

Appendix 1.2 Five-Year Strategic Business Plan

A municipality, regional district or eligible entity interested in applying for the Municipal and Regional District Tax or a renewal of the Municipal and Regional District Tax must submit an application as set out in the MRDT Program Requirements. A Five-Year Strategic Business Plan is required **at time of application**. This Five-Year Strategic Business Plan must include a detailed One-Year Tactical Plan for the first year of program implementation. Each year (years two through five of the program), the One-Year Tactical Plan must be updated and resubmitted (by November 30th) to reflect current marketing activities for the year as part of the annual reporting obligations. A separate template has been provided to guide the development of these year two through five plans (refer to Appendix 2.3).

The Five-Year Strategic Business Plan must encompass the five-year period covered by the application and it **must** include the following elements:

Section 1: Five-year strategic overview with identified targets and actions for the five year period
Section 2: One-Year Tactical Plan with performance measures, and
Section 3: Detailed Budget for Year One

Your Five-Year Strategic Business Plan must adhere to the MRDT program principles.

Please ensure there is alignment between provincial tourism strategies and community tourism efforts. The applicant and designated recipients not subject to renewal applications are required to make their Five-year Strategic Business Plan available to tourism industry stakeholders and accommodation providers as part of the industry consultation and accommodation support requirements.

Your Five-Year Strategic Business Plan must identify marketing strategies, key markets and targets that the community will focus on to build its tourism business and the steps it needs to take to achieve desired results.

Your Five-year Strategic Business Plan should answer the following key questions:

- What business objectives related to tourism does your community expect to achieve?
- What type of growth does your community want to achieve (in the short and long term)?
- How will your community achieve these objectives?
- What type of tourism products will you need?
- What type of visitor are you hoping to attract?

Please contact Destination British Columbia at MRDT@destinationbc.ca for any questions.

For more information on tourism business planning, please visit Destination British Columbia's website (refer to www.destinationbc.ca/Resources/Developing-a-Tourism-Plan.aspx).

Quick Reference Guide

(from the MRDT Program Requirements):

- *The intention of the tax is to assist designated recipients to fund tourism marketing, programs and projects. Affordable housing was added as a permissible use of funds in Budget 2018.*
- *Funds from the MRDT program are intended to augment current funding and cannot be used to replace existing sources of tourism funding in a community.*
- *The MRDT program is intended to contribute to the increase of local tourism revenue, visitation, and economic benefits and should be supported by local government and tourism stakeholders.*

The MRDT program principles are:

- *Effective tourism marketing, programs and projects*
- *Effective local-level stakeholder support, and inter-community collaboration*
- *Marketing efforts that are coordinated and complementary to provincial marketing strategies and tactics*
- *Fiscal prudence and accountability.*

Five-Year Strategic Business Plan Template

Designated Recipient: City of Kelowna
Community Name: Kelowna
Date Prepared: September 30, 2021
MRDT Term Expiry Date: July 1, 2022
Five Year Period: 2022-2027

A description/instructions pertaining to each section is provided in grey text as a guide only. **The format of your Five-Year Strategic Business Plan may be developed specific to your community needs and resources, but must include all required sections of the Five-Year Strategic Business Plan listed below.** If using this template, please delete the grey text and provide your response accordingly.

Section 1: Five-Year Strategic Overview

Vision and Mission	<p>Vision</p> <p>Tourism Kelowna is a leading destination management organization that supports Kelowna and the region as a sustainable, four-season destination that attracts visitors from around the world.</p> <p>Mission</p> <p>Tourism Kelowna collaborates with tourism businesses in Kelowna and area to create a tourism economy that is sustainable and welcoming for both visitors and local residents.</p>
Strategic Context	<p>Please see attached Appendix 1.2A for the “Internal & External Assessment Report” conducted July 2021 by a third-party consulting firm.</p> <p>External assessment includes economic variables, access to funding, individual sector variables, political and government influences, competitive advantages, and BC and Kelowna specific tourism issues.</p> <p>Internal assessment specific to Tourism Kelowna includes Board governance, organization structure and culture, management, partnerships, marketing, finance, metrics and operations.</p>
Overall Goals, Objectives and Targets	<p>Please see attached Appendix 1.2B for details of Tourism Kelowna’s 5-year strategic plan, including goals, objectives and measures.</p> <p>The Tourism Kelowna Board of Directors is undertaking a strategic planning review to be completed in December 2021.</p> <p>Any resulting updates to the current 5-year Strategic Plan will be forwarded.</p> <p>Also, the DMO is working with the City of Kelowna and other partners to develop a co-created Tourism Destination Master Plan in 2022.</p>

