

FIVE-YEAR STRATEGIC BUSINESS PLAN

Designated Recipient:	Southern Gulf Islands Tourism Partnership (SGITP)
Community Name:	Southern Gulf Islands
Date Prepared:	August 17, 2018
MRDT Term Expiry Date:	n/a
Five Year Period:	2019-2024

Section 1: Five-Year Strategic Overview

Vision and Mission

Vision Statement

An accessible, interconnected archipelago of living, working communities in the Salish Sea, where exceptional visitor experiences that reflect our natural and cultural uniqueness are in balance with sound destination management based on sustainability, seasonal diversity and equitable participation by all the islands.

Mission Statement

The Southern Gulf Islands Tourism Partnership (SGITP) works with the tourism industry, community stakeholders, local government, First Nations and residents to develop and promote year-round destination experiences that enhance the local economic base while contributing to the quality of life of the Southern Gulf Islands Region.

Strategic Context

Global Tourism

Global tourism is one of the largest and fastest growing economic sectors in the world. In 2017 international tourist arrivals (ITA) grew by 7% to reach 1,322 million, with this strong momentum expected to continue at a rate of 4% to 5% in 2018. This 2017 growth rate is the highest in seven years.

In 2017 Europe recorded extraordinary growth from 2% in 2016 to 8% in 2018 as fears relating to safety and security issues subsided. Africa consolidated its significant growth in 2016 with a further 8% in 2017, Asia and the Pacific experienced 6%, and the Middle East recorded 5%. The lowest rate of growth was experienced in the Americas with 3%.

According to the UNWTO, international tourism represents 7% of the world's exports in goods and services, after increasing one percentage point from 6% in 2015. Tourism has grown faster than world trade for the past five years, and international tourism receipts grew by 2.6% in real terms in 2016 (taking into account exchange rate fluctuations and inflation) with total earnings in the destinations estimated at US\$ 1,220 billion worldwide in 2016 (1,102 billion EUR)¹.

¹ UNWTO Tourism Highlights 2017 Edition (August 2017)

In the long term, growth is expected to continue over the next two decades. The UNWTO's *Tourism Towards 2030*, states the number of ITAs worldwide will increase by an average of 3% a year over the period 2010 to 2030, eventually reaching 1.8 billion². The pace of growth is expected to be higher in the emerging economy destinations like Asia, Latin America, Central and Eastern Europe, the Middle East and Africa (4% per year) compared to traditional destinations (2% per year). By 2030, more than half (57%) of international arrivals will be captured by emerging economy destinations.

Increasing competition, global security threats, economic conditions, natural disasters, disease outbreaks and border security concerns will continue to concern citizens worldwide and could impact projected growth rates.

Canada Tourism

Tourism is Canada's top service export and is the top employer of young Canadians. Over the past decade, there has been steady growth in the economic performance of the Canadian tourism industry. In 2017, tourism accounted for³:

- A new all-time high of close to 20.85 million international overnight visitors⁴;
- 735,300 jobs, up almost 2% from 2016;
- About 200,000 tourism businesses⁵; and
- \$20.8 billion in international tourism expenditures, up 11% from 2015.

In 2017, more than 14.3 million or close to 69% of international visitors were from the United States. Other key international markets⁶ include the United Kingdom (3.8% share), China (3.3% share), France (2.7% share), Germany (1.9% share) and Australia (1.8% share). Markets of emerging/transitional interest are Mexico, Japan, South Korea, Brazil and India. In total, Canada's top 11 key markets account for 89% of international overnight visitors. Mexico (47.4%), Brazil (22.0%), India (17.8%) and South Korea (17.0%) saw exceptional growth in 2017.

In the face of these recent increases in international visitor arrivals, Canada has not kept pace with its competitors. Canada's market share of global international tourism arrivals has declined from 2.9% in 2000 to 1.6% in 2016. However, 2016 marked the second consecutive year where there was a reversal in this trend. In 2016, Canada's growth in international arrivals growth rate (11%) outpaced the global growth rate (4%).

² UNWTO. 2011. *Tourism Towards 2030*. http://media.unwto.org/sites/all/files/pdf/unwto_2030_ga_2011_korea.pdf

³ Destination Canada. National Tourism Indicators highlights for 2017.

⁴ Destination Canada. Tourism Snapshot. Volume 13, Issue 12 (December 2017).

⁵ Destination Canada estimate. 2016 Annual Report. Destination Canada.

⁶ As designated by Destination Canada.

British Columbia Trends

The BC economy is diverse and evolving. Built on the foundations of the resource sector, the economy now primarily relies on the service industry (including tourism)⁷:

The most recent provincial tourism economic impact statistics are available for 2016.

- In 2016, the economy grew by 3.5%,⁸ which was the highest rate among provinces in Canada , outpacing the national average for the third consecutive year.
- The tourism industry contributed \$7.9 billion of value added to the BC economy, as measured through GDP (in 2007 constant dollars). This represents 5.6% growth over 2015, and 30.3% growth since 2006. In 2016, tourism contributed more to GDP than any other primary resource industry (mining: \$4.1 billion, forestry & logging: \$2.0 billion, and agriculture & fish: \$1.5 billion), with the exception of the oil & gas extraction industry (\$8.2 billion)⁹.
- In 2016, the tourism industry generated \$17.0 billion in revenue, a 7.9% increase over 2015, and a 39.3% increase from 2006.
- Tourism-related provincial tax revenue was more than \$1.1 billion in 2016, an increase of 4.5% over 2015, and an increase of 32.1% since 2006.
- In 2017, the room revenue in communities that collect the Municipal and Regional District Tax (MRDT) reached a total of \$2.5 billion.
- In 2016, 19,170 tourism-related businesses were in operation in BC, an increase of 1.2% over 2015.
- In 2016, 133,100 people were employed in tourism- related businesses, a 3.6% increase over 2015, and a 16.0% increase since 2006.
- The tourism industry paid \$4.7 billion in wages and salaries in 2016, up 3.2% from the previous year and up almost 30% since 2006.

More recent tourism performance indicators demonstrated 2017 was another good year of growth for the BC tourism industry. There was an increase of 3.3% in total overnight international visitor arrivals due to strong growth from Australia (20.4%), Germany (15.4%), Mexico (12.9%), and China (7.1%).

BC provincial hotel occupancy rates (up 2.1 points), average daily room rates (up 6.5%), food service and drinking place receipts (up 7.7%) and passenger volume to YVR (up 8.3%) all demonstrated the strength of the tourism industry in 2017.

⁷ Value of Tourism 2015. A Snapshot of Tourism in BC 2016. Destination British Columbia.

