

The Economic Impact of Tourism in Somerset County New Jersey 2014 Results

A study commissioned by the

 Somerset County
Business Partnership



At the Heart of it All!

and conducted by



LLOYD D. LEVENSON INSTITUTE
OF GAMING, HOSPITALITY & TOURISM





Executive Summary

- * The Somerset County Board of Chosen Freeholders established the Somerset County Business Partnership as the official Destination Marketing Organization (DMO) for Somerset County eight years ago in 2007.
- * The Somerset County Business Partnership DMO is recognized by the New Jersey Division of Travel and Tourism as one of just more than a dozen grant recipients in their Destination Marketing Organization's grant program.
- * This economic impact study reviews the performance metrics by which the promotional efforts of Somerset County Business Partnership DMO can be examined.
- * The report uses as its sources for information multiple publicly available data sources including the New Jersey Division of Travel and Tourism, the New Jersey Division of Taxation, the Bureau of Economic Analysis and the US Census Bureau.
- * We review performance of the US and New Jersey tourism industries as well, such that we can place the performance of Somerset County's tourism industry in perspective.
- * In generating tourism expenditures of over \$1.1 billion in 2014, Somerset County has achieved a new high in tourism receipts for the county and is outpacing both the US and New Jersey industry averages over the past decade.
- * The average growth rate for Somerset County tourism expenditures was 9.1% over the past decade.
- * Recently, the County implemented efforts to leverage tourism-related assets that include hotels and motels, a convention center, significant catering facilities, historic sites, extensive parks and recreation facilities (including the County Parks system and Duke Farms), and major annual events, such as the Tour of Somerville Bicycle Race and the Far Hill Race Meeting.
- * Web site visitors to www.visitsomersetnj.org were up 48% in 2014 compared to 2013 and are up 29% through the first six months of 2015 compared to 2014.
- * The tourism industry in Somerset County provides nearly 20 thousand jobs for Somerset County residents in area hotels, restaurants and other attractions as well as other businesses that support the tourism industry.

* Lodging properties in Somerset County, prior to the establishment of the Somerset County Business Partnership DMO, earned more revenue in the spring and fall seasons; today those seasons are just as strong but hotels now earn more revenue in the summer months.

* An estimated additional \$3.4 million was collected at the municipal level, tax dollars that go directly to supporting local municipalities in Somerset County.

* This report provides strong evidence that the investment into the Somerset County Business Partnership DMO that the State of New Jersey, Division of Travel and Tourism, the Somerset County Board of Chosen Freeholders and the Somerset County Business Partnership and its members has made is paying tremendous dividends.

Acknowledgements

The author would like to thank the staff and members of the Somerset County Business Partnership for providing the opportunity to conduct this study. In my role in developing hospitality and tourism managers in the state, it is invaluable to have learned first-hand about the wonderful assets Somerset County has for the visitor and the contribution that Somerset County makes to the tourism economy in the state of New Jersey.

Somerset County Tourism, through the Somerset County Business Partnership, has provided a report that will serve as a basis with which to judge future efforts at promoting Somerset County to current and future visitors. In particular, I'd like to thank:

- Mike Kerwin, President and CEO of the Somerset County Business Partnership, and
- Jacqueline Morales, M.S., Director of Tourism for the Somerset County Business Partnership

Both Mike and Jackie not only provided great leadership in commissioning the study, they made the conducting of the study and resulting product much more complete. Their support has indeed made this report a more valuable tool and it is only proper to acknowledge that effort; thank you.

About the Author

Dr. Brian J. Tyrrell serves as an Associate Professor of Hospitality and Tourism Management in the School of Business at Stockton University. Dr. Tyrrell was elected to serve as the Faculty Senate President from 2015 to 2017 at Stockton University. Brian also serves as the Vice President for the New Jersey Travel Industry Association and serves on town Council in Galloway Township, New Jersey. Brian graduated from Purdue University in 2001 with a doctoral degree in Hospitality and Tourism Management.



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Sidebar Facts of Tourism Assets in Somerset County

- For this, the Economic Impact of Tourism in Somerset County 2014 Results, we will be presenting the sidebars in grey boxes.
- The sidebars will consist of facts regarding tourism assets in Somerset County.
- Popular events are highlighted in these sidebars, including events like the Tour of Somerville and the Somerville Jazz Festival.
- A special focus on Farm to Table and Slow Food Dining help highlight some of the trends in restaurant dining today.
- Historic resources in Somerset County are covered, resources that highlight the significance of Somerset County to this country's history.
- Duke Farms highlights the intersection of nature and history with a description of this palatial estate and gardens.
- Parks and recreational facilities throughout the county are the focus of one of these side bars.
- The sidebars conclude with a description of the United States Golf Association (USGA) Museum.
- For a complete listing of tourism assets the 2014-2015 Somerset County Destination Guide provides a list of the area's top attractions and events, suggestions for places to eat and stay, and numerous options for things to do, and can be accessed on the web at www.visitsomersetnj.org/files/DestinationGuide-2014-2015.pdf.
- We hope these sidebars will provide some character to the nature of the tourism industry in Somerset County.

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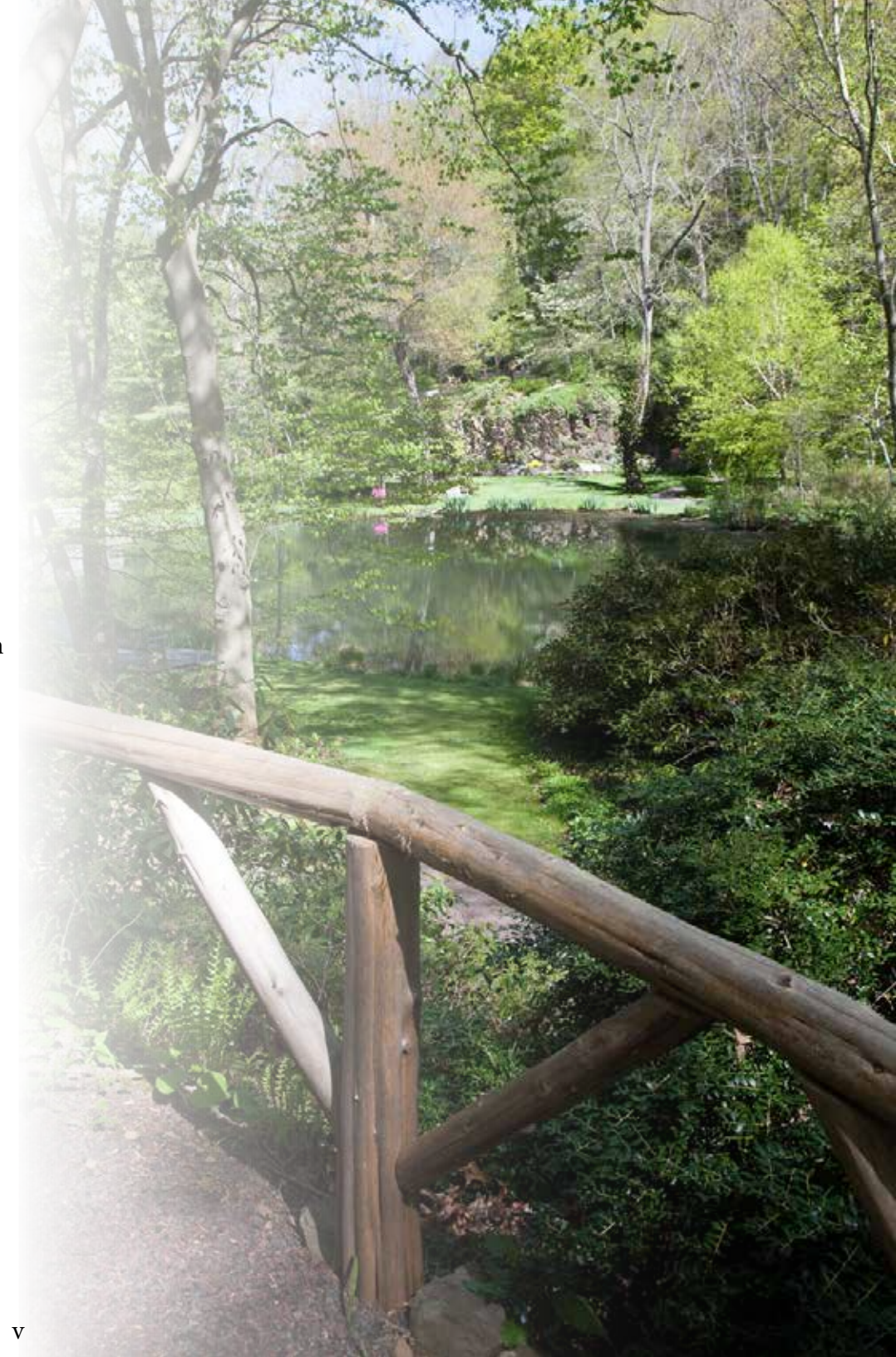
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Measuring the Economic Impact of Tourism in Somerset County

In the spring of 2015, Somerset County Tourism, a division of the Somerset County Business Partnership, commissioned a study on the economic impact of tourism to Somerset County, New Jersey. The work would be performed by Dr. Brian J. Tyrrell, Associate Professor of Hospitality and Tourism Management at Stockton University. The interest in conducting such a study largely centered on the need to measure performance of efforts at promoting Somerset County through the Somerset County Business Partnership.

The partnership, now in its second decade as the partnership and nearly a century (90 years) as a chamber of commerce, has the stated goal of economic vitality in Somerset County. The Somerset County Business

Sidebar Fact: Some Popular Events in Somerset County

- The Taste of Somerset held in May in downtown Somerset offers food and drink from more than 50 of the area's finest restaurants, caterers and beverage purveyors and helps support the PeopleCare Center for Nonprofits.
- Music at Moorland held in June provides visitors with the opportunity to experience the renowned New Jersey Symphony Orchestra performing under the stars.
- Connie Tarantino Concert Series, held in summer, is a free concert generally located at Somerset County Courthouse lawn.
- Basilone Day Parade held in September honors John Basilone, the only enlisted Marine to be awarded the Congressional Medal of Honor and the Navy Cross, and to have returned to action after winning the Medal of Honor and be killed in action.
- Far Hills Race Meeting held in October draws more than 35 thousand visitors for the country's most prestigious steeplechase event.
- Weekend Journey Through the Past held in October provides a two-day period when 26 of the county's significant historic sites are all open.
- Arts & Main Fall Street Fair held in October in downtown Somerville offers crafts, music, art, amusement rides, games, contests, raffles, merchandise, food, antique cars and much more.
- Somerville Holiday Jubilee held in November sponsored by the Downtown Somerville Alliance provides a holiday celebration for families.

Partnership, in conjunction with the Somerset County Board of Chosen Freeholders, recently completed the report *Investment Somerset: A Collaborative Blueprint for Economic Growth*¹. The report serves as a Comprehensive Economic Development Strategy (CEDS) and has been approved by the United States Economic Development Agency (USEDA). The work was completed with the financial assistance of the USED A. The report outlines nine priority focus areas. One of those areas outlined in the report focuses on tourism and is repeated here:

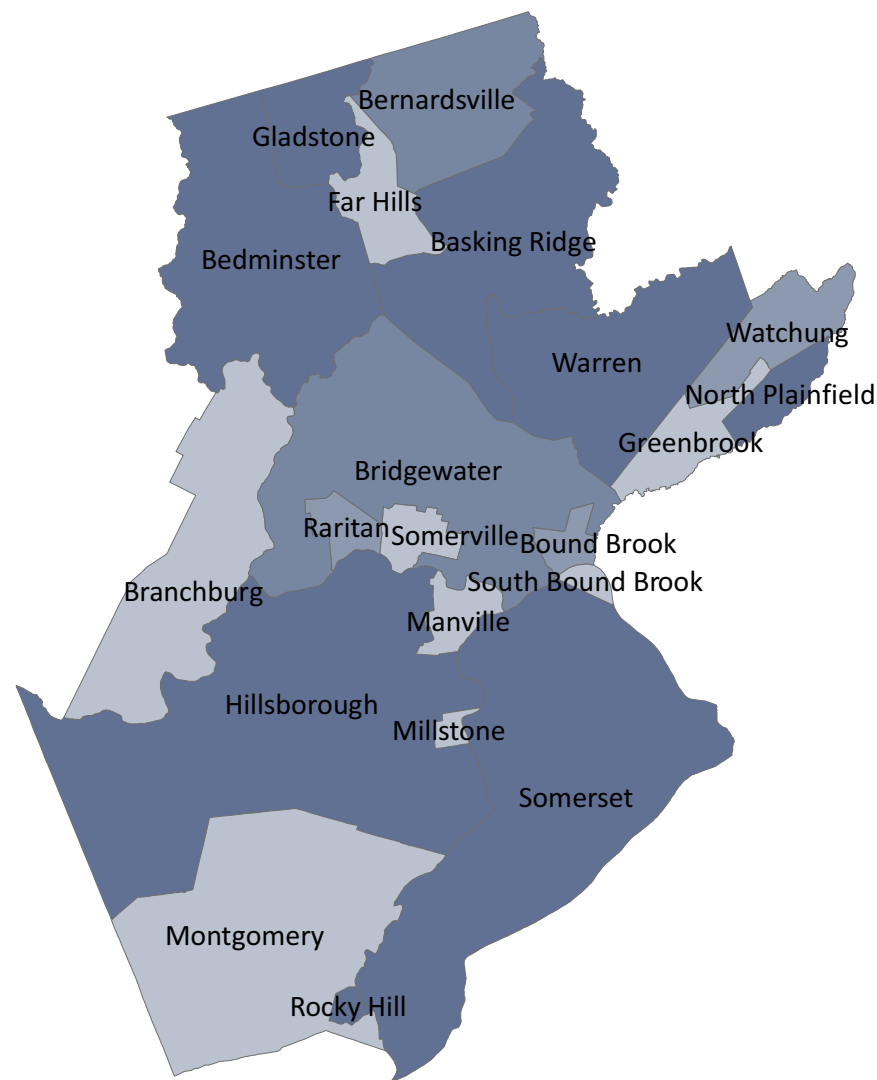
Although tourism is a billion-dollar industry in Somerset County, tourism assets have traditionally been under-valued. Recently, the County implemented efforts to leverage tourism-related assets that include hotels and motels, a convention center, significant catering facilities, historic sites, extensive parks and recreation facilities (including the County Parks system and Duke Farms), and major annual events, such as the Tour of Somerville Bicycle Race and the Far Hill Race Meeting. The County is fortunate to be home to the US Golf Association and the US Equestrian Team. These assets, as well as historical features dating back to colonial times, present opportunities to increase tourism-related economic activity in the region.

Goals and objectives of the report include:

- *Deploy resources necessary to manage attendance and visitation to high attendance events, thus reducing community road and highway impacts.*
- *Implement targeted tourism promotional activities to leverage local hospitality industry assets and to increase regional economic activity.*

Figure 1 shows the municipalities that are promoted by Somerset County Tourism. The county is home to both downtown walkable communities as well as more remote suburban communities. The mixture provides for a variety of activities for the visitor to Somerset County. It is hoped that the current report will help to inform the Somerset County Business Partnerships efforts at promoting Somerset County. This economic impact study can be utilized as a benchmark for which the promotional activities of Somerset County Tourism can be judged.

