

A nighttime photograph of the Seattle skyline across a body of water. The city lights are reflected on the water's surface. In the foreground, a wooden pier extends into the water, illuminated by a street lamp. The sky is a deep blue with some clouds.

2011

ANNUAL REPORT

Seattle
metronatural™

Seattle's Convention and Visitors Bureau



ROLE of the DESTINATION MARKETING ORGANIZATION

Seattle's Convention and Visitors Bureau, a private, non-profit marketing organization, has served as Seattle/King County's official destination marketing organization (DMO) for more than 50 years. The goal of its marketing efforts is to enhance the employment opportunities and economic prosperity of the region.



Mark Barbieri

Tom Norwalk

DEAR MEMBERS and TOURISM PARTNERS,

In the wake of global economic downturn, the tourism industry in Seattle, King County and Washington state is ready to re-build in 2011. Job number one is a consolidated search for long-term, sustainable industry investment at both the city and state levels.

This downturn has forced a hard evaluation of our region's most critical economic drivers. It's clear that tourism matters to our economy more than ever, generating employment and yielding critical state and local tax revenue – and providing quick economic stimulus when we need it the most.

But, we've also learned that these returns require ongoing investment.

In 2011, SCVB will continue to work with statewide destination marketing organizations, the Washington Lodging Association, Washington Restaurant Association and other industry leaders to find a sustainable, long-term funding model to effectively market Washington state. And we'll work to create a new and long-overdue investment paradigm for Seattle destination marketing; working hand in hand with downtown hotels to create a leisure travel marketing fund that will allow our destination to compete with key competitors and increase market share. We'll work to expand the benefit of overseas visits, cruise port calls, cultural attractions, LGBT travel, food and wine and many off-season promotions.

Meetings and conventions will continue to play a major role in Seattle's tourism economy in 2011. Seattle will host its largest convention in two decades this July when Lions Clubs International brings more than 15,000 attendees from 200 countries to town. Meetings mean business for our region – in this case alone, nearly \$46 million in business.

Thank you for your partnership. Here's to our mutual success in 2011.

Mark Barbieri
Chair

Tom Norwalk
President & CEO

Photo on left by Scott Squire/NonFiction Media | On the cover: Photo by Hillary Hartley

2011 SCVB BOARD of DIRECTORS



Photo by Razvan Orendovici

Executive Committee

Chair

Mark Barbieri
Executive Vice President
Washington Real Estate Holdings LLC

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Chad Mackay
President & COO
Mackay Restaurant Group

Second Vice Chair

Steve Vissotzky
General Manager
Grand Hyatt Seattle and Hyatt at Olive 8

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Past Chair

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Microsoft Corporation

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Clipper Navigation, Inc.

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Washington State Convention Center

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Tom Douglas
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Tom Douglas Restaurants

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MTM Luxury Lodging

Ron Severt
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The Space Needle Corporation, LLC

Tom Waithe
Regional Director of Operations
Kimpton Hotels & Resorts

Bradley K. Walker
Vice President Business Development
Travel Holdings

Advisory Board

Tim Burgess
Councilmember
Seattle City Council

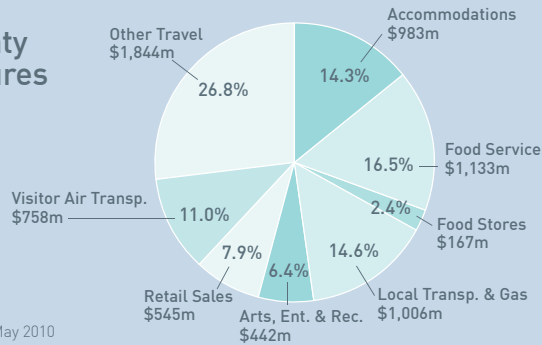
John Creighton
Commissioner
Port of Seattle

Jan Drago

TOURISM IMPACT

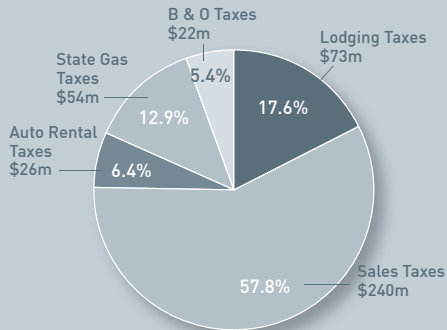
Seattle and King County received 8.8 million visitors in 2009. These visitors represent more than 40 percent of all travel spending in Washington State and generate 43 percent of all lodging tax receipts. This direct visitor spending benefits hotels, retailers, restaurants, attractions, transportation services and other businesses, and supports jobs for more than 50,000 people in Seattle and the region.