[http://www.destinationbc.ca/getattachment/Research/Industry-Performance/Value-of-Tourism/Value-of-Tourism-in-British-Columbia-%E2%80%93-A-Snapshots\(1\)/Value-of-Tourism-2015-Snapshot.pdf.aspx](http://www.destinationbc.ca/getattachment/Research/Industry-Performance/Value-of-Tourism/Value-of-Tourism-in-British-Columbia-%E2%80%93-A-Snapshots(1)/Value-of-Tourism-2015-Snapshot.pdf.aspx)

⁸ BC Stats Economic Account Data updated November 2017, GDP, constant dollars, provincial comparisons.

<http://www2.gov.bc.ca/gov/content/data/statistics/economy/bc-economic-accounts-gdp>

⁹ Destination BC, March 2018, Value of Tourism in 2016: A Snapshot –

[https://www.destinationbc.ca/getattachment/Research/Industry-Performance/Value-of-Tourism/Value-of-Tourism-in-British-Columbia-A-Snapshots\(2\)/Value-of-Tourism-2016-Snapshot_FINAL.pdf.aspx](https://www.destinationbc.ca/getattachment/Research/Industry-Performance/Value-of-Tourism/Value-of-Tourism-in-British-Columbia-A-Snapshots(2)/Value-of-Tourism-2016-Snapshot_FINAL.pdf.aspx)

Table 1 2017 British Columbia Tourism Performance

	2017 Performance	Percent Change Over 2016
International Visitor Arrivals		
Total Overnight	5,713,926	3.3%
USA Overnight	3,691,074	1.9%
Asia/Pacific	1,277,878	6.4%
Europe	553,480	3.4%
Room Revenue (\$000)	\$2,447,321	8.1%
Provincial Hotel Occupancy Rate (Average)	71.6%	2.1 pts
Provincial Average Daily Room Rate	\$173	6.5%
Food Services and Drinking Places Receipts	\$11,276M	7.7%
BC Ferries Passengers	21,855,008	3.1%
Total Passenger Volume to YVR	24,133,640	8.3%

Source: Destination British Columbia. Provincial Tourism Indicators: 2017 Year In Review, May 2018.

In terms of market origin, over half of the visitors (54%) were BC residents. Visitors from other parts of Canada accounted for 21% of all visits, another 16% were from the United States, while overseas international visitors accounted for the remaining 9% of visitor volume. However, these overseas international visitors accounted for 24% of visitor expenditures, while Canadian and BC residents accounted for 58% of expenditures.

Travel by Canadian residents to BC increased 12% between 2014 and 2016, while expenditures have increased by 23%. Overall international visitation increased 22% between 2014 and 2016, while overall expenditures increased 30%.

- The United States is BC's largest international market, accounting for 65% of international visitor volume and 43% of expenditures. Visitation from the US increased 20% between 2014 and 2016, while expenditures increased 29% during the same period. BC's two key US markets – Washington and California – both experienced similar increases in visitation (Washington, 29%; California, 34%) and expenditures (Washington, 25%; California, 34%). Mexican visitation grew 46% and expenditures grew 70% between 2014 and 2016.
- BC's two key European markets, the United Kingdom and Germany accounted for 42% and 17% of European visitor volume and 45% and 20% of European expenditures. Again, these markets have both experienced strong growth since 2014 – UK visitation increased 22% and German visitation increased 11%, while expenditures increased 25% and 30%, respectively.
- BC has five key markets in the Asia/Pacific region that include Australia, China, India, Japan and South Korea. South Korean (+38%), Japanese (+29%), Chinese (+29%) and Australian (+27%) visitation increased substantially between 2014 and 2016. Visitation from India increased at a more modest 6% over the same period. Overall expenditures grew 28% for the Asia/Pacific region in total, similar to growth from Europe (29%) and just behind growth from North America (32%).

Vancouver Island Tourism

As seen in Table 2, in 2014, the majority of overnight travellers to Vancouver Island were BC residents (62%), followed by US travellers (16%), Canadians from the rest of Canada (11%), and other international travellers at 11%. In terms of spending, the proportions are somewhat different with BC residents spending less on average than other Canadians, US and international travellers. Other International travellers had the highest daily expenditure, while Other Canadians had the longest trip length.

Table 2 Vancouver Island Visitor Volumes and Spending, 2014

	Total			% Change (2013-2014)			Share of Total		
	Over/N visitors (000s)	Spending (\$000s)	Nights (000s)	Over/N visitors	Spending	Nights	Over/N visitors	Spending	Nights
All travellers	4,430	\$1,767,065	15,828	8%	6%	13%	100%	100%	100%
BC Residents	2,749	\$715,244	7,493	11%	11%	14%	62%	40%	47%
Other Canadian Residents	469	\$347,006	3,219	-8%	-11%	2%	11%	20%	20%
US residents	725	\$339,344	2,166	1%	-8%	0%	16%	19%	14%
Other International residents	487	\$365,470	2,951	27%	38%	36%	11%	21%	19%

Source: Destination BC. 2017. Vancouver Island Regional Tourism Profile.

Close to half of all visitors to Vancouver Island stay with friends and family (Table 3). Other Canadians are more likely to stay with friends and relatives than other markets. For paid accommodation, US and international visitors prefer fixed-roof facilities, whereas BC visitors are much more likely to stay in campgrounds and RV parks.

Table 3 Vancouver Island Region Visitors Accommodation Preferences, 2012

Primary Accommodation	BC Residents	Other Canadians	US Residents	Other International
Friends and Family	47%	60%	23%	36%
Hotel	18%	17%	47%	35%
Motel	1%	2%	4%	3%
Other Fixed Roof	11%	13%	20%	20%
Camping/ RV Parks	11%	7%	2%	6%

Source: Destination BC. 2017. Vancouver Island Regional Tourism Profile.

Note: The sum will not equal 100% as not all non-paid accommodation is included in the table.

As seen in Table 4, room revenues for Vancouver Island and constituent areas that collect the Municipal and Regional District Tax (MRDT). Total room revenues would exceed these figures once non-participating properties, B&B, vacation properties and other non-taxable property revenues are included. Vancouver Island's revenues rose 64% during the six year period ending in 2017, due to an increased number of properties but also overall higher average revenues per facility.

Table 4 Room Revenues for Vancouver Island, 2012-2017 \$millions

Area	2012	2013	2014	2015	2016	2017
Parksville	17,675	17,698	19,390	21,849	24,613	25,753
Tofino	33,098	35,188	38,749	46,938	52,384	53,658
Ucluelet	9,275	9,435	11,360	14,063	16,941	17,831
Victoria	123,157	134,048	138,873	158,214	175,927	180,702
Saanich, Oak Bay, Langford	10,488	5,980	6,443	7,897	13,522	1,735
Central and North Island	12,839	22,989	23,420	42,334	54,417	58,673
Vancouver Island	206,491	225,338	238,234	291,295	337,803	338,351

Source: BC Stats and Ministry of Finance. April 23, 2018. Room Revenues by Municipal Jurisdiction Calculated from Municipal and Regional District Tax (MRDT) Note: Vancouver Island annual total will not equal sum of areas due to some data suppression for Saanich, Oak Bay, Langford.

