

## **Foy, Anne FIN:EX**

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**From:** Erlic, David FIN:EX  
**Sent:** Friday, March 13, 2015 8:28 AM  
**To:** Foy, Anne FIN:EX  
**Cc:** Fairbairn, Joel FIN:EX  
**Subject:** RE: Approval of the Municipal and Regional District Tax for the City of Nanaimo

Hi Anne. I contacted the City of Nanaimo's finance department in late February and everything is in place for the disbursement of funds collected. Dan Brady also contacted me around that time in regards to questions relayed to him by accommodation providers regarding registration changes and collection and remittance of taxes. I advised him that notifications would be sent to all accommodation providers at least 30 days prior to the effective date of the tax. Those notifications were issued in late February so everyone should have received the information required.

If you have any questions, let me know. Just wanted to bring you up to date on what has been done should you receive any further questions.

David Erlic  
Policy and Legislative Analyst  
Consumer Taxation Programs Branch  
Ministry of Finance  
Ph: (250) 387-1612  
Fax: (250) 953-3048  
david.erlic@gov.bc.ca

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**From:** Foy, Anne FIN:EX  
**Sent:** Thursday, March 12, 2015 4:43 PM  
**To:** XT:Ferrero, Guillermo; City of Nanaimo MTIC:IN; XT:Ferrero, Guillermo; City of Nanaimo MTIC:IN  
**Cc:** Hawkshaw, Steve FIN:EX; Community Partnerships DBC:EX  
**Subject:** RE: Approval of the Municipal and Regional District Tax for the City of Nanaimo

Guillermo

As set out in the letter notifying the City of Nanaimo that it was approved for the MRDT program, if you have any questions about the reporting requirements or the program in general, please contact Destination BC at [communitypartnerships@destinationbc.ca](mailto:communitypartnerships@destinationbc.ca). Destination BC is the primary point of contact for this program.

I have copied Destination British Columbia on this email so they are aware you have questions .

With respect to being a designated recipient and receiving revenue from the tax that will commence in June (tax payable in April is remitted to government by the last day of May and is disbursed in June), if our tax administrators have not yet been in contact with the City of Nanaimo regarding the disbursements, they will be in contact before June.

Steve kindly sent out the notification of government's approval of the City of Nanaimo's application on my behalf, so we would appreciate if you would remove him from your contact list.

Anne Foy

Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

---

**From:** Guillermo Ferrero [<mailto:Guillermo.Ferrero@nanaimo.ca>]  
**Sent:** Thursday, March 12, 2015 4:21 PM  
**To:** XT:Ferrero, Guillermo; City of Nanaimo MTIC:IN; Hawkshaw, Steve FIN:EX  
**Cc:** Foy, Anne FIN:EX; Diane Hiscock; Brian Clemens; 'Dan Brady'  
**Subject:** RE: Approval of the Municipal and Regional District Tax for the City of Nanaimo  
**Importance:** High

Hello Steve,

I have not heard from you regarding this email. It is my understanding that we are starting with this tax on April 1<sup>st</sup>, so I wanted to make sure that we are ready from our end.

What are the next steps?

Thanks,  
Guillermo

---

**From:** Guillermo Ferrero  
**Sent:** Friday, January 23, 2015 4:20 PM  
**To:** 'Hawkshaw, Steve FIN:EX'  
**Cc:** 'Foy, Anne FIN:EX'; Diane Hiscock; Brian Clemens; 'Dan Brady'  
**Subject:** RE: Approval of the Municipal and Regional District Tax for the City of Nanaimo

Hello Steve,

Thank you very much for this information Steve. I have receive written confirmation from Paul Flanagan on December 23<sup>rd</sup>. In the letter specifies that the City is required to file annual financial statements that set out how the revenues from tax has been spent.

Could you give us more details about the type of reporting that you are expecting from the City so I can arrange internally to provide?

We basically received the letter (attached to this email) but not other further details.

Thanks in advance,  
Guillermo

📧

**Guillermo Ferrero**

Director of IT & Legislative Services

City of Nanaimo

email: [guillermo.ferrero@nanaimo.ca](mailto:guillermo.ferrero@nanaimo.ca)

Tele: 250.755.4423

Cell: 250.802.2643

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If you have received this communication in error, please notify the sender immediately and delete this email (including attachments) without reading, copying or forwarding it to anyone. Thank you for your cooperation

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**From:** Hawkshaw, Steve FIN:EX [<mailto:Steve.Hawkshaw@gov.bc.ca>]  
**Sent:** Tuesday, December 23, 2014 10:49 AM  
**To:** Guillermo Ferrero  
**Cc:** Foy, Anne FIN:EX  
**Subject:** Approval of the Municipal and Regional District Tax for the City of Nanaimo

Guillermo,

This is to confirm that the Municipal and Regional District Tax for the City of Nanaimo has been approved effective April 1, 2015.

Written confirmation with a copy of the regulation will follow by mail.

Regards,

Steve Hawkshaw

Tax Policy Branch

Policy and Legislation Division  
Ministry of Finance

Phone: 250.387.7364

Fax: 250.387-9061

E-Mail: [Steve.Hawkshaw@gov.bc.ca](mailto:Steve.Hawkshaw@gov.bc.ca)

## Foy, Anne FIN:EX

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Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

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Guillermo



**Guillermo Ferrero**

Director of IT & Legislative Services

**City of Nanaimo**

email: [guillermo.ferrero@nanaimo.ca](mailto:guillermo.ferrero@nanaimo.ca)

Tele: 250.755.4423

Cell: 250.802.2643

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**Sent:** Tuesday, December 23, 2014 10:49 AM

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**Cc:** Foy, Anne FIN:EX

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Regards,

Steve Hawkshaw

Tax Policy Branch

Policy and Legislation Division  
Ministry of Finance

Phone: 250.387.7364

Fax: 250.387-9061

E-Mail: [Steve.Hawkshaw@gov.bc.ca](mailto:Steve.Hawkshaw@gov.bc.ca)

## **Foy, Anne FIN:EX**

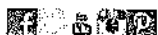
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**From:** Krenz, Linda DBC:EX  
**Sent:** Friday, January 30, 2015 12:29 PM  
**To:** Foy, Anne FIN:EX  
**Subject:** RE: Please contact City of Nanaimo

Hi Anne,

Thank you. I will follow up with Guillermo Ferrero from the City of Nanaimo today. Previously we asked for electronic pdf versions of Annual Reports and Financial Statements to be sent to Micah Brown at his e-mail address, s.22 s.22, would you like to receive the Annual Reports and Financial Statements to your e-mail address directly, or is there someone else you would like to identify?

**Linda Krenz**  
Partnership Marketing Coordinator  
**Destination British Columbia**  
12th Floor, 510 Burrard Street  
Vancouver, British Columbia  
Canada V6C 3A8  
T 604.660.6391  
F 604.660.3383  
E [Linda.Krenz@DestinationBC.ca](mailto:Linda.Krenz@DestinationBC.ca)  
Consumer [HelloBC.com](http://HelloBC.com)  
Corporate [DestinationBC.ca](http://DestinationBC.ca)



---

**From:** Foy, Anne FIN:EX  
**Sent:** Friday, January 23, 2015 5:14 PM  
**To:** Krenz, Linda DBC:EX  
**Subject:** Please contact City of Nanaimo

Hi Linda,

Despite our letter specifically stating that they are to contact DBC if they have any questions about their reporting obligations – they have contacted us asking for more information about their reporting obligations under the MRDT.

Could you please follow up with Guillermo Ferrero.

Thanks

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

**Foy, Anne FIN:EX**

---

**From:** Foy, Anne FIN:EX  
**Sent:** Wednesday, January 28, 2015 1:24 PM  
**To:** Edwardson, Jamie GCPE:EX  
**Cc:** Purnell, Richard FIN:EX  
**Subject:** RE: Nanaimo News Bulletin - "Hotel tax supports tourism"

The Ministry of Finance (Tax Policy) notifies Destination BC at the time we notify the designated recipient (we send them an email)

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Destination BC (community partnerships) is the primary point of contact for the program

Generally since DBC was made the primary program contact by JTST, we haven't notified JTST – we assume that Destination BC will inform JTST to the extent necessary.

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

---

**From:** Edwardson, Jamie GCPE:EX  
**Sent:** Wednesday, January 28, 2015 1:17 PM  
**To:** Foy, Anne FIN:EX  
**Cc:** Purnell, Richard FIN:EX  
**Subject:** Re: Nanaimo News Bulletin - "Hotel tax supports tourism"

Isn't there a jtst program area that's also connected on this file? I wasn't aware this was approved and notification provided that's all. And the ministry's asking.

Sent from my BlackBerry 10 smartphone on the Rogers network.

---

**From:** Foy, Anne FIN:EX  
**Sent:** Wednesday, January 28, 2015 13:12  
**To:** Edwardson, Jamie GCPE:EX  
**Cc:** Purnell, Richard FIN:EX  
**Subject:** RE: Nanaimo News Bulletin - "Hotel tax supports tourism"

The regulation was made and deposited on December 22, 2014

The tax comes into effect April 1, 2015.

I am not certain what you mean by announcements.

If the tax is approved:



- The Ministry of Finance (Tax Policy) informs the designated recipients of the government's decision (letter with copy of regulation)
- The Ministry of Finance (Revenue Division) sends notices to the accommodation providers to ensure they get properly registered and are set up to be collecting the tax on the effective date.
- The Ministry of Finance (Revenue Division) also updates the various bulletins etc. to include the new community.

If the tax is not approved – letter sent to the applicant signed by the Minister of Finance informing them of the government's decision

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

**From:** Purnell, Richard FIN:EX  
**Sent:** Wednesday, January 28, 2015 12:59 PM  
**To:** Foy, Anne FIN:EX  
**Subject:** FW: Nanaimo News Bulletin - "Hotel tax supports tourism"

Anne, can you respond.

Richard Purnell  
Senior Director  
Tax Policy Branch  
British Columbia Ministry of Finance  
Phone: (250) 387-9072  
Fax: (250) 387-9061

**From:** Edwardson, Jamie GCPE:EX  
**Sent:** Wednesday, January 28, 2015 12:57 PM  
**To:** Purnell, Richard FIN:EX  
**Subject:** Nanaimo News Bulletin - "Hotel tax supports tourism"

Hi – question, when did this get approved, and is my recollection correct that JTST is the lead on making announcements?

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**Hotel tax supports tourism**  
Nanaimo News Bulletin  
Tuesday, January 27, 2015  
Page 1  
By Chris Bush

Copyright

Page 010

Withheld pursuant to/removed as

Copyright



DEC 23 2014

His Worship Mayor Bill McKay  
City of Nanaimo  
455 Wallace Street  
Nanaimo BC V9R 5J6

Dear Mayor McKay:

The City of Nanaimo's application for the imposition of a two per cent tax on the purchase of accommodation within the City of Nanaimo under the Municipal and Regional District Tax Program has been approved effective April 1, 2015 until April 1, 2020. For your records, attached is a copy of the approved Order in Council which adds the City of Nanaimo to the Designated Accommodation Area Tax Regulation.

The authorized uses of revenue from the tax are tourism marketing, programs and projects and sports hosting marketing, programs and projects as set out the business plan approved by Designation British Columbia. As a designated recipient, the City of Nanaimo is required to file annual financial statements that set out how the revenue from the tax has been spent.

If you have any questions about your reporting obligations, please contact Destination British Columbia at [communitypartnerships@destinationbc.ca](mailto:communitypartnerships@destinationbc.ca).

To extend the tax beyond midnight March 31, 2020, a completed renewal application must be submitted no later than September 30, 2019.

Sincerely,

for Paul Flanagan  
Executive Director  
Tax Policy Branch

Enclosures

cc: ✓ Guillermo Ferrero, Director Information Technology & Legislative Services  
City of Nanaimo

Ministry of Finance

Policy and Legislation  
Division

Tax Policy Branch

Mailing Address:  
PO Box 9547 Stn Prov Govt  
Victoria BC V8W 9C5  
[www.gov.bc.ca/fin](http://www.gov.bc.ca/fin)

Location Address:  
Room 105  
617 Government Street  
Victoria BC

PROVINCE OF BRITISH COLUMBIA

ORDER OF THE LIEUTENANT GOVERNOR IN COUNCIL

Order in Council No. 758, Approved and Ordered December 19, 2014

  
Lieutenant Governor

Executive Council Chambers, Victoria

On the recommendation of the undersigned, the Lieutenant Governor, by and with the advice and consent of the Executive Council, orders that, effective April 1, 2015, the Designated Accommodation Area Tax Regulation, B.C. Reg. 93/2013, is amended as set out in the attached Schedule.

DEPOSITED

December 22, 2014

B.C. REG. 259/2014

  
Minister of Finance

  
Presiding Member of the Executive Council

*(This Part is for administrative purposes only and is not part of the Order.)*

Authority under which Order is made:

Act and section: *Provincial Sales Tax Act, S.B.C. 2012, c. 85, s. 240*

Other: *OIC 127/2013*

November 6, 2014

*Kequb 2/R/821/2014/33*

## SCHEDULE

1 The Designated Accommodation Area Tax Regulation, B.C. Reg. 93/2013, is amended

(a) in Schedule 1 by adding the following item as indicated:

Item	Column 1 Designated Accommodation Area	Column 2 Designated Recipient	Column 3 Repeal Date
9.1	City of Nanaimo	City of Nanaimo	April 1, 2020

and

(b) in Schedule 3 by adding the following section:

Nanaimo

5 The City of Nanaimo may spend the money paid to it for sport hosting marketing programs and projects.

**Foy, Anne FIN:EX**

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**From:** Foy, Anne FIN:EX  
**Sent:** Wednesday, December 10, 2014 11:32 AM  
**To:** Hawkshaw, Steve FIN:EX  
**Cc:** Purnell, Richard FIN:EX  
**Subject:** MRDT OICs  
**Attachments:** DRAFT ED letter of confirmation Alert Bay.docx; DRAFT ED letter of confirmation MT Waddington.docx; DRAFT ED letter of confirmation Mt Washington.docx; DRAFT ED letter of confirmation Nanaimo.docx; DRAFT ED letter of confirmation Pt McNeil.docx; DRAFT ED letter of confirmation Prince George.docx; Instructions for January 2105 approvals.docx

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Steve,

Thanks very much for taking care of this while I away!

As discussed here are the instructions and the draft letters

The draft letters are saved in G:\TPB\CONSUMPTION TAXES\Hotel Room Tax\Municipal Regional District HRT\Participating Communities\ COMMUNITY BY NAME (some have a further subfolder for the 2014 renewal application)

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

Steve,

Thank you very much for assisting with the MRDT OICs.

1. Assuming both OICs are approved (this is the most likely scenario)
  - You will get an email with a PDF of the OIC without the deposit stamp from Doris Dardengo.
  - You need to send this email to either Elizabeth Flather OR Emily Summer and request a copy of the OIC WITH THE DEPOSIT STAMP
- Once you have copies of the OICS with the deposit stamps:
  - o Send the following emails

1. Sarah Nicholson [manager@tourismmountwashington.com](mailto:manager@tourismmountwashington.com)

Sarah,

This is to confirm that the Municipal and Regional District Tax for the Mount Washington Resort Association has been extended until January 1, 2020.

Written confirmation with a copy of the regulation will follow by mail.

2. Pat English [penglish@rdmw.bc.ca](mailto:penglish@rdmw.bc.ca)

Pat,

This is to confirm that the Municipal and Regional District Tax for the Village of Alert Bay, Town of Port McNeil and the Regional District of Mount Waddington has been extended until January 1, 2020.

Written confirmation with a copy of the regulation will follow by mail.

3. Wendy Nordin [WNordin@city.pg.bc.ca](mailto:WNordin@city.pg.bc.ca)

Wendy,

This is to confirm that the Municipal and Regional District Tax for the City of Prince George has been extended until January 1, 2020.

Written confirmation with a copy of the regulation will follow by mail.

4. Guillermo Ferrero [Guillermo.Ferrero@nanaimo.ca](mailto:Guillermo.Ferrero@nanaimo.ca)

Guillermo,

This is to confirm that the Municipal and Regional District Tax for the City of Nanaimo has been approved effective April 1, 2015.

Written confirmation with a copy of the regulation will follow by mail.

5. Linda Krentz [communitypartnerships@destinationbc.ca](mailto:communitypartnerships@destinationbc.ca)

Linda,

Just to let you know,

The MRDT has been extended for the Mount Washington Resort Association, Village of Alert Bay, Town of Port McNeil, Regional District of Mount Waddington and the City of Prince George until January 2020.

The MRDT has been approved for the City of Nanaimo effective April 1, 2015.

The Ministry of Finance will be notifying each community.

6. David Erlic [David.Erlic@gov.bc.ca](mailto:David.Erlic@gov.bc.ca)

David,

The MRDT has been approved for the City of Nanaimo effective April 1, 2015.  
I understand Anne has already sent you the Accommodation Directory.

The MRDT has been extended for the Mount Washington Resort Association, Village of Alert Bay, Town of Port McNeil, Regional District of Mount Waddington and the City of Prince George until January 2020.

- Finalize the attached letters with the attached OICs  
Note: Duncan will sign on behalf of Richard (who would have been signing on behalf of Paul)
- Give copies of the OICs separately to Melissa for Filing  
In addition to OIC files to be filed in:
  - 23.873 – Mount Washington
  - 23.874 – Prince George
  - 23.875 – Mount Waddington (with Alert Bay and Port McNeil)
  - NEW file for City of Nanaimo



2. IF for any reason tax is NOT renewed or approved, you need to contact the same people as above, but most important is David Erlic – as tax collection will need to cease.

Renewal Message:

s.12,s.13

Written confirmation of the elimination of the tax will follow by mail.

Nanaimo ONLY

s.12,s.13

Written confirmation of this decision will follow by mail.



David Rushton, Chair  
Regional District of Mount Waddington  
P.O. Box 729  
Port McNeill, BC V0N 2R0

Dear Mr. Rushton:

The Regional District of Mount Waddington's application for the extension of the two per cent tax on the purchase of accommodation within the Village of Port Alice and Regional District of Mount Waddington electoral areas A, B C and D under the Municipal and Regional District Tax Program until January 1, 2020 has been approved. For your records, attached is a copy of the approved Order in Council which extends the tax under the Designated Accommodation Area Tax Regulation.

The authorized uses of revenue from the tax are tourism marketing, programs and projects as set out the business plan approved by Designation British Columbia. As a designated recipient, the Regional District of Mount Waddington is required to file annual financial statements that set out how the revenue from the tax has been spent.

If you have any questions about your reporting obligations, please contact Destination British Columbia at [communitypartnerships@destinationbc.ca](mailto:communitypartnerships@destinationbc.ca).

To extend the tax beyond midnight December 31, 2019, a completed renewal application must be submitted no later than June 30, 2019.

Sincerely,

Paul Flanagan  
Executive Director  
Tax Policy Branch

Enclosures

cc: Greg Fletcher, Administrator  
Regional District of Mount Waddington

Ministry of Finance

Policy and Legislation  
Division

Tax Policy Branch

Mailing Address:  
PO Box 9547 Stn Prov Govt  
Victoria BC V8W 9C5  
[www.gov.bc.ca/fin](http://www.gov.bc.ca/fin)

Location Address:  
Room 105  
617 Government Street  
Victoria BC

Pat English, Manager, Economic Development  
Regional District of Mount Waddington



Her Worship Mayor Lyn Hall  
City of Prince George  
1100 Patricia Boulevard  
Prince George, BC V2L 3V9

Dear Mayor Hall:

The City of Prince George's application for the extension of the two per cent tax on the purchase of accommodation within the City of Prince until January 1, 2020 has been approved. For your records, attached is a copy of the approved Order in Council which extends the tax under the Designated Accommodation Area Tax Regulation.

The authorized uses of revenue from the tax are tourism marketing, programs and projects as set out the business plan approved by Designation British Columbia. As a designated recipient, the City of Prince George is required to file annual financial statements that set out how the revenue from the tax has been spent.

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Sincerely,

Paul Flanagan  
Executive Director  
Tax Policy Branch

Enclosures

cc: Wendy Nordin, Associate Director, Strategy and Transformation  
City of Prince George

---

Ministry of Finance

Policy and Legislation  
Division  
Tax Policy Branch

Mailing Address:  
PO Box 9547 Stn Prov Govt  
Victoria BC V8W 9C5  
[www.gov.bc.ca/fin](http://www.gov.bc.ca/fin)

Location Address:  
Room 105  
617 Government Street  
Victoria BC



337981

His Worship Mayor Bill McKay  
City of Nanaimo  
455 Wallace Street  
Nanaimo BC V9R 5J6

Dear Mayor McKay:

The City of Nanaimo's application for the imposition of a two per cent tax on the purchase of accommodation within the City of Nanaimo under the Municipal and Regional District Tax Program has been approved effective April 1, 2015 until April 1, 2020. For your records, attached is a copy of the approved Order in Council which adds the City of Nanaimo to the Designated Accommodation Area Tax Regulation.

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Paul Flanagan  
Executive Director  
Tax Policy Branch

Enclosures

cc: Guillermo Ferrero, Director Information Technology & Legislative Services  
City of Nanaimo

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Ministry of Finance

Policy and Legislation  
Division

Tax Policy Branch

Mailing Address:  
PO Box 9547 Stn Prov Govt  
Victoria BC V8W 9C5  
[www.gov.bc.ca/fin](http://www.gov.bc.ca/fin)

Location Address:  
Room 105  
617 Government Street  
Victoria BC



Her Worship Mayor Shirley Ackland  
Town of Port McNeill  
P.O. Box 728  
1775 Grenville Place  
Port McNeill, BC V0N 2R0

Dear Mayor Ackland:

The Town of Port McNeill's application for the extension of the two per cent tax on the purchase of accommodation within the Town of Port McNeill under the Municipal and Regional District Tax Program until January 1, 2020 has been approved. For your records, attached is a copy of the approved Order in Council which extends the tax under the Designated Accommodation Area Tax Regulation.

The authorized uses of revenue from the tax are tourism marketing, programs and projects as set out the business plan approved by Designation British Columbia. As a designated recipient, the Town of Port McNeill is required to file annual financial statements that set out how the revenue from the tax has been spent.

If you have any questions about your reporting obligations, please contact Destination British Columbia at [communitypartnerships@destinationbc.ca](mailto:communitypartnerships@destinationbc.ca).

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Sincerely,

Paul Flanagan  
Executive Director  
Tax Policy Branch

Enclosures

cc: Dan Rodin, Treasurer  
Town of Port McNeill

---

Ministry of Finance

Policy and Legislation  
Division  
  
Tax Policy Branch

Mailing Address:  
PO Box 9547 Stn Prov Govt  
Victoria BC V8W 9C5  
[www.gov.bc.ca/fin](http://www.gov.bc.ca/fin)

Location Address:  
Room 105  
617 Government Street  
Victoria BC

Pat English, Manager, Economic Development  
Regional District of Mount Waddington



Sarah Nicholson, Executive Director  
Mount Washington Resort Association  
Unit 205, 841 Cliffe Avenue  
Courtenay, BC V9N 2J8

Dear Ms. Nicholson:

The Mount Washington Resort Association's application for the extension of the two per cent tax on the purchase of accommodation within the portion of the Comox Valley Regional District known as the Mount Washington Resort Area under the Municipal and Regional District Tax Program until January 1, 2020 has been approved. For your records, attached is a copy of the approved Order in Council which extends the tax under the Designated Accommodation Area Tax Regulation. This Order also amends the legal description of the designated accommodation area; however, there is no change to the actual boundaries.

The authorized uses of revenue from the tax are tourism marketing, programs and projects as set out the business plan approved by Designation British Columbia. As a designated recipient, the Mount Washington Resort Association is required to file annual financial statements that set out how the revenue from the tax has been spent.

If you have any questions about your reporting obligations, please contact Destination British Columbia at [communitypartnerships@destinationbc.ca](mailto:communitypartnerships@destinationbc.ca).

To extend the tax beyond midnight December 31, 2019, a completed renewal application must be submitted no later than June 30, 2019.

Sincerely,

Paul Flanagan  
Executive Director  
Tax Policy Branch

Enclosures

---

Ministry of Finance

Policy and Legislation  
Division  
  
Tax Policy Branch

Mailing Address:  
PO Box 9547 Stn Prov Govt  
Victoria BC V8W 9C5  
[www.gov.bc.ca/fin](http://www.gov.bc.ca/fin)

Location Address:  
Room 105  
617 Government Street  
Victoria BC





His Worship Mayor Michael Berry  
Village of Alert Bay  
15 Maple Road  
Bag 2800  
Alert Bay BC V0N 1G7

Dear Mayor Berry:

The Village of Alert Bay's application for the extension of the two per cent tax on the purchase of accommodation within the Village of Alert Bay under the Municipal and Regional District Tax Program until January 1, 2020 has been approved. For your records, attached is a copy of the approved Order in Council which extends the tax under the Designated Accommodation Area Tax Regulation.

The authorized uses of revenue from the tax are tourism marketing, programs and projects as set out the business plan approved by Designation British Columbia. As a designated recipient, the Village of Alert Bay is required to file annual financial statements that set out how the revenue from the tax has been spent.

If you have any questions about your reporting obligations, please contact Destination British Columbia at [communitypartnerships@destinationbc.ca](mailto:communitypartnerships@destinationbc.ca).

To extend the tax beyond midnight December 31, 2019, a completed renewal application must be submitted no later than June 30, 2019.

Sincerely,

Paul Flanagan  
Executive Director  
Tax Policy Branch

Enclosures

cc: Heather Nelson- Smith, Chief Administrative Officer  
Village of Alert Bay

---

Ministry of Finance

Policy and Legislation  
Division  
  
Tax Policy Branch

Mailing Address:  
PO Box 9547 Stn Prov Govt  
Victoria BC V8W 9C5  
[www.gov.bc.ca/fin](http://www.gov.bc.ca/fin)

Location Address:  
Room 105  
617 Government Street  
Victoria BC

Pat English, Manager, Economic Development  
Regional District of Mount Waddington

**Foy, Anne FIN:EX**

---

**From:** Foy, Anne FIN:EX  
**Sent:** Wednesday, December 10, 2014 10:18 AM  
**To:** Erlic, David FIN:EX  
**Subject:** FW: PDF accomodation directory - City of Nanaimo  
**Attachments:** 20141210101444.pdf

Hi David,

Here is the accommodation directory for the City of Nanaimo.

We are expecting them to be approved in December with an April 1, 2015 effective date

Thanks

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

### ACCOMMODATION DIRECTORY

Please ensure that **ALL** the accommodation establishments in your municipality or region where the operator offers four or more units of accommodation in **British Columbia** are listed, even if the operator offers the accommodation on behalf of another owner, at any given time, not all of the units are rented; one or more of the units offered is located within a different geographic area.

Please ensure the information provided is complete and accurate. Failure to provide complete and accurate information may result in your application being delayed, returned or rejected. Thank you for your cooperation.

Name of Municipality/Region City of Nanaimo

#	PROPERTY NAME	ADDRESS	NUMBER OF UNITS	PHONE NUMBER	OWNER/MANAGER
1	Best Western Dorchester Hotel	70 Church St., Nanaimo, V9R 5H4	70	250-754-6835	Julie Park
2	Best Western Northgate Inn	6450 Metral Dr., Nanaimo, V9T 2L8	72	250-390-2222	Geoff Wallace
3	Value Lodge Economy Motel	736 Nicol, Nanaimo	60	250-754-2328	N/A
4	Bluebird Motel	995 Terminal Ave N., Nanaimo, V9S 4K3	29	250-753-4151	Denise Cobaka
5	Buccaneer Inn	1577 Stewart Ave., Nanaimo, V9S 4E3	13	250-753-1246	Dave Ilyn
6	Castaway Motel	205 Terminal, Nanaimo	24	250-754-6780	Raj Banja
7	Coast Bastion Inn	11 Bastion St., Nanaimo, V9R 6E4	179	250-753-6601	David Rooper
8	Colonial Motel	950 Terminal Ave. N., Nanaimo, V9S 4K4	9	250-754-4415	N/A
9	Days Inn Nanaimo Harborview	809 Island Hwy. S., Nanaimo, V9R 5K1	78	250-754-8171	William Shang
10	Departure Bay Motel	2011 Estevan Rd. & Island Hwy. N., Nanaimo, V9S 3Y9	21	250-754-2161	Shirley Lance
11	Diplomat Motel	333 Nicol St., Nanaimo, V9R	20	250-753-3261	Junjie Shang

#	PROPERTY NAME	ADDRESS	NUMBER OF UNITS	PHONE NUMBER	OWNER/MANAGER
		4T5			
12	Harbour Light Motel	200 Nicol St., Nanaimo, V9R 4T2	28	250-716-5898	N/A
	Harbourside Motel	250 Terminal Ave. N., Nanaimo, V9S 4J5	closed	250-716-1671	closed
13	Howard Johnson Harbourside Hotel	1 Terminal Ave., Nanaimo, V9R 5R4	100	250-753-2241	Dan Brady
14	Inn on Long Lake	4700 Island Hwy N (19A), Nanaimo, V9T 1W6	62	250-758-1144	James Young
15	Palms Marinaside Resort	1250 Stewart Ave, Nanaimo V9S 4C9	22	250-591-0880	Joe Nyuegn
16	Painted Turtle Guesthouse	121 Bastion St., Nanaimo, V9R 3A2	20	250-753-4432	Bruce Bernard
17	Port-O-Call Inn & Suites	505 North Terminal Ave., Nanaimo, V9S 4K1	15	250-753-3421	N/A
18	Ramada Nanaimo Inn	315 Rosehill St., Nanaimo, V9S 1E3	65	250-716-2009	Jason Chan
19	Royal Motel	335 North Terminal, Nanaimo, V9S 4J6	15	250-753-1171	Raj Banga
20	The Grand Hotel Nanaimo	4898 Rutherford Rd., Nanaimo, V9T 4Z4	72	250-758-3000	Ashwak Sirri
21	The Waterfront Suites & Marina	1000 Steward Ave., Nanaimo, V9S 4C4	40	250-753-4333	Odai Sirri
22	Travelodge Nanaimo	96 Terminal Ave N., Nanaimo, V9S 4J2	78	250-754-6355	Michelle Se
23	Vancouver Island University Student Residences	4 University Crescent, Nanaimo, V9R 6C5	220	250-754-6338	Patricia Eagar
24	Westwood Lake RV/Camping & Cabins	380 Westwood Rd., Nanaimo, V9R 6S5	11	250-753-3922	Rhonda Johnson

## **Foy, Anne FIN:EX**

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**From:** Foy, Anne FIN:EX  
**Sent:** Wednesday, December 3, 2014 9:12 AM  
**To:** Krenz, Linda DBC:EX  
**Subject:** RE: MRDT

Decisions still pending.

The Ministry of Finance will notify all communities as soon as a decision has been made.

The government is aware of the December 31, 2014 deadline.

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

---

**From:** Krenz, Linda DBC:EX  
**Sent:** Wednesday, December 3, 2014 9:09 AM  
**To:** Foy, Anne FIN:EX  
**Subject:** MRDT

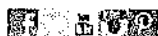
Hi Anne,

Any word on the following MRDT applications with repeal or implementation dates of January 1, 2015?

Nanaimo - New application – Requested implementation date: January 1 2015  
Mt. Waddington - January 1 2015  
Mt. Washington - January 1 2015  
Prince George - January 1 2015

If they are not renewed by December 31, 2014, will the communities be notified by the Ministry of Finance of a break in the tax collection?

**Linda Krenz**  
Partnership Marketing Coordinator  
**Destination British Columbia**  
12th Floor, 510 Burrard Street  
Vancouver, British Columbia  
Canada V6C 3A8  
T 604.660.6391  
F 604.660.3383  
E [Linda.Krenz@DestinationBC.ca](mailto:Linda.Krenz@DestinationBC.ca)  
Consumer [HelloBC.com](http://HelloBC.com)  
Corporate [DestinationBC.ca](http://DestinationBC.ca)



## **Foy, Anne FIN:EX**

---

**From:** Foy, Anne FIN:EX  
**Sent:** Wednesday, November 19, 2014 1:28 PM  
**To:** MacLean, Shelley FIN:EX  
**Subject:** RE: OICR821 - MLA QUESTION

The city of Nanaimo

Contact is Guillermo Ferrero Director of IT and legislative services = 250-755-4423, email is [guillermo.ferrero@nanaimo.ca](mailto:guillermo.ferrero@nanaimo.ca)

Consent needs to be in writing so consistency office form would be fine or but even an email would be sufficient

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

---

**From:** MacLean, Shelley FIN:EX  
**Sent:** Wednesday, November 19, 2014 1:04 PM  
**To:** Foy, Anne FIN:EX  
**Subject:** RE: OICR821 - MLA QUESTION

Okay, who do they need consent from?

---

Jennifer Michell for Shelley MacLean  
Manager, Executive Operations & Strategic Initiatives  
Office of the Deputy Minister & Secretary to Treasury Board  
Ministry of Finance  
Phone: 250-356-6696  
Fax: 250-387-1655

---

**From:** Foy, Anne FIN:EX  
**Sent:** Wednesday, November 19, 2014 1:02 PM  
**To:** MacLean, Shelley FIN:EX; Morgan, Melissa FIN:EX  
**Cc:** Hagar, Vanessa A. FIN:EX; Purnell, Richard FIN:EX  
**Subject:** RE: OICR821 - MLA QUESTION

If the MO office obtained the consent you can release entire response

If the MO office has not obtained consent then the response needs to be: without consent we cannot release information about an application under the MRDT.

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

**From:** MacLean, Shelley FIN:EX  
**Sent:** Wednesday, November 19, 2014 12:11 PM  
**To:** Foy, Anne FIN:EX; Morgan, Melissa FIN:EX  
**Cc:** Hagar, Vanessa A. FIN:EX; Purnell, Richard FIN:EX  
**Subject:** RE: OICR821 - MLA QUESTION

Thanks Anne.....I'm confused as to what I can actually advise the MO on.

If you could let me know what response I can give to the MO, that would be great.

---

Jennifer Michell for Shelley MacLean  
Manager, Executive Operations & Strategic Initiatives  
Office of the Deputy Minister & Secretary to Treasury Board  
Ministry of Finance  
Phone: 250-356-6696  
Fax: 250-387-1655

---

**From:** Foy, Anne FIN:EX  
**Sent:** Wednesday, November 19, 2014 10:41 AM  
**To:** Morgan, Melissa FIN:EX  
**Cc:** Hagar, Vanessa A. FIN:EX; MacLean, Shelley FIN:EX; Purnell, Richard FIN:EX  
**Subject:** RE: OICR821 - MLA QUESTION

I am not certain, with the confidentiality provisions in the *Provincial Sales Tax Act* that we can release information about an application without consent – the MO was going to seek consent with the previous questions but I do not know whether it was obtained or not.

Assuming that disclosure without consent is not an offence under the Act:

s.12,s.13

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance



**From:** Morgan, Melissa FIN:EX  
**Sent:** Wednesday, November 19, 2014 10:24 AM  
**To:** Foy, Anne FIN:EX  
**Cc:** Hagar, Vanessa A. FIN:EX; MacLean, Shelley FIN:EX  
**Subject:** FW: OICR821 - MLA QUESTION  
**Importance:** High

Hi Anne — are you able to answer the questions below?

**From:** MacLean, Shelley FIN:EX  
**Sent:** Wednesday, November 19, 2014 10:23 AM  
**To:** Hagar, Vanessa A. FIN:EX; Morgan, Melissa FIN:EX  
**Subject:** OICR821 - MLA QUESTION  
**Importance:** High

Hi

s.12,s.13

Can you please advise asap?

---

Jennifer Michell for Shelley MacLean  
Manager, Executive Operations & Strategic Initiatives  
Office of the Deputy Minister & Secretary to Treasury Board  
Ministry of Finance  
Phone: 250-356-6696  
Fax: 250-387-1655

**Foy, Anne FIN:EX**

---

**From:** Foy, Anne FIN:EX  
**Sent:** Thursday, November 13, 2014 3:05 PM  
**To:** Morgan, Melissa FIN:EX  
**Cc:** Purnell, Richard FIN:EX  
**Subject:** RE: Tax Policy OIC's : OICS - December 3 last Cabinet Date

I expect to have the MRDT renewal applications OIC package to you by the end of today.  
(I have already given you the MRDT OIC package for the City of Nanaimo)  
Thanks

---

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

---

**From:** Morgan, Melissa FIN:EX  
**Sent:** Thursday, November 13, 2014 3:03 PM  
**To:** Foy, Anne FIN:EX; Hawkshaw, Steve FIN:EX; Jillings, Duncan FIN:EX  
**Cc:** Purnell, Richard FIN:EX; Hagar, Vanessa A. FIN:EX  
**Subject:** FW: Tax Policy OIC's : OICS - December 3 last Cabinet Date  
**Importance:** High

Hello – As per the note below from Shelley, please let me know the status of your OIC material, we will need to start getting things through approvals asap in order to have them in the DMO by the 18<sup>th</sup> (Tuesday).  
Thanks!  
Melissa

---

**From:** Hagar, Vanessa A. FIN:EX  
**Sent:** Thursday, November 13, 2014 9:39 AM  
**To:** Morgan, Melissa FIN:EX  
**Subject:** FW: Tax Policy OIC's : OICS - December 3 last Cabinet Date

Forwarding fyi. I am waiting to hear if Heather would like staff to participate. When I know, I'll forward the calendar invite.  
Vanessa

---

**From:** MacLean, Shelley FIN:EX  
**Sent:** Thursday, November 13, 2014 8:55 AM  
**To:** Hagar, Vanessa A. FIN:EX  
**Subject:** RE: Tax Policy OIC's : OICS - December 3 last Cabinet Date

Thanks Vanessa. I will need them by the 18<sup>th</sup> for review by Minister on the 19<sup>th</sup> (they have to be at Cab ops by November 21). I will send the meeting invitation to Heather.

