

California Passenger Rail Summit

Transportation & Tourism,
Collaboration is Critical

Scott White, President & CEO



THE TOURISM ECOSYSTEM

- Shopping
- Restaurants
- Attractions

TRANSPORTATION & TOURISM, COLLABORATION IS CRITICAL



Lynn Carpenter
Vice President of Marketing
Visit California

April 2, 2014



**OUR MISSION:
CREATE DESIRE FOR THE
CALIFORNIA EXPERIENCE**

Travelers spend nearly **\$113 BILLION** annually in California

\$112.8 billion

**In travel-related
consumer spending**

931,000

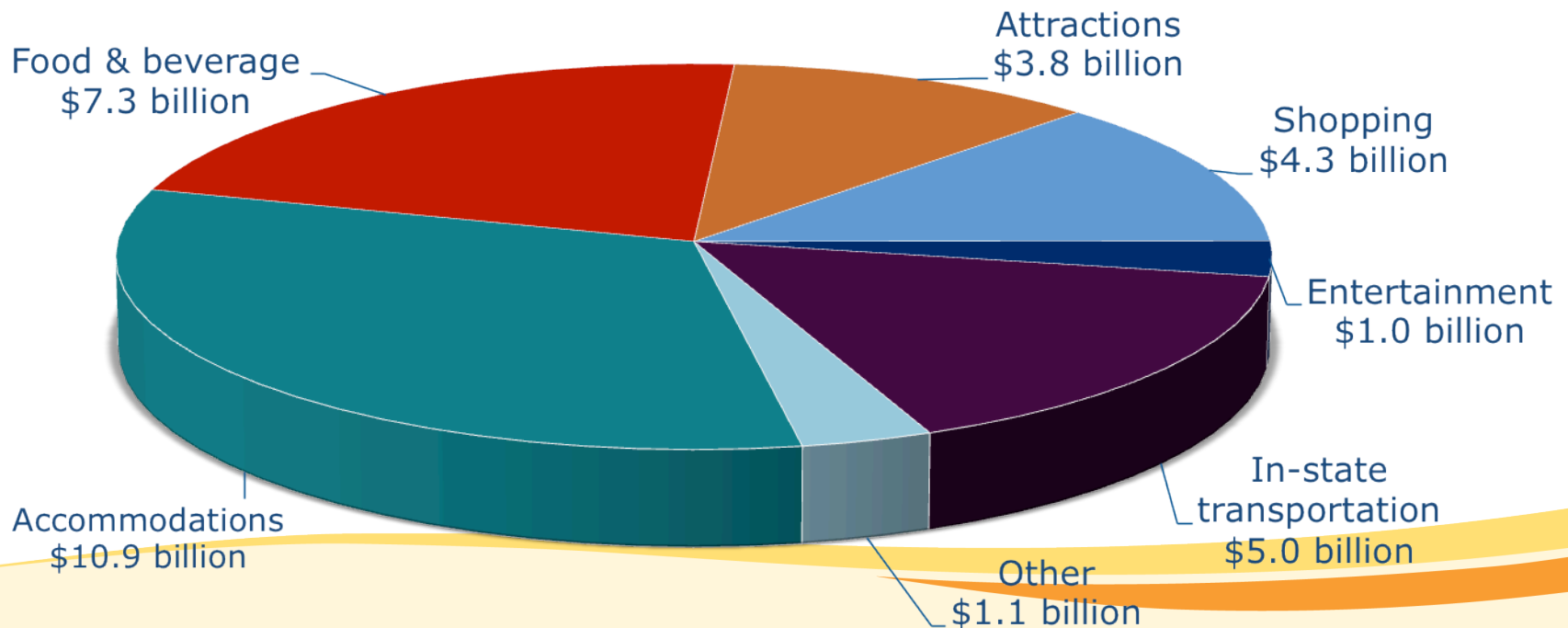
Tourism-related jobs in California

\$7.0 billion

**In state and local
tax revenue**

VISIT CALIFORNIA ADVERTISING: VISITOR SPENDING IMPACT, 2007-12

Six-year total: **\$33.4 BILLION**



Source: SMARI, Rakuten Research

2013 TOURISM TRENDS

•Lodging (Aug YTD)

- Occupancy
- Average Daily Rate
- Revenue Per Available Room

California

+2.7%

+5.7%

+8.6%

U.S.

+1.6%

+4.1%

+5.8%

•California Airport Traffic (Jun YTD)

- Domestic
- International

+2.1%

+3.0%

•Overseas Arrivals (Mar YTD)

- California as First Intended Address

+6.1%

+6.5%

+8.9%

•Welcome Center Traffic (Aug YTD)

+0.3%

•Leisure & Hospitality Employment (Aug YTD)

+4.1%

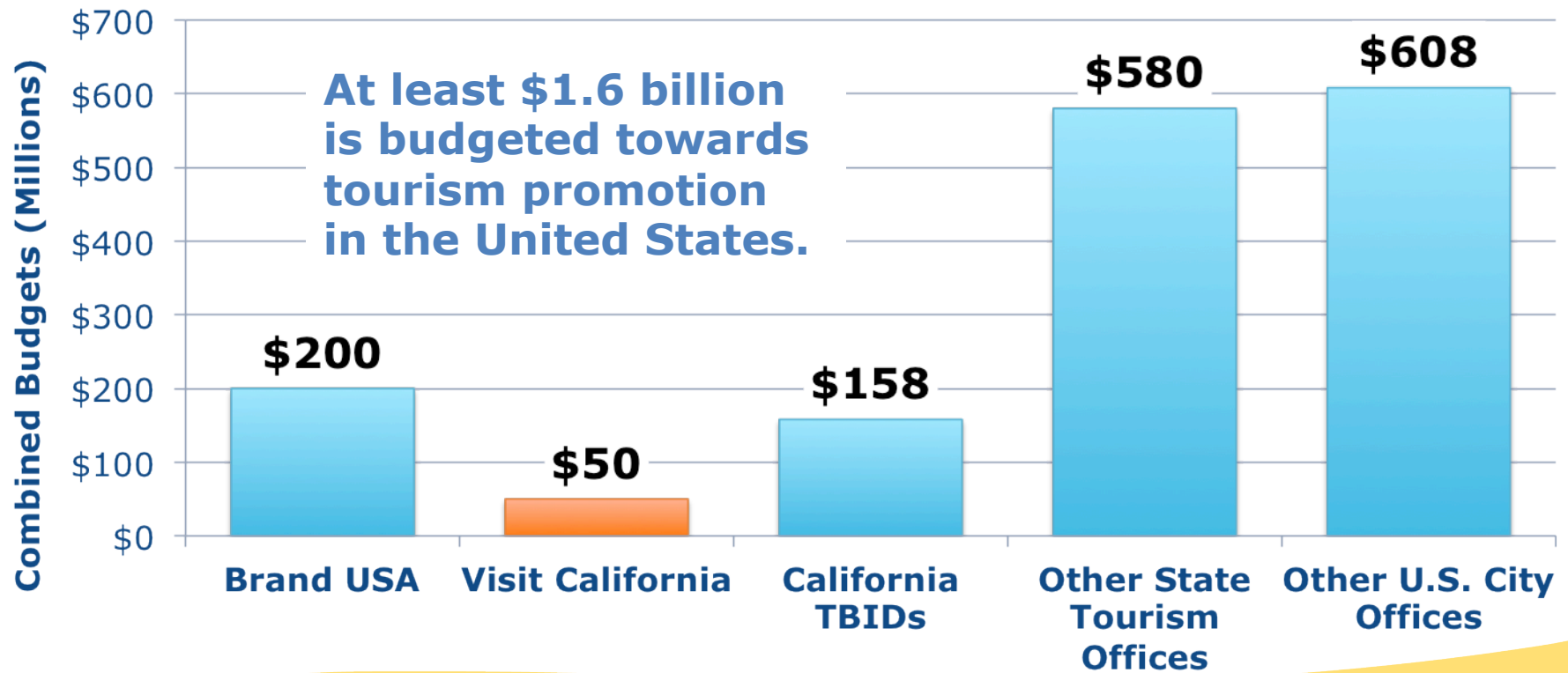
+3.1%

Source: STR, U.S. Department of Commerce, Individual California Airports, California CWCs, California EDD, U.S. Bureau of Labor Statistics

