Policy Research Shop

New Hampshire’s Welcome Centers

An Investigation into Welcome Centers of the Northeast

Presented to the Governor’s Executive Council

PRS Policy Brief 1314-02
August 9, 2013

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This report was written by undergraduate students at Dartmouth College under the direction of professors in the Rockefeller Center. The Policy Research Shop is supported by a grant from the Fund for the Improvement of Postsecondary Education (FIPSE). The PRS reports were developed under FIPSE grant P116B100070 from the U.S. Department of Education. However, the contents of the PRS reports do not necessarily represent the policy of the U.S. Department of Education, and you should not assume endorsement by the Federal Government.

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EXECUTIVE SUMMARY

The purpose of this report is to inform the New Hampshire state government of ways in which various welcome centers in the Northeast area sustain themselves so they may consider the possibility of reopening three centers that have recently been shut down due to budget cuts. Additionally, the report aims to inform New Hampshire on practices they may implement in such centers to increase revenue to the state economy. The states chosen for comparison due to geographic similarity were New York, Connecticut, Vermont, and Maine. We investigated the functions of each center, the amenities provided by each, and the ways in which each are funded. The findings are compiled here. Policy options that New Hampshire may wish to consider are television and brochure tourism advertising, a public procurement process, and reservation services within each center. These options are detailed further below in addition to an outline of further research that may be needed to move forward to with policy implementation.

1. INTRODUCTION

As this report aims to provide New Hampshire with policy recommendations for generating revenue in the hopes of possibly reopening closed welcome centers, it is helpful to begin by outlining findings that have already been reported on this topic.

The Department of Transportation (DOT) and the Department of Resources and Economic Development (DRED) investigated New Hampshire’s welcome centers and made recommendations to maintain and improve service based on a requirement to do so in House Bill 1377. Thus, this report begins with an overview of their findings as they pertain to this study.

One of their recommendations which is relevant to the findings below is to install desktop computers and printers in each center in order to provide better communication between centers, to post real-time travel alerts, and to improve visitors’ access to information. Such implementations would likely streamline these centers’ abilities to take advantage of electronic advertising, a method of generating revenue utilized by multiple states mentioned below.

Another cost-saving recommendation, which a variety of the other states have already begun to consider, is to implement environmental strategies to reduce the ecological impact of the centers. Such green practices can be considered with respect to all materials, from bathroom supplies to septic design and water systems. The committee also recommends conducting energy audits at each location to determine and then work on reducing utility costs.
Additionally, the committee recommends authorizing the DOT to join with other states to encourage changes in current FHWA regulations that prohibit generating revenue through commercial means at centers located on Federal-aid eligible highways.

A final recommendation that seems particularly pertinent is to develop an organizational structure and budget to determine long term viability of managing, operating, and staffing each center. Based on the case studies to be presented, such a budget may later be created by the state depending on which, if any, practices it seeks to explore.¹

This paper agrees with the above suggestions, which have yet to be implemented in the state. Thus, this paper aims to provide comparative data from surrounding states to supplement this committee’s findings and provide additional evidence regarding the implementation of such recommendations.

This paper will first give a background overview of what welcome centers are and what their status is in New Hampshire as well as the challenges that the state is currently grappling with. The remainder of the paper will focus on case studies from the various states we investigated, beginning with Vermont and then moving to Maine, New York, and Connecticut. For each case study, we present an overview of the centers in that state and then outline methods of funding currently in practice. There is also an additional section in the Vermont case study giving center-specific data. After presenting these case studies, we conclude with policy recommendations for New Hampshire and present limitations of the study.

2. BACKGROUND

2.1 The Purpose of Welcome Centers

Our research has found that the purpose of a welcome center differs slightly from state to state. In New Hampshire, as in many other states, all areas provide restroom facilities and tourism literature including an official map of state highways and seasonal event guides. A few of these rest areas also contain vending machines to provide food and drink in addition to information.² However, in New Hampshire, these rest stops serve an additional purpose: that of a place at which people can stop, picnic, kayak, and other recreational activities.³

In terms of legal definitions, as defined by the 2012 Federal Highway Transportation Reauthorization Bill “MAP 21,” a safety rest area is defined in section 752.3b as “a roadside facility safely removed from the traveled way with parking and such facilities for the motorist deemed necessary for his rest, relaxation, comfort, and information needs. The term is synonymous with ‘rest and recreation areas.’” Along the same vein,
section 752.3c defines information centers as “facilities located at safety rest areas which provide information of interest to the traveling public.”

