



## **New York City Council Hearing**

Oversight - The Economic Impact of the City's Tourism Infrastructure and Cultural Attractions  
Committee on Economic Development  
Committee on Cultural Affairs, Libraries and International Intergroup Relations

November 29, 2018 at 1:00 P.M.

TWA Lounge One World Trade Center 86th Floor, New York, NY

NYC Department of Cultural Affairs Testimony  
Presented by General Counsel Pranita Raghavan

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Greetings, Chair Van Bramer, Chair Vallone, and members of the committees. I am Pranita Raghavan, General Counsel for the NYC Department of Cultural Affairs. Thank you for the opportunity to testify on this important topic.

The City of New York has a long history of supporting cultural institutions, starting with a 19<sup>th</sup> century partnership that has profoundly shaped our cultural landscape. The deal was that the City would provide land and additional financial support. In exchange, private groups with collections covering both art and science would turn these over to publicly-accessible cultural institutions. The organizations to pioneer this model in the 1870's were the Metropolitan Museum of Art and the American Museum of Natural History. Nearly 150 years later, these two organizations see some 12 million visitors annually. Clearly, the relationship between City and institution has become a pillar of our ability to attract people from far and wide.

This early partnership has grown to include the 33 members of the Cultural Institutions Group (or CIG). They represent performing art centers, zoos, museums, and multidisciplinary spaces in all five boroughs. Together, these diverse organizations attracted over 23 million visitors last year. We continue to invest in this remarkable partnership with both expense and capital support. For example, under this Administration the City has allocated \$78.4 million in capital funding for the American Museum of Natural History's new Gilder Center for Science, Education, and Innovation. We've also invested \$54 million in the Studio Museum's new home in Harlem, marking a new chapter in this important group's history. And City expense support – which goes to operating and energy costs – is at a record high.

Today, DCLA's support for culture goes far beyond the CIG, as around 1,000 nonprofit organizations receive program funding each year. Programs like Materials for the Arts and our partnership with the local arts councils reach thousands more. Our longstanding collaboration with City Council in providing this funding has fostered unprecedented levels of City support for art and culture. From itinerant dance groups to major museums, these organizations form the backbone of the cultural sector that makes New York such a powerful draw for visitors. As NYC & Company indicated in testimony, over 30 million people visited our city specifically for culture. This is a direct result of the amazing work being done by the nonprofit cultural organizations DCLA proudly supports.

Under Mayor de Blasio, we have made major investments in our city's cultural infrastructure equaling more than \$200 million in this fiscal year alone. In addition to the AMNH and Studio Museum projects in Manhattan I mentioned earlier, the projects supported by this funding include:

- In Staten Island, we committed \$3.1 million to upgrade the Staten Island Children's Museum's 40-year-old heating, ventilation and air conditioning (HVAC) system, increasing operating efficiency and improving visitor experience.
- In Brooklyn, we cut the ribbon on Ocean Wonders: Sharks! at the New York Aquarium in Coney Island in June. This extraordinary new facility represents over \$100 million in City funding.
- In the Bronx, the new Edible Academy at the New York Botanical Garden is a major new enhancement that will allow visitors – especially young visitors - to get their hands dirty and learn more about how food is cultivated. Mayor de Blasio was on hand for the opening of the Academy earlier this year.
- Just last month we announced \$1.9 million in new capital funding for the Louis Armstrong House Museum in Queens to support the renovation of "Selma's House," next door to the jazz great's former home. Alongside a new education center and jazz club across the street, also being supported by City funding, this is part of a growing cultural campus that will bring visitor and residents to the heart of Corona, Queens.

These investments undergird our commitment to make sure the many benefits of cultural activity – economic, social, educational, and more – are experienced by all New Yorkers. The CreateNYC cultural plan, released in July 2017, gave new focus and energy to these efforts. Since the release of the plan, we've increased funding for individual artists, boosted grants to cultural organizations in underserved neighborhoods, all while continuing to invest in the large organizations that draw visitors and provide thousands of good jobs for residents from across the city.

We applaud our colleagues at NYC & Company and EDC for their work to encourage New Yorkers to explore their city and support local institutions. Cultural activity happens in every corner of the city. In addition to providing hubs for activity that ripple through the local economy, they are central to the vibrancy that makes New York so prominent in the world's imagination.

As our partners at NYC & Company demonstrate with their in depth research, this vibrancy translates into incredible numbers of visitors. These visitors purchase tickets that help support local artists, and patronize businesses that are the backbones of our neighborhoods. We believe that art and culture are important to communities, and to NYC's identity as a creative capital. People and companies continue to flock to our city because of the energy and talent that our unparalleled arts scene attracts.

Cultural institutions and advocacy groups often conduct studies of their visitors and the impact they have on the local economy. These studies show just how crucial these organizations are to New York's economy. For instance, the 2017-2018 Broadway theater season was the best attended and highest grossing in history, according to the Broadway League. This amounts to 13.8 million attendees and \$1.7 billion (with a "b") in ticket grosses. A 2016 report found that

Lincoln Center – a member of the CIG – contributed \$2.4 billion (with a “b”) to the city’s economic over the course of the 2014-2015 season. This included \$670 million in spending by what the report termed “Lincoln Center Tourists,” out-of-town audience members who indicated that “Lincoln Center was a very important reason for their trip to New York City.” Finally, visitors to the Met Museum in the summer of 2015 generated \$946 million in spending. A single exhibition – the Michelangelo show that closed earlier this year, attracted over 700,000 visitors.

It’s clear that these cultural institutions are cornerstones of our city’s tourism economy. And we’re proud to be investing in them at historic levels. Commissioner Finkelpearl was thrilled to join Chair Van Bramer just last month at Flushing Town Hall to announce our largest –ever City allocation for culture, with nearly \$200 million in DCLA’s current budget. This provides stable support for the CIG and Cultural Development Fund. And thanks to CreateNYC, it also translated into substantial increases for organizations in underserved communities. Both forms of investment are critical – ongoing partnership with major institutions, and increased support for small and mid-sized organizations that are hubs for community activity. We’re also committed to supporting the individual artist who are essential to New York’s creative vitality. Our grants for artists through local arts council are at historic highs – three times what they were at the start of the de Blasio Administration. We also remain committed to building affordable workspace for artists, in partnership with our colleagues at NYC EDC.

Thank you for the opportunity to highlight the important connections between the city’s cultural community, tourism, and the economy. I’m happy to answer any questions you may have.

**New York City Economic Development Corporation**

New York City Council Oversight Hearing:

The Economic Impact of the City's Tourism Infrastructure and Cultural Attractions

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A Local Law to Amend the Administrative Code of the City of New York, In Relation to the Creation of  
a Tourism Economy Dashboard

Good afternoon, Chairs Vallone and Van Bramer, and members of the Economic Development and Cultural Affairs Committee. My name is Matthew Kwatinetz, and I am an Executive Vice President of Asset Management at the New York City Economic Development Corporation, known as EDC. I am pleased to be here today to talk about the many ways in which EDC's projects contribute to NYC's rich cultural experience for residents and tourist alike. After my testimony, I will be glad to take any questions you may have.

Every year, New York City welcomes more than 60 million visitors from every corner of the globe. They come for our premier cultural and historical attractions, from Harry Potter on Broadway to Ellis Island, our phenomenal food scene which can be found in all five boroughs, and iconic New York City sights such as the Empire State Building and Brooklyn Bridge. But without question, New York City continues to attract a record number of tourists in part because of our transportation systems, infrastructure, and economic development projects.

As a steward of the city's economy, EDC supports tourism in several ways. For example, PortNYC, advances the development of the city's passenger and freight transportation terminals which sustain the region's economic growth. Through PortNYC, EDC manages transportation infrastructure which includes both JFK and LaGuardia's leases, the city's two cruise terminals in Brooklyn and Manhattan, and the Downtown and East 34<sup>th</sup> Street heliports. These pieces of infrastructure are critical to ensuring that tourist have multiple access points to New York City.

Overseeing the City's leases of JFK and LaGuardia Airports is a tremendous undertaking. The Port Authority is our tenant and they are responsible for the airports' day-to-day operations. In 2012, we provided \$7 million in financial incentives that made JetBlue's expansion at Terminal 5 possible. In 2016, we worked with the Port Authority and MCR Development to secure necessary approvals to allow the defunct TWA terminal to be redeveloped into JFK's first on-airport hotel. We have also consistently advocated for the full funding of Next Gen Air which

is the FAA-led proposal to modernize the nation's air transportation system. Once implemented, it will increase the safety, efficiency, capacity, predictability, and resiliency of American aviation overall and would help ease air congestion and reduce flight delays at City airports.

