

BACKGROUND

Resort Associations

Introduction:

A resort association (RA) is an incorporated society established under provincial legislation to promote a resort. It has the ability to levy and recover charges from commercial and residential property owners for promotional activities which can include central booking, marketing, signage, and special events. These activities can increase visitation, new investment, and development to support resort industry and tourism growth.

History:

The first RA was established in Whistler in 1979. In 1995 legislative changes enabled the creation of RAs in other areas. Since then, two additional RAs have been established for Sun Peaks (1996) and Red Resort Association (2007).

The Ministry of Municipal Affairs and Housing is responsible for the legislative framework for RAs. The two key statutes are the *Resort Municipality of Whistler Act* and the *Resort Associations Act*.

Creating a Resort Association:

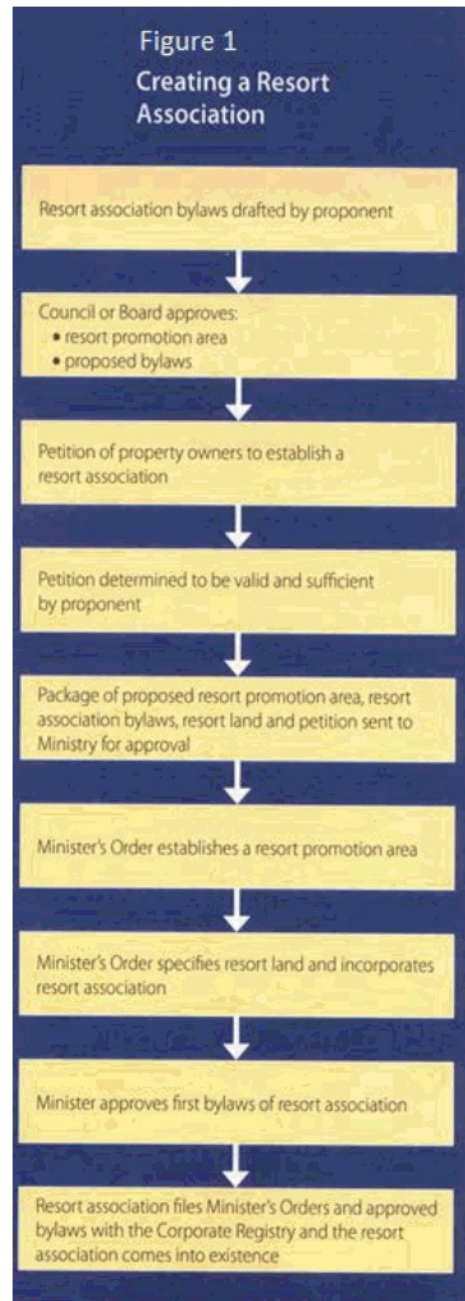
As show in Figure 1, the process for creating a new RA starts with identifying the resort promotion area, drafting society bylaws and undertaking community engagement with property owners and stakeholders. From there, local government endorsement, a positive petition result and ministerial approval are required to formally establish an RA.

Determining the RA Area:

Proponents of an RA first have to consider the scope of the “resort promotion area” which is the wider area of resort recreation and potential development. Within the resort promotion area is a smaller designated area called “resort land” which is the area within which a resort association can levy a charge to recover the costs of resort promotion. Over time this area can be expanded to take in new commercial or recreational development.

Drafting Bylaws:

Proponents next develop draft bylaws for the proposed RA and undertake engagement with resort property owners. The bylaws can include provisions for: membership, voting rights of members, levying assessments on members, and the promotional activities of the RA. The draft RA proposal – including the proposed resort promotion area, resort land, and bylaws – is forwarded to the local government which then considers supporting it or not by resolution.



Petition:

With local government approval, the proponents develop a petition under s. 211 of the *Community Charter*. This petition must describe the promotional scheme, define the boundaries of the resort promotion area (with a map), identify the method of cost recovery and estimate costs to business and residential property owners. Half of the property owners, together representing half of the assessed value of the properties, need to sign the petition to enable the petition to be valid and sufficient. Typically, proponents may contact smaller numbers of property owners directly, especially the larger commercial entities and hotels, but would mail out the petition where there are large numbers of owners involved. Petitions may take months to complete where there are larger numbers of owners.

Minister's Role:

The package of the resort promotion area and resort land maps, bylaws, local government approval and the petition results are then submitted to the Minister of Municipal Affairs and Housing for consideration. The Minister must be satisfied that the area for the RA has alpine ski operations with year round recreational facilities and overnight hotel accommodations (or is in a resort region), and further that the RA promotion area has local government support. The Minister must also be satisfied with the petition process. By policy, Ministry staff also provide an assessment to the Minister on whether or not the RA scheme seems fair and equitable.

Final Steps:

As a final step in the process, an RA comes into existence when its bylaws, list of first directors and address are filed with the Registrar of Companies.