---

**From:** Hagar, Vanessa A. FIN:EX  
**Sent:** Thursday, November 13, 2014 8:51 AM  
**To:** MacLean, Shelley FIN:EX  
**Subject:** FW: Tax Policy OIC's : OICS - December 3 last Cabinet Date  
Hi Shelley. Please see below for potential Cabinet items for Dec. 3.  
Thanks,  
Vanessa

---

**From:** Wood, Heather FIN:EX  
**Sent:** Wednesday, November 12, 2014 4:41 PM  
**To:** Hagar, Vanessa A. FIN:EX  
**Subject:** RE: Tax Policy OIC's : OICS - December 3 last Cabinet Date  
OK, thanks.

**From:** Morgan, Melissa FIN:EX  
**Sent:** Thursday, November 6, 2014 10:33 AM  
**To:** Hagar, Vanessa A. FIN:EX  
**Cc:** Purnell, Richard FIN:EX; Flanagan, Paul FIN:EX; Foy, Anne FIN:EX; Hawkshaw, Steve FIN:EX; Jillings, Duncan FIN:EX; Morgan, Melissa FIN:EX  
**Subject:** Tax Policy OIC's : OICS - December 3 last Cabinet Date  
**Importance:** High

Hi Vanessa, we have three OIC's that will need to go forward to Cabinet on the 3<sup>rd</sup>, they are:  
The consumption tax OICs which MUST go on December 3<sup>rd</sup> are:

1. MRDT – new application for City of Nanaimo

s.17

(For Nanamio a new Tagged OIC with new effective date is required and for the renewal applications I am still waiting for the Tagged OIC)

s.14

Thank you!

Melissa

**From:** MacLean, Shelley FIN:EX  
**Sent:** Thursday, November 6, 2014 9:37 AM  
**To:** Wood, Heather FIN:EX; Symes, Elan C FIN:EX; Parkinson, Pat A FIN:EX; Hopkins, Jim FIN:EX  
**Cc:** Hagar, Vanessa A. FIN:EX; Hunter-Friesen, Margaret M FIN:EX; Bridge, Jannea FIN:EX; Chand, Rita FIN:EX  
**Subject:** OICS - December 3 last Cabinet Date

Just a heads up that the last Cabinet meeting of the year where OICs are going to be reviewed is December 3.  
This means I need signed documents to Cabinet Operations by November 21.

s.22

time is really tight so I'm trying to get a ½ hour somewhere on the

19<sup>th</sup> or 20<sup>th</sup> to get any documents we have, signed.

It would be appreciated if you could please let me know if you have any Orders that will need to go forward to Cabinet on the 3<sup>rd</sup>.

Pat – I have the s.12 on the list.

Thank you

---

Shelley MacLean  
Manager, Executive Operations & Strategic Initiatives  
Deputy Minister's Office  
Ministry of Finance  
Phone: 250-356-6696  
Fax: 250-387-1655

To: Honourable Michael de Jong, Q.C.  
Minister of Finance

Date: November 7, 2014  
Cliff#: 339669

Re: **Imposition of the 2 per cent Tax on Accommodation in the City of Nanaimo**

This Order in Council (OIC) amends the Designated Accommodation Area Tax Regulation under the *Provincial Sales Tax Act* to add, as a designated accommodation area, the City of Nanaimo with the City of Nanaimo as the designated recipient effective April 1, 2015.

The up to two per cent tax on accommodation under the Municipal and Regional District Tax (MRDT) Program is imposed at the request of a municipality, regional district or eligible entity to raise revenues primarily for local tourism marketing, programs and projects and other approved uses. The tax is imposed in approximately 50 communities.

Destination British Columbia has reviewed and approved the City of Nanaimo's revised business plan. The proposed uses of revenue from the tax would be tourism marketing, programs and projects and sports hosting marketing, programs and projects (similar to the City of Richmond).

Ministry of Finance staff have reviewed the application and determined that the City of Nanaimo has now met all of the application requirements for imposing the tax, including demonstrating support from a majority of accommodation providers with the majority of units of accommodation in the proposed designated accommodation area.

s.12,s.13

s.12,s.13,s.14

If you agree with the proposed implementation of the tax on accommodation in the City of Nanaimo with the City of Nanaimo as the designated recipient, please return the signed OIC package to the Office of the Deputy Minister for the appropriate distribution and processing.

Peter Milburn  
Deputy Minister

Attachments

**Ministry of Finance**  
**BRIEFING DOCUMENT**

**To:** Honourable Michael de Jong, Q.C.  
Minister of Finance

**Initiated by:** Anne Foy

**Date Prepared:** November 7, 2014

Strategic Advisor  
Tax Policy Branch

**Ministry Contact:** Anne Foy  
Strategic Advisor  
Tax Policy Branch

**Phone Number:** 250 387-9024  
**Email:** [Anne.Foy@gov.bc.ca](mailto:Anne.Foy@gov.bc.ca)

**Ministry Contact:** Paul Flanagan  
Executive Director  
Tax Policy Branch

**Phone Number:** 250 387-9014  
**Email:** [Paul.Flanagan@gov.bc.ca](mailto:Paul.Flanagan@gov.bc.ca)

**339669**

---

**TITLE:** *Provincial Sales Tax Act* (Municipal and Regional District Tax Program) -  
Add City of Nanaimo to the Designated Accommodation Area Tax  
Regulation.

---

**PURPOSE:**

**(X) DECISION REQUIRED**

---

**COMMENTS:** The City of Nanaimo requests that the Province impose a two per cent  
tax on the sales of accommodation within the City of Nanaimo with the  
City designated as the designated recipient.

---

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Executive Director approval: \_\_\_\_\_

ADM approval: \_\_\_\_\_

DM approval: \_\_\_\_\_

**DATE PREPARED:** November 7, 2014

**TITLE:** *Provincial Sales Tax Act* (Municipal and Regional District Tax Program) – Add City of Nanaimo to the Designated Accommodation Area Tax Regulation.

**ISSUE:** The City of Nanaimo requests that the Province impose a two per cent tax on the sales of accommodation within the City of Nanaimo with the City designated as the designated recipient.

**BACKGROUND:**

The up to two per cent tax on accommodation under the Municipal and Regional District Tax Program (MRDT) is imposed at the request of a municipality, regional district or eligible entity to raise revenues primarily for local tourism marketing, programs and projects and other approved uses.

Applications to impose the MRDT in a community are reviewed under a set of comprehensive guidelines by the Ministry of Finance and Destination British Columbia.

Destination British Columbia reviews and approves the business plan submitted with the application to ensure that the revenue will be spent on tourism promotion, marketing and projects and other approved uses as required by the legislation. After Destination British Columbia has approved the business plan the application is forwarded to the Ministry of Finance, where it is reviewed to ensure that all other application requirements have been met.

**DISCUSSION:**

This Order in Council (OIC) amends the Designated Accommodation Area Tax Regulation under the *Provincial Sales Tax Act* to impose a two per cent tax on the purchase of accommodation in the City of Nanaimo (the designated accommodation area) with the City of Nanaimo designated as the designated recipient effective April 1, 2015. The regulation is also amended to add sports hosting marketing, programs and projects as an additional approved use of the revenue by the City of Nanaimo (similar to the City of Richmond).

s.12,s.13

The City of Nanaimo revised their business plan to remove this proposed use of revenue and to add sports hosting marketing, programs and projects as a proposed use of the revenue from the tax. The revised business plan is acceptable.

s.12,s.13

---

Ministry of Finance staff reviewed the remaining application materials and have determined that the City of Nanaimo has met all of the application requirements.

The application has the support of the Regional District of Nanaimo and support from 71 per cent of the accommodation providers in the proposed designated accommodation area with 79 per cent of the units of accommodation in the area. The minimum level of support is 50 per cent of accommodation providers with 51 per cent of the units of accommodation.

No applicant that has met all of the application requirements has ever been rejected for the tax.

For new participating communities, the Province provides operators with three months' notice that they will be required to start collecting and remitting the two per cent tax on their sales of accommodation.

s.12,s.13,s.14

#### **REGULATORY CRITERIA EXEMPTION:**

The OIC has no impact on regulatory requirements.

**OPTIONS:**

- Option 1: Approve and forward the OIC to Cabinet for consideration at the next available Cabinet meeting:
- The implementation of a two per cent tax on accommodation in the City of Nanaimo with the City of Nanaimo as the designated recipient effective April 1, 2015, and,
  - Sports hosting marketing, programs and projects as an additional approved use of revenue.

s.12,s.13

**RECOMMENDATION:**

- Option 1: Approve and forward the OIC to Cabinet for consideration at the next available Cabinet meeting:
- The implementation of a two per cent tax on accommodation in the City of Nanaimo with the City of Nanaimo as the designated recipient effective April 1, 2015, and,
  - Sports hosting marketing, programs and projects as an additional approved use of revenue.

**APPROVED / NOT APPROVED**

---

Michael de Jong, Q.C.  
Minister

---

Date



**Speaking Points for Minister de Jong**  
**XX Cabinet Meeting**  
**ADDING CITY OF NANAIMO TO THE**  
**DESIGNATED ACCOMMODATION AREA TAX REGULATION**  
**(RESUB 2/R/821/2014/33)**

---

**Introduction**

- The City of Nanaimo has requested to be added to the Designated Accommodation Area Tax Regulation under the *Provincial Sales Tax Act* for the two per cent tax on accommodation to raise revenue for local tourism marketing, programs and projects and sports hosting marketing, programs and projects (similar to the City of Richmond).
- The tax would be imposed in the City of Nanaimo as of April 1, 2015.
- The City of Nanaimo has met all of the application requirements for imposing the tax, including demonstrating support from the Regional District of Nanaimo and from a majority of the accommodation providers in the area with the majority of the available accommodation.
- Destination British Columbia has reviewed and approved the City of Nanaimo's revised business plan.

s.12,s.13

- The City of Nanaimo revised their business plan to remove this proposed use of revenue and to add sports hosting marketing, programs and projects as a proposed use of the revenue from the tax. The revised business plan is acceptable.

s.12,s.13

**Reasons Why the Amendments to the Regulation are Needed / Why the OIC Should be Approved**

- For the two per cent tax on the purchase of accommodation in the City of Nanaimo to be imposed, the area must be designated as a designated accommodation area and the City of Nanaimo must be designated as a designated recipient under the Designated Accommodation Area Tax Regulation.
- For sports hosting marketing, programs and projects to be an authorized use of revenue from the tax, it must be approved as an additional authorized use of the revenue.
- The City of Nanaimo has now met all of the application requirements. No applicant that has met all of the application requirements for imposing the tax has ever been rejected.

**Overview of the Amendments / OIC**

- Schedule 2 of the Regulation is amended to:
  - Add the City of Nanaimo as the designated accommodation area.
  - Add the City of Nanaimo as the designated recipient.
  - Add sports hosting marketing, programs and projects as an additional approved use of the revenue for the City of Nanaimo.
  - Impose the tax as of April 1, 2015, and repeal the tax as of April 1, 2020.



## Regulatory Criteria Checklist

The purpose of the checklist is to demonstrate that legislative and regulatory changes have been developed according to the Regulatory Reform Policy, while still protecting public health, safety and the environment.

Name of authorizing legislation: Provincial Sales Tax Act

Name of regulation, if applicable: Designated Accommodation Area Tax Regulation

Purpose: Effective April 1, 2015 adds City of Nanaimo

## Regulatory Criteria

☒ I certify that the following Regulatory Reform Principles were considered for this legislation or regulation:

1. Is needed and efficient
2. Is outcome based and will be regularly reviewed
3. Was transparently developed and will be clearly communicated
4. Is cost effective and evidence based
5. Is supportive of BC's economy and small business

Please provide an explanation if any of the criteria above were not considered (continued on page 2):

Number of Regulatory Requirements to be added: +0

Number of Regulatory Requirements to be eliminated: -0

NET CHANGE: 0

Signature, Responsible Minister or Head of Regulatory Authority

Date:

Signator Name:

Ministry/Agency Name: Ministry of Finance

Contact Name: Anne Foy, Strategic Advisor, Tax Policy Branch

## Explanation Continued

Page 045 to/à Page 046

Withheld pursuant to/removed as

s.12

Page 047

Withheld pursuant to/removed as

s.12;s.14

Page 048 to/à Page 049

Withheld pursuant to/removed as

s.12

## ORDER IN COUNCIL DISTRIBUTION FORM

**STATUTE:** *Provincial Sales Tax Act*

For OIC Office use only:

**MINISTRY:** Finance

s.12

**ORIGINATOR** (Name/Ministry/Branch/Telephone/email):

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance  
250-387-9024  
Anne.Foy@gov.bc.ca

**COPIES**

☒ PDF copies (Please provide name, Ministry and exact email address for each recipient below):

Jordan Goss  
Executive Director  
Consumer Taxation Programs Branch  
Ministry of Finance  
250 387 0611  
Jordan.Goss@gov.bc.ca

☐ Certified true copy of this OIC - for legal or evidentiary purposes only  
(Please provide name, Ministry/Company, mailing address, city, postal code and telephone):



Page 051 to/à Page 053

Withheld pursuant to/removed as

s.12;s.14

## **Foy, Anne FIN:EX**

---

**From:** Foy, Anne FIN:EX  
**Sent:** Thursday, November 6, 2014 9:29 AM  
**To:** Community Partnerships DBC:EX  
**Subject:** RE: MRDT Application

We are proceeding to process the application.

We cannot any information on when it might be approved by Cabinet.

s.13

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

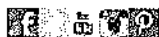
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**From:** Community Partnerships DBC:EX  
**Sent:** Thursday, November 6, 2014 9:23 AM  
**To:** Foy, Anne FIN:EX  
**Subject:** FW: MRDT Application

Hi Anne,

I'm just checking in on the MRDT renewal application for Nanaimo. Do you have everything you need to proceed with Nanaimo, as they gave the go-ahead as noted in the e-mail below.

**Linda Krenz**  
Sport Tourism Coordinator, Community Partnerships  
**Destination British Columbia**  
12th Floor, 510 Burrard Street  
Vancouver, British Columbia  
Canada V6C 3A8  
T 604.660.6391  
F 604.660.3383  
E [Linda.Krenz@DestinationBC.ca](mailto:Linda.Krenz@DestinationBC.ca)  
Consumer [HelloBC.com](http://HelloBC.com)  
Corporate [DestinationBC.ca](http://DestinationBC.ca)



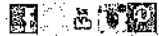
---

**From:** Krenz, Linda DBC:EX  
**Sent:** Tuesday, October 28, 2014 9:16 AM  
**To:** Foy, Anne FIN:EX  
**Subject:** FW: MRDT Application

Hi Anne,

We received an e-mail from Guillermo Ferrero (below) giving the go ahead to now proceed with Nanaimo's MRDT application with the new business plan. Please let me know if you require any further information or if you have any questions. Thank you.

**Linda Krenz**  
Sport Tourism Coordinator, Community Partnerships  
**Destination British Columbia**  
12th Floor, 510 Burrard Street  
Vancouver, British Columbia  
Canada V6C 3A8  
T 604.660.6391  
F 604.660.3383  
E [Linda.Krenz@DestinationBC.ca](mailto:Linda.Krenz@DestinationBC.ca)  
Consumer [HelloBC.com](http://HelloBC.com)  
Corporate [DestinationBC.ca](http://DestinationBC.ca)



**From:** Guillermo Ferrero [<mailto:Guillermo.Ferrero@nanaimo.ca>]

**Sent:** Tuesday, October 28, 2014 8:43 AM

**To:** Krenz, Linda DBC:EX

**Cc:** Harrison, Peter DBC:EX; Dan Brady; Ted Swabey

**Subject:** MRDT Application

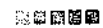
Hello Linda,

I wanted to confirm that we can now go ahead with the application as presented. We had an information report to Council last night informing them of the funding changes and we are now good-to-go.

Please let me know if you anything else from me.

Thanks

Guillermo



**Guillermo Ferrero**

Director of IT & Legislative Services

**City of Nanaimo**

email: [guillermo.ferrero@nanaimo.ca](mailto:guillermo.ferrero@nanaimo.ca)

Tele: 250.755.4423

Cell: 250.802.2643

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**Foy, Anne FIN:EX**

---

**From:** Foy, Anne FIN:EX  
**Sent:** Wednesday, October 22, 2014 1:47 PM  
**To:** Community Partnerships DBC:EX; Harrison, Peter DBC:EX  
**Subject:** RE: MRDT Application

Please let me know when you receive it.

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

-----Original Message-----

**From:** Community Partnerships DBC:EX  
**Sent:** Wednesday, October 22, 2014 9:44 AM  
**To:** Foy, Anne FIN:EX; Harrison, Peter DBC:EX  
**Subject:** FW: MRDT Application

I received an e-mail update from Guillermo at the City of Nanaimo and he advised that the go ahead for the MRDT application with the new business plan will most likely be on October 28th.

Linda Krenz  
Sport Tourism Coordinator, Community Partnerships Destination British Columbia 12th Floor, 510 Burrard Street  
Vancouver, British Columbia Canada V6C 3A8 T 604.660.6391 F 604.660.3383 E Linda.Krenz@DestinationBC.ca  
Consumer HelloBC.com Corporate DestinationBC.ca

-----Original Message-----

**From:** Guillermo Ferrero [mailto:Guillermo.Ferrero@nanaimo.ca]  
**Sent:** Wednesday, October 22, 2014 9:11 AM  
**To:** Community Partnerships DBC:EX  
**Subject:** RE: MRDT Application

Hi Linda,

An update report is going to Council on OCT 27th. I will send you the go ahead on the 28th most likely.

Thank you for checking  
Guillermo

-----Original Message-----

**From:** Community Partnerships DBC:EX [mailto:communitypartnerships@destinationbc.ca]  
**Sent:** Wednesday, October 22, 2014 9:09 AM  
**To:** Guillermo Ferrero  
**Subject:** MRDT Application

Hi Guillermo,

I'm just checking in to see if you have an update about going forward with the new business plan and MRDT application. The application is being held with Finance until they receive notification to move forward, as you have advised.

Please let me know if I can offer any assistance.

Warm regards,

Linda Krenz  
Sport Tourism Coordinator, Community Partnerships Destination British Columbia 12th Floor, 510 Burrard Street  
Vancouver, British Columbia Canada V6C 3A8 T 604.660.6391 F 604.660.3383 E Linda.Krenz@DestinationBC.ca  
Consumer HelloBC.com Corporate DestinationBC.ca

-----Original Message-----

From: Guillermo Ferrero [mailto:Guillermo.Ferrero@nanaimo.ca]  
Sent: Friday, October 10, 2014 4:18 PM  
To: Krenz, Linda DBC:EX  
Cc: Harrison, Peter DBC:EX  
Subject: Re: MRDT - Mid-term Changes

Hello Linda,

Thank you for this information.

s.13,s.16

s.13

Also as a point of clarification, please hold the application until I had an opportunity to send an information report to my Council informing them of the changes. This report will most likely be on October 20th or 27th.

Thanks,  
Guillermo

■■■■■  
Guillermo Ferrero

Director of IT & Legislative Services  
City of Nanaimo  
email: guillermo.ferrero@nanaimo.ca  
Tele: 250.755.4423  
Cell: 250.802.2643

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From: <Krenz>, "Linda DBC:EX" <Linda.Krenz@destinationbc.ca<mailto:Linda.Krenz@destinationbc.ca>>  
Date: Wednesday, October 8, 2014 at 3:26 PM  
To: Guillermo Ferrero <guillermo.ferrero@nanaimo.ca<mailto:guillermo.ferrero@nanaimo.ca>>  
Cc: "Harrison, Peter DBC:EX" <Peter.Harrison@destinationbc.ca<mailto:Peter.Harrison@destinationbc.ca>>  
Subject: MRDT - Mid-term Changes

Hí Guillermo,

As there is a notation within the Business Plan included in the Municipal and Regional District Tax application for the City of Nanaimo that makes reference to a future submission to amend the Business Plan, I requested additional information on this process from the Ministry of Finance. The following information was provided:

The government will not consider mid-term changes to the designated recipient or the designated accommodation area.

With respect to mid-term changes to business plans:

.

s.12,s.13

I hope this information is helpful, and please contact me if you have any questions.

Warm regards,

Linda Krenz

Sport Tourism Coordinator, Community Partnerships Destination British Columbia 12th Floor, 510 Burrard Street  
Vancouver, British Columbia Canada V6C 3A8 T 604.660.6391 F 604.660.3383 E

Linda.Krenz@DestinationBC.ca<mailto:Linda.Krenz@DestinationBC.ca>

Consumer HelloBC.com<<http://www.hellobc.com/>>

Corporate DestinationBC.ca<<http://www.destinationbc.ca/>>

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## **Foy, Anne FIN:EX**

---

**From:** Foy, Anne FIN:EX  
**Sent:** Monday, October 20, 2014 3:42 PM  
**To:** Erlic, David FIN:EX  
**Subject:** RE:

Thanks

Just so you are kept in the loop, the annual reports and financial statements are reviewed by Destination BC to make sure spending was consistent with the business plan that Destination BC approved. (We are currently working with Destination BC and JTST to update the program guidelines with respect to the annual report and financial statement requirements.)

The reports and statements are received by Finance but tax policy only does anything with them if there is an allegation that the revenue was spend for an unauthorized purpose.

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

---

**From:** Erlic, David FIN:EX  
**Sent:** Monday, October 20, 2014 1:44 PM  
**To:** Foy, Anne FIN:EX  
**Subject:** RE:

I believe your area is responsible for the oversight of the participating municipalities. Marshall and Micah used to receive the annual audits from the municipalities but I am not sure of what other specific things they may have done. Since the audits were coming to your area, I would think that there should be some information that can be provided since presumably the audits would be reviewed for compliance according to established guidelines? As far as I know, Destination BC is only involved in the initial application process.

David Erlic  
Policy and Legislative Analyst  
Consumer Taxation Programs Branch  
Ministry of Finance  
Ph: (250) 387-1612  
Fax: (250) 953-3048  
[david.erlic@gov.bc.ca](mailto:david.erlic@gov.bc.ca)

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---

**From:** Foy, Anne FIN:EX  
**Sent:** Monday, October 20, 2014 12:26 PM  
**To:** Erlic, David FIN:EX  
**Subject:** RE:

I am not aware of any package for new communities.



You provide info to the accommodation providers on the tax itself.

I will ask Destination BC to follow up regarding ongoing obligations as a designated recipient around annual reports and financial statements etc.

Thanks

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

---

**From:** Erlic, David FIN:EX  
**Sent:** Monday, October 20, 2014 11:59 AM  
**To:** Foy, Anne FIN:EX  
**Subject:** RE:

Okay, just wasn't sure if we were vetting these lists as part of an oversight function. I know questions have come up in the past, but I guess those were isolated cases where the imposition of the tax was contentious.

Also, with regards to the questions Diane from the City of Castlegar had, will you be able to discuss their various obligations in terms of reporting, audits and what not? I'm not sure if Marshall or Mica had any sort of package they provided to new participating regions.

David Erlic  
Policy and Legislative Analyst  
Consumer Taxation Programs Branch  
Ministry of Finance  
Ph: (250) 387-1612  
Fax: (250) 953-3048  
[david.erlic@gov.bc.ca](mailto:david.erlic@gov.bc.ca)

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---

**From:** Foy, Anne FIN:EX  
**Sent:** Monday, October 20, 2014 8:51 AM  
**To:** Erlic, David FIN:EX  
**Subject:** RE:

Hi David,

Yes the vote has been held.

The current status is that the completed application has been submitted to DBC for review – the applicant has asked us to hold the application until the City Council has been formally advised of some required changes to the business plan.

It is still expected that the tax will be imposed as of March 1 but it could be pushed to April.

Some communities have been asking the province to verify their lists in advance of a vote and others are not.

As I get directories, I sent them to you.

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

---

**From:** Erlic, David FIN:EX  
**Sent:** Tuesday, October 14, 2014 11:53 AM  
**To:** Foy, Anne FIN:EX  
**Subject:** RE:

Hi Anne. I know you are away but I am sending this now so I don't forget.

Do you know what stage of the process we are at with this application? I recall seeing these lists in the past prior to the votes taking place in order to verify that there are no incorrect inclusions or omissions. Do you know if the voting process has already gone ahead?

David Erlic  
Policy and Legislative Analyst  
Consumer Taxation Programs Branch  
Ministry of Finance  
Ph: (250) 387-1612  
Fax: (250) 953-3048  
[david\\_erlic@gov.bc.ca](mailto:david_erlic@gov.bc.ca)

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---

**From:** Foy, Anne FIN:EX  
**Sent:** Friday, October 10, 2014 4:04 PM  
**To:** Erlic, David FIN:EX  
**Subject:** FW:

Accommodation directory for the City of Nanaimo (new application)

Expected tax will be imposed effective March 1st

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

---

**From:** Morgan, Melissa FIN:EX  
**Sent:** Friday, October 10, 2014 4:02 PM  
**To:** Foy, Anne FIN:EX  
**Subject:** FW:

**From:** [Melissa.Morgan@gov.bc.ca](mailto:Melissa.Morgan@gov.bc.ca) [<mailto:Melissa.Morgan@gov.bc.ca>]  
**Sent:** Friday, October 10, 2014 4:01 PM

**To:** Morgan, Melissa FIN:EX  
**Subject:**

Page 064 to/à Page 065

Withheld pursuant to/removed as

s.14

**Foy, Anne FIN:EX**

---

**From:** Foy, Anne FIN:EX  
**Sent:** Friday, October 10, 2014 4:04 PM  
**To:** Erlic, David FIN:EX  
**Subject:** FW:  
**Attachments:** Accomodation Directory.pdf

Accommodation directory for the City of Nanaimo (new application)

Expected tax will be imposed effective March 1st

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

---

**From:** Morgan, Melissa FIN:EX  
**Sent:** Friday, October 10, 2014 4:02 PM  
**To:** Foy, Anne FIN:EX  
**Subject:** FW:

**From:** [Melissa.Morgan@gov.bc.ca](mailto:Melissa.Morgan@gov.bc.ca) [<mailto:Melissa.Morgan@gov.bc.ca>]  
**Sent:** Friday, October 10, 2014 4:01 PM  
**To:** Morgan, Melissa FIN:EX  
**Subject:**

### ACCOMMODATION DIRECTORY

Please ensure that **ALL** the accommodation establishments in your municipality or region where the operator offers four or more units of accommodation in **British Columbia** are listed, *even if* the operator offers the accommodation on behalf of another owner, at any given time, not all of the units are rented; one or more of the units offered is located within a different geographic area.

Please ensure the information provided is complete and accurate. Failure to provide complete and accurate information may result in your application being delayed, returned or rejected. Thank you for your cooperation.

Name of Municipality/Region City of Nanaimo

	PROPERTY NAME	ADDRESS	NUMBER OF UNITS	PHONE NUMBER	OWNER/MANAGER
1	Best Western Dorchester Hotel	70 Church St., Nanaimo, V9R 5H4	70	250-754-6835	Julie Park
2	Best Western Northgate Inn	6450 Metral Dr., Nanaimo, V9T 2L8	72	250-390-2222	Geoff Wallace
3	Value Lodge Economy Motel	736 Nicol, Nanaimo	60	250-754-2328	N/A
4	Bluebird Motel	995 Terminal Ave N., Nanaimo, V9S 4K3	29	250-753-4151	Denise Cobaka
5	Buccaneer Inn	1577 Stewart Ave., Nanaimo, V9S 4E3	13	250-753-1246	Dave Ilyn
6	Castaway Motel	205 Terminal, Nanaimo	24	250-754-6780	Raj Banja
7	Coast Bastion Inn	11 Bastion St., Nanaimo, V9R 6E4	179	250-753-6601	David Rooper
8	Colonial Motel	950 Terminal Ave. N., Nanaimo, V9S 4K4	9	250-754-4415	N/A
9	Days Inn Nanaimo Harborview	809 Island Hwy. S., Nanaimo, V9R 5K1	78	250-754-8171	William Shang
10	Departure Bay Motel	2011 Estevan Rd. & Island Hwy. N., Nanaimo, V9S 3Y9	21	250-754-2161	Shirley Lance
11	Diplomat Motel	333 Nicol St., Nanaimo, V9R	20	250-753-3261	Junjie Shang

#	PROPERTY NAME	ADDRESS	NUMBER OF UNITS	PHONE NUMBER	OWNER/MANAGER
		4T5			
12	Harbour Light Motel	200 Nicol St., Nanaimo, V9R 4T2	28	250-716-5898	N/A
	Harbourside Motel	250 Terminal Ave. N., Nanaimo, V9S 4J5	closed	250-716-1671	closed
13	Howard Johnson Harbourside Hotel	1 Terminal Ave., Nanaimo, V9R 5R4	100	250-753-2241	Dan Brady
14	Inn on Long Lake	4700 Island Hwy N (19A), Nanaimo, V9T 1W6	62	250-758-1144	James Young
15	Palms Marinaside Resort	1250 Stewart Ave, Nanaimo V9S 4C9	22	250-591-0880	Joe Nyuegn
16	Painted Turtle Guesthouse	121 Bastion St., Nanaimo, V9R 3A2	20	250-753-4432	Bruce Bernard
17	Port-O-Call Inn & Suites	505 North Terminal Ave., Nanaimo, V9S 4K1	15	250-753-3421	N/A
18	Ramada Nanaimo Inn	315 Rosehill St., Nanaimo, V9S 1E3	65	250-716-2009	Jason Chan
19	Royal Motel	335 North Terminal, Nanaimo, V9S 4J6	15	250-753-1171	Raj Banga
20	The Grand Hotel Nanaimo	4898 Rutherford Rd., Nanaimo, V9T 4Z4	72	250-758-3000	Ashwak Sirri
21	The Waterfront Suites & Marina	1000 Steward Ave., Nanaimo, V9S 4C4	40	250-753-4333	Odal Sirri
22	Travelodge Nanaimo	96 Terminal Ave N., Nanaimo, V9S 4J2	78	250-754-6355	Michelle Se
23	Vancouver Island University Student Residences	4 University Crescent, Nanaimo, V9R 6C5	220	250-754-6338	Patricia Eagar
24	Westwood Lake RV/Camping & Cabins	380 Westwood Rd., Nanaimo, V9R 6S5	11	250-753-3922	Rhonda Johnson



REGIONAL  
DISTRICT  
OF NANAIMO

September 18, 2014

City of Nanaimo  
Guillermo Ferrero, Director  
Information Technology and Legislative Services  
455 Wallace Street  
Nanaimo BC, V9R 5J6

Dear Guillermo Ferrero:

**Re: RDN Support for City of Nanaimo Application for Additional Hotel Room Tax**

Please be advised that at its regular meeting on August 26, 2014, the Regional District of Nanaimo Board confirmed its support of the City of Nanaimo's proposed application for the implementation of an additional hotel room tax by passing the following the motion:

*"That the Regional District of Nanaimo Board add a letter of support for the City of Nanaimo's proposed application for the implementation of an additional hotel room tax."*

If you have any questions, please do not hesitate to contact this office.

Sincerely,

Jacquie Hill  
Manager of Administrative Services

6300 Hammond Bay Rd.  
Nanaimo, B.C.  
V9T 6N2

Ph: (250) 390-4111  
Toll Free: 1-877-607-4111  
Fax: (250) 390-4163

RDN Website: [www.rdn.bc.ca](http://www.rdn.bc.ca)



# **City of Nanaimo Business Plan and Application for the Municipal and Regional District Hotel Room Tax**

September 16, 2014



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## Executive Summary

This Business Plan is being submitted to the Ministry of Jobs, Tourism and Skills Training and the Ministry of Finance in support of the City of Nanaimo's application for approval to implement the 2% Municipal and Regional District Hotel Room Tax (MRDT) in Nanaimo for a five-year period beginning January 1, 2015.

Under the MRDT administration model proposed in this Business Plan, MRDT revenue submitted to the Ministry of Finance by Nanaimo accommodation operators will flow first to the City of Nanaimo and then to the Nanaimo Hospitality Association (NHA) which will have responsibility for administering MRDT revenue and directing how this revenue is spent. In turn, the NHA will contract with the Nanaimo Economic Development Corporation (NEDC) to implement funded initiatives.

The working relationship between the City and the NHA, and between the NHA and the NEDC, are detailed in two Service Agreements (see copies in Appendix C). Additionally, the City of Nanaimo has passed a bylaw requesting that the Province of BC levy the tax on its behalf (see copy in Appendix A) and has consulted with the Regional District of Nanaimo (RDN) which has indicated that it supports the City of Nanaimo's MRDT application.

The City of Nanaimo, the NHA and the NEDC are in agreement that the MRDT will support the growth of Nanaimo's tourism industry by providing the financial resources needed to help enhance the destination tourism appeal of the community. The total funding that will be available for tourism initiatives in Nanaimo is projected to increase from \$1.19 million in 2015/16 to \$1.25 million in 2019/20. These totals reflect projected annual MRDT revenue of between \$375,000 and \$405,000, plus projected revenues from other sources of between \$820,000 and \$850,000.

MRDT funds will be used to support the initiatives that were identified in the *Nanaimo & Region Tourism Strategy* (a copy of the Executive Summary is provided in Appendix D) as well as the *Nanaimo Sports Tourism Strategy*. These initiatives, which complement existing and emerging tourism activities in the community and which are intended to help increase Nanaimo's destination appeal and differentiate it from other provincial coastal communities, include:

- Creation of new or enhanced multi-day festivals/events to be held in the spring and fall;

- Supporting a range of sport tourism initiatives aimed at leveraging Nanaimo's accommodation, hosting and sport facility capacity and growing the community's sports tourism sector; and,
- Marketing activities specifically in support of the previous initiatives.

The above initiatives will contribute to the achievement of the following outputs and benefits for Nanaimo:

- Providing more activities for visitors which will enhance the destination appeal of the community;
- As the destination appeal of the community is enhanced, visitor nights will increase; and,
- As visitor nights increase, visitor spending that benefits all sub-sectors of the tourism industry will also increase.

The primary measure that will be used to evaluate the success of the MRDT revenue spending program in Nanaimo will be:

- **Increased overnight visitor stays as measured by improved hotel/motel occupancy rates.**

Both the proposal to levy the MRDT, as well as the MRDT revenue spending strategy presented in this Business Plan, have the support of the majority of accommodation operators in the City of Nanaimo. Of the 24 eligible properties within City of Nanaimo boundaries, 17 have provided written confirmation that they support implementation of the MRDT and the proposed MRDT revenue spending strategy. Two properties have declared that they are against the implementation of the tax and five properties have chosen not to reply and/or not to respond to offers to meet and discuss the attached Business Plan. This means that over 70% of the accommodation properties are in favour of the implementation of the MRDT.

## **1.0 About the Applicant**

### **1.1 City of Nanaimo**

This Business Plan and Application for the Municipal and Regional District Hotel Room Tax is being submitted by the City of Nanaimo with the support of the Nanaimo Hospitality Association (NHA) and the Nanaimo Economic Development Corporation (NEDC). The City passed a bylaw on May 12, 2014 requesting that the Province of British Columbia levy the tax on its behalf. A copy of this bylaw is attached in Appendix A.

### **1.2 Partner Agencies (NHA and NEDC)**

#### ***Nanaimo Hospitality Association***

The Nanaimo Hospitality Association is a non-profit society registered with the BC Corporate Registry. It was established on June 1, 2011 and has an eight-person Board of Directors comprised of a President, Secretary, Treasurer and five directors at large. All 24 tourism accommodators located within the boundaries of the City of Nanaimo are members of the NHA. The key purposes of the NHA, as set out in its constitution, are to:

- Promote economic development for the City of Nanaimo;
- Promote the City of Nanaimo as a tourism and business destination and support activities which also promote the Nanaimo Region;
- Promote goodwill amongst members, the public, government agencies and the media;
- Represent its members in matters of public importance, including any proposed legislation or regulations affecting the hospitality industry; and,
- Advance and promote learning, education, training and professionalism in the hospitality industry.

#### ***Nanaimo Economic Development Corporation***

Historically, responsibility for tourism in the City of Nanaimo fell to Tourism Nanaimo (the Destination Marketing Organization for the City). However, in 2011, Tourism Nanaimo was disbanded and on June 23, 2011 the Nanaimo Economic Development Corporation was established by the City of Nanaimo as an arms-length corporation. According to the NEDC's Articles of Incorporation (Section 1.3):

*The purposes of the Company include delivery of economic development services and land development to further an economic development initiative including the carrying on of activities, directly and indirectly, for the purpose of preserving and enhancing economic development in the City, including, without limiting the generality of the foregoing, marketing the City, providing marketing support and management services to entities involved in the marketing and promotion of the City, business attraction, business retention, community enhancement, making business investments, developing and implementing programs to promote local interests and attractions, tourism, film, and advocating for policies that promote economic growth, providing programs and incentives to businesses, collaborating with other municipalities, regional districts, government agencies and private sector entities in cooperative efforts to enhance economic development, and the ownership and operation of land and assets for the provision of such services, and all activities and undertakings ancillary thereto.*

The NEDC has a Board of Directors comprised of individuals who are appointed by Nanaimo City Council. The Board of Directors can appoint an Executive Committee and 'other committees as they see fit'. Of relevance to this Business Plan is the NEDC's Tourism Leadership Committee which is discussed in more detail below.

In addition to serving the economic development interests of the City of Nanaimo, the NEDC has entered into a ten-year agreement with the Regional District of Nanaimo (RDN) to promote economic development opportunities for the area that encompasses Electoral Areas A (Cedar), B (Gabriola Island), part of C (west of Lantzville), the District of Lantzville and the City of Nanaimo.

With the establishment of the NEDC, the City of Nanaimo effectively removed itself from any direct role in tourism and City funds that were previously allocated to Tourism Nanaimo for tourism marketing are now being allocated to the NEDC. This streamlined organizational structure reflects the synergies between economic development and tourism and aims to ensure a coordinated approach to related planning and marketing activities.