According to this same bill in section 752.5, the state can allow vending machines in the centers but not the sale of petroleum products or vehicle replacement parts. Such vending machines must be run and maintained by the state. No other charges can be made to visitors for any goods or services except for telephone calls.

In terms of advertisements, according to section 752.7, advertising must be limited to “matters relating to and of interest to the traveling public,” and 40 percent of the area devoted to advertisements and displays must be devoted for free to information relevant to travelers and for public service announcements. According to section 1539, these advertisements cannot be readable from the main road and the only advertising materials that can be displayed are items meant to promote tourism in the state, tickets for events or attractions in the state that are historical or tourist-related, travel-related information, or lottery machines. Thus, commerce cannot be the primary means by which centers in New Hampshire garner revenue.

2.2 The Current Status of Welcome Centers in New Hampshire

New Hampshire maintains 16 state-run welcome centers and rest areas. However, currently, only 12 of them are open due primarily to funding limitations. Of these 12, three of them are seasonal and are open only from May through October.

Until two years ago, these centers were run under the management of the Department of Transportation but in July 2011 were then transferred to the management of the Department of Resources and Economic Development with the understanding that this agency would focus on bringing a customer service aspect to the welcome centers. At the time the management shifted, the state legislature was planning on permanently closing five of the welcome centers, so the Department of Resources and Economic Development decided to make four of these five centers open from May through October (those in Colebrook, Littleton, Lebanon, and, at the time, Shelburne, which is now closed due to septic issues). Initially, they attempted to make these centers open only part time three to four days a week, but this turned out to be infeasible, which is when they made them completely seasonal.

The three centers that were not funded for fiscal years 2012 and 2013 and which remain closed are located in Antrim, Epsom, and Rumney. The determination of which would be shut down was ultimately made by the Department of Transportation and the state legislature and according to the Chief of the Bureau of Visitor Services in New
Hampshire, Jennifer Codispoti, this choice possibly could have been due to lower visitor numbers or locations that were not as central as those of other centers.8

2.3 Methods of Funding New Hampshire Welcome Centers

Many of these welcome centers were built through federal funds that were granted for their construction. However, to sustain such centers, the money comes from two funds: the highway fund and the turnpike fund. Those centers that are turnpike funded are the Hooksett northbound, the Hooksett southbound, and the Seabrook welcome centers. Such turnpike funds come from road tolls, such as those on Interstates 93 and 293. However, all of the other centers are funded by highway funds, which themselves come as a portion of gas tax funds, which is meant predominantly for the Department of Transportation to work on fixing bridges, roads, highways, and other related matters.

In terms of self-funding, the rest areas do not allow commerce as New Hampshire law stipulates that no commerce can be done in centers located on federal highways. Thus, the welcome centers in New Hampshire are not able to rent out spaces to restaurants or any other businesses.

New Hampshire does have a brochure program; however, it is not as extensive as those of others states, such as that of Vermont, discussed below. The centers charge a minimal fee to organizations who would like their brochure to be distributed and displayed: $2.00 for a non-profit and $5.00 for a for-profit organization. According to Ms. Codispoti, this is largely due to the fact that it has only been two years since the Department of Resources and Economic Development took over, and they are still in the process of systematizing the operations and management of each center. However, they are currently looking into developing into such brochure and other advertising or sponsorship programs in order to create another source of revenue.9

2.4 Biggest Challenges

According to Ms. Codispoti, the biggest cost in terms of maintaining each center is paying the personnel, all of whom are state employees. The second biggest funding challenge for New Hampshire welcome centers is paying for utilities and fuel.10 In terms of the former cost, people have offered to serve in these centers on a volunteer basis to provide information to incoming tourists, however, according to Ms. Codispoti, this is only a partial remedy as other maintenance fees, such as grass cutting, overall maintenance, and providing basic materials, such as paper towels, will remain.11
3. CASE STUDIES

The four states included in this section were chosen on the basis of geographic similarity, as Vermont, Maine, New York, and Connecticut are all within the Northeast region. Thus, despite the fact that some states, such as New York, likely have more visitor traffic through their centers, it is likely that the volumes of traffic in northern tier of the state and in the remaining states are comparable to that in New Hampshire. Similarly, it is reasonable to believe that practices these states have implemented would be feasible here.

