasons for visiting Pierce County that emerged from the 2016 visitor profile study. Visiting friends and relatives as well as business travel are markets that have a specific reason for driving overnight stays. Since, in general, those visitors are already planning to visit, and additional marketing is unlikely to influence their travel decision, they should not be a focus of the LTAC and TPA funding. These induced markets are going to travel and stay in Pierce County regardless of the investment of LTAC and TPA funding. Investment of proactive outreach towards targeted markets can attract new visitors and fuel growth for the county.

Research Component

As mentioned previously, research should become a priority for the tourism efforts going forward on behalf of both the LTAC and TPA Boards. It is recommended that this research function be administered by the EDD staff at the direction of the boards with either a new position or a contractor. This will continue to inform the process on an annual basis and provide insight to potential applicants who may benefit from this additional research. In addition, access to research and requirements to incorporate research in applications will bolster the process and

inform the boards when it comes to awarding funding. Research will be a critical part of the evolution of Pierce County's tourism efforts and the application process in the future.

JLL worked with EDD staff over the course of this process to understand the current County functionality for providing research support. As this process is relatively new to the Economic Development Department, the investment in research has primarily been reactive when necessary to answer a question or solve a problem. For example, EDD commissioned the earlier referenced visitor profile study. While EDD conducted this study, and made it public, there was not a concerted effort to formally utilize the results to guide future funding support.

Based on feedback from stakeholders, this type of information would be valuable to potential applicants. JLL believes strongly in the power of research and believes the County should have a consistent role in planning, conducting and executing an annual research plan.

Annual Requirements

It is recommended the County invest in research and implement an annual research plan. It is also recommended that part of the investment required would include new staff whether part time or contracted during the onset of the effort to carry out the research plan and liaise with the boards. On an annual basis that research function would include:

- Creating an annual research plan and budget
- Propose research programs to the County and boards
- Create a centralized research platform for stakeholder and potential applicants to utilize
- Compile all existing research and data to share on a centralized platform
- Communicate key findings to inform the boards and future applicants as well as support the tourism industry overall

JLL has worked with DMOs and public entities on creating similar research-based platforms. Those destinations that have made the investment in research have drastically altered their positioning in the tourism community as industry experts and have become a valued asset for their partners. Destinations including Charlotte, NC, Philadelphia, PA, Asheville, NC, Washington, DC, Nashville, TN, Pittsburgh, PA, and Orlando, FL are all examples of tourism destinations that have invested in a dedicated research position to create and execute annual tourism research plans. Examples of such research programs could include:

- Detailed visitor behavioral studies, e.g. Claritas (formerly Nielsen) Segmentation Analysis and Tableau visitor travel trends
- Direct marketing tests to understand desired target markets' interests in Pierce County's tourism assets

- Benchmarking destination desirability, asset development, and market results, and other data points to track Pierce County's positioning in relationship to key competitors (benchmarking is included in this report and should be updated biannually)
- Intercept studies to understand the make-up and interests of specific visitors at key attractions and preferred method of making travel decisions.

Using these four examples, Pierce County's research program would inform applicants and stakeholders on key questions as to who is coming to specific areas of the county, what they are interested in and how best to reach those audiences. Pierce County's position in the tourism funding program currently is to administer funds, however with a new research platform, the County and boards can become the authority in the market for data and analytics. This will help support the County by emphasizing its position, encouraging collaboration and building expectations of return through established data points. Research purchased by applicants should be shared to aid this effort and Pierce County EDD as a coordinator of the two programs can serve as a library and clearinghouse of tourism research on Pierce County

Determine Funding Priorities

Having an agreed upon set of priorities will be critical to the success of this program. As mentioned in the benchmarking section, JLL found this to be a best practice of those programs that were successful. Identifying and laying out priorities on an annual basis will make the direction and expectations clear.

Currently, the County's application for funding does not specify any priorities. The two boards request proposals for funding without providing guidance on desired projects or strategic priorities. It is recommended that the boards make definitive decisions on the most impactful strategic funding areas and invite respondents to apply based on those prioritized decisions. Implementing an annual process for the boards to review and confirm priorities will set the course for each year. It is recommended that the following are utilized as guidelines and criteria based on the specific type of request. More detail on each of these is provided in the recommendations section of this report.

- Generating overnight visitors tied to individual funded programs
- Utilizing assets that are proven to cause overnight stays
- Identifying target markets
- Requiring direct tracking of program conversion
- Removing awareness marketing
- Leveraging partners and creating collaborative programs

An annually constructed set of specific priorities for growth will support the funding process, streamline the applicants' effort and enable the board to make objective decisions based on the priorities set in advance.

Implementation of this change will allow the funding programs to truly address needed areas that have been identified as current and future destination needs.

Balanced Investments

One of the desired outcomes of this process was to provide strategic guidance on how much should be spent in what categories. As such, the concept of creating “balanced investments” became a theme of many discussions. For purposes of this report, balanced investments are defined as funding categories that include what markets to target, opportunities to impact the future and at what level of investment. After reviewing the current funding criteria as well as the tourism landscape in Pierce County, it is apparent that a new approach for future investments must be implemented. It is not valuable to operate a marketing-based funding program without the assets or experiences that will drive overnight stays. With this in mind, investments should be made because they are either tied to a proven demand generator, be considered development funding for a new program or test an overnight visitor generating opportunity (i.e., research). These three categories make up the most critical building blocks of the future Pierce County funding priorities. The proposed approach is to determine the most impactful areas of focus and then allocate the level of resource for each of these.

Proposed Allocations

As stated earlier in this report, there are restrictions on both the TPA and LTAC funds. The recommendations related to balanced investments must be implemented in each fund based on the fund guidelines. With that caveat, it is recommended that there be overarching funding priorities that are adopted by both boards. An annual priority building workshop should be held to develop the collaborative approach and strategic focus.

In the future, applicants will designate, through the application process, which area they are applying for with an understanding of the specific requirements needed in each category.

Following a detailed review of the current funding practices, a new method for allocating funding based on key tourism priorities is recommended. Based on JLL’s extensive history in tourism planning and hospitality operations, combined with the current state of the Pierce County tourism product, it is recommended that the funding be viewed holistically and that the LTAC and TPA boards should jointly determine how funds are allocated. The basis for the recommendations include a review of the recent county wide visitor study, an understanding of the key areas that are potential current or future demand generators based on direct experience in tourism strategic planning nationwide, and information gained in reviewing current assets in Pierce County.

Using 2016 as a sample year, \$3,459,940 was collected between both funds with 40% (\$1.4 million) being TPA and the remaining 60% (\$2 million) being LTAC. Understanding what restrictions are placed on each fund and how the boards determine the priorities, funding should be broken down further into categories to make applications more specific and the connection to what the boards decide to fund, more direct. The following is a review of each of the recommended designated priorities and the rationale supporting the recommended allocation.

Recommended Priority	Definition
Sports Event Development (LTAC)	Pierce County has had success in securing sporting events that have generated overnight stays. This category will encourage the development of sporting events that will be based in Pierce County with the potential to drive overnights stays for many years to come. The proposals in this category will need meet the litmus test of any event as shown on page 50. Investment in sports event development is physically tied to booking the event and not related to marketing for event attendees (see sports marketing below).
Sports Marketing (TPA)	Sports marketing funds will be allocated to support the success of ongoing marketing for sporting events that are future candidates to take place in Pierce County as well as increase awareness in the sports market of the advantages of Pierce County as a sports events location. Sports marketing is best defined as outreach to drive attendance to sports events and tournaments.
Convention and Meetings (TPA)	This applies to the sales and marketing efforts to generate new prospects and ultimately secure conventions and meetings in the Tacoma Convention Center, directly in Pierce County hotels and other regional venues (McGavick Conference Center, JBLM venues, the Tacoma Dome, and other facilities) that have the potential to attract future groups.
Event Development (LTAC)	This applies to future event development in Pierce County that has the potential of securing ongoing overnight visitors. This will encourage development of a signature event or events that are centered on an authentic Pierce County experience. An example of this includes South by Southwest in Austin, Texas, Art Basel in Miami Beach, Florida or WaterFire in Providence, Rhode Island. This will be subject to an extensive review process as delineated on page 50. The allocation is to ensure there is sufficient resources to complete the due diligence and fundraising that will be involved in a successful endeavor.

Event Marketing (LTAC & TPA)

This applies to current events that have demonstrated or have a clearly developed plan to evolve to a point that will attract overnight visitors. This allocation is relatively small due to the lack of current events that have this type of potential based on the understanding gained in this planning research.

Asset/Product Development (LTAC)

This is a category that is designed to stimulate investment in longer term projects within LTAC communities that have the potential of permanently enhancing an experience or creating a new attraction that will materially impact visitation to Pierce County and the LTAC communities. The 15% allocation is designed to encourage innovation and bring potential developers forward as participants in creating new visitor experiences, although funding would be restricted to efforts and recipients eligible to receive public funds.

Individual Leisure Travel (LTAC & TPA)

The marketing guidelines that have been proposed will focus these efforts on tangible and measureable activities that can be tracked through a direct marketing approach with a clear call to action. The allocation is based on a review of the current funding and the results of research and stakeholder input.

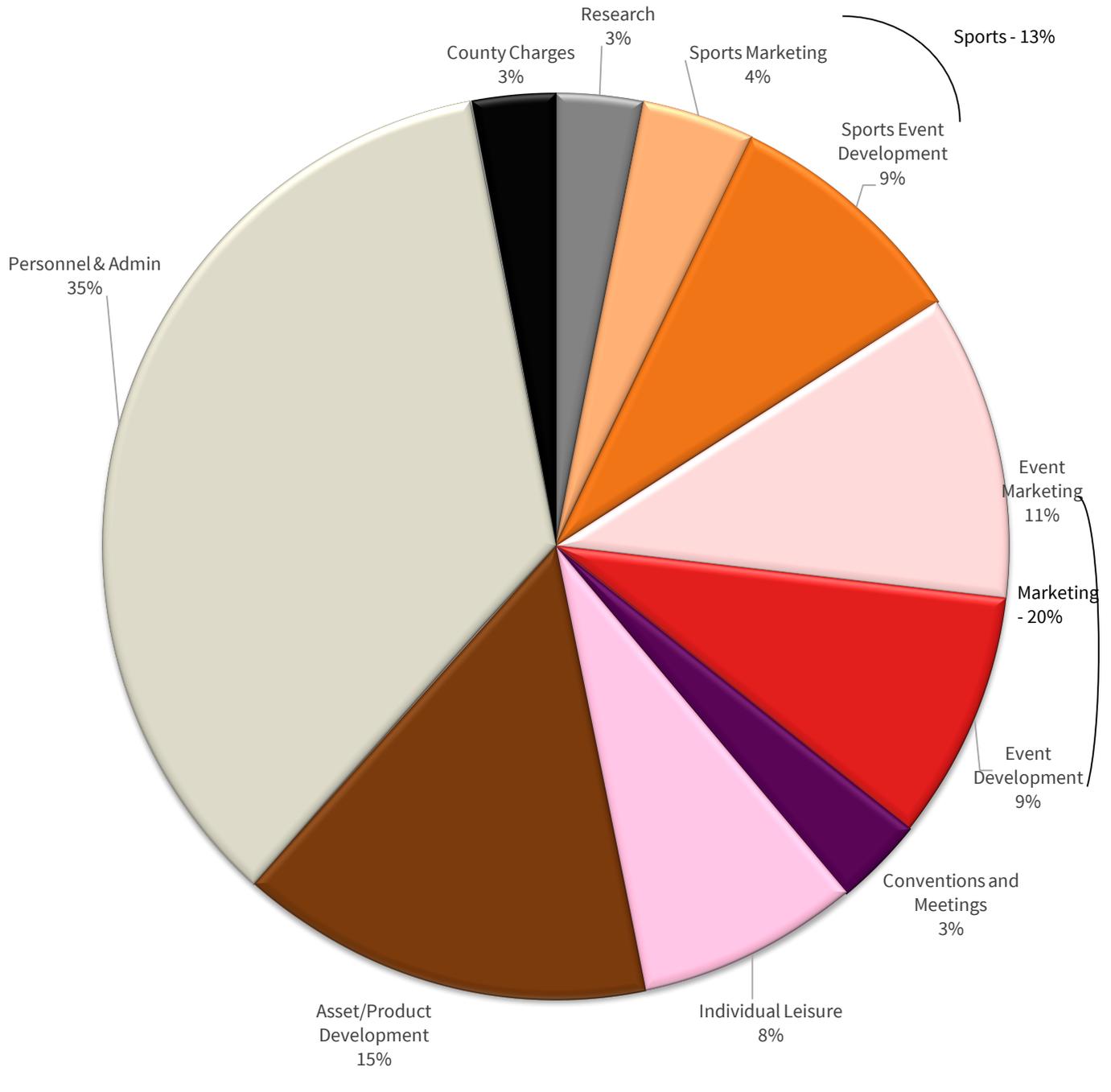
Personnel & Admin (LTAC & TPA)

It is important that the initiatives are supported properly through staff and other overhead expenses related to operations. Based on Destination International's (DI) 2015 DMO Organizational & Financial Profile Study, organizations with a budget size between \$2 million and \$5 million averaged 55% of their total budget in personnel and administrative costs versus program or operational costs. It is recommended that the organizations applying for funds set a goal to be in line with that average. When LTAC/TPA recipients are contracted to support a specific activity, the funds can support the portion of personnel dedicated to that contracted activity. Personnel expenses are not tied to a specific program area within the aforementioned Profile Study. A director of marketing is a personnel cost regardless of the role in the organization.

<p>County Charges (LTAC & TPA)</p>	<p>With the new direction that is outlined in this report and the need for tourism expertise, there is a proposed allocation for administrative expenses at the county level. The proposed direction of the program entails (1) hiring an employee or retaining a contractor to support the board and (2) providing a more proactive pre-application period with direct interaction with the boards as they review each applicant.</p>
<p>Research (LTAC & TPA)</p>	<p>Research will be the fundamental driver for all funding within these newly conceived programs. The research investment should be used to provide needed perspectives on customer groups, best approaches and opportunities. Investments in research should be shared across all parts of the county’s tourism industry regardless of whether the businesses and organizations are involved in either grant program.</p>
<p>Event Opportunity Fund (LTAC) To be added in 2020 Funding Cycle</p>	<p>An event opportunity fund should be a planned addition in 2020 to provide needed funding assistance for the area to compete effectively for high profile events. These events cannot typically adhere to a rigid grant application schedule. The event opportunity fund would be applied for on an as needed basis and applicants must meet a broader set of overnight-generating metrics than standard event development applications. Investments of the event opportunity fund must have far reaching impacts across multiple parts of Pierce County.</p>

It is recommended that the breakdown shown on page 41 be adopted for the 2019 funding cycle. This breakdown must be reviewed annually by the boards of directors to determine any revisions that need to be made. The recommended FY 19 collective budget allocation is included below:

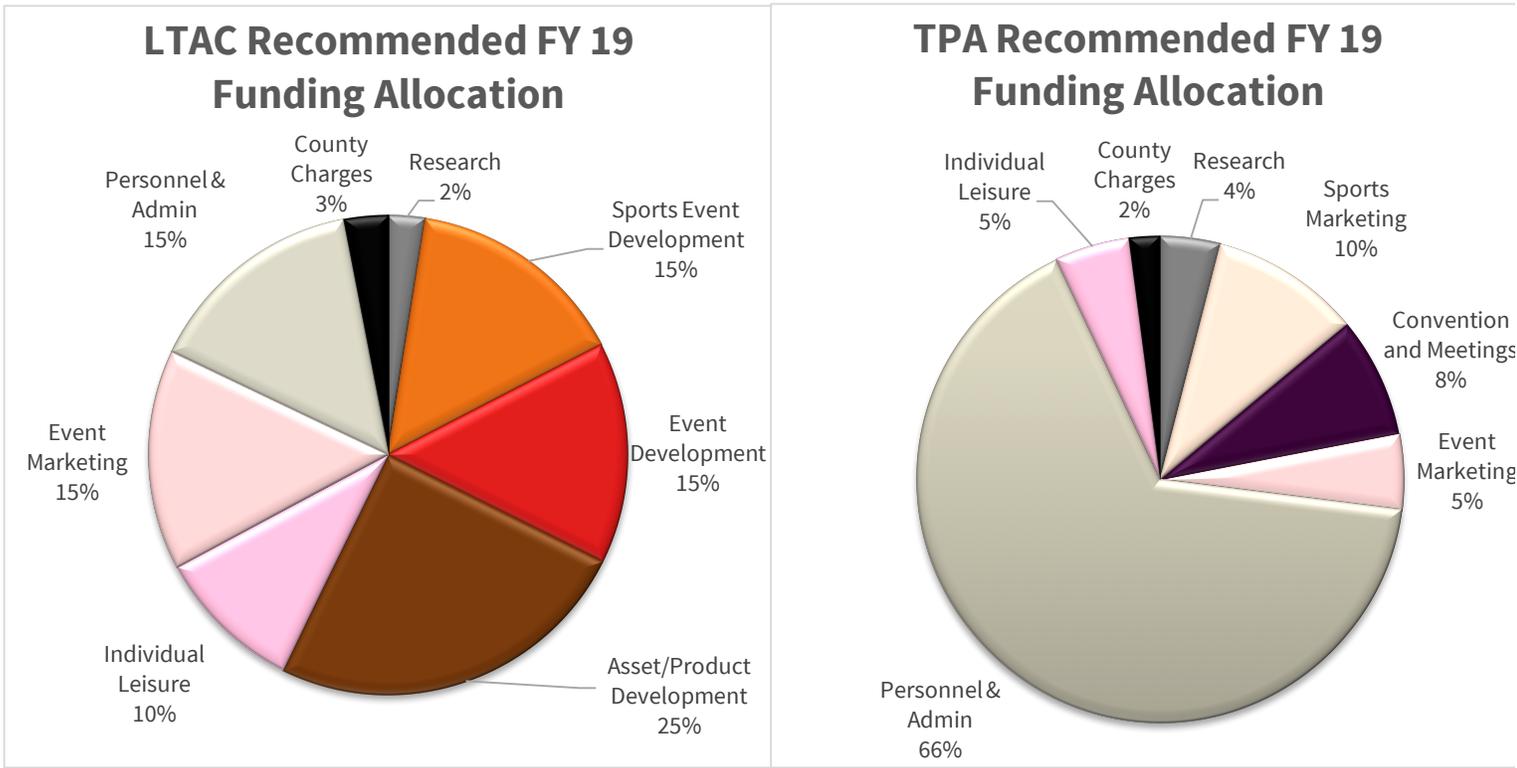
Recommended FY 19 LTAC & TPA Budget Allocations



This singular chart is an illustration of the combined funding of the TPA and LTAC investments.

This is a significant shift for the applicants as they will have to determine what priority their proposed program falls under and apply accordingly. Knowing that there is a finite budget amount associated with each priority laid out above, applicants will no longer be able to apply for generic marketing dollars. Instead, they will apply for funding under one of the areas identified and have to provide the required target markets, calls to action, metrics and research to support their application.

