



GREATER
LANCASTER
HOTEL & MOTEL
ASSOCIATION

GREATER LANCASTER HOTEL/MOTEL ASSOCIATION
RESOLUTION 08-99

WHEREAS, the Greater Lancaster Hotel/Motel Association (GLHMA) is a Pennsylvania non-profit corporation dedicated to the present and future development and promotion of Lancaster County tourism;

WHEREAS, the GLHMA represents an industry of 25 hotels representing 3,924 rooms in Lancaster County, in conjunction and cooperation with tourist promotion agencies, and other allied businesses;

NOW THEREFORE BE IT RESOLVED, based on the information provided to date from the partial Ernst & Young report, the GLHMA is opposed to the proposed Penn Square Conference Center, further, that upon review of such partial report and such limited information, the new business said to utilize such facility can not be substantiated;

RESOLVED FURTHER, the GLHMA is not opposed to any revitalization of downtown Lancaster if such project is feasible for Lancaster County and the businesses of Lancaster County.

RESOLVED FURTHER, the general membership of the GLHMA are hereby implementing this resolution as approved on August 19, 1999.

CCA199



TOTAL P. 02

ANOTHER VIEW

THE LANCASTER COUNTY HOTEL OWNER'S/MANAGER'S VIEWPOINT REGARDING PROPOSED DOWNTOWN CONVENTION CENTER

- * 58 hotels in the county (list provided by PA. Dutch Convention & Visitor's Bureau) have been contacted, 54 are opposed to the development of a downtown Convention Center as well as the 5% Bed Tax and 2% Excise Tax. The only hotel in favor of the Convention Center development and taxes is High Associates/Hampton Inn in Lancaster. Three other hotels in Lancaster County are waiting for more information regarding this matter before stating their position.
- * From the professional knowledge and experience of this market as well as the limited information of the Ernst & Young report provided by the Lancaster Campaign, we do not believe a downtown Convention/Conference Center is an economically-viable project.
- * The Ernst & Young Executive Summary report does not indicate that "new business" is the primary generator of room nights for the proposed 281 room, four star hotel.
- * There is insufficient infrastructure in downtown Lancaster to effectively handle incoming conventions and/or conference attendees. Examples would be the limited number of incoming and outgoing flights at Lancaster Airport, as well as insufficient public transportation in and around downtown to other hotels or attractions.
- * The anticipated \$100 plus hotel rates at the proposed downtown four star hotel cannot be justified based on current room rate structures, seasonality of the Lancaster hotel market, as well as hotel statistics provided by Smith Travel Research.
- * As stated in the Ernst & Young Executive Summary, operating deficits from the Convention Center "due primarily to limited annual utilization coupled with fixed expenses" will range from a negative of \$1,301,192 to a negative of \$679,992 per year. The 5% Bed Tax may be insufficient to support these negative operating deficits in the future years?
- * The competition from the existing, as well as the new Convention/Conference facilities in the State, (new facilities in Altoona and Reading) will cause the proposed Lancaster Convention Center to be unable to attract the necessary market share to achieve the projection put forth in the Ernst & Young report.

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* As of this date, the Lancaster Campaign has refused to provide a copy of the complete Ernst & Young report dated July 19, 1999 to the PA Dutch Convention and Tourist Bureau and hotel owners/managers. As stated by Ernst & Young, the "Executive Summary is not considered a self-contained document and should be read subject to the comments, estimates, and analysis presented in the Market Study, Cash Flow Estimates, and Economic Impact Analysis". With only the Executive Summary to review, we are unable to understand the justification for pursuing the Convention Center/Hotel in downtown Lancaster.

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