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COMMITTEE ON ECONOMIC DEVELOPMENT

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CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON ECONOMIC DEVELOPMENT

October 23, 2019
Start: 10:18 a.m.
Recess: 11:40 a.m.

HELD AT: 250 Broadway-Committee Rm, 16th Fl.

B E F O R E: Paul A. Vallone
Chairperson

COUNCIL MEMBERS:

INEZ D. BARRON
ROBERT E. CORNEGY, JR.
MARK GJONAJ
PETER A. KOO
BRAD S. LANDER
FARAH N. LOUIS
CARLOS MENCHACA
KEITH POWERS

COMMITTEE ON ECONOMIC DEVELOPMENT

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A P P E A R A N C E S (CONTINUED)

Fred Dixon
President and CEO of New York and Company

Sabrina Lippman
Vice President, Asset Management at the New York
City Economic Development Corporation, EDC

Tom Ferrugia
Director of Governmental Affairs for the Broadway
League

Samara Karasyk
Chief Policy Officer at the Brooklyn Chamber of
Commerce

Charles Shaviro
Data Researcher at the Center for an Urban Future

Tim Tompkins
President of Times Square Alliance

Alexandra Silversmith
Executive Director at the Alliance for Coney
Island

Charles Nolen
General Manager of Big Bus Tours of New York

[gavel]

CHAIRPERSON VALLONE: Alright, good

morning everyone, looks like we're in class again. I

appreciate everyone switching over to the 16th floor.

My name is Paul Vallone, proud to be Chair of this

committee so welcome this morning. We're going to

start... we're going to start our hearing and today

we're going to focus on... today is really an extension

of what we spoke about, about a year ago and, and I

wanted to thank everyone for being such great

partners on having our first hearing on tourism where

we went off site to the TWA's new lounge in One World

Trade, that was exciting and I, I always like to see

the different aspects of the industry and by moving

the committee to do that we were able to have a

different experience and were able to bring the

Council Members into the heart of some of these

issues we're going to talk about today and as

promised we're going to hold annual hearings

specifically on the tourism industry and give a

chance for our partners at New York and Company with

Fred Dixon to give us the... like an annual report of

where we are today in comparison to years past and

what our vision is for the future and how we can

assist and make that process for all related partners of the tourism, tourism industry better and that's what today's hearing is about. And what the bill is about, is about creating an office which can help coordinate that interagency coordination between any city agency that impacts the tourism industry. It's really one of the number one concerns that's been brought to us so whether you're dealing with a new bike lane or a pedestrian plaza or a DOT project or a building permit that hasn't been issued or runaway construction project that's taking out two lanes on 42nd Street or Astoria Boulevard that now traffic can't get past or any project even from Verizon or Con Edison that somehow impacts the industry relating to tourism, there is not that mechanism in place that can coordinate all that now. So, my vision in creating this office of this interagency coordination would be to assist the tourist, the tourism industry and all its affiliates when a problem or before, even better, the problem arises so that we can have a clear informational path on who to contact, what to do, what the resolution will be and what the plan going forward is and I think that's my, not reading a script telling you off the heart what today is all

about and that all happened from the... from really the first hearings that we've had and, and I'm proud to do that. So, thank you to our staff and the Council Members. And I'll give you a quick little... some of the facts that we have. So, in 1998 around 33 million people came to visit New York City and by 2018 that number has nearly doubled to 65.1 million people so just in 20 years the city has witnessed an astounding near 100 percent increase in the number of visitors. The massive influx of tourists is a testament to the lore of the city's abundance of attractions, iconic skyscrapers, Broadway shows, museums, galleries, restaurants and other cultural institutions. Much of the city's data in these areas is collected by New York City and Company whose mission is to promote New York's travel and tourism opportunities not only here but around the entire world. The tremendous work being done by New York City and Company tourist promoting the city's tourist economy is clearly evident by the success in the industry we enjoy today. We believe more can be done by the administration to streamline and standardize the tourist experience here in the city once our tourist arrives and this is what I had summarized. So, more

importantly coordinate that interagency communication and involvement on any project that can impact the tourism agency and our tourists whether it's the creation of a bike lane, pedestrian plaza, Department of Buildings, Verizon, Con Ed projects, Parks Department, quality of life issues, public safety or any related project, there is simply more we can do. The businesses and tourists alike have asked for the office to be created to oversee and coordinate these concerns instead of simply calling 3-1-1. While the committee recognizes the importance of tourism dollars to the city economy it seems the administration takes a different approach and Mayor De Blasio's New York work plan is to create 100,000 jobs across five sectors in ten years, tourism is not even listed as a sector of the city's economy and jobs in tourism are not counted as distinct from other industries. The administration argues that the food services and hospitality sectors account for many tourist facing jobs, but jobs could just as easily cater the city residents. For these reasons and the ones, we've discussed before I've introduced legislation before the committee, Intro 1774 which would establish the office of interagency tourism

affairs which will receive public comments related to tourism and facilitate communication between city agencies on tourism related industries. Since most of the agencies are usually busy conducting their primary responsibilities, tourism related business and concerns are often lost in the shuffle. We believe the creation of this office will simplify and standardize everyday long-time concerns that face us here in the city. We hope today's discussion will provide us with an opportunity to hear the administration's plans to address these ongoing structural and standardization concerns regarding the tourism industry and what if anything can be done to assist the city in making it more accessible and enjoyable for everyone including our tourists. Before we begin I'd like to thank the many tourism industry advocates who have offered their support all year long in using tourism as a driver of economic development, we would not be having this hearing if not for your commitment to sustainable job creation in tourism and clearly your passion for what you do in this city. I'd like to take a moment to acknowledge we, we have Peter Koo, who actually beat me here today, Peter you're making me look bad coming

from Queens, Keith Powers, who else has snuck in at the end? Who else? And Council Member Louis. I'd like to thank the economic development staff Alex Paulenoff, Policy Analyst Emily Forgione and Finance Analyst Aliya Ali for their hard work putting this hearing together. I'd now like to take the time to turn the floor over to Fred Dixon, the President and CEO of New York City and Company, give him a minute to get situated at the... over there. And you know it's probably a good idea to have Sabrina from New York City EDC to show up and kind of support since it is EDC that's the overseer of all this, we'll both have you on the panel and I'd ask you both to raise your right hand so you can affirm for us today that you swear to tell the truth, the whole truth and nothing but the truth and answer Council Member's questions honestly and to the best of your ability?

FRED DIXON: I do.

CHAIRPERSON VALLONE: Alright, so if you could state your name and Fred if you'd like to start us off.

FRED DIXON: Thank you Council, Council Member. Good morning, good morning everyone. Chairman Vallone and the members of the Committee on Economic

Development my name is Fred Dixon, I'm the President and CEO of NYC and Company. Thank you for this opportunity to share the current state of the travel and tourism industry for New York City and provide some additional insight into our organizational operations. As you know NYC and Company is the official destination marketing and management organization for the five boroughs of New York City. We are also known often times as the convention of visitor's bureau and our mission is to maximize travel and tourism opportunities throughout the city, build economic prosperity and spread the dynamic image of New York City around the world. We are a 501C-6 private, not for profit member organization and represent the interest of nearly 2,000 member organizations from across the five boroughs. We are governed by an 85-member board of directors and from... which represent a diverse range of businesses from across the city. Our members range from hotels and attractions to BIDS and Chambers of Commerce, 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 the

destination marketing and management organization we use our in-house resources, our global network of representatives and work in tandem with elected officials to drive both leisure and business travelers to the five boroughs. Tourism by its very definition is an export industry 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. Marketing New York City is our primary function and we believe we excel at it. To generate inspiration to visit New York City we create, curate and promote content on dozens of neighborhoods across the five boroughs in conjunction with robust tourism campaigns to draw visitation year-round. We also recruit meetings, conferences, conventions, trade shows and big events as part of our global outreach. We work with journalists and media to tell the authentic stories of New York City as an unparalleled, multicultural and vibrant world class destination. Our neighborhood small businesses and cultural organizations are essential to the New York City experience. To make sure these neighborhood gems are, are prepared to host, engage and benefit

from the growing number of visitors who are exploring widely we committed ourselves to provide training and assistance to businesses of all sizes through our tourism ready program, which is free and now in it's fourth year. More than 500 companies have participated in this program and it is just one example of how we keep tourism a robust, five borough engine for our economy. And in fact, travel and tourism in New York City is performing at record levels. New York City is the most popular big city destination in the United States and at the top... and is the top international destination by a large margin as well. With 65 million visitors last year, volume grew 3.6 percent and on average New York City welcomed an estimated 180,000 new visitors every day. Direct visitor spending is the key to this growth and last year saw 46.4 billion dollars spent across the five boroughs, an increase of 2.2 billion dollars over the prior year. The full annual impact of this industry is a 69.8-billion-dollar economic engine when you consider both direct and indirect spending supporting the jobs of 396,000 people who collectively earn almost 27.7 billion dollars a year, that's an average wage of 70,000 dollars across all

sectors. Over the past ten years this industry has been one of the fastest growing across the city's labor force adding 5,000 new positions in 2018 alone and making it the seventh largest employment sector in the city, we are on track to exceed these numbers in 2019. What these statistics show is that the New York City tourism industry continues to boom even during these uncertain times. As the leading expert of travel and tourism we work closely with city government to provide research and insights on the trends and policies affecting these sectors. Visitors near and far rely on our official guidebooks, our official tourism website and member partners to inform their visit to the city, we are proud to be that resource to visitors and government partners. Even though we are not a city agency, our work requires close, public, private cooperation to achieve success. We achieve that through a number of ways. First, we have a close working relationship with the deputy mayor of housing and economic development and her senior advisor works regularly with our administrative team so we can flag any issues and immediate concerns. We have a standing monthly check in meeting with the deputy mayor and

regularly attend her monthly commissioner luncheons.

