

Written Comments for the Pennsylvania Senate Community, Economic & Recreational Development Committee

Sept. 3, 2021

Chairman Yudichak, Chairwoman Cappelletti and members of the Senate Community, Economic and Recreational Development Committee, please accept the following comments for the hearing record.

I am proud to represent The Greater Pittsburgh Hotel Association, a 122-member group representing the Greater Pittsburgh Hospitality community. Collectively, we have been dedicated to growing the travel and tourism community for more than 20 years. Our membership actively participates in industry events, contributes to an annual scholarship program and supports community outreach efforts.

Most importantly, our membership cares deeply about Pittsburgh. We value and recognize the critical role a healthy travel economy plays in the overall success of our region.

It goes without saying that it has been a very difficult 19 months for our industry due to the COVID-19 global pandemic. We have seen hotels temporarily shutter, and in some instances, permanently close. We have had to say “goodbye” to valued colleagues. And, we have had to go days without seeing more than a handful of guests walk through our front doors.

Hotel occupancy across Allegheny County in 2020 was down about half compared to 2019, averaging 34 percent for the full year. On average, there were 2.4 million fewer hotel rooms occupied, equating to a loss of roughly \$350 million in hotel revenue alone.

The Downtown market, where my hotel, the AC Hotel by Marriott Pittsburgh Downtown resides, was hardest hit of any of Pittsburgh’s submarkets, with occupancy averaging about one-third of 2019 levels.

When you factor in the lingering impacts of the pandemic, the Pittsburgh region had about 2.89 million less hotel rooms occupied compared to the same time in 2019 (March 15, 2020 – June 12, 2021; 65 weeks). This translates to an estimated \$414 million less in hotel revenues and 7.2 million less visitors in hotels.

Occupancy across Allegheny County trended upward throughout the summer months, and, according to the STR Report for the Week of Aug. 15-21, 2021, demand averaged 66.2%, just short of the post-pandemic high of 66.5% reached one week prior. While strong, this occupancy mark is still just 83% of 2019 levels.

Unfortunately, our hotels likely will not see the full return to 2019 numbers until business travel returns to the Pittsburgh region. And while we’ve seen meetings and events begin to slowly trickle back, optimism that business travel would push ahead in Q3 and Q4 of 2021 continues to wane, with the U.S. Travel Association forecasting domestic business travel returning to 2019 levels in 2024.

I can confidently say there has never been a greater need for increased funding for tourism marketing and development in Allegheny County.

The amendments to the existing Neighborhood Improvement District (NID) legislations, put forward by Senator Robinson, would help strengthen Allegheny County's position as a leisure, business and sports events destination as we continue to climb through a rebound. The marketing funds generated through the Allegheny County Tourism Improvement District (TID) would help magnify the Pittsburgh brand, which in turn would help fill the beds in our hotels.

The proposed district has strong support from my colleagues. We welcome the opportunity to work together to determine the cooperative fee determined by the TID special assessment. Confidence is boosted knowing that our properties will govern the district via an independent board of directors which will work hand-in-hand with our local tourism development organization – VisitPITTSBURGH – to manage the funds. And in the end, these funds will be directed right back to our community for our benefit.

Bottom line - these funds will provide our region with great stability.

Travel and tourism in Pittsburgh will return to the excellent footing it stood on prior to the COVID-19 global pandemic. Hotels will again welcome an abundance of guests through their front doors. They will show the visitors a hospitable Pittsburgh and help them fall in love with our 90 neighborhoods and unique experiences.

The Greater Pittsburgh Hotel Association looks forward to working with this Committee and the entire General Assembly to pass the amendments to the enabling Neighborhood Improvement District legislation.

Thank you,



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