

The PA Dutch Convention & Visitors Bureau (PDCVB) convened a fiscal impact and recovery task force to identify the facts surrounding the financial crisis of the Lancaster County Convention Center Authority (LCCCA) and its impact on our community.

Tourism is one of Lancaster County's leading industries welcoming more than 11 million visitors who spend \$1.8 billion in the county yearly, positioning Lancaster County as one of the most visited destinations in Pennsylvania. As part of our tourism community, the Lancaster County Convention Center (LCCC) has resulted in economic gains for businesses and continues to welcome new visitors to Lancaster County.

The PDCVB spends the majority of its resources each year marketing Lancaster County. The redirection of \$900,000 annually in hotel room tax revenue from the PDCVB to the LCCCA to satisfy its debt service (on top of an unrelated loss of \$1 million in state funding) impacts the PDCVB's ability to market Lancaster County and ultimately the hospitality industry as a whole. As demonstrated in other markets, a lack of marketing dollars will negatively impact hotel room tax revenue, compounding the financial crisis of the LCCCA.

The PDCVB Board of Directors believes that no single action will result in a viable long-term remedy. It is imperative that community leaders join forces now to devise a sustainable, multi-pronged solution that addresses the LCCCA funding challenges.

The PDCVB Board of Directors:

- Recommends all stakeholders involved [County of Lancaster, City of Lancaster, Wells Fargo, LCCCA, Penn Square Partners (PSP), state legislative delegation, PDCVB] to implement a long-term debt funding solution for the Convention Center, while considering the findings of LCCC Fiscal Impact and Recovery Task Force. The following should be considered:
 1. Credit Enhancement (variable interest rate) reduction
 2. Revenue Enhancement (funding sources)
 3. Expense Savings related to the convention center
 4. Reinstatement of PDCVB funding for destination marketing
- Recommends spreading the incremental burden across the entities that benefit from the LCCC.
- Does not support an increase in the hotel tax or excise tax for the purpose of funding shortfalls in operating expenses, debt service requirements or Furniture, Fixtures & Equipment (FF&E) related to the LCCC.
- Recommends the appointment of three voting members to the LCCCA board from the tourism/hospitality industry starting with the next available appointment(s). Currently, there is no industry representation on the board.
- Recommends strengthening the county ordinances related to the collection of the hotel & excise taxes and the associated penalties for non-payment of tax.
- Recommends a formal agreement be entered into between the LCCCA and the PDCVB, clearly outlining the PDCVB's and Interstate Hotels & Resorts' role in securing Priority 1 & 2 events on behalf of Lancaster County. The agreement will outline responsibilities, goals, accountability and communication between the parties.

