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**Testimony to the House Tourism and Recreational Development Committee
John Oliver, President/CEO VisitErie**

Good morning, Chairman Stern and Chairman Kirkland and members of the House Tourism Committee. My name is John Oliver, I'm the President and CEO of VisitErie, the Destination Marketing Organization (DMO) for Erie County.

I want to thank you for allowing me the opportunity to speak before you today. A little over a year ago this committee voted to move HB 1478 to the House floor. After passing the House in May 2012 and the Senate in September, it was signed by the Governor in October 2012. It was then enacted by Erie's County Council in December. This bill allowed Erie County to increase its hotel occupancy tax from 5% to 7%. The increase was dedicated solely to the DMO. Of the original 5%, VisitErie received 20% and the Erie Convention Center Authority received 80%.

I am here to update you on what a positive impact this increase has had on Erie's ability to market and promote our tourism assets. Our budget has grown from \$800,000 to slightly over \$2 million. Last year we budgeted \$60,000 for advertising; this year that number is \$800,000. We are now able to plan a year round marketing and promotional campaign targeting our key feeder markets of Pittsburgh, Cleveland, Buffalo and southern Ontario. These campaigns will utilize multi-media resources including television, radio, print, outdoor and digital. We are also introducing a mobile destination app that, through leading technology, will improve and enhance the visitor's experience as they select and plot out their Erie vacation. Our sports commission division, now fully funded, has already had success in securing several national events and assisted in increasing outside participation in several reoccurring events. We believe that all of these efforts will lead to a \$100 million increase in visitor spending.

Pennsylvania has recently slipped from 4th to 8th place in market share nationally. Michigan is spending \$30 million and New York is going to be investing \$60 million to promote their states. With the current budget, Pennsylvania will be spending potentially less than \$3 million. It is apparent that it has become the responsibility of our DMO's to promote the state along with their destinations. I would encourage you to mandate the dedication of any future hotel tax increase to the designated Destination Marketing Organization of that county. With the elimination of funds from the state and the lack of the ability of counties to fund tourism promotion, the hotel occupancy tax is the primary, if not only way for DMO's to fund these vital marketing and promotional efforts for their destinations. Increased visitation leads to increased visitor spending. That spending will support additional employment, new development and additional tax revenue to the counties. This additional revenue from visitor spending will allow the counties to fund services and support facilities they deem important. The hotel occupancy tax model is a way to fund DMO's and will allow them to become self-sustainable and will reward those who successfully attract visitors to their destination. In closing, I want to again thank you for your support of VisitErie's past legislation and your support of the tourism industry in Pennsylvania.

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