In addition to looking at the funds holistically to determine the priorities, it is important to understand that the funds are separate and as such will need a breakdown for both LTAC and TPA. Based on the holistic approach laid out above and the restrictions related to each fund, the two charts below represent the recommended separate breakdowns within each fund:



The determination of the priorities and desired allocation of resources rests fully on the collaboration of the boards. Their work will set the course for the future and dramatically revise how the decisions are made regarding future funding. The implementation of this approach will require proactive communication to identify future participants in the program. Educating applicants is an essential part of implementation as the applicants will need to understand and select the most appropriate funding category for their proposed project. Proactive guidance by the EDD staff can help applicants and the boards compartmentalize the applications to maximize the program reach and coverage of all strategic priorities.

Governance

Every tourism plan needs reliable, engaged and balanced governance. This was also validated by the benchmarking research, especially when it comes to awarding funding. As Pierce County has two separate funds, LTAC and TPA, both boards need to be invested in their respective processes. It is recommended that the boards begin a collaborative process to ensure that all board members are engaged and understand the priorities stated above as well as the desired outcomes.

The role of both the LTAC and TPA boards will evolve in supporting the recommended approach for this strategic plan. The boards will function in a “year-round” capacity with responsibilities for setting the priorities annually based on the outcome of collective research and determining broader direction related to marketing, future investment and research.

The board members will be required to attend monthly meetings as well as an annual retreat to set the priorities for the upcoming year. These priorities should be communicated out to the stakeholder base that has been established during this process. Based on recommendations from other tourism funding programs, the best process for communicating the annual priorities and the application process is through a dedicated seminar on the two funds. This will give current and future potential funding partners an opportunity to review the priorities and determine the potential to participate well in advance of the actual application process. A proposed annual calendar can be found in the detailed recommendation section later in this report.

Recommendations

Pierce County Tourism Funding Recommendations

Following all of the primary research on the benchmarked destinations, stakeholder engagement and feedback on the funding program, JLL has crafted recommendations to support Pierce County's efforts to move the tourism funding program into the future. Future investment will include stimulating asset development and event development. The following are JLL's recommendations:

Funding Model Based on Priorities and Balanced Investment

Tourism funding should focus on the priorities that have been identified throughout this process. The current funding program does not have priorities identified by the TPA and LTAC Boards. Rather, it allows applicants to submit any proposed program and the boards react to them. It has been determined through this process that there is an opportunity for the boards to identify priorities and focus the funding efforts of the future. This will put the desired outcomes upfront and require applicants to plan their programs and submit accordingly. The approach that is recommended will give prospective participants a clear indication of what the boards have identified as priorities and the specific approach that must be taken to participate in the program.

It is recommended that Pierce County implement a new model with four primary priorities: the first being a focus on overnight visitors through agreed upon target markets; the second being a focus on identified demand generators; the third targeting specifically identified target market groupings, and; the fourth implementing a balanced investment approach to funding.

Priority One: Driving Overnight Visitors

Generating new overnight stays in the County should continue to be the cornerstone of the future funding program. It is recommended that 100% of the focus of the plan and future resources should be geared towards the growth of overnight visitors to Pierce County. Separating overnight stays, above and beyond visitors in general, places an emphasis on the funding criteria and raises the bar for funded applications. In addition, it is recommended that specific measurement and marketing approaches to ascertain the impact of all activities be directly tracked to determine true overnight visitor impact and ROI.

Priority Two: Leveraging Proven or Identified Demand Generators

JLL has studied many of the current assets and met with many operators of attractions and experiences in Pierce County. The current research that is available indicates that Pierce County currently has one high profile "demand generator" that has the on-going potential to drive **individual leisure travel**: Mount Rainier. This report also found that there are rich tourism experiences including the museum district, arts and cultural experiences, outdoor experiences and others, however further study should be conducted to determine if they are enough on their own to generate individual leisure travel. In addition, JBLM should be leveraged to drive new marketable overnight stays once the visitor profile for the Joint Base is determined. What is needed in this case is a critical

mass of experiences to cause an overnight stay. This revised effort shifts the entirety of the grant program away from driving general awareness of the destination and moving fully towards directly driving overnight stays.

It became clear during many stakeholder sessions and the results from the stakeholder survey that the County does not have a lot of individual leisure demand generators. As it relates to the requests for LTAC and TPA funding in the future, applicants should ensure their programs leverage identified demand generators with a clear “call to action” based on a combination of experiences. Events and group marketing activities also require confirmation that the proposed activity has a clear demand generator that will result in overnight stays.

Priority Three: Focus on Specified Target Markets

The following target markets must be articulated in all future proposals. These markets must be clearly identified with an evidence-based approach to driving overnight visitors

Leisure Experiences

The opportunity to leverage multiple experiences to attract overnight leisure visitors should be encouraged due to the scarcity of stand-alone overnight-visitor demand generators. As stated in the research section, these experiences should have a plan for testing or validating demand and a clear approach to measurement and monitoring.

Events

Events have great potential as demand generators and JLL recommends an ongoing focus around event development and marketing. The key criteria in creating a decisive, overnight demand driving event strategy is requiring that any event receiving support must demonstrate their true potential to drive overnight visitors to Pierce County. JLL has included more detail on events including a scoring matrix on page 50. An example of this is the development of a “signature event” that would have far reaching impact as it develops over time. One example that was mentioned earlier is South by Southwest in Austin. This event started as an idea many years ago and has evolved over the past 30 years.

Meetings and Conventions

Meetings and Conventions are an important, directly-traced demand generator for Pierce County. In 2016, there were over 18,000 room nights booked in Pierce County associated with convention and meeting activities, according to Travel Tacoma + Pierce County. For the most part the most viable high profile meeting space is the Tacoma Convention Center. Growing the meetings/convention market should be a cornerstone of the developed strategic plan regardless of the hosting venue. In addition, JBLM and the corporate community will need to be leveraged for business meetings. There is an opportunity to expand on the existing business and military demand generator that is JBLM through group events, military reunions and other related events. All of these efforts, especially those done with LTAC and/or TPA dollars, should be done with the purpose of growing this market for new overnight stays and extending existing stays to keep their spending in Pierce County longer and ultimately have the ability to track these results.

As with all demand generators, investment in meetings and conventions needs to be based on trackable return. JLL recommends that potential partners be required to itemize the activities they are going to undertake and how they will measure the success of each activity. These metrics would be broken down into the following categories:

- Prospects
- Leads
- Definite Bookings (including facility)

This report also recommends having overarching goals related to the meetings and convention market that are presented to the LTAC and TPA Boards. Although conventions and meetings are only supported out of TPA funds, it is important for both boards overseeing Pierce County funds to understand the value of the market and how it can be leveraged. The City of Tacoma should be a partner in the development of strategic priorities based on their grant fund distribution to the Tacoma Convention Center. This will give an overall indication of the growth plan for this important segment.

Related to the Convention Center, it is recommended that the multiple-year vision for increasing room night generating activity be presented to the boards to gain a perspective on future success and how investment in conventions will support achieving the multiple year goals.

Sports

The sports market is a proven success in Pierce County. The activities of the Tacoma South Sound Sports Commission have produced trackable results and room night generation has increased over the past five years. Sports is an area that warrants ongoing investment.

Opportunities to invest in the development of future sporting events that have the potential of becoming annual “overnight visitor generators” should be explored and encouraged. As with all other markets or initiatives, the investment in sports and potentially new sporting events must have a clear measurement plan that demonstrates the overnight visitor generation.

Priority Four: Award Funding Based on a Balanced Approach

The board and staff must set an annual course based on types of funding investment and then proactively encourage partners to apply in these areas:

- Individual Leisure Marketing
- Asset/Product Development
- Event Marketing
- Event Development
- Convention/Meetings

- Sports Marketing
- Sports Event Development
- Research
- Opportunity Funds (to be added into FY 2020 budget as part of the event development and sports event development funds- see recommendations matrix)

Investment in Research

Applicants are currently not required to base requests for funding on any research. It is recommended that the future funding program involve utilizing research as a requirement for all applicants. In addition, the County should invest in an annual research platform to centralize research and share with all stakeholders and potential applicants. The benefit is twofold. First, it gives all potential applicants a baseline for validating the direction of their proposal. Second, it becomes a resource for all stakeholders to use in furthering their marketing efforts. It is recommended that there be an annual research report that would be circulated to the broader stakeholder community. This approach would re-position the decision-making process to an “evidence based” approach. In other words, the board would refer to the research findings when determining the most effective direction.

The following is an outline of the suggested research platform including both personnel needs and functionality:

- County Research Function
 - Compile existing research - This would include gathering research from any willing stakeholders and producing summary reports showing the common indicators (trip purpose, mode of transportation, overnight accommodations, activities, spending and demographics).
 - Complete a market segmentation study - The goal of this ongoing research is to determine what markets have shown the highest propensity to visit Pierce County and which markets have the most potential for growth in the future (see appendix for example of an outcome from a Nielsen/Claritas segmentation study). This will require cooperation with key stakeholders to supply information that can be used for this analysis. This report would also be broken down by different regions or municipalities in the County.
 - Publish statistics on key demand generators. This would entail working with the key asset(s) to show the trends in overnight stays that have been generated through the overall funding. This could include working with Mount Rainier, the Tacoma Convention Center, South Sounds Sports Commission, JBLM, the Museum District and others on how their efforts create demand.

■ Personnel Description

- Research Program Manager – in-house or contracted
 - Leads research effort and coordinates County-wide consolidation of existing reports
 - Contact for County required measurement tools
 - Manages and publishes County-wide database for research tools
 - Develops annual research plan
 - Report to staff and boards on research findings and conclusions
 - Creates and maintains data-sharing partnerships
 - Develops and distributes research reports to stakeholders
- This position would be a part time role if in-house or could be contracted out. This position would entail managing primary and contracted research and interfacing with the boards on reporting. It would require 15 to 20 hours per week at the onset of the research initiative.
- Timeline for hiring
 - Hire within the first quarter of 2018
 - 7-month timeline to produce research
 - 2-month timeline to make research public in advance of application release

■ Research Budget

- County research budget – 3% of combined TPA/LTAC revenue, currently about \$100,000 annually inclusive of personnel
- Recruitment costs of filling the position

This outline illustrates how the County could create an impactful centralized research plan. As mentioned above, stakeholders overwhelmingly felt that a research initiative would improve their ability to craft more targeted programs and that making research available would improve the process.

Encourage Collaboration and Partnerships

The current tourism landscape in the county is geographically spread out and diverse which has created a fragmented tourism effort. Many of the applications that are submitted to the County are from individual organizations and there has been overlap in how applicants have counted or “claimed credit” for the same visitor numbers. If organizations in the same area can create complimentary programs and join forces in reporting there will be synergy in the program.

In addition, applicant collaboration may not only solve the problem of fragmentation within the tourism community, it will also benefit the County’s expectation of ROI and the applicant’s need for increased funding. If applicants come together, they could find synergy to make programming dollars more effective by streamlining staff needs and broadening programming efforts. This type of collaboration should be a mandatory component of all applications in all categories. An example of this is combining cultural experiences to promote a multiple day itinerary for a family to experience Pierce County. This combination would include an efficient approach for a target audience to “buy” the experience. This tracking ability tied to the purchase would give very clear results on the level of interest and provide insights for future experience development activities.

Expand Funding Opportunities

The current funding program has been focused primarily on marketing and does not encourage dollars be expended to support other activities that could be impactful to tourism. Essentially 100% of the funds currently are expended for marketing. The following are recommended areas to expand the current funding practices.

Event Development

It is recommended that funding and resources be opened to support events. In the tourism industry nationwide, events have demonstrated the ability to draw overnight stays. Pierce County’s funding program should encourage developing event opportunities that drive overnight stays. For example, sporting events with large spectator bases, music events, festivals and other multi-day experiences around events have had success drawing in visitors.

Opportunity Funds

In addition, it is recommended that funding be made available to attract events into Pierce County that require incentives or are high cost events. In many destinations, this type of funding is considered an “opportunity fund” which enables the destination to chase high impact events similar in scale and impact to the 2015 US Open Championship held at Chambers Bay. This type of fund is critical to an overall event strategy. It is important to note that the Opportunity Fund may not adhere to the same schedule as the overall LTAC and TPA process due to the host location selection process utilized by large events. Establishing a specific portion of the event development and sports event development funds for booking these high-impact events will enable an event

organizer to submit an application as necessary to entice a large event. Rolling applications for the Opportunity Fund would be reviewed as needed based on submissions.

Events

Events should be evaluated based on an agreed upon matrix. Below is a sample matrix that should become the baseline for ongoing event support and educating event organizers on how to prepare for potential support. JLL’s research indicates that there are currently few events held in Pierce County, including sporting events, that have been a significant draw for overnight visitors. This creates an opportunity to evaluate event strategies that may evolve a current event to a level that attracts overnight visitors. This matrix can also be applied to sports event development.

Components	Fail	Poor	Average	Above Average	Excellent	Total Points Awarded
Point Allocation Maximum = 5 points per component*	1	2	3	4	5	
Program Components						
Tourism Promotion impact						0
Benefit to the Destination						0
Innovation						0
Evidence of Partnership						0
Management Capability						0
Organizational Structure and Capability						0
Economic Impact						0
Maximization of Brand						0
Quality of Research						0
Suitable Target Market						0
Comprehensive Marketing Approach						0
Degree of Match						0
Previous Replacement Funding						0
Evaluation/Measurement Plan						0
Attendee Satisfaction (plan for post event)						0
Room Nights* (10 points)						0
Scale of Project						0
Application Quality						0
Unique Selling Proposition						0
Total Maximum possible points = 100						0

Infrastructure/Product Development

The potentially most challenging opportunity to open funding is for infrastructure or stimulating development of tourism assets. The current funding has not historically been spent on capital or infrastructure development (with a few exceptions) unless owned by a municipality or public facilities district due to state mandate. However, this kind of funding could be valuable to asset development. For example, this could include funding for feasibility studies for new attractions or amenities like venues, iconic architecture, destination parks, etc., and would not include infrastructure development already being worked on by other areas of the county and state (i.e. transportation). The nature of the funding would most likely be “seed” funding or funding to study the validity of the product in Pierce County’s LTAC communities to stimulate future development. It would be a requirement of this funding that the recipient have a viable funding plan, including other funding partners, to complete the specific project. The County should develop a proactive plan to lobby the state legislature to open this funding opportunity.

Sunset Funding

In addition, it is recommended that all qualifying funding and resources that are allocated to a particular marketing project be encouraged to have a “sunset” plan. In most cases the sunset timeframe would be between 3 and 5 years. The sunset plan would stipulate end of funding for a particular project. This recommendation is designed to encourage participants to develop alternative funding sources for successful marketing campaigns through sponsorships or earned revenue. This will significantly expand the impact of the current resources as it will increase the number of initiatives that will be funded in future years. As marketing investments become directly tied to driving paid overnight stays the ability increases for the LTAC and TPA investments to provide seed funding that eventually shifts to full private industry support once implementation success is realized.

Required Measurement and Metrics

JLL recommends the County implement a standardized measurement system with specific metrics. Creating a standard measurement system will reinforce the importance of the County’s determined priorities. In addition, the metric expectations should be shared with all applicants, which will further demonstrate transparency in the process and establish stronger tracking needs for each funded program. Guidelines for the initial metrics include the following:

1. Tracking incremental overnight visitors related to the program’s efforts

The number one priority for this funding program is production of new overnight visitors. Production of overnight visitors should be the most important metric, and recipients must clearly articulate, using measures approved by the boards, the results of funded activities.

2. Tracking return on investment

The highest concern going into this process was that the County’s investment in programs generate the returns applicants were proposing. It will be critical for applicants to measure dollars invested to the dollars spent by visitors due to their funded program. This report recommends that the county utilize a recognized national platform (such as the Destinations International Event Calculator) to determine the broader impact of the funded projects and initiatives.

3. Leveraging collaboration and partners

Applicants should be encouraged to work together on programs that will leverage resources and identify opportunities for partnership. This area can be measured by how the funding or resources were extended through collaboration with other partners.

These metrics will be critical for applicants to respond to and report. If an applicant does not measure and deliver the results proposed in their applications the County should no longer provide funding to that program. The sample below depicts how a particular program would be reported. This would be compiled for all funded programs and rolled into an overall report outlining results. The aggregated report combining specific deliverables for each of the funded projects and their associated success metric would provide true transparency to the programs while establishing future goals for program delivery. Organizations that do not submit reports should be eliminated from future funding opportunities until the reports are submitted. Organizations that do not report metrics or consistently do not demonstrate progress towards metrics should be penalized or possibly removed, based on the level of violation, during the scoring process.

Sample Report Format

Success Metrics				
Project	Overnight Visitors	Measurement Used	Return on Investment	Extended reach
SAMPLE: Direct marketing offer for a 2-night stay in downtown Tacoma with outdoor activities targeted to millennials in the Portland geographic market.	1,000	Data validated through booking engine: 500 2-person packages sold for dates during Q1 2018.	Program funded at: \$15,000 Estimated visitor spending: \$225,000 Estimated ROI: \$15 per dollar invested	Partnered with Chambers Bay, Museum of Glass to use databases for targeting. Also positioned itinerary to include weekend events in Lakewood.

Marketing Channels

The development of the strategic priority plan and the focus on accountability, measurement, target markets and overall return on investment creates a platform for specific types of marketing. These priorities are built as part of a long-range plan that is focused on proactively driving new tourism business to the county, while also being adaptable to shifts in consumer behavior. JLL recommends there be mandatory marketing approaches that are utilized by all recipients of future funding. The overarching direction is to engage direct marketing tactics to drive the desired results. This approach will position the limited funds that are available to generate targeted returns. It is not advisable to engage in general awareness campaigns that are difficult to measure and require substantial resources to make a measurable impact with the limited funds available. With this in mind JLL recommends the following:

1. The target markets for all marketing efforts have to be clearly identified
 - a. Supported by research and/or actual prior results
 - b. Markets must correspond to those identified in the plan
2. Direct marketing to the identified targeted markets must be utilized with a trackable call to action
 - a. Direct email campaigns with a call to action
 - b. Digital campaigns designed to identify and follow potential visitors to compel conversion
 - c. Traditional advertising to a targeted audience and specific call to action
3. The marketing direction applies to all types of activities
 - a. Applies to individual leisure as well as group marketing

The focus on marketing approaches that are designed to target specific audiences with “calls to action” that can be tracked and quantified is in alignment with the overall direction of the plan. The requirement for creating these approaches should be left to the applicants. The Board will have to gauge the proposal and its estimated effectiveness. Visitor services are not considered marketing channels under this recommendation. The marketing channel must proactively drive new visitors to the area versus servicing the needs of current visitors.