EDC also oversees the Brooklyn and Manhattan cruise terminals, which welcome over one million visitors annually. This makes New York City one of the largest cruise ports in the country. PortNYC selected Ports America as the new operator for the cruise terminals, which is slated to bring in over \$58 million of private capital improvements allowing our facilities to reach their full capacity. This momentum also helped us secure a major agreement with Norwegian Cruise Line, which guarantees that more than six million of the line's passengers will visit NYCruise terminals over the next decade. This will cement New York's position as one of the country's premier cruise ports. EDC estimates that the cruise industry accounts for hundreds of millions of dollars in annual economic impact and more than 1,000 full-time jobs.

We are also contributing to the visitor experience through NYC Ferry, which provides an efficient, reliable, and scenic public transportation option, all for the price of a subway ride. Our ferry system also supports job creation and neighborhood growth. While NYC Ferry is primarily used by New Yorkers, we did estimate that nearly 20 percent of riders are tourists, who seek to explore New York City neighborhoods such as Sunset Park, Long Island City, and Rockaway.

Many of New York City's millions of tourists spend time shopping. EDC recognizes that retail is an important source of jobs for New Yorkers and supports the growth of this sector in several ways. Our recently-completed City Point project in Downtown Brooklyn brought over 650,000 square feet of retail space online, which provided countless New Yorkers with job opportunities. When completed, the Empire Outlets on Staten Island will encourage tourists who take the Staten Island Ferry to explore the North Shore. Empire Outlets will have at least 50 retail shops and employ 1,200 New Yorkers, many through HireNYC and will certainly become one of the city's most trafficked shopping destinations.

EDC also supports New York's rich cultural legacy. Some of our most high-profile cultural projects include facilitating the Whitney's relocation from the Upper East Side, the restoration of the Kings Theater in Brooklyn and helping the Chocolate Factory Theater find permanent space. In 2015, the Whitney Museum opened as a result of an extensive partnership

between the City and EDC. The City provided a \$51.9 million capital investment in the project, and EDC provided technical assistance throughout the project's conception and implementation. EDC also works to create new cultural areas throughout the five boroughs. For example, our investments in the Brooklyn Cultural District have solidified Fort Greene as a cultural hub, anchored by the Brooklyn Academy of Music. In 2015, we completed a \$95 million restoration of the Kings Theater in Flatbush, Brooklyn. The theater serves as a cultural hub and catalyst for economic growth in Brooklyn and created over 100 full time jobs. We also recently helped the Chocolate Factory Theater on the acquisition of space in Long Island City.

We also provide support to what may be the most famous New York attraction- Broadway. EDC leases ten theaters in Times Square under a master lease to "The New 42<sup>nd</sup> Street", a non-profit established to oversee their management and rehabilitation. The New 42<sup>nd</sup> Street was recently able to leverage this lease into a sublease and secure \$100 million in investments to create an immersive retail at the Times Square Theater. EDC also provides direct support to the New 42<sup>nd</sup> Street, with \$10 million in funding for theater repairs since 2009. More recently we assisted the Lyric Theater in their rapid transformation for Harry Potter and the Cursed Child. EDC and the City hold seats on the 42nd Street Historic Preservation Committee, in that role we reviewed plans to renovate the Lyric theater and create a more intimate setting for Harry Potter, essentially building a theater within the theater. We did our review and collaborated with Ambassador Theater Group to make this happen on an expedited basis.

I have spent most of today's testimony speaking about our work and how it contributes to the tourist experience in New York City. We are proud to support many of the city's tourist-related industries. Recognizing the impact tourism has on the city's economy, one could wonder why we did not include tourism in our New York Works job plan. The jobs plan released last year identified industries that needed additional support and aggressive interventions to grow and expand in the city. The tourism industry in New York City is thriving as a result of our rich cultural history, plethora of sight-seeing attractions, and our unique urban fabric. We are proud of our investments to make our transit options more reliable, create more retail experiences, and improve our already-outstanding cultural attractions, all of which contribute to tourism.

EDC recognizes the incredible value tourists bring to the city. In addition to adding to the vibrancy and dynamism of the city, they also spend money at our restaurants, shop at our stores, sleep in our hotels, and travel at our airports. We will continue to make investments that enhance the tourist experience, as well as help New Yorkers who call the city home.

Thank you for your attention today. I will now answer any questions you may have.



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Testimony to the New York City Council Economic Development Committee and the Cultural Affairs, Libraries and International Intergroup Relations Committee

Thursday, November 29, 2018

Good afternoon, Chairman Vallone and Chairman Van Bramer. And to the members on the Committee on Economic Development and the Committee on Cultural Affairs, Libraries, and International Intergroup Relations. My name is Fred Dixon, I am the President and CEO of NYC & Company, and joining me today is Dr. Donna Keren, Senior Vice-President and Head of Research. Thank you for this opportunity to share with you who we are and what we do and how it directly contributes to the economic importance of tourism.

NYC & Company is the official destination marketing organization for the five boroughs of New York City. Our mission is to maximize travel and tourism opportunities for the city and our partners, helping build economic prosperity, and spreading the dynamic image of New York City around the world. As a 501(c) 6 private trade association, we represent the interests of nearly 2,000-member organizations. Together they fund about half of our operations. We also hold a procurement contract with the Department of Small Business Services to provide the City of New York with certain tourism marketing services.

As a destination marketing organization, we use our in-house resources and our global network of representatives to drive both leisure and business travelers to the five boroughs. Tourism by its very definition is an export business as we work to bring new dollars into the market from outside which are exchanged locally for goods and services. We compete regionally, domestically and internationally for visitors and their spending.

To generate inspiration to visit NYC, we create, curate and promote content on dozens of neighborhoods across the five boroughs. We recruit meetings, conferences, conventions and tradeshow as well as big events which draw higher spending meeting and event delegates year-round. As part of our global outreach, we work with journalists and media outlets on five continents to tell the stories of NYC as an unparalleled, multi-cultural, vibrant world-class destination.



How do we market NYC to the world? For example, we recently launched the latest version of our global tourism campaign “Famous Original New York City” —with its affirming tag line ‘New York City Welcomes You. Always.’ This campaign is designed to reinforce New York City’s fundamental values of diversity and inclusion along with its world-class welcoming spirit.

Marketing NYC is our job, and we believe we excel at it. Travel and tourism in New York City is performing at record levels. With 62.8 million visitors last year, volume grew 3.8% and has averaged 3.7% annual growth over the last decade which equals about 1.75 million more visitors per year on average. Direct visitor spending is the key to this growth and last year saw \$44.2 billion spent across the five boroughs. Our economic impact studies show that it has been growing by almost \$100 million a month – or nearly \$1.2 billion a year.

The full annual impact of this industry is a \$66 billion economic engine when you consider both direct and indirect spending, supporting the jobs of 392,000 people, who collectively earn almost \$26.4 billion a year. That’s an average wage of \$67,300 across all sectors. Over the past 10 years, this industry has been one of the fastest growing across the city’s labor force, adding 8,200 new positions in 2017 and making it the sixth largest employment sector in the city. We are on track to exceed these numbers in 2018.

Jobs in the travel and tourism sector cut across lodging, food & beverage, transportation, shopping, and services, but jobs in culture and entertainment are especially important, with traveler activity and spending supporting six out of 10 jobs in the sector (NAICS #7071 subsector). These are among some of the higher paying positions across the city, with more than 58,300 people earning an average wage of \$71,000. (Source: Tourism Economics Economic Impact Report 2017)

However, this requires a skilled tourism and hospitality workforce. We have heard this loud and clear from industry leaders. Therefore, we support the Department of Youth and Community Development’s Ladders for Leaders program and work closely with the Department of Education’s Career and Technical Education (CTE) program. These initiatives build a talent pipeline of New Yorkers from all walks of life for a successful career in the tourism sector.

New York City is the most popular big city destination in the US, and the top international destination by a large margin as well. With more than 50 million domestic visitors, and 13.5 million international travelers, the city’s cultural and arts organizations occupy a determining place in the reasons people choose to visit here.

After lodging and food, the daily necessities whether visiting or living here; culture and entertainment pull the largest share of spending by visitors to New York City. Last year, spending by visitors on culture and entertainment rose to almost \$6 billion. Cultural spending by visitors is money spent on theaters, museums, all forms of live performance, zoos and gardens, and the many historical and cultural heritage sites around the city. While many are free or low cost at entry, gift shops and dining options benefit from the millions of visitors as well.

Let me share some data on cultural tourism specifically. NYC welcomed over 30 million cultural visitors in 2017, nearly half of the total number of visitors – up 17% since 2012. International visitors, in particular, are more likely to include cultural activities in their itineraries than are their domestic counterparts, but the unparalleled array of cultural organizations and activities across the city is often a primary reason for people's visits.

