

THE CORPORATION OF THE CITY OF VERNON



MINUTES OF THE TOURISM COMMISSION MEETING HELD WEDNESDAY, JULY 20, 2022 OKANAGAN LAKE ROOM - 8:00 AM

PRESENT: VOTING:

Claus Larsen, Accommodation Provider (Acting Chair)
Bobby Bissessar, Accommodation Provider
Brett Woods, Biking
Clara Snedden, Accommodation Provider
Councillor Durning (Appointed Member)
Gale Woodhouse, Arts & Culture
Janine Collard, Attractions
Kat Boloten, Accommodation Provider
Michael Van Horne, Golf
Peter Kaz, Marketing & Events, Downtown Vernon Association
Richard Rolke, Greater Vernon Chamber of Commerce
Vicki Proulx, Sports & Events
Clinton Bialas, Restaurant
Troy Hudson, Ski

ABSENT: Mayor Cumming
Dauna Kennedy, Arts & Culture

NON-VOTING:

Ian Jenkins, Silver Star Mountain Resort

GUEST OBSERVER:

Josh Welter, Sport & Culture Society of North Okanagan

STAFF: Jennifer Pounder, Committee Clerk
John Perrott, Manager, Economic Development & Tourism
Roy Nuriel, Planner, Economic Development
Torrie Silverthorn, Manager, Tourism
Tracy Mueller, Executive Assistant
Karen Savill, Visitor Services Coordinator

ORDER

The meeting was called to order at 8:00 AM.

**LAND
ACKNOWLEDGEMENT**

As Chair of the City of Vernon's Tourism Commission, and in the spirit of this gathering, I recognize the City of Vernon is located in the traditional territory of the Syilx people of the Okanagan Nation.

**ADOPTION OF THE
AGENDA**

Moved by **R. Rolke**, seconded by **T. Hudson**:

THAT the agenda of the July 20, 2022, Tourism Commission meeting be adopted:

CARRIED

**ADOPTION OF THE
MINUTES**

Moved by **M. Van Horne**, seconded by **Councillor Durning**:

THAT the minutes of the Tourism Commission meeting held June 15, 2022, be adopted.

CARRIED

NEW BUSINESS

**SHORT TERM
RENTAL
PRESENTATION**

R. Nuriel, Planner, Economic Development, T. Silverthorn, Manager, Tourism, and J. Perrott, Manager, Economic Development & Tourism were in attendance and provided a PowerPoint presentation overview of the proposed new Short-Term Rental (STR) Regulations.

- Council directed Administration to develop STR regulations at the meeting on June 27, 2022.
- STR's are primarily for tourists and visitors; bookings are generally handled through an online platform.
- In May 2020, the City conducted a public survey on short term rentals. Although the survey did not directly ask the public if they wanted to see regulation, there were many comments received expressing support for regulations.
- In terms of measuring the industry (and number of STR's in Vernon), a snapshot was taken from an intelligence platform called AIRDNA which pulls information / listings from both Airbnb, Inc., and Vacation Rentals by Owner (VRBO), which showed 274 STR operations in Vernon located all across the City.
- Although not every single STR operator within Vernon is registered with Airbnb and VRBO sites; they are the most

popular and it does give a reasonable snapshot of the STR activity within Vernon.

- Short Term Rentals (STR's) are a growth industry and they are only expected to expand in popularity in the years to come. Through regulation, there is an opportunity to guide how this growth will happen in Vernon.
- The City is currently proposing to add two new business licensing categories to Business Licensing Bylaw #5480 as follows:
 1. **STR Minor License** – applicable anywhere in the City, a portion of a residence would be allowed to have a STR. It must be the operator's principle residence and there must be a responsible person on site throughout the rental period (owner or designate).
 2. **STR Major License** – a higher degree of commercial operation, allowable only in the Hillside Residential District Development Permit area. In a major license an STR could be a portion or entire property, the key point is that a responsible person would have to be available at all times, does not need to be onsite but they need to be on call 24 hrs.
 - The proposed approach also includes amendments to Zoning Bylaw #5000 to allow short term rentals as a secondary use in appropriate zones.
- **Monitoring and Enforcement** – there should be good regulations and the capacity to enforce in a real way. The City envisions enforcing the new STR business license with incremental fines for noncompliance with the terms of the license and the Good Neighbour Bylaw. The City is exploring a clause where STR business licenses would not be renewed in situations of repeated noncompliance.

