

June 2016

- Cost: \$3.5 million Tourism Kelowna is responsible for raising or borrowing all the funds required to build the project. The City of Kelowna is not contributing funds towards the \$3.5 million cost to construct the building.
- The City of Kelowna retains ownership of the land and is supporting Tourism Kelowna through a lease, contingent upon successful rezoning application.
- The building will be set back from the water by 50' on all waterfront sides. This area will become new public space that expands and enhances public accessibility to waterfront sides of building and allows for the continuation of the waterfront walkway, which is currently bisected by a parking lot.
- The visitor centre will be carefully situated and designed to respect the Sawmill Community Trust Area commonly known as the Simpson Covenant
- This plan preserves the site as public land for public use as part of the Kerry Park redesign. It was Kelowna's original "point of welcome" as an historic ferry site and it will once again be used to welcome visitors and residents of Kelowna.
- The visitor centre will be open year round to serve visitors and residents as current pedestrian traffic along the Kelowna waterfront is measured at more than 440,000 people annually, that's over 1,200 people per day on average.
- Its design will utilize world-wide best practices to create a concept that attracts people and communicates Kelowna's sense of place and heritage. It will be designed for pedestrians and not vehicular traffic.
- It will be constructed with two floors resulting in a modest footprint allowing more open space around the proposed visitor centre.
 - 3,000 sq. ft. main floor to serve the visitors and residents alike.
 - The smaller, 2,000 sq. ft second floor will be home to Tourism Kelowna's marketing offices and a boardroom available for public rental.
- **Features include:**
 - Interactive and storyboard displays to educate visitors about Kelowna's heritage, the scope of attractions and encourage discovery of the destination
 - Personal trip counselling services
 - Sales area including souvenirs, branded merchandise, local artisan products, entertainment, attractions, tours, cultural events, and ticket sales
 - Special event rental space (boardroom and visitor centre)
 - Public washrooms
- It will complement the new marina, yacht club, park, and other downtown improvements adding a beautiful public amenity.
- It is an ideal location to be used as a marshalling and congregation area for festivals, events, and residents.

Benefit of Tourism to Kelowna*

- 1.5 million visitors annually
- 7,100 direct jobs
- \$176 million in direct wages
- \$279 million in visitor spending annually
- \$335 million direct GDP
- \$653 million in total direct economic output
- \$100 million in tax revenues generated

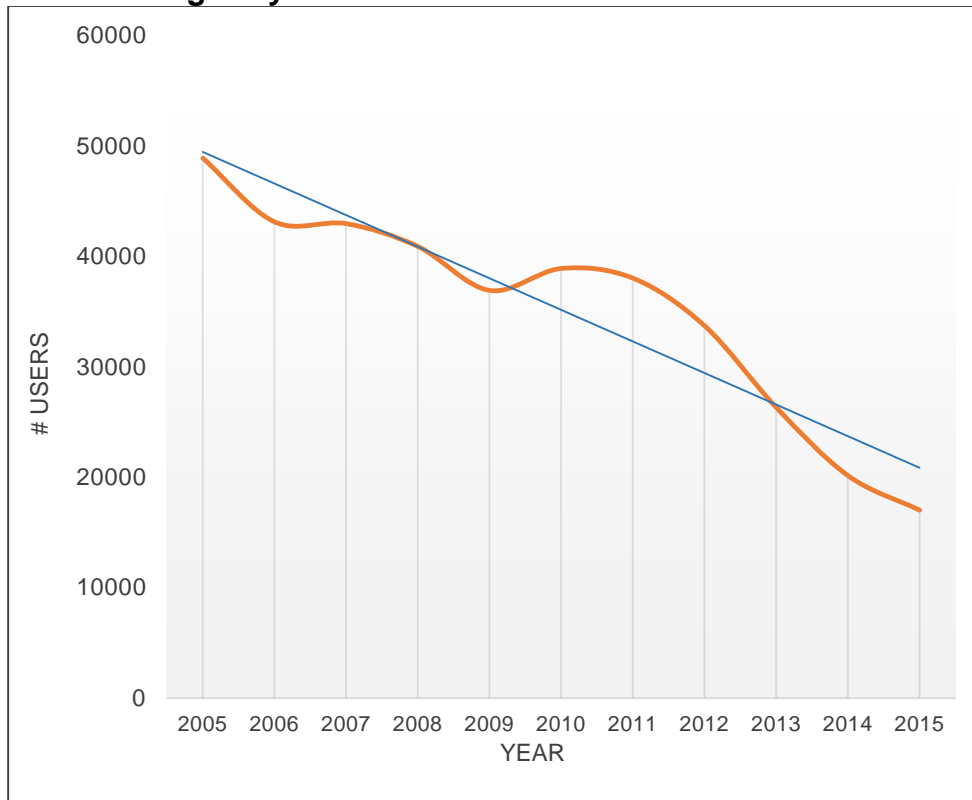
**Source: 2011 Economic Impact Study conducted by InterVistas Consulting Group*

