

ITEM	8
MANAGER'S REPORT NO.	31
COUNCIL MEETING	93/05/10

TO: CITY MANAGER 1993 MAY 05

FROM: ACTING DIRECTOR PLANNING & BUILDING

SUBJECT: BURNABY TOURISM STRATEGY

PURPOSE: TO PROVIDE FURTHER INFORMATION REGARDING THE ECONOMIC AND ENVIRONMENTAL IMPACT OF THE BURNABY TOURISM STRATEGY.

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**RECOMMENDATION:**

- 1. THAT this report be received for information purposes.

**R E P O R T**

**1.0 SUMMARY**

This report responds to a number of questions that Council had asked regarding the impact that the Burnaby Tourism Strategy would have on the local economy and environment. The report specifically provides further information regarding the anticipated increase in visitor volumes and the projected increases in revenues to local government. The projected increase in employment opportunities as a result of potential increases in visitor volumes and expenditures is also discussed. Finally, the report provides an outline of the measures that will be used to protect and conserve the environment in Burnaby consistent with the adopted SOER and existing environmental policies, bylaws and management plans.

**2.0 BACKGROUND INFORMATION**

- 2.1 On 1993 March 08, Council completed its review of the report on the Burnaby Tourism Strategy, at which time the following recommendations were adopted:
  - 1. "THAT Council receive the Burnaby Tourism Strategy document developed by the Burnaby Tourism Advisory Committee and concur in the approach described for tourism coordination and promotion.

ITEM	8
MANAGER'S REPORT NO.	31
COUNCIL MEETING	93/05/10

2. THAT Council authorize staff to develop an implementation plan for the Tourism Strategy for submission to Council."
- 2.2 Arising from the discussion, Council also resolved to REFER development of an implementation plan to the Executive Committee for consultation.
- 2.3 In addition, Council also ADOPTED the following motions:
  - "1. THAT staff prepare a report including how and where the economic impact of tourism visitor expenditures which could 'generate as much as 900 new jobs as well as generate 3 to 5 million dollars in additional municipal tax revenue' would be accomplished over the first two years with a 10% increase in visitors and tourism as stated in the report;
  2. THAT the staff report explain the link between the two year increased tourist visitor expenditures and additional city tax revenue; and further,
  3. THAT staff establish a method to ensure the protection and conservation of the environment at all points as the strategy develops and is implemented, such as an ongoing environmental audit related to any and all environmentally related tourism activities and decisions."
- 2.4 Council is advised that a report regarding the implementation plan for the Tourism Strategy was submitted as requested to the Executive Committee of Council for consideration at their 1993 March 29 meeting.

2.5 This report will refer specifically to the economic and environmental concerns of the three motions outlined in Section 2.3 above.

### 3.0 ECONOMIC IMPACT OF TOURISM

- 3.1 In reference to the economic impact of tourism, Section 3 of the Tourism Strategy Document provided an analysis of the "tourist or visitor" volumes to Burnaby and estimates of resulting expenditures in the city. The estimates were evaluated by market segments such as retail shopping, hotels, restaurants, visiting friends and relatives (VFR) etc. It was determined that a reasonable and conservative estimate for visitor expenditures in Burnaby would be in the order of \$322.7 million annually. It is important to note that these figures are estimates only since no detailed studies of the Burnaby market have been undertaken and that such extensive research was beyond the scope of the study. However, much of the statistical information was based on extensive interviews with local businesses combined with a number of well documented industry models and studies.
- 3.2 As outlined in the Strategy document, the consultant suggested that with appropriate coordination and promotion of tourism in Burnaby, a 5% annual increase in visitor volumes and resultant expenditures could be achieved. Over a two year period, total projected visitor expenditures in Burnaby could thus reach \$355.776 million per year which represents a net increase of \$33 million over two years or \$16.5 million per year.
- 3.4 In reference to job creation, the consultant suggested in the Strategy document that approximately 900 new jobs could be created as a result of the anticipated increase in visitor expenditures over two years as outlined above. This projection is based on a previous study that the consultant and his Firm (SNC Lavalin) had conducted for the Vancouver Aquarium.

ITEM	8
MANAGER'S REPORT NO.	31
COUNCIL MEETING	93/05/10

The study indicated that a \$30 million expenditure from tourism in the GVRD would create about 900 direct, indirect and induced jobs throughout the Lower Mainland as a result of spinoffs created by the multiplier effect. This model was applied to the Burnaby situation that suggests that a similar number of jobs (900) would be created as a result of the anticipated \$33 million increase in visitor expenditures over two years. Similarly, this 900 figure also represents direct, indirect and induced jobs throughout the Lower Mainland.