Figure 1: Somerset County New Jersey Map



New Jersey Tourism and the Role of Destination Marketing Organizations

Maximizing the potential of New Jersey's tourism industry requires a commitment to a strong public-private partnership with a dedicated and stable funding source at the state, regional and local levels. The model for these Destination Marketing Organizations (DMO's) (Figure 2) is quickly proving to be a success in the state of New Jersey, and Somerset County is no exception. The New Jersey Division of Travel and Tourism awards DMO grants each fiscal year.

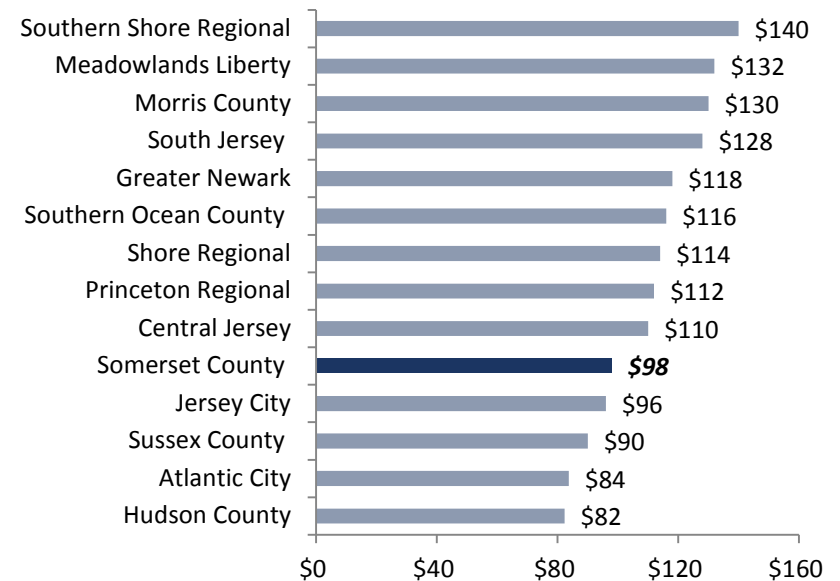
The maximum DMO grant awarded in New Jersey for fiscal year 2014 was \$140 thousand. That grant went to the Southern Shore Regional Destination Marketing Organization. In total, more than \$1.5 million (see Figure 3, next page) was awarded through this grant program, a 14% increase from the prior year. Somerset County Tourism received \$98 thousand in this latest funding cycle. These funds draw on the occupancy tax levied on overnight visitors (5% of the room rate) to New Jersey which, in 2014, generated nearly \$92 million in tax receipts for the state of New Jersey. The occupancy tax is on pace to generate more than \$92 million in 2015.

Lieutenant Governor Kim Guadagno stressed that "these grants will leverage additional economic activity and, most importantly, create jobs." DMO's, in their application for the funds, "must demonstrate quality work, a clear demonstration of how their project will contribute to New Jersey's tourism industry, and how their project fits within the Division of Travel and Tourism's priorities." Marketing a tourism destination requires

Figure 2: Destination Marketing Organizations (DMO's) Defined²

- This term is synonymous with convention and visitor bureaus (CVBs) and tourism boards for accreditation purposes.
- Destination Marketing Association International (DMAI) has an accreditation program for both Destination Marketing Executives and the DMO itself.
- DMAI's accreditation program was referenced in developing the standards used in reviewing DMO status in the state of New Jersey's DMO grant program.

Figure 3: DMO funding by the New Jersey Division of Travel and Tourism, 2014³



a focused promotional effort and can pay dividends in the form of revenues, employment and income (see Figure 4, next page). Investing in Destination Marketing Organizations through a stable source of funding was a primary goal of the passage of the occupancy tax in the state of New Jersey.

While all of New Jersey's Destination Marketing Organizations have collectively and individually helped to raise the profile of New Jersey as a tourism destination, the funding for tourism in New Jersey still has a long way to go to be considered both sufficient and stable. The \$1.5 million of the state hotel tax that funded regional DMO's equates to only a 1.6% reinvestment of \$92 million in total occupancy tax. By contrast, in Destination Marketing Association International's 2011 national survey⁴ an average of 55% of room tax (hotel/motel occupancy tax) is dedicated to DMO funding. Further to this, the 1.6% does not even consider the additional roughly \$50 million that visitors were charged on a hotel stay in 2014, revenue that remains with the local municipality.

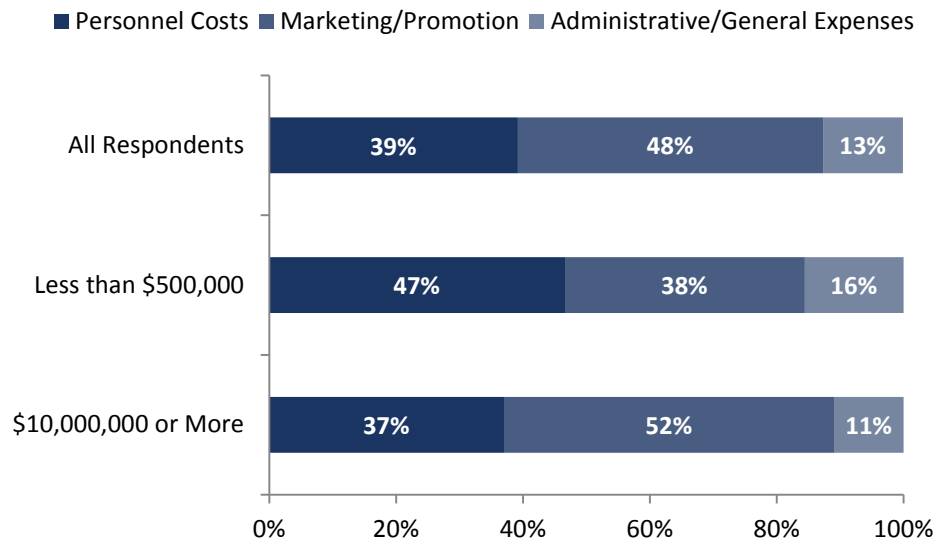
Figure 4: Travel and Tourism Promotion and its Economic Benefits⁵



Still, the monies returned to the local DMO’s throughout New Jersey are paying dividends, as evidenced by several sources. In this report we will review evidence from the New Jersey Division of Travel and Tourism, the New Jersey Division of Taxation, the United States Census Bureau and the Federal Bureau of Economic Analysis, all of which points to the success of the DMO efforts in Somerset County. We will review the success of these DMO efforts through a review of the Travel and Tourism Satellite Accounts, explained in the following section of this report.

Figure 5 shows the major expenses of DMO’s of various sizes. The average DMO spends nearly half of all their budget on marketing and promotion. Even for the smaller DMO’s, more than one third of their budget is spent on marketing and promotion. It is evident that much of what a DMO is about is marketing, and in particular the promotional aspect of marketing. It is only with the proper promotional strategy that the tourism economy in any given region will maximize its true potential.

Figure 5: Comparison of Major Expenses by DMO’s by Size of DMO Budget⁶



Sidebar Fact: Focus on Farm to Table and Slow Food Dining

- Farm to table refers to a trend in restaurant service whereby locally produced food is served to visitors.
- With slow food, restaurant visitors have an alternative to fast food with food that is prepared in traditional styles, often with a regional flair.
- At Ninety Acres in Peapack and Gladstone, visitors can dine in a restored carriage house with breathtaking views, while enjoying fresh, local ingredients from the restaurant’s on-site farm.
- The restaurant two fifty two in Bedminster celebrates the farms and artisans of New Jersey, with the majority of ingredients being sourced locally from farmers who embrace the ideas of organic, ethical or sustainable farming practices.
- At the Grain House in Basking Ridge, old and new converge as diners enjoy inventive menus amidst the Colonial charm of this 18th Century structure where fare emphasizes organic, local foods and sustainable farming practices.
- The Stone House at Stirling Ridge in Warren boasts over 90 percent of the ingredients are sourced locally, with many being harvested directly from the restaurant’s on-site organic farm, just minutes prior to serving.
- More information on many more restaurants in Somerset County can be found by visiting Somerset County Tourism’s website at www.visitsomersetnj.org/eat/restaurants

Somerset County Tourism

Somerset County Business Partnership was awarded a grant designating the partnership as the state's official DMO for Somerset County in the 2009 funding cycle of the New Jersey Division of Travel and Tourism. Their subsequent grant applications were also received with favorable funding and the destination marketing efforts of the Somerset County Business Partnership received their most recent grant in 2014 (\$98 thousand). That grant must be matched at 25% locally, which the Somerset County Business Partnership has done through their 501 c[3] County Economic Development Office, ultimately funded by the Somerset County Freeholders. Remaining costs are covered by the Somerset County Business Partnership Member dues (from the 501 c[6]) and revenue that the Somerset County Business Partnership Tourism Director generates through advertising and events.

Somerset County Tourism has subsequently helped to brand the region (see Figure 6) as part of the larger destination marketing effort. Somerset County Tourism, as a membership based organization, seeks members to help in the collective effort of promoting the county. Some of the benefits of membership include:

- *Access to the most extensive network of Somerset County tourism professionals*
- *Exclusive referrals, leads and opportunity e-blasts*
- *Listing in Countywide Visitor Guide*
- *Featured listing on www.visitsomersetnj.org*
- *Reduced pricing on networking/educational programs, advertising*

Figure 6: Somerset County Tourism Logo



At the Heart of it All!

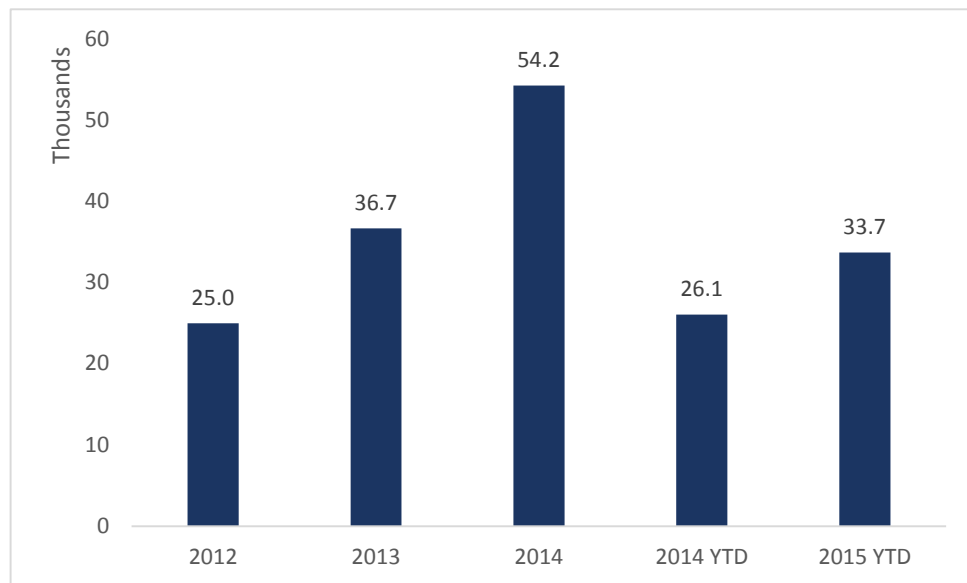
opportunities and trade/consumer show participation

- *Bi-Monthly Tourism Council meetings*
- *Monthly tourism partner e-newsletter*
- *Members-only County Visitor Center literature display area*
- *Regular promotion via Facebook and Twitter*

The Somerset County Business Partnership (SCBP) is requesting funding from the Johnson and Johnson Somerset County companies to support a Somerset County project to develop a brand to promote Somerset County as a desirable place to live, work, and play. This project is intended to connect the marketing and promotional activities of Somerset County, the Park Commission, the Business Partnership, the Regional Center and other community partners in order to deliver a single, clear message. Creating a Somerset County place brand will assist Somerset County employers attract and retain a talented workforce.

One of the major promotional tools of this campaign is their website, www.visitsomersetnj.org, which reaches visitors across the globe. Figure 7 shows that total visits to that website in 2014 were 54.2 thousand. Visits were up 48% in 2014 compared with 2013, and are up 29% through June 2015 compared to the same period in 2014.

Figure 7: Travelers visiting www.visitsomersetnj.org, 2012 to 2015⁷



This growth is quite dramatic and a testament to the success of the visitsomersetnj.org website operated by Somerset County Tourism.

The Somerset County Business partnership is also seeking additional funding through the MetLife Foundation. Thanks in large part to the support the MetLife Foundation has already provided, the Somerset County Business Partnership prepared a comprehensive economic development strategy (CEDS) to drive job creation and private sector investment. Their plan, Investment Somerset: A Collaborative Blueprint for Economic Growth, was approved by the United States Economic Development Authority on December 16, 2013.

In their current application to the MetLife Foundation, the Somerset County Business Partnership outlines a plan to develop and implement a business plan and brand strategy relative to our economic development and tourism promotion efforts. We would expect implementation of this business plan to begin in early 2016. As implementation will require funding, this As the brand plan and strategy is implemented. The Somerset County Business Partnership will adopt metrics to measure the effectiveness in achieving their goals. Data metrics for economic development include:

- *Decline in the county unemployment rate*
- *Decline in the commercial office vacancy rate*
- *Increase in the total value of real estate in Somerset County*
- *Increase in tourism spending*
- *Increase in tourism employment*
- *Increase in NJ Hotel occupancy tax revenue*

Sidebar Fact: Tour of Somerville

- The Tour of Somerville Cycling Series is an exciting three-day event of competitive cycling for professionals and amateurs over Memorial Day weekend.
- The event culminates on Monday with the 50-mile Kugler-Anderson Memorial Tour of Somerville, known as the “Kentucky Derby of Cycling.”
- The Tour is the oldest major bicycle race in the United States and a legend in the lore of bicycle racing.

Measuring Tourism Spending: Travel and Tourism Satellite Accounting

The Travel and Tourism Satellite Accounting (TSA) system for reporting on the performance of the travel and tourism industry was adopted by the United Nations World Tourism Organization in 1998. TSA's allow for the estimation of what are really sometimes disparate components of various enterprises that ultimately provide goods and services to the traveling public. Unlike many other industries where one can measure directly the amount of goods and services produced in a given year, tourism is really about consumption. For example, the number of hotel rooms produced in a given year is good information on the growth of the supply of hotel rooms in that particular year, but really tells us little about the demand for hotel rooms as the majority of travelers will not have stayed in a hotel room that was brand new in that given year.

According to the United Nations, TSA's allow the researcher to "analyze in detail all the aspects of demand for goods and services which might be directly associated with the activity of visitors; to observe the operational interface with the supply of such goods and services within the same economy of reference; and to describe how this supply interacts with other economic activities."⁸ Accordingly, we will review tourism's performance by first reviewing the Office of Travel and Tourism Industry's estimation of tourism performance in the United States, then transition from there into the New Jersey Division of Travel and Tourism's estimate of tourism performance in the State of New Jersey. Next, we will compare both of these estimates with the estimate for Somerset County. Finally, we will look at one additional measure, the state's hotel occupancy tax, to verify the patterns we see estimated for both New Jersey and Somerset County.

