

2016 Legislative

Roundtable Breakfast

ROCHESTER

Friday, March 18, 2016

8:30 - 10:00 a.m.

Hilton Garden Inn Downtown

co-sponsored by:



Rochester Legislative Roundtable Breakfast

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155 East Main Street, Rochester, NY

8:30 - 10:00 a.m.

Program

8:30 a.m.

Registration & Breakfast Buffet

9:15 - 10:00 a.m.

Welcome:

Introduction of State & Local Leaders

Presentation of State Issues

Jan Marie Chesterton, *President, NYS Hospitality & Tourism Association*

Presentation of Local Issues

Fred Grabosky, *President, Rochester Hotel Association*

Don Jeffries, *President & CEO, Visit Rochester*

Roundtable Discussion with State and Local Elected Officials

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New York State Hospitality & Tourism Association

The New York State Hospitality & Tourism Association (NYSH&TA) is a not-for-profit trade organization representing nearly 1,000 lodging properties, totaling over 122,000 guest rooms, or 70% of total guest room inventory in the state. NYSH&TA's membership is also comprised of approximately 50 parks and attractions, over 100 industry suppliers, and more than 100 cooperating organizations, tourism educators, students and individuals combined. Founded in Saratoga Springs in 1887, NYSH&TA's mission is to lead and protect the New York State hospitality and tourism industry by providing advocacy, education, and resources. The Association provides: **representation and advocacy** on behalf of the industry before state lawmakers and regulatory agencies; **resources** in the form of money-saving programs, networking opportunities and marketing exposure via the website; **educational offerings** that help members best serve their customers.

Illegal Hotels – Leveling the Playing Field

The short-term online rental market—in which individuals rent out rooms, apartments, or entire homes to overnight guests,—poses a threat to consumers, neighborhoods and businesses. In response to the growing trend of companies, like Airbnb, promoting illegal owner-occupied hotels within the state, the state's lodging industry is looking to provide a statutory solution in New York to limit and potentially prohibit their impact on the legal hospitality industry.

NYSH&TA suggests reasonable changes or modifications should be made to existing laws or implemented independently, because travelers and communities deserve the proper safeguards that protect them from the potential dangers and risks posed by the short-term online industry. NYSH&TA continues to work with government to develop legislation that would combat these unregulated short-term rentals within New York by requiring compliance with state and local hotel laws. Last fall, in conjunction with the Senate, NYSH&TA held a series of informal roundtables to gather information from the industry on ideas, thoughts and solutions as to best address and advance state legislation during the 2016 Legislative Session.

In 2010, the State Legislature enacted stricter fire safety standards for Class B or transient use dwellings for hotels only in New York City. NYSH&TA continues to support not only the New York City hotels, but the City of New York in both its efforts to enforce the law and its efforts to eliminate illegal hotels while doing so practically, allowing well-established legal hotels to convert their certificates of occupancy and remain in compliance.

Minimum Wage

In his 2016-2017 State Budget, Governor Cuomo has proposed a statewide minimum wage increase of \$15 per hour by 2018 in NYC and by 2021 for the rest of the state. In New York State, if the minimum wage is raised, the law requires that a wage board be called regarding the minimum wage of food service workers. Therefore, if an increase in the statewide minimum wage happens this year, a wage board will be called for food service workers. NYSH&TA supports the New York State Restaurant Association's (NYSRA) efforts to obtain a "5-year freeze" on any new wage board being called if the statewide minimum wage is raised. While as an industry we support a fair minimum wage, it is important to note that such increases negatively impact job creation and expansion of business across the state.

The federal minimum wage is currently \$7.25 per hour, and the minimum wage in New York is currently \$9.00 per hour. In 2015, two separate wage boards convened by the Governor and approved by then Acting Labor

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Commissioner Mario Musolino approved minimum wage increases for tipped wage workers (\$7.50 per hour), and to \$15 per hour the minimum wage for fast food workers by 2018 (NYC), and 2021 (NYS).

As of 1/1/2016, the minimum wage for all tipped workers is now \$7.50 per hour, and the minimum wage for fast food workers is \$9.75 per hour statewide and \$10.50 per hour in New York City.

