
TO: CITY MANAGER **DATE:** 2009 January 23

FROM: DIRECTOR FINANCE **FILE:** 88000-1
Reference: Hotel Room Tax Renewal

SUBJECT: TOURISM BURNABY HOTEL ROOM TAX RENEWAL

PURPOSE: To seek Council's approval to bring down a bylaw for a renewal of the Hotel Room Tax.

RECOMMENDATION:

1. **THAT** Council bring down a bylaw for the renewal of the 2% Hotel Room Tax within Burnaby, and
2. **THAT** the Provincial government be requested to renew the Hotel Room Tax on behalf of the City of Burnaby and Tourism Burnaby.

REPORT

At its meeting of 2003 December 15th Burnaby City Council adopted Bylaw No. 11674 requesting the implementation of a 2% Hotel Room Tax to fund the initiatives of Tourism Burnaby. The Provincial regulation authorizing the Hotel Room Tax is valid for a period of five years and must be renewed on or before 2009 June 01.

Since its inception Tourism Burnaby has been actively operating as a destination marketing organization supporting tourism promotional activities in order to increase visitation to the city. As part of its mandate, Tourism Burnaby is responsible for marketing, promoting and selling the city as a site for corporate meetings, pleasure travel, cultural, sports and special events. In that regard Tourism Burnaby has actively supported and promoted many city events and initiatives including the development of Burnaby's Economic Development Strategy, Giro di Burnaby, Burnaby Blues and Roots Festival and the Burnaby World Police and Fire Games, to mention a few.

Tourism Burnaby's plan for the coming years is detailed within its strategic plan which is heavily weighted on sales and marketing activities. The plan includes the promotion of sports and meetings and conferences by playing 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 culture sector.

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The requirements for the renewal of the Hotel Room Tax include:

- a bylaw of Council requesting the Province to extend the tax;
- documentation showing majority support from the Burnaby local accommodation sector (provided by Tourism Burnaby);
- a summary of how the Hotel Room Tax revenue has been spent, on an annual basis since it was implemented (to be provided by Tourism Burnaby), and
- a business plan for future spending (provided on table by Tourism Burnaby).

The eleven hotels in Burnaby have been canvassed and nine of the hotels, representing 94% of the rooms available, support the continuation of the Hotel Room Tax.

Tourism Burnaby is governed by a board of seven directors, consisting of four accommodation providers, two City of Burnaby representatives, and one representative from the Burnaby Board of Trade. 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 MetroVancouver cities currently have a Hotel Room Tax:

Abbotsford
Langley City
Langley Township
North Vancouver City
North Vancouver District
Richmond
Surrey
Vancouver

It is recommended that Council endorse, by bylaw, the continuation of a Hotel Room Tax for the funding of Tourism Burnaby and that with the accommodation providers support the Province be requested to renew the 2% tax within Burnaby.

Rick Earle
DIRECTOR FINANCE

cc: Tourism Burnaby