Tourism Spending in the United States

Total tourism related output in the United States for 2014 was more than \$1.5 trillion (see Figure 8, next page). Spending on tourism goods and services is now on its fifth year of increases, having gained 4.5% in 2014, 4.1% in 2013, 5.4% in 2012, 11.5% in 2011 and 4.9% in 2010. This is encouraging news after experiencing declines in the two years prior, owing largely to the national recession. The \$1.5 trillion spent in 2014 is now in its fourth year above the pre-recession high experienced in 2007 (\$1.4 trillion). With increases projected for 2015, it would not be surprising to see yet another new record set for travel and tourism in the United States this year.

Figure 9 (next page) shows just where visitors spent those dollars. It is important to note that the distribution of tourist dollars amongst these tourism goods and services categories can vary markedly between different levels of geography. In the present context, it is important to understand that New Jersey is, by and large, a destination that visitors travel to by vehicle. This results in less spending on transportation by the average visitor which can be an opportunity for additional spending at the destination itself. So, while Figure 9 reveals that 41% of all travel and tourism spending in the United States was as a result of spending on

Sidebar Fact: Somerville Jazz Festival

- The 6th annual Somerville Jazz Festival will be on Sunday, September 20th, 2015, and will again be the closing day of the weekend-long Central Jersey Jazz Festival.
- Located at the Somerset County Court House Green, at the corner of East Main and Grove Streets in downtown Somerville, New Jersey.
- The festival is easily accessible via NJ Transit's Raritan Valley line.
- Buster Williams will headline the 2015 Somerville Jazz Festival.
- Other performers in 2015 include Michael Wolff and Mike Clark, plus Gregory Genneret and Alphonso Horne.
- In a study released in 2014 by the Somerset County Business Partnership and Somerset County Tourism, half (50%) of all visitors to the Somerville Jazz Festival were found to be Affluent Mature (over 55 with household income in excess of \$75 thousand); an additional one-third (36%) were Maturing and Free (35 to 54 with no children).
- In that same study, nearly two-thirds (63%) were from the Boomer generation (born between the years of 1946 and 1964).
- Best of all, the Somerville Jazz Festival is free!

transportation, we would expect that figure to be considerably lower as a percent of spending on travel and tourism in both New Jersey and the Somerset County due, in part, to the high reliance on vehicular travel. That a trip to Somerset County is relatively affordable perhaps represents an opportunity for additional visitor spending in other sectors of the tourism industry locally.

Growth was experienced in every sector of the tourism industry for the United States (see Figure 10). Leading that growth was the traveler accommodation sector, with year-over-year growth of 8%. Growth was also experienced for the second year in a row for the food and beverage sector, up 6% in 2014. Healthy gains in 2010 (9%) and 2011 (15%) in the transportation sector have been followed by three years of modest growth (5%, 3% and 2%, chronologically). Likely, the recent modest growth in the transportation sector is partially the result of lower energy prices, a positive development for the traveling public. Destinations also benefit from increased disposable income when energy prices are lower. Growth following the recession for both shopping and recreation and entertainment sectors did not begin until 2011 (10% and 3% respectively), and their growth rates have been rather tepid for the past few years, never in excess of 4%.

Figure 8: All Tourism Goods and Services for the United States, 2005 through 2014, \$trillions^{9, 10}

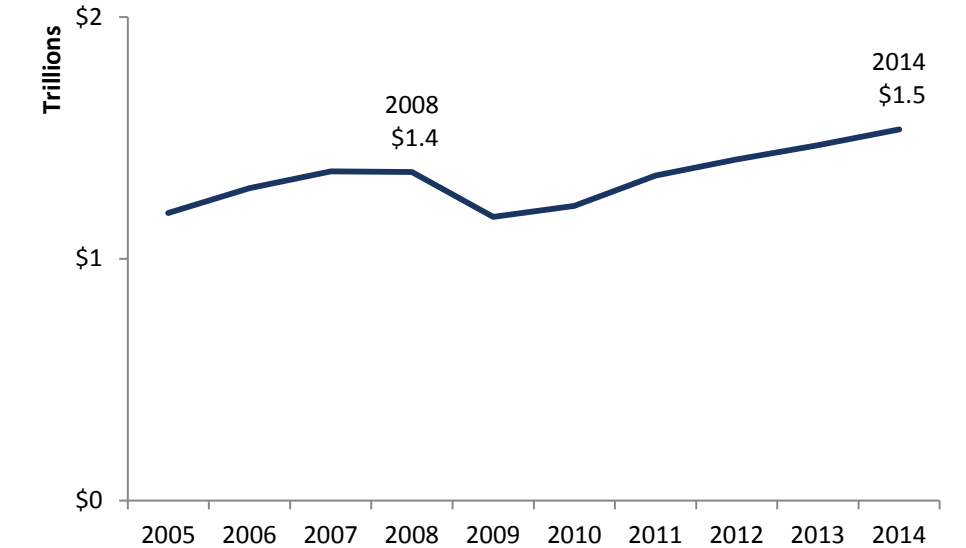


Figure 9: 2013 Tourism Goods and Services for the United States by Industry, \$billions¹⁰

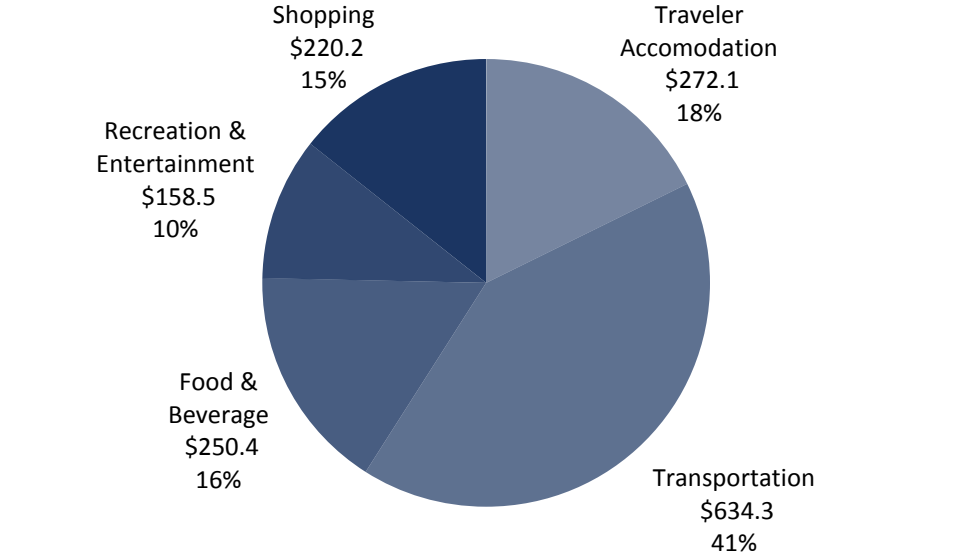
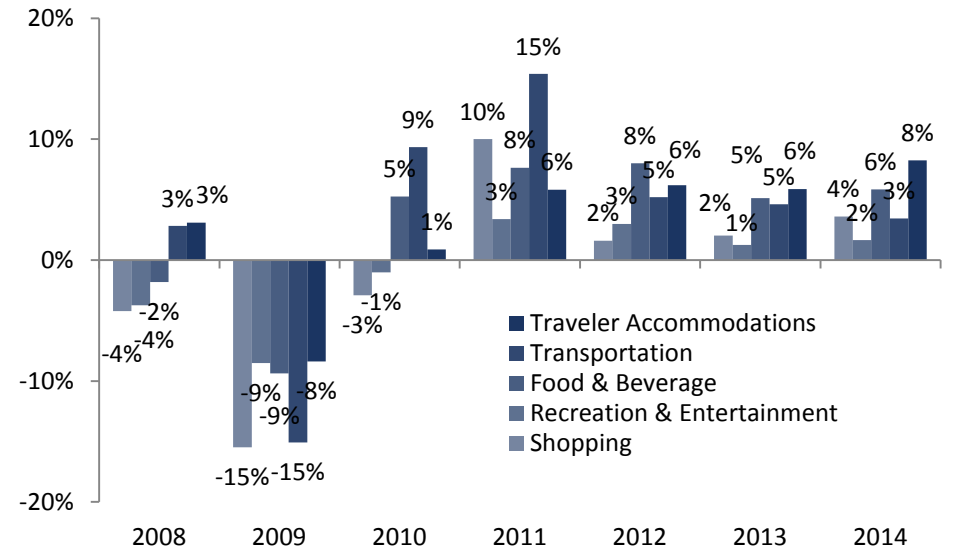


Figure 10: Year over Year Change in Tourism Expenditures for the United States by Industry Sector, 2008 through 2014¹⁰



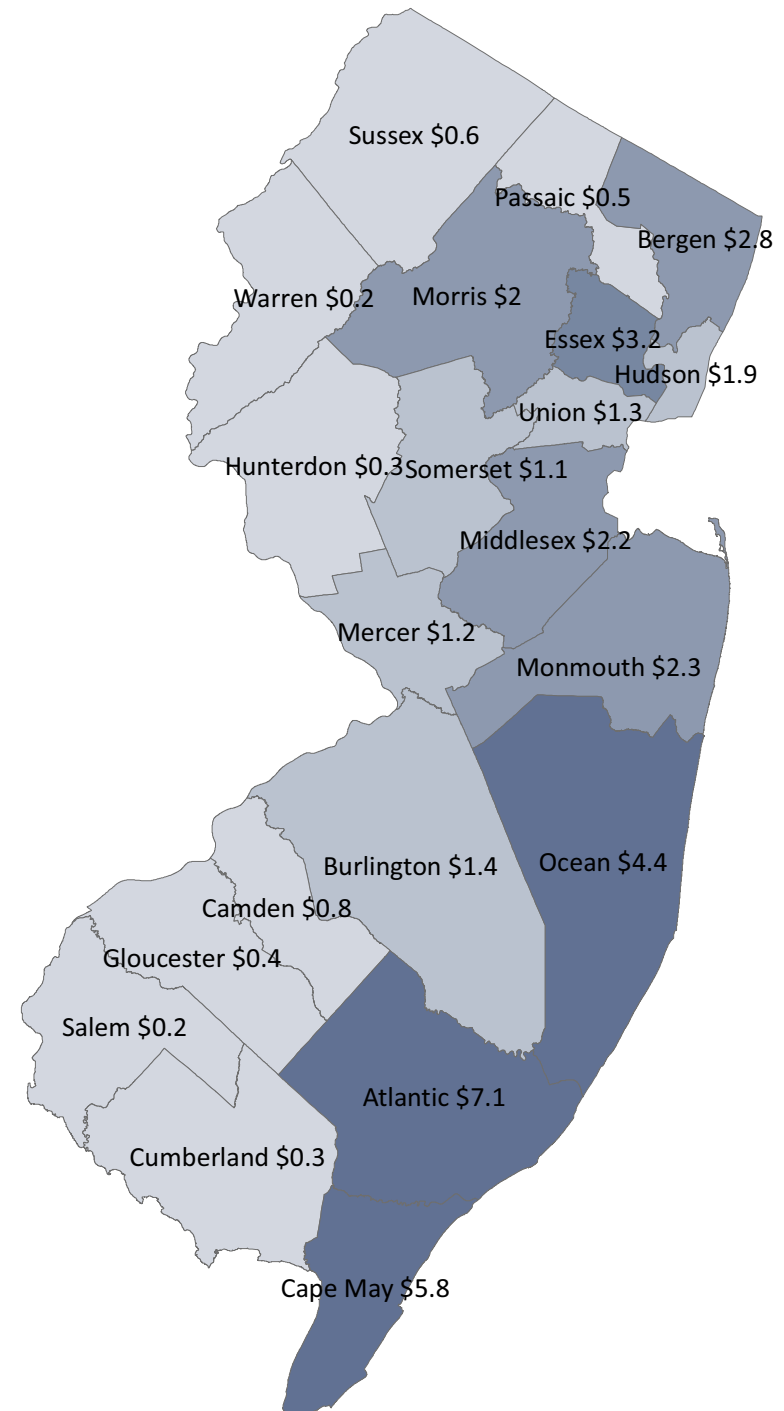
Tourism Spending in New Jersey

Figure 11 provides a review of where tourists spent their monies in 2014 throughout New Jersey. The source of the figures provided in this map is the annual economic impact study that the New Jersey Division of Travel and Tourism conducts, a report that can reliably be used as a source to compare with the current report. Visitors to New Jersey spent more than \$42 billion statewide in 2014. That represents an increase of 4.2% in visitor spending from the prior year and also marks the fifth year of growth in a row following the national recession. Tourism is the fifth largest employer in the State of New Jersey, providing direct employment to more than 315,000 individuals.

Reviewing total tourism goods and services over time requires an examination of the annual economic impact studies of several years (see Figure 12, next page). First, it should be noted that the figures reported here are from three studies representing two authors from two different companies, and cross referenced with the Bureau of Economic Analysis data from which the New Jersey studies were initially based. Still, there is considerable agreement between the two authors, due in large part by similar methodologies. Of note, however, is some discrepancy with respect to when the national recession begins to seriously impact the tourism economy in New Jersey. Early estimates by Global Insight showed that New Jersey may have actually seen a slight uptick in travel and tourism expenditures in the state in 2008, with the worst of the decline occurring in 2009. A later revision of the figures from 2007 through 2009 by the current author of the state's tourism economic impact study, Tourism Economics, would suggest the negative impacts of the recession were well underway in New Jersey by 2008. Still, estimates of the depth of the decline occurring in 2009 are consistent in both studies, both on a percentage basis as well as a dollar value. I've chosen to utilize the more recent estimate from Tourism Economics for the years 2007 through 2014 which shows the decline beginning in 2008.

Figure 12 (next page) shows all tourism goods and services for the State of New Jersey from 2004 through 2014. It reveals the extent to which the recession impacted New Jersey, a pattern very similar to what was revealed in Figure 8 regarding tourism performance for the United States during

Figure 11: Tourism Expenditures in New Jersey by County, 2014, \$billions¹¹



the same time period. The State of New Jersey, like the United States, has recovered from the recession, and the pace of growth (3.8% in 2014) represented fairly modest growth. The \$42 billion in expenditures by visitors in the State of New Jersey is very impressive and ranks in the top third for receipts in the United States.

The tourism economy in New Jersey is de-constructed into its component parts in Figure 13. As was noted above, transportation to New Jersey consists of a relatively stronger drive market and relatively weaker air transportation market than does the whole of the United States (compare with Figure 9). Also, perhaps owing to the very seasonal nature of the shore tourism in the state, higher room rates during these peak seasons help to increase traveler accommodation spending as a percentage of tourists' spending. Indeed, the ratio of food to accommodations in the United States is 1:1.1 while the comparable ratio in New Jersey for 2014 was 1:1.3, a considerable difference.