TOURISM OUTLOOK MEGATRENDS

- **\$\$ Billions \$\$** in new tourism product
 - Increases in **international** visitation and spending (China)
 - Emergence of **TBIDs** locally and **Brand USA** nationally
 - Increased **competition** nationally and globally
- 

COMBINED INVESTMENT



Source: San Francisco State University, Visit California, U.S. Travel Association, Destination Marketing Association International, 2009-2010

*California is the land of boundless
opportunity, a place where you
don't just dream, you **dream big***

California
dream
big

California Passenger Rail Summit

Patti MacJennett
Senior Vice President,
Business Affairs

Los Angeles
TOURISM & CONVENTION BOARD



Tourism Matters



- LA Tourism - An Economic Driver
- Road to 50 Million Visitors
- Visitor Mix

LA Tourism: Leading Economic Driver

- 36 million Domestic + 6.2 million International = 42.2 Million Visitors
- More than \$16.5 billion in direct visitor spending
- Generates nearly \$30 billion in annual total economic impact to LA County
- Tourism supports 324,000 jobs in L.A. County
- One of the fastest growing sectors
- 3rd Consecutive Record-Breaking Tourism Year in 2013



50 Million Visitors by 2020

2012

LA City hotels generated
\$179.4 million in TOT
revenues to the City

Supports 324,000 direct jobs

Generates \$30 billion in total
annual economic benefit

Indirect spending generates
nearly \$13 billion

Direct Visitor Spend
generates \$16.5 billion

2020

Incremental \$87 million to
City in TOT revenues
annually

Increases to a total of
392,000 jobs

Increases to \$44.5 billion in
total economic benefits

Increases to \$20.5 billion
annually

Increases to \$24.02 billion
annually

50 Million Visitors by 2020

The Road to Success



Expand Hotel Development

- Protect Prime Dirt
- 3500 Rooms
- Convention Center Hotel

Air Service

- Expand international air service
- Increase international passenger demand
- Enhance visitor welcome

Expand Mass Transit

- Connecting to LAX
- Extending through LA Regions

Future-ize LACC

- Expand Square Footage & Contiguous Space
- Pursue Stadium Option or Plan B
- Differentiate with Technology

Expand Retail Development

- Downtown
- Beautify LAX Corridor

Create a “Culture of Tourism”

- Hospitality Related Industries
- Local Business
- Residents

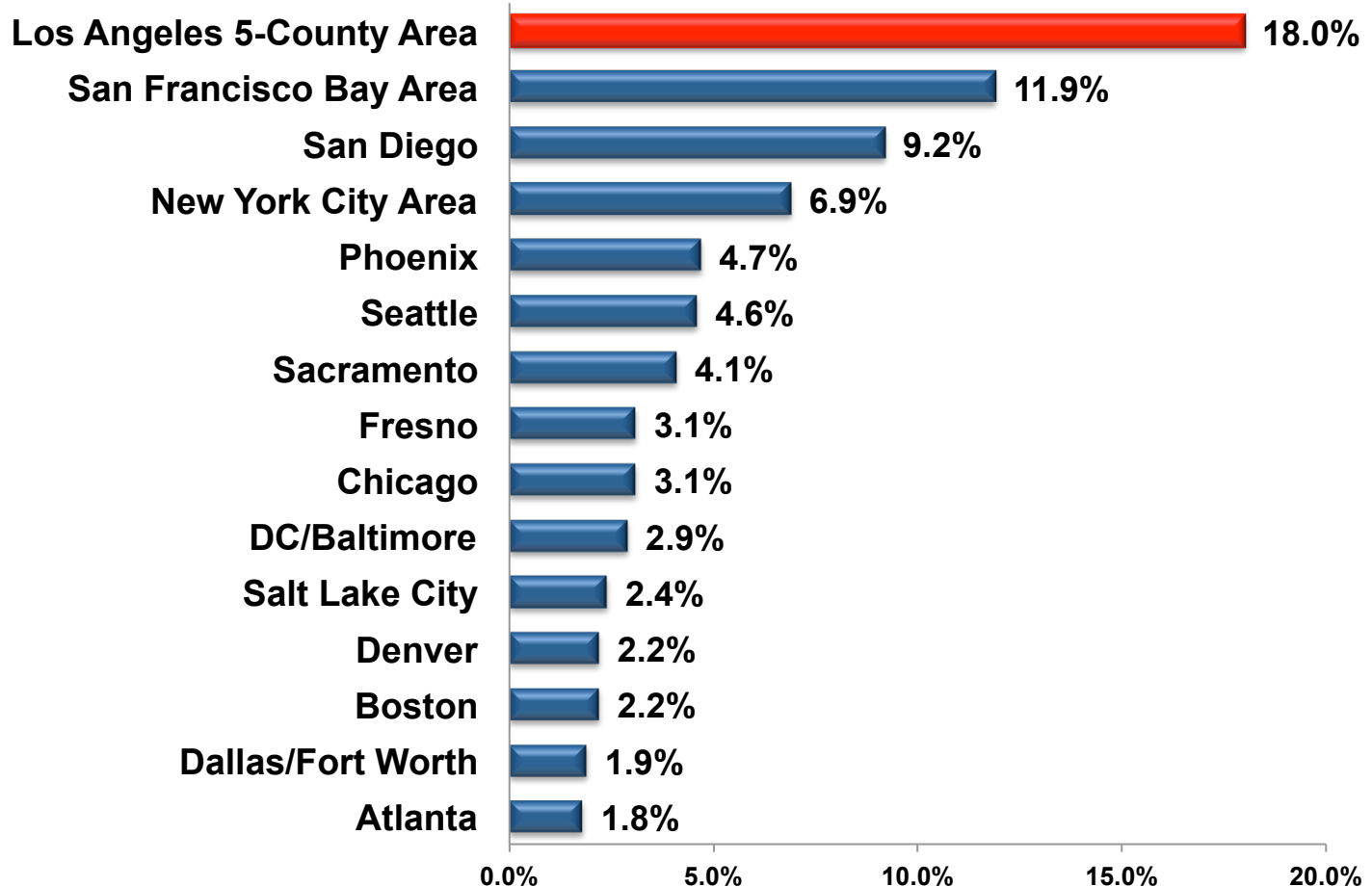
LA Tourism Mix of Visitors

- International visitors represent 22% of overnight visitors but spend 92% more than a domestic traveler

	<u>2013</u> <u>Visitors (M)</u>	<u>% of Mix</u>	<u>Avg. Spend (Est.)</u>
International	6.2	14.7%	\$ 902
Domestic	22.3	52.8%	\$ 470
– Leisure	17.2	40.8%	
– Business	5.2	12.3%	
– <i>Transient</i>	4.2	10.0%	
– <i>Convention</i>	1.0	2.4%	
Day Visitors	<u>13.7</u>	<u>32.5%</u>	<u>\$ 57</u>
Total	42.2M	100.0%	\$586

LA Top 15 Domestic Feeder Markets 2012 Visitor Markets (Air & Ground)

Percent of All Domestic Overnight Visitors to Los Angeles



Source: TNS 2012 TravelsAmerica and LA Resurvey; Dean Runyan

Top International Markets

- Total International visitation increased 2.6% in 2013
- China will represent 54% of overseas growth in 2014

Overseas Markets	2013 (p)	2012	+/- Visitors	% Change over 2012
China (excluding Hong Kong)	570,000	470,000	100,000	21.3%
Australia	393,000	388,000	5,000	1.3%
UK	319,000	322,000	-3,000	-0.9%
Japan	291,000	292,000	-1,000	-0.3%
France	264,000	267,000	-3,000	-1.1%
South Korea	236,000	239,000	-3,000	-1.3%
Germany	230,000	220,000	10,000	4.5%
Total Overseas	3,763,000	3,659,000	104,000	2.8%
Mexico Total Visitors	1,701,000	1,651,000	50,000	3.0%
Canada	708,000	704,000	4,000	0.6%
Total International	6,172,000	6,014,000	158,000	2.6%

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Transportation & Tourism,
Collaboration is Critical

Ashlee Ciora
Vice President
Travel Industry Sales

CVB Funding



Tourism Business Improvement District (TBID)

- 2% assessment on gross guest room rate charges on all hotels and motels of 50 rooms and more.

