July 2, 2019

The Honorable Sabrina Cervantes
Chair, Assembly Jobs, Economic Development and the Economy
1020 N. Street, Room 539
Sacramento, CA 95814

RE: SB 736 (Umberg): Creative Economy Incentive Program – SUPPORT

Dear Chair Cervantes:

On behalf of the California Travel Association, CalTravel, I am writing to express support for Senate Bill 736, the Creative Economy Incentive Program.

CalTravel is the umbrella trade association representing the travel, tourism, and hospitality industry. Our membership is made up of cities, destinations, resorts, amusement parks, sports venues, transportation companies, industry associations, ad agencies, media companies, and other organizations for whom travel and tourism is important. In 2018, visitors to California spent $140.6 billion, spending that supported over 1.2 million jobs. California travelers also generated $11.8 billion in state and local taxes in 2018 to support vital public services including police, fire protection, health and homeless services, park maintenance, education and road repair.

Events in our industry can have a significant economic and social impact on the region where they take place. Such events grow emerging industries, create new jobs, increase tax revenue, and bolster a shared sense of regional identity. According to the 2019 Otis Report on the Creative Economy, the creative economy generated $604.9 billion in economic output across California in 2017, and accounted for 2.6 million direct, indirect, and induced jobs.

While a number of factors contribute to a region’s competitive position, commitments by the host regions to provide funding to help offset some of the hosting expense (promotion, marketing, city services, etc.) represent an important component of the competitive process. Other things being equal, cities or counties offering funds to the sponsoring event greatly improve their chances of obtaining the event.

With the construction and completion of multiple state-of-the-art venues across the state, California is now poised to capitalize on an expanded pool of new economic development opportunities that these events produce. But while California has taken strides to build new venues to attract impactful creative economy events, competing states are now using innovative approaches to offset hosting costs, such as transportation, city services, volunteer recruitment, marketing and promotion of the destination.

SB 736 would create the Creative Economy Incentive Program to be administered by the Governor’s office of Business and Economic Development (Go-Biz) and the Creative Economy Incentive Program Fund. We believe that this Program will create an incentive for California’s local jurisdictions to draw these important events to their communities and thereby stimulate their economies through increased tourism, employment opportunities and a shared sense of identity.
Because events are so critical to California’s travel and tourism industry, and because SB 736 will help California become more competitive in attracting new events, CalTravel is proud to support SB 736.

Sincerely,

[Signature]

Barbara Newton
President & CEO, California Travel Association

CC: The Honorable Thomas Umberg, Author
    The Honorable Members, Assembly Jobs, Economic Development and the Economy Committee
    Toni Symonds, Chief Consultant, Assembly Jobs, Economic Development and the Economy Committee
    Julia King, Republican Consultant, Assembly Jobs, Economic Development and the Economy Committee