It is perhaps instructive at this time to pause and consider the fact that tourism's impact on gross domestic product (GDP) in the state actually serves to enhance the fortunes of numerous businesses in other industry sectors as well. Figure 14 reveals that, when including indirect and induced

Figure 12: All Tourism Goods and Services for New Jersey, 2005 through 2014, \$billions^{11, 12, 13}

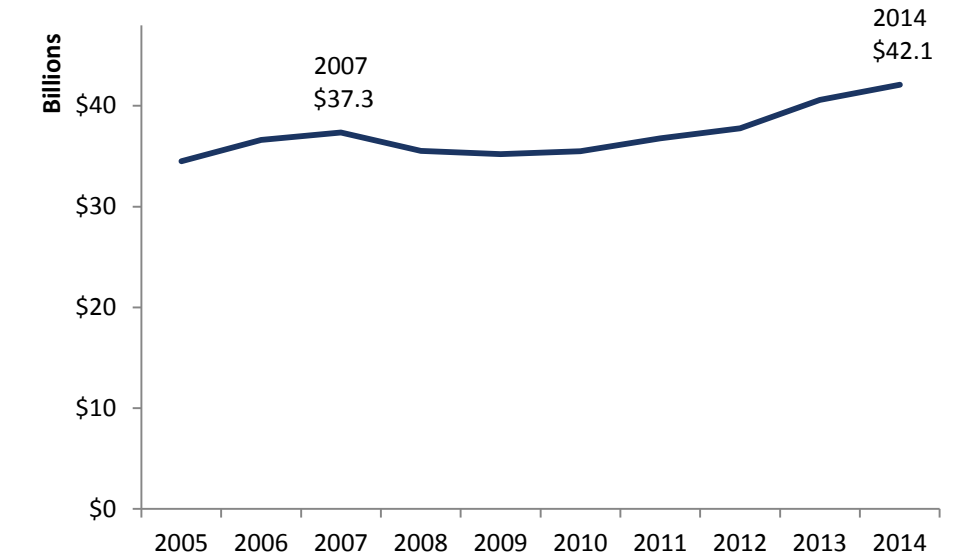


Figure 13: 2014 Tourism Goods and Services for New Jersey by Industry, \$billions¹¹

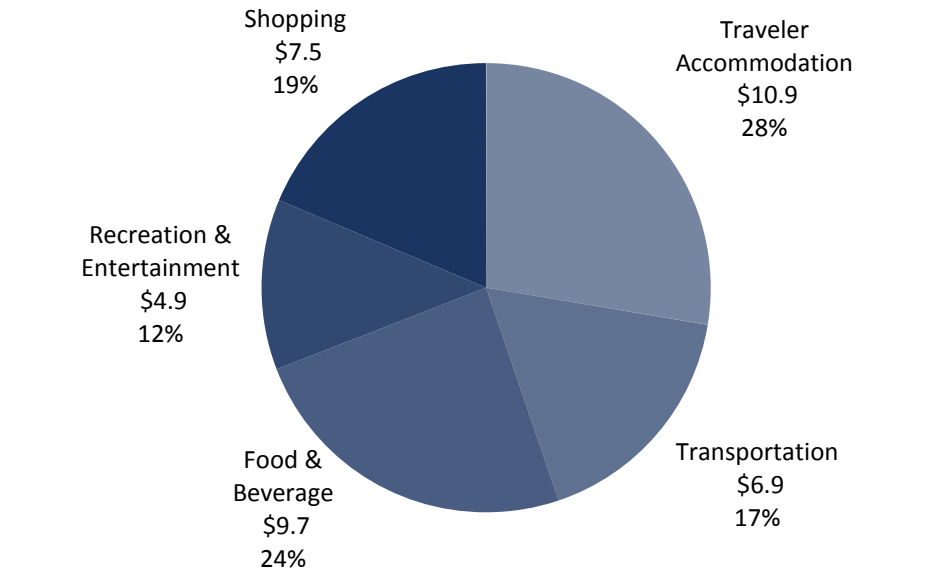
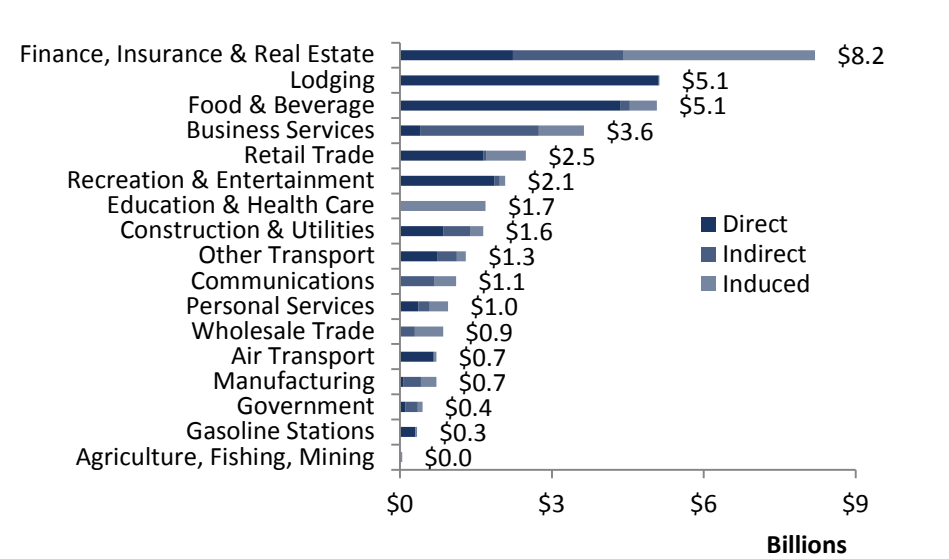


Figure 14: Tourism's Impact on GDP in New Jersey in 2014¹¹

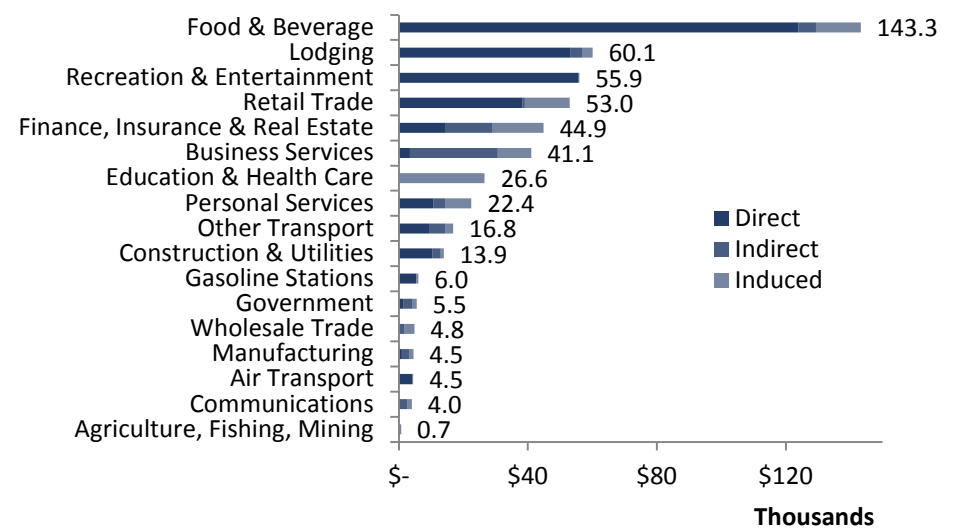


impacts, the finance, insurance and real estate industries in New Jersey are the top beneficiaries. Still, the impact of direct spending on lodging as well as food and beverage in New Jersey is considerable.

Furthermore, the labor intensive nature of the hospitality and tourism industries is evident with the larger direct impacts on employment realized in the food and beverage, lodging, recreation and entertainment industries (see Figure 15). Here, the vast majority of employment for these three important sectors in the tourism industry are dominated by direct employment in these labor intensive industries, helping make tourism the fifth largest private sector employer in the State of New Jersey with 315,952 jobs directly attributable to tourism in 2014, and an additional 191,951 indirect and induced jobs, totaling more than a half a million jobs.

Finally, those jobs help to produce personal income, as measured in Figure 16. Differences in the relative performance of income, when compared with jobs, are largely as a result of the disparity in pay amongst the industries detailed here. For example, finance, insurance and real estate jobs are generally comprised of larger numbers of professionals compared with the recreation and entertainment industries. These professional jobs, by and large, pay better than their non-professional counterparts.

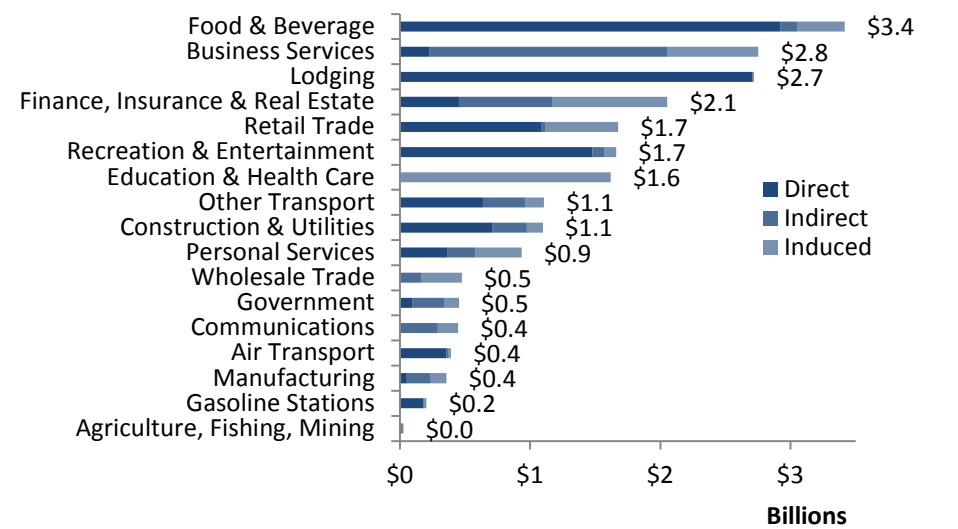
Figure 15: Tourism’s Impact on Employment in New Jersey in 2014¹¹



So where we describe tourism’s spending by sectors in Figure 13, Figures 14 through 16 focus on where that spending is provides an impact to the overall economy, an impact that benefits the economy in a much broader sense than just those business in the tourism sector that directly serve the visitor. Those tourism sector businesses in turn serve to fuel the larger economic engine in Somerset County. The Somerset County Business Partnership is certainly a resource to the larger business community which benefits from the tourism economy in Somerset County.



Figure 16: Tourism’s Impact on Income in New Jersey in 2014¹¹



Sidebar Fact: Historic Resources in Somerset County

- Somerset County is home to many historic resources, many dating back to colonial items.
- The Hendrick Fischer House (Ukrainian Orthodox Church of the U.S.A.), located in South Bound Brook, is a homestead that is believed to be the oldest historic structure in Somerset County.
- The Abraham Staats House, located in South Bound Brook, is an exceptional example of 18th and early 19th century Dutch and Federal architecture.
- The Old Dutch Parsonage is a Georgian style structure built in 1751 for the Reverend John Frelinghuysen, with funds from three Dutch Reformed churches in the Raritan Valley.
- The Natirar Mansion & Carriage House is 411-acre property located in the scenic hills of Somerset County within the municipalities of Peapack/Gladstone, Far Hills and Bedminster, the property is rich in culture and history.
- Old Millstone Forge was constructed sometime between 1828 and 1836, the two-story blacksmith shop remained in operation for around 125 years, providing essential products for farmers, householders and tradesmen well into the 20th century.
- Rockingham Historic Site is located in Kingston and was the headquarters of General Washington for three months in 1783 while he attended sessions of the Continental Congress in Princeton.
- The Brick Academy, also called the Basking Ridge Classical School, is a Federal style structure was constructed in 1809 by the Reverend Robert Finley, a pastor of the Presbyterian Church at Basking Ridge where the site is located.
- Tulipwood, in Somerset, was constructed in 1892 and is a rare surviving example of the Shingle Style, thought to have been designed by New York architect J. August Lienau for Stephen G. Williams, a New York attorney.
- The Old Dutch Parsonage, located in Somerville, is a Georgian style structure was built in 1751 for the Reverend John Frelinghuysen, with funds from three Dutch Reformed churches in the Raritan Valley.
- The Kirch-Ford-Terrill House, located in Warren, had the original section of the house most likely constructed between 1766 and 1774 by Thomas Terrill, Sr. and utilizes an H-bent frame, a hallmark of Dutch American architecture.
- United States Golf Association Museum, (Frothingham-Sloane House), located in Far Hills is a Georgian Revival mansion, constructed in 1919.
- More information on historic resources in Somerset County can be found by visiting Somerset County Tourism's website at www.visitsomersetnj.org/play/historic-sites

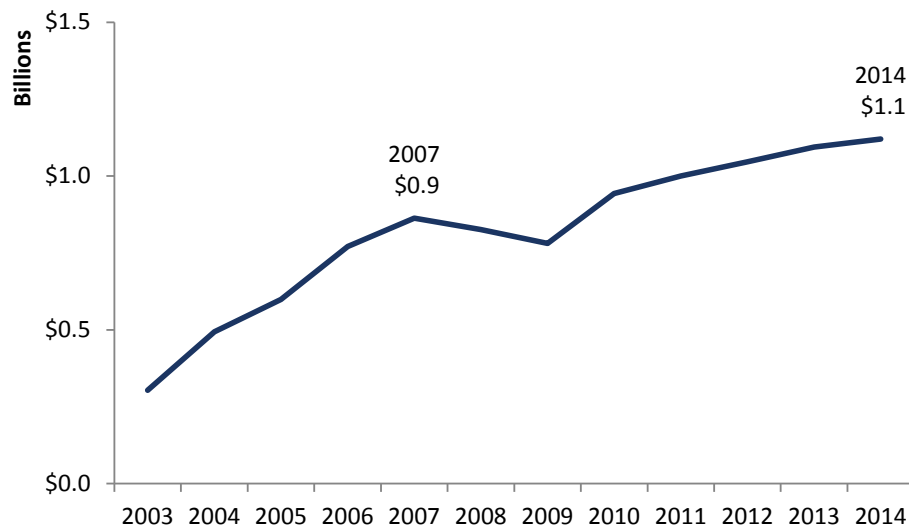


Tourism Spending in Somerset County

It is helpful at this point to recall the Somerset County Business Partnership, through Somerset County Tourism, took steps to be recognized by the New Jersey Division of Travel and Tourism as the region's official Destination Marketing Organization (DMO). Providing a baseline to judge the efforts of these DMO activities is crucial to being able to judge the performance of the DMO. Somerset County Tourism, through undertaking this study, endeavors to provide evidence of their successes.

Utilizing the Travel and Tourism Satellite Accounts described earlier, we can estimate that \$1.1 billion was spent in Somerset County in 2014 on tourism goods and services, a new record for tourism spending in Somerset County (see Figure 17). Somerset County, like both the state and nation, was not immune to the impact of the recession as evidenced in Figure 17, however it also revealed that 2014 was actually the fifth year of growth in a row for the Somerset County DMO. Indeed, 2014 was 22.2% higher than the pre-recession level (\$0.9 billion in 2007), the fifth year in a row its been above this level for Somerset County. All of these figures herald strong

Figure 17: All Tourism Goods and Services for Somerset County, 2003 through 2014, \$billions^{11, 12, 13, 14}

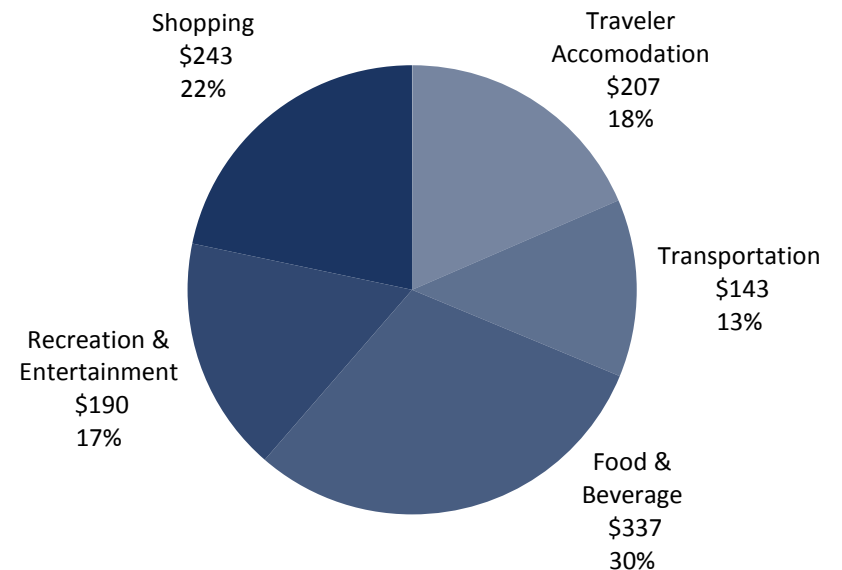


evidence of the effectiveness of the promotional efforts of Somerset County Tourism.