Transient Occupancy Tax (TOT)

- collected by each city on the total taxable gross hotel room sales, the formula for this TOT collection varies by city.

Tourism Marketing District (TMD)

- 1% assessment on gross guest room rate charges on all hotels and motels of 50 rooms or more.

Private Revenue

- CVB Partnerships with regional tourism business & co-op programs

Why Tourism Matters



43,675
NUMBER OF JOBS

1 in every 4 jobs is sustained by
the tourism industry
in Greater Palm Springs.

Tourism Generates

state & local taxes

\$450
MILLION

federal taxes

\$343
MILLION

Why Tourism Matters



11.5 million

Estimated total number of day and overnight visits to Greater Palm Springs in 2011.

5.1 million

Estimated total number of overnight visitors to Greater Palm Springs in 2011.

Average Spend

Day Visitors **\$250**

Overnight Visitors **\$475**

Why Tourism Matters



\$4.0 billion

Amount of visitor spending in 2011 –
an increase of 8.1% over 2010.

\$5.3 billion

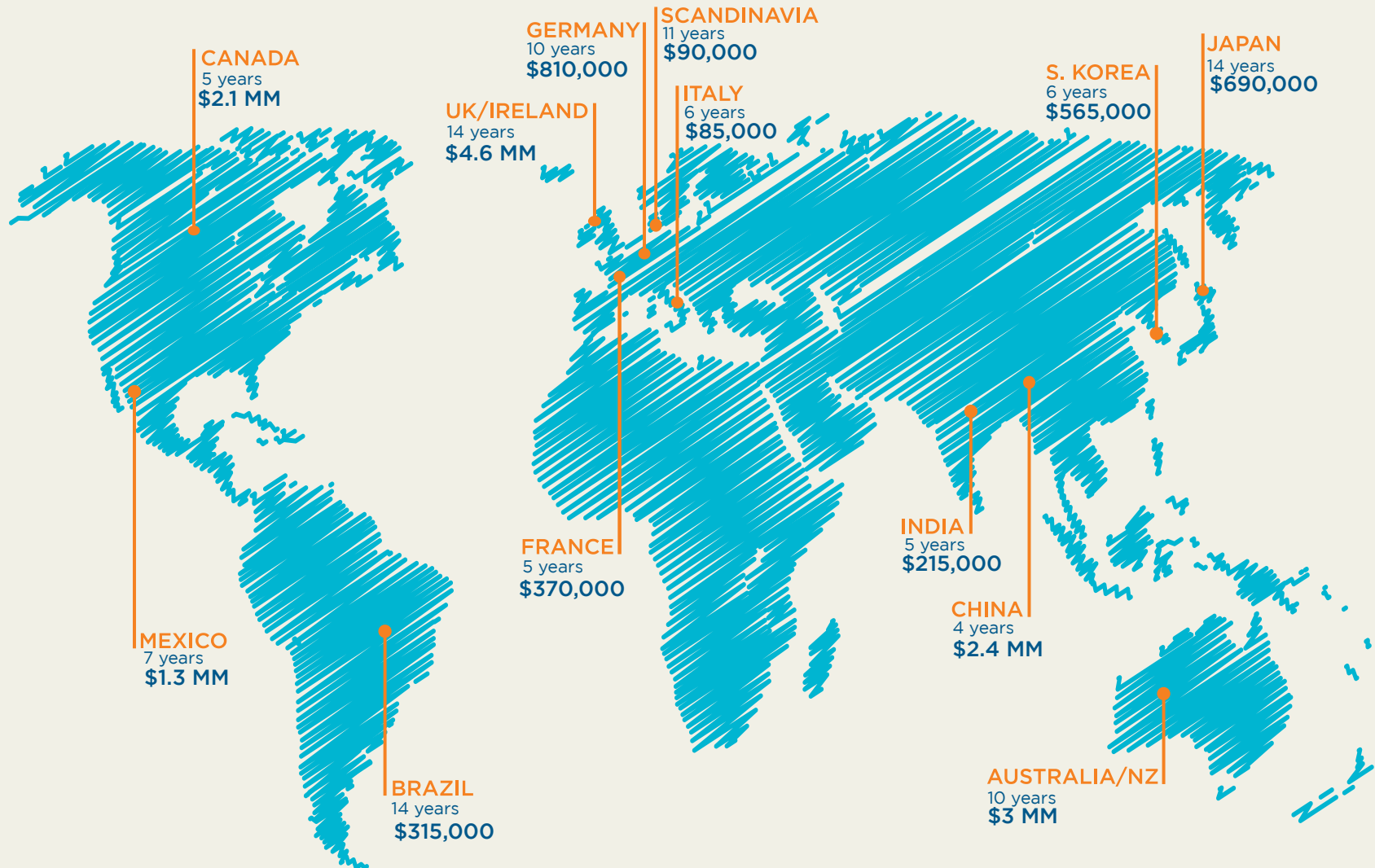
Amount of total business sales in the
region generated by visitor spending
in 2011.

\$800 million

Amount contributed by international
visitors.

