

WORKING TOGETHER TO BUILD A STRONGER RESORT COMMUNITY



SILVER STAR MARKETING TASK FORCE

JANUARY 2017

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Today's Presentation

- The Challenge and the Opportunity
- Marketing Task Force – Project Overview
- Alternative Models – Introduction and Comparative Analysis
- The Recommended Model – What, Why, How and Who
- What We Have Heard and How We Are Responding
- The Approval Process
- Stakeholder Engagement and Next Steps



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The Challenge

- Competition is increasing
- Brand awareness is critical
- Investment and reinvestment in the mountain experience is critical
- Our competitors are investing in marketing
- Our product has to remain fresh and current
- We are falling behind our year round competitors
- Are we using the 'right' model?



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The Opportunity

Find the 'right' model for the 'right' time that allows us to:

- Work together
- Seize opportunities
- Have a collective voice
- Re-invent ourselves
- Increase brand awareness
- Invest in our future



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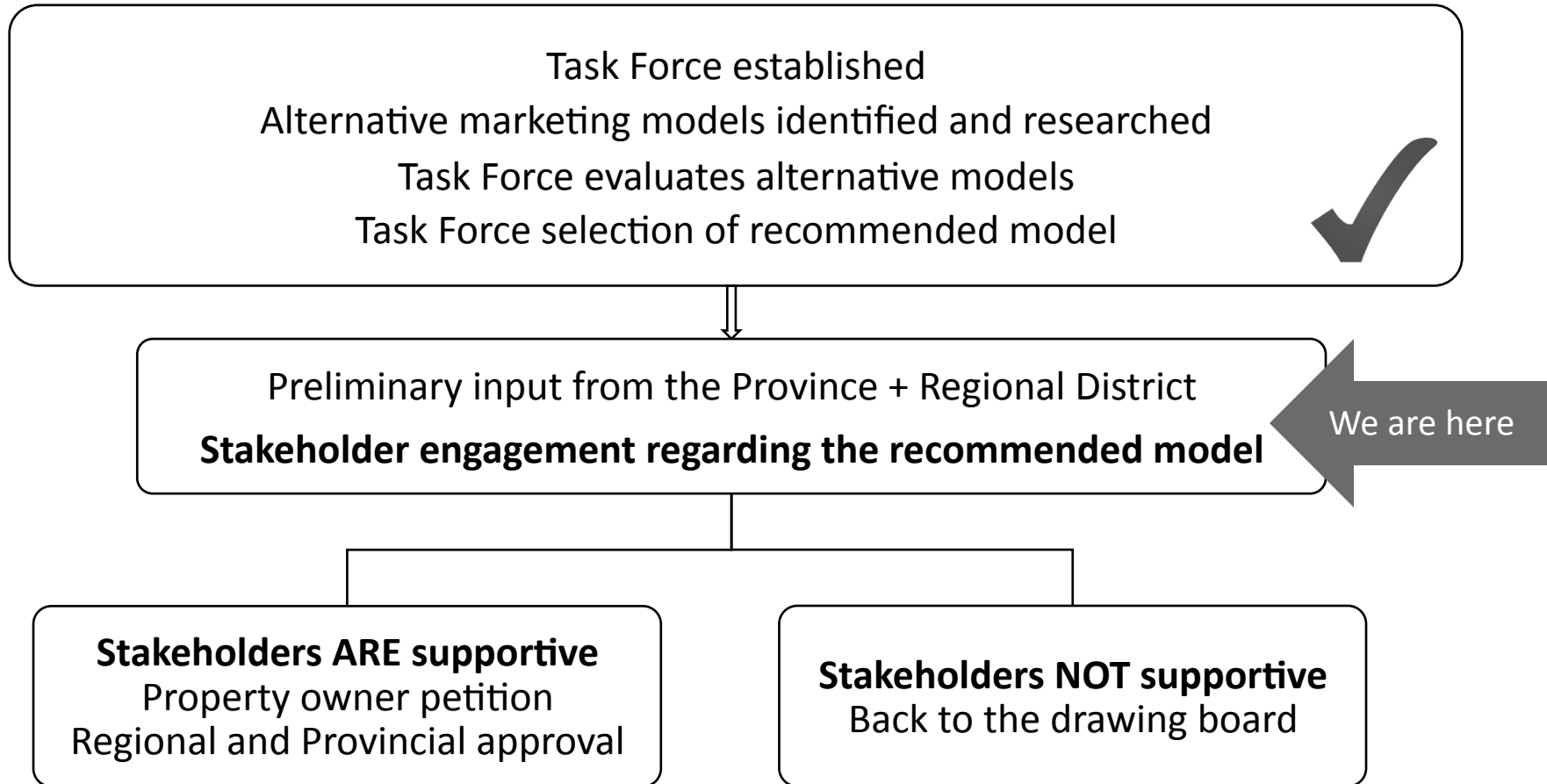
Destination Marketing Organizations