Somerset County is particularly well situated to take advantage of out of state tourism. With easy access from New York and New England, much of the over \$1.1 billion in tourism spending in Somerset County is money that is brought into the State of New Jersey, generating a far greater economic impact, from New Jersey's perspective, than might be seen should the revenue be generated from visitors only originating from within New Jersey.

Figure 18 shows the breakdown of the \$1.1 billion spent on tourism in Somerset County in 2014. Food and beverage account for nearly one third of expenditures at \$337 million. Shopping accounts for over one in five tourism dollars spent in Somerset County totaling \$243 million in 2014. Traveler accommodation spending totaled \$207 million in 2014, followed closely by recreation and entertainment spending totaling \$190 million. Transportation spending in Somerset County as a percentage of total spending was lower than the state average (13% compared to 22%, see figures 18 and Figure 13), but still totaled \$143 million in 2014.

Figure 18: 2014 Tourism Goods and Services for Somerset County by Industry, \$millions^{11, 12, 13, 14}

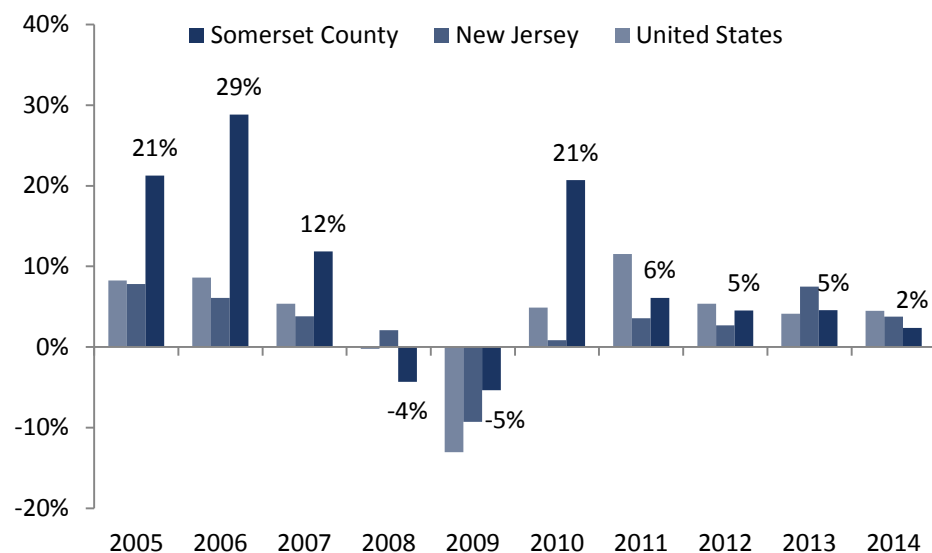


Comparing Tourism Performance in the United States, New Jersey and Somerset County

Figure 19 compares the year over year (YoY) change in tourism goods and services produced for the United States, New Jersey and Somerset County from 2005 through 2014. Modest growth occurred in 2014, not only for Somerset County, but the state and nation as well. This follows a trend that is nearly four years old now.

The impact of the recession was indeed significant, but the recovery for Somerset County was much more pronounced initially, having rebounded significantly in 2010 (21%). The next few years saw Somerset County's tourism industry also exceed the growth rate of the United States and New Jersey. This past year, 2014, was the first time since 2008 where Somerset County's tourism industry did not outperform both the United States and New Jersey, and only the second time this has occurred in the past decade. The average growth rate for Somerset County tourism over the past decade is 9.1%. Subsequent sections of the report focus on tourism employment and the lodging industry in Somerset County.

Figure 19: YoY Change in Tourism Goods and Services Produced; United States, New Jersey and Somerset County, 2005 through 2014^{10, 11, 12, 13, 14}



Sidebar Fact: Meeting and Event Facilities in Somerset County

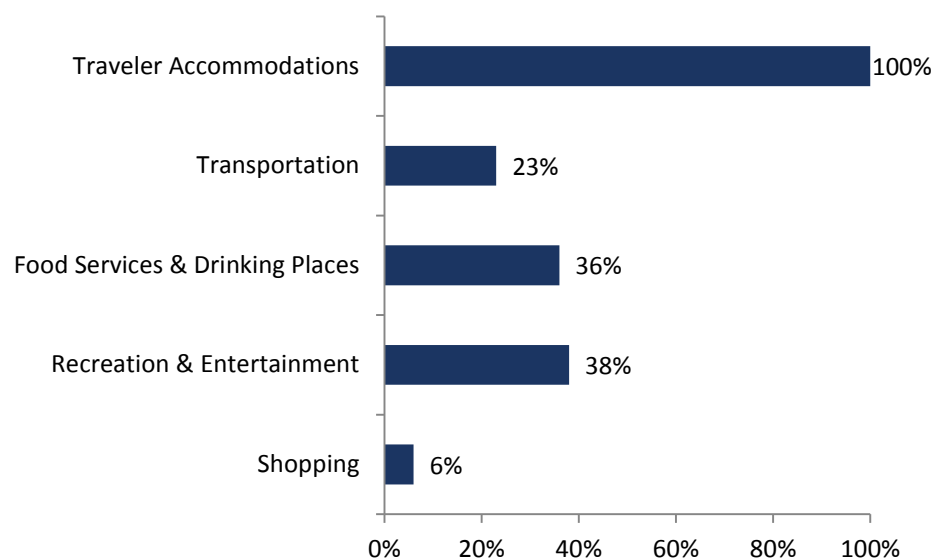
- Opportunities abound for meetings throughout Somerset County.
- Unique spaces at top attractions like the USGA Museum, USET Equestrian Team Headquarters and restored historic sites provide a fresh take on memorable celebrations and business gatherings.
- The Garden State Exhibit Center provides year-round trade and consumer shows, and the County's diverse restaurants and catering facilities round out the many options available to host your special event.
- The Bridgewater Manor was named among The Knot's Best wedding venues three years in a row and offers the finest facilities for special events and meetings in Central New Jersey.
- The Bridgewater Marriott combines classic elegance with the latest audiovisual and lighting technologies.
- DoubleTree Somerset Hotel & Conference Center meeting facilities are certified by the International Association of Conference Centers, and at 52,000 square feet of meeting space, represents the second largest venue in the state, outside of Atlantic City.
- Merri-Makers is the exclusive catering service for Neshanic Valley Golf Course, whose beautiful "Room with a View" banquet room overlooking bucolic surroundings is available for outings, banquets, weddings, social events, fund-raisers, business meetings and community events.
- The Olde Mill Inn and the Grain House Restaurant offer over 16,000 square feet of flexible New Jersey meeting space for various sized functions. Customized meetings, corporate outings, retreats, team building events, corporate dinners, cocktail receptions and association meetings are our specialty.
- A wedding at The Bernards Inn is a perfect marriage of elegance and sophistication. Luxury, romance, intimacy, service and renowned cuisine make the Inn an extraordinary location for a wedding reception site.
- Fair Winds Fine Catering at the Basking Ridge Country Club is open to the public and available for weddings, corporate meetings, and private parties.
- The AAA Four-Diamond award winning Dolce Basking Ridge is located only 40 minutes from Newark Liberty International Airport and less than an hour from New York City, offering guests access to the city while creating a tranquil oasis for business and pleasure in scenic Basking Ridge.
- More information on meeting and event space in Somerset County can be found on Somerset County Tourism's website at www.visitsomersetnj.org/meet

Focus on Tourism Employment in Somerset County

Figure 20 shows the generally accepted share of employment that the various sectors of the travel and tourism industry generates. Note that all lodging employment is considered to be jobs generated by the tourism industry, whereas the other industries represented here are only attributing some of their employment to tourism. Indeed, similar to tourism expenditures, not all of the other tourism sectors (besides lodging) can be wholly attributable to tourism. For instance, many visitors to local restaurants are indeed residents of the county, and thus would not be considered to be as a result of the tourism. The employee that served the resident would not be considered when determining tourism employment.

Figure 21 which shows total tourism employment in Somerset County to be nearly 20 thousand in 2014. That represents a slight contraction from 2013. Still, this was preceded with four years of positive growth post-recession. Like tourism expenditures, employment in the lodging industry in Somerset County has now surpassed its pre-recession highs of almost 18 thousand in 2007.

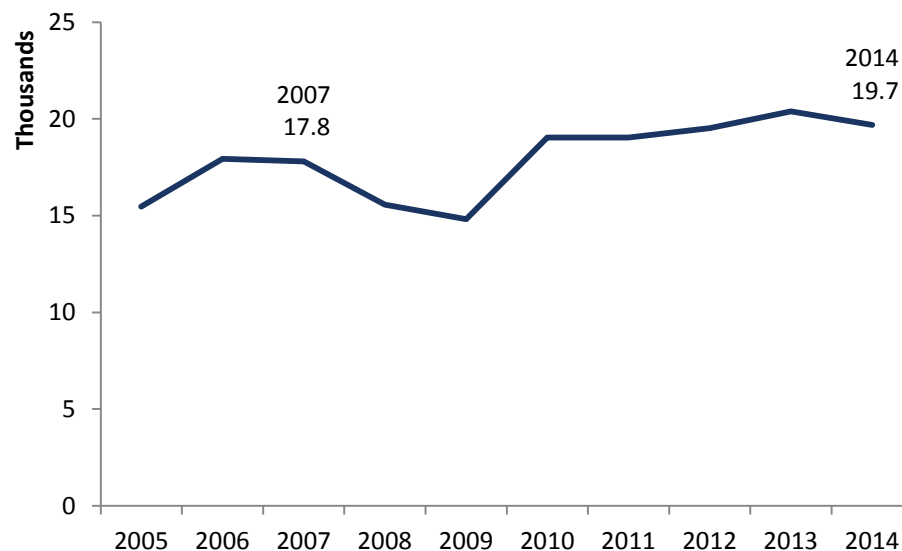
Figure 20: Employment Attributable to Tourism for Selected Industries, State of New Jersey¹⁵



Sidebar Fact: Birdwatching in Somerset County

- Somerset County offers a remarkable diversity of birdlife surpassing many larger areas with its expanse of parks, open green spaces and wide variety of distinct habitats.
- Located in the Piedmont Plains Region of the state, we are home to three Important Bird & Birding Areas (IBA) with locations that provide essential habitat for a variety of bird species and that make a contribution to the long-term viability of native avian populations in New Jersey. These include Duke Farms, the Delaware and Raritan Canal State Park, and Sourland Mountain Region
- Additionally, Somerset County is home to New Jersey Audubon's Scherman- Hoffman Wildlife Sanctuary, located in Bernardsville at the headwaters of the Passaic River just before the river leaves the Highlands of New Jersey. The sanctuary has the riparian corridor of the Passaic River, floodplain habitat, upland forest and fields and is home to over 200 species of wildlife.
- Another birding favorite, especially in fall, is the Somerset County's Hawk Watch Area platform located in Washington Valley Park.

Figure 21: Total Tourism Employment in Somerset County, 2005 through 2014^{11, 12, 13, 14, 16, 17}



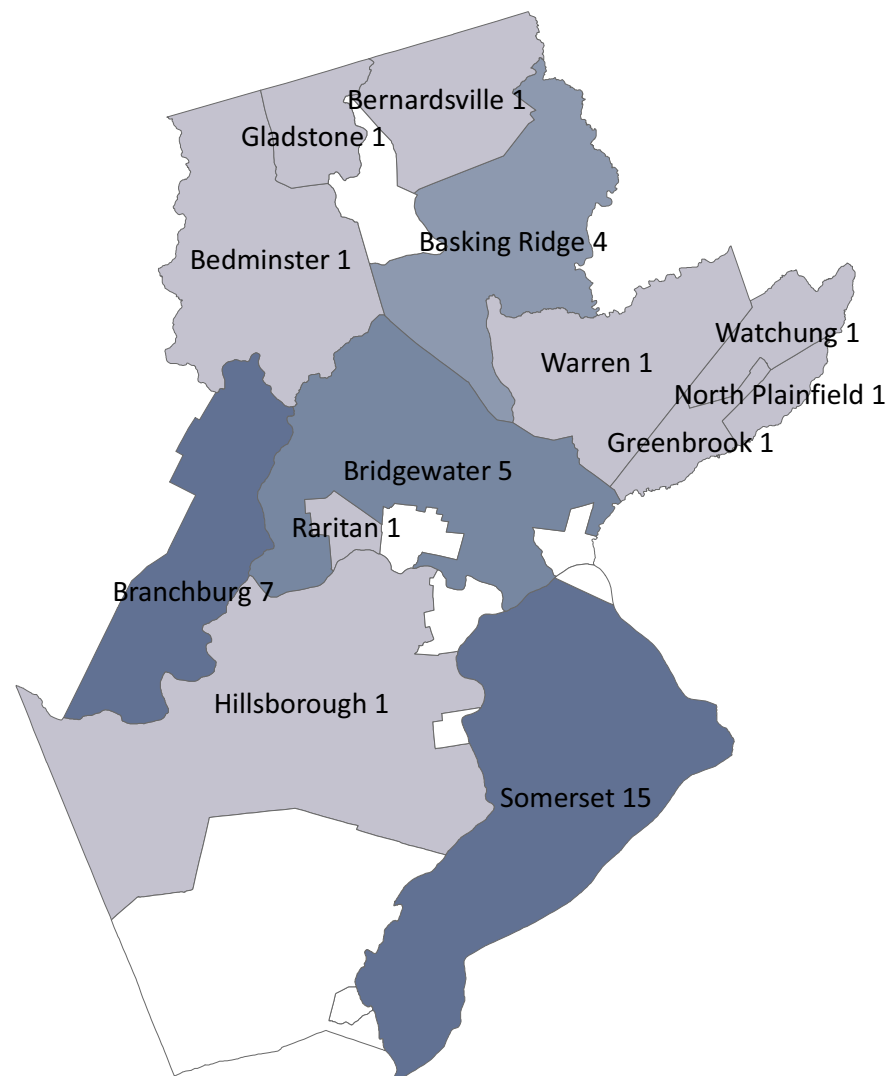
Focus on the Lodging Industry in Somerset County

It has been noted several times in this report that the lodging industry is very critical to the success of the tourism industry in general. Earlier, we learned that in estimating tourism employment we utilize 100% of lodging employment. We also suggested earlier in the report that it would be useful to look at the seasonal pattern of tourism in Somerset County to gain a fuller understanding of how tourism has grown over the past several years since the Somerset County Business Partnership began its efforts at promoting tourism in Somerset County through the Somerset County Tourism DMO.

