

**Testimony Submitted by Mark Dorr, President  
New York State Hospitality & Tourism Association**

**Joint Legislative Budget Hearing: Economic Development**

**February 12, 2019**

My name is Mark Dorr, President of the New York State Hospitality & Tourism Association, and also the Administrator of the Tourism Industry Coalition of New York State. I would like to thank the Chairs Weinstein and Krueger and all the members of the Legislature here for allowing me to testify, specifically as it relates to the review of the tourism programs within the FY 2020 Executive Budget Proposal.

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 1,100 member businesses in the lodging and attractions industry.

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

**TOURISM NEEDS INVESTMENT**

Given its proven track record as a job creator and revenue source for State and local governments, tourism is not only a wise investment, but also a critical one that yields unmatched and sustained returns for New York's economy. We have seen significant accomplishments from the I Love NY and Matching Grants programs. In the FY 2019 Budget, funding for the Market NY and Taste NY programs was allocated for regional marketing and promotions across the State and those programs continue to be huge successes that provide opportunities to show all that New York has to offer. To that end, we request that funding mechanisms for the Market NY and Taste NY programs are at least maintained as provided for in the Governor's FY 2020 Executive Budget Proposal. **We will also request at least \$5M be allocated to the Matching Grants Program in the upcoming fiscal year, as well as \$3 million for the I Love NY program.**

We would like to thank the Legislature for providing an additional \$593,000 to the Matching Grants Program in last year's enacted budget. The increased allocation to a total of over \$4.4 million played a critical role at the local level for tourism related projects. Providing \$5M (a \$1.2M increase above the Governor's Executive Budget Proposal) in the FY 2020 State Budget would build on past successes, and would fund the program closer to related programs such as Market NY, which the industry does not match dollar for dollar.

These funding mechanisms from the Governor and Legislature are critical so that the industry, along with its State and local partners, continues to flourish.

## **NEW YORK STATE AND THE TOURISM INDUSTRY – PARTNERS**

The industry has done and continues to do its part in marketing and promotion. Through the Matching Grants program, which is an aid to locality legislative program that provides focused support matched locally (dollar for dollar by the industry), funding is used to market the regional tourism attractions in New York. The numbers and success of the Matching Grant Program statewide are amazing. In 2017, the tourism industry generated and accounted for:

- Nearly 797,397 jobs sustained by tourism activity last year with total income of \$36.5 billion.
- **\$109 billion in total business sales, including indirect and induced impacts**
- Room demand increased by 3.8%
- A new high of \$67.6 billion in traveler spending in 2017
- 8.4% (1 in 12) of all New York state employment is sustained by tourism, either directly or indirectly.
  - Direct tourism employment grew 2.5% to reach a new high in 2017, with associated personal income expanded 5.4%; tourism outpaced the general economy on both measures

The benefits collected in the form of state and local taxes alone are worth the investment (\$8.5 billion in state and local taxes), especially considering the limited resources with which New York can invest. Tourism is an investment that produces revenue and jobs. The revenue Tourism produces trickles down to impact every citizen in the State (saving the average household \$1,172 in tax burdens in 2017). 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. Quite simply, the more the state can invest in tourism, the more revenue and economic incentives the industry can produce for the state. That is why we are requesting the additional \$1.2 million for the Matching Grant program.

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 survived through the tough economic times of limited commercial bookings and fewer vacations. Marketing is what brought 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 future revenue. Competition from other states who market in New York remains a concern, and New York must continue to market and maintain all the resources and destinations it has to offer.

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 2019. Most importantly, these two programs (I Love NY, Matching Grants) were an integral part in the tourism economy reaching a new high in 2017.

## **NY OPEN FOR BUSINESS**

In December, the State awarded over \$763 million in projects through Round 8 of the Regional Economic Development Council (REDC) process. NYSH&TA remains an ardent supporter of the REDCs as they have been a proven funding source for tourism promotion and marketing across all of the State. As we move forward, we strongly support an 9<sup>th</sup> Round of funding for Regional Economic Development Councils as part of the FY 2020 State Budget. In 2018, the State held another Adirondack Challenge, which NYSH&TA actively participant in and supported. We will continue to collaborate with the State in 2019 to promote and grow the tourism industry in New York.

In addition to regional programs NYSH&TA supports, we would also like to see the continuation and expansion of the Film Tax Credit and Commercial Tax Credit, which reward film and commercial production companies that bring projects and new economic development to New York.

### **TOURISM IS NEW YORK**

We continue to be encouraged by the Governor's commitment to tourism; after all, it is marketing and promotion that has brought 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 Matching Grant and I Love NY programs are funded through the annual State Budget and will always be much needed, we believe they are only part of the solution to continue to move forward and effectively market the attractions and destinations New York has to offer. That is why we are pleased to submit testimony to you today, and offer the Association as a resource and partner in maximizing the industry's impact on the State's economy.

Thank You.