Visit California's global reach

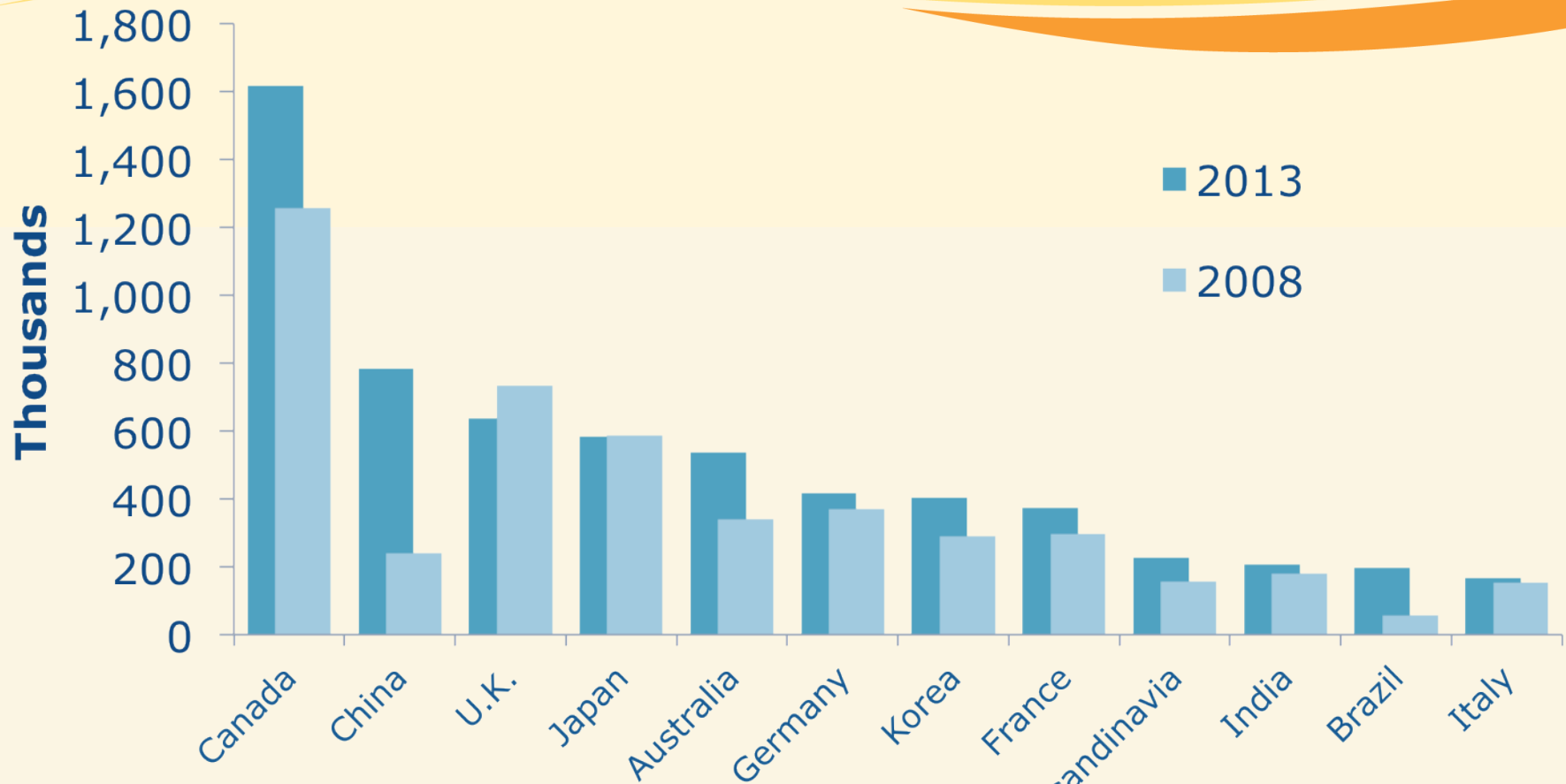
FY13/14 BUDGETS





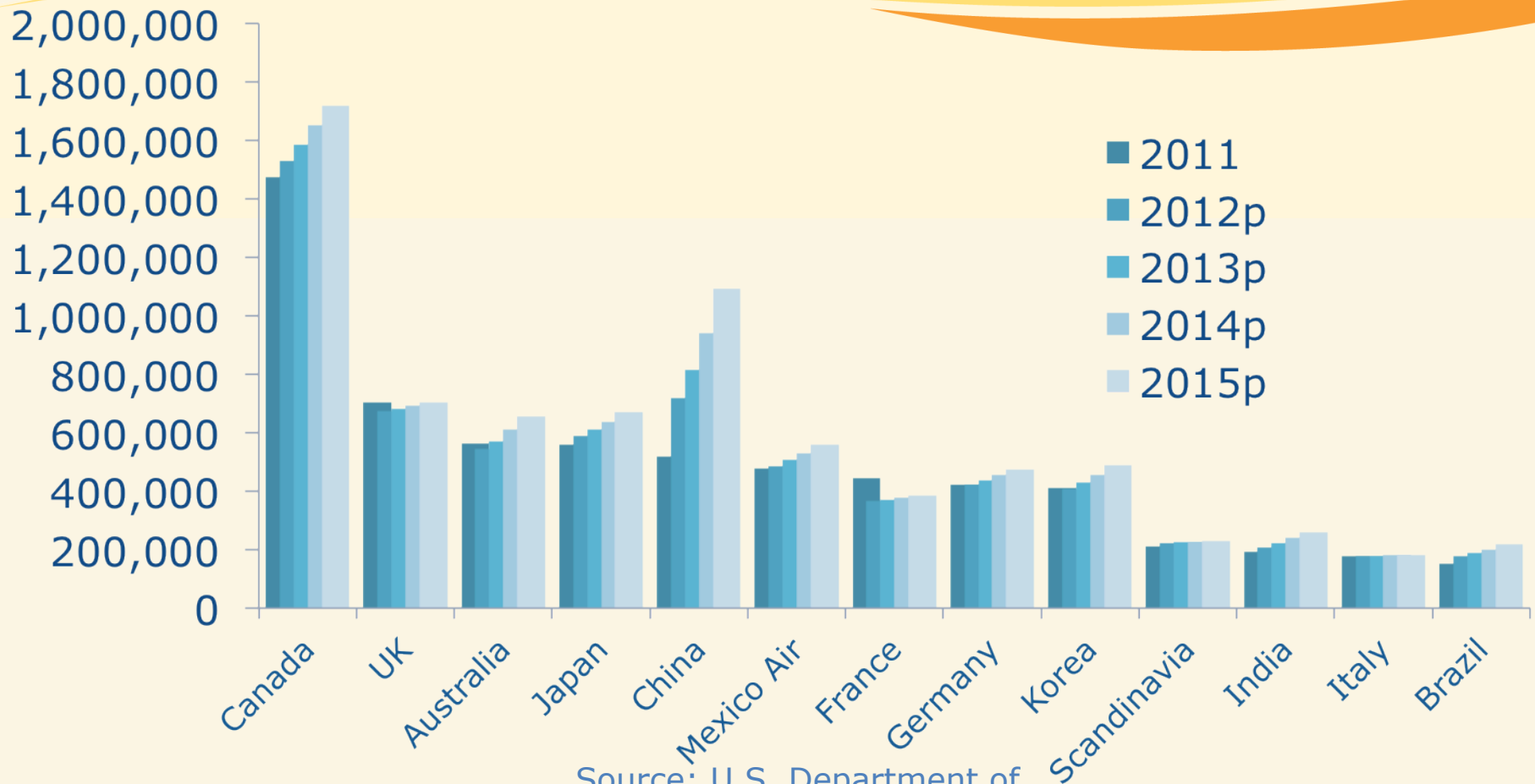
2008-2013

INTERNATIONAL VISITATION



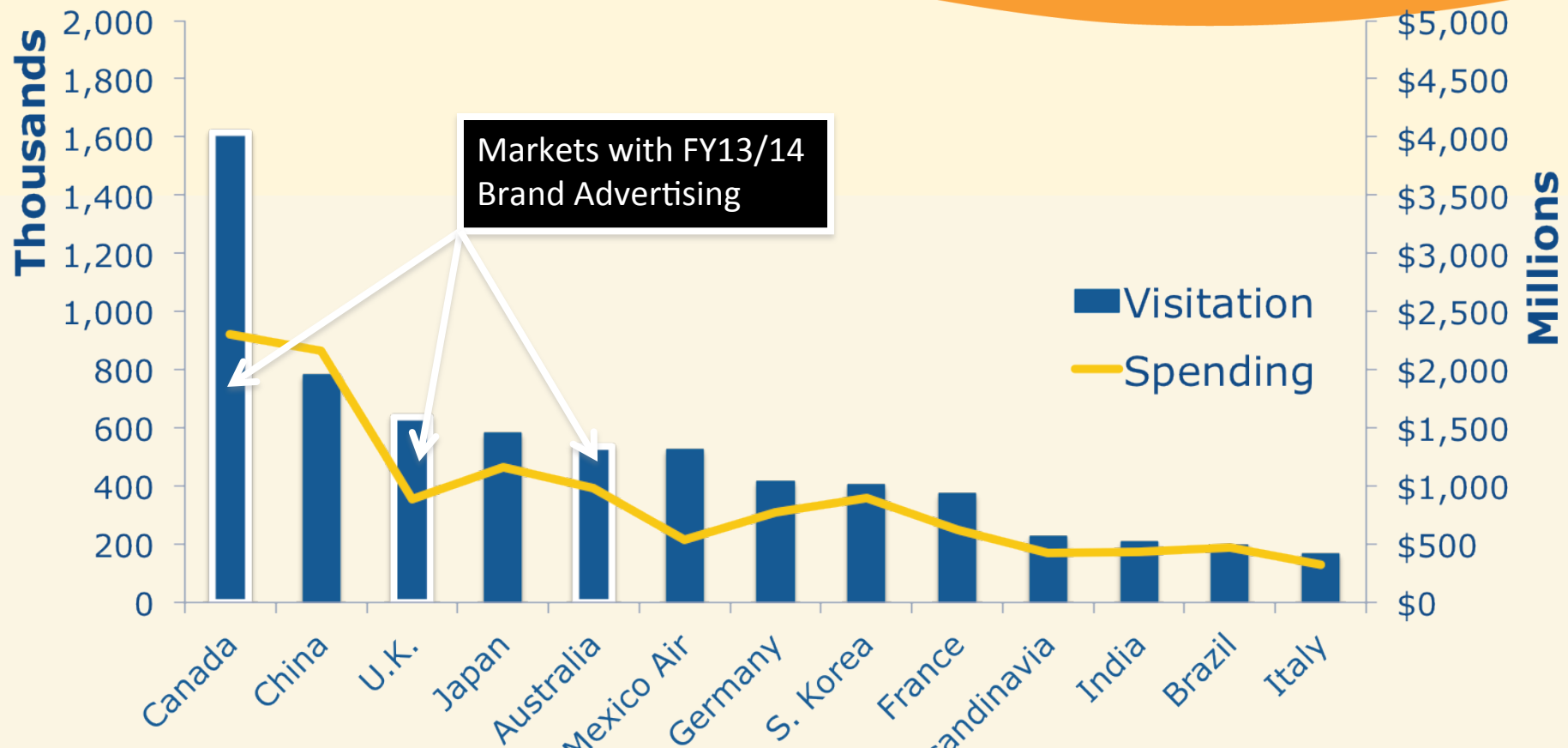
Source: U.S. Department of
Commerce; CIC Research,
Inc.; BEA; Tourism Economics