As referenced earlier, the tourism activities of the NEDC are guided by the NEDC Tourism Leadership Committee (TLC) which is comprised of 14 individuals who were selected through a formal process based on consideration of their relevant skills and tourism experience. According to the TLC's Terms of Reference, their mandate is to provide strategic recommendations to the NEDC's Board of Directors regarding tourism strategy and marketing. In addition the TLC provides input/insight to the NEDC Board regarding infrastructure gaps, product development and regulatory issues with a tourism impact. The full terms of reference for the TLC are attached in Appendix B.

### **Agreement Among Partner Agencies**

The City of Nanaimo, the NHA and the NEDC are in agreement that having access to MRDT revenue will provide the financial resources needed to help enhance the destination appeal of the community and, in turn, improve hotel/motel occupancy rates. Based on discussions between these three organizations, it has been agreed that the most effective administrative model for the MRDT in Nanaimo is as follows:

- The City of Nanaimo will apply to the Provincial Government for the authority to levy the tax;
- The City will enter into a Service Agreement with the NHA to administer MRDT revenue on its behalf and in accordance with this Business Plan; and
- The NHA will enter into a Contract for Services Agreement with the NEDC which will undertake the initiatives to be funded by MRDT revenue.

Copies of the two signed Service Agreements referenced above are provided in Appendix C.

For more information on the relationship between the NHA and the NEDC, see Section 2.2 of this Business Plan.

### **1.3 Request for Implementation of MRDT**

The City of Nanaimo is requesting that the Province of British Columbia (Ministry of Jobs, Tourism and Skills Training and Ministry of Finance) authorize the implementation of the MRDT as follows:

**Implementation Area:** City of Nanaimo

**Implementation Date:** January 1, 2015

**Plan Period:** January 1, 2015 – December 31, 2019



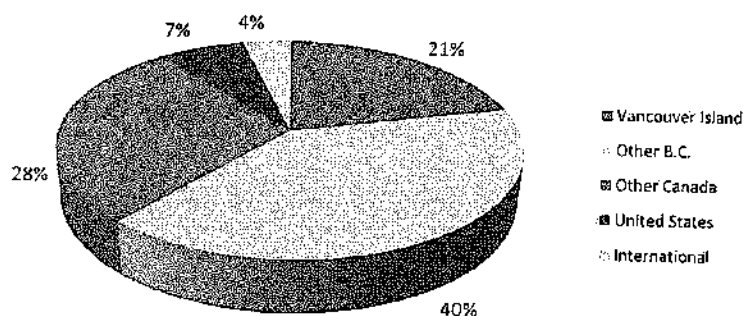
## 2.0 Overview of Nanaimo's Tourism Industry

### 2.1 Industry Profile

Currently, many visitors who come to Nanaimo on a pleasure trip are en-route elsewhere. Those visitors who opt to stay overnight in the community come to visit family and friends, attend special events, and participate in various activities. Over the last few years, various initiatives have been implemented to improve Nanaimo's tourism infrastructure and to attract more visitors including, for example, the opening of the cruise ship facility, the development of the Waterfront Walkway, the establishment of the Nanaimo Downtown Farmers' Market, the construction of the conference centre, and the upgrading of the Nanaimo Airport. These initiatives have been complemented by a range of marketing activities.

According to the most recent available visitor profile information<sup>1</sup>, 21% of visitors to Nanaimo are from Vancouver Island, 40% are from other areas of B.C., 28% are from other areas of Canada, 7% are from the U.S. and 4% are from other countries.

Figure 1: Origin of Visitors to Vancouver Island  
(Source: VIU Nanaimo Visitor Profile, Summer 2013)



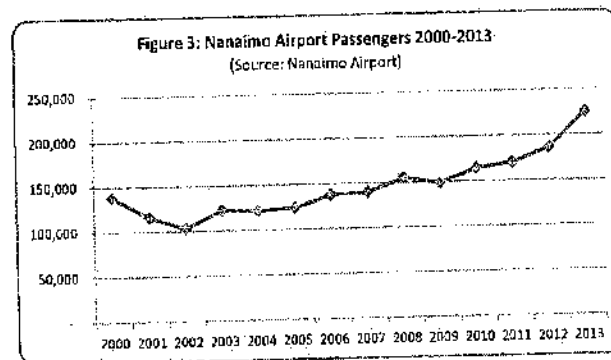
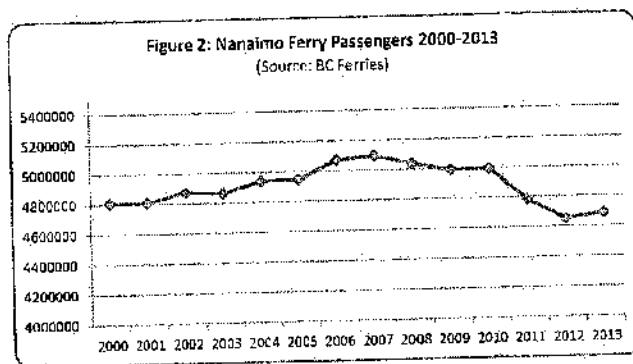
In terms of visitor age, 14% of visitors to Nanaimo are under the age of 19, while 9% are 20 to 29, 10% are 30 to 39, 14% are 40 to 49, 26% are 50 to 59, 21% are 60 to 69 and 6% are 70 and older.

The top five trip activities that were cited by surveyed visitors to Nanaimo included shopping (70%), beach activities (35%), hiking (32%), other (24%), and attending festivals and events (22%). Of visitors surveyed, 87% were on a leisure trip while 3% were on a business trip and 11% were visiting for a combination of business and leisure.

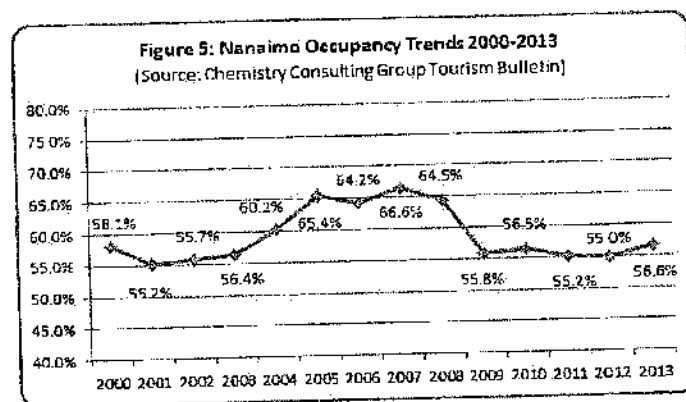
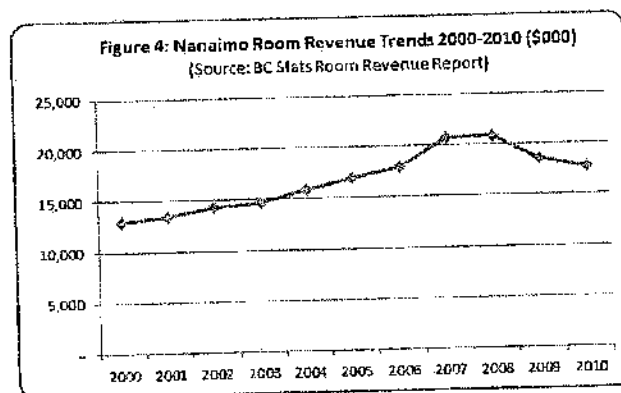
The great majority of visitors to Nanaimo arrive by vehicle and/or ferry. While the number of ferry passengers has generally been declining over the last few years, the number of passengers arriving by air, many of whom are returning residents, has

<sup>1</sup> Vancouver Island University. *Visitor Profile – Nanaimo (Summer 2013)*.

been increasing (see following charts). Additionally, starting in 2011, the City began hosting cruise ship visitors.



Despite the various tourism-related initiatives which have recently occurred in Nanaimo, hotel/motel occupancy and room revenue trends indicate that the city's tourism sector has been struggling. For example, between 2007 (the year prior to the global financial crisis) and 2010<sup>2</sup>, Nanaimo's hotel/motel room revenue dropped by 15%. By comparison, room revenue for the province as a whole dropped by only 0.4% during this same period. This decline in Nanaimo's room revenue is linked to declines in average annual occupancy rates which dropped from 66.6% in 2007 to 55.0% in 2012 (the lowest rate achieved in the last decade) before increasing somewhat in 2013.

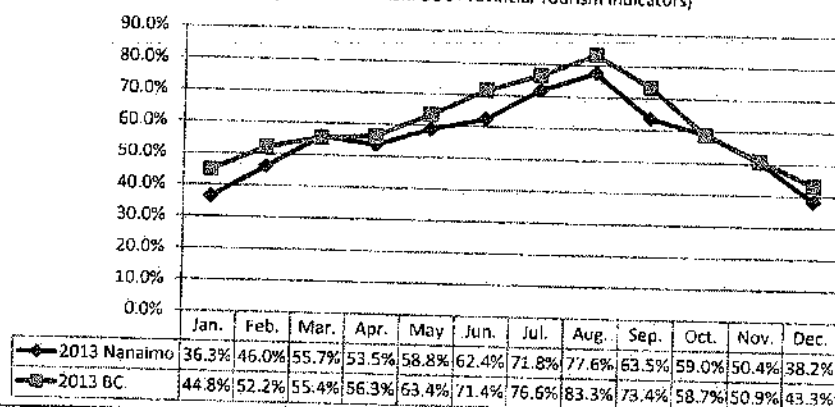


Like other communities in B.C., tourism activity in Nanaimo is very seasonal. In 2013, August was the busiest month, followed by July, September and June. In the other months, hotel/motel occupancy ranged from 36% to 59% (see graph on the next page). When compared with B.C. as a whole, Nanaimo's average monthly occupancy rate is generally lower than the provincial average. For 2013 as a whole, Nanaimo's

<sup>2</sup> 2011 and 2012 Room Revenue data for Nanaimo is not available from BC Stats.

average occupancy was 56.6% which is almost 3 percentage points below the estimated 2013 B.C. average of 59.6%.

**Figure 6: Comparison of Nanaimo & B.C. Monthly Occupancy Rates (2013)**  
 (Source: Nanaimo data is from Chemistry Consulting Group Tourism Bulletin; BC data is from PKF as reported in Tourism BC's Provincial Tourism Indicators)



In addition to the impact of the last several years of weak economic conditions on the performance of Nanaimo's tourism industry, the community also faces strong competition for visitors from other areas of Vancouver Island that are perceived to have more appealing tourist amenities. However, it is believed that Nanaimo

has much unrealized tourism potential. A key step towards realizing this potential requires improving the city's destination appeal by providing more tourism products for visitors.

In order to help determine the most appropriate initiatives for enhancing the destination appeal of the Nanaimo area, the Tourism Leadership Committee of the Nanaimo Economic Development Corporation recently (January 2013) completed a comprehensive tourism strategy (see Appendix D for a copy of the *Nanaimo & Region Tourism Strategy Executive Summary*). Preparing this strategy involved conducting a tourism strengths, weaknesses, opportunities and threats (SWOT) assessment, preparing a detailed tourism situation analysis, determining the region's tourism vision and goals, and implementing a public consultation and communication process (e.g., e-survey, interviews, open houses). The tourism vision and goals for Nanaimo that were identified through the strategic planning process are as follows:

**Vision:** Our vision is that Nanaimo & Region is Vancouver Island's gathering place, the destination of choice for visitors to enjoy a uniquely west coast experience year-round.

- **Goal 1 - Product Development:** To support thoughtfully developed visitor services, transportation, infrastructure, attractions and festivals and events.
- **Goal 2 - Industry Partnerships:** To be the catalyst for collaboration between industry stakeholders and other community organizations to foster new partnerships and leverage investment in the tourism sector.

- **Goal 3 - Marketing & Public Relations:** To increase awareness of Nanaimo & Region's tourism assets and increase the contribution of tourism to the region's economy.
- **Goal 4 - Community Pride:** To increase community pride in the region and its tourism assets.
- **Goal 5 - Accountability:** To monitor key tourism indicators and communicate indicator information to industry stakeholders and the community.

Based on the above vision and goals, the *Nanaimo & Region Tourism Strategy* identifies a number of key strategies and associated action plans aimed at increasing Nanaimo's tourism appeal and the contribution that tourism makes to the Nanaimo area economy. In support of *Goal 1 - Product Development*, and *Goal 2 - Industry Partnerships*, key strategic initiatives identified in the Tourism Strategy include:

- Actively encourage/support (shoulder and off-season) festivals and events;
- Developing new or augmented tourist attractions.

Obtaining financial resources to help support these strategic product development initiatives is the primary driver behind this application by the City of Nanaimo to the Provincial Government requesting approval to levy the MRDT.

## 2.2 Relationship of Tourism Organizations

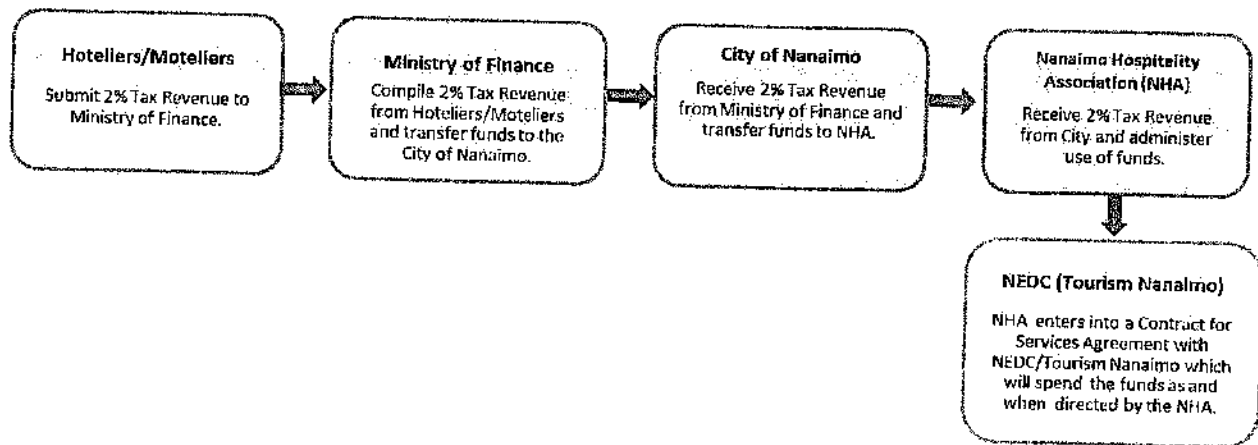
As noted in Section 1, there are two key organizations in the City of Nanaimo that represent the interests of the tourism industry. These organizations are the Society of the Nanaimo Hospitality Association and the Nanaimo Economic Development Corporation. As referenced earlier, the NHA is a not-for-profit incorporated society that represents the interests of the City's tourism accommodation operators, while the NEDC is an arms-length corporation established to provide coordinated economic development services on behalf of the City of Nanaimo, Electoral Areas A (Cedar), B (Gabriola Island), part of C (west of Lantzville), and the District of Lantzville.

Prior to the establishment of the NEDC, economic development was a City department. The functions of both Tourism Nanaimo (previously a stand-alone tourism destination marketing organization) and Destination Nanaimo (previously the marketing arm of the City's economic development office), are now the responsibility of the tourism division of NEDC which has kept the name Tourism Nanaimo. Tourism Nanaimo is the tourism destination marketing organization for the City and region of Nanaimo and is a member of the B.C. Visitor Centre Network administered by Tourism B.C. The tourism activities of the NEDC are guided by the Tourism Leadership Committee (TLC) which was introduced in Section 1.

The City of Nanaimo, the NHA and the NEDC have worked together to move the MRDT process forward and it has been agreed that MRDT funds will flow from the Province to the City of Nanaimo and then to the NHA. In turn, the NHA will administer MRDT revenue and will contract with the NEDC to implement spending activities in accordance with this Business Plan. The City of Nanaimo (under a 20-year agreement) will provide annual funding to the NEDC to support fulfillment of its economic development and tourism mandate.

The proposed process for administering MRDT revenue in Nanaimo is summarized in the following flow diagram.

**Figure 7: Proposed MRDT Revenue Flow in Nanaimo**



### 2.3 Opportunity to Build Tourism

MRDT revenue will support the growth of Nanaimo's tourism industry by providing the financial resources needed to enhance the destination appeal of the community and provide visitors with more reasons to come to, and stay in, Nanaimo. Increased visitation will improve hotel/motel occupancy (which is the primary objective of both the community's Tourism Strategy and this Business Plan) and increase spending in restaurants, retail outlets and transportation services. In turn, increased tourism spending will contribute to the overall sustainability of Nanaimo's economy by providing more jobs and generating more tax revenue. Aside from these positive economic impacts, the enhancement of the visitor destination appeal of Nanaimo will also enhance resident quality of life.

## 3.0 MRDT Revenue Strategy

### 3.1 MRDT Outcome Objective

In general terms, the overall goal of the City of Nanaimo, the NHA and the NEDC with regard to the use of MRDT revenue is to improve the destination appeal of Nanaimo and the viability of the community's tourism sector. More specifically, it is intended that MRDT revenue will be used to support specific tourism product development initiatives (see Section 3.3) that will contribute to the achievement of the following outcome objective:

- **Increased overnight tourism visits and improved hotel/motel occupancy rates.**

The above objective will serve as the basis against which the outcome of the MRDT spending strategy will be evaluated (see Section 3.5).

### 3.2 Estimated MRDT Revenue

Based on historical room revenue data for the City of Nanaimo, and as illustrated in the following table, the estimated revenue that would be generated by the MRDT is between \$375,000 and \$400,000 per year in the initial years of the tax (less the Provincial Government's administration fee of \$20 per operator per month). As tourism activity increases, it is expected that MRDT revenue will also increase. These revenue flow assumptions are reflected in the MRDT funding and expense projections presented in later Section 3.4.

Table 1: City of Nanaimo - Potential MRDT Revenue Based on Historical Room Revenue					
Revenue	2006	2007	2008	2009	2010
Total Room Rev.	\$ 17,906,000	\$ 20,697,000	\$ 20,909,000	\$ 18,590,000	\$ 17,683,000
Est. Rev. with 2% MRDT	\$ 358,120	\$ 413,940	\$ 418,180	\$ 371,800	\$ 353,660
Less \$240/operator annual admin. Fee*	\$ 5,760	\$ 6,000	\$ 6,480	\$ 6,480	\$ 6,240
Est. net MRDT Rev.	\$ 352,360	\$ 407,940	\$ 411,700	\$ 365,320	\$ 347,420
* Note that according to the BC Stats Room Revenue Report, the number of properties in the City of Nanaimo subject to room tax was 24 in 2006, 25 in 2007, 27 in 2008 and 2009, and 26 in 2010.					
Source: Historical Room Revenue from BC Stats Room Revenue Report					

### 3.3 Spending Strategy

In order to determine the specific initiative(s) to be funded by MRDT revenue, the Applicants reviewed the range of tourism product development priorities identified in the *Nanaimo & Region Tourism Strategy* and the *Nanaimo Sports Tourism Strategy* with a view to focusing on key initiatives that both complement community and regional tourism activities and are most likely to help achieve the community's MRDT outcome objective of increasing hotel/motel occupancy rates, especially in the short to medium term. Through this process it was determined that, in the short to mid-term, MRDT revenue would best be spent in support of the development and marketing of new or enhanced festivals and events and the enhancement of Nanaimo's sport tourism potential. As such, the proposed allocation of MRDT revenue is as follows:

- 45% of MRDT Revenue (estimated at \$169,000 in year 1): To be used to assist with the creation of new and/or enhanced multi-day festivals and events held in the fall, winter or spring;
- 35% of MRDT Revenue (estimated at \$131,000 in year 1): To be used to support specific aspects of Nanaimo's *Sports Tourism Plan* which is geared toward hosting more sporting events and attracting more event participants and spectators; and,
- 20% of MRDT Revenue (estimated at \$75,000 in year 1): To be used for marketing activities specifically in support of new or enhanced multi-day festivals and events and sports tourism.

The proposal implementation plans for these initiatives start on the next page.

*Note that that the Snuneymuxw First Nation (SFN) in Nanaimo is working on plans to develop the cultural, educational and tourism potential of Newcastle Island Marine Provincial Park which they manage via an Operating Permit with BC Parks. In particular, the SFN are considering plans to develop an Interpretive and Cultural Centre on Newcastle Island. Should this initiative proceed, the City of Nanaimo, the NHA and the NEDC are in agreement that such a project would contribute to the destination appeal of the Nanaimo area. As such, the Applicants wish to note that once more concrete plans (e.g., construction and business plans) for the Interpretive and Cultural Centre are available, they plan to submit an application for an amendment to this Business Plan requesting approval from the Provincial Government to reallocate a portion of MRDT revenue to this initiative.*

## Initiative 1

Initiative 1	New or enhanced multi-day, shoulder-season festivals/events
<b>Rationale</b>	<p>Festivals and events have been identified as a key tourism opportunity for the Nanaimo area. Currently, most of the region's key festivals are grouped together in June and July. However, limited tourism-oriented festivals and events are held during the shoulder seasons. Festivals and events (sport, art, culture, recreation, etc.) have been proven to be an effective way of attracting visitors (new and return) to, and creating a 'buzz' about, a community. As a result, establishing new or enhanced multi-day festivals and events for Nanaimo is seen as an excellent opportunity for augmenting the City's destination appeal and helping the community achieve its goal increasing overnight visitation and occupancy outside of the high (summer) season.</p>
<b>Link to tourism goals</b>	<p>This initiative supports three of the region's identified tourism goals, including:</p> <ol style="list-style-type: none"> <li>1. Product development – will add new reasons for visitors to come to the community and stay longer.</li> <li>2. Industry partnerships – festivals/events will be developed in partnership with local organizations.</li> <li>3. Community pride – residents will benefit from the positive profile and additional business and entertainment opportunities resulting from new festivals and events.</li> </ol>
<b>Key activities</b>	<ul style="list-style-type: none"> <li>• In support of this initiative, the applicants are proposing to use MRDT revenue to help finance the establishment of new and/or enhanced festivals. In anticipation of the availability of MRDT funding for this purpose, the decision has been made to use a similar application process and criteria for MRDT funding as is used by the NEDC and the TLC for the NEDC's Tourism Development Fund. These funding criteria include consideration of:                         <ul style="list-style-type: none"> <li>◦ Alignment with the goals of the Nanaimo &amp; Region Tourism Strategy;</li> <li>◦ Impact on overnight stays (by season);</li> <li>◦ Demonstrated community support, a community champion, and track record; and,</li> <li>◦ Number of tourism sectors supported/developed.</li> </ul> </li> </ul>



Initiative 1	New or enhanced multi-day, shoulder-season festivals/events
	<p>Please see Appendix E for more detailed information on the NEDC's Tourism Development Fund application process and funding criteria (note that these documents apply to a range of tourism development initiatives including Festivals and Events and Tourism Developments).</p> <ul style="list-style-type: none"> <li>Nanaimo has numerous active, locally-based, not-for-profit sporting, artistic and cultural organizations and many talented individuals who can make a valuable contribution to the development of new or enhanced festivals and events. These organizations will be contacted and advised of the availability of festival/event development funds and funding criteria, and invited to submit a festival/event proposal and funding application.</li> <li>Festival/event proposals and funding applications will initially be reviewed by the TLC relative to the established funding criteria. Applications which meet these criteria will be forwarded to the NHA for final decision. Additionally, the NHA will look to the TLC to identify potential festival/event opportunities.</li> <li>The Applicants will provide marketing support to the funded festivals/events. In terms of marketing, a portion of the MRDT funds allocated for marketing will be used to help fund marketing activities specifically related to the new or enhanced festivals/events that receive MRDT funding.</li> </ul>
Target dates	<ul style="list-style-type: none"> <li><b>Spring 2015 est.:</b> Formal notice of the festival and events funding and application guidelines will be sent to community sporting, artistic and cultural organizations once it has been confirmed that Nanaimo's MRDT application has been approved by the Provincial Government.</li> <li><b>Summer 2015:</b> Organizations will be invited to submit a festival/event proposal and funding application for either a spring or fall tourism-oriented festival/event. From the time this invitation is issued, organizations will be given approximately one to two months to submit a proposal and funding application.</li> <li><b>Within 2 weeks of application closing dates:</b> Applications will initially be received by the NEDC and reviewed by the TLC relative to the established funding guidelines with shortlisted applications (those who meet funding criteria) being forwarded to the NHA for a final decision which will be made within 2 weeks.</li> </ul>

Initiative 1	New or enhanced multi-day, shoulder-season festivals/events
	<ul style="list-style-type: none"> <li>• <b>Fall 2015:</b> The goal is to have a new festival/event scheduled for both fall 2015 and spring of 2016 by early fall 2015 so as to ensure adequate marketing lead-time.</li> </ul> <p>The above timeline may need to be adjusted depending on the actual date of the Provincial Government's decision regarding Nanaimo's MRDT application.</p>
<b>Funding Requirements</b>	<ul style="list-style-type: none"> <li>• The full funding requirements of the new or enhanced festivals and events will be identified by the proponent organizations as part of their proposal and application. Although an exception could be made, the maximum funding support available to each new or enhanced festival from MRDT revenue will not exceed 50% of the total funding requirements (see also next bullet).</li> <li>• As noted earlier, a total of 45% of MRDT revenue will be allocated for use in support of festivals/events (not including the marketing of these events – see next bullet). At this stage, it is estimated this will amount to a total of about \$169,000 in year one. Assuming 10% is kept in reserve leaves about \$152,000 for the new or enhanced festivals/events (the funds provided to each new festival/event may not be equal). Given that MRDT revenue will accrue monthly and actual revenue flow won't be known for a few months, the funds allocated for the initial year of the fall festival will, in prudence, not exceed one-third of the total set aside for festivals (i.e., about \$56,000, less 10% reserve).</li> <li>• A total of 20% of MRDT revenue will be allocated for marketing activities in support of the two initiatives that are the focus of this Business Plan. At this stage the Applicants are proposing to divide these funds equally between these two initiatives (i.e., 50% for new and enhanced festivals/events and 50% for sport tourism). Under the MRDT revenue assumptions discussed earlier, this would provide approximately \$37,500 annually to market new or enhanced festivals/events. Assuming 10% is kept in reserve leaves about \$33,750 for marketing. These funds would be used by the NEDC (Tourism Nanaimo), as directed by the NHA and/or the festival/event proponent organization, for website and social media marketing, print marketing and targeted public relations initiatives.</li> </ul>
<b>Funding sources</b>	<ul style="list-style-type: none"> <li>• MRDT (assuming MRDT collection begins in January of 2015, it is estimated that initial revenue will begin flowing to Nanaimo by about the end of March 2015).</li> </ul>

Initiative 1	New or enhanced multi-day, shoulder-season festivals/events
	<ul style="list-style-type: none"> <li>• NEDC Tourism Development Fund (up to \$125,000 per year, to a maximum of \$25,000 per project, is available to fund tourism projects and programs based on applications from the community)</li> <li>• Event/festival ticket revenue</li> <li>• Event/festival sponsorship revenue</li> <li>• In-kind contributions from the community group(s) that organize the event/festival</li> </ul>
<b>Measurable outcomes</b>	<ul style="list-style-type: none"> <li>• Increase in number of tourism-oriented festivals/events held annually.</li> <li>• Increased hotel/motel occupancy in event months (relative to previous years)</li> </ul>

## Initiative 2

Initiative 2	Develop Nanaimo's sport tourism potential
<p><b>Rationale</b></p>	<p>The value and growth potential of B.C.'s sport tourism sector is acknowledged in the Province of BC publication <i>Sports Tourism Business Essentials</i> which notes that sports tourism is a very significant component of global tourism and that B.C. is well-positioned to expand its sports hosting potential and role. This publication acknowledges sports tourism as a sport, community and economic development tool, and states notes that in recognition of the value of sports tourism, the Province supports initiatives related to sport system development, sport tourism generation, and social and community legacies.</p> <p>Nanaimo has had a sports tourism plan in place for some time, plus has a sports tourism guide which provides an inventory of available venues and sport tourism support services (<a href="http://www.nanaimo.ca/assets/departments/parks~rec~culture/plan~a~sportculture~event/nanaimo_sport_tourism_guide.pdf">www.nanaimo.ca/assets/departments/parks~rec~culture/plan~a~sportculture~event/nanaimo_sport_tourism_guide.pdf</a>)</p> <p>Nanaimo's role as an active sports tourism community is also profiled in the <i>Sports Tourism Business Essentials</i> publication which states that "Nanaimo is a great place to host events and has an impressive list of satisfied hosting partners...with a wide variety of high caliber events and venues...". Most recently, Nanaimo hosted the 2014 BC Summer Games which is estimated to have generated \$2.6 million in economic impacts in the community. Nationally, sport tourism is expected to continue to experience strong rates of growth.</p> <p>The City of Nanaimo recently transferred responsibility for sports tourism to the Nanaimo Economic Development Corporation (NEDC). In turn, the NEDC has undertaken to revamp and update the <i>Nanaimo Sports Tourism Strategy</i> with the goal of further enhancing the community's sport tourism potential. In support of this updated plan, the applicants are proposing to allocate a share of MRDT revenue to a number of specific sports tourism development activities.</p>
<p><b>Link to tourism goals</b></p>	<p>This initiative supports two of the region's identified tourism goals, including:</p> <ol style="list-style-type: none"> <li>1. Industry partnerships – Sporting events will be developed in partnership with local organizations.</li> </ol>

Initiative 2	Develop Nanaimo's sport tourism potential
	<p>2. Community pride – Residents will benefit from the positive profile and additional business and entertainment opportunities resulting from additional sporting activities.</p>
<b>Key activities</b>	<ul style="list-style-type: none"> <li>• In support of this initiative, the applicants are proposing to use a share of MRDT revenue to help support a number of specific activities related to enhancing Nanaimo's sports tourism potential. These activities include:               <ul style="list-style-type: none"> <li>◦ Bidding on signature sporting events in order to attract them to Nanaimo;</li> <li>◦ Providing funding support for feasibility studies related to the improvement, expansion or development of sporting facilities that will augment Nanaimo's sport hosting potential;</li> <li>◦ Providing funding to support sport tourism lead generation, sales calling, hosting of stakeholder workshops, and organizing and hosting of familiarization/site tours for sporting event representatives; and,</li> <li>◦ Attending sport tourism related events (e.g., Canadian Sports Tourism Alliance) to build Nanaimo's sports tourism profile.</li> </ul> </li> </ul> <p>Note that in addition to the above funding allocations, sport event champions will be able to apply for funding through Initiative 1 to support the organization of new or augmented sporting events.</p> <ul style="list-style-type: none"> <li>• A portion of the MRDT funds allocated for marketing will be allocated to sports tourism marketing (see also "Funding Requirements").</li> </ul>
<b>Target dates</b>	<ul style="list-style-type: none"> <li>• <b>Spring 2015 est.:</b> As per initiative 1, formal notice of the festivals and event funding and application guidelines will be sent to community sporting organizations once it has been confirmed that Nanaimo's MRDT application has been approved by the Provincial Government.</li> <li>• <b>Spring 2015 start-up and then ongoing:</b> Potential sporting event bid opportunities will be identified, evaluated and targeted.</li> <li>• <b>Spring 2015 start-up and then ongoing:</b> The availability of funding to support feasibility studies related to the improvement, expansion or development of sporting facilities will be announced along with application guidelines. Funding will be provided on a 50/50 cost-shared basis to a maximum of \$15,000.</li> </ul>

Initiative 2	Develop Nanaimo's sport tourism potential
	<ul style="list-style-type: none"> <li>• <b>Spring 2015 start-up and then ongoing:</b> A contractor or staff resource will be retained to support sports tourism development activities including lead generation, sales calling, planning and hosting of stakeholder workshops, and hosting familiarization tours for sporting event representatives.</li> <li>• <b>Spring 2015 est.:</b> Key sports tourism events which offer the opportunity to build Nanaimo's sports tourism profile will be identified and targeted (e.g., the CSTA Sport Event Congress in April of 2015).</li> </ul> <p>The above timeline may need to be adjusted depending on the actual date of the Provincial Government's decision regarding Nanaimo's MRDT application.</p>
<b>Funding Requirements</b>	<ul style="list-style-type: none"> <li>• The applicants are proposing that the four sports tourism funding initiatives identified in the earlier 'Key Activities' section be funded as follows:               <ol style="list-style-type: none"> <li>1. Bidding on or sponsoring signature sporting events to attract them to Nanaimo (20% of MRDT revenue [less 10% reserve], estimated at \$23,600 in year 1)</li> <li>2. Feasibility study funding support for sport facility enhancement or development (40% of MRDT revenue [less 10% reserve], estimated at \$47,200 in year 1)</li> <li>3. Sports tourism lead generation, sales calling, planning and hosting of stakeholder workshops planning and hosting, and hosting familiarization tours (31% of MRDT revenue [less 10% reserve], estimated at \$36,580 in year 1)</li> <li>4. Attendance at sports tourism events (9% of MRDT revenue [less 10% reserve], estimated at \$10,620 in Year 1).</li> </ol> </li> <li>• A total of 20% of MRDT revenue will be allocated for marketing activities in support of the two initiatives that are the focus of this Business Plan. At this stage the Applicants are proposing to divide these funds equally between these two initiatives (i.e., 50% for new and enhanced festivals/events and 50% for sport tourism). Under the MRDT revenue assumptions discussed earlier, this would provide approximately \$37,500 annually to support marketing initiatives related to sports tourism. Assuming 10% is kept in reserve leaves about \$33,750 for sport tourism marketing. These funds would be used by the NEDC (Tourism Nanaimo) for sport tourism website development, supplemental sport tourism oriented destination marketing, event advertising in key</li> </ul>

Initiative 2	Develop Nanaimo's sport tourism potential
	sport publications, and development of venue/asset promotional elements (i.e., photographic imagery).
<b>Funding sources</b>	<ul style="list-style-type: none"> <li>• MRDT (assuming MRDT collection begins in January of 2015, it is estimated that initial revenue will begin flowing to Nanaimo by about the end of March 2015).</li> <li>• Tourism Nanaimo/NEDC funding</li> <li>• Sporting event ticket revenue</li> <li>• Sporting event sponsorship revenue</li> <li>• In-kind contributions from sport group(s)</li> </ul>
<b>Measurable outcomes</b>	<ul style="list-style-type: none"> <li>• Annual increase in number of sporting events that involve non-resident participants and spectators.</li> <li>• Increased hotel/motel occupancy in event months (relative to previous years)</li> </ul>

### 3.4 Funding and Expense Projections

The spending strategy outlined in Section 3.3 above reflects a number of assumptions regarding the timing, flow and amount of MRDT revenue. Table 2 summarizes total 2013 and projected (2015/16-2019/20) revenues and expenses associated with the delivery of tourism services in Nanaimo (i.e., Tourism Nanaimo). The 2013 figures are provided in order to demonstrate that MRDT revenue will be incremental to existing sources of tourism funding. In viewing projected revenue figures and sources, it should be noted that potential revenues from other community agencies involved in, for example, the organization of new festivals/events (e.g., agency grants, in-kind contributions, event revenues) are not accounted for as they are outside the control of the Applicant organizations.

Table 2: Tourism Revenue and Expense Projections						
Tourism Revenues and Expenses	W/O MRDT	Projections - With MRDT				
	2013	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Projected Revenues</b>						
MRDT (assumes 2% annual increase)	\$ -	\$ 375,000	\$ 382,500	\$ 390,150	\$ 397,953	\$ 405,912
NEDC funding for Tourism Nanaimo	\$ 570,000	\$ 570,000	\$ 575,700	\$ 581,457	\$ 587,272	\$ 593,144
<b>Other Tourism Nanaimo Sources of Revenue</b>						
RDN funding to NEDC for Tourism Nanaimo	\$ 137,000	\$ 137,000	\$ 137,000	\$ 137,000	\$ 137,000	\$ 137,000
Destination BC	\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000
Advertising Revenue (Tourism Nanaimo)	\$ 50,000	\$ 50,000	\$ 51,000	\$ 52,020	\$ 53,060	\$ 54,122
Stakeholder Program Revenue	\$ 5,000	\$ 30,000	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473
<b>Total Revenue</b>	<b>\$ 795,000</b>	<b>\$ 1,195,000</b>	<b>\$ 1,209,800</b>	<b>\$ 1,224,839</b>	<b>\$ 1,240,121</b>	<b>\$ 1,255,651</b>
<b>Projected Expenses</b>						
Festivals and Events Support	\$0	\$ 151,875	\$ 154,913	\$ 158,011	\$ 161,171	\$ 164,394
Sport Tourism Support	\$0	\$ 118,125	\$ 120,488	\$ 122,897	\$ 125,355	\$ 127,862
Marketing for Festivals/Events	\$0	\$ 67,500	\$ 68,850	\$ 70,227	\$ 71,632	\$ 73,064
10% Reserve		\$ 37,500	\$ 38,250	\$ 39,015	\$ 39,795	\$ 40,591
Tourism Nanaimo operations (wages/office exp.)	\$ 279,000	\$ 359,000	\$ 366,180	\$ 373,504	\$ 380,974	\$ 388,593
<b>Tourism Nanaimo Program Expenses</b>						
Destination Development	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
Tourism Marketing Programs	\$ 348,000	\$ 336,000	\$ 336,000	\$ 336,000	\$ 336,000	\$ 336,000
<b>Total Expenses</b>	<b>\$ 752,000</b>	<b>\$ 1,195,000</b>	<b>\$ 1,209,680</b>	<b>\$ 1,224,654</b>	<b>\$ 1,239,927</b>	<b>\$ 1,255,505</b>



As shown in Table 2 above, the total amount of revenue available for tourism in Nanaimo 2013 was \$795,000. Assuming MRDT collection starts on January 1, 2015, the total amount of revenue available for tourism in Nanaimo in 2015/16 is projected to be about \$1.19 million or about 50% more than in 2013. Of total projected 2015/16 revenue, about 31% would come from the MRDT while the remaining 69% would come from other sources.