	<p style="text-align: center;">Summary Strategic Planning Goals & Objectives</p> <p>Strategic Pillars (goals)</p> <ul style="list-style-type: none"> - Increase high value visitation. - Grow in-destination spending. - Manage sustainable growth of the destination. - Ensure the organizations' value proposition. <p>Desired Outcomes (objectives)</p> <ul style="list-style-type: none"> - In addition to summer, Kelowna and area is recognized as a desirable destination for late fall and winter travel. - Visitor spending is increased, benefiting a wide variety of businesses throughout the year. - A resilient visitor economy exists, aligned with community values and stakeholder needs. - Tourism Kelowna is recognized as a trusted Destination Marketing and Management Organization, collaborating with local businesses to grow the Central Okanagan visitor economy.
Strategies - Key Actions	<p>Please see attached Appendix 1.2B for details of Tourism Kelowna's 5-year strategic plan, including key actions.</p> <p>Significant shifts for the next 5 years:</p> <ul style="list-style-type: none"> - Focus on economic recovery, including air services, to 2024. - Increased marketing investment into four-season dispersal. - Shift from destination marketing to destination development/ management. - Changing service needs of tourism stakeholders due to pandemic. - Recognition of the vital role of residents in supporting the growth of the tourism sector. - Increasing inter-community collaboration and local activation. - Growing need for coordinated co-op marketing strategies specific to the Central Okanagan. - Closer, more formal working relationship between Tourism Kelowna and the City of Kelowna. - Need for ongoing educating and engagement on the Value of Tourism to strengthen the sector's value proposition for long-term sustainability.

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Brand Positioning	Brand Promise In Kelowna, you will explore, sip, play and be fully centered when you find yourself surrounded by the best the Okanagan Valley has to offer, all within easy reach.								
Target Markets	Key Markets Primary: Western Canada Secondary: Ontario, Quebec Emerging: U.S. Pacific NW <table> <tr> <td> Target Profiles Wine and food lover Urban adventurer Golf enthusiast Meeting and event planners Local Residents (Visiting Friends & Family) </td><td> Verticals Culinary LGBTQ+ Arts and culture Agri-business Indigenous </td></tr> </table>	Target Profiles Wine and food lover Urban adventurer Golf enthusiast Meeting and event planners Local Residents (Visiting Friends & Family)	Verticals Culinary LGBTQ+ Arts and culture Agri-business Indigenous						
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Management, Governance, and Administration	<p>As the applicant, the City of Kelowna is the designated recipient.</p> <p>The City has a formal agreement in place with Tourism Kelowna designating the DMO as the service provider responsible for carrying out MRDT long-term strategic and annual tactical plans.</p> <p>The Tourism Kelowna Board of Directors formally monitors strategy and annual operations plans, as well as progress and financial reports, culminating in an annual audit review by KPMG.</p>								
Sources of Funding	<p>MRDT funds are incremental to existing sources of funding. In a typical year (i.e. non COVID) MRDT makes up approximately 65% of Tourism Kelowna's total budget with other funding sources as follows:</p> <table> <tr> <td>Stakeholder advertising program</td><td>16%</td></tr> <tr> <td>Other municipal, provincial, federal funds</td><td>8%</td></tr> <tr> <td>Retail sales program</td><td>6%</td></tr> <tr> <td>Voluntary destination marketing fees</td><td>5%</td></tr> </table>	Stakeholder advertising program	16%	Other municipal, provincial, federal funds	8%	Retail sales program	6%	Voluntary destination marketing fees	5%
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<i>Affordable Housing (if applicable)</i>	<p>The City of Kelowna will direct 100% of OAP revenues to its Online Accommodation Platform (OAP) Reserve fund.</p> <p>Reserve funds are used to acquire land to be used in partnership with BC Housing and non-profit housing providers to support the delivery of affordable housing units.</p> <p>More details are provided in Appendix 1.8 Affordable Housing MRDT Plan.</p>
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