Occupancy and average daily room rate for Vancouver Island communities are shown in Table 5. Occupancies have been on an uptrend since 2012, while room rates tend to be higher in resort communities like Victoria and Parksville, compared to industrial centres in Nanaimo and Campbell River.

Table 5 Occupancy and ADR for Vancouver Island, 2012-2017

Municipality	2012	2013	2014	2015	2016	2017
Occupancy Rate						
Vancouver Island	57.6%	62.2%	61.8%	65.3%	67.2%	70.0%
Greater Victoria	62.2%	67.5%	67.4%	68.9%	69.8%	72.0%
Nanaimo	54.1%	58.2%	58.3%	60.1%	66.8%	70.3%
Campbell River	55.2%	57.7%	59.3%	63.9%	65.2%	75.0%
Parksville/Qualicum	46.0%	48.6%	50.5%	55.8%	60.4%	62.9%
Average Daily Room Rate						
Vancouver Island	\$122	\$130	\$131	\$141	\$151	\$160
Greater Victoria	\$118	\$128	\$130	\$139	\$152	\$165
Nanaimo	\$111	\$112	\$112	\$117	\$123	\$131
Campbell River	\$95	\$100	\$100	\$104	\$107	\$117
Parksville/Qualicum	\$128	\$135	\$130	\$136	\$144	\$156

Source: Destination BC. 2017. Provincial Tourism Indicators Year in Review.

Tourism in the Southern Gulf Islands

The Southern Gulf Islands include hundreds of islands and islets that form part of a larger archipelago that extends into the United States. The islands (Galiano, Salt Spring, Mayne, Pender and Saturna) and surrounding waters are ecologically rich and diverse, including home to the last remaining pockets of Garry oak ecosystems and a unique climate of Mediterranean characteristics. Major destination attractions and activities include

- Boating, Kayaking, Canoeing In Salish Sea
- Salish Sea Marine Trail
- Park System (National, Provincial, Local)
- Regional Hiking Trails
- Island Lifestyle & Ecology
- Health & Wellness
- Arts & Crafts
- Agri-Tourism & Culinary

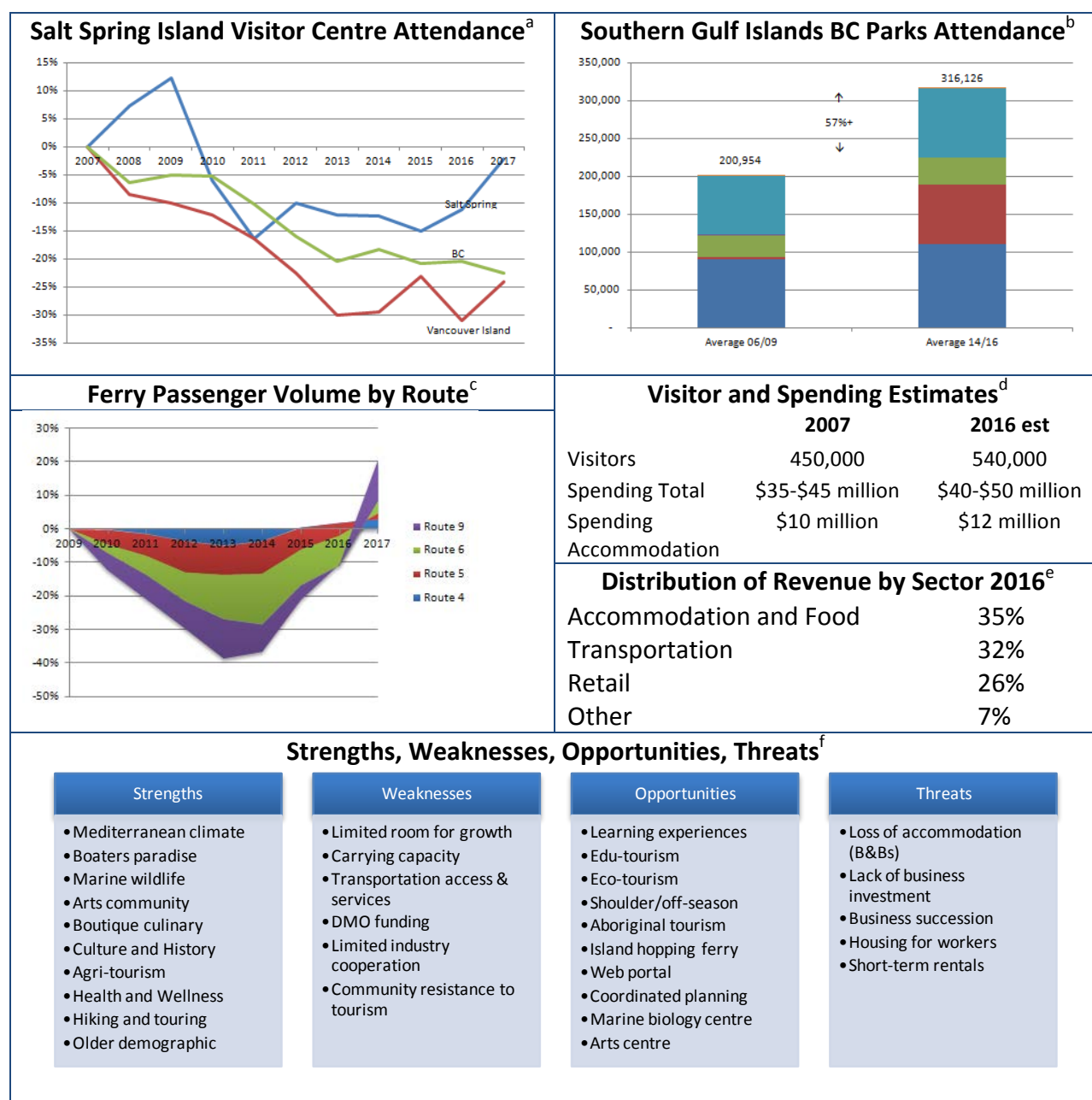
The indicators presented in Table 6 are meant to give a broad-brush sense of how tourism has performed in recent years and where it might be headed in the future. Salt Spring Visitor Centre attendance declined during the 10 year period ending in 2017, but most of the decline occurred between 2007 and 2011.

Attendance since 2012 has been growing. In comparison, total visitor centre attendance in BC has been declining on a relatively consistent basis, it is believed because of the increasing prevalence of technology influences and access to digital forms of visitor information. Vancouver Island VC attendance has been fluctuating since 2013, although 2017 was a strong growth year.

