

2016 Legislative

Roundtable Reception

CATSKILLS

Thursday, April 7, 2016

5:30 - 7:00 p.m.

Honor's Haven Resort

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Catskills Legislative Roundtable

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Honor's Haven Resort

1195 Arrowhead Road, Ellenville, NY 12428

5:30 - 7:00 p.m.

Program

5:30 p.m.

Registration & Reception

6:15 - 7:00 p.m.

Welcome:

Introduction of State & Local Leaders

Presentation of State Issues

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

Presentation of Local Issues

Ray Pucci, *Regional President of CATS and President, Delaware County Chamber of Commerce*

Warren Hart, *Director, Greene County Economic Development & Tourism*

Roberta Lockwood, *President & CEO, Sullivan County Visitors Association*

Rick Remsnyder, *Director, Ulster County Tourism*

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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

The state budget includes an increase in the minimum wage. The schedule is as follows:

- For workers in New York City employed by businesses with at least 11 employees, the minimum wage would rise to \$11 at the end of 2016, then another \$2 each year after, reaching \$15 on 12/31/2018.
- For workers in New York City employed by businesses with 10 employees or fewer, the minimum wage would rise to \$10.50 by the end of 2016, then another \$1.50 each year after, reaching \$15 on 12/31/2019.
- For workers in Nassau, Suffolk and Westchester Counties, the minimum wage would increase to \$10 at the end of 2016, then \$1 each year after, reaching \$15 on 12/31/2021.
- For workers in the rest of the state, the minimum wage would increase to \$9.70 at the end of 2016, then another .70 each year after until reaching \$12.50 on 12/31/2020 – after which will continue to increase on an indexed schedule to be set by the Director of the Division of Budget in consultation with the Department of Labor.

Beginning in 2019, the state DOB Director will conduct an annual analysis of the economy in each region and the effect of the minimum wage increases statewide to determine whether a temporary suspension of the scheduled increases is necessary. That analysis is submitted to the Department of Labor by the Division of Budget.

LEGISLATIVE

Roundtable Reception

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. The 2016-2017 State Budget, funds the following direct spending for tourism:

- **I Love NY / Matching Grant Program:** The 2016-2017 State Budget maintained funding (2015-2016) for both the I Love NY program (\$2.5M), and the Matching Grants program (4.315M). Further, the welcome centers in Binghamton and Beekmantown were funded at their historical levels of \$196,000 each.
- **Market NY:** The State will make available \$13 million in new competitive funding to be provided through the Department of Economic Development (DED) to support winning tourism marketing plans that best demonstrate regional collaboration among counties to promote regional attractions. We are in the process of gathering information on the additional \$8 million that was made available under Market NY in the State Budget.
- **Taste-NY:** The State will make another \$1.1 million available for the Taste-NY initiative, which is designed to promote locally grown or produced food products, beer, wine and spirits or other New York-made goods through a two-part strategy that combines development of retail venues with aggressive marketing and branding. In high traffic rest areas, train stations and airports across New York, the State will establish "Taste-NY"-branded retail stores, carts, and next-generation luxury vending machines to sell predominantly New York State products free of all sales tax to the consumer.

Paid Family Leave

The 2016-2017 State Budget includes a paid family leave program. When fully phased-in, employees will be eligible for 12 weeks of paid family leave when caring for an infant, a family member with a serious health condition or to relieve family pressures when someone is called to active military service. Benefits will be phased-in beginning in 2018 at 50 percent of an employee's average weekly wage, capped to 50 percent of the statewide average weekly wage, and fully implemented in 2021 at 67 percent of their average weekly wage, capped to 67 percent of the statewide average weekly wage. This program will be funded entirely through a payroll deduction on employees. Employees are eligible to participate after having worked for their employer for six months.

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Catskill Association for Tourism Services

The Catskill Association for Tourism Services (CATS) is responsible for the promotion of the Catskill Region; Delaware, Greene, Sullivan and Ulster counties, as a tourism destination. The tourism industry generated \$1.1 billion in visitor spending in 2014. 15% of all employment in the Catskill region is generated by tourism, with a combined payroll of \$494 million. The Tourism Industry generated almost \$75 million in local taxes and over \$61 million in state taxes, with a tax savings of \$988 per household. Located within a 100 mile radius of 40 million people, the assets of the Catskills host millions of visitors a year. The Tourism Industry in Catskills is a vital part of the economic health of the Catskill counties. Further investment in the tourism industry of the Catskill Region is necessary to insure the continued growth and vitality of this economic engine.

