

MRDT RENEWAL

2022-2027



CHANGING THE MRDT TO 3% (EFFECTIVE JULY 1/2022)

WILL A 3% RATE MAKE PENTICTON UNCOMPETITIVE AGAINST SIMILAR DESTINATIONS?

- There are currently 61 designated recipients collecting MRDT in British Columbia and **27 already charge 3%** (at least 5 others intend to apply for a renewal at 3% within the next 2 years)
- Penticton is the only large centre in the Thompson Okanagan Region that does not charge 3%.
 - ◇ Big White Ski Resort 3%
 - ◇ City of Kamloops 3%
 - ◇ City of Kelowna 3%
 - ◇ City of Vernon 3%
 - ◇ District of Barriere 3%
 - ◇ Sun Peaks Resort 3%
 - ◇ Town of Osoyoos 3%

WHAT DOES A 3% RATE TRANLATE TO FOR VISITORS?

Room Rate	PST 8%	GST 5%	MRDT 2%	Current Total	MRDT + 1%	New Total
\$100.00	\$8.00	\$5.00	\$2.00	\$115.00	\$1.00	\$116.00
\$150.00	\$12.00	\$7.50	\$3.00	\$172.50	\$1.50	\$174.00
\$200.00	\$16.00	\$10.00	\$4.00	\$230.00	\$2.00	\$232.00
\$250.00	\$20.00	\$12.50	\$5.00	\$287.50	\$2.50	\$290.00
\$300.00	\$24.00	\$15.00	\$6.00	\$345.00	\$3.00	\$348.00

- When surveyed, the vast majority of visitors do not consider or request tax rates when reserving accommodation.
- Visitors have also indicated a price difference ranging from \$1 to \$3 on a night stay would not impact their decision to choose one location over another.
- The change to 3% will not impact long-term rentals, as MRDT is not charged when providing accommodation to the same person for a continuous period of 27 days or more.

WHAT WILL A CHANGE OF 2% TO 3% MEAN FOR PENTICTON'S TOURISM SECTOR?

- Based on the MRDT revenue from 2019 we have calculated that if we levied 3% as opposed to 2% we would have seen an **additional \$265,000 in MRDT revenue**.
- Over the next 5 year's this could translate to **more than \$1.3 million** in additional funds to support local tourism marketing, programs and projects.
- This additional funding will be critical as we enter the recovery phase following the COVID-19 pandemic and competition for visitor dollars becomes even more fierce.

WHAT'S THE PLAN?

- Travel Penticton's primary focus is the **ongoing support of our tourism businesses and recovery of our tourism sector**, which has been severely impacted by the COVID-19 Pandemic.
- The additional revenue secured by a change in the MRDT to 3% will be crucial in aiding our efforts. This will allow us to offset marketing revenue lost due to the pandemic so we can continue to deliver our key strategies and objectives and also allow us to **invest in new opportunities** to help facilitate a **speedy recovery**.
- Following in-depth discussions with the City and other key tourism partners, one key need that has been identified is assistance in encouraging the return of Meetings, Conferences and Events to Penticton, which have historically been a significant contributor to our tourism economy.
- Larger conferences and events are also good for local accommodators as they require a **large number of rooms**, are **booked well in advance** and **generate longer stays**.
- If approved, Travel Penticton intends to use a portion of the additional MRDT revenue to create a **Convention Bureau** in addition to our existing Member and marketing services (please refer to the booklet entitled Meetings, Incentives, Conference & Exhibitions for more information).
- Travel Penticton is currently putting together our next Five-year Strategic Business Plan and One-year Tactical Plan, which must be **submitted prior to September 30, 2021**, as part of the MRDT Program. We will be actively seeking input and support from all of our tourism stakeholders and encourage you to reach out to our Team or Board if you have any questions or concerns.
- Please refer to our outline of the other key strategies Travel Penticton is currently working on and will continue into the early phase of tourism recovery.