While Table 2 summarizes annual MRDT revenue projections, it is recognized that revenue expenditures will need to reflect both an uneven monthly revenue flow and an initial delay in revenue flow when MRDT collection begins. Assuming the start date for revenue collection is January 1, 2015, the Applicants realize that it could be up to three months before any revenue is received back from the Province. As such, the data in Table 3 reflects the estimated amount of MRDT collected each month and not the nature of monthly revenue flow back to the community.

Table 3: Projected Monthly MRDT Revenue Collection in 2015 (Year 1) based on 2009 Monthly Room Revenue (Most Recent Data Available) (Source: 2009 Room Revenue percentages derived from BC Stats' 2009 Room Revenue Data for the City of Nanaimo)													
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Annual
% Room Rev. by Mo. (2009)	5%	7%	7%	7%	10%	10%	10%	14%	10%	7%	8%	5%	100%
Proj. MRDT Rev. by Month	\$ 18,750	\$ 26,250	\$ 26,250	\$ 26,250	\$ 37,500	\$ 37,500	\$ 37,500	\$ 52,500	\$ 37,500	\$ 26,250	\$ 30,000	\$ 18,750	375,000

### 3.5 Tracking and Evaluation

The MRDT spending strategy will be evaluated quarterly by the NHA with the input of the NEDC, using the following performance indicators. These indicators relate directly to the objective identified in Section 3.1 which is to increase overnight tourism visits and improve visitor accommodation occupancy rates.

Table 4: MRDT Spending Strategy Performance Evaluation Indicators		
Indicator	Measurement Frequency	Sources
<b>1: Accommodation occupancy</b>		
Accommodation occupancy rates	Monthly and annual	<ul style="list-style-type: none"> <li>Tourism BC – Tourism Indicators Supplement Tables. See: <a href="http://www.destinationbc.ca/Research/Industry-Performance/Tourism-Indicators.aspx#.UeY2Hin-Uk">http://www.destinationbc.ca/Research/Industry-Performance/Tourism-Indicators.aspx#.UeY2Hin-Uk</a> or,</li> <li>Chemistry Consulting Group Monthly Tourism Bulletin</li> </ul>
<b>2. Accommodation room revenue</b>		
Room revenue	Monthly - but there is typically about a six month time lag with this data (e.g., January data released in July)	<ul style="list-style-type: none"> <li>Room Revenue and Property Count prepared by BC Stats. See: <a href="http://www.bcstats.gov.bc.ca/StatisticsBySubject/BusinessIndustry/Tourism.aspx">http://www.bcstats.gov.bc.ca/StatisticsBySubject/BusinessIndustry/Tourism.aspx</a></li> </ul> <p>At the time of writing, Nanaimo was not included in this dataset. However, the City will be added once the MRDT levy is in place.</p>

## **4.0 Organizational Structure**

### **4.1 Administration of Tax Revenue**

Once the authority to levy the MRDT in the City of Nanaimo has been approved, and qualifying accommodation operators have registered with the Ministry of Finance, the collection of the MRDT will begin. All MRDT revenue collected by City of Nanaimo operators and submitted to the Ministry of Finance will be transferred first to the City and then to the NHA on a monthly basis, less the \$20 per operator administration fee.

The NHA will, in turn, contract with the NEDC to implement the projects to be supported by MRDT funds. These arrangements are outlined in the NHA-NEDC Contract for Services Agreement provided in Appendix C. Under the terms of this agreement, the NEDC will submit invoices to the NHA as key service delivery goals are met. In turn, the NHA will pay these invoices, without charging an administration fee.

A representative(s) of the NHA will meet with the NEDC on a quarterly basis to review the status of Business Plan implementation and the progress achieved relative to performance expectations. On an annual basis, the NHA will review and provide any updates or amendments to the business plan no later than 30 days prior to the end of each contract year. Amendments to the Business Plan will require the support of a simple majority of NHA members. The Business Plan, if amended, would be submitted to the Ministry of Finance as part of the Annual Report and audited financial statements that will be submitted to the Ministry of Finance at the conclusion of each tax year.

### **4.2 Accountability and Control**

The following accountability and control guidelines have been established to ensure that MRDT funds are spent by the NEDC in accordance with the spending strategy outlined in the Business Plan and approved by the NHA:

- The NHA will maintain proper and current financial books and records in accordance with generally accepted accounting principles.
- The NEDC will maintain proper and current financial books and records in accordance with generally accepted accounting principles. The NEDC will maintain the statement of funds related to the NHA MRDT service agreement as an independent cost centre of the NEDC's budget and financial statements. The NEDC has agreed that the NHA may, with reasonable notice, request that the statement of funds for the MRDT service agreement be made available for inspection.

- The City of Nanaimo has entered into a 20-year contract with the NEDC and has also committed to provide annual funding support for NEDC operations of \$1.375 m. for the next five years (of which a share goes to Tourism Nanaimo).
- Within the NEDC, oversight of business plan implementation and the administration of MRDT revenue will be the responsibility of the Tourism Leadership Committee (TLC). At all times, the NHA will have a minimum of three seat(s) on the TLC and one ad hoc seat on the NEDC Board of Directors.
- Prior to the conclusion of the five-year term of this business plan (i.e., 2019/20), the accommodation sector will vote on whether to continue with or discontinue the collection of the MRDT.

## **5.0 Industry Support**

### **5.1 Consultation with Industry**

Tourist accommodation operators in Nanaimo have been discussing the option of implementing the 2% MRDT for a number of years. Interest in implementing the tax grew due to the impact of the global economic slowdown on occupancy rates and room revenue. In 2011, the NHA Board of Directors began actively engaging the industry (tourist accommodation operators) in discussions about the MRDT. A number of meetings were held to discuss options and ideas. In 2012/13, a consultant was engaged to help facilitate discussions with industry and develop this Business Plan.

During the Business Plan development process, the elected NHA Board of Directors led a number of industry consultation initiatives which were largely done through a combination of face-to-face and online discussions. Copies of the online discussions are available upon request by the Ministry. The face-to-face meetings included the following:

- Feb. 24, 2012 – A meeting was held with representatives of the City of Nanaimo, the NHA, the NEDC, and the consulting team to discuss the proposed MRDT administrative model and the proposed Service Agreement between the NHA and the NEDC.
- January 17, 2013 – A meeting was held with representatives of 16 of the 22 eligible properties in Nanaimo to discuss moving forward with the MRDT application. All 16 individuals indicated their support for moving forward.
- February 21, 2013 – A meeting was held between representatives of the City of Nanaimo, the NHA, the NEDC, and the BC Hotel Association to discuss possible formats for the City/NHA/NEDC Service Agreement that will govern the administration of the MRDT revenue. The outcome of this meeting was the development of a Memorandum of Understanding (MOU) which confirmed the willingness of the City of Nanaimo, the NHA and the NEDC to develop a Service Agreement for the administration of the MRDT.
- July 12, 2013 – A meeting of the NHA, attended by 8 representatives, was held to determine the spending strategy outlined in this Business Plan.
- Ongoing informal discussions with accommodators.

## **5.2 Accommodation Sector in Support of the MRDT**

Within the boundaries of the City of Nanaimo, there are 24 tourist accommodation properties that are eligible to collect the MRDT. These properties represent a total of 1322 rooms and are listed in the 'Accommodation Directory' table that starts on the next page.

In order demonstrate that the MRDT is supported by a minimum of 51% of eligible properties representing a minimum of 51% total rooms, Nanaimo requires the support of a minimum of 13 operators representing a minimum of 661 rooms. As shown in the table entitled 'Accommodation Sector in Support of the Hotel Room Tax' which follows the 'Accommodation Directory' table, the application to levy the MRDT in Nanaimo is supported by 17 (71%) operators representing 1045 (79%) of the total rooms. As such, the level of accommodation operator support required has been well exceeded.

Insert *Accommodation Directory* table followed by the *Accommodation Sector in Support of the Hotel Tax* table (latter will need to be scanned as it will include signatures)

## **Appendices**

- A. Municipal Bylaw
- B. Tourism Leadership Committee Terms of Reference
- C. Service Agreements
- D. Nanaimo & Region Tourism Strategy – Executive Summary
- E. NEDC Tourism Development Fund Documentation



## **A. Municipal Bylaw**

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## **B. Tourism Leadership Committee Terms of Reference**

1. The Tourism Leadership Committee (TLC) is a committee of the Board of Directors of the City of Vancouver, established to provide leadership and oversight for the City's tourism strategy and to ensure that the City's tourism strategy is aligned with the City's overall strategic vision and goals.



**Nanaimo Economic Development Corporation  
Tourism Leadership Committee**

**Mandate**

The Tourism Leadership Committee provides strategic recommendations to the Nanaimo Economic Development Corporation Board of Directors regarding tourism strategy, marketing. In addition the Tourism Leadership Committee will provide input/ insight to the NEDC Board regarding infrastructure gaps, product development and regulatory issues with a tourism impact.

**Chair of the Committee Charter  
Roles and Responsibilities**

The Chair is expected to fulfill the duties and responsibilities of a Committee member, and, in conjunction with the NEDC staff, but subject to the control of the Committee, to:

1. Direct the affairs of the Tourism Leadership Committee generally
2. Report annually in writing to the Board of Directors of the Nanaimo Economic Development Corporation on the program and activities of the Tourism Leadership Committee and, following adoption of such report by the Board, forward that report to the shareholders of the Corporation
3. Preside over all meetings of the Committee in an efficient and effective manner, ensuring orderly deliberation and decision-making of the Committee
4. The Chair shall have the right to vote
5. Ensure that the decisions of the Tourism Leadership Committee shall be made by majority vote of those present
6. The Chair shall ensure that the recommendations arising from the Tourism Leadership Committee are reflective of the Tourism sector as an industry and are not directed to the support of any segment, sector and facet of the industry
7. The Chair may designate to another member of the Committee to undertake specific activities and responsibilities delegated by the Chair
8. Act as the Tourism Leadership Committee liaison with Tourism Nanaimo staff, including acting as a sounding board and counsel for, and collaboratively resolving any issues with Tourism Nanaimo staff.

9. Act as the Tourism Leadership Committee liaison with the NEDC Board, including reporting on and communicating all Tourism Leadership Committee deliberations and recommendations, responding to any questions about the Tourism Leadership Committee from the NEDC Board
10. Determine, review and ensure the completeness of Tourism Leadership Committee agendas, minutes and pre-read information in conjunction with the Tourism Nanaimo staff
11. Build Tourism Leadership Committee unity, solidarity and trust;
12. Demonstrate integrity and ethical leadership;
13. Ensure that the Tourism Leadership Committee focuses at a high, strategic level, not delving into operational matters;
14. Coach Committee members, collectively and individually, to ensure full utilization of individual capabilities and optimum performance of the Committee
15. Ensure that the Tourism Leadership Committee members are properly informed on matters of substance;
16. Establish and promote harmonious and effective working relationships within the Tourism Leadership Committee and with stakeholders that might be involved with the Committee
17. Satisfy, from time to time, such other duties and responsibilities as may be assigned by the NEDC Board of Directors; and
18. Conduct one on one dialogue as called for, and at least annually, with all members of the Tourism Leadership Committee to co-ordinate their input, ensure their accountability and provide for the effectiveness of the Committee, including assisting with their orientation to the Committee, relationship as an advisory body to the NEDC, promoting their understanding and development, and providing advice, mentoring, coaching and guidance as called for.

The foregoing list is not exhaustive, and the Chair may, in addition, perform such other functions as may be necessary or appropriate in the circumstances.

Adopted by the NEDC Board March 21, 2013



**TOURISM LEADERSHIP COMMITTEE  
COMMITTEE MEMBER CHARTER  
Roles and Responsibilities**

Each member of the Tourism Leadership Committee covenants with the Nanaimo Economic Development Corporation to:

1. Provide strategic recommendations to the Nanaimo Economic Development Corporation Board of Directors regarding strategies pertaining to the Tourism Industry Sector.
2. Act honestly and in good faith with a view to the best interests of the Tourism Leadership Committee in accordance with the NEDC Conflict of Interest Policy.
3. Exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances
4. Demonstrate integrity and ethical leadership and set a positive example
5. Refrain from either giving or receiving preferential treatment, be it personal, family or related corporate opportunity potentially available due to the position of Committee member or access to confidential information (for example, employment or contractual opportunities, gifts of a material nature
6. Participate actively in meetings of the Committee, read and understand Committee documents and briefing notes prior to meetings and follow up on important matters, participate effectively and constructively in meetings, engage at a high, strategic level, not delve into operational minutiae, and ask questions with an independent mind. Support a policy that being absent from three consecutive meetings would place the committee position in jeopardy and will need to be addressed by the Chair.
7. Suggest additional agenda items as appropriate to the Committee Chair, as well ahead of meetings as possible
8. Participate in ensuring that the Committee clearly communicate expectations to staff, including clarity on information requests and clear direction
9. Work collaboratively and respectfully with other Committee members, members of any interim sub-committees and members of staff
10. Express their opinions, but once Committee recommendations are made, support the decision
11. Participate in any Committee evaluations as applicable
12. Remain properly informed on matters of substance relating to the Tourism Industry
13. Satisfy, from time to time, such other duties and responsibilities as may be assigned by the Committee

Adopted by the NEDC Board March 21, 2013

## C. Service Agreements

...

## **D. Nanaimo & Region Tourism Strategy Executive Summary**

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## **E. NEDC Tourism Development Fund Documentation**

The following three documents are attached:

- Tourism Development Fund Criteria and Overview
- Tourism Development Fund Application
- Tourism Development Fund Business Case Template



Page 110 to/à Page 112

Withheld pursuant to/removed as

s.12;s.13

2014-JUL-29

Destination British Columbia  
Att: Linda Krenz and Peter Harrison  
12<sup>th</sup> Floor, 510 Burrard Street  
Vancouver, BC V6C 3A8

Dear Ms. Krenz and Mr. Harrison:

**Re: City of Nanaimo Business Plan - Hotel Room Tax**

Enclosed is the Business Plan in support of the City of Nanaimo application to implement a 2 percent Municipal and Regional District Hotel Room Tax (MRDT) within the City boundaries for a five-year period commencing January 1<sup>st</sup>, 2015.

The main goal of the MRDT is to increase overnight visitor stays in Nanaimo and Region. Projected annual revenues of between \$375,000 and \$405,000 from the proposed tax will support the following Nanaimo & Region Tourism Strategy initiatives:

- Creation of new or enhanced multi-day festivals and events to be held in the spring and fall;
- Working with the Snuneymuxw First Nation to support their plans to enhance the cultural and educational experience, tourism appeal and product potential of Newcastle Island; and,
- Marketing activities specifically in support of the previous initiatives.

This plan has been developed in consultation and with the support of the Snuneymuxw First Nation.

Over 70 percent of accommodation operators in the City of Nanaimo support both the MRDT proposal and the MRDT revenue spending strategy set out in the business plan. 17 of 24 eligible properties in the City have provided written confirmation that they support the MRDT and the accompanying revenue spending strategy. Two properties are not in favour of the implementation and five have chosen not to reply.

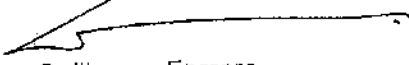
At the Meeting held 2014-APR-28, Council voted unanimously to adopt "Accommodation Tax Request Bylaw 2014 No. 7189."

The MRDT administration model proposed in the Business Plan will leverage the expertise of the groups involved in the process.

MRDT revenue will be submitted to the Ministry of Finance by the Nanaimo accommodation operators, then flow to the City of Nanaimo and finally the Nanaimo Hospitality Association (NHA), who will administer the MRDT revenue and direct how it is spent. NHA will contract with Nanaimo Economic Development Corporation (NEDC) to implement the funded initiatives.

The working relationships between the City and NHA and the NHA and NEDC are detailed in two Service Agreements in the Business Plan creating a strong, accountable process.

Yours truly



Guillermo Ferrero  
Director, IT and Legislative Services

encl.

**Foy, Anne FIN:EX**

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**From:** Foy, Anne FIN:EX  
**Sent:** Tuesday, August 26, 2014 12:52 PM  
**To:** Krenz, Linda DBC:EX  
**Cc:** Harrison, Peter DBC:EX  
**Subject:** RE: New MRDT Application - City of Nanaimo

Sounds good.

One clarification –

s.13

As the MRDT funds are to be incremental to other revenue , they may be better off to use that other revenue for such a study.

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

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**From:** Krenz, Linda DBC:EX  
**Sent:** Tuesday, August 26, 2014 12:38 PM  
**To:** Foy, Anne FIN:EX  
**Cc:** Harrison, Peter DBC:EX  
**Subject:** New MRDT Application - City of Nanaimo

Hi Anne,

Thank you for the information you provided in our telephone conversation on Friday, re: new MRDT application for the City of Nanaimo. Pete and I spoke to Guillermo Ferrero, Director of IT & Legislative Services, City of Nanaimo this morning to discuss the following information you provided to me on our call:

• s.13

•  
•

Guillermo will be providing this information to the City of Nanaimo's partner organizations, and will get back to us in the next few days. If Guillermo requests further details around the approval process and regulations for the MRDT application, we are hoping you can join a call to further discuss the application. I will be in touch.

**Linda Krenz**

Sport Tourism Coordinator, Community Partnerships

**Destination British Columbia**

12th Floor, 510 Burrard Street

Vancouver, British Columbia

Canada V6C 3A8

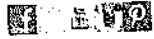
T 604.660.6391

F 604.660.3383

E [Linda.Krenz@DestinationBC.ca](mailto:Linda.Krenz@DestinationBC.ca)

Consumer [HelloBC.com](http://HelloBC.com)

Corporate [DestinationBC.ca](http://DestinationBC.ca)



**Foy, Anne FIN:EX**

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**From:** Foy, Anne FIN:EX  
**Sent:** Friday, August 22, 2014 1:27 PM  
**To:** Krenz, Linda DBC:EX  
**Subject:** RE: Nanaimo MRDT Application

I have time this afternoon.

Would it be useful to send me the application so I have the documents for our discussion?

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

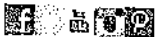
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**From:** Krenz, Linda DBC:EX  
**Sent:** Friday, August 22, 2014 1:25 PM  
**To:** Foy, Anne FIN:EX  
**Subject:** Nanaimo MRDT Application

Hi Anne,

After reviewing the MRDT application for Nanaimo, I have a few questions. I'd like to give you a call to discuss if you have some time available this afternoon.

**Linda Krenz**  
Sport Tourism Coordinator, Community Partnerships  
**Destination British Columbia**  
12th Floor, 510 Burrard Street  
Vancouver, British Columbia  
Canada V6C 3A8  
T 604.660.6391  
F 604.660.3383  
E [Linda.Krenz@DestinationBC.ca](mailto:Linda.Krenz@DestinationBC.ca)  
Consumer [HelloBC.com](http://HelloBC.com)  
Corporate [DestinationBC.ca](http://DestinationBC.ca)



**Foy, Anne FIN:EX**

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**From:** Foy, Anne FIN:EX  
**Sent:** Wednesday, July 30, 2014 3:46 PM  
**To:** Harrison, Peter DBC:EX; Krenz, Linda DBC:EX  
**Cc:** Rowe, Katherine JTST:EX  
**Subject:** RE: Nanaimo's Accommodation Tax Application

s.13

We absolutely agree with extending the time required for applications.

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

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**From:** Harrison, Peter DBC:EX  
**Sent:** Wednesday, July 30, 2014 3:16 PM  
**To:** Foy, Anne FIN:EX; Krenz, Linda DBC:EX  
**Cc:** Rowe, Katherine JTST:EX  
**Subject:** RE: Nanaimo's Accommodation Tax Application

s.12,s.13

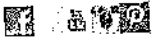
Thanks

s.22

As an aside you will have noted on the proposed guideline changes we extended the time required for applications to be submitted to us.

Cheers  
Peter

**Peter J. Harrison**  
Director, Partnership Marketing  
**Destination British Columbia**  
3rd Floor, 1803 Douglas Street  
Victoria, British Columbia  
Canada V8T 5C3  
T 250.387.8578  
F 250.356.8246  
E [Peter.Harrison@DestinationBC.ca](mailto:Peter.Harrison@DestinationBC.ca)  
Consumer [HelloBC.com](http://HelloBC.com)  
Corporate [DestinationBC.ca](http://DestinationBC.ca)



**From:** Foy, Anne FIN:EX  
**Sent:** Wednesday, July 30, 2014 3:02 PM  
**To:** Krenz, Linda DBC:EX  
**Cc:** Harrison, Peter DBC:EX  
**Subject:** RE: Nanaimo's Accommodation Tax Application

We are not able to proceed with the application until DBC or JTSI has approved the business plan.

s.13

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

**From:** Krenz, Linda DBC:EX  
**Sent:** Wednesday, July 30, 2014 2:37 PM  
**To:** Foy, Anne FIN:EX  
**Cc:** Harrison, Peter DBC:EX  
**Subject:** RE: Nanaimo's Accommodation Tax Application

Hi Anne,

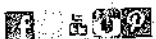
s.22

With the City of Nanaimo's new MRDT application and their request for a January 1, 2015 implementation date, can you please confirm that enough time will be available on your end to process the application if you receive our review at the end of August? This is a complex application and we do not want to rush our review, but we also wish to accommodate the City of Nanaimo's request for a January 1, 2015 implementation date.

Please let me know if receiving the application at the end of August will work at your end.

Thank you.

**Linda Krenz**  
Sport Tourism Coordinator, Community Partnerships  
**Destination British Columbia**  
12th Floor, 510 Burrard Street  
Vancouver, British Columbia  
Canada V6C 3A8  
T 604.660.6391  
F 604.660.3383  
E [Linda.Krenz@DestinationBC.ca](mailto:Linda.Krenz@DestinationBC.ca)  
Consumer [HelloBC.com](http://HelloBC.com)  
Corporate [DestinationBC.ca](http://DestinationBC.ca)





**From:** Foy, Anne FIN:EX  
**Sent:** Wednesday, July 30, 2014 1:56 PM  
**To:** Krenz, Linda DBC:EX  
**Subject:** RE: Nanaimo's Accommodation Tax Application

Hi Linda,

I assume you are going to complete your standard review and provide confirmation as to whether or not DBC approves of the business plan

If there are proposals for capital spending please identify them individually as they will need to be separately articulated as authorized uses of revenue should Cabinet approve the application.

Thanks

Anne Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

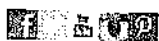
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**From:** Harrison, Peter DBC:EX  
**Sent:** Wednesday, July 30, 2014 12:24 PM  
**To:** Foy, Anne FIN:EX; Rowe, Katherine JTST:EX; Moorhouse, Tara JTST:EX  
**Cc:** Krenz, Linda DBC:EX  
**Subject:** FW: Nanaimo's Accommodation Tax Application

Hi just as a heads up the expected Nanaimo application just arrived. According to what I read in the news clippings I think this one will contain capital.

Cheers Peter

**Peter J. Harrison**  
Director, Partnership Marketing  
**Destination British Columbia**  
3rd Floor, 1803 Douglas Street  
Victoria, British Columbia  
Canada V8T 5C3  
T 250.387.8578  
F 250.356.8246  
E [Peter.Harrison@DestinationBC.ca](mailto:Peter.Harrison@DestinationBC.ca)  
Consumer [HelloBC.com](http://HelloBC.com)  
Corporate [DestinationBC.ca](http://DestinationBC.ca)



---

**From:** Guillermo Ferrero [<mailto:Guillermo.Ferrero@nanaimo.ca>]  
**Sent:** Wednesday, July 30, 2014 12:19 PM  
**To:** Community Partnerships DBC:EX; Krenz, Linda DBC:EX; Harrison, Peter DBC:EX  
**Cc:** 'Dan Brady'  
**Subject:** Nanaimo's Accommodation Tax Application

Hello Linda and Peter,

Please see attached application for you review. Also the business case references 2014 events; all of these references are now carry forward to 2015 as we are hoping a January 1<sup>st</sup> 2015 start date after your consideration.

Thank you very much and please don't hesitate to contact us for any questions.

Guillermo

■■■■■

**Guillermo Ferrero**

Director of IT & Legislative Services

**City of Nanaimo**

email: [guillermo.ferrero@nanaimo.ca](mailto:guillermo.ferrero@nanaimo.ca)

Tele: 250.755.4423

Cell: 250.802.2643

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# **City of Nanaimo Business Plan and Application for the Municipal and Regional District Hotel Room Tax**

July 1, 2014



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## Executive Summary

This Business Plan is being submitted to the Ministry of Jobs, Tourism and Skills Training and the Ministry of Finance in support of the City of Nanaimo's application for approval to implement the 2% Municipal and Regional District Hotel Room Tax (MRDT) in Nanaimo for a five-year period beginning January 1, 2015.

Under the MRDT administration model proposed in this Business Plan, MRDT revenue submitted to the Ministry of Finance by Nanaimo accommodation operators will flow first to the City of Nanaimo and then to the Nanaimo Hospitality Association (NHA) which will have responsibility for administering MRDT revenue and directing how this revenue is spent. In turn, the NHA will contract with the Nanaimo Economic Development Corporation (NEDC) to implement funded initiatives.

The working relationship between the City and the NHA, and between the NHA and the NEDC, are detailed in two Service Agreements (see copies in Appendix C). Additionally, the City of Nanaimo has passed a bylaw requesting that the Province of BC levy the tax on its behalf (see copy in Appendix A) and has consulted with the Regional District of Nanaimo (RDN) which has indicated that it supports the City of Nanaimo's MRDT application.

The City of Nanaimo, the NHA and the NEDC are in agreement that the MRDT will support the growth of Nanaimo's tourism industry by providing the financial resources needed to help enhance the destination and cultural tourism appeal of the community. The total funding that will be available for tourism initiatives in Nanaimo is projected to increase from \$1.19 million in 2014/15 to \$1.25 million in 2018/19. These totals reflect projected annual MRDT revenue of between \$375,000 and \$405,000, plus projected revenues from other sources of between \$820,000 and \$850,000.

MRDT funds will be used to support the initiatives that were identified in the recently completed *Nanaimo & Region Tourism Strategy* (a copy of the Executive Summary is provided in Appendix D). These initiatives, which complement existing and emerging tourism activities in the community and which are intended to help increase Nanaimo's destination appeal and differentiate it from other provincial coastal communities, include:

- Creation of new or enhanced multi-day festivals/events to be held in the spring and fall;
- Working with the Snuneymuxw First Nation to support their plans to enhance the cultural and educational experience, tourism appeal and product potential of

Newcastle Island (traditionally known as Saysutshun by the Snuneymuxw people);  
and,

- Marketing activities specifically in support of the previous initiatives.

The above initiatives will contribute to the achievement of the following outputs and benefits for Nanaimo:

- Providing more activities for visitors which will enhance the destination appeal of the community;
- As the destination appeal of the community is enhanced, visitor nights will increase; and,
- As visitor nights increase, visitor spending that benefits all sub-sectors of the tourism industry will also increase.

The primary measure that will be used to evaluate the success of the MRDT revenue spending program in Nanaimo will be:

- **Increased overnight visitor stays as measured by improved hotel/motel occupancy rates.**

Both the proposal to levy the MRDT, as well as the MRDT revenue spending strategy presented in this Business Plan, have the support of the majority of accommodation operators in the City of Nanaimo. Of the 24 eligible properties in the City, 17 have provided written confirmation that they support implementation of the MRDT and the proposed MRDT revenue spending strategy. Two properties have declared that they are against the implementation of the tax and five properties have chosen to not reply and/or respond offers to meet and discuss the attached Business Plan. This means that over 70% of the accommodation properties are in favour of the implementation of the MRDT.

## **1.0 About the Applicant**

### **1.1 City of Nanaimo**

This Business Plan and Application for the Municipal and Regional District Hotel Room Tax is being submitted by the City of Nanaimo with the support of the Nanaimo Hospitality Association (NHA) and the Nanaimo Economic Development Association (NEDC). The City adopted a bylaw on 2014-MAY-12 requesting the province to levy the tax on its behalf. A copy of this bylaw is attached in Appendix A.

### **1.2 Partner Agencies (NHA and NEDC)**

#### ***Nanaimo Hospitality Association***

The Nanaimo Hospitality Association is a non-profit society registered with the BC Corporate Registry. It was established on June 1, 2011 and has an eight-person Board of Directors comprised of a President, Secretary, Treasurer and five directors at large. All 24 tourism accommodators located within the boundaries of the City of Nanaimo are members of the NHA. The key purposes of the NHA, as set out in its constitution, are to:

- Promote economic development for the City of Nanaimo;
- Promote the City of Nanaimo as a tourism and business destination and support activities which also promote the Nanaimo Region;
- Promote goodwill amongst members, the public, government agencies and the media;
- Represent its members in matters of public importance, including any proposed legislation or regulations affecting the hospitality industry; and,
- Advance and promote learning, education, training and professionalism in the hospitality industry.

#### ***Nanaimo Economic Development Corporation***

Historically, responsibility for tourism in the City of Nanaimo fell to Tourism Nanaimo (the Destination Marketing Organization for the City). However, in 2011, Tourism Nanaimo was disbanded and on June 23, 2011 the Nanaimo Economic Development Corporation was established by the City of Nanaimo as an arms-length corporation. According to the NEDC's Articles of Incorporation (Section 1.3):

\*to be determined



*The purposes of the Company include delivery of economic development services and land development to further an economic development initiative including the carrying on of activities, directly and indirectly, for the purpose of preserving and enhancing economic development in the City, including, without limiting the generality of the foregoing, marketing the City, providing marketing support and management services to entities involved in the marketing and promotion of the City, business attraction, business retention, community enhancement, making business investments, developing and implementing programs to promote local interests and attractions, tourism, film, and advocating for policies that promote economic growth, providing programs and incentives to businesses, collaborating with other municipalities, regional districts, government agencies and private sector entities in cooperative efforts to enhance economic development, and the ownership and operation of land and assets for the provision of such services, and all activities and undertakings ancillary thereto.*

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The NEDC has a Board of Directors comprised of individuals who are appointed by Nanaimo City Council. The Board of Directors can appoint an Executive Committee and 'other committees as they see fit'. Of relevance to this Business Plan is the NEDC's Tourism Leadership Committee which is discussed in more detail below.

In addition to serving the economic development interests of the City of Nanaimo, the NEDC has entered into a ten-year agreement with the Regional District of Nanaimo (RDN) to promote economic development opportunities for the area that encompasses Electoral Areas A (Cedar), B (Gabriola Island), part of C (west of Lantzville), the District of Lantzville and the City of Nanaimo.

With the establishment of the NEDC, the City of Nanaimo effectively removed itself from any direct role in tourism and City funds that were previously allocated to Tourism Nanaimo for tourism marketing are now being allocated to the NEDC. This streamlined organizational structure reflects the synergies between economic development and tourism and aims to ensure a coordinated approach to related planning and marketing activities.

As referenced earlier, the tourism activities of the NEDC are guided by the NEDC Tourism Leadership Committee (TLC) which is comprised of 14 individuals who were selected through a formal process based on consideration of their relevant skills and tourism experience. According to the TLC's Terms of Reference, their mandate is to provide strategic recommendations to the NEDC's Board of Directors regarding tourism strategy and marketing. In addition the TLC provides input/insight to the NEDC Board regarding infrastructure gaps, product development and regulatory issues with a tourism impact. The full terms of reference for the TLC are attached in Appendix B.

### **Agreement Among Partner Agencies**

The City of Nanaimo, the NHA and the NEDC are in agreement that having access to MRDT revenue will provide the financial resources needed to help enhance the destination appeal of the community and, in turn, improve hotel/motel occupancy rates. Based on discussions between these three organizations, it has been agreed that the most effective administrative model for the MRDT in Nanaimo is as follows:

- The City of Nanaimo will apply to the Provincial Government for the authority to levy the tax;
- The City will enter into a Service Agreement with the NHA to administer MRDT revenue on its behalf and in accordance with this Business Plan; and
- The NHA will enter into a Contract for Services Agreement with the NEDC which will undertake the initiatives to be funded by MRDT revenue.

Copies of the two signed Service Agreements referenced above are provided in Appendix C.

For more information on the relationship between the NHA and the NEDC, see Section 2.2 of this Business Plan.

### **1.3 Request for Implementation of MRDT**

The City of Nanaimo is requesting that the Province of British Columbia (Ministry of Jobs, Tourism and Skills Training and Ministry of Finance) authorize the implementation of the MRDT as follows:

<b>Implementation Area:</b>	City of Nanaimo
<b>Implementation Date:</b>	2015-JAN-01
<b>Plan Period:</b>	2015-JAN-01- 2019-DEC-31

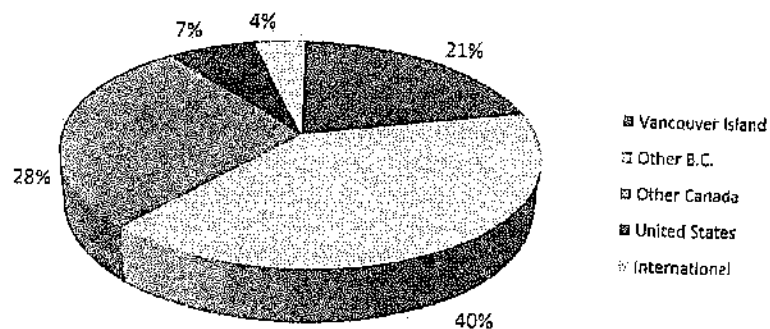
## 2.0 Overview of Nanaimo's Tourism Industry

### 2.1 Industry Profile

Currently, many visitors who come to Nanaimo on a pleasure trip are en-route elsewhere. Those visitors who opt to stay overnight in the community come to visit family and friends, attend special events, and participate in various activities. Over the last few years, various initiatives have been implemented to improve Nanaimo's tourism infrastructure and to attract more visitors including, for example, the opening of the cruise ship facility, the development of the Waterfront Walkway, the establishment of the Nanaimo Downtown Farmers' Market, the construction of the conference centre, and the upgrading of the Nanaimo Airport. These initiatives have been complemented by a range of marketing activities.

According to the most recent available visitor profile information<sup>1</sup>, 21% of visitors to Nanaimo are from Vancouver Island, 40% are from other areas of B.C., 28% are from other areas of Canada, 7% are from the U.S. and 4% are from other countries.

Figure 1: Origin of Visitors to Vancouver Island  
(Source: VIU Nanaimo Visitor Profile, Summer 2013)



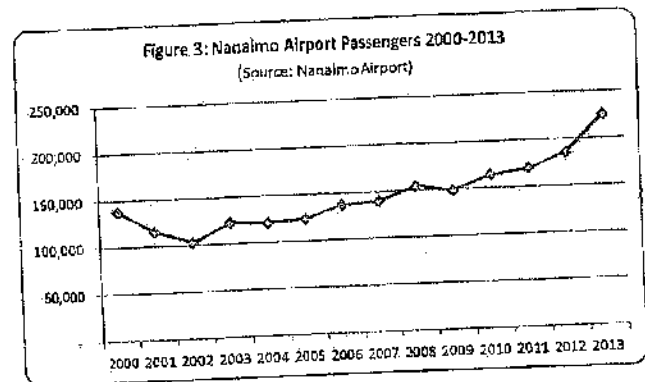
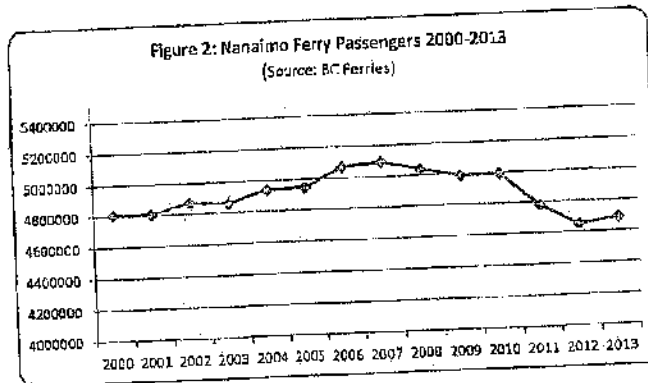
In terms of visitor age, 14% of visitors to Nanaimo are under the age of 19, while 9% are 20 to 29, 10% are 30 to 39, 14% are 40 to 49, 26% are 50 to 59, 21% are 60 to 69 and 6% are 70 and older.

The top five trip activities that were cited by surveyed visitors to Nanaimo included shopping (70%), beach activities (35%), hiking (32%), other (24%), and attending festivals and events (22%). Of visitors surveyed, 87% were on a leisure trip while 3% were on a business trip and 11% were visiting for a combination of business and leisure.

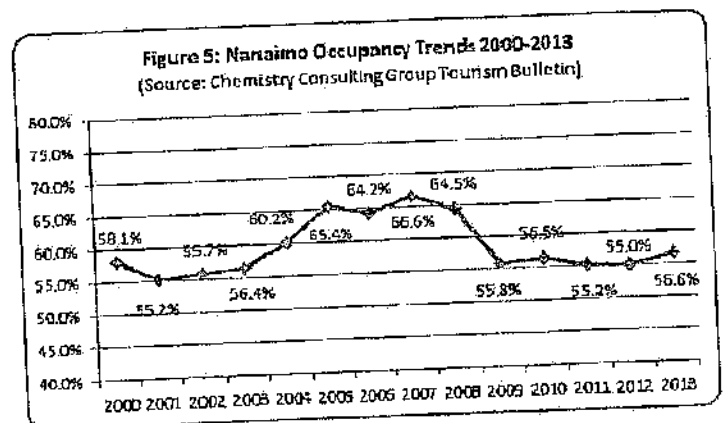
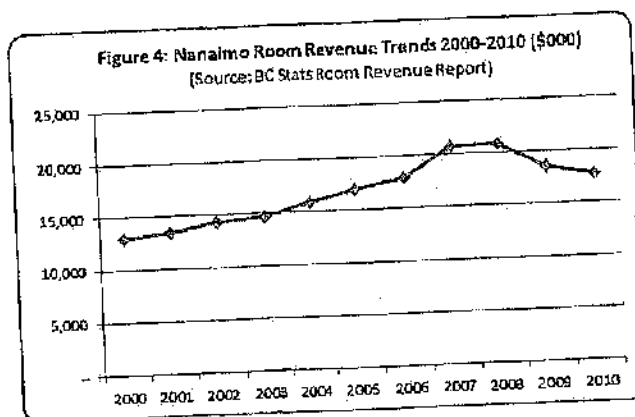
The great majority of visitors to Nanaimo arrive by vehicle and/or ferry. While the number of ferry passengers has generally been declining over the last few years, the number of passengers arriving by air, many of whom are returning residents, has

<sup>1</sup> Vancouver Island University. *Visitor Profile - Nanaimo (Summer 2013)*.

been increasing (see following charts). Additionally, starting in 2011, the City began hosting cruise ship visitors.



