

MINUTES OF THE ECONOMIC DEVELOPMENT STANDING COMMITTEE MEETING
HELD IN THE BOARD ROOM, CITY HALL,
ON MONDAY, 2005-JAN-10, COMMENCING AT 9:55 A.M.

PRESENT: Councillor T. K. Krall, Chair

Members: Councillor M. D. Brennan
Councillor C. S. Manhas

Others: Councillor D. Tyndall

Staff:	G. D. Berry	T. McQueen
	A. C. Kenning	K. L. Burley
	B. N. Mehaffey	K. King
	B. E. Clemens	

1. ADOPTION OF MINUTES:

- (a) 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.

It was moved and seconded that the Minutes be adopted as circulated. The motion carried unanimously.

2. RECEIVING OF DELEGATIONS:

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

It was moved and seconded that the Delegation be permitted to address the Committee. The motion carried unanimously.

Ms. Michelle Hynes stated that:

- she and Mr. Pink are here today to update the Committee on the BC Ferry Visitor Kiosk Program which ran last summer.
- they began the program this past summer on the *Queen of Coquitlam* vessel, running 8-hour shifts from Friday to Monday, anticipating that these would be the busiest times on the ferries.
- they began with only one staff person but after one shift it became clear that one person could not handle all of the people requesting information, so they increased the staffing to two people.
- BC Ferry staff have been very supportive of the program and appreciate being able to refer tourists requiring information to the Tourism Nanaimo kiosk.

- the program was such a success that the staff on the *Queen of Cowichan* have requested a kiosk on their vessel.
- over 8,000 visitors were served by Tourism Nanaimo on BC Ferries. As a comparison, Victoria recorded 5,000 served with a similar program over the same time period.
- Tourism Nanaimo is considering future expansion of this program to include the Duke Point Ferries and the HarbourLynx Ferry.

It was moved and seconded that the presentation be received. The motion carried unanimously.

3. REPORTS OF ADVISORY BODIES:

(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.

Councillor Krall requested that the recommendations be dealt with separately.

It was moved and seconded that recommendation 1 be adopted. The motion carried unanimously.

It was moved and seconded that Council support Tourism Nanaimo's request for \$30,000. in additional funds for 2005 and that this item be referred to the 2005 budget process for consideration. The motion carried.

4. ADJOURNMENT:

It was moved and seconded at 10:38 a.m. that the meeting terminate. The motion carried unanimously.

C H A I R

CERTIFIED CORRECT:

DEPUTY MANAGER,
CORPORATE ADMINISTRATION