

APPENDIX

Office of the President

Harvey Kesselman, Ed.D.
President

P: 609.652.4521 • F: 609.652.4945



101 Vera King Farris Drive
Galloway NJ 08205
stockton.edu

**STATEMENT OF STOCKTON UNIVERSITY PRESIDENT
DR. HARVEY KESSELMAN
SENATE STATE GOVERNMENT, WAGERING, TOURISM &
HISTORIC PRESERVATION COMMITTEE HEARING
September 12, 2018**

Good Morning Chairman Beach, and members of the Senate State Government, Wagering, Tourism & Historic Preservation Committee. Stockton University welcomes you today for the inaugural public event at the Fannie Lou Hamer Event Room in Atlantic City.

Let me first thank you and your colleagues in the Legislature for the strong support for Stockton University that allowed this Atlantic City campus to become a reality. To address the Committee's question of how can the State strengthen its tourism industry, I urge the State to (1) ensure rail service continues to/from Philadelphia, and re-establish rail service to New York City, (2) support initiatives like the Garden State Growth zone designation of the Atlantic City Airport that will expand routes and service at the Atlantic City Airport, and (3) continue to support Stockton University's growth in Atlantic City.

The benefits of rail service to and from major metropolitan areas are myriad, obvious, and tangible. One simply needs to look at the ongoing transformation taking place in Asbury Park, fueled by investment and tourism from New York City residents looking for convenient holiday and weekend excursions, to understand the advantages of public rail transportation for a resort venue like Atlantic City. Adding more routes nationally, and internationally, will make Atlantic City a more attractive and accessible convention and tourism destination.

What may not be as clear is how Stockton University Atlantic City can advance tourism in the City. Let me explain.

Stockton University Atlantic City opened its doors just a few days ago, bringing the university back to its Atlantic City roots. It has been Stockton's longstanding goal to establish a campus in Atlantic City. As some of you may know, during its first semester of operation in 1971, Stockton was housed at the former Mayflower Hotel. It was my honor to be part of that inaugural class. Much has changed since then, but many things have remained constant including Atlantic City's beautiful ocean front and beach, family fun on the boardwalk, exceptional restaurants, world class entertainment, and the millions of tourists who visit the City each summer. Stockton University Atlantic City looks forward to supporting, preserving, strengthening, and promoting Atlantic City's existing tourism offerings, while also expanding its potential with university related initiatives.

Atlantic City's foundation is built upon its vibrant community and its small businesses. Stockton brings 533 student-residents to Atlantic City, and over 1,300 students will attend classes during the academic year which spans from September through May, ensuring a robust presence in what is otherwise "off season" for the area. Our partner, South Jersey Gas will bring over 250 management level employees to its headquarters next door. This corporate presence, and Stockton's operations, will bring much needed year-round economic activity to Atlantic City's restaurants and businesses. Additionally, Stockton works closely with the local community, offering services and promoting the arts and culture. Our students are encouraged to be part of the City's fabric, promoting inclusiveness and cooperation.

With a solid foundation in place, Atlantic City is in a stronger position to continue leading New Jersey's tourism industry. Stockton University's "Live, Learn and Earn" initiative will offer our students internship and employment opportunities at Atlantic City's hospitality and service sectors. Stockton's Hospitality and Tourism Management program, based in Atlantic City, allows our students to have hands on experience at some of the top hospitality organizations in the world. Other vital academic programs at Stockton include Business Studies that supports essential operations key to Atlantic City's tourism and gaming sectors. I am incredibly proud of the many Stockton graduates who are now leaders and CEOs at Atlantic City's top organizations, including Borgata, Tropicana, Bally's, Caesar's, Resorts, AtlantiCare, Harrah's, Shore Memorial, and the FantaSea Flagship Resort.

Stockton's Environmental Studies, Marine Sciences, and Sustainability programs protect and preserve Atlantic City's foremost tourism assets, the ocean and our beaches. Stockton students will be part of the future labor force critical to sustain Atlantic City's tourism industry. Additionally, Stockton's business and MBA programs offer educational opportunities for hospitality and gaming workers to pursue post-secondary and graduate degrees necessary for career advancement. During the summer, Stockton students remaining in Atlantic City will alleviate the summer labor shortage faced by casinos and local businesses.

Since 2010, Stockton has maintained the Levenson Institute of Gaming, Hospitality and Tourism (LIGHT). LIGHT provides a forum for public policy discussions regarding the State's gaming, hospitality and tourism industries, generating a quarterly Atlantic City Tourism Performance Indicators report that provides key insight on current market trends. In addition, Stockton is the first in the State to establish a cannabis studies program, and is currently considering E-gaming activities. These could someday play substantial roles in Atlantic City's tourism industry.

Recently, Stockton announced its goal of a championship-caliber rowing program based in the Atlantic City Boathouse. Given the strong rowing tradition in this region, this is a very realistic goal. Competitive rowing, possibly even a future regatta, on the Atlantic City waterway could attract thousands of visitors and add to the menu of NCAA and other sports events hosted by the City. Let me also add that each May, Stockton holds its commencement at Boardwalk Hall, drawing over 10,000 guests, and injecting a flurry of economic activity in the City ahead of the summer tourism season.

Atlantic City is prominently featured in Stockton University's student recruitment and marketing efforts, reaching tens of thousands of students and families locally, nationally, and internationally. These efforts have yielded impressive demand, with Fall 2018 new undergraduate enrollment up 2.8%, and overall enrollment up over 4.6%. More than 100 students have already signed 12-month housing leases to reside in Atlantic City. Notably, since over 98% of our students are from New Jersey, Stockton's growth in Atlantic City has the added benefit of stemming the out-migration of college bound New Jersey students, a high priority for the State. We expect this strong growth to be sustained in 2019. Stockton's distinctive ocean front campus has, and will continue to, generate renewed interest in Atlantic City beyond gaming.

