

**LAKE CHAMPLAIN REGIONAL CHAMBER OF COMMERCE/GBIC,  
2010 POSITION STATEMENT ON  
MARKETING VERMONT'S TOURISM INDUSTRY**

The Lake Champlain Regional Chamber of Commerce, Vermont Convention Bureau and GBIC support a strong and vibrant Vermont travel and tourism industry, which provides year-round vacation, recreation, cultural heritage, and business travel opportunities for visitors and Vermonters alike. Vermont's tourism industry is part of the state's economic foundation. In good economic times, tourism dollars have provided substantial additional revenue to our dynamic economy. In more difficult economic times, Vermont's tourism industry has provided a consistent source of revenue to the state.

Vermont's sense of place and authenticity is critical. It defines Vermont and creates an appeal that includes culture, arts, history, great outdoors (natural and manmade attractions), and natural beauty. Vermont also has a strong reputation of being family-friendly and safe.

The state's tourism industry is highly dependent upon these revenue generating assets which attract visitors to our state:

- An array of home grown and locally owned retail outlets and national chains, restaurants tailored to every taste and budget, and a diverse lodging industry representing the essence of Vermont Hospitality;
- meetings, conferences, events and weddings that are attracted into the state by the Vermont Convention Bureau;
- our vast natural resources, including mountain viewsheds, working agricultural lands as well as our lakes, rivers and streams;
- recreational activities including mountain biking, hiking trails, bike paths, ski areas, snowmobiling, fishing, swimming, boating, "extreme" adventure opportunities, and many more;
- Museums, historical sites, attractions including factory tours, science centers, farm/garden tours, wineries, orchards, alpine slides, cruise boats, fairs; and
- Vermont's culture and arts (including arts and crafts, live music, festivals, performance venues, and the organizations that foster these thriving sectors)

A study on the value of the Vermont tourism industry to the state's economy conducted by Economic and Policy Resources (EPR) of Williston shows that in 2007:

- Visitors made an estimated 14.3 million trips to Vermont
- Direct visitor spending totaled \$1.615 billion
- Visitor spending (direct and indirect) supports more than 37,490 jobs
- Tourism added \$206.9 million in tax and fee revenues to the state treasury
- Based on national conversion rates compiled by the VDTM and reviewed by EPR, the State of Vermont receives an estimated \$4.48 in additional state revenues for every \$1 spent by the Vermont Department of Tourism and Marketing (VDTM) in support of the Vermont tourism industry

The EPR study found that Vermont is more dependent than the national average on visitor spending, with some sectors like the restaurant, travel services and retail businesses being 2-3 times more dependent on visitor spending than the national average. Without a vibrant tourism economy, many small businesses would likely fail.

VDTM's base budget for recent years has been:

FY07: \$4.3 million

FY09: \$3.9 million

FY08: \$4.1 million

FY10: \$3.6 million

To put these numbers in perspective, in calendar year 2008, rooms, meals and alcohol sales generated \$119.9 million in tax revenue for the state of Vermont's general fund. At a time when we should be investing more money in this economic engine, Vermont places itself at an increasing competitive disadvantage. Examples of this are the tourism budgets of our regional competitors: Maine at \$8.5 million, New Hampshire at \$5.7 million and New York at \$16 million.

The viability of the Vermont tourism industry is changing and may be compromised by a number of forces outside of our industry's control. In recent years, a number of Vermont towns have implemented local rooms and meals taxes and developed municipal-based marketing initiatives. While these additional marketing resources are welcomed, we need to be sure that individual marketing efforts are complementing each other and not splintering Vermont's brand or message in the marketplace.

This, in addition to higher operating costs, higher taxes and real estate values, rising transportation and energy costs, global competition, and our inability to compete with the destination advertising being done by our neighboring states and Canada, contributes to our competitive disadvantage.

We encourage our elected leaders to recognize that the long-term health of the tourism industry relies upon stable and successful agricultural businesses, the preservation of our precious natural resources, quality educational and workforce development systems, a healthy manufacturing base and an adequate public services infrastructure. Furthermore, our state's economy depends upon an investment in maintaining a healthy tourism economy as well as in all of the above sectors that support our industry. Finally, we encourage a coordinated statewide marketing effort that incorporates regional and localized interests.

Therefore, in order to ensure that the travel and tourism industry remains as an integral part of Vermont's sustainable and healthy economic future, the Chamber, Vermont Convention Bureau and GBIC support the following:

**Investment of resources:**

- Increase funding for the Vermont Department of Tourism and Marketing to \$6.8 million annually

**Infrastructure:**

- Fully implement statewide cell service and broadband internet
- Identify one interstate visitor center each year for capital investment
- Pass enabling legislation that allows the Federally Approved interstate logo signage system to be installed in Vermont, paid for by non-state dollars, to provide clear and safe information about destinations for vehicles exiting the highway