This section begins with a review of the size of the lodging industry. From there, we review the monthly hotel occupancy receipts collected by the New Jersey Division of Taxation on the sale of lodging. We'll review how the Somerset County lodging industry has fared compared with the State of New Jersey. Most importantly however, we will end the section by showing how the seasonal pattern of business in Somerset County has changed for the better.

Figure 22 shows where the supply of lodging exists within Somerset County. The Municipality of Somerset (Franklin) has the most number of hotels (15), followed by Branchburg (7), Bridgewater (5) and Basking Ridge (4). Nine other municipalities have at least one property. Meanwhile, Figure 23 shows the number of rooms at these lodging properties by municipality. Once again, the Municipality of Somerset has the lion's share of rooms in the region at 2,582. Bridgewater has the second highest total number of rooms at 867, Basking Ridge has the third highest at 620 rooms and Branchburg has 529 rooms, making it the fourth largest. All other municipalities had less than 100 rooms to accommodate travelers.

Figure 22: Traveler Accommodations (Properties) in Somerset County by Municipality

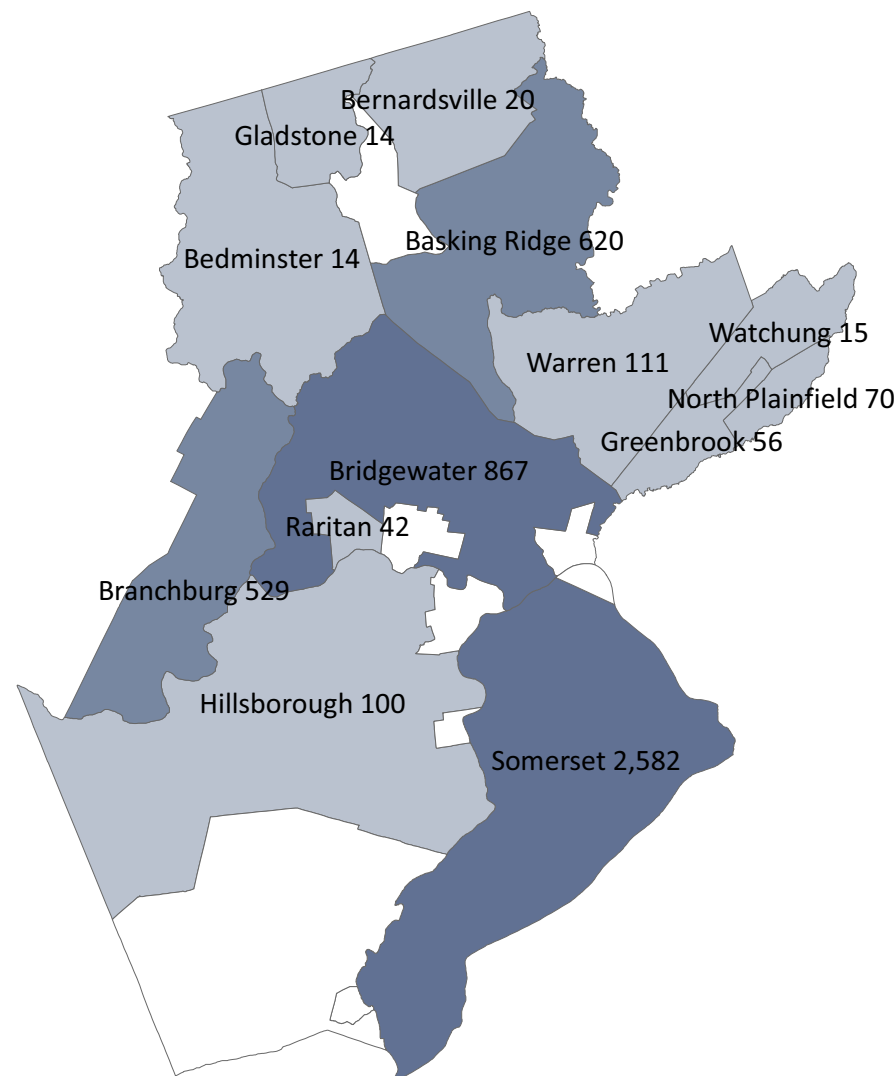


These lodging properties are required by law to collect a hotel occupancy tax (5% state portion) on the sale of rooms for less than 30 days (see Figure 24). The tax was intended to provide a stable source of funds for the arts, history, culture and tourism in New Jersey. Passed in 2003 and later amended, the law requires the imposition of a 5% hotel occupancy tax on the sale of a hotel or motel room and allows a municipality to pass a local ordinance which would impose an additional 3% on the room. The municipal portion of this tax does not have any dedicated funding as does the state portion (see Figure 24 for allocation of the funding from the collection of the hotel occupancy tax). It is often the case across the United States that such municipal occupancy tax be used to help fund the local tourism industry, an investment that generally pays dividends to the municipality by drawing more visitors and thus increasing other tax revenues as well.

Figure 24: “Hotel (Motel) Occupancy Tax” Defined^{18, 19, 20}

- Legislation enacted in 2003 (P.L. 2003, c. 114) imposed a 7% State Occupancy Fee on the rent for every occupancy of a room in a hotel, motel or similar facility in most New Jersey municipalities, between August 1, 2003 and June 30, 2004.
- For occupancies on and after July 1, 2004, the Fee was reduced to 5%.
- A hotel/motel is a building regularly used and kept open for the lodging of guests, including bed and breakfasts, inns, etc.
- The State Occupancy Fee is imposed on the room rentals that are currently subject to the 7% New Jersey sales tax and is in addition to the sales tax.
- For purposes of simplification, we utilize the term hotel occupancy tax in the present study.
- The tax was designed to provide a stable source of funding for several related industries including the arts (22.68% or not less than \$22.68 million), NJ Historical Commission (3.84% or not less than \$3.84 million), the NJ Cultural Trust (0.72% or not less than \$0.72 million) and tourism (12.76% or not less than \$12.76 million).
- The NJ Division of Travel and Tourism spends much of the total on needed state level advertising.
- A significant portion of the remainder of the tourism funding portion (\$1.4 million in 2011) of the state hotel tax that funds regional DMO's.
- By contrast, in Destination Marketing Association International's latest national survey showed an average of 55% of room tax (hotel/motel occupancy tax) is dedicated to DMO funding.

Figure 23: Traveler Accommodations (Rooms) in Somerset County by Municipality



Sidebar Fact: Parks and Recreation Facilities in Somerset County

- The Delaware & Raritan Canal State Park is a 70-mile park that is part of the National Recreation Trail System and one of central New Jersey's most popular recreational corridors for canoeing, jogging, hiking, bicycling, fishing and horseback riding.
- The North Branch Park is a 194 acre park located in Bridgewater Township offering nearly a mile of frontage along the North Branch of the Raritan River and is used extensively for major exhibits, shows, and fairs.
- The North Branch Greenway Park is a nine acre tract located on Milltown Road in Bridgewater, housing a lighted in-line skating rink, a basketball court, and an open play field.
- The Sourland Mountain Preserve is a 3,197 acre preserve providing passive recreational opportunities in an undisturbed natural setting.
- Duke Island Park is a 340.5 acre park located in Bridgewater Township and is the site of rich beauty which offers varied recreational experiences; the park is traversed by the historic Raritan Power Canal.
- Colonial Park is a 685 acre park located in Franklin Township and includes scenic frontage on both the historic Delaware and Raritan Canal and the Millstone River.
- The Environmental Education Center located within Lord Stirling Park is nestled within 425 acres of the western portion of the Great Swamp Basin of the Passaic River.
- Washington Valley Park is a 715.5 acre park that lies along the First Watchung Ridge in Bridgewater Township and contains the former Bound Brook Elizabethtown Reservoir, the focal point of the park along a network of trails.
- Lord Stirling Stables offers horseback riding activities for riders of most ages and abilities.
- The US Equestrian Team Olympic Training Center and Headquarters at Hamilton Farm Golf Club is a large stable built in 1916 with brick and concrete, reinforced with steel and includes ornate interior includes carriage rooms (now executive offices), corridors and harness rooms with tile walls, terrazzo floors, and brass fittings.
- Natirar is a 411-acre property located in the scenic hills of Somerset County. The property is rich in culture and history, featuring historic farm buildings and various other residential structures and outbuildings dating from the mid-18th through mid-19th centuries. Natirar's extensive areas of lawn and woodland, river access and scenic views are just part of its beauty.
- More information on parks and recreational facilities in Somerset County can be found on Somerset County Tourism's website at www.visitsomersetnj.org/play/parks-and-recreation

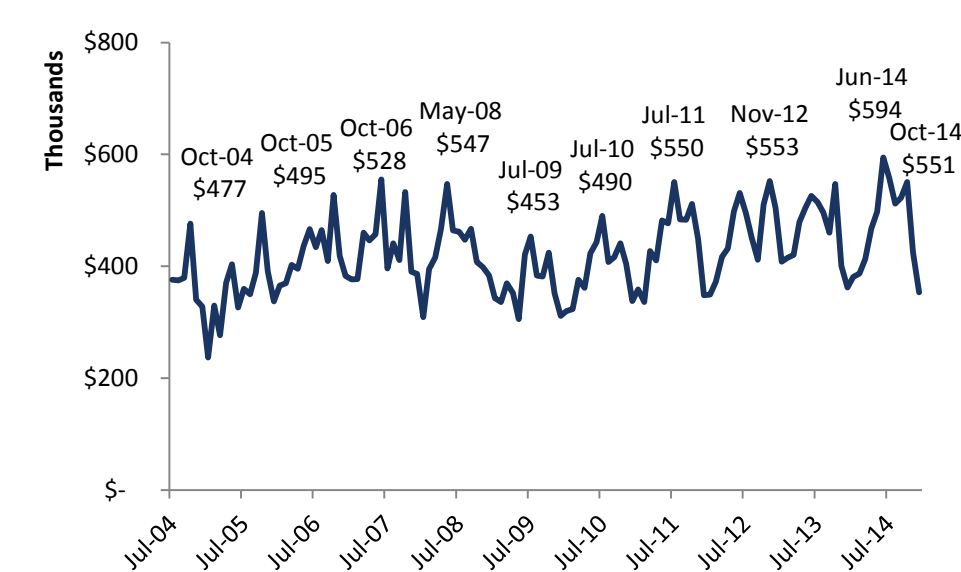


The state portion of the hotel occupancy tax (5%) is shown on a monthly basis in Figure 25. While this graph contains a lot of information (showing all the monthly receipts since the inception of the tax in July of 2004) it is helpful to examining the seasonal patterns of business. In particular, note there are generally two peaks during a given year, portrayed by a bimodal distribution. Generally, those peaks are in May or June and then again in October, a typically busy month for business travel. There is one recent notable exception to these peaks; November 2012. Hotels in Somerset County experienced higher than normal occupancies as a result of Hurricane Sandy in November 2012. Somerset County played a pivotal role in the wake of the storms, housing volunteers, emergency responders, residents and displaced travelers.

It is instructive at this point to show how the Somerset County lodging industry fared compared with the State of New Jersey. The next two graphs (Figure 26 and Figure 27) show the annual hotel occupancy tax revenue from 2005 through 2014 for Somerset County and New Jersey respectively.

In 2014, Somerset County accommodations generated \$5.7 million in occupancy tax receipts, 9.6% above the pre-recession high (\$5.2 million in 2007). Meanwhile, New Jersey as a state hit a new high in 2014 at \$92

Figure 25: Monthly Occupancy Tax Totals for Somerset County, July 2004 through December 2014, \$thousands²¹



million, or 12.0% above its pre-recession high (\$82.1 million in 2007). The growth in hotel occupancy tax revenue in 2014 was, like tourism spending as a whole, modest at 2% (see Figure 30). The impact of the recession on the lodging industry can be clearly seen in Figure 28, Somerset County having fared marginally better than the state of New Jersey as a whole. Still, the impact was large nonetheless. It took two years for the industry to recover to pre-recession levels. Growth since the recovery has been modest.

While 2014 marked modest growth county-wide, the municipalities of Branchburg and Franklin Township fared rather well in 2014 (see Figure 29). The municipality of Branchburg collected 11% more hotel occupancy tax revenue in 2014 compared to the prior year, while Somerset (Franklin) generated an additional 8% in 2014. Meanwhile, both Basking Ridge (-6%) and Bridgewater (-3%) showed modest losses in 2014 compared with 2013. Data is not made available for municipalities with three or fewer properties, shown here with slanted lines. An estimated additional \$3.4 million was collected at the municipal level, tax dollars that go directly to supporting local municipalities in Somerset County.

Figure 26: Annual Somerset County Hotel Occupancy Tax Revenues, 2005 through 2014, \$ millions²¹

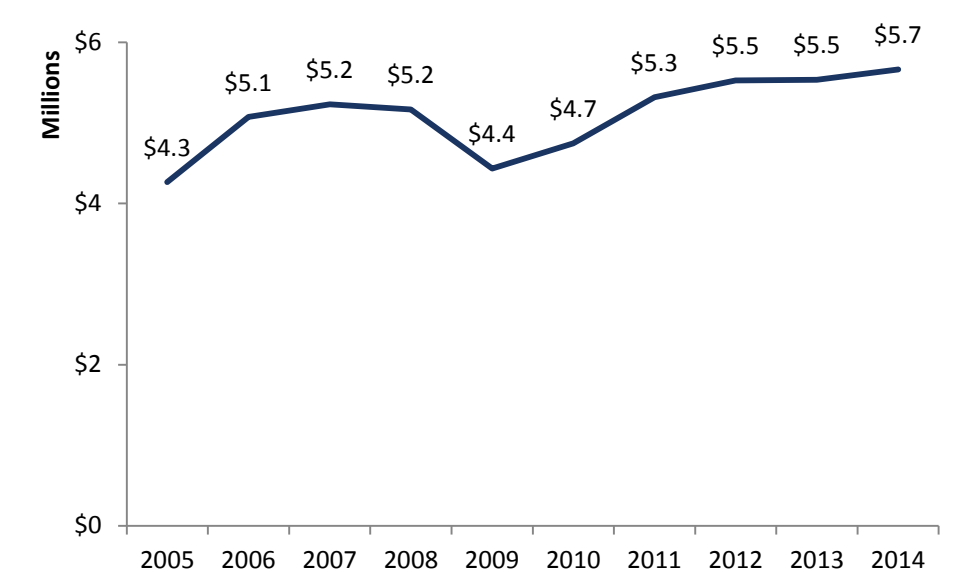


Figure 27: Annual New Jersey Hotel Occupancy Tax Revenues, 2005 through 2014, 4millions²⁷