I am happy to say that what I have just mentioned only scratches the surface in terms of how Atlantic City's tourism industry benefits from Stockton University Atlantic City's presence. Indeed, Stockton University is now pursuing the acquisition of the shuttered TJM property. That 20+ acre property, adjacent to this campus, includes a 1,100 space parking garage that would meet parking needs for future campus growth, as well as provide parking for summer tourists. Moreover, since a precondition of the acquisition is that the seller must demolish the materially deteriorated and unusable hotel and former casino structure, Stockton will rid Atlantic City of an eyesore that has afflicted the City's skyline and beach views.

With the Legislature's continued support, Stockton University is poised to keep growing in Atlantic City, bringing additional students, services, and economic and academic vitality to the City, while bolstering Atlantic City's tourism industry.

Thank you for the opportunity to present my testimony. I am available to answer any questions you may have.

Respectfully,



Harvey Kesselman
President
Stockton University



State of New Jersey

DEPARTMENT OF STATE

P.O. BOX 300

TRENTON, NEW JERSEY 08625

PHILIP D. MURPHY
Governor

TAHESHA WAY
Secretary of State

SHEILA Y. OLIVER
Lt. Governor

September 12, 2018

Good morning Chairman Beach and Members of the Committee:

My name is Anthony Minick and I am the Director of Marketing for the New Jersey Division of Travel and Tourism. I am grateful to be here with you this morning to speak about the strategy the Division of Travel and Tourism has implemented to strengthen tourism in our coastal regions, and ways to use the appeal of the Jersey shore to expand the tourism industry in the state.

I also would like to thank the Legislature for its continued support and Governor Murphy, Lt. Governor Oliver and Secretary of State Tahesha way for their steadfast leadership and devotion to our mission.

Thank you to our gracious host, Stockton University, for hosting us here today in Atlantic City.

The crown jewel of our state remains the 130 miles of pristine coastline from Sandy Hook to Cape May. Tourism in New Jersey is a \$45.4 billion industry due to our beautiful beaches, casinos by the ocean and our great destinations. Monmouth, Ocean, Atlantic, and Cape May counties collectively generated about \$21 billion in 2017, roughly 48% of the total revenue generated.

To facilitate access to all that New Jersey has to offer and draw more vacationers to our state, I am excited to share our recent initiatives and marketing strategies with you on how the division promotes and strengthens the industry along the coastline.

Our current marketing campaign is designed to elevate the New Jersey brand, target specific segments based on interest, and highlight the state's six diverse regions and abundant activities and attractions.

This includes, but is not limited to, our highly successful "*We're for You*" advertising campaign. This creative campaign continues to drive our tourism theme that "*We're New Jersey and We're For You!*" This encompasses television, radio, digital banner ads, and related public relations outreach.

The Division of Travel and Tourism will also be looking to incorporate our coastal promotional efforts into future public relations campaigns to share our story on a broader scale.

The Division of Travel and Tourism also utilizes an interactive and informative VISITNJ.org Web site, which continues to see growth, with hits to the web site increasing 16 percent from year-to-date 2017 to 2018 and nearing 5 million unique visitors.

Our flagship tourism publication, the *2018 New Jersey Travel Guide*, continues to promote our year-round competitive edge, and is distributed to over 400,000 potential visitors and residents alike.

Our research reveals that visitation to NJ is increasing, as visitors use the web to research and plan their vacation. That is why the New Jersey Division of Travel and Tourism has and will continue to allocate resources to make the VisitNJ.org site the “go-to” site containing information a visitor needs to plan their day trip, weekend getaway or vacation here in the Garden State.

The web components for our marketing plan featured a keyword search, as well as strategic partnerships with high-profile partners. A keyword program has run on Facebook, Google and Yahoo throughout the year. In addition, the Division markets to target audiences and trade publications aggressively.

Our marketing medium and targeted strategies include our competitive Destination Marketing Organization (DMO) Program and Cooperative Marketing Grant Program. In Fiscal Year 2018, these programs totaled over \$2.4 million.

The DMO Grant Program funded 14 individual DMOs covering every region of the state, and these grants totaled in excess of \$1.8 million. Coupled with the 25 percent match each DMO is required to obtain in private funding, it is easy to grasp the tremendous potential this program has for even greater success in the coming years.

Also administered by the Division of Travel & Tourism, the peer-reviewed, competitive Cooperative Marketing Grant Program provides funding to tourism organizations of all sizes across New Jersey to promote and market tourism events, attractions and activities. In Fiscal Year 2018, 35 tourism-related organizations were awarded Cooperative Marketing Grants, totaling over \$611,000.

Alongside the efforts of the Division of Travel and Tourism, our counties have succeeded immensely as our economic impact report revealed that continuation of non-shore counties generated the largest share of tourism revenues, to the tune of 52%. As we continue our year-round efforts to promote the state as a premier travel destination, we will continue to work diligently to promote from the boardwalks and beyond.

Historically, the division’s winter marketing creative showcases the state overall. Most recently, our winter efforts focused support on Cape May during the December period. The campaign generated awareness of the wide array of exciting winter and holiday-focused activities and

attractions in the Cape May area and encouraged overnight and/or extended stay visits to Cape May.

In northern New Jersey, the division also focused on promoting Sussex County. The beautiful Crystal Springs Resort offers so much to do, that it is often referred to as a 4-season playground. Marketing efforts also promoted the central regions of the state, highlighting historic Princeton and New Brunswick.