Art and culture in all its forms, is well-represented in the itineraries of connoisseurs and intrepid travelers alike. They are part of the city's cultural DNA as well. Ultimately, cultural activities constitute a vital part of New York City's tourism sector. Whether we are looking at people who attend a festival, concert or show or people who visit a museum, gallery, historic site or one of our zoos and botanic gardens, they all fuel the economic engine of NYC tourism. From the Bronx to Queens to Staten Island, the rich environment of arts organizations is at the core of the most popular tourist activities.

This is in addition to the vital role these organizations play in the lives of residents, students and even commuters to the city. As many recent economic studies have shown, the cultural organizations in any neighborhood support the energy and prosperity of small businesses around them.

With this in mind, we found that many neighborhood cultural organizations and small businesses were not prepared to take advantage of the growing tourism opportunities and needed additional training and support. I am proud to say we met that need by launching our very own Tourism Ready program. This free program gives local businesses a better understanding of how the tourism industry works and gives them the tools and know-how to increase footfall, work with visiting groups, secure advanced bookings, build repeat business and increase their bottom line. We will begin our fourth year of this programming in 2019 and approximately 550 small businesses and arts organizations have participated. Let me share this testimonial from Sami Abu Shumays of Flushing Town Hall:

"NYC & [Company's] "Tourism Ready" initiative has done a really great job of beginning the process that we fully expect will draw more attention to

the amazing tourism opportunities we offer in Queens. We're especially appreciative of how inclusive the process has been, welcoming anyone who wants to participate (and who is willing to put in the time and effort), and helping us to see that we can be much more effective through collaboration rather than competition in this area. Participating in the committees and meetings has helped Flushing Town Hall develop stronger connections to our colleagues in other local Queens businesses, and insured that our network will be strengthened further. Finally, the hands-on, personal attention...has really helped us to understand the Tourist Trade more deeply, made us more comfortable with the process, and pushed us to give our best to the project, in a way we believe will be tremendously beneficial to Flushing and Queens overall."

This is just a taste of what we do. Additionally, we are the City's big events group where we work closely with EDC in bidding for large-scale events like the Super Bowl, MLB's All-Star Game, Formula E, WWE Wrestlemania and the FIFA World Cup in 2026. For the first time, we will host WorldPride in conjunction with the 50<sup>th</sup> Anniversary of the Stonewall Uprising here in New York City, bringing 3 million people in June 2019 alone. We preserve the NYC brand and manage licensing agreements for City agencies like the FDNY and the NYPD as well.

Another important area of our organization is research where we track yearly visitation and develop industry insights. The team reports annually on visitor volume and spending, studies travel behavior, tracks the economic impact of the industry and conducts custom research on key NYC visitor market segments. The staff deploys a suite of proprietary forecasting and statistical tracking models to inform marketing and strategic planning decisions. These tools help position the local travel & tourism industry in terms of market size, growth and sustainability, challenges and opportunities, and traveler affinity for NYC.

Because of the way economic modeling is done, these reports are typically produced on an annual basis. We offer certain reports as a member benefit. As an example of what can be compiled, we would like to share with you our latest tourism update and examples of our economic impact and cultural tourism fact sheets. Going forward, we are happy to share these reports with you on an annual basis.

In regards to the proposed legislation, I look forward to working with the two Committee Chairman, Council Member Powers, and the respective committee staff as well as our partners at EDC and DCLA in discussing research methodology and the feasibility of this bill. Unfortunately, the majority of the data requested does not exist or it is not readily available. Furthermore, there are proprietary issues because as a nonprofit we cannot compel private corporations

to remit certain data. Again, we look forward to discussing this in depth with you all.

The tourism industry is booming. I am proud of the role NYC & Company has played in these successes. We value your support of the tourism industry, and I thank you for allowing me this time to share all of our success in promoting NYC as the most popular city destination in the United States. I am happy to answer any questions you may have.

# Cultural Visitors: Market Profile

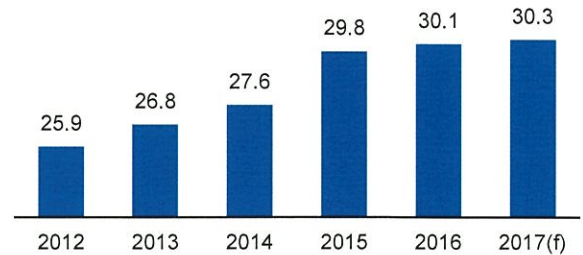
## Market Overview

Cultural activities are at the core of New York City's travel & tourism sector. Over 30.1 million people (nearly 50% of total visitation) visited in 2016 primarily to engage with the City's cultural offerings. New York City is forecast to welcome 30.3 million cultural visitors in 2017.

**Domestic:** Skew older than the typical visitor, with high average income. Many are visitors from neighboring and drive-distance regions. Domestic visitor cultural activities include concerts, theater, dance, museums, and art exhibits.

**International:** Tend to have a similar demographic profile to the typical overseas visitor, with higher participation rates in cultural categories. International cultural activities include art galleries/museums, cultural/ethnic heritage sites, concerts/plays/musicals, and historical locations.

## NYC Cultural Visitors (millions)



f= forecast All estimates are subject to revision as new data become available. Source: NYC & Company

## Domestic Cultural Visitors

### NYC Visitor Profile

- 87% traveled for leisure (21% VFR)
- 49% day-trippers
- Average party size: **1.9 people**
- 52% traveled alone
- 9% traveled with children
- 58% stayed at a hotel (overnight only)
- Average stay: **2.1 days**
- 55+ years:** largest demographic (38%)
- Average age: **48 year old**
- Average spend: **\$477 pp/trip**
- Average household income: **\$130,000** (with 31% earning \$150,000 and over)

### Origin States – Top 5

- New York
- New Jersey
- Connecticut
- Massachusetts
- Pennsylvania

### Origin DMAs – Top 5

- NY Metro
- Philadelphia
- Boston
- Hartford & New Haven
- Washington, DC

### Activities

- Museums/Art Exhibits: 53%
- Concert/Theater/Dance: 51%
- Culinary/Dining: 45%
- Shopping: 33%
- Historic Sites: 32%
- National/State Parks: 29%
- Touring/Sightseeing: 25%
- Nightlife: 23%
- Movies: 14%
- Festival/ Fairs: 9%
- Sporting Events: 7%

Source: DK Shifflet

## International Cultural Visitors

### NYC Visitor Profile

- 87% traveled for leisure (15 % VFR)
- Average party size: **1.8 people**
- 48% traveled alone
- 12% traveled with children
- 28% traveled with spouse/partner
- 76% stayed at a hotel
- Average stay: **8.2 days**
- 18-34 years:** largest demographic (37%<30)
- Average age: **38**
- Average spend: **\$1,700 pp/trip**
- Average household income: **\$80,400** (with 8% earning \$200,000 and over)
- 72% used NYC as **port of entry** to the US
- Airlines** are the main information source (47%)
- 36% booked air tickets through Internet booking services (34% booked directly with Airlines)
- Average decision to travel: **119 days** prior to departure



### Origin Markets – Top 10

- |                |                |
|----------------|----------------|
| 1. UK          | 6. Australia   |
| 2. France      | 7. Brazil      |
| 3. Germany     | 8. Spain       |
| 4. China (PRC) | 9. South Korea |
| 5. Italy       | 10. Japan      |

### Activities

- Shopping: 90%
- Sightseeing: 90%
- Art Galleries/Museums: 74%
- National Parks/Monuments: 61%
- Historical Locations: 52%
- Concerts/Plays/Musicals: 40%
- Fine Dining: 38%
- Guided Tours: 36%
- Cultural/Ethnic Heritage Sites: 32%
- Sporting Events: 18%
- Nightclubbing/Dancing: 17%

Source: US Dept. of Commerce/NTTO



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My name is Tim Tompkins, and I am the President of the Times Square Alliance, the Business Improvement District that works to improve and promote the Times Square area. I am also a former Co-Chair of the New York City BID Association, where I learned of the importance – and potential – of neighborhood tourism in all five boroughs. First and foremost, I want to thank Chairs Vallone and Van Bramer and our Council Member Keith Powers for their tremendous leadership on this issue. That leadership is exemplified by their extraordinary Op-Ed in today's Crain's, which makes the case for the crucial and sustaining role tourism plays in our city's economy.

TIMES  
SQUARE  
ALLIANCE

In the last 20 years, the number of tourists visiting New York City has nearly doubled, from 33 million in 1998 to nearly 62.7 million in 2017. Accordingly, tourism-related jobs grew at a faster rate than many other industries, including healthcare and construction. The tourism boom has been a key component of New York City's growth, and if it follows its current trajectory, will continue to fuel our economy for years to come.