As a board member, the Deputy Mayor receives all

board correspondence of course and has access to our

reports. As a member organization our nearly 2,000

members inform us regularly of any issues, they face

across the five boroughs that may be impacting their

businesses. During my monthly check ins with the

Deputy Mayor I update her on any of those issues and

provide fact checks as possible policy changes which

may affect the industry. In this way and others, we

work in coordination with the administration on a

variety of issues. For example, the Deputy Mayor and

EDC reached out to us for our expertise recently on a

redesign of the visitor booth at the Staten Island

ferry terminal and we offered advice on signage and

design and provided a list of vendors who could do

that work well. Another example is how we regularly

work with the Mayors Office of People with

Disabilities to ensure that our visitors with

disabilities have the information they need to have a

positive experience when visiting the city. We

developed a mechanism for our member organizations to

highlight their accessible features for visitors on

our tourism website, we engage expert writers from

the local disability community to contribute written content from their own perspective, we also feature video content created with a local disability advocate and her family showcasing how accessible the city can be. Based on a recent request from the Speaker's Office, we also are working on new content to better serve autistic travelers. This summer we held a gathering of our members for what we call NYC Talks, that's our regular education series and this time it was on accessibility which featured Commissioner Victor Calise, these talks provide our member businesses and organizations an educational opportunity to hear from experts. Additionally, our overall commitment to quality visitor experience requires coordination with multiple agencies. For example, we work closely with relative agencies when bidding for large scale events that impact the five boroughs like the Super Bowl, MLB's all-star game, Formula E and WWE WrestleMania. In June we helped host World Pride in conjunction with the 50th anniversary of the Stonewall uprising and we led the effort with our agency partners to make the city as welcoming as possible for the five million people who participated. Our project rainbow initiative helps

spread welcome messaging and pride creative throughout the city to show visitors that all are welcome here. This year's event by the way was the largest pride event in history and that's something that we can all be very proud of. On behalf of the city we also manage the city owned media such as street furniture in bus shelters, Link NYC screens and select street pole banners which requires close coordination with DOT. Also, on behalf of the city, we manage the official New York City brands and licensing programs for city agencies like the FDNY and the NYPD. We also engage directly with the public and receive approximately 300 calls a week from residents and visitors that are tourism related, various bids and chambers throughout the city also send public inquiries and issues to us as well. This goes for calls routed to 3-1-1 also. Our front desk number is listed in all of our guides and on our website, NYC go dot com. Primarily we receive calls asking for visitor information particularly about tours and shows. If there is a call concerning a regulatory issue, we forward those calls to the appropriate agency point person. We utilize our relationships across agencies to communicate on a

regular basis pertinent to comments and concerns from the public, ultimately, we provide research, insights and sweat equity to create and strengthen policy when it effects the 65 million visitors to New York City. A great visitor experience also requires the support of the city's residents, and we truly appreciate our resident's welcoming visitors into our city. With that said we do not take the support along with the growth and economic prosperity that it brings for granted. While New York City remains a popular global visitor destination many cities around the country and around the world are fighting for the same visitors and the same tourism dollars we enjoy here and so its crucial we maintain our momentum and the New York City's tourism industry remains a bright spot, the bright spot it continues to be for our economy. And with the Chairman's encouragement we are currently developing a formal long-range plan for responsible tourism growth which we look forward to sharing with you in the near future. We are proud of the... of the work... we, we are proud to work closely with industry leaders on our board, the City Council and the Mayor's Office to strengthen and responsibly grow the travel and tourism industry for our city. We

value this committee's encouragement and support for the tourism industry, we are grateful to the council for their recent restoration of a PEG to our contract and I have included an updated tourism impact rec card and our annual report to the... to this testimony. This information supports the dynamism of the travel and tourism industry across the five boroughs of New York. My colleague Shadawn Smith, our Vice President of External Affairs and Community Engagement who many of you already know will be briefing you all shortly on our latest neighborhood campaign as well so that... you can look forward to that coming up. Chairman Vallone I look forward to our continued partnership and am grateful for your leadership on this Committee, tourism is often the forgotten engine and your commitment to shine a light on New York City... NYC and Company's hard work and contributions to our city is greatly appreciated. Thank you for allowing me at this time to testify and I'm happy to answer any questions that you may have.

CHAIRPERSON VALLONE: Well not only did you do the testimony in record time I think we've just set a record for the quickest reading of five pages of testimony... [cross-talk]

FRED DIXON: I'm a fast talker... [cross-talk]

CHAIRPERSON VALLONE: ...something the other committees should take note of, look at that, by 10:35 the first panel has finished. We've also been joined by Council Member Lander and we have questions from Council... Powers, Koo and Lander and I'd just like to start us off with thanking you for the testimony and I really believe the, the annual report and the data and the information that New York and Company provides is something that we can all benefit for and I think should also be shared on, on a council level. So, one of the things we'll, we'll ask for going forward is the, the sharing of that data on an annual basis because it does really highlight the work that was done and a lot of times it offers questions that may not get a chance to be answered because it's not part... [cross-talk]

FRED DIXON: Yes... [cross-talk]

CHAIRPERSON VALLONE: ...of a hearing so part of these hearings will be our commitment to have an annual hearing to give that opportunity to bring the data to the Council Members and to the advocates that are here with us. There are so many different

challenges that I guess face the tourism industry, I just wanted to get your perspective, I know there's between domestic and international and economic generators that impacts what's going on, what do you see for this year and maybe for next year as one of the biggest challenges that we face within the tourism industry?

FRED DIXON: Thank you for that question Council Member, there... it is volatile time for sure in travel and tourism around the world that the strength of the US dollar is perhaps one of the biggest challenges that we have in, in attracting international visitors to our city, we focus a lot on international travelers because they tend... they stay longer, on average they stay almost six nights whereas a domestic traveler will only stay 2.3 nights or so. So, they stay longer, and they spend more. They also have the opportunity to explore more and they... and they tend to be more intrepid and it's no surprise probably to most people in this room domestic travelers are usually the last ones to get on the subway, they're usually the last ones to explore more widely, it's the international travelers that are setting the trends in exploring new spots

throughout the five boroughs so they are important for all of those reasons and the strong dollar is a real challenge to us in the current climate. I'm happy to report that New York City is, is performing well even in light of the strong dollar because we think New York City not only is our messaging resonating with travelers from around the world they also see this as a... as a great place to spend time, they get a multicultural experience in New York, they know they're going to be welcomed in New York and they feel very comfortable here, they know it's a safe destination. So, all of those factors I think have contributed to New York performing well but it is a challenge for us going forward. We also see a lot of other destinations beginning to ramp up their tourism promotion so there, there is more competition out there. People say all the time does New York City need to promote and the question is yes because if we don't others will, will lure those, those visitors away, we see destinations like Chicago and Washington D.C. even LA and San Francisco and Boston who now is ramping up their efforts really gunning for our travelers. So, it is important to keep New York City in front of mind, make sure that they know that the

city welcomes them and that we are here to support them in any way we can.

CHAIRPERSON VALLONE: So, where would New York City fall in the spectrum since we mentioned, I believe Las Vegas is always top on spending and where would New York City fall in comparison to other cities and the budgets that they use to... for their tourism industry?

FRED DIXON: We... in New York City... I mean Los Vegas is always at the top, as you said they're a bit of an outlier, they spend more than 300 million dollars a year on tourism and convention promotion so our total operation... operating budget is about 40 million dollars and we would fall to the lower end of the largest city destinations in the country, destinations like Orlando and Los Angeles are spending a significant amount more than we are on public promotion and so that is an area I think where, where we are looking to engage with, with others going forward.

CHAIRPERSON VALLONE: And, and of that budget about half of that is from the Mayor's budget and half of that is privately raised?

FRED DIXON: Correct, the... half of our budget is... comes through the contract with SBS and that is about 21 million dollars per year and then we... [cross-talk]

CHAIRPERSON VALLONE: Have we seen any change in that contract?

FRED DIXON: Thanks to the Council PEG was restored this year so we want to thank you all for your leadership there, but that contract amount is the same as it was originally in 2006.

CHAIRPERSON VALLONE: Sixteen, right?

FRED DIXON: 2006.

