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Downtown Alliance Discusses Tourism Surge in Lower Manhattan

New York, NY (September 28, 2012) – Elizabeth H. Berger, president of the Alliance for Downtown New York, today delivered testimony to the New York City Council Committee on Lower Manhattan Redevelopment. In her testimony, Berger discussed the impact of increased tourism in Lower Manhattan and initiatives to extend the stay of tourists visiting the area. Full text below:

Chairperson Chin and the members of Committee on Lower Manhattan Redevelopment, I am Elizabeth H. Berger, President of the Alliance for Downtown New York, which manages the Downtown-Lower Manhattan Business Improvement District. Thank you for the opportunity to discuss the impact of increased tourism on Lower Manhattan.

Let me make two key points today:

1. *Tourism is a growing industry in Lower Manhattan, to the benefit of small businesses, attractions, and hotels.*

Lower Manhattan has over 400 plus years of history as a tourist destination but the recent growth in visitors and amenities has been especially significant. With boarding houses and taverns operating at capacity during the shipping boom, hotels first appeared in Lower Manhattan in the 1790s and, by 1818, there were eight hotels here, a number that dropped in the 20th century and would not be surpassed for 188 years. Between 1836 and 1981 -- a span of 145 years -- only one hotel opened its doors in Lower Manhattan, the Vista, which was destroyed during the attacks on the World Trade Center.

But today, we are back to the future in Lower Manhattan. Before 9/11, there were six hotels here; now there are 18, and the number of hotel rooms has grown by 78 percent, to 4,100. By 2014, there are expected to be 23 hotels with more than 5,100 rooms south of Chambers Street.

Since 2005, the number of visitors to Lower Manhattan has more than doubled, from 4.3 million to 10 million visitors last year. In the first year of operation, the National September 11 Memorial attracted 4½ million visitors from more than 150 countries and will draw even more visitors once the September 11 Museum is completed.

With the growth in tourism, it is important to understand the type of visitors who are staying in Lower Manhattan and the impact they have on the local economy. While business travelers

remain a significant portion of the hotel market, the growth of leisure visitors and special events visitors has had a significant impact on the industry.

According to a 2008 Downtown Alliance survey, 38 percent of Lower Manhattan hotel guests are leisure travelers who stay an average of 2.4 days. Lower Manhattan hotel guests constitute a high-end demographic—with an average annual income of \$240,000 for business travelers and \$165,000 for leisure travelers. This spending power provides strong support for Lower Manhattan's 460 dining establishments, 640 stores and retailers, and countless attractions—and it helps generate new tax revenues for New York City.

2. The Downtown Alliance has made tourism a top priority, and our key goal is to extend the stay of visitors.

Lower Manhattan is home to a number of New York City's great visitor attractions – including the New York Stock Exchange, the Charging Bull, Federal Hall, Battery Park, the Statue of Liberty, the 9/11 Memorial and many other renowned cultural institutions. In 2010, the Downtown Alliance convened a Tourism Roundtable of local stakeholders to develop a targeted marketing and promotion plan to encourage visitors to extend their stay in Lower Manhattan. Stakeholders felt that many visitors were coming to Lower Manhattan to visit one or two destinations and then leaving the neighborhood, so the Tourism Roundtable made extending the stay a number one priority.

Through digital and traditional marketing, collaboration with local stakeholders and city agencies, and in-house programming, we are working to serve visitors as well as support Lower Manhattan's stores, restaurants, hotels and attractions. This collaboration has helped focus and further develop the Alliance's efforts on tourism and led to numerous new initiatives:

- DowntownNY Website: The Alliance launched a new map-based website www.DowntownNY.com to promote Lower Manhattan to visitors, residents and workers in the district. The site's geo-coded maps—with major sections on what to do and how to get around—give users a new way to search Lower Manhattan and plan their experience. We are now getting more than 25,000 unique visitors to the site every month.
- Free Lower Manhattan Walking Tour: Through the Alliance website, we offer a neighborhood walking tour that gives participants a glimpse into Lower Manhattan's 400 years of history and innovation. This tour is available on our website and is downloadable to mobile devices.
- 9/11 Memorial Collaboration: With 4.5 million visitors to the 9/11 Memorial, we work closely with Memorial staff to share information about the many other attractions in Lower Manhattan's one square mile. Advancing the extend-the-stay theme, the Downtown Alliance contributed to the Memorial's Signs of Support campaign, on behalf of 1,000 Lower Manhattan businesses, to share information about local hotels, attractions, retailers, and restaurants with Memorial visitors. The Downtown Alliance homepage is a featured link on the Memorial site and the Memorial Site is the top external referral to the Alliance's homepage.
- NYC & Company's Get More NYC: Lower Manhattan: Starting in May 2011, we partnered with NYC & Company on Get More NYC: Lower Manhattan, a global, multi-platform campaign designed to showcase the area's recovery and revitalization. The year-long effort, which included international broadcast, digital and print media placements, encouraged

