

Region 12 and DMMO

Presentation

To Board of Sunset Country Travel
Association

Region 12

“A Unique World Destination”

1. Geologically Unique.
2. Our visitors are Unique.
3. Because of this uniqueness, U.S. visitors are willing to pay more.

KDCA/NWOTA

Recommendation #1

That a Region 12 be added, an area that mirrors the existing Sunset Country Travel Area.

KDCA/NWOTA

Action to date

- 1) Made recommendation to Mr. Sorbara on February 27th.
- 2) Asking for municipal support.
- 3) Asking for support from NOTO.
- 4) Will be traveling to Toronto to garner political support.

KDCA/NWOTA's

Recommendation #2

That Sunset Country Travel Association be
Region 12's DMMO.

Industry spending millions

- The tourism industry in SSCTA spends \$11.3 million/year marketing their individual businesses. (EIS 2001)
- We need major regional marketing effort to augment individual efforts.

Regional marketing is needed

Potential Midwestern US travelers to NW Ontario are being bombarded by many world destinations.

Canada and Ontario must take great strides to have a significant presence in our marketing area.

Who is targeting our guests?

Examples of Other communities and region's

Baudette Mn.	\$150,000
Ely Mn. (3%)	\$265,000*
Cook Cty Mn. (3@3%)	\$1,089,000*
Duluth Mn.	\$1,481,600*
Itasca Cty Mn. (3%)	\$262,000*
Koochiching Cty Mn. (3@3%)	\$164,000*

* NE Minnesota @ \$3,261,600

Destination Marketing

Examples of DMF income generated in some competing regions,

Wisconsin Dells **\$7.5m**

Branson Mo. **\$10m**

**And many other destinations
are targeting our customers**

Where we are

Sunset Country Travel Association
2008/2009 budget is about

\$350,000/yr.

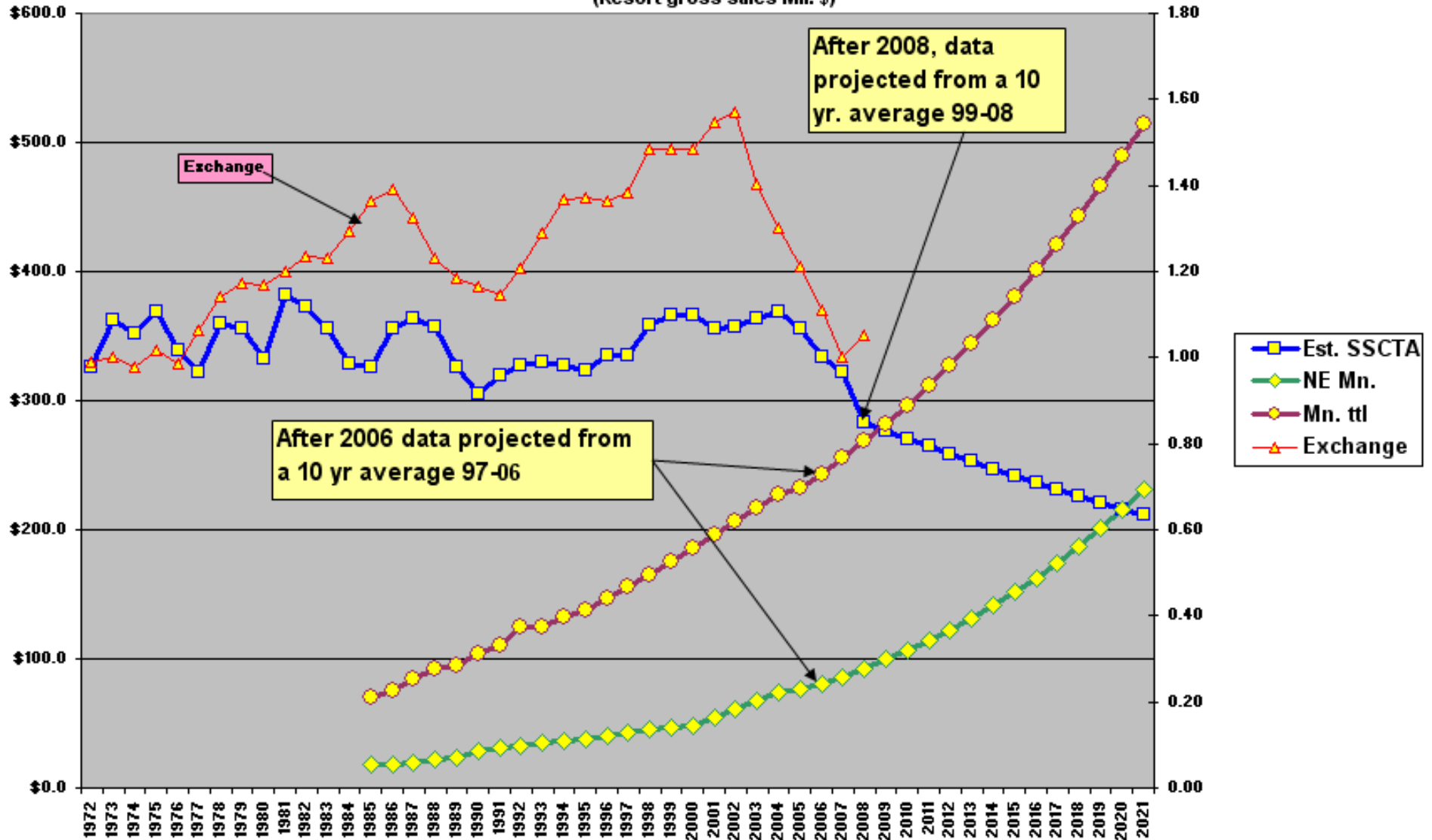
Comparison Minnesota and Ontario Tourism