BC Parks attendance increased 57% between 2006 and 2016 for the seven parks that track it on the Southern Gulf Islands. The major parks like Ruckle and Montague Harbour Marine are responsible for much of this growth. In contrast, BC Ferry passenger volumes saw a steep decline between 2009 and 2013 but appear to have recovered since then. BC Ferries does not distinguish between resident and visitor traffic so the change attributable to these components is unknown, but a series of price increases over the last decade is believed responsible for at least some of the decline.

The actual number of visitors and associated spending is not monitored on a regular basis but a visitor exist survey in 2007 study indicated that approximately 450,000 overnight visitors spent between \$35 and \$45 million in that year. Approximately \$10 million was believed spent on accommodation. Using Vancouver Island growth rates since that time, the 2016 estimated overnight market was 540,000, with associated spending of between \$40 and \$50 million. Accommodation spending is estimated at \$12 million.

Table 6 Southern Gulf Islands Tourism Indicators



Source: a Destination BC, b BC Parks, c BC Ferries, d Tourism BC. 2014. Southern Gulf Island Tourism Plan, e Destination BC. 2017. Value of Tourism Trends from 2005-2015, f Destination BC. 2017. South Central Vancouver Island Destination Development Plan Situation Assessment.

The major strengths of the Southern Gulf Islands as a tourism region are its natural environment, culture and history, while its weaknesses relate to infrastructure capacity, growth constraints and limited industry cooperation.

There are many opportunities for further development and expansion on both the destination experience side and in visitor services, particularly through expansion into the shoulder and off seasons. However, growth will continue to be challenged by the ability to manage visitor volume, capacity of availability of quality accommodations, and workforce sustainability.

Key Learnings

The MRDT is a key strategic initiative as the new funding will play an important role in strengthening market awareness domestically, particularly during the shoulder and 'off' seasons.

Key learnings include the following:

1. The macro trends for tourism in Canada and BC are aligned for a series of high performing years. World safety concerns and the low value of the dollar are generating higher visitation and spending levels domestically and internationally.
2. The summer high season is already near capacity and diversification of product offerings into the shoulder and off seasons is essential for increasing cash flows, returns on capital, and year-round employment.
3. Recognition of the need to manage summer season visitor volume throughout the SGI Region to ensure sustainable positive destination experiences for the visitor as well as the community.
4. The domestic market is probably the most important for SGI Region at the moment, but Vancouver Island's visitor profile shows above-average US and international visitor volumes that are potential targets.
5. Victoria and the Pacific Rim areas continue to have good growth potential in the fly and drive markets out of Europe.
6. Markets appear to be switching from last minute to more forward requests and bookings. Package deals continue to be key to attracting long haul markets.
7. Digital media is an important element of marketing channel diversification as it drives return visits and recommended visits to our resort facilities, but traditional media is still proving to make the phone rings at a higher rate.
8. Over the last five years, with DBC and Tourism Vancouver Island destination planning efforts and the Experience the Southern Gulf Islands (ETSGI) initiative, cooperation among the five islands in the SGI Region has proven to be most beneficial and a solid cornerstone for the proposed MRDT.

Overall Goals, Objectives and Targets

Goal	Objective	Target	Comments
Increased revenues	Increased overnight stays	10% by 2024	This expansion will have to occur outside of peak summer and on smaller islands to spatially and temporally manage growth.
Diversify seasonality	Increased shoulder and off-season visits	25% by 2024	These periods currently hold the largest opportunity for growth because it is much easier for operators to stretch operating season before and after summer.
Diversify markets	Increased long-haul and international visits	15% by 2024	Compelling experiences that will raise the SGI-Regional profile amongst the travel trade. Local operators have to ramp up their export readiness and increase the attractive fly-drive markets out of Europe.
Visitor services	Increased outreach to visitors on all islands	Mobile satellite VC by 2021	Improving engagement and on-island visitor experience with technology and innovation is needed especially for outlying areas.

Strategies

The approach to strategy development is to align with local, regional and provincial planning priorities and efforts and then strategically pursue market and destination development objectives.

Strategic direction has been taken from the following:

1. At the local level, the Experience the Southern Gulf Islands (ESTGI) was an inter-island (Galiano, Mayne, Pender, Salt Spring, Saturna) community tourism initiative for the Southern Gulf Islands that focused on coordinated tourism planning across the region. It explicitly recognized and sought to realize social, environmental and economic contributions of community tourism, while building a mobility network and organization for developing the unique experience that is the Southern Gulf Islands Region.

2. Parallel processes that promote mobility to and between the islands (CRD Regional Trails Strategy, Integrated Service Review [community bus & inter-island passenger ferry]), as well as efforts to support new visitor experiences (e.g. Southern Gulf Islands Educational Assessment) have been reviewed and are reflected in the plan.
3. Destination BC's (DBC) Destination Development planning (DDP) process resulted in a South Central Island DDP in 2017. The SCI DDP was itself influenced by and leveraged, other planning initiatives developed by the Government of Canada, Destination Canada, and the Government of British Columbia.

Specific strategies to be undertaken include the following:

1. Strategic advertising and marketing campaigns that promote the SGI Region in its core target markets particularly during the shoulder and off-season.
2. Work with local operators and regional partners to improve market and export readiness so that industry is able to provide new experiences, especially in the shoulder and off-season.
3. Undertake content gathering, creation and promotion, production and distribution of collateral, digital media and conventional advertising.
4. Attract new visitors through strategic advertising and marketing plans in target markets by encouraging local operators to increase outreach to consumers through the travel media and trade.
5. Raise social media activity and conversations to expand off-peak visitation and outreach to Millennials.
6. Attend industry conferences to understand the progression of tourism nationally and provincially, to identify new and emerging market opportunities and to learn about advances in the application of technology and innovations in tourism.
7. Attend trade shows, in cooperation with Tourism Vancouver Island, and offer packages that will help develop a tour operator network.
8. Continue to work with BC Ferries and transportation service providers to enhance inter-island mobility and increase promotion of fly/drive/ferry packages featuring core activities.
9. Continue to program and build on a successful roster of festivals, focusing on live music, arts and craft, culinary and food, adventure tourism and cultural events.

Brand Positioning

The SGITP would adopt the branding direction undertaken by the ESTGI initiative, which was developed to align with Destination BC's branding objectives underlying the "Wild At Heart" theme.

The Southern Gulf Islands is one of Canada's top island get-aways, "So Close and Yet a World Away", where outdoor adventure and farm-fresh culinary meet arts, culture and wellness in our unique, laid-back lifestyle. SGITP's commitment to preserving the nature and culture of the islands and our sense of community and discovery are part of our enduring 'magnetic' brand.

Target Markets

Key target markets areas are British Columbia (in particular the Greater Vancouver Area and Southern Vancouver Island), Alberta (Calgary) and Washington State (Seattle), which collectively represent a market of 16 million.