Despite the various tourism-related initiatives which have recently occurred in Nanaimo, hotel/motel occupancy and room revenue trends indicate that the city's tourism sector has been struggling. For example, between 2007 (the year prior to the global financial crisis) and 2010<sup>2</sup>, Nanaimo's hotel/motel room revenue dropped by 15%. By comparison, room revenue for the province as a whole dropped by only 0.4% during this same period. This decline in Nanaimo's room revenue is linked to declines in average annual occupancy rates which dropped from 66.6% in 2007 to 55.0% in 2012 (the lowest rate achieved in the last decade) before increasing somewhat in 2013.

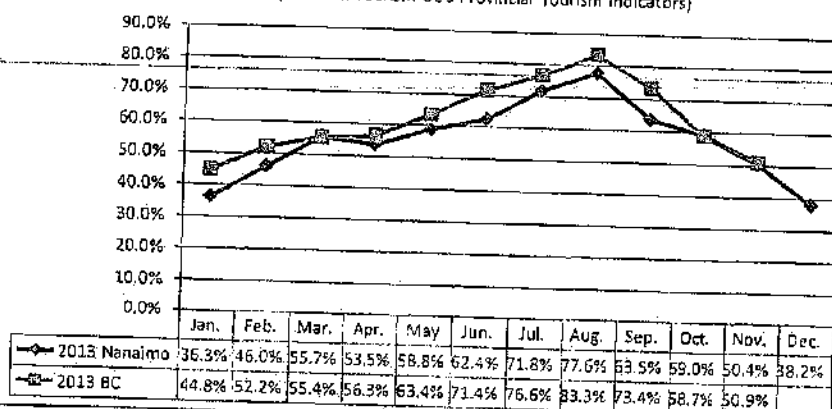


Like other communities in B.C., tourism activity in Nanaimo is very seasonal. In 2013, August was the busiest month, followed by July, September and June. In the other months, hotel/motel occupancy ranged from 36% to 59% (see graph on the next page). When compared with B.C. as a whole, Nanaimo's average monthly occupancy rate is generally lower than the provincial average. For 2013 as a whole, Nanaimo's average occupancy was 56.6% which is almost 3 percentage points below the

<sup>2</sup> 2011 and 2012 Room Revenue data for Nanaimo is not available from BC Stats.

estimated 2013 B.C. average of 59.6% (December 2013 data for BC was not available at the time of writing).

Figure 6: Comparison of Nanaimo & B.C. Monthly Occupancy Rates (2013)  
(Source: Nanaimo data is from Chemistry Consulting Group Tourism Bulletin; BC data is from PKF as reported in Tourism BC's Provincial Tourism Indicators)



In addition to the impact of the last several years of weak economic conditions on the performance of Nanaimo's tourism industry, the community also faces strong competition for visitors from other areas of Vancouver Island that are perceived to have more appealing tourist amenities. However, it is believed that Nanaimo has much

unrealized tourism potential. A key step towards realizing this potential requires improving the city's destination appeal by providing more tourism products for visitors.

In order to help determine the most appropriate initiatives for enhancing the destination appeal of the Nanaimo area, the Tourism Leadership Committee of the Nanaimo Economic Development Corporation recently (January 2013) completed a comprehensive tourism strategy (see Appendix D for a copy of the *Nanaimo & Region Tourism Strategy Executive Summary*). Preparing this strategy involved conducting a tourism strengths, weaknesses, opportunities and threats (SWOT) assessment, preparing a detailed tourism situation analysis, determining the region's tourism vision and goals, and implementing a public consultation and communication process (e.g., e-survey, interviews, open houses). The tourism vision and goals for Nanaimo that were identified through the strategic planning process are as follows:

**Vision:** Our vision is that Nanaimo & Region is Vancouver Island's gathering place, the destination of choice for visitors to enjoy a uniquely west coast experience year-round.

- **Goal 1 - Product Development:** To support thoughtfully developed visitor services, transportation, infrastructure, attractions and festivals and events.
- **Goal 2 - Industry Partnerships:** To be the catalyst for collaboration between industry stakeholders and other community organizations to foster new partnerships and leverage investment in the tourism sector.

- **Goal 3 - Marketing & Public Relations:** To increase awareness of Nanaimo & Region's tourism assets and increase the contribution of tourism to the region's economy.
- **Goal 4 - Community Pride:** To increase community pride in the region and its tourism assets.
- **Goal 5 - Accountability:** To monitor key tourism indicators and communicate indicator information to industry stakeholders and the community.

Based on the above vision and goals, the *Nanaimo & Region Tourism Strategy* identifies a number of key strategies and associated action plans aimed at increasing Nanaimo's tourism appeal and the contribution that tourism makes to the Nanaimo area economy. In support of *Goal 1 - Product Development*, the first two strategic initiatives identified in the Tourism Strategy are:

- Actively encourage/support (shoulder and off-season) festivals and events; and,
- Develop new or augmented tourism attractions.

Obtaining financial resources to help support these two strategic product development initiatives is the primary driver behind this application by the City of Nanaimo to the Provincial Government requesting approval to levy the MRDT.

## 2.2 Relationship of Tourism Organizations

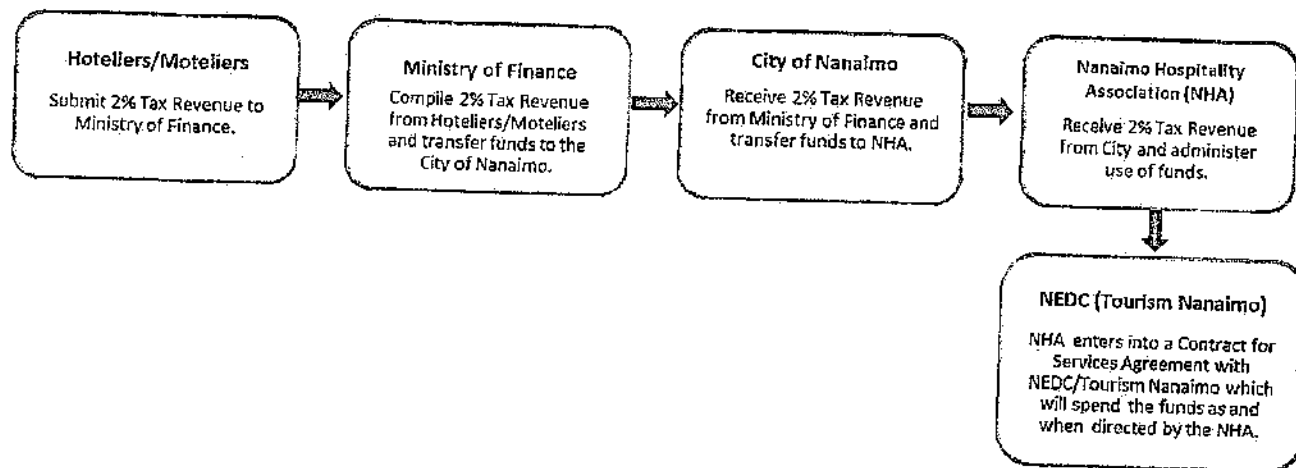
As noted in Section 1, there are two key organizations in the City of Nanaimo that represent the interests of the tourism industry. These organizations are the Society of the Nanaimo Hospitality Association and the Nanaimo Economic Development Corporation. As referenced earlier, the NHA is a not-for-profit incorporated society that represents the interests of the City's tourism accommodation operators, while the NEDC is an arms-length corporation established to provide coordinated economic development services on behalf of the City of Nanaimo, Electoral Areas A (Cedar), B (Gabriola Island), part of C (west of Lantzville), and the District of Lantzville.

Prior to the establishment of the NEDC, economic development was a City department. The functions of both Tourism Nanaimo (previously a stand-alone tourism destination marketing organization) and Destination Nanaimo (previously the marketing arm of the City's economic development office), are now the responsibility of the tourism division of NEDC which has kept the name Tourism Nanaimo. Tourism Nanaimo is the tourism destination marketing organization for the City and region of Nanaimo and is a member of the B.C. Visitor Centre Network administered by Tourism B.C. The tourism activities of the NEDC are guided by the Tourism Leadership Committee (TLC) which was introduced in Section 1.

The City of Nanaimo, the NHA and the NEDC have worked together to move the MRDT process forward and it has been agreed that MRDT funds will flow from the Province to the City of Nanaimo and then to the NHA. In turn, the NHA will administer MRDT revenue and will contract with the NEDC to implement spending activities in accordance with this Business Plan. The City of Nanaimo (under a 20-year agreement) will provide annual funding to the NEDC to support fulfillment of its economic development and tourism mandate.

The proposed process for administering MRDT revenue in Nanaimo is summarized in the following flow diagram.

**Figure 7: Proposed MRDT Revenue Flow in Nanaimo**



### 2.3 Opportunity to Build Tourism

MRDT revenue will support the growth of Nanaimo's tourism industry by providing the financial resources needed to enhance the destination appeal of the community and provide visitors with more reasons to come to, and stay in, Nanaimo. Increased visitation will improve hotel/motel occupancy (which is the primary objective of both the community's Tourism Strategy and this Business Plan) and increase spending in restaurants, retail outlets and transportation services. In turn, increased tourism spending will contribute to the overall sustainability of Nanaimo's economy by providing more jobs and generating more tax revenue. Aside from these positive economic impacts, the enhancement of the visitor destination appeal of Nanaimo will also enhance resident quality of life.

### 3.0 MRDT Revenue Strategy

#### 3.1 MRDT Outcome Objective

In general terms, the overall goal of the City of Nanaimo, the NHA and the NEDC with regard to the use of MRDT revenue is to improve the destination appeal of Nanaimo and the viability of the community's tourism sector. More specifically, it is intended that MRDT revenue will be used to support specific tourism product development initiatives (see Section 3.3) that will contribute to the achievement of the following outcome objective:

- **Increased overnight tourism visits and improved hotel/motel occupancy rates.**

The above objective will serve as the basis against which the outcome of the MRDT spending strategy will be evaluated (see Section 3.5).

#### 3.2 Estimated MRDT Revenue

Based on historical room revenue data for the City of Nanaimo, and as illustrated in the following table, the estimated revenue that would be generated by the MRDT is between \$375,000 and \$400,000 per year in the initial years of the tax (less the Provincial Government's administration fee of \$20 per operator per month). As tourism activity increases, it is expected that MRDT revenue will also increase. These revenue flow assumptions are reflected in the MRDT funding and expense projections presented in later Section 3.4.

Table 1: City of Nanaimo - Potential MRDT Revenue Based on Historical Room Revenue					
Revenue	2006	2007	2008	2009	2010
Total Room Rev.	\$ 17,906,000	\$ 20,697,000	\$ 20,909,000	\$ 18,590,000	\$ 17,683,000
Est. Rev. with 2% MRDT	\$ 358,120	\$ 413,940	\$ 418,180	\$ 371,800	\$ 353,660
Less \$240/operator annual admin. Fee*	\$ 5,760	\$ 6,000	\$ 6,480	\$ 6,480	\$ 6,240
Est. net MRDT Rev.	\$ 352,360	\$ 407,940	\$ 411,700	\$ 365,320	\$ 347,420
* Note that according to the BC Stats Room Revenue Report, the number of properties in the City of Nanaimo subject to room tax was 24 in 2006, 25 in 2007, 27 in 2008 and 2009, and 26 in 2010.					
Source: Historical Room Revenue from BC Stats Room Revenue Report					



### 3.3 Spending Strategy

In order to determine the specific initiatives to be funded by MRDT revenue, the Applicants reviewed the range of tourism product development priorities identified in the *Nanaimo & Region Tourism Strategy* with a view to focusing on a couple of key initiatives that both complement community and regional tourism activities and are most likely to help achieve the community's MRDT outcome objective of increasing hotel/motel occupancy rates, especially in the short to medium term. Through this process it was determined that MRDT revenue would best be spent in support of the development and marketing of two product development initiatives – new or enhanced festivals and events and enhancement of the tourism appeal and product potential Newcastle Island (Saysutshun).

The proposed allocation of MRDT revenue for these product development initiatives is as follows:

- 35% of MRDT Revenue (estimated at \$131,000 in year 1): To be used to assist with the creation of new and/or enhanced multi-day festivals/events held in the spring and fall;
- 45% of MRDT Revenue (estimated at \$169,000 in year 1): To be used to support Snuneymuxw First Nation's plans to enhance the cultural and educational experience, tourism appeal and product potential of Newcastle Island (Saysutshun); and,
- 20% of MRDT Revenue (estimated at \$75,000 in year 1): To be used for marketing activities specifically in support of the previous two initiatives.

Implementation plans for these initiatives are provided starting on the next page.

## Initiative 1

Initiative 1	New or enhanced multi-day, shoulder-season festivals/events
<b>Rationale</b>	<p>Festivals and events have been identified as a key tourism opportunity for the Nanaimo area. Currently, most of the region's key festivals are grouped together in June and July. However, limited tourism-oriented festivals and events are held during the shoulder seasons. Festivals and events (sport, art, culture, recreation, etc.) have been proven to be an effective way of attracting visitors (new and return) to, and creating a 'buzz' about, a community. As a result, establishing new or enhanced multi-day festivals and events for Nanaimo is seen as an excellent opportunity for augmenting the City's destination appeal and helping the community achieve its goal increasing overnight visitation and occupancy outside of the high (summer) season.</p>
<b>Link to tourism goals</b>	<p>This initiative supports three of the region's identified tourism goals, including:</p> <ol style="list-style-type: none"> <li>1. Product development – will add new reasons for visitors to come to the community and stay longer.</li> <li>2. Industry partnerships – festivals/events will be developed in partnership with local organizations.</li> <li>3. Community pride – residents will benefit from the positive profile and additional business and entertainment opportunities resulting new festivals and events.</li> </ol>
<b>Key activities</b>	<ul style="list-style-type: none"> <li>• In support of this initiative, the applicants are proposing to use MRDT revenue to help finance the establishment of new and/or enhanced festivals. In anticipation of the availability of MRDT funding for this purpose, the decision has been made to use a similar application process and criteria for MRDT funding as is used by the NEDC and the TLC for the NEDC's Tourism Development Fund. These funding criteria include consideration of:                         <ul style="list-style-type: none"> <li>◦ Alignment with the goals of the Nanaimo &amp; Region Tourism Strategy;</li> <li>◦ Impact on overnight stays (by season);</li> <li>◦ Demonstrated community support, a community champion, and track record; and,</li> <li>◦ Number of tourism sectors supported/developed.</li> </ul> </li> </ul>

Initiative 1	New or enhanced multi-day, shoulder-season festivals/events
	<p>Please see Appendix E for more detailed information on the NEDC's Tourism Development Fund application process and funding criteria (note that these documents apply to a range of tourism development initiatives including Festivals and Events and Tourism Developments).</p> <ul style="list-style-type: none"> <li>Nanaimo has numerous active, locally-based, not-for-profit sporting, artistic and cultural organizations and many talented individuals who can make a valuable contribution to the development of new or enhanced festivals and events. These organizations will be contacted and advised of the availability of festival/event development funds and funding criteria, and invited to submit a festival/event proposal and funding application.</li> <li>Festival/event proposals and funding applications will initially be reviewed by the TLC relative to the established funding criteria. Applications which meet these criteria will be forwarded to the NHA for final decision. Additionally, the NHA will look to the TLC to identify potential festival/event opportunities.</li> <li>The Applicants will provide marketing support to the funded festivals/events. In terms of marketing, a portion of the MRDT funds allocated for marketing (i.e., 20% of total MRDT revenue) will be used to help fund marketing activities specifically related to the new or enhanced festivals/events that receive MRDT funding.</li> </ul>
Target dates	<ul style="list-style-type: none"> <li><b>Spring 2014 est.:</b> Formal notice of the festival and events funding and application guidelines will be sent to community sporting, artistic and cultural organizations once it has been confirmed that Nanaimo's MRDT application has been approved by the Provincial Government.</li> <li><b>Summer 2014:</b> Organizations will be invited to submit a festival/event proposal and funding application for either a spring or fall tourism-oriented festival/event. From the time this invitation is issued, organizations will be given approximately one month to submit a proposal and funding application.</li> <li><b>Within 2 weeks of application closing dates:</b> Applications will initially be received by the NEDC and reviewed by the TLC relative to the established funding guidelines with shortlisted applications (those who meet funding criteria) being forwarded to the NHA for a final decision which will be made within 2 weeks.</li> <li><b>Fall 2014:</b> The goal is to have a new festival/event scheduled for both fall 2014 and spring of 2015 by early fall 2014 so as to ensure adequate</li> </ul>

Initiative 1	New or enhanced multi-day, shoulder-season festivals/events
	<p>marketing lead-time.</p> <p>The above timeline may need to be adjusted depending on the actual date of the Provincial Government's decision regarding Nanaimo's MRDT application.</p>
<b>Funding Requirements</b>	<ul style="list-style-type: none"> <li>• The full funding requirements of the new or enhanced festivals/events will be identified by the proponent organizations as part of their proposal and application. Although an exception could be made, the maximum funding support available to each new or enhanced festival from MRDT revenue will not exceed 50% of the total funding requirements (see also next bullet).</li> <li>• As noted earlier, a total of 35% of MRDT revenue will be allocated for use in support of festivals/events (not including the marketing of these events – see next bullet). At this stage, it is estimated this will amount to a total of about \$131,000 in year one. Assuming 10% is kept in reserve leaves about \$118,000 for the new or enhanced festivals/events (the funds provided to each new festival/event may not be equal). Given that MRDT revenue will accrue monthly and actual revenue flow won't be known for a few months, the funds allocated for the initial year of the fall festival will, in prudence, not exceed one-third of the total set aside for festivals (i.e., about \$40,000).</li> <li>• A total of 20% of MRDT revenue will be allocated for marketing activities in support of the two product development initiatives that are the focus of this Business Plan. At this stage the Applicants are proposing to divide these funds equally between these two initiatives (i.e., 50% for new and enhanced festivals/events and 50% for Newcastle Island (Saysutshun). Under the MRDT revenue assumptions discussed earlier, this would provide approximately \$37,500 annually to market new or enhanced festivals/events. Assuming 10% is kept in reserve leaves about \$33,750 for marketing. These funds would be used by the NEDC (Tourism Nanaimo), as directed by the NHA and/or the festival/event proponent organization, for website and social media marketing, print marketing and targeted public relations initiatives.</li> </ul>
<b>Funding sources</b>	<ul style="list-style-type: none"> <li>• MRDT (assuming MRDT collection begins in July of 2014, it is estimated that initial revenue will begin flowing to Nanaimo by about the end of September 2014).</li> <li>• NEDC Tourism Development Fund (up to \$125,000 per year, to a maximum of \$25,000 per project, is available to fund tourism projects</li> </ul>

Initiative 1	New or enhanced multi-day, shoulder-season festivals/events
	<p>and programs based on applications from the community)</p> <ul style="list-style-type: none"> <li>• Event/festival ticket revenue</li> <li>• Event/festival sponsorship revenue</li> <li>• In-kind contributions from the community group(s) that organize the event/festival</li> </ul>
<b>Measurable outcomes</b>	<ul style="list-style-type: none"> <li>• Increase in number of tourism-oriented festivals/events held annually.</li> <li>• Increased hotel/motel occupancy in event months (relative to previous years)</li> </ul>

## Initiative 2

Initiative 2	Support Snuneymuxw First Nation plans to enhance the cultural and educational experience and tourism potential of Newcastle Island Marine Provincial Park (Saysutshun)
<b>Rationale</b>	<p>Newcastle Island Marine Provincial Park (traditionally known as Saysutshun by the Snuneymuxw people) provides a tourism product development opportunity that will help differentiate Nanaimo from other provincial and Vancouver Island communities. Newcastle Island Marine Provincial Park (Saysutshun) is a Class A, 336-hectare Marine Provincial Park located just east of the City of Nanaimo. It provides a unique mix of cultural heritage (having historic and present day social, cultural and spiritual significance to the Snuneymuxw people and as part of the traditional territory of the Snuneymuxw First Nation), industrial heritage (historical coal mining and sandstone quarry sites), tourism heritage (CP Rail historical resort site, former Japanese herring saltery site) and outdoor recreation (camping, fishing, hiking, cycling, boating) opportunities.</p> <p>Newcastle Island Marine Provincial Park is managed by the Snuneymuxw First Nation (SFN) via an Operating Permit with BC Parks. The SFN has been conducting comprehensive planning related to the potential development of an Interpretive and Cultural Centre and other related facilities on Newcastle Island (Saysutshun) as well as opportunity for increasing access to the island.</p> <p>The City of Nanaimo, the NHA and the NEDC wish to help facilitate SFN plans to enhance the cultural and educational experience, tourism appeal and product potential of Newcastle Island Marine Provincial Park (Saysutshun) using MRDT funds. In addition to the opportunity to better leverage the tourism potential of the island, this initiative complements:</p> <ul style="list-style-type: none"> <li>• Growing visitor interest in learning about Aboriginal culture through authentic and enriching cultural education experiences (such visitors are also likely to be interested in the outdoor recreation and other heritage aspects of Newcastle Island (Saysutshun));</li> <li>• The Provincial Government's support for the development of Aboriginal economic development opportunities in B.C.<sup>3</sup>;</li> <li>• Nanaimo's well-recognized 'Harbour City' brand;</li> </ul>

<sup>3</sup> See pages 8 and 16 of the BC Jobs Plan. <http://www.bcjobsplan.ca/wp-content/uploads/BC-Jobs-Plan-PDF.pdf>

<b>Initiative 2</b>	<b>Support Snuneymuxw First Nation plans to enhance the cultural and educational experience and tourism potential of Newcastle Island Marine Provincial Park (Saysutshun)</b>
	<ul style="list-style-type: none"> <li>The Ministry of Jobs, Tourism and Skills Training support for the BC Marine Highway tourism sector development initiative; and,</li> <li>Growing demand for experiential, outdoor recreation and cultural tourism.</li> </ul>
<b>Link to tourism goals</b>	<p>This initiative supports three of the region's identified tourism goals, including:</p> <ol style="list-style-type: none"> <li>1. Product development – will provide new reasons for visitors to come to the community and stay longer.</li> <li>2. Industry partnerships – Newcastle Island (Saysutshun) tourism initiatives will be developed by the Snuneymuxw First Nation with the support of Nanaimo's MRDT applicant partners (City of Nanaimo, NHA, NEDC).</li> <li>3. Community pride – residents will benefit from the positive profile and additional business and recreational opportunities resulting from the enhancement of the cultural and educational experience and tourism potential of Newcastle Island (Saysutshun).</li> </ol>
<b>Key activities</b>	<p>In support of this initiative the applicants are proposing to use MRDT revenue to support cultural and educational experience developments and/or access projects identified through the SFN planning process for Newcastle Island (Saysutshun). Because this planning process has yet to be completed at the time this Business Plan was being prepared, the specific project(s) to be supported have yet to be confirmed. In light of this situation, our proposed activities as they relate to this initiative are as follows:</p> <ul style="list-style-type: none"> <li>Advise the SFN that MRDT funds are available to help support their plans for development of the cultural and educational experience on Newcastle Island (Saysutshun);</li> <li>The NHA and NEDC will work with the SFN to determine how MRDT funds can best be allocated.</li> <li>The SFN will also have the option of applying for (additional) funding available through the NEDC's Tourism Development Fund. Regardless of whether the SFN opts to apply for MRDT and/or NEDC Tourism</li> </ul>

Initiative 2	Support Snuneymuxw First Nation plans to enhance the cultural and educational experience and tourism potential of Newcastle Island Marine Provincial Park (Saysutshun)
	<p>Development Fund monies, a similar application process will be required<sup>4</sup>. See Appendix E for information on the NEDC Tourism Development Fund including Criteria and Overview, Funding Application, and Application Criteria and Weighting.</p> <ul style="list-style-type: none"> <li>• Once the specifics of the Newcastle Island (Saysutshun) cultural and educational development plans are known, and related MRDT fund allocation decisions have been made, the NHA will advise the Ministry of Jobs, Tourism and Skills Training.</li> <li>• Once Newcastle Island (Saysutshun) cultural and educational experience planning and enhancements are underway, a portion of the MRDT funds allocated for marketing (i.e., 20% of total MRDT revenue) will be used to help fund marketing activities specifically related to these enhancements.</li> </ul>
Target dates	<ul style="list-style-type: none"> <li>• <b>Summer 2014:</b> Receive and review information from the SFN regarding the cultural and educational experience and the tourism enhancement projects proposed for Newcastle Island (Saysutshun).</li> <li>• <b>Early fall 2014:</b> In consultation with the SFN confirm the specific nature of Newcastle Island (Saysutshun) cultural and educational experience initiative(s) to be supported with MRDT revenue. Complete funding application requirements, and establish project development timelines and associated MRDT funding flow.</li> <li>• <b>Winter 2014/2015:</b> Begin work on cultural and educational experience initiative(s). Timing will depend on the specific nature of the initiative(s) to be funded.</li> </ul>
Funding Requirements	<ul style="list-style-type: none"> <li>• The funding requirements associated with SFN plans to enhance the cultural and educational experience of Newcastle Island (Saysutshun) will be identified by the SFN once the planning process for the island underway at the time of writing is completed.</li> <li>• As noted earlier, a total of 45% of MRDT revenue will be allocated for tourism initiatives related to Newcastle Island (Saysutshun). At this stage, it is estimated this will amount to a total of about \$169,000 in year one. Assuming 10% is kept in reserve leaves about \$152,000.</li> </ul>

<sup>4</sup> For more details on the Tourism Development fund, including application forms, see:  
<http://www.tourismnanaimo.com/cms.asp?wpID=90>



<b>Initiative 2</b>	<b>Support Snuneymuxw First Nation plans to enhance the cultural and educational experience and tourism potential of Newcastle Island Marine Provincial Park (Saysutshun)</b>
	<p>Until the specific nature of the project(s) to be funded have been confirmed in consultation with the SFN, monthly MRDT revenue earmarked for Newcastle Island (Saysutshun) will be set aside as they are received.</p>
	<ul style="list-style-type: none"> <li>A total of 20% of MRDT revenue will be allocated for marketing activities in support of the two product development initiatives that are the focus of this Business Plan. As noted earlier, the Applicants are proposing to divide these funds equally between these two initiatives (i.e., 50% for new and enhanced festivals/events and 50% for Newcastle Island (Saysutshun). Under the MRDT revenue assumptions discussed earlier, this would provide approximately \$37,500 annually to market Newcastle Island (Saysutshun) tourism enhancements. Assuming 10% is kept in reserve leaves about \$33,750 for marketing. These funds would be used by the NEDC (Tourism Nanaimo) as directed by the NHA and the SFN, for website and social media marketing, print marketing and targeted public relations initiatives.</li> </ul>
<b>Funding sources</b>	<ul style="list-style-type: none"> <li>MRDT revenue</li> <li>As an option, the SFN could choose to apply for funds from the NEDC Tourism Development Fund (up to \$125,000 per year, to a maximum of \$25,000 per project, is available to fund tourism projects and programs based on applications from the community). The Tourism Development Fund (see Appendix E) will provide funding up to 25% of the total value of a project so the SFN could use MRDT revenue to leverage these funds.</li> <li>Other levels of government (note that MRDT funding is not intended to replace or detract from any existing or future provincial funding related to the current and ongoing operations of Newcastle Island (Saysutshun).</li> </ul>
<b>Measurable outcomes</b>	<ul style="list-style-type: none"> <li>Increased visitation to Newcastle Island (Saysutshun)</li> <li>Increased hotel/motel occupancy</li> </ul>

### 3.4 Funding and Expense Projections

The spending strategy outlined in Section 3.3 above reflects a number of assumptions regarding the timing, flow and amount of MRDT revenue. Table 2 summarizes total 2013 and projected (2014/15-2018/19) revenues and expenses associated with the delivery of tourism services in Nanaimo (i.e., Tourism Nanaimo). The 2013 figures are provided in order to demonstrate that MRDT revenue will be incremental to existing sources of tourism funding. In viewing projected revenue figures and sources, it should be noted that potential revenues from other community agencies involved in, for example, the organization of new festivals/events (e.g., agency grants, in-kind contributions, event revenues) are not accounted for as they are outside the control of the Applicant organizations.

Table 2: Tourism Revenue and Expense Projections						
Tourism Revenues and Expenses	W/O MRDT	Projections - With MRDT				
	2013	2014/15	2015/16	2016/17	2017/18	2018/19
<b>Projected Revenues</b>						
MRDT (assumes 2% annual increase)	\$ -	\$ 375,000	\$ 382,500	\$ 390,150	\$ 397,953	\$ 405,912
NEDC funding for Tourism Nanaimo	\$ 570,000	\$ 570,000	\$ 575,700	\$ 581,457	\$ 587,272	\$ 593,144
<b>Other Tourism Nanaimo Sources of Revenue</b>						
RDN funding to NEDC for Tourism Nanaimo	\$ 137,000	\$ 137,000	\$ 137,000	\$ 137,000	\$ 137,000	\$ 137,000
Destination BC	\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000	\$ 33,000
Advertising Revenue (Tourism Nanaimo)	\$ 50,000	\$ 50,000	\$ 51,000	\$ 52,020	\$ 53,060	\$ 54,122
Stakeholder Program Revenue	\$ 5,000	\$ 30,000	\$ 30,600	\$ 31,212	\$ 31,836	\$ 32,473
<b>Total Revenue</b>	<b>\$ 795,000</b>	<b>\$ 1,195,000</b>	<b>\$ 1,209,800</b>	<b>\$ 1,224,839</b>	<b>\$ 1,240,121</b>	<b>\$ 1,255,651</b>
<b>Projected Expenses</b>						
Festivals and events support <sup>1</sup>	\$0	\$ 118,125	\$ 120,488	\$ 122,897	\$ 125,355	\$ 127,862
Newcastle Island Enhancement <sup>1</sup>	\$0	\$ 151,875	\$ 154,913	\$ 158,011	\$ 161,171	\$ 164,394
Marketing for Festivals/Events & N.I. <sup>2</sup>	\$0	\$ 67,500	\$ 68,850	\$ 70,227	\$ 71,632	\$ 73,064
10% Reserve		\$ 37,500	\$ 38,250	\$ 39,015	\$ 39,795	\$ 40,591
Tourism Nanaimo operations (wages/office exp.)	\$ 279,000	\$ 359,000	\$ 366,180	\$ 373,504	\$ 380,974	\$ 388,593
<b>Tourism Nanaimo Program Expenses</b>						
Destination Development	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
Tourism Marketing Programs	\$ 348,000	\$ 336,000	\$ 336,000	\$ 336,000	\$ 336,000	\$ 336,000
<b>Total Expenses</b>	<b>\$ 752,000</b>	<b>\$ 1,195,000</b>	<b>\$ 1,209,680</b>	<b>\$ 1,224,654</b>	<b>\$ 1,239,927</b>	<b>\$ 1,255,505</b>
Note 1: While these funds will be allocated to these categories in the year they are generated, they may not all be spent in the year they were generated. Pending confirmation of, for example, the nature and timing of NI enhancements, funds earmarked for this initiative may be carried over.						

As shown in Table 2 above, the total amount of revenue available for tourism in Nanaimo 2013 was \$795,000. Assuming MRDT collection starts on July 1, 2014, the total amount of revenue available for tourism in Nanaimo in 2014/15 is projected to be about \$1.19 million or about 50% more than in 2013. Of total projected 2014/15 revenue, about 31% would come from the MRDT while the remaining 69% would come from other sources.

While Table 2 summarizes annual MRDT revenue projections, it is recognized that revenue expenditures will need to reflect both an uneven monthly revenue flow and an initial delay in revenue flow when MRDT collection begins. Assuming the start date for revenue collection is July 1, 2014, the Applicants realize that it could be up to three months before any revenue is received back from the Province. As such, the data in Table 3 reflects the estimated amount of MRDT collected each month and not the nature of monthly revenue flow back to the community.

Table 3: Projected Monthly MRDT Revenue Collection in 2014/15 (Year 1) based on 2009 Monthly Room Revenue (Most Recent Data Available) (Source: 2009 Room Revenue percentages derived from BC Stats 2009 Room Revenue Data for the City of Nanaimo)													
	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Annual
% Room Rev. by Mo. (2009)	10%	14%	10%	7%	8%	5%	5%	7%	7%	7%	10%	10%	100%
Proj. MRDT Rev. by Month	\$ 37,500	\$ 52,500	\$ 37,500	\$ 26,250	\$ 30,000	\$ 18,750	\$ 18,750	\$ 26,250	\$ 26,250	\$ 26,250	\$ 37,500	\$ 37,500	375,000

### 3.5 Tracking and Evaluation

The MRDT spending strategy will be evaluated quarterly by the NHA with the input of the NEDC, using the following performance indicators. These indicators relate directly to the objective identified in Section 3.1 which is to increase overnight tourism visits and improve visitor accommodation occupancy rates.

Table 4: MRDT Spending Strategy Performance Evaluation Indicators		
Indicator	Measurement Frequency	Sources
<b>1: Accommodation occupancy</b>		
Accommodation occupancy rates	Monthly and annual	<ul style="list-style-type: none"> <li>Tourism BC – Tourism Indicators Supplement Tables. See: <a href="http://www.destinationbc.ca/Research/Industry-Performance/Tourism-Indicators.aspx#.Ue1Y2Hin-Uk">http://www.destinationbc.ca/Research/Industry-Performance/Tourism-Indicators.aspx#.Ue1Y2Hin-Uk</a> or,</li> <li>Chemistry Consulting Group Monthly Tourism Bulletin</li> </ul>
<b>2. Accommodation room revenue</b>		
Room revenue	Monthly - but there is typically about a six month time lag with this data (e.g., January data released in July)	<ul style="list-style-type: none"> <li>Room Revenue and Property Count prepared by BC Stats. See: <a href="http://www.bcstats.gov.bc.ca/StatisticsBySubject/BusinessIndustry/Tourism.aspx">http://www.bcstats.gov.bc.ca/StatisticsBySubject/BusinessIndustry/Tourism.aspx</a></li> </ul> <p>At the time of writing, Nanaimo was not included in this dataset. However, the City will be added once the MRDT levy is in place.</p>

## **4.0 Organizational Structure**

### **4.1 Administration of Tax Revenue**

Once the authority to levy the MRDT in the City of Nanaimo has been approved, and ~~qualifying accommodation operators have registered with the Ministry of Finance,~~ the collection of the MRDT will begin. All MRDT revenue collected by City of Nanaimo operators and submitted to the Ministry of Finance will be transferred first to the City and then to the NHA on a monthly basis, less the \$20 per operator administration fee.

The NHA will, in turn, contract with the NEDC to implement the projects to be supported by MRDT funds. These arrangements are outlined in the NHA-NEDC Contract for Services Agreement provided in Appendix C. Under the terms of this agreement, the NEDC will submit invoices to the NHA as key service delivery goals are met. In turn, the NHA will pay these invoices, without charging an administration fee.

A representative(s) of the NHA will meet with the NEDC on a quarterly basis to review the status of Business Plan implementation and the progress achieved relative to performance expectations. On an annual basis, the NHA will review and provide any updates or amendments to the business plan no later than 30 days prior to the end of each contract year. Amendments to the Business Plan will require the support of a simple majority of NHA members. The Business Plan, if amended, would be submitted to the Ministry of Finance as part of the Annual Report and audited financial statements that will be submitted to the Ministry of Finance at the conclusion of each tax year.

### **4.2 Accountability and Control**

The following accountability and control guidelines have been established to ensure that MRDT funds are spent by the NEDC in accordance with the spending strategy outlined in the Business Plan and approved by the NHA:

- The NHA will maintain proper and current financial books and records in accordance with generally accepted accounting principles.
- The NEDC will maintain proper and current financial books and records in accordance with generally accepted accounting principles. The NEDC will maintain the statement of funds related to the NHA MRDT service agreement as an independent cost centre of the NEDC's budget and financial statements. The NEDC has agreed that the NHA may, with reasonable notice, request that the statement of funds for the MRDT service agreement be made available for inspection.

- The City of Nanaimo has entered into a 20-year contract with the NEDC and has also committed to provide annual funding support for NEDC operations of \$1.375 m. for the next five years (of which a share goes to Tourism Nanaimo).
- Within the NEDC, oversight of business plan implementation and the administration of MRDT revenue will be the responsibility of the Tourism Leadership Committee (TLC). At all times, the NHA will have a minimum of three seat(s) on the TLC and one ad hoc seat on the NEDC Board of Directors.
- Prior to the conclusion of the five-year term of this business plan (i.e., 2018/19), the accommodation sector will vote on whether to continue with or discontinue the collection of the MRDT.

## **5.0 Industry Support**

### **5.1 Consultation with Industry**

Tourist accommodation operators in Nanaimo have been discussing the option of implementing the 2% MRDT for a number of years. Interest in implementing the tax grew due to the impact of the global economic slowdown on occupancy rates and room revenue. In 2011, the NHA Board of Directors began actively engaging the industry (tourist accommodation operators) in discussions about the MRDT. A number of meetings were held to discuss options and ideas. In 2012/13, a consultant was engaged to help facilitate discussions with industry and develop this Business Plan.

