

PRESENTATION TO MAYOR & COUNCIL

five year performance of The 2% Municipal Regional &
District Tax

(MRDT or Hotel Tax)

March 2nd, 2020

WHO IS THE NHA

- The Nanaimo Hospitality Association (NHA) is made up of the 27 fixed roof accommodation properties within the City of Nanaimo representing over 1300 rooms
- The MRDT tax refers to being a “Regional District Tax”. The tax I am reporting on only applies to the MRDT tax collected by the properties within the City of Nanaimo.
- The spending of MRDT funds is generally limited to initiatives within the City of Nanaimo, but through our partnership with Tourism Vancouver Island & Tourism Nanaimo we are now funding a few specific initiatives that take place outside of the city boundaries. Examples of this as are the Circle Tour Drive Campaign and the Ride The Island Campaign

Our vision is that Nanaimo & the Central Island Region is Vancouver Island's gathering place, the destination of choice for visitors to enjoy a uniquely Canadian West Coast experience year-round. Our goals are as follows:

VISION OF THE NHA

- **Goal 1 – Increase overnight visitations to Nanaimo:**
- **Goal 2 – Support Product Development:** To support festivals and events as well as the thoughtfully developed new visitor services products, attractions as well as transportation links.
- **Goal 3 – Developing 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 4 - Marketing & Public Relations:** To increase awareness of Nanaimo & Region's tourism assets and increase the contribution of tourism to the region's economy.
- **Goal 5 - Community Pride:** To increase community pride in the region and its tourism assets.
- **Goal 6 - Accountability:** To monitor key tourism indicators and communicate indicator information to industry stakeholders, our community and the Province of BC.

THE MRDT FUNDS

- Accommodators collect a 2% Tax from their customers up until December 31
- This became a 3% tax as of January 1st, 2020
- The over total % of taxes now applied to a guests accommodation bill is 16% which is standard in most communities.
- The collected MRDT funds are then remitted to the Province as part of the PST Program
- The Provincial Government then forwards the MRDT Tax monies to the City of Nanaimo.
- These funds then flow through to the NHA who administer the MRDT Funds.
- The 3% MRDT on OAP's is collected separately and used by the city as part of the Affordable Housing Strategy
- \$ 2.5 million in MRDT revenues were collected by the NHA members between 2015 and 2020
- Grant applications of approximately \$1 million have been approved and awarded by the NHA since 2015.
- The remainder of MRDT funds have been expended on a wide range of marketing and product development initiatives that the NHA has either partnered with Tourism Nanaimo on or we have initiated and implemented on our own. These initiatives are inline with the NHA's 2015-2020 MRDT Business Plan.

INITIATIVES CONTAINED WITHIN THE MRDT BUSINESS PLAN

- Through a series of Stakeholder Engagement workshops and reach outs to the citizens of Nanaimo from 2013 to now we determined that rather than simply spending more dollars on marketing that Nanaimo that instead:
- We should support the creation of new or enhanced multi-day festivals or events held in the fall, winter and spring. Events in July and August are generally not funded due to lack of accommodation space at this time of year.
- That we should support specific aspects of the Nanaimo Sports Tourism Strategy which is geared towards hosting more sporting events, attracting more event participants and spectators as well as attracting the Business Tourism side of sports.
- The we support product development initiatives that will provide visitors with more reasons to come and stay and play in Nanaimo.

The primary measure that is used to evaluate MRDT success is:

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

EXAMPLES OF MRDT FUNDED INITIATIVES

PARTNERING WITH TOURISM NANAIMO. ONE OF THE HIGH POINTS OF PAST FIVE YEARS HAS BEEN THE CONTINUING DEVELOPMENT OF A POSITIVE RELATIONSHIP AND PARTNERSHIP WITH TOURISM NANAIMO. MRDT FUNDS CONTINUE TO BE PROVIDED TO TOURISM NANAIMO FOR WEBSITE ENHANCEMENTS, DIGITAL MARKETING CAMPAIGNS, BROADCAST TV, A NEW COLLATERAL GUIDE, VISITOR SURVEYS, AND RESEARCH PROJECTS.

BUSINESS & MEETINGS TOURISM WORKING WITH TOURISM NANAIMO AND THE VANCOUVER ISLAND CONFERENCE CENTRE TO DEVELOP A STRATEGY FOR INCREASING THE NUMBER OF BUSINESS AND MEETINGS COMING TO NANAIMO..

DEVELOPMENT OF SPORTS TOURISM STRATEGY – WE HIRED A CONSULTING FIRM, WHO WORKED WITH THE NHA, TOURISM NANAIMO, STAKEHOLDERS AND CITY STAFF TO DEVELOP A SPORT TOURISM STRATEGY FOR THE CITY. THE REPORT IS NOW COMPLETE AND READY FOR PRESENTATION TO MAYOR & COUNCIL AS WELL AS INDUSTRY STAKEHOLDERS

Blue Mountain Solutions and Hospitality Ambassador Program - The NHA has helped provide Leadership Training to over 200 Nanaimo Hospitality Ambassadors as well as numerous front line service accommodation staff in Nanaimo. The Nanaimo Ambassadors, who are guided by Tourism Nanaimo staff are present at different events & festivals, cruise ship days as well as the extremely popular Thursday Night Street Market.

Development of Flat Map. 25,000 copies of the redesigned Nanaimo and Region Flat map were produced and distributed in 2019

Visitor Publications – MRDT funds were used to secure Nanaimo representation in several tourism publications that collectively gave us an annual distribution of well over 500,000 pieces.

