

TO: CHAIR AND MEMBERS
FINANCIAL MANAGEMENT COMMITTEE

DATE: 2018 Sep 18

FROM: DIRECTOR FINANCE

FILE: 88000-01

SUBJECT: **TOURISM BURNABY –
MUNICIPAL AND REGIONAL DISTRICT HOTEL ROOM TAX LEVY
RENEWAL**

PURPOSE: To seek Council's approval to renew the Hotel Room Tax Levy.

RECOMMENDATIONS:

1. **THAT** the Finance Management Committee recommend Council authorize the City Solicitor to bring forward a Municipal and Regional District Hotel Room Tax Levy Bylaw for the renewal of the 2% Municipal and Regional District Hotel Room Tax Levy within Burnaby, and
2. **THAT** the application be made to the Provincial Government requesting renewal of the Hotel Room Tax Levy on behalf of the City of Burnaby and Tourism Burnaby.

REPORT

1.0 INTRODUCTION

The purpose of this report is to request renewal of the 2% Municipal and Regional District (MRDT) Hotel Tax Levy used to fund Tourism Burnaby activities for a five year period.

2.0 POLICY SECTION

Goal

- A Connected Community
 - Social connection –
Enhance social connections throughout Burnaby
 - Partnership –
Work collaboratively with businesses, educational institutions, associations, other communities and governments

- An Inclusive Community
 - Celebrate diversity –
Create more opportunities for the community to celebrate diversity
 - Serve a diverse community –
Ensure City services fully meet the needs of our dynamic community
 - Create a sense of community –
Provide opportunities that encourage and welcome all community members and create a sense of belonging
- A Healthy Community
 - Community involvement –
Encourage residents and businesses to give back to and invest in the community
- A Dynamic Community
 - Economic opportunity –
Foster an environment that attracts new and supports existing jobs, businesses and industries
 - Community development –
Manage change by balancing economic development with environmental protection and maintaining a sense of belonging

3.0 BACKGROUND

Tourism Burnaby was established in 2004 under the Society Act of British Columbia by the City of Burnaby and is a leading, sector-focused destination marketing and resource organization that develops, promotes and assists in the city's tourism growth through innovative community, regional and partner programs. Tourism Burnaby's goals and events for the coming years are detailed within its strategic plan, which is focused heavily on sales and marketing activities, is located on their website. The plan includes the promotion of sports, meetings and conferences whereby Tourism Burnaby plays an active role in researching, identifying, pursuing and helping secure these types of events for Burnaby. The plan also includes marketing and promotion of the arts and cultural sector in partnership with City of Burnaby Departments.

Tourism Burnaby has actively supported and promoted many City events and initiatives including the Burnaby Blues and Roots Festival, the International Festival Series, Small Plates on the Lake, and various international trade delegations. They have successfully attracted and helped deliver a range of events in Burnaby, including the CANHEIT-TECC Conference, JDC West Case Competition, the annual Pat Quinn Classic Hockey Tournament, World Junior Taekwondo Championship, Canadian Rowing National Championships and various International Rugby Matches.

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Tourism Burnaby is governed by a board of seven directors, consisting of four accommodation providers, one representative from the Burnaby Board of Trade and two representatives from City of Burnaby. Annually audited financial statements are filed with the City and the Province and include a statement from Tourism Burnaby's auditors attesting to the fact that the tax funds received were expended in accordance with the purpose for which they were initially intended.

The following Metro Vancouver cities currently participate in the Hotel Room Tax program:

- | | | |
|----------------|----------------------------|-------------|
| • Abbotsford | • Langley Township | • Richmond |
| • Burnaby | • North Vancouver City | • Surrey |
| • Langley City | • North Vancouver District | • Vancouver |

4.0 LEVY RENEWAL

City Council adopted an initial bylaw in 2003 December for the imposition of a 2% Municipal and Regional District (MRDT) Hotel Tax Levy in Burnaby, which began in 2004 June for a five year period to fund tourism initiatives and activities through Tourism Burnaby. Subsequently, City Council has adopted two new bylaws, each for five year periods, in both February 2009 - Bylaw No. 12598 and January 2014 – Bylaw No. 13286. The current bylaw expires on 2019 May 31. The MRDT Program, through the Province, is monitored by Ministry of Finance and Destination British Columbia, a Provincial Crown Corporation. In order for a municipality to impose such a levy, an application to the Province including an approved Council bylaw for such a levy must be made 6 months prior for review and approval by the Province of British Columbia. The application triggers the Province to extend the distribution of the tax for an additional five year period from June 2019 to June 2024 to the City of Burnaby. Additional requirements of the application include:

- documentation showing majority support from the Burnaby local accommodation sector for the tax;
- a summary of how the Hotel Room Tax revenue has been spent, on an annual basis since it was implemented, and
- a business plan for future spending.

Required documentation is being gathered pending bylaw approval. There are currently 12 accommodation providers in Burnaby that will be canvassed by Tourism Burnaby as part of the Hotel Tax Levy renewal process (listed in Attachment 1).

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5.0 RECOMMENDATION

It is recommended that the Finance Management Committee recommend Council authorize the City Solicitor to bring forward a Municipal and Regional District Hotel Room Tax Levy Bylaw for the renewal of the 2% Municipal and Regional District Hotel Room Tax Levy within Burnaby and that the application be made to the Provincial Government requesting renewal of the Hotel Room Tax Levy on behalf of the City of Burnaby and Tourism Burnaby.



Noreen Kassam, CPA, CGA
DIRECTOR FINANCE

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Attachment: 1 – List of Hotels (Canvassed in Burnaby)

Copied to: City Manager
City Solicitor

List of Accommodations/ Hotels
Canvassed in Burnaby

| Accommodation | Address |
|--|------------------------|
| 401 Motor Inn | 2950 Boundary Road |
| Accent Inns Burnaby | 3777 Henning Drive |
| Best Western Kings Inn and Conference Centre | 5411 Kingsway |
| Delta Burnaby Hotel & Conference Centre | 4331 Dominion Street |
| Element Metrotown | 5988 Willingdon Avenue |
| Executive Hotel & Conference Centre Burnaby | 4201 Lougheed Highway |
| Fortius Lodge | 3713 Kensington Avenue |
| Happy Day Inn | 7330 Sixth Street |
| Hilton Vancouver Metrotown | 6083 McKay Avenue |
| Holiday Inn Express Metrotown | 4405 Central Boulevard |
| GEC Burnaby Heights | 438 Gama Avenue |
| Simon Fraser University | 8888 University Drive |