2009 King County Visitor Expenditures \$6.8 Billion



Source: Dean Runyan Associates, May 2010

2009 King County Visitor-Generated Tax Revenues \$416 million



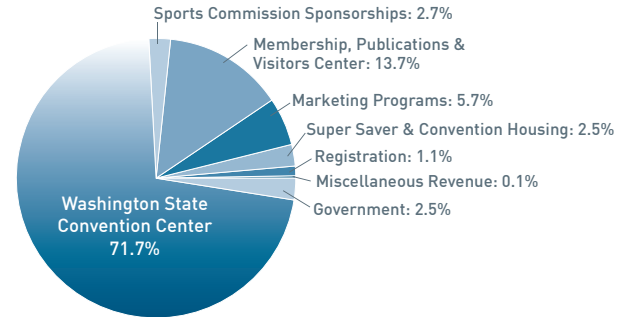
Source: Dean Runyan Associates

TOURISM INVESTMENT



Photo by James Hall

2011 Projected SCVB Funding Sources



Funding Partnerships

- City of Seattle
- King County
- State of Washington
- Port of Seattle
- Washington State Convention Center
- 4Culture
- Seattle Office of Arts & Cultural Affairs

SEATTLE TOURISM IMPROVEMENT AREA

In 2011, SCVB will work with the City of Seattle to create a Tourism Improvement Area (TIA) to help our destination stay viable in an increasingly competitive marketplace. The TIA will help grow Seattle's leisure travel market share, focusing on overnight visitor markets for area hotels, particularly those that generate off-season and shoulder season business. The TIA will establish a more stable and sustainable funding model for the region. SCVB will contract with the city to manage the TIA and will administer an annual leisure travel marketing plan and budget that are approved by its board of directors.

Seattle Tourism Improvement Area Participating Hotels

(Approximately 55 hotels representing 12,000 rooms)

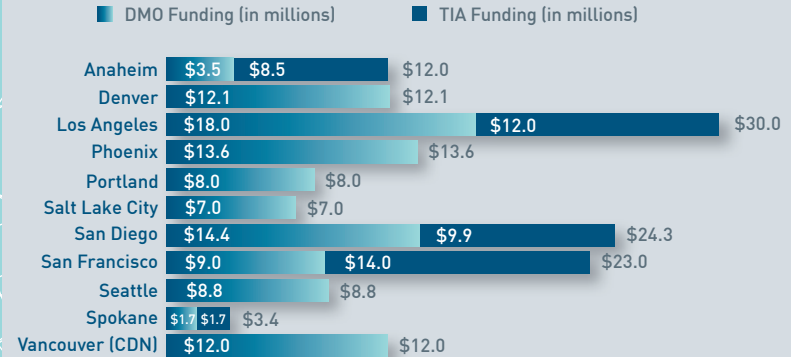


LEISURE TRAVEL 2011 Key Consumer Market Segments The Seattle Tourism Improvement Area (TIA)

Long Haul Tourism Development

SCVB will continue to work cooperatively with Port of Seattle and Washington State Tourism partners to expand and stimulate increased overseas visitor volumes, length of stay and expenditures. New promotions and sales programs will be implemented in primary tourism markets such as Japan, the UK, Germany, France and Australia, and in emerging markets such as China, South Korea and Mexico.

Tourism Improvement Areas 2010 DMO Budget Estimates



Japan Travel Bureau, the world's largest travel agency, inaugurated its first stand-alone Seattle and Washington state tour package program in 2010 with support from SCVB and the Port of Seattle. The guide promotes new Osaka-Seattle service by Delta Airlines.