Restructure Application Process for Awards

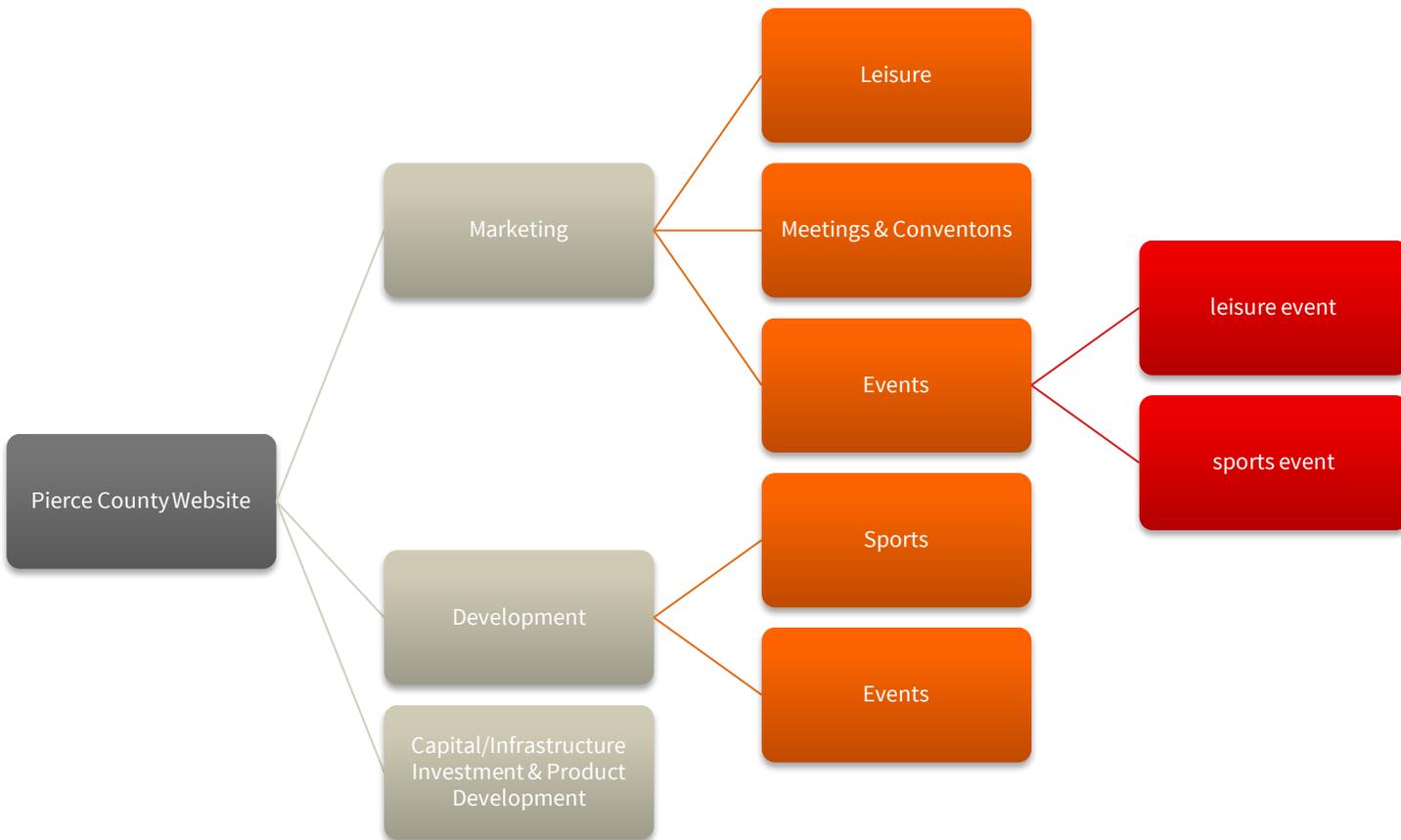
For the proposed new direction to be successful, a significant shift must occur in the current application process in order to move these programs into the future. It is recommended that unique applications be developed for each category as displayed below:

Category	Sample Required Criteria
Leisure Marketing	Target audience Room night generation Call to action (direct marketing)
Meetings & Conventions Marketing	ROI Prospects Definite Bookings
Sports Marketing	Room night generation Sports Event Matrix
Events Marketing	Event Matrix
Sports Event Development	Prospective sport audience Multiple year plan for growth
Leisure Event Development	Target audience Multiple year plan for growth
Capital Infrastructure and Asset/Product Development	Value of project Other funding sources

The process becomes a year-round communication plan that informs the stakeholder and potential applicants of the direction and priorities as set by the boards. The communication of the “balanced investment strategy” will signify that the boards are interested in engaging partners in all of the key areas.

If a potential applicant believes they fit into one of the agreed upon categories, they will be encouraged to go to the county website to learn about that category. The three main categories will have a separate application form to fill out that will be tailored to that particular project type.

The following future sitemap for the Pierce County tourism funding website illustrates the categories and the path to retrieve each categories' unique applications and instructions:



JLL spoke with past and current applicants during this process including those who had been funded and those who had not. Through this process JLL reviewed how the applications are released, submitted for review and funding awarded along with the timeline for each part of the process. In 2017, applications were released in July with the review by LTAC and TPA Boards review and award decisions in August and September. The timeline for 2019 funding year and beyond would be established through the board strategic priority setting process, and in accordance with the County’s budget calendar, to allow sufficient time for application workshops to educate possible recipients.

In addition, it is recommended that this process be moved to a fully digital platform which will enable individual board members to review applications and submit initial scores to the EDD prior to the full award meeting.

Year-Round Engagement and Planning

This recommendation includes instituting a new year-round timeline for the application process including a Board retreat to identify and confirm priorities. During this retreat both Boards will determine the priorities stated and finalize the allocations recommended and proposed as a baseline in this report. In addition, the applications and annual priorities should be available earlier for potential applicants to review, become educated through a workshop program and detailed applications be submitted in conjunction with the new guidelines. Furthermore, a recommendation that the interview process include standardized questions that are distributed to all applicants as well as the boards is important, if the Boards determine interviews are necessary. These standard questions should guide the applicants and the boards in their decisions to award funding to proposers that best meet the criteria set forth in the application. The support staff should conduct an objective review of all applications based on the criteria set forth in this plan and rate each proposal from a compliance perspective. The applications would then be grouped by the categories previously stated (leisure marketing, sports marketing, event marketing, sports event development, leisure event development, asset/product development and capital/infrastructure) and given to the boards to review. It is also recommended that the boards conduct an initial scoring process based on the written applications to create a more objective baseline prior to the applicant interviews. The following chart depicts the steps involved in the proposed application process:



Applicants should be interviewed by the boards using the standardized and publicly available questions and scored based on a standardized scoring matrix designed for each funding category.

JLL became aware that the past round of funding was scored and awards were made public and some were even adjusted throughout the day as new applications were awarded. This is a clear disservice to all applicants in the process. To create a clear process from start to finish and allow the Boards enough time to deliberate on the applicant as compared to the scoring criteria, judgment and scoring should be made initially based on the application. A second score from the interview can be added but both scores should be held confidentially until all score sheets are submitted to the staff liaison. Score sheets should also be made public after the awards have been made.

This increased level of engagement will require additional support as discussed in this plan. It is recommended that the Boards have a dedicated staff person or contracted position to facilitate this process including liaising between the EDD and the Boards as well as overseeing the program’s administration. This role and its supporting needs have been allotted in the recommended allocations in the Balanced Investment section.

Annual Board of Directors Work Plan (both LTAC & TPA)

The recommended timeline or board work plan for years following the approval and implementation of this plan is as follows:

Recommended Timeline & Roles		
Month	EDD Staff/Administrative Support	LTAC & TPA Boards
January*	Prepare scope for new research and contract for tourism administrative support function	Joint TPA & LTAC Board retreat to set priorities
February	Announcement to stakeholders communicating shared priorities	TPA quarterly Board Meeting – approve Annual Priorities/Allocations LTAC quarterly Board Meeting – approve Annual Priorities/Allocations
March	Workshop with potential applicants on priorities Finalization of new web page/information	
April	Complete applications by category	
May		TPA quarterly Board Meeting – approve application forms & matrix by category LTAC quarterly Board Meeting – approve application forms & matrix by category

June	Submit 2019 projected budget total to Finance Dept. for both Funds Applications posted w/ scoring matrix by category	
July*	Applicant workshops	Joint LTAC & TPA meeting to review mid-year results
August	Applications due and screened	Individual Board Member score applications and send initial scoring to EDD
September	Recommended awards made public	
October		
November*	County Council approves Board Recommendations Scoring sheets released	Internal joint LTAC & TPA post process review TPA quarterly Board Meeting LTAC quarterly Board Meeting Annual research plan review
December	Notice sent to 2019 Recipients and posted on the website Post process workshop with applicants Prepare 2019 Contracts	

*denotes month with Joint LTAC & TPA Board meeting

This timeline is JLL’s proposed and recommended process for implementation and is subject to change. This extended timeline will enable a more informed and transparent process.

As previously noted, the 2020 addition of a county-wide Event Opportunity Fund portion (5% total) would be set aside funds for rolling applications and be reviewed as needed if applications are submitted for opportunity fund requests.

In addition, this report has mentioned the need to support the funding programs with dedicated staff. It is recommended that the EDD hire or contract that role to an individual with tourism experience to manage, facilitate and liaise between both the LTAC and TPA Boards and the County EDD. The dedicated staff would also screen the applications for compliance for required information and alignment with priorities before the Boards’ review. The allocation in the Balanced Investments section describes this as “County Charges” and would be utilized to support that role.

Mitigate Conflicts of Interest

Throughout this process, JLL heard a repeated concern over conflicts of interest on both the LTAC and TPA boards. As noted in the Benchmarking section of this report, that is a consistent issue within funding programs across Washington State. The current legislation allows for an applicant to also be a voting member of the LTAC or TPA board. This is a challenging issue because the current makeup of the boards includes organizations that are submitting applications.

JLL recommends that both boards be developed with members who are not likely going to be applicants during their term of service. If there is a circumstance where a member is an applicant or affiliated with an applicant, that member must abstain from reviewing, interviewing and scoring applicants where there are inherent conflicts of interest. Examples of this include the proposing organization having a deciding member on the Board or a proposing organization having a family member on the Board.

Removing conflicts of interest should be a paramount concern for the future. This will further emphasize the importance of a transparent application and award process. An objective evaluation process will be fully aided by the boards working together to establish clear investment priorities.

Board Responsibilities

As mentioned in the Balanced Tourism Plan section of this report, JLL has recommended that both the LTAC and TPA boards both become more active and engaged during this process. The boards must evolve for this to be successful. Board members will need to commit more time, based on the dates laid out above, engage in a more detailed decision making process including priorities and research topics. This will require the boards to participate in more than just reviewing and awarding applications funds. The boards will have a process at the beginning of the year, as stated above, to set priorities that will drive the overall direction for applicants, and be more involved throughout the year in reviewing the performance of funding recipients.

Conclusion

Pierce County Tourism Funding Strategic Plan Conclusion

Undergoing a strategic planning process is never easy and rarely ever quick. JLL would like to thank Pierce County, the Economic Development Department staff and the many stakeholders and industry partners that participated in this process and provided insight and guidance. JLL believes that this plan and the recommendations enclosed in this report will be impactful for Pierce County's tourism industry and support the needed evolution to move the County's efforts forward.

As a destination, Pierce County has great potential to become a premier leisure destination in the Pacific Northwest. With its proximity to nature and outdoor experiences and its anchor asset in Mt. Rainier, the potential is grand. The recommendations contained in this report are ambitious and, in order to achieve its potential, will require the LTAC and TPA Boards to be steadfast in their implementation of the plan.

It is clear that Pierce County and the EDD staff are eager to be leaders in this community and to position the County as a partner in this industry. To support those efforts, the County must be positioned as a resource for research and the boards must be highly engaged in order to be successful. The implementation of the recommendations related to governance will support the boards and the County through a highly focused, nimble process with the ability to be efficient and generate the desired impact.

The implementation of the recommendations contained herein will enable the County to embark on an enhanced path to success as a driver of tourism development. This strategic plan establishes significant change to the existing programs. It is important to note that the current program along with the majority of Washington State LTAC programs has issues with conflicts of interest and tracking of direct measurable impact. The successful implementation of the recommendations contained in the plan will require consistent focus and determination even when there are challenges that require intense collaboration and partnership.

Essentially the overall direction will transform County-funded tourism promotion from a reactive, non-strategic approach to a proactive, priority-driven plan that has a clear vision for the future. It will be catalytic for encouraging other tourism funders and organizations to align their approach to achieve even greater return throughout the County. The first and most important part of successful implementation is that the County and both boards are unified and will firmly support what it will take to make all of this fully functional.

JLL believes that with the recommendations included in this report Pierce County will be able to communicate effectively to stakeholders and make great progress in becoming an efficient and effective tourism funding mechanism. Once implemented, Pierce County will be more impactful, by generating more results to the industry and community, maximizing dollars to the fullest extent and growing the destination's ability to generate overnight stays.

Report Appendix

1. Master recommendations matrix
2. Benchmarking & Best Practices detail
3. List of participants
4. Stakeholder survey results
5. Sample leisure tourism direct marketing results

Recommendations Matrix

(next page in full)

Recommendation	Detail	Implementation Timeframe	Location in Report
Determine Funding Priorities Annually	Both LTAC & TPA boards facilitate a session on an annual basis to set funding priorities for the coming funding cycle.	FY 2019	p. 44
■ Priority 1: Drive Overnight Visitors	All funded programs must proactively generate overnight visitors.	FY 2019	p. 44
■ Priority 2: Leverage Demand Generators	All funded programs must incorporate and leverage the existing demand generators.	FY 2019	p. 44
■ Priority 3: Focus on Specified Target Markets	All funded programs must include identified target markets and how the program will reach and convert them to overnight stays.	FY 2019	p. 45
■ Priority 4: Award Funding Based on Balanced Approach	Both boards will agree on the categories for funding and create a proactive approach for guiding applications.	FY 2019	p. 46
Investment in Research	Create a new research based initiative for both LTAC & TPA funds to create a centralized research hub and require all applications to be rooted in research.	FY 2019	p. 47
■ County Research Function	Hire dedicated contracted or new staff member of EDD responsible for executing LTAC & TPA directed research.	FY 2019	p. 47
Encourage Collaboration & Partnerships	Organizations should leverage each other's efforts and create partnerships. If organizations in the same area can create complimentary programs they could find synergy to make programming dollars more effective by streamlining staff needs and broadening programming efforts.	FY 2019	p. 49
Expand Funding Opportunities	Broaden the scope of what LTAC & TPA funds can support.	Ongoing (some require legislative support)	p. 49
■ Event Development	Enable LTAC funds to support materials needed for events i.e. equipment.	FY 2019	p. 49

■ Event Opportunity Funds	Enable funds to support pop-up opportunities for large scale event recruitment.	FY 2020-2021	p. 49
■ Implement Event Scoring Matrix	Utilize provided matrix to score events to determine if they should receive funding.	FY 2019	p. 50
■ Infrastructure/Product Development	Funding to stimulate future development of destination products in Pierce County	FY 2019	p. 51
■ Sunset Funding	All marketing funding should become project-focused on proactively driving new overnight visits to Pierce County and campaigns targeted for outside funding sustainability after a determined time frame.	FY 2020	p. 51
Required Measurement & Metrics	Implement new and improved standardized metrics and measurement requirements for all applications.	FY 2019	p. 51
■ Tracking Overnight Visitors	The number one priority is production of new overnight visitors and all applicants must be able to track overnight stays related to the program's efforts, including packages sold, hotel room nights, website referrals to hotel sites.	FY 2019-2020	p. 51
■ Tracking Return on Investment	Applicants must measure dollars invested against the dollars spent by visitors due to their funded program. The county should utilize a recognized national platform (such as the Destinations International Event Calculator) to determine the broader impact of the funded projects. As a DMO Travel Tacoma likely has direct access to this system and a partnership should be made with Travel Tacoma to access DI for both LTAC and TPA funded initiatives.	FY 2019-2020	p. 51
■ Leveraging Collaboration and Partners	Applications should have at least one partner identified in their requests for funding.	FY 2019	p. 52

■ Sample Report Format	The EDD should generate a report quarterly or biannually as to how the programs are producing.	FY 2020	p. 52
■ Marketing Channels	Mandatory marketing approaches that require target markets be identified through research or actual prior results; utilize direct marketing efforts rather than awareness marketing.	FY 2019	p. 53
Restructure Application Process to Apply for Funds by Category	Applicants required to choose which category they fit into (marketing, development, and capital/infrastructure) and then further detail if it is leisure, convention and meetings, sports or events.	FY 2019	p. 54
■ Implement a digital platform	Move the application process to be primarily digital which will enable board members to individually review and prepare an initial score for all applications. This will be more efficient and mitigate the conflicts of interest.	FY 2020	p. 55
■ Website Site Map	Future flow for LTAC and TPA website preceding the digital application.	FY 2019	p. 55
Engage Boards Year-Round	Both LTAC & TPA Boards should be engaged on an annual basis to include a workshop on priorities, workshop for applicants, input into applications, initial review and scoring, interviews, awards and a post award session.	FY 2019	p. 56
Lobby to Remove Conflicts of Interest on the LTAC Board	Work with LTAC, DMO and other Washington State communities dealing with the same issue to seek legislative change to remove the requirement that applicants be on the LTAC Board.	FY 2019 (begin process FY 19 may take longer)	p. 58
Lobby to gain more flexibility in how funds are used for both LTAC & TPA	Work with county and state legislation to add flexibility for how LTAC and TPA dollars are spent, i.e. event development and capital related to non-municipality or nonprofit ownership.	FY 2020	p. 15

Benchmarking & Best Practices Detail

Best Practices

JLL examined 18 different tourism grant funding programs across the country in addition to the Pierce County program to leverage key best practices and pitfalls to avoid in the future Pierce County model. A multitude of tourism grant models exist across the US and no two are identical. Even within Washington State where the LTAC and TPA funds are legislated along a similar set of regulations, there are subtle differences within program administration. Out of 18 funding programs, a select few provide some valuable insight to the future of the Pierce County model. It should be noted that an even larger grouping of funding programs were considered for this review, but disparity in funding level, destination type or unimpressive program practices shortened the list to the group of eighteen. Within the 18 programs, another realization became crystalized as there are few granting initiatives that truly distinguish themselves from others and even less that can be considered as providing best practices. The following section is dedicated to providing insight into the structure, format and key takeaways from the programs studied even when the insight is not a best practice.

Destinations Studied:

As mentioned above, JLL studied 18 programs across the US including four in Washington State. The destinations studied include:

- Augusta, GA
- Bucks County, PA
- Buncombe County, NC (Asheville)
- Greenville, SC
- Clackamas County, OR
- Eugene, OR
- Gainesville, FL
- Dauphin County, PA (Harrisburg/Hershey)
- Laurel Highlands, PA
- Leon County, FL (Tallahassee)
- Loudon County, VA
- Oklahoma City, OK
- Olympic Peninsula, WA
- Providence, RI

- Snohomish County, WA
- Spokane, WA
- Tompkins County, NY (Ithaca)
- Vancouver, WA

Case Studies

JLL has also included in this report case studies for five of those destinations as samples where programs are having success or provide operational lessons for Pierce County. The case studies provided with this report include:

1. Oklahoma City, OK
2. Buncombe County, NC (Asheville, NC)
3. Tompkins County, NY (Ithaca, NY)
4. Clackamas County, Oregon
5. Snohomish County, Washington

JLL's primary research on these models revealed that even the grant options that are presented through the same enabling legislation, as is the case in Washington State, can have major differences in their set-up, format, and administrative systems. This benchmark report summarizes the various programs and provides clear opportunities and challenges for the various operations.

Analyzing tourism grant program details provides a very dynamic view of the possible structure that model programs should adopt. Each of the following programs is listed for possible applicability towards the future of the Pierce County tourism grant programming. These potential models stand-out against others across the country and within Washington State for their administrative policies, strict supervision, and/or overall innovation. In brief, the included examples are Oklahoma City's model for public participation, Asheville's innovative capital focused system, Tompkins County's attempt at developing a better system, Clackamas County's similarities with Pierce County, and Snohomish County's work to improve both the LTAC and TPA system. Oklahoma City and Asheville offer two very different systems from the LTAC and TPA structures, but they are model programs that necessitate being included within any examination of tourism related funding programs. These five case studies are presented to better understand the dynamics of tourism grant funding mechanisms and some of the models that can help minimize tourism grant weaknesses.