Season	Demography/Activity	Geography
Summer	FIT, travelling with children, 30-60 age group, personal vehicle/ferry transport, primarily Canadian and BC residents, BC's key EQ (explorer quotient) segments (Learners and Free Spirits)	• Lower Mainland • Southern Vancouver Island • Alberta • Washington State
Spring/Fall Off-Season	Authentic Experiencers and Cultural Explorers (Canada), Gentle Explorers, Authentic Experiencers and Free Spirits (US), older demographic, travelling w/o children, solo travellers, women, retirees	• Lower Mainland • Southern Vancouver Island • Washington State • California
	Marine enthusiasts, including kayakers, sailors and boaters	• Lower Mainland • Southern Vancouver Island • Washington State
	Seminars, conventions, incentive travel	• British Columbia

Specific activity segments are as follows:

- Eco-tourism, connecting with nature and those seeking time away from busy urban lives
- Marine highway enthusiasts, including kayakers, sailors and boaters
- Educational tourism and learning opportunities, focused on the shoulder and off-season
- Agri-tourism and culinary travel
- Health and wellness travel
- Small group/solo travel

Management, Governance and Administration

The SGITP Society is a duly constituted corporation in the province of British Columbia, established in 2018, run by a volunteer tourism sector Board by members who are nominated and elected by the DMMO membership. It will maintain compliance with the Societies Act and Societies Regulation through the filing of Annual Reports and maintenance of all legal records and financial statements.

In accordance with DBCs' directive that the MRDT funded DMMO have a board that represents a broad cross-section of tourism industry stakeholders, the Board of Directors is composed of a total of Nine members:

- Four representing the accommodation sector for both electoral areas (Hotels, Resorts, B&Bs),
- One representing food & beverage (restaurants, wineries, etc.),
- One from health-wellness, one from recreation/outdoors,
- One from agriculture
- One from arts& culture.

A marketing sub-committee, lead by a Director, will be created that is geographically balanced and will have the authority to make recommendations to the Board.

The Board of Directors will be presented with a yearly plan, meet on a regular basis (minimum six times a year,) discuss tactics and opportunities and Directors will sit/lead committees that conduct promotions, events, festivals and promotional activities to the benefit of the islands.

Performance measurement will be based on MRDT collections, occupancies, park attendance, visitor centre attendance and periodic surveys.

The Society will be the sole designated recipient of 2% MRDT funds.

Sources of Funding

Apart from the MRDT, partnership funding would be received from Destination BC, Destination Canada, private businesses and the Capital Regional District.

1. PENDING: In September, 2018, the CRD passed a resolution stating that an incremental amount of \$20,000 each be added to the ongoing final budgets of the Salt Spring Island Community Economic Development Commission and Southern Gulf Islands Community Economic Sustainability Commission in order to provide funding to the Destination Management and Marketing Organization – *Southern Gulf Islands Tourism Partnership*.
 - a. This is newly allocated money.

The rationale for a 50/50 split facilitates an equitable partnership and indicates that both regions are in this effort as equal partners. The goal of the independent non-profit entity—the *Southern Gulf Islands Tourism Partnership* is to attract year-round visitors to the entire SGI Region regardless of population or other contributions.

In reality, room revenues from SSI will be contributing roughly 75% of the MRDT while SGI would contribute the balance of 25%. As a result, SGI will be realizing a significant benefit, thus adding to the further economic well-being of Galiano, Mayne, Pender, Saturna.

The Southern Gulf Islands Chambers of Commerce have successfully applied for funds from Destination BC's Co-op Marketing program in 2018 about (\$140,000), 2017 (\$132,000) and 2016 (\$117,000) based on 50% matching funds from DBC.

Important note, the Southern Gulf Islands Chambers of Commerce core funding was obtained via a grant from the Rural Dividend Fund and is thus not sustainable. Similarly, due to being included in the Capital Regional District, the SGI Region has been classified incorrectly as 'urban'. As a result, for over 30 years, it has been prohibited from obtaining funding from Provincial and federal programs designed to support rural economies, such as the Islands Coastal Economic Trust (ICET).

The MRDT would make it possible for the SGI Region to finally obtain sustainable funding that will contribute to the overall economic well-being of this rural area.

Affordable Housing

Galiano Island, Mayne Island, Pender Island, Saturna Island, and Salt Spring Island, in particular, are experiencing severe affordable housing shortages with many long-time residents unable to secure suitable rental properties. This issue has been consistently identified in local and regional planning documents, going back at least a decade. It has attained a higher profile in the last few years due in part to the emergence of short-term rental phenomena.

Although the MRDT monies to be received through listings in an Online Accommodation Platform (OAP) cannot be projected with confidence, it is expected that the Capital Regional District will use the funds to continue its programming in support of the Salt Spring Island Community Affordable Housing Strategy (2011).

It is noted that many tourism operators are experiencing difficulties recruiting and retaining qualified personnel due to the workforce housing shortage, and that a resolution of this crisis will greatly benefit the economic sustainability of the tourism sector.

The term "workforce" refers to housing that is affordable for households with an earned income that is insufficient to secure quality housing within a reasonable proximity to a workplace. These are households of the gainfully employed and represent a group of people who are not typically thought of as the focus of affordable housing. Many of those affected by the lack of 'affordable housing' in the SGI Region include those who work in the service and tourism industry, which is the Region's largest employer.

The SGI Region's recommendation is for MRDT OAP monies to be used to seek out solutions towards securing workforce housing in the following areas:

1. Long-term housing supply

2. Purpose built housing of 3-units or more
3. Housing subsidies
4. Down payment loans

Section 2: Tactical Plan with Performance Measures

Major Category: Marketing
Activity Title: Advertising – Digital
Tactics: • Spring/Fall focus on content creation and advertising, targeted at preferred EQ segments • Winter focus on MICE (Meetings, Incentives, Conventions and Exhibitions) • Contests, specials and packages to elicit interest/response
Implementation Plan: • Description: digital advertising through online media channels • Objectives: increase website activity, enquiries and bookings • Rationale: digital media is increasingly important in building awareness, initiating interest and encouraging prospective trip decisions; especially important for building our long-haul markets • Action Steps: ▪ Identify creative buys by leveraging the media buying strategy of partners. ▪ Include programmatic media buys, direct digital buys, search engine marketing, retargeting, email marketing and website promotions. • Potential Partnerships: accommodation providers, resorts, export-ready operators, partners with media buying strategies • Resources/Funding: MRDT, coop and stakeholder participants • Timeframe: 2019 - ongoing • Budget: \$33,000
Performance Measures: • Number of impressions • Tracking of contests and specials • Search engine tracking, links through to listings, purchases made