3.1 Vermont Welcome Centers

3.1.1 Overview of Centers

In Vermont, there are 17 welcome centers, three of which are not state run but are rather managed by the Chamber of Commerce. The other centers are run under Buildings and General Services, and all employees are state employees. Most of the centers are open 12 hours a day as of approximately three to four years ago when a budget cut forced them to reduce their hours and reduced the staff by 50 percent. At each center, there are two permanent state employees that work 40 hours a week, and each manager is allotted at least two temporary employees who do 12 hour shifts three days a week.

The primary purpose of these centers, according to the head of marketing and sales for seven of the centers, Lisa Sanchez, is to provide a safety stop for drivers. According to Penny Libercen, who manages seven of the 17 centers, the welcome centers also play a crucial role for the state as tourism is a vital part of the state’s economy. The welcome centers themselves serve as the ambassadors and billboards for the state as billboards are not allowed on highways, and these centers are oftentimes visitors’ first encounters with the state. Thus, Ms. Libercen sees these information centers as “invisible” generators of money for the state as they push people into the state, getting them off highways and into the villages, restaurants, motels/hotels, skiways, shops, etc.

Vermont residents highly value their centers; during budget cuts, there is a lot of support from such residents to keep them open. According to Ms. Libercen, “People need people.” Rather than wanting machines and information kiosks staffing these centers, Vermont values their ability to provide quality customer service. Along these lines, all employees are trained yearly on customer service, interpersonal skills, and team building through an in-house online ambassador program. Through this program, Vermont hopes to have all employees certified within the next two years as employees and volunteers trained specifically in public relations and hospitality.
3.1.2 Center Specific Data

Primarily, in order to evaluate the relative operating costs of each center, a chart created by the Vermont Information Center Division printed in their Fiscal Year 2012 Site Profile depicting the amount of traffic in each of Vermont’s 17 centers is shown here:

Figure 1. Visitor Traffic in Vermont’s Information Centers for Fiscal Year 2012.\(^{16}\)

Note: The Bennington Welcome Center is currently undergoing construction and, according to the report, was slated to open last month. Similarly, the Hartford South Center opened in October 2012 and thus was not included in this data.\(^{17}\)

The data for costs associated with each center (including total FY 2012 expenditures, cost per operating hour, and cost per visitor) can all be found in the referenced FY 2012 Site Profile. However, some of such data will be listed here to give a reference for the most and least frequented centers. According to the above chart, the most frequented centers were those at Guilford (630,961 visitors) and Sharon North (446,188 visitors) and the least frequented were, aside from those two that were not open, those in White River Junction (21,952 visitors) and Alburgh (25,574 visitors).\(^{18}\)
Beginning with those that are least trafficked, the FY 2012 expenditures for the Alburgh Center were $115,326, the cost per operating hour was $39.50, and the cost per visitor was $4.51. The facility is 1,150 square feet and features a gas underground tank, a hot air furnace, and a wind turbine. The White River Junction Center had much lower expenditures at $32,341 for FY 2012 and costs of $12.96 per operating hour and $1.47 per visitor.19

On the other end of the spectrum, Guilford, the busiest visitor center, had expenditures of $686,663 in FY 2012 and spent $78.39 per operating hour and $1.09 per visitor. Thus, the rise in expenditures in this center can be seen as a direct result of increased traffic as their cost per visitor was actually lower than that of each of the least frequented centers, Alburgh and White River Junction. The facility is also much larger at 7,130 square feet. It has 432 regular display spaces and 20 oversize brochure spaces in addition to 18 resort map spaces and 8 display cases; as a result, the center won an award from the Travel Industry of America for community development and marketing exhibits. Finally, Sharon North, the second busiest center, manages to keep their cost per visitor down to only $0.90. Their cost per operating hour was $69.09 and their FY 2012 expenditures were $402,391. This facility is actually slightly larger than the one in Guilford at 7,440 square feet. One reason for which this center may keep its costs slightly lower is due to their use of the Living Machine waste water system, described below, and of geothermal heat.20

This data can be used by the New Hampshire state government to compare incurred costs per visitor and total expenditures in this state to those mentioned above to evaluate whether various practices that have been implemented in Vermont, such as the waste water system, might lower operating costs. This could then allow for some centers that might have comparable traffic to those in Vermont to be reopened.

