

PRESENTATION TO COUNCIL

NOVEMBER 28, 2016

Jean-Marc Guillamot, Chair
Frank Creasey, CEO



PRESENTATION OVERVIEW



- What is Fort McMurray Tourism
- What is Tourism
- Value of Tourism to region
- Impact of Tourism
- RMWB Budget Request
 - Budget, Personnel, Operating, Programs, staffing

Destination Management Organization

- What does Fort McMurray Tourism Do?
 - Development: community, business, product and EXPERIENCE development
 - Marketing, Communications & Media relations
 - Visitor Services (resident & visitor information services, pre-trip planning, during in region & post trip)
 - Sales/business development: for leisure (for tour operators, travel agents, etc.), corporate, sports tourism, groups...

Tourism – Sector / Sub-Sector Composition

- Tourism Industry is Composed of:
 - Accommodations,
 - Transportation (air, ground & public + gas/services),
 - Food & Beverage/catering,
 - Activities (small & medium sized businesses)
 - Retail (shopping),
 - Events, sports, recreation, entertainment
 - Tour Operators/Travel Agents,
 - Education, history, culture, arts, etc.

TOURISM – SECTOR Outcomes

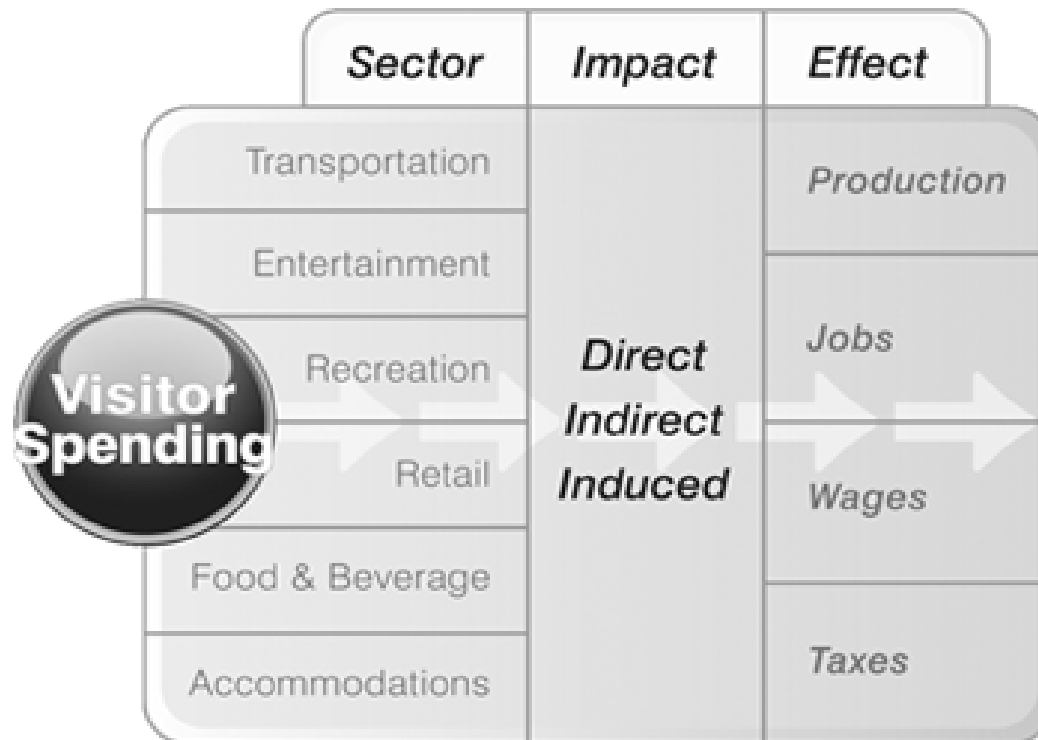
➤ **Economic:**

- ✓ Ability to leverage existing public & private assets for local resident & visitor benefit,
- ✓ Employment, business income, taxes, spending (locally),
- ✓ Business: starts, growth, diversity – sector and industry and economic sustainability

Note: has to be measured ideally by the local municipality as part of the local “economy”

TOURISM – SECTOR Outcomes

➤ Economic:



Reference: <http://www.tourismeconomics.com/economic-impact/tourism-economic-impact>

TOURISM – SECTOR Outcomes

➤ **Social:**

- ✓ Improved Quality of Life,
- ✓ Improved local activities (recreation, history, arts, learning opportunities / education, dining choices, events {both scope & scale}, entertainment, etc.),
- ✓ Diversity in resident & visitor activities: eg. Young adult, children, families, etc.