During the Business Plan development process, the elected NHA Board of Directors led a number of industry consultation initiatives which were largely done through a combination of face-to-face and online discussions. Copies of the online discussions are available upon request by the Ministry. The face-to-face meetings included the following:

- Feb. 24, 2012 – A meeting was held with representatives of the City of Nanaimo, the NHA, the NEDC, and the consulting team to discuss the proposed MRDT administrative model and the proposed Service Agreement between the NHA and the NEDC.
- January 17, 2013 – A meeting was held with representatives of 16 of the 22 eligible properties in Nanaimo to discuss moving forward with the MRDT application. All 16 individuals indicated their support for moving forward.
- February 21, 2013 – A meeting was held between representatives of the City of Nanaimo, the NHA, the NEDC, and the BC Hotel Association to discuss possible formats for the City/NHA/NEDC Service Agreement that will govern the administration of the MRDT revenue. The outcome of this meeting was the development of a Memorandum of Understanding (MOU) which confirmed the willingness of the City of Nanaimo, the NHA and the NEDC to develop a Service Agreement for the administration of the MRDT.
- July 12, 2013 – A meeting of the NHA, attended by 8 representatives, was held to determine the spending strategy outlined in this Business Plan.
- Ongoing informal discussions with accommodators.

## **5.2 Accommodation Sector in Support of the MRDT**

Within the boundaries of the City of Nanaimo, there are 24 tourist accommodation properties that are eligible to collect the MRDT. These properties represent a total of 1322 rooms and are listed in the 'Accommodation Directory' table that starts on the next page.

In order demonstrate that the MRDT is supported by a minimum of 51% of eligible properties representing a minimum of 51% total rooms, Nanaimo requires the support of a minimum of 13 operators representing a minimum of 661 rooms. As shown in the table entitled 'Accommodation Sector in Support of the Hotel Room Tax' which follows the 'Accommodation Directory' table, the application to levy the MRDT in Nanaimo is supported by 17 (71%) operators representing 1045 (79%) of the total rooms. As such, the level of accommodation operator support required has been well exceeded.



## ACCOMMODATION DIRECTORY

Please ensure that **ALL** the accommodation establishments in your municipality or region where the operator offers four or more units of accommodation in **British Columbia** are listed, even if the operator offers the accommodation on behalf of another owner, at any given time, not all of the units are rented; one or more of the units offered is located within a different geographic area.

Please ensure the information provided is complete and accurate. Failure to provide complete and accurate information may result in your application being delayed, returned or rejected. Thank you for your cooperation.

Name of Municipality/Region City of Nanaimo

#	PROPERTY NAME	ADDRESS	NUMBER OF UNITS	PHONE NUMBER	OWNER/MANAGER
1	Best Western Dorchester Hotel	70 Church St., Nanaimo, V9R 5H4	70	250-754-6835	Julie Park
2	Best Western Northgate Inn	6450 Metral Dr., Nanaimo, V9T 2L8	72	250-390-2222	Geoff Wallace
3	Value Lodge Economy Motel	736 Nicol, Nanaimo	60	250-754-2328	N/A
4	Bluebird Motel	995 Terminal Ave N., Nanaimo, V9S 4K3	29	250-753-4151	Denise Cobaka
5	Buccaneer Inn	1577 Stewart Ave., Nanaimo, V9S 4E3	13	250-753-1246	Dave Ilyn
6	Castaway Motel	205 Terminal, Nanaimo	24	250-754-6780	Raj Banja
7	Coast Bastion Inn	11 Bastion St., Nanaimo, V9R 6E4	179	250-753-6601	David Rooper
8	Colonial Motel	950 Terminal Ave. N., Nanaimo, V9S 4K4	9	250-754-4415	N/A
9	Days Inn Nanaimo Harborview	809 Island Hwy. S., Nanaimo, V9R 5K1	78	250-754-8171	William Shang
10	Departure Bay Motel	2011 Estevan Rd. & Island Hwy. N., Nanaimo, V9S 3Y9	21	250-754-2161	Shirley Lance
11	Diplomat Motel	333 Nicol St., Nanaimo, V9R	20	250-753-3261	Junjie Shang

#	PROPERTY NAME	ADDRESS	NUMBER OF UNITS	PHONE NUMBER	OWNER/MANAGER
		4T5			
12	Harbour Light Motel	200 Nicol St., Nanaimo, V9R 4T2	28	250-716-5898	N/A
	Harbourside Motel	250 Terminal Ave. N., Nanaimo, V9S 4J5	closed	250-716-1671	closed
13	Howard Johnson Harbourside Hotel	1 Terminal Ave., Nanaimo, V9R 5R4	100	250-753-2241	Dan Brady
14	Inn on Long Lake	4700 Island Hwy N (19A), Nanaimo, V9T 1W6	62	250-758-1144	James Young
15	Palms Marinaside Resort	1250 Stewart Ave, Nanaimo V9S 4C9	22	250-591-0880	Joe Nyuegn
16	Painted Turtle Guesthouse	121 Bastion St., Nanaimo, V9R 3A2	20	250-753-4432	Bruce Bernard
17	Port-O-Call Inn & Suites	505 North Terminal Ave., Nanaimo, V9S 4K1	15	250-753-3421	N/A
18	Ramada Nanaimo Inn	315 Rosehill St., Nanaimo, V9S 1E3	65	250-716-2009	Jason Chan
19	Royal Motel	335 North Terminal, Nanaimo, V9S 4J6	15	250-753-1171	Raj Banga
20	The Grand Hotel Nanaimo	4898 Rutherford Rd., Nanaimo, V9T 4Z4	72	250-758-3000	Ashwak Sirri
21	The Waterfront Suites & Marina	1000 Steward Ave., Nanaimo, V9S 4C4	40	250-753-4333	Odai Sirri
22	Travelodge Nanaimo	96 Terminal Ave N., Nanaimo, V9S 4J2	78	250-754-6355	Michelle Se
23	Vancouver Island University Student Residences	4 University Crescent, Nanaimo, V9R 6C5	220	250-754-6338	Patricia Eagar
24	Westwood Lake RV/Camping & Cabins	380 Westwood Rd., Nanaimo, V9R 6S5	11	250-753-3922	Rhonda Johnson

## ACCOMMODATION SECTOR IN SUPPORT OF THE HOTEL ROOM TAX

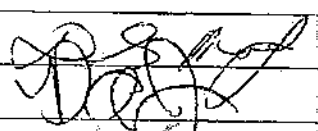
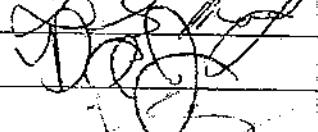
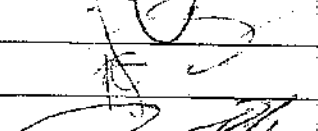
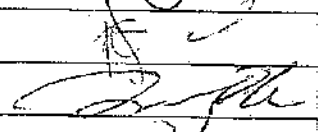
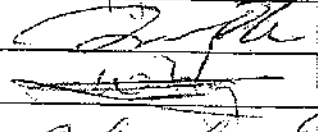
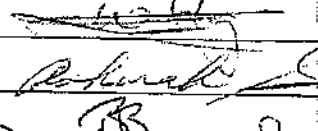
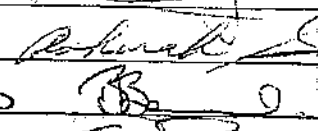

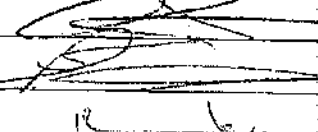
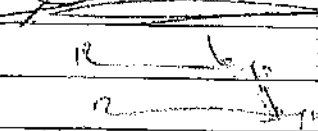
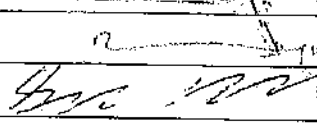
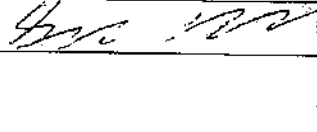

A municipal and regional district hotel room tax, up to a maximum of 2%, is being proposed for your municipality/region. The municipal and regional hotel room tax is intended to assist municipalities, regional districts and prescribed eligible entities in funding local tourism marketing, programs and projects.

This tax will apply to sales of accommodation for all properties within the geographic area of the municipality, region or eligible entity where the operator offers four or more units of accommodation *in British Columbia, even if* the operator offers the accommodation on behalf of another owner; at any given time, not all of the units are rented; one or more of the units offered is located within a different geographic area.

AS AN OWNER/MANAGER OF AN ACCOMMODATION RENTAL, YOUR INPUT IS CRITICAL. The minimum support required from the accommodation sector for the tax to be imposed is at least 51% of the number of establishments that would collect the tax within the municipality/ region representing at least 51% of the total number of rooms.

BY SIGNING THIS FORM, YOU HAVE INDICATED THAT YOU SUPPORT IMPLEMENTATION OF A MUNICIPAL AND REGIONAL DISTRICT HOTEL ROOM TAX IN YOUR MUNICIPALITY/REGION. THANK YOU.

[ADD ADDITIONAL SHEETS AS REQUIRED]

PROPERTY NAME	ADDRESS	NUMBER OF UNITS	OWNER/MANAGER (PRINT NAME)	SIGNATURE	DATE
HOWARD JOHNSON HARBOURSIDE HOTEL	1-TERMINAL AVE	100	DAN BRADY		AUG 28/2013
Buccaneer Inn	1577 Stewart Avenue	13	Dave Ilyn		Aug 30/2013
Howe Sound Lodge	4700 N. Island Hwy	62	James Young		October 9, 2013
Const Bastion Hotel	11 Bastion St	179	David Reeper		Oct 4/13
Best Western Plus Dorchester Hotel	70 Church St.	70	Julie Park		Oct 4/13
Days Inn Nanaimo	309 Island Hwy S	79	William Sharif		Oct 4/13
THE GRAND HOTEL	4898 Rutherford Rd	72	Richard Sirri		Oct 4, 2013
PAINTED TURTLE GUESTHOUSE	121 BASTION ST.	14	ASHWAH SIRRI BRUCE BARWARD		15th Nov 2013
Waterfront Suites and Marina	1000 Stewart Ave	40	Odai Sirri		25 Nov 2013
Vancouver Island University	900 Fifth Street NANAIMO BC V9S 5S1	220	Patricia Eger		28 Nov 2013
Costaway Motel	205 Terminal Ave N	24	RAT BANGA		Nov. 28/2013
Royal Hotel	335 Terminal Ave N	15	RAT BANGA		Nov 28/2013
BEST WESTERN WATERFRONT	6450 METRAL DR.	72	GEOFF WALLACE		Dec 9th/2013

## ACCOMMODATION SECTOR IN SUPPORT OF THE HOTEL ROOM TAX

A municipal and regional district hotel room tax, up to a maximum of 2%, is being proposed for your municipality/region. The municipal and regional hotel room tax is intended to assist municipalities, regional districts and prescribed eligible entities in funding local tourism marketing, programs and projects.

This tax will apply to sales of accommodation for all properties within the geographic area of the municipality, region or eligible entity where the operator offers four or more units of accommodation *in British Columbia, even if* the operator offers the accommodation on behalf of another owner; at any given time, not all of the units are rented; one or more of the units offered is located within a different geographic area.

AS AN OWNER/MANAGER OF AN ACCOMMODATION RENTAL, YOUR INPUT IS CRITICAL. The minimum support required from the accommodation sector for the tax to be imposed is at least 51% of the number of establishments that would collect the tax within the municipality/ region representing at least 51% of the total number of rooms.

BY SIGNING THIS FORM, YOU HAVE INDICATED THAT YOU SUPPORT IMPLEMENTATION OF A MUNICIPAL AND REGIONAL DISTRICT HOTEL ROOM TAX IN YOUR MUNICIPALITY/REGION. THANK YOU. [ADD ADDITIONAL SHEETS AS REQUIRED]

[illegible]

## Appendices

- A. Municipal Bylaw
- B. Tourism Leadership Committee Terms of Reference
- C. Service Agreements
- D. Nanaimo & Region Tourism Strategy – Executive Summary
- E. NEDC Tourism Development Fund Documentation

## A. Municipal Bylaw

Bylaw 2016-01, which was adopted by the Council of the City of Regina on May 17, 2016, is a bylaw that provides for the establishment of a new municipal entity, the Regina Police Board, and the transfer of certain functions of the Regina Police Department to the Regina Police Board. The bylaw also provides for the establishment of a new municipal entity, the Regina Fire Department, and the transfer of certain functions of the Regina Fire Department to the Regina Fire Department. The bylaw also provides for the establishment of a new municipal entity, the Regina Water and Sewerage Department, and the transfer of certain functions of the Regina Water and Sewerage Department to the Regina Water and Sewerage Department.

CITY OF NANAIMO

BYLAW NO. 7189

A BYLAW TO REQUEST THE IMPOSITION OF A MUNICIPAL ACCOMMODATION TAX

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WHEREAS the Council of the City of Nanaimo, wishes to raise revenues for the purpose of increasing overnight visitor stays as measured by improved hotel/motel occupancy rates;

AND WHEREAS the Council may by bylaw request that the Lieutenant Governor in Council make a regulation designating the municipality as the recipient of an accommodation tax not exceeding two percent (2%) on sales of accommodations within the municipality.

THEREFORE the Council of the City of Nanaimo, in open meeting assembled, ENACTS AS FOLLOWS:

1. This Bylaw may be cited as "Accommodation Tax Request Bylaw 2014 No. 7189".
2. The Lieutenant Governor in Council is requested to make a regulation under Section 240 of the *Provincial Sales Tax Act* designating the area within the boundaries of the municipality as a designated accommodation area under Section 123 of the *Act* and designating the City of Nanaimo as a designated recipient of an additional tax on accommodation purchased in the municipality effective 2014-JUN-01.
3. The tax to be imposed under the provisions of the *Act* is requested to be two percent (2%).
4. All funds paid to the City of Nanaimo under the provisions of the *Act* shall be applied to funding tourism marketing, programs and projects including the financing and operation of new tourism facilities.

PASSED FIRST READING 2014-APR-28  
PASSED SECOND READING 2014-APR-28  
PASSED THIRD READING 2014-APR-28  
ADOPTED 2014-MAY-12

**CERTIFIED A TRUE COPY**

  
\_\_\_\_\_  
Kristin King  
Deputy Corporate Officer

\_\_\_\_\_  
J. R. RUTTAN

MAYOR

\_\_\_\_\_  
C. JACKSON

CORPORATE OFFICER

## **B. Tourism Leadership Committee Terms of Reference**





Infinite Possibilities

**Nanaimo Economic Development Corporation  
Tourism Leadership Committee**

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**Mandate**

The Tourism Leadership Committee provides strategic recommendations to the Nanaimo Economic Development Corporation Board of Directors regarding tourism strategy, marketing. In addition the Tourism Leadership Committee will provide input/ insight to the NEDC Board regarding infrastructure gaps, product development and regulatory issues with a tourism impact.

**Chair of the Committee Charter  
Roles and Responsibilities**

The Chair is expected to fulfill the duties and responsibilities of a Committee member, and, in conjunction with the NEDC staff, but subject to the control of the Committee, to:

1. Direct the affairs of the Tourism Leadership Committee generally
2. Report annually in writing to the Board of Directors of the Nanaimo Economic Development Corporation on the program and activities of the Tourism Leadership Committee and, following adoption of such report by the Board, forward that report to the shareholders of the Corporation
3. Preside over all meetings of the Committee in an efficient and effective manner, ensuring orderly deliberation and decision-making of the Committee
4. The Chair shall have the right to vote
5. Ensure that the decisions of the Tourism Leadership Committee shall be made by majority vote of those present
6. The Chair shall ensure that the recommendations arising from the Tourism Leadership Committee are reflective of the Tourism sector as an industry and are not directed to the support of any segment, sector and facet of the industry
7. The Chair may designate to another member of the Committee to undertake specific activities and responsibilities delegated by the Chair
8. Act as the Tourism Leadership Committee liaison with Tourism Nanaimo staff, including acting as a sounding board and counsel for, and collaboratively resolving any issues with Tourism Nanaimo staff.

9. Act as the Tourism Leadership Committee liaison with the NEDC Board, including reporting on and communicating all Tourism Leadership Committee deliberations and recommendations, responding to any questions about the Tourism Leadership Committee from the NEDC Board
10. Determine, review and ensure the completeness of Tourism Leadership Committee agendas, minutes and pre-read information in conjunction with the Tourism Nanaimo staff
11. Build Tourism Leadership Committee unity, solidarity and trust;
12. Demonstrate integrity and ethical leadership;
13. Ensure that the Tourism Leadership Committee focuses at a high, strategic level, not delving into operational matters;
14. Coach Committee members, collectively and individually, to ensure full utilization of individual capabilities and optimum performance of the Committee
15. Ensure that the Tourism Leadership Committee members are properly informed on matters of substance;
16. Establish and promote harmonious and effective working relationships within the Tourism Leadership Committee and with stakeholders that might be involved with the Committee
17. Satisfy, from time to time, such other duties and responsibilities as may be assigned by the NEDC Board of Directors; and
18. Conduct one on one dialogue as called for, and at least annually, with all members of the Tourism Leadership Committee to co-ordinate their input, ensure their accountability and provide for the effectiveness of the Committee, including assisting with their orientation to the Committee, relationship as an advisory body to the NEDC, promoting their understanding and development, and providing advice, mentoring, coaching and guidance as called for.

The foregoing list is not exhaustive, and the Chair may, in addition, perform such other functions as may be necessary or appropriate in the circumstances.

Adopted by the NEDC Board March 21, 2013



**TOURISM LEADERSHIP COMMITTEE  
COMMITTEE MEMBER CHARTER  
Roles and Responsibilities**

Each member of the Tourism Leadership Committee covenants with the Nanaimo Economic Development Corporation to:

1. Provide strategic recommendations to the Nanaimo Economic Development Corporation Board of Directors regarding strategies pertaining to the Tourism Industry Sector.
2. Act honestly and in good faith with a view to the best interests of the Tourism Leadership Committee in accordance with the NEDC Conflict of Interest Policy.
3. Exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances
4. Demonstrate integrity and ethical leadership and set a positive example
5. Refrain from either giving or receiving preferential treatment, be it personal, family or related corporate opportunity potentially available due to the position of Committee member or access to confidential information (for example, employment or contractual opportunities, gifts of a material nature
6. Participate actively in meetings of the Committee, read and understand Committee documents and briefing notes prior to meetings and follow up on important matters, participate effectively and constructively in meetings, engage at a high, strategic level, not delve into operational minutiae, and ask questions with an independent mind. Support a policy that being absent from three consecutive meetings would place the committee position in jeopardy and will need to be addressed by the Chair.
7. Suggest additional agenda items as appropriate to the Committee Chair, as well ahead of meetings as possible
8. Participate in ensuring that the Committee clearly communicate expectations to staff, including clarity on information requests and clear direction
9. Work collaboratively and respectfully with other Committee members, members of any interim sub-committees and members of staff
10. Express their opinions, but once Committee recommendations are made, support the decision
11. Participate in any Committee evaluations as applicable
12. Remain properly informed on matters of substance relating to the Tourism Industry
13. Satisfy, from time to time, such other duties and responsibilities as may be assigned by the Committee

Adopted by the NEDC Board March 21, 2013

.....

MRDT AGREEMENT

THIS AGREEMENT dated for reference the 24<sup>th</sup> day of July, 2014.

BETWEEN:

THE CITY OF NANAIMO, a municipality pursuant to the *Community Charter*, S.B.C. 2003, c. 26 having an address at 455 Wallace Street, in the City of Nanaimo, Province of British Columbia, V9R 5J6

(hereinafter referred to as the "City")

OF THE FIRST PART

AND:

The Nanaimo Hospitality Association, a British Columbia Society, duly incorporated under #S-0058371, and having an address c/o 1577 Stewart Avenue, in the City of Nanaimo, Province of British Columbia, V9S 4E3

(hereinafter referred to as the "Association")

OF THE SECOND PART

WHEREAS.

- A. The *Community Charter* provides that the corporate powers of a local government include the power to enter into agreements with third parties for the provision of services;
- B. The City recognizes the importance of both destination development and tourism marketing ("Tourism Services") for the role played in maintaining and enhancing the local economy of the City;
- C. The City also recognizes the importance of marketing Nanaimo as a tourist destination;
- D. The City expects to receive MRDT (Municipal and Regional District Hotel Room Tax) revenue from the Province of British Columbia collected under the Provincial Sales Tax Act (the "Act") as a percentage of the purchase price of all eligible tourist accommodation purchased in Nanaimo; the funds generated by the MRDT (the "MRDT Funds") are required by the Province to be spent on tourism related initiatives projects and marketing;
- E. The Association, an organization made up of accommodators who have approved the MRDT and who collect the MRDT on behalf of the Province, submitted a proposal to the City to manage and administer the MRDT Funds pursuant to the Act;
- F. The City and the Association agree that the Association will be responsible for the implementation of the required tourism initiatives, programs and marketing strategies that are described in the Business Plan appended to this Agreement (the "Business Plan") and that the Association will do so, in part, through a service agreement with a third party service provider; and

- G. The Association and, where applicable the third party service provider, will implement the tourism initiatives, programs and marketing strategies as described in the Business Plan according to the terms and conditions of this Agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained and the sum of One Dollar (\$1.00) now paid by each to the other and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto covenant and agree as follows:

1. Construction:

- 1.1 In this Agreement, except as otherwise expressly provided or as the context requires;
- a) the headings and captions will be considered as provided for convenience only and not as forming part of this Agreement and will not be used to interpret, define or limit the scope, extent or intent of this Agreement or any of its provisions;
  - b) the words "include" or "including" when following any general term or statement are not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar terms or matters, but rather as permitting it to refer to all other items or matters that could reasonably fall within its broadest possible scope;
  - c) a reference to "currency" means Canadian currency unless specifically indicated otherwise;
  - d) a reference to a "statute" includes every regulation made pursuant thereto, all amendments to the statute or to any such regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or any such regulation;
  - e) a word importing the masculine gender includes the feminine or neutral and vice versa, a word importing the singular includes the plural and vice versa;
  - f) a reference to "approval" or "authorization" or "consent" or "designation" or "notice" means written approval, authorization, consent, designation or notice unless specifically indicated otherwise;
  - g) the language in all parts of this Agreement shall in all cases be construed as a whole and neither strictly for nor strictly against any of the parties to this Agreement; and
  - h) all schedules to this Agreement are an integral part of this Agreement and form part of this Agreement.

2. MRDT Business Plan:

2.1 The Association shall provide the City with an annual update to the Business Plan describing the planned expenditure of the MRDT Funds; the annually updated Business Plan will focus on programs designed to a) increase the number of overnight stays in the City of Nanaimo, b) assist with the development of Nanaimo as a tourism destination, and c) increase the awareness of Nanaimo as a tourist destination.

2.2 Despite anything herein to the contrary, the MRDT Expenditures must at all times comply with the Act, the requirements of this Agreement and the Business Plan as updated from time to time as provided herein.

2.3 The Association shall deliver the tourism initiatives and programs as laid out the Business Plan in an efficient and professional manner.

3. MRDT Funds:

3.1 On or before the end of October in each year, the Association shall prepare and submit to the City an update to the then current Business Plan describing initiatives and activities for the ensuing calendar year.

3.2 Upon the signing of this Agreement, and the City's receipt of the Association's Business Plan for 2014 expenditures of the MRDT Funds the City will advance the MRDT funds to the Association on a monthly basis as they are received by the City pursuant to the Act; the City will additionally provide a monthly accounting of such funds to the Association.

3.3 Should a dispute arise between the City and the Association with regards to this Agreement, including a dispute with respect to the Association's compliance with the Business Plan, the City will continue to advance the MRDT funds to the Association while the dispute is being resolved, and will only suspend payment of the MRDT Funds when authorized to do so by a court of competent jurisdiction.

3.4 The City and the Association each acknowledge and agree that the monies provided by MRDT will vary from time to time and in that event, the Business Plan will require flexibility and modification from time to time in response.

3.5 Within 90 days of the end of its fiscal year, the Association will deliver to the City a copy of the Association's financial statements for the previous 12month period.

3.6 For the purposes of this Agreement, "financial statements" means Statement of Operation, Balance Sheet and Statement of Changes in Financial Condition with notes attached thereto prepared in accordance with generally accepted accounting principles in Canada recommended by the Canadian Institute of Chartered Accountants, as contained in the "CICA Handbook", in all cases applied on a basis consistent with prior periods.

4. Term & Minimum Funding Levels:

4.1 This Agreement shall commence on the @ day of 2013 and unless extended by agreement of the parties, will end on the first day of 2018, (the "Term"), unless earlier terminated pursuant to the terms of this Agreement.

4.2 The City agrees that in the event that the City discontinues to fund the NEDC, the principal funds for tourism, that tourism funding levels will be maintained at \$570,000 during the term of the MRDT Agreement.

5. Insurance:

5.1 The Association shall obtain and maintain in full force and effect during the Term, the following coverage's, at a minimum:

- a) Comprehensive General Liability Insurance in the name of the Association insuring all operations of the Association and its agents contemplated by this Agreement and the contractual assumption of liability reflected by this Agreement. Such General Liability Insurance shall be written with a limit of at least ONE and a HALF MILLION DOLLARS (\$1,500,000.00) combined single-limit per occurrence and THREE MILLION DOLLARS (\$3,000,000.00) in the aggregate for bodily injury and property damage liability, personal injury liability and coverage for all acts and omissions of any employees or agents of the Association. Such policy shall stipulate that such insurance is primary of any valid and collectible insurance for any claim(s) arising out of implementing the MRDT Business Plan ;

5.2 All insurance policies of the Association shall name the City as an additional insured. Where possible, all such policies of the Association shall be endorsed to provide that the underwriters and insurers of the Association shall not have any rights of subrogation. Further, all such policies of the Association shall provide for 30 days written notice to all insureds prior to any adverse modification or termination of any such policy.

5.3 Certificates of all insurance required pursuant to this Section 5 shall be provided to the City forthwith upon execution of the Agreement.

6. Breach and Termination:

6.1 If the Association fails to perform or comply with any of its obligations herein, the City may give the Association notice in writing of such default. If the Association does not cure or dispute the alleged default within 30 days after receipt of notice (if a monetary breach), or within 60 days after receipt of notice if a breach of any other nature which is capable of cure, then the City, at its option, shall have the right to pursue any remedy allowed at law or in equity; provided, however, if the Association's breach is not capable of cure and/or the City may suffer irreparable harm as a result of the Association's breach, then the City shall not be required to give written notice to the Association, or to wait any period of time before pursuing any remedies hereunder.



6.2 Despite anything stated in this Section or Agreement a disagreement between the Association and the City concerning the tourism initiatives and programs described in the Business Plan shall be resolved in accordance with Section 10 hereof.

7. Indemnity – Release of Liability:

7.1 The Association shall indemnify, defend and save harmless the City, and its elected officials, officers, employees and agents from and against any and all claims, suits, law suits, injuries, damages, liabilities and expenses (including, without limitation, reasonable legal fees and expenses on solicitor and own client basis) and costs of investigation (whether or not litigation occurs) occasioned in connection with, or arising or alleged to arise from, wholly or in part, any breach by the Association of any of its representations, warranties, covenants or agreements contained herein; and

7.2 The City shall indemnify, defend and hold harmless, the Association, their agents, officers, directors, employees and representatives from and against any and all claims, suits, law suits, injuries, damages, liabilities and expenses (including, without limitation, reasonable legal fees and expenses on a solicitor and own client basis) and costs of investigation (whether or not litigation occurs) occasioned in connection with, or arising or alleged to arise from, wholly or in part, a breach by the City of any of its representations, warranties, covenants or agreements contained herein;

7.3 The provisions of this Section 7 shall survive any termination or expiration of this Agreement.

8. Representations and Warranties:

8.1 Each party represents and warrants to the other that:

- (a) such party has the full power and authority to enter into and fully perform this Agreement;
- (b) this Agreement has been duly executed and delivered by such party and constitutes a valid and binding obligation of such party, enforceable against such party in accordance with its terms (subject to general principles of equity and creditors' rights generally); and
- (c) none of the execution, delivery or performance of this Agreement;
  - i. requires the approval or consent of any third party; or
  - ii. conflicts with or results in any breach or violation of, or constitutes a default under, any material agreement or other instrument or decree, order, law, statute, rule or regulation (governmental or otherwise) to which such party is a party or by which such party is bound.

9. Compliance with Laws:

9.1 The Association covenants that it will comply with all applicable laws, including, without limiting the generality of the foregoing, Federal and Provincial legislative enactments, zoning and

building bylaws and any other governmental or municipal regulations which relate to the MRDT Funds and with all lawful, police, fire and sanitary regulations imposed by any Federal, Provincial or municipal authority and observe and obey all lawful governmental and municipal regulations and other requirements governing the provision of the MRDT Funds . For the purposes of this Agreement, "applicable laws" means all public laws, government statutes, codes, acts, permits, licenses, ordinances, orders, bylaws, rules, regulations, standards and governmental consents which now or at any time hereafter may be applicable to and enforceable against the relevant work or activity in question, or any part thereof, including without limitation, those relating to zoning, building, life, safety, environment, health and employment.

**10. Dispute Resolution:**

- 10.1 If any dispute arises between the parties as to whether any party has complied with its obligations under this Agreement or if any dispute or controversy arises between the parties with respect to the interpretation or implementation of any of the provisions of this Agreement (any and all disputes and controversies described in this Section 10 are hereinafter collectively referred to as a "Dispute" or "Disputes"), the parties shall make all reasonable efforts to resolve any and all Disputes by amicable negotiations, and the parties shall provide, on a without prejudice basis, full, frank, candid and timely disclosure of relevant facts, information and documents in order to facilitate such negotiations, provided that in so doing the City and the Association are bound to comply with all applicable laws respecting such disclosure.
- 10.2 If either of the parties is of the reasonable opinion that a Dispute cannot be resolved by such negotiation, any party may, upon 30 days prior written notice to the other party, require that the Dispute be referred to a mediator for mandatory mediation. The mediator shall be selected by the party to whom notice is given under this paragraph 10.2, from a list of three mediators identified in the written notice given by the party requiring the mediation, with such list of three mediators to be chosen from a list of 10 mediators agreed to by the Parties on the execution of this Agreement and updated annually thereafter;
- 10.3 The purpose of any mediation that takes place pursuant to paragraph 10.2 hereof shall be to assist the parties in reaching a voluntary agreement respecting the Dispute. The format and timing of any such mediation shall be as agreed upon by the parties and the mediator, and the costs of the mediator shall be borne equally by the parties to the Dispute.
- 10.4 In order to promote communication between the parties, counsel, and the mediator and to facilitate settlement of the Dispute, each of the parties to the Dispute will agree that all statements made during the course of the mediation are privileged settlement discussions, are made without prejudice to either party's legal position, and are inadmissible for any purpose in any legal proceeding. Any information disclosed by a party, or by a witness on behalf of a party, at such mediation is confidential.
- 10.5 None of the parties will make any attempt to compel the mediator's testimony, nor compel the mediator to produce any documents provided by the other party to the mediator. It shall be a term of the mediator's engagement that in no event will the mediator disclose confidential

information provided during the course of the mediation, testify voluntarily on behalf of either party, or submit any type of report to any court in connection with the Dispute, and that if the mediator meets with each party separately in the course of the mediation, the mediator will not reveal what is said by a party, without that party's permission.

10.6 Representatives of the parties will be invited to attend mediation sessions, but no one else may attend without the permission of the parties and the consent of the mediator.

10.7 If a Dispute referred to mediation pursuant to paragraph 10.2 hereof has not been resolved 10 days of the date the mediator was selected, or such further period as may be agreed upon by the parties in writing, the mediator shall terminate the mediation by giving notice of termination to both parties.

10.8 If the parties do not resolve the Dispute by mediation as provided herein, the dispute shall be referred to the decision of a sole arbiter appointed pursuant to the *Commercial Arbitration Act* of British Columbia; the decision of the sole arbiter shall be conclusive of the dispute and there shall be no right of appeal from the decision of the Arbitrator.

10.9 Any mediation or arbitration proceeding contemplated herein shall be held in the City of Nanaimo, British Columbia unless the parties mutually agree otherwise.

11. Miscellaneous:

11.1 As otherwise provided herein, this Agreement, together with the Business Plan, shall constitute the entire Agreement between the parties with respect to the subject matter hereof and shall replace any and all prior agreements or understandings, written or oral. The parties shall not be bound by any agreement, understanding or condition with respect to the subject matter hereof other than expressly set forth and stipulated in this Agreement or any subsequent written agreement signed by both parties hereto.

11.2 Except in the case of emergency, when notice may be given by telephone with later confirmation in writing, any notice, request, approval, demand or other communication which may be or is hereby required or permitted to be given under this Agreement shall be in writing and be delivered by hand or sent by facsimile transmission addressed as follows:

If to the City:

THE CITY OF NANAIMO  
455 Wallace Street  
Nanaimo, BC V9R 5J6  
ATTENTION: Corporate Officer  
Phone: 250-755-4405  
E-Mail - [chris.jackson@nanaimo.ca](mailto:chris.jackson@nanaimo.ca)

If to the Association: Nanaimo Hospitality Association:

NANAIMO HOSPITALITY ASSOCIATION

c/o 1577 Stewart Avenue

Nanaimo BC V9S 4E3

Danbrady@shaw.ca

or such other address or E-Mail Address, of which notice has been given as provided in this section. Any notice which is delivered by hand will be deemed to have been given on the day on which it is delivered. Any notice which is sent by e-mail transmission will be deemed to have been given on the first day after it is transmitted. If a party changes its address or e-mail address or both, such party will promptly give notice of its new address or e-mail address, or both, to the other party as provided in this section, whereupon notice to such party will be sent to such new address or e-mail address. While the telephone numbers of the parties to this Agreement are set out herein, notice or other formal communication between them must be in writing and delivered or transmitted as set out in this section.

- 11.3 Except as provided in section 11.4, the Association shall not have the right to assign, sub-license, mortgage, pledge or otherwise transfer this Agreement or the Association's rights and obligations herein, without the prior written consent of the City, which consent may be arbitrarily withheld.
- 11.4 If the Association delegates the responsibility for tourism initiatives and programs as laid out the Business Plan to a third party, the third party shall at all times be required by an agreement with the Association to observe and be bound by all of the terms of this Agreement.
- 11.5 Pursuant to this Agreement, the relationship between the City and the Association is that of independent contractors and not agents and employees. Under no circumstances shall this Agreement be considered a contract of joint venture or partnership.
- 11.6 This Agreement and the rights and obligations in relation to the parties shall be governed by and construed in accordance with the laws of the Province of British Columbia and the Federal laws of Canada applicable therein. The parties agree that the Courts of British Columbia shall have jurisdiction to entertain any action or other legal proceedings based on any provisions of this Agreement. Each party does hereby attorn to the jurisdiction of the courts of the Province of British Columbia.
- 11.7 No failure by the City or the Association to insist upon the strict performance of any covenant, agreement, term or condition of this Agreement, or to exercise any right or remedy consequence upon a breach, shall constitute a waiver of any such breach or any subsequent breach of such covenant, agreement, term or condition. No waiver of any breach shall affect or alter this Agreement but each and every covenant, agreement, term and condition of this Agreement shall continue in full force and effect with respect to any other or subsequent breach.

- 11.8 If any party to this Agreement is prevented or delayed from performing any of its obligations on its part to be performed hereunder by reason of an event of *force majeure* then and in every such event, any such prevention or delay shall not be deemed to be a breach of this Agreement but performance of any of the said obligations or requirements shall be suspended during such period or disability, it being understood and agreed that the time within which anything is to be done, or made pursuant hereto, shall be extended by the total period of all such delays unless it is otherwise provided herein. For the purposes of this paragraph 11.8, an event of *force majeure* means ~~any circumstances or act beyond the reasonable control of the party claiming~~ *force majeure* and which could not have been avoided or prevented by due diligence and the use of reasonable efforts by the party claiming *force majeure*, including, without limitation, labour disputes, strikes, lock outs, unavoidable casualties, riots, insurrection or terrorism, which have the affect of preventing or hindering performance, if such circumstance or events are beyond the reasonable control of the party claiming *force majeure* and could not have been avoided or prevented by due diligence and the use of reasonable efforts by the party claiming *force majeure*, provided in no event will a lack or insufficiency of funds or failure to make payment of monies on the part of the party claiming *force majeure* be or be allowed to give rise to an event of *force majeure* and in no event will a circumstance or act arising out of the default by a party claiming *force majeure* of its obligations under this agreement be or be allowed to give rise to an event of *force majeure*.
- 11.9 The invalidity or unenforceability of any provision of this Agreement shall not affect the other provisions hereof and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.
- 11.10 This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but together shall constitute one and the same instrument. This Agreement may be executed by the parties and transmitted by telecopy and if so executed and transmitted this Agreement will be for all purposes as effective as if the parties had delivered executed original Agreements.
- 11.11 Time shall be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.
- 11.12 The duties and obligations imposed by this Agreement and the rights and remedies under this Agreement are in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available at law.
- 11.13 Neither this Agreement nor any other terms may be changed or modified, waived, or terminated (unless otherwise provided hereunder) except by an instrument in writing signed by an authorized representative of the party against whom the enforcement of the change, waiver or termination is sought.


11.14 All representations and warranties set forth in this Agreement and all provisions of this Agreement, the performance of which is not required prior to the termination of the Agreement, shall survive such termination and shall be fully enforceable hereunder.


11.15 This Agreement shall enure to the benefit of the parties and their respective successors and permitted assigns and shall be binding upon the successors and assigns.