Major Category: Marketing
Activity Title: Advertising – Print
Tactics: Winter focus on MICE (Meetings, Incentives, Conventions and Exhibitions (exploratory)) • Spring/Fall print advertising in vertical lifestyle publications • Spring/Fall promotions locally that tap into touring markets
Implementation Plan: • Description: conventional print advertising through targeted publications that reach our target markets • Objectives: increase website activity, enquiries and bookings • Rationale: digital media is increasingly important in marketing, however, print advertising continues to stimulate calls to action and lead directly to purchase decisions. Print advertising initiatives will be aligned with digital efforts. • Action Steps: ▪ Develop creative content ▪ Print ads in newspaper and magazines targeted at specific market mix for Spring, Fall and Winter. • Potential Partnerships: event organizers, BC Ferries, major resorts with MICE capacity • Resources/Funding: MRDT, coop and stakeholder participants • Timeframe: 2019 - ongoing • Budget: \$15,000
Performance Measures: • Tracking of incentives, coupons, contests, specials and other calls to action • Pre and post website traffic • Overnight stays

Major Category: Marketing
Activity Title: Advertising – Website
Tactics: • Creation of a new consumer website that will inform travellers about the destination • Integration with the ETSGI website • Alignment with chamber of commerce and operator websites to achieve portal status
Implementation Plan: • Description: digital advertising through a new SGITP website • Objectives: increase website activity, enquiries and bookings • Rationale: capture travellers planning their visits online and assist travellers while in the destination, through responsive design and cutting-edge content • Action Steps: ▪ Term of reference and RFP for site development ▪ Site launch ▪ hosting, development, maintenance of specific promotions and activities. • Potential Partnerships: Chamber of Commerce, ETGI, CRD, operators • Resources/Funding: MRDT • Timeframe: 2019 • Budget: \$25,000
Performance Measures: • Site development and launch • Website metrics, unique visitors to the site, search engine tracking, length of visit to the site, natural search results, links through to listings, purchase decisions

Major Category: Marketing
Activity Title: Advertising – Social Media
Tactics: • Off-season focus in support of events and festivals
Implementation Plan: • Description: utilize popular social media channels to enhance awareness of the SGI Region and convey unique places and stories • Objectives: increase the social media conversation and encourage use of related digital media channels • Rationale: Enhanced social media content and presence will inform and engage travellers about the destination through various social media channels including Facebook, Instagram, Vimeo, YouTube, and Twitter • Action Steps: ▪ Target ad placements and content creation for Spring, Fall and Winter specials ▪ Target festivals, events, arts, culture, culinary and outdoor recreation • Potential Partnerships: Tourism Vancouver Island, major resorts, SSI-SGICC • Resources/Funding: MRDT • Timeframe: 2019 - ongoing • Budget: \$20,000
Performance Measures: • Social media conversation • Number of likes/shares/views • Search engine tracking, traffic to websites, links through to listings

Major Category: Marketing
Activity Title: Collateral
Tactics: • Spring/Fall focus on production and distribution, prizes, giveaways • Collaborate with key partners to enhance distribution
Implementation Plan: • Description: maps, brochures, posters, flyers, banners and other print materials that support all aspects of marketing and visitor services • Objectives: increase spring and fall visits and property occupancies • Rationale: collateral is necessary to encourage purchase decisions and assisting visitors while they are on the islands; collateral will provide detailed information about the destination, attractions, activities, accommodations, culinary experiences, arts, culture and travelling information to help plan visits to the SGI • Action Steps: ▪ Creation, printing and distribution of: – local and regional maps – consumer brochures (with digital downloads) ▪ Expected output is the creation, printing and distribution of approximately 10,000 maps and visitor guides with 50,000 digital page views • Potential Partnerships: BC Ferries • Resources/Funding: MRDT • Timeframe: ongoing • Budget: \$15,000
Performance Measures: • Uptake on the material • Traffic to advertised listings and websites • Contest activity • Increased visitors to the area

Major Category: Marketing
Activity Title: Travel Media and Trade
Tactics: • Consumer tradeshow • Public Relations/Travel Trade Media Visits (FAMS)
Implementation Plan: • Description: Trade shows, FAM tours, travel media and public relations • Objectives: increase awareness and understanding of the SGI Region through trade channels, generate un-paid, earned media coverage and expand partnerships with digital partners • Rationale: Tradeshow and travel trade/media extends our reach and builds awareness across the entire travel planning and booking process. Travel media relations continues to be a key focus across all markets, providing a cost-effective and credible way to increase awareness by generating unpaid media coverage through key media outlets. • Action Steps: ▪ Consumer and Group Shows – Evaluate ESTGI show attendance and identify two outdoor adventure and arts & culture consumer shows for attendance, focusing on Western Canada and the Western US – Purchase booth registration where appropriate, but always seek to cost share with TVI and individual operators attendance at various shows to expand our brand ▪ Travel Media Relations – Create a media strategy and media page on the SGITP website – Develop content for and promote theme itineraries targeted at the travel trade – Support Media FAM Tour visits with hospitality sector to showcase unique selling features ▪ PR Relations/Software – Investigate and purchase public relations software (e.g. Meltwater, Salesforce) to access and identify journalists and influencers who have written about the islands, outdoor recreation and marine-based adventures in the past year. – Manually select journalists for delivery of press releases and other communications, and share with Tourism Vancouver Island to amplify through their channels. • Potential Partnerships: Tourism Association of Vancouver Island, Tourism Victoria, other regional DMMOs, hospitality sector, SSI-SGICC, AHOY BC • Resources/Funding: MRDT • Timeframe: 2020 – ongoing • Budget: \$30,000
Performance Measures: • Booth attendance • Unpaid media coverage • Hosted tours; Website metrics

Major Category: Marketing
Activity Title: Asset Development
Tactics: • Compile to EQ (explorer quotient) specifications: ▪ Image bank ▪ B-roll ▪ Written content for web/print
Implementation Plan: • Description: to provide better tools for carrying out marketing and promotional activities • Objectives: ▪ Image, video and content that meets (explorer quotient) specs, aligns with DBC's brand and represents all the islands • Rationale: critical for digital media, conveying the uniqueness of the islands that goes beyond the conventional landscape images • Action Steps: ▪ Assemble inventory ▪ Audit and gap analysis ▪ Reach licence agreements with exceptional content providers ▪ Meet with DBC Brand Team ▪ Commission image shoot, potential for drone use ▪ Commission content • Potential Partnerships: TVI, DBC, tourism operators, local photographers and writers • Resources/Funding: MRDT • Timeframe: 2019 • Budget: \$10,000
Performance Measures: • Meeting EQ (Explorer Quotient) criteria