CHAIRPERSON VALLONE: 2006...

FRED DIXON: Yeah, yeah...

CHAIRPERSON VALLONE: So, one of the things we'd like to do is advocate for you and with you what, whatever agency we're sitting on for our committees, I would like to see that be raised and I know everyone of us would like to see that in order to remain competitive I think we need to have a proper investment to give you the tools and resources for New York and Company to compete globally and internationally and not having a change for almost... coming up to 2020 on the vision I... it makes so much

more demands for you to do that on your own, I think what we need to do is to, to recognize that and also support it and put some things in place that maybe can generate income on short term and long term goals. Is there anything that another city or country is doing to maybe support or give more robust income to the tourism industry that maybe we can look at going forward?

FRED DIXON: Thank you for that question Council Member, there, there is a new funding model that destinations in the United States are turning to for funding and it is often called a tourism improvement district or tourism marketing district and with now more than 175 cities across the US including Newark, New Jersey and Philadelphia have, have turned to this model as an additional supplemental revenue stream for tourism promotion and it's an assessment on hotel guest folios. So, it's paid by the visitors and only by the visitors to the city and it is a small additional assessment that is made and it's similar to the way a BID assessment would be made just on hotel folios for guests, that is earmarked for tourism promotion. So, again using them to help fund additional promotion to bring more

visitors to town be that convention delegates, trade shows, big events or leisure travelers.

CHAIRPERSON VALLONE: And have we had any conversations with the hotel industry as to maybe where they may support or not support that plan?

FRED DIXON: We've had some early conversations with the hotel community and so far, they seem to be very interested in this model. Many of them operate in other cities where this model is already in place so they're... they have seen the successes that have come in places like Los Angeles and San Francisco, places like Portland and Seattle, the west coast has really led the charge on this effort, it's now coming... it was a popular model more to the east coast but many of them operate in these markets where this model exists and they have seen the success that it can bring and they're very interested in seeing how we could advance the conversation.

CHAIRPERSON VALLONE: Well anything where I, I believe we can generate income that's not coming off tax payers here in New York City that is also for those who would I think would expect to pay for that experience a small amount, we all do that when we

1 travel, I mean there's not a time I go where I'm not...
2 it's not included on my bill in some way, shape or
3 form my contribution to that city's economy so I, I
4 would wholeheartedly think that might be something we
5 can address going forward. You mentioned with the
6 hotels... so what are some of the other... because some,
7 some of the folks may not have been with our last
8 year's hearing so in general when we talk about the
9 tourism industry what other affiliates and partners
10 comprise that industry?

12 FRED DIXON: So, the hotels of course
13 make up the, the most obvious part of the tourism
14 industry and, and we have many of them that are part
15 of our organization and we work closely, hand in hand
16 with them across the five boroughs, we also have arts
17 and cultural organizations, which are critically
18 important because it's often times arts and culture
19 that are bringing people to our city whether it's the
20 large museums, it's festivals, it's smaller museums
21 and cultural across the five boroughs, it is a huge
22 asset for New York and we work closely with them and
23 we also have the retailers and we work closely with a
24 lot of small businesses and we feel very strongly and
25 we're committed to the small business of New York

1 City because without the small businesses New York
2 City is not New York City and that includes the pizza
3 parlors, that includes our, our neighborhood
4 restaurants that are having a tougher time today than
5 they had in the past with escalating rents and other
6 costs. So, we work closely on promoting them, the
7 flavor of New York, what you come to New York for.
8 Also, that goes for retailers, we work with both...
9 large retailers like Macys and, and Bloomingdales and
10 Century 21 and small shops as well across the five
11 boroughs. Tour operators and tour guides are also a
12 very important component and we work closely with
13 them and all of the major attractions that are for
14 profit whether it be Statue Cruises or Circle Line we
15 work closely with them in, in bringing tourism to New
16 York City.

18 CHAIRPERSON VALLONE: So, could we get an
19 estimate on the jobs that's provided within that...
20 those fields combined on how that impacts New York
21 City?

22 FRED DIXON: Absolutely, our latest
23 estimate and, and you see it in the Rec card in the
24 annual report is 396,000 jobs across the five
25 boroughs, that's both direct employment and you

1 referenced earlier, indirect employment as well,
2 that's folks that work in the industry to support
3 hospitality and tourism, it could be accountants, it
4 could be lawyers that are working with some of these
5 businesses, work that is induced from the, the
6 visitor economy and we do take a percentage of
7 restaurant jobs, I think you referenced earlier that
8 obviously not all restaurants in New York are serving
9 only visitors so we take a percentage of restaurant
10 jobs as one example of a slice of the hospitality
11 community, the same goes for retail to a degree but
12 it is a record number of, of employment that is
13 attributed to the visitor economy at 396,000 and we
14 think that will continue to grow.

16 CHAIRPERSON VALLONE: So, I know some of
17 the students from CUNY are here today, they came up
18 this morning to say hi and they were interested, the
19 smiles in the back so thanks for coming. I think one
20 of the things we're always trying to provide that
21 bridge for job and career paths for folks straight
22 from high school and or college or, or... on whatever
23 level we can get them to these industries and borough
24 wide. I think as a Queens Council Member I'm always
25 trying to bring the vision to the outer boroughs

1 because we don't... it's not always just about
2 Manhattan and all of the efforts that we're doing now
3 we're doing so maybe take a moment to... how would a...
4 how would a student or someone who's looking to get a
5 career, what are some of the things that New York
6 City and Company or EDC is doing to help them on that
7 path?
8

9 FRED DIXON: Thank you Council Member for
10 that question and it's a great one and welcome to
11 the... all the students that are here today, it's great
12 to see folks interested in hospitality and travel and
13 tourism, it is a great path to a great career, it's
14 super rewarding especially if, if you can help give
15 back to your community. We feel strongly that, that
16 the tourism industry in New York should support local
17 kids and we're doing everything we can to make sure
18 that the jobs go to local kids in the community, it's
19 not in every neighborhood perhaps has a big cultural
20 attraction in it but they... but there are students and
21 kids that live throughout every borough of New York
22 City in every neighborhood and we think every
23 neighborhood should be able to positively impacted
24 from... for tourism in that way as well. So, we're
25 working closely with some of our colleagues, we've

1 had great conversations with the educational
2 institutions in New York City, we have had early
3 talks with Hunter and CUNY of course in particular
4 but also we've talked to NYU and even Columbia about
5 what, what would a new program look like to help
6 bring even more awareness in education to the
7 community for... especially for students that perhaps
8 aren't college bound. If, if a four year degree is
9 not in their plans what could they do to learn a
10 little bit more about travel and hospitality, a
11 certification program we think might be warranted and
12 we've had some early talks about what that could look
13 like, we've shared that with some of our colleagues
14 at SBS and, and EDC and we think that there is a real
15 opportunity there to bring more awareness and some,
16 some educational opportunities to the students of New
17 York to help them build a career in hospitality and
18 tourism. The, the private sector wants to employ the
19 local community and if we can help prepare the young
20 people of New York City for careers in hospitality
21 and tourism I think that is a win, win for everyone.

23 CHAIRPERSON VALLONE: I, I agree and I
24 think there's an opportunity there for growth that's
25 right at our doorsteps for our students especially

having two daughters in college now and a little guy who's looking at high schools that we want to provide as parents every opportunity right here in New York City whether it's... whatever borough you're in, I think that's very important. So, Fred you had mentioned the different partners that you're responsible to, to assist and facilitate and, and it does involve the little guy right up to the big guy so whether it's restaurants, whether it's Broadway, whether it's in Queens, Bronx or Brooklyn our, our cultural centers it's there. I think the, the impetus for the bill was to try to assist everyone when there is a project that may impact from the Pizzeria straight to Disney's Aladdin on 42nd Street. So, I, I'm looking at maybe... and, and looking for some of your thoughts on what we do today and maybe if we create this bill what we could do tomorrow to foster that interagency coordination and it's not just here, it's in every committee that the council members hold, it's one of the first questions that Brad and all the rest of us ask on how do we facilitate interagency coordination to make sure that the partners and the business engine of New York City is flowing and not hampered by an ill advised project

that might be coming and I think that's what the, the focus is behind on 1774. So, just your thoughts on, on that issue and or problem that we face in New York City every day, just... I did driving in today with a construction site that decided to take over three lanes when they're only supposed to be in one and sat 15 minutes extra trying to get and I said who the heck would I call to make that complaint and not deal with 3-1-1 and I'm sure the five businesses that were effected by that on the street it's, it's the same issue they're asking for..

FRED DIXON: Yeah, thank you Council Member for that question, the, the intent of the bill we absolutely support, we understand the, the idea that you're putting forward and we support the intent of, of more communication, absolutely and quicker answers is always a great idea. We defer to the administration and to the council on the legislative approach to that of course but you know we work closely on a day to day basis as I reference earlier with, with multiple agencies and for our members and constituents were able to effectively channel their questions to the appropriate authorities and help them with answers, I know Shadawn for example, my

colleague and I both deal with these on a regular basis and... but, but any additional support and attention that you bring is certainly appreciated.

