

A look at the  
economic benefit  
of a conference  
center to the City  
of Ithaca

# The Power of Travel

# Travel is a major employer across America

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8.6 Million jobs directly supported by travelers in the U.S.

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Travel is the 7<sup>th</sup> largest employer in the private sector

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15.3 Million total jobs are supported by travel

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1 in 9 Private Sector American jobs are supported by travel

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#1 – Hospitality and travel-dependent leisure is the largest U.S. small business employer

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8.7 jobs are supported by every \$1 million in travel spending – double the private sector average

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Source: US Travel



Travel Generated \$165 Billion in total tax revenue in 2016. Without this impact, each U. S. household would pay \$1300 more in taxes every year.

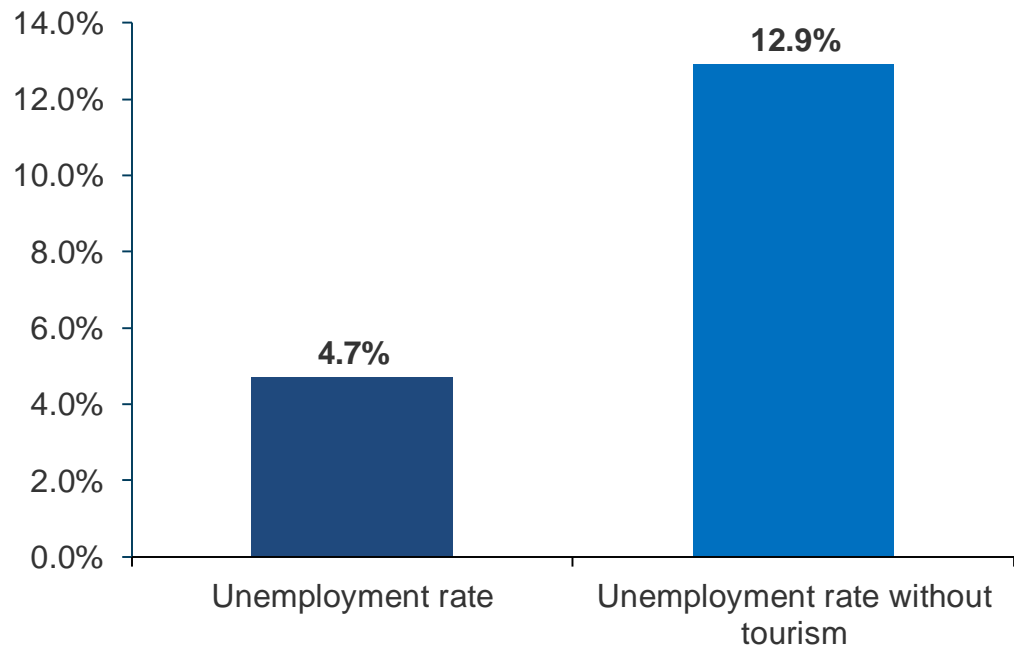
Source: US Travel

# Tourism is Vital to the NYS Labor Market

The unemployment rate in New York State was 4.7% in 2017. If the jobs sustained by travelers were eliminated, the unemployment rate would rise to 12.9%.

## Unemployment Rate in New York State

2017



Source: BLS, Tourism Economics

## Tourism Income (Compensation)

(US\$ Million, 2017)

	Direct	Indirect	Induced	Total	% change
Agriculture, Fishing, Mining	-	84	47	131	4.4%
Construction and Utilities	-	369	152	521	4.4%
Manufacturing	-	366	309	675	4.4%
Wholesale Trade	-	498	473	971	4.4%
Air Transport	2,899	17	22	2,939	3.5%
Other Transport	1,592	671	185	2,448	3.8%
Retail Trade	909	137	862	1,907	3.8%
Gasoline Stations	410	4	23	437	4.1%
Communications	-	416	195	612	4.4%
Finance, Insurance and Real Estate	344	994	971	2,309	4.2%
Business Services	-	2,945	884	3,829	4.4%
Education and Health Care	-	13	2,127	2,140	4.5%
Recreation and Entertainment	2,383	183	124	2,690	4.8%
Lodging	7,290	44	51	7,385	8.4%
Food & Beverage	6,246	164	327	6,737	6.1%
Personal Services	-	157	385	542	4.4%
Government	-	133	79	212	4.4%
<b>TOTAL</b>	<b>22,073</b>	<b>7,195</b>	<b>7,215</b>	<b>36,484</b>	<b>5.4%</b>
<b>% change</b>	<b>6.0%</b>	<b>4.3%</b>	<b>4.5%</b>	<b>5.4%</b>	