Gross sales NE Minnesota counties vs border crossings US visitors into Ontario



Sunset Country TravelArea vs NE Minnesota

(Resort gross sales Mil. \$)



In addition

- **OTMPC starting in 2008**
 - \$1 million in Chicago for three years.
- **OTMPC in 2009**
 - \$1 million in Chicago two more years.
 - \$500k in Minneapolis for three years.

KDCA/NWOTA

Would like to suggest:

- 1) That SSCTA assume responsibility for DMF.
- 2) Be a strong advocate for the concept of DMF to promote tourism in Region 12.
- 3) Actively promote DMF to all accommodation businesses in Region 12.
- 4) Develop an incentive that promotes participation in DMF.
- 5) Work with other DMF organizations in Region 12 such as Kenora, to retain local efforts yet meet the regional objective.

Potential marketing fund for new Region 12

\$136,700,000 Rooms/Accommodation Rentals (2001 EIS, Exhibit 2-22 pg 22).
2.0% DMF fee on Accommodations, (NODMA rate).

\$2,734,000 Potential regional DMF fees available to promote Region 12.

Estimated DMMO revenue from Ontario

Ontario's 3% PST tax increase on July 1 2010

\$40,000,000	PST on accommodation from 5% to 8%
2.1%	Sunset Country expenditures ^{*1}
\$840,000	Our estimated share

^{*1} MTR 1999 expenditures by Travel Region.

Potential marketing fund for new Region 12

\$136,700,000	Rooms/Accommodation Rentals (2001 EIS, Exhibit 2-22 pg 22).
2.0%	DMF fee on Accommodations, (NODMA rate).
\$2,734,000	Potential regional DMF fees available to promote Region 12.
\$840,000	Estimated funding from the Ontario government
\$3,574,000	Potential regional marketing funds available promote Region 12.

In summary

KDCA/NWOTA is recommending

- 1) The formation of Region 12
- 2) That SSCTA be the DMMO for Region 12.

KDCA/NWOTA is also recommending

- 1) SSCTA assume responsibility of DMF.
- 2) SSCTA advocate DMF in Region 12.
- 3) SSCTA promote DMF in Region 12.
- 4) SSCTA develop incentives to promote participation.
- 5) SSCTA work with other DMFs to incorporate local effort into a regional effort.

Timing

- We would like to get an answer by this Friday, April 10th.
- We would like to be prepared to promote this at an upcoming liberal fund raiser in Fort Frances on the 16th.
- We would like to put this forward at the tentative Ministry of Tourism meeting on April 29th.
- We would like to take this to Toronto if needed.