- Successful destinations work together to sell their destination. They recognize the strategic value in pooling resources in order to maximize their impact.
- DMOs (in different forms) are located throughout BC



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PROCESS OVERVIEW



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Task Force Goal

- Explore and evaluate models for marketing the resort
- Develop and present recommendations as appropriate
- Develop and implement a stakeholder engagement program
- Consider stakeholder input in developing next steps



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Alternative Models Considered

- Resort Area Management Fee
- Business Improvement Area
- Regional District Service
- Resort Association



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Comparison of Alternative Models

Key steps in the process:

- Guiding principles developed
- Presentations/discussions to inform the Task Force
 - Tourism Sun Peaks – Resort Associations
 - Regional District – Regional District Service/BIA/Resort Association
- Evaluation criteria developed
- Comparative analysis conducted by Task Force using guiding principles and evaluation criteria
- Selection of recommended model

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Retain the Resort Area Management Fee

How it works

- Specified properties are charged 5% of Gross Revenue
- Silver Star Mountain Resort performs specified services including resort promotion and marketing

Concerns

- Inconsistent agreement language between properties
- Not applicable to all properties
- Administration of Rent Charge Agreements
- Level of engagement on how funds are spent
- Lack of fairness and equity
- Not a not-for-profit

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Evaluation of the Alternative Models

EVALUATION CRITERIA	BUSINESS IMPROVEMENT AREA	RESORT ASSOCIATION	REGIONAL DISTRICT SERVICE
NOT-FOR-PROFIT SOCIETY	✓	✓	Flexible – could include a not-for-profit
SCOPE	< Than a Resort Association (but still significant) – generally financing marketing and promotional programs and/or improving, beautifying or maintaining common areas for the benefit of the specified area	> Than a BIA – generally promoting, facilitating and encouraging the development, maintenance and operation of the resort	Significant flexibility to define the services to be provided
RELATIONSHIP WITH THE RDNO	> Requires RDNO approval to create BIA (BIA establishment bylaw) and annual budget approval	< Requires RDNO approval of the 'Resort Promotion Area', initial bylaws and any changes to the bylaws. Otherwise operates independently	> Requires RDNO approval (and approval of the Inspector of Municipalities) to create the service (service establishment bylaw), annual budget approval, five year agreement renewal, and possibly confirmation of non-profit board of directors if operated by non-profit

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Evaluation of the Alternative Models

EVALUATION CRITERIA	BUSINESS IMPROVEMENT AREA	RESORT ASSOCIATION	REGIONAL DISTRICT SERVICE
LOCAL AUTONOMY	< Than a Resort Association	> Significant autonomy - much greater than a Business Improvement Area	Maybe less than a BIA depending on the structure, but less than a Resort Association
SECTORAL BOARD REPRESENTATION	Representation outlined in bylaws and generally reflects the business community contributing to the BIA	Representation outlined in bylaws and generally reflects the different stakeholder groups on designated 'resort lands'	Can likely be designed to reflect stakeholder groups
ENGAGED DECISION MAKING	Significant	Significant	Could be significant depending on the structure
RESTRICTED BY PROPERTY TAX CLASS	Yes – limited to Class 5 (Industrial) and Class 6 (Business)	No – applies to all properties designated as 'resort lands'	No – can apply to all property classes

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Evaluation of the Alternative Models

EVALUATION CRITERIA	BUSINESS IMPROVEMENT AREA	RESORT ASSOCIATION	REGIONAL DISTRICT SERVICE
ASSESSMENT DESIGN FLEXIBILITY	Generally limited to a parcel tax and/or a parcel valuation tax but flexibility maybe available	Flexible – outlined in bylaws	Generally limited to a parcel tax and/or a parcel valuation tax but flexibility maybe available
ASSESSMENT COLLECTION	Levies are collected through the local government taxation system	Resort Association levies and collects fees	Levies are collected through the local government taxation system
COLLECTION OF UNPAID ASSESSMENTS	Treated as an unpaid property tax and collected through tax payment processes	Added as a charge in priority against the land	Treated as an unpaid property tax and collected through tax payment processes
ADMINISTRATIVE COSTS	Depends on the range of services provide – but slightly less than a Resort Association due to the RDNO collecting assessments	Depends on the range of services provided – but slightly more than a BIA due to the collection of assessments	Depends on the range of services provided