The Business Case for a Relocated Visitor Centre

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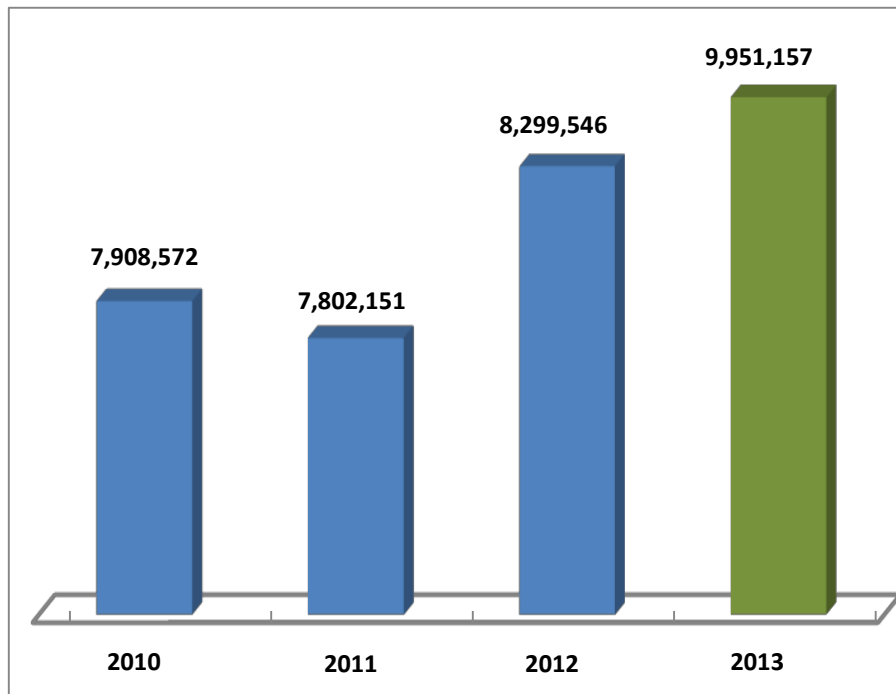
- The City of Kelowna has identified a new visitor centre as a Council Priority.
- A visitor centre allows destinations to put their best foot forward encouraging discovery and a deeper connection with the destination. Visitor centres provide a human touch to travellers coming to a new place.
- By providing ideas and tips when visitors need help the most, visitor centres increase visitor enjoyment, encouraging return trips and longer trips, and boost spending at local businesses.
- Over time, increased spending by visitors creates more jobs and higher tax revenues.
- Visitor centres are moving off highways and into busier pedestrian areas to provide better service to more visitors as the advent of GPS has made highway-based visitor centres obsolete.
- According to the benchmarking “2013 Visitor Information Centres Study” conducted by the Destination Marketing Association International, 78 per cent of visitor centres within Tourism Kelowna’s budget category have moved into downtown areas.
- Our visitor centre business model has to change. Usage in Kelowna is dropping rapidly (see chart below). This represents a large and growing missed economic opportunity.

Kelowna Highway Visitor Centre Users



- The Destination Marketing International Survey showed strong growth in walk-ins to visitor centres which are located in busier pedestrian areas (see chart below).