Note: has to be measured ideally by the local municipality as part of the local “social wellness outcomes”

VALUE of TOURISM

- **2015 Reporting -> 2017 Business Cases**
 - ❖ Immediate spend for tourism across all sectors \$264.5 Million (approx.),
Note: has to be measured ideally by the local municipality as part of the sectors & sub-sectors then amalgamated.

VALUE of TOURISM

- **Value of an individual Tourist to local economy**
 - ❖ International Visitor: spends \$400/day
 - 3 nights/3 days = \$1,200
 - Economic value in the local economy: jobs, shopping by local residents, etc. x 5 is the multiplier
 - ✓ Your 1 international visitor contributes \$6,000 to your local economy
 - Note: Local, Provincial, etc. all have different daily values
 - ❖ There are different values given to the Sport Tourism, Conference/meeting, leisure, corporate, visiting friend and relatives markets, different distance markets – Alberta, USA, etc.

Development & Marketing

- **Broad market categories:**
 - Corporate,
 - Leisure (including: visiting friends & relatives),
 - Sport Tourism,
 - Meeting, Incentive, Conference, Exhibition (MICE),

- **Business Cases:** provided to the RMWB in order to inform sector (tourism) and funding request by primary activity (3 different – actions into outcomes – investment model with an ROI of \$264.5M)
 - Destination Management Organization,
 - Sport Tourism,
 - Meeting, Incentive, Conference, Exhibition (MICE)

Tourism – why do municipalities do it?

➤ Outcomes:

- Leverage local organization's marketing to regionalize promotions to inform residents & reduce economic leakage,
- Bring in tourists to our region,
- Economic & Social impacts which are measurable (by municipality),
- Improve the image of the region,
- To develop a destination / quality of life

Tourism – why do municipalities do it?

- **So that:**
 - Local organizations, businesses cash registers ring,
 - Local revenues, local, etc. tax dollars,
 - Improves local business environment which serves to additionally lifts the quality of life.

Caveat: if the entity or agency charged with performing the function of Tourism is properly & appropriately resourced/supported.

Budget Request of the RMWB

Mandate & Programs

Mandate:

- to operate as the Wood Buffalo region's Destination Management Organization.

Programs:

- Development: community, business, product and EXPERIENCE development
- Marketing, Communications & Media relations
- Visitor Services,
- Sales/business development

Fort McMurray Tourism – Budget Overview

<u>Program & Activity Funding</u>	<u>2017 BUDGET</u>
Grant - RMWB Funding	\$ 457,250.00
Experience the Energy & Other Tours	\$ 33,500.00
Gold Star Program	\$ 54,072.85
Marketing/Visitor Experience Activities/Program funding	\$ 395,449.52
Trade Shows	\$ 481,475.56
Administration Cost Recovery	\$ 21,000.00
Oil Sands Discovery Centre Activities Cost Recovery	\$ 187,803.84
Sport Tourism	\$ 400,000.00
Total Funding	\$ 2,030,551.77
<u>Expenses Associated with Project & Activity</u>	<u>2017 BUDGET</u>
<u>Delivery Costs</u>	
Experience the Energy & Other Tours	\$ 33,526.93
Gold Star Program	\$ 67,824.80
Marketing	\$ 395,806.44
Trade Shows	\$ 430,302.70
Administration Costs	\$ 429,205.91
Oil Sands Discovery Centre Activities Delivery Costs	\$ 222,944.57
Sport Tourism	\$ 400,000.00
MICE (Meeting, Incentive, Conference/Conv, Exhibition)	\$ 50,000.00
Total Delivery Costs	\$ 2,029,611.35

Personnel Investment

Total Salaries associated with delivery of all programs, initiatives, etc. on behalf of the Wood Buffalo region (RMWB): \$750,000

Total number of staff (full time, seasonal, part-time): 16

Average wage (full cost) per staff member: \$46,910

Total Full Time Equivalents annually: 10.5

Expectations: to maintain current level under FMT

Program & Activity Delivery Investment

Program & activity associated with delivery of all programs, initiatives, etc. on behalf of the Wood Buffalo region (RMWB):

\$1,279,611

Personnel Costs: have been broken out from the prior slide:

\$750,000

Total Program & Activity Delivery for the region: **\$2,029,611**

To represent an industry sector: very conservatively calculated to be **\$264.5 Million**

Sector Investment Requested

To represent an industry sector: very conservatively calculated to be **\$264.5 Million** (general tourism, sport tourism & meeting, incentive, conferences & exhibition)

Source: Fort McMurray Tourism Business cases – September 2016

Total Program & Activity Delivery for the region: **\$2,029,611**

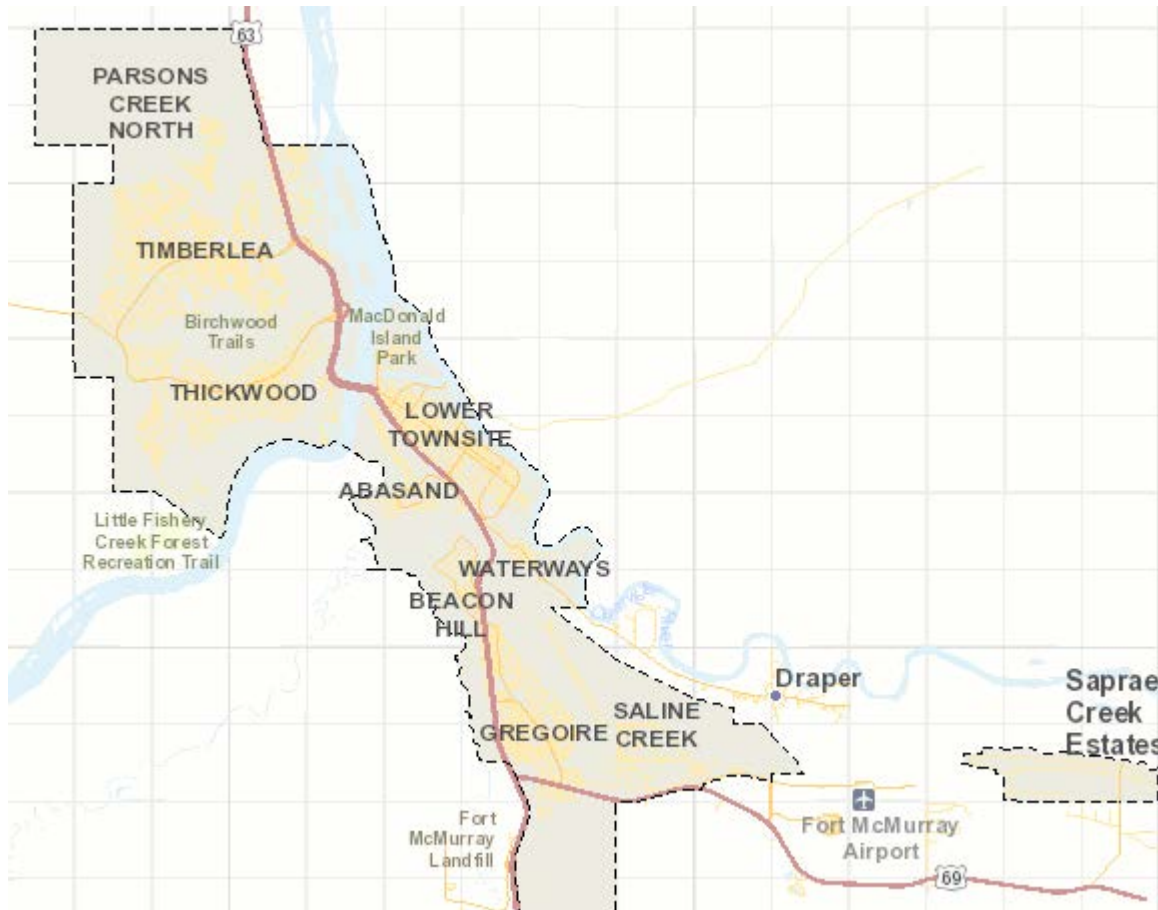
Fort McMurray Tourism's Request of the Regional Municipality

