

# Long Island tourism industry hoping for rebound this season

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A waiter at Gurney's Resort and Spa walks down stairs towards the ocean beach in Montauk on May 15, 2014. (Credit: Gordon M. Grant)

## Vineyard owners upbeat

At the Island's 51 wineries on the North and South Forks, which produce about 500,000 cases a year, growers are seeing signs of a strong season to come, said Ron Goerler, co-owner of Jamesport Vineyards and a director and past president of the Long Island Wine Council. "I'm already up 35 percent this year over last in dollars spent for wine," he said. "So that tells you that there are more people coming out and spending."

He expects an increase in visitors over the 2012 estimate of 1.3 million people, the most recent figure available. The council estimates visitors spend \$90 million to \$120 million on non-wine purchases, thus adding to the total revenues of travel and leisure businesses.

One of the East End's landmarks, Gurney's Montauk Resort & Seawater Spa, has had an encouraging start to the year, with a 35 percent to 40 percent increase from last year in stays, said one of its new owners, real estate developer George Filopoulos. "I think we're going to have a very, very strong season," he said.

The once financially troubled resort, which has 1,000 feet of beachfront and 17 buildings, has undergone extensive renovations and, Filopoulos said, now is profitable.

McGowan said leisure travel on Long Island has been more robust than business travel, "although," he adds, "there has been some loosening of the purse strings by corporate travel departments."

At the 90-room Southampton Inn, owner Dede Gotthelf said her business traffic has been picking up this year; overall revenues rose about 20 percent in the first four months of this year compared with the same period last year. "We dropped our rates significantly, and we have seen a pickup in corporate groups, many of which are coming back after a hiatus of four or five years," she said.

McGowan says an area of concern is wedding receptions, which have gotten smaller because of the recession and fewer as some families have been lured by lower costs in places like Florida and the Carolinas.

But smaller wedding receptions can mean more customers for smaller businesses hosting the events. At Quintessentials Bed & Breakfast and Spa in East Marion, owner Sylvia Dailey said her wedding business -- for groups of 50 or fewer -- has been increasing, with some couples forgoing big receptions to use the money instead for home down payments. "That's been a winner for us over the last six years," she said.

## Park attendance lags

The Island's state parks haven't been winners lately; attendance declined 12 percent last year, to 16.7 million, said the Office of Parks, Recreation and Historic Preservation -- the fourth year in a row of declines.

Damage from tropical storm Irene in 2011 and superstorm Sandy in 2012 reduced visits, said deputy regional state parks director George Gorman, but so has a longer-term trend: With the widespread use of air-conditioning and backyard pools, many people stay home on the hottest days or go to air-conditioned malls and movie theaters. "We don't really expect people will visit us during the very hot and humid days," he said. "It's just too oppressive."

McGowan said, however, that overnight guests tend to spend far more than day-trippers -- \$224 on average, versus \$59 -- and so are more important in the total revenue picture.

Although gasoline prices have risen sharply since the winter, to a recent high of \$3.989 on Long Island May 1, they have stabilized, and experts expect them to be about the same as last summer's. Supplies are ample. On Friday, a gallon of regular gasoline averaged \$3.946 in Nassau and Suffolk, according to AAA.

At an attraction for day-trippers, Splish Splash Water Park in Calverton, spokeswoman Nancy Aracri said last season was strong and the park has since added a Battle of Mutiny Bay, in which riders in boats shoot water canons at each other. The park doesn't release attendance figures, but the World Waterpark Association estimated Splish Splash's at 463,000 in 2012.

In the city of Long Beach, where Sandy still is more than just a memory, Mark Tannenbaum, executive vice president of the Long Beach Chamber of Commerce, says some homes on the West End still are unrepaired, many damaged businesses have not reopened and residents complain that only a trickle so far of federal reconstruction money is being funneled through the state.

But, he said, the first of three street fairs sponsored by the chamber, on May 3 and 4, bode well for the season, having attracted a crowd the fair operator called the largest he has ever seen. Wandering through the streets and talking to people, he said, he found the majority were from Westchester, the Bronx, Manhattan, Suffolk County, and Bergen County in New Jersey. "That gives me an indication of what the summer can be for us. I think we're going to see a really good summer."

Long Island's travel and tourism businesses are looking to an improving economy, stable gasoline prices and a serious case of cabin fever from the harsh winter to give them a boost as the summer vacation season begins Friday.

For this calendar year, total tourism revenues on the Island are likely to rise 3.7 percent, to \$5.6 billion, from the Island's hotels, resorts, wineries, shopping outlets, golf courses, restaurants and bars, the railroad, buses and purchases of gasoline by visitors, said Moke McGowan, president of the Long Island Convention & Visitors Bureau and Sports Commission.

An estimated \$5.4 billion was rung up last year. The actual 2012 total was \$5.1 billion. Revenues had slipped as low as \$4.4 billion during the recession.

Tourism is an important part of the Island's economy, representing about 4 percent of the annual \$137 billion gross product estimated by economic forecasters at IHS Global Insight.

Travel and leisure employed 51,000 people directly on Long Island in 2012, the last year for which a figure was available, according to Tourism Economics, a consulting firm in Wayne, Pennsylvania. That's about 4 percent of total employment.

McGowan said he thinks Americans who had cut back on leisure spending, taking shorter and less expensive vacations, are ready to spend more freely. "Everything now points to a breakout from that thinking," he said.

## Modest growth forecast

Gary Praetzel, dean of the College of Hospitality & Tourism Management of Niagara University in upstate Lewiston, believes the harsh winter has, indeed, left many Americans with a case of cabin fever. But Praetzel believes the sluggish economy suggests only moderate growth for the state and Long Island's travel and leisure businesses.

"We're talking about an economic recovery [from the recession] that is at one-half the growth rate we normally see," he said.

Praetzel notes that while unemployment has fallen nationally and locally, the rate -- 5.7 percent on Long Island in March, for example -- doesn't include many former job seekers who have given up looking or people working part-time jobs because they're unable to find full-time work.

Indeed, wages on Long Island didn't keep pace with inflation from May 2010 through May 2013, according to U.S. Bureau of Labor Statistics data. The average hourly wage rose 4.8 percent to \$25.63, behind the 6.3 percent rise in local prices.

Still, substantial gains in the stock market this year helped spur sales of East End real estate in the first quarter, said Judi Desiderio, chief executive of the eight-branch Town & Country Real Estate, based in East Hampton. "The numbers were outstanding for the first time since 2007," she said. In Southampton Village, for example, Realtors sold 17 homes in the first quarter, up from four a year earlier, her company reported. Sales of second homes are included in total revenues for travel and leisure and also suggest the degree of interest in the region as a getaway destination.

Rentals, though, have been slower, she said, in part because the harsh winter kept some would-be renters from driving out to look at properties. "Most of the high-end rentals are already taken," she said, but there's still availability of those in the "average" price range -- for the Hamptons -- of \$50,000 to \$100,000 for the season.