



**Remarks of PA Dutch CVB Pres. Kathleen Frankford
before the Pennsylvania Senate Committee on
Community, Economic, & Recreational Development
November 19, 2013**

Good morning, Chairman Ward, Chairman Fontana, and members of the committee. Thank you for the opportunity to speak with you today on the importance of tourism.

My name is Kathleen Frankford, and I am the President of the Pennsylvania Dutch Convention & Visitors Bureau, the official marketing organization for Lancaster County.

Like many of our visitors, you probably recognize Lancaster for its well-known Amish community set amid beautiful farmland. However, through our new branding campaign, more and more visitors are discovering our many other wonderful offerings, from the thriving arts & culinary scene of Downtown Lancaster to picturesque villages like Lititz and Strasburg, as well as outstanding family & heritage attractions, a wide variety of shopping experiences, and a lively mix of first-rate theaters.

As a result, tourism is an economic force in Lancaster County. We currently welcome approximately 10 million visitors annually, generating a local economic impact of \$1.8 billion each year and employing 22,000 people.

Figures like these make tourism one of the leading industries in Lancaster, an important source of tax revenues, and a key economic development tool. Its investments in attractions and amenities serve the traveling public, but also enhance the quality of life of area residents and produce growth in other sectors of our economy as the benefits ripple outward to businesses in the industry's supply chain.

Now imagine how much more economic growth could be created for Lancaster and for the state if our budget was 40 percent larger.

In fact, it **was**, just a few short years ago, before funding cuts of \$2 million. Like my colleagues on this panel and around Pennsylvania, the elimination of state funding from our budget was a massive blow.

But, in addition to that loss of funds, last year we lost another \$800,000 to \$1 million due to the diversion of local hotel tax revenues to shore up reserve funds for the Lancaster County Convention Center – a state of affairs that has continued in 2013 and is expected to remain in place for at least the next few years.

While we have worked hard to maximize the impact of our remaining resources and maintain our profile in the travel market, this significant loss in funds has inevitably had operational consequences, from a reduction in our level of full-time staff, to a decreased presence at national group travel trade shows, to

the elimination of a co-op advertising program that amplified our message in the keys markets of New York and Philadelphia.

The data I have shared with you this morning – both positive and negative – should amply demonstrate that state investment in travel and tourism needs to be revitalized.

As a leading industry in Pennsylvania and many of its localities, tourism is one of those key sectors where modest investments – even in tight budgetary times – will produce sizeable returns in economic growth, tax revenues, and sustainable jobs.

In sum, we don't **compete** with vital state programs but instead **help pay** for them, and thus we're **part of the solution** to current and future budget debates.

Consequently, I encourage you to work with the state tourism office, PATT, and individual bureaus to:

- put increased budget dollars back into state and local tourism marketing;
- protect locally-generated tourism funds from being diverted to non-tourism activities; and
- broaden local tourism funding streams through the enactment of targeted visitor revenues beyond hotel room taxes, including the creation of tourism improvement districts.

Thank you again for the opportunity to be here this morning. I look forward to working with you.

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