



RPT 21-216

TITLE: Destination Marketing Levy for Year 2021

DATE: April 27, 2021

TO: City Council

PUBLIC: X

INCAMERA:

RECOMMENDATION:

That the Destination Marketing Levy annualized rates authorized to be charged to Hotels in Prince Albert by the City's Property Tax Bylaw No. 7 of 2021 be reduced in 2021 by a factor of fifty percent (50%) under each tiered level of assessed value, due to the current pandemic crisis, based on the City's expectation of a reduction of events to be held in the community and a reduction of hotel rooms being rented.

TOPIC & PURPOSE:

To approve that the Destination Marketing Levy annualized rates authorized to be charged to Hotels in Prince Albert by the City's Property Tax Bylaw No. 7 of 2021 be reduced in 2021 by a factor of fifty percent (50%) under each tiered level of assessed value, due to the current pandemic crisis, based on the City's expectation of a reduction of events to be held in the community and a reduction of hotel rooms being rented.

BACKGROUND:

In 2017, a Destination Marketing Fund (DMF) was established to support event attraction and expansion in Prince Albert. Funds are generated through a levy which is applied to all hotels in Prince Albert based on their assessed value and used to support grant applications which:

- Increase visitors to the City and provide significant economic benefit for our community;
- Enhance the profile and visibility of the City of Prince Albert;
- Increase occupancy at our hotels;
- Improve facilities through capital enhancements from large scale events.

Funds are generated through a levy which is applied to all hotels in Prince Albert based on their assessed value and used to support grant applications.

Destination Marketing Levy - Suspension of Tax Levy for Year 2020

City Council, on April 6, 2020, approved the following recommendation:

“That the collection of the Destination Marketing Levy from Hotels in Prince Albert as per the City’s Property Tax Bylaw for the Year 2020, be suspended, for those Hotels that cease collection of any type of fee associated with the levy on the rental of each hotel room, due to the current pandemic crisis.”

As such, there was no revenue collected in Year 2020 from the Hotels for the Destination Marketing Levy.

PROPOSED APPROACH AND RATIONALE:

This report is requesting approval that the Destination Marketing Levy annualized rates authorized to be charged to Hotels in Prince Albert by the City’s Property Tax Bylaw No. 7 of 2021 be reduced in 2021 by a factor of fifty percent (50%) under each tiered level of assessed value, due to the current pandemic crisis, based on the City’s expectation of a reduction of events to be held in the community and a reduction of hotel rooms being rented.

This request is being made at this time with the current pandemic crisis. As a result of the pandemic, events have been cancelled in our community due to legislation and order relating to gathering of people.

With the cancellation of events in our community, there will be a drastic decrease in the number of rooms rented in the Prince Albert Hotels.

As per Property Tax Bylaw No. 7 of 2021, below represents the reduction in 2021 by a factor of fifty percent (50%) under each tiered level of assessed value:

Destination Marketing Levy (Hotels):	Bylaw No. 7 of 2021	Levy to be charged for Year 2021 - 50%
i. (\$750,000 or less taxable value)	\$3,500	\$1,750
ii. (\$750,001 to \$1,500,000 taxable value)	\$9,200	\$4,600
iii. (\$1,500,001 to \$2,500,000 taxable value)	\$15,200	\$7,600
iv. (\$2,500,001 to \$3,200,000 taxable value)	\$20,100	\$10,050
v. (\$3,200,001 to \$4,500,000 taxable value)	\$52,000	\$26,000
vi. Over \$4,500,001 taxable value	\$56,100	\$28,050
** represents the months of July to December 2021		

CONSULTATIONS:

The City Solicitor reviewed the recommendation contained in this report relating to legislation.

COMMUNICATION AND/OR ANNOUNCEMENT PLAN:

Once approved by City Council, collection of the Destination Marketing Levy for the Year 2021 will be communicated to all Prince Albert Hotels.

POLICY IMPLICATIONS:

The Destination Marketing Levy Fee charged to Hotels is based on assessment values identified in the approved Property Tax Bylaw No. 7 of 2021.

FINANCIAL IMPLICATIONS:

The ending 2020 Reserve balance for the Destination Marketing Levy Reserve is as follows:

Ending Balance December 31, 2019 - Audited	(\$556,112)
Grant Funding Paid for Events in 2020	\$29,170
Ending Balance December 31, 2020	(\$526,942)

That leaves the Destination Marketing Levy Reserve with a healthy Reserve Balance commencing Year 2021.

OTHER CONSIDERATIONS/IMPLICATIONS:

There are no privacy implications, official community plan or options to recommendation.

STRATEGIC PLAN:

Active and Caring Community **PUBLIC NOTICE:**

Public Notice pursuant to the Public Notice Bylaw No. 24 of 2015 is not required.

PRESENTATION: NONE**ATTACHMENT: N/A**

Written by: Jim Toye, City Manager

Approved by: City Manager