We know, as everyone does, of the key role that tourism plays in Times Square's economy. Every year, hundreds of thousands of visitors choose to stay in Times Square hotels, resulting in \$305 million in sales and hotel occupancy tax revenue annually. Tourists make up over two-thirds of attendees to Broadway shows, an industry that supports 89,000 local jobs. In total, annual direct spending on hotels, entertainment and retail in Times Square amounts to over \$6.2 billion.

What the Center for an Urban Future report highlights, however, is the huge role of tourism in the overall city economy, far beyond Midtown. The tourism industry accounts for over 291,000 jobs in New York City, exceeding other leading industries such as finance, technology and manufacturing. From 2009 to 2016, the tourism industry grew by 27%, which nearly matches the percent growth in the tech industry, adding over 60,000 jobs across New York City. By comparison, the financial services sector grew by only 6%, gaining 17,000 jobs. The majority of jobs in this sector are accessible for all New Yorkers, especially immigrants and individuals without college degrees (91% of tourism jobs are accessible to individuals without a college degree or fewer than five years of experience), and, most importantly, pay good wages—the median hotel worker makes over \$60k annually. Also tourism jobs touch every single neighborhood. We know that 60% of Times Square employees live in the four boroughs beyond Manhattan; by extension one can assume that tourism income is supporting jobs and families and driving the economy across the five boroughs.



Tourists also bolster the City's restaurant and retail sectors, which have struggled in recent years due to increasing rents and the rise of online shopping. In 2017, visitors to Times Square spent nearly \$1 billion in restaurants and retail stores, representing roughly half of all credit card spending in restaurants and retail in the neighborhood in the last year. However, what was largely not recognized until this report was that tourists also play a huge role in supporting local businesses outside Manhattan. For example, in 2017, visitors accounted for about 20% of retail and restaurant spending in Bedstuy, Clinton Hill and Prospect Heights in Brooklyn and Jackson Heights and Elmhurst in Queens.

While these statistics are promising, the City must continue to invest in tourism advocacy and research to gain a fuller understanding of the ways in which tourism touches the lives of New Yorkers across the city and bolsters the economy. There is still much we don't know about the ways in which tourism dollars make their way throughout New York's economy, or how the industry can help even more New Yorkers attain good jobs and fulfilling careers. Tourism jobs are frequently overlooked because they are in so many different industries—from human services and hospitality, to culture, retail and food service, to transportation (airports, tour buses, scenic transportation jobs)—and are therefore harder to track. Currently, EDC tracks jobs in accommodations and food service as the only jobs in the tourism sector and reports on airport passengers and Broadway revenue as the only economic indicators of the industry. If this hearing proves anything, it demonstrates that this industry encompasses much more than just those aspects. The Times Square Alliance strongly supports the Council's efforts to develop a tourism "dashboard" and think strategically about how New York City can support further growth within the tourism industry. In addition, tourism must always have an explicit emphasis in the city's economic development and job growth agenda, whether as part of the City's commendable and forward-looking efforts to create 100,000 well-paying jobs or its work to re-tool workforce development efforts so as to create more opportunities for those who have been out of the job market for too long.

As a member of NYC & Company, I know first-hand the great work Fred Dixon and his staff do to promote New York as the world-class destination it is. A growing global economy and an increase in those with discretionary travel income—especially in Asia and parts of the Americas—means an increase in potential tourism dollars; however, there will be competition for which country or city is able to attract those tourism dollars. NYC & Co needs the resources to expand their marketing work throughout the world to ensure that New York remains competitive as a premier destination, particularly for visitors from potential new markets.

The pool of potential tourism-driven tax receipts that could support tourism marketing and development is enormous, and has only grown. Last year alone NYC collected \$2 billion in tax revenue from hotels alone, \$1.1 billion of which were from hotel sales and occupancy taxes. Mind you, that does not include ANY other tourism-related tax revenue (like from Broadway, attractions, restaurants and retail). Yet, the total city allocation to NYC & Co was \$21 million dollars. Put another way, from 2000 to 2017, hotel occupancy taxes grew by 154%. During the last 10 years, those taxes grew by 74%, yet the City's contribution to NYC & Co decreased by 19%.

It is worth noting that among the top ten US destination cities, New York is the only one that does not dedicate a portion of tourism-driven tax dollars back into marketing efforts. For example, a dedicated portion of existing hotel taxes funds 63% of the DMO budget in Orlando, 78% in Las Vegas, and 85% in LA.



We are not proposing at this time that the City automatically take a portion of that \$1.1 billion in tax receipts and use it for tourism marketing and promotion. Even if every other major tourism destination in the country is doing it, it may not be right for New York. We must study anything like that very thoroughly. But what is clear is that even though this administration has been very supportive of NYC & Co, when one looks at the picture over decades, the City needs to do more.

The most common counter-argument is, of course: but look at how well we are doing!! Tourism has grown! It's booming!! It's now the fourth largest job creating industry in the city, exceeding finance and education! Our growth has outpaced every job creation category except education!! We don't need to invest in improving the tourism experience, in nurturing new destinations in all five boroughs, or in marketing ourselves abroad!!

Well, I remember another entity that rested on its laurels in a similar way. They were a company on top of the world, and they didn't take invest their profits in improving their user experience, or opening new markets, or promoting themselves. They were Blackberry. Meanwhile, another company strove relentlessly to improve the user experience, upgrade its offers, and yes, to market and promote and advertise itself relentlessly, even once they obtained market dominance. Well, I don't know about you, but I'd much prefer to follow, not the Blackberry model, but the Apple one.

Thank you.

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**Testimony of Jonathan Bowles  
Executive Director, Center for an Urban Future**

**Before the NYC Council Committee on Economic Development and Committee on Cultural  
Affairs, Libraries and International Intergroup Relations**

**The Economic Impact of the City's Tourism Infrastructure and Cultural Attractions**

**November 29, 2018**

Good afternoon.

My name is Jonathan Bowles. I am the executive director of the Center for an Urban Future, an independent think tank focused on expanding economic opportunity and growing the economy in New York City.

Thank you for the opportunity to testify today. And thank you for your leadership in shining a light on the need to better support New York's tourism industry.

In my 20 years at the Center, I've witnessed the city's incredible economic turnaround. During these past two decades, the city added nearly 1 million new jobs and became far more economically diverse.

Few things have been as important to this economic boom—or more overlooked—than the city's record increase in tourists.

Indeed, that's the conclusion of a report published earlier this year by my colleagues and I at the Center for an Urban Future in partnership with Times Square Alliance and the Association for a Better New York.

Twenty years ago, roughly 33 million tourists visited New York City. Last year, it was nearly 63 million.

Our research showed that this boom in tourism over the past two decades has spurred hundreds of thousands of jobs. It's also elevated tourism into one of the four key drivers of New York City's economy.

In fact, there are now 291,000 direct jobs in tourism in New York City, which is more than in finance (which has 268,200) and nearly twice as many jobs as in the city's tech sector (128,600).

We also found that tourism has played a pivotal role in the growth of so many other important sectors.

For instance:

- Tourists are responsible for 24 percent of all credit card sales at New York City restaurants and drinking places. That means that tourism was a big reason why the city added 142,000 jobs at “restaurants and drinking places” since 2000.
- Tourists account for 18 percent of all Visa transactions at retail stores in the city. They account for an even higher share of sales at the department stores (48 percent), electronic stores (35 percent), and sporting goods stores (23 percent).
  - Undoubtedly, tourism was key to the 71,000 jobs created in the retail sector since 2000.
  - In the past few years, tourists have also given local retailers a key source of revenue at a time when many brick-and-mortar storefronts are losing business to online purchases.
- The city’s museums and historical sites have added 4,500 jobs in the past 15 years—an 86 percent increase—and the growth in tourists has been a key factor. Tourists have been fueling the growth in attendance at cultural institutions. Tourists now comprise 73 percent of visitors to the Museum of Modern Art, 70 percent of visitors to the Whitney Museum of American Art, and 60 percent of the Metropolitan Museum of Art’s visitors.

Our report also found that tourism has become an increasingly vital source of middle-income jobs in New York. As one example, the city is now home to nearly as many accommodations jobs, which pay \$62,000 per year on average, as jobs in manufacturing, which pay an average of \$58,000. And while manufacturing has been losing jobs, the city has added more than 12,000 hotel jobs since 2000.

No other sector offers as many accessible jobs—with 91 percent of the jobs in industries fueled by tourism open to workers with less than a bachelor’s degree.

Tourism is also boosting the economy of all five boroughs. There are now roughly 900 more hotel jobs in Queens today than in the year 2000, an increase of 37 percent. In Brooklyn, hotel jobs have increased by 198 percent, or by 1,300 positions.