Travel  
Generated  
Income  
in NYS  
grew 5.4%  
in 2017

Source: Tourism Economics

Visitor  
Spending in  
Tompkins  
County grew  
9.3% in 2017

Finger Lakes Region -Traveler Spend  
Year-Over-Year Comparison

Traveler Spend '000s	2015	2016	2017	2017 / 2016 %
Cayuga	\$ 97,861	\$ 101,477	\$ 101,655	0.2%
Chemung	\$ 93,626	\$ 93,959	\$ 93,947	0.0%
Cortland	\$ 70,827	\$ 71,396	\$ 71,875	0.7%
Livingston	\$ 48,563	\$ 51,398	\$ 52,748	2.6%
Monroe	\$ 1,003,651	\$ 1,024,241	\$ 1,052,556	2.8%
Onondaga	\$ 853,368	\$ 865,810	\$ 865,536	0.0%
Ontario	\$ 200,701	\$ 207,212	\$ 213,468	3.0%
Schuyler	\$ 45,021	\$ 47,090	\$ 50,022	6.2%
Seneca	\$ 49,077	\$ 54,891	\$ 61,253	11.6%
Steuben	\$ 128,799	\$ 132,317	\$ 133,577	1.0%
Tioga	\$ 29,124	\$ 28,498	\$ 29,809	4.6%
Tompkins	\$ 194,755	\$ 197,894	\$ 216,240	9.3%
Wayne	\$ 40,755	\$ 40,243	\$ 41,054	2.0%
Yates	\$ 60,769	\$ 61,565	\$ 64,309	4.5%
<b>TOTAL</b>	<b>\$ 2,916,899</b>	<b>\$ 2,977,992</b>	<b>\$ 3,048,050</b>	<b>2.4%</b>

Source: Tourism Economics

2017 Total tourism labor income in Tompkins County = \$116 million

2017 Tourism Employment	Direct	Total (Direct, Ind., Induced)	Share (Direct)	Share (Total)
Cayuga	1,159	1,649	4.6%	6.5%
Chemung	1,310	1,863	3.7%	5.3%
Cortland	1,325	1,884	7.3%	10.4%
Livingston	877	1,247	4.3%	6.1%
Monroe	13,769	19,581	3.6%	5.1%
Onondaga	11,988	17,049	4.9%	7.0%
Ontario	3,325	4,728	6.3%	8.9%
Schuyler	490	696	9.9%	14.0%
Seneca	751	1,069	6.0%	8.5%
Steuben	1,550	2,205	4.2%	6.0%
Tioga	593	844	4.5%	6.4%
Tompkins	2,621	3,728	5.2%	7.4%
Wayne	653	928	2.3%	3.3%
Yates	543	772	7.7%	11.0%
<b>TOTAL</b>	<b>40,955</b>	<b>58,242</b>	<b>4.4%</b>	<b>6.2%</b>

Visitor Spending supports 2,521 direct and 3,728 total jobs in Tompkins County

Source: Tourism Economics

Local Taxes generated by Travelers to Tompkins County grew 6.1% in 2017

Local Taxes, \$	2015	2016	2017	2017 / 2016 %
Cayuga	6,664,542	6,951,582	7,379,963	6.2%
Chemung	6,174,156	6,224,638	6,647,065	6.8%
Cortland	4,513,667	4,522,261	4,635,496	2.5%
Livingston	3,040,374	3,236,508	3,384,068	4.6%
Monroe	76,039,146	77,971,591	81,545,085	4.6%
Onondaga	64,180,526	65,569,906	68,781,089	4.9%
Ontario	13,673,387	14,186,971	14,970,408	5.5%
Schuyler	3,600,326	3,557,461	3,584,391	0.8%
Seneca	3,509,091	3,669,214	3,878,411	5.7%
Steuben	9,015,782	9,310,077	9,791,593	5.2%
Tioga	2,073,996	2,039,851	2,024,042	-0.8%
Tompkins	14,489,752	14,870,889	15,784,908	6.1%
Wayne	2,438,967	2,417,993	2,429,541	0.5%
Yates	4,344,483	4,543,670	4,710,460	3.7%
<b>TOTAL</b>	<b>213,758,194</b>	<b>219,072,613</b>	<b>229,546,519</b>	<b>4.8%</b>

Source: Tourism Economics



Were it not for tourism-generated state and local taxes, every household in Tompkins County would have to pay an additional \$723 to maintain the same level of government revenue

Tourism-Generated Taxes, 2017	Local Taxes	State Taxes	Total	Region Share	Tax Savings per Household
Cayuga	\$7,379,963	\$5,590,463	\$12,970,426	3.3%	\$418
Chemung	\$6,647,065	\$5,166,579	\$11,813,644	3.0%	\$339
Cortland	\$4,635,496	\$3,952,716	\$8,588,213	2.2%	\$486
Livingston	\$3,384,068	\$2,900,869	\$6,284,937	1.6%	\$260
Monroe	\$81,545,085	\$57,884,706	\$139,429,791	35.1%	\$464
Onondaga	\$68,781,089	\$47,599,627	\$116,380,716	29.3%	\$629
Ontario	\$14,970,408	\$11,739,550	\$26,709,958	6.7%	\$605
Schuyler	\$3,584,391	\$2,750,922	\$6,335,313	1.6%	\$859
Seneca	\$3,878,411	\$3,368,568	\$7,246,978	1.8%	\$530
Steuben	\$9,791,593	\$7,345,990	\$17,137,583	4.3%	\$424
Tioga	\$2,024,042	\$1,639,348	\$3,663,390	0.9%	\$186
Tompkins	\$15,784,908	\$11,891,981	\$27,676,889	7.0%	\$723
Wayne	\$2,429,541	\$2,257,723	\$4,687,264	1.2%	\$128
Yates	\$4,710,460	\$3,536,619	\$8,247,078	2.1%	\$865
<b>TOTAL</b>	<b>\$229,546,519</b>	<b>\$167,625,661</b>	<b>\$397,172,180</b>	<b>100.0%</b>	<b>\$495</b>