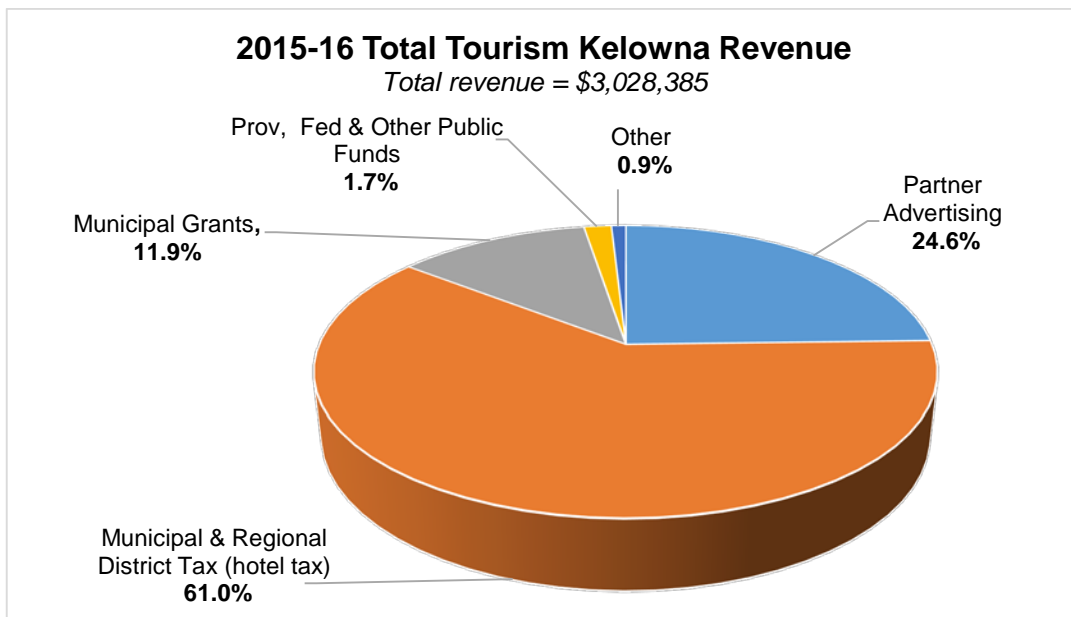
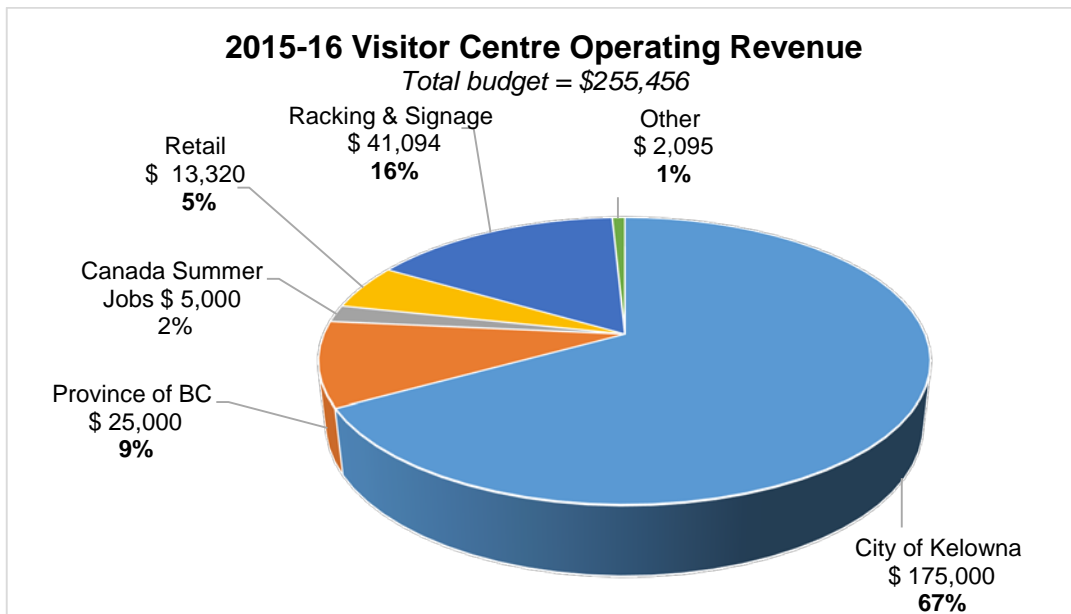
User Trends: Walk-ins to Visitor Centres