**THE CORPORATION OF THE CITY OF NANAIMO**

by its authorized signatory(ies)

in the presence of:

  
\_\_\_\_\_  
John Rutan, Mayor

  
\_\_\_\_\_  
Kristin King  
Deputy Corporate Officer

*The Nanaimo Hospitality Association*

by its authorized signatory(ies)

  
\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Authorized Signatory

THIS AGREEMENT made this \_\_\_\_\_ 24th \_\_\_\_\_ day of \_\_\_\_\_ July \_\_\_\_\_, 2014

Between

The Nanaimo Hospitality Association, a Society duly registered under the laws of the Province of British Columbia under #S-0058371, and having an office c/o , 1577 Stewart Avenue, Nanaimo, BC

(herein "NHA")

And

Nanaimo Economic Development Corporation, a company duly registered under the laws of the Province of British Columbia and having an office c/o 104 Front Street, Nanaimo, BC

(herein "NEDC")

Witnesses that:

Whereas NHA in concert with the City of Nanaimo has submitted an application to the Province of BC for implementation of a tourism based tax regime under the Municipal and Regional District Hotel Room Tax (MRDT) funding program, with a projected effective date of January 1<sup>st</sup> , 2015;

And whereas if the application is successful and MRDT funds are forthcoming, the business plan (the "Plan") submitted by NHA contemplates that MRDT funding will be used to support the delivery of a number of key initiatives as are more particularly detailed in the Plan pursuant to the terms of an agreement between the City of Nanaimo and NHA (the "City/NHA Agreement");

And whereas NEDC has the necessary expertise and has agreed to provide the services necessary to ensure the delivery of the initiatives described in the Plan and the parties to this Agreement have settled upon the terms and conditions upon which the NEDC will provide the services;

Now therefore this Agreement acknowledges that in consideration of the mutual covenants herein after appearing, and for other good and valuable consideration, the mutual receipt of which is hereby acknowledged, the parties hereto agree as follows;

1. NHA hereby retains NEDC to perform all tasks necessary on behalf of NHA to provide tourism development initiatives (the "Services") as directed by NHA from time to time during the term of this agreement.

2. Without restricting the generality of the foregoing, NHA hereby retains NEDC to provide the Services in respect of the initiatives described on Schedule A together with such additional initiatives as may be directed by NHA from time to time.
3. It is agreed that the Services are to be undertaken in an expeditious and cost efficient manner.
4. NEDC agrees that in performing the Services it will be acting under the direction of NHA and acknowledges that all policy decisions with respect to the delivery of the Services will be as directed by NHA from time to time.
5. NHA will be responsible to provide timely direction to NEDC from time to time to ensure that NEDC is at all times aware of expectations and where uncertainty exists, NEDC will seek direction from NHA as necessary to clarify any lack of clear direction.
6. NEDC will at all times provide the Services within the parameters of the approved annual budget and will not in any circumstances initiate actions that have a potential to put a project or a component of a project in a position of budget deficit.
7. NEDC will provide reports to NHA no less frequently than quarterly within 30 days of the end of the relevant quarter with each report containing sufficient detail to permit NHA to assess the status of each initiative with particular emphasis upon the following characteristics;
  - a) Compliance with project time line, including completed to date compared to initial time projection and projected time to complete with milestones identified;
  - b) Compliance with project budget, with spend to date and expected spend to completion detail;
  - c) Measurable outcomes to date against outcomes on projected time line;
  - d) Unanticipated issues and concerns with proposed responses;
  - e) CEO statement indicating degree of satisfaction with current state of progress on subject initiative.
8. NEDC acknowledges that apart from obligations under this Agreement it has an ongoing obligation to continue financial assistance in accordance with Table 2 Tourism Revenue and Expense Projections in the City of Nanaimo Business Plan and Application for the Municipal and Regional District Hotel Room Tax dated November 21, 2013.



9. NEDC will invoice NHA for costs incurred in the provision of the Services on a monthly basis and separate invoices will be provided for each initiative for which the NEDC is providing Services.
10. It is agreed by NEDC that invoices submitted as provided herein will in all instances be prepared according to and consistent with the approved budget for the Initiative which is the subject of the invoice.
11. In no circumstances will NHA be responsible for payment of any component of an NEDC invoice that is for any amount in excess of the budgeted amount for the category for which the charge is levied.
12. NEDC will at all times maintain a staff complement of sufficiently skilled resources as necessary to provide the Services in an efficient and cost effective manner.
13. It is agreed that NHA will have the final approval as to the identity from time to time of the lead individual assigned as the interface resource on the NHA account for NEDC.
14. It is agreed that for so long as this Agreement is in force and effect, NEDC will appoint three representatives designated by NHA to voting seats on the 15 member Tourism Leadership Committee operated by NEDC; the Tourism Leadership Committee is a component part of the response of NEDC to the developing tourism mandate conferred upon it.
15. Time shall be of the essence hereof.
16. This Agreement shall enure to the benefit of and be binding upon the parties hereto, their respective heirs, executors, administrators, successors and assigns.
17. Any notice required to be given hereunder by any party shall be deemed to have been well and sufficiently given if mailed by prepaid registered mail, sent by facsimile transmission to, or delivered at, the address of the other party hereinafter set forth:

If to NHA: 1577 Stewart Avenue, Nanaimo, BC, V9S 4E3


If to NEDC: 104 Front Street, Nanaimo, BC V9R 5H7

18. In the event that any dispute arises as to the interpretation of this Agreement, or as to the responsibilities of the parties hereto, then the same shall be referred to the decision of a sole arbitrator appointed pursuant to the provisions of the Commercial Arbitration Act, R.S.B.C. 1996, and amendments thereto.
19. If any provision of this Agreement is unenforceable or invalid for any reason whatever, such unenforceability or invalidity shall not affect the enforceability or validity of the remaining provisions of this Agreement and such provisions shall be severable from the remainder of this Agreement.
20. It is agreed that this Agreement may be executed in counterparts and that such executed counterparts may be delivered by facsimile transmission or email, with all such executed facsimile or email counterparts of this Agreement taken together to form a single Agreement.
21. The provisions herein constitute the entire agreement between the parties hereto and supersede all previous expectations, understandings, communications, representations and agreements, whether verbal or written, between the parties with respect to the subject matter hereof.
22. No amendment to this Agreement shall be enforceable unless the same is in writing and signed by the parties hereto.
23. This Agreement will remain in force for a one year term commencing on the date of execution and ending on the first anniversary of that date; NHA has the option, exercisable by notice in writing delivered at least 60 days before the expiry date provided herein, to extend the term of this agreement for a further one year upon the same terms and conditions as provided herein, and thereafter further one year options to extend on the same terms and conditions until a total term of 5 years has elapsed.
24. This Agreement shall be governed by and construed according to the laws of the Province of British Columbia.

IN WITNESS WHEREOF the parties have hereunto signed this Agreement the day, month and year first above written.

  
Authorized signatory

EXECUTED BY NANAIMO ECONOMIC  
DEVELOPMENT CORPORATION  
in the presence of its duly authorized  
signatory (ies):

  
Authorized signatory

AJ HUSTINS  
(print name of signatory)

## SCHEDULE A

### DETAILS OF INITIATIVES NOW IN CONTEMPLATION

#### **Development of Newcastle Island**

As per the MRDT Business Plan 45% of the tax funding is to be allocated to the development of cultural and heritage facilities on Newcastle Island. An RFP process for the development of a business plan and feasibility study for these facilities is currently underway, led by BC Parks. Specific allocations and funding for Newcastle through the MRDT tax will be tied to the final, approved business plan. Specific activities to be undertaken will be assessed and determined once the business plan is complete, which should be in Q2, 2015.

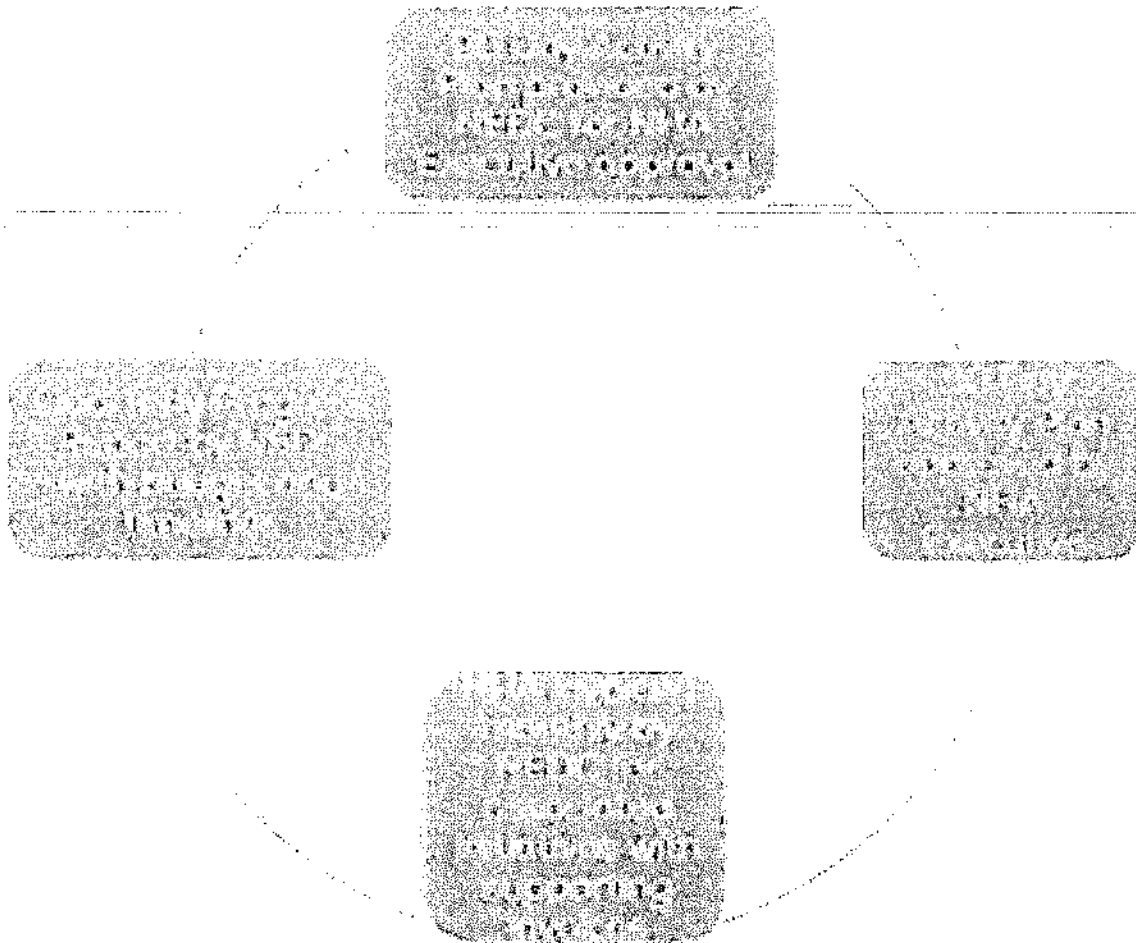
#### **Festivals and Events**

As per the MRDT Business Plan 35% of the tax funding is to be allocated the development of new festivals and events for Nanaimo. Discussions are underway around the types of festivals and events that best suit Nanaimo and its existing infrastructure and hosting capacity, with a focus on events that will increase business in the shoulder and off-seasons.

#### **Marketing Support**

As per the MRDT Business Plan 20% of the tax funding is to be allocated to marketing support for Newcastle Island, as well as the aforementioned Festivals and Events. A mix of traditional and non-traditional media will be blended into promotional campaign activity.

Schedule B  
NHA and NEDC Quarterly Process Cycle



## **D. Nanaimo & Region Tourism Strategy Executive Summary**

Background and context: The Nanaimo & Region Tourism Strategy is a strategic plan for the tourism industry in the Nanaimo & Region. It was developed through a collaborative process involving the Nanaimo & Region Tourism Board, the Nanaimo & Region Tourism Association, and the Nanaimo & Region Tourism Industry. The strategy is designed to provide a clear vision and direction for the tourism industry in the Nanaimo & Region, and to guide the development of tourism-related policies, programs, and initiatives.

December 2012

# **Nanaimo & Region Tourism Strategic Plan:**

**Summary Report**

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#### TLC Members

Bruce Avis

Dan Brady

Dave Ilyn

Dave Twynham

Denise Tacon

Don Dempson

Donna Vidal

Elizabeth Williams

John Winter

Kristen Magnussen

Margot Holmes

Nicole Vaugeois

Sandra Petryk

Scott Littlejohn

Volker Grady

### Message from the Tourism Leadership Committee

In the summer of 2012, the Tourism Leadership Committee (TLC) of the Nanaimo Economic Development Corporation (NEDC) embarked on the development of a Tourism Strategic Plan for Nanaimo & Region. Our overall goal in initiating this project has been to identify key initiatives that can be implemented over the next two or three years to increase the contribution that tourism makes to the region's economy. As part of the strategic planning process, we wanted to actively involve tourism stakeholders, take a close and honest look at the region's tourism strengths, weaknesses and opportunities, consider the bigger picture trends that are influencing travel decisions, and ensure we leverage the potential of our existing tourism resources and markets.

In the course of developing the Strategic Plan, we have been encouraged by the passion of our tourism operators for both their business and the tourism potential of the region, we've been challenged by the extent of low esteem in which many residents hold our community and its appeal to visitors, and we've been reminded of the many features and attractions that are available to attract and engage visitors and that help make the region a great place to live.

We are fully aware that we are working within an increasingly competitive tourism environment during challenging economic times. Despite these challenges, we are convinced that Nanaimo & Region has the potential to grow its tourism economy and to provide visitors with memorable travel experiences. This Summary Report presents the key elements of the Nanaimo & Region Tourism Strategic Plan including the key strategic initiatives that can be pursued to help achieve this potential (for more detailed information see Parts 1 and 2 of the Full Background Report – Nanaimo & Region Tourism Strategic Plan). As next steps, the TLC/NEDC will create an implementation plan for the Strategy as well as a Marketing Plan that complements the Strategy.

*NEDC Tourism Leadership Committee*



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# Introduction

Although not always well-recognized, tourism has long played a role in the economy of Nanaimo & Region. Visitors come to the area for a variety of reasons such as visiting family and friends, conducting business, attending conferences, boating on local waters, exploring the downtown, shopping at the malls, and stopping for a bite to eat enroute elsewhere. Spending by these visitors supports a range of businesses and jobs in the hotel, restaurant, tour, transportation, professional services, arts and culture, retail, and other sectors. If tourism spending were removed from the region, the economic and employment impacts would be significant.

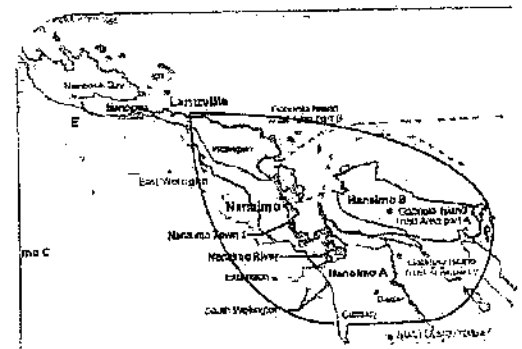
Like many other communities, tourism activity in Nanaimo & Region has been notably affected over the last few years by the global economic decline. Decreasing visitation, especially from the U.S. and other countries, but also from other areas of Canada, has resulted in declining hotel occupancy rates and reduced tourism spending. In turn, this situation has contributed to the closure of a number of restaurants, a weakened retail sector, and declines in transportation spending.

While Nanaimo & Region has a range of tourism assets such as a beautiful harbour, dozens of parks and conservation areas, an array of unique heritage and cultural features, many marine and land-based recreational opportunities, and numerous hotels, restaurants and shops, the competition for tourists and tourism dollars, especially since the start of the global economic decline,

has grown significantly. In response to this situation, and in order to effectively position the tourism industry for growth, it was recognized that Nanaimo & Region needs a tourism plan.

In response to this need for a tourism plan, the Tourism Leadership Committee (TLC) of the Nanaimo Economic Development Corporation (NEDC) was tasked with creating a Tourism Strategic Plan to help guide the development of tourism in Nanaimo & Region over the next two to three years. Creating this plan involved extensive consultation, research and evaluation. It is expected that the strategic initiatives being proposed will support the maintenance and enhancement of existing tourism businesses in the region, position the tourism sector for growth, and foster greater engagement and coordination among the region's tourism industry stakeholders.

The geographic scope of this strategy encompasses the City of Nanaimo, the District of Lantzville, Electoral Area A (Cedar, Cassidy, South Wellington), Electoral Area B (Gabriola Island), and a portion of Electoral Area C just west of Lantzville.



## VISION

Our vision is that Nanaimo & Region is Vancouver Island's gathering place, the destination of choice for visitors to enjoy a uniquely west coast experience year-round.

## Nanaimo & Region's Vision for Tourism

To help achieve the region's vision for tourism, the TLC/NEDC has identified the following four goals:

**Goal 1: Product Development:** To support thoughtfully developed visitor services, transportation, infrastructure, attractions and festivals and events.

**Goal 2: Industry Partnerships:** To be the catalyst for collaboration between industry stakeholders and other community organizations to foster new partnerships and leverage investment in the tourism sector.

**Goal 3: Marketing & Public Relations:** To increase awareness of Nanaimo & Region's tourism assets and increase the contribution of tourism to the region's economy.

**Goal 4: Community Pride:** To increase community pride in the region and its tourism assets.

## Alignment with Other Planning Initiatives

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The TLC/NEDC is committed to working closely with other government agencies on issues that impact tourism and to ensuring that the Nanaimo & Region Tourism Strategic Plan complements area Official Community Plan (OCPs) as well as other local planning initiatives including:

**Regional Parks and Trails Plan 2005-2015:** The vision guiding this plan is: *"Secures, protects and stewards lands and water features of environmental significance and wildlife habitat value; Provides rewarding outdoor recreational opportunities; Fosters education and appreciation of the Region's natural environment; and, Enhances livability for the current and future residents of the RDN."*

**City of Nanaimo (Corporate) Strategic Plan:** The vision of this plan states that *"By 2025, the Harbour City of Nanaimo will proudly excel as the transportation and service hub, quality lifestyle and business centre of Vancouver Island"*.

**Nanaimo Transportation Master Plan:** The intent of this plan is to address mobility issues in a manner that is consistent with the key objectives of Nanaimo's Official

Community Plan and the Regional Growth Strategy.

**Greater Nanaimo Chamber of Commerce Successful Cities project:** The *Successful Cities* framework identifies 12 elements that characterize successful cities. The Nanaimo Successful Cities Action Plan identifies a range of recommended initiatives which the City is expected to implement relating to each of these 12 elements and has committed to continuing to collaborate with organizations and groups to explore how the City can become one of British Columbia's most successful cities.

**Nanaimo Economic Development Strategy:** This document provides a framework for guiding short and long-term decision-making as it relates to economic development based on the vision statement: *"The desirable City to live, work and play. Invest and stay."*

**Nanaimo Downtown Plan:** This plan guides the development and revitalization of the downtown in accordance with the following vision: *"Downtown is the heart of the city. It is a people-friendly and unique place because of the harbour, the history evident in heritage sites and its physical design."*

*Downtown attracts residents, businesses, government, professional services and tourists because of its beauty, spectacular waterfront, excellent transportation links, arts and culture events and facilities, culinary attractions, diverse shopping, and lifestyle opportunities. These all exist within a positive and strong economic environment."*

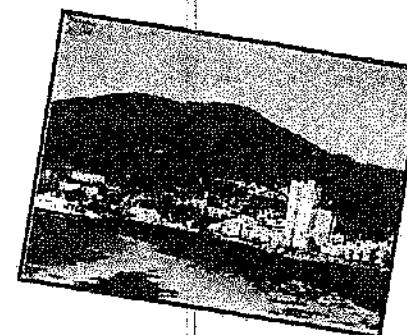
**Sport Tourism Strategy:** The City of Nanaimo recently completed a Sport Tourism Strategy which is aimed at attracting more tournaments and sports events to the community.

**BC Marine Highway plan:** A number of organizations from California in the south to Alaska in the north are working together to launch a (connected) marine highway product in 2013. By partnering and working together on a common brand, it is hoped that the west coast tourism industry as a whole can better leverage and more effectively benefit from developing and marketing the historical, cultural, natural and community assets along this marine route.

# Strengths, Weaknesses & Opportunities

Tourism stakeholders provided a wide range of input when asked to identify what they perceive to be the key strengths, weaknesses and opportunities of tourism in Nanaimo & Region. This input is documented in full in Part 2 of the Full Background Report, while the most frequently mentioned input is summarized below.

Strengths	
Community features and aesthetics	Harbour, history/historic attractions, natural beauty
Community location/ infrastructure	Central location, transportation hub, accommodations, conference centre, recreation/sporting venues
Attractions	Parks and trails, marine activities, Newcastle Island, waterfront walkway, arts and culture, biking, First Nations culture, outdoor activities
Events	Festivals and events



Weaknesses	
Perceptions by and of the community	Poor image of the city, reputation of the area, lack of awareness, naysayers, north-south split, drive-through destination
Community features and aesthetics	Ugly highway corridor, unattractive downtown, poor planning, spread-out community
Transportation	Transportation costs, inconvenience of ferry, weak public transportation, cost/access to Newcastle and Protection Islands, parking
Attractions/Activities	Lack of 'iconic' attraction, not enough things to do, lack of events held throughout the year, limited access to land for recreation uses, lack of tourism product generally
Organization	Disconnected industry, lack of tourism leadership, no co-ordination of event scheduling, weak relationship between tourism stakeholders in Nanaimo and on Gabriola Island, limited tourism vision and plan
Facilities and services	Lack of hotels (e.g., luxury; conference), lack of progressive restaurants, undeveloped mountain bike trails/access, lack of infrastructure
Marketing	Lack of visitor awareness of the region, poor marketing/not enough external marketing, poor signage, lack of cohesive messaging/packaging, lack of tourism identity

Opportunities	
Link with or build in existing products and attractions	Showcase Newcastle Island, develop a lively and vibrant downtown core, develop outdoor activities, develop recreational packages, map and secure access for trails, sport tourism, arts and culture, redevelop the Assembly Wharf, leverage cruise ship visitor potential
New products and attractions	Develop/provide access to Mt. Benson, build a bridge/tunnel to Newcastle Island, develop outdoor adventure area, develop coal mine attraction, develop Aboriginal culture, build waterpark or aquarium, offer more tours
Festivals and events	Hold more festivals (e.g., music festival), hold events in the shoulder/off-seasons, allow food vendors in the park, make better use of the Port Theatre, hold market on Commercial Street, hold boating/marine events, improve coordination of events/festival scheduling
Activities and initiatives	Develop a "Tourist in Your Own Town" program, become busker-friendly, establish a mid-Island tourism planning group, post RCMP in red serge at tourism gateways
Infrastructure/Aesthetics/ Services	Improve look of derelict buildings, build a multi-plex, build a conference centre hotel, establish year-round ferry services to Newcastle Island, improve transportation infrastructure, make Commercial Street pedestrian only, improve signage
Market and communications	Partner with other communities to jointly market the Central Vancouver Island region, encourage positive messaging by residents, promote marine opportunities, increase promotion of existing attractions and infrastructure.

# Tourism Situation Analysis

## Big Picture Tourism Conditions

**Global tourism is growing:** Global international tourism arrivals increased at nine times the rate of global population growth between 2001 and 2011 (i.e., 126% vs. 14%). Global tourism is projected to increase by 63% between 2011 and 2020. The proportion of global travel originating in emerging (versus advanced) economies has been, and is expected to continue to increase, largely due to a growing middle-class in countries such as China and Brazil.

**Total international travel to Canada has been decreasing:** Despite overall growth in global travel, the number of international visitors coming to Canada generally declined between 2002 and 2011, largely due to a significant loss of U.S. visitors. While visitation from other (non U.S.) international markets increased over this period, this increase was nowhere near enough to offset the loss of U.S. visitors.

**Domestic travel in Canada has been increasing:** The decline in the number of international visitors coming to Canada over the last few years has been off-set by an increase in the number of Canadians travelling

in Canada. Most Canadian tourism operators will remain heavily dependent on Canadian travellers for the foreseeable future.

**Tourism activity in B.C. will continue to grow and British Columbians will be the province's primary visitor market:** Tourism activity in B.C. is expected to continue to grow over the long-term. Over the next few years it is expected that a growing proportion of visitors to B.C. will be Canadian, and the majority of these visitors will be British Columbians. While the number of international visitors coming to B.C. is also expected to increase, the composition of these visitors is expected to continue to shift away from U.S. visitors and towards other international visitors.

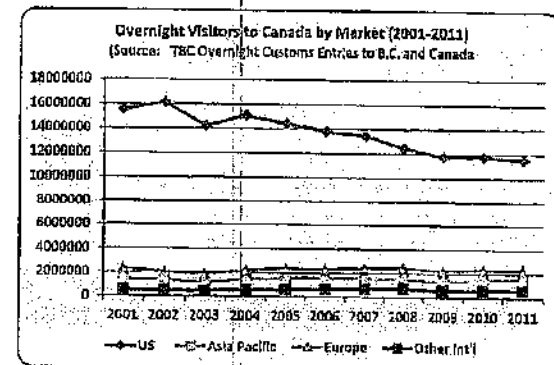
**Technology and social media trends** are transforming the travel industry while Internet travel 'testimonial' sites such as TripAdvisor are changing how the web is used to make travel decisions.

**Trip trends** include increasing demand for customized/personalized travel, experiential versus passive vacation activities, active vacations, 'value-added' opportunities, authentic experiences in new destinations,

and cooking and culinary travel programs. Additionally, short, getaway holidays continue to represent a sizeable portion of total trips

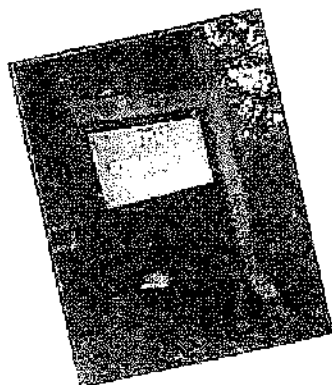
**Traveller demographic trends** include an increase in women only travel, an increase in multi-generation family travel, the ongoing aging of the travel market and, linked to the latter, an increase in active seniors travel.

**Current economic conditions** will continue to influence travel decisions. In addition to shorter holidays, closer to home, weak economic conditions will growing interest in 'value-added' opportunities and less expensive vacation options.



## Regional Tourism Conditions

From a tourism supply perspective Nanaimo & Region offers a range of tourism products and services as illustrated below.



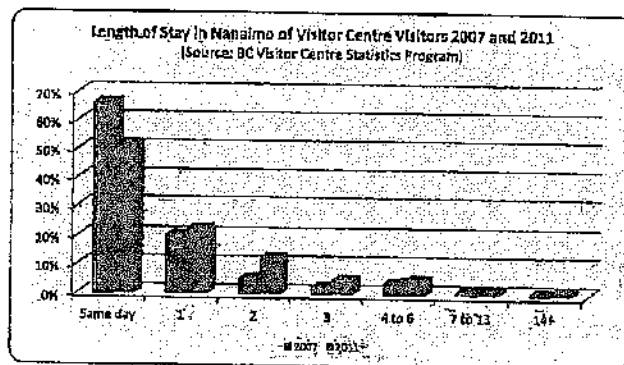
Category	Product/Services Supply
Accommodation	109 properties More than 2200 units Almost 1,000 campsites, 500 hotel rooms, 445 motel/inn rooms, 118 B&B rooms
Transportation	Highway access Airplane and seaplane access Marine access (ferries, cruise ship, private vessels)
Built Attractions	2 museums/several art galleries 5 key heritage sites/ features 2 amusement facilities 1 nature-oriented attraction Several culinary/agritourism options Range of community infrastructure (e.g., squares) Performing arts centre Several events and festivals Shopping and foodservices
Natural & Built Recreation Venues	10 provincial parks/reserves 8 regional parks Dozens of city/local parks Numerous trails 29 sports venues 8 golf courses Marines, artificial reef
Visitor Services	3 visitor information centres



From a tourism demand perspective, we know that:

**Off-island visitation to Nanaimo & Region has been declining:** This decline is reflected in ferry traffic trends which, on the Nanaimo routes alone, recorded a drop of 288,800 passengers between 2006 and 2011. While Vancouver Island residents have always been Nanaimo & Region's primary visitor market, this dependence is expected to increase over the next two or three years until economic conditions improve and travelers are willing and/or able to pay what it costs to travel to Vancouver Island.

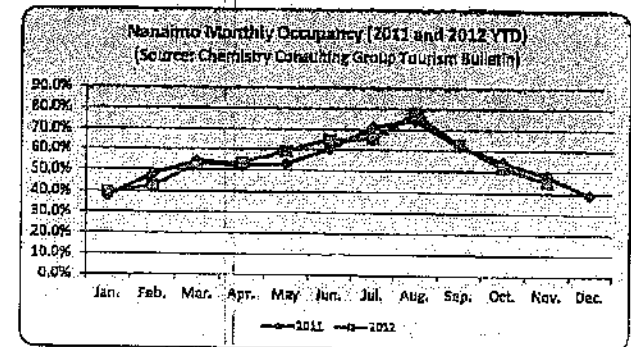
**Visitors to Nanaimo & Region are largely comprised of rubber tire leisure travellers and business travellers.** Overnight and same-day visitors to the region are and will continue to be largely comprised of rubber tire leisure travellers driving to or through the region en-route up or down Vancouver Island.



day. This number is likely understated as visitors staying overnight are more likely to stop for visitor information.

**The majority of visitors currently stay for less than a day in Nanaimo & Region:** Of 2011 visitors to the Nanaimo & Region Visitor Centre, 75% were staying in the area for less than a

**Most tourism indicators in Nanaimo & Region reflect declines over the last few years:** Over the last few years, declines have occurred in most tourism indicators including hotel occupancy, room revenue, public campground use, ferry passengers, customs port of entry counts, Visitor Information Centre clients, and non-resident marina use. While airport passenger traffic has been increasing, much of this growth is attributed to travel by Vancouver Island residents.



**Tourism activity in Nanaimo & Region is**

**at its highest in the summer season:** Monthly data for 2011 show that 40% of room nights sold, 38% of airport traffic, 45% of ferry passenger traffic, 73% of Visitor InfoCentre traffic, 87% of non-Canadian frontier traffic (i.e., border crossings), and 46% of museum visits, occurred between June and September. As these four months represent 33% of the year, these data confirm that tourism activity is higher in the summer than at other times of the year.

**Things to do and see and places to stay are of key interest to visitors:** The most frequently requested information at the region's Visitor Information Centres is for attractions/tours, followed by accommodation, adventure recreation and parks.

## Product-Market Focus

Based on the findings of the SWOT assessment and the tourism situation analysis, it has been determined that the Nanaimo & Region Tourism Strategic Plan should focus on the following key products and markets over the next two to three years:

### Key Products

- Festivals and events (arts, culture, sports, education)
- Trail-based activities (cycling, hiking)
- Marine-based activities (kayaking, marine tours)
- Historical/heritage sites
- Experiential travel (hands-on/learning/cultural/culinary opportunities)

### Key Markets

- "Drive-through" visitors (i.e., visitors driving through the region as part of their travel itinerary)
- Festival and event participants and/or supporters
- Vancouver Island and Lower Mainland getaway market
- Specific activity markets (cyclists, hikers, kayakers, wine/food travellers)



## Strategic Priorities & Actions

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**Strategy 1: Actively encourage/support new (shoulder and off-season) festivals and events:** Festivals and events are a key opportunity for the area. Currently, most of the region's key festivals are grouped together in June and July. There are numerous active local organizations and many talented individuals who could make a valuable contribution to the development of new festivals and events (art, culture, sport, education, etc.) which can be a great way of attracting new and return visitors to, and creating a 'buzz' about, the community. A key benefit of festivals and events is that they can be scheduled throughout the year and throughout the region to spread the benefits.

**Strategy 2: Actively encourage the City and RDN to continue to implement Nicol/Terminal Corridor and Downtown Revitalization initiatives.** Tourists like visually attractive places that are conducive to walking and gathering. Thoughtfully revitalized downtown areas can serve as a magnet and focal point for visitors and generate significant economic and community benefits. Current efforts to enhance the downtown and ensure it is clean and safe for visitors should continue. Revitalization activities should encompass the Highway Corridor that extends from the south through the north sections of the RDN with a particular focus on improving the visual appeal of the Nicol/Terminal area.

**Strategy 3: Support initiatives to extend and leverage the waterfront walkway:** Extending the walkway is a priority of the City which is already working on issues related to water leases, engineering, resident concerns and costs (e.g., several million dollars). Extending

the walkway will further contribute to the visitor appeal of the waterfront and to the area's draw as a "gathering place".

**Strategy 4: Improve trail access by creating comprehensive trail maps and enhancing trail signage and infrastructure:** Tourism related to trails (e.g., hiking/walking, cycling) is growing in popularity. The trail network in Nanaimo & Region has the potential to draw more visitors but this potential is currently limited by a lack of adequate mapping, signage and support infrastructure.

**Strategy 5: Encourage upgrading, improvements and additions to the region's tourism-related accommodation and transportation infrastructure:** Tourism in the region would benefit from improvements to tourism-related accommodation and transportation infrastructure. For accommodation, there is a need to improve the overall quality of existing accommodation and to add room inventory – especially in support the region's conference potential. For transportation there are opportunities to address transportation cost perceptions, to beautify and incorporate local arts and culture at tourist gateways, and to improve services for RVers.

**Strategy 6: Undertake initiatives that complement the BC Marine Highway Project:** This project, which will be launched in 2013, aims to connect, develop and market the range of marine-related visitor resources along B.C.'s coast so as to attract more marine tourists. Nanaimo & Region has a range of quality marine resources and services that can developed and promoted as part of this initiative so as to attract more marine visitors.

**Strategy 7: Develop new or augmented tourism attractions:** As there are many potential options for new or augmented tourism attractions in Nanaimo & Region, a process should be developed whereby the community can submit applications for support (e.g., funding for a feasibility study) to develop new or augment existing tourism attractions.

**Strategy 8: Improve communication with and collaboration between Nanaimo & Region tourism operators and Tourism Nanaimo:** While Tourism Nanaimo is working to enhance communication with tourism stakeholders and has a number of stakeholder programs in place, further initiatives to improve communication and collaboration will benefit the tourism industry by engaging stakeholders with innovative ideas; creating a sense of unity and mutual support; and facilitating the coordination of festivals and events and the development of a festival and events calendar (in support of Strategy 1).

**Strategy 9: Enhance resident awareness of and support for tourism through a variety of pride-of-place and communications initiatives:** Many Nanaimo & Region residents have negative perceptions regarding the region generally and its tourism potential specifically. In light of both the role that word-of-mouth plays in tourism marketing, as well as the high percent of visitors who stay with family and friends, it is important that residents be enthusiastic and proud of their community and its tourism resources.

**Strategy 10: Raise awareness of existing, and develop additional, organized day-tours:** One of the first things that many visitors do when planning a visit to a community is to consider available tour opportunities. While Nanaimo & Region has a few tour options, the potential exists to develop additional tours that take advantage of key tourism assets (e.g., marine-based tours, heritage tours, outdoor

recreation tours, arts & cultural tours). Tours can be marketed to most categories of visitors (e.g., independent travelers, cruise ship passengers, conference participants, tour bus passengers, school groups).

**Strategy 11: Focus tourism marketing related to festivals/events, activity opportunities and travel packages on the Vancouver Island and Lower Mainland getaway market and/or specific activity target markets:** The majority of tourists to the region are from Vancouver Island and the great majority are from B.C. Combined with both the ongoing preference for short, getaway vacations, and the growing interest in travel to participate in a particular activity, this situation indicates that the highest potential tourism target market for Nanaimo & Region in the short- to mid-term are people who reside on Vancouver Island (especially Greater Victoria) and the Lower Mainland and who are interested in going somewhere close to home for two or three days to participate in particular activities or events of interest.

**Strategy 12: Collaborate with adjacent communities/regions on Vancouver Island to develop and market selected tourism products or themes (e.g., mid-island festival):** People are more likely to travel to, and stay longer in, a location with multiple activity and/or day-trip options. Nanaimo & Region can take advantage of its central location to enhance its drawing appeal, especially to off-island visitors by participating in selected collaborative marketing and product development initiatives with adjacent regions.

