



Memo in Support: Tourism Matching Funds Program

In the 2019-2020 New York State Budget, **\$4.4 million** was budgeted for the Tourism Matching Funds program. Unfortunately, the Tourism Promotion Agencies (TPAs) have relied on the budgeted program through contracts with the Empire State Development Corporation in their tourism spend. The program is a terrific example of a public/private partnership that is extremely successful. The requirements of the spending include the approved ad copies (whether print/digital or any other project approved by the ESD I Love NY Matching Funds Coordinator). The state provides half of the funding in the matching funds and the TPA works with the stakeholders in their local communities to provide the other remaining amount needed. This is an important program for many counties, as populations and assets to market each county are vastly different. This provides the Tourism Promotion Agencies a great program to drive tax revenues and creates a bond with their stakeholders to cooperatively promote their businesses.

New York State's Third-Largest Industry

Tourism is not a budget expense; it is an investment in economic growth

253 million visitors annually
\$71.8 billion direct visitor spend generated
\$114.7 billion total economic impact

We realize that with the difficult financial situation the state is in, the 2020-2021 Tourism Matching Funds may be reduced or eliminated due to a complicated budget. The budget year 2019-2020 matching funds were slated to be disbursed to the TPAs in January 2020, per the usual schedule. Collectively, TPAs throughout New York State have spent **\$2 million** in funds that they anticipated to be matched by the state. The funding sources for TPAs are generally the I Love NY Matching Fund Program and the Occupancy Tax they collect. Due to the existing pandemic, the occupancy tax on overnight rentals has been reduced to zero. The local governments are also in a bind as a result of the decline in the sales tax revenue collections, leaving them unable to support the tourism bureaus. Federal assistance in the form of Paycheck Protection Program (PPP) loans were not made available to non-profit businesses classified as membership organizations and business leagues IRS Code 501 C(6). The majority of the TPA communities in New York State are comprised of this classification.

Sadly, many of these tourism offices with the occupancy tax are not allowed to have reserves. As indicated in daily statements by the Governor's office, we need to come out of this pandemic better than before. With your involvement in the several tourism summits held previously, we just want to remind you of the importance of tourism as we reopen the New York State economy. We need to get our residents working again and promoting this great state as the world class destination that it is. Before the pandemic occurred, tourism employed **more than 957,000 people** in New York State, and we would like to see that number grow.

Marketing Vital As We Rebuild

Matching grants allows Tourism Promotion Agencies to extend their marketing reach in ways they would not be able to do on their own. These marketing efforts include travel guides, maps, print and broadcast media, and user-friendly websites to generate more traffic to a specific region. Without these funds, the cumulative effect would be devastating to the New York State tourism economy. Tourism has been a monumental component of the state's economy in the past and is the driver to

restart the economy and provide hospitality businesses with the help they need. Matching Funds make it possible to participate at the greater level promoting the region so that it is recognized and selected as a primary destination.

With so many summer and springtime activities such as festivals and concerts being cancelled this year (and the cancellation of others pending), it is important to do all we can to help our fellow New Yorkers bounce back from the existing pandemic. We want to encourage New Yorkers to support the reopening of the state's economy by participating in activities that can be done locally (and in an open air environment) such as hiking, biking, fishing, boating, zip lines, ropes courses, and more. Enjoying local travel and staying at hotels, bed and breakfasts, and campgrounds throughout the state is also a great way to support the state's third largest industry.

Events Sector

Without the matching funds for each TPA to adequately market their region, there would be a visible decline in events such as weddings, conferences, and festivals in New York State. Events like this bring in tourists and travelers who may not have known about the destination otherwise, triggering a boost of tourism. This subsequently provides essential business for hotels, banquet halls, and conference centers, which in turn adds to the total economic impact of tourism. Matching funds have a significant impact on the events industry (and every sector of tourism in New York State), and to not restore the funds that TPAs rely on would cause a harmful domino effect that will be felt throughout the state.

Campground & RV Sector

Hundreds of independently owned campgrounds and RV parks – small businesses that make up the backbone of New York State's economy – rely on the matching funds-supported tourism promotion efforts in their regions for “top of mind” promotion to travelers who have unlimited options nationwide for spending their tourism dollars. Collectively in New York State, the RV and campground industries have an economic impact of \$2.3 billion, and accounts for over 12,200 jobs. Honoring tourism matching funds support will help ensure that campgrounds continue to thrive and drive taxable sales now and moving forward.

Submitted on Behalf of NYSH&TA's Tourism Promotion Members

1000 Islands International Tourism Council, Adirondack Regional Chamber of Commerce, Capital Region Chamber, Cattaraugus County EDP & Tourism, Central Catskills Chamber of Commerce, Chautauqua County Visitors Bureau, Columbia County Tourism, Commerce Chenango Tourism, Cortland County Convention & Visitors Bureau, Delaware County Chamber of Commerce, Destination Marketing Corporation for Otsego County Tourism, Destination Niagara USA, Discover Albany, Discover Long Island, Discover Saratoga, Discover Saugerties, Discover Schenectady, Dutchess Tourism Inc., Finger Lakes Regional Tourism Council, Greene County Chamber of Commerce, Greene County Economic Development, Tourism & Planning, Ithaca/Tompkins County CVB, Lake George Regional Chamber of Commerce & CVB, Lake Placid CVB/Regional Office of Sustainable Tourism, Livingston County Area Chamber of Commerce & Tourism, Long Lake Tourism Dept., Madison County Tourism, Inc., Montauk Chamber of Commerce, Inc., North Country Chamber of Commerce, Oneida County Tourism, Orleans County Tourism, Oswego County Promotion & Tourism, Saratoga County Chamber, Steuben County Conference & Visitors Bureau, Sullivan Co. Visitors Association, Inc., The Conference Center Niagara Falls, Tioga County Tourism, Ulster County Tourism, Visit Binghamton, Visit Buffalo Niagara, Visit Rochester, Visit Staten Island, Visit Syracuse, Washington County Tourism, Westchester County Tourism & Film, Wyoming County Chamber & Tourism

We would **ask that you please fund the 2019-2020 matching fund obligation that the state's TPAs are counting on.**

Sincerely,



Donald Bennett
Campground Owners of NY
President



Mark Dorr
NYS Hospitality & Tourism Association
President



Scott Brandi
Ski Areas of NY, Inc.
President