Festivals & Events Website.

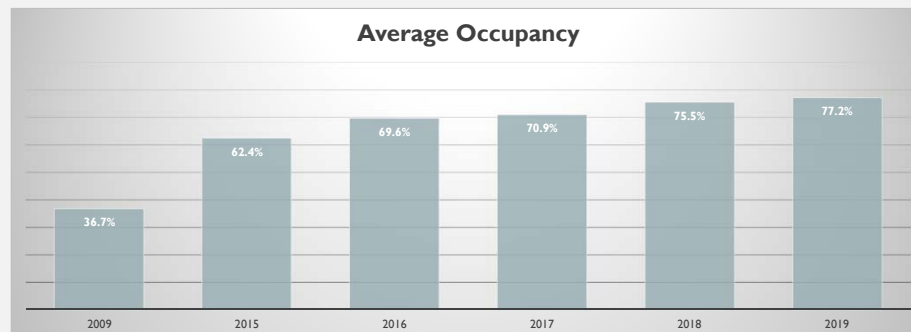
This website is Nanaimo's one stop shop for anything to do with Festivals/Events and Sports Tourism.

Development of Explore Nanaimo App and On This Spot App

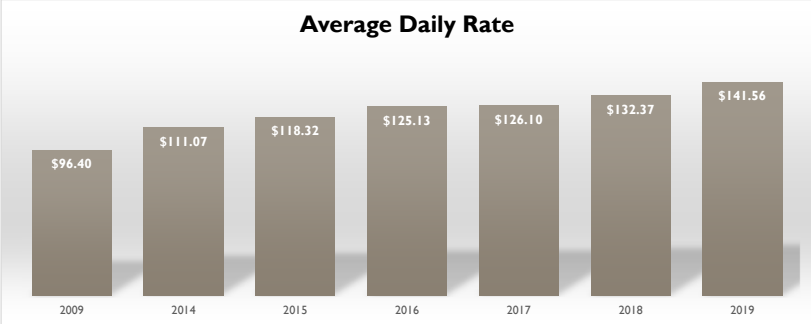
Mountain Bike Tourism Campaign:

RESULTS OF FIVE YEARS OF MRDT COLLECTION

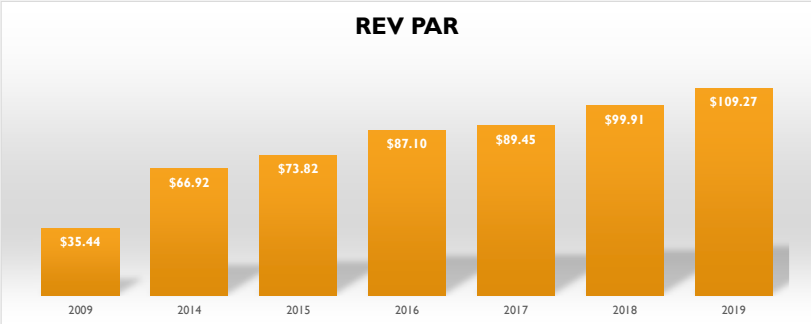
It has been five years since the implementation of the MRDT in Nanaimo. Here are the Key Performance Indicators for the period of April 2015 to the end of December 2019. 2009 has been shown as reference point as well.



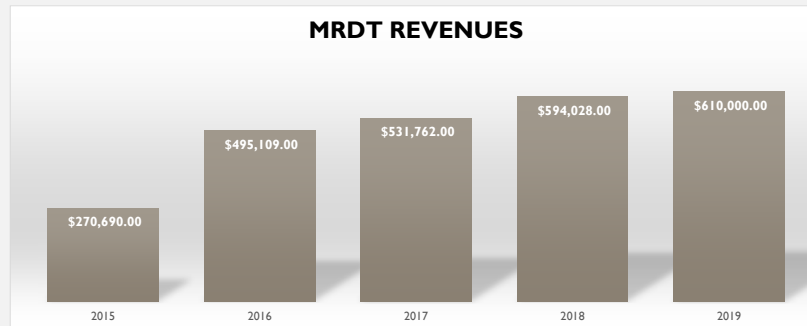
AVERAGE DAILY RATE



REVENUE PER AVAILABLE ROOM



MRDT REVENUES



WHAT'S NEXT?

- The Nanaimo Hospitality Association, with industry support began to implement the 2020 - 2025 Business Plan based on a 3% MRDT renewal rate.
- We will be continuing to explore ways that we can support and/or partner with Snuneymuxw First Nations on helping them to deliver the different indigenous tourism projects that they have identified in their Business Plan for Saysutshun.
- We will present to city staff and industry stakeholders the Sports Tourism Strategy. Work has already begun on implementing portions of the strategy.
- The Nanaimo Hospitality Association will continue to work with all industry partners on developing a Business Meetings Sales and Marketing Strategy for all stakeholders within the City of Nanaimo who are in the Meetings and Conferencing Business.
- The Nanaimo Hospitality Association will continue to develop and foster a close working relationship with Tourism Nanaimo and all Tourism Stakeholders.
- **We will continue to monitor the short and long term impacts of both the Covid -19 and the current adjustments taking place within the major stock exchanges across the globe.**

NANAIMO HOSPITALITY ASSOCIATION

THANK YOU FOR ALLOWING ME TO PROVIDE YOU
WITH IS REVIEW OF THE MRDT PROGRAM

QUESTIONS

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