The following pages are the case studies from the five destinations with best practices or administrative lessons that JLL believes would be valuable for Pierce County.

Oklahoma City MAPS, Oklahoma

Oklahoma City implemented its MAPS (Metropolitan Area Projects) program in 1993 with a public referendum to utilize a temporary, voter approved one cent sales tax increase to fund nine separate quality of life capital development projects including a convention center, arena, ballpark, library, civic center, and downtown canal installation. An appointed oversight board was utilized to make recommendations for City Council, but the MAPS program public engagement is often highlighted as a best practice for tourism related funding model. MAPS is not a grant program and is presented here simply for the thorough nature of its public input process. The referendum approach creates a system that is dependent on strategic consensus. This is a highly-publicized process that shapes an agreed upon direction regardless of its funding approach through sales tax. The temporary nature of its administration combined with the intense level of voter involvement in the decision-making process necessitates its inclusion within this benchmark. MAPS is now on its third iteration and the proposed projects are expected to be completed and fully debt-free by 2021.



Governance	Administration	Funded Initiatives	Application Format	Timing	Metrics & Standards
Oklahoma City Council	21-member oversight board makes final recommendations to city council. Day-to-day operations handled by City Staff.	Capital. Project list is decided through public referendum	N/A Oklahoma City residents are presented with project concepts then vote on whether to levy an increase to sales tax for a designated period of time to fund the final list of projects.	Projects are proposed for presentation to the community leading up to the referendum. The timing dependent upon the project deliverable timeframe.	Project completion is the ultimate outcome of the Oklahoma City model. An economic impact report for MAPS-1 was commissioned by the Greater Oklahoma City Chamber of Commerce in 2003.

Outcomes/Lessons Learned

The MAPS program truly transformed Oklahoma City into a multi-dimensional destination and in doing so, created an enormous number of new job options, many for individuals in underserved socio-economic households. The MAPS for Kids program went further to bring major enhancements to Oklahoma City area schools. The program has been praised throughout the economic development field for its progressiveness and inclusivity. Pierce County can benefit from the systems used to construct the public input on prioritized strategy. The most important takeaway from this example is the emphasis on utilizing a broader strategy to drive a funding plan. This is a different type of funding source but the directional approach to gather public input on desired investments has merit.

Buncombe County (Asheville) Tourism Development Authority, North Carolina

Since 2001, Asheville’s Tourism Product Development Fund has been recognized as one of the most innovative, and well managed tourism funding programs in the country. The program dedicated a 1.5% increase to the overall room tax rate to be specifically used for capital tourism development projects. The Buncombe County



Tourism Development Authority (BCTDA), a nonprofit tourism marketing organization, viewed the funding program as essential for the destination to successfully compete long-term against larger destinations that were actively investing in convention centers, new attractions, sports venues, and other infrastructure improvements. The leaders of the BCTDA recognized that Asheville needed product and infrastructure enhancements beyond current attractors like the Biltmore Estate to truly produce a more competitive destination. The grant program was conceived and implemented by the Authority, the governing body of the Asheville Convention and Visitors Bureau and managed by the organization’s staff. The legislation has two requirements: 1. All grants must be for capital expenses, excluding design and operations and 2. The project must create new or incremental room nights in the county. The process is guided by both a strategic priority list and a major works pathway.

Governance	Administration	Funded Initiatives	Application Format	Metrics & Standards	Penalties
Nine-person committee appointed by the BCTDA (Explore Asheville). The majority of these members must represent owners/operators of taxable accommodations. One member of the committee must be a BCTDA member.	Staff of Asheville CVB	Capital only. Projects must have minimum of one-to-one match with design fees eligible to count towards the match. TPDF funds cannot be the first investment in the project. For-profit entities are not eligible for funding.	Pre-proposal - Initial program workshop. Phase 1 – Short project introduction for staff to assess viability. Phase 2 – Detailed application including financials, projections (room nights), and feasibility studies. 30 minute presentations.	Directly increase hotel room nights or support a larger initiative that increases room nights. Projects may not benefit a single hotel property.	Project investment disbursements are paid in three equal payments once the project is certified to have enough resources on-hand to complete the proposed project.

Outcomes/Lessons Learned:

Since 2001, the program has invested \$27 million across 31 different projects. Nearly \$4 million was awarded across five projects in the 2016 funding cycle with individual amounts ranging from a low of \$350,000 for stadium improvements at Montreat College to a high of \$1,500,000 for creating a theater and converting meeting rooms within the Asheville Civic Center. The funded projects range from nature centers to soccer fields to breweries to wayfinding signage and many others. The BCTDA is currently working towards a combined ten-year funding priority plan with the City of Asheville to focus on visionary planning for an investment of approximately \$50 million. This priority setting process requires significant communication and strategic partnering between the City and the BCTDA, two groups that have challenged one another in the past. The priority setting process provides guidance for Pierce County as the strategic plan illustrates the desired investment categories for the destination. The Buncombe County example is product development focused but the priorities could be events or marketing focused also. Additionally, the BCTDA as the governing body of the Asheville CVB, uses these priorities across multiple strategic initiatives to guide tactical deployment. They hold workshops with potential applicants to help create understanding of the desired direction and encourage smarter, more collaborative applications.

All qualifiers, scoring, funding and metrics are ultimately associated with the relevancy to the overall strategic direction. This approach requires true coordination between the funding bodies, the destination marketing organization, the program administrator, the research manager and the applicant. Establishing strategic priorities provides a sound base for everyone to use to support one another.

Ithaca – Tompkins County Strategic Tourism Planning Board, New York
 The Tompkins County legislature created the Strategic Tourism Planning Board to ease the process for making funding decisions regarding room tax collections. The Board operates to advise the county government on needed tourism investments that can continue to drive the area’s tourism



growth. The Board oversees approximately \$2.64 million in annual funding across two separately legislated areas. Investments prescribed by the STPB are segmented by 60% in marketing and 40% in product development. The program funds the operations of the Ithaca-Tompkins County Convention and Visitors Bureau, numerous arts and cultural organizations, events, signage, capital planning, and strategic planning.

In 2017, over \$200,000 is specifically being channeled towards the staffing and programs needed to service the STPB. This investment is merely a small percentage of the fund, but the resulting administrative infrastructure has created a layer of confusion and programming within the overall destination that should be considered carefully by Pierce County. Staffing to service grant programs is clearly a needed function and the program created in Tompkins County has evolved beyond grant administration. The staffing is now so heavily involved in tourism planning that it has created perceived duplication between its efforts and those of the primary destination marketing organization, the Ithaca – Tompkins County Convention and Visitors Bureau. The set-up presents leadership challenges across the county as organizations are uncertain whether to seek input and partnership from the convention and visitors bureau or the county’s tourism planning office or both. The system and administrative confusion has resulted in unproductive competition among organizations pursuing room tax funding, unnecessary cross communication and a lack of involvement by the destination marketing organization in areas where the office should be included. The broad and varied funding outlays of the STPB as a county office also sparked a push by county legislators and the industrial development authority to suggest that the authority be financially supported through the room tax fund, despite not being a tourism focused entity.

Governance	Administration	Funded Initiatives	Application Format	Metrics & Standards	Penalties
Tompkins County Strategic Tourism Planning Board makes funding recommendations for the Tompkins County Legislature	Staff of Tompkins County Planning department	60/40 split between marketing and product development	Digital submittal	Return on Investment – Showing proof of financial ROI in addition to soft (defined as building social capital) ROI.	N/A

Outcomes/Lessons Learned

Tompkins County is not a best practice. This case study is included here to illustrate how important destination wide strategic planning priorities and well-constructed roles are within these funding systems. As Ithaca's program grew larger and more complex, so did the need to add administrative capacity. In this case, Ithaca added training and product development programs to support the broader efforts of tourism development and in doing created inefficient confusion with the area's official destination marketing organization. It is not uncommon for a destination marketing organization to handle the communication, education, and advocacy functions of the overall destination direction, even if they are not the funding body. A structured approach to tourism development needs to clearly assembled and presented across the community. There is a recommendation for new support funding for the recommended direction. This case study underscores the importance of a strong collaboration with the DMOs that are in the region.

Clackamas County, Oregon

Clackamas County is an important part of the Portland, Oregon metro area as it combines urban options, a portion of the Willamette wine region, and the natural beauty of Mt. Hood. These combined features provide a nearly perfect benchmark for Pierce County, WA. Clackamas County’s Tourism and Cultural Affairs office exists to increase overnight stays and encourage visitors to “linger longer.” The staff of the Tourism and Cultural Affairs department administers a series of tourism-related grant programs that support tourism growth initiatives throughout the county. In 2017, three separate tourism grant programs were available through Oregon’s Mt. Hood Territory: Community Partnership Program Grants, Development Grants, and Heritage Capital Improvement Grants (not profiled here).



The Community Partnership Program Grants are awarded to public or non-profit organizations whose project(s) demonstrate an ability to benefit the greater public interests of tourism development and promotion. The CPP grants are intentionally designed to be fairly broad, but must fit within the pre-established Areas of Focus (Agri-tourism, Outdoor Recreation, Heritage/Cultural/Arts, Multi-property lodging promotion or lodging facility development, Social Media/Internet, Market/Product Promotion, and Bicycle Promotions) as specified in the CCTCA’s Business and Master Plans. Because this program is funded with public dollars, grants cannot be awarded that benefit religious organizations or private, for-profit businesses. Tourism Development grants requests can range from a low of \$5,000 to a high of \$100,000 out of a total \$250,000 grant pool. The Tourism Development Grants are meant primarily for funding capital improvements or developments.

Governance	Administration	Funded Initiatives	Application Format	Metrics & Standards	Penalties
Tourism Advisory Grant Committee provides recommendations to the Tourism Development Council	Staff of Tourism and Cultural Affairs department.	Marketing programs. Event Development. Capital Improvements	Online or emailed pdf	Projects must report on three goals: 1) Increasing overnight stays 2) Bringing visitors into a community from more than 50 miles away 3) Extending visitor stays	Returning of funds and possible elimination from future funding cycles

Outcomes/Lessons Learned

The Clackamas County example provides a broad-reaching funding program example that is administered by the county entity designated as the area's destination marketing organization. The program uses no presentation format so applications are gauged solely based on the merits of the physical submission. The program succeeds based on its ability to stay focused on strategic priorities set by the funding organization. It isn't a perfect mirror image of the potential future for Pierce County, but it is a very close example. Clackamas County is included because its process and set-up is very similar to the Pierce County scenario. Clackamas County is not a best practice but they utilize some best practice principles with the strategic priorities and they fully require applicants to stick to those priorities.

Snohomish County, WA

Snohomish County was consistently identified by various Washington State tourism organizations as having one of the more solid and well-orchestrated Lodging Tax Advisory Committee county-based programs. The County’s system for providing comprehensive funding is a clearly defined partnership between the county government and the area’s destination marketing organization yet still provides a clear distinction between the two programs. The county administers both the Lodging Tax Advisory Committee funding and also the Tourism Promotion Area programming based on priorities developed through an overall Strategic Tourism Plan. The Parks and Recreation Department employs both a program coordinator for grant administration and also a strategic tourism coordinator for leading the planning efforts to set tourism direction. The group maintains close association with the county-wide destination marketing organization, Snohomish County Tourism Bureau (SCTB), an independent 501(c)6 non-profit entity. The Executive Director of SCTB holds an ex-officio position on the board of directors for the LTAC and TPA, while the County’s strategic tourism coordinator holds similar capacity on the board of the SCTB. The LTAC program primarily funds marketing-related projects, including events of typically less than \$10,000 per grant, while the TPA funding allows for seed money of capital projects. The county administration for the program developed the funding system as a reimbursement based system. By operating through the reimbursement based system, the Snohomish County program effectively eliminates the need for punitive penalties for lack of performance as the program must be fully conducted to receive reimbursement. This is the same system that Pierce County currently operates under. The county has also put in place a scoring system that rewards collaborative initiatives. The county recognizes the difficulties associated with recurring, annual requests but has yet to fully address it with a solid solution. The county is sometimes challenged by the concept of multiple destination marketing organizations, regardless of how official they are or the professional nature of the organization’s staff and board training. The County doesn’t discourage this situation but rather sets objective priorities that applicants must address in order to be eligible for funding. Written applications are submitted by applicants and scored by the LTAC members. There are no presentations allowed in the Snohomish program largely because of the amount of time required. Blind scoring in advance of the final funding decision meeting has helped to lessen the obstacle of conflict of interest from the process.

Governance	Administration	Funded Initiatives	Application Format	Metrics & Standards	Penalties
Lodging Tax Advisory Committee members	County Parks and Recreation Department staff	Marketing through LTAC funds. Capital projects through TPA funds.	Individual application review by LTAC Board only	Drive greater than 50-mile visits. Adhere to Tourism Strategic Plan priorities.	None. Reimbursement only system.

Outcomes/Lessons Learned

Snohomish County's LTAC and TPA were identified as one of the stronger Washington State programs. Based on the review of this benchmarking exercise there are not a lot of strong Washington State programs. The state legislated structure provides a clear obstacle to really cutting edge management of these grant system, however it is Snohomish's commitment to a clear strategy and mutual trust in one another that seems to set the county's program apart from others. Additionally, the reimbursement system is a sound policy that does eliminate challenges with being the first money in for a project, particularly if that project is funding capital or event. A funded organization must put forward their own funds with the understanding that if they don't make the case for applicability then reimbursement might not be received. When the grant reimburses expenses, it forces the recipient to truly be invested in the purpose and results of the project. Snohomish's Clear delineation between LTAC and TPA funded projects and applicants allows certain flexibility in funding initiatives. This system allows the TPA format to fund private businesses and capital projects that fit within the regulations because everything across both programs is held to the standard of the overall county tourism strategy. The counties that suggested Snohomish as a stronger program referenced the coordination and communication between the county administrators of the funds and the primary destination marketing organization. These individuals and organizations viewed their role as mutually dependent and supportive of one another.

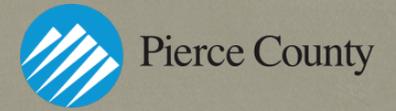
List of In Person Meeting and/or Phone Call Participants

1. Pierce County Councilman Richardson
2. Pierce County Councilman Roach
3. Lodging Tax Advisory Committee Board members
4. Tourism Promotion Area Board members
5. Akane Yamaguchi – University of Washington
6. Alissa DeLong - Holiday Inn Express Puyallup
7. Amy Tiemeyer - V N Lending
8. Ariel Schonberg - Holiday Inn Express Sumner
9. Bennish Brown - Tacoma Regional Convention + Visitor Bureau
10. Bob Chirum - Stonecreek Lodge
11. Brad Moore - Conley, Inc.
12. Carmen Palmer - City of Sumner
13. Chalon Burns - Best Western Liberty Inn
14. Chris Coleman - Mountain Meadows Inn
15. Cindy Schaarschmidt – University of Washington
16. Courtney Eban - Fairfield Inn & Suites DuPont
17. Courtney Kroll – University of Washington
18. Danielle Cavoto - Courtyard Tacoma Downtown
19. David Fischer - Broadway Center for the Performing Arts
20. David Schroedel – Downtown Tacoma Business Improvement Area
21. David Wilde - Rainier Guest Services
22. Dean Burke - Tacoma-Pierce County Sports Commission
23. Deborah Sample - Stormking Spa and Cabins
24. Doug Andreassen - US Soccer Federation

25. Eric Corp - City of DuPont
26. Eric Sheckler - Bounce Box
27. Hunter George - Metro Parks Tacoma
28. Jackeline Juy - Best Western Lakewood
29. Jana Gardner - Ashford Creek Pottery
30. Janie Mahon - Highlander Restaurant & Lounge
31. Joe Pistrowski - Stonecreek Lodge
32. Karen Scott - City of Gig Harbor
33. Katharina Potter - Home2 Suites, DuPont
34. Kim Bedier - City of Tacoma
35. Lana Hoover - City of Sumner
36. Laura Esler - Mt. Rainier Visitor Association
37. Laurel McQuade - City of Fife
38. Laurie Beck - Shilo Inn & Suites Tacoma
39. Lisa Hoffman - University of Washington
40. Mark Horace - Hampton Inn & Suites
41. Mary Bowlby - Job Carr Cabin Museum
42. Mary Kay Nelson - Former Visit Rainier
43. Matt Allen - Chambers Bay
44. Meilee Anderson - Brighter Side Marketing
45. Mike Moe - Washington Tourism Alliance
46. Morhia Mote - Best Western Liberty Inn
47. Natasha Jenkins - Fairfield Inn & Suites DuPont
48. Pam Painter - Mt. Rainier Visitor Association
49. Pam Newlun - Rainier Guest Services
50. Patty Villa - Orting Valley Farmers Market
51. Phedra Redifer - Metro Parks

52. Ralph Coleman - Mountain Meadows Inn
53. Rick Adams - Elbe Mall
54. Roshawn Yates - Lifestyles Valet, Shuttle & Craft Tours
55. Samantha Kaufman - RV Restaurant & Inn
56. Shari Campbell - C2
57. Shelly Schlumpf - Puyallup Sumner Chamber of Commerce
58. Steven Cadematori - Alta Crystal Resort
59. Tammy Blount - Former Tacoma CVB
60. Tom Pierson - Tacoma/Pierce County Chamber of Commerce
61. Vivian Cadematori - Stay Crystal
62. Wendy Christopherson - Base Camp Cottages
63. Zandy Ball - Mounthaven

Stakeholder Survey Results



Pierce County Stakeholder Survey Results

August 17, 2017

Stakeholder Survey Summary



The Stakeholder Survey results contained here show consensus on key items and future considerations.