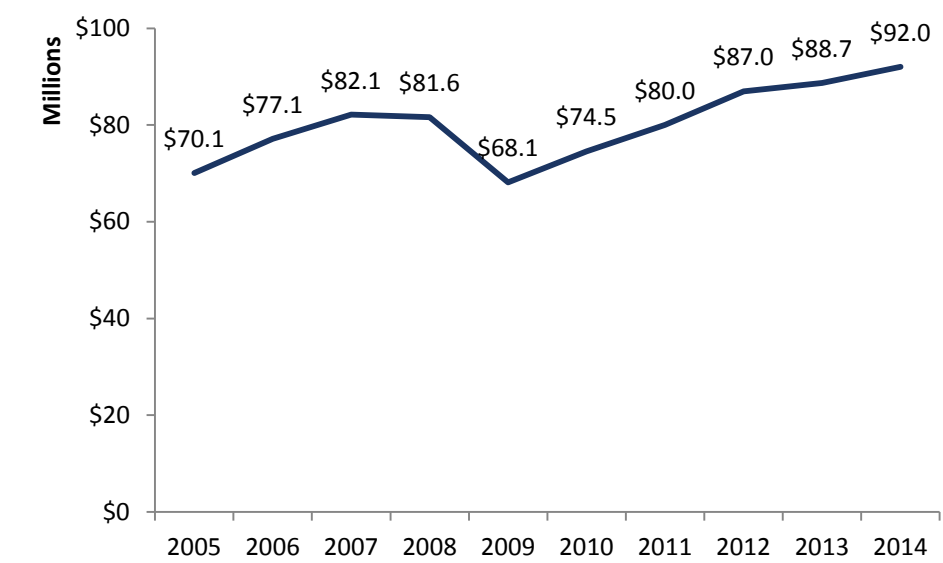


Figure 28: YoY Change in New Jersey and Somerset County Hotel Occupancy Tax Revenue, 2006 through 2014²¹

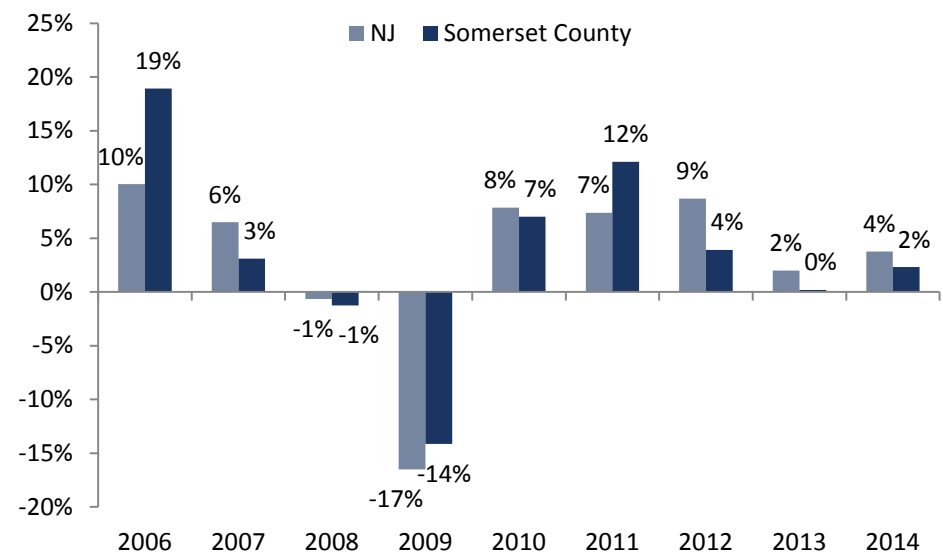
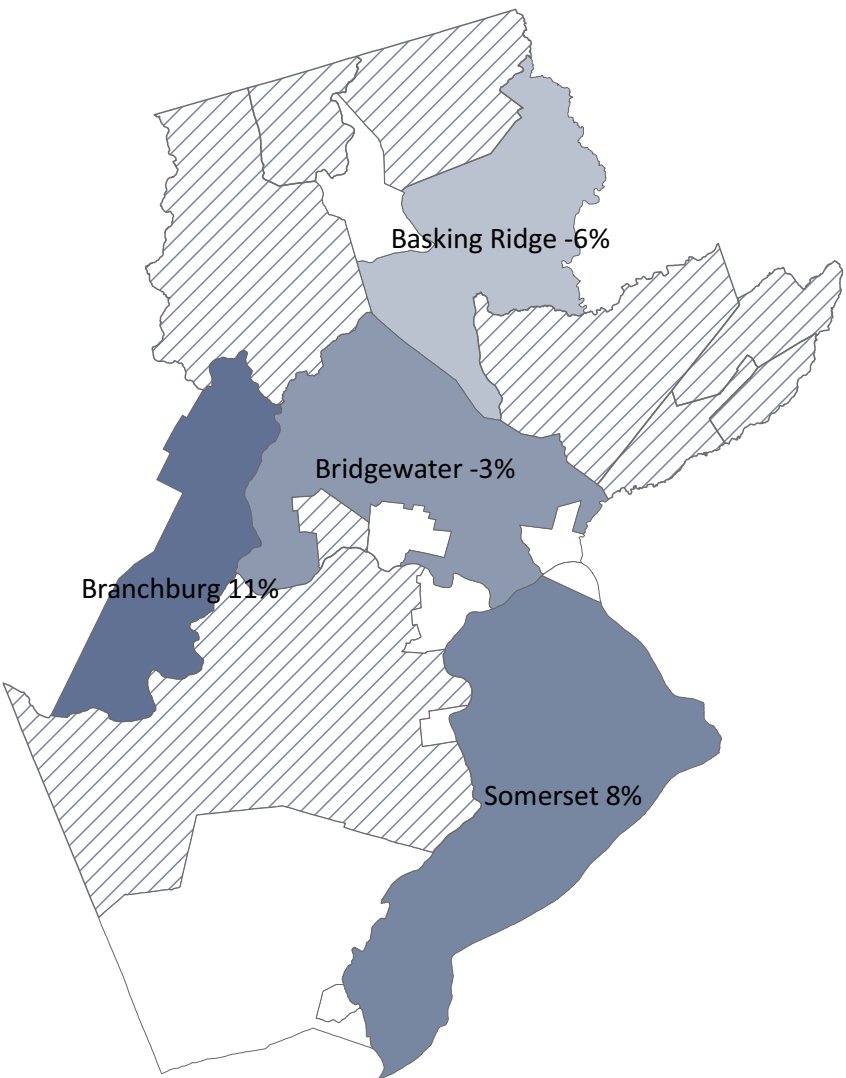


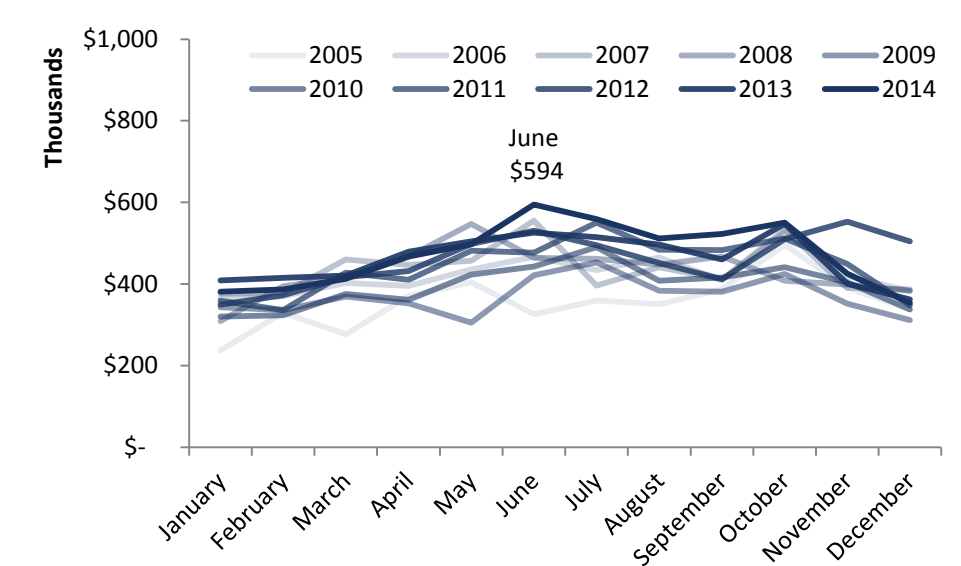
Figure 29: Percentage Change in Occupancy Tax Receipts for Somerset County by Municipality, 2013 to 2014^{21, 22}



Focusing on Somerset County monthly totals again, we can graph the same figures as were presented in Figure 27 in such a fashion as to be able to more closely examine the differences between years as is accomplished in Figure 30. By plotting each year above each other, the seasonal pattern of business over the course of a year becomes a bit more evident.

Still, Figure 30 contains all the same figures as Figure 25 and consequently it is still very difficult to discern clear patterns. Figure 31 shows the monthly averages over the period. Previously, it was reported that the Somerset County lodging industry displays a bimodal distribution, with the average peaks occurring in June and October typically. This graph should be utilized in determining when new events and conferences might most benefit the region. Focus can be placed on bringing such events and conferences in the shoulder seasons surrounding these peaks. During those times, lodging properties will have the most availability and the impact to the region will be greatest. Still, Somerset County displays a less seasonal pattern than many of the tourism regions throughout the state. This stability over the course of a year is likely a function of the significant business travel.

Figure 30: Monthly Somerset County Hotel Occupancy Tax Revenues, 2005 through 2014²¹

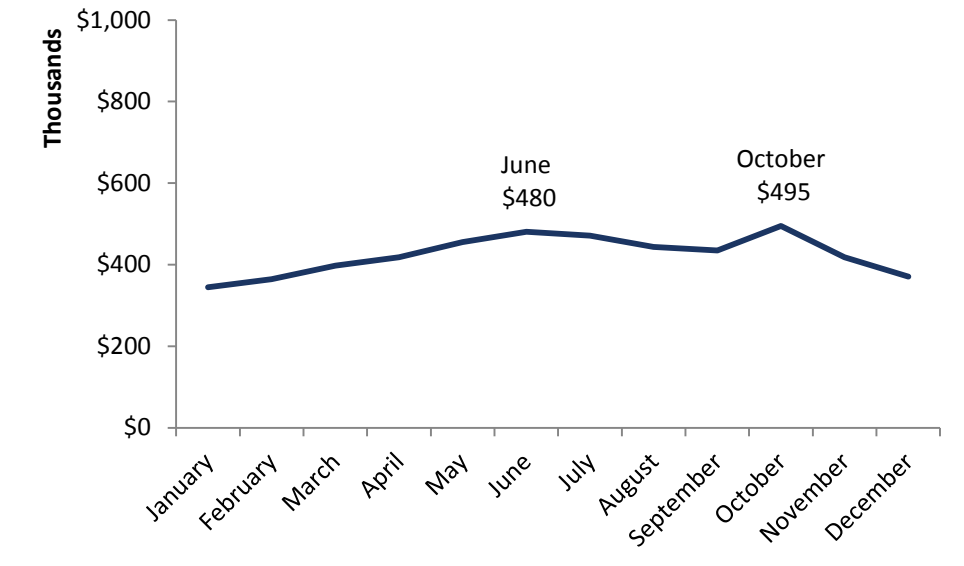


Indeed, when we compare just the first full year of hotel occupancy tax receipts (2005) with the final full year of (2014), it becomes perhaps most clear the change that has occurred following the creation of Somerset County Tourism (see Figure 32, next page). All twelve months show higher occupancy tax receipts.

Importantly, the efforts of Somerset County Tourism appear to be growing a strong summer season, with June, July and August showing much stronger performance in 2014 when compared to 2005. The June figures (\$594, thousand in 2014 and \$326 thousand in 2005) are particularly impressive when one considers that this peak month annually is one of the tougher months to show progress given that raising occupancy rates is challenging when hotels are generally running near peak occupancies. In 2005 the pattern of hotel occupancy tax receipts appeared to very much resemble the typical business travel market, peaking in May and October. That both June and July are higher than the May and October figures in 2014 provides strong evidence that a summer leisure travel market is established.

Another way of comparing the two years (2005 and 2014) would be to

Figure 31: Somerset County Average Monthly Hotel Occupancy Tax Revenues, 2005 through 2014²¹



examine the percentage change between the two years on a month by month basis. Figure 33 reveals that the summer months of June, July and August showed significant increases (82%, 55% and 46% respectively) in 2014 when compared to 2005. That is remarkable for a destination that less than a decade ago showed an unmistakable pattern of hotel business that was more centered on business travel. Business travel still remains very strong in the May and October main business travel months (up 23% and 11% over the decade), but is now buttressed by a strong summer travel market.

Consider too that these new lodging sales come along with all the typical additional spending that occurs in restaurants, shops and entertainment venues. It is not surprising then that the travel and tourism industry in Somerset County achieved \$1.1 billion in tourism expenditures in 2014. The marketing of Somerset County as a destination by Somerset County Tourism is working.

Figure 33: Change in Monthly Somerset County Hotel Occupancy Tax from 2005 to 2014²¹

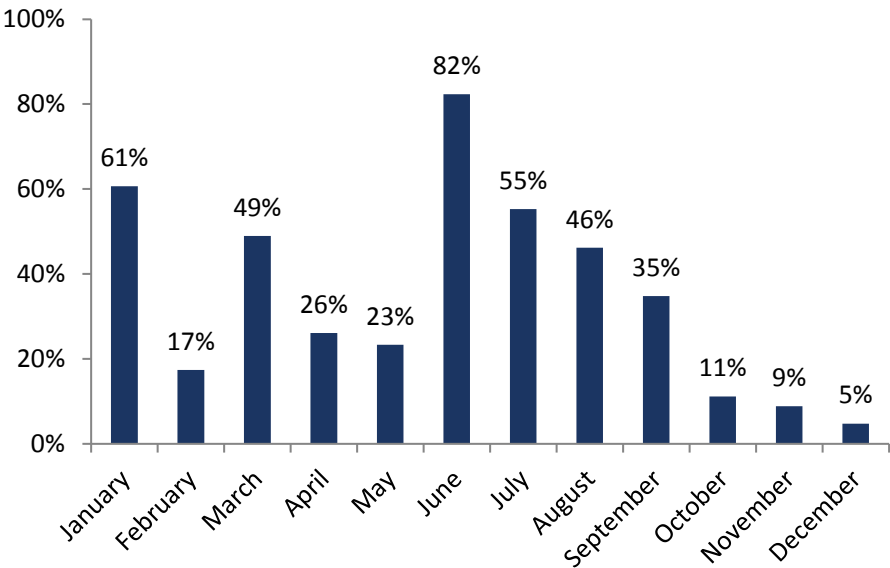
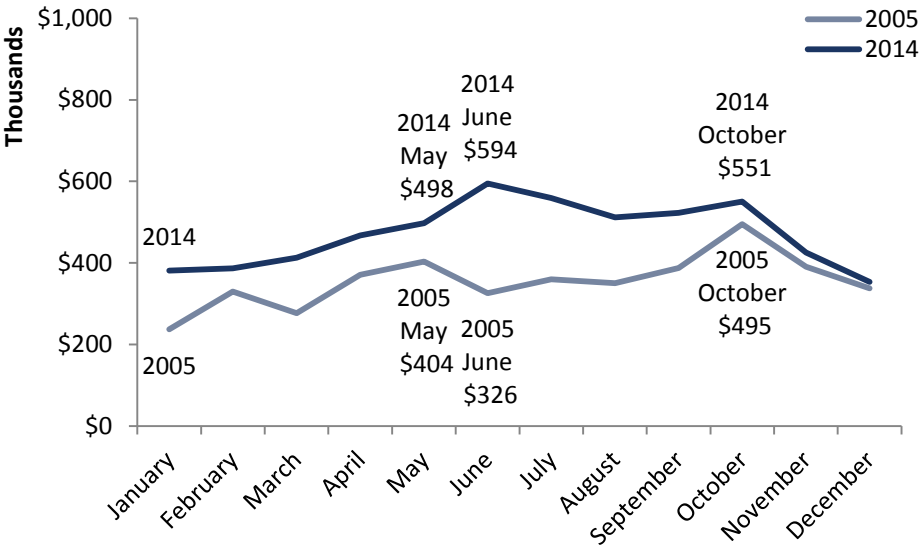


Figure 32: Monthly Somerset County Hotel Occupancy Tax Revenue for 2005 and 2014²¹



Sidebar Fact: Duke Farms

- Developed by James Buchanan Duke and passed on to daughter Doris Duke, this 2,700 acre property offers public access to miles of trails along with a wide variety of educational programs and recreational opportunities.
- Duke Farms provides opportunities to bike or hike new trails through a variety of habitats, attend a nature or horticulture program, take an organic gardening class, or go on a geocaching adventure.
- Audio tours can provide visitors with a preview of what they can see at Duke Farms by downloading them to your iPod or MP3 player.
- Duke Farms provides numerous many programs focused on the natural world throughout the year.
- Best of all, admission to Duke Farms is free!