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Evaluation of the Alternative Models

EVALUATION CRITERIA	BUSINESS IMPROVEMENT AREA	RESORT ASSOCIATION	REGIONAL DISTRICT SERVICE
FAIRNESS AND EQUITY	All properties within the specified area are assessed in accordance with the bylaw	All properties on designated 'resort lands' are assessed in accordance with the bylaws	All properties within the service area would be assessed in accordance with the assessment model
EVIDENCE OF SUPPORT	Either a property owner petition (like a resort association) or assent of electors (referendum) in service area	At least one-half of the property owners in the 'resort promotion area', having at least one-half of assessed value, must support the creation of the Resort Association through a property owner petition	Either a property owner petition (like a resort association) or assent of electors (referendum) in the service area

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Distinguishing Features

BIA

- Excludes vast majority of hotel rooms in the Village

Regional District Service

- Regional district control
- Five year review
- Not a typical regional district service

Resort Association

- Local autonomy
- Collective voice
- Proven model



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Comparison of Alternative Models

	Fair and Equitable	Value for Money	Engaged Decision Making	Local Autonomy	Ease of Implementation
Resort Area Management Fee	X	✓	X	X	✓
Business Improvement Area	✓	✓	✓	✓	✓
Regional Service Area	✓	✓	✓	✓	✓
Resort Association	✓	✓	✓	✓	✓

The check-marks/colours represent the relative score each model received for each principle.

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The Recommended Model

- **Creation of a Resort Association, which is:**
 - A not-for-profit accountable to its members
 - Responsible for funding and administering marketing and sales programs, research, communication, special event planning and execution and advocating on behalf of the resort community
 - Not directly involved with the operation of the Ski Resort or in the delivery of services through the RDNO



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The Value Proposition



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Other Benefits

- Provides access to incremental funding opportunities like the Municipal and Regional District Tax, Tourism Co-op Programs (Provincial and Regional), Government Grant/Support Programs and Partnerships with local businesses
- These types of funds have benefited other resort communities through festivals, events, village shuttle and many other initiatives
- Enables engaged decision-making by all members of the resort community
- Provides a lobby group that can advocate on behalf of the resort community with regional, provincial and federal governments
- Provides an added 'voice' in support of resort community amenities and services

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Proposed Board of Directors

Eleven directors with sector representation as follows:

Sector	No. of Directors
Residential	1
Residential Lodging	2
At Large	2
Hotel Lodging	2
Commercial/Tenant/Independent Operator	1
Single Owner Hotel Lodging	1
Silver Star Mountain Resort	2

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Preliminary Annual Membership Assessments