Throughout the winter months of 2017, the division worked while snow was on the ground to develop a strategy to promote our 130 miles of award-winning coastline to potential tourists that travel to enjoy our beaches, water sports, theme parks, family-fun, multigenerational travel, festivals and fairs and fishing.

Armed with the knowledge that over 100 million visitors arrive to a New Jersey attraction primarily from either New York, Pennsylvania, or from within the state, nearly 50% of them are visiting our four shore counties. We aggressively marketed the New Jersey shore and other attractions to see and experience via both traditional media and digital media in those primarily markets, as well as in Ohio and Canada.

In both size and scope, the impact of the Division of Travel and Tourism is critical on many fronts. The integration of the arts, history and culture into the travel and tourism lexicon has been invaluable. The promotion of travel and tourism, the arts, culture and history ignites and fuels many of our towns and cities by bringing thousands of people to their restaurants, hotels, retail venues and attractions while pouring millions into local economies.

What's more, as one of the original thirteen United States, New Jersey holds a unique and pivotal place in the history of the nation's birth. We are actively working with our sister historical agencies and partners to showcase New Jersey's unique placement during our nation's 250th birthday on July 4, 2026!

We continue to meet with stakeholders and tourism advocacy organizations to gauge support for our current programs and to help us identify our strengths and weaknesses. We welcome feedback from you.

I said at the outset that this very real progress would not have been possible without your ongoing support. You have given us the tools we need to best serve the people of this state.

With your continued backing, I am confident that we will not only meet, but exceed the ambitious goals we have set for ourselves in the coming year.

Please let me know if I can be of any assistance or if I can provide you with more information.

Thank you.



**Senate State Government, Wagering,
Tourism and Historic Preservation Committee
Wednesday, September 12, 2018
Fannie Lou Hamer Event Room
Stockton University, Atlantic City Campus**

Public Hearing @ 11:00 a.m.

Testimony of Joseph D. Kelly, President of the Greater Atlantic City Chamber

On behalf of the members of the Greater Atlantic City Chamber and the region's business community, thank you for allowing me the opportunity to share our perspective on strategies to strengthen tourism in New Jersey coastal regions and ways to use the appeal of the Jersey shore to expand the tourism industry in the state.

My focus today is on "creating an environment" to strengthen tourism at the Jersey shore. I will also be sharing information on efforts to diversify our region's economy and the impact these efforts will have on increasing the tourism industry in the state.

First, I want to thank the Governor, the Senate and the Assembly of New Jersey for their support of incentives that will help our marketplace develop aviation related businesses at the FAA William J. Hughes Technical Center and the Atlantic City International Airport. It is important to remember the economic impact from the FAA Technical Center alone is over \$678 million a year with full time jobs of 7,761. The Chamber believes that by growing our aviation industry at the FAA we will increase opportunities for conventions and tourism at the Jersey shore. We also must continue the work led by the Atlantic City International Airport to increase air service into our marketplace.

Second, we must make it easier for those that want to do events at the Jersey shore. The Chamber leads the effort to present the Atlantic City Airshow, our states largest event with attendance of over 400,000 and an economic impact of over \$26 million. One of our major challenges in presenting the airshow is in addressing state regulations that in many cases are passed through to the local level. While I believe that state agencies are well intended, we need clear/predictable regulations that can be addressed in a timely manner.

We are suggesting a taskforce of organizations that host events; meet with the appropriate state agencies with a goal of enhancing communications and the development of a check list of: regulations, where and when they apply, policy/procedures and contact information. We are also suggesting a state expeditor position, a point person that event planners are directed to. The expeditor will interface with the appropriate state departments related to events versus having an event manager approach a variety of state agencies. We believe the efforts of a taskforce and expeditor will add efficiencies to the regulatory process (saving time and money) and help to ensure existing events continue and new ones are added. There is a real opportunity to increase year round visitation to the Jersey shore through events.

Third and final, we should not expand casinos in New Jersey. We believe that additional casinos in New Jersey will reduce the number of visitors and conventions to the Jersey shore. It will also lead to lay-offs, higher unemployment and foreclosures in our region of the state.

Citizens of New Jersey clearly opposed the expansion of casinos by 4-1, the largest margin of defeat for a ballot question in state history.

National studies indicate that more casinos do not equal more gaming revenue. Growth in gambling has remained consistent, while growth in gaming facilities has increased.

Atlantic City is still in the early stages of a profoundly important transition from a gaming centric destination to a diversified tourist/convention destination featuring world class dining, entertainment, retail and recreational offerings. It is crucial that our elected officials support this continued evolution and not undermine it by establishing in-state competition for gaming dollars.

In closing, thank you for the opportunity to speak regarding strengthening tourism at the Jersey shore.

Joseph D. Kelly, President
Greater Atlantic City Chamber
12 South Virginia Avenue
Atlantic City, NJ 08401
609-345-4524 x105
jkelly@acchamber.com

**TESTIMONY OF JOHN SICILIANO, EXECUTIVE DIRECTOR
GREATER WILDWOODS TOURISM IMPROVEMENT AND DEVELOPMENT AUTHORITY**

**PUBLIC HEARING
OF THE
SENATE STATE GOVERNMENT, WAGERING, TOURISM AND
HISTORIC PRESERVATION COMMITTEE**

SEPTEMBER 12, 2018

Good morning.

Thank you, Senator Beach and members of the Senate Committee for conducting this hearing today, and thank you all for giving me the opportunity to share my thoughts on strategies to strengthen tourism in New Jersey's coastal regions and ways to use the appeal of the Jersey Shore to expand the tourism industry and economy in the State.