KEY STRATEGIES FOR 2021 & BEYOND



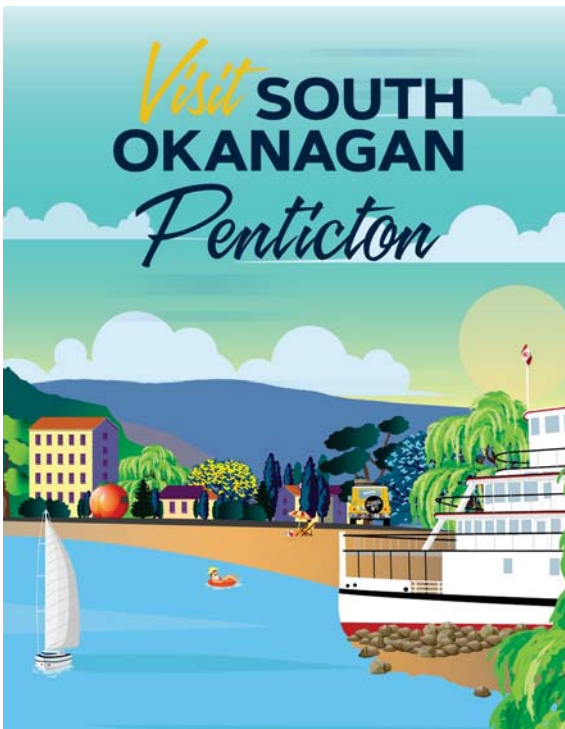
VISITPENTICTON.COM

Penticton Dining Guide - Visit Penticton Blog

Penticton patios now open! Or if you just want to enjoy your favorit...

Stay Local, Support Local Penticton

- A program to **encourage local residents to support local tourism businesses** at a time when travel outside of, or into the region is being strongly discouraged.
- Through the creation and publication of a series of web blogs, social media posts and local digital news articles the aim is to **promote tourism businesses to the local community**.
- By collaborating with other local organizations including the City of Penticton, Penticton & Wine Country Chamber and Downtown Penticton Association we are able to **maximise the reach and potency** of our messaging.
- The flexibility of digital platforms allows us to pivot messaging quickly, as COVID regulations change. A recent example of this is our creation and promotion of a local **Patio Dining Guide**, when indoor dining was recently prohibited.



South Okanagan Tourism Alliance

- A collaboration between Penticton and neighbouring communities, **pooling resources and marketing \$** to ensure when COVID restrictions are lifted, we are in a prime position to aid and **speed up the recovery** efforts of our tourism sector.
- **\$84,500 combined funds invested** by participating communities (Travel Penticton, Destination Osoyoos, Oliver Tourism, Summerland, RDOS "I" (Kaleden, Apex), RDOS "D" (OK Falls), Naramata, Peachland, OK Falls Winery Association, Oliver Osoyoos Winery Association, Summerland's Bottleneck Drive, Naramata Bench Winery Association).
- Secured **\$123,850 in supporting funds** from Destination BC.
- The **Visit South Okanagan** campaign builds on the nostalgia of the region to encourage rediscovery of a familiar destination and encourage locals and new visitors (when it is deemed safe) to explore all of the communities within our region.
- This program is an excellent opportunity to leverage funds and marketing opportunities.



Culinary Trails & Accessible Tourism

- Secured **\$112,000 in funding** over 3 years from Western Economic Diversification (WD) to develop a Culinary Trail, encompassing Penticton, Naramata and Okanagan Falls.
- Aims to **highlight our region as culinary destination of choice** and expose visitors to the many unique products and stories we have to taste and share.
- Accessible component seeks ensure our amazing culinary experiences are **available for to everyone to enjoy**, regardless of their physical or cognitive capabilities.



Fuel Free (Almost)

- Designed to showcase **Penticton's proximity** to a wide variety of recreation activities. Visitors can participate in a wealth of activities & experience without ever putting their keys in the ignition.
- While promoting **environmental responsibility** we'll inspire people to park the car and explore by foot, pedal or paddle.
- Aims to capitalize on the **positive regional and international media interest** this unique concept is already attracting.



Endurance Training

- Capitalizing on Penticton as a **destination of choice** for **world-class athletic events** such as IRONMAN Canada and Axel Merckx Granfondo.
- **'Train Early, Train Late'** messaging will help drive visitation in early Spring and late Fall.
- Aims to develop a network of support through engaging activities, to **push athletes to perform** their best while **enjoying the fruits of their labour** in an athlete's paradise.



Penticton Iconics

- Iconics are about answering the question: **What do we want to be famous for?** It's a powerful new way to package and market our region through flagship place brands and place making.
- A key feature of our new VisitPenticton website will be a showcase of **'What we are known for'** containing experiential information and useful links relating to key *iconics* such as wine touring, beaches & lakes, the Kettle Valley Rail Trail and outdoor recreation.

TRAVEL
Penticton

