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Community Tourism Foundations® Program

# NORTH VANCOUVER ISLAND

## Regional Tourism Plan

### FINAL

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## ***Executive Summary***

### ***Background***

Tourism BC received a total of three separate Expressions of Interest (EOI) for the *Community Tourism Foundations*® program from the North Vancouver Island. The applications were from the District of Port Hardy, the Village of Alert Bay and the North Vancouver Island Tourism Alliance (NVITA) representing the broader industry.

Based on the close clustering of these communities and discussions with the communities and the regional tourism association (Tourism Vancouver Island) the decision was made to coordinate efforts towards a regional tourism plan for the North Vancouver Island. Furthermore, the geographic location of product in the North Vancouver Island is very regional with Cape Scott Provincial Park, the Broughton Archipelago and tourism-based communities like Telegraph Cove spread throughout the North Vancouver Island. Many of the operators based in Port Hardy and Port McNeill operate in other parts of the region and consumers perceive the area as a regional destination.

The *Community Tourism Foundations* program provides the services of a professional facilitator to assist in the planning process. Tourism Planning Group was given the assignment to prepare a tourism plan for the North Vancouver Island that addresses organizational structure, funding, destination development and marketing initiatives.

### ***The Potential***

The Provincial government has set a target of doubling tourism revenues by 2015. This is a very aggressive forecast that is not without risk as all market conditions need to be positive to achieve it. The average annual increase in tourism revenues from 1995 to 2005 was only 1.9%, while the current forecast for tourism revenue for 2007/08 is 4.5%, increasing to 4.8% for 2008/09.

North Vancouver Island has the potential to growth tourism's contribution to the local economy over the duration of this 5 year plan, but firstly it must establish the funding and organizational framework needed to effectively implement a regional tourism plan.

### ***Issues and Challenges***

The key issues and challenges for developing tourism in North Vancouver Island include: fixed roof accommodations, changing the visitor dynamic, access and infrastructure, organizational structure and a low awareness in the marketplace.

- Upgrading of existing fixed roof accommodation within the region is a significant issue. Many properties have not seen the level of investment needed over the last 10 years to meet current consumer expectations. This in part can be attributed to a reliance on the BC Ferries traffic that has provided a steady stream of regular customers.

- Another significant challenge is the dilemma facing the industry to increase visitor length of stay. During the summer season the fixed roof properties in Port Hardy and Port McNeill are at capacity every second night with BC Ferries traffic.
- The region's fairly remote location is a challenge for attracting shorter getaway type vacations, which emphasises the need to develop packages and products that motivate visitors to come and stay longer.
- The large geographic area and the number of communities involved in this regional tourism plan creates a challenge for implementation and the creation of a structure that will be sustainable, inclusive and effective in promoting the region over the long term.
- A recent regional market awareness and perceptions study highlighted the relatively low awareness of North Vancouver Island among regional tourism markets (i.e. GVRD, Alberta and Washington State). Only 8% of people interviewed (that had already indicated they were familiar with Vancouver Island) in the GVRD were at least "somewhat familiar" with Port Hardy, Alert Bay and Port McNeill. In Washington the figure was 5.3% in the west of the state and 2.5% in the east, however in Alberta the percentage was 0%.

### ***Tourism Vision and Objectives***

The following vision statement for North Vancouver Island was developed from the visioning elements identified by the tourism stakeholders. The vision seeks to reflect the character of the region, its cultural and natural features and the opportunity that tourism presents for ongoing economic activity rather than being solely focused on the organizational goals of the lead tourism agency.

#### ***Tourism Vision:***

*"To create an accessible and attractive year round destination, with world class tourism experiences highlighting the regions natural and cultural resources through quality tourism products and services.*

*Tourism will be supported by the local municipalities, industry operators, First Nations and managed through a sustainable structure that collectively promotes the North Vancouver Island region for the benefit of all."*

The success of this plan and the achievement of the objectives contained within will require a coordinated effort from a number of organizations within the region and the ongoing support of the municipalities to implement all of the strategies contained in this document. The overall objectives are as follows:

- Increase tourism **revenue** to the region by **5%** annually from 2008-2011
- Increase the **number of visitors** to the region by **3%** annually from 2008-2011

The objectives reflect a preference towards growing revenues as opposed to just the number of visitors. This can only be achieved by continuing to address product development, packaging

and destination management initiatives. North Vancouver Island needs to provide visitors with a reason to stay longer and spend more money within the region.

