

AGENDA FOR THE MEETING
OF THE ECONOMIC DEVELOPMENT STANDING COMMITTEE,
TO BE HELD IN THE BOARD ROOM, CITY HALL, ON MONDAY, 2005-JAN-10, COMMENCING
IMMEDIATELY FOLLOWING THE PRE-COUNCIL MEETING

1. ADOPTION OF MINUTES:

Minutes of the 2004-NOV-15 Meeting of the Economic Development Standing Committee held in the Board Room, City Hall at 11:08 a.m.

2. INTRODUCTION OF LATE ITEMS:

3. RECEIVING OF DELEGATIONS: *(green)* (10 MINUTES)

- (a) Mr. Jerry Pink, Tourism Nanaimo, to present the results of the Visitor Information Program which ran on BC Ferries during the summer of 2004.

4. REPORTS OF ADVISORY BODIES: *(tan)*

Tourism Nanaimo:

(a) Proposed Scope of Services to be Provided to the City

For the past 15 years, the City of Nanaimo has supported growth of the tourism sector in our city through annual funding contributions to Tourism Nanaimo. In 2004, the City provided \$317,000 of Tourism Nanaimo's \$535,000 annual budget. The organization provides Visitor Information Services, produces an annual Visitor's Guide, and markets Nanaimo as a destination to leisure and conference travellers. And while these efforts have certainly been a benefit to Nanaimo, their effectiveness has been limited by the resources available (particularly for marketing), and unclear expectations about desired outcomes among stakeholders and funders. Simply put, the City's expectations have exceeded the resources the City has allocated to do the job.

The New Nanaimo Centre project is creating new pressure on tourism services. One of the key components of the New Nanaimo Centre is the Vancouver Island Conference Centre and the accompanying need for a headquarters hotel. Our proposed hotel partners, Triarc International and Marriott Hotels, have indicated that their investment in the Nanaimo market is contingent upon an increased commitment from the City to establish Nanaimo as a destination. In the City's agreement with Triarc, the City has agreed to increase its support for tourism industry development from its present \$300,000 up to \$1 million within 5 years.

This is a significant change and raises questions about how to best invest those funds to maximize the return to the community, lever private-sector dollars, and ensure accountability for the money spent. In addition, it has prompted a review of what services the City wants and how best to deliver them.

As Council's representatives on the Tourism Nanaimo Board, we would like to outline our recommendations, based on extensive discussions with Tourism

Nanaimo and feedback from key industry players. Our intention is to clarify the proposed scope of services provided by Tourism Nanaimo in its annual service contract with the City, the resources required to deliver those services, and the steps underway that will ensure that new tourism investments by the City provide value for taxpayers.

To develop the tourism industry here, there needs to be activity in four inter-related areas:

- Destination development (i.e.: the “product” that Nanaimo can offer);
- Marketing & promotions (i.e.: creating awareness about the products here);
- Sales (i.e.: connecting potential visitors to purchase local tourism products);
- Visitor Information Services (i.e.: ensuring that visitors enjoy their stay).

Presently, Tourism Nanaimo’s expenditures are primarily focused on supporting Visitor Information Services, with limited investment in marketing, sales, and destination development. Tourism Nanaimo consistently receives high ratings for its Visitor Information Services, and is recognized by the province as a regional information centre.

In reviewing where Tourism Nanaimo provides the best “value for money”, we have determined that the City’s investment in the organization is best served by the Visitor Information Services function. This includes providing contact with visitors, managing volunteers, coordinating information and tours for conference attendees, producing an annual Visitors Guide, and expanding the Visitor Counseling program on BC Ferries. Tourism Nanaimo is requesting \$330,000 from the City in 2005 to support these services. This will support an expanded ferry program, additional visitor counseling staff for the full year, and marketing program support for the first six months of the year. If approved by Council, these services will form the basis of an annual service contract between the City of Nanaimo and Tourism Nanaimo.

With this re-alignment of responsibilities, all staff positions at Tourism Nanaimo will be maintained, with the exception of the Conference Marketing position. Because of the close link to the Vancouver Island Conference Centre, we believe that this function should report directly to the City. The incumbent, Sonja Nagel, has agreed to become a contract employee of the City within the next several months. The longer-term structure of this function will depend on how Council decides to structure the conference centre management contract.

We also recognize that if Nanaimo is to truly become a “destination”, we need to invest in establishing “destination” products and targeted marketing. Council has already indicated that it plans to increase its investment in destination development to \$1 million within 5 years. To ensure that the City invests its new tourism dollars wisely, the Economic Development Office has initiated a call for proposals for a “destination development and marketing plan”. The plan will be carried out by a team of tourism experts, and will be guided by a Steering Committee of industry representatives, including Tourism Nanaimo Board members and staff. The plan will be based on extensive public consultation and statistical information that quantifies the best opportunities for future investments. The strategy will also identify the best options to deliver the destination development and marketing services in the future. This work is expected to be complete by June 2005.