Major Category: Destination and Product Development
Activity Title: Industry Development and Research
Tactics: • Local remarkable experiences sessions • Spring and Fall multi-operator activity packages • Car-free packages targeting Millennials and outer-island destinations • Local indicators for a performance measurement framework
Implementation Plan: • Description: this strategy is targeted at enhancing the competitiveness of local operators, increasing packaged offerings and developing a capacity for monitoring and reporting out on tourism activity • Objectives: ▪ increased number of export-ready operators ▪ increased operator packaging partnerships ▪ performance measurement baseline and monitoring system • Rationale: greater industry cooperation is needed in order to extend the season outside of the summer peak; this will require the development of new experiences that involve accommodation, food and beverage operations, transportation providers and tour operators • Action Steps: ▪ Industry Development – Promote market and export ready criteria to operators expressing interest in itinerary participation – Encourage more products and experiences in the shoulder seasons to diversify seasonality – Engage First Nations on how to build a stronger success network and increase participation in tourism planning across all levels – Provide and promote opportunities for industry education and training, including Remarkable Experiences, DBC’s Learning Centre, and work with Tourism Vancouver Island on the Google My Business Program to help SGI Regional tourism businesses to optimize their google presence. ▪ Packaging – Prepare inventory of products and experiences that could be packaged. – Identify export-ready experiences. – Compile and promote themed experiences targeted at our key activities and EQ (explorer quotient) types; unguided for learners and Free Spirits, guided for Rejuvenators and ‘No Hassle’ Travellers

- Performance measurement
 - Develop a local logic model showing indicators, data sources, benchmarks and timing
 - Develop a local value of tourism model for reporting to local government and industry
 - Develop an annual reporting mechanism for operators but also for community relations
- **Potential Partnerships:** CRD, TVI, DBC, tourism operators, SSI-SGICC, ITBC
- **Resources/Funding:** MRDT
- **Timeframe:** 2019 – ongoing
- **Budget:** \$23,000

Performance Measures:

- Training program uptake
- Number of partnerships and packages
- Overnight visitation (peak/non-peak seasons, SSI/outer islands)

Major Category: Destination and Product Development
Activity Title: Infrastructure and Events
Tactics: • Shuttle services • Festival capacity
Implementation Plan: • Description: increase inter-island mobility and expanded/new event development • Objectives: ▪ increase event attendance and spending in the Spring and Fall ▪ increase visitation on the outer islands • Rationale: enhanced mobility and transportation services is critical to attracting more visitors who may be constrained by ferry drive options especially to the outer islands; event development is essential to building visitation outside our core outdoor recreation markets • Action Steps: ▪ Transportation services – Support volunteer operated community shuttles and buses on outer islands – Support car stop programs – Investigate car share rentals for use by visitors – Expand car-free mobility options such as bike rentals, e-bike/scooter rentals, inter-island pick-up and drop-off, and bike and walking tours ▪ Event development – Expand successful non-summer events – Develop one new Spring or Fall event – Expand Tours des Iles with a Spring schedule (to complement the current Sept schedule) • Potential Partnerships: CRD, BC Ferries, BC Transit, private transportation service providers, AHOY BC, BC Marine Trails Network • Resources/Funding: CRD contributions • Timeframe: 2021 – ongoing • Budget: \$15,000
Performance Measures: • Events hosted • Event attendance • Transportation services and ridership • Occupancies on outer islands

Major Category: Visitor Services
Activity Title: Mobile Satellite Visitor Centre
Tactics: • Mobile visitor centre similar to Tofino’s bus • Prioritize for use outside of Ganges at special events and the outer islands • Integrate with social media program
Implementation Plan: • Description: increase ability to reach out to visitors and encourage interaction with travel counsellors. • Objectives: ▪ VC presence on the other four islands ▪ Increase outreach to on-island visitors ▪ Keep flexible and low-cost • Rationale: a bricks and mortar VC is not needed nor affordable but a mobile option could work really well in the SGI region, especially for remote areas during special events. • Action Steps: ▪ Evaluation of Tofino operation, lessons learned ▪ Business plan for the “van”, including operating season and visitation schedule ▪ Incorporate mobile technology to ensure “van” is online • Potential Partnerships: SSI-SGICC, tourism operators, festival/event organizers, BC Ferries • Resources/Funding: CRD contributions • Timeframe: 2021 – ongoing • Budget: \$20,000
Performance Measures: • Attendance • Collateral distributed • Retail sales • Feedback from outer island communities and operators

Section 3: MRDT Budget for Year One	
Revenues	Budget \$
Carry-forward from previous calendar year	
MRDT	183,000
MRDT from online accommodation platforms	30,000
MRDT Subtotal	213,000
Local government contribution	40,000
Stakeholder contributions (i.e. membership dues @\$50-150.00 annually)	25,000
Co-op funds received (e.g. DBC Coop; DMO-led projects)	70,000
Grants – Federal	
Grants – Provincial (ICET)	20,000
Grants/Fee for Service - Municipal	
Retail Sales	5,000
Interest	
Booking Engine Commissions	3,000
Total Revenues	\$376,000
Expenses	Budget \$
Marketing	
Marketing staff – wage and benefits	20,000
Media advertising and promotion (digital and print)	73,000
Website - hosting, development, maintenance	25,000
Social media	20,000
Consumer shows and events	
Collateral production and distribution	15,000
Travel media relations	15,000
Travel trade	15,000
Consumer-focused asset development (imagery, video, written content)	10,000
Other (please describe)	
Subtotal	193,000
Destination & Product Experience Management	
Destination & Product Experience Management Staff – wage and benefits	20,000
Industry development and training	8,000
Product experience enhancement and training	10,000
Research, evaluation, analytics	5,000
Infrastructure and events	15,000
Subtotal	58,000
Visitor Services	
Visitor services activities	20,000
Other (please describe)	
Subtotal	20,000
Meetings, Conventions, Events and Sport	
Meetings, conferences, conventions, sales, events, sport, and grant	
Subtotal	0

Administration		
Management and staff unrelated to program implementation – wages and	50,000	
Finance staff – wages and benefits		
Human Resources staff – wages and benefits		
Board of Directors costs	2,000	
Information technology costs – workstation-related costs (i.e. computers, telephone, support, networks)	5,000	
Travel	5,000	
Office lease/rent	8,000	
General office expenses	4,000	
Subtotal	74,000	
Affordable Housing		
General MRDT revenues		
Revenues from online accommodation platforms	30,000	
Subtotal	30,000	
Other		
All other wages and benefits not included above		
TIABC Membership Fee	1,000	
Subtotal	1,000	
Total Expenses:	\$376,000	
Balance or Carry Forward		\$0

Projected Spend by Market (*broad estimate*) Add more rows as needed.

Geographic Market	Total Marketing Budget by Market	% of Total \$ by Market
BC	\$96,500	50%
Alberta	\$38,600	20%
Ontario	\$9,650	5%
Other Canada (<i>please specify</i>)		
Washington State	\$28,950	15%
California	\$19,300	10%
Other USA (<i>please specify</i>)		
Mexico		
China		
UK		
Germany		
Australia		
Japan		
Other International		
Total	\$193,000	100%



August 30, 2018

To: Wayne McIntyre; Salt Spring Island Electoral Area Director

To: Dave Howe, Southern Gulf Islands Electoral Area Director

Cc: Karla Campbell, CRD Manager

As the President of the Salt Spring Chamber of Commerce, and on behalf of our membership of over 250 businesses and nonprofit groups, I embrace the initiative of pursuing a Municipal and Regional Destination Tax (MRDT) for the Southern Gulf Island Region, with the goal to organize, coordinate and enhance Southern Gulf Islands' destination visibility and experience for tourists. As with many other communities that compete for the same visitor dollars, tourism is one of our most significant and growing economic drivers that support the broadly based, economic well-being of our community.