CHAIRPERSON VALLONE: I appreciate that, the idea is to, to create an office that can assist and coordinate that and I think... and, and the role that you're focused on when you're competing with the entire world finding out who in the Parks Department is probably the last thing you want to do at that point on, on, on whose got responsibility for shoveling the sidewalk on that. So, maybe just a couple of EDC Sabrina so just what are some of your thoughts with EDC's... specially with maybe some recent projects that may be looking towards the tourism industry in general, I know I'm kind of catching you a little bit off guard because this was really with New York and Company but I wanted to give you an opportunity since tourism falls within the parameters of EDC on what you see within the tourism industry, how do you reflect in the budget and maybe some projects that EDC will be working on with that?

SABRINA LIPPMAN: Yeah, absolutely and I think... there we go, alright. So, thank you Committee and, and thank you Chairman and the City Council for

having me here today. So, just for everyone in the room so EDC's mission is to create shared prosperity across all five boroughs by growing good jobs and strengthening neighborhoods and so a lot of our focus is obviously on New Yorkers, right, growing those good jobs for New Yorkers. However, because of the tremendous work that we do across several sectors the residual benefits affect tourism and we're really proud of the work that we've been able to do throughout different departments within EDC. So, to give you some small examples our funding agreements team is really committed to helping cultural institutions with their infrastructure, with building capital improvements. So, when you look at the natural museum of American history and being able to do their expansion of the Gilder Science Center that is an EDC project, that in turn creates more buzz, more opportunity for tourist to come and really enjoy that cultural institution. So, it's a bit of a peripheral role that we play not necessarily always directly, sometimes directly tourism but a lot of the times it's in that peripheral zone that we are in. So, for example, like Essex Market, it's a fantastic public market in the Lower East Side that has

generated significant buzz for residents and, and local... the local community but then in turn tourists are very attracted to it and are able to also be able to visit and enjoy that as well and so that's kind of where we see EDC playing that role.

CHAIRPERSON VALLONE: Well the testimony... and one of the things we talked about was that the sector itself is the fourth largest creation of jobs in the city and to me that in itself demands attention because if we're dealing about an... New York City's thriving economy any sector of the industry that's creating that amount of jobs we need to really focus on and make sure we're supporting it so in EDC's role as the parent company so to speak of all of that... [cross-talk]

SABRINA LIPPMAN: Uh-huh, uh-huh... [cross-talk]

CHAIRPERSON VALLONE: ...is there any strategy to increase the employment in the tourism industry and or support those jobs that are created within the sector just like Fred was talking about?

SABRINA LIPPMAN: Absolutely, thank you Council Member for that question. So, the role that EDC plays, we have a very robust... we're following a

very robust jobs plan that you, you may be familiar with, 100,000 jobs over the next ten years, the... [cross-talk]

CHAIRPERSON VALLONE: Right but we didn't include tourism and, and... [cross-talk]

SABRINA LIPPMAN: That's correct... [cross-talk]

CHAIRPERSON VALLONE: ...that's part... and that's part of my rallying cries to make sure we do that.

SABRINA LIPPMAN: That's correct and the reason for that and, and again this might be a little... a bit out of my purview but for EDC the industries that were... that were selected to focus on whether that's life sciences or tech or arts and culture creative are industries that are in need of significant job growth not that tourism isn't but we do believe that the job growth plan that we have for those specific industries do have residual benefits to make us a more inclusive city, to make us a fairer and stronger city... [cross-talk]

CHAIRPERSON VALLONE: Do we have any RFPs that are coming or currently issued that could reflect that focus?

SABRINA LIPPMAN: I can... I can go back to the team and come back to you with that, I don't want to speak out of turn but I... [cross-talk]

CHAIRPERSON VALLONE: I, I think that would be important, so I think... [cross-talk]

SABRINA LIPPMAN: Absolutely... [cross-talk]

CHAIRPERSON VALLONE: ...this, this, this hearing is going to be an annual hearing, we may even do biannual just updates because there's so many whether we're talking about the hotel industry, restaurants, ferries, tourists, outer borough participation... [cross-talk]

SABRINA LIPPMAN: Uh-huh... [cross-talk]

CHAIRPERSON VALLONE: ...this, this can go on and that's why we... each of the Council Members are going to have questions. So, my... I guess the last question would be so who would... does EDC handle that now if we have that agency issue on something that may be effecting the tourism industry now, would, would the phone call go to you or is that going someplace else or is that part of the reason why hopefully you're going to support 1774 to create this office?

SABRINA LIPPMAN: Yeah... no and we, we, we do support the intent of the bill, we understand and, and to Fred's point earlier... [cross-talk]

CHAIRPERSON VALLONE: So, we're two for two, that's it, meeting is over everybody go home we're good to go.

SABRINA LIPPMAN: We think there's, there's a lot of good things in there and, and Fred and his team at NYC and Co does a tremendous job at really being kind of that central office that... are... is able to kind of field a lot of those tourism issues and a lot of... to your point Council Member, a lot of the tourism issues are resident issues, right and so we just as NYC and Co has stated also work very close with all of our sister agency partners so when there is an issue with a construction site that's blocking two or three lanes, you know we do field our own 3-1-1 calls as it relates to properties that we oversee and manage and projects that we're developing but if... we have those lines of communication with DOT or with DCLA as it results, you know with any of our cultural institutions to be able to connect with them and field those to the appropriate agency.

CHAIRPERSON VALLONE: And I think that's really what we're trying to do is to make that central office the, the, the group or the person that can do that. Now my last thought would be would you have a suggestion along with Fred as to having future conversations as to where that office should be, whether it should be through your... through EDC, whether it's in the Mayor's Office, somewhere else, whether it's in New York and Company but the creation of the office I believe will be coming it's just a matter of making sure we get this right, put it in the right so we can have our advocates access it, use it and, and grow it to the point where it can be that right arm to the industries that need it in navigating all of our city agencies so my thought would be do you have a thought where that should be and what your recommendations are?

SABRINA LIPPMAN: Yeah, I, I would defer to NYC and Co., we see them as the preeminent leader of all thing's tourism and, and so I would defer to Fred.

FRED DIXON: And... [cross-talk]

CHAIRPERSON VALLONE: Actually, I do have some homework for us... [cross-talk]

FRED DIXON: Thank you... [cross-talk]

CHAIRPERSON VALLONE: So, while we have the panel, I'd like to give Council Member Powers whose signed up for questions and Powers then Koo and then Lander.

COUNCIL MEMBER POWERS: Great, thank you, thanks for the testimony and I'm disappointed at the venue this time because last time was much nicer... [cross-talk]

FRED DIXON: I believe we can help.

COUNCIL MEMBER POWERS: Thanks for the... thanks for the testimony, it might... I, I, I saw in your, your... one of your handouts but an estimate for this year in terms of visitors is over 66 million?

FRED DIXON: 67 million almost 67...

[cross-talk]

COUNCIL MEMBER POWERS: 67, 67 million. What do you account for the... that's two million more, what... is there any operating theory behind that or just kind of continued growth of the city?

FRED DIXON: Thank you Council Member for the question. I'd like to say a lot of the good work that my colleagues have done have contributed in part to that number but the city itself is responsible for

an enormous amount of, of the, the robust growth that we have seen. The growth in the hotel sector in particular has enabled us to host more visitors' year over year, I mean we now have 122,000 hotel rooms across the five boroughs. The, the fastest growth actually has been in the boroughs outside of Manhattan in terms of new hotels open which is terrific and that brings more opportunities and so travelers I think not only have more access to New York because of... because of the, the additional hotel rooms but we've had a remarkable year this year, I mean world pride alone is estimated to bring in, you know that... we heard the Mayor say five million visitors that of course has contributed significantly to arts and cultural organizations as, as well, have had a blockbuster here in terms of major art expeditions across the five boroughs, I mean you can just look at the Frida Kahlo expedition at the Brooklyn Museum as one example of that, that people have come from around the world to take part in, in those developments and the amount of new development that is just happening in the private sector, I mean whether it's Empire Outlets in, in Staten Island even Hudson Yards what's happened at... in South Street

Seaport there's, there's an enormous amount of investment that has happened in the private sector that is keeping New York not only top of mind but in the press around the world as a hot destination to visit. We were really thrilled this year with world pride in particular, the New York Times, our own home town newspaper which is sometimes the hardest outlet to get news in actually featured for the first time ever an LGBT 36 hours feature around pride and Stonewalls 50th so it just brought an enormous amount of attention to New York this year, we were able to capitalize on that, work with our partners, work with people like virgin Atlantic who launched the first ever pride flight to New York City, the first time ever in history an entire crew was captained and staffed by the LGBT community and they brought journalists and press from, from the UK to New York to be here for world pride, it was a tremendous window into New York that, that couldn't have happened without the support of Virgin Atlantic, that's just one small example of how we work with industry partners to bring a spotlight to New York. So, we think it's, it's, it's a combination of

factors and that's that... the intersection that we work in all the time.