### ***Defining the Key Experiences***

As part of the visioning session on January 11, 2007 the tourism working group identified key experiences, products and themes that will shape the current and future development of tourism in the Northern Vancouver Island. The key product sectors identified were:

- Cultural Tourism
- Adventure Tourism
- Nature-based tourism

Core to the tourism experience and message for North Vancouver Island is its **natural environment and culture** these components will be integral to the development of the industry and its promotional activities.

### ***Organizational Structure***

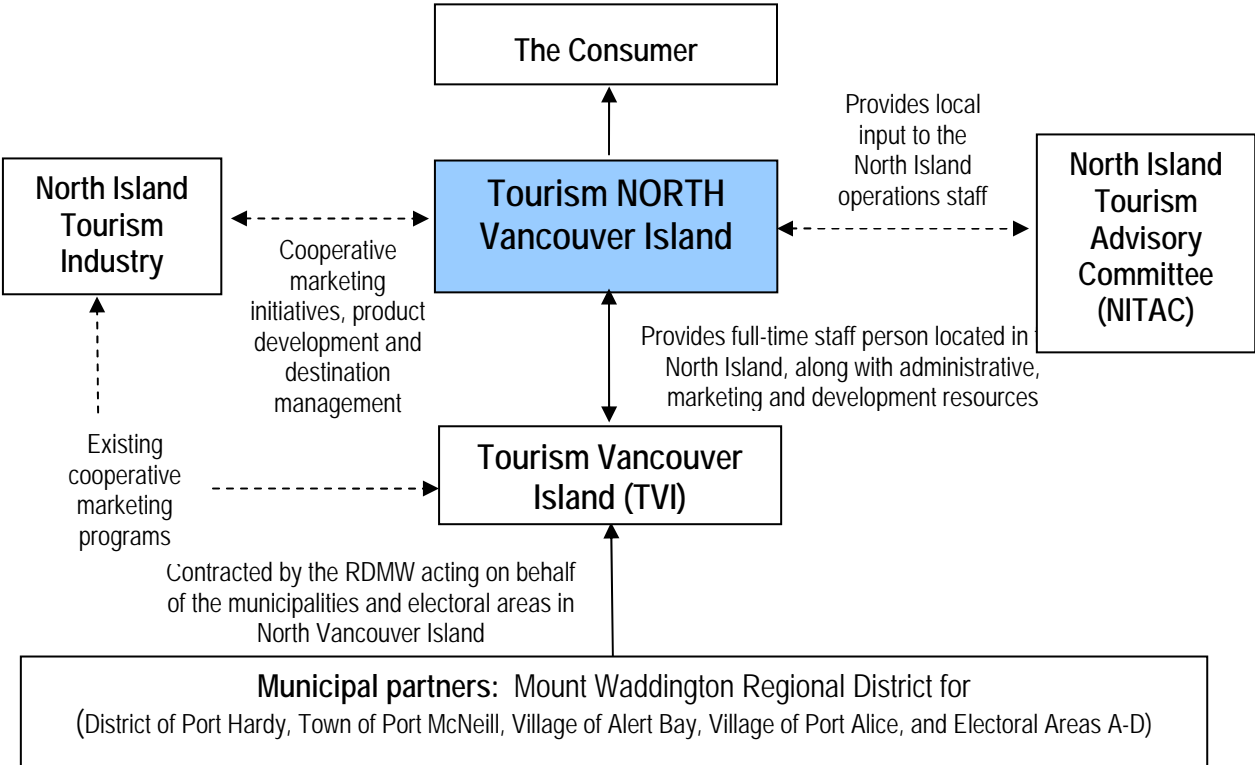
North Vancouver Island currently does not undertake any marketing or tourism development initiatives at the regional level. The “go north island” campaign is one exception as it promoted the region as a whole however it was funded through a one-off grant from the province following the sinking of the Queen of the North in 2006. The communities of Port Hardy, Alert Bay and Port McNeill invest in limited marketing and support visitor services, however no regionally coordinated tourism marketing and development exists.

Organizational Objectives
<ul style="list-style-type: none"> <li>▪ To create a regional and representative tourism structure that will lead to improved communication and more effective promotion and management of the tourism industry in the North Vancouver Island.</li> <li>▪ To establish a sustainable funding structure for regional tourism that includes long term contributions and commitment from all key partners both private and public.</li> </ul>

Given the geographical distribution of tourism product and the number of communities offering tourism related services and experiences a regional approach is logical. Furthermore, by amalgamating resources and funding at the region level the North Vancouver Island will be able to accomplish more through enhanced coordination for product development and packaging and a significantly larger marketing budget for promoting the region.