**Source: 2013 DMO Visitor Information Centers Study, Destination Marketing Association International, 284 Visitor Centre respondents*

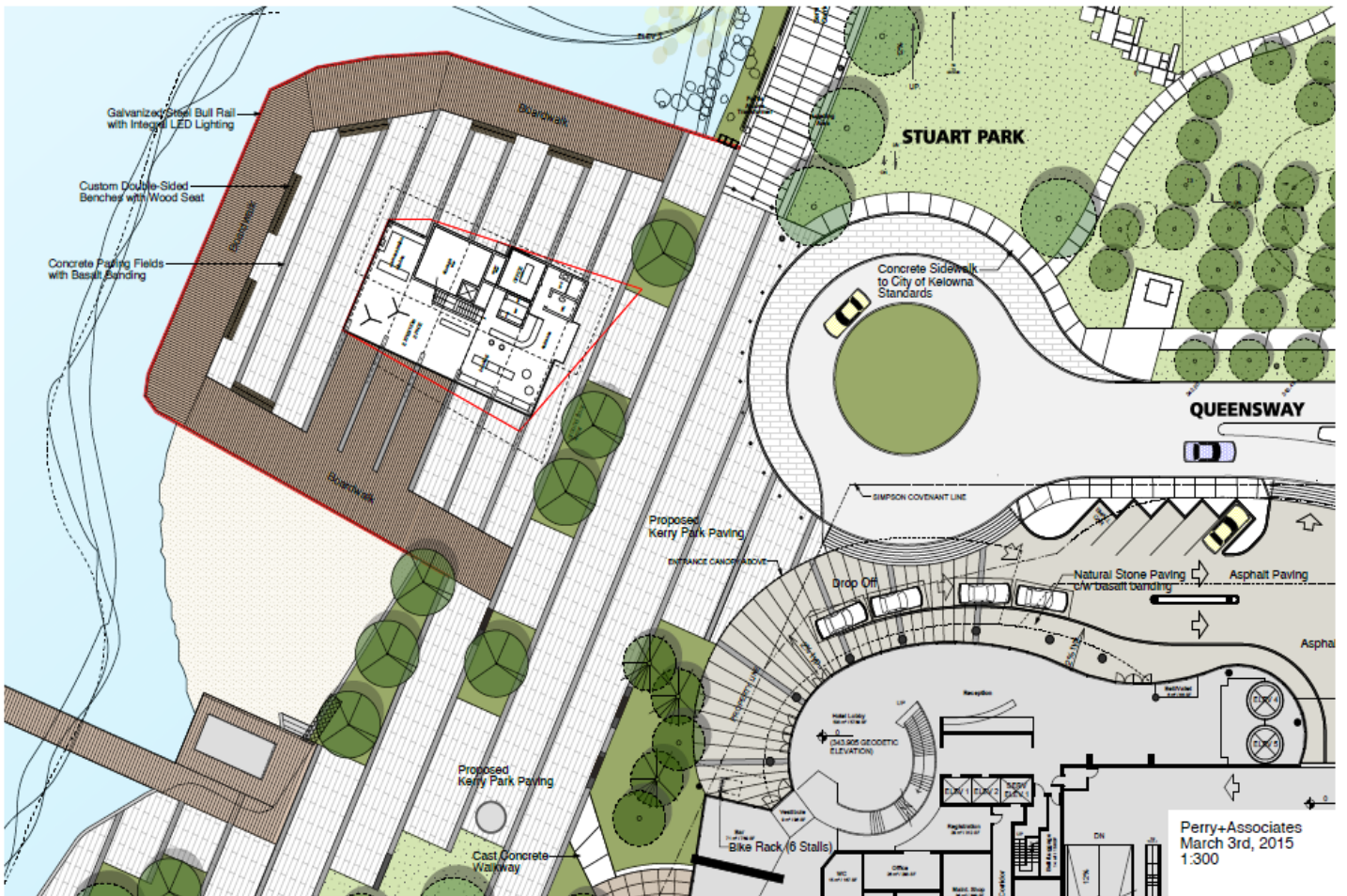
- Victoria's visitor centre, which has a downtown location comparable to the one proposed by Tourism Kelowna, had 350,000 visitors in 2014. Kelowna's visitor centre had 20,123 visitors.
- Current pedestrian traffic along the Kelowna waterfront is measured at more than 440,000 people annually, more than 1,200 people per day.
- Visitor centres are not just for tourists. If well-located, they also become a resource for residents entertaining visiting friends and family.

