

MEMO

TO: Mayor Small and Members of Council

FROM: Jeff Bacon, Economic Development Officer

DATE: March 17, 2025

RE: Destination Market Readiness Feasibility Study

In November 2022, the Province passed legislation giving Municipalities authority to implement an Accommodations Marketing Levy. With funding assistance from ACOA, the Town partnered with the Municipality of Cumberland to hire the consulting firm Bannikin to perform a Tourism Industry Study. The study summarizes the feasibility and market readiness for implementing a Marketing Levy in the Cumberland Region. In July 2024, Bannikin conducted an environmental scan and best-practice analysis, review of regional assets, engaged community stakeholders and audited the region's online presence. A summary of the recommendations provided in the attached report is provided below:

1. Establish a Strong Foundation

Strategic Tourism Development:

- Appoint a tourism development and marketing lead.
- Create a tourism action plan to address infrastructure needs, service gaps, and industry goals.
- Conduct ongoing data collection on tourism impacts and visitor trends.

Engagement & Communication:

- Develop clear communication and engagement options for stakeholders.
- Advocate for tourism benefits with residents and stakeholders to foster support.

Partnerships & Capacity Building:

- Facilitate inter-industry collaborations and connections through events and training.
- Partner with local and Indigenous organizations to enhance tourism products and storytelling.

Marketing Planning:

- Develop a tourism marketing plan aligned with strategic goals.
- Focus on destination branding, website optimization, and collaborative marketing efforts.

Placemaking and Product Development:

- Enhance tourism products that extend the season and reflect regional narratives.
- Improve signage and implement placemaking initiatives to create a cohesive visitor experience.

2. Marketing Levy Implementation

Leadership, Structure, and Governance considerations:

- Municipalities to co-lead the levy implementation with potential support from a shared destination marketer.
- Form a joint governance structure to manage and allocate levy funds transparently.
- Explore partnerships with local organizations for grassroots initiatives.

Timeline and Operational Setup:

- Engage stakeholders to establish timelines for levy adoption, including bylaws and grace periods.
- Simplify levy remittance with centralized online payment systems.
- Set the levy rate consistent with provincial norms.

Oversight and Transparency:

- Develop accessible resources, including a dedicated levy webpage and guides for businesses and customers.
- Implement phased reporting and remittance processes.
- Create a reserve fund for levy revenues to ensure transparent tracking.
- Publish annual reports detailing funds collected, expenditures, and impacts.

In essence, the consultant recommended that more foundational work is needed in order to ready the industry for increased attractions and the management of the levy funds. A phased approach ensures thoughtful implementation and stakeholder buy-in. Foundation-setting activities, including planning, engagement, and capacity building, are expected to take 2–3 years. Before requiring visitors to pay a fee and asking accommodation providers to remit this money, a plan to use the funds and an organization to manage them will need to be established.

Attached to this memorandum is Bannikin's report for Implementing a Marketing Levy in the Cumberland Region.