



Moving Forward & Working Together

City of Merritt
Merritt & Nicola Valley Destination Marketing Society





Presentation Overview

Tourism: Merritt & the Nicola Valley

1. Synopsis

- City of Merritt (CoM)
- Merritt & Nicola Destination Marketing Society (MNVDMS)

2. Current State of Tourism in Merritt

3. Goals & Challenges

4. Recommendation

5. Next Steps

6. Q & A

City of Merritt : Tourism Overview

City of Merritt Tourism Department:

Economic Development



Department Lead:

Will George

Economic Development, Communication & Tourism Manager

Purpose of Tourism Merritt:

To promote visitation to Merritt, increase overnight stays and highlight tourism experiences for both visitors and locals to enjoy.

City of Merritt : Tourism Marketing Activities



- Overall tourism related strategic planning for Merritt and the Nicola Valley
- Manages all City of Merritt promotions and advertising
- Manages tourism website www.tourismmerritt.ca
- Attends and represents the City of Merritt at tourism tradeshow and events
- Maintains memberships and relationships with tourism related organizations
- Manages Visitor Centres contract/s ie. Baillie House and Mobile Visitor Kiosk
- Manages Merritt Summer Youth Ambassador Program
- Manages Merritt Community Events Calendar



City of Merritt : Tourism Marketing Expenses*

* Does not include grant related expenses and does not include City staff wage allocations

Contracted Services:	\$15,000
Nicola Valley Heritage Society Contract:	\$51,111
Tourism Merritt Website Contract:	\$ 5,000
Gold Country Membership:	\$ 8,400
Conferences	\$ 2,000
Advertising	\$20,000
Event Expenses	\$ 700
Tourism Promotional Videos	\$ 7,500
Tourism Ambassador Program	<u>\$10,000</u>
Total Expenses	\$119,711

MNVSDMS: Overview

Merritt & Nicola Valley Destination Marketing Society



Purpose:

- To increase the number of visitors to the community
- To increase the Length of Stay and average daily Yield of those visitors
- To develop and offer effective, partnership-based marketing of the region's tourism assets, events and facilities
- To take leadership within the community and region in creating a Destination Marketing Society

Structure:

- Incorporated not for profit in BC – 2012
- Volunteer Board of Elected Directors
- Membership – 50 members

MNVDS: Overview

Activities:

- Vision Merritt
- Experience Nicola Valley
- Targeted funding to support community events and programs
- Targeted tourism marketing/promotions



MNVDS: Overview

Destination Fee:

- Collects a **voluntary*** destination fee of 2% from 7 of the 16 largest hotels/motels



1. Best Western Plus
2. Comfort Inn
3. Quality Inn
4. Super 8
5. Knights Inn
6. Merritt Desert Inn
7. Ramada Merritt

*Does **not** collect the MRDT (ie. Municipal & Regional Destination Tax)

MNVSDMS: Budget Overview

Revenues:

Destination Fee Collected:

2018/19* - \$123, 170*

(*includes late/owed fees from previous fiscal)

2019/20* - \$115,000 (*projected/estimated fees)

General Expenses 2018/19*

(* Does not include Rural Dividend related expenses)

Event/Sponsorship Support:	\$34,300
Administration	\$20,574
Contract Services	\$36,057
Advertising & Marketing	\$ 3,414
Memberships – Marketing	\$ 1,764
Experience Nicola Valley	\$24,322
Misc.	<u>\$ 206</u>

Total Expenses: \$120,637



Current State of Tourism Leadership in Merritt

*“The **lack of cooperation** among stakeholders is the leading threat to future development. There are important **issues of organizational leadership and collaboration** that will have to be **resolved** if the Nicola Valley is to increase its economy.”*

Excerpt from Destination British Columbia - excerpt from Merritt Tourism Plan 2013/14

*“The completed process of reviewing tourism and tourism promotion activities in Merritt and the Nicola Valley summarized a lack of understanding from residents, local businesses and industry stakeholders on roles, responsibilities and activities developed and delivered by both **Tourism Merritt (City of Merritt) and Merritt & Nicola Valley Destination Marketing Society (MNVDMS)**.*

Excerpt from the City of Merritt Tourism Asset Inventory Report 2018

Find a Solution...