As the Executive Director of the Greater Wildwoods Tourism Improvement and Development Authority, a tourism district created in 1993, we are the Destination Marketing Organization of the Wildwoods as a family vacation destination. We are also the operating agent for the Wildwoods Convention Center on behalf of the New Jersey Sports and Exposition Authority.

As the tourism authority in a coastal town and one that operates a convention center in one also, it was apparent to us from the very beginning that our challenges were going to be the shoulder seasons. Beaches and Boardwalks have defined; seasonal, useful lives for the most part. We needed a hook to have visitors come on a more year around basis.

To do so, we developed a plan to use "Special Events" to enhance our economy. We set aside a pool of marketing dollars that we would make available to promoters of events for marketing purposes. Promoters fill out applications for funding; those applications are reviewed by a committee and evaluated. The committee determines if the event is the right fit for us and what the probability is for not only the events success but on its potential for growth and its ability to generate overnight stays. We also planned to have the events happen contiguously to keep as much momentum on the tourism economy as possible.

In addition, we knew and understood there would be a need to promote our other area assets, such as, wineries, breweries, our zoo and parks, and historic and cultural attractions.

We feel that we have been fairly successful in our attempt to expand our tourism economy in the Wildwoods, however, we are far from satisfied.

In 2017, New Jersey visitation rose to over 100 million realizing visitor spending of \$43 Billion, an increase of 2.4% over the prior year. But even with that increase, we should not be satisfied.

The New Jersey Shore is the main brand for our state, representing more than half of all total tourism revenue generated in the state. But tourism funding always seems to be funded at the bare minimum required by legislation.

I realize that no one ever says that they have enough money, but it is a proven fact that for every dollar invested in tourism, the return to the state is more than tenfold. There is very real potential for sustained revenue growth in adequately funding tourism. But equally as important, is supporting tourism by supporting tourism infrastructure and TOURISM NEEDS TO SUPPORT TOURISM. Our coastal communities can't afford to bear the brunt of these infrastructure needs on the backs of the local taxpayers.

I, along with other tourism executives feel that we are losing market share to surrounding and nearby coastal shore communities. There are areas like Ocean City, Maryland and Virginia Beach, VA that have marketing budgets that come close to or surpass our entire state tourism budget, just for their geographic area. Their presence in our visitor feeder markets has become blatantly obvious.

The total funding for Tourism, Arts, History and Culture needs to be increased to allow for branding and marketing of tourism which will effectively generate substantially more revenue for the state.

To that end, the State of New Jersey has recently implemented the taxing of transient rentals on online booking portals such as Airbnb, VRBO, etc. I am not sure of all the nuances of the legislation, however, I struggle to understand the reasoning for New Jersey not applying the tax fairly and equitably to all transient rentals.

If it looks like a Duck,
If it walks like a duck,
If it talks like a Duck,
It must be a duck. ("It" referring to transient rentals)

A transient rental should be defined by length of stay, not by property description.

And all other competing states tax transient rentals.

The State of New Jersey report on the Economic Impact of Tourism in New Jersey – 2017 indicates that the rental of 2nd homes is a \$4 Billion industry. The State has, for years, taxed hotels and condotels but has missed the opportunity to tax all transient rentals leaving \$278.25 million in sales taxes and \$210 million in room occupancy taxes on the table. These taxes are paid by our visitors. If the state wished, it could take this revenue into account and reduce the overall taxation on the industry but still gain substantially.

But no matter, one issue I see with the tax on the Airbnb, VRBO, etc., is there is no mechanism in the legislation to earmark a percentage of the newly generated revenue to the industry that generates it.

There is a lot that can be done with additional funding to travel and tourism in the state.

1. Additional funding would allow the Division of Travel and Tourism to brand the state and to use the dollars to implement an aggressive public relations campaign to strengthen the image of New Jersey, as well as advertising its' assets;
2. Provide additional funding to current Destination Marketing Organizations (DMO's) so they can do a much better job of promoting the areas that they know and understand best;
3. Set aside dollars for assistance to municipalities or DMO's for tourism improvement and development projects.

Another note that I would like to put forward, is the adverse impact of schools starting before the Labor Day Holiday. Our shore areas that depend solely on Tourism as its main industry desperately need to be able to hold on to our workers and our visitors alike. The school year beginning before Labor Day drains our economy of both, by effectively shortening the summer tourism season resulting in substantial revenue loss and loss of resources.

In closing, I would like to thank you again for giving us all the opportunity to share our thoughts and ideas with you and I strongly urge the committee to consider the ideas presented. The increased investment in tourism will reap substantial returns to the State of New Jersey.



President

Vicki Clark

*Cape May County
Chamber of Commerce*

Vice President

Adam Perle

ArtPride New Jersey

Vice President

Lori Pepenella

*Southern Ocean County
Chamber of Commerce*

Vice President

Paul Gould

*Six Flags Great
Adventure*

Secretary

Jackie Morales

*Somerset County
Business Partnership*

Treasurer

Joann DeVescio

*New Jersey Campground
Owners Association*

Chairman of the
Board/Past President

Sharon Franz

Steel Pier

Executive Director

Joseph A.

Simonetta, CAE

NJTIA

September 12, 2018

Testimony Delivered to New Jersey Senate State Government,
Wagering, Tourism & Historic Preservation Committee

My name is Vicki Clark, appearing before you today as President of the New Jersey Tourism Industry Association. I am also employed by the Cape May County Chamber of Commerce as the President and CEO. Thank you, Chairman Beach, and members of the Committee for the invitation to testify before you today on the important topic of ways that our state can use the appeal of the Jersey Shore to expand the tourism industry in New Jersey.