COUNCIL MEMBER POWERS: Great, thank you.

I... you know over the last few months I think we've heard, or I know I have heard a number of concerns around the experience when somebody arrives here but not separate... not an isolated 2A visitor certainly experienced by New Yorkers as well. We've heard stories about... horror stories about Battery Park City around ticket sellers, Times Square costume characters and other issues around there, I see the folks from the alliance here as well, Central Park I've heard issues around quality of life, Rockefeller Center around the holidays, I've been trying to work around improving the experience there. Can you share with us any feedback you're receiving or you're surveying or you're... when you're hearing or... and maybe some recommendations about how to address the, the, the concerns once people get here, it's... I, I, I don't necessarily think there are going to become major reductions in tourism but certainly I think they would, you know... they can, can lead to people deciding not to visit certain areas or just to sort of get outside of the area they're staying in or

1 second just leave them with a lesser desirable
2 experience and to... and, and potentially not wanting
3 to return back. Do you hear these same stories, can
4 you share with us any of the feedback you hear from
5 folks or do you do surveys on it and then yeah, any
6 recommendations?
7

8 FRED DIXON: Thank you Council Member for
9 the question. It, it is an area of intense focus, you
10 know I mean to put it into context, I mean there was
11 a time when New York City did not have a great
12 representation... reputation in terms of safety and
13 friendliness and acceptance, that has changed vastly
14 due to the work of a lot of people, obviously not
15 only the Mayor's Office and, and the City Council but
16 NYPD and others that have made this now the safest
17 big city in America and we still need to tell that
18 story quite often and we think it's also the
19 friendliest city in America, we New Yorkers are just
20 busy, we sometimes don't slow down enough to say
21 hello but if you need help we are there for you and
22 so I think, you know there... we have come a very long
23 way and people feel safe in New York, I think that
24 also is, is playing into the, the decision for
25 travelers to come here versus other destinations.

1 They, they see New York in the media every day and
2 these issues do have an impact be it small, they can
3 add up over time, they can eat away at the fringe of,
4 of visitor experience and, and it, it impacts
5 residents as well as it does visitors and it is an
6 area I think that we have to continue to focus on.
7 There... we believe there is a regulatory framework
8 there that would ensue that not... that while there are
9 employment opportunities and we want to make sure
10 that we are growing jobs but that it is done in a way
11 that, that only contributes to the... to the experience
12 and that the regulatory framework is supported. So,
13 we would like to have more dialogue around this issue
14 and it is an area that, that we find ourselves in
15 quite often and in referring interagency coordination
16 on these issues whether it be the Battery Park issue
17 or the Central Park issue or Times Square,
18 Rockefeller Center, we hear these quite often from
19 travelers and from our business partners in... and the
20 BIDS in particular so it, it is something that I
21 think more conversation should be had around.

23 COUNCIL MEMBER POWERS: Yeah, one
24 recommendation... as, as I notice that I've been
25 working with the folks around the Times Square issue,

1 I hear things in Central Park, I've also heard from
2 the folks at Battery Park and there's other areas
3 that I'm obviously not thinking about that... that is
4 one place I think needs some coordination like a...
5 like a... like I think you guys are doing a fantastic
6 job in terms of getting these numbers to continue to
7 climb and I think whether it's with New York City and
8 Company's leadership or EDC's involvement or others
9 having the four maybe agencies DOT, NYPD, DCA, maybe
10 it's Parks, you know to have a clearer way to move
11 forward on some of these issues because it's... it is
12 everyday New Yorkers when they go to Staten Island
13 ferry or they walk... they work around Times Square
14 that experience this but also the folks that are, are
15 coming here for the first, second, third and fourth
16 time who don't want to feel like they're getting...
17 well actually we don't want them to be... [cross-talk]

18 FRED DIXON: Right... [cross-talk]

19 COUNCIL MEMBER POWERS: ...exploited so
20 that's, that's the one place where I think rather
21 than having to do all of these, you know one
22 regulatory framework at a time it, it, it feels like
23 there are some... there's some way to do a coordinate...
24 a coordinated effort to address some of these issues
25

as... where there's a common area or to have a more dedicated place to do that. The, the... I've just... I'll close... I'll just close it out with this but the tourism improvement district. So, where, where do they have those right now?

FRED DIXON: So, we already... the list...

[cross-talk]

COUNCIL MEMBER POWERS: You mentioned the west coast I think but... [cross-talk]

FRED DIXON: Yeah, it, it began in California... [cross-talk]

COUNCIL MEMBER POWERS: Okay... [cross-talk]

FRED DIXON: ...even the state of California today uses this model to fund their state tourism efforts but it began there and you... there are I think more than 50 destinations in California alone that use this model large and small cities but it is now moving across the country and we can provide you with that list as I said but it is... it is now a popular idea on the east coast, Philadelphia has a tourism marketing development fund, Baltimore is the newest, they just implemented one in the last few weeks, it has... it has gone into effect and Newark,

1
2 New Jersey actually built their new convention of
3 visitor's bureau with that funding model in place and
4 we know Boston is now looking at it too. So, what
5 it's doing is it's supplementing the public funds
6 that are coming and the private funds with, with some
7 additional revenue and resources that they're helping
8 these destinations be competitive.

9 COUNCIL MEMBER POWERS: And, and what's
10 the normal assessment for like a... because I assume
11 it's on a nightly stay in a hotel room?

12 FRED DIXON: Yes, it, it varies widely,
13 it can be a percentage of, of room night rate or it
14 can be a flat dollar amount. I know in some
15 destinations like in San Francisco I believe it's
16 around two percent, we can provide you with some of
17 the statistics as well, because of the size of the
18 market in New York we don't believe it needs to be
19 anywhere near that high, it could be a much smaller
20 amount because we sell so many more room nights than
21 other destinations.

22 COUNCIL MEMBER POWERS: Got it, okay,
23 thank you.

24 FRED DIXON: Uh-huh.
25

CHAIRPERSON VALLONE: Thank you Council Member Powers but we also have a bill we put in last year together, 1276 with some of the advocates, I see Tim here with the dashboard that we talked about so I think we're going to push that again I think. Fred we talked about the, the tourism economy dashboard and some of the current concerns whether it's proprietary or just getting it forward, do we... do we have an update on that, I'd like to really see some way to additionally promote tourism and I think a dashboard application, an app, a website, coordination of what's going on besides the data from whose, whose purchasing things I think might... something we can revisit and, and make sure we get that done.

FRED DIXON: Thank you Council, Council Member for that question, we are working on some new data sources, in fact we have some new vendors that we're working with as well and trying to figure out how much of that information can we share publicly because much of it is licensed and it isn't meant to be shared widely and because that is... it's a subscription model but we are working on that and we would love to, to engage with you more.

CHAIRPERSON VALLONE: Perfect, okay,
Council Member Koo.

COUNCIL MEMBER KOO: Thank you. Thank
you, Mr. Dixon, for your testimony, yeah and thank
you Chair. My question is among all the visitors to
New York City how much are from overseas, you said
13.5 million dollars... 34 and five million people?

FRED DIXON: Thank you Council Member for
the question, yes, there... 13.5 million international
travelers currently to New York City, it represents
on average about 20 percent of the total.

COUNCIL MEMBER KOO: Oh, so among the
group who, who... which, which one is the largest group
from, from, from which country?

FRED DIXON: Thank you for the question,
the largest is the United Kingdom followed by, by
China.

COUNCIL MEMBER KOO: Yeah... [cross-talk]

FRED DIXON: ...is number two.

COUNCIL MEMBER KOO: So, during the, the,
the... for the last few months the, the, the persons
from... and China they have a trade war, does that
effect the tourist industry?

FRED DIXON: Thank you for the question Council Member, this is a... an area that focus on intensely monitoring the, the impacts but also determining what, what can be done about this question. There is indication that there has been a downturn in visitation to the United States from the Chinese market, it is believed that some of it is related to the... to the trade war tensions, there has been a tightening of visa issuance but largely for first time visitors to, to the United States that are coming for corporate incentive trips so if, if you are a member... if you work for a company in China and every year they do a large incentive trip for their top sales people for example they have... you know we of course promote the United States and New York as a great choice for that trip and if, if the individual traveler has not traveled outside of China or the region before the United States government is now issuing... not issuing visas as widely, they have begun to restrict those to some degree. We do know the Chinese government because of the control of, of a lot of tour operators and businesses in China they do have the ability to turn down the travel volume, we're fortunate in New York to see that traffic has

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of the NYC Company to make some tourists and encourage more tourists to go to other boroughs like Queens, which we offer a lot of attractions but somehow we don't have that much... that many tourists coming you know?