Recommendation: That the Economic Development Standing Committee recommend that Council:

1. endorse the proposed scope of services to be delivered by Tourism Nanaimo to the City of Nanaimo; and
2. support Tourism Nanaimo's request for \$30,000 in additional funds for 2005.

[Note: The additional \$30,000. requested is not included in the draft financial plan prepared by Staff. The plan does include a discretionary budget for the Economic Development Standing Committee of \$40,000.]

5. CITY MANAGER'S REPORT: (blue)
6. INFORMATION ONLY ITEMS: (white)
7. CORRESPONDENCE: (pink)
8. NOTICE OF MOTION:
9. CONSIDERATION OF LATE ITEMS / OTHER BUSINESS:
10. QUESTION PERIOD: (Agenda Items Only)
11. ADJOURNMENT:



Standing Committee on Economic Dev.

REQUEST TO APPEAR AS A DELEGATION AT THE _____
COUNCIL MEETING TO BE HELD _____ AT _____ P.M.
IN THE _____, CITY HALL

[Please Print]

NAME: _____

MAILING
ADDRESS: _____

Home Phone: 751-1170 Business Phone: 756-0106 23 Fax: 250-756-0075

NAME OF PERSON MAKING PRESENTATION:
(if other than above)

Michelle Hinds

NAME OF ORGANIZATION:
(if applicable)

Tourism Nanaimo

DETAILS OF PRESENTATION:

*Present results of Visitor
Information Program run on
B.C. Ferries during the
Summer of 2004. This program
was financed by the Standing
Committee on Economic Development.*

J. P. K.

It is recommended that you contact the Corporate Administration Department to confirm your attendance prior to the Meeting.

CORPORATE ADMINISTRATION DEPARTMENT 455 Wallace Street V9R 5J6

Phone: (250) 755-4405 Fax: (250) 755-4435

e-mail: mayor&council@nanaimo.ca

January 5, 2005

REPORT TO THE ECONOMIC DEVELOPMENT STANDING COMMITTEE

FROM: COUNCILLORS RON CANTELON & DAWN TYNDALL

RE: PROPOSED SCOPE OF SERVICES TO BE PROVIDED BY TOURISM NANAIMO TO THE CITY OF NANAIMO

RECOMMENDATION

It is recommended that the Economic Development Standing Committee:

1. endorse the proposed scope of services to be delivered by Tourism Nanaimo to the City of Nanaimo; and
2. support Tourism Nanaimo's request for \$30,000 in additional funds for 2005.

BACKGROUND

The tourism sector is one of the largest industries in British Columbia, generating over \$5 billion for the provincial economy, creating employment for more than 115,000 workers. The provincial government is committed to expanding the tourism sector, with a goal of quadrupling the size of the industry by 2015, by making investments in destination development and marketing, and partnering with regions that embrace tourism growth.

Vancouver Island is well positioned to take advantage of this anticipated growth. The Island was recently recognized as a top-rated island destination in North America, and continues to attract a higher than average share of visitors.

For the past 15 years, the City of Nanaimo has supported growth of the tourism sector in our city through annual funding contributions to Tourism Nanaimo. In 2004, the City provided \$317,000 of Tourism Nanaimo's \$535,000 annual budget. The organization provides Visitor Information Services, produces an annual Visitor's Guide, and markets Nanaimo as a destination to leisure and conference travellers. And while these efforts have certainly been a benefit to Nanaimo, their effectiveness has been limited by the resources available (particularly for marketing), and unclear expectations about desired outcomes among stakeholders and funders. Simply put, our expectations have exceeded the resources we've allocated to do the job.

The New Nanaimo Centre project is creating new pressure on tourism services. One of the key components of the New Nanaimo Centre is the Vancouver Island Conference Centre and the accompanying need for a headquarters hotel. Our proposed hotel partner, Marriott Hotels, has indicated that its investment in the Nanaimo market is contingent upon an increased commitment from the City to establish Nanaimo as a

☐ Council
☒ Committee **EDSC**
☐ Open Meeting
☐ In-Camera Meeting
Meeting Date: **2005-JAN-10**

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As Council's representatives on the Tourism Nanaimo Board, we would like to outline our recommendations, based on extensive discussions with Tourism Nanaimo and feedback from key industry players. Our intention is to clarify the proposed scope of services provided by Tourism Nanaimo in its annual service contract with the City, the resources required to deliver those services, and the steps underway that will ensure that new tourism investments by the City provide value for taxpayers.

DISCUSSION

To develop the tourism industry here, there needs to be activity in four inter-related areas:

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Respectfully submitted,

Councillor Ron Cantelon



Councillor Dawn Tyndall