It is very easy for me to talk to you about the power of New Jersey's Coastal Tourism and I must say a very loud and resounding THANK YOU for discussing this topic in particular. Far too often, no one wants to hear about beach and boardwalk tourism because they feel that this gets all the attention and we should be discussing, promoting, and advocating for the lesser known destinations and hidden gems around the state. And while there is a time and reasoning for that as well, the bread and butter of New Jersey's tourism is the 127 miles of golden beach that runs from Cape May Point to Sandy Hook, in Cape May, Atlantic, Ocean, and Monmouth Counties.

Power of New Jersey's Coastal Tourism Industry

Of New Jersey's \$42.9 billion in revenue, as reported in the 2017 Economic Impact of Tourism in New Jersey Report commissioned by the New Jersey Division of Travel and Tourism and completed by Tourism Economics – An Oxford Economics Company, \$20,809 billion is generated from JUST the four coastal counties of Cape May, Atlantic, Ocean, and Monmouth. And this is accomplished with very little advertising and promotion done by the state. Under the statutes of the 2003 Occupancy Tax, only the required minimum of \$9 million is invested in promoting Travel and Tourism in New Jersey, a number which has not been increased since 2006. Obviously, private industry and local markets are advertising their destinations and individual businesses but since the invitation to join you hear today specifically asked us to discuss strategies to strengthen tourism in the coastal region, I will tell you that without a doubt, New Jersey is losing market share to competing states by not increasing its own marketing and advertising budget to promote the golden egg – in this case – the Jersey Shore. There is tremendous opportunity to increase revenues by filling mid-week vacancies during the entire summer season, especially during June and July and expanding shoulder season travel. Right now, September 12, we are in what is referred to as the local's favorite month of Summer. And while selfishly we all might love it, from a business perspective, we need to work harder every day to make September just as busy as August.

12x

Time to Re-construct Funding Mechanism

So how do we do this? First, we have to take a look at how we fund our tourism industry. I mentioned the Occupancy Tax legislation that was enacted in 2003 and I know that you are all familiar with it. Senators, that was 15 years ago. Before Facebook, Twitter, and Trip Adviser became more important than a trusted friend's opinion when planning your next vacation. Before Expedia and Booking.com took over reservations desks. Before AirBnB, VRBO, and HomeAway entered the accommodations industry. Before Google became a verb. Before the Gig Economy. A lot has happened in 15 years. It is time that for New Jersey to catch up when it comes to promoting our tourism industry.

This past June, legislation was passed and Governor Murphy signed the AirBnB bill to assure tax parity on internet transactions for transient rentals – known as the Gig Economy; however, the opportunity to dedicate the occupancy tax collected through that transaction to measure and promote tourism was not taken. The Gig Economy is a new player in the vacation lodging industry and in supporting that legislation, we saw an opportunity to help the state increase its overall tax revenues and increase the dedicated tourism revenues to promote the industry. Unfortunately, the 5% state occupancy and local occupancy tax in communities who exercise that option is not being re-invested in the industry for advertising and marketing to grow the industry, fill vacant weeks, promote special events, expand shoulder seasons, focus on arts and culture, and take ownership of New Jersey's brand. However, it is headed for the general treasury when the bill goes into effect on October 1. I am only one vote on the New Jersey Tourism Industry Association Board of Directors, but if I had known that would be the end result, I would not have supported this legislation which is going to add millions to the general treasury and give nothing back to the tourism industry, from which it came.

School Start After Labor Day

My third strategy to suggest to you today for maximizing New Jersey's tourism industry in general and the strength of the Jersey Shore in particular, is to issue an official post Labor Day back to school start date for all schools in New Jersey – both K-12 as well as colleges and universities.

From an economic perspective, this is where two worlds collide. The Jersey Shore's primary target audience is the family vacationer with the last two weeks of August being prime time. Public schools are calling students back with many school employees and college students working in seasonal businesses being required to abandon their summer jobs, leaving these businesses short staffed and struggling to stay open and operate safely and at full capacity. A few states have issued mandates requiring schools to delay back to school until after Labor Day with Maryland being the closest to us. The

In Summary

In summary, I suggest three strategies to maximize the Jersey Shore to strengthen tourism in New Jersey which in turn will add much needed additional revenues to our state's general treasury to fill the gap for many needed programs. I remind you that tourism is a revenue generator for the state – not an expense. Every dollar invested was first earned by the tourism industry, not given to the industry. Funding the tourism industry is not like any other line item in the state budget because every dollar you include in that line generates more. That multiplier effect is approximately \$40 per \$1 invested by the state. So, strategy number one is invest more specifically in promoting Jersey Shore Tourism which is the backbone of the state's tourism industry.

New Jersey Tourism Industry Association
Vicki Clark

13x

Strategy number two - Dedicate AirBnB Occupancy Tax to promoting tourism. The accommodations sector of the Gig Economy is a major player in tourism and should be measured and reported just all other forms of other lodging entities. These revenues are important to the industry and the infrastructure that supports our tourism communities and should be reflected as all other taxable forms of transient lodging currently are.

Strategy number three – Let summer recess extend through the end of August and stipulate that all New Jersey schools start back to school after Labor Day. This will help to provide the Jersey Shore with the opportunity to maximize the full month of August, avoiding what is currently a very soft end of August for many businesses who lose both customers and employees due to early school start dates. Thank you for the opportunity to appear before you today and I am happy to answer any questions that you may have regarding any of my comments.