FRED DIXON: Yeah, thank you for the question Council Member, it, it is an area of intense focus for us and it has been for quite a long time and one of the things that has contributed enormously to that is the new hotels that have opened in the boroughs, of course if visitors are staying in the boroughs they're more likely to explore there so that is a built in advantage but we also have been promoting the neighborhoods for more than a decade now whether it was our neighborhood by neighborhood campaign which we worked with the Council on in the past, we're about to launch a new version of that campaign just this fall. And one of the... one of the great things about New York is the rich multicultural offerings and the diversity of, of our communities that is what travelers want today. The trend in travel today is experiential, people want to come, they will see the icons if you're a first time visitor, there's no question you're going to go to

the top of an observation deck, you're going to go to the statue of liberty, you're going to want to see Central Park but you also want to visit the communities and, and we want to make sure that they're doing that in a responsible way that they aren't just going into a community and snapping a photo and putting it on Instagram and leaving that they actually are supporting the community, they're eating locally, they're buying locally, respecting the culture, these things are very important as our numbers grow and, and we feel a, a great sense of responsibility to make sure that that happens but the content on our website has never been more robust for the neighborhoods and the promotion that we're doing to not only encourage visitors to explore the neighborhoods but also other New Yorkers. It... you know it may not be a surprise to anyone in the room that sometimes it's harder to get people to travel from one borough to another than it is to get visitors to come from outside of New York to New York so we work on the local level to incur... to encourage interborough tourism and to encourage New Yorkers also to post and brag about their favorite spots, it is those small cultural gems and jewels, the favorite

neighborhood, neighborhood spots that need our support and that visitors want to explore so it is an area of intense focus for us, not only is it good business for the neighborhoods and boroughs its good for New York City overall.

COUNCIL MEMBER KOO: Okay, my, my last question is about... it's about bathrooms yeah. Okay, as a tourist when I go overseas that's what's important to, to, to me, right, I think it's important to everyone but somehow in New York City we don't provide public bathrooms, you... there's no bathroom in the subways or, or there's very few bathrooms in the park, you know and sometimes even though they have a, a bathroom in the park but they're closed, you know they're locked, right and so how do we help tourists, how do you help tourists to address this problem?

FRED DIXON: Thank you Council Member for that question and, and I have noticed that same thing as well when traveling abroad or, or in other destinations and, and I think it is an area we should continue to focus on, we work with our partners of course, you know we, we make sure that everyone is aware that, you know public restrooms often times

COUNCIL MEMBER KOO: Yeah because when you're in New York... now if you... if you pay 50 cents you can get... use the bathroom but around here there's, there's private bathrooms are only for customers only, right? So, if you find some way to encourage them hey, you... a tourist, you know let them use the bathroom, I don't think... they might have to pay 50 cents to use the bathroom or 25 cents so this is something we have to look into because I hear a lot of complaints that this... we are one of the most advanced countries but we don't... we don't provide bathrooms.

FRED DIXON: Yes, agreed.

CHAIRPERSON VALLONE: Thank you, Council Member Koo, and also thank you to the first panel.

Before we let you go I think... we, we did discuss interborough tourism, I think that's a, a real topic for something we can talk about future and I, I... and in speaking with the advocates so many different degrees of quality of life continue to come, to impact in small ways that we, we need to be aware of so this office would be something to facilitate that also between whether it's the NYPD or Sanitation, DOT, Small Business, EDC, I think those are things that we can do a better job at. So, I'd like to thank both of you for your testimony and we're going to have our first panel come forward. If you guys could maybe stick around and hear some of the, the advocates and maybe the students. From the Broadway League is Madison Summers, so I know Madison and Christine we were trying to get a spot on... in Broadway, actually we have a switch, Madison is not Madison, Samara Karasyk from the Brooklyn Chamber of Commerce, Charles Shaviro from the Center of Urban Future and Tim Tompkins from the Times Square Alliance if you guys can come on up. We were trying to get around somewhere on Broadway, we will work better to get that done for next year. We've also been joined by Council Member Gjonaj from the Bronx

so if you'd like to ask some questions after the panel or if... come on in, if you guys want to... whoever wants to start... [cross-talk]

TOM FERRUGIA: I'll start first... [cross-talk]

CHAIRPERSON VALLONE: ...first... [cross-talk]

TOM FERRUGIA: Hi, I'm Tom Ferrugia, I'm the Director of Governmental Affairs for the Broadway League, Madison stepped out so I'm kind of jumping in for her, I did fill out a, a card though...

CHAIRPERSON VALLONE: I can vouch for you Tom.

TOM FERRUGIA: Thank you, great to see you Councilman. So, just for... background on the league is the principle trade association for the commercial theater industry, we represent over 700 theater owners, operators, producers, presenters and general managers and suppliers of goods and services across North America and around the world to the theatrical industry. We are grateful for Chairman Vallone and other distinguished members of the Economic Development Committee for giving us the opportunity to address the Council on the theater

industry's impact on New York tourism economy.

Councilman Powers was just here so we wanted to acknowledge him, he is a great representative and does a lot to support the businesses in, in Times Square, the district that he represents. In addition to its unique cultural significance Broadway is a massive economic and tourism driver that brings an average of four... 40,500 theater patrons into Midtown Manhattan every day. Each year we host millions of travelers from all over the globe who come to attend a live show and spend money in our city. We sold 14.8 million Broadway tickets in the theater season ending May of 2019. In the previous season ending in May 2018, the most recent year for which we have demographic information, 8.6 million tickets were purchased by theater goers residing outside New York City and that includes two million international visitors. I'd like to note that 61.3 percent of foreign visitors who attend a show report that Broadway is one of their most important reasons for visiting New York City. Broadway's cumulative fiscal impact on New York was 12.6 billion dollars last year. Collectively Broadway directly employs 12,600 individuals most of who are unionized; actors,

directors, ushers, electrician and advertising agencies. Spend, spending by Broadway patrons supported an additional 74,500 jobs in restaurants, shops, hotels, livery services. In addition, Broadway tours often employ performers, technicians and others who reside in New York and many role production costs are incurred in the state. We include the full economic impact of those productions; touring, broadways economic impact on New York City is an... is an additional 400 million dollars. Broadway has a long history of partnering with the city, the Council is a generous sponsor of our family first night program which provides a series of unique theatrical events to underprivileged families and of our new Broadway bridges program which endeavors to ensure that every single New York City public high school student will attend a Broadway show before graduation which is approximately 70,000 students from DOE. The league sponsors Broadway week administered by NYC and Co. which is a semi-annual event that encourages theater attendance by offering two for one ticket. We also work closely with the Mayor's Office of Media and Entertainment and collaborate to promote Broadway related PSAs on taxi tv. Despite several hope...

several high-profile successes a surprising four out of five Broadway shows fail to recoup their capitalization and close within 12 months. Broad, Broadway productions are incredibly risky and expensive projects that are primarily supported by groups of individual backers. Due to rising productions costs, attracting investment is an extraordinary challenge. Going forward we encourage the Council to continue supporting legislation that removes economic barriers to meeting operating expenses, recovering capital and advertising productions this would include Intros 1371 and 1372 sponsored by Councilman Powers that would reduce the commercial rent tax burden for over 1,000 businesses in Midtown Manhattan as well as eliminate tax all together on theatrical advertising in Times Square. We would also encourage continued... sorry, we also encourage continuing, continuing policies that promote easy access to Times Square 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 we thank you for this opportunity to address the Committee and we

1 appreciate the Council's ongoing support,
2 collaboration and recognition of the reciprocal
3 benefit of supporting an industry that is critical to
4 New York City's tourism economy and to maintaining
5 it's status of one of the worlds cultural epicenters.
6 I'm available to answer any questions, thank you.

8 CHAIRPERSON VALLONE: Tom really quick,
9 on the bill today, 1774 will you support for an
10 interagency coordination?

11 TOM FERRUGIA: We are deferring to NYC
12 and Company on that, we don't feel qualified to
13 discuss how the... it... the interagency... how the city
14 should operate in, in the city so we are... we are
15 going to defer to Fred in however his, his team feels
16 that the city should progress on that.

17 CHAIRPERSON VALLONE: Well Council Member
18 Powers and I are still working on 1371 and 72 on the
19 commercial rent tax in trying to make sure that gets
20 reduced and thank you for the data on the tickets
21 because that's what we're looking for... [cross-talk]

22 TOM FERRUGIA: Uh-huh... [cross-talk]

23 CHAIRPERSON VALLONE: ...on the... those who
24 are purchasing tickets from... residing out of New York
25

City and those within New York City that's also...

[cross-talk]

TOM FERRUGIA: Uh-huh... [cross-talk]

CHAIRPERSON VALLONE: ...important
information, thank you.

TOM FERRUGIA: Thank you.