2011-2015 (PROJECTED) INTERNATIONAL VISITATION



Source: U.S. Department of
Commerce; CIC Research,
Inc.; BEA; Tourism Economics

2013 INTERNATIONAL VISITATION AND SPENDING



Source: U.S. Department of
Commerce; CIC Research,
Inc.; BEA; Tourism Economics

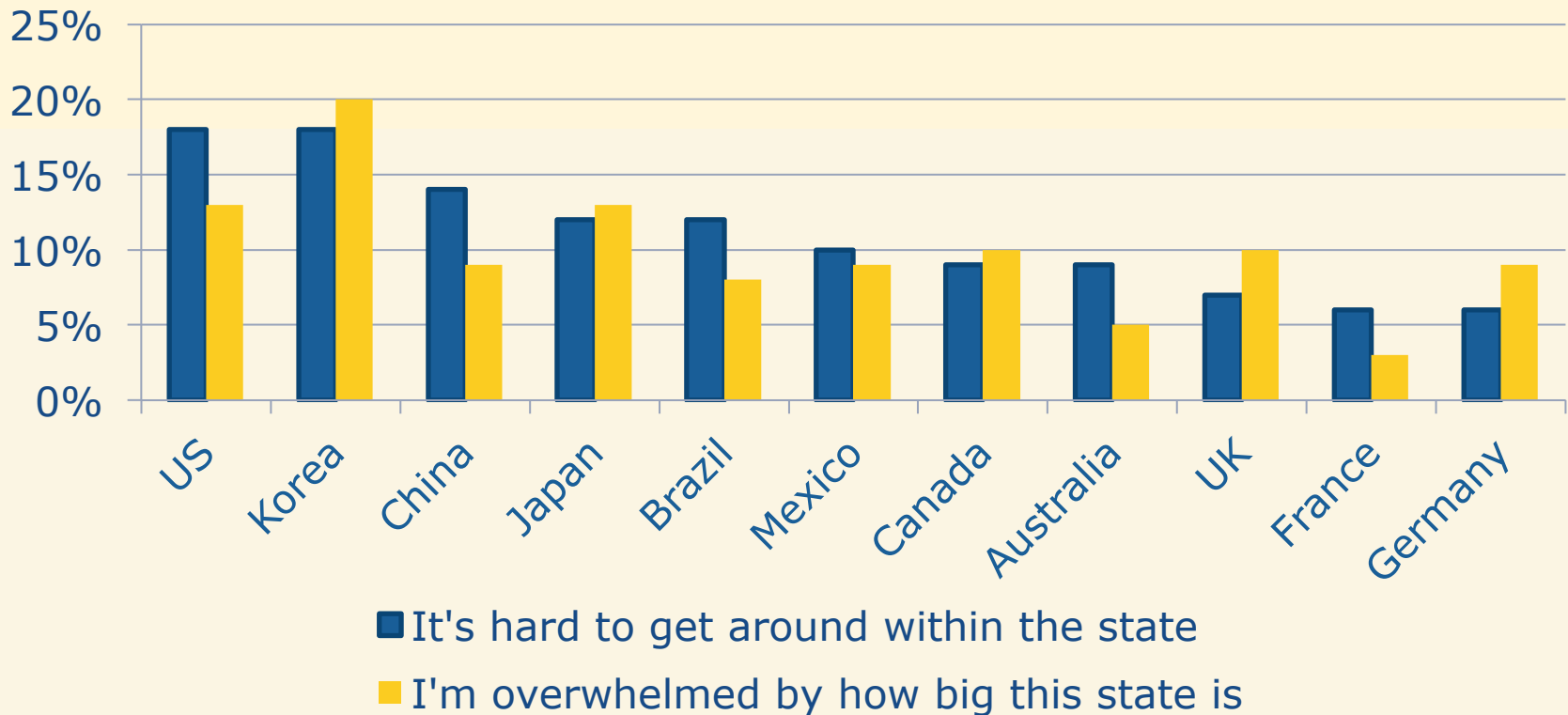
2016 INTERNATIONAL VISITATION AND SPENDING