## Action Plan

Strategies, Goal Supported, Key Tasks	Short-term Task (1-12 months)	Long-term Task (13-36 months)
<b>Strategy 1: Actively encourage/support new (shoulder and off-season) festivals and events</b>		
<del>Strategic goal supported: Product Development</del>		
Designate festival/events scheduling coordinator	√	
Create and distribute a festival/events calendar	√	√
Work with local music, art, sport organizations to develop new festivals/events	√	
Establish festival/event funding application and evaluation process	√	
Encourage operators to develop travel packages linked to festivals/events	√	√
Provide resources re: hosting/planning of festivals/events	√	√
<b>Strategy 2: Actively encourage the City and RDN to continue to implement Nicol/Terminal Corridor and Downtown Revitalization initiatives.</b>		
<del>Strategic goal supported: Product Development and Community Pride</del>		
Provide input to planning processes with tourism implications	√	√
Support Downtown Nanaimo Business Improvement Area activities related to downtown revitalization	√	√
Organize regular volunteer community clean-up events (coordinate with DNBIA)	√	√
<b>Strategy 3: Support initiatives to extend and leverage the waterfront walkway</b>		
<del>Strategic goal supported: Product Development</del>		
Actively encourage the City to continue efforts to extend the waterfront walkway.	√	√
Incorporate the walkway as part of tourism-related initiatives such as busker programs and festivals/events.	√	√
<b>Strategy 4: Improve trail access by creating comprehensive trail maps and enhancing trail signage and infrastructure</b>		
<del>Strategic goal supported: Product Development and Industry Partnerships</del>		
Work with local cycling stakeholders to confirm trail mapping and infrastructure requirements.	√	
Create and distribute GIS-based trail maps.	√	
Initiate trail infrastructure program with initial focus on way-finding, trail access and distance signage.		√
Create a smart-phone trail map application		√

Strategies, Goal Supported, Key Tasks	Short-term Task (1-12 months)	Long-term Task (13-36 months)
<b>Strategy 5: Encourage upgrading, improvements and additions to the region's tourism-related accommodation and transportation infrastructure</b>		
<i>Strategic goals supported: Product Development and Marketing/PR</i>		
Encourage tourism accommodators to increase facility and service quality	√	√
Provide tourism perspective to transportation related planning initiatives	√	√
Incorporate arts and cultural displays at key visitor access points (e.g., airport, ferry terminals)		√
Incorporate messaging into tourism marketing that puts a positive spin on ferry transportation and costs	√	√
Create and distribute an inventory of RV parking locations	√	
<b>Strategy 6: Undertake initiatives that complement the BC Marine Highway Project</b>		
<i>Strategic goals supported: Industry Partnership and Marketing/PR</i>		
Continue/enhance the "Come Ashore" marketing program.	√	√
Consult with Port Authority re: opportunities to leverage Marine Highway Project potential.	√	
Conduct FAM trips for Tourism Nanaimo VIC staff to raise awareness of marine tourism opportunities.	√	√
<b>Strategy 7: Develop new or augmented tourism attractions</b>		
<i>Strategic goal supported: Product Development and Industry Partnership</i>		
Establish a TLC Development Committee to develop a process and criteria whereby the community can submit applications for support (e.g., funding for a feasibility study) to develop new or augment existing tourism attractions.	√	
Implement the process and encourage proponents to submit an application and business case for specific projects.		√
<b>Strategy 8: Improve communication with and collaboration between Nanaimo &amp; Region tourism operators and Tourism Nanaimo</b>		
<i>Strategy goal supported: Industry Partnership</i>		
Implement a consistent and professional process for sharing information with and between tourism stakeholders (e.g., success stories, online resources, tourism performance measurement reports)	√	√
Build on current tourism stakeholder collaboration process (Tourism Tuesdays) by organizing and facilitating a multi-agency tourism stakeholders' roundtable		√
In support of Strategy 1, and to help facilitate coordination of groups and activities, establish a process for collecting information on upcoming festivals and events for inclusion in the festival/events calendar.	√	

Strategies, Goal Supported, Key Tasks	Short-term Task (1-12 months)	Long-term Task (13-36 months)
<b>Strategy 9: Enhance resident awareness of and support for tourism through a variety of pride-of-place and communications initiatives</b>		
<i>Strategy goals supported: Community Pride and Marketing/PR</i>		
Raise awareness in the community regarding the region's tourism assets and the economic value of tourism	√	√
Provide the media with ongoing stories of tourism successes	√	√
Establish a "tourist in your own town" program		√
<b>Strategy 10: Raise awareness of existing, and develop additional, organized day-tours</b>		
<i>Strategy goal supported: Product Development and Industry Partnerships</i>		
Create and maintain a database of the region's tourism assets and tours and identify tour gaps/opportunities	√	
Work with private sector tourism industry stakeholders to encourage partnerships to create new tours/packages to fill gaps or leverage opportunities		√
<b>Strategy 11: Focus tourism marketing related to festivals/events, activity opportunities and travel packages on the Vancouver Island and Lower Mainland getaway market and/or specific activity target markets.</b>		
<i>Strategy goal supported: Marketing/PR</i>		
Work with industry partners (e.g., VIU, TVI) to ensure Nanaimo and region is well represented in tourism-related research initiatives (e.g., visitor market research) so as to improve understanding of the visitor market		√
Identify the festivals/events/activities to be marketed focusing on opportunities with the greatest tourism potential.		√
Incorporate appropriate tactics/messaging related to the above, into the region's tourism marketing plan (separate initiative)		√
<b>Strategy 12: Collaborate with adjacent communities/regions on Vancouver Island to develop and market selected tourism products or themes (e.g., mid-island festival)</b>		
<i>Strategy goals supported: Industry Partnership and Marketing/PR</i>		
Encourage and support regional tourism initiatives		√
Host exploratory discussion with DMOs in adjacent mid-island regions regarding potential tourism (product development and marketing) synergies		√
Align Nanaimo & Region marketing initiatives with strategic tourism products in adjacent mid-island regions		√

## How Will We Measure Performance?

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As part of the implementation of this strategy, a regular process for measuring both the status of strategy implementation as well as the performance of the tourism industry will be undertaken. This process will involve:

- Documenting the status of strategy implementation (e.g., tasks completed in the previous 3 months); and,
- Tracking the following key tourism performance indicators on an ongoing and consistent basis:
  - Hotel occupancy
  - Hotel revenue per available room (RevPAR)
  - What other performance measures would the TLC like to track?

The NEDC/TLC will prepare a quarterly report documenting the above information which will be submitted to the Nanaimo Progress Board and posted on the NEDC website for public viewing.





## **E. NEDC Tourism Development Fund Documentation**

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The following three documents are attached:

- Tourism Development Fund Criteria and Overview
- Tourism Development Fund Application
- Tourism Development Fund Business Case Template

## Tourism Development Fund Criteria & Overview



As part of Tourism Strategic Plan, the Tourism Leadership Committee and Tourism Nanaimo have identified Tourism Product Development as a goal.

Product Development is identified as follows in the Tourism Strategic Plan:

"To support thoughtfully developed visitor services, transportation, infrastructure, attractions and festivals and events."

Tourism Nanaimo has a Destination Development budget of \$125,000 to assist community groups / businesses to attract overnight visitors to Nanaimo & Region.

### Eligible Applicants:

Must drive new overnight visitation to Nanaimo & Region with a tie back to the Tourism Strategic Plan:

- Capital Funding for new tourism infrastructure projects
- Feasibilities Studies for new tourism products/ services
- Bid Fees for new Events/ Conferences
- Site inspection/ travel costs for new events/ conferences (before event awarded)
- Organizations may apply for funding once per intake

### Ineligible Project Costs Include But Are Not Limited to:

- Administration costs, funding shortfalls, office equipment, telephone charges, internet access, clipping services, 1-800 numbers, translation, etc.
- Production, creative and development of marketing materials, websites, display booths logos, business cards, posters
- Projects or activities already completed
- PST/ GST/ HST

## Criteria

Every Tourism Development Fund application should answer the following questions, with 1 being weak and 10 being strong:

1. Does this project align with the Goals as outlined in the Tourism Strategic Plan?
2. How will this project drive overnight visitation in Nanaimo & Region?
  - a. Now and In the future
  - b. High Season (July & Aug), Shoulder (April, May, Sept & Oct) Low (Nov – Mar)
  - c. Will the project generate greater than 50 room nights annually
  - d. Will the project generate greater than 200 room nights annually
3. Has the applicant demonstrated community support
  - a. Has the applicant identified a community champion for the project?
  - b. Does the applicant have a track record of success with other projects?
4. How many sectors of the tourism industry will/ does the project support (ie accommodation, food & beverage, attractions)
  - a. What sectors will/ could be developed as a result of this project?

Applications will be evaluated using the above noted criteria on a scale of 1 – 10 with the top two double weighted, in addition to completing the application process.

## Duration of Project

Projects must have a start and end date specified within the proposal. Final reporting will be due 30 days after the specified end date of the project. All reporting must be completed by December 30th annually.

## Applicants must demonstrate:

- Good standing with the BC Registry Services and Worksafe BC (if applicable)
- Possess a Nanaimo Business license (if applicable)
- Proof of liability insurance
- Proof applicant does not substantially duplicate the activities of other applicants or other government-supported organizations

## Geographic Scope

The geographic scope for this fund encompasses the City of Nanaimo, the District of Lantzville, Electoral Area A (Cedar, Cassidy, South Wellington), Electoral Area B (Gabriola Island), and a portion of Electoral Area C just west of Lantzville.

### **Grant Allocation**

Organizations may receive up to 25% of eligible expenses. The maximum grant award per project will not exceed \$20,000.

A maximum of \$100,000 will be allocated in the first intake with \$50,000 in the subsequent 2013 intake.

Multiple year funding will be considered for a period of up to three years. Furthermore, this grant program is not designed to fund projects retroactively or to support funding shortfalls on projects.

If the project is not completed and / or there are concerns about project stability / completion, funds will be returned to Tourism Nanaimo.

### **Disbursement of Funds:**

- 50% within 14 days of approval
- 40% within 14 days of project completion
- 10% retained until the final report is submitted, payable within 30 days of report submission
- Organizations may be requested to the Tourism Leadership Committee and/or NEDC Board.

### **Reporting Process:**

Final Report is due within 30 days of project completion

- An interim report may be requested should the project not be completed by December 30th.
- Projects will not be deemed complete without submission of a final report.

### **Approval of Proposals:**

Applications will be reviewed by the Tourism Nanaimo Destination Development Officer to ensure all requirements are met. Completed proposals will be reviewed in priority of receipt. Incomplete applications will not be accepted for review until they are completed in full.

Applications recommended for approval by the Tourism Leadership Committee will then be presented to the NEDC Board for disbursement of funds.

### **Intake Dates:**

Until August 26, 2013

October 31, 2013

## Appeals

**Statement of Purpose:** The mandate of the Destination Development Advisory Task Force is to review appeals for process issues only. That is, to determine whether the original Advisory Committee had all the correct information and used the appropriate criteria to make their recommendation. The Grants Advisory Committee will not revisit the actual decisions, i.e. appeals regarding the funding amount granted.

### Criteria for Allowing an Appeal:

- Was the original advisory committee's decision based on the application not meeting certain criteria or submitting incomplete or incorrect information? Did the advisory committee misinterpret some of the information submitted?
- Did the original committee notify the applicant of its recommendations two weeks before it was sent to the next level (Tourism Leadership Committee), thereby giving the applicant time to respond?
- Does the applicant believe that the recommendation was based on incorrect or incomplete information? Does the applicant believe its information was misinterpreted?
- Did the original advisory committee determine the application should be reconsidered based on this new/different information?

This criteria will be reviewed by the Tourism Leadership Committee and Nanaimo Economic Development Corporation Board annually.

## Tourism Development Fund Application

### TOURISM ORGANIZATION

Legal Name: \_\_\_\_\_  
Incorporation/Act Registered Under: \_\_\_\_\_ Registration No: \_\_\_\_\_  
Are you a GST registrant?  
☐ YES ☐ NO If yes, what portion of GST/PST is recoverable? ☐ 100% ☐ 50%  
Mailing Address: \_\_\_\_\_ Postal Code: \_\_\_\_\_  
Key Contact Person/Position: \_\_\_\_\_ Daytime Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

### TOURISM DEVELOPMENT FUND

Project Name: \_\_\_\_\_  
Project Type: \_\_\_\_\_  
Project Location/ Address: \_\_\_\_\_  
Project Description: \_\_\_\_\_

Describe how this product development initiative links to Tourism Strategic Plan & Tourism Key Performance Indicators:

Describe how this project brings in new overnight visitors to Nanaimo & Region:

Budget Attached (Cash and In-kind): ☐ YES ☐ NO (Maximum 25% of Total Project Costs)  
Total Project Costs (TPC): \$ \_\_\_\_\_ Total Funding Request: \$ \_\_\_\_\_  
100% of project costs be secured prior to construction/ project start? ☐ YES ☐ NO  
Disclosure of funding requested and/ or confirmed from other grants/funding sources:

Do you own the land/ location for the proposed project (if applicable)? ☐ NO ☐ YES  
Are you presently working with a City of Nanaimo or Regional District of Nanaimo contact for this project? ☐ NO ☐ YES  
If yes: Name of Contact: \_\_\_\_\_ Phone Number: \_\_\_\_\_

### GOOD STANDING

Please confirm your organization is in good standing with the City of Nanaimo and/ or the Regional District of Nanaimo by indicating you have complied with the following:

- Paid any lease/licence fees including utilities, taxes, etc. as applicable.
- Proof of good standing with the BC Registry Services and Worksafe BC (if applicable).
- Are not in contravention conditions of a lease/licence with the City of Nanaimo or Regional District of Nanaimo.
- Provide proof of liability insurance.
- Proof applicant does not substantially duplicate the activities of other applicants or other government-supported organizations.

### DECLARATION: I declare:

- I am duly authorized to represent and have legal and/or financial signing authority for the above organization.
- The information included in this application and supporting documents is true and accurate and endorsed by the above organization.
- The general public shall have access to this facility.
- Any grant awarded shall be used solely for the purposes stated within this application and according to the program parameters.

Electronic Copy including signed application form attached. ☐

Notes: Proposals may be emailed or provided by hard copy + email, however the application with signature MUST be completed. An electronic copy of the project proposal must be received by the intake deadline or it will be deemed late and will be denied.

For Projects \$5001+ a Business Case has been completed and is attached. ☐

Signature of authorized representative

Title

Mr. / Mrs. / Ms. (Print Name)

Email Address: \_\_\_\_\_

Contact Daytime Phone Number: \_\_\_\_\_ Cell: \_\_\_\_\_

Destination Development Officer \_\_\_\_\_ Date: \_\_\_\_\_

**Nanaimo**

**Tourism Development Fund  
Detailed Business Case Template  
For Projects over \$5,000**



**PROJECT TITLE:** \_\_\_\_\_

**PROJECT LOCATION:** \_\_\_\_\_

Instructions for Completion of the Business Case:

- This Detailed Business Case is to be used for the Tourism Development Fund Application for grants over \$5,000.
- Please use as a guide and replace with appropriate information for the final submission.
- If a section does not apply to the project, indicate with 'Not applicable' and provide an explanation. Do NOT leave the section blank or delete it.
- A total of TWO copies of the Detailed Business Case (one master copy with signatures and one additional copy) and one electronic file (burned on a disc) are provided with the Application.

Prepared by: \_\_\_\_\_

Prepared for: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
**Organization/Applicant**

\_\_\_\_\_  
**Date**

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## SECTION 1 Executive Summary

### Purpose of an Executive Summary:

The reason for writing an Executive Summary is to provide a concise summary of the key highlights of the detailed business case analysis. The Executive Summary should describe what the project is about, the role of the project with regards to the Tourism Nanaimo's business plan and direction, and the business justification of the project. It should also describe how the project improves the overall efficiency and/or effectiveness for the community and municipal government.

### Checklist for Executive Summary Section

1. Does the Executive Summary provide a clear understanding of the reasons for the project and its outcome by outlining the "Why, What, When, Who, and How" of the project?
2. Does it contain any information that is not contained in the body of the business case? (It should not.)
3. Is the Executive Summary less than 2 pages?
4. Can the Executive Summary be treated as a stand-alone document?

### Description:

While the Executive Summary appears at the beginning of a detailed business case, it is written last.

The executive summary is potentially the most important section of your detailed business case. An executive summary should briefly describe the organization/company, the product or service, and the unique opportunity your organization/company is offering. It should also provide a short description of your key project team members and an outline of the investment you are seeking. Don't forget to indicate why you need the support and how, what and when the Tourism Nanaimo can expect to see the benefits and paid backs!

The Executive Summary will describe the objective of the project, the current state of the problem and the resulting opportunity. It outlines the scope of the project in general terms. The Executive Summary also provides a brief description of the business impact, and the risks of undertaking the project. Finally, it concludes with recommendations and the financial impact of the project. This summary should also be written with the media in mind as this is often the only part of a report that the media read. The Executive Summary is also often used to prepare a press release.

A good executive summary is essentially a condensed but powerful summary of your entire business case. It creates a first impression of both you and your business. Use clear and concise language - although this applies to your entire business case, it is especially important in your executive summary. Use words that command attention, and that get your reader excited about the opportunity you are presenting.

The summary should be a maximum of 2 pages in length.

## SECTION 2 Background

### Purpose of the Background Section:

The reason for writing the Background Section is to provide an introduction to the subject of the business case. This section describes the history and current state of affairs giving rise to or relating to the general business problem or opportunity that is the subject of the business case.

### Checklist for Background Section

1. Is the business problem or opportunity clearly defined in general terms?
2. Are the relevant facts outlined so that the reader has a clear understanding of the history, current situation and the resulting problems or opportunities?

#### A. Problem / Opportunity

##### Description

Provide a brief description of the business problem or opportunity that the business case is trying to address.

#### B. Company / Organization Description

The company / organization description component of your business case should outline your organization's basic background information and business concept. Explain, in general terms, who you are and what you do. It should also cover the history of your organization, how you reached this point, and where you intend to go in the future. Consider covering the following in this section:

##### Legal Description

Include details about where and when the company / organization was formed, where and when it was incorporated, a one line description of what business you are in, and a brief overview of what your organization offers. If the location of your company is important, explain the advantages and benefits. In the Appendix include:

- Copies of incorporation certificate, constitution and bylaws and applicable amendments;
- Minutes of meeting that support application and approval of financial requirements and risks;
- Financial statements for the past year should be attached to this document; and,
- Copies of leases / license agreements with the City of Nanaimo or Regional District of Nanaimo.

##### History of The Company / Organization

Provide a general overview of the history of your organization. Organize details into a timeline or narrative format, and include your achievements and significant milestones. Explain why you started the organization, the driving force behind its inception, and how your product / service mix has changed over time. Include historical data on sales, profits, units sold, number of employees, and other important facts to build a case for your business and project.

## SECTION 2 Background

### Current Status

This section provides a synopsis of what is happening currently in your organization, if applicable what has led to the current situation and what is likely to happen if the current situation is maintained. Furthermore, provide a snapshot of where your organization is today. Are you in one location, what do you sell or provide now, the organizational governance and structure, how many employees do you have, and how successful are you? Point out your current strengths, yet also honestly and frankly address your weaknesses. Investors know all businesses have weak points, and you demonstrate business maturity by acknowledging your weaknesses and outlining steps to combat them.

### Future Goals

This section gives an idea of where your organization is heading: What are you looking to accomplish over the next 1, 3, 5 and 10 years? Relate these goals to the investment you seek so an investor understands why you need their money or support and what you intend to do with it. Explain the overall approach for reaching growth and profit goals in optimistic language, but make sure it's realistic. It's easy to make rosy projections about the future of your company, but it's harder to make them believable.

### C. Mission & Vision

The mission and vision statements set the tone for not only your business case, but also for your company / organization. They define the path your organization will follow and act as a guiding principle by which your organization functions.

Your mission and vision statements explain what you and your business are all about - what your organization stands for, what you believe in, and what you intend to achieve. Be clear and concise and make it obvious what you're attempting to do.

#### Vision Statement:

Your **VISION** defines your long-term dream. It's what you constantly strive to attain, and it becomes your reason for being. It answers the following questions:

- What is the future that this organization seeks to preserve and develop?
- How will the community be different because of this organization?
- What is the end result that this organization is striving for?

#### Mission Statement:

Your **MISSION** defines your purpose. It is what you intend to become or accomplish. It should be challenging but achievable. A well-written mission statement demonstrates that you understand your business, have defined your unique focus, and can articulate your objectives concisely to yourself and others. It answers the following questions:

- Why does this organization exist?
- How is this organization unique from others in the community?
- What value does this organization add to the community?
- What business is this organization in?
- What is this organization here to do?

## SECTION 3 Project Description

### Purpose of the Project Description Section:

The reason for writing the Project Description Section is to provide a clear definition of what the project will accomplish (objective), what the project will and will not include (scope), what are the expected results (outcomes), and who are the players (stakeholders).

### Checklist for Project Description Section:

1. Is it clear what the project will accomplish?
2. Is it clear what is not included in the project and what it will not accomplish?
3. Is it clear which parties will be impacted by the project?
4. Are the general requirements of each stakeholder clearly laid out?
5. Are the timelines of the project clearly outlined?
6. Does the business case describe the consultation that has taken place with stakeholders?

#### A. Project Description

This section provides an explanation of how the project will address the business problems / opportunity identified in Section 2. Please ensure Project Description aligns with the project scope.

#### B. Objectives

The objectives section outlines what the project will accomplish, in clear and measurable terms within a specified timeframe. These objectives can be used in a post-implementation review to assess the success of the project. The objectives should be written broadly enough so that meaningful alternatives are not ruled out and narrowly enough so that only relevant alternatives are considered and that costs and benefits can be identified. Objectives should be focused on goals, not operations, and on outputs, not production.

Examples of objectives include:

- Increase access to recreation opportunities by 1200 hours per month, by March 2012.
- Increase revenue from tournament and competitive opportunities from \$200,000 to \$600,000 for the 2012 fiscal year.

#### C. Strategic Alignment

An overview of the strategic alignment should clearly identify that the project is supported by all stakeholders and contributes to the long-term direction of both the organization(s) and the Tourism Nanaimo.

The Strategic Alignment section outlines how the project aligns with the overall direction and advances the outcomes of Tourism Nanaimo's 3 year Tourism Strategic Plan in addition to other community plans (ie Regional Parks & Trails Plan).

Tourism Nanaimo Tourism Strategic Priorities:

- Product Development
- Industry Partnerships
- Marketing & Public Relations
- Community Pride
- Accountability

## SECTION 3 Project Description

As part of Tourism Strategic Plan, the Tourism Leadership Committee and Tourism Nanaimo have identified Tourism Product Development as a goal.

Product Development is identified as follows in the Tourism Strategic Plan

"To support thoughtfully developed visitor services, transportation, infrastructure, attractions and festivals and events."

Outline how the project contributes to the long-term direction of your organization and how the project advances each of the following Tourism Nanaimo strategic priorities:

### D. Scope

This section defines parameters of the project. Specifically, it describes the following:

**Timeframe:** Explains specific details about when the project will start and end.

**Organizations / Tourism Nanaimo Departments:** Details the organizations and/or departments who will be involved in the project.

**Required Approvals:** Details of the approvals required and status of each for the project:

(e.g., Development Permit, Land Owners permission, Zoning compliance etc.). Internal circulations are often required to identify all of the required approvals – i.e. Environmental approvals.

**Site Factor Considerations:** Provide site development plan and concept drawings if applicable.

This should state: Provide concept drawings including preliminary renderings and floor plans, proposed location on the site, and existing and proposed amenities/buildings, access, parking, and landscaping on the site.

Only concept plans should be submitted with the business case. The business case should discuss site factor considerations, and there should be examples of things the group should consider (for example adjacent uses/activities/architectural styles/parking/site access/connectivity/environmentally sensitive lands/historical preservation).

**Program Requirements:** Detail of program spaces, purpose and activities for each space and the design requirements. (Appendix can be attached)

**Roles:** Describe the roles for each of the organizations and/or departments involved in the project.

**Technology:** Define the boundaries within which the project must work (i.e., use of existing systems, compliance with established standards).

**Project Phasing:** Scope should discuss a potential phasing strategy.

## SECTION 3 Project Description

### E. Anticipated Outcomes & Project Readiness

This section itemizes specific and measurable deliverables of the project. For each outcome, include an estimated timeframe of when the outcome / deliverable will be completed (in terms of elapsed time from project start). Describe the current readiness of the project. Use this table or modify it to suit the specifics of the project/project timeline.

Outcome / Deliverable	
<b>Design Phase</b> Before design phase, should consider technical studies, environmental review if required, fundraising, public consultation etc	
<b>Construction Phase / Potential Project Phasing</b>	
<b>Project Completion</b>	

### F. Stakeholders

List all interested parties and partners that may be impacted (positively or negatively) by the project.

- Provide letters of support for the project.
- Provide details of any partners on the project, their involvement and additional impact

### G. Statement of Public Use

Include a statement of public use that provides an overview of who uses the facility/ service, access to facility/ service and how the public and/ or visitors will be accommodated.

Include the percentage (%) of the public who use or will use the facility/ service. Public use statement should include accessibility for different abilities, incomes, ages, etc.

### H. Tourism Nannaimo Recognition

Describe how your organization plans to recognize the Tourism Nannaimo contribution in the project, if successful.

Examples of Recognition include:

- A plaque on the facility indicating the Tourism Nannaimo
- An invite to attend the grand opening event

## SECTION 4 Market Analysis

### **Purpose of the Market Analysis Section:**

The reason for writing the Market Analysis Section is to provide an overview of the current and future demand and needs. Any additional information that supports justification for the project may be included in this section.

This section should include more information on what the reviewers are looking for. For example the current and projected demand could be based on demographic, social and other trends; industry research; competitive analysis of other organizations providing similar services; needs assessments

## SECTION 5 Business & Operational Impacts

### **Purpose of the Business and Operational Impacts Section:**

The reason for writing the Business and Operational Impacts Section is to list of all business and operational impacts for each stakeholder. Each impact is described and analyzed for the selected option.

### **Checklist for Business and Operational Impacts Section**

1. For each stakeholder, have all business and operational impacts been identified?
2. Has the magnitude of impact been accurately evaluated?
3. Have all stakeholders been considered?
4. Have risks been included?

### **Description:**

In preparation for the development of an estimate of the cost of the project, this section of the business case analysis describes changes that are anticipated to result from implementation of the future process. For each stakeholder (outlined in Section 3) identify all business (strategic, longer term-focused) and operational (procedural, detailed-focused) impacts that may arise from the project. Changes to consider include: personnel changes, technology requirements, recurring operations and support requirements, total cost of ownership, total value of ownership.

### **Examples of business impacts are:**

- Change in service and/or products being provided;
- Change in focus or direction of the organization and Tourism Nanaimo;
- Improved service delivery.

### **Examples of operational impacts are:**

- Staff training required;
- Reduction of staff resources.

## SECTION 5 Business & Operational Impacts

For each impact identify the magnitude of impact (high, medium, low, or none) using the following guidelines:

- **High** indicates that the magnitude of impact is significant and stakeholder support and preparation is critical to the alternative's success;
- **Medium** indicates that there is a manageable impact to the stakeholder;
- **Low** indicates the alternative will have a minor impact to the stakeholder;
- **None** indicates that the stakeholder will not be impacted by the alternative.

If necessary, document the rationale for the evaluation.

Impact & Description	Magnitude of Impact
Stakeholder 1:	
Impact 1: a description of impact 1	High
Impact 2: a description of impact 2	Medium
...	
Stakeholder 2:	
...	

## SECTION 6 Project Risk Assessment

### Purpose of the Project Risk Assessment Section:

The reason for writing the Project Risk Assessment Section is to provide an understanding of the risks that are related to the project. This section includes a risk mitigation strategy for each risk.

### Checklist for Project Risk Assessment Section

1. Have all general project risks been identified?
2. Has a risk mitigation strategy been identified for unacceptable levels of risk?



## SECTION 6 Project Risk Assessment

### Description:

Identify all project risks that may relate to the project. A risk is a factor or event that may jeopardize the project from achieving the anticipated benefits or increase the cost of the project. Examples of project risks are:

- Lack of Senior Management Support
- Legislative changes
- Insufficient training
- Inadequate communication
- Conflicting priorities
- Inability to free-up critical business resources

For each project risk, identify the probability of the risk occurring and its impact, using the following guidelines:

Probability of Risk		Impact of Risk	
High	indicates that the event is highly likely to occur.	High	indicates that the event has a significant impact to the project.
Medium	indicates that the event is likely to occur.	Medium	indicates that the event will impact the project.
Low	indicates that the event is not likely to occur.	Low	indicates that the impact is relatively minor to the project.
		None	indicates that the risk will not impact the project.

Description of Risk	Mitigation Strategy	Probability	Impact

## SECTION 7 Cost Benefits Analysis

### Purpose of the Cost / Benefit Analysis Section:

The reason for writing the Cost / Benefit Analysis Section is to provide an evaluation of the costs and benefits associated with the project that are easily understood and compare the initial and on-going expenditures to the expected financial and non-financial benefits.

### Checklist for Cost/Benefit Analysis Section

1. Have all quantitative costs and benefits been identified?
2. Have all qualitative costs and benefits been identified?
3. Is the timeframe appropriate considering the expected life span of the project?
4. Can any of the non-financial items be converted to financial items?
5. Are all the assumptions clearly identified?
6. Have all common/general assumptions been applied consistently to each alternative?
7. Have assumptions been reviewed to identify the sensitivity of their estimate on the impact of the results?
8. Have benchmarks, other organization's experience, industry data been used to validate costs / benefits?

### A. Quantitative Analysis – Financial Cost & Benefit

#### Description:

##### Full Cost Analysis:

Where possible, all costs and expected benefits resulting from this opportunity should be analyzed. This methodology provides a total cost picture and is much more informative than an incremental approach. Any detailed worksheets should be attached as an appendix.

#### Timeframe:

Identify an appropriate project timeframe over which both the cost and benefits will be analyzed. Timeframe should be appropriate to the expected lifecycle of the project, from incurring costs to achieving the anticipated benefits.

#### Costs:

Identify all relevant costs incurred by all stakeholders over the chosen project timeframe:

- Direct costs (fixed and variable);
- Indirect costs;
- Initial costs;

#### Consideration should be given to:

- When the costs will be incurred;
- Who will incur the costs; and,
- Certainty of costs.

## SECTION 7 Cost Benefits Analysis

### Benefits:

Identify all quantifiable benefits related to all stakeholders, over the chosen project timeframe.

Consideration should be given to:

- When the benefits will be achieved;
- Who will be the recipient of the benefits; and,
- Certainty of benefits.

The cost / benefit analysis considers whether net marginal benefits are greater than net marginal costs.

### Sample of a Summary Cost Benefit Template:

<b>Summary of Quantitative Cost/Benefit</b>	
Present Value of Total Benefits:	\$
Present Value of Total Costs:	\$
Net Present Value of Project:	\$

### Sample Costing Template:

Quantitative Analysis – Viable	Year 0	Year1	Year2	Year 3
<b>Benefits:</b>				
Revenue	\$	\$	\$	\$
<b>Costs:</b>				
Analysis	\$	\$	\$	\$
Design	\$	\$	\$	\$
Implementation	\$	\$	\$	\$
<b>Ongoing Operational Costs:</b>				
Human Resources	\$	\$	\$	\$
Administration	\$	\$	\$	\$
<b>Net Benefit or Cost of Viable</b>	\$	\$	\$	\$
Net Present Value (xx% Discount Rate)	\$			

## SECTION 7 Cost-Benefits Analysis

### Analysis:

A "Net Present Value" calculation is used to account for the fact that \$1 today is not worth the same as \$1 five years from now, due to inflation and interest rates. The use of a "Net Present Value" calculation should be used to take into account the time value of money, for regardless of whether the full or incremental cost approach is used.

If there are some assumptions that have a significant impact on the cost or benefit, a sensitivity analysis should be presented. Contingency allowances or interest rate premiums should be used to account for differences in certainty / risk. The cost / benefit analysis should be reviewed for reasonableness through the use of benchmarks, other organization's experience, industry data, etc. This would include the use of a public sector comparator for public-private partnership projects.

### B. Qualitative Analysis – Non-Financial Benefits & Costs

Some of the costs and benefits may not be quantifiable (difficult to attach a dollar value). For example, non-quantifiable benefits may be: increased customer satisfaction or increased staff morale. Non-quantifiable costs may be: reduced corporate image or adverse public perception. Where reasonable, these should be translated into quantifiable benefits (i.e., increased staff morale, may lead to high productivity, which may lead to less over-time). However, the non-quantifiable cost / benefits that cannot be translated into quantifiable cost/benefits should be summarized in the following manner:

#### For each Viable Alternative

Qualitative Summary	Description	Stakeholder(s) Impacted
<b>Benefits:</b>		
Benefit 1	Description of benefit 1	
Benefit 2	Description of benefit 2	
<b>Costs:</b>		
Cost 1	Description of Cost 1	
Cost 2	Description of Cost 2	

### C. Assumptions

All assumptions used to determine, both quantitative and qualitative, costs and benefits should be clearly documented. This would include general assumptions as well as assumptions specific to each alternative.

## SECTION 8 Conclusions

### **Purpose of the Conclusions Section:**

The reason for writing the Conclusions Section is to provide the selected alternative or preferred solution based on an overall evaluation of the alternatives in terms of impact, risk, and cost / benefit. Specific recommendations for moving the project forward are also presented.

### **A. Conclusions**

#### **Description:**

This section will recap each of the following: alternatives, based on their Business and Operational Impact, Project Risk Assessment, and Cost / Benefit Analysis.

**Business and Operational Impact:** Describe overall assessment

**Project Risk Assessment:** Describe overall assessment

**Cost/Benefit Analysis:** Describe overall assessment

### **B. Project Responsibility & Accountability**

#### **Description:**

The partner and municipal roles and responsibilities for each aspect of the project including development, management and ultimate responsibility need to be clearly defined. This section would also include any additional governance aspects related to the project. Provide the proposed project organization structure, and the responsibilities and accountabilities of each role. Where the responsibilities are identified by a separate committee terms of reference document, this should be identified here and attached in the appendix.

The accountability of the project needs to be clearly defined, providing a recommendation of who should be the Project Sponsor and, as such, have overall accountability to ensure the project is completed. Recommend who should be the Project Manager and, as such, have responsibility for managing the implementation. This also includes the assignment of responsibility for implementing and monitoring the risk mitigation strategies.

## SECTION 9 Implementation & Marketing Strategy

### Purpose of the Implementation Strategy Section:

The reason for writing the Implementation Strategy and Operating Model Section is to ensure that those approving the business case understand the resources they must allocate (people, dollars, time) to complete the recommended next steps of the project to implement and market.

Based on the Conclusions Section, the Implementation & Marketing Strategy provides the details for the marketing strategy.

### Description:

Outline the proposed implementation plan for the recommended next steps at a high level. Enough detail should be provided so that those approving the business case understand the resources needed to complete the recommended next steps of the project.

This section should include:

- Project Schedule;
- Management Plan
- Marketing Plan.

#### A. Project Schedule

Outline the project schedule including the major project phases, high-level work plan and the identification of the project deliverables with the associated start and end dates for each. Details regarding project process and timing and start/ opening date should be included.

#### B. Management Plan

Management of any business directly correlates with the organization's success or failure. Highlight information that demonstrates you have the ability to make this project a success. Important management issues are training, experience, and, most of all, the character of those involved in the management of this venture.

List each of the management and / or board of directors, list their names, titles, roles and responsibilities, experience, and length of contract, if any. Include an organizational chart, management contracts and reporting relationships.

#### C. Marketing Plan

Every good marketing plan should include two major parts – a definition of your target market and a specific outline to market, promote and sell your product or service.

#### Target Market

It's critical to clearly define your target market in your business case – investors expect it. Describe your customers and their defining characteristics in detail. Include information such as age, gender, geographic location, income bracket, buying similarities, and more.

The goal of this section is to build a demographic profile of your typical customer/ visitor. The more clearly you pinpoint the defining

## SECTION 9 Implementation & Marketing Strategy

traits of your customer/ visitor, the easier it is to construct a marketing program to reach them effectively.

The information and research included in your target market section should originate from primary and secondary sources. Primary sources include information that you discover or conclude from personal observation and research, such as personal studies, results of questionnaires, site visits, and conversations with experts in your industry. Secondary sources include such sources as journals, books, published reports, government statistics, or internet findings.

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### Marketing Program

After you define your target market, you need to determine specifically how you will reach them. Outline the details and steps necessary to reach potential customers / visitors and convert them from prospects to paying customers. It is important to demonstrate to investors that you have identified specific marketing avenues and procedures to effectively sell your product or service. Answer questions such as the following in your marketing plan section:

- What specific marketing mediums will you use to reach your customer?
- How often will each be used? What will they cost? Why did you choose these marketing avenues over others?
- What marketing materials will you need (brochures, website, etc)?
- What is the cost of marketing materials per prospect or client? (You may choose to include marketing pieces in the appendix of your business plan).
- Will your company be able to attract PR? Why will they run your story? What's the "angle"? Which publications and mediums will you target?

## SECTION 10 Appendices

The major sections of your business case should only contain summarized findings and highlights for your business. Including every piece of information you have collected in the main sections of your business plan only results in information overload and makes it difficult to determine if reading the entire plan is worth the effort. Instead, include detailed research, sources, and other related information about your business and your business plan in the Appendices section.

The Appendices **must** include:

- a) Incorporation Documents and Applicable Amendments, including copy of Annual Filing;
- b) Financial Statement for the last completed fiscal year and includes the previous years financial information within statement as a side by side comparison. This Financial Statement shall include a statement of operations, and balance sheet, the Financial Statement should be be audited and/or independently reviewed. The Financial Statement must be signed as per your organization's statutory regulatory requirements indicated in your constitutional documents for which you were formed (e.g. Bylaws, Along with Financial Statements, as of January of the current year.
- c) Copy of Organization's Minutes that indicates support of the application and approval of financial requirements and risks;
- d) Copies of lease / license agreements or other agreements with the City of Nanaimo or the Regional District of Nanaimo
- e) Other Supporting Information or Documentation for project.

Additional Information **may** include the following:

You may want to consider including, if available, the following supporting information and documentation in the Appendices section of this business case. Be careful not to include every piece of material you have in the Appendices section. Only include those materials that provide significant support or additional clarification for your business case.

- Support Letter(s) for project;
- Management Resume(s), Committee Terms of Reference;
- Pictures of products, locations, etc.;
- Copies of purchase orders, quotes, estimates;
- Concept Plans, Preliminary - Site Plans, Floor Plans, Design Drawings;
- Marketing materials;
- Market research surveys and results (highlights only);
- Needs Assessment Report;
- Fundraising Feasibility Study;
- Strategic Plan;
- Facility Master Plan;
- Environmental Report (Environmental Impact Assessment/Environmental Screening Report);
- Parking Impact Assessment;
- Traffic Impact Assessment;
- Public Involvement Plan - Implementation Report;
- Any other supporting documents.



**Foy, Anne FIN:EX**

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**From:** Foy, Anne FIN:EX  
**Sent:** Wednesday, April 30, 2014 9:09 AM  
**To:** Brown, Micah FIN:EX  
**Subject:** FW:

FYI

Anne-Foy  
Strategic Advisor  
Tax Policy Branch  
Ministry of Finance

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**From:** Foster, Doug FIN:EX  
**Sent:** Wednesday, April 30, 2014 7:11 AM  
**To:** Foy, Anne FIN:EX  
**Cc:** Flanagan, Paul FIN:EX  
**Subject:**

**Hotel tax would add up to \$400K to city coffers**  
The Daily News (Nanaimo)  
Wednesday, April 30, 2014  
Page A01  
By Spencer Anderson

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Page 225

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