SAMARA KARASYK: Good morning Chair
Vallone and members of the Committee on Economic
Development. I am Samara Karasyk, Chief Policy
Officer at the Brooklyn Chamber of Commerce. The
Brooklyn Chamber of Commerce is among the largest and
most influential business advocacy organizations in
New York having spent the last 100 years developing
and promoting policies that drive economic
development and advance its member interests. Over
the last number of years, we have played a central
role in Brooklyn's tourism economy convening local
institutions and businesses to bring Brooklyn to the
forefront of tourism marketing in New York. We have
brought groups of hotels and businesses to the
international powwow tourism conference annually, we
have developed visitor trail guides to chocolate,
beer, wine and distilleries in our borough and
launched our first ever Brooklyn passport in 2018, a

digital photo guide of 100 things to do and see in the borough. However, it is incredibly difficult to fund our numerous tourism efforts and market them properly, a reason we were unable to participate in IPW last year. Our tourism partners are eager to work with us but are generally small businesses and nonprofit organizations that cannot fund large marketing efforts. Nationally chambers have shown to be ideal partners for tourism marketing because they know the local community and tourism stakeholders better than anyone else. The New York City Council should encourage a more focused effort and partnership among New York City and Company and the Chambers of Commerce, there must be tourism marketing resources dedicated specifically to the outer boroughs. The economic importance of tourism in New York City is well documented. In 2018 a record 65 million people visited New York City making it one of the most popular cities to visit in the United States. Many of these visitors flocked to Brooklyn to experience our wonderful cultural institutions such as the Brooklyn Museum, Brooklyn Academy of Music and Brooklyn Botanical Gardens. People come here to experience our beautiful parks from Brooklyn Bridge

Park to Prospect Park and Coney Island. Brooklyn is also home to major concert and sporting events, spaces with Barclays Center, Kings Theater and MCU Stadium. Tourists also know Brooklyn as a culinary destination, these visitors patronize our fantastic restaurants, shop at our local stores and rest their heads at one of our 2,100 hotels. Aside from the revenue that tourism creates, this key industry creates local jobs with 17 percent of all Brooklyn employment represented by hospitality and retail jobs. Since 2010 this sector has grown approximately 73 percent adding roughly 20,000 jobs and two billion a year in spending. In fact, in Brooklyn and Manhattan alone there has been an 81 percent increase in employment at museums and cultural institutions over the past 15 years, the data speaks for itself. Tourism puts New Yorkers to work in stable and good paying jobs and is an important revenue driver for our local businesses. It is crucial that the city continue to build on the strong work of New York City and Company and its local partners to bolster the tourism economy specifically in the outer boroughs. We look forward to continuing to work with the city council on this issue. Thank you for the opportunity

to testify today and I would be happy to answer any questions you might have.

CHAIRPERSON VALLONE: Thank you Samara.

CHARLES SHAVIRO: Good morning...

CHAIRPERSON VALLONE: Good morning.

CHARLES SHAVIRO: Thank you. Good morning, my name is Charles Shaviro, I am the Data Researcher at the Center for an Urban Future, an independent think tank focused on expanding economic opportunity and growing the economy in New York City. I'll be reading testimony prepared for today by our Executive Director, Jonathan Bowles, thank you for the opportunity. For more than 20 years now the Center for an Urban Future has been closely monitoring the city's economy and developing strategies to create more good jobs across the five boroughs. During that time a few things have been more important to the city's economic renaissance or more overlooked than New York's booming tourism economy. Last year the Center for an Urban Future published a report in partnership with Times Square Alliance and the Association for a Better New York which provided a new level of detail about the growing impact of tourism on the city's economy.

Twenty years ago, roughly 33 million tourists visited New York City, last year it was over 65 million. We found that this boom in tourism has spurred hundreds of thousands of jobs. Our research show that there are now at least 291,000 direct jobs in tourism in New York City which is more than in finance and nearly twice as many jobs as in the city's tech sector. A report also found that tourism has become an increasingly important source of middle-income jobs in New York. For instance, the city is now home to nearly as many hotel jobs which pay 62,000 dollars per year on average as jobs in manufacturing which pay an average of 58,000 dollars. 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. One, New York has never adequately planned for a city with 65 million tourists a year or made sufficient investments in its tourism infrastructure to sustain this many annual visitors. And two, 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 worlds most sophisticated tourism promotion agency, NYC and

Company but funding for the agency has not kept pace with competitors across the globe and the agency will need sustained revenue to grow its impact in the years ahead. In addition, 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 in particular the EDC. That's why we recommend establishing a dashboard for the city's tourism economy. Given the increasing importance of tourism to the city's economy EDC should develop a top-level tourism dashboard similar to how it produces economic research about other leading industries like health care, life sciences and finance. We also believe that establishing an office of interagency tourism affairs could be valuable if it elevates the importance of the tourism industry as a priority across city agencies and it is done in a way that empowers NYC and Company. Most important the city should create a long term tourism plan, adding 32 million tourists since 2000 leads to a host of challenges; where to park the tour buses that flood the neighborhoods near Times Square, how to better handle street and sidewalk congestion and how to ensure that the boroughs outside Manhattan are

prepared to share in the benefits of increased visitation. New York City should develop a strategic tourism plan that is attuned to the unique challenges of sustaining more than 65 million tourists per year while maintaining New York's edge in an increasingly competitive global environment. Thank you for bringing this important issue to light and for the chance to testify today.

CHAIRPERSON VALLONE: Charles thank you and tell Jonathan thank you also with the work that you and Tim did and all the advocates really is a reason why we've kind of taken off here with this committee with all of your recommendations so we thank you for that.

CHARLES SHAVIRO: Thank you.

TIM TOMPKINS: Hello, I'm Tim Tompkins from Times Square Alliance and thank you to all the Committee members and Council Member Vallone, thank you Council Member Vallone for all that you've done for economic development in the city and, and for all that your family has done over generations. So, we've heard all about how, how important tourism is in terms of a generator of jobs and good jobs and as, as compelling as this information is we continue to

believe that there's major gaps in how the city's economic development agencies measure tourism's total contribution to the city's economy and especially the number of New Yorkers living in every neighborhood who's jobs depend on tourism as well as the secondary effect of spending. Just to give one example, data we purchased from Visa shows that 27.9 million dollars was spent by Visa card holders on just retail and restaurants in Jamaica in Southeast Queens. Having EDC purchase and analyze that data would help the city understand in a more nuanced way how tourism flows through different neighborhoods and creates jobs in different neighborhoods in different ways. In, in EDC's economic snapshot employment reports that they publish there's no aggregate number that represents jobs driven by tourism, you'll get... you have hospitality and you have arts in a separate category but there's no aggregate number. Now part of that has been pointed out is because of the historic ways in which job categories are tracked but I think that it... more attention could be paid to that. And also on EDC's website for example I'll read you the list of industries under their explore industries tab on their website; cyber security, emerging tech,

fashion, finance, health care, industrial and manufacturing, life sciences, maritime, median culture, real estate, retail and smart cities. Or on another page, the lead page, the city of opportunity it says our, our economic strengths span all industries including professional business services, health care, government, retail, finance, education, construction, transportation, real estate, publishing, music, fashion, advertising and film. Now those are just pages on a website but I think that sort of speaks to how this... the role of tourism economy is not central, just think about the Mayor's signature jobs plan New York Works and it says these are the fast growing, high paying industries that represent the future of our city but as you pointed out there's literally only a few sentences about the industry that actually created more jobs in finance, manufacturing and technology and is one of the fastest growing. And so, the, the notion that, that EDC's role is kind of peripheral I think that... I worked at EDC in the 90s, I think that it's evolved in response to changing economic priorities and needs in the city and EDC does amazing work, the work they've done on 42nd Street created one of the great,

you know tourism destinations of our time but I think that it's, it's, it's important that it be more front and center so that's why we support the idea of a... of a dashboard that, that is part of the city's economic development and job creation agencies and we also think if that's front and center then it won't just take Alex Baldwin complaining to get a problem that is far less complicated than fixing New York's airports, you know which is a consumer affair thing. The next day the Mayor got a bunch of agencies in a... in a room and said solve this problem about people getting ripped off by the statue of liberty ferries, that's not a complicated thing, it's a matter of, of will that grows out of an understanding that this is a main tourism and job... tourism is a main jobs driver. One or two other things, we thank the city and the Council for, for filling gap... we, we don't think that NYC and Company should ever be subjected to that, that PEG cut, this is an agency that produces, through its efforts produces amazing results for the city and it needs more investment not less. You've heard the comparisons with other cities, the key there is that the... that not... is that the taxes that are collected by hotels is guaranteed in

1 some form some portion of that to go back to the
2 city, in, in Los Vegas it's 78 percent of their hotel
3 taxes and in San Francisco 57 percent of those hotel
4 taxes, taxes automatically go back to fund tourism
5 promotion and to be more specific, between 2008 and
6 2018 hotel tax revenues in New York City grew by 87
7 percent from 1.3 billion to 2.4 billion so over a
8 billion dollar growth in taxes for New York City,
9 during... an, an 87 percent growth. During that time
10 the city's contribution to NYC and Company grew by
11 only seven percent from 20 million to 21.5 million.
12 Again, value... there have been some valuable increases
13 in recent years both because of City Hall and the
14 Council so that's great but if we look at it over
15 time, we're way behind and need to catch up. Thank
16 you.