The following diagram provides an overview of the recommended structure for managing and promoting tourism in North Vancouver Island.

**NORTH Vancouver Island - Tourism Organizational Structure**



**Tourism Vancouver Island (TVI)** - the key component of the proposed structure for tourism in North Vancouver Island is the role of the regional destination marketing organization TVI. This proposed model is a unique and innovative approach that would see TVI contracted by the RDMW as the regional representative to coordinate and implement tourism management, development and marketing for North Vancouver Island.

This structure would include a staff member physically located in the region and dedicated to promoting and working with the local industry to develop and promote tourism in the North. Although the North Vancouver Island Tourism Coordinator would be an employee of and report directly to the Industry Services Manager at Tourism Vancouver Island, optically the office would be branded “Tourism North Vancouver Island”.

This structure would provide the dedicated full time paid staff necessary to implement this Regional Tourism Plan and coordinate regional marketing initiatives, while also providing the experience and resources of TVI to ensure its ongoing success.

**The North Island Tourism Advisory Committee (NITAC)** is a key component of the proposed tourism structure is the development of a mechanism for obtaining local input and direction for Tourism North Vancouver Island (TNVI). This would be achieved by establishing a representative group of local tourism industry stakeholders and funding partners to advise the contractor Tourism Vancouver Island. The initial structure of the local advisory committee would be as follows:

<b>Organization/tourism sector</b>	<b>Positions</b>
1. Regional District of Mount Waddington	1
2. District of Port Hardy	1
3. Town of Port McNeill	1
4. Tourism Port Hardy	1
5. Accommodations ( <i>at least 1 from Port Hardy</i> )	3
6. First Nations	1
7. Chamber of Commerce ( <i>alternating position</i> )	1
8. Adventure & Ecotourism	1
9. Attractions	1
10. At Large – Strategic Appointment*	1
<b>TOTAL</b>	<b>12</b>

\* *This position could be filled as needed and should reflect the current strategic direction of the North Vancouver Island tourism industry, see section below.*

### **Key Points**

- A considerable amount of consultation was undertaken with the various stakeholders and the Tourism Working Group to develop the committee structure presented above.
- The structure is a reflection of the need to represent multiple interests, a public/private balance and the financial contributions of the various parties. It presents a starting point for developing a regional tourism industry and structure that could change over time as the industry matures.
- All parties need to embrace the ultimate goal of working together for the benefit of the entire North Vancouver Island tourism industry and economy.

**NEW Tourism North Vancouver Island Coordinator** - establishing a full time paid position dedicated to coordinating and implementing the Regional Tourism Plan and the annual marketing tactics is critical to the North Vancouver Island tourism industry’s success.

This structure proposes a full time tourism coordinator provided through Tourism Vancouver Island (“the contractor”) and reporting directly to the Industry Services Manager in the TVI Nanaimo head office. The tourism coordinator will work closely with the local tourism

stakeholders and NITAC to develop and promote tourism in the North Vancouver Island.

**Regional District of Mount Waddington** – under the proposed structure for regional tourism would act as a conduit for implementing the funding model for regional tourism in North Vancouver Island and has the regional mandate for contracting the services of TVI on behalf of the electoral areas and municipalities.

The RDMW will also serve as the proponent for the funding applications to ICET and CST to obtain the necessary startup funding for the project. As part of the proposed contract between the RDMW and TVI there would be a requirement to submit annual marketing and business plan to the RDMW board for approval.

### ***Funding Regional Tourism***

Sustainable funding is key to establishing and maintaining the recommended organizational structure and developing tourism in a strategic manner within North Vancouver Island. A substantial amount of work is required to secure the proposed funding model outlined in this plan. Ongoing commitment and buy-in from the local tourism industry and municipalities is critical to the proposed structure.

The approach to funding will be phased with the initial focus on completing successful applications to the Island Coastal Economic Trust (ICET) and Coastal Sustainability Trust (CST) to obtain resources/funding to get the structure up and running and the long term funding agreements in place.

To appropriately fund a tourism function in North Vancouver Island through the proposed structure an annual investment of approximately \$225,000 to \$250,000 is required. By way of comparison the successful Go North Island campaign implemented in 2006 had a marketing budget of \$350,000<sup>1</sup>.