visitors to stay in Lower Manhattan's hotels, eat in its restaurants, shop in its stores and get a glimpse of all the district has to offer. This major neighborhood campaign by NYC & Company was a huge success, continuing to drive Lower Manhattan's tourism growth and raising awareness of the neighborhood amenities. The NYC & Company campaign has been a major driver in our efforts to extend the stay of visitors.

- Delta Destinations Video: In 2011, the Alliance developed a promotional video for "Delta Destinations," an exclusive in-flight video series that promotes the top destinations around the world in five-minute video features. The piece, with an introduction by Mayor Bloomberg, aired on more than 17,000 Delta domestic and international flights arriving at metro area airports, reaching more than 2.6 million passengers. The spot also aired on Virgin America's RedHOT in-flight video program, reaching an additional 1 million passengers.
- Lower Manhattan Kiosks: Our visitor information kiosk program provides directions to visitors and distributes more than a million maps of Lower Manhattan, along with other materials, every year. The kiosk program helps visitors discover Lower Manhattan's many attractions and had nearly 1.3 million visitors last year. Since the opening of the 9/11 Memorial visitor foot traffic has centered on the entrance and exit south of the World Trade Center. The Downtown Alliance is currently developing a mobile kiosk program that will allow us to provide visitor information in the most heavily traveled areas while remaining flexible to visitorship changes in the district.
- QR Codes: Since 2010, we have used QR (quick response) barcodes to transmit on-demand information to smartphones about Lower Manhattan's amenities—and we are increasing the use of this technology on our way-finding signage as well. We counted more than 4,100 scans from January to July of 2012.
- Pow-Wow Media Marketplace: We promoted tourism in Lower Manhattan at the International Pow Wow Media Marketplace, sponsored by the U.S. Travel Association, in 2011 and 2012. Our representatives met with local, national and international media to discuss the district's growth, resilience, cultural attractions, retailers and restaurants. NYC & Company has been a huge asset for these trade shows allowing us to share space on convention floors while controlling costs.
- Downtown NYC Mobile Apps: We developed the second version of our Downtown Alliance iPhone app last April, listing Lower Manhattan's events, stores, restaurants, hotels, services and more. In five months, we have had over 4,000 downloads, and we are now developing an app for Android phones that we hope to release in early 2013.
- Core Supplemental Services: The core of our work is providing supplemental service in sanitation, public safety, transportation, homeless outreach, and marketing, and, of course, all of these services make Lower Manhattan a more attractive, accessible and friendly place for tourists to visit. In fact, our public safety officers are trained on the goodwill ambassador model offering information on where to go and what to do while patrolling the streets. Similarly, our sanitation team works 24/7 to make sure the streets are clean and wastebaskets are emptied throughout the district—a growing challenge in some parts of the district as tourism increases. Finally, our free bus service connecting the South Street Seaport with Battery Park City makes 37 stops at important destinations in Lower Manhattan helping visitors easily get around. We continue to work with the city and local stakeholders to make sure that we providing visitors with the best experience possible.

In conclusion, tourism is a key ingredient for Lower Manhattan's recipe for success. The significant growth in visitors and hotels provides strong economic support for attractions, restaurants, and shops; creating jobs and tax revenue. I expect that visitor numbers will continue to increase as new and revitalized visitor attractions open in the next few years. It is our hope that more and more visitors will decide to start and end their stay in Lower Manhattan.

Thank you.

The mission of the Alliance for Downtown New York is to provide service, advocacy, research and information to advance Lower Manhattan as a global model of a 21st century Central Business District for businesses, residents and visitors.

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