Raising application fees and fines can help to bring more revenue to the City and fund the cost of a more robust compliance program.

- **Public Consultation** - Staff noted that this information would be shared with the Tourism Commission and there will be more public engagement. It will go back to the August 15, 2022 Council meeting with proposed amendments.

The following comments / questions were posed by members of the Committee:

- The Committee inquired about other jurisdictions and how they are handling STRs. In response, staff noted that other municipalities are taking different approaches and some are not regulating STRs. Vernon is adopting the best practices of those who have.
- The Committee inquired if the current STR businesses in Vernon require a business license. Staff confirmed they do not.
- The Committee further inquired how the City will enforce taxation on these. Staff clarified that it is handled at the Provincial level. AirBNB pays at a provincial level.
- Concern was expressed by the Committee about the large piece of orange on the map and suggested this be further looked at, especially in residential areas.
- Staff confirmed the fee for STRs is yet to be determined. Minor will be lower than major.
- A question was posed regarding BC Assessment, taxes and insurance. Staff noted that the owners will need to be aware that another source of income involves advising the Canadian Revenue Agency.
- Staff noted that insurance requirements are not regulated by the City.
- It was discussed that provisions would be needed for safety, insurance, and other services that will be needed by operator to ensure compliance with their business license.
- The Committee inquired on what the impact will be of the proposed regulations on the community. Staff clarified there are a lot of units all over the province. There might be some initial pullback. The purpose of the policy is to reduce friction points for non-permitted uses. Should council approve the proposed regulations, there will be a grace period.

- Staff clarified that the main goal of the policy is to support housing in Vernon.
- Staff noted that in terms of fines, residents receiving fines under a STR license will have their license revoked if they are not compliant with the regulations.
- The Committee inquired as to any conversation on how to keep long term renters as part of phase one. Staff informed there will be tax exemptions considered and secondary suites encouraged in the hopes this will bring more rentals.

UNFINISHED BUSINESS:

MARKETING UPDATE

T. Silverthorn, Manager, Tourism presented an overview of the Marketing Update as follows:

- We have completed a large-scale photo shoot in the hopes of obtaining third party rights and creating a database that can be accessed by local businesses for free.
- The City has been receiving numerous requests from Interior Health for imagery to assist in recruiting staff to the area. Once the library has been compiled, photos will be made available to members of the Commission.

MRDT UPDATE

T. Silverthorn, Manager, Tourism, presented an overview on the Municipal and Regional District Tax (MRDT) as follows:

- We have received an updated notice for the MRDT for April, 2022. We netted \$84,729.77, which is a record setting month for Vernon.

NEW BUSINESS:

2023 BUDGET DISCUSSION

T. Silverthorn, Manager, Tourism, presented an overview on the 2023 Budget as follows:

- **Domestic vs. International markets:** Staff clarified Vernon is viewed as a domestic destination or short haul market, however being known as an International market is still on the radar for tourism staff.
- The City of Vernon received the following visitors in June of 2022 (*numbers are approximate*):

- 49,000 visitors who lived in British Columbia
 - 11,500 visitors from Alberta, and
 - 3,000 visitors from Ontario
- Staff recommended aligning budgetary spending with the above data, with the intent of also including an international component.
- The Committee expressed support for using Washington as a future trial market and also suggested Quebec as another potential target.
 - Staff noted that Destination B.C. in Kelowna is targeting Quebec, and that suggestion aligns with the trends.

INFORMATION ITEMS:

NEXT MEETING

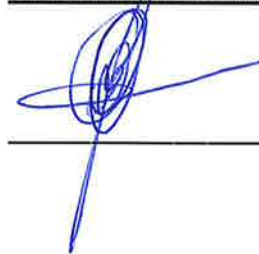
There will be no meeting in August, 2022.

The next meeting for the Tourism Commission is set for **Wednesday, September 21, 2022 at 8:00 AM, in the Okanagan Room (Council Chamber) at City Hall.**

ADJOURNMENT

The Tourism Commission meeting of July 20, 2022, was adjourned at the call of the Chair at **9:00 AM.**

CERTIFIED CORRECT:

A handwritten signature in blue ink, consisting of a large, stylized 'C' or 'S' shape with a horizontal line extending to the right.

Chair