“With limited resources and increased competition from other destinations, a strategy needs to identify the designated official DMO and areas of collaboration and efficiency within Merritt and the Nicola Valley...”

Excerpt from the 2018 City of Merritt Tourism Asset Inventory Report, pg. 22.

*”Proactively **collaborate** to efficiently leverage tourism opportunities in Merritt and the Nicola Valley. In particular, **define the roles and responsibilities of Tourism Merritt and MNVDDMS ...***

Excerpt from the 2018 City of Merritt Tourism Asset Inventory Report approved by the City of Merritt.

Action:

#2 Establish an effective destination leadership model to ensure a recognized destination management/marketing organizational structure ie. Tourism Merritt

Excerpt from the 2018 City of Merritt Tourism Asset Inventory Report approved by the City of Merritt.



Identified Goals :

Community stakeholders, including the City of Merritt, have indicated that there is agreement for the following:

- a. **Build** and support a vibrant tourism sector – infrastructure, promotion
- b. **Support** local business
- c. Beautification of **downtown**
- d. **Collaboration** between groups and stakeholders



Identified Challenges:

Continuation of the issues identified by external consultation ie. lack of collaboration at a leadership level, are still prevalent and the perception/reality is that more time is spent disagreeing/positioning for control and 'putting out fires' than on achieving shared goals.

As a result:

- a. **Siloed** groups
- b. **Competing** for resources and/or duplication of resources ie. using resources for similar/competing projects
- c. **Confusion** and miscommunication among stakeholders
- d. Opportunities **lost** (leveraging resources, accessing provincial/federal support etc.)





Identified Solutions:

1. Create a formal partnership between the City of Merritt and MNVDMS
2. Define Roles & Responsibilities
3. Create an official Destination Marketing Organization that collects the Municipal & Regional Tax

MRDT: Summary

Why?

To assist designated recipients to fund tourism marketing, programs and projects. Affordable housing was added as a permissible use of funds in Budget 2018.

What?

2-3% accommodation collected at time of stay.

How?

Requires 51% support from accommodation owners to move forward

Who?

Eligible entity identified by municipality and supported by local tourism stakeholders

When?

Application submitted to province along with 5 year marketing strategy and 1 year action plan.



Projections: MRDT Collected

Projections based on 525 accommodations/rooms MRDT eligible in Merritt, BC

Number of Overnight Stays	Room Numbers	Room Revenues	MRDT - Tourism		MRDT	
Calculated % per 525 Rooms		Calculated @ \$100/room	2% Destination Tax		1% Destination Tax	Less .2% towards Destination BC Program
50.00%	263	\$9,599,500	\$191,990		\$95,995	\$95,803
60.00%	315	\$11,497,500	\$229,950		\$114,975	\$114,745
70.00%	368	\$13,432,000	\$268,640		\$134,320	\$134,051



Recommendation:

MNVDMS as a recognized Destination Marketing Organization

- CoM designates MNVDMS as an 'eligible entity' to receive program funds under the terms of the Provincial Sales Tax Act
- MNVDMS becomes a provincially recognized Destination Marketing Organization.



Conditions:

1. Determine the 'partnership' terms of the agreement –
 - Amount of tax collection
 - Disbursement of funds
 - Program requirements – ie. 1-year action plan and completion of 5 year strategic plan etc.
2. Stakeholder Buy-In Strategy
 - Buy in from local/regional accommodation owners to collect the tax (require 51%)
 - Communication/PR plan – community
3. Define Roles & Responsibilities:
 - CoM
 - MNVDMS



Next Steps:

City Council approves the following:

Council approves in principle that MNVDMS will be officially recognized as the eligible entity to apply to collect the MRDT as long as the following conditions are met:

Conditions of Approval:

CoM staff and MNVDMS will complete the following by **April 30, 2020**:

1. Determine the terms for the partnership between MNVDMS and the CoM
2. Create a communication plan to announce proposed partnership and plans for the creation of a DMO
3. Organize hotel/motel accommodation owner information session/s and vote to approve the collection of the MRDT
4. Complete draft 5-year strategic plan/1-year action plan will also include:
 - Proposed structure of MNVDMS Board
 - Proposed CoM representation
 - Proposed staffing of DMO
 - Budget
5. Once the above is completed, a final presentation to Council with the recommendation to allow MNVDMS to complete the MRDT application as the eligible entity



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