In recent years, the Chamber has been the key to marketing, which has verifiably brought tourists to Salt Spring and benefited the entire community, not just Chamber members. The Chamber has been the key to this successful marketing that brought tourists and introduced new residents to revitalize the Salt Spring as well as the Galiano, Mayne, Pender, Saturna island communities.

We envision that the proposed Destination Marketing and Management Organization will provide an improved ability to:

- Explore ways to achieve shared, 4 island community and respective stakeholder programs, for improving destination experiences
- Consider how to best build a framework that supports the delivery of collaborative and attractive Southern Gulf Islands destination experiences that can compete favorably with surrounding communities
- Identify and ensure that other community stakeholders, characteristics and values are respected and promoted in the destination experience equation
- Strengthen and replenish our island community's resilience by building more seasonally balanced economic activity

The Salt Spring Island Chamber of Commerce fully supports the request for local government funding in the development of a Southern Gulf Island MRDT and Destination Marketing and Management Organization.

Sincerely,

Jeremy Milsom, Vice President & Director of Communications (For Li Read, SSI Chamber President)

Documentation Of Strong Local Tourism Sector Stakeholder Support For The Municipal And Regional District Accommodation Tax (MRDT) Within The Salt Spring Island And Southern Gulf Islands Electoral Areas For The Purposes Of Managing And Marketing The Southern Gulf Islands Regional Destination

Represents over 2-years of research, education, workshops, information sharing, outreach across the SSI-SGI Region, including individual visits to the outer island commercial accommodators – by a dedicated team of SSI & SGI volunteers and supportive CRD staff:

2016 – 2017 Research, Education

- a) CEDC Engaged key stakeholders – local hoteliers, B & B's and SSI Chamber formed core working group to receive presentations from Destination BC and Tourism Vancouver Island
- b) September 2017 workshop to review DMMO options feasibility study participants included representatives from SSI-SGI Chambers of Commerce, commercial tourism activity providers
- c) December 2017 presentation to key commercial accommodators re: MRDT funding
- d) December 2017 Core Working Group expands to include CRD-SGI staff and begins to plan for holding regional workshops directed solely towards commercial property accommodators

2018 Stakeholder Workshops, Round-Table Presentations, Visitations, E-Mail Correspondence Achieved The Required 51% Of The 51% Of Rooms And Properties Across SSI-SGI Region

- a) January-February Core-Working Group – Harbour House, SS Inn, Hastings House, CEDC, CESC, SSI Chamber plan first of several SSI-SGI regional information sessions for commercial property accommodators – those who pay PST and will impose the 2% MRDT
 - Prepared detailed presentation and information sheets for distribution to local commercial stakeholders
 - Follow-up phone calls to local commercial stakeholders on SSI-SGI to promote workshops
- b) March 3, 2018 Salt Spring Island, included presentation by the founder of the Sunshine Coast Tourism partnership
 - Resulted in all 7 of the commercial accommodators attending signing the MRDT-Yes! support form required by DBC
- c) March 8, Galiano Island
 - Resulted in 3 out of the 4 properties on Galiano Island signing the MRDT-Yes! Support form required by DBC
- d) April – August 2018 follow-up info. sessions, personal visits, phone calls, email correspondence
 - Salt Spring Island:
 - Resulted in support for and signed MRDT-Yes completed by 12 out of 22 properties on Salt Spring Island - = 51% of 51% as of June 2018 – the remaining have all been contacted; are fully informed; support pending after peak season is over

- Southern Gulf Islands
 - Round-table with manager of Poet's Cove Resort and Port Browning Marina
 - Poet's Cove signed MRDT-Yes.
 - Port Browning will once the property is open for business in 2019
 - Mayne Island – personal visit by CEDC Commissioner, Randy Cunningham, resulted in both Blue Vista and Mayne Island Resorts, considering and will be contacted again by CESC Commissioner Brian Crumblehulme
- All remaining commercial accommodators have been called, sent email correspondence and were visited on their properties.

Collaboration and Joint Support by the Economic Commissions of Salt Spring Island – CEDC and the Southern Gulf Islands – CESC

- a) For the Southern Gulf Islands Region – Salt Spring, Galiano, Mayne, Pender, Saturna islands tourism is an economic driver that impacts all sectors of the region. Visitors from around the world are attracted to this region because of its pristine natural environment and unique culture.
- b) Due to the Region's limitations for effectively managing visitor volume during the peak season, offering sustainable shoulder/off season accommodation and activities, and providing year-round workforce opportunities, the Region's tourism providers are unable to support, maintain and sustain the desirability of this region as a prime visitor destination.
- c) The SSI-SGI MRDT-DMMO initiative represents the culmination of many years, and many dollars invested in consultant reports and community meetings addressing the needs and challenges of managing and marketing the tourism sector of Salt Spring, Galiano, Mayne, Pender, Saturna Islands.
- d) We are now at a critical decision point for taking action towards managing and sustaining a year-round economy for this fundamental sector. A majority of working people across this region depends on tourism dollars for their livelihood. In fact, evidence based research across all economic sectors, cites that island-centered businesses rely on the ripple effect of the tourism economy to sustain their current and future financial security.
- e) Establishing an independent and non-profit society dedicated to the management and marketing of the SGI Region is a solution that will greatly improve the and sustain the economic well-being our Region
- f) **August, 23, 2018, Joint CEDC and CESC Commissioner Meeting**
 - Upon reviewing progress to date for gathering commercial tourism accommodator support for MRDT, and the draft 5-Year SSI-SGI DMMO Strategic Plan, the Commissioners from both Commissions, voiced full support for the recommendations being proposed in the CRD Staff report for the September 5, 2018, CRD-Electoral Area Directors Meeting

**SOUTHERN GULF ISLANDS –
COMMERCIAL ACCOMMODATOR SUPPORT – August 2018**

Name	MRDT-Yes
Galiano	
1-Bodega Ridge	✓
2-Driftwood Village	
3-Galiano Inn	✓
4-Woodstone Manor Inc.	✓
Mayne	
5-Blue Vista Resort	
6-Mayne Island Resort	
7-Springwater Lodge	
Pender	
8-Currents at Otter Bay	
9-Poet's Cove Resort	✓
10-Woods on Pender	
11-Port Browning Marina	not open
12-The Timbers Resort	unavailable
Saturna	
13-Saturna Lodge	unavailable