



Funding Tourism Development Discussion Summary

Purpose

The purpose of this document is to explain the background, current status and next steps as they relate to the establishment and development of Tourism Squamish. Tourism Squamish is currently funded through one-time grants and the District of Squamish and therefore there is a need to develop a reliable source of sustainable funding.

Background

In 2006, representatives from local tourism businesses and organizations, with the assistance of a Tourism BC Facilitator, worked through a series of public meetings and designed the Squamish Community Tourism Plan. In February 2007, Council approved this plan along with the appointment of representatives from ten local businesses and organizations to serve on a volunteer Tourism Squamish Board. This volunteer committee serves to direct Tourism Squamish and its operations. In March 2007, Squamish was awarded one-time grant funding of \$107,000 through the Union of BC Municipalities, to be spent on tourism development.

The Tourism Squamish Board recognizes the need for sustainable funding if tourism development in Squamish is going to succeed.

When the Tourism Squamish Board explored options for funding industry development in 2006 the preferred option was the Additional Hotel Room Tax (AHRT). The attractiveness of this option stemmed from the demonstrated success the AHRT created in other communities and the fact that the 2% tax is paid by the visitor, not local businesses.

Additional Hotel Room Tax (AHRT)

The additional hotel room tax is intended to assist municipalities and regional districts in funding tourism activities that have the joint support of the municipalities or regional districts and tourism industry in the applicant's geographic area.

Section 3 of the Hotel Room Tax Act enables collection of an additional room tax of up to 2 per cent on sales of accommodation in designated areas of the province. The tax is collected by the province through the existing hotel room tax collection system run by the Ministry of Small Business and Revenue. The tax collected is then remitted to the municipality/regional district on a monthly basis. The branch charges the municipality/regional district a collection fee to recover the additional costs incurred for collection of the tax and the dissemination of the collected funds to the municipality/regional district.

The AHRT would be implemented for a period of five years. In order to extend the tax for an additional five-year period, a municipality, regional district or other eligible entity must re-apply.

Administration of the collected tax funds may be conducted by the municipality or regional district or through the establishment of a local organization, such as Tourism Squamish for example.

In order to qualify for the hotel tax, a municipality or regional district must have consulted the community and have broad support for the application from the tourism industry in general and documented support from the local accommodation sector specifically. The minimal support by the accommodation sector is 51% of the number of establishments that would collect the AHRT, and representation of at least 51% of the total number of rooms. Higher support from the accommodation sector will increase the likelihood that an application will receive approval, provided that all other requirements are met.

Other Permanent Funding Options

Membership Fees: members pay an annual fee to support the work of Tourism Squamish.

Co-operative Participation: members pay only when they choose to participate in specific initiatives.

Business Levies: levy on business licenses that is redistributed to help fund Tourism Squamish.

Initial Consultation

Tourism Squamish launched an outreach program to meet with the 9 hotel properties in Squamish that are applicable to the AHRT and assess the level of support for the AHRT.

In total, five properties responded to the outreach consultation. Of these five properties, two gave outright support for the AHRT while three offered conditional support. The two properties that offered outright support represent 10% of the hotel rooms in Squamish while the three properties that offered conditional support represent 48% of the of hotel rooms.

Conditional issues raised by hotel properties include:

- That any funding collected for the industry is not controlled by a government organization;
- That other members somehow contribute to the support of Tourism Squamish;
- That there is a contribution from the local government;
- That local tourism businesses determine how funding is committed and;
- That there is fair and equitable representation of the diversity of businesses in Squamish.

Addressing Conditional Issues:

Control of Funding – Tourism Squamish and its Advisory Board (local businesses & organizations) will design and execute the workplan and budget. The Provincial Government and Municipality will assist only in the collection of the funds from the hotels and allocation to Tourism Squamish. These plans and budgets would also require Municipal Council approval and annual audits as part of the terms of the Hotel Room Tax Act.

Contribution from all tourism businesses – The cooperative marketing programs and board / subcommittees offered by Tourism Squamish allow for all types of businesses to participate on many different levels.

- Cooperative marketing programs
- Option of preferred rates for hotels looking to packaging
- In kind, participation at the Board and Sub-committee level by tourism business owners
- Contributing product and/or preferred rates for Tourism Squamish initiatives such as media tours etc.

Local Government Contribution – The District of Squamish has illustrated its support for tourism with the vision and construction of the Squamish Adventure Centre - a gateway tourism and business portal strategically positioned along the Sea to Sky highway. Tourism Development is also supported by the District of Squamish and Squamish Sustainability Corporation with the Director of Recreation, Parks and Tourism, the Manager of Tourism Development and Adventure Sales Coordinator positions.

Fair and Equitable Representation – Tourism Squamish has comprised a Board that is representative of the diversity of tourism business in Squamish. There are representatives from the following sectors:

- Retail, Restaurant
- Activity
- Attraction, Arts and Culture
- Transportation
- Accommodation
- Education
- First Nation
- Chamber of Commerce

Industry Open House – On November 22nd, Tourism Squamish is hosting a discussion forum to ask questions and discuss issues relating to the Additional Hotel Room Tax. Present on a panel will be members from Tourism Squamish and Tourism Abbotsford who recently implemented the tax in their community.

Workshop – On November 28th, Tourism Squamish is hosting an afternoon workshop to discuss the issues as they relate to funding and the AHRT. A professional facilitator will lead the discussion and work to develop consensus. Please RSVP with Lesley Weeks at 604.815.5080 or email lweeks@squamish.ca