- 3.5 In reference to city revenues associated with increased visitor expenditures as outlined above, the consultant estimated that as much as \$3 to \$5 million in additional city revenues could be generated in a two year period. Staff have been in further contact with the consultant to review these figures. Upon further review by the consultant these figures have been adjusted with some further explanation and clarification. In order to determine government revenues without conducting original research and model development, data was extrapolated from studies conducted in the Lower Mainland by Tourism Vancouver which estimated revenues for the Burnaby/New Westminster segment of the larger market. The Tourism Vancouver study was based on an economic model developed by the Conference Board of Canada which estimates that 47.47% of all tourism expenditures result in revenue to all levels of government. Further, 11.1% of these expenditures end up as revenue to local government. Taken another way, The Conference Board of Canada Model determined that 5.3% of all visitor expenditures result in revenue to the municipality. Such revenues are generated from a variety of sources including property tax, sales tax, gasoline tax, income tax, business license fees, development permit fees, etc., that either directly or indirectly find their way to the municipality.

Utilizing these well developed models with the estimated increase in visitor expenditures of approximately \$33 million over two years as outlined above, additional revenue to the City of Burnaby could be projected at approximately \$1.75 million over two years or \$874,000 per annum.

ITEM	8
MANAGER'S REPORT NO.	31
COUNCIL MEETING	93/05/10

- 3.6 It is important to note that the foregoing anticipated growth in local visitor expenditures will also help to generate additional revenue to both the public and private sectors. Such revenues will help to support or offset many of the costs government and business bear in developing and operating their respective businesses, buildings, etc., that serve the community at large.

#### 4.0 ENVIRONMENTAL PROTECTION MEASURES

Protection and conservation of the environment in Burnaby, especially in natural areas, is an ongoing concern that is addressed at several levels. Burnaby's State of the Environment Report (SOER) identifies the importance of environmental protection and conservation in the community and in all aspects of the City's activities. Community review of the draft SOER was completed in 1993 April, and the Environment and Waste Management Committee will be forwarding the SOER to Council for consideration in 1993 June. The SOER will establish a policy framework to address the environmental challenges facing the City now and in the next century. The attached draft environmental principles from the SOER indicates the strong commitment to environmental protection and conservation.

In addition to the SOER, management plans for Burnaby's parks and environmentally sensitive areas are site-specific tools that address environmental conservation and protection. For example, the management plan that is presently being prepared for Burnaby Lake Regional Nature Park will identify appropriate park uses, sensitive areas that should not be entered by people, design standards for trails to protect sensitive areas from damage, etc.

When the SOER is forwarded to Council in 1993 June, Council will, through the adoption of environmental principles, SOER goals and an implementation strategy be able to ensure that environmental protection and conservation are integral parts of all decision-making in the city including decisions and policies related to tourism.

ITEM	8
MANAGER'S REPORT NO.	31
COUNCIL MEETING	93/05/10

Therefore, as the tourism strategy develops it can be assessed against the adopted SOER and existing environmental policies, bylaws and management plans. This will ensure environmentally responsible decision making in all areas including tourism. More specifically, the opportunities for tourist related activities, and their promotion in the City's environmentally sensitive areas will be governed by the management plans for those areas. In other words, the protection and careful management of environmental values will be the pre-eminent consideration in those environmentally sensitive areas, and actions related to the promotion of tourism will be evaluated on this basis.

This is for the information of Council.



D. G. Stenson  
Acting Director  
Planning & Building

PDS:SG:lf

Att.

cc: Director Recreation and Cultural Services

## ENVIRONMENTAL PRINCIPLES

(from draft State of the Environment Report for Burnaby)

The environmental challenges facing Burnaby will require commitment, innovative solutions and thoughtful decision-making in all aspects of the City's operations and activities. The biggest challenge will be to "think globally and act locally". Environmental principles to guide Burnaby, its citizens, elected officials, city staff and contractors in meeting the challenges of making environmentally responsible decisions are presented here.

1. **Protect the biosphere.** We will minimize the negative impacts of our operations and activities on air, water, land, wildlife and people in Burnaby. We will protect environmentally sensitive areas such as lakes, streams, wetlands and forests. We will rehabilitate areas with environmental damage.
2. **Use natural resources sustainably.** We will conserve water, soil, forests and other natural resources in raw and processed forms through sustainable resource use in all aspects of our operations.
3. **Reduce waste.** We will minimize production of waste, especially toxic waste, in all aspects of our operations and activities. We will follow the 3 R's - reduce, reuse, recycle - in all city operations and waste management programs.
4. **Conserve energy.** We will use energy wisely and strive to improve the energy efficiency of our lighting, heating, and ventilating systems, electrical equipment and vehicle fleets through energy conservation and the use of appropriate new technologies.
5. **Reduce risk and be prepared for emergencies.** We will reduce risk to the community and environment through appropriate operational and land use planning. We will ensure that emergency response plans are complete and up to date.
6. **Purchase goods and services that minimize adverse environmental impacts.** We will seek and purchase environmentally appropriate goods and services.
7. **Anticipate and prevent environmental problems.** We will consider the environment as an integral part of all policy, planning and operational decisions.
8. **Inform the community about environmental issues and involve the community in environmental decision-making.** We will keep the community informed on environmental issues and encourage active community participation in environmental decision-making.
9. **Be an environmental leader and build partnerships for environmental action.** We will be proactive in our approach to environmental issues, strive to lead by example, and build partnerships for environmental action.
10. **Conduct an annual audit of environmental performance.** We will annually review our environmental performance and present the results to Burnaby Council and the community.