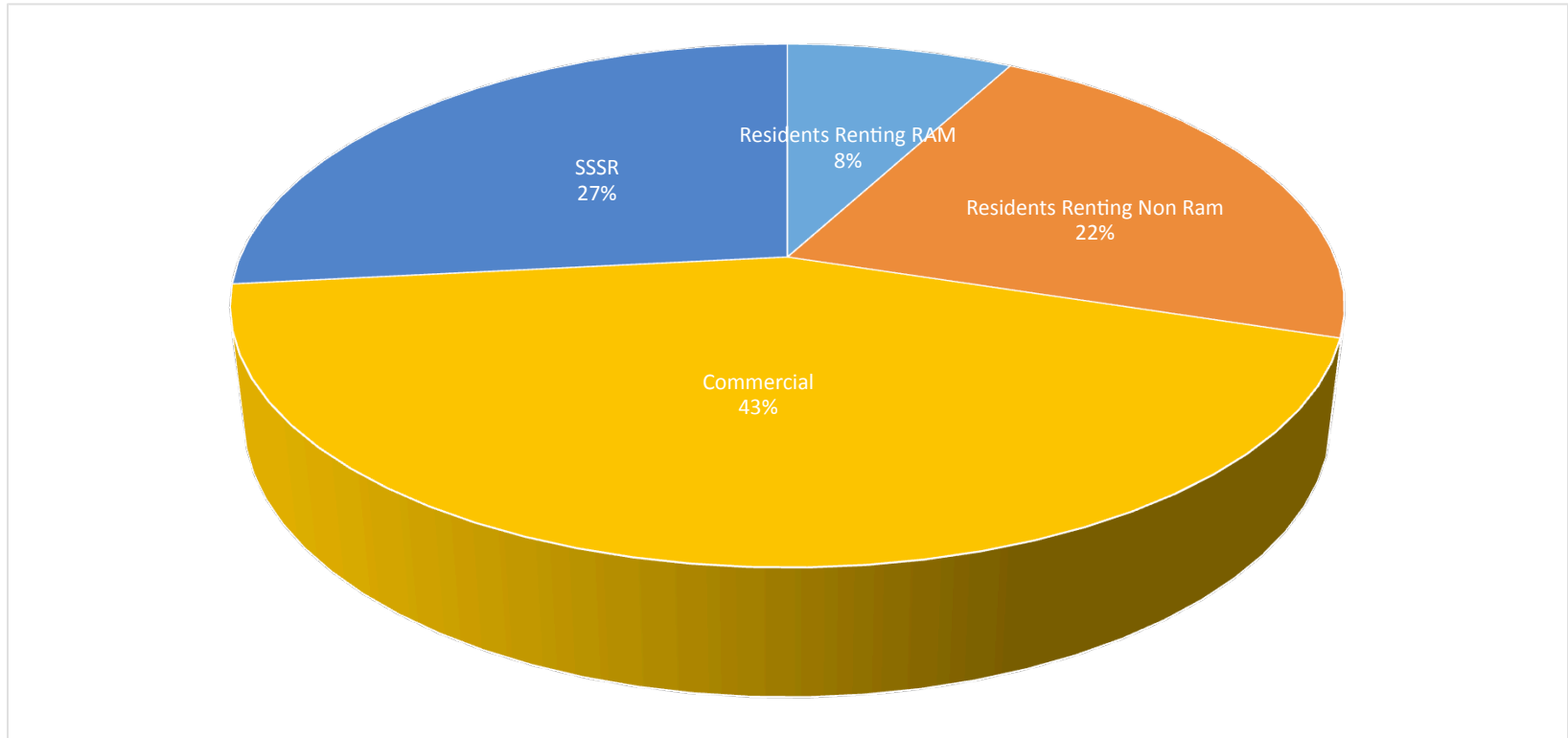
- Silver Star Mountain Resort: \$200,000
- Commercial owners based on square footage (after some spaces are exempted), for example:

0 – 799 sq. ft.	\$1,500	2,000 – 2,499 sq. ft.	\$5,000
800 – 1,399 sq. ft.	\$3,500	2,500 sq. ft. or more	\$6,500
1,400 – 1,999 sq. ft.	\$4,000		

- Home-based business: \$750
- Non-resident business owners: \$1,500
- Owners of Resort Land who **offer** their resort lands for rent: \$750

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Preliminary Membership Assessment Distribution



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Incremental Funding

- The Resort Association would provide incremental funding for the marketing and sales programs, communications, research and event planning and execution
- Silver Star Mountain Resort would continue with its significant marketing and sales programs and event planning and execution
- The Resort Association would work closely with Silver Star Mountain Resort to maximize value

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What We Have Heard and How We Are Responding

- Concern has been expressed about some draft bylaw content
- The draft Silver Star bylaw is consistent with the bylaws in place at Tourism Whistler, Tourism Sun Peaks and Rossland
- The Task Force is listening to the concerns and is exploring changes to the bylaws to reflect the specific needs of the Silver Star resort community
- In addition the bylaws will be updated to reflect the new Society Act

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What We Have Heard and How We Are Responding

INPUT RECEIVED

- Properties without a RAM Rent Charge Agreement on title should not be charged a member assessment

PROPOSED CHANGE

- The Task Force is proposing to amend the bylaws by deleting the assessment for a non-renting residential property
- The Task Force has not proposed a change for a residential properties that offer their property for rent whether or not the property has a RAM Rent Charge on title

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What We Have Heard and How We Are Responding

INPUT RECEIVED

- No restriction on borrowing by the Board of Directors

PROPOSED CHANGE

- Task Force is proposing a limit of \$250K (not including a cash flow requirements) beyond which would require approval of the membership
- The Task Force is also proposing that the borrowing sections be re-written to be more restrictive.

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What We Have Heard and How We Are Responding

INPUT RECEIVED

- Assessments payable by members can be changed by a resolution of the Board and the agreement of the Mountain Operator

PROPOSED CHANGE

- The Task Force is proposing limiting the amount the Board of Directors can increase assessments to the British Columbia Consumer Price Index (all items) plus 2 points without the approval of the membership
- The requirement for the agreement of the Mountain Operator is proposed to be deleted.