Tourism Funding

Given its proven track record as a revenue source for state and local governments, and as a job generator, Tourism is not only a wise investment, but a critical one that yields unmatched and well sustained returns for New York's economy. To that end, The Governor has called for an unprecedented \$50M be spent on tourism promotion in the coming year. Additionally, the 2016-2017 Executive Budget, appropriates the following direct spending for tourism:

Tourism Matching Grants:	\$3.815M (-\$500K from Enacted Budget Last Year)
I Love NY:	\$2.5M
Market NY:	\$5M
Taste NY:	\$1.1M
Welcome Centers (Binghamton and Beekmantown):	\$196K (each)

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

The tourism industry will be asking Legislature to fund the Tourism Matching Grants Program at \$5 million, a funding level not realized since 2008-2009.

Paid Family Leave

The Governor's Executive Budget contains a proposal for 12 weeks of job-protected, employee-funded leave to be used for bonding with a new child or caring for a sick relative. NYSH&TA remains concerned that a proposal mandating paid family leave would encourage absence from the workplace, and will more than likely cause mandatory overtime for other employees. Additionally, many New York State employers already provide paid family leave and incur substantial expenses in doing so, but are not bound by the terms of any mandates or statutes.

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Visit Rochester

Visit Rochester is the official tourism promotion agency for Greater Rochester and Monroe County. Visit Rochester is a membership organization with over 400 members representing lodging, retail, restaurants, services, and community organizations. Working together with our members and partners, we strive to provide the best experience to all visitors to our community, including both business and leisure travelers.

Tourism activities in Monroe County generated an economic impact of more than \$1 billion dollars in 2014, according to Tourism Economics, an Oxford Economics Company, for the New York State Department of Economic Development, Division of Tourism. Visitor driven expenditures in Monroe County in 2014 totaled \$1,000,001,985. That's a compilation of the following indicators: Lodging - \$273 million; Recreation - \$46 million; Food & Beverage - \$282 million; Retail - \$202 million; Transportation - \$193 million; and Second Homes/Vacation Rentals - \$6 million. Research results indicated the tourism impact on Monroe County generated \$75.2 million in local taxes and \$54.6 million in state taxes. Further, direct tourism-generated labor income was \$310 million, accounting for 13,777 direct tourism jobs. The total of direct, indirect and induced tourism jobs in Monroe County is 19,731.

Issues

- Millions of private and public dollars are being invested into Rochester's downtown area. Areas targeted for development have long been considered one of the city's greatest areas of opportunity, and we are confident that the development and revitalization of Rochester's downtown will positively impact the tourism and hospitality industry.
- The Hyatt Regency Rochester, one of two hotels directly connected to the Joseph A. Floreano Rochester Riverside Convention Center, has been purchased by Morgan Management and Christa Construction. The developers plan to invest \$15 million in the Hyatt, resulting in a complete renovation that will transform the hotel.
- State lawmakers plan to introduce legislation that designates part of the Rochester area as a craft beverage trail (S6370). In creating the Rochester Craft Beverage Trail, the state would post signs throughout the region, including along interstates 390, 490, 590 and 90 identifying parts of the trail. This would help bring more visibility and attention to Rochester's craft beer boom while also engaging more visitors in visiting breweries throughout the area.
- In 2015, federal officials made the decision to locate a Photonics Manufacturing Institute in Rochester, a move that is expected to have a major long-lasting impact on our local economy. We anticipate the impact of the Photonics program will also be felt by the tourism and hospitality industry as the institute has the potential to draw new meetings and conventions and business travelers to our region.
- Under new divisional leadership within Visit Rochester, our meeting business continues to be strong. According to Smith Travel STR (January 2016), room occupancy in Rochester has increased year-to-date by 0.4%. Rochester is currently the only upstate metropolitan to increase occupancy over 2015 rates.
- In recent years we have observed an increase in overseas travelers who are visiting New York City and traveling beyond the city and visiting regions throughout the state, including upstate New York and the Finger Lakes. This increase can be attributed to I LOVE NEW YORK programming and promotion. We anticipate this trend to continue and look forward to continuing to welcome these visitors to our region.

Rochester Hotel Association

The Rochester Hotel Association is a not-for-profit trade organization representing member businesses and individuals in the lodging and hospitality industries in the Rochester and Monroe County areas.

Issues

- Monroe County is home to more than 7,300 hotel rooms
- More than 13,000 people are directly employed by tourism and hospitality businesses in Monroe County
- Support the request for an increase in state funding for Tourism Matching Grants Program
- Oppose minimum wage increase as it will have a negative impact on Rochester businesses



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