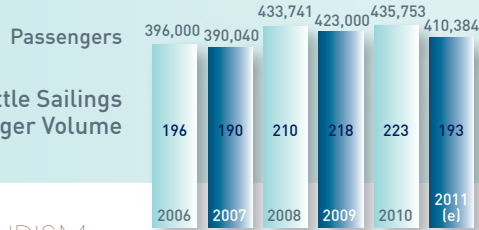
CONSUMER TRAVEL CAMPAIGNS

In 2011, SCVB will expand existing consumer marketing campaigns, such as Holidays in the City, and create new destination campaigns and promotions focusing on overnight visitor markets for hotels. Programs may be themed to food, wine, major arts events and more and will target the key regional leisure markets of Washington, Oregon, California and British Columbia.



CRUISE TRAVEL

Port of Seattle Sailings and Passenger Volume



SCVB will work with local and regional industry representatives to expand pre- and post-cruise visits and to increase destination cruise product by tour operators, travel agents, group leaders, airlines, rail and other travel suppliers.

ARTS & CULTURAL TOURISM

SCVB will continue to work with arts and heritage organizations to expand lucrative cultural tourism to Seattle, such as 2010's record breaking Picasso exhibit at Seattle Art Museum. Throughout 2011, SCVB will cooperatively market the Pacific Science Center's 2012 King Tut exhibit, Experience Music Project's global premiere of Avatar: The Exhibition, Seattle Opera's 2013 Ring Cycle and other events with potential to attract cultural travelers.



Photo by Seattle Art Museum

LGBT TRAVEL



Photo by Hillary Hartley

SCVB will continue to promote Seattle and the region as a premier lesbian, gay, bisexual, transgender (LGBT) travel destination. SCVB will build on more than a decade of LGBT market development and continue to partner with the Greater Seattle Business Association (GSBA) which is made up of both association and bureau members from hotels, restaurants, retail, transportation, attractions, visitor services and other organizations.

SPORTS

The nonprofit Seattle Sports Commission will continue to promote, attract and develop sports and recreational events that enhance economic prosperity. The SSC brings the 2011 USATF National Club Cross Country Challenge to Seattle in December, in addition to annual events that the commission is instrumental in attracting such as the Seattle Rock 'N' Roll Marathon in June and Boeing Classic PGA Champion's Tour in August.



MEDICAL TOURISM

Inbound medical tourism in the U.S. represents a \$5 billion industry annually. Seattle's world-class medical facilities and healthy appeal to visitors from near and far make it a natural choice to receive a fair share of this market segment. In 2011, SCVB will lead a coalition of health care service providers to expand regional benefit from this growing market.



CONVENTION SALES & MARKETING

Meetings and conventions are the only segment in tourism that consistently books long-term business and will remain critical to the region's tourism growth in 2011 and beyond. Convention attendees typically stay longer and spend more than leisure travelers and during economic downturns when shorter-term business declines, convention business on the books is vital to the economic stability of the city and region.



Photo by Brian Baum/WSCC

2011 Market Segments – Meetings and Conventions

As of 12/31/10

	WSCC	All
Health and Medical Associations	17%	15%
Scientific/Engineering Associations	27%	21%
Corporate Meetings	23%	18%
Education Associations	8%	8%
Trade/Business/Commercial Associations	1%	4%
Legal/Government Meetings	0%	7%
Cultural Associations and Groups	1%	2%
SMERF	23%	17%
Sports	0%	10%
Misc.	0%	5%

2011 Hotel Forecast

U.S. Hotel Performance

Occupancy Percentage:	+1.4%
Average Daily Rate:	+3.9%
RevPAR:	+5.3%

Source: Smith Travel Research

Seattle Hotel Performance

Occupancy Percentage:	+3%
Average Daily Rate:	+6.4%
RevPAR:	+9.6%

Source: PKF Hospitality Research

Major 2011 Meetings and Economic Impact:

A Sampling of Conventions at the Washington State Convention Center

• American Meteorological Society	January	\$7.8 million
• American Pharmacists Association	March	\$12.6 million
• Lions Clubs International	July	\$45.9 million
• Association of Computing Machinery	November	\$22.9 million
• American Contract Bridge League	November	\$7.7 million



Photo by Jetta Productions



Seattle

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