Municipal Function



Note:

1. All community-based Visitor Info Centres are operated as a civic function either directly by the Municipality or by another body that is appointed by the municipality as the service delivery organization (Economic Development, Chamber of Commerce, Destination Marketing Organizations). Core funding is provided by the municipality for the operation and this funding is leveraged by the organization through other channels to cover the full operational costs.
2. Destination Marketing functions in BC are funded through a Municipal Hotel Tax (MRDT). The municipality then designates the service delivery organization. In Kelowna's case this is Tourism Kelowna and the designation is formalized by way of a municipal bylaw.



1. 2014 - Preferences for tourist information centres in the ubiquitous information environment; Seong Ok Lyu & Hoon Lee, Division of Tourism, Dongseo University, Busan, Korea; School of Tourism, Hanyang University, Seoul, **Korea**

Key Findings: (note – Korea is a highly technologically-advanced and connected society)

- An important implication from our findings is that tourists are still open to visiting TICs to obtain various types of travel information despite the wide dissemination of alternative information technologies.
- This finding provides empirical evidence that younger Korean domestic tourists likely accustomed to utilising diverse mobile devices showed greater preferences for TIC visits than older people.
- Respondents herein were most in favour of visiting TICs constructed as self-contained structures, whereas they were least interested in visiting booth-styled TICs inside larger buildings (shopping centres, museums).
- Our respondents were likely eager to visit TICs in order to check the quality and reliability of travel information already acquired.
- While there exists remarkable progress in the field of information communication technology, this finding suggests that the conventional tourism facilities are still important promotional components that play a key role in determining tourist behaviours.
- Despite the advent of the ubiquitous information era, Xiang and Gretzel (2010) noted that a sizeable number of tourists disclosed significant dissatisfaction and confusion over travel information gained from Internet sources. Accordingly, we can infer that our respondents were likely eager to visit TICs in order to check the quality and reliability of travel information already acquired.

Summary: Tourists, particularly younger, connected ones, do not fully trust the quality and reliability of online information and so look for independent confirmation from a trusted source – the Visitor Information Centre. They have an important role now and in the future, and have a positive impact on visitors.

2. 2014 - The Future of Visitor Centres in **Western Australia**, 82 Western Australia Visitor Centre study participants

Key findings and implications for the future (those pertinent to this project listed):

- Visitors have very clear expectations about a visitor centre's role and the features they require.
- Visitor centres are an important engagement channel with a highly valuable segment of traveller.
- The true benefit of visitor centres to the local community can be significant but is not reflected in their profit and loss.
- The financial sustainability challenge will continue to grow.
- Staffing and providing consistent quality information to visitors is a challenge to visitor centres.
- Location plays a key role in overall visitation.
- A visitor centre is only part of the visitor servicing picture.
- Whatever extended roles are defined for visitor centres, the foundation expectation of visitors – to provide unbiased information and a professional service – must be met at all times.
- Any visitor centre strategy must include location as an explicit consideration, along with an understanding of the potential uplift benefits of high-visibility, high-footfall locations.
- Technology is unlikely to render visitor centres redundant, but it does present opportunities for new attraction, engagement and information provision channels if resourced and managed correctly.

- The National Visitor Survey shows the number of users rose from 10.5% of visitors (641,200) to 11.0% (723,700) in the year ended June 2013.

Visitor centres are an important engagement channel with a highly valuable segment of traveller

Although currently only 10% of domestic visitors use a visitor centre, those who do visit stay more than twice as long as those who don't. Based on average spend data, this group of visitor centre users represents nearly one quarter of the total spend in WA for domestic travellers.