The funding for the regional tourism plan long term will come from three key sources, but it will also be supplemented initially by Tourism BC matching marketing funds:

<b>Funding Source</b>	<b>Approx % of Overall Budget 2010</b>
1. Private sector ( <i>tourism businesses</i> )	27%
2. Visitors ( <i>2% additional hotel room tax</i> )	45%
3. Local municipalities.	17%
4. Tourism BC Marketing Program	11%
<b>TOTAL</b>	<b>100%</b>

<sup>1</sup> The Go North Island campaign was funded by a one off provincial government grant of \$350,000, designed to provide assistance to the tourism industry following the sinking of the Queen of the North in early 2006.

The vast majority of tourism funding will be provided through private sector investment and a proposed regional additional hotel tax initiative. The municipal contribution while very important will constitute approximately 17% of the overall regional tourism budget by 2010.

The key funding objectives are as follows:

Funding Objectives
<ul style="list-style-type: none"> <li>▪ To obtain start up and implementation funding through the ICET and CST programs</li> <li>▪ To obtain ongoing local tourism industry support and financial buy in to the regional tourism plan and subsequent marketing initiatives</li> <li>▪ To implement a 2% additional hotel room tax for the region through the Mount Waddington Regional District, Town of Port McNeill, Village of Port Alice and Village of Alert Bay.</li> <li>▪ To apply the majority of the existing and proposed 2% additional hotel room tax to the regional tourism function</li> <li>▪ To fully leverage Tourism BC <i>Community Tourism Foundations</i> Marketing funding</li> <li>▪ To obtain longer term commitment and funding from the municipalities to support the regional tourism structure</li> <li>▪ To apply a portion of the Phase 2 UBCM funding to the implementation of the Regional Tourism Plan</li> </ul>

The following table provides an overall picture of the funding requirements to implement the recommended strategies contained within Section 5 of this regional tourism plan.

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### Estimated Funding Requirements for Tourism North Vancouver Island

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Expenses	2007*	2008	2009	2010	2011
TVI Management Fee 28%	28,000	65,000	65,000	65,000	65,000
Operating Costs**		23,000	24,000	25,000	26,000
Startup Costs***	78,000				
Product Development		17,000	15,000	5,000	5,000
Destination Management		17,000	17,000	7,500	7,000
Marketing		146,000	158,000	119,500	121,000
<b>TOTAL</b>	<b>100,000</b>	<b>268,000</b>	<b>279,000</b>	<b>222,000</b>	<b>224,000</b>

\* 2007 is the startup year to prepare the structure and funding sources to start operations in 2008.

\*\* Operating costs includes items such office rent, utilities, phone, web-hosting and office equipment. Some of these maybe provided by the successful host community (i.e. town where office is located) as in-kind services.

\*\*\* The startup costs would include a full-time consultant to assist with implementing and obtaining



support for the funding structure for the regional tourism function, travel expenses and administrative costs.

### ***Destination Management***

The key focuses for North Vancouver Island with regard to the management of tourism are: building awareness of the value of tourism; addressing product quality issues; and continuing to provide training and educational opportunities to the industry.

The destination management strategies will require significant partnering between the Tourism North Vancouver Island, Tourism Vancouver Island, local municipalities, the Regional District and other organizations such as the Chambers of Commerce, Community Futures and Tourism BC.

Destination Management Strategies	Objectives
1. Tourism Awareness	<ul style="list-style-type: none"> <li>▪ Raise the level of awareness of the value of tourism to the economy within the region's communities and municipalities</li> <li>▪ Raise the awareness of tourism among local businesses</li> <li>▪ Implement <i>Community Tourism Foundations</i> "Value of Tourism" model to generate baseline estimates of tourism's contribution to the region</li> <li>▪ Campaign for a tourism industry column in the local newspapers</li> </ul>
2. Quality Assurance	<ul style="list-style-type: none"> <li>▪ Ensure that product quality meets marketplace expectations</li> <li>▪ Ensure tourism operators are aware of and encouraged to participate in quality assurance programs (criteria for participation in TNVI programs)</li> </ul>
3. Training and Development	<ul style="list-style-type: none"> <li>▪ Provide information and resources to ensure people and organizations in tourism have access to the appropriate training and professional development programs</li> </ul>
4. Cooperative Partnerships	<ul style="list-style-type: none"> <li>▪ Tourism North Vancouver Island coordinator to work closely with other key local organizations to achieve the tourism objectives outlined in this Plan</li> <li>▪ Build strategic alliances with other key businesses, operators and providers that provide links to the region.</li> </ul>
5. Green Initiatives	<ul style="list-style-type: none"> <li>▪ To support private and public sector initiatives to conserve energy and protect the environment</li> </ul>
6. Transportation Infrastructure	<ul style="list-style-type: none"> <li>▪ Support initiatives to improve transportation infrastructure and services</li> <li>▪ Support marina development in the region</li> </ul>