Source: U.S. Department of Commerce; CIC Research, Inc.; BEA; Tourism Economics

BARRIERS TO VISITATION

Barriers to Visiting California



Source: Hall & Partners

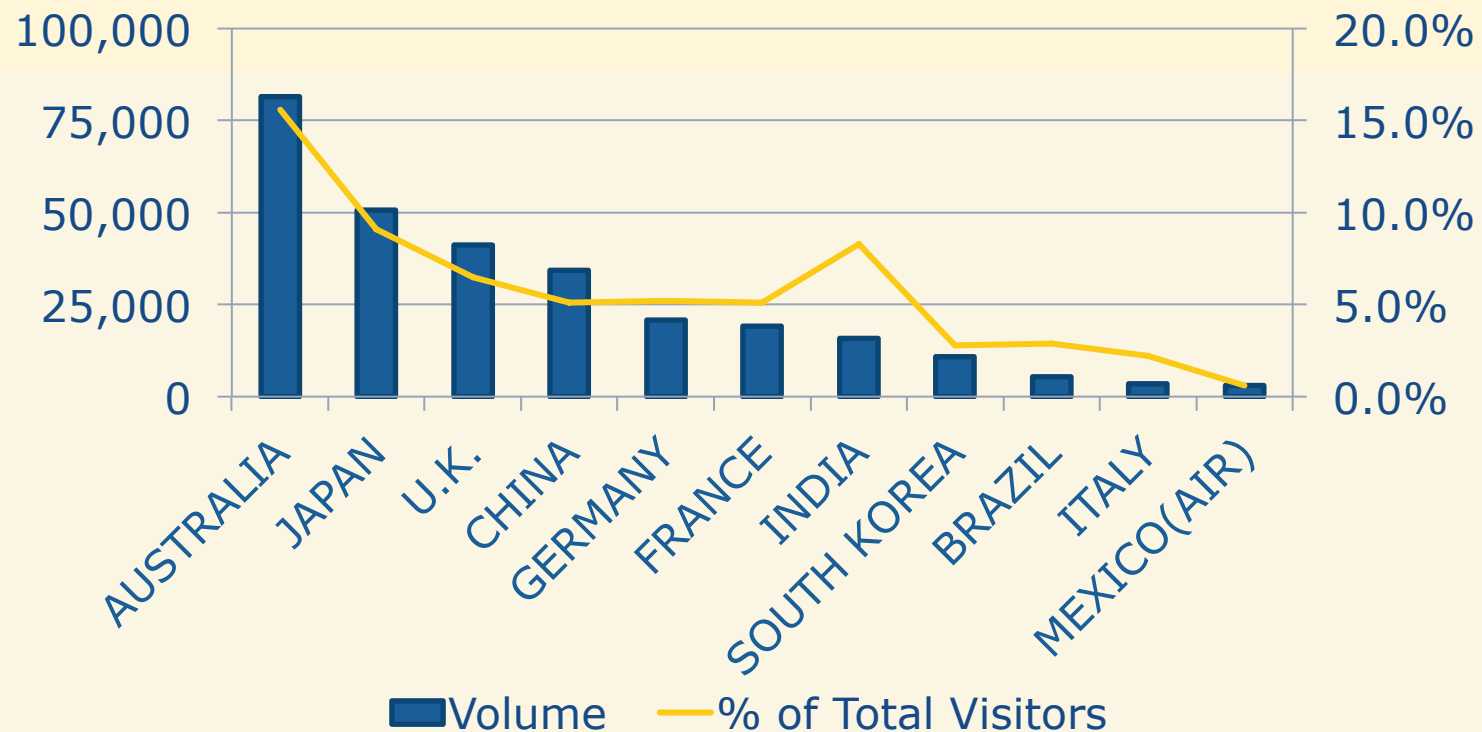
BARRIERS TO VISITATION

	Brand					Mature				Growth	
	US	CA	UK	AU	JP	FR	DE	KR	MX	CN	BR
Hotels, meals, transportation and other costs are too expensive	38%	34%	21%	23%	16%	21%	17%	39%	21%	23%	27%
It costs too much to get there	25%	24%	37%	33%	21%	40%	34%	46%	16%	26%	28%
Concerns over safety (terrorism, political unrest, crime, natural disasters)	22%	28%	23%	27%	23%	21%	24%	36%	26%	30%	28%
There are more interesting places to visit	21%	26%	19%	31%	32%	19%	17%	22%	27%	12%	25%
It's hard to get around within the state	18%	9%	7%	9%	12%	6%	6%	18%	10%	14%	12%
It takes too long to get there	17%	15%	23%	22%	22%	21%	29%	43%	7%	11%	16%
I'm overwhelmed by how big this state is	13%	10%	10%	5%	13%	3%	9%	20%	9%	9%	8%
Past experiences I've had there	12%	8%	4%	9%	3%	3%	5%	7%	11%	5%	9%
Lack of knowledge beyond major cities	9%	10%	12%	13%	13%	7%	10%	28%	13%	11%	15%
Opinions from family, friends and co-workers	7%	8%	5%	9%	4%	6%	9%	13%	15%	15%	13%
There is nothing new to experience	7%	6%	3%	7%	3%	5%	4%	7%	8%	10%	10%
I don't know enough about this state	6%	8%	10%	8%	10%	9%	10%	25%	10%	12%	18%
Concerns over visas & security screening	n/a	9%	23%	18%	8%	21%	24%	21%	28%	27%	32%
It's difficult for me to communicate with locals given the language barrier	n/a	n/a	n/a	n/a	10%	4%	8%	33%	8%	19%	13%

Source: Hall & Partners

PUBLIC TRANSPORTATION 2012

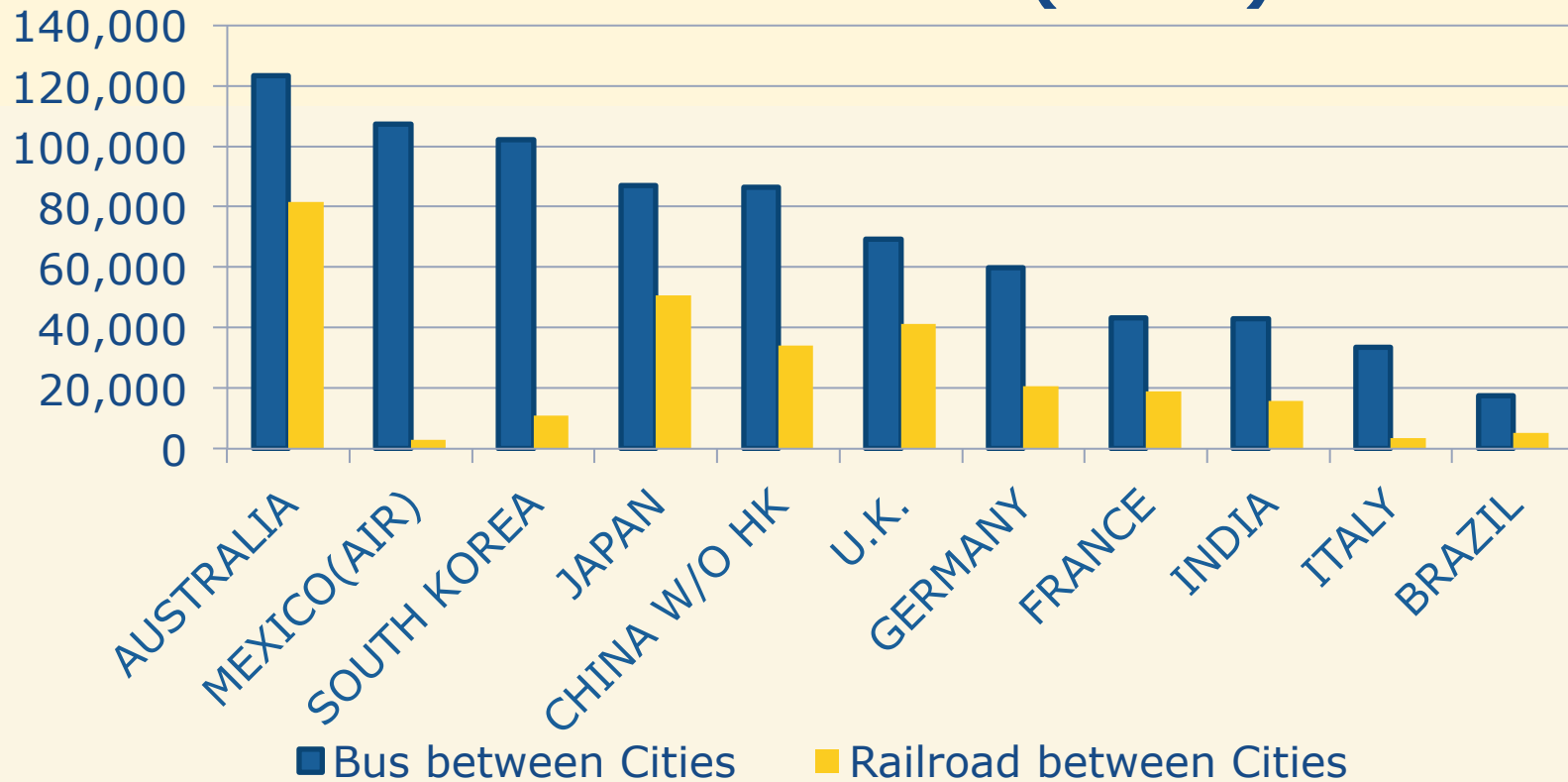
International Visitors to CA Use of Railroad Between Cities (2012)



Source: U.S. Dept. of Commerce

PUBLIC TRANSPORTATION 2012

International Visitors to CA Use of Rail vs. Bus (2012)



Source: U.S. Dept. of Commerce

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Public Transportation in LA?



