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February 10, 2016

Appropriations Committee

Legislative Office Building, Room 2700
Hartford, CT 06106

RE: Testimony for Budget Presentations and Public Hearings for CT Conservation and Development; Department of Economic and Community Development/Tourism Budget

Dear Appropriations Committee:

My name is Stephen Tagliatela and my family and I have owned Saybrook Point Inn & Spa and Saybrook Point Marina in Old Saybrook, Connecticut for more than 25 years.

While we understand the challenges with the State's current fiscal budget, eliminating tourism spending is not the way forward, especially when every bit of evidence shows that tourism spending is such an important part of our state's economy. In fact, preliminary numbers have shown that the recent commitments to tourism funding have paid dividends.

The Governor and State Legislature need to continue to stand by tourism, and match the spending levels of neighboring states like Massachusetts and New York, which are continuously courting and luring our visitors and revenue away.

We believe a well-funded marketing campaign can be a tremendous benefit for the local economy, and as we've seen in the past, when we harness the power of tourism, it pays pretty big dividends to Connecticut.

A previous report for Connecticut showed that the tourism and leisure sector could generate \$11.5 billion in revenue to the state, including significant leisure spending by residents. And according to a 2011 report issued by the U.S. Travel Association, in today's highly competitive travel market, states that maintain or even increase funding for their destination seize market share, while those that cut programs suffer immediate revenue shortfalls and other negative economic consequences.

Furthermore, a previous report by the Connecticut Center for Economic Analysis at the University of Connecticut noted that for each dollar the state spends on culture and tourism activity, \$9.30 is leveraged in net state and local revenue annually. Similarly, for each dollar of state spends on culture and tourism activity, \$507 is leveraged in Gross State Product with \$328 leveraged in personal income annually.

Moving forward, as one of the state's largest industries and employers, tourism needs a dedicated source of funding in order to continue to market and promote Connecticut as a destination for leisure and business travelers.

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Reducing statewide advertising will only hobble the "just re-established" "CT Brand" and the ability to draw "other people's money" to Connecticut. In previous years, the \$1 dollar budget for statewide marketing devastated the job count in the lodging industry and state revenues.

Cutting the statewide marketing budget to \$10 million will result in job losses and will reverse the continued growth in hotel tax revenues to the state over the last several years. Now is not the time to cut the statewide marketing budget by 17%.

Tourism has been a measured bright spot in Connecticut's economic recovery since Governor Malloy restored CT to the map of New England and created a marketing budget, this is not the time to take it off track.

The current \$12 million budget provides a 7 to 1 return in economic activity as well as leveraging spending from outside Connecticut. Here are some other interesting statistics that the Governor's Office and General Assembly should consider:

- 4.7 percent of all jobs in the state are directly or indirectly related to the lodging industry in Connecticut
- \$811.8 million in tax revenue for state and local governments is generated by lodging industry hotels, motels, resorts, or lodges in 2014
- 11,508 lodging jobs in 2014
- \$356 million in private sector employee wages
- In 2014, 4.7 percent of all jobs in the state were directly or indirectly related to the lodging industry, with hotels, motels, resorts, or lodges generating \$1.5 billion in tax revenue for state and local governments
- \$1.5 billion in total sales activity is generated across the state interlinking with other industries, such as transportation, restaurants, agriculture, manufacturing and recreational activities and venues.

The DECD statewide marketing funding and the Regional Tourism District funding should be restored to previous the 2015 session budget plan. This will strengthen and encourage tourism growth in Connecticut and bolster the perception and consideration of Connecticut as a travel destination by creating a positive economic impact and increasing tourism.

As we all know, Connecticut has one of highest state lodging, or occupancy tax rates, 15%, of any state in the country. And this needs to be balanced with a robust tourism budget.

Sincerely,



Stephen Tagliatela
Innkeeper/Managing Director
Saybrook Point Inn & Spa
Saybrook Point Marina