

Michigan House of Representatives
Tourism, Outdoor Recreation and Natural Resources Committee
Representative Joel Sheltroun, Committee Chairman
Tuesday, June 8, 2010 - 10:30 a.m.
521 House Office Building, Lansing

Testimony of Mr. Don Keller:

Thank you Mr. Chairman and committee members for allowing me to share my personal historical perspective on the proposed legislation in front of you. I have been actively involved in the tourism industry of Michigan and more specifically Saginaw County by way of Frankenmuth for more than 40 years.

Today I'm wearing three hats:

- #1 Chairman of the Saginaw County Convention & Visitors Bureau
- #2 Marketing Committee Member of the Frankenmuth Convention & Visitors Bureau
- #3 Frankenmuth Bavarian Inn Restaurant & Lodge "from whence cometh my paycheck"

My comments are not only directed to this committee but also to the many tourism industry professionals who left a lot of their work undone to be here today in support of this legislation. I suspect a good number of them were young children when I returned from Vietnam in 1969 to find that Governor George Romney took a post in Washington and turned the reins over to Bill Milliken.

During Milliken's administration in 1974, Michigan's first accommodations/excise tax legislation PA 263 was enacted. In my personal opinion it was written with Detroit and Grand Rapids in mind and designed to promote major convention facilities and not general tourism.

In 1972 Saginaw County was booming along with General Motors when the downtown Wendler Arena was built. It was a fabulous venue for our area and is even more impressive today as the Dow Event Center. Saginaw County decided to jump on the room tax bandwagon in 1976 in an effort to secure funding to promote the new event center and attract a Radisson Hotel to be built across the street from the center.

Saginaw County Commissioners faced strong opposition to this proposed room tax from the outlying areas of Chesaning, Birch Run and Frankenmuth. Lodging properties throughout the county would have to collect a tax which they felt would only benefit downtown Saginaw. Their other objection was that if Saginaw County imposed a tax while neighboring Bay and Midland Counties did not, these adjacent counties would have an unfair room pricing advantage. I participated in some very heated debates for many months while the media had a heyday with headlines like this; "Motel Operators Unhappy Over Tax Proposal".

Saginaw County did pass their Accommodations Tax Ordinance in 1976.

So why am I revisiting that bumpy road traveled over 35 years ago? What's the point? Actually there are two points to be made. First point; within a few years due to strong involvement by the private sector on the board of directors and the marketing committees of the CVB, the predicted doom and gloom never materialized and all of Saginaw County's tourism industry flourished for nearly three decades. Who would have dreamed 35 years ago in the midst of the opposition that in the past few years the chairmen of the Saginaw County CVB have come from Chesaning, Birch Run and Frankenmuth? Remember, these were the folks leading the opposition, myself among them, so even a stubborn German can admit he was wrong.

The second point is that with this history in mind, I am absolutely astounded that there is such a unified desire within the private sector of all three counties to go forward with this consolidation and regionalization effort and make it work.

The Great Lakes Bay Region is excited about the "marketability" of our combined assets. We are excited about the Bay County planetarium and the Bay's unique water way access to the Great Lakes as well as the City's popular Gaslight District. We are excited about Midland County's outstanding cultural institutions, public gardens, tennis facility ranked #1 in the United States last year and of course the Loon's minor league baseball team.

We are collectively excited with Saginaw County's offerings, being home to one of only five nationally certified zoos in the State of Michigan, the refurbished Dow Event Center and rejuvenated historic Temple Theater, the Marshall Fredericks Sculpture Museum, Prime Outlets at Birch Run which is the largest outlet mall in the entire Midwest, the ever quaint village of Chesaning with it's Annual Showboat Event and Michigan's Little Bavaria of Frankenmuth attracting two million visitors annually.

Taking some liberties with the "Teach a Man to Fish" proverb, I'd like to close by saying, we, the Great Lakes Bay Region, are not asking for a handout as in a free truckload of fish from the government. We collectively own our own fishing boat named the Great Lakes Bay Region-Fun Boat. All three counties want to get on that boat together and fish for more visitors and conventioners but as it stands now, only Saginaw County has been given a proper fishing pole by the legislature. We are asking this committee to provide proper fishing poles for all three of us. Three fishing with equally good gear will certainly catch more fish for Michigan than one. That's what this legislation is all about. We will do the work; we just need the proper gear. Thank You.