

**Testimony Submitted by Jan Marie Chesterton, President,
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**At the Assembly Standing Committee on Tourism, Parks, Arts and Sports
Development Hearing on the Impact of New York State's "I Love New York" Brand
Redevelopment**

**January 15, 2013
11:00 am**

I am Jan Marie Chesterton, President of the New York State Hospitality & Tourism Association and Administrator of the Tourism Industry Coalition of New York State. I would like to start by thanking Assemblymember Markey, the Chair of the Assembly Tourism Committee for the opportunity to comment on the impact of New York State's "I Love New York" Brand Redevelopment.

BACKGROUND

The New York State Hospitality & Tourism Association (NYSH&TA) is the oldest lodging Association in the country - founded in Saratoga Springs in 1887. We have nearly 1,300 member businesses and individuals in the lodging and attractions industry, and we currently represent 70% of the total lodging room inventory in the State.

The Tourism Industry Coalition represents 23 private-sector industry organizations with Tourism as its core product. Its members include:

- Albany County Convention & Visitors Bureau
 - Business Council of New York State
 - Campground Owners of NY
- Canal New York Marketing & Business Alliance
 - Cooperstown/Otsego County Tourism
 - Dutchess County Tourism
 - Finger Lakes Tourism Alliance
- Finger Lakes Wine Country Tourism Marketing Association
 - Hotel Association of New York City
- Ithaca/Tompkins County Convention and Visitors Bureau
 - Long Island CVB & Sports Commission
 - Museum Association of New York
 - New York Power Authority
- New York State Hospitality & Tourism Association
 - New York State Restaurant Association
- New York State Travel & Vacation Association
 - New York Wine & Grape Foundation
 - NYC & Company

- NYS Destination Marketing Organizations
 - NYS Tourism Promotion Agency
 - Oneida County Tourism
 - Ski Areas of New York
- Sullivan County Visitors Association, Inc.

The tourism industry in New York is an unparalleled industry that is a combination of creating and maintaining jobs, as well as providing the State with a return on its investment no other industry can offer. The tourism industry is a part of each region of the State, providing employment to all levels from management to entry level.

During any "I Love New York" Brand Redevelopment effort, it is important that the brand continues to sustain and grow New York's economy. It is essential to market and invest to promote jobs across the State through avenues such as the:

- I Love NY and Matching Grant programs (private/public partnership);
- Tourism dedicated regional awards through the Regional Economic Development Council process; and
- Establishing a refocused Tourism agenda of the State's Economic Development Corporation.

TOURISM CREATES & PROMOTES JOBS

According to independent studies, tourism jobs have increased by more than 22% over the last 20 years, compared to an increase of less than 6% for the rest of private sector employment. **In 2011, nearly 700,000** jobs were directly sustained by visitors to New York. In New York State, **1 out of every 13 jobs** in private employment is a Tourism job. To that end, **in 2011, tourism employment grew 3.8%** generating **6.9% in personal income growth** derived from visitors to the State. Whether it is restaurants or retail stores, hotels or amusement parks, tourism sustains employment at every level; from entry to executive positions, providing personal income of **over \$28 billion last year**.

This effect is prevalent in all regions of New York. Tourism **is responsible for 8.0% of the State's employment**, demonstrating its integral place in the economies across the entire State. Tourism sustains people's livelihood in each region and in some communities it is the sole industry. **Investing in tourism marketing promotions provides jobs** whereas other industries are laying off workers, putting a strain on families, and increasing dependence on public assistance. The State has many initiatives and opportunities that are aimed at creating jobs. Tourism does just that.

NEW YORK STATE AND THE TOURISM INDUSTRY – PARTNERS

To create jobs and build back the State's economy, tourism marketing largely relies on State investment. However, the industry has and continues to do its part in marketing and promotion. Together, through the Tourism Matching Grant program, which is aid to locality legislative

program that provides focused support that is matched locally (dollar for dollar by the industry) is used to market the regional tourism attractions in New York. This perfect example of a private/public partnership is the lifeline of our industry and it is critical that the program be funded and maintained as every dollar that the State makes available through this program will be matched by an industry participant to promote, market and provide jobs across New York. The numbers and success of the matching grant program are amazing statewide. For example, in the Greater Niagara Region, tourism is a \$2.1 billion industry, supporting 47,000 jobs. In the Central Region, travelers spent nearly 8% more in 2011 than they did in 2010. And on Long Island, 72,000 jobs are supported by the tourism industry.

