

# Tourism PRINCE GEORGE

Mayor Lyn Hall & City Council  
1100 Patricia Boulevard  
Prince George, BC  
V2L 3V9

April 22<sup>nd</sup>, 2020

Dear Mayor Hall and Council,

On behalf of the Board of Directors and staff of Tourism Prince George, thank you for the work that you are doing to protect and address the needs of residents during this unprecedented time.

As you are well aware, the Prince George visitor economy has been significantly impacted by the COVID-19 crisis. It is undeniable that all businesses in the accommodations, restaurant, retail, attraction, and tour operator sectors and many others have been impacted – many have closed, laid off staff or reduced operations to the bare minimum. In some cases, businesses are already on the verge of collapse.

Given the dire situation, we are writing to share some local information with you, along with what we have been learning from our colleagues elsewhere in BC and across Canada. The Tourism Industry Association of Canada, Tourism Industry Association of British Columbia, Destination British Columbia, Northern British Columbia Tourism Association, British Columbia Hotel Association, and others have been valuable sources of information about the impacts related to the global pandemic, the needs of our sector, and ideas around recovery and resiliency for the future.

The COVID-19 pandemic, and the extraordinary measures being taken to contain it, have delivered a direct and severe blow to many industries. However, tourism and hospitality has certainly been one of the hardest-hit. With all leisure and business travel now at a standstill, Prince George stands to lose almost \$18 million in economic impact during the March to July period – from the sport tourism and meetings/conventions sectors alone. During this same period, the city will lose more than 21,000 hotel room nights, an estimated 6440 non-resident delegate days, international exposure from events such as the World Women's Curling Championship, and rental revenue from facilities such as the CN Centre and the Prince George Conference and Civic Centre. The City is also a crucial partner towards the vibrancy of our local tourism and hospitality sector and has also been financially impacted from the pandemic.

Without customers and revenue, many local businesses do not have sufficient cash reserves to pay fixed costs such as rent and utilities. And while recently announced provincial and federal government measures will help, numerous tourism operators do not qualify for the programs or cannot participate for other reasons. Consequently, as determined from several recent surveys, as many as half of tourism businesses may never re-open without direct assistance from all levels of government.

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Recent cancelled events, conferences, and sport tournaments have led to a significant drop in hotel occupancy. Given the importance of the hotel tax in funding Tourism Prince George's operation, this has severely affected our budget and put our own organization's operations and staff levels in jeopardy. We have adjusted our budget projections to reflect over 65% of revenue loss and have therefore cut all marketing, promotional and sales activity for the rest of this year. We will not have any cash flow from the Municipal Revenue District Tax now until December or early January of 2021.

Due to lack of cash flow we are also still looking at operational savings and reductions to ensure we retain some structure to assist those tourism industry partners when recovery and resiliency efforts are underway. With regards to the operation of Tourism Prince George, our Visitor Centre has now been closed since March 16th. As part of our effort to reduce overall operating and marketing costs, we would appreciate an opportunity to work with the City to identify some possible savings.

Tourism Prince George and various sector partners as mentioned above are working diligently with the provincial and federal governments, and we are reaching out today with some suggestions on possible support for the small businesses that represent a large portion of the tourism industry:

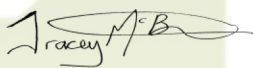
#### Recommendations for the overall business support:

1. Defer any property tax increases to 2021
2. Delay property tax payments until the fall and provide flexible payment options
3. Defer fees on various licenses or other municipal fee obligations
4. Streamline the regulation or permitting process to allow businesses to launch, re-open or potentially expand operations in future
5. Advocate for the needs of small businesses, especially tourism and hospitality enterprises, to the Province of British Columbia to support industry's efforts

Our goal is to once again see the Prince George visitor economy thrive for the benefit of both residents and visitors alike. In order to move forward, we ask you to consider these ideas and look forward to creative collaboration to identify meaningful measures and initiatives to help tourism operators through the current period of crisis and unpredictability.

Mayor and Council, thank you for your consideration. We will follow up with you by phone shortly to begin the process.

Sincerely,



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Chair, Tourism Prince George