- Transportation Connectors
- Visitor Use
- Perceptions



LOS ANGELES

2013 ACTIVE LEISURE VISITOR PROFILE

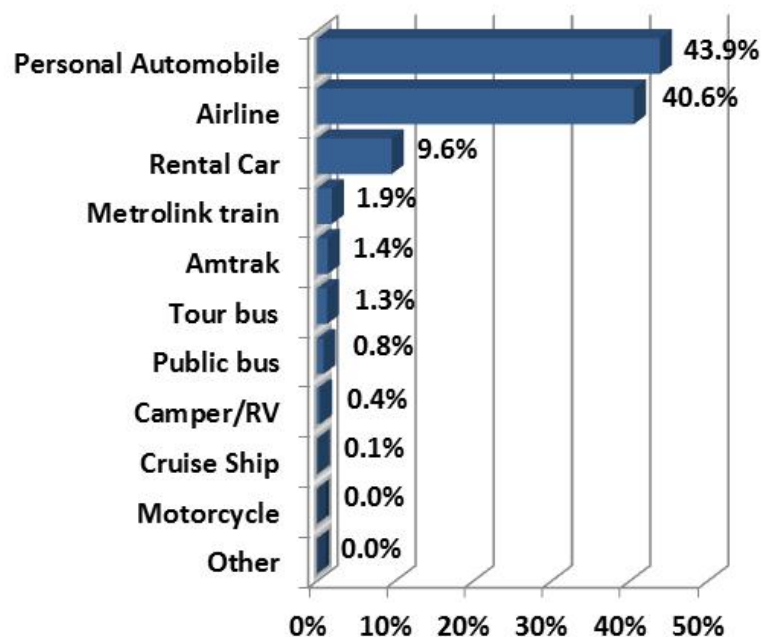
FINAL REPORT OF FINDINGS

Prepared by Destination Analysts, Inc on behalf of the Los Angeles Tourism & Convention Board

Method of Arrival

- Over half of active leisure visitors arrive to Los Angeles via automobile, either a personal car (43.9%) or rental car (9.6%). 40.6 percent arrive in the Los Angeles area via airplane.

Chart 13: Method of Arrival in Los Angeles
(All Visitors: 2013)



(Percent of all Los Angeles leisure visitors)

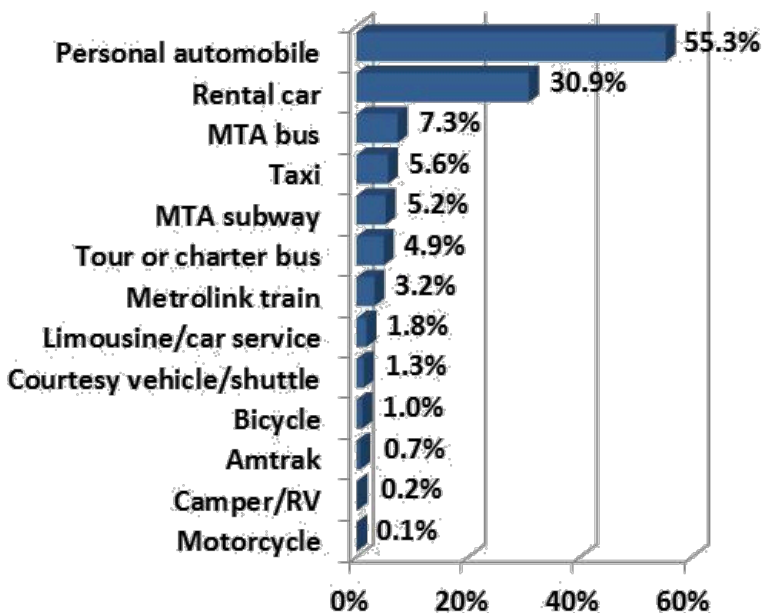
Question: How did you initially arrive in the Los Angeles area for this trip?
(Select one)

	Total	Hotel Guest	Day Tripper	VFR Visitor	Domestic Overnight	Intl. Overnight
Personal Automobile	43.9%	19.9%	75.7%	37.5%	31.0%	2.0%
Airline	40.6%	57.7%	12.1%	52.0%	53.9%	72.1%
Rental Car	9.6%	17.6%	6.2%	4.5%	10.2%	17.3%
Metrolink train	1.9%	0.2%	3.4%	2.6%	1.3%	0.3%
Amtrak	1.4%	1.6%	0.4%	2.2%	1.7%	3.1%
Tour bus	1.3%	2.0%	1.5%	0.0%	0.8%	2.6%
Public bus	0.8%	0.9%	0.5%	1.0%	0.8%	1.9%
Camper/RV	0.4%	0.0%	0.0%	0.0%	0.3%	0.4%
Cruise Ship	0.1%	0.1%	0.1%	0.2%	0.0%	0.3%
Motorcycle	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sample Size	3193	1457	1174	859	1585	407

In-Market Transportation Methods

- 55.3 percent of leisure visitors used a personal automobile to get around.
- Another third (30.9%) used a rental car.
- 10.2 percent of active Los Angeles leisure visitors used some form of public transportation.

Question: Which modes of transportation did you—or will you—use while in the Los Angeles area?



(Percent of all Los Angeles leisure visitors)

	Total	Hotel Guest	Day Tripper	VFR Visitor	Domestic Overnight	Intl. Overnight
Personal automobile	55.3%	23.2%	80.3%	76.5%	49.4%	14.0%
Rental car	30.9%	57.2%	12.2%	18.6%	40.8%	49.9%
MTA bus	7.3%	9.8%	2.5%	8.1%	6.3%	25.1%
Taxi	5.6%	10.4%	0.7%	3.5%	6.1%	18.3%
MTA subway	5.2%	7.4%	0.8%	5.9%	4.9%	19.1%
Tour or charter bus	4.9%	9.1%	3.2%	1.2%	3.7%	14.7%
Metrolink train	3.2%	3.2%	2.6%	3.4%	2.6%	7.1%
Limousine/car service/paid shuttle	1.8%	3.7%	0.7%	0.0%	2.0%	4.0%
Courtesy vehicle/shuttle	1.3%	2.7%	0.3%	0.2%	1.5%	3.4%
Bicycle	1.0%	1.1%	0.1%	1.7%	1.4%	2.4%
Amtrak	0.7%	0.7%	0.5%	1.1%	0.6%	1.8%
Camper/RV	0.2%	0.0%	0.0%	0.0%	0.0%	0.2%
Motorcycle	0.1%	0.2%	0.0%	0.1%	0.1%	0.3%
Sample Size	3262	1460	1176	862	1590	415

Hall & Partners

Discover Los Angeles

Uncovering the travelers' point of view

3 December 2012

Stereotypes of Los Angeles are consistent across
unaided descriptions: traffic, beach, and sun.

- **LA Description (Unaided):** Word Cloud

In your own words, how would you describe Los Angeles to someone who's never been to the city?