Tourists are also visiting neighborhoods across the five boroughs, benefiting local businesses and cultural groups. For instance, tourists now account for 14 percent of Visa purchases at restaurants in Prospect Heights and Cobble Hill. In Jackson Heights and Elmhurst, tourists are responsible for 12 percent of all credit card spending in electronics stores and 10 percent of spending in discount stores.

But as important as tourism has become to the city’s economy, New York’s tourism sector faces several challenges that, if not addressed, could cause tourism to slip and jobs to decline.

Some of the challenges are behind the city’s control, like the strengthening dollar and the worsening image of our country across the world.

But many other problems could be addressed locally.

Our report goes in great detail about these challenges. To quickly summarize, I think the challenges generally come down to these two things:

- 1) New York has never adequately planned for a city with 60 million tourists a year, or made sufficient investments in its tourism infrastructure to sustain this many annual visitors.
- 2) Tourism has never been a meaningful part of the city's economic development strategy.

New York City is fortunate to have what is arguably the world's most sophisticated tourism promotion agency, NYC & Company. Its work has contributed immensely to the increase in tourism over the past two decades. But many of the challenges facing the tourism sector go well beyond tourism promotion. They require help and support from a range of other city agencies, mostly the city's economic development agency.

That's why I urge you to support Intro 1276, a bill which would establish a dashboard for the city's tourism economy. Given the increasing importance of tourism to the city's economy, NYCEDC should develop a top-level tourism dashboard similar to how it produces economic research about other leading industries like healthcare, life sciences and finance. The tourism portal would support better planning by presenting up-to-date data on job trends across tourism-related industries.

The de Blasio administration should also create a long-term tourism plan. Adding 30 million tourists over the past two decades leads to a host of specific and addressable challenges: Where to park the tour buses that flood the neighborhoods near Times Square? How to better handle street and sidewalk congestion in tourist-heavy neighborhoods? How to ensure that the boroughs outside Manhattan are prepared to share in the benefits of increased visitation?

New York City should develop a long-term strategic plan that is attuned to the unique challenges of sustaining more than 60 million tourists per year.

Lastly, the city should work with the Port Authority and MTA to improve the experience for visitors at the airports – as well as visitors connecting from airports to the subways. In particular, they should work to make the connection more welcoming at the Jamaica subway station. The AirTrain station at Jamaica is the portal to New York City for millions of tourists, but while the connection from the AirTrain to LIRR at Jamaica is clear and pleasant, the path to the E train at that station is not nearly what it should be for such a major tourist gateway. The subway station itself is uninviting and almost completely lacking in signage that would make tourists feel welcome and help them navigate their journey to Manhattan, Long Island City, or wherever else they are heading in the city.

Thank you for the chance to testify today, and for bringing this important issue to light.

# AMERICAN MUSEUM OF NATURAL HISTORY

## **Testimony: Impact of the American Museum of Natural History on New York City's Economy**

### *New York City Council Committee on Cultural Affairs, Libraries and International Intergroup Relations*

Thursday, November 29, 2018

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Good afternoon Chairman Van Bramer and members of the Committee on Cultural Affairs, Libraries and International Intergroup Relations, my name is Melissa Diaz. I'm Director of Government Affairs at the American Museum of Natural History. Thank you for the opportunity to testify before you today about the Museum's economic impact on the City of New York. Since the Museum's founding, we could not have accomplished as much as we have in programming, capital projects, and Museum operations were it not for the strong support we have always received from the City government. I'd like to take a moment to first thank this Committee for its ongoing support over the years.

Many of you already know the Museum, but I'd like to offer a brief overview as a context for my comments today. The American Museum of Natural History and the City of New York have always shared a long and lasting partnership since our founding in 1869, nearly 150 years ago. Over the years, the City has remained integral in the growth of the institution, which has evolved into a 25-building complex of over 1.6 million square feet. Our scientific staff of more than 200 people is engaged in cutting-edge research and the training of graduate and postgraduate students. Their research fuels and informs our exhibits, our educational work with students from pre-K through college, our professional development programs, and our on-site public programming.

The Museum is a member of the Cultural Institutions Group (CIG), which is a diverse coalition of 33 non-profit organizations representing museums, performing arts centers, historical societies, zoos and gardens – big and small, in all five boroughs – that operate and serve as stewards of City-owned facilities and parkland. The Museum itself is a cultural anchor for New York City that generates \$1.32 billion per year in economic activity. We employ more than 1,300 people – over 1,000 of whom are New York City residents, and one in three of our employees are union members. The Museum attracts one of the nation's largest and most diverse audiences – welcoming over five million onsite visitors annually, including, in the last fiscal year, approximately 500,000 school children and chaperones who visited in a school or camp group. Our institution also contributes to the City economy and the tax base. Every tax dollar the Museum receives in City support is worth a \$27 economic impact.

The economic activity generated by the Museum not only contributes to the City's tax base, we also cause a ripple effect that supports local businesses like print shops, mailing houses, caterers, and contractors. In FY18, we spent over \$64 million on contractual services with over 1,100 New York City-based vendors from all five boroughs. And this doesn't take into account the impact we have on restaurants, shops and neighboring businesses – both Museum employees and visitors purchase goods within the neighborhood.

In addition to our straightforward financial impact, the Museum's educational impact is felt worldwide. We are preparing teachers throughout the City to have the skills necessary to develop New York's next generation of scientists and technologists – through our programs like Urban Advantage, which exists because of a public-private partnership involving the New York City Department of Education and eight of the City's leading science institutions, including the New York Hall of Science, the Bronx Zoo, the



New York Aquarium, the New York Botanical Garden, the Brooklyn Botanic Garden, the Queens Botanical Garden, and the Staten Island Zoo. This partnership has facilitated the creation and growth of a model science education program that connects New York City public schools, science teachers, school administrators, elementary and middle school students, and their families with opportunities to engage in authentic science experiences. These experiences contribute to college and career readiness, helping New York City middle school students engage in self-driven STEM learning, while ultimately developing their scientific skills to prepare them for the careers of the future. City support sustains high quality professional development for teachers, administrators, and parent coordinators; provides students and teachers with needed resources such as materials and equipment for the classroom; and engages parents and guardians of Urban Advantage students with familial activities at the partner institutions, involving them in their child's science learning.

Currently, the Urban Advantage program is serving 915 teachers and more than 93,000 students in 294 middle schools across the City. At a time when the state of science education – both locally and nationally – is of deep concern, we are incredibly proud of Urban Advantage's success and its growing role to develop the next generation of scientists and science-literate citizens.

In addition, the Museum's Richard Gilder Graduate School is home to the only Ph.D. program of any museum in the Western Hemisphere, and to our Master of Arts in Teaching (MAT) earth science program. Both programs are authorized by the Regents. MAT graduates commit to work for at least four years in under-served New York schools, filling a citywide need for qualified science teachers. Currently, the Museum's MAT program is responsible for producing one-third of all newly certified earth science teachers in the State of New York.

And this year, we've started work on the Richard Gilder Center for Science, Education, and Innovation, which is the Museum's first new addition in over a decade. The Gilder Center will invite visitors to experience the Museum not only as a place of public exhibitions, but as an active scientific and educational institution. The Gilder Center will include new exhibition and learning spaces with state-of-the-art technology and access to the Museum's world-class collections. It will also expand access to a broader range of the Museum's resources for students, teachers, and families, offering new learning opportunities and opening more of the Museum to our millions of visitors.

The construction and operation of the Gilder Center will have significant positive short- and long-term economic impacts on New York City. The new building expansion is estimated to generate, through operations, ancillary museum-motivated visitor spending, and construction, a total economic impact of \$704 million for the City. Over the construction period, the expansion will generate over 500 full-time equivalent jobs each year, and will contribute an estimated \$30.1 million in tax revenues for New York City.

By collaborating and utilizing all the assets of the City we can remain committed to our founding principles through public works. On behalf of all of us at the American Museum of Natural History, I'd like to thank you for this opportunity to testify. We thank you for leadership, and I now welcome your questions on this topic.

###

Good afternoon. My name is Charlotte St. Martin and I am President of The Broadway League. The organization was founded in 1930 as The League of New York Theatres and Producers to advance the common interests of the theatre industry including combatting ticket speculation and scalping and developing a multi employer bargaining group with the unions. Today, we are the principal trade association of the national commercial theatre industry and represent over 700 theatre owners, operators, producers, presenters, general managers across North America and around the world. We are grateful to Chairman Vallone, Chairman Van Bramer and the other distinguished members of the Economic Development Committee and Cultural Affairs Committee for giving us the opportunity to address the Council on the fiscal impact of the theatre industry. I would also like to recognize Councilmember Powers who, along with Speaker Johnson, shares representation of the Times Square area.