Table 1 – Visitor Centre Users versus Non-Users Spend and Stay

User of VC	Non-user of VC
Average spend \$1,766	Average spend \$774
Average length of stay 14	Average length of stay 6

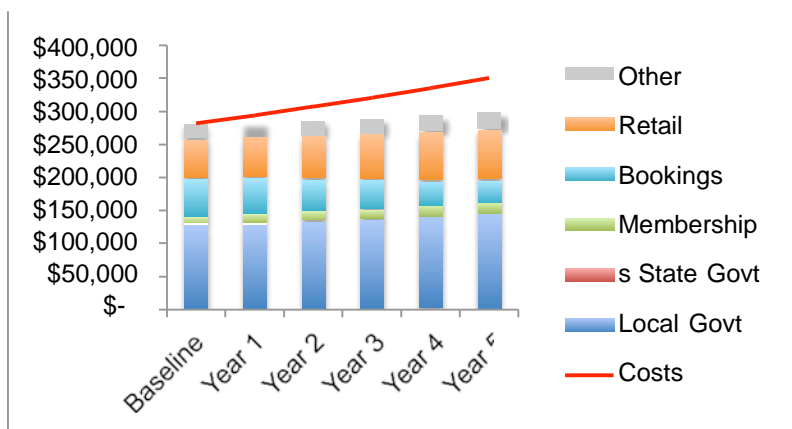
The financial sustainability challenge will continue to grow

It is highly challenging for visitor centres to establish any kind of financial sustainability. Many of the services they provide - and are expected to provide by visitors - cannot be charged for and the flow-on financial benefits exist outside their own profit and loss. Additionally, sustainability is not an absolute measure – a visitor centre could operate with no revenue but if all stakeholders see value in the operation and are prepared to fund it, then it can be considered sustainable.

Local governments are a major stakeholder in the financial sustainability of visitor's centres, representing approximately 40% of the total operating income of the visitor centres that provided funding estimates in the study. To supplement this valuable financial support, a range of non-government revenue sources are sought, including:

1. Membership fees
2. Visitor servicing income
 - Booking commissions
 - Merchandise
3. Non visitor servicing income
 - Managing attractions, café or shop
 - Ticketing
 - Conference room bookings
 - Holding events or hosting visiting groups to a town
 - Grants
 - Corporate sponsorship and donations
 - Production of a local directory
 - Licensing services

Average VC funding vs cost projection over 5 years



Location plays a key role in overall visitation

Through face-to-face interviews at visitor centres across the State, the observed variance in physical location was distinct, ranging from:

1. Major highway
2. Main street
3. Off main street, with approach signage
4. Off main street, without approach signage
5. Co-located with attraction
6. Co-located with community service – (e.g. library, CRC)

The location is critical to visitation. Anecdotal feedback based on visitor centres that have moved from off-main street to main street locations points to an almost immediate doubling of visitation. In this way, location selection and signage are equally powerful in driving visitation and must be considered as part of the strategic focus of each centre.

“Any visitor centre strategy must include location as an explicit consideration, along with an understanding of the potential uplift benefits of high-visibility, high-footfall locations.”

3. 2015 - Economic Impact Analysis of the i-SITE Network in New Zealand, Auckland Tourism, Events and Economic Development, **New Zealand** (Note: i-SITE is the branded name for New Zealand’s Information Centres)

Concluding Remarks:

“Tourism is one of New Zealand’s key sectors and the i-SITE network is an important component in this industry. ***The core benefit of i-SITEs is that they improve the visitor experience thereby unlocking spending.*** This spending creates a series flow on effects. Most of these effects are felt within at a regional level but due to interregional trade patterns, some effects and benefits are felt in other regions.

Despite the constraints of the modelling techniques used in this study and the issues encountered during the primary research phase, it is clear that the i-SITE network is making a positive economic contribution.

This research did not consider the non-monetary impacts of the i-SITEs and the network. These impacts may be substantial and could create wider economic effects arising from the social value of an i-SITE in a small community as it can be viewed as an important community facility. Other effects not included in this assessment include: the effects of future, return visits and the potential marketing value of i-SITEs. If these effects were to be included in the assessment it would, in all likelihood, increase the economic value of the i-SITE network.”

4. 2013 DMO Visitor Information Centers Study, Destination Marketing Association International, 284 **USA and Canada** respondents

Key Findings:

- As presented on Page 3 graph showing increase at Visitor Centres situated in high-visibility, high-footfall locations