Issues:

Extend NYS Film Tax Credit Program to include Mid-Hudson Counties

The New York State Film Tax Credit Program is designed to increase the film production and post-production industry presence and overall positive impact on the State's economy. It provides incentives to qualified production companies that produce feature films, television series, relocated television series, television pilots, films for television, and/or incur post-production costs associated with the original creation of these productions. Program credits of \$420 million per year can be allocated and used to encourage companies to produce film projects in New York and help create and maintain film industry jobs. Of the \$420 million, there is a set-aside for the post-production credit that increased from \$7 million to \$25 million per year in 2015.

For the period 2015-2019, productions with budgets over \$500,000 can receive an additional 10 percent credit on qualified labor expenses incurred in the following counties: Albany, Allegany, Broome, Cattaraugus, Cayuga, Chautauqua, Chemung, Chenango, Clinton, Cortland, Delaware, Erie, Essex, Franklin, Fulton, Genesee, Hamilton, Herkimer, Jefferson, Lewis, Livingston, Madison, Monroe, Montgomery, Niagara, Oneida, Onondaga, Ontario, Orleans, Oswego, Otsego, Schenectady, Schoharie, Schuyler, Seneca, St. Lawrence, Steuben, Tioga, Tompkins, Wayne, Wyoming, or Yates.

Without these credits for the Hudson Valley, productions are going out of state.

The Poughkeepsie Journal recently reported (2/26/2016) that the filmmaking team behind the \$60 million budget film "Joy" had considered filming in Dutchess County and worked with the Hudson Valley Film Commission on securing a location. It was ultimately filmed in Massachusetts. That state's tax credit for film production is more generous than the one we could offer at that time.

In order to compete fairly for tens of millions of dollars in film production revenue, we urge the legislature and Empire State Development to amend the state tax law to include Mid-Hudson counties of Columbia, Dutchess, Greene, Orange, Sullivan, and Ulster County in the tax credit program.

Support of the Tourism Funding Stream

Last year, the Catskills supported the Matching Grant Program funding which totaled \$4.315 million, and that amount was allocated again in this year's budget. Last year, the Governor's budget funded new tourism initiatives; a \$45 million world-wide marketing campaign in efforts to draw more visitors to New York and this year he has committed more than \$50 million. Also, a state campaign, which was a huge success...marketing Upstate New York to the New York City visitor. Billboards and images lining walls, pillars and terminals in LaGuardia Airport and Penn Station. Also, the state created and funded a New York State Brochure distribution center located in Times Square, which the Catskills participated in with season brochures. The Region also supported the Governor's budget request of \$1.1 million for the Taste of NY program.

Regional Economic Development Councils

The Governor's creation of the Regional Economic Development Councils has streamlined requests for funding through a Consolidated Funding Application. In 2015, the Upstate Revitalization Account supported the Upstate New York Economic Revitalization Competition, whereby \$500 million grants will be awarded to three upstate regions. Funding focused on economically distressed upstate metropolitan areas and surrounding regions; and on projects with region-wide impacts that strengthen critical infrastructure, promote workforce development, and improve quality of life.

I Love NY Bus Trips

During the 2014-2015 winter months, I Love NY and Ski Areas of New York, joined forces and focused on bringing more visitors to a Catskill Mountain skiing experience. I Love NY provided a deluxe, winter-wrapped, I LOVE NEW YORK motorcoach, which departed several days from New York City, and transported skiing enthusiasts for a day at a Catskill Mountain Ski Center. We commend I Love NY and the Ski Centers of New York for the inception of this initiative and the Catskill Region would like I Love NY to continue their efforts during the winter months but also create bus trips to include spring fall and winter months, transporting visitors to the Outdoor recreational facilities of the Catskills.

Interstate 86

The completion of the conversion of Rte 17 to I-86 is imperative. Recognition as a national highway is important to the tourism industry of the Catskills. It enhances the visibility on the national grid of investors as well as the traveling public.

Stewart Airport

The securing of the Newburgh Stewart Airport as a New York State Port Authority airport has been a great start to providing quality transportation for the Catskills and Hudson Region. We need the Governor to continue investing into the airport as an international airport with expanded services and airlines will enhance the ability of these two regions to market to a larger visitor demographic.

Broadband

A new \$500 million appropriation for the New NY Broadband initiative will be disbursed out of the Special Infrastructure Account. The program seeks to develop broadband infrastructure to help bring high speed internet access to underserved regions of the State. The funds are scheduled to be disbursed over a 5 year period; it was announced that broadband providers and communities seeking to access this funding must commit to provide at least a \$1 for \$1 financial match. As well all know way to well; the Catskills is notorious for lack of cell service and broadband.

We are hopeful that the Legislature will explore a predictable, multi-year tourism funding program for I Love NY that will permit the industry to react properly to changing marketplace needs in order to maximize the traveler appeal of New York. A consistent funding level for each year would avoid any unforeseen circumstances that could affect all New York State TPA's, would increase funds for the 4th largest employer in New York State and would also guarantee New York State as a top of mind tourism destination.



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