Further, the I Love NY program itself provides statewide marketing strategies establishing partnerships and implementing programs to encourage visitation. The businesses that make up the tourism industry have lived through these tough economic times of limited commercial bookings and fewer vacations. Marketing is what will bring the visitors back and it is incumbent upon New York to ensure that the tourism industry is a powerful one in order to generate critical revenues. That is why, we continue to raise awareness that neighboring states consistently out-invest us in tourism marketing dollars.

The key to any brand redevelopment initiative is to remember that investing in tourism marketing programs results in visitor spending, which, in turn, results in more revenues. The industry has done its part to maximize the current funding level of the I Love NY Program and the summer campaign and advertising spots of the I Love NY brand were a success for the industry and must continue and expand in 2013. Most importantly, these two programs (I Love NY, Matching Grants) were an integral part in the tourism economy reaching a new high **in 2011, with \$53.9 billion in traveler spending.**

REGIONAL ECONOMIC DEVELOPMENT COUNCILS (NY OPEN FOR BUSINESS)

We continue to support the Governor's Regional Economic Development model, and ask for a continued funding stream for it. I would be remiss if I did not mention how encouraged the industry was by the 2012 summer and fall advertising campaigns that used the iconic "I Love NY" logo to promote the state's unmatched vacation destinations. In 2012, thanks in part to a dedicated marketing program that featured every region of the State, hotel occupancy rates statewide reached 72%, which exceeded occupancy rates from 2007 and 2008, when the industry was experiencing record-breaking business.

Marketing is what will bring the visitors back and it is incumbent upon New York to ensure that the Tourism industry is a powerful one, as well as an industry and State that can compete with other states for the all important traveler. While, the Tourism Matching Grant and I Love NY programs funded through the annual State Budget is and will always be much needed, we believe they are part of the solution to continue to move forward and effectively market the attractions and destinations New York has to offer.

Through the first two rounds of each Regional Economic Development Council process, tourism initiatives were put forward, promoted and were recipients of awards, grants and tax credits that were made available. Every Region had plans submitted to the State for funding awards that recognized the importance of tourism and its potential to help grow and strengthen the State's economy. It is critical the Legislature continue to support the Administration's efforts to keep New York Open for Business and support a third round of Regional Economic Development Councils for 2013 to ensure that specific dollars are allocated for tourism in each region.

TOURISM AND ESDC

Current administration officials have noted that the Governor plans on restructuring ESDC into five specialized units, one of which will be tourism. The tourism industry believes this is the perfect opportunity to bring in a professional tourism leader with a vast knowledge of this complex industry to deliver much needed returns, both in jobs and revenue, to the state. Any redevelopment of the iconic I Love NY Brand should be headed by a leader who can, with adequate funding and support, deliver our great state back to being the travel and vacation destination leader it once was.

The I Love NY brand is in itself a resource for the State since it generates revenue from licensing to commercial entities. It is our position that the revenues generated from the licensing of the I Love NY brand should be dedicated to tourism as part of a cohesive tourism marketing strategy in these difficult economic times. To that end, it has been offered that revenues derived from the brand are dedicated to tourism. As an industry we would like to work with the Legislature to explore with ESDC the use of these dollars and work with the Administration to streamline and maximize how revenues are spent in the marketing and promotion of our industry. A refocused and dedicated tourism branch in ESDC is welcomed by the industry and we stand willing to be a resource to offer suggestions for streamlining and developing an enhanced marketing and tourism strategy for the State.

TOURISM NEEDS INVESTMENT

Given its proven track record as a revenue source for State and local governments, as well as a job generator, Tourism is not only a wise investment, but a critical one that yields unmatched and well sustained returns for New York's economy. The benefits collected in the form of state and local taxes alone are worth the investment, especially considering the limited resources with which New York can invest. **Tourism is an investment that produces revenues and jobs.** The revenue Tourism produces trickles down to impact every citizen in the State. Therefore, a strong tourism brand along with critical marketing programs are vital to help restore and continue to create much needed jobs, while returning New York to its pre-eminent position as the number one destination in the United States.

Thank You.