Resort Association History and Creation Process

History:

In 1995, special features under the *Resort Municipality of Whistler Act* were made available to other mountain resorts under the *Mountain Resort Associations Act* (MRAA) including enabling the creation of a mountain resort associations in other areas. Other changes included: waiving the need for assent for capital borrowing, increasing development cost charges; and expanding development permit powers to include external appearances of buildings.

Later in June 2007, the MRAA was amended as part of a broader resort legislative package to facilitate resort development. Renamed the *Resort Associations Act* (RMA), the new Act widened applicability to non-mountain resort communities. As well, the legislation was changed to directly link the petition of property owners in the resort promotion area to the creation of the resort association.

Creating a Resort Association:

Resort associations are typically created early on when a resort is just starting to grow and has few property owners. They are usually proposed by the resort owners, with the support of commercial property owners and the developers of residential properties who have a strong interest in drawing people to the resort.

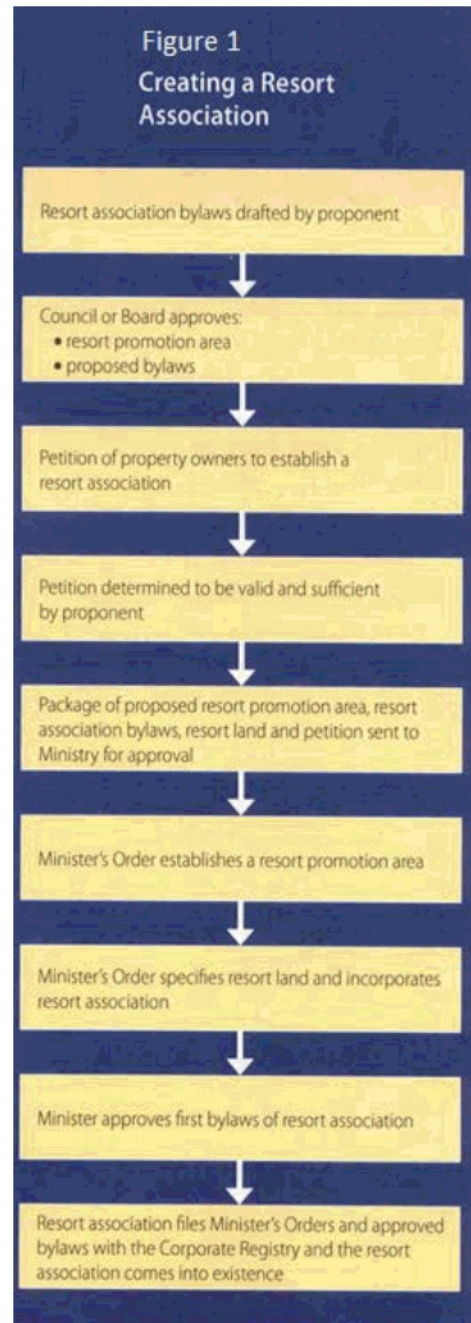
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Draft Bylaws:

Proponents next develop draft bylaws for the proposed RA



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Minister's Role:

The package of the resort promotion area and resort land maps, bylaws, local government approval and the petition results are then submitted to the Minister of Community, Sport and Cultural Development for consideration. The Minister confirms if the proposal has alpine ski operations with year round recreational facilities and overnight hotel accommodations (or is in a resort region), confirms the local government support by resolution, and then determines if the bylaws are fair and equitable and decides if there is evidence the petition is sufficient.

Determining if Bylaws are Fair and Equitable:

Bylaws are reviewed by Ministry staff to determine:

1. Association governance has adequate sectoral representation by residential, residential lodging, hotels, commercial, resort operator, etc. on the association board of directors
2. Promotional scheme includes activities that would reasonably be expected to promote, facilitate and encourage the development and operation of a resort promotion area
3. Activities of promotional scheme produce an annual budget that is supportable by the owners of property inside the resort lands according to an equitable fee schedule (each property type pays reasonable fees according to benefits received)
4. Reasonable process for stakeholder engagement on resort association proposal has been undertaken and the outcomes of the engagement are reflected in bylaw changes to improve equity and fairness to various sectors of property owners

Determining if Petition is Sufficient:

1. Petition should be reviewed and verified by competent third party before the proponent sends it to the Ministry along with the RA submission package.
2. The number of petitions signed by property owners must be greater than half the properties within the resort promotion area.
3. As well, the petitions together must represent greater than half the total assessed value of the total properties within the resort promotion area.

If the numbers of petitions is close to 50% of the total property owners, and if there is considerable local resistance to the resort association it may not be prudent for the Minister to create the resort association for the proposed geography or with the current bylaws.

If the package is complete and submitted from a year-round resort (as defined above) and the Minister is assured that the bylaws are fair and equitable and the petition is sufficient, the Minister may approve the bylaws, sign a Minister's Order specifying the resort promotion area and sign a second Minister's Order specifying resort land and incorporating the resort association. The orders and approved bylaws along with the names of the first directors and the association address are then registered with the Corporate Registry to bring the resort association into existence as a society.

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Page 6 to/à Page 7

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