No assembly of theatres anywhere in the world is as well recognized and well regarded as the Broadway district. In addition to its unique cultural significance and contribution, Broadway is a massive economic and tourism driver that brings an average 37,000 theatre patrons to Times Square most days and 80,000 theatre goers on Saturdays and Wednesdays!

Each year, we host millions of travelers from all over the globe who come to attend a live show and, in turn, spend money in our city. Of the 13.8 million Broadway tickets sold in the theatre season ending May 2018, 8.6 million were purchased by theatregoers residing outside New York City (including 2 million international visitors). To be included in this impact, the visitor had to indicate that Broadway was either their most important reason for visiting NYC or that it was a very important reason for visiting.

Broadway's cumulative fiscal impact on New York City was almost \$13 billion last year; \$9.8 billion derived from audience spending (excluding the cost of their theatre tickets), over \$2.8 billion from show investments and approximately \$45.7 million from theatre capital improvements and operating expenses. Collectively, Broadway directly employed 12,600 individuals, most of who are unionized. They include actors, directors, ushers, electricians, stagehands, musicians and many more. Spending by Broadway patrons supported an additional 74,500 jobs in area restaurants, hotels, shops and livery services.

In addition, Broadway tours often employ performers, technicians and others who reside or work in New York and many road production costs are incurred in the state. When you include the full economic impact of these productions, Touring Broadway's economic impact on the New York City area is almost \$400 million.

Broadway has a long history of partnering with the City. The Council is a generous sponsor of our Family First Nights program which provides a series of unique theatrical events to underserved families. Your support on our new Broadway Bridges program which is endeavoring to ensure that every NYC public high school student attends a Broadway show before graduation which when fully implemented will mean 70,000 kids annually is most important. This year we will send over 25,000 kids to Broadway and we so appreciate the support of the DOE in these efforts. The League sponsors Broadway Week, administered by NYC & Co, which is a semiannual event that encourages theatre attendance by offering 2-for-1 tickets to many of our most popular shows. We also work closely with the Mayor's Office of Media and Entertainment and recently partnered to promote Broadway related PSAs on Taxi TV.

Despite several high-profile successes, a surprising four out of five Broadway shows fail to recoup their capitalization and close within a year. Broadway productions are incredibly risky and expensive projects that are primarily supported by groups of individual investors who put their own money at stake. Despite the reported strong attendance and grosses, Broadway the numbers don't change with regard to profitability. Rising production costs and audience expectations, attracting investment is an extraordinary challenge. Going forward, we encourage the Council to support legislation that removes economic barriers to meeting operating expenses, recovering capital and advertising productions. This would include Intro 1107 of 2017, which exempts rent on outdoor theatrical advertising from commercial rent tax for one year. We would also encourage continuing policies that promote access to the Times Square area and alleviate obstacles and disincentives to visiting midtown. This includes improved oversight of the many street activities and fairs that lead to massive vehicle and pedestrian congestion.

Again, I thank you for this opportunity to address the committees and appreciate the Council's ongoing support, collaboration and recognition of the reciprocal benefit of supporting an industry critical to the City's economy and to maintaining its status as the world's cultural epicenter. I am available to answer any questions you may have.



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Incorporated in 1878, the Hotel Association of New York City (HANYC) is the nation's oldest hotel trade association and represents an overwhelming majority of hotels in NYC serving as the voice of the hotel industry while supporting a diverse group of owners, operators and employees in some of the finest establishments in the world. HANYC is delighted to be a part of this new initiative of the City Council and looks forward to participating and contributing to the development of a sound and expanded tourism policy that results in an even stronger and vibrant tourism sector.

New York City is the US's third largest market for hotels with nearly 600 hotels and 115,000 rooms. HANYC's members amount to 70% of those rooms. Last year New York City's hotels rented nearly 38 million room nights while bringing in several billion dollars in revenue to NYC.

The industry is a significant contributor to the City's economy, both economically and socially. Total taxes including real property, sales and occupancy from the hotel industry for 2017-18 is expected to amount to over \$2bn. That is nearly double the number from ten years ago. Unlike many other industries which underwent significant layoffs in the aftermath of the Great Recession, the hotel industry had almost no layoffs. In fact, the period between 2008 and now has seen the number of jobs in the hotel industry increase by nearly 30% to a total of 55,000 jobs. However, the industry's room rates are still below that of the period immediately preceding the financial crisis while its operating costs have increased dramatically and real property taxes have nearly doubled.

HANYC has worked with the Mayor's office to partner with the NYC Center for Youth Employment. This initiative seeks to enable summer-long internships for high-achieving NYC high school or college students which HANYC has made available to the hundreds of employers who are HANYC's members.

The hotel industry has a close symbiotic relationship with many of the key players in the tourism marketplace including Broadway, the wider theater industry, retail and virtually all attractions. Guests at our hotels spend billions of dollars on products and services offered by our tourism cohorts. According to the Broadway League, Domestic Broadway Tourists (those who come to NYC explicitly to attend a Broadway performance) spent an average of 2.8 days in hotels in the City while International tourists spent 6.2 days.

HANYC has been a lead sponsor of a tech-incubator Voyager HQ for the past two year. This event held every year in NYC has led to highly innovative tech solutions for the hospitality industry both from established companies like Amadeus and American Airlines as well as new frontier tech start-ups using Blockchain technology to power their offerings.

We look forward to continuing and expanding program such as the NYC Youth employment partnership, the tourism tech-incubator and other public-private sector partnerships that foster economic growth and job opportunities in New York City





**TESTIMONY FROM THE ASSOCIATION FOR A BETTER NEW YORK BEFORE CITY COUNCIL COMMITTEES ON ECONOMIC DEVELOPMENT AND CULTURAL AFFAIRS, LIBRARIES AND INTERNATIONAL INTERGROUP RELATIONS**

November 29, 2018

Good afternoon. Thank you for the opportunity to testify on behalf of the Association for a Better New York (ABNY), a 47-year old civic organization that promotes the effective cooperation of public and private sectors to improve the quality of life for all New Yorkers. We appreciate the opportunity to discuss the economic impact of the City's tourism infrastructure and cultural attractions.

Earlier this year, the Center for an Urban Future released a report sponsored by the Times Square Alliance and ABNY called *Destination New York*, which studied the impact of New York City's tourism industry on our economy. ABNY's interest in the study was in response to the continual record breaking tourism numbers year after year for the past two decades. And although we all recognize and laud the benefits of both recreational tourism and business tourism to our city's tax revenues and the economic viability of our world renowned cultural attractions, restaurants, retail, and hotels, we wanted to better understand the increasing demands on our common real estate, infrastructure and public realm.

Importantly, the report's finding highlighted a few key concepts:

- The tourism industry is a bigger part of the economy than previously thought – With nearly 300k jobs in tourism and hospitality, it is one of the largest industries in New York City with employees coming from all 5 boroughs with a variety of income and educational levels.
- The growth of tourism not only supports traditional tourism institutions like Broadway Theaters and museums, the critical mass of tourism spurs the growth of related sectors, including travel tech and transportation, and it is increasingly supporting non-Manhattan-core neighborhood small businesses, retail and restaurants in all 5 boroughs.
- The tourism sector is a vital source of both well-paying and accessible job, offering a growth sector for middle class employment with the opportunities to advance, when many other industries in NYC are on the decline.

However, despite the benefits that come with this unprecedented level of success, the report also outlines some of the challenges of this growth. The report also highlights the need for the City to undertake initiatives that acknowledge the increasing significance of this sector, including:

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- The need to strategically plan for the growth of this sector. Tourists and visitors strain our infrastructure and public realm in a time when residential growth and employment growth are also at record highs. The City should develop multidimensional plans and strategies for the impacts of this sector with the same comprehensive approach that it takes to housing/affordable housing and economic development.
- The need for tourism to be better integrated into existing city efforts, including agency initiatives, and city and infrastructure planning.
- Increasing the priority of improving the tourism experience, from wayfinding to airports to translation services, there are ways to improve the accessibility of the city, sometimes with minor thoughtful adaptations to existing services.

ABNY congratulates the work of the City and State for welcoming more visitors to our great city. From domestic and international marketing campaigns to improving public safety and investing in our parks and cultural institutions, the full suite of initiatives that make a better city also make New York a better place to visit.

And while we enjoy the benefits of the growth in this sector, we also look forward to any opportunities of working with the Council and the Administration in pursuing any recommendations outlined in the report.

Thank you all again for your time.