18 CHAIRPERSON VALLONE: No, we agree Tim
19 and I think looking at all aspects of revenue
20 generators for the tourism industry whether it's
21 future EDC projects... [cross-talk]

22 TIM TOMPKINS: Uh-huh... [cross-talk]

23 CHAIRPERSON VALLONE: ...having it built in
24 to a calculator whether it's a tourism BIDs
25 calculation through the hotel industry and

specifically the budget, that hasn't moved in over a decade, there would be real simple ways to enhance New York and Company's role but also provide that degree of security we need here in the city to continue to compete because if we ever lose that competitive edge it'd be real hard to get it back. So, we're going to continue to fight for the... for the dashboard specifically with this legislation. So, it seems like we're across the board in support just kind of a little hazy on where it's going to be and how its going to be rolled out but I think all of this will be part, the, the data, the job data I think is important... [cross-talk]

TIM TOMPKINS: Uh-huh... [cross-talk]

CHAIRPERSON VALLONE: ...the outer borough inclusion is important and interagency coordination to assist I think with New York and Company and EDC's vision is, is where we're going.

TIM TOMPKINS: Yeah and you know that idea of just the other agencies supporting NYC and company's vision, I mean NYC and Company does an amazing job, they, they shouldn't have to worry about toilets or how to have better signage and, and bus routes that are going to Peter Koo's district which

1 should... you know should be a major tourism attraction
2 and the tourism ready program is making that happen
3 so as long as there's something that, that helps to
4 energize the other agencies to respond to the needs
5 of the tourism economy and that empowers NYC to sort
6 of say hey we know what needs to be done here's a
7 direction for, for how to get the other folks to the
8 table.
9

10 CHAIRPERSON VALLONE: One of those ideas
11 would be to have the annual meeting that the city
12 agencies respond to this office and New York and
13 Company to hear their direct concerns with every city
14 agency present at that annual meeting... [cross-talk]

15 TIM TOMPKINS: Yeah... [cross-talk]

16 CHAIRPERSON VALLONE: ...and that would be
17 one of the reasons so thank you to this panel. I
18 think we have one more panel.

19 COMMITTEE CLERK: Yeah, one more... [cross-
20 talk]

21 CHAIRPERSON VALLONE: One more panel. Oh,
22 Council Member Barron, thank you for coming.

23 COUNCIL MEMBER BARRON: Thank you.

24 CHAIRPERSON VALLONE: If you have any
25 questions you want to jump... okay.

COUNCIL MEMBER BARRON: Thank you,
appreciate it.

CHAIRPERSON VALLONE: So we have
Alexandra Silversmith from the Alliance for Coney
Island and Charles Nolen from the Big Bus Tours of
New York as our last two speakers and I don't know if
any of the students wanted to sign up or give a
couple of words before we close out if not always
happy to have you hear in New York City. It's still
good morning.

ALEXANDRA SILVERSMITH: So, good morning
and thank you again for having me, I was at the, the
committee hearing last year which was in a much nicer
space... [cross-talk]

CHAIRPERSON VALLONE: It was... [cross-
talk]

ALEXANDRA SILVERSMITH: ...but... [cross-
talk]

CHAIRPERSON VALLONE: It was... [cross-
talk]

ALEXANDRA SILVERSMITH: ...you know it was
very nice to experience it... [cross-talk]

CHAIRPERSON VALLONE: My wife reminded me
also, she said what happened... [cross-talk]

ALEXANDRA SILVERSMITH: So, I'm the Executive Director of the Alliance for Coney Island and we continue... we seek to continue the revitalization of Coney Island and increase visitor ship. So, thank you for the opportunity to speak about that. One of the things that I wanted to point out and I'm going to sort of skip through a lot of my testimony but... is that, you know Coney Island, one of the things that I, I hear time and again and I mentioned this last year at the committee hearing is it's a cornerstone of Coney Island... of Brooklyn and of New York City's economy and we're at a crucial moment where there's been a lot of investment done in the city by the city in Coney Island, almost a billion dollars in creating the aquarium and the amphitheater but there's really not marketing support for this destination. So, one of the things that we... we're in support of the creation of this agency or, or committee or whatever sort of form it takes but we think that it really needs to focus on outer borough strategies on how agencies can collaborate. One of the other big sort of issues that we see is in Coney Island unlike probably most destinations in New York there are so many different agencies that have

jurisdiction so we have Parks, we have DOT, we have EDC managing some of the leases, there's just a lot of agency coordination that is needed that we try to put together but I think somebody who is really pushing forward the vision of, of tourism and really driving that force for the area and connecting all these agencies would be extremely helpful. And then the last piece is, a lot of our work focuses on free events and so one of the things that I would propose is that if this office were created is that it focus on the bureaucracy of free events and the permitting and the fees that are involved so there's a high, high cost to doing free events which I think is a shame, that is one of the drivers in Coney Island to get people down there and even for the mermaid parade they're paying a lot of money just to produce that event, I'm sure for pride it's the same thing. So, I appreciate this again and I, I hope that the... if an office is created it supports us driving, driving tourism and really figuring out how to navigate bureaucracy to make things easier for nonprofits and for the areas to thrive. So, thank you again.

CHAIRPERSON VALLONE: Oh, Alexandra I agree, I think those are great points on outer borough coordination, the event... [cross-talk]

ALEXANDRA SILVERSMITH: Yeah... [cross-talk]

CHAIRPERSON VALLONE: ...planning is, is a full-time job in and of itself... [cross-talk]

ALEXANDRA SILVERSMITH: It is... [cross-talk]

CHAIRPERSON VALLONE: ...and when I do my fireworks show in, in... and fourth of July out in Fort Totten that's six months of planning of an entire office and a lot of folks can't really dedicate... [cross-talk]

ALEXANDRA SILVERSMITH: Yeah... [cross-talk]

CHAIRPERSON VALLONE: ...that time so I think those are great ideas... [cross-talk]

ALEXANDRA SILVERSMITH: Thank you.

CHAIRPERSON VALLONE: Thank you.

CHARLES NOLEN: Council Member, good morning, thank you very much for the opportunity to testify this morning. My name is Charles Nolen and I'm the Manager for Big Bus Tours New York, I have

been working in tourism for over ten years now specifically in New York since the creation of our company in 2014. Big Bus Tours is the largest, largest sightseeing operation... bus operator in the world serving over six million visitors each year across 23 cities and four continents. Locally we employ nearly 500 people most of them a member of TWU local 100. In New York City the company's targets remain the same being the number one thing to do in every world-famous city while maintaining food compliance and excellence statutes with agencies growing our industry. No matter what the city regulation or priorities are, I define our company as a citizen in our... of our beautiful city and our team members are its primary ambassadors. Because of the size of the group arriving in 23 cities Big Bus Tours has a relationship with 23 different city halls, tourism and transportation agencies of each city in which we operate. We are accustomed to the scrutiny of our operation and the economic impact of our business model... that our business model brings to the great city we work in. Each year our company introduce with expertise and passion the intricate splendor of the top... that is New York City's over

800,000 visitors, each one of them arranges free hop off and back on the bus during the very detail of his or her tickets representing nearly 2.5 million individual rider with room from our very limited... by using and operating efficiently the most efficient and tourist friendly mass transit of the particular buses. Visitors hopping off my buses are directly spending into our city, attractions, museums, restaurants, Broadway shows, etcetera. Big Bus Tours fully supports the introduction of the... and the creation of the office of interagency tourism affair and thanks the Council Member for this effort. We're concerned by the lack of a consistent deliverable of what we believe to be a huge importance in the entire issue in New York's sightseeing market which is the vending and the, the vending and the ticket settings for this years licenses on the year to regulated plazas, sidewalk, buses and stops. It is our opinion that the two agencies need a common voice through this office creation in order to serve one of the most negative issues impacting tourism in cities and the like and the reputation of our city. We urge... we urge the office to assess the negative impact of human street vendor's barricades reported harassments

and the overcrowding of sidewalks that are made for entrances. We understand that Council Member Espinal as Chair of the Committee of Consumer Affairs and business licensing and that Council Members Powers are working on legislation that will establish a code of conduct similar to one that exists in London and several other places in the world. We support such code that will clearly define the standard of operation, behavior and presentation for the allocation of on street staff. We hope that you will tell them you want to be part of that effort. Big Bus Tours is also looking forward to being included in the discussion and researches around the five-year tourism sustainability plan and help in any way possible. We thank you very much.

CHAIRPERSON VALLONE: Thank you Charles for your input, we like to have all the partners here, I'm glad to see your supporting the code of conduct, will pass that on to the other Council Members and Alexandra thank you for coming in, both, both... [cross-talk]

ALEXANDRA SILVERSMITH: Thank you...
[cross-talk]

CHAIRPERSON VALLONE: ...panels from two years in a row. With that brings really to a close today's focus on creating this office of interagency coordination focusing on tourism and tourism concerns and how we can assist New York and Company and EDC to create that and better coordinate the issues facing the tourism industry. I'd like to thank my amazing staff with Alex, Emily and Aliya so they should have their own tv show with that name and my Chief of Staff Jonathan Szott and my, my now Assistant Chief and also Legislative... reassuming Legislative Affairs Amanda Zarr to making today happen and every day so thank you. With that we close our committee hearing.

[gavel]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date

October 29, 2019