New Jersey Audubon
Government Relations

118 W State Street • Trenton, New Jersey 08608 • (609) 427-3007

NJ Audubon's Ecotourism Activities and Recommendations

Senate State Government, Wagering, Tourism, and Historic Preservation Committee

Delivered by Drew Tompkins and Gretchen Whitman

9/12/18

Chairman Beach and Members of the Committee,

New Jersey Audubon (NJA) appreciates the opportunity to discuss our current ecotourism activities and provide recommendations on how to increase ecotourism along our coasts. NJA is a privately supported, not-for-profit, statewide membership organization. Founded in 1897 and one of the oldest independent Audubon societies, NJA fosters environmental awareness and a conservation ethic, protects New Jersey's birds, mammals, other animals, and plants, especially endangered and threatened species, and promotes preservation of New Jersey's valuable natural habitats. The NJA has over 23,000 members.

The component of our mission most pertinent to today's hearing is our work fostering environmental awareness and a conservation ethic. NJA has six nature centers throughout the state, including two in Cape May County, as well as five additional wildlife sanctuaries. At all of these properties we offer various environmental education and ecotourism activities throughout the year. A quick review of our public events calendar for September, shows at least one opportunity for the public to experience nature at one of our centers or sanctuaries every day, with significantly more opportunities throughout the state on weekends. Most of these events, especially on weekends, are family friendly and are offered for little (less than \$10 per person) or no cost.

Outdoor recreation is a significant economic driver for our state. A recent report by the Outdoor Industry Association notes that in New Jersey, an estimated 2.4 million anglers, hunters, and wildlife-watchers annually spend \$2.3 billion on wildlife-related recreation. New Jersey's outdoor recreation economy generates 143,000 jobs and \$18.9 billion in consumer spending, as well as \$5.9 billion in wages and salaries. According to the study, outdoor recreation sustains three times as many jobs in New Jersey as the chemical industry.

Birdwatching is a component of this overall industry, and New Jersey is a well-known birding destination. For example, the shorebirds that converge on the shores of the Delaware Bay during spring migration represent the second largest congregation of migrating shorebirds in North America, attracting visitors to the Delaware Bayshore during an otherwise slow season for tourism. An economic study prepared for the New Jersey Department of Environmental Protection in 2000 estimated the economic impact of tourism based on the spring horseshoe crab spawning and shorebird migration spectacle at a minimum of nearly \$17 million per year in New Jersey and the overall shorebird migration viewing on the Delaware Bay generating \$34 million annually.

Much of the economic benefit from outdoor recreation and ecotourism generally is not from the undertaking of the specific outdoor activity, but rather from ecotourists staying at local hotels, dining at local restaurants, and shopping at local stores, both for items to enhance their outdoor experience, such



New Jersey Audubon
Government Relations

118 W State Street • Trenton, New Jersey 08608 • (609) 427-3007

as binoculars, camping supplies, or activity specific clothing, as well as more general souvenirs. All of this activity supports local jobs and therefore has a multiplying effect within our communities.

As a specific example of how ecotourism can be an economic driver throughout the year, even when the weather is not perfect, NJA would like to highlight our two Cape May nature centers. Our Nature Center of Cape May sits on the southern shoreline of Cape May Harbor, an area rich in marine life with a variety of natural habitats including marsh, sandy beach, mudflats, upland meadow and forests as well as display gardens. That center's mission focuses on providing quality environmental education experiences, encouraging stewardship of the harbor area and other natural areas and providing volunteerism as a rewarding means of community involvement and service. It draws visitors from all over the Mid-Atlantic region and beyond. Our summer camp programs have hosted children from over 22 states and 4 countries.

Although the months of June, July, and August are certainly the busiest of the year due to our direct link to the Cape May summer tourism market, our doors do not close after Labor Day. In the nature and birding related industry "Migration Seasons," which occur during the spring and fall, are major drivers of activity. Our other Cape May center located just a few miles from the Nature Center, is the Cape May Bird Observatory. While the Nature Center leads in providing meaningful connections to nature for families and children primarily in the summer, the Bird Observatory champions those experiences during the Spring and Fall when hundreds of thousands of birds migrate through the Cape May peninsula. People from all over the world will flock to Cape May to experience this phenomena.

One of the great benefits of our activities, is that most can be conducted even when the weather is not perfect. On a recent dreary, rainy Saturday, our Nature Center was packed with tourist looking for alternatives to going to the beach. When it rains or is overcasts and therefore not an ideal beach day, we are at our busiest as tourist look for other opportunities. As long as there are not severe weather conditions, we can conduct our programs.

Our programs also offer something that is unique for visitors to experience, enhancing their overall visit, even if they are not avid outdoorspeople. For example, one of our programs is called Nighttime on the Beach: Searching for Ghost Crabs. It costs just \$5 per person. After the program concluded one time this summer, a father told the leader of the event that said this was the third year in a row that had done this program with us. He had given his kids the choice to go to the Wildwood boardwalk or do the nature walk, and the family unanimously voted for the nature walk. He proceeded to insist it always the best \$20 spent the entire vacation and thanked NJA for offering programs to teach his children to care about the environment in a way that is both engaging and fun.

We strongly believe in the power of these types of environmental education programming. They serve the benefit of giving tourists a unique opportunity to experience nature while on vacation, while also creating a conservation ethic in both children and their parents. This ethic translates into a populous that works to support and protect our environment and wildlife. Per the International Ecotourism Society, "ecotourism is defined as responsible travel to natural areas that conserves the environment, sustains the well-being of the local people and involves interpretation and education." NJA is proud to work in this space and offer recommendations based on our experience on how to expand ecotourism in our state.



New Jersey Audubon
Government Relations
118 W State Street • Trenton, New Jersey 08608 • (609) 427-3007

Recommendations:

Encouraging Creative Partnerships and Packaging:

NJA has seen great success by working with other small businesses and non-profits. For example, at the Nature Center of Cape May we sublet space to a kayak and stand-up paddle board eco-tour and rental company, which is a win-win as we earn revenue and have increased foot traffic through our Nature Center while the company is able to have a space to operate at a much lower cost than if they were to rent somewhere else. We have also worked to build partnerships with other eco-friendly outfits such as whale watching and back-bay pontoon boat tour businesses by offering on-board naturalists and touch tank talks. Additionally, we have partnered with hotels and campgrounds to bring programs poolside. Any way the State could encourage and facilitate these relationship could help create an increased number of dynamic ecotourism opportunities for visitors.

Increase Advertising and Promotion on Ecotourism:

Many ecotourism businesses are small, mom and pop operations or non-profits like NJA and have very limited resources for advertising and promotions. Currently on visitnj.org, the “Discover New Jersey” paragraph on the main page and the “Beaches” page do not highlight ecotourism along the shore beyond mentioning “scenic views”. An Outdoor Sports and Recreation page does exist separately, but if a family is already along the shore, they likely won’t look there for things to do. Highlighting ecotourism as an opportunity, especially along the shore, in state sponsored advertisements would inform people that there is more to do beyond just go to the beach. Additionally, making information on activities to do, both ecotourism related and more generally, during non-beach-weather days, either on the visitnj.org website or through other means, would help promote these activities and give tourists ways to make the most out of their vacations.

We thank the committee for considering our recommendations and offer to be of assistance in any way we can moving forward to increase ecotourism along our coasts. If you have any questions about our testimony or would like to follow up on our programing or recommendations, please contact Drew Tompkins, Policy Manager at drew.tompkins@njaudubon.org.

TRI-STATE TRANSPORTATION CAMPAIGN



Senate State Government, Wagering, Tourism & Historic Preservation Committee
Janna Chernetz, Esq., Deputy Director & NJ Policy Director
Tri-State Transportation Campaign
350 W 31st St #805
NY, NY 10001
(609)271-0778, janna@tstc.org
September 12, 2018

Thank you for the opportunity to provide comment regarding the economic benefits of active transportation in NJ. I am Janna Chernetz, the Deputy Director for Tri-State Transportation Campaign. Tri-State is a non profit non partisan transportation policy advocacy organization focusing on efforts in New Jersey, New York, Philadelphia and CT. My expertise is transportation policy and its impacts on safety, health, economic vitality, environment and equity. While I am frequently an invited guest for special hearings before the Senate and Assembly Transportation Committees and the Senate and Assembly Budget Committees and Joint Legislative Oversight Committee, I have never before presented to this committee. I am hoping this is the beginning of a long lasting working relationship between my organization and this committee.

The purpose of this submission is to provide a very broad overview and introduction of the intersection of transportation and tourism:

Economic Benefits of Active Transportation in NJ

Investments in active transportation (bicycling and walking) can strengthen tourism in New Jersey. In 2014, Voorhees Transportation Center (Rutgers University – Bloustein School of Planning) released a report, "The Economic Benefits of Active Transportation in New Jersey."¹ The study was conducted in 2012 and used data from calendar year 2011. The research analyzed active transportation-related capital investments (e.g., sidewalks), businesses (e.g., bike shops), and events (e.g., bicycle races) to estimate economic activity generated and jobs supported.

¹ <http://njbikeped.org/the-economic-benefits-of-active-transportation/>

I'd like to highlight the key findings of that study relevant to tourism specifically:

- In total, active transportation-related infrastructure, businesses, and events were estimated to have contributed **\$497.46 million to the New Jersey economy in 2011.**
- The \$497.46 million supported 4,018 jobs with \$153.17 million in compensation, added \$278.12 million to state GDP, and generated an estimated \$49 million in total tax revenue, accounting for nearly three-fourths of the \$63 million infrastructure investment.
- Participation in run and walk events was estimated to total 197,930 in 2011, with 44,408 participating in bicycling events for an overall total of 242,338. Nineteen percent of participants were estimated to have traveled from outside of New Jersey to attend, with 6.7 percent of respondents indicating that their trip required an overnight stay. Participants were estimated to spend over \$35 million annually in the state as part of their trips to events, with over \$10 million of that spending deriving from visitors traveling from outside New Jersey. These active transportation-related events generated \$57.82 million in economic activity in 2011. This resulted in an estimated 369 jobs at New Jersey businesses, with compensation amounting to \$17.79 million. The total estimated tax contribution in 2011 as a result of event participant spending was \$6.45 million, with a contribution of \$31.2 million to the state's GDP.

Examples

The economic benefits of investing in planning and building robust bike and pedestrian infrastructure can be captured on a local, regional and statewide level.

- **Local**

Ocean City, New Jersey has received accolades and awards recognizing its robust bike and pedestrian infrastructure.² As a direct result in prioritizing transportation planning to include safe routes for biking and walking, its bike friendliness has become a major tourist attraction for the city. BikeOCNJ organization provides a detailed brochure highlighting biking routes, sales/rentals, projects and events making it easy for out of towners to navigate a plan a vacation.³

- **Regional**

In 2014, as a direct result of intense advocacy by Tri-State and NJ Bike & Walk Coalition, the NJDOT Restoration of RT35 in Ocean County from Bay Head to Island Beach State Park included a total of 25 miles of dedicated bike lanes and filled in sidewalk gaps along the corridor.⁴ As many of you know, finding a parking spot in a shore town in NJ, especially in the summer, is difficult at best. Having safe and dedicated infrastructure to support biking and walking means that shore residents and visitors could access businesses and the beaches without the need to find parking.⁵ More customers and more foot

² <http://ocnjdaily.com/ocean-city-is-bike-friendly-and-they-know-it/>

³ <http://www.bikeocnj.org/>

⁴

https://www.nj.com/news/index.ssf/2014/05/bikes_beaches_boardwalk_route_35_at_the_shore_to_be_rebuilt_with_two-wheelers_in_mind.html

⁵

https://www.nj.com/news/index.ssf/2013/08/route_35_at_the_shore_could_be_a_mecca_for_bicyclists_advocates_say.html

traffic equals more spending and more revenue. When selecting a town to vacation in, the ability to be able to walk and bike safely makes towns more attractive than others.

- **Statewide**

Anyone can easily access bike or running routes. Magazines such as NJMonthly frequently feature information on places for recreational biking and hiking.⁶ With the creation of smartphone applications such as Strava, MapMyRide/MapMyRun, Garmin, etc, it has become increasingly more convenient and easy for people to share favorite rides and runs. NJDOT also provides biking routes on the department's website. For example, there is a 36 mile ride from Brick to Sandy Hook that peppers in 20 different tourist attractions along the route.⁷

Policy and Funding-

However, none of this would be possible, and will be equally impossible to grow this aspect of NJ tourism, without policies and funding that support active transportation planning and infrastructure.

- **Complete Streets**

In 2009, NJDOT adopted a Complete Streets Policy. The principles of Complete Streets are such that roads shall be designed and built with the needs of all types of users of all ages and abilities in mind: motorists, cyclists, pedestrians, and transit users. Since 2009, however, the awareness of the benefits of smart transportation planning has grown exponentially and reach far beyond that of just personal safety:

Complete Streets is a road to economic vitality: increased foot traffic for downtown businesses, marketing and branding tools, transportation tourism, and active transportation events such as summer streets/open-streets events.

Complete Streets is the road to better health: providing outlets for increased physical activity and social connectivity all with the goal of lowering the risk of obesity, reducing chronic disease and promoting wellness.

Complete Streets is the road to opportunity and equity: it's a tool to assure policies are implemented and funding is distributed and other resources are used equitably and responsibly in all neighborhoods; especially when it comes to improving non-auto focused transportation systems and access to transportation.

Complete Streets is the road to achieving environmental benefits: improved air quality, water quality, and stormwater management, reduced GHG emissions.

Over the course of the past two years, Tri-State spearheaded a group of diverse stakeholders with the task to draft a more comprehensive policy which updates the 2009 policy to capture the aforementioned benefits and to help provide guidance to ensure implementation. Tri-State is currently

⁶ <https://njmonthly.com/issues/april-2017-hiking-biking/>

⁷ <http://njbikeped.org/bicycling-the-jersey-shore/>

working with NJDOT to finalize the policy and to provide an interactive guide for any jurisdiction seeking to incorporate Complete Streets into planning practices.

To date, NJDOT, eight counties and 147 municipalities have adopted such policies.⁸ Complete Streets is not a one size fits all policy as the policy can be drafted and implemented to meet the unique needs and characteristics of each community. With 21 counties and 565 municipalities, NJ has a long road ahead. Furthermore, having the policy is not enough, towns, counties and the state must have a clear implementation plan if the benefits of Complete Streets are to be realized. **The next step is to continue to push for 100% adoption of Complete Streets in all jurisdictions as well as robust implementation plans.**

Funding

- **State**

How much of NJDOT's capital plan invests in bicycle and pedestrian projects? FY2018 only \$54M of the \$2.3B will be spent on multimodal transportation and this is shared between maritime, freight and bicycle and pedestrian improvements.⁹

Competitive Grants programs -

Bikeways - provides funds to counties and municipalities to promote bicycling as an alternate mode of transportation in New Jersey. There were 5 grants awarded in FY18 totalling \$1 million.

Safe Streets to Transit - provides funding to counties and municipalities in improving access to transit facilities and all nodes of public transportation. There were 4 grants awarded in FY18 totalling \$1 million.

Transit Village - provides funding for projects in towns that have been previously designated as a Transit Village by NJDOT. These are municipalities have made a commitment to grow in the area surrounding a transit facility. There were 4 grants awarded in FY18 totalling \$1 million.

- **Federal**

Unfortunately, NJ is leaving millions of federal dollars on the table that could otherwise go towards programs that build the state's active transportation infrastructure. TAP (Transportation Alternatives Program) are federal transportation funds that are awarded to states for "construction, planning, and design of on-road and off-road trail facilities for pedestrians, bicyclists, and other non-motorized forms of transportation," among other similar uses. New Jersey receives approximately \$17.5 million each year in TAP funds, which are also used to fund the state's Safe Routes to School program. NJ has been unsuccessful in seeing this money spend on actual construction. NJ had \$6.2 million in 2014 TAP funds lapse effective on October 1, 2017. Out of the four states (NJ, GA, MD and NC) in the nation who lost these funds, New Jersey lost the highest amount. The loss is termed a "lapse" and refers to federal funds allocated to New Jersey that expired and thus were returned to the Federal Highway Administration (FHWA) from the state. The lapse dates back to FY14 funds.

⁸ <http://njbikeped.org/services/complete-streets-policy-compilation/>

⁹ <https://www.state.nj.us/transportation/capital/tcp18/>

New Jersey needs to obligate nearly \$12 million in FY15 dollars by September 30 or lose it when it expires at the end of FY18. To put this task in perspective, NJDOT only obligated \$2.2 million from April to June. At risk in FY19 is \$13 million and \$16 million in FY20.

We hope this provides a broad overview of the link between active transportation and tourism in NJ. Tri-State welcomes the opportunity to sit down with the members of this committee and discuss ways in which we can work together to boost NJ's economy through transportation policy. Thank you.