The stakeholder survey results represent:

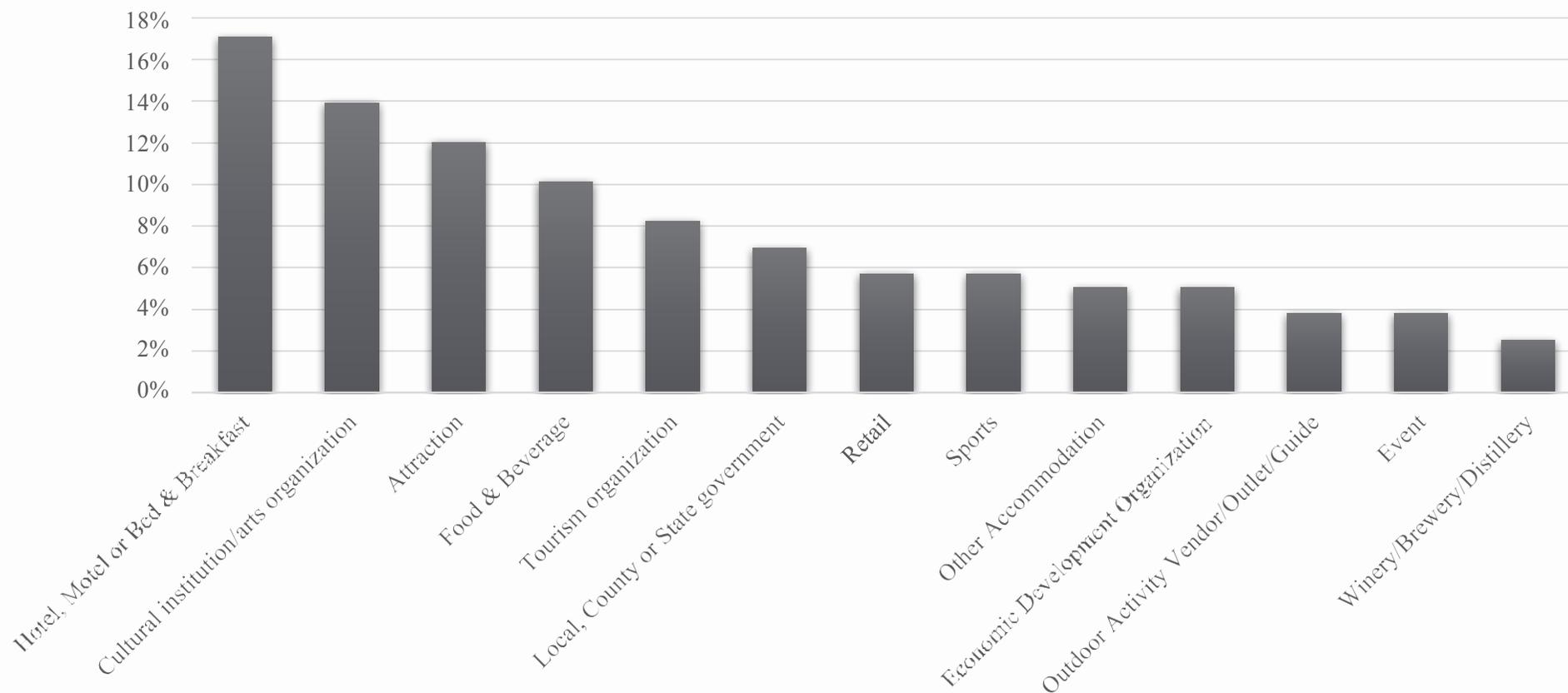
- 158 completed responses
- Representation of a broad base of stakeholders

JLL has completed follow up calls with several stakeholders who provided more detail and insight into their responses to the survey.

Who Responded?



Please identify the type of tourism business you represent.

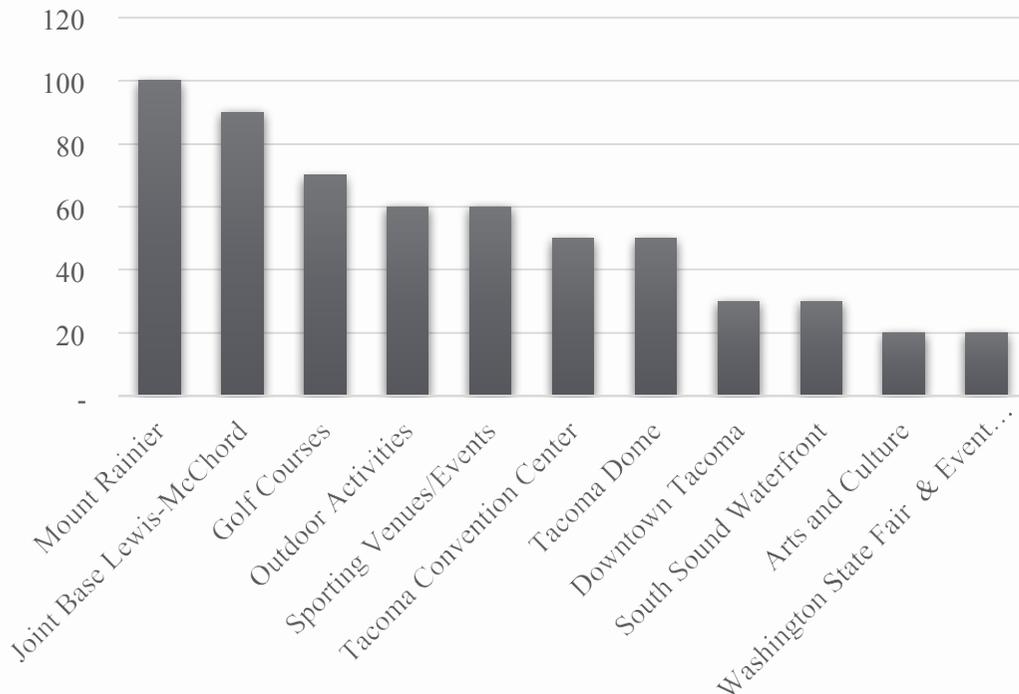


How Stakeholders Ranked Demand Generators

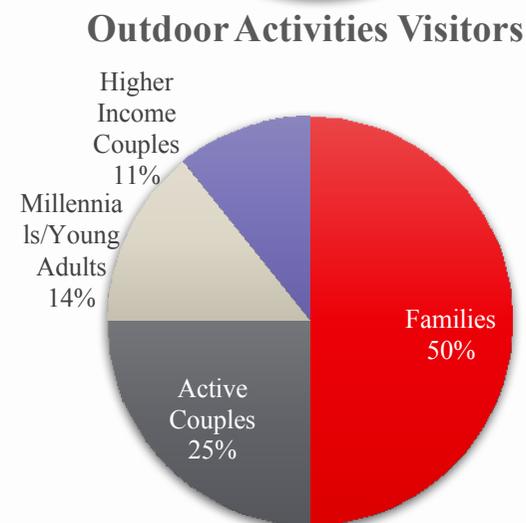
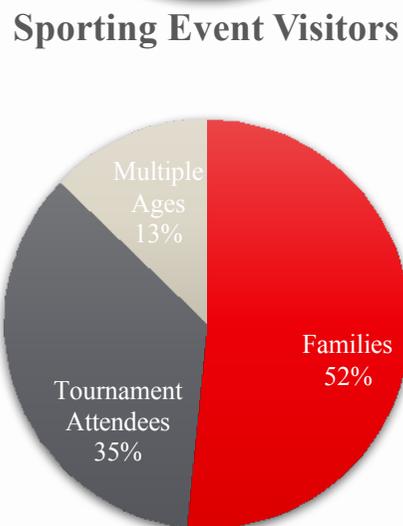
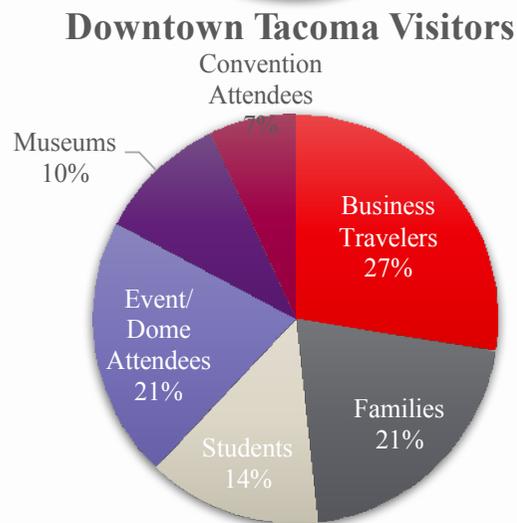
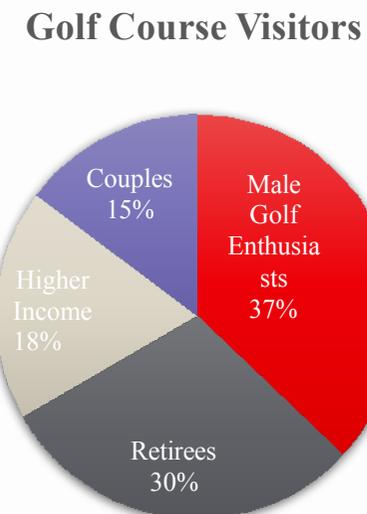
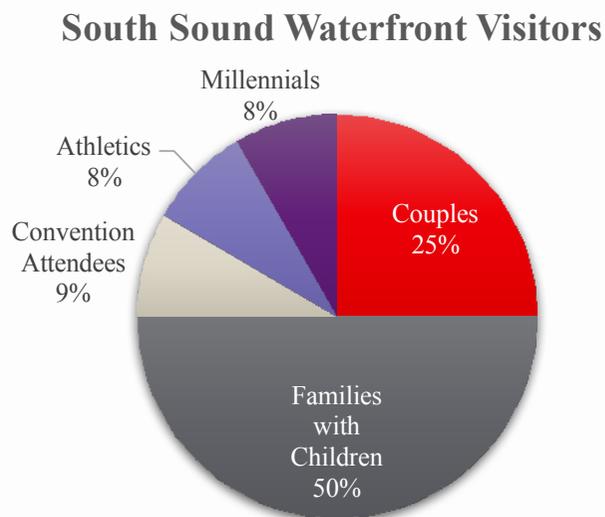
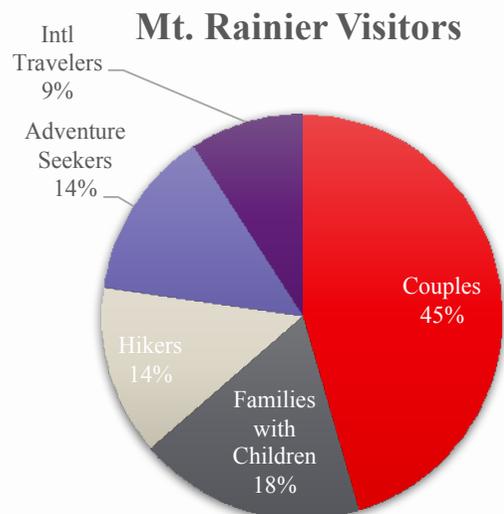


Please rank the below attractions according to how you feel the attract overnight visitors

What county assets currently drive the most overnight visitors to Pierce County?



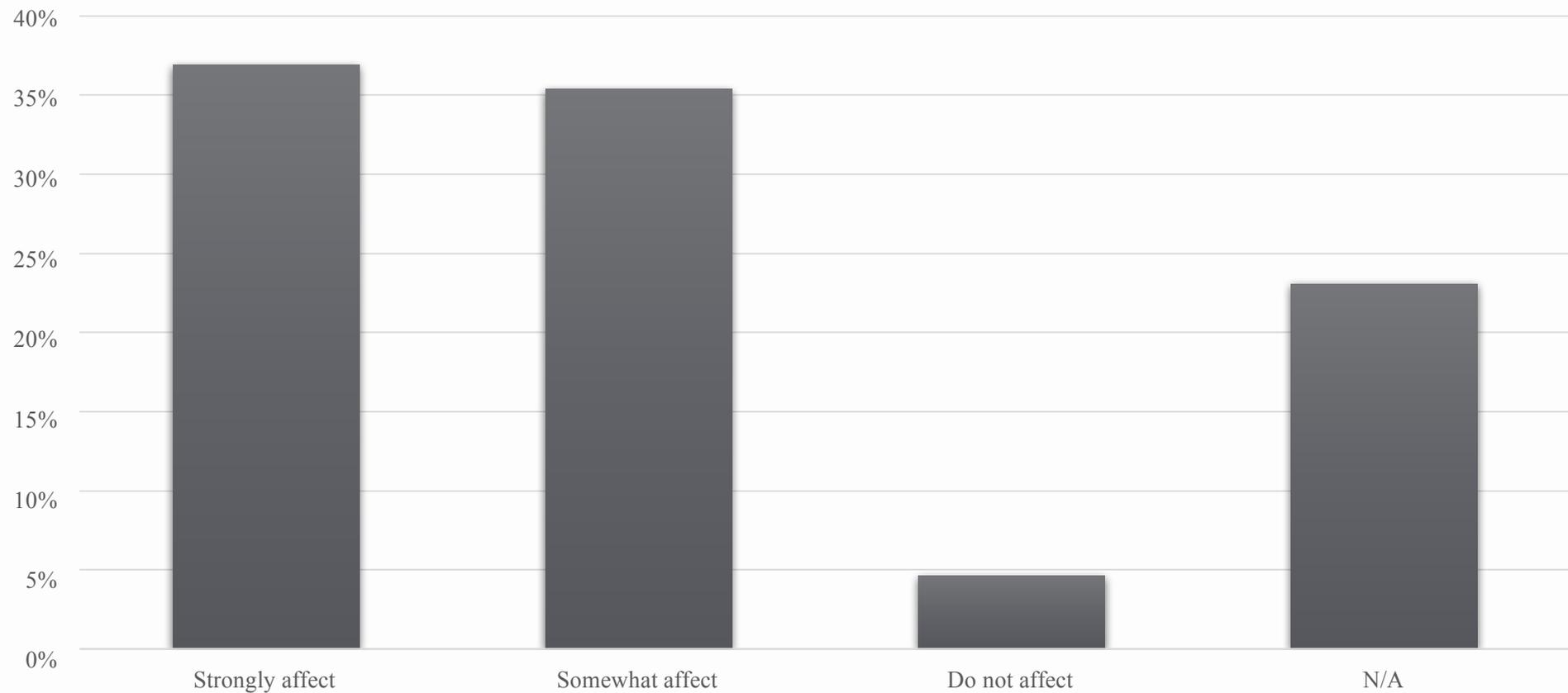
What types of visitors are coming?



Affect on Businesses



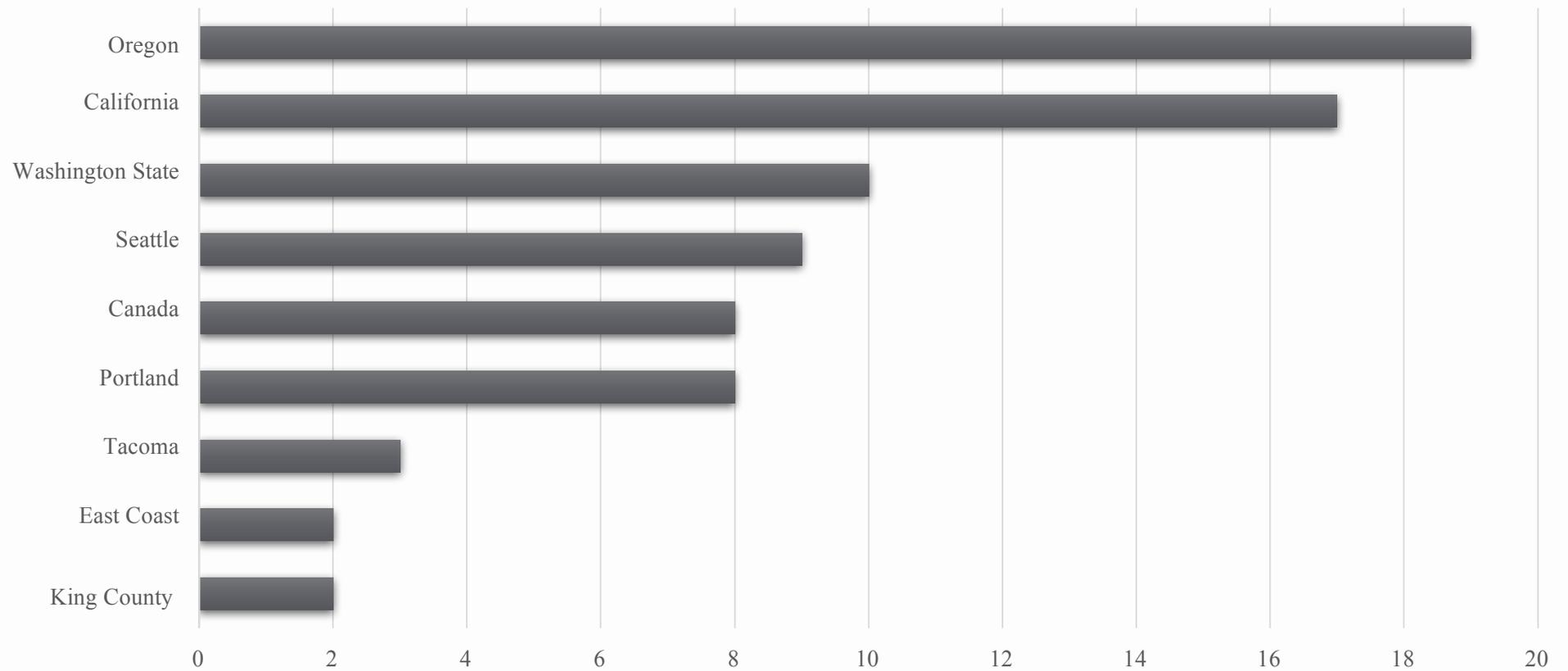
If you are a business, how do attractions in the area affect your business?



Visitor Origins



Visitor Origins

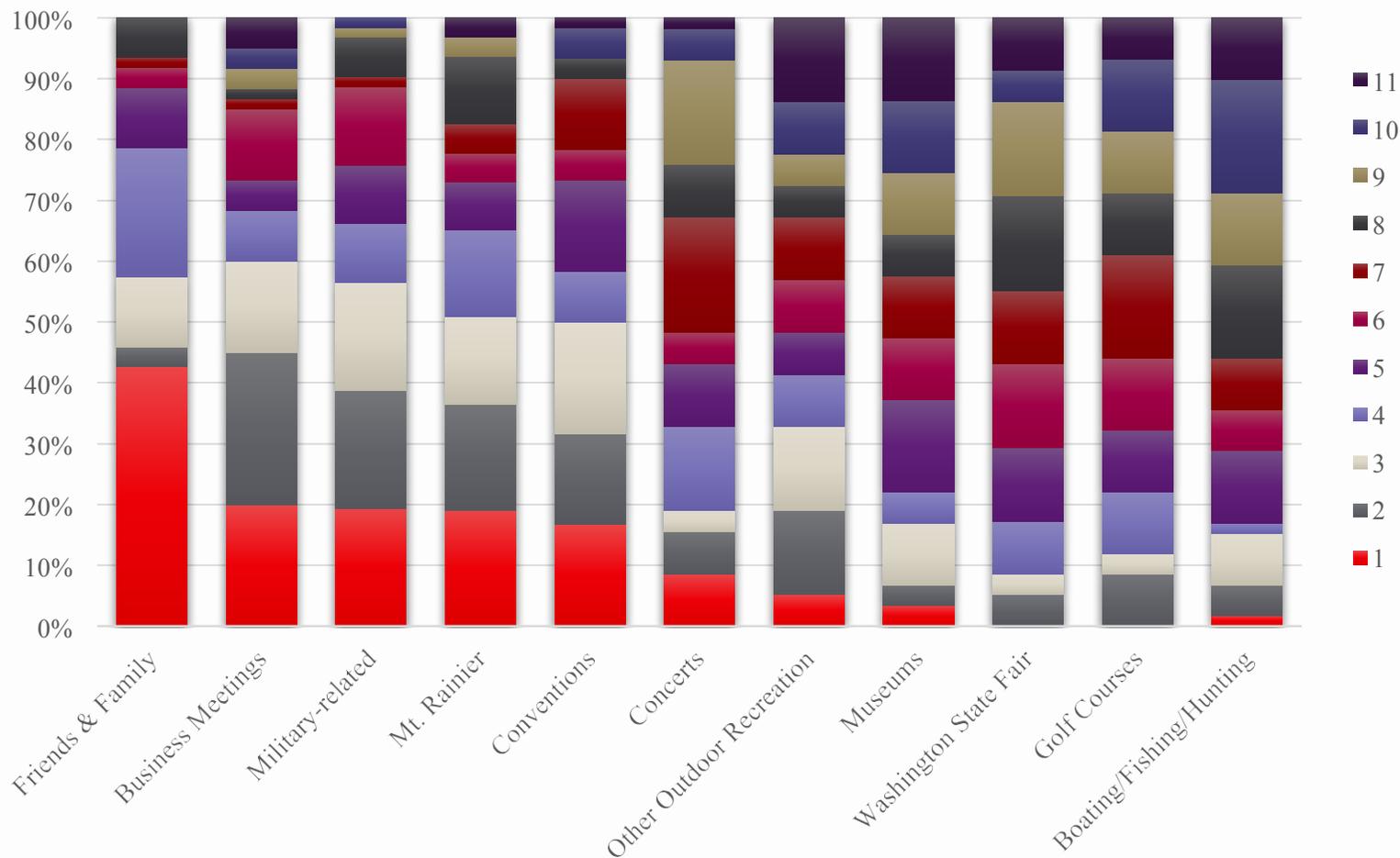


Why are overnight visitors coming?