Conclusions and Recommendations

Tourism in Somerset County appears to be greatly enhanced by the efforts of Somerset County Tourism and the Somerset County Business Partnership. Strong evidence exists that the DMO's efforts have helped to bolster the summer tourism season while also contributing to growth throughout the year. Based on a review of this report, the following recommendations are offered as suggestions for Somerset County Tourism moving forward:

* Consider the Destination Marketing Accreditation Program (DMAP) and what it might do to help in the marketing efforts of the Somerset County Tourism DMO.

-The DMO grant application for the State of New Jersey, Division of Travel and Tourism was written with Destination Marketing Association International's (DMAI) accrediting standards in mind. Whether going for DMO accreditation or DMO Executive accreditation, the professionalism the courses offer will undoubtedly pay dividends for the Somerset County Tourism DMO and help to build on the gains already realized.

* Continue efforts at encouraging partnerships in programming and tourism products.

-The Somerset County Tourism DMO has worked closely with partners in the tourism industry to bring groups to Somerset County. Continued facilitation with current and future collaboration between partners is very important to the success of those stakeholders and, ultimately, the health of the tourism economy in Somerset County.

* Focus on raising the level of quality during peak season to allow partners to command more for their product or service, this now includes the summer season as well as late spring and early fall.

-Perhaps one of the most promising results of this study is the strong development of the summer season in Somerset County. Given that the peak season is now the summer, revenue management strategies should be adjusted accordingly.

* Continue efforts at generating a stable source of funding.

-It was revealed earlier in this report that the United States average for the return of hotel taxes to the promotion of the destination is 55%. For New Jersey that figure is less than 2% and Somerset County is no exception to this. For Somerset County Tourism to continue to thrive in its efforts at attracting tourism, it should not be struggling to find resources on an annual basis. For that, a strong stable source of funding should fervently be pursued. While the struggles faced in local, regional and statewide budgets over the past few years are clearly evident, tourism provides an opportunity to help relieve municipal budgets through the development of jobs, income and taxable expenditures. An investment in the long-term future of Somerset County Tourism such that the advances of the past several years that this report revealed can continue.

* Continue efforts at developing programs and events during shoulder seasons.

-The development and promotion of events and programs during the shoulder season has been and will continue to be the most lucrative manner in which Somerset County Tourism can effect positive change in the tourism expenditures realized by partners in the local tourism economy. Increasing the reasons for folks to come and stay in Somerset County during times they might not otherwise come will continue to be a priority moving forward. There are a considerable number of events occurring in the region during this time and their effective promotion by Somerset County Tourism is critical to their continued success.

This report provides strong evidence that Somerset County Tourism's efforts are paying generous dividends to the stakeholders throughout Somerset County. The DMO has been successful in growing a strong summer and fall travel market for the hotel industry in Somerset County, recovering nicely from the recession. Somerset County Tourism and the Somerset County Business Partnership should be unabashedly proud of their effort, and leaders in the community should take note that the promotion of Somerset County works!

Endnotes

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Figure 34: Hotels, Meeting Facilities, Arts, History and Cultural Resources, and Parks and Recreational Facilities in Somerset County by Municipality

Hotels

Courtyard by Marriott IDW, Basking Ridge
 Dolce Basking Ridge, Basking Ridge
 Hotel Indigo Basking Ridge, Basking Ridge
 The Olde Mill Inn at Basking Ridge, Basking Ridge
 Trump National Golf Club, Bedminster
 The Bernards Inn, Bernardsville
 Holiday Inn Express, Branchburg
 Homewood Suites by Hilton Bridgewater/Branchburg
 (Fall 2015), Branchburg
 Hyatt House Branchburg, Branchburg
 Marriott Residence Inn Bridgewater, Branchburg
 Red Mill Inn, Branchburg
 Regency Motel and Guest House, Branchburg
 Sunset Motel, Branchburg
 Americas Best Value Inn, Bridgewater
 Bridgewater Marriott Hotel, Bridgewater
 Days Inn of Bridgewater NJ, Bridgewater
 Hilton Garden Inn, Bridgewater
 Hyatt House Bridgewater, Bridgewater
 Hamilton Farm Golf Club, Gladstone
 Ivory Tower Motor Inn, Greenbrook
 Days Inn, Hillsborough
 Howard Johnson, North Plainfield
 Gateway Inn, Raritan
 AVE Furnished, Somerset
 Candlewood Suites, Somerset
 Comfort Inn and Suites, Somerset
 DoubleTree by Hilton Somerset Hotel and
 Conference Center, Somerset
 Econolodge Hotel, Somerset
 Extended Stay America #2655, Somerset
 Fairfield Inn and Suites Somerset, Somerset
 Holiday Inn Somerset, Somerset
 Homewood Suites by Hilton Somerset, Somerset
 Hotel Somerset Bridgewater, Somerset
 La Quinta Inns and Suites, Somerset
 Madison Suites Hotel, Somerset
 Residence Inn by Marriott Somerset Franklin, Somerset
 Somerset Courtyard by Marriott, Somerset
 Sonesta ES Suites, Somerset
 Somerset Hills Hotel, Warren
 Marriott Execustay Crystal Ridge Club, Watchung

Meeting Facilities

Basking Ridge Country Club, Basking Ridge
 Courtyard by Marriott IDW, Basking Ridge
 Dolce Basking Ridge, Basking Ridge
 Hotel Indigo Basking Ridge, Basking Ridge
 New Jersey National Golf Club, Basking Ridge
 Olde Mill Inn, Basking Ridge
 The Olde Mill Inn at Basking Ridge, Basking Ridge
 Trump National Golf Club, Bedminster
 Fiddler's Elbow Country Club, Bernardsville
 The Bernards Inn, Bernardsville
 Holiday Inn Express, Branchburg

Meeting Facilities (continued)

Hyatt House Branchburg, Branchburg
 Marriott Residence Inn Bridgewater, Branchburg
 Arbor Glen of Bridgewater, Bridgewater
 Bridgewater Manor, Bridgewater
 Bridgewater Marriott Hotel, Bridgewater
 Days Inn of Bridgewater NJ, Bridgewater
 Hilton Garden Inn, Bridgewater
 Hyatt House Bridgewater, Bridgewater
 Maggiano's, Bridgewater
 Raritan Valley Country Club, Bridgewater
 Shimon and Sara Birnbaum Jewish Community
 Center, Bridgewater
 Hamilton Farm Golf Club, Gladstone
 Days Inn, Hillsborough
 Days Inn - Hillsborough, Hillsborough
 Royce Brook Golf Club, Hillsborough
 Merri-Makers Catering Neshanic Valley, Neshanic Station
 Raritan Valley Community College, North Branch
 Natirar, Peapack & Gladstone
 AVE Furnished, Somerset
 Comfort Inn and Suites, Somerset
 Doubletree Hotel Somerset, Somerset
 Econolodge Hotel, Somerset
 Fairfield Inn and Suites Somerset, Somerset
 Garden State Exhibit Center, Somerset
 Holiday Inn Somerset, Somerset
 Homewood Suites by Hilton Somerset, Somerset
 Hotel Somerset Bridgewater, Somerset
 La Quinta Inns and Suites, Somerset
 Madison Suites Hotel, Somerset
 Residence Inn by Marriott Somerset, Somerset
 Somerset Courtyard by Marriott, Somerset
 Sonesta ES Suites, Somerset
 The Imperia, Somerset
 The Palace at Somerset Park, Somerset
 Somerset Hills Hotel, Warren
 The Stone House at Stirling Ridge, Warren
 Stanton Ridge Golf & Country Club, Whitehouse Station

Arts, History and Cultural Resources

Boudinot-Southard-Ross Farmstead, Basking Ridge
 Kennedy-Martin-Stelle Farmstead, Basking Ridge
 Lord Stirling Manor Site, Basking Ridge
 The Brick Academy, Basking Ridge
 Pluckemin Continental Artillery Cantonment,
 Bedminster
 Pluckemin School House Center For Contemporary
 Art, Bedminster
 Bernardsville Train Station, Bernardsville
 Bound Brook Train Station, Bound Brook
 Old Stone Arch Bridge, Bound Brook
 Andrew Ten Eyck House, Branchburg
 Elm Street Bridge (Neshanic Station Bridge), Branchburg
 South Branch School House, Branchburg
 American Redoubt, Bridgewater

Arts, History and Cultural Resources (continued)

Middlebrook Encampment and Cantonment
 (Washington Camp Ground), Bridgewater
 Van Horne House, Bridgewater
 Van Veghten House, Bridgewater
 Far Hills Train Station, Far Hills
 United States Golf Association Museum, Far Hills
 Delaware and Raritan Canal, Franklin
 Griggstown Bridgetender's House, Franklin
 Griggstown School House, Franklin
 Hendrick Fisher House, Franklin
 Kingston Bridge, Franklin
 Long House* (Mule Tenders Barracks), Franklin
 Six Mile Run Historic District, Franklin
 Washington Rock State Park, Green Brook
 Cat Tail Brook Bridge, Hillsborough
 Higginsville Road Bridges, Hillsborough
 Nevius Street Bridge, Hillsborough
 Rock Brook Bridge, Hillsborough
 Woodfern Road Bridge, Hillsborough
 Rockingham Historic Site, Kingston
 Lyons Train Station, Lyons
 Bridge Street Bridge, Manville
 Millstone Borough Hall, Millstone
 Old Millstone Forge, Millstone
 Bedens Brook Road Bridge, Montgomery
 Bedensville School House, Montgomery
 Dirck Gulick House, Montgomery
 Mill Pond Bridge, Montgomery
 Opossum Road Bridge, Montgomery
 Vermeule Mansion, North Plainfield
 Gladstone Train Station, Peapack & Gladstone
 Limestone Kilns, Peapack & Gladstone
 Natirar, Peapack & Gladstone
 General John Frelinghuysen House, Raritan
 Hibernia Mine Rail Road Bridge Pedestrian Path, Raritan
 Raritan Train Station, Raritan
 Relief Hose Company #2 Engine House, Raritan
 Rocky Hill Community House, Rocky Hill
 Blackwells Mills Canal House (Bridge Tender's
 House), Somerset
 Franklin Inn (Van Liew House), Somerset
 Hageman House & Farm, Somerset
 Tulipwood, Somerset
 Van Liew-Suydam House, Somerset
 Van Wickel House (The Meadows), Somerset
 Wyckoff-Garretson House, Somerset
 Daniel Robert House (Somerville Borough Hall), Somerville
 Old Dutch Parsonage, Somerville
 Somerset County Court House Green, Somerville
 Somerville Fire Museum, Somerville
 Wallace House, Somerville
 Abraham Staats House, South Bound Brook
 Codrington Farmstead, Warren
 Kirch-Ford-Terrill House, Warren
 Mount Bethel Baptist Meeting House, Warren

Parks and Recreational Facilities

Basking Ridge Country Club, Basking Ridge
 Environmental Education Center, Basking Ridge
 Lord Stirling Stable, Basking Ridge
 New Jersey National Golf Club, Basking Ridge
 Somerset Hills YMCA, Basking Ridge
 Fairview Farm Wildlife Preserve, Bedminster
 Trump National Golf Club, Bedminster
 Fiddlers Elbow County Club, Bedminster Township
 Matawang Golf Club, Belle Mead
 Little Brook Sanctuary, Bernardsville
 Peony's Envy, Bernardsville
 Scherman Hoffman Wildlife Sanctuary, Bernardsville
 Somerset Hills Country Club, Bernardsville
 Branchburg Family Golf Center, Branchburg
 Branchburg Sports Complex, Branchburg
 Fox Hollow Golf Club, Branchburg
 Bridgewater Sports Arena, Bridgewater
 Duke Island Park, Bridgewater
 Green Knoll Golf Course - Public, Bridgewater
 Green Knoll Tennis Center, Bridgewater
 North Branch Greenway Park, Bridgewater
 North Branch Park, Bridgewater
 Raritan Valley Country Club, Bridgewater
 Somerset Patriots at TD Bank Ballpark, Bridgewater
 Torpey Athletic Complex, Bridgewater
 Washington Valley Hawk Watch, Bridgewater
 Washington Valley Park, Bridgewater
 Washington Valley Park Reservoir, Bridgewater
 Colonial Park Tennis Center, East Millstone
 Leonard J. Buck Garden, Far Hills
 The United States Golf Association Museum, Far Hills
 Hamilton Farm Golf Club, Gladstone
 US Equestrian Team Olympic Training Center,
 Gladstone
 AMF Strike 'N Spare Lanes, Green Brook
 Duke Farms, Hillsborough
 Hillsborough Pool, Racquet & Fitness Club,
 Hillsborough
 Royce Brook Golf Club, Hillsborough
 Sourland Mountain Preserve, Hillsborough
 Hasty Acres, Kingston
 Coakley Russo Memorial Golf Course, Lyons
 Jersey United Soccer Club, Inc, Morristown
 Neshanic Valley Golf Course, Neshanic Station
 Natirar, Peapack
 The Club at Natirar, Peapack & Gladstone
 Colonial Park, Somerset
 ProtecHockey Ponds, Somerset
 Quail Brook Golf Course - Public, Somerset
 Spooky Brook Golf Course - Public, Somerset
 Tara Greens Golf Center, Somerset
 Somerset Valley YMCA, Somerville
 Warrenbrook Golf Course - Public, Warren
 Warrenbrook Pool, Warren
 Kafka Farms, Watchung

Sidebar Fact: United States Golf Association (USGA) Museum

- Home to the World's premier collection of golf artifacts and memorabilia.
- The USGA Museum brings the greatest moments in American golf history to life through entertaining and engaging multi-media, interactive exhibits.
- The mansion the museum is housed in is known as Frothingham-Sloane House.
- This Georgian Revival mansion, constructed in 1919, was built for Thomas Frothingham and later sold to John Sloan, a prominent furniture retailer.
- The International Sports Heritage Association (ISHA) recently awarded the USGA Museum a 2011 ISHA Communication Award for its Web-based exhibition, The Power Game: Golf and American Politics.
- The USGA Museum recently earned two 2012 Communication Awards from the International Sports Heritage Association (ISHA) in the categories of Educational Programming Materials and Video-Short Presentation.
- Visitors can see the Eisenhower Trophy, the Fiji war club and other artifacts from the World Amateur Team Championship by visiting the USGA Museum in Far Hills.





At the Heart of it All!