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**Testimony of Rob MacKay, Director of Marketing, Public Relations & Tourism, Queens Economic Development Corporation, for the City Council’s Committee on Economic Development, Committee on Cultural Affairs, Libraries and International Intergroup Relations, and Committee on Economic Development, Thursday, Nov. 29, 2018.**

My name is Rob MacKay, and I am the Director of Marketing, Public Relations & Tourism for the Queens Economic Development Corporation. QEDC was founded in 1977 with the general mission to create and retain jobs that assist small businesses, encourage entrepreneurship, and promote tourism. In terms of the latter, QEDC has upped its game considerably over the last five years because tourism is big business in NYC — and especially in Queens.

QEDC founded the Queens Tourism Council six years ago specifically to promote our hotels, cultural venues, parks, restaurants, and sports arenas. The impact was almost immediate. In 2015, Lonely Planet selected Queens as the country’s best destination to visit. The honor put us on the map for visitors — local, national, and international — seeking an authentic New York City experience.

QTC is our vehicle to network the venues and implement programs. Since 2012, that programming includes information dissemination through the It’s In Queens website, regular eblasts, social networking, and event planning (i.e. Queens Taste). In 2017, we received a Market New York grant through the NYS Empire State Development Corporation. This allowed us to launch the “I Love the World’s Borough” campaign that highlights: Diversity, Culture, Sports, and Food. Components of this program have so far included the “Great Day in Queens” photograph promoting diversity; an Information Kiosk at the USTA promoting sports; distribution of “Queens in York Pocket” guidebooks promoting neighborhood attractions and food; and in the near future, marketing the Queens World Film Festival. In addition we meet regularly with QTC members and promote their events.

The impact is substantial, noted in increased revenues throughout the borough. Plus, QTC is the go-to referral agency for all things related to tourism. To this end I have shepherded a few dozen journalists from all over the world around Queens. As we are known as a foodie destination with the most authentic cuisine, I have also helped journalists eat their way through some of our neighborhoods.

Through our efforts there has been a surge of interest in Queens, as evidenced by articles in major publications, new media coverage, and TV shows based in the borough. This has spurred a reawakening of new and off beat tourist destinations. Neighborhoods such as Long Island City, Flushing, Jamaica, and the Rockaways have seen major investment. Internationally known cultural attractions include MoMA PS 1, Museum of the Moving Image, Queens Museum, and the Louis Armstrong House Museum. Citi Field and the USTA are world class sports venues. Resorts World Casino New York City, an entertainment and gaming complex, has brought in thousands of visitors and created more than 1,300 jobs. We estimate that more than 7 million visitors spend more than \$3 billion in Queens each year. The travel sector supports 16 percent of the jobs in the borough. There are currently more than 100 hotels in Queens with more planned.

Queens also has both NYC airports. More than 75 million passengers pass through JFK and LaGuardia each year. That is the population of several states. Clearly many are going on to other travel and business or pleasure trips in the metropolitan area. But even in transit, they contribute to the local economy by expanding market exposure, commerce, job creation, and most importantly, revenue in the form of salaries and taxes.

As mentioned, our Empire State Development Corporation grant is significant. Other small funding sources are from the Queens Borough President's Office, the New York City Council Speaker and through a small grant from the NYC & Company Foundation. With more than 2.3 million inhabitants, Queens is a major city in its own right. As such it deserves additional funding for programs that support tourism — a vital sector of the economy.



**Testimony by Jesse Laymon,  
Policy Director of the New York City Employment and Training Coalition (NYCETC)**

**At the Special Joint Hearing on Tourism in New York City  
with Councilmembers Powers, Vallone, and Van Bramer**

**November 29, 2018**

Good afternoon and thank you for giving members of the public and the economic and workforce development communities the opportunity to testify on the opportunities associated with New York's historically large and growing tourism and entertainment sector.

My name is Jesse Laymon, Policy Director for the New York City Employment and Training Coalition (NYCETC). The New York City Employment & Training Coalition (NYCETC) supports the workforce development community to ensure that every New Yorker has access to the skills, training, and education needed to thrive in the local economy, and that every business is able to maintain a highly skilled workforce. With over 150 members, NYCETC works with community-based organizations, educational institutions and labor management organizations engaged in New York City workforce development, to improve policy, practices, and outcomes to achieve economic inclusion for the city's workers, job-seekers and employers.

Today we would like to lend our support to the findings of the Center for an Urban Future (CUF), especially the recommendations included in [the second section of recommendations] their report that pertain to preparing and linking more New Yorkers to career opportunities in the tourism sector.

The report from CUF (which is one of our 150+ member organizations) makes it clear that New York has been the beneficiary of extraordinary growth in businesses that cater to the 60+ million travellers who visit our city each year, but also that the City government has done too little to harness this growth to maximize the value for unemployed and underemployed New Yorkers, and for entrepreneurs from marginalized communities. The sector's growth has been too concentrated in a few highly-trafficked tourist districts (all located in Manhattan), and the resulting job growth has also been more narrow that we should strive for.

In fact, the growth of the city's tourist economy is in this way analogous to the 21st-Century growth of other sectors of the economy (tech, media, etc) in New York - a driver of enormous wealth creation, an expanded tax base, and major new opportunities, but also of rising costs and too little sharing of the good fortune.

With that in mind, we at the NYC Employment and Training Coalition would encourage the Council to move ahead with the recommendations in the second section of the CUF report, focusing new resources on job training programs that link marginalized communities to good jobs in the growing tourism sector and related parts of the economy (such as entertainment, high-end retail, etc). Programs that focus on serving clients who

would not otherwise be on track for good middle-class jobs (such as English-language learners, out-of-school youth, people with disabilities and people with justice involvement, etc) should be an especially high priority.

We also agree with the specific recommendation from CUF to transform one of the (failed and/or unrealized) Industry Partnerships that currently reside at the Department of Small Business Services into a Tourism Partnership aimed at linking employers in this sector to the local CBO-housed job training programs that could fill their open positions. We do not think this new Partnership would necessarily need to be housed at SBS, as that has not led to success for the existing Industry Partnerships.

I know that you and your fellow City Council Members support the work of the workforce development community broadly, and of the Employment and Training Coalition, and I want to thank you for your continued commitment to working with us to maximize equity in our local economy and career opportunities for those traditionally disconnected from them.

Thank you for your time and consideration of these matters. We at the Employment and Training Coalition would be happy to answer any questions from the Council to the best of our ability.



The  
**Brooklyn**  
Alliance

**BROOKLYN**  
ALLIANCE  
**CAPITAL**

November 20, 2018

**Written testimony respectfully submitted to the New York City Council on behalf of Hector Batista, President and CEO of the Brooklyn Chamber of Commerce, regarding The Economic Impact of the City's Tourism Infrastructure and Cultural Attractions**

The Brooklyn Chamber of Commerce is the borough's leading voice for Brooklyn's business community. We promote economic development across the borough of Brooklyn and advocate on behalf of our member businesses. The Brooklyn Alliance is the not-for-profit economic development affiliate of the Brooklyn Chamber, which includes the Business Solutions Center in the borough that we manage. Brooklyn Alliance Capital is the third affiliate of the Brooklyn Chamber and provides micro loans to immigrant and minority-owned small businesses.

Explore Brooklyn is the tourism and hospitality arm of the Brooklyn Chamber with a dedicated tourism website for Brooklyn dining, events, shopping, attractions, and more. It was created to foster economic growth by spreading the word to tourists and businesses alike that Brooklyn is the place to be. This year, we created the Explore Brooklyn 100 Adventures Passport, a digital guide that provides 100 of the best things to see and do around Brooklyn. We also redesigned the Explore Brooklyn website to highlight our vibrant and diverse neighborhoods. Explore's website and social media platforms are resources that drive visitors and locals to take advantage of the rich events and exciting businesses that we have here.

Tourists from around the world see Brooklyn as a destination for its cultural institutions, cuisine, sights, and unique neighborhoods. In 2016, Brooklyn's rate of growth (4.6%) outpaced the city's by two times, and three times that of the state. In 2017, a record 62.8 million people visited NYC (CUF Destination New York, 2018). This tourism boom has greatly impacted Brooklyn's development across the borough and is a major economic driver for the borough as a leading job creator.

The tourism and entertainment industry makes up the third largest industry in Brooklyn with over 53,900 jobs, which account for 9.2% of the private sector jobs in Brooklyn. From 2015-16, this industry saw a 4.2% increase in job growth (U.S. Bureau of Labor Statistics and LEG). Tourism and entertainment are thriving in the borough with very strong wage growth and the second largest real wage increase in Brooklyn. Since 2012, these wages have increased by 11.9% (NYC Dept. of Labor). Visitors to Brooklyn have also driven growth in the hospitality sector. There are currently over 50 hotels (4,700+ rooms) in Brooklyn (a 198% increase since 2000, according to CUF Destination New York, 2018) and more than 23 new hotels are projected to open by the end of 2018.

