

WRITTEN TESTIMONY FOR THE
TRANSPORTATION SUBCOMMITTEE
ON HIGHWAYS & THE TOURISM AND
RECREATIONAL DEVELOPMENT COMMITTEE
JOINT PUBLIC HEARING

Topic:
Tourist Oriented Destination Signs

Tuesday, February 27, 1996
10:00 AM – 12:00 NOON

Haag's Hotel
Shartlesville, PA

**By: Michael Towers, Chairman
Pennsylvania Logo Signing Trust**

Good afternoon, members of the House Tourism and Recreational Development Committee and the House Transportation Sub-Committee on Highways. My name is Michael Towers. I am president of Towers-Hall, Inc., a hospitality industry management and consulting firm which I started in 1990. I also serve as chairman of the Pennsylvania Logo Signing Trust. With me is Barry Wickes, president of the Pennsylvania Travel Council and administrator of the Logo Signing Program.

Thank you for this opportunity to speak to you today. We appreciate the opportunity to brief you on the operation and activities of the Pennsylvania Logo Signing Program.

The Pennsylvania Logo Signing Program is a **public information service provided to the motorist** on Pennsylvania highways through an effective partnership between the public and private sectors. The Program uses special exit signs to designate specific brands of gasoline, lodging, food and camping services. Operating under Federal Highway Administration (FHA) and PennDOT guidelines, all logo signs are designed, erected, and maintained under Department supervision.

Through an agreement with PennDOT, the Program is administered by the Pennsylvania Logo Signing Trust, a non-profit organization. The Pennsylvania Travel Council has been retained by the Trust to administer the Program. The Trust was created in 1984. The Pennsylvania Travel Council is the Grantor and PennDOT is the Beneficiary. The Council was approached initially by PennDOT to establish and administer the program because the Commonwealth had no money to invest in the Program.

The Trust is composed of seven Trustees. Four of these individuals represent the logo classifications (lodging, food, gas and campgrounds). In addition, one Trustee represents the interests of the traveling public, one Trustee represents the outdoor advertising industry, and one Trustee represents PennDOT.

The Trust office is located at 902 North Second Street, Harrisburg, PA, 17102. Its responsibilities include marketing, sales, administration, contracting, engineering, construction, sign maintenance and repair.

The Trustees work with other consultants who perform engineering, financial and legal services for the Program. The Trustees meet on a quarterly basis. EXHIBIT A is a complete list of the Trustees, staff and consultants.

As administrator of the Trust, The Pennsylvania Travel Council, which is a 501(c)(6) trade association, is responsible for the day-to-day operation of the program from initial inventory to final construction and follow-up maintenance.

The Logo Signing Agreement, the contract between PennDOT and the Trust, provides that the Program be administered according to guidelines developed by PennDOT. For Fiscal Year 1994-95, Department Policy Chapter 1 PUB 46, dated September 1, 1994, represents the most current guidelines. SEE EXHIBIT B.

PennDOT provides the necessary expertise and personnel to assure conformity with Department and Federal Highway Administration guidelines. In addition, PennDOT owns all the signs, as all signs are erected on PennDOT's right-of-way.

The Program has been permitted along interstate highways in Pennsylvania since 1984. In 1992, PennDOT approved the installation of logo signs along certain non-interstate highways. Presently, approximately 383 interchange approaches through the Commonwealth have logo signs in place.

Currently, there are 834 businesses participating in the Program: 415 food establishments; 223 lodging facilities; 182 gasoline stations; and 14 campgrounds. EXHIBIT C is a list of these businesses.

No state or federal highway or general fund revenue is appropriated to the Program. It is paid for completely by the private sector, specifically, participating businesses.

The Program fee structure is as follows:

For interchanges signed in two directions (e.g., north and southbound), businesses purchase space on two highway signs (the large blue signs) and two directional signs on the exit ramps for a one-time installation cost of \$10,050.00. One half of the total fee is payable when the business submits its contract; the remaining balance is due when the signs are erected.

For interchanges signed in one direction (e.g., northbound only), businesses purchase space on one highway sign and 1 ramp directional sign for a one-time installation cost of \$5,025.00. The payment schedule is the same as mentioned above.

In those cases where additional turns are needed to reach a business, a trailblazer sign is installed at an additional cost of \$200.00 per sign.

Each business is responsible for the cost to have their logos fabricated according to PennDOT specifications. This usually costs approximately (\$300 to \$600) depending on the number of logo signs to be made.

After the first year, there is an annual maintenance fee charged to each business as follows: \$125.00 per mainline sign; \$100 per ramp sign; and \$100 per trailblazer sign. Based on these figures, the typical annual maintenance fee is \$450.00 for two mainline and two ramp signs. The maintenance fee for the first year is included in the \$10,050.00 and \$5,025.00 fee structure.

Revenues collected from the annual maintenance fee are put in a reserve financial account and are used to cover any damages caused by accidents, weather, vandalism, or other required sign maintenance. Should a car or truck strike and damage a sign, and an accident report is filed by the Pennsylvania State Police, the Trust will recover the cost of repair or replacement from the responsible party. Replacement of logos is the responsibility of the participating business.

It is the intention of the Trust to use maintenance fee income to cover the expense to replace current mainline and ramp signs. In coming years, there will be a need to replace existing signs because of the gradual deterioration of their reflectivity caused by age and weather conditions. Based on the history of current logo signs and sign manufacturers' data, the life expectancy of mainline and ramp sign panels is estimated to be 15-18 years. The anticipated replacement of existing mainline and ramp signs will be a major task for the Trust, and the maintenance fee income is expected to provide predictable and stable funding for a substantial portion of this important undertaking. Under the Agreements with participating businesses, any shortfall may be assessed against participating businesses.

The fiscal year for the Program is September 1-August 31. A six-month review and a year-end audit are conducted each year by an independent certified public accountant. Also, An Annual Report is submitted by the Trust to PennDOT, and it is my understanding that this document is shared with members of the General Assembly.

Since its inception, the Pennsylvania Logo Signing Program has been a success and has received a positive response from traveling motorists and the business community. It has helped to facilitate the safe flow of vehicular traffic in a given area by providing information likely to be needed or useful to individuals traveling a particular route.

Also, an effective Logo Sign Program is a key component to the state's efforts to promote and increase intrastate and interstate travel. Attractive and useful logo signs can give a positive first impression and assist out-of-state tourists traveling to and throughout the Commonwealth. The travel and tourism industry must be viewed in terms of economic value. After all, tourism develops the economy, creates jobs for Pennsylvanians, and provides substantial tax revenue for local, state and federal governments.

Thank you. I will be happy to respond to your questions.

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