7. Investment Promotion	<ul style="list-style-type: none"> <li>▪ Facilitate investment by existing tourism operators</li> <li>▪ Attract investment to the City either for joint ventures with local operators or for new investments.</li> <li>▪ Support development of RDMW's Regional Profile of Investment Attraction and the update of the Regional Economic Development Strategy</li> </ul>
8. Research-based Initiatives	<ul style="list-style-type: none"> <li>▪ Utilize existing research and tourism publications to stay informed of new developments and current market information</li> <li>▪ Create a research program in cooperation with the private sector to measure growth and the effectiveness of marketing initiatives</li> </ul>

### ***Product Development***

The product development initiatives identified focus on enhancing the cultural and nature based experiences in North Vancouver Island and the supporting product (i.e. fixed roof accommodation).

Product Development Strategies	Objectives
1. Fixed Roof Accommodations	<ul style="list-style-type: none"> <li>▪ Support the use of quality assurance standards and programs within the industry</li> <li>▪ Identify resources, finance and funding programs to assist properties in upgrading their facilities</li> <li>▪ Provide presentations to owners on current marketplace expectations and the opportunities</li> </ul>
2. Nature-based Attractions	<ul style="list-style-type: none"> <li>▪ Support the development of the new Quatse River Hatchery Interpretive Centre</li> <li>▪ Support the development of the North Coast Trail.</li> <li>▪ Support the development of wildlife viewing products and packages</li> </ul>
3. Packaging	<ul style="list-style-type: none"> <li>▪ Increase visitor length of stay in the region</li> <li>▪ Support the development of new regional and community packages that highlight the core experiences of culture and nature</li> <li>▪ Host an Tourism BC Tourism Business Essentials "Advanced Packaging and Product Distribution" workshop for the regional industry that focus on the cultural and natural attributes of the region</li> </ul>

### ***Destination Marketing***

The marketing initiatives will focus on promoting North Vancouver Island at the destination level. The marketing tactics will communicate the region's key attributes of nature and culture. The messages will be supported by high quality images and a consistent theme that runs through all media and promotional materials.

TVI and the TNVI coordinator with input from the North Vancouver Island Tourism Advisory Committee will prepare, within the context of this Regional Tourism Plan, the annual marketing and business plan for the North Vancouver Island to commence in summer 2008 once the structure is near completion and the majority of the funding is in place.

The opportunity to partner with Tourism BC and access the \$50,000 in matching marketing funding will be a core component of the marketing tactics and specific initiatives undertaken in the initial 3 years.

### **Key Marketing Initiatives 2008-2011**

The following bullet points outline some of the marketing initiatives that would likely be included as the detailed annual marketing plans are developed by the Tourism Vancouver Island in conjunction with the local advisory group.

1. Development of a Tourism North Vancouver Island brand (in-house process) that is consistent with the vision and key experiences identified in the Regional Tourism Plan
2. Identify *Community Tourism Foundations* partner funding budget and projects for 2008-2010 based on Tourism BC criteria
3. Development of marketing collateral
  - North Vancouver Island Visitor Guide
  - North Vancouver Island maps
  - Website
  - Image bank
  - Themed rackcards (Ecotourism, culture and adventure) with associated packaging
4. Develop specific marketing tactics/plans around:
  - Print advertising
  - On-line advertising
  - Consumer shows
  - Media relations

### **Conclusion**

The North Vancouver Island region has a wealth of resources and product, which appeals not only to key local and regional markets but also international visitors. However, the challenge of sustaining the resources (i.e. funding and human resources) to effectively manage and market the region as a whole has led to a fragmented approach and limited growth.

The success of this Regional Tourism Plan focuses primarily on the funding and organization structure proposed for implementing a regional tourism function in the North Vancouver Island.

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Sustainable funding supported principally through the private sector and a regional visitor tax (i.e. 2% hotel tax) with additional resources provided by local municipalities and Tourism BC, will enable a full time staff person managed by TVI to focus solely on developing and promoting tourism in the region.

This approach will enable private sector dollars to be leveraged with visitor taxes and municipal finances to create a significant tourism budget that can be used to develop and grow the tourism industry for the benefit of the entire region.



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