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What We Have Heard and How We Are Responding

INPUT RECEIVED

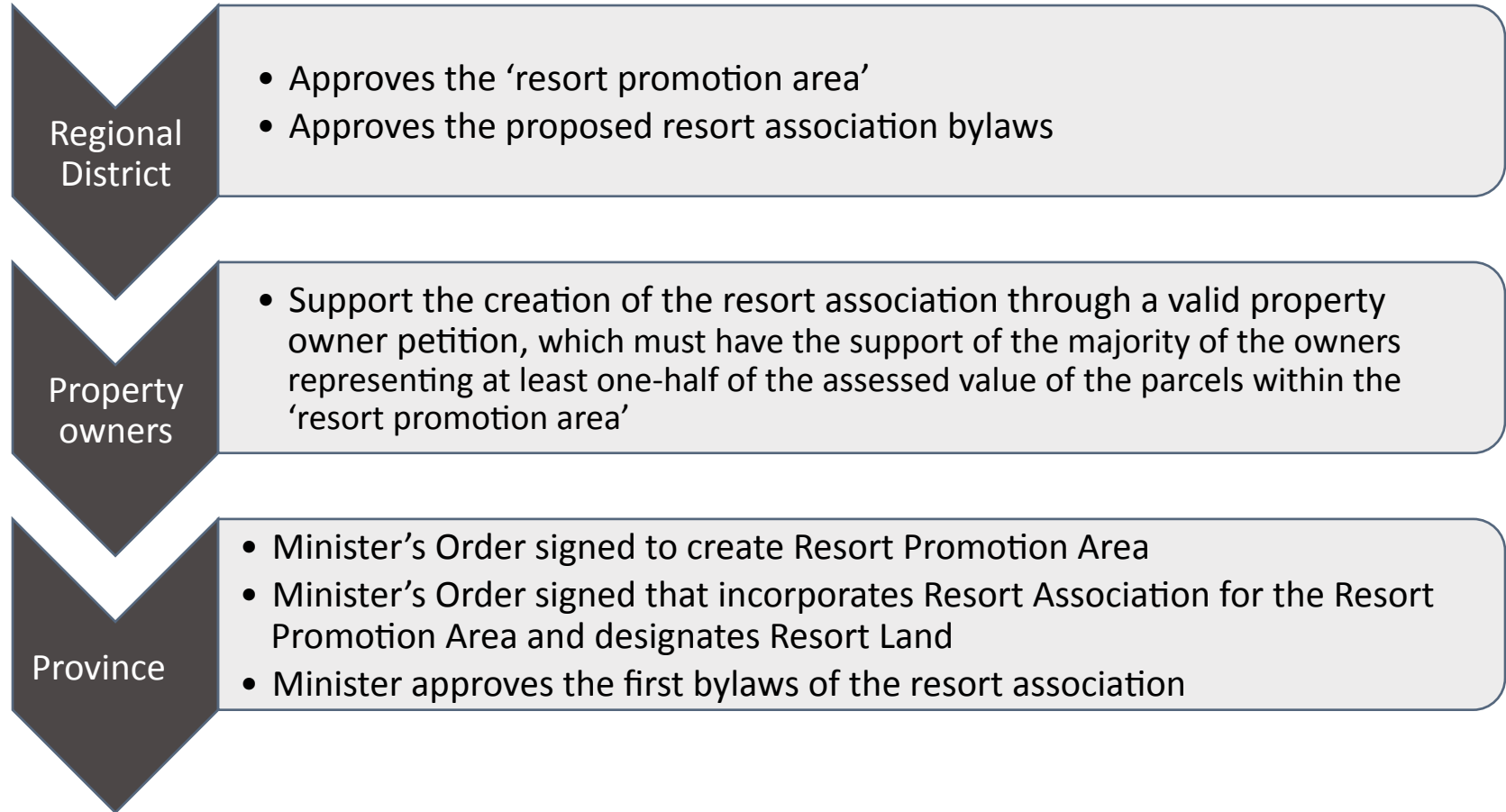
- Concern has been expressed that the Board of Directors could add a function, which is consistent with the Constitution but not included with the preliminary budget without approval of the membership

PROPOSED CHANGE

- The Task Force is proposing that the addition of a function (beyond marketing, sales, communication, research and event planning and execution) would require the approval of the membership by a special resolution

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Approval Process



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Next Steps

Online Survey

- Open till January 31

Open House No. 2

- February 8 starting at 6:00 PM

RDNO Committee of the Whole

- February 22 (Information sharing only – no approvals being requested)

Open House No. 3 and Survey No. 2

- Date TBD

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Discussion/Questions



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Thank You

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