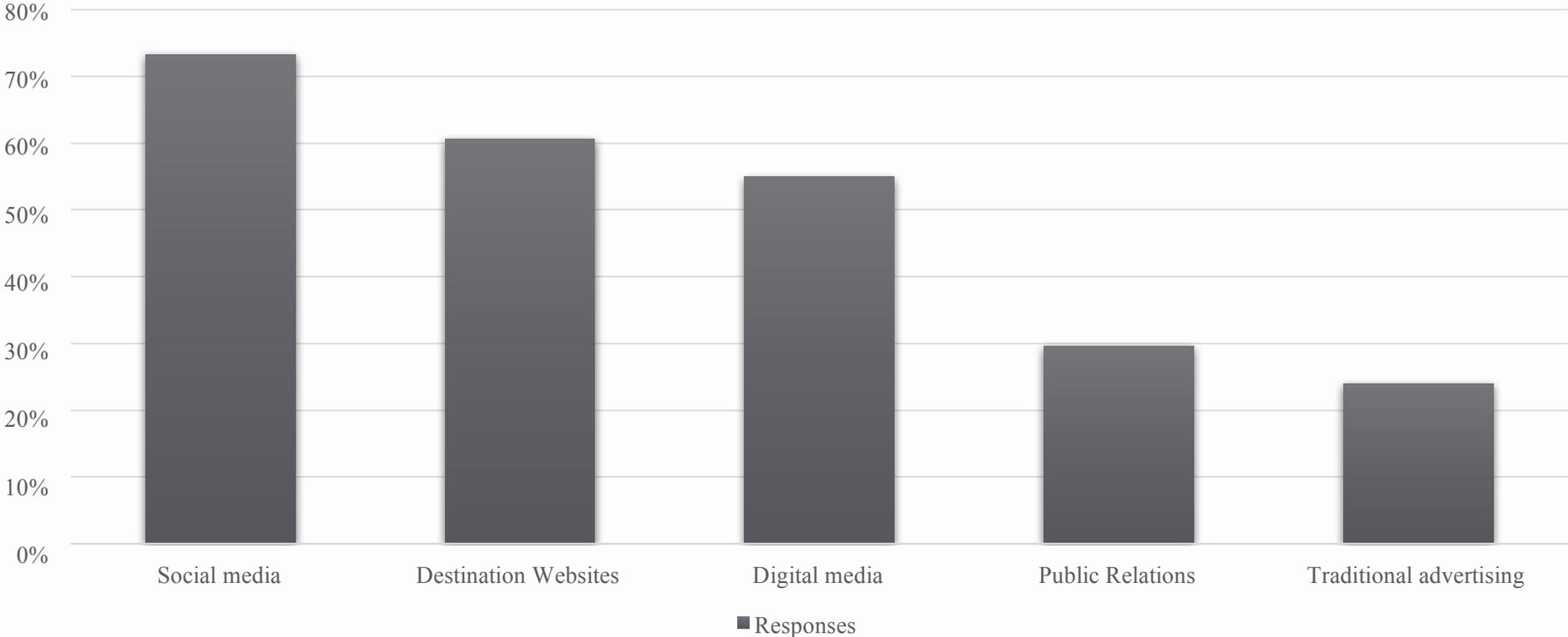


Rank

Friends & Family,
Business Meetings,
Military and Mt.
Rainier round out the
top 3. →



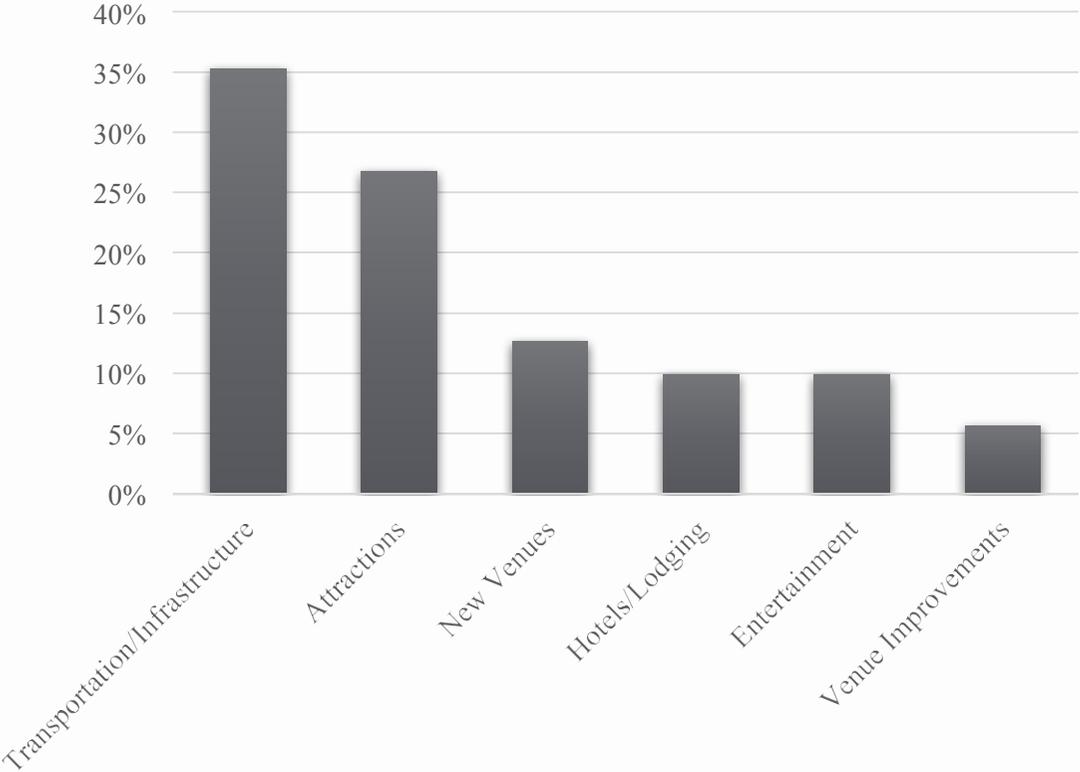
What do you think are the most effective marketing vehicles for increasing overnight visitor activity? Please choose two.



Investment



Of the options below, which investments would best help increase overnight visitors?



Specific Examples:

- Transportation/Light Trail
- Downtown Development/Connectivity
- Hotels
- Event Venues
- Iconic Venues
- Retail

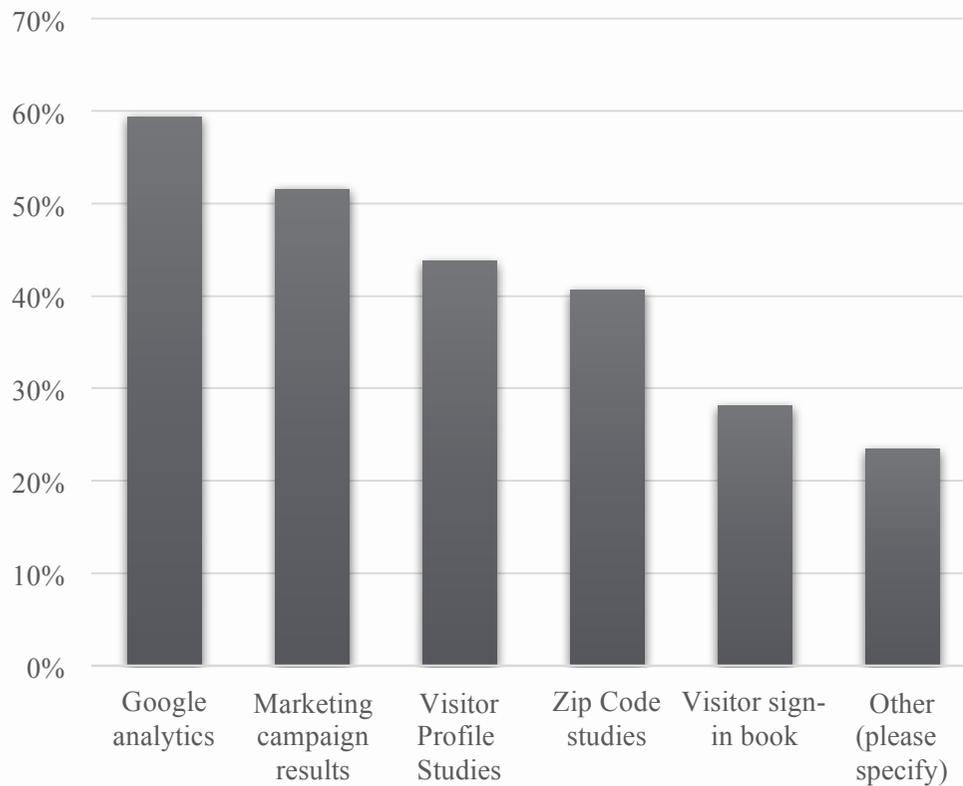
Current Projects:

Expansion of Zoo and Pt. Defiance Park

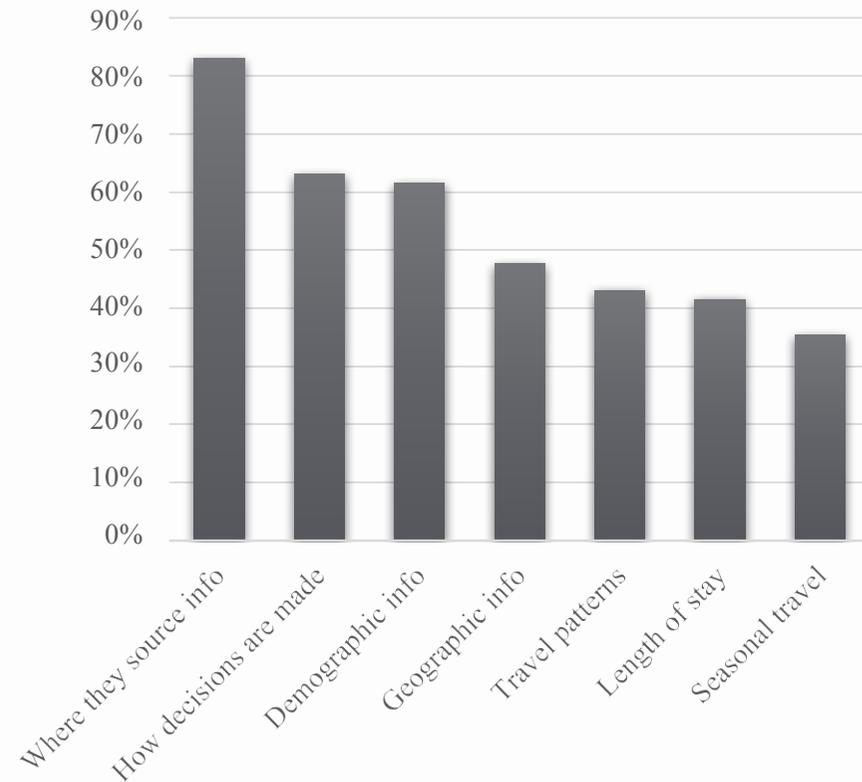
Research



What types of research do you conduct or participate in? Choose all that apply.



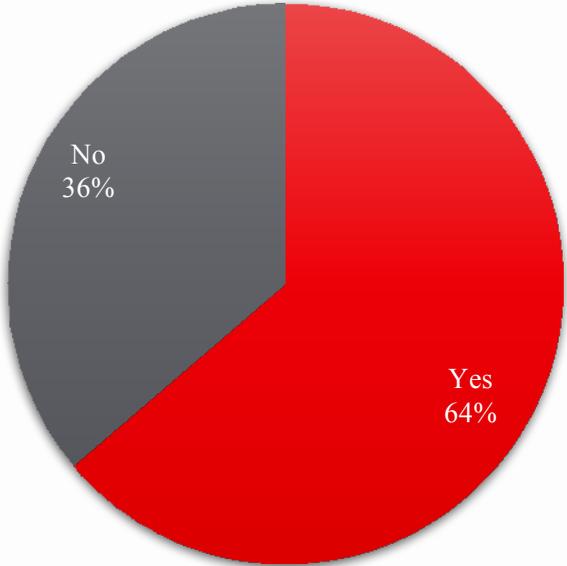
What information would you like to know about visitors coming to Pierce County? Check all that apply.



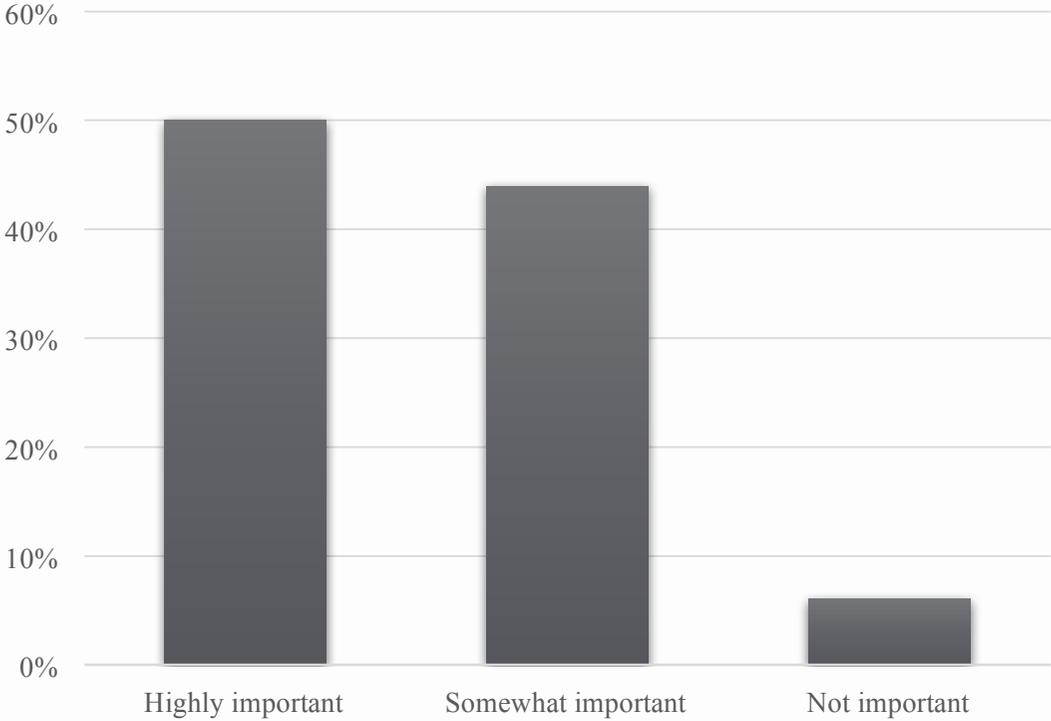
Participation with other businesses



Do you currently participate in any cross-promotional activity with other tourism related businesses?



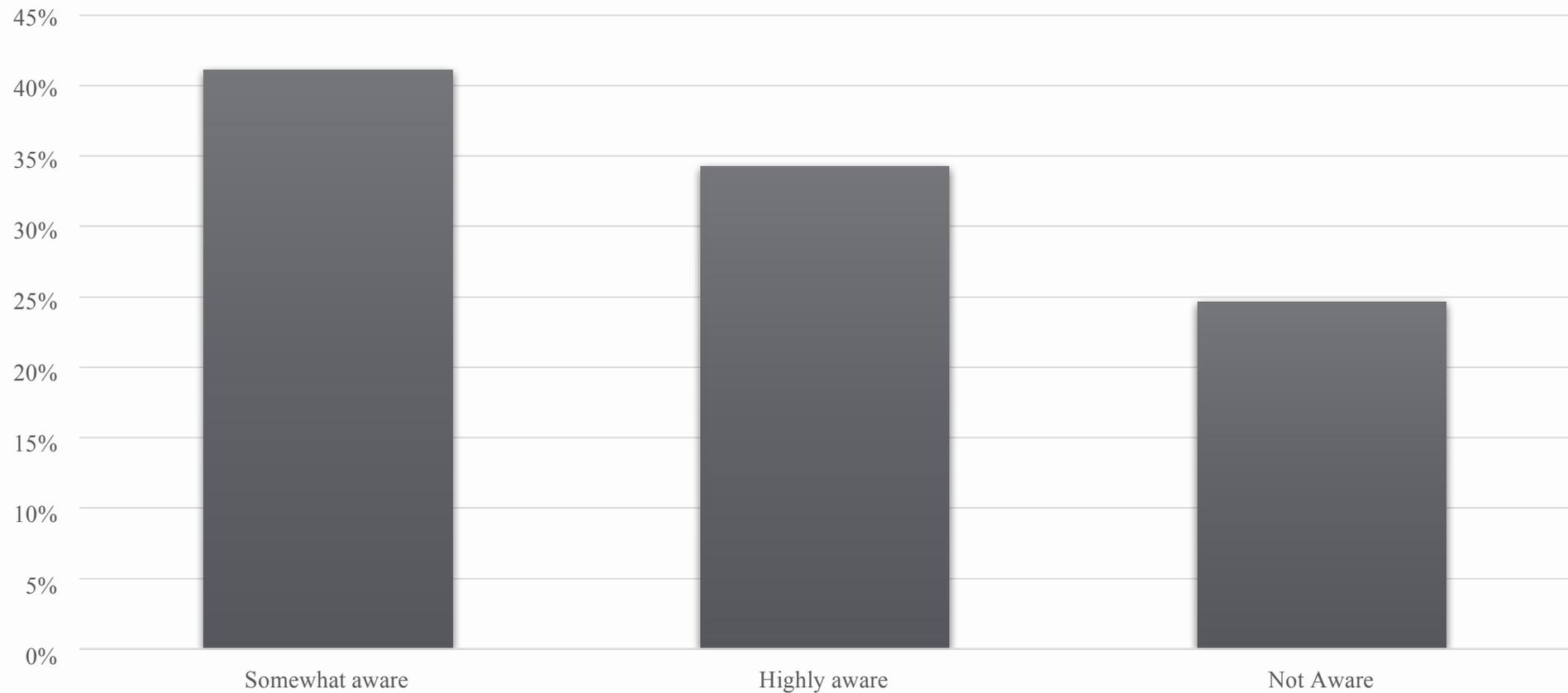
How important is cross-promotional or cooperative marketing to your business?