Original Request for consideration: \$1.1 Million or 55%

Administration's Recommendation for consideration: maintain at \$670,000 or 33%

Area Resourced to Cover

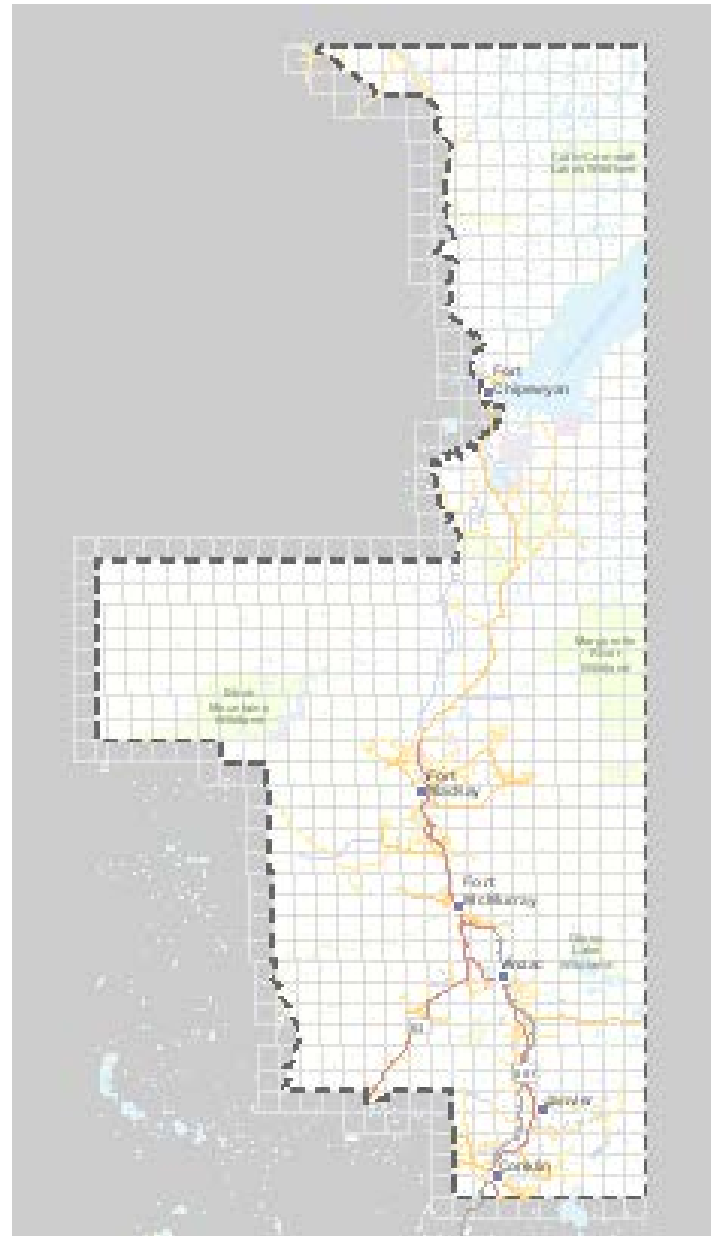
Fort McMurray as a gateway to the Wood Buffalo region



source: <http://www.rmwb.ca/living/Maps.htm>

Area of Ideal Coverage

Full Wood Buffalo region



source: <http://www.rmwb.ca/living/Maps.htm>

For Consideration

- The Funding Model for Tourism is required to change to be more inline with the value of the sector/sub-sectors:
 - Tourism sector's value to the region comprise of: revenues (small businesses), taxes, jobs, economic diversification, quality of life (to build a community, to offer attract human resources for our region & the Oil Sands Industry, etc.),
 - Partners: Regional Municipality of Wood Buffalo with many more supporting (vs contributing)

For Consideration

Fort McMurray Tourism will continue to try and work with the Regional Municipality of Wood Buffalo to:

- Determine which elements are resourced within your various departments & performance levels:
 - Image, business, product development, investment, research, etc.,
- From which we can then focus on: experience development (why residents / visitors come to our region), marketing & destination development, business development, tourism oriented market research & data collection and ultimately resident & visitor servicing
- Stakeholders: Travel Alberta, Government of Alberta which we liaise and work with on your behalf as the agency responsible for delivering on Tourism.

For Consideration

- **Challenge with current resources:**
 - ❖ We have to curtail our activities to focus on Fort McMurray as our gateway to our region vs our whole region – scarcity of resources
 - ❖ Focus on what we are resourced to do as your Destination Management Organization.

For Consideration

- **Fort McMurray Tourism is:**
 - i. Very understanding of the model “scarcity of resources” so is ultimately respectful of budget challenges and demands, understand scarcity of resources...ROI oriented vs expense driven
 - ii. Positioned for the future and a solution for our recovery today



Thank you for your time!