Tourists stimulate the local economy throughout the borough, which has more than 350 arts organizations, including the Brooklyn Museum (Crown Heights), BAM (Fort Greene), Kings Theatre (Flatbush) and cultural institutions, such as the Brooklyn Children's Museum (Crown Heights), and the iconic entertainment district of Coney Island. Independent Brooklyn-Made products, sold throughout the borough, are desirable souvenirs that benefit from the huge increase in visitors we have seen in recent years.

Brooklyn has become a global destination where visitors explore the vast borough and discover its vibrant arts and culture, fine dining, authentic style, and beautiful sights. The tourism sector drives Brooklyn's economic development and will continue to do so. We support efforts to sustain and grow our tourism infrastructure through investment in promotional marketing focused on our inimitable and exciting neighborhoods and by funding improvements to our transit infrastructure, including intra-borough transit such as the BQX. We look forward to engaging with our partners in government and the community to continue to build the Brooklyn brand, increase tourism, and foster the health and growth of all of our businesses and workers.

**WRITTEN TESTIMONY OF ANTHONY RAMIREZ II**

**NEW YORK CITY COUNCIL COMMITTEE ON ECONOMIC DEVELOPMENT,  
COMMITTEE ON CULTURAL AFFAIRS, LIBRARIES AND INTERNATIONAL  
INTERGROUP RELATIONS  
OFF-SITE HEARING ON OVERSIGHT- THE ECONOMIC IMPACT OF THE CITY'S  
TOURISM INFRASTRUCTURE AND CULTURAL ATTRACTIONS  
INT 1276-2018**

**NOVEMBER 30, 2018**

My name is Anthony Ramirez II and I am the CEO of *Mainland Media*, a media influence company dedicated to improving the image of The Bronx and showing the world that The Bronx is as rich with culture and history as any other city. Three companies fall under the *Mainland Media* umbrella (1) *From The Bronx Design* – a Bronx-themed online retail store (2) *The Bronx Beer Hall* – a craft beer destination in The Bronx and (3) *Taste of The Bronx* – a Bronx-business focused subscription box. I am also a member of *NYC & Company*'s Board of Directors.

*Mainland Media* commends the City Council for taking the time to focus on NYC's tourism industry and for exploring ways to support NYC tourism and improve the NYC experience for visitors. Tourism has a tremendous impact on NYC's economy and spans several different industries including retail, food, hospitality and culture. It helps promote an understanding of New York's culture, arts, history, cuisine and people. As a life-long Bronx resident and a bar owner, I have seen the positive impact tourism has had on our borough, specifically the impact it has had on Bronx Little Italy and its businesses.

That being said, NYC itself isn't always the friendliest to visitors and there are some recommendations/immediate steps the City can take to improve the tourism industry. Many of these steps have been outlined in *The Center for an Urban Future*'s study "Destination New York: Understanding the Value of NYC's Tourism Industry" and would directly affect businesses such as my own outside of Manhattan.



## **Make Tourism a Larger Part of the City's Economic Development Agenda**

- NYC should expand efforts to help small businesses market themselves. Nothing screams “authentic New York” like its small businesses and small business owners. Unfortunately, small businesses are exactly that – SMALL – and usually don't have the time or resources to put towards marketing and promotion. Connecting small businesses to tourism industry partners would help these businesses grow while introducing visitors to unique and authentic New York experiences.
- Increase NYC & Company funding to highlight attractions and businesses outside of Manhattan. Let's face it, Manhattan is kind of boring. There's so much to do outside of Manhattan and tourists (especially repeat visitors) are increasingly willing to explore, within reason. They also want to feel safe and welcome in the neighborhoods they visit. That sense of security will only come with increased exposure to the people and places in the outer boroughs.

## **Build and Expand the Tourism Jobs Pipeline**

- I fully support the creation of a tourism industry partnership at *NYC Small Business Services (SBS)*. We currently work with a *Workforce1 Career Center* in The Bronx to fill positions at *The Bronx Beer Hall*. Unfortunately, it sometimes proves difficult to find qualified candidates who can work as both hosts, bartenders, servers AND Bronx ambassadors. A partnership with SBS would help identify candidates ready to work with tourists. It could also help make connections with other like-minded businesses in the area.

## **Improve the Tourist Experience and Better Welcome Visitors to NYC**

- Two words: more signage. It's easy(er) for visitors to get to Manhattan from NYC airports than any other borough. Except for Queens, because they land there. Signage with instructions on traveling to each borough in multiple languages would go a long way to help visitors navigate their way around NYC.
- Address quality of life issues in all areas of NYC, tourist destinations included. This includes things like cleanliness and maintenance of public spaces to homelessness and pan handling.

## **Invest in the Infrastructure Required to Sustain a Healthy Tourism Economy**

- Public transportation is still the easiest and best way to get around NYC. Upgrades and changes need to be made to the MTA system. These changes include everything from system upgrades and multilingual signage both on the streets and online that would help visitors navigate NYC and plan their trip.

The full study outlines the value of NYC's tourism industry and includes many more viable recommendations. Recognizing the impact tourism has on NYC and embracing the tourism industry will not only empower and benefit our City, but its residents and businesses as well.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Anthony Ramirez II". The signature is fluid and cursive, with a large initial "A" and "R".

Anthony Ramirez II

CEO, Mainland Media

T: (646) 295-3487

E: [aramirez@mainlandmedia.net](mailto:aramirez@mainlandmedia.net)

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. \_\_\_\_\_ Res. No. \_\_\_\_\_

in favor  in opposition

Date: 11/29/2018

(PLEASE PRINT)

Name: Morgan Peariman

Address: \_\_\_\_\_

I represent: Association for a Better New York

Address: 115 Broadway / New York, NY 10004

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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in favor  in opposition

Date: 11/29/18

(PLEASE PRINT)

Name: Alexandra Silvermith

Address: 41 Eastern Parkway Brooklyn, NY 11238

I represent: Alliance for Green Island

Address: 1323 Surf Avenue Brooklyn, NY 11224

**THE COUNCIL  
THE CITY OF NEW YORK**

Appearance Card

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in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Pranita Raghavan

Address: 31 Chambers St

I represent: NYC Dept of Cultural Affairs

Address: 1c

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THE CITY OF NEW YORK**

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Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Aileen Fuchs

Address: 1000 Richmond Terrace, Staten Island NY

I represent: SNUG Harbor Cultural Center & Botanical

Address: 10701 Garden

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 in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Rob Mackay

Address: 120-55 Queens Blvd - Kew Gardens, NY 11424

I represent: Queens Economic Development Corporation

Address: the same as above

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 in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Matthew Kinetinetz

Address: \_\_\_\_\_

I represent: WICEAC

Address: \_\_\_\_\_

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**THE COUNCIL  
THE CITY OF NEW YORK**

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in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: CHARLOTTE ST. MARTIN

Address: 1025 5TH AVE

I represent: THE BROADWAY LEAGUE

Address: 729 7TH AVE

**THE COUNCIL  
THE CITY OF NEW YORK**

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in favor  in opposition

Date: 11/29/2013

(PLEASE PRINT)

Name: Melissa Diaz

Address: American Museum of Natural History

I represent: The American Museum of Natural History

Address: Central Park West and 79th Street

**THE COUNCIL  
THE CITY OF NEW YORK**

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in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: JONATHAN BOWLES

Address: \_\_\_\_\_

I represent: Center for an Urban Future

Address: \_\_\_\_\_

**THE COUNCIL  
THE CITY OF NEW YORK**

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in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: DR. DONNA KEREN

Address: NYC & COMPANY 810 7<sup>th</sup> Av. NYC 10019

I represent: \_\_\_\_\_

Home Address: 3 Hanover Sq. NYC 10004

Please complete this card and return to the Sergeant-at-Arms

**THE COUNCIL  
THE CITY OF NEW YORK**

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in favor  in opposition

Date: 11/29/18

(PLEASE PRINT)

Name: Fred Dixon

Address: 310 Seventh Ave NYC 10019

I represent: NYC & Company

Address: 310 Seventh Ave

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**THE COUNCIL  
THE CITY OF NEW YORK**

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 in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: Tim Tampkins

Address: 1500 Broadway - Suite 1001

I represent: Times Square Alliance

Address: \_\_\_\_\_

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THE CITY OF NEW YORK**

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 in favor  in opposition

Date: \_\_\_\_\_

(PLEASE PRINT)

Name: VIJAY SANDAPANI

Address: 34 EAST 51<sup>ST</sup> #8<sup>TH</sup> FL

I represent: HOTEL ASSOCIATION

Address: \_\_\_\_\_

Please complete this card and return to the Sergeant-at-Arms