Awareness of County Funding



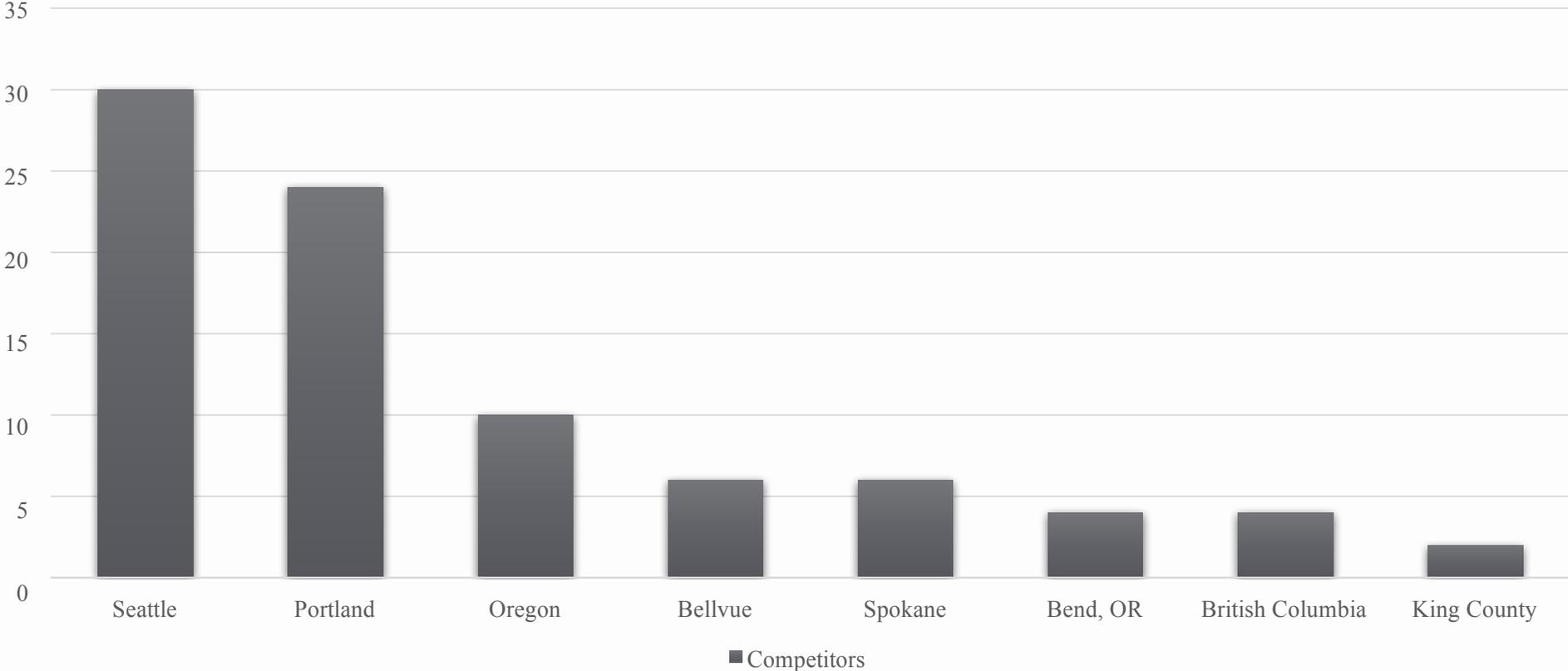
Are you aware of the County's current program for funding tourism promotion?



Competitive Destinations



Competitors



Sample Tourism Direct Marketing Results

Direct Market Test Final Results

Finger Lakes Regional Tourism Council

Prepared by JLL
April 20, 2017

Background

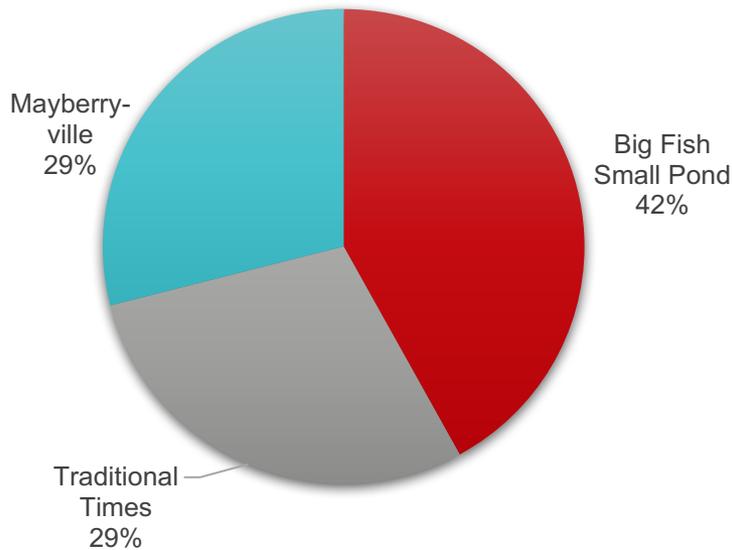
- JLL worked with the FLRTC leadership to develop a direct to consumer offer for a customized experience based on the research completed on the inquiry databases from the 14 TPAs in the region during the Market Study from 2016.
- The offer included overnight accommodations, dining and experiences in the Region.
 - JLL worked with the FLRTC to determine target audiences by Nielsen segment types and by geography. The following geographies were included plus a 50-mile radius:
 - Harrisburg, PA
 - Scranton, PA
 - State College, PA
 - Wilkes-Barre, PA
 - Geneva, OH
 - Youngstown, OH
 - The following Nielsen segments were included:
 - Big Fish Small Pond
 - Traditional Times
 - Mayberry-ville
- JLL procured 68,000 new target customer records (emails) that matched those segment profiles in the specific geographies to target with the offer.
 - It is important to note that these target emails are new to the FLRTC and were not previously in an existing database and had not previously inquired with any of the TPAs.
 - This means that the new target customers may have had little to no knowledge of the Finger Lakes Region and were selected because their profiles and lifestyle attributes matched JLL's previous research on the Region.
 - This Direct Market Test is likely their first contact with the Finger Lakes Region.

The following pages are the results of the Direct Market Test

Segment & Geographic Breakdown

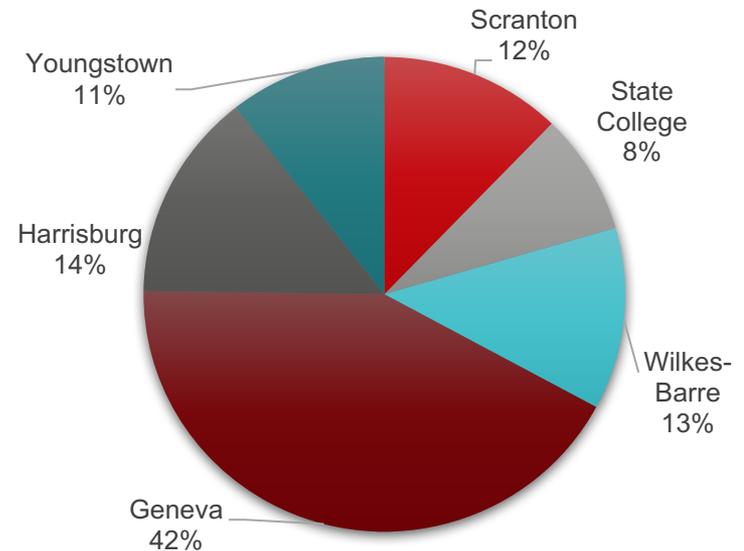
- The segments were represented in the overall database as follows:

Segment Representation



- The geographies were represented in the overall database as follows:

Geographic Representation



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E-Blast Offer Results: Initial Send

Email Performance

- Total Delivered: 55,446 (81%)
- Total Bounces: 13,017
- Total Opens: 2,827 (5.1%)
- Total Clicks: 152 (5.4% of opens)
 - Industry average is 7.8%
 - Open rate increased after March 16 Board Meeting - click rate did not trend similarly

Segment Performance

Opens – all three segments opened at a rate equal to the database

- Big Fish Small Pond – 42% of all opens
- Traditional Times – 29% of all opens
- Mayberryville – 29% of all opens

Clicks

- Big Fish Small Pond – 48% of all clicks (6% over performance)
- Traditional Times – 27% of all clicks (2% under performance)
- Mayberryville – 25% of all clicks (4% under performance)

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Geographic Performance

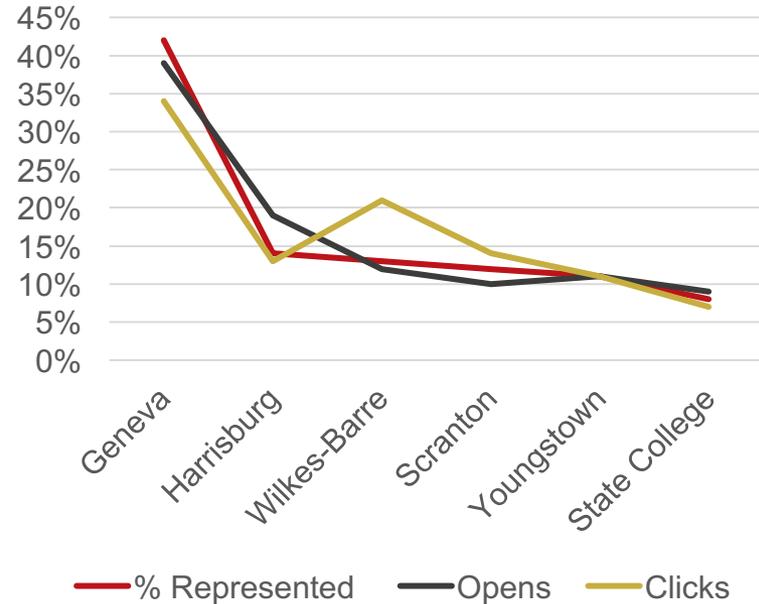
Opens

- Geneva – 39%
- Harrisburg – 19%
- Wilkes-Barre – 12%
- Youngstown – 11%
- Scranton – 10%
- State College – 9%

Clicks

- Geneva – 34%
- Harrisburg – 13%
- Wilkes-Barre – 21%
- Youngstown – 11%
- Scranton – 14%
- State College – 7%

Geographic Performance



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E-Blast Offer Results: Reminder Send

JLL and the FLRTC sent reminder emails to the target audiences in three ways:

1. "Unlock Special Savings"
 - Original to those who did not open
2. "Your Finger Lakes Getaway Awaits"
 - Opened but did not click
3. "Your Reservation is One Step Away"
 - Clicked, but did not purchase

Email Performance

- "Unlock Special Savings"
 - Delivery Rating – 99%
 - Open Rate – 1.8% (low open rate)
 - Click Through Rate – 5.7%
 - Industry average is 7.8% - 2% below industry average
- "Your Finger Lakes Getaway Awaits"
 - Delivery Rating – 99%
 - Open Rate – 49.5% (very high open rate)
 - Click Through Rate – 7.4%
 - Industry average is 7.8% - less than 1% off industry average
- "Your Reservation is One Step Away"
 - Delivery Rating – 100%
 - Open Rate – 37% (very high open rate)
 - Click Through Rate – 0%
 - Industry average is 7.8% - interest did not carry through

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E-Blast Offer Results:

Reminder Send Segment Performance

“Unlock Special Savings” Segment Performance

- Big Fish Small Pond – 47% of all opens
- Traditional Times – 27% of all opens
- Mayberry-ville - 28% of all opens

Geographic Performance

- Scranton – 11% of all opens
- State College – 7% of all opens
- Wilkes-Barre – 14% of all opens
- Geneva – 37% of all opens
- Harrisburg – 16% of all opens
- Youngstown – 14% of all opens

Interest Interpretation

- Big Fish Small Pond – 57% of clicks
 - 15% over performance – highest interest
- Traditional Times – 20% of clicks
 - 9% under performance – lowest level of interest
- Mayberry-ville – 23% of clicks
 - 6% under performance – moderate level of interest

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E-Blast Offer Results:

Reminder Send Segment Performance

“Your Finger Lakes Getaway...” Segment Performance

- Big Fish Small Pond – 42% of all opens
- Traditional Times – 27% of all opens
- Mayberry-ville - 31% of all opens

Geographic Performance

- Scranton – 11% of all opens
- State College – 9% of all opens
- Wilkes-Barre – 15% of all opens
- Geneva – 36% of all opens
- Harrisburg – 17% of all opens
- Youngstown – 12% of all opens

Interest Interpretation

- Big Fish Small Pond – 43% of clicks
 - Neutral performance – stable interest
- Traditional Times – 36% of clicks
 - 7% over performance – highest level of interest
- Mayberry-ville – 21% of clicks
 - 8% under performance – lowest level of interest

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E-Blast Offer Results: Reminder Send Segment Performance

“Your Reservation is One Step Away” Segment Performance

- Big Fish Small Pond – 100% of all opens
- Traditional Times – 0% of all opens
- Mayberry-ville – 0% of all opens

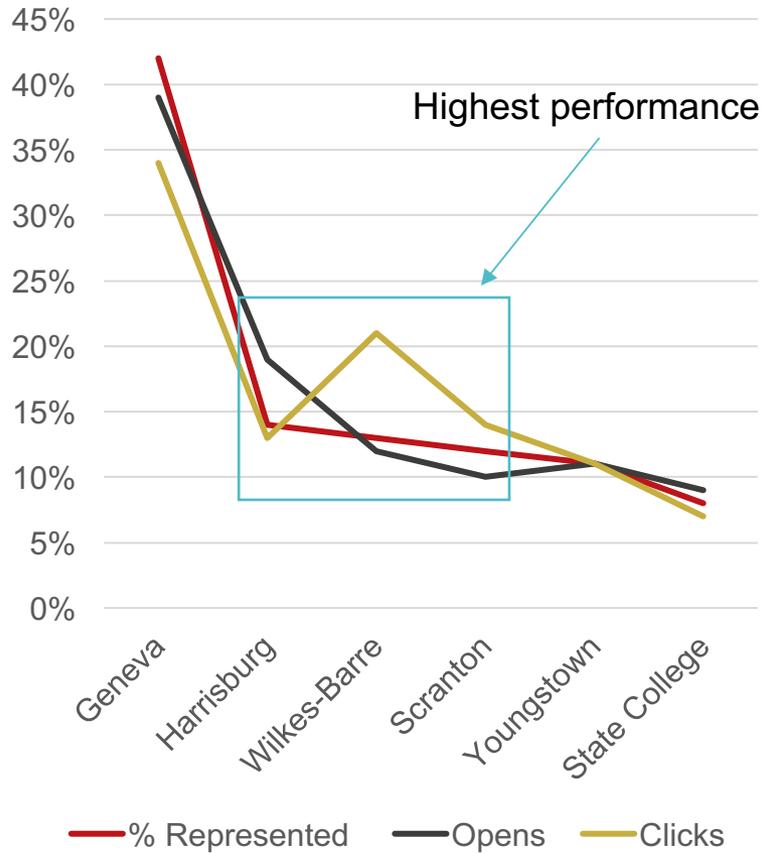
Geographic Performance

- Wilkes-Barre – 33% of all opens
- Geneva – 33% of all opens
- Youngstown – 33% of all opens

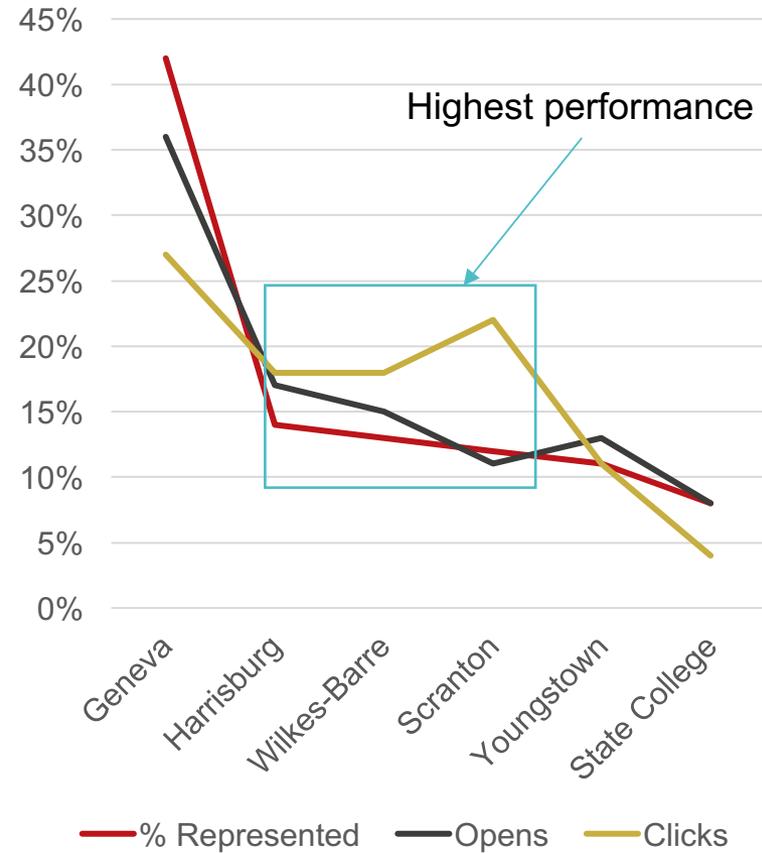
Click Performance

- Big Fish Small Pond – 0% of clicks
- Traditional Times – 0% of clicks
- Mayberry-ville – 0% of clicks