- | | |
|------|--|
| Base | All Respondents Total (1800) |
| QC1 | In your own words, how would you describe Los Angeles to someone who's never been to the city? |

Travelers describe LA as busy and crowded with lots of traffic, but also as entertaining with lots to do.

- 2012 LA Description (Coded Open End)**

In your own words, how would you describe Los Angeles to someone who's never been to the city?

<u>Average 2012</u> (OE's are not comparable to 2011)		<u>SD</u>	<u>SAC</u>	<u>SF</u>	<u>PHX</u>	<u>CHI</u>	<u>NYC</u>
Traffic	31%	33%	38%	37%	33%	24%	20%
Entertaining/lots to do	28%	37%	38%	26%	36%	20%	14%
Busy/crowded	17%	18%	22%	13%	22%	16%	9%
Big/big city	15%	16%	18%	19%	22%	11%	8%
Beaches/ocean	15%	12%	16%	15%	22%	16%	8%
Good weather	13%	10%	12%	14%	13%	18%	11%
Sprawling/spread out	12%	11%	9%	16%	9%	14%	11%
Restaurants/good food	12%	15%	10%	16%	10%	11%	8%
Good/great city	11%	12%	15%	9%	7%	12%	12%
Amusement parks (net)	11%	11%	18%	17%	12%	4%	2%
Culturally diverse	10%	10%	9%	11%	10%	10%	8%
Celebrities/stars	9%	5%	4%	9%	8%	12%	13%
Hollywood	9%	9%	6%	10%	8%	12%	7%
Fun	8%	9%	11%	8%	5%	6%	8%
Exciting	7%	6%	7%	7%	4%	6%	9%
Fast paced	7%	7%	11%	6%	8%	5%	7%
Smoggy/Polluted	7%	7%	8%	12%	6%	7%	6%
Shopping	7%	8%	10%	8%	6%	6%	4%
Fake/phony/plastic	6%	4%	3%	9%	3%	9%	9%

- Base All Respondents Total (1800); DMA (SD/SAC/SF/PHX/CHI/NYC): 300 per market
- QC1 In your own words, how would you describe Los Angeles to someone who's never been to the city?

Investing in the Future...



- Los Angeles is Investing..
- Collaborate with Tourism

Los Angeles is Investing...

- Metro Expansion
- LAX Connect (Metro station at LAX)
- Burbank Airport Connector
- Downtown Trolley
- Union Station Master Plan



Collaborate with Tourism...

Visitor Information Centers

- Received approval to sell Metro tickets in 2011
- Best seller for visitors is 1-day pass
- Largest purchaser is international
- Sales continue to grow
- Expand promotion with METRO



TAP is your ticket.

Metro turnstiles won't open
unless you tap your valid card.



Collaborate with Tourism...

- Created **Car Free LA** Packages
 - Partnered with Metro
 - 10 Neighborhood Tours Itineraries
 - Featured hotel stays
 - Discount offerings with bike rentals, etc.
 - Leveraged singular event “CicLAvia” Bike Ride”
- Generated widespread local, national, international media



THANK YOU!

Los Angeles
TOURISM & CONVENTION BOARD



Events Help Drive Tourism

- Palm Springs International Film Festival : 135,000
- The BNP Paribas Open tennis tournament: 431,527 attendees (382,000 in 2013)
- Coachella Valley Music Festival: 180,000 (3 day passes, 2 weekends)
- Stagecoach Music Festival: 45,000+ (3 day passes)



2014 National Campaign Overview

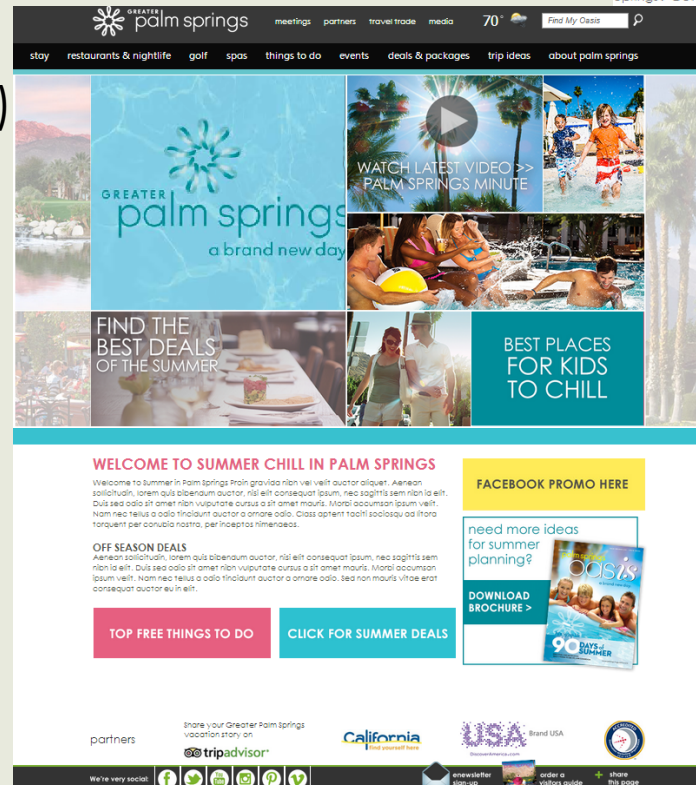


- **National Print** (1 68.3m+ impressions)
- **State of California Co-ops** (8.7m+ impressions)
- **Online Advertising** (289.6m+ impressions)
- **Television** (1.060b+ impressions)
- **Out-of-Home** (1 68.2m+ impressions)

2014 Drive Market Campaign Overview



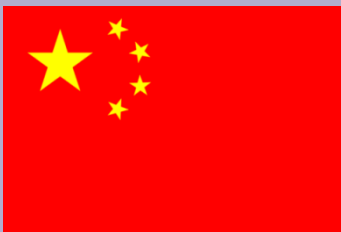
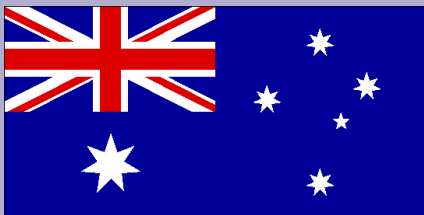
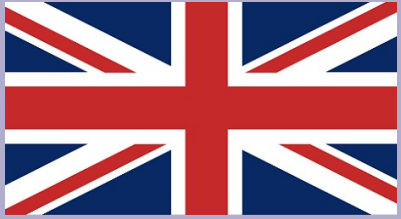
- Television
 - Time Warner Cable** (51m impressions)
 - Eye on Los Angeles** promos with host, Tina Malave
- Print
 - Desert Guide** (200k impressions)
 - 90 Days of Summer Guide**
- Out-of-Home
 - 22 digital billboards** (22.3m impressions)
- Digital
 - Facebook** (5m impressions)
 - E-mail** (345k impressions)



Parker Palm Springs	\$200 Spa credit	click here
The Westin Mission Hills Golf Resort & Spa	3rd night free	click here
Two Bunch Palms Resort & Spa	3rd night free	click here
Magical Adventures Balloon Rides	buy 1 get 1 half off	click here
Desert Adventures Eco-Tours & Events	sunset jeep tour and dinner for two	click here

visitgreaterpalm Springs.com

International Markets



Increase marketing and PR services in these countries to promote visitation to Greater Palm Springs

- United Kingdom
- Germany
- Australia
- China



Marketing co-ops with tour operators
Build destination itineraries
Attend Tradeshows and in-market sales missions
Familiarization Tours

The Future....

- Increase visitation to Greater Palm Springs
- Support local economy & provide more jobs
- Partnership with local entities, government, national organizations
- Continue to be a part of the rail service discussion



Thank You!

Q & A

California Passenger Rail Summit