

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.

VisitPITTSBURGH, the official tourism development organization for Allegheny County, is dedicated to growing the tourism economy of our region by attracting business events, sports events and leisure tourism to the Pittsburgh region. VisitPITTSBURGH delivers on our mission together with our more than 650 business and organizational partners.

Travel and tourism in Allegheny County rode a strong upward trajectory over the last decade. Data released by the PA Department of Community & Economic Development in February 2021 showed that travel and tourism grew to a **\$6.57 billion industry** in Allegheny County in 2019, with nearly **44,000 residents** making a living in tourism. Total visitor spending grew by 3.0%, while employment grew by 1.7% over the previous year.

This impressive growth predates the incredible havoc caused by the COVID-19 global pandemic.

As of Aug. 16, 2021, VisitPITTSBURGH has experienced the **cancellation or postponement of 520 business and sports events**, representing approximately **\$376.4 million of direct visitor spend** in the local market. This economic loss is greatly compounded by the vast number of smaller meetings, various competitive sports events, leisure festivals and numerous cultural performances which also were cancelled or postponed, as well as by the loss of spectators in Pittsburgh's professional sports stadiums. Tourism Economics (a division of Oxford Economics) estimated the economic loss for Allegheny County's tourism economy in 2020 was **\$3.6 billion**.

Industry employment also took a direct hit. According to the PA Department of Labor & Industry, the Pittsburgh metro area **lost 41,400 hospitality jobs in 2020**, a decrease of about 34.1%. VisitPITTSBURGH was not immune, as 54% of our staff also was affected by downsizing.

Hotel occupancy in Allegheny County drastically dipped throughout this period as well. In fact, from March 15, 2020 – June 12, 2021 (65 weeks), the Pittsburgh region had about **2.89 million less hotel rooms occupied** compared to the same time in the previous year, which translates to an estimated **\$414 million less in hotel revenues and 7.2 million less visitors in hotels**.

Fifth Avenue Place
120 Fifth Avenue, Suite 2800
Pittsburgh, PA 15222-3099
412.281.7711; 800.359.0758
412.644.5512 fax

visitpittsburgh.com

The good news is that traveling remains an option and desire for many. Though updated statistics from *Destination Analysts Weekly American Traveler Sentiment Study* (Aug. 23) shows that COVID-19 anxiety is growing due to the rise of the Delta variant, American travelers remain committed to travel, with 80% reporting leisure trip plans for the next four months. However, industry experts and practitioners continue to estimate the timeline for recovery of the travel industry will take 2-5 years. Investment in county tourism promotion can help shorten the timeline.

It is critical to the success of this region's travel economy and the thousands of businesses represented in this sector that we work to broaden funding for tourism marketing and development. The amendments to the existing Neighborhood Improvement District legislations, put forward by Senator Robinson, would allow the travel community to develop our region's tourism brand and increase overall visitation and direct spend. Based on these amendments, we would be able to develop an Allegheny County Tourism Improvement District which would assist in the generation of much needed marketing funds. There are currently 190 such districts across the United States but only three which are active in Pennsylvania. This initiative has strong support from the Allegheny County hotel community and will help the region remain competitive.

This district will provide a stable source of funding for marketing and development activities designed to elevate the experience for consumers of benefiting businesses, in this case, hotels. Funds raised through a special assessment are used to provide services desired by and directly benefiting the properties in the district boundaries. Each district is governed by an independent board of directors, consisting of business representatives from within the district. The district is managed by the local tourism development organization in conjunction with the leadership and guidance of the district's board of directors. The district is funded through a special assessment levied on guest stays in lodging properties within the boundaries of the district. The amount of the special assessment is determined by the lodging property owners and operators during the formation of the district.

This is a process that is very much for the community, governed by the community.

Addressing the need for destination promotion is for the benefit and wellbeing of visitors and residents alike. VisitPITTSBURGH looks forward to working with this Committee and the entire General Assembly to pass the amendments to the enabling Neighborhood Improvement District legislation while continuing to market Pittsburgh and the Allegheny County community as a welcoming destination.

Thank you.

A handwritten signature in black ink, appearing to read "Jerad Bachar".

Jerad Bachar
President & CEO
VisitPITTSBURGH
jerad.bachar@visitpittsburgh.com

Fifth Avenue Place
120 Fifth Avenue, Suite 2800
Pittsburgh, PA 15222-3099
412.281.7711; 800.359.0758
412.644.5512 fax

visitpittsburgh.com