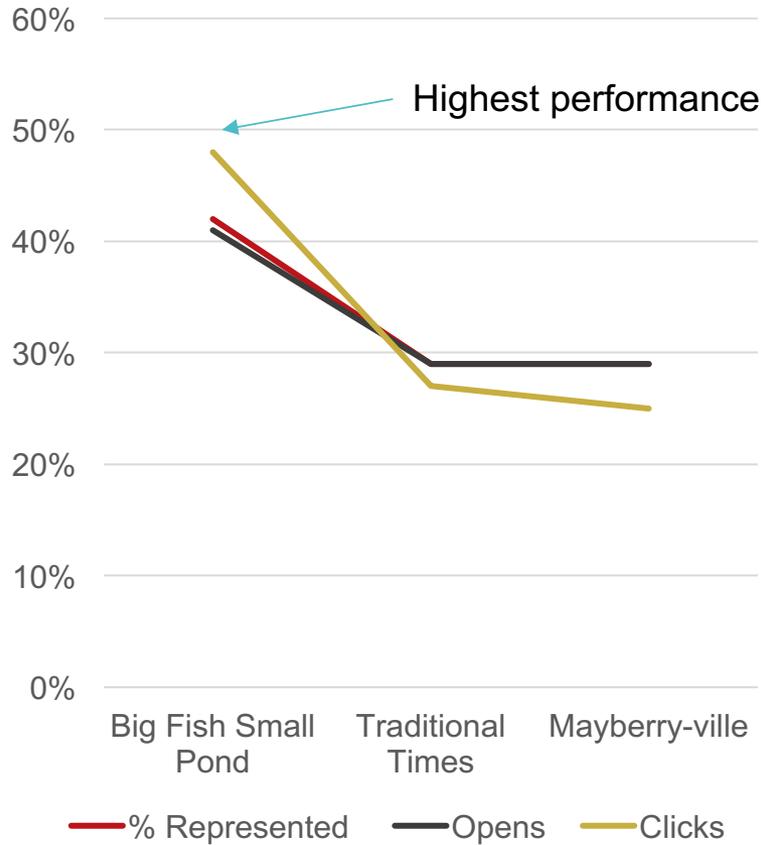
Send 1: Baseline Geographic Performance



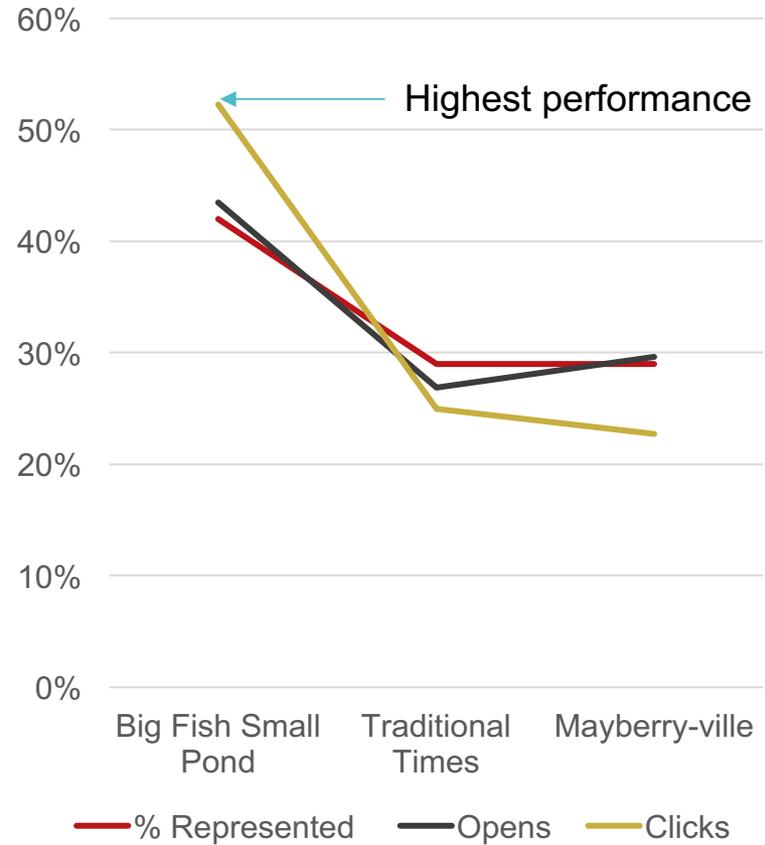
Send 2: Reminder Geographic Performance



Send 1: Baseline Segment Performance

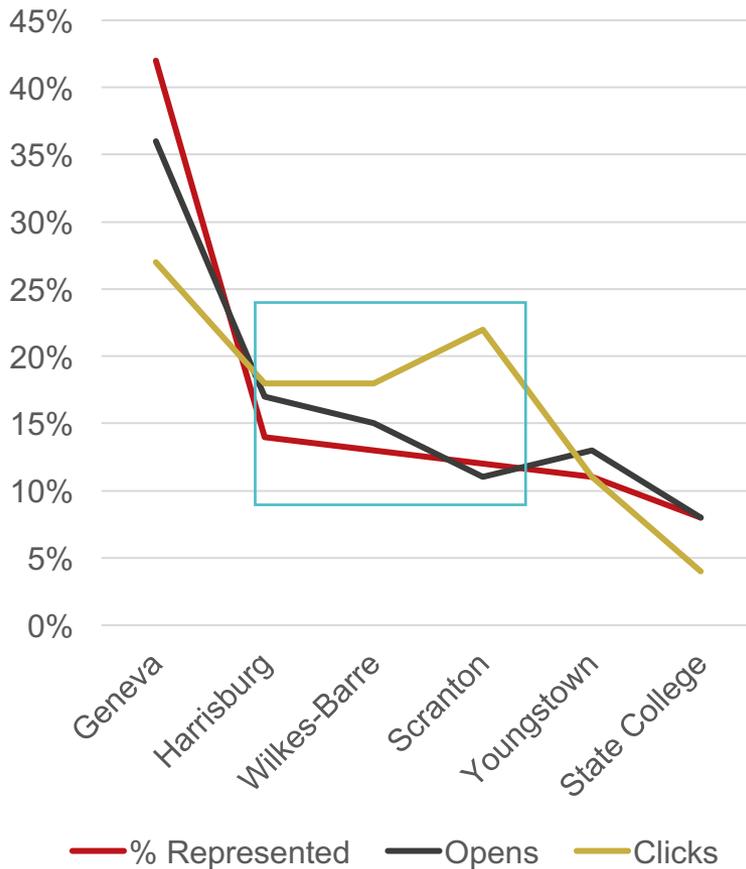


Send 2: Reminder Segment Performance

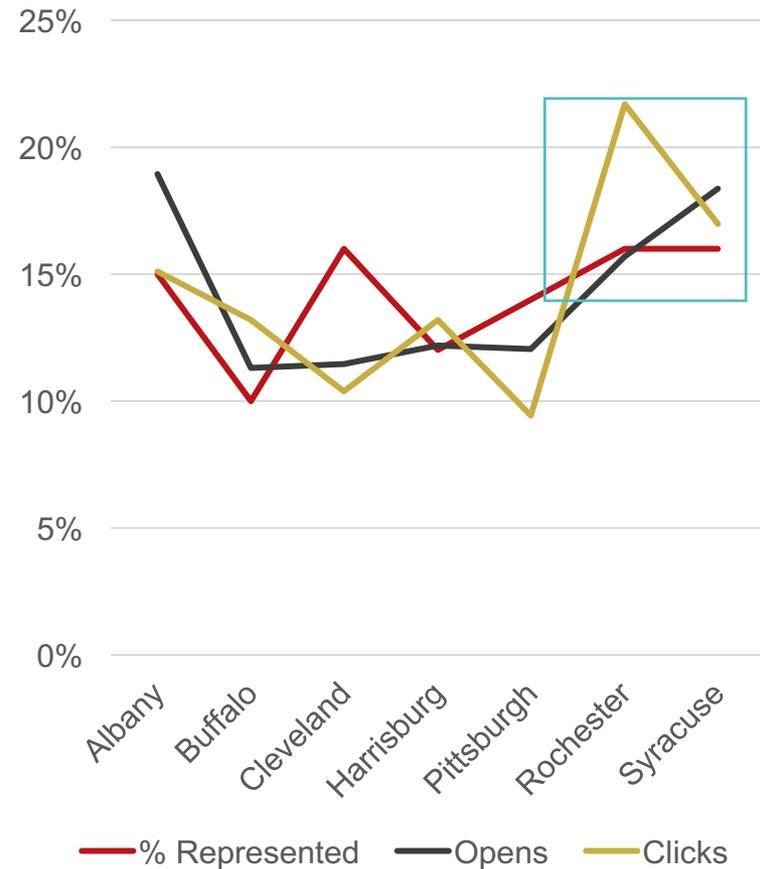


Comparable results show how geographies preformed in reaction to the unique offers. This illustrates the importance of targeting.

FLRTC: Reminder Geographic Performance

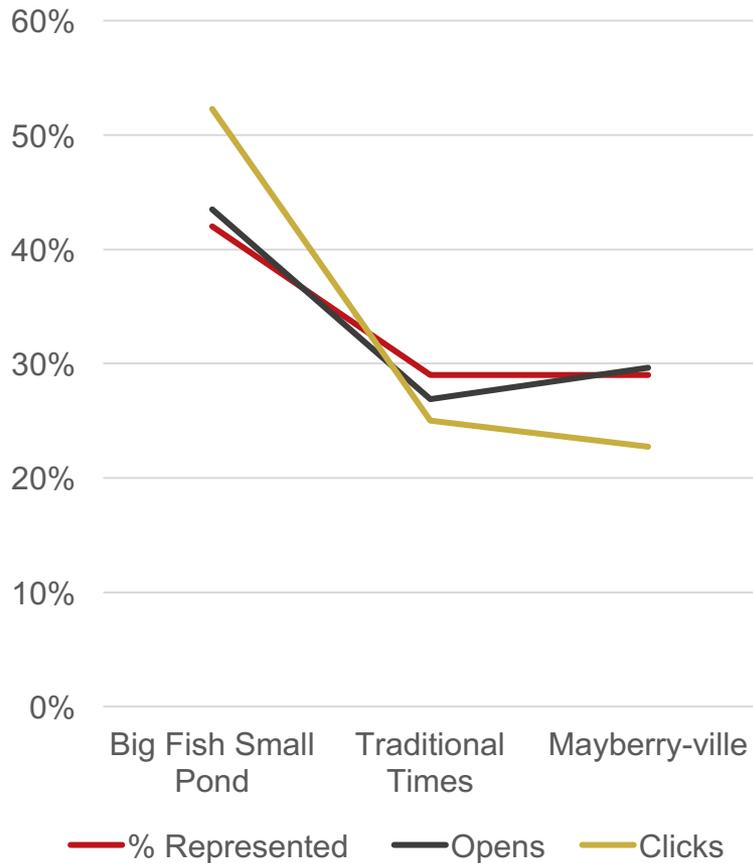


FLVC: Reminder Geographic Performance

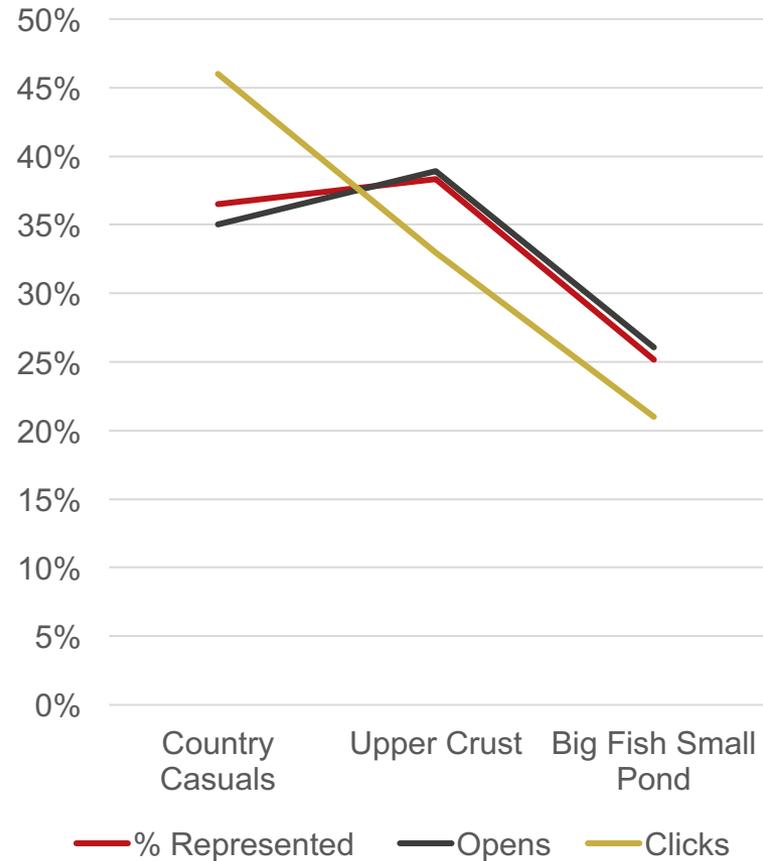


Comparable results show how the segments preformed in reaction to the unique offers. Further emphasizing the importance of targeting.

FLRTC: Reminder Segment Performance



FLVC: Reminder Segment Performance



■ Profile: Big Fish, Small Pond – 51% of all Clicks

Older, upper-class, college-educated professionals, the members of Big Fish, Small Pond are often among the leading citizens of their small-town communities. These upscale, empty-nesting couples enjoy the trappings of success, including belonging to country clubs, maintaining large investment portfolios, and spending freely on computer technology.

Urbanicity	Town/Rural
Household Income	Upscale (Median 83,855)
Age Class	Older
Age	55+
Household Composition	HH w/o Kids
Household Tenure	Homeowners
Household Education	Graduate Plus
Household Employment	White Collar, Mix
Household Race & Ethnicity Class	Mostly White
Household IPA/Net Worth	Millionaires

■ Profile: Traditional Times – 26% of all Clicks

Traditional Times is the kind of lifestyle where small-town couples nearing retirement are beginning to enjoy their first empty-nest years. Typically in their fifties and older, these upper-middle-class Americans pursue a kind of granola-and-grits lifestyle. On their coffee tables are magazines with titles like Country Living and Country Home. But they're big travelers, especially in recreational vehicles and campers.

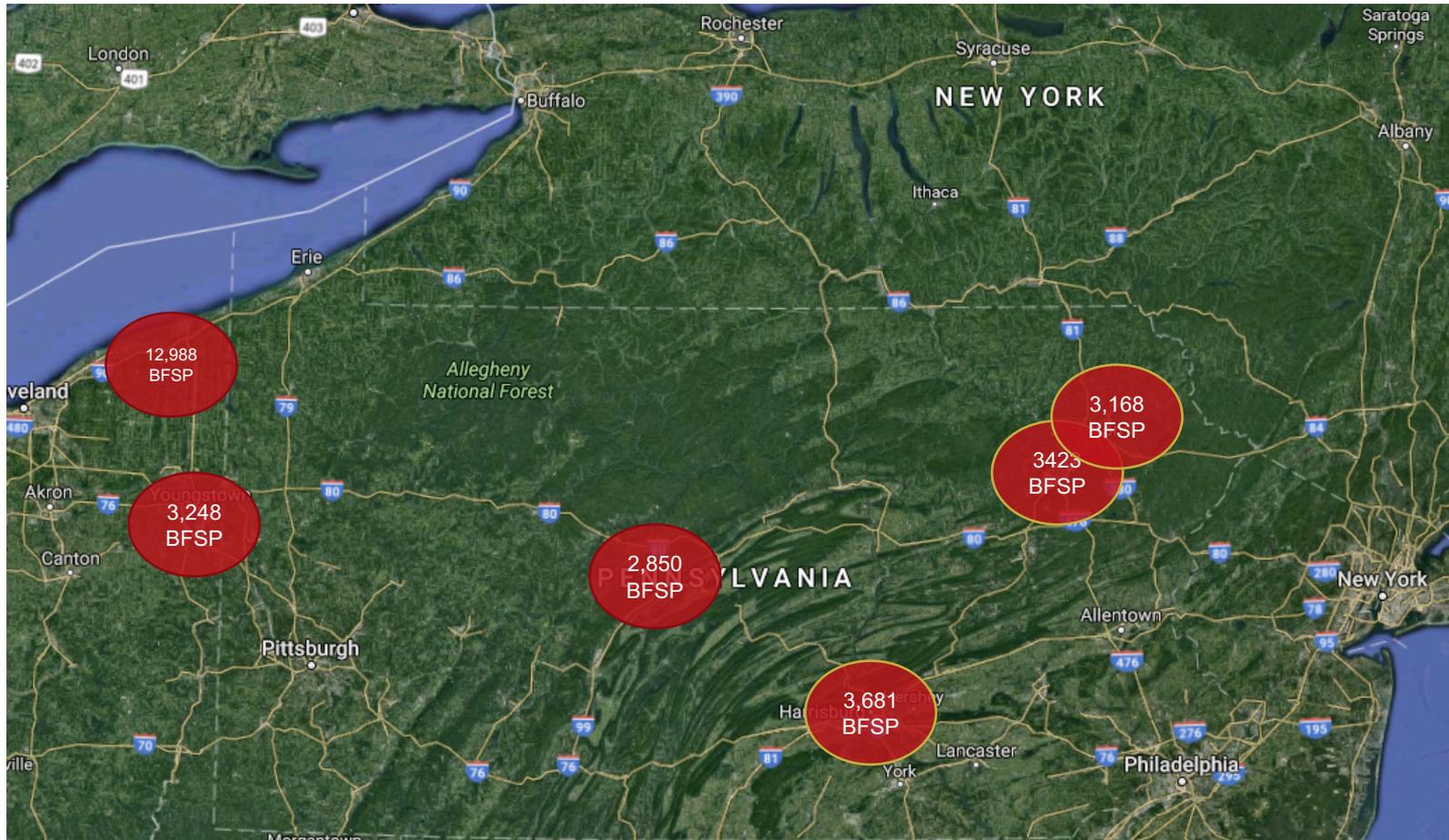
Urbanicity	Town/Rural
Household Income	Upper Mid (Median 57,949)
Age Class	Older
Age	55+
Household Composition	HH w/o Kids
Household Tenure	Homeowners
Household Education	College Graduate
Household Employment	White Collar, Mix
Household Race & Ethnicity Class	Mostly White
Household IPA/Net Worth	High

■ Profile: Mayberry-ville – 23% of all Clicks

Like the old Andy Griffith Show set in a quaint picturesque burg, Mayberry-ville harks back to an old-fashioned way of life. In these small towns, upper-middle-class couples like to fish and hunt during the day, and stay home and watch TV at night. With lucrative blue-collar jobs and moderately priced housing, residents use their discretionary cash to purchase boats, campers, motorcycles, and pickup trucks.

Urbanicity	Town/Rural
Household Income	Upper Mid (Median 57,021)
Age Class	Older
Age	45-64
Household Composition	HH w/o Kids
Household Tenure	Mostly owners
Household Education	High School Graduate
Household Employment	Blue Collar, Service Mix
Household Race & Ethnicity Class	White Mix
Household IPA/Net Worth	Above Average

Concentration of Top Performing Segment by Geography



The map above illustrates where the Big Fish Small Pond concentrations are among the lists procured. Harrisburg, Scranton and Wilkes-Barre were the top performing geographies within this segment.

Website Analysis

HotJar Clicks

- Landing Page – 36 total clicks on page
 - Top Click - Corning Museum of Glass
 - Top two click areas were below the “fold”
 - 90% of all visitors scrolled below the fold
 - 50% of all visitors scrolled through the entire page
 - Devices used
 - 58% visited via computer
 - 29% visited via cell phone
 - 13% visited via tablet

Google Analytics

- 118 new viewers – 60% of all traffic was new
 - Peak date – March 12 with 77 new users
- Average session duration – 1:36 on date of first send
 - Drops to 36 seconds on average after send two
- Average pages per session – 2
 - First send was 2.18 pages per session
 - Second send was 2.38 pages per session – slightly more people explored

Conversion Conclusions

- Approximately 250 new prospective visitors visited the landing page
 - More than half came from one segment – Big Fish Small Pond
 - Nearly 60% came from 36% of the database in three concentrated areas in PA
 - Harrisburg
 - Scranton
 - Wilkes-Barre
 - Big Fish Small Pond in central and northern Pennsylvania could be a top target for the Region
- Conversion to buying a package lacked for several possible reasons
 - Singular email offer was trying to accomplish a lot: gain interest, build trust and convert
 - New potential targets (awareness)
 - Destination familiarity
 - Singular, one-off opportunity (date specific)
 - Website appeal and ease of transaction
- Consideration for future test
 - Refine geography and segment to top performers
 - Refine landing page and offer to their specific interests
 - Open offer to additional channels i.e. additional websites, social platforms

The FLRTC Direct Market Test successfully procured and tested 68,000 potential customers and narrowed the Region's focus for the future.

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Future Considerations

- Offers should continue to be targeted
 - FLRTC owns this list
 - Can continue to utilize and customize experiences targeted to these potential customers
- Future offers should include additional channels
 - When the goal is to "sell" we should open every platform
 - Social media
 - Website
- Individual TPAs could participate
 - Include existing databases
- Future offers should be campaign driven rather than one-off opportunities
 - Seasonal offerings
 - Opportunities for repeat email and digital media outreach
 - This will build familiarity and increase likelihood of conversion

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