3.1.3 Methods of Funding Centers

Vermont’s welcome centers are run out of both a General Fund that comes from the state budget and from federal dollars that come through the Agency of Transportation by the Federal Highway Fund. The maintenance of certain parts of the centers, i.e., parking lots and lights are funded by these federal dollars.

Similar to New Hampshire, the majority of the welcome centers in Vermont are located on major interstates, and there is therefore no commerce in the information centers. According to Ms. Libercent, the only way that such centers are therefore able to promote businesses is through advertisements, such as displays in display cases within the center.21
One unique business venture that Vermont has started is known as the coffee safety break program by which they do not ask for money but rather for donations. Every couple of years, a coffee vendor will bid on servicing their center and giving them wholesale prices on coffee, cups, equipment, lids, etc. and the center’s staff then brews and serves the coffee each day. The donations go to the center which uses a portion of the money to pay the vendors and keeps the rest as revenue. The program is a very successful one that aids in making the centers self-sustaining.\textsuperscript{22}

Another method by which Vermont generates revenue directly through their centers is through their brochure program, which is highly successful and has been running since around 2001. In this program, the centers contract with a vendor who does all of the brochure distribution and who charges businesses a small distribution fee for being in the center. A portion of this fee then goes back to the center. However, an exact statistic for how much revenue is generated from this program is unfortunately unknown. According to Ms. Sanchez, around six million brochures are distributed a week.\textsuperscript{23}

A third way to raise money is by selling advertisement space in the centers themselves, for which the Vermont legislature granted permission four years ago. The program was originally contracted out like the brochure program. However, it was determined that the vendor was not able to sell sufficient space to sustain the program, resulting in revenue losses. Therefore, Ms. Sanchez took over the program two years ago, and since then the program has generated $152,000. Although she mentions that this is not a large sum, she does believe it makes a difference in terms of paying operating costs. This advertising venture is known as static advertising; the centers have also recently begun to participate in digital advertising in the centers in order to build the advertising program and continue generating revenue.\textsuperscript{24}

In terms of other innovative developments, many of the welcome centers in Vermont have developed environmentally sustainable practices. For instance, the Sharon North center has a Living Machine waste water system. This system is used to recycle and reuse waste water in the restrooms. However, in terms of funding themselves, these developments are quite expensive as there is still a monthly maintenance fee and waste removal fees. At the same time, other practices, such as thermal heating and cooling in the Sharon center may be saving the center money overall, as evidenced by the aforementioned operating costs of this center. Ms. Sanchez states that there is a lack of data on exactly what such innovations have saved though as the building that replaced the former center in Sharon is eight times the size of the original, so it is still difficult to compare costs in these early years despite having data for recent year’s costs. At the same time, these developments look promising in comparison to the costs per visitor for other centers in the state, as mentioned above.
Finally, Vermont is in the process of changing out the lighting in all the parking lots of every information center and replacing them with LED lights, such as in the new Bennington Center. According to Ms. Sanchez, because this is still in progress, the drops in electricity consumption should be seen within the next couple years, although whether there will be significant savings is yet to be determined.  

3.2 Maine Welcome Centers

3.2.1 Overview of Centers

There are seven welcome centers in the state that are all equipped with restrooms, telephones, vending machines, and tourism information provided both electronically and in print. Similar to New Hampshire and Vermont, there are no restaurants or other businesses as state law prohibits commerce in these centers. These welcome centers are dispersed throughout the state in Calis, Fryeburg, Hampden North, Hampden South, Houlton, Kittery, and Yarmouth, the majority of which are located off of I-95. The newest center is over six years old, with most being over 20 years old. There are both full-time and part-time staff members in each center, and since 1998, Maine’s centers have had no budget cuts.

One of the primary purposes of these centers, according to Vaughn Stinson, Chief Executive Officer of the Maine Tourism Association, is to provide safety. Maine is a comparatively vast state, and it takes six hours to traverse it. Therefore, the centers provide a rest stop for drivers. Additionally, Maine is quite rural, and there are therefore areas where navigation systems do not work. Consequently, the centers are able to provide information to visitors and tourists.

According to the manager of the Maine Innkeeper’s Association, Greg Dugal, in Maine and other relatively rural states, information centers play bigger roles than they would in larger states, such as New York, the centers of which will be investigated below. He also stated that for such states, the centers are the primary source for the distribution and dissemination of materials from inns, restaurants, shops, etc., so places like small inns and motels get many people who have gotten referrals from these centers. For states like Vermont, New Hampshire, and Maine, many people come without knowing exactly where they are going to stay and are rather coming just for the vacation. Thus, there is tremendous value of the brochures, and such brochures do not go to waste. Instead, in Mr. Dugal’s opinion, they serve to funnel visitors into the state where tourists can contribute to the state’s economy through the purchase of food and other goods.
3.2.2 Methods of Funding Centers

One source of funding for the centers is provided through a state contract each year that comes from the Office of Tourism’s budget. This contract provides $865,000 a year to the centers to pay for 362 days of operation.

A second source of funding is through the Maine Trade Association, which raises $200,000 a year in membership dues alone. There are about 1,600 members, making them the largest trade association in the state, and they have been around for approximately 93 years. The association has four publications a year, the biggest one of which is a publication entitled “Maine Invites You,” Maine’s official travel planner, which has been published yearly since 1933.30

Other sources of funding include advertising opportunities similar to those in Vermont centers. Maine has purchased some of the more cutting edge technology for advertisements, such as electronic kiosks that are available 24/7 and interactive iPads that were installed just ten months ago. The purpose of this was to make advertising more accessible; the managers of the centers recognized that not everyone would be at the centers during business hours and wanted to give tourists an opportunity to access information at any time. To secure a three-minute video spot in the center, one must be a dues-paying member of the association and pay $350 per year for the air time. Brochure space also costs an additional $135 a year, and this secures brochure space in all seven of the centers.31 According to Michael Conley, the Manager of Advertising and Sales for the Maine Tourism Association, these fees go a long way in providing the financial wherewithal to keep the centers going.32

Finally, a dedicated tourism fund comprises the largest source of funding for Maine’s welcome centers. According to Mr. Stinson, this dedicated fund is one of the reasons for which the centers have not suffered a budget cut. This method of funding is the third way in which these centers have become self-sustaining and can moreover contribute back to the state’s economy. Tourism is Maine’s largest industry, and the industry itself is a very organized one that frequently visits the state legislature to advocate for the upkeep of the centers. This fund was created ten years ago in coordination with the governor who made some concessions so that meals and lodging taxes would rise (seven percent for lodging), and that five percent of these new tax revenues would go into the tourism fund to promote Maine as a vacation destination. This fund covers employees’ salaries, contracts with advertising agencies, etc. This year, the five percent that the centers are receiving is approximately ten million dollars.33
3.3 New York Welcome Centers

3.3.1. Overview of Centers

There are a total of twenty-five welcome centers and service plazas throughout the State of New York, run by a variety of different state and local government entities, as well as by both for- and non-profit businesses. A large majority of welcome centers in the state are located in what is commonly called “upstate” New York, north of New York City. Only one welcome center is located in the New York metro area, in Times Square. Similarly, each of the surrounding counties (Westchester and Rockland Counties) also each has one welcome center. All of the remaining welcome centers are scattered throughout the state, and are found off exits of major Interstates (I-90, I-81, and I-87).

Two of the largest welcome centers in the state, the Beekmantown Gateway Information Center in Clinton County, and the Gateway Information Center at Binghamton in Broome County are under the direction of New York’s tourism agency, called I LOVE NY. The tourism agency I LOVE NY is a part of the state’s economic development organization, Empire State Development. Both centers have a staff of three-to-four part-time employees who are responsible for stocking brochures, cleaning bathrooms and providing general maintenance to the centers. Both centers also provide free wireless Internet access to their customers, and at the Beekmantown center a local business provides visitors with a free cup of coffee.

An additional nine welcome centers are under the guidance of the New York State Thruway Authority (NYSTA), a state entity that is separate from the Department of Transportation. While the NYSTA is responsible for nine locations, they are not involved with the daily operations of the centers. Each center is given to a public or private entity through the public procurement process, where interested parties fill out Requests for Proposals (RFPs). The NYSTA then decides which group will be responsible for the area. The full list of agencies responsible for the centers (included in the appendix) include public tourism agencies, private tourism businesses, and non-profit groups dedicated to regional tourism.

Excluding the Times Square Visitor’s Center, six of the remaining thirteen centers are considered service plazas, not welcome centers. These centers are located on stretches of roadway that have gotten special permission from Congress, allowing them to have restaurants and gas stations. These areas typically are on roadways where exiting the highway would require paying additional tolls. The remaining seven welcome centers are run by either county or local government agencies, or are under the supervision of regional tourism agencies, associations, and bureaus. Each of these centers is either run...
directly by the agencies themselves, or is distributed out through the public procurement process. These welcome centers are located off of major interstates and do not have any forms of commerce. They all provide restrooms for visitors, as well as “information centers” with brochures, and a select few include a full-time employee able to provide tourism information.45

3.3.2 Methods of Funding Centers

Unlike many other states, New York’s welcomes centers are run by a variety of different entities. As a result, the centers are funded in different ways, varying based on whether they are owned by public or private entities and which government agency (if any) is responsible for overseeing the center.

The two welcome centers that are run by the I LOVE NY government tourism department rely almost entirely on government funding. Both welcome centers receive approximately $200,000 each year from the tourism agency.46 The funding for both centers comes from a line item in the annual New York State budget, which is subject to annual renewal.47 This funding makes up a bulk (over 90 percent) of the centers’ revenue. In addition to the annual funding, the only other source of revenue for the I LOVE NY centers comes from the brochure program, similar to the one New Hampshire already has implemented.48

While the funding for the I LOVE NY centers is fairly straightforward, the centers under the jurisdiction of the Thruway Authority have developed more creative ways to fund themselves. Because the centers are given out through the public procurement process, the Thruway Authority is not responsible for the costs of daily upkeep or personnel for the center. The Authority is only responsible for large, structural repairs to the center.49 The daily operations of the center are the responsibility of the organization the Thruway Authority assigns it to. Typically it is either tourism companies or trade and tourism associations that decide to take over these centers.50 Private companies choose to do so because of the chance to advertise their company, both by putting their name on the center, and by putting signs and brochures inside. Associations will do so for the chance to highlight local places of interest for tourists who are in the area. The typical contract will last between ten and twenty years.51

Many of these welcome centers rely on both the responsible organization to fund them, as well as the brochure program that is commonly used. Some have also installed televisions in the centers, which can air commercials or advertisements for local places of interest, which the centers collect a fee for.52 These television spots cost slightly more than the brochure slots, and prices can be adjusted based on the length of time of the advertisement, and the traffic that comes through the center.53 Two centers run by
Niagara Majestic Tours in the Niagara Falls area have built reservation desks inside their centers. These centers, in Angola and Clarence, have a full-time employee there who can help tourists make reservations for tours, hotels, restaurants, and anything else they might need in the area. In exchange, the center receives a fee from the companies that have asked to be included in the reservation process. No money is charged to the tourists, and no money changes hands at the center during this process. This allows the centers to generate additional revenue without violating any regulations on commerce.\(^{54}\)

### 3.4 Connecticut Welcome Centers

#### 3.4.1 Overview of Centers

Connecticut has a total of six welcome centers located off of major highways throughout the state. Four welcome centers are located off of Interstate I-95, and an additional two are located off of I-84.\(^{55}\) All six welcome centers are run by the state’s Office of Culture and Tourism, and are overseen by Rosemary Bove, the Welcome Center Program Coordinator/Director.\(^{56}\) Currently five of the welcome centers are opened, three off of I-95 (in Darien, North Stonington, and Westbrook), and two off of I-84 (in West Willington and Danbury).\(^{57}\) The sixth center, located off of I-95 in Greenwich, is currently closed for renovations, but will be reopened in a few months.

The welcome centers located off of I-95 in Greenwich and Darien are both located next to a service plaza where food and gas are available. While the welcome centers do not participate in any commerce, they are in an attached complex to the service plazas, which are built with special permission from Congress.\(^{58}\) All six centers are equipped with restroom facilities, canteens, picnic tables, barbecues, and parking for RVs, cars, trucks, and campers.\(^{59}\) All six centers also employ full-time tourism staff to assist travelers with directions, things to do, and popular travel spots in the area.\(^{60}\) The state’s main goal for the centers is to have them serve as “point of purchase facilities, which encourage travelers to stay in the state, extend their visit, choose additional in-state activities, or return to Connecticut in a subsequent visit.”\(^{61}\)

#### 3.4.2 Methods of Funding Centers

Because all six of Connecticut’s centers are under the jurisdiction of the Office of Culture and Tourism, funding for each of them is largely the same. A significant portion of their funding (over 90 percent) comes from the Tourism Office’s budget directly.\(^{62}\) The Office of Culture and Tourism is located within the state’s Department of Economic and Community Development, which allocates funds to the office for various projects and initiatives, which includes the welcome centers.\(^{63}\) This revenue covers the salaries of the
centers’ full-time and part-time seasonal staff, the regular upkeep of the center, and any maintenance or repairs that need to be done.64

In addition to the general funding received from the Office of Culture and Tourism, the welcome centers also utilize a brochure program similar to the one currently used in most other states.65 For a fee, the state agrees to allow local businesses to place their brochures at the welcome center for tourists to see when they stop there.66 While this is inexpensive for the state to implement, it only generates a small portion of the revenue needed to support the facility.

Similar to the program used in New York, Connecticut also generates revenue through the use of video advertisements at one of their welcome centers. The center off of I-95 in North Stonington collects a fee from local businesses in exchange for airing commercials and advertisements on video monitors they have set up inside the welcome centers.67 This provides supplemental advertising revenue in addition to the money received through the brochure program.

One final source of revenue that is currently used at the North Stonington welcome center and will be used at the Greenwich center once opened is a reservation kiosk.68 Similar to the two centers in the Niagara Falls area of New York where a full-time employee assists with reservations, Connecticut’s centers have installed kiosks for visitors to use. These kiosks allow the visitors to read about local tourist destinations, hotels, and restaurants, and make reservations through the kiosk.69 In exchange, the welcome centers receive a fee from the companies that ask to have their businesses included in the kiosk.70 Because the center collects the revenues from the businesses directly, no money changes hands at the kiosk or in the welcome center, avoiding a commerce violation.

4. POLICY OPTIONS FOR NEW HAMPSHIRE

Table 1 below provides a summary of all the options utilized by the four case study states included in this report. The table highlights different sources of revenue that New Hampshire could utilize to fund its welcome centers, as well as some pros and cons to each option. This section then goes on to describe the options New Hampshire does not already rely on in greater detail.
4.1 Electronic Tourism Advertising

One revenue-raising option that has been adopted by multiple welcome centers is to include televisions or other electronic devices, such as iPads in the case of Maine, that can play commercials and advertisements for local tourist spots. All states researched have adopted this in some of their welcome centers, which has helped generate additional revenue. In addition to brochures, which New Hampshire welcome centers already use, and which they can additionally increase their prices for, television advertisement can provide the centers with an additional source of revenue that can help pay for its upkeep. They are relatively easy and cheap to install, and prices for advertisements can be easily adjusted based on the length of the advertisement, and how many people pass through the center on any given day.

The major drawback to video advertising is that in less travelled areas the advertisements will not be priced high enough to generate much revenue. It is possible that the costs of installing them and paying for electricity to run them may be higher than the revenues generated from advertisements. It may be beneficial for New Hampshire to reach out to local businesses to find out how much they are willing to pay for advertising before deciding whether installing televisions would be cost effective.
4.2 Public Procurement Process

Another method adopted by a number of welcome centers in New York is the public procurement process. By putting the centers up for various agencies and companies to bid on, the New York State Thruway Authority has pushed most of the cost and responsibilities off to a third party. For areas with strong tourism agencies or companies, there are often multiple bidders submitting RFPs for the government to consider. For the Thruway Authority, this method is extremely cost effective, and gets local businesses and organizations involved in the process from the very beginning.

For the public procurement process to succeed in New Hampshire, the state would have to find organizations willing to take on the costs of maintaining the welcome centers. While many of the centers in New York were located near large tourist destinations such as Niagara Falls or popular ski resorts, some of New Hampshire’s centers are located in more remote areas. Finding tourism organizations willing to take on the costs in exchange for the advertising benefits may be difficult. In addition, the state could also be responsible for some of the major renovations or repairs that may come up over the course of the contract, which could lead to significant and unexpected costs. Despite the concerns, if New Hampshire could implement an effective public procurement process, it could result in significant cost savings.

4.3 Reservation Services

An option to raise revenue that has been adopted by Connecticut and New York in different ways is the use of a reservation service. In two New York welcome centers near Niagara Falls, there is a full-time employee inside the welcome center assisting customers with making reservations. In exchange, the center generates revenue by charging the companies that benefit from the reservations. Connecticut provides a similar service through the use of electronic interactive kiosks. Here a visitor can choose the service category they are looking for and click through a variety of different business offerings in the area. Both services have been largely successful in welcome centers where they have been implemented.

The major benefit reservations services offer to New Hampshire is that they provide a way for the state to generate revenue from local businesses without any money changing hands at the center. Many travelers will stop at welcome centers to look for things to do, as well as places to eat and stay. These reservation services allow New Hampshire to collect revenues while providing this vital service, which can help both the visitors and the local businesses. While the full-time employee is easier for the visitors to deal with, personnel costs can impose a significant extra burden on the state. The interactive kiosk,
on the other hand, will impose high installation costs, but be relatively cheap in the long run.

Similar to the public procurement process, the reservations service relies on a decent amount of traffic coming through the welcome center for it to be successful. New Hampshire can charge either a flat fee for businesses to be connected with the center, or charge on a per-reservation basis. In both cases, the revenues received will rely on the number of tourists willing to make reservations at the center. It is possible that the cost of the full-time employee or the kiosk will be greater than the revenue received. However, if the centers can generate significant traffic, this is a viable method for the New Hampshire to generate revenues.

Options that rely on significant traffic to be cost effective, such as the public procurement process and the reservation service, may be better suited to states such as New York and Connecticut. New Hampshire differs from those states, and is more similar to Vermont and Maine, which do not rely on heavy traffic for their funding sources. While the public procurement and reservation options may prove effective, New Hampshire may have to turn to enhancing its electronic tourism.

5. LIMITATIONS AND AREAS FOR FURTHER RESEARCH

The primary limitation to this study is the lack of literature available for review and consequently of data and statistics. Such data would provide a method of conducting a cost benefit analysis of other practices, such as television advertisements, that welcome centers in other states have chosen to implement. Because many of these implementations and innovations are recent, it is unclear as to whether they will all be effective or whether they would generate sufficient revenue for the state of New Hampshire so as to reopen closed centers. As mentioned in the DOT/DRED’s committee report, an energy audit of each location in New Hampshire as compared to other states would be beneficial.

In order to provide a more robust analysis, further research can be conducted in states outside of the Northeast to see if there are more innovative practices that have been implemented in other parts of the country in the hopes of generating revenue.

Additionally, it might be beneficial to conduct interviews with citizens who have frequented these centers in the past to get a perspective that differs from those of managers and employees of welcome centers who have a higher stake in their maintenance.
Regardless, the policy options mentioned above are quite practical and would be fairly easy to implement in New Hampshire, particularly due to similarities in other states that have already adopted such practices, such as Vermont. The government should consider each of these options and evaluate whether any or all would help to generate revenue in the state’s welcome centers and whether such revenue would be sufficiently beneficial to counter any expenses or drawbacks associated with policy implementation.
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