Source: Tourism Economics

# 58% of current hotel room inventory is located in City of Ithaca

1892 hotel rooms in Tompkins County

1096 hotel rooms in City of Ithaca

433 hotel rooms located in the central downtown area with another 130 rooms at the Hilton Canopy to come online in 2019

58% of all hotel rooms are located within the City of Ithaca

Grows to 61% once the Canopy opens in 2019

Source: Smith Travel Research

Tourism Product Development Program*	Approx. Annual Allocation	Approx. Annual City Component	Portion to City
Beautification	\$ 135,000.00	\$ 123,000.00	91%
Community Arts Partnership Operating Assistance	\$ 40,000.00	\$ 27,000.00	68%
Tourism Project Grants	\$ 78,300.00	\$ 74,827.00	96%
New Tourism Initiatives	\$ 73,800.00	\$ 47,500.00	64%
Community Celebrations Grants	\$ 32,548.00	\$ 13,300.00	41%
Tourism Capital Grants	\$ 207,000.00	\$ 147,500.00	71%
Arts & Culture Organizational Development Grants	\$ 210,000.00	\$ 180,000.00	86%
Tompkins Festivals program	\$ 25,000.00	\$ 22,000.00	88%
Hospitality Workforce Development	\$ 30,000.00	\$ 15,000.00	50%
Public Art	\$ 4,000.00	\$ 3,000.00	75%
Totals	\$ 835,648.00	\$ 653,127.00	78%

78% of County Room Tax dedicated to Product Development supports investments in the City of Ithaca

\*Does not include marketing investment

Source: Tompkins County Tourism Program; T. Knipe 2017

# Actual Conference Revenues generated without Conference Center



Current impact:



Meeting, Conferences, and Tours booked YTD 2018  
by CVB = 58; 51 within the City of Ithaca



Total Room nights booked = 5630; 4976 within the  
City of Ithaca



Total Delegate booked = 7800; 7146 within the City  
of Ithaca



Resulting economic impact = \$9,254,806.00;  
\$9,084,766 within City of Ithaca

# Projected Public and City Revenues clarified

Tourism Economics and Hunden Strategic Partners utilize IMPLAN input-output model to track the flow of sales through the economy to the generation of GDP, employment, wages, and taxes. The impacts are measured on three levels:

Direct: the immediate benefits to persons and companies directly providing goods or services to travelers

Indirect: The secondary benefit to suppliers of goods and services to the directly involved companies. For example, a food wholesaler providing goods to a restaurant. The model is careful to exclude imports from the impact calculations.

Induced: The tertiary benefit to the local economy as incomes in the prior two levels of impact are spent on goods and services. For example, a restaurant employee spends his wages at a grocery store, generating additional economic output.

From each of these levels, public and city revenues are generated through sales taxes, property taxes, and public fees, which then pass through to fund city services like Human Services Coalition, TCAT, Mental Health, Southside Community Center, and other services which support the residents of the City.



Phase 1 Downtown Ithaca Conference Center Demand and Financial Feasibility Study revenue forecasts were extremely conservative estimates and not specific to any site. Phase 2 will provide realistic proforma based on the specific developer/project site.



Typical with new conference center development, stabilization comes at Year 5. Over twenty years more than \$86 million in direct new spending is projected. Combined with indirect and induced spending, the project will yield nearly \$148 million from new and recaptured visitor spending.



City of Ithaca share of local sales tax revenue from direct spending over 20 year period = \$1.72 Million. Annual net new sales taxes to local taxing entities:

City: \$86,000	County: \$86,000
NYS: \$172,000	Room Tax: \$215,000

Potential  
revenue to be  
generated by  
right sized  
conference  
center

Source: Hunden Strategic Partners

Key  
Assumption:  
Number and  
Type of Events

**Ithaca Conference Center**

<b>Projected Annual Events at Year 5 and Beyond</b>	
Conventions, Conferences	18
Consumer Shows	1
Corporate Events	15
Special Events	12
Banquets	49
Meetings Room Events	108
<b>Total</b>	<b>203</b>
Meeting & Ballroom Occupancy	<b>48%</b>

Q - Is the city expected to subsidize any